OPERATING RAILROADS + PORTS, INTERMODAL FACILITIES, AND GOVERNMENT ENVIRONMENT

Formal issue 16#07A 15 July 2016

*Article unchanged from e-bulletin.
++Blue type in article: changes from e-bulletin.
Blue header & table of contents: new article

REGIONAL

FASTLANE GRANTS In the Atlantic Northeast*:
NYA-NYNJ - New York
Boston
Portland.

NEW YORK
NYA-NYNJ - New York: FASTLANE $10 million for upgrade in Brooklyn, 2nd track in Greenville NJ.*

QUEBEC & CONNECTICUT

[No report.]

MAINE
Maine road salt: Bids due for northern Maine.
Maine crude: None for May, but for June?
Pan Am: If paper mills switch to specialty paper, what effect?*
Pan Am: JB Hunt sets up sales office in Portland. More intermodal traffic to come?*
Eastport: Boats arrive, pulp departs. Steam cleaning the conveyer.*
Portland: FASTLANE $7.7 million for second intermodal track, second harbor crane, etc.*

MASSACHUSETTS
Pan Am: Everett update. Ciment Quebec #s up.
Pan Am: New England Transrail plans for a freight village, and 10,000 carloads, at the STB.*
Massachusetts salt: Contracts renewed, prices negotiated down. Map.

Boston: FASTLANE $42 million for better Conley terminal.

NEW HAMPSHIRE
Pan Am: More dirty dirt out of Milford.

PROVPORT, PW & Pan Am: An end for NH coal because the NHPUC approved sale of the plants.*

RHODE ISLAND
SVTC: More on the Seaview Railroad and its 12 customers.* Map.

Providence: More on how the $20 million bond will be spent, if voters approve. Map.

Quonset/Davisville: $90 million for Pier 2 rehab and constructing a third berth. Map.

VERMONT

VRS: Court decides that the salt terminal in Shelburne is pre-empted from pre-build requirements.*

MARITIMES
New Brunswick road salt: Cargill has contract.
Canso: Melford again signs SSA on as stevedore.

RAIL SHIPPERS/RECEIVERS
A cross-reference to companies mentioned here.

PEOPLE, POSITIONS, EVENTS
Ford Reiche.

GUEST EDITORIAL
Mt.Division could host Eimskip water move.

FROM THE PUBLISHER
Major port news this issue.
- Chop Hardenbergh Next formal issue 31 July.

REGIONAL

FASTLANE GRANTS: NYNJ, MASSPORT, PAN AM/PORTLAND*
On 14 March, USDOT asked for applications ‘for the Fostering Advancements in Shipping and Transportation for the Long-term Achievement of National Efficiencies (FASTLANE) grant program. The FASTLANE program is a new program in the Fixing America’s Surface Transportation (FAST) Act to fund critical freight and highway projects across the country. The FAST Act authorizes $800 million in funding for the FASTLANE program for fiscal year 2016, with 25% reserved for rural projects, and 10% for smaller projects. Applications were due 14 April, and USDOT, through local members of Congress, announced the selections on 1 July.

[Mini-editorial: A remarkably “fast” process!]
Pursuant to Section 1105 of the FAST Act, the Department is providing [a] list of proposed awards to the authorizing committees of jurisdiction. The list must remain with the committees for 60 days before issuing the awards. {USDOT letter to US House Committee on Transportation and Infrastructure 1.July.16}

THREE GRANTS IN ATLANTIC NORTHEAST DESCRIBED BELOW:
NYNJ, MASSPORT, PAN AM/PORTLAND

NEW YORK

NYNJ – NYA – CROSS HARBOR FASTLANE GRANT*
Note. In January, the cross-harbor float operated by NYNJ – and interchanging with NYA - received a recommendation from FHWA and PANYNJ as a Tier I preferred alternative to enhance freight access to New York. The parties will now proceed to Tier II. See #1.

In July, the cross-harbor float received a $10 million grant to enhance its operation. See #2.

1. FINAL ENVIRONMENTAL IMPACT STATEMENT TIER ONE
In January 2016, the FHWA and PANYNJ published the Tier 1 study final result. It ‘identifies two Preferred Alternatives (preferred transportation modes and alignments) with the appropriate level of detail for a corridor-level decision. The Preferred Alternatives—the Enhanced Railcar Float Alternative and the Rail Tunnel Alternative—will be subject to subsequent environmental review in Tier II. Tier II will include analyses based on engineering designs and site-specific environmental effects, development of site-specific mitigation measures, and cost estimates, as appropriate.’ {page 1}

Enhanced Railcar Float Alternative
This ‘would expand existing service between Greenville Yard in Jersey City and 65th Street Yard in Brooklyn with regular service at full operation and reestablish the operation to 51st Street Yard in Brooklyn, which was temporarily discontinued in the aftermath of Superstorm Sandy.†

‘With the Enhanced Railcar Float Alternative, the railcar float operation west-of-Hudson terminus would continue to be the Greenville Yard. Brooklyn yards (at 51st Street and 65th Street) would serve as the east-of-Hudson crossing termini for this Build Alternative via railcar float, allowing freight to be delivered to the terminus closest to the destination market and/or connecting freight rail lines.

‘Railcar float service between Greenville and the Bronx is not recommended for advancement to Tier II, based on the relative performance of the options considered as part of the Enhanced Railcar Float Alternative, as measured by their potential to divert freight.

‘Based on the diversion potential, implementation of both carload and intermodal service is

† In July 2012 the 65th Street float bridge rebuild was completed. Temporarily, the float bridge used the 51st Street Yard.
recommended. Supporting freight facilities needed to fully meet the demand for this Build Alternative would include Fresh Pond Yard, Maspeth Yard, Oak Point Yard, and existing and/or proposed facilities on Long Island.

‘The Enhanced Railcar Float Alternative was selected as a Preferred Alternative since it would make best use of the existing underutilized infrastructure and the existing freight facilities. While it would not provide as much long-term benefit as the Rail Tunnel Alternative or be sufficient to address the future regional freight movement challenges, it could more easily be designed and implemented. Furthermore, most of the rail system improvements, including improvements to freight facilities, which would be implemented as part of the Enhanced Railcar Float Alternative, would be beneficial and/or required for the operation of the Rail Tunnel Alternative.’ {page 3}

**Rail Tunnel Alternative**

This ‘would provide a rail crossing from Greenville to the Long Island Rail Road (LIRR) Bay Ridge Branch. The tunnel would be constructed to accommodate double-stacked container railcars and would allow for bi-directional service (double track). Yards at the Brooklyn waterfront [see 11#10B] would process carload freight. Maspeth Yard in Queens would process both intermodal and carload freight. Oak Point Yard in the Bronx would process carload freight destined to and from northern parts of New York City. A Long Island facility for processing carload, intermodal, and international container freight was assumed in the EIS.

‘The Rail Tunnel Alternative was selected as a Preferred Alternative, because as compared with other
Rail Tunnel Alternatives, it would:

- Have the least potential to result in localized impacts that could not be mitigated;
- Be the least costly;
- Be simpler to design and construct; and
- Require less land acquisition.

Furthermore, of the Rail Tunnel Alternatives, the Rail Tunnel Alternative without additional service, technology, or truck access received the most support and the least opposition from the public, and also received the most support from the cooperating agencies.’ {page 4}

An additional 28,000 carloads?

