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

PW: GWI files at STB. NS, PAS, ST will participate.  
PW: More on sale to GWI.  
- Fiscal impact per GWI, closing conditions.*  
- PW shareholders’ meeting to come.*  
- Evaluation: $8 million in immediate savings.*  
- Continued work for Conti and Rennick.*  
PW: Two securities firms investigating PW sale.*  
PW: One analyst’s positive view of the transaction.*  
PW: Can CSO + PW save Amtrak trackage fees?*  

**NEW YORK**  
NYA: The way is apparently clear for Brookhaven Rail Terminal to expand, by getting Town approval.*  

**QUÉBEC**  
CMQ: Passenger trips out of Montreal? 

[No report.]  
**MAINE**  
Maine crude: First in 2016 sent to Montreal.*  
CSXT: Description of the five customers on the Middleboro Main. Map.  
CSXT: CRRC plant ahead of schedule.*  

**MASSACHUSETTS**  
Pan Am: Service “decent” to newly-painted Ciment Quebec.*  
Pan Am: First cars hauling dirty dirt out of Wynn Casino site in Everett.*  

**BCLR**: MassDOT may extend the Watuppa line beyond Mid-City Scrap. Map.*  
MC: Cavossa probable UCRTS winner, will probably use rail. Salt remains a possibility. ++  
MC: Joint Base Commission states it wants rail line to Falmouth retained. Map.*  

**NEW HAMPSHIRE**  
MBRX: Pan Am blocks main line, temporarily.*  
MBRX: Update on mediation, lawsuit, track condition, trackage rights fees. ++  

**RHODE ISLAND**  
PW: Boston Surface Railway optimistic about working with GWI.*  

**VERMONT**  
VRS: Act 250 district commission proclaims Shelburne salt terminal federally pre-empted.*  

**MARITIMES**  
Halifax: Scotia wood pellet production stops.  

**RAIL SHIPPERS/RECEIVERS**  
Pittsburg, Shawmut & Northern, historical photographs.  

FROM THE PUBLISHER  
I wonder if any other railroad will seek concessions from GWI in the STB proceeding on the PW sale?  
- Chop Hardenbergh Next issue 20 September  

Common abbreviations:  
REGIONAL

PW: STB FILING

1 September, DC. GWI FILED A NOTICE OF EXEMPTION TO ACQUIRE PW, at the Surface Transportation Board [more in a future issue].

Notice of intent to participate
Through 2 September, three entities had filed a notice to participate in the Proceeding, without any comment thus far: NS, PAS, and ST. The latter two were signed by Rob Culliford, Pan Am general counsel. {STB website, filings page, Finance Docket No. 36064}

PW: MORE ON THE SALE TO GWI*

15 August, Worcester. PW ANNOUNCED GWI WAS BUYING THE RAILROAD FOR $25 PER SHARE IN A CASH TRANSACTION. [See 16#08A.]

DETAILS FROM GWI

The GWI press release stated:

Financial Impact and Financing
In the first year of operation, G&W anticipates P&W will generate approximately $35 million of revenue and $12 million of EBITDA, including realization of $8 million of immediate overhead and operational cost savings.

In the medium term, G&W anticipates additional operational efficiencies and commercial opportunities will generate a further $5 million of EBITDA [earnings before interest, taxes, depreciation, and amortization] that will be realized over the following two to three years.

G&W expects P&W will require approximately $3 million of annual capital expenditures and have depreciation and amortization expense of approximately $3 million.

G&W expects annual diluted EPS [earnings per share] accretion from the acquisition of approximately 2%, subject to finalization of acquisition accounting under U.S. GAAP [generally accepted accounting principles].

G&W expects to fund the approximately $126 million acquisition through its revolving credit facility under which it had available capacity of $542 million as of June 30, 2016. As previously noted, G&W expects to sell the land in East Providence, R.I., which was developed through a $12 million investment.

Closing Conditions
The closing of the transaction is subject to the approval of the Surface Transportation Board (STB). G&W will seek confirmation from the staff of the STB that, if the STB has not yet approved the transaction, G&W may close the transaction into a proposed form of voting trust, which will be managed by an independent voting trustee until G&W is granted approval from the STB to control P&W.

