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Blue header & table of contents: new article

REGIONAL

**Atlantic Northeast**

Rails & Ports

operating railroads + ports, intermodal facilities, and government environment

Helping to move rail and port traffic through New York, New England, the Maritimes, & eastern Québec. A weekly trade newsletter.

Formal issue 16#08A 17 August 2016

**New York - québec**

[No report.]

**Connecticut**

NAUG: Frost Bridge first outbound traffic.*

**Maine**

Pan Am: Sappi invests $25 million for wood yard in Skowhegan mill.*

**Massachusetts**

Eastport: Ship calls.*

CSXT intermodal: Trains, comparison with NS.*

Alliance intermodal: Alliance Shippers has astounding (nationwide) on-time performance.*

Pan Am: For the Wynn Casino site, will move more dirty dirt?*

MBTA: Abutters cannot reclaim land under the Newton Lower Falls Branch. It was never abandoned.*

MC: Upper Cape looking at three proposals for re-

use of transfer station in Falmouth.*

**MC & New Bedford:** Excel plans a scrap yard in Freetown and terminal in New Bedford.*

**PW-CSXT:** Intransit Container handles mostly New York boxes. CSXT service smooth.*

**New Hampshire**

NHCR: Update on two customers and car storage.*

**Rhode Island**

PW: Boston Surface Railway to start with Woonsocket-Providence service? ++

**Provoport:** McInnis breaks ground. Update on Bronx and Gaspe.*

**Vermont**

Shelburne v VRS: Shelburne files appeal.

**Maritimes**

[No report.]

**Rail Shippers/Receivers**

A cross-reference to companies mentioned here.

**Editorial**

What's wrong with Maine intermodal.* Would intermodal from Fryeburg work? ++

Adios Providence & Worcester

I am very bummed. More anon.

- Chop Hardenbergh Next issue 2 Sept.

PW: GWI PURCHASES FOR $25/SHARE

15 August, Worcester. *PW ANNOUNCED THAT ‘ON...AUGUST 12, 2016, UPON COMPLETION OF A PROCESS TO ASSESS STRATEGIC ALTERNATIVES, IT ... APPROVED, AND ... ENTERED INTO, A DEFINITIVE MERGER AGREEMENT WHEREBY GENESEE & WYOMING INC WILL ACQUIRE THE COMPANY FOR $25.00 PER SHARE OF COMMON STOCK*, or approximately $126 million, in cash.

‘Under the terms of the merger agreement, immediately prior to the closing all outstanding shares of preferred stock of the Company will be deemed converted into common stock of the Company in accordance with their terms. In connection with entry into the merger agreement, the Robert H. Eder Trust and the Linda Eder Trust, which own a majority of the preferred stock of the Company and approximately 17.3% of the common stock of the Company, have entered into a Voting Agreement with Genesee & Wyoming and the Company to vote all of the shares of the preferred stock and common stock owned by the Trusts in favor of the transaction.

‘The transaction is expected to close in the fourth quarter of 2016 and is subject to approval by the Company's common and preferred shareholders, satisfaction of certain regulatory approvals, and other customary closing conditions.

‘Robert H. Eder, longtime chairman and CEO of the Company, said: “Becoming part of the Genesee & Wyoming family with its record of emphasis on safety and investment in its rail infrastructure ensures that our Company will continue to provide the quality of service which our customers and the communities we serve have enjoyed over the 40+ years since we re-commenced independent operations while at the same time continuing and improving on our programs to promote employee and community safety.”’ {text of PW press release}

WHY THE SALE

In a Memorandum to employees written by President Scott Conti and filed this with the SEC, he wrote:

‘Because we are a public company, the Board of Directors is required to seek value for shareholders. Accordingly, the Company's Directors determined that it was in the shareholders' best interest to evaluate strategic options to accelerate the realization of shareholder value. This transaction will provide many benefits, including additional capital needed to invest in our infrastructure, more competitive choices for our customers and shippers, and more opportunities to grow our existing market share and expand into new areas.

‘No decisions have been made regarding the current leadership team. Over the next several months, the current management team will work closely with G&W to plan for the future.’ {text of memorandum}

GENESEE & WYOMING COMMENT: STB, EAST PROVIDENE LAND

‘Upon approval by the Surface Transportation Board (STB), P&W would be managed as part of G&W’s Northeast Region, led by Senior Vice President Dave Ebbrecht. The addition of P&W to G&W’s existing presence in the region substantially enhances G&W’s ability to serve customers and Class I partners in New England, which is a highly competitive rail market with a premium placed on timely, efficient and safe rail service. The acquisition is anticipated to unlock significant cost savings through overhead, operational and long-term network efficiencies as well as to generate significant new commercial opportunities. ...

‘P&W also owns approximately 45 acres of undeveloped waterfront land in East Providence, R.I., that was initially created as a deep water, rail-served port through a $12 million investment. G&W expects to sell this undeveloped land.’ {GWI press release}
OTHER COMMENTS

CMQ bid
John Giles, CMQ president, wrote: ‘We did pursue it. Price got too sporty.’

NYA and Rawson
NYA, which interchanges with PW in Fresh Pond, and Rawson Materials, which moves sand and gravel to Fresh Pond via PW, each wrote it is too early to comment. {e-mails to ANR&P 15&16.Aug.16}

Former GWI
An official who once worked for a GWI railroad noted that when it bought NECR, it reduced the workforce and let go some good administrators, but in his opinion still served customers well. {ANR&P discussion}

Much more in a future issue.

CMQ: UPDATE 1 ++
3 August, New York. CMQ TRAFFIC CONTINUED TO INCREASE, according to the 2Q16 quarterly report of its parent, Fortress Transportation and Infrastructure. [See excerpt, below.] However, net income showed a...
loss this quarter.