‘Market research, involving outreach to shippers throughout the region, as summarized in Appendix A, suggests that demand for the Enhanced Railcar Float Alternative will be approximately 2.8 million tons (in addition to the No Action), and demand for the Rail Tunnel Alternative will be 7.2 million to 9.6 million tons (in addition to the No Action), in 2035. {page 29}

‘Depending on the operating scenario, 91% to 93% of freight that would be carried by the Preferred Alternatives would be from modal shift of short-haul and long-haul truck trips to rail and rerouting of rail trips that use routes other than the Selkirk route.’ {page 30}

Opposition by CURES

The Civics United for Rail Environmental Solutions filed many comments on the EIS, to which the FHWA and PANYNJ responded in the Final EIS. One example is Comment 38:

‘Testimony indicates that the tunnel will create impassable bottlenecks at key locations: The FEIS defends a DEIS that churned out fatally flawed tunnel alternatives at public expense without understanding that that amount of traffic would create impassable bottlenecks at key locations. Jim Newell’s testimony in this regard was confirming.

‘Tunnel proponents assert the myth that there is a rail system east of Hudson that is not being used, as this comment to WNYC on October 12, 2015, by Congressman Nadler: “We have a rail system that was developed a century ago which is basically unused by freight. We should use it.”


Response. ‘The railroad network analysis in the EIS indicated that no new bottlenecks would be created in the regional rail network as a result of either of the Preferred Alternatives. As presented in the section on Regional Rail Network Effects (page 5-39), the Preferred Alternatives would have a minor effect on the Level-of-Service of the regional rail network compared to the No Action Alternative.

‘Parts of the east-of-Hudson rail system are underutilized, including the Bay Ridge Branch, a portion of Lower Montauk Branch, the Fremont Secondary Line, and the Bushwick Branch. Portions of the LIRR Main Line and New Haven Line north of the Bronx are expected to exceed their theoretical capacity in 2035 with or without the Preferred Alternatives, and would likely require improvements to accommodate additional capacity.’ {page 34}

2. FASTLANE GRANT FOR THE CROSS HARBOR

Project: Cross Harbor Freight Program
Applicant: Port Authority of New York and New Jersey
Proposed Grant Amount: $10,672,590
Project Justification. ‘The Port Authority of New York and New Jersey will be awarded $10,672,590 of a $17,787,650 project for intermodal rail improvements to help optimize the Port Authority’s railcar float system and thus reduce significant existing highway truck traffic in the area. The project includes two components.

‘First, as part of the 65th Street Yard Improvements, the project will extend the existing transloading dock, (increasing its capacity from 3 to 12 railcars), cover the transloading dock with a canopy to protect sensitive cargo from the elements, pave certain areas in the Yard for easier transloading, and install other improvements, including a truck weigh station.

‘Second, as part of the Port Jersey Division Second Track improvements, the project will double-track a portion of the Port Jersey Division of New York New Jersey Rail, LLC (“NYNJ”), currently a single-track freight line (known as the Port Jersey Lead Track) serving a series of local warehouses and distribution centers adjacent to Greenville Yard, build a second track along NYNJ’s Port Jersey Division, and shift the interchange of railcars for that line between Conrail and NYNJ out of Greenville Yard and onto the new second track.’

No money for Environmental Review. ‘The application included a Tier II Environmental Review and Preliminary Engineering component consisting of an environmental assessment for Enhanced Carfloat Service and an environmental impact statement for a Rail Tunnel Alternative [see above], but the proposed award does not include funding for that planning component.’

Project Evaluation. ‘In 2008, the Port Authority purchased NYNJ, operator of the last railcar float system in New York Harbor. This system moves freight in loaded railcars, via marine rail barge (carfloat), from Greenville Yard in Jersey City, New Jersey, to 65th Street Yard in Brooklyn, New York, and vice versa. The system has grown from less than 1,000 revenue cars annually to nearly 4,000.

‘The improved transloading facilities will facilitate more efficient carfloat service, making it more attractive to both shippers and receivers and generating economic outcomes through improved freight mobility. Adding a second track will reduce rail congestion within Greenville Yard. This project is expected to generate economic and mobility outcomes through reductions in highway truck traffic, resulting in travel time savings...’
for highway users in and around the New York/New Jersey area.’ [text from USDOT]

[See also 15#05B No right for NS to use D&H to NYC; NYNJ float #s. 15#04B East of Hudson task force on NS rights. 15#01B Float bridge numbers.]

MAINE

MAINE ROAD SALT 2016
6 July, Augusta. MDOT IS ASKING FOR BIDS FOR ROAD SALT FOR NORTHERN MAINE. Due date, 20 July. [See map of other Maine suppliers and price in 16#06B.]

The contract runs for one year, with two options to renew. The winning bidder will supply a total of 10,320 tons initial fill to 18 locations, and an estimated 19,660 tons over the course of the contract. [Maine website]

CRUDE TRANSPORT: AGAIN ZERO BUT?
Through the end of May, the Portland Pipe Line had moved no crude oil to Montreal this year. [e-mail from Melissa Morrill at Maine DEP 28.June.16]

However, in late June a ship was unloading at Portland Pipeline. The numbers should show up in the June report. Editor

CRUDE OIL THROUGH MAINE
(Source: Maine Department of Environmental Protection)

Note: All entities transporting crude must pay a per-barrel fee and report the number of barrels by the end of the month following the report.

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PAN AM: FATE OF THE PAPER TRAINS*
4 July. IF MAINE MILLS SWITCH TO PRODUCING LABELLING PAPER, WHAT HAPPENS TO RAIL TRAFFIC? The process has already begun with Verso [see 16#06A], Catalyst [see 16#04B] and Twin Rivers [see 16#06A].
Normal paper in decline; specialty growing
Lloyd Irland, Maine-based consultant to the industry, said the market for paper has contracted so much that even paper produced at productive, modern mills struggles to find a market. “It’s not a question of being competitive. People just aren’t buying it anymore.”

In a report for investors on its plans to emerge from bankruptcy court, Verso said the market for specialty papers was 26.9 million tons in 2015 and is expected to grow to 29.3 million tons by 2020. While that’s a relatively modest rate of growth, it runs counter to the downward trend for the industry as a whole. Verso said the U.S. paper industry is expected to continue to contract, with domestic demand declining about 10% by 2020.

Many mills may have to cobble together smaller contracts for specialty runs of paper. “It’s the only strategy” that offers a hope of survival, Irland said.

Those lines of paper, which include packaging papers, label papers and security papers, are a growing segment of the market. They are generally highly customized and designed for specific applications, rather than broader, mass-market products such as glossy magazine paper or newsprint. But that specific design and application is what makes those papers more profitable and more desirable for manufacturers. {Edward Murphy in Portland Press Herald 4.July.16}

Mini-editorial
If Maine mills switch to 'smaller contracts for specialty runs', that will put even more pressure on Maine railroads.

Pan Am serves Verso, Catalyst, and the two Sappi mills, and delivers Omya’s calcium carbonate slurry for paper filler. On 3 July Pan Am ran an Omya unit train from Vermont to Maine with 49 cars. {NERAIL e-list}.

Inbound slurry? ‘Calcium carbonate is used in specialty paper. If the mills were to convert to specialty paper production, there might be lessened calcium carbonate slurry usage. What I am told, but it is hard to say definitively at this point, is maybe 10 to 15% less, ultimately.’ {e-mail from Erik Bohn, director Logistics & Customer Service Americas for Omya, to ANR&P 5.July.16}

Sappi Hinckley gets some wood by rail, and sends out product by rail.

Outbound rail? You can bet that the specialty runs, being more valuable, will not move by rail out of the mills. Less inbound, less outbound equals bad news for Pan Am. Editor

PAN AM: MORE MAINE INTERMODAL?*
30 June, Lowell, Arkansas. JB HUNT WILL OPEN A SALES OFFICE IN PORTLAND, according to a press release this day, one of 36 across the country including one in San Antonio, Texas which also opened this day.