‘The closing of the transaction is also subject to satisfaction of customary closing conditions, including without limitation the approval by the holders of at least a majority of the outstanding shares of P&W’s common stock and preferred stock entitled to vote.’ {text of press release}

DETAILS OF THE MERGER AGREEMENT: SHAREHOLDER MEETING
The PW company shares will go to a subsidiary of Genesee & Wyoming Incorporated, a Rhode Island company ‘Pullman Acquisition Sub Incorporated’ or ‘the Merger Sub’. Once the deal is complete, the Merger Sub will be merged with PW.
### Three Months Ended

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$ in millions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Income / (Loss)</td>
<td>$0.5</td>
<td>$1.4</td>
<td>$(1.0)</td>
<td>$0.2</td>
<td>$1.1</td>
<td>-</td>
<td>$1.1</td>
</tr>
<tr>
<td>Add Back</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provision for Income Taxes</td>
<td>0.3</td>
<td>0.6</td>
<td>(0.5)</td>
<td>0.1</td>
<td>0.4</td>
<td>-</td>
<td>0.4</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>-</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>-</td>
<td>0.0</td>
</tr>
<tr>
<td>Other (Income) / Loss</td>
<td>(0.0)</td>
<td>0.1</td>
<td>(0.0)</td>
<td>(0.0)</td>
<td>(0.0)</td>
<td>-</td>
<td>(0.0)</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>0.8</td>
<td>1.0</td>
<td>0.7</td>
<td>0.8</td>
<td>3.3</td>
<td>-</td>
<td>3.3</td>
</tr>
<tr>
<td><strong>Pro Forma Adjustments</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short Line Tax Credit</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1.8)</td>
<td>(1.8)</td>
</tr>
<tr>
<td>Expected Immediate Cost Savings</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>8.0</td>
<td>8.0</td>
</tr>
<tr>
<td>Expected Business Growth (1)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1.1</td>
<td>1.1</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>$1.4</td>
<td>$3.1</td>
<td>$(0.8)</td>
<td>$1.0</td>
<td>$4.7</td>
<td>$7.3</td>
<td>$12.0</td>
</tr>
</tbody>
</table>

(1) Full year run rate of recent new business initiatives, contractual rate increases and other rate and volume growth expectations

---

### Operating Expenses:

<table>
<thead>
<tr>
<th>Expense</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance of way and structures</td>
<td>3,749</td>
</tr>
<tr>
<td>Maintenance of equipment</td>
<td>4,038</td>
</tr>
<tr>
<td>Transportation</td>
<td>10,684</td>
</tr>
<tr>
<td>General and administrative</td>
<td>5,016</td>
</tr>
<tr>
<td>Depreciation</td>
<td>3,689</td>
</tr>
<tr>
<td>Taxes, other than income taxes</td>
<td>2,994</td>
</tr>
<tr>
<td>Car hire, net</td>
<td>1,671</td>
</tr>
<tr>
<td>Employee retirement plans</td>
<td>225</td>
</tr>
<tr>
<td>Track usage fees</td>
<td>1,145</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>33,211</td>
</tr>
</tbody>
</table>

The top table is copied from the GWI press release of 15 August. The bottom left-hand table comes from page II-4 of the PW 2015 Annual Report; the right-hand table from page II-11.

PW was advised by ‘BMO Capital Markets Corp. (successor to Greene Holcomb Fisher Inc.).’

**Section 5.4 Proxy Statement.**

‘(a) As soon as practicable after execution of this Agreement (but in no event later than twenty (20) Business
Days after the date of this Agreement), the Company shall, in consultation with Parent, prepare and file with the SEC, a proxy statement which shall (as amended or supplemented from time to time) constitute the Proxy Statement.’ {page 34}

**Section 5.5 Company Shareholders Meeting.**

‘As soon as practicable after the SEC clears the Proxy Statement, the Company, acting through the Company Board of Directors, shall... duly call … around the twentieth (20th) Business Day following the mailing of the Proxy Statement), the Company Shareholders Meeting for the purpose of considering and voting upon the approval of this Agreement and the Plan of Merger.’

**Section 5.6 No Solicitation of Transactions.**

‘(a) The Company agrees that (i) it and its officers and directors shall not ...’ solicit another offer for the PW shares.

If the Company receives another offer which it deems superior, it may, with certain restrictions, terminate the agreement with GWI.

If it does, PW must pay GWI $3.875 million. {page 57} {text of merger agreement from PW SEC website}

**EVALUATION**

**Fiscal impact: multiple of revenue**
The 2016 PW *Annual Report* put operating revenue at $35.797 million, so the purchase price equals a bit short of four times revenue\(^1\). The *Annual Report* listed expenses at $37.7 million.