Overall, FTAI showed a net loss of over $11 million, due to a $14.7 million depreciation. {FTAI website}

Comments at earnings call
Joe Adams, chair and CEO, said in response to a question at the earnings conference call on 3 August: The railroad’s “strongest quarters are Q4 and Q1” because of propane traffic. “The rest of the business is not seasonal...

Ports. CMQ does serve Searsport. “We have had conversations with CP on western Canadian traffic [as well as] woodchips to Europe” sourced in Maine. CMQ has also talked about auto business to Saint John.

“We have a number of port-related moves we are bidding on and working on. I would be surprised if we did not get something.” {audio of conference call}

CMQ: UPDATE 2*
1 August, Northern Maine Junction. **RYAN RATLEDGE EXPLAINED THE RAILROAD’S NEW OPERATING SCHEDULE**, which went into effect “10 days ago.” CMQ formerly ran five days a week eastbound and westbound, between Brownville Junction and Farnham.

Ratledge, chief operating officer, noted: “We would end up at the end of work week often with a small train from Brownville Junction, and annul a start. Some traffic and train sizes got lumpy,” with larger trains of 65 to 70 cars in the early part of the week, and small trains of 20-30 cars at the end of the week.

Chad Mowery, general manager, designed the new plan to balance traffic. A westbound leaves Brownville Junction every other day, and an eastbound from Farnham. Thus over two weeks, CMQ operates 7 eastbound and 7 westbound trains on that stretch. “This gives more consistent size and utilization. Cycle times improve and transit times improve across the board.”

Intermediate stations
The trains pick up Lac Megantic traffic at a point just west of the municipality. The westbound also brings “some round wood into Pleasant River Lumber” and moves out “a few centerbeams of finished lumber” each week.

Other notes

Searsport traffic. Ratledge confirmed that CMQ “still handles loads of clay each week out of Searsport; [Imerys – see 16#07B – is a] steady customer.” {ANR&P discussion}
New livery. On 29 July CMQ took delivery of its first of eight rebuilt Electro-Motive Division GP38-3 locomotives, #3812, in the company’s new corporate paint scheme. Originally built as Penn Central GP38 #7791 in 1969, #3812 was completely rebuilt and overhauled at the CAD Railway Industries facility, located in Lachine on the periphery of Montreal, Quebec.

The new scheme pays homage to the CMQ’s Canadian Pacific Railway heritage and establishes a new identity for the company, which will eventually adorn the remainder of the locomotive fleet. {CMQ press release}

USDOT: TIGER 2016*

29 July, DC. THE ATLANTIC NORTHEAST WON FOUR OF THE FORTY GRANTS. [See 16#07B for Albany.] Interestingly, nearly two-thirds of the 40 were repeat applicants, which benefitted from USDOT technical assistance. {USDOT website}

Maine TIGER 2015

FRA announced Maine as a winner in June 2015. Nate Moulton, MDOT rail coordinator who is handling the grant for the four railroads involved, advised on 10 August: ‘FRA has advised on 5 August that we will get a notice to proceed in early September.’ {e-mail to ANR&P}

CONNECTICUT

NAUG-PAN AM: NEW CUSTOMER MOVES

29 July, Hartford. PAN AM TRAIN PLED MOVED THE FIRST NINE LOADS OF DEBRIS FROM FROST BRIDGE, two weeks after it opened [see 16#07B]. The northbound train also had 2 loaded centerbeams (probably for CNZR in Hartford), 4 tank cars, 1 steel coil car, and 1 gondola when passing through Hartford. {Bill Sample in Guilford Rail Sightings e-list}

MAINE

PAN AM: VOTE OF CONFIDENCE IN PAPER MILL*

3 August, Skowhegan. SAPPi FINE PAPER WILL SPEND $25 MILLION TO RE-ORGANIZE ITS WOOD YARD, according to an announcement this day.

In a follow-up e-mail on 8 August, Mike Segal, Sappi North America director of logistics and operations planning, supply chain, answered a query on whether the change would aid rail or truck biomass delivery: ‘The focus of the new woodyard project is to improve our overall wood processing reliability and efficiency by modernizing the wood debarking, chipping, and chip distribution systems while improving reliability, yield, and cost. Since we receive wood by both rail and truck, this particular project is mode independent.’ {announcement and e-mail to ANR&P}

EASTPORT/BAYSIDE SHIP CALLS*

In Eastport, the All Kobe sailed on 24 June with 14,000 tonnes of wood pulp for China.

In Bayside, the Alice Oldendorff sailed on 25 June with a load of aggregate. The Eidsvaag Vinland sailed on 30 June for Newfoundland with a load of salmon feed. The Spiegelsgracht delivered feed barges for Cooke Aquaculture on 3 July. {Quoddy Tides 8.July.16}

On 22 July Quoddy Tides reported no activity since 24 June in Eastport, and since 4 July in Bayside.
Not earlier reported:
In Eastport, the *Star Harmonia* sailed on 20 April with 6,626 tonnes of wood pulp. The *Pacific Action* sailed on 27 April with 15,505 tonnes of wood pulp.

In Bayside, the *Autumn Wind* unloaded frozen pollock on 21 April. The *Century Bright* loaded salt on 25 April. The *Eidsvaag Vinland* sailed on 4 May for Newfoundland with a load of salmon feed. The *Swan Chacbuco* unloaded frozen pollock on 30 April. {Quoddy Tides 13.May.16}

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**MASSACHUSETTS**

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**CSXT: MASSACHUSETTS INTERMODAL***

28 July. *CSXT RUNS THREE INTERMODAL TRAINS EACH WAY FOR MASSACHUSETTS.*

**Sources**

* Rob Doolittle, CSXT spokesperson, e-mail of 11 July. No response was received to further requests to verify the other trains.
** Charlie Rennick, PW spokesperson, e-mail of 25 July.
*** Shown on ShipCSX.