Senior Vice President of Transportation Eric McGee said, “Opening a new enterprise sales branch location is part of our ongoing effort to provide best-in-class supply chain solutions across the country.” {text of press release}

Since Pan Am serves the only two intermodal terminals now operating in Maine, in Portland and Waterville, which now serve only Poland Spring [see Portland], perhaps the sales effort can round up more intermodal customers? Editor

EASTPORT: BOAT CARGO*
17-18 June. THE STADIONGRACHT OFF-LOADED A 42-FOOT YACHT AND A 26-METER FEED BARGE off Eastport, using ship’s gear. The barge was built in Gydnia, Poland for Cooke Aquaculture’s farm at Black Island, south of Mount Desert Island.

The Star Isfjord loaded 6500 tonnes of woodpulp for Sweden on 12 June. In Bayside, the Eidsvaag Vinland unloaded salmon feed on 6 June.
Salt
The Port Authority reported the conveyor used to offload salt required nearly a week of steam-cleaning after the operation [see 16#06A]. Next time, the conveyor may receive a protective coating before use for salt. {Edward French in Quoddy Tides 24.June.16}

**PORTLAND: $7.7 MILLION FASTLANE GRANT**

Project: Maine Intermodal Port Productivity.
Recipient: Maine Department of Transportation
Location (type): Portland, Maine, Rural (Small Project)
Proposed Grant Amount: $7,719,173

Project Justification. ‘The Maine Department of Transportation will be awarded $7,719,173 [see Regional] towards a $15,438,347 project to provide infrastructure improvements, equipment, and technology investments for the Port of Portland. Currently, cargo is offloaded at Canadian ports and transshipped to the U.S. via truck, causing highway congestion.

‘Improvements to the Port of Portland consist of:
1) removing existing maintenance facility and infill of the wharf;
2) installing new mobile harbor crane and other cargo handling equipment;
3) constructing a highway and rail crossing upgrade; and
4) building a terminal operations and maintenance center.

‘We estimate approximately $7,122,485 of this project will count toward the five-year $500 million limit for freight rail, port, and intermodal projects, as established in 23 U.S.C. 117(d)(2).

Project Evaluation. ‘By addressing the capacity and infrastructure needs at the Port of Portland, the project will improve freight mobility and relieve highway congestion between Portland and Canadian Ports. Containers brought directly to Portland for U.S. consumption will minimize interstate highway miles and reduce congestion at border crossings. This project will reduce traffic on I-95, highway maintenance requirements, and possible truck-crash related injuries. Capacity and state of good repair improvements for the railroads at the port and the rail line serving the port allow for expansion of intermodal service by rail.’ {text from USDOT}

**EXCERPTS FROM APPLICATION**

‘Now Portland is a viable and thriving alternative for customers both importing and exporting product by vessel. From only 227 containers shipped in all of 2012, the Port has grown to just shy of 7,000 containers in 2015 with line-of-sight growth targets to exceed 50,000 containers by 2020. This is through growth primarily with existing customer Eimskip, near-term future customer Americold and a new customer where service could begin as early as 2016 [Poland Spring].’ {page 6} Scheduled completion June 2018.

**Second track**
This Project will ‘construct a second 750-ft track so containers can be loaded and unloaded on each track and built into a full train, alleviating congestion. Again targeting the greatest efficiency possible, this siding will be built along the concrete loading slab which will allow the building of multiple trains during one mobilization of
and the other for loaded containers going outbound from the Port.

‘A 1,100-foot “run-around” track will be constructed so a train can be pulled straight into the Port in lieu of being shoved in. This provides for greater efficiency and greater safety as a trainman no longer has to ride the leading end of a shoving movement on a railcar as the protection for the move will now be provided by the engineer in the cab of the locomotive. Three total crossovers will be installed to again realize the greatest efficiency gains possible. New track components will be designed to the latest AREMA standards complete with free-draining subbase gravels, sub-ballast, stone ballast, hardwood ties, and jointed 115-pound rail. Five new turnouts will be included in the design to link the new track with the existing track and allow greater flexibility when building trains. The port authority has recently acquired a new trackmobile to facilitate these movements.’ {page 9}
Pan Am match
The portion of the Project on Pan Am Railway (the wye track) is $1.46 million and they are committed to a $0.49 million private match. {page 13}

Cold storage warehouse
‘The 150,000 sq. ft. modern cold storage warehouse [see 16#06B] will be designed, constructed and funded by Americold and will hold up to 15,000 pallets of goods. The modern facility will use Freon to cool the warehouse, versus currently outdated ammonia based cooling systems to be more efficient and environmentally friendly. Additionally, the new facility will utilize robotics and specify cooler temperatures in separate areas to accommodate a variety of products. Construction is set to start in the fourth quarter of 2016 and scheduled to be completed by the third quarter in 2017.’ {page 19}

Short-sea shipping
‘McAllister Towing & Transportation of New York City was selected as the private sector partner in May 2013 and later in that year both vessel design and service design for the sea barge service was completed. This past May a Northbound Market Analysis was completed in and showed the potential to make this service a reality. The IMT [International Marine Terminal] at the Port of Portland is the northern terminus for the NEMHP [New England Marine Highway Project] service. In 2016, one of the major customers of the [intermodal terminal at the IMT] [Poland Spring] began moving freight in containers south from the terminal by rail. It is anticipated that this customer also will be a significant customer on the NEMHP service that will result in nearly 25,000 containers shipped by sea barge and avoiding I-95 between 2018 and 2020, preventing some 7.7 million highway miles. {page 24}

Letters of support
Nestle Waters North America, LL Bean, Bristol Seafood, Sazerac*, Pan Am Railways, Eimskip, RC Moore*, Palco Air Cargo. {page 26} {application on MDOT website}
*Sazerac owns Boston Brands which operates a liquid transload in Auburn on the SLR. See 14#05B.
RC Moore operates a trucking, warehousing, and brokerage business out of Portland and Auburn. {website}

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One official at the Port of Portland confirmed that Poland Spring containers will become a customer of the short-sea service. {ANR&P interview June.16}
MASSACHUSETTS

PAN AM: EVERETT UPDATE

27 June, Everett. PAN AM REVIVED THE SWITCHING LOCAL BO-1 AND STATIONED A LOCOMOTIVE HERE. According to a source close to the railroad, 'BO-1 goes way back to B&M, GTI & GRS until GRS had everything based in Lawrence. BO-1 in its last incarnation basically did what LA-4 does today...including' serving Salem and Peabody. {e-mail to ANR&P 20.May.16}

According to the Boston Report, published daily on the e-list GuilfordRailSightings, BO-1 runs to Somerville to pick up cars for Everett, Salem, and Peabody. It operates as far as Peabody to switch Rousselot [see 16#06B]. {GuilfordRailSightings}

Schnitzer Steel

An official report filed by Schnitzer, required as a result of its settlement with the Massachusetts Department of Environmental Protection, shows that in 2015 the facility received 500,372 tons of scrap metal, and 11,843 tons of non-ferrous residue.

From that tonnage, it generated 162,614 tons of Propat. This was used as daily cover. {report obtained by public records requested and provided on 30 June 2016}
Car count. If all the scrap arrived via 100-ton railcar, Schnitzer would have handled 5000 cars in 2015. The Boston Report however, indicates about 75 a month [see 16#05A], or 900 a year. Thus more than 80% of the inbound scrap arrives by truck. Editor

One local observer reported that ‘three or four local scrap dealers truck’ to the yard. ‘The reality is that a good amount of that [inbound] scrap will never go by rail.’ {e-mail to ANR&P 13.July.16}

Ciment Quebec
Tom O’Neill, general manager of the Everett and the Bow, New Hampshire facility, wrote on 28 June that Ciment Quebec is hosting the locomotive for BO-1. Also, CQ may now access the main line to move cars between its two spurs. {e-mail to ANR&P}

On 13 July, he added that the undercar ‘conveyor is functional [see 16#05A]. Working on improving unloading times.... while the [Pan Am] crew is based out of here, and generally here five days a week, we are being switched Monday, Wednesday, and Friday. The other two days they go to Salem/Peabody.