**Fiscal impact: multiple of EBITA**
The *Annual Report* put (page II-11) operating income before interest and taxes at $2.586 million. Adding depreciation back of $3.689 million yields $6.275 million EBITA, so the purchase price equals about 21 times EBITA.

**GWI projected savings: EBITA**
The press release anticipates $8 million in immediate overhead and operation expense reduction [see box]. GWI declined to provide more detail on the $8 million. {e-mail from spokesperson Matt Williams 23.Aug.16}

One can perhaps reason as follows:

The $8 million – overhead? The two operating expense tables [this newsletter makes no attempt to reconcile the two tables – editor] from the *Annual Report* [see box] permit a guess at the sources of savings. ‘General and administrative’ of $5.016 million looks like an easy target, as GWI will probably close the Worcester headquarters and let go most of the workers there. ‘Casualties and insurance’ should also drop as PW gets subsumed into the general GWI coverages.

The $8 million – operation? More difficult to ascertain will be the reduction in worker compensation and benefits. Observers have long said that paying between 40% and 50% of total revenues for labor is well above Class I ratios. GWI assuredly intends to reduce that where possible.

While reducing the number of trains, and therefore operating costs, will not come easy, ‘maintenance of way’ and ‘maintenance of equipment’ could be shared with NECR and CSO, cutting those two lines.

**Why EBITA?** The GWI press release stated: ‘This press release contains references to earnings before interest, income taxes, depreciation and amortization (EBITDA) which is a “non-GAAP financial measure” as this term

\(^1\) If one uses strictly revenues from rail operations [see 16#04B] of $31.759 million, one does get almost exactly four times revenues. *Editor*

‘In accordance with these rules, G&W has reconciled this non-GAAP financial measure to the most directly comparable U.S. GAAP measure. Management views this non-GAAP financial measure as an important measure of G&W’s operating performance. Management also views this non-GAAP financial measure as a way to assess comparability between periods.’

The pro-forma savings. GWI [see box] thus expects EBITA to grow from $4.7 million 1 July 2015-30 June 2016, to $12.0 million in the next four quarters.

This emerges from a $1.1 million increase in revenue, and much more from the $8 million ‘immediate cost savings’. {editor}

CONTINUED WORK (?) FOR SCOTT CONTI AND CHARLIE RENNICK

As PW President Scott Conti wrote in his memorandum to employees about the sale [see 16#08A], ‘No decision has been made about the current leadership team.’

And about employment of the rank and file, Conti wrote: ‘Pending receipt of required approvals and closing, the Company and G&W will continue to operate as separate entities and there will be very few changes until the transaction is fully consummated. During this period of time, the Company expects all employees to remain focused on the tasks at hand and to continue to perform your jobs safely and effectively. G&W has plans to meet with P&W employees over the coming weeks to learn about their particular functions and skills with a goal of bringing the best from both organizations together pending regulatory and shareholder approval. In addition, G&W operates a global rail business and is in a continual search for high-quality employees.’

CONTINUED WORK (?) FOR SCOTT CONTI AND CHARLIE RENNICK

As PW President Scott Conti wrote in his memorandum to employees about the sale [see 16#08A], ‘No decision has been made about the current leadership team.’

And about employment of the rank and file, Conti wrote: ‘Pending receipt of required approvals and closing, the Company and G&W will continue to operate as separate entities and there will be very few changes until the transaction is fully consummated. During this period of time, the Company expects all employees to remain focused on the tasks at hand and to continue to perform your jobs safely and effectively. G&W has plans to meet with P&W employees over the coming weeks to learn about their particular functions and skills with a goal of bringing the best from both organizations together pending regulatory and shareholder approval. In addition, G&W operates a global rail business and is in a continual search for high-quality employees.’

Conti did not mention in his memorandum that he and Charlie Rennick, the PW secretary and general counsel, each have a contract for short-term, continued employment with GWI. These were filed at the SEC along with other materials related to the transaction.

Each agreement provides that if the officer is terminated as president or secretary, respectively, of PW, each will continue to be employed by PW (at that point a subsidiary of GWI) for at least one day a month for the sum of $200/day through 31 May 2018 (Conti) or 31 May 2017 (Rennick), unless he finds employment at another railroad. Further work may occur under terms the parties agree upon. {texts of agreements}

PW: INVESTIGATIONS INTO SALE*

15 & 22 August. TWO SECURITIES FIRMS ANNOUNCED SEPARATE INVESTIGATIONS INTO THE SALE.