**Inbound CSXT trains to Massachusetts**

**Q012 Origin Selkirk.** The Q110 drops UPS intermodal platforms for Worcester at Selkirk, and Q012 brings them 7 days a week to Worcester. {Source: while Doolittle did not list this train, and ShipCSX does not mention it, one person with CSXT connections listed it, and railfan photos show it operating May 2016}

Example, on 9 January 2016 Q012 hauled 15 double-stacked cars, 10 TOFC, and 5 single-stacked cars. {youtube.com/watch?v=8vIrMTSthHc}


The ShipCSX website states a cutoff for dropping boxes in Bedford Park as 17h00, with availability in Worcester as 16h00 two days later.

**Q022. Origin Columbus.** Direct to Worcester. Stops at Springfield to drop COFC. Tuesday-Sunday. The ShipCSX website states availability in Worcester 06h00 five days a week, Thursday-Friday-Saturday-Monday-Tuesday.

This hauls international containers for PW/Intransit Container; PW comes to CSXT yard.

Example: On 9 January 2016 Q022 hauled 43 double-stacked domestic containers on tables, 38 single-stacked, 2 TOFC, and roughly five double-stacked international containers on tables. {youtube.com/watch?v=8vIrMTSthHc}

**Outbound CSXT trains from Massachusetts**

**L017*** Origin Worcester, destination Bedford Park. Stops at Springfield to lift COFC Saturday and Sunday.

**Q017. Origin Worcester.** 5 days a week Monday-Friday. {Source: while Doolittle did not list this train, and ShipCSX does not mention it, one person with CSXT connections listed it, and railfan photos show it operating July 2016}

**Q019. Origin Worcester, destination Bedford Park.** Stops at Springfield to lift COFC. Tuesday-Saturday.
According to a rail observer, this train handles UPS traffic. The ShipCSX website states a cutoff for dropping boxes in Worcester as 18h00, with availability in Bedford Park at 11h00 two days later.

Example: On 9 January 2016, Q019 hauled 15 double-stacked tables, 3 single-stacked, and two empty tables, as well as 32 TOFC of which 19 were UPS trailers. [youtube.com/watch?v=8vIrMTSthHe]

This hauls international and domestic containers for PW/Intransit Container, for both New York and points west.

According to a rail observer, the PW cut of cars is placed on the end of the train, and dropped in Syracuse.

L119.*** One day a week, Saturday. Runs direct to East St. Louis.

** A comparison with NS intermodal service to Chicago **
CSXT [see above] provides 47-hour service from Chicago to Worcester, and 41-hour service between Worcester and Chicago.

NS, per its website, provides 62-hour service between Chicago 47th Street and Ayer, and 69-hour service between Ayer and Chicago 47th Street terminal [see 16#05B]. {NS website}

On-time performance. Alliance Shippers, for one [see other article], shows a 97% on-time record for railroads nation-wide. Does the same apply to NS and CSXT performance in Massachusetts? No reason not to think so.

** Editor **

** MASSACHUSETTS INTERMODAL: STUNNING FIGURES**

28 July, Warwick Rhode Island. **HOW DOES ALLIANCE SHIPPERS REACH A 98% ON-TIME PERFORMANCE?** Paul Higgins, vice-president of supply chain solutions, described it as a (mostly\(^\text{T}\)) non-asset-based company, managing the assets of others.

** Railroad on-time performance: remarkable **
The figures on the table for ‘railroad linehaul’ look remarkable; they state the ramp to ramp on-time performance.

“Every time customers do an analysis, on-time rail is always far superior to over-the-road, whether for [major] manufacturers or big-box stores,” Higgins said. “They are incredibly on-time, but of course a failure affects 100 or more containers, and lasts longer.”

For example, one customer over a one-year period “gave half its shipments to us to move on rail, where we achieved a high-90s on-time performance. The other half it gave to a team over-the-road operator. Its on-time was in the low 80s” though it had a shorter transit time. The shipments were moving to New Jersey, Ohio, and the Pacific Northwest.

“The results are exactly opposite of what most people believe.”

** Creating the statistics **
Alliance keeps all statistics available to its customers, on the web.

For origin pickup, the day and time are set by agreement with the customer. The customer can see the expected arrival of the drayman at the loading dock, and the actual arrival.

The same with the destination delivery. Once the shipment is picked up at origin, it becomes an in-transit move, and the actual arrival at destination is logged against the expected arrival.

The railroad numbers are ramp to ramp.

\(^\text{T}\) Alliance owns 2100 refrigerated 53-foot trailers.
Keeping the participants on time
“It took a lot of years to get to this point,” Higgins said. Now, every month, Alliance sends a report to all its carriers of whatever failures have occurred, with a request for corrective action.

Each quarter the company meets with its carriers for a review and a comparison with its competition.

Perfect Shipment
Alliance markets its service as ‘Perfect Shipment’, and does not charge more. The director of marketing, Jennifer Lefcourt, explained: ‘There is no charge to the customer for Perfect Shipment® participation; and we include those measures on all the shipments we handle whether requested by the shipper or not.’

Higgins added: “The customer can drill down beneath the statistics to look at the reasons behind every exception” when Alliance did not perform to the customer’s expectation.

New England
Alliance uses both CSXT and NS in Massachusetts. Higgins estimated that New England accounted for “less than 5% of its shipments.”

Generally, the company prefers to use New York rather than Massport. Higgins can get a dray there in four to five hours from Massachusetts, and because of the much higher number of services, connect with a ship sailing more frequently.