Given that our Track capacity has grown to 20+ cars, their current level of service is just right.’ {e-mail to ANR&P 13.July.16}

Two facilities not (yet) using rail

SPS New England, a heavy highway and bridge construction firm located in Salisbury, Massachusetts, has a facility in Everett next to Ciment Quebec.

It could use rail to receive steel, but, wrote Jim Roncone who handles estimating for SPS on 12 July, it ‘does not see any advantage at this time’ to rail. {e-mail to ANR&P}

Wynn Casino, which is building a casino on the waterfront in Everett on vacant land [see map], has to remediate the site. However, a lawsuit by the City of Somerville has halted work on the project. Thus, any hauling of the dirty dirt by rail awaits future events. Editor

PAN AM: NET PLANS NOW CLEAR*
24 June, Wilmington-Woburn. NEW ENGLAND TRANSRAIL FILED A NEW, DETAILED PROPOSAL TO OPERATE A FREIGHT VILLAGE HERE, HANDLING 10,000 RAILCARS A YEAR.

The STB required a new filing of the petition for exemption to operate a tiny railroad because so much time had passed (11 years) since the original petition proposed that NET operate [see 16#05B].

The owners
The filing states NET is minority-owned: The four owners of NET are Robert W. Jones III, Ronald A. Klempner, Jack Lyon, and Carl Jones. Each owns a 25% interest in NET. {footnote page 3}

The property and rail service
NET has an option to purchase 32 acres from the Olin Corporation. It will lease 2.5 acres adjoining from Pan Am ‘for conversion into a rail interchange yard, including rehabilitation of existing track and switches and construction of additional tracks and switches. The Project will be able to receive service from Pan Am and Pan Am Southern ("PAS"), a joint venture between Pan Am and Norfolk Southern Railroad ("NS").’ {page 4}

Note: The import of this statement appears incorrect. PAS territory ends at Ayer [see official Pan Am map]. PAS ownership does not extend past CPF 312. Only Pan Am trains will serve NET, though possibly they would be moving NET traffic in haulage for PAS. Editor

The railroad
‘Doing business under the trade name of the Wilmington & Woburn Terminal Railway, NET will own and
operate all of the rail lines and the rail-related facilities. It is anticipated that NET's annual revenues will be less than $5 million.‘ {page 4}

The freight village
‘The Project will consist of three basic areas:

(1) The Northeast corner of the facility, which will contain tracks to unload center-beam and bulkhead flat cars to be transloaded onto trucks within a covered warehouse structure;

Handling. ‘In the Northeast Corner Area, lumber, scrap steel, wallboard, wood products and intermodal containers.’ {page 8}

(2) The Center of the facility, which will contain interchange and transloading tracks allowing the unloading of tank and hopper cars;

Handling. ‘In the Center area, corn syrup, glycols (de-icers) vegetable oils, plastics, biofuels, and natural gas liquids customarily transported in tank cars, and sand and gravel, salt, plastic pellets and woodchips customarily transported in hopper cars. {page 9}

(3) The West side of the facility, which will contain interchange tracks and transloading tracks allowing the
Exhibit E consists of a comprehensive Site Plan showing track and building locations. The area labeled "Phase II Proposed Warehouse" will be part of the cross-dock warehouse but will be built only after the main part of the warehouse (see area labeled "Proposed Warehouse") is constructed. EP A has determined the final remediation measures for the so-called Containment Area, and following EP A approval of NET's plans.
unloading of box cars into a cross-dock warehouse.

Handling. ‘In the cross-dock warehouse, brick, newsprint, paper products, recycled paper, steel, and any products transported on pallets or bags that are customarily carried in box cars (i.e., from canned goods, refrigerated goods, and bagged foodstuffs to hardware, car parts and electronics).’ {page 8}

‘Here is a complete list of the construction activities that will take place at the contemplated Facility:

- 10,838’ of new and rehabilitated track, adding to the 5727’ of existing track to be acquired
- 1 mainline #10 MBTA turnout;
- 23 Industry #8 turnouts;
- 12 Bumping posts;
- 6 HB Derails;
- Repair to the paving at the existing railroad crossings at Eames Street in the vicinity of the site;
- 65,000 square feet of at-grade warehouse with an enclosed truck loading area;
- 240,000 square feet of building (built in phases) as a cross-dock/warehouse transloading facility (60,000 of which would be temperature controlled) for palleted and bagged products transloading from railcars to trucks;
- 1,135,000 square feet of paving for driveways for trucks to access the transloading buildings;
- Two truck scales and a rail scale to weigh trucks and railcars for purposes of billing and determine railcar loadings so as not to exceed rail load limitations;
- Site work, storm water control and utilities related to the foregoing;
- Transload racks, pumps and piping for transloading liquid materials;
- Storage tanks for liquid materials; and
- Water tanks for fire, safety and cleaning requirements. ...
‘In addition, NET will acquire and operate several switch engine locomotives and track mobiles, and miscellaneous rail maintenance equipment and transloading equipment (such as fork lifts, container loaders, portable pumps and covered hoppers).’ {page 6}

**Rail access**

‘Rail cars for the East side and Center of the Facility will enter directly from the MBTA tracks to the East of the Facility, and rail cars for the West side of the Facility will enter from the rehabilitated and relocated Boston & Maine tracks and switch on the West side of the Facility.’

**No solid waste – no non-transportation**

‘[U]nlke as stated in the previous version of the Petition, NET will not operate a municipal solid waste transfer station at the facility. ...

‘There will be no manufacturing conducted at the Facility, nor will any of the commodities handled by NET be processed or changed in character or nature via any biological, chemical or thermal activity at the Facility. All activities to be conducted will be essential to the rail transportation process, at one end of the rail network distribution chain.’ {9}

**Transportation benefits**

The filing noted that ‘freight rail yards serving the region have been displaced and replaced by freight rail yards located considerable distances further from the center of the Boston metro area--particularly the Near-North and [northeast] sections of the Boston metro area. Pan Am closed its Somerville Yard directly opposite downtown Boston, and moved much of its operations almost 45 road miles away to Ayer, Massachusetts, and CSXT closed its Beacon Yard in Boston and moved much of their operations about 45 road miles to the west in Worcester, Massachusetts.

‘Existing freight rail lines serve older buildings that are not suited for modern efficient logistics operations or locations that lack the configuration or space to efficiently serve tank car transloading operations. The few existing buildings that are suitable for rail service have rapidly filled to capacity.

‘At the same time, there have been considerable improvements and upgrades to rail infrastructure and service running into the region. For example, PAS with the support of NS has invested over $100 million to upgrade rail lines, bridges and tunnels leading from Mechanicville, NY to Ayer, Massachusetts, and Pan Am has invested tens of millions in new equipment and personnel to improve service. (Verified Statement of Frank S. DeMasi, appended as Exhibit G, 7.) {page 13}

‘As a result of these trends, there has been a considerable increase in demand for rail service in the region following a counterproductive decrease in rail transloading capacity closer to the center of the Boston metropolitan area. In fact, there is no active cross-dock refrigerated terminal along the entire PAS line, and despite having invested considerable sums through PAS to improve rail freight service along northern Massachusetts, NS lacks a designated cross-dock transloading terminal in the Boston metropolitan area.

[Note: The existence of the two Tighe facilities on Pan Am in Winchester and Woburn would seem to contradict that – see 16#03A. Editor]

‘The NET Facility will add rail transloading capacity close to the center of the Boston metropolitan area (14 road miles) and a short distance (2 road miles) to entrances/exits of two intersecting interstate highways (I-93, the north/south interstate leading into downtown Boston; and I-95 the inner beltway around Boston). This will greatly lower freight delivery costs to local businesses and distributors.