Brower Piven

‘The securities litigation law firm of Brower Piven, A Professional Corporation, has commenced an investigation into possible breaches of fiduciary duty and other violations of
state law by the Board of Directors of Providence and Worcester Railroad Company relating to the proposed buyout of PWX by Genesee & Wyoming Inc.

‘Under the terms of the agreement, PWX shareholders are anticipated to receive $25.00 in cash for each share of PWX common stock held. The firm’s investigation seeks to determine, among other things, whether the Company’s Board of Directors failed to satisfy their duties to shareholders, including whether the Board adequately pursued alternatives to the acquisition and whether the Board obtained the best price possible for the Company’s shares of common stock.

‘If you currently own common stock of PWX and believe that the proposed buyout price is too low, or you would like to learn more about the investigation being conducted by Brower Piven, please visit our website at http://www.browerpiven.com/currentinvestigations.html. You may also request more information by contacting Brower Piven either by email at hoffman@browerpiven.com or by telephone at (410) 415-6616.’

**Briscoe + Powers Taylor**

‘Former SEC attorney Willie Briscoe and the securities litigation firm of Powers Taylor LLP are investigating potential claims against the Board of Directors of Providence and Worcester Railroad Company concerning the sale to Genesee & Wyoming Inc. Under the terms of the agreement, Providence shareholders will only receive $25.00 for each share owned.

‘If you are an affected investor, and you want to learn more about the investigation or if you have information that you believe would be helpful to our investigation of the fairness of the proposed transaction, contact Willie Briscoe at The Briscoe Law Firm, PLLC via email at shareholders@thebriscoelawfirm.com, Patrick Powers at Powers Taylor LLP via e-mail at shareholder@powerstaylor.com or by calling toll free at (877) 728-9607. There is no cost or fee to you.

‘The investigation centers on whether Providence’s Board of Directors is acting in the shareholders’ best interests, whether the board considered alternatives to the acquisition, and whether the board has employed an adequate process to review and act on the proposed transaction.’ {Businesswire}

**Comment?**

A request for comment from either firm was not returned by publication time. PW spokesperson Charlie Rennick wrote, ‘The Company has no comment.’ {e-mail to ANR&P 1.Sept.16}

**PW: ONE ANALYST’S VIEW**

*The following was written in response to a request by this newsletter. For various reasons, the analyst prefers to remain anonymous.*

**Are the projected savings justified?**

‘I think you’ve identified the sources of savings: the administration costs drop to zero as they are folded into other existing structures and there will be some rationalization of maintenance costs as efficiencies are gained with other GWI operations.

‘I believe that GWI executives have a lot of latitude making good faith projections here. And there will not likely be any precise follow-up. The numbers are barely material to GWI financials.

‘It’s always been tricky to value PWX because they claimed a lot of value in assets that didn’t actually produce much, if any, revenue – like the East Providence waterfront property. Depending on how much GWI gets on asset sales, the acquisition metrics will start to look perhaps more favorable.

‘Insiders own only 2% of the GWI shares. Most of the shares are owned by mutual funds, led by Fidelity. So it’s these institutional investors that John Hellman is getting paid $4.4 million to keep happy.

‘GW1 has always grown by acquisition and it appears they are competent in executing this corporate strategy. I expect their numbers will be pretty close to the mark. PW's business is quite predictable and they have bought many operations like this and trimmed expenses.

‘My impression is that the press release is geared toward financial analysts at the mutual funds with the
message that even though North American carload numbers are declining for all railroads, GWI continues to post increases in revenue with their expansions in Europe and even here in New England.’

Not a plus for everyone
‘Overall, there may be more pressure for efficiency on PW employees, but I expect GWI will find ways to drive more car loads onto PW rails. So the big picture is quite positive for the local economy even if it is mixed for current employees and newsletter writers.’ {e-mail to ANR&P 24.Aug.16}

PW, CSO & NECR: TRACK MILE EFFICIENCIES?*
22 August. GWI MAY USE PW ROUTING TO SAVE AMTRAK TRACK ACCESS FEES. A look at the map of PW, CSO, and NECR shows that currently, CSO and PW use their trackage rights to move traffic which could move for some distance off Amtrak and onto PW:

CSO
All CSO traffic uses Amtrak between Springfield and New Haven, or to customers, branches, and interchanges along the way.

At least between Hartford and New Haven, that traffic could use the PW line.