“All, it’s easier to get a better rate from a carrier out of New York.” {ANR&P discussion with Higgins 28.July.16 and e-mail from Lefcourt 28.July.16}

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**MBTA: ABUTTER’S EASEMENT ARGUMENT REJECTED**

4 August, Boston. *The Massachusetts Supreme Judicial Court ruled that no formal abandonment occurred, though the track was gone*, from a stretch of right of way through Newton Lower Falls now owned by the T.
Two abutters argued ‘that a railroad easement formerly owned by the Pennsylvania Central Transportation Co. (Penn Central) across portions of their lands was abandoned when the United States Railway Association (USRA), acting pursuant to the Regional Rail Reorganization Act of 1973, devised a final system plan which designated certain profitable rail lines that were to be transferred from eight bankrupt regional rail carriers in the northeast and the midwest regions of the country to the Consolidated Rail Corporation (Conrail), but not the rail line over the easement that encumbered their lands.

‘The plaintiffs contended that the railroad easement over their lands was abandoned by virtue of its nondesignation for transfer to Conrail in the final system plan.’ Therefore the easement was extinguished and they became fee owners of the land used for the right of way.

Facts

Boston and Worcester Railroad (B&W) was created in 1831. In 1847 it filed a "Plan of Location of the Newton Railroad" with the Middlesex County commissioners. The easement over the plaintiffs' properties appears as part of the proposed railroad line depicted on the 1847 plan of location. The relevant part of the line was known as the Newton Lower Falls Branch (branch line). Penn Central succeeded to the B&W interest in the branch line. In 1970, Penn Central filed for bankruptcy.

‘… [USRA produced] the July 26, 1975, final system plan for restructuring railroads in the Northeast and Midwest. The final system plan indicates that the branch line in this case was not designated to be transferred to Conrail. The final system plan also indicates that the branch line had been last used in May 1972.'
An application to abandon the branch line under §304(f) of the 1973 Act had been filed with USRA and was pending as of June 26, 1975, the date of the final system plan.

A search of Federal records could not definitively establish whether a certificate of abandonment had ever issued. In 1976, Penn Central (or its successor or agent) began to remove the rails from the ground of the branch line. By deed dated November 1, 1982, and recorded with the Middlesex County South registry of deeds, Penn Central granted and released to the Commonwealth all its interest in the branch line. {page 5}

... There is no dispute here that Penn Central did not obtain a certificate of abandonment of the branch line from the ICC, and that the STB has not issued a certificate of abandonment for the branch line.

... [The 1973 Act creating the USRA] authorized the discontinuance of rail service and abandonment of rail properties (including easements) conformably with the 1973 Act, "notwithstanding any provision of the Interstate Commerce Act (49 U.S.C. [§§] 1 et seq.), or the constitution or law of any State or the decision of any court or administrative agency of the United States or of any State." 1973 Act §304(c).

Section 304(f) of the 1973 Act states:

"After the date of enactment of this Act, no railroad in reorganization may discontinue service or abandon any line of railroad other than in accordance with the provisions of this Act, unless it is authorized to do so by the [USRA]."

The plaintiffs contend that once the final system plan became effective, and the branch line was not designated for transfer to Conrail, Penn Central was free to abandon service and dispose of the branch line as it chose. They rely on Regional R.R. Cases, where the US Supreme Court said "railroads in reorganization subject to the [1973] Act are free to abandon service and dispose as they wish of any rail properties not designated for transfer under the Final System Plan" ...

What the plaintiffs ignore is that the Supreme Court's use of the word "free" was qualified by the citation to § 304(a)-(c) of the 1973 Act. ... Although USRA authorization was not required, trustees of a railroad in reorganization desiring to discontinue rail service not designated for transfer under the final system plan were required to give notice in writing, not sooner than thirty days following the effective date of the final system plan, of intent to discontinue such rail service on a date certain not less than sixty days after the date of such notice. ... There is no evidence in the record before us that Penn Central gave the requisite written notice.

... [T]he judge [below, in the Land Court] correctly determined that the question of abandonment of the branch line remains in the exclusive jurisdiction of the Federal government, and that the Land Court does not have subject matter jurisdiction over the plaintiffs' action to quiet title. {Elaine Murray & another v. Department of Conservation and Recreation}

More on Newton Lower Falls branch
The line originally served the mill area at Newton Lower Falls and later the Grossman's Lumber Yard. {Wikipedia}

MC: THREE PROPOSALS FOR TRANSFER STATION*
20 July, Mashpee. THREE REGIONAL BUSINESSES PITCHED RE-USE PROPOSALS TO THE UPPER CAPE REGIONAL TRANSFER STATION BOARD OF MANAGERS.  Afterward, the board decided to deliberate at its next meeting.

Saltine Warrior – rail use
John Pearson, president of Saltine Warrior, told the board if he moved salt to the former transfer station by rail, he could save Cape Cod municipalities between $100,000 and $200,000 because of a significant decrease in truck traffic.

He estimated 4,000 truck trips over the Canal could be averted per year, because 67,000 tons of salt are currently trucked onto the Cape per winter. A truck driver would travel an average of 0.8 hours for deliveries across the Cape, instead of 3.5 hours currently. A local supply would also provide more reliability for Cape towns.
He would use less than an acre of asphalt for his operation and would be willing to share the space with another entity.

**Recycling Solutions – rail use**
Christopher Carney, president of Recycling Solutions, pitched a transfer station for municipal solid waste and for a construction and demolition transfer station as well as other operations on the 18-acre grounds.

Carney is also the president of Patriot Recycling, owner of an asphalt, brick and concrete crushing business in Raynham called E. Carney Environmental, and a member of the Carney family who owns Raynham Park and Brockton Fairgrounds.

Recycling Solutions pitched an “à la carte” operation that could include a transfer station to bring a supply of propane to Cape Cod, possibly lumber, and the transfer of construction and demolition residuals.

In phase one, which could be up and running in one year, Carney would construct either a municipal solid waste transfer station or a construction and demolition transfer station, which would be up to the discretion of the board of managers.