‘In addition, by being able to accept over 60 cars at a time, the NET Facility will serve as a transloading terminal close to the center of the Boston metropolitan area for "manifest" or express train services which require delivery of a large block of cars at one time. Consequently, the Facility will allow for lower rail rates and improved service scheduling, for those customers which can utilize such service, into the Boston metropolitan area.’ {page 14}
Number of railcars
The text claimed ‘ability to eliminate over 5 million truck miles annually.’ The footnote to that sentence stated:

‘This figure is based on the assumption that the Facility will receive an average of 30 cars per day which will displace an average of 4 trucks per car travelling from the NY border along I-90 (which would be the shortest route through New England to the Facility). {Ron Klempner affidavit, page 3}

[30 cars per day * 365 days per year = more than 10,000 cars annually. Editor]

{STB website, filings page, Finance Docket No. 34797, Sub Docket 1}

MASSACHUSETTS ROAD SALT

12 July, Boston. ‘THE COMMONWEALTH RENEWED VEH95 WITH ALL 4 VENDORS (CARGILL, EASTERN, GRANITE, AND MORTON). Pricing has been negotiated down,’ wrote Stephen Lyons | deputy strategic sourcing lead, Operational Services Division for Massachusetts.

The website notes ‘Contract Duration: 9/1/2015 to 8/31/2016 Options to renew: Annually through 8/31/2019.’ {e-mail to ANR&P}

[See map for prices and suppliers.]
BOSTON: MASSPORT $42 MILLION FROM FASTLANE*

Project: Conley Terminal Intermodal Improvements and Modernization
Awardee: Massachusetts Port Authority
Location, type: Boston, Massachusetts, Urban
Proposed Grant Amount: $42,000,000

Project Justification. The Massachusetts Port Authority will be awarded $42,000,000 [see Regional] of a $102,890,000 project to improve the facilities and structures of the Paul W. Conley Terminal in the Port of Boston.

‘Elements of the project include:
1. Deepening, strengthening and repairs to Berth 11;
2. Constructing Berth 12 fender improvements and backland pavement;
3. Implementing refrigerated container storage improvements; and
4. Building new gate facilities.

‘These improvements are needed to accommodate larger vessels visiting the port as a result of worldwide expansion of freight movement and ocean carriers maximizing the efficiency of their trade routes. We estimate approximately $42,000,000 of this project will count toward the five-year $500 million limit for freight rail, port, and intermodal projects, as established in 23 U.S.C. 117(d)(2).

Project Evaluation. ‘Over the past several years, the size of the container vessels calling upon the Port of Boston has grown from 2100-5100 TEU vessels to vessels carrying over 8000 TEUs [see below].

‘Because these larger vessels require more substantial berthing facilities, the Conley terminal is undergoing greater stress with each vessel visit. The current facility has outlived its useful life and is in need of total refurbishment. It is expected that vessels visiting the terminal will increase in size more than 150% between now and 2019.

‘The Conley Terminal Project will generate economic and mobility outcomes throughout the region. It will improve the movement of goods by enhancing the state of good repair for existing port infrastructure, eliminating unnecessary trips on severely congested sections of I-95, and enhancing the resiliency of the largest container terminal in New England.

‘The deepening of the berths will improve safety for the vessels in the port and provide the required margin of safety for operation without the risk of grounding. Optimizing current and future freight movements will help Conley serve as a viable resource for global container shipments, positively affecting traffic congestion and emissions throughout the Northeast. {text from USDOT}

The need: 8500-TEU ships
On 3 April 2016, the 8500-TEU COSCO/CSCL (China Ocean Shipping Company/China Shipping Container Lines) Africa called Conley in a test of larger ships. Typically, the ships that dock at the Conley Terminal are far smaller. The ship successfully docked and serviced, passing all tests.

The testing was necessary because of the terminal’s proximity to Logan Airport, and the lower profile of the gantry cranes at Conley. Their low profile combined with the depth of the channels, the size of the vessel, and its arrival during high tides, made unloading at Conley Terminal a challenge under these conditions because the terminal’s cranes do not have access to reach every container. Even though this was a successful test, the Port of Boston could better service larger ships with deeper channels. {OCEANAIR website, undated}

No dredging yet
Massport has secured federal and state funding for a dredging project that is expected to cost more than $300 million to allow larger ships to enter the Conley Terminal, but like many other ports with similar projects, the federal money has not been distributed. Until that happens, carriers are trying to see how far they can push and
how big a ship they can dock at the terminal, Massport CEO Thomas Glynn said. “We view this as pressure in
the marketplace to see what they can get on the East Coast ports while we’re waiting for dredging.” {Jordan
Graham in Boston Herald cited in Transport Topics}

NEW HAMPSHIRE

PAN AM: MORE DIRTY DIRT
11 July, Milford. PAN AM CONTINUED TO MOVE CONTAINERS OF DIRTY DIRT FOR GENERAL
ELECTRIC, which is remediating the Fletcher Paint site here [see 16#04B]:


February 2016. Elm Street: loaded 30 intermodal containers of TSCA soils (including Elm Street Area TSCA
pile and USTs) and 6 trailers of non-TSCA soils (includes Elm Street Area non-TSCA pile).

March 2016. 41 loads (approximately 902 tons) of TSCA materials were sent to the Heritage disposal facility in
Roachdale, Indiana. {text of Monthly Reports}

April 2016. One hundred twenty-four (124) loads (approximately 2,278 tons) of materials regulated under the
Toxic Substances Control Act (TSCA) were sent to the Heritage disposal facility in Roachdale, Indiana.
Eighteen (18) loads (approximately 375 tons) of non-TSCA materials were sent offsite to the Waste
Management Turnkey Landfill in Rochester, New Hampshire.

May 2016. ‘Forty-five (45) loads (approximately 990 tons) of materials regulated under the Toxic Substances
Control Act (TSCA) were sent to the Heritage disposal facility in Roachdale, Indiana during May 2016. As of
May 31, 152 loads (approximately 3,344 tons) have been transported offsite from the Mill Street Area.’

June 2016. ‘Sixty-nine (69) loads (approximately 1,518 tons) of materials regulated under the Toxic Substances
Control Act (TSCA) were sent to the Heritage disposal facility in Roachdale, Indiana during June 2016. As of
June 30, 221 loads (approximately 4,862 tons) have been transported offsite from the Mill Street Area.’

‘Sixty-three (63) loads (approximately 600 tons) of non-TSCA material was sent off site to the Waste
Management Turnkey Landfill in Rochester, New Hampshire during June 2016. As of June 30, 38 loads
(approximately 900 tons) have been transported offsite from the Mill Street Area.’ {text of monthly reports on
New Hampshire Department of Environmental Services website}

PROVPORT, PW & PAN AM: AN END FOR NH COAL*
1 July, Concord. THE NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION APPROVED A SALE OF
THE BOW POWER PLANT AND OTHERS by their owner, Eversource (formerly Public Service of New
Hampshire, owned by Northeast Utilities3).

Recovering the cost of the scrubber the final hurdle
In 2009, Eversource invested $450 million to build a limestone-based scrubbing system to clean emissions, to
prolong the life of the plant. Th PUC and Eversource decided to avoid a court battle, and to settle who should
bear the cost of the scrubber, which was required if Bow was to continue to operate.

Eversource agreed to write off $25 million, and to recover the rest by a rate increase from its customers.

3 In 2012, Northeast Utilities and its operating companies Connecticut Light & Power, Public Service of New Hampshire, Western Massachusetts
Electric and Yankee Gas merged with NSTAR Electric & Gas to better serve New England as ‘Eversource’. {website}
Now to sell the plants
With that settled, the PUC permitted Eversource to divest its New Hampshire generating stations:

- Bow (coal-fired – coal and limestone arrive by rail)
- Schiller 1 (coal-fired – coal arrives by sea)
- Schiller 2 (coal-fired – coal arrives by sea)
- Schiller 3 (biomass-fired)
- Newington (oil or natural gas)

Observers agree that buyers of the coal-fired plants will convert them to natural gas/oil. If not purchased, the settlement provides a decommissioning procedure.