PW
PW does use the New London-New Haven Amtrak stretch to serve customers in New Haven and Middletown, for 51 miles on Amtrak. Clearly these could be more efficiently served from Springfield to Hartford, which would run 26 miles on Amtrak. {editor, mileage from Amtrak System Timetable 2012}

NEW YORK

NYA-BRT: IS IT OVER?*
?/ August, DC. THE STB CLOSED THE PROCEEDING ON WHETHER AND HOW MUCH THE BROOKHAVEN RAIL TERMINAL COULD EXPAND, by issuing a determination on whether the BRT proposed track in Parcels B and C [see map] constituted a spur track.

Procedural history
In 2010, US Rail was granted an exemption (as a tiny railroad) to construct an 18,000-foot rail line on 28 acres (Parcel A) in Yaphank. Brookhaven Rail, a successor to US Rail, now provides service to the Brookhaven Rail Terminal (together, BRT).

In 2014, the Town of Brookhaven asked the STB to revoke the exemption because BRT was violating the three conditions imposed in the 2010 decision. On 28 August 2014 the STB asked the contending parties to supply evidence about the violations, which they did [see 14#10A for details].

In 2015, the STB found that BRT was not violating the three conditions [see 15#07A]. It also found that BRT could expand its activities in Parcel A to include used oil without permission from the Board, but that the federal court in New York was examining whether the oil violated a Stipulation of Settlement between the Town of Brookhaven and the BRT.

Expansion into Parcels B and C. The Town filed a lawsuit about the expansion into Parcels B and C in March 2014 [see 14#04A]. On 23 June 2014 Magistrate Judge Gary Brown severely criticized BRT for its behaviour, and enjoined all further work on the two parcels [see 14#07A].

What is spur track? On 5 April 2016, the federal court entered a ruling in the aforementioned federal litigation, in which the Court acknowledged that the parties to the litigation had resolved their disputes by a proposed
Stipulation of Settlement, and pursuant thereto, the Town agreed to withdraw its objection in this proceeding. Accordingly, the Court re-referred to the Board, pursuant to 28 U.S.C. § 1336(b), the determination of whether BRT’s proposed track met the definition of a spur track under 49 U.S.C. § 10906.

Stipulation of Settlement
In March 2016 BRT and the Town of Brookhaven agreed, according to the document filed in federal district court:

- BRT will request Town board approval of its plans to build new tracks into parcels B and C (located at the southeast corner of Sills Road and the Long Island Expressway).

- BRT will follow the State Environmental Quality Review Act, or SEQRA, which requires developers to ensure construction poses no significant harm to aquifers, waterways and wildlife.

- BRT will not be subject to a public hearing. Such hearings often are required by state environmental review laws. Town Counsel Eaderesto said the Town agreed to the concession because it remains unclear whether state and town laws apply to a federally-regulated rail facility. “We found the middle ground that, yes, we will go through the process, but we won’t go through the entire process. The important thing is it will go through the SEQRA process.”

- BRT will submit construction plans to the town Planning Department and VHB Engineering, Surveying, and Landscape Architecture, an environmental consulting firm with an office in Hauppauge.

- BRT will keep 62 acres as undeveloped green space.

“We’re very happy with the settlement in that the environment can be protected through SEQRA review and town planning, so that we can protect the aquifer,” said Eaderesto. “The town’s coming out in a good position on this.” {Carl McGowan in Newsday 18.Mar.16}

Track to parcels B & C: spur track
In the instant proceeding, the STB stated: In their petition BRT proposes to add another 12,500 feet of track into Parcels B and C, adding to the 18,000 linear feet of track on Parcel A. BRT ‘argued that the Track falls under the definition of a “spur” track under 49 U.S.C. § 10906. ...

‘Ancillary, or “excepted,” track, as opposed to a railroad line, is described in 49 U.S.C. § 10906 as “spur, industrial, team, switching, or side tracks,” though these terms are not defined in the statute. The Board has jurisdiction over such track, which is used in performing loading, reloading, classification, storage, and switching operations that are “incidental to but not actually and directly used” in the carrier’s line-haul transportation. ... However, under § 10906, the “construction, acquisition, operation, abandonment, or discontinuance” of ancillary track is statutorily excepted from the entry and exit licensing requirements of 49 U.S.C. §§ 10901 and 10903 that apply to mainlines and branch lines. …

‘The Board’s decisions have relied on certain indicia, including: the length of the line; whether it serves more than one shipper; whether it is stub-ended; whether it was built to penetrate new markets; whether the shipper is located at the end of the line; whether there is regularly scheduled service; traffic volume; who owns and maintains the line; whether the