In phase two, the company could truck construction and demolition debris off-Cape from the site, and then truck back construction and demolition residuals (that remaining after recyclable material is stripped out) to be shipped to Ohio by train car. The residual option would make the operation a viable financial option.

**Cavossa Disposal and Cavossa Excavating – rail or truck**
Carl F. Cavossa Jr. suggested that he could make the operation on the transfer station as large or as small an operation the board of managers wanted. He could immediately get the site up and running and ship municipal solid waste to the site from the customers he already has on Cape Cod. He said his operation would already fit the facility but there is also room to grow at the discretion of the board. “This has to be a partnership. We’re not going to go from zero to 500 in 10 minutes.”

Cavossa proposed having the flexibility of using the rail or trucking construction and demolition waste off-Cape from the site; he would use 110-yard trailers to ship the trash.

Asked if he would consider bringing in propane to the site, Mr. Cavossa said that it was unlikely the operators of a military base wanted large quantities of propane stored, but that he could explore the idea with the board. {Sam Houghton in Falmouth Enterprise 21.July.16}

**Opposition**
A group of residents wrote to the Enterprise opposing further rail use and arguing the right of way would be...
Position of MC as serving railroad

Chris Podgurski, MC president, wrote on 5 August: ‘I was asked by Recycling Solutions to be part of the “team” to the extent that I can be. Obviously we are the serving railroad, and whatever entity needs rail service we are there for!

‘In any event, Recycling Solutions (Carney & Mowbray) are very familiar with the industry. Residuals go to Tunnel Hill in Ohio and MC has worked with CSXT to develop rates already. An analogous move is the Champion City operation in Brockton. As far as the actual sources of the material, I’m not aware specifically where it comes from.

‘I will say that Recycling Solutions has presented a solid business plan that is developed (generally) around the permitted volumes that the UCRTS has.

‘Regarding other transload potential(s) MC has developed rates for cement, lumber, and propane as a result of this RFP. There has been some discussion about road salt, which is obviously a pure math question of trucking verses rail. As you are aware, MC and CSXT are strong partners with the largest salt mine in the United States, American Rock Salt.’ [MC serves the ARS-supplied facility in Taunton – see 15#11B.]

‘One other thing to mention is that MC has met recently with the Army National Guard whereas MC was contacted to discuss the preservation and use of the line for military uses.’ {e-mail to ANR&P}

Saltine Warrior comment

Pearson noted on 6 August that, in his desire to utilize rail service, he was “preaching to the choir” as all parties in attendance, including the Board, the representative of the Massachusetts Military Reservation (Otis), and the other two proposing parties each expressed an interest in the availability of rail service, along with similar previous expressions from spokespeople for the railroad and the rail division of MassDOT. {e-mail to ANR&P}

PAN AM: NEW CUSTOMER?*

5 August, Everett. **THE WYNN CASINO SITE WILL MOVE DIRT BY RAIL** as it prepares to build, according to Greg John, spokesperson. ‘A release will be issued in the next few weeks.’ {e-mail to ANR&P}

Pan Am service

Rail observers anticipate a four-track temporary loading site, served by Pan Am. {e-mail to ANR&P} Whether the dirt will be “dirty” or just excavated dirt is unclear. **Editor**

Contamination

Before it was taken over by industry in the mid-1800s, the tidal marshes of Everett were owned by Hawes Atwood, a founder of Boston’s Union Oyster House who harvested shellfish there. Monsanto took over the site in 1929,
becoming one of the Everett’s largest employers.

During the 1950s, the plant suffered major incidents in 1950, 1951, 1955, 1956, and 1958. The 1958 leak released acidic clouds that blanketed Everett and parts of Boston, Revere, Chelsea, and Nahant. Low visibility on some roads caused motorists to stop their cars amid ‘coughing and weeping spasms.’ Six workers were hospitalized in January 1950 after an explosion ripped a section of roof off a building used for manufacturing Santocel, an insulating material used in refrigerators and other appliances.

“It was a filthy hole back then,” said Frank Dascoli, whose father worked at Monsanto for more than 20 years. “There were big sulfur piles that would blow everywhere. If you ever took a deep breath, you would choke.”

Though it sold a portion of its property in 1983, Monsanto continued to operate on the western side of the land south of Route 16 until 1992. The company’s former chemical division funded the cleanup of that site, which is now the Gateway Center mall [see aerial].

The eastern side of the property along Alford Street has remained vacant and was used in the 1990s as a dumping ground for material dredged during the Deer Island sewage project, which was part of a multibillion-dollar cleanup of Boston Harbor. Wynn is the only developer to mount a serious proposal for the property.

The company has estimated it will cost $30 million to remove high concentrations of arsenic and lead in the soil, and restore badly damaged marshes and coastal vegetation. The resort will contain a casino, a 500-room hotel, 94,000 SF of retail stores, eight restaurants, a nightclub, and other attractions. {Casey Ross in Boston Globe 9.Nov.14}

**MC & NEW BEDFORD: NEW CUSTOMER?*\)**

3 August, Assonet. **EXCEL RECYCLING WOULD LIKE TO OPEN A SCRAP YARD HERE.** Neighbors object to the siting of a shredder at the yard, and the Freetown Planning Board (Assonet is part of Freetown) this day decided to delay action on the proposal until 31 August. {Tom Mason in New Bedford Standard Times 4.Aug.16}
New Bedford pier

Stephen Pike announced in May that Excel Recycling, which has an office in Westport, had signed a three-year lease to store and ship scrap metal on a 2-acre portion of the new, New Bedford Marine Commerce Terminal. It was built to serve off-shore wind construction, which has not yet emerged there. Pike is the interim CEO of the Massachusetts Clean Energy Center, which is managing the 28-acre, $113 million facility. {Mike Lawrence in southcoasttoday.com 23.May.16}