The last coal-fired plants
Bow and Schiller are two of the last four coal-fired power plants in New England. Brayton Point in Somerset, Massachusetts will shut in 2017; Bridgeport Harbor in Connecticut will convert to natural gas by 2019. The latter two receive coal by lightering or by barge. {David Solomon in New Hampshire Union Leader 4.July.16}

The effect on ports and railroads
Currently, Provport is the only marine terminal affected. It receives and stores limestone from Canada, delivering it via rail when needed by Bow.

Chris Waterson, general manager, wrote: ‘Yes we have been expecting both limestone and coal throughput to decrease as these plants either convert or shut down. We didn’t receive any new limestone in 2015, and serviced the plant from the existing storage pile. Currently we only have coal for Bridgeport and limestone for Bow.’ {e-mail to ANR&P 5.July.16}

PW and Pan Am move the limestone to Bow. Pan Am and NS operate the unit coal trains from Appalachia to Bow. {editor}

The most recent train arrived in Altoona, Pennsylvania, on 27 June, left Binghamton on 30 June, and reached Bow on 1 July. {GuilfordRailSightings e-list}

RHODE ISLAND

SVTC: AN UPDATE*

1 July, North Kingstown. ERIC MOFFETT DESCRIBED HIS PAST AND THE CURRENT OPERATION for a local newspaper.

Customers
Seaview has 12 customers [compare 00#11]:

- *North American Distribution (called NORAD) – automobiles inbound and outbound.
- *Seafreeze Limited – frozen fish inbound from the West coast.
- *Toray Plastics – inbound plastic pellets.
- *All-American Foods – inbound frozen food.
- *BB&S Treated Lumber of New England – inbound lumber [see photo].
- *Trusasco Inc. - inbound lumber.
- *Senesco Marine LLC – inbound steel for barges.
- Crestwood – inbound propane. See 16#04B.
- J.Goodison – inbound steel. See below.
- Ocean State Oil – transportation lubricants.
- Trico Film
*These were listed in the newspaper article, which stated Seaview had nine customers – but it has more.†

More on MBTA. Seaview helps repair and store equipment for MBTA to help make the T’s commuter rail service in Rhode Island “more viable,” Moffett said. “If we’re able to help support the MBTA, we maybe, in the future, help increase service in the Northeast corridor.”

More on J Goodison. In December 2015, J Goodison Company announced the expansion of its marine services to the waterfront site here [see map]. The company has purchased for $4 million a Marine Travelift 820 C, with a lift of 820 tonnes. It can accommodate a range of vessels, from 60-foot boats up to 263-foot mega-yachts, as well as fishing boats and tugboats.

Jack Goodison, a company co-owner, said he expected to begin dry-dock services at the new shipyard in July. When the boat lift arrives, it will provide J. Goodison with the tallest and widest capacity in the Northeast, second only to a shipyard in Norfolk for lifting capacity.

A federal small business loan paid for the lift; the company is making another $4 million investment into equipment and improvements for the shipyard.

The federal Economic Development Agency provided a $6 million grant to spur cleanup of the site.

†The article listed Stark Industries, but I think that’s a spoof. ‘Stark Industries, later also known as Stark International, Stark Innovations, Stark/Fujikawa, Stark Enterprises and Stark Resilient, is a fictional company owned and run by businessman Anthony Edward “Tony” Stark, also known as Iron Man. The company appears in stories published by Marvel Comics. It first appeared in Tales of Suspense #40 (April 1963) and was founded by Tony’s father, Howard Stark. According to Forbes 25 largest fictional companies it had an estimated sales of $20.3 billion, ranking it at number 16.’ [wikipedia] A request to the reporter for clarification was not returned.
Quonset Development Corporation provided $1.5 million in matching funds for improvements, including a replacement of the Zarbo Avenue bulkhead, said Ted Kresse, a Quonset spokesperson. [Mary MacDonald in Providence Business News 16.Déc.15]

Founded in 1999 by Jamie Goodison and his father, veteran U.S. Navy diver Jack Goodison, the two began focusing on mobile painting and maintenance services. In 2010, the much expanded company moved to Quonset Point, and in 2015 to the waterfront site. [Marine Travelift site 30.Nov.15]

Trains

Seaview operates on thirteen miles of track, down from 45 when the area was a military base. “Every night, we get a [PW] train that comes in from Worcester,” said Eric Moffett, owner and operator.

On average, Seaview receives 25 cars per day. “Some days, we handled trains as big as 90 cars … There are some days we handle only one car.”

The railroad moved about 6800 cars in 2015 [see 16#01A]. It handled approximately 400 rail cars per year and two customers when the company was established in 1979, Moffett said, and 5,000 cars were handled three years ago. NORAD and Toray are Seaview’s biggest customers. SVTC service is “on-demand,” working around the schedules of those businesses.

Seaview will soon increase its eight-person workforce and daily operational time to about 14-16 hours per day – trains now run 12 hours a day – to handle the park’s increasing volume. It is rebuilding the yard near Ocean State Oil to expand operations. “We’re increasing employment to provide better service,” Moffett said, “and we’re spending private dollars to increase rail traffic.”

Moffett said it costs Seaview around $1 million annually to operate, between train maintenance, staff, track infrastructure, growth, marketing and fuel.

On the right track

Born and raised in Killingly, Connecticut, Moffett began volunteering in high school with the Newport and Narragansett Bay Railroad to learn railroad operations. He followed with work on CP and CSXT.

Excursion trains

Seaview now runs the Newport and Narragansett Bay Railroad Company. It features unique experiences for train riders on Aquidneck Island, such as the Grand Bellevue Dining train, the “Murder on the Rails” mystery series and “The Polar Express” during the city’s annual “Christmas in Newport” festivities.
New ventures taking flight
On 10-11 June 10-11, Seaview and MBTA provided the first train shuttle service for the annual Quonset Air Show, to and from Providence and TF Green Airport stations. Passengers totalled 3500.

Moffett hopes to build off that success by possibly partnering with Rhode Island Fast Ferry to bringing ferry passengers to its terminal in Quonset on weekends or for other special events. Rhode Island Fast Ferry offers high-speed ferry service to Martha’s Vineyard and has an application pending to expand to add service to Block Island. {James Bessette in Narragansett-North Kingstown-South Kingstown Independent 1.July.16}

PROVPORT: $20 MILLION BOND TO VOTERS
18 June, Providence. THE GENERAL ASSEMBLY PASSED AN $8.9 BILLION BUDGET INCLUDING A BOND FOR PROVPORT. The $20-million Port of Providence bond will join more than $200 million in proposed borrowing on November's ballot. {Providence Journal 18.June.16}

What the $20 million will buy
Bill Fischer, ProvPort spokesperson, wrote on 8 July that the ‘$20 million bond, if approved, would be evenly split between land acquisition and site preparation.’ {e-mail to ANR&P}

The Vickerman report of March [see box in 16#06A] estimated the land acquisition at $9.187 million, and the terminal improvements at $10.212 million.

The container market: not the key to success
Vickerman prominently described container handling as a terminal use: 'The terminal will be designed to accommodate current smaller container ships with capacities of up to 3,500 to 4,000 TEUs utilizing the authorized 39 foot channel depth.’ {Vickerman page 9}

Fischer wrote: ‘We have every confidence we can successfully market the port and attract new tenants to Providence if we are given the opportunity to expand. The bottom line is that we are out of space and if we are
Providence three-phase plan:

**Phase I** would encompass approximately 14.8 acres of terminal backlands (fast land) and would be served via truck drayage from the current marine marginal wharf/crane assets and infrastructure currently operating at ProvPort/WTS. The Phase I backlands would be developed as multipurpose container terminal / automobile terminal improvements for cargo storage and terminal support operations. The terminal may have “on-dock” intermodal rail operational capabilities.