By 11 August, Excel had piled scrap metal on the two acres it had leased. “It’s three years for a reason, and that is for the offshore wind developers,” Pike said on 8 August. “Certainly, our intention would be that the facility be used for the purpose for which it was built, and so we will do what we need to do to keep that option open for the offshore wind developers.” {Mike Lawrence in southcoasttoday.com 11.Aug.16}

More on Excel
The company operates three sites: Westport, Charlton, and Salem. None use rail, though the Salem site is co-located with North Shore Recycled Fiber and has disused spurs leading into it [see aerial in 16#06A]. {e-mails from Andrew Viveiros of Excel 10.Aug.16}

**PW-CSXT: MORE ON INTERNATIONAL INTERMODAL***

4 August, Worcester. *INTRANSIT CONTAINER TRAFFIC IS “CHUGGING ALONG,”* said Steve Cotrone, president of the operator of PW’s intermodal terminal. While 20 years ago 100% of his traffic was mini-landbridge (international boxes to and from the West coast), currently he is moving 80-85% over New York (“all-water service”) and the balance mini-landbridge.

**Rail service better**

Now that CSXT has opened its Northwest Ohio terminal, “that has cleared out Syracuse” and led to “consistent second-day service in each direction.”

He can rely on the existing trains for New York service, as his traffic is added on to trains which are already moving.

CSXT runs a train every night out of New Jersey to Northwest Ohio, and a train every day from Chicago to Northwest Ohio. “We can marry domestic with intermodal” and hitch Massachusetts boxes to trains in either direction in Syracuse.

**Future increase?**

Cotrone is optimistic about more rail, as the huge, 18,000-TEU ships start calling New York when the Bayonne Bridge clearance is raised in November 2017.

“The big ships will put pressure on infrastructure,” as they will discharge so many boxes at once. Enough trucks will not be available. {ANR&P discussion}

**NATIONWIDE: SHRINKING**

4 August, Calverton, Maryland. *OVERALL INTERMODAL TRAFFIC RECORDED ITS FIRST VOLUME DECLINE IN 2Q16* after 25 consecutive quarters of growth, according to the Intermodal Association of North America's latest quarterly Intermodal Market Trends and Statistics report. Intermodal trailer volumes dropped 28.6%, continuing a multi-year downward trend, while international shipments fell 9.3%. Domestic container loads gained 3.4%, tempering the overall loss to 6.1%.

Joni Casey, president and CEO of IANA, said: “Year-end projections are still tracking for growth in both the domestic container and international volumes.”

**Corridors varied**

The seven highest-density trade corridors, accounting for 63.4% of total intermodal volume, collectively dropped 5.9% year over year, with each corridor showing a loss. In the Southeast-Southwest and the Northeast-Midwest lanes, container performance offset the drop in trailer volumes, resulting in the smallest declines of all the corridors. Containers did the opposite in the South Central-Southwest corridor which finished the quarter in negative territory by 17.6%.

Likewise, every region showed Q2 declines, ranging from -1.6% in Mexico to -14.9% in the South Central. The fall in international shipments between the Southwest and South Central regions was enough to pull down the overall international numbers for the quarter. Regional results also varied by exposure to trailers. Regions that saw the least trailer activity – Mexico, the Northwest, and western Canada – came the closest to breaking even. {IANA report}
NEW HAMPSHIRE

NHCR: UPDATE*
21 July, North Stratford. THE RAILROAD HAS TWO CUSTOMERS PLUS CAR STORAGE AS REVENUE SOURCES, according to owner Ed Jeffrey and observers. The SLR drops cars for NHCR in Groveton.

Presby Environmental
This manufacturer of plastic pipes makes them near Hazens, where receives plastic pellets. [See map.]

Rymes Heating Oil and Propane
John Rymes’ company receives propane at its tanks in North Stratford. Jeffrey said Rymes would have traffic all year.

Car storage
NHCR stores cars on the line north of North Stratford, and on sidings on the line south of Groveton. For example, on 30 June NHCR used the SLR GP40-2 3007 to place cars into storage at the north end of the North Stratford line, beginning with a string just south of Cones, and then added another two strings. {NHCR page in railroad.net forums}

RHODE ISLAND

PW: PASSENGER SERVICE TO START IN WOONSOCKET?++

Note: While I wish Mr. Bono all the best, earlier statements indicate that he still needs to reach agreements with

NHCR TRACKAGE as described in the NHDOT State Rail Plan 2012

Berlin Branch
The Berlin Branch is owned by the State of New Hampshire and operated by the New Hampshire Central Railroad. The active portion of the line is approximately 18 miles from Littleton to Waumbek Junction, in Jefferson, passing through Whitefield. The remainder of the Branch, east of Waumbek Junction has been abandoned. The active portion of the line is maintained to FRA Class 1 standards and operated on an as-needed basis, but with operations ceasing during the winter. The line crosses over 11 bridges and 16 grade crossings.

Groveton Branch
The Groveton Branch is owned by the State of New Hampshire and operated by the New Hampshire Central Railroad except for one mile of the line in Groveton owned and operated by SLR. New Hampshire Central and SLR interchange at Groveton. The FRA Class 1 line stretches 19 miles between Jefferson and Groveton. Along the 18 mile NHCR portion, there are 22 at-grade crossings and six bridges. There is presently one customer along the line that receives plastic pellets and a new track that serves as a transload facility located in Hazens (Whitefield).

North Stratford-Beecher Falls Line
The North Stratford-Beecher Falls Line is owned by the State of New Hampshire and operated by the New Hampshire Central Railroad. Presently the southern two miles of the line are used on a weekly basis to provide access to a fuel transload facility and NHCR railroad rolling stock repair facility. NHCR’s primary business at this facility is the repair and maintenance of a portion of the St. Lawrence and Atlantic fleet. The next 6 miles of track remain active although they are used much less frequently as this segment is frequently used for rail car storage. NHCR and SLR have an interchange at North Stratford. The line is not active north of Colebrook and has been turned over to the New Hampshire Department of Resources and Economic Development for recreational use and management.* The 8 miles of actively used line includes 2 at-grade crossings and no bridges.