**Phase II** would encompass approximately 31.3 acres of marine terminal acreage including the Phase I acreage. The port terminal would have a 1,570 ft. marginal wharf, multipurpose container terminal / automobile terminal improvements for cargo storage and terminal support operations. 16.5 acres would be developed on tidelands parcels. This port terminal would have two berths plus one barge berth marine terminal would have “on-dock” intermodal rail operational capabilities.

**Phase III** would encompass approximately 60.4 acres of marine terminal acreage including the Phase I & II acreage. The port terminal would have a 2,880 ft. marginal wharf, multipurpose container terminal improvements for cargo storage and terminal support operations. 14.6 acres would be developed over submerged tidelands parcels (encompassing a total of 31.3 acres of submerged lands). This port terminal would include three berths plus two barge berths and would have “on-dock” intermodal rail operational capabilities.

**Container ships**
The terminal will be designed to accommodate current smaller container ships with capacities of up to 3,500 to 4,000 Twenty Foot Equivalent Units (TEUs) utilizing the authorized 39-foot channel depth. {page 9}

**Phase I and its costs**
Phase I comprises a total of 14.82 acres and would include terminal improvements to the land with refrigerated container yard storage areas operated remotely using the ProvPort Wharf/Quay, crane equipment capabilities and other ProvPort assets. Phase I improvements are coordinated with Phase II and III port terminal improvements. The Phase I land costs were estimated at $10,212,000 based on an approximate current land parcel value ranging from $550,000 to $830,000 per acre. The estimated capital budget cost estimate (CAPEX) for the Phase I parcels is approximately $9,187,326 or approximately 47% of the total Phase I budget cost estimate of $19,399,326. {page 6}

going to build upon our successes we need new land. We are not pinning the success of the expansion area on
the container market.’ {e-mail to ANR&P}

**More on Provport expansion**

In addition to the information [in the box] about the expansion the bond would fund, the map above shows the
lots which ProvPort will buy. Note that PW still has operating rights down Allens Avenue, though nothing in the
plans for the expansion indicates that rail would be used. *Editor*

**Current users, Phase I**

Vickerman noted ‘Phase I can be defined as the acquisition and land-based terminal improvements to the dry
fast lands associated with the two most southern two parcels of the project property and the separating easement
as described below:

- Cumberland Farms Inc. 9.04 acres.
- City of East Providence Easement 0.51 acres.
- ACR Realty Inc. 5.27 acres. {page 6}
- The ARC parcel is occupied by Rhode Island Recycled Metals [see 09#07A], which has spent years
  fighting efforts to close it down. ‘In Providence, a waterfront fight over scrap metal company results
  when, fearing contamination, [the state] wants a receiver to take over Rhode Island Recycled Metals, a
  privately-held company, on Allens Avenue.’ {Alex Kuffner in *Providence Journal* 6 Jan. 16}
QUONSET-DAVISVILLE: $70 MILLION BOND

18 June, Providence. THE GENERAL ASSEMBLY PASSED AN $8.9 BILLION BUDGET INCLUDING A BOND FOR DAVISVILLE. [see Provport, above]. The $50-million Port of Davisville bond will join more than $200 million in proposed borrowing on November’s ballot. {Providence Journal 18.June.16}
Goal
Quonset Development, which owns the port, wants to rehab Pier 2 to handle the growing Deep Water wind and other projects, the increase in autos, and potential short-sea shipping. [See the slides below.]

Total investment of $90 million
The investment will be made in three parts: a $50 million general obligation bond; a $15 million appropriation from the State's Capital Plan Fund, and a $25 million revenue bond. The revenue bond will be repaid exclusively by the QDC and port users, at no cost to state taxpayers. The $50 million general obligation bond must be approved by voters in this November's election, and will be paired with a $20 million bond to expand the bustling Port of Providence. {Quonset Development Corporation newsletter, undated}

Details of the work
QDC proposes to rehab Pier 2 at a cost of $82 million and add a third berth. Dredging for the new berth will cost $3.8 million, and construction $16.1 million. New sheet pile for Berth 2 will cost $37.8 million, and for Berth 3 $20.3 million.

Traffic
The pier will then be capable of handling:

- Offshore wind components.
- The expected growth in autos.
- Project cargo.
- Short-sea shipping.

Not in competition with ProvPort
Slide 10 stated: ‘Quonset’s Port of Davisville DOES NOT handle: bulk cargo (liquid fuel, coal, salt, cement, scrap, etc). [These are] specialities of terminals in Providence.’

However Davisville and ProvPort both want containers. See ‘Short-sea’ slide and ProvPort.
VERMONT

VRS: PRE-EMPTION APPLIES TO SALT TERMINAL*

29 June, Burlington. JUDGE SESSIONS FOUND THAT FEDERAL PRE-EMPTION APPLIED TO THE BUILDING OF A SALT SHED ON RAILROAD PROPERTY IN SHEL BURNE. [See 16#05B.]

‘The Court denies the Town’s motion for preliminary injunction and grants the Railway’s motion for judgment on the pleadings with respect to Counts III-V of the Town’s counterclaims.

‘Moreover, the Court enters a declaratory order that the ICCTA preempts the Town’s pre-construction permit requirement, and enjoins the Town from enforcing any regulation that prevents the Railway from constructing its proposed facility.

‘The Court therefore grants in part the Railway’s request for a declaratory judgment that the ICCTA [Interstate Commerce Commission Termination Act] preempts the Town’s zoning regulations as applied to the Railway’s planned development (Count I of the Railway’s Complaint); denies the Town’s request for a declaratory judgment that the ICCTA’s preemption clause does not cover the Railway’s planned development (Count I of the Town’s counterclaims); and denies in part the Town’s request for declaratory relief providing that the Railway’s project must comport with all zoning regulations arising from the Town’s police powers (Count II of the Town’s counterclaims).’ {page 3}

The proposed terminal

‘According to the Railway, the current site plans provide for a rail spur, two salt sheds sufficient to accommodate 80,000 tons of salt, a truck scale, a small office for the truck scale, and a storm water pond and associated infrastructure. Barrett Trucking, which will operate the salt facility pursuant to a contract with the Railway, will not have any of its own buildings on site.’ {page 8} Barrett will serve Cargill. {20}

Does the terminal constitute transportation by a rail carrier?

Under federal law, whether the terminal is exempt from local regulation – here a pre-construction work permit – involves two questions: ‘(1) whether the Railway’s project involves “transportation” activities; and (2) whether, in carrying out those activities, the Railway acts as a “rail carrier.”

The Court noted that a ‘plethora of case law plainly dictates that intermodal, or transloading, facilities fall within the ICCTA’s definition of “transportation.”’ {page 19}

The Town argued that VRS was not operating as a rail carrier, which means ‘common carrier’, because the terminal was dedicated to private use.
Terminal not for Barrett
But VRS President ‘Wulfson stated that although the Railway will use the intermodal facility primarily for the transportation of salt, it will also use the facility to occasionally transport other goods, such as lumber.

‘Mr. Wulfson further indicated that the Railway is contemplating the use of the facility for the transportation of windmill blades. Based on that testimony, as well as the lack of evidence that the Railway has refused to provide transportation services to other potential customers, the Court is satisfied that the Railway will act as a common carrier as required by the ICCTA.’ {21}

‘... Although the Railway intends to contract with Barrett Trucking for the operation of the facility, the draft Operating Agreement makes clear that shippers will pay the Railway directly for the movement of freight. The draft Agreement further provides that the Railway will compensate Barrett Trucking for operating the facility as its exclusive agent, and that Barrett Trucking itself will have no authority to separately transact with third parties for the shipment, storage, or transloading of goods at the facility.’ {22}

Determination about other regulation
‘Because the Railway’s plans for development have evolved significantly since the project’s inception, thereby preventing the Town from articulating how it intends to exercise its police powers, the Court reserves judgment on the question of whether the ICCTA preempts the Town’s regulation of the aforementioned activities.