* The right-of-way north of Bridge Street in Colebrook has become an ATV/snowmobile trail. {Gerhardt in e-mail to ANR&P 14.May.15}
Amtrak and PW, plus find additional investors [see 16#06B]. I follow the story because if passenger service emerged, it would provide (presumably) revenue to PW and slight interference with its freight operations. **Editor**

27 January. **THE BOSTON SURFACE RAILWAY WILL BEGIN WITH WOONSOCKET-PROVIDENCE SERVICE**, President Vincent Bono said in a phone interview. “When we engineered the whole project it made sense to start from Woonsocket and go south. … Officially...we are exploring a Woonsocket-Providence start prior to Worcester-Woonsocket-Providence.”

He reported that the $3 million project is still on track to welcome riders by 2017. Woonsocket commuters would board at the One Depot Square depot.

Bono signed a five-year lease on the 4,000SF depot with RIDOT in January. He will use it as headquarters. **{Russ Olivo in Woonsocket Call 27.July.16}**

**Caution note**

On 15 July the Blackstone Heritage Corridor (BHC), a regional organization which has broad oversight of activities in the corridor, from Providence to Worcester. BHC noted that ‘the suggestion that the [requested STB] exemption would shield [Boston Surface Railway] from local review even when pursuing a potential expansion of the service market is a concern. Future market expansion may indeed have effect upon wildlife corridors, habitat, historic resources and/ or community resources and both deserve local consideration and also require BHC review …’ **{STB website, filings page, Finance Docket 36043}**

**PROVPORT: CIMENT McINNIS UPDATE***

2 August, Providence. **THE WAREHOUSE WHICH MCINNIS WILL USE HOSTED A GROUND-BREAKING.** McInnis will deliver ships with over 30,000 tonnes of cement to the Providence terminal from the company’s new plant in Port-Daniel–Gascons, Canada.

Construction will begin shortly on the existing ProvPort warehouse, which will be transformed into a world-class receiving and storing facility. McInnis will also build a modern rail and truck station with capacity to load about 100 trucks and around 10 railcars per day with cement. **{text of press release from McInnis}**

McInnis is majority-owned by Beaudier, the investment company of Bombardier [see 15#12B].
Mark Newhart, vice-president logistics & distribution at McInnis US, said on 9 August that McInnis selected Providence because of its deep water, its railroad which he regarded highly, and the short distance to I-95, among other reasons.

The ‘rail and truck station’ McInnis will build separately from the warehouse, south of it. It will permit direct, rapid loading of trucks under silos. McInnis will add trackage to the spur which now serves Heidelberg where “we can stage cars.”

New terminal in the Bronx
Permitting on the McInnis New
York terminal [see 15#07A] is almost complete, Newhart said. “We are actually constructing the first free-standing private pier” in many many years, he is told.

**New terminal in Sainte-Catherine**

Newhart also mentioned that McInnis would break ground in September on another cement terminal in Sainte-Catherine, across the river from Montreal and near a LaFarge cement plant. “This will be almost as large as the Bronx terminal.”

**Status of Gaspe plant**

The production of cement will begin this winter, said Newhart, at Port-Daniel-Gascons [see 15#07A].

**New ship**

On 9 August, McInnis announced it had chartered a first of its kind, ecologically efficient, self-discharging dry bulk cement carrier of 15,000 deadweight tons. Owner NovaAlgoma Cement Carriers Limited is converting it - built in 2011 – in China to a cement carrier. The work includes the installation of a state-of-the-art cement unloading system delivered by Van Aalst Marine & Offshore, as well as a hybrid exhaust gas scrubber system capable of operating in both fresh and salt waters. {McInnis press release}

Newhart said that the ship is chartered for five years. “It’s the truly the first ship of its kind dedicated to cement. There’s not been one worldwide with a scrubber and emissions stack. It will be Canadian-flagged and spend most of its time in Canadian waters.”

**Tax stabilization in Providence**

In March, the city agreed to the proposed tax stabilization discussed in late 2015 [see 15#12B]:

McInnis USA, Inc. will pay $50,000 annually in real property taxes for the first three years; an assessed property value of $5 million and a real property tax rate of $36.75 per $1,000 for years 4-6; and pay taxes based on the then current evaluation of the property and applicable tax rates for years 7-12. Tangible property taxes will phase in during year 4 and follow an agreed upon tangible property value, percentage, and payment schedule. After the conclusion of year 12, the company will make full tax payments. {city website}

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**VERMONT**

**SHELBURNE v VRS: APPEAL**

28 July, Boston. *THE TOWN OF SHELBURNE FILED AN INTERLOCUTORY APPEAL ON THE SALT TERMINAL*. “As this case has not been resolved fully [see 16#07B], Defendant only appeals the denial of its motion for preliminary injunction,” per the notice of appeal.

Town Manager Joe Colangelo said that filing the appeal helps to protect the town’s rights going forward.

“Contrary, maybe, to popular opinion, the town has accomplished quite a bit through litigation,” Colangelo said, echoing sentiments that had previously been expressed by Selectboard members during meetings.
He also emphasized that the appeal costs very little, probably a few hundred dollars. [2]

**Multi-sector General Permit**  
On 8 July, the railway filed a Notice of Intent for Stormwater Discharges under a Multi-Sector General Permit (MSGP) with the Department of Environmental Conservation (DEC).

MSGP applies to industrial projects; DEC describes it as ‘a federally mandated National Pollutant Discharge Elimination System (NPDES) permit that covers new and existing discharges of stormwater from industrial facilities.’