‘When the Railway has finalized its plans for development, and when the Town has indicated precisely which zoning regulations it intends to enforce, the Court will make individual determinations as to whether those regulations “(1) discriminate against rail carriers or (2) unreasonably burden rail carriage.” {30}

{Vermont federal court website, case 2:16-cv-00016-wks}

Next step for VRS
"Engineering on the project is wrapping up, and we look forward to serving the needs of Vermonters this winter," said Seldon Houghton, assistant vice president at Vermont Railway. The railroad will likely make “no significant changes” to the designs for the facility it presented in court. {Joel Banner Baird in Burlington Free Press 29.June.16}

MARITIMES

NEW BRUNSWICK ROAD SALT

Delivery tendered
The province is tendering the delivery of the salt from the now-closed mine in Penobsquis: 160,807 tonnes to go to 89 salt domes around the province. The tender closes on 26 July.

Future supply contract
With the closure of the mine, the province is considering various options, and plans to tender for salt supply this autumn, a year in advance.

Municipal contracts
The province does not require municipalities to use the provincial contract. They may tender themselves,
providing an opportunity for new salt suppliers such as New England Salt [see 16#06A]. {text of tender; ANR&P discussion}

**CANSO: SSA RE-UPS WITH MELFORD**

6 July. *SSA MARINE OF SEATTLE, HAS AGAIN SIGNED AN AGREEMENT WITH MELFORD INTERNATIONAL TERMINAL AND CYRUS CAPITAL PARTNERS, L.P. TO BE THE OPERATOR* of the long-proposed container terminal in Melford on the Strait of Canso [see 14#10A]. SSA Marine also has made an investment in the project.

When constructed the 315-acre marine container terminal will become the closest North American port on the Great Circle Route to Europe and Asia via the Suez Canal. The terminal is specially designed to accommodate Ultra Large Container Vessels for both trans-shipment throughout North America’s East Coast and intermodal.

**SSA Marine involved before**

This not the first time SSA Marine has been involved in this project. The company was involved in the early stages but pulled its support because of the recession in 2008-2009. [See 09#09B.]

SSA is the world’s largest independent, privately-held marine terminal operator, with activities at nearly 250 terminal facilities and rail operations throughout the world, but none north of Charleston, South Carolina. {SSA Marine release 6.July.2016}

**SSA Comments**

SSA’s President Mark Knudsen said, “We have spent considerable effort over the years examining terminal opportunities on the East coast of North America and we believe Melford, with its 20 meters of draft and the ability to reduce delivery time to US and Canadian markets by 2 to 6 days, via a local rail connection to the CN network, excellent workforce, and private ownership combines all the beneficial attributes to quickly establish itself as the preeminent first port of call for North America.” {SSA Marine release}

**Mann comments**

Melford spokesperson Richie Mann did not reveal the amount of the SSA Marine investment but said the company would have an opportunity to invest further going forward. {e-mail to ANR&P correspondent Tom Peters 11.July. 2016}

Mann couldn’t say when the project will start. “The only thing we don’t have is a carrier commitment but with SSA Marine, we’re confident we can make this happen. They’ve done their due diligence and they liked what they saw and what they heard.” Once a carrier is signed the project will go ahead. {Halifax Chronicle Herald 7.July.16}

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### PEOPLE, EVENTS

**Ford Reiche**, formerly co-owner of *Safe Handling* in Auburn, is restoring Halfway Rock lighthouse in Casco Bay, halfway between Cape Small and Cape Elizabeth.

### GUEST EDITORIAL

**WATER BY RAIL FROM FRYEBUG?**

Rehabilitation and restoration of service on Maine’s Mountain Division between Westbrook and Fryeburg is stymied for lack of one or more freight customers with enough reliable business to justify the expense to

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https://nbon-rpanb.gnb.ca/showDisplayDocument?sessionID=15191353&language=En&disID=16004926&docType=Tender&doc_search_by=Tend&fromEmail=yes
complete the rail line restoration [see 15#02A].

Recent initiatives by Pan Am Railways, Poland Spring, and Eimskip in moving packaged bottled water by intermodal rail from Waterville and Portland to Massachusetts [see Portland] combined with a Maine Supreme Judicial Court ruling in May siding with water bottler Poland Spring and Fryeburg Water Company, suggest another possibility.

Major savings in trucking fuel, labor, and highway wear and tear can be anticipated for using rail if a bottling plant is built near the [now out of serve and legally-abandoned] rail line in Fryeburg and bottled water is shipped by intermodal rail from there to Massachusetts (or elsewhere), as is now done from Waterville and Portland to Ayer, Massachusetts.

The Portland Press Herald (2016/05/12) reports that a new contract will soon cap Poland Spring’s water withdrawal rate at 603,000 gallons per day and provide the town with $12,000 per month from Nestle to lease one well, a two-acre plot and some equipment.

The following is a “range-finding” estimate of the potential for shipment of water from Fryeburg by rail on the rehabilitated Mountain Division railroad [after it is rehabbed - editor].

The published maximum allowable payload for both 40-foot and 45-foot shipping containers similar to those observed for current intermodal water shipments [see photo in Maine] is approximately 58,000 pounds. Assume 53,000 pounds of packaged water with allowance for bottles, packaging and dunnage. Water weighs 7.5 pounds per gallon, thus each container transports roughly 7,000 gallons, subject to possible limitations of container space and variations in package configuration. All contractually-allowable water shipped this way equates to a theoretical 86 containers per day, or 31,390 containers per year on a 24/7 basis.

Rail distance between Fryeburg and Rigby Yard in South Portland is approximately 52 miles. A widely quoted “rule of thumb” test for economic viability of freight rail lines is 100 revenue carloads per mile of track per year.

Assuming:

- Just half the theoretical containers ship by rail = 15,695 containers
- 2 containers equate to 1 standard rail car = 7,848 railcars/year
- Rail miles between Fryeburg and Rigby Yard = 52
- Equivalent standard carloads per rail/mile/yr = 151

“Rule of Thumb”: minimum rail carloads/mile/yr = 100

[Thus moving half the theoretically-possible containers by rail would support the 52-mile rail line on water alone, with 51 cars per mile per year to spare.]

A detailed economic projection of costs and benefits to ship bottled water by intermodal from Fryeburg compared with other options is beyond our scope. However, based on the above assumptions for a Fryeburg bottling facility and the apparent success of current intermodal movements of water from Waterville and Portland, that model to ship bottled water by intermodal rail from Fryeburg via Rigby Yard justifies serious consideration as the anchor business for reopening the Mountain Division to Fryeburg - avoiding thousands of over-the-road truck trips from and to Fryeburg, lowering the delivered cost of bottled water from Fryeburg, and making that rail line serviceable for other users.

- Jack Sutton, editor, Maine Rail Group monthly newsletter

Note from your editor: Given that containers, once arriving in Portland, might well go by sea to New York [see Portland], this rail move could still make sense.
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environment they function within. Coverage includes
passenger rail and ships when relevant to freight
operations.

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Stories not updated for the issue are noted with
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updated stories (those without an asterisk).

Two asterisks indicate the story is updated with
the blue font showing what is updated.

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Purpose
Atlantic Northeast Rails & Ports, née Maine
RailWatch (1994-1997) and later Atlantic RailWatch
(1998-1999), is dedicated to the preservation and
extension of the regional rail network. The editor
believes that publishing news on railroads and ports
spotlights needed action to preserve the rail network.
The publication also imbues the region with a sense
of an interdependent community, employing the
network to move rail and port traffic. ‘No railroad is
an island, entire onto itself.’

FORMAL E-ISSUE