The general federal pre-emption for the salt terminal in Shelburne does not pre-empt this state requirement.

The state is limiting Total Maximum Daily Load stormwater discharges. Colangelo said that the railway project is certainly not alone in being put under intense scrutiny. “[With] this project, or any other project, we will be looking really closely at all stormwater permits ...” this is a “new era of scrutiny with these permits.” {Heather McKim in Shelburne News 3.Aug.16}

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**RAIL FREIGHT FACILITIES**

Described in this issue.
Excel (MC, Massachusetts) Scrap terminal.
Frost Bridge (NAUG, Connecticut) First cars.
Imerys (CMQ, Maine) See Regional.
Intransit Container (PW, Massachusetts) Update.
McInnis (PW, Rhode Island)
Pleasant River (CMQ, Maine) See Regional.
Presby (NHCR, New Hampshire)
Rymes (NHCR, New Hampshire)
Saltine Warrior (MC, Massachusetts) Possible salt.
Wynn Casino (Pan Am, Massachusetts) Dirt coming.

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**EDITORIAL**

**A COMMENT ON MAINE INTERMODAL**

An experienced hand in intermodal wrote this, after reading Jack Sutton’s proposal [see 16#07A] to use rail to move Poland Spring water from Fryeburg. She prefers to remain anonymous.

The guest editorial on using the Mountain Division to move Poland Spring containers from Fryeburg to Portland illustrates a lack of understanding among Maine’s rail advocates on how transportation systems work. A lot of people in Maine look to restore long-dormant rail lines that serve no freight purpose, and will not. This has gone so far as to lead to five miles of brand-new welded rail at the expense of tax payers on the Mountain Division, which has never, and likely will never, see a wheel turn over it.

Mr. Sutton misses the fundamental nature of intermodal: you don't bring the railhead to the load, you bring the load to the railhead. The Poland Spring situation up here is a one-off, unique in that its efficiency as an intermodal system is highly underutilized.

Why doesn’t Pan Am work to bring loads, not empties, back into the State of Maine on the return trip,

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[2] Mr. Colangelo is kidding himself about the cost of the appeal - or is misinformed by his attorneys, unless they work for free. Filing the appeal requires paying his lawyers to draft and file the notice, and requires paying a fee of $500. If the appeal goes forward, he may assume costs of about $10,000. Editor
rather than lose half their capacity ferrying empties back? This suggests a lack of fundamental understanding of intermodal transportation. Poland Spring and Pan Am are capitalizing on intermodal as a buzz word in this situation, only to achieve some political and environmental points.

I've seen intermodal done right, and I am stunned to watch everywhere outside of Maine continue to grow while we struggle to keep up. Even the fact that a load has never moved directly from a ship to the rail in Portland begs the question: why are we expanding the terminal [see 16#07A] when we've never secured a port-originated load? Why are we looking to build a tug-barge to carry containers to a small, left-field, terminal in New York City when existing rail lines can do just that?

I hope that JB Hunt's entry into the area [see 16#07A] might help teach our locals how real, efficient supply chains are built and work.

**Sutton’s response**

On 8 August, Jack Sutton wrote:

`This responds to your reader’s comments about my earlier guest editorial suggesting use of the Mountain Division rail line to transport bottled water from Fryeburg to Portland, in a way similar to that now being used to move containerized bottled water from Waterville and Portland to Ayer, Massachusetts. While well aware of logistical issues related to domestic intermodal shipments, including empty returns and drayage to/from the railheads, the existing and envisioned transport of packaged water seems beneficial and unique in the following ways:

- Presumably, the shipper gains economic advantage in using rail. Here, all such rail operations can be carried out by one major shipper and by one railroad company;

- The volumes involved are large and predictable, defined by the shipper’s strategy.

- The product involved, bottled water, is not extremely time sensitive.

- The containers and railcars employed are of standard design, and can be used efficiently in a closed-loop system to meet shipper needs.

- With a single railroad company regularly operating the entire route between Waterville, Portland, Rigby Yard and Ayer Massachusetts, intermodal loads and returning empty containers presumably move in dedicated or mixed trains, at the railroad’s discretion. Now, containers on flat cars to and from Portland and Waterville may be consolidated or separated at Rigby Yard. Container trains envisioned for similar service on the Mountain Division can likewise be consolidated or separated at Rigby Yard.

In summary, the present system for moving bottled water through intermodal facilities at Portland and Waterville seems an ingenious way to transport this product by rail utilizing available assets, without introducing the technical and administrative complications and costs inherent in a common-carrier intermodal operation. ... Rail shipment of water from Fryeburg would avoid further congestion and increased maintenance on secondary roads between Fryeburg, I-95 and Portland, and should be part of a comprehensive logistical review of modal choices.

Errata: My first editorial on this subject incorrectly gave the weight of water as 7.5 pounds per gallon. The correct value is 8.3 pounds per gallon.

**Capital cost?**

Your editor pointed out to Sutton that the existing intermodal service uses rails already in place and in operating
condition. The Mountain Division track requires considerable public investment. He wrote:

‘I’d suggest [a] return to the state-sponsored HNTB Mountain Division Rail Study, December 2007.’

That study [see 08#03A] put the cost at $17.7 million, leaving the existing 85-pound rail in place. The study examined a 4800-carloads per year scenario, and concluded it fell short of becoming a viable freight operation.

What if the Fryeburg plant generated the same traffic as the current Waterville or Portland operation: 45 to 60 containers [each – see 16#04A] a weekend? At 50 weekends a year for 2500 or so total containers a year, that falls well short of 4800 containers a year, even if the revenue per container equalled revenue per carload, which the study estimated at about $600/carload.

And, as Sutton noted, a ‘key question is a credible projection of volume and duration of water shipments from Fryeburg. Public investment should be justified at some level of reliable commitment to sustained use.’ {e-mail to ANR&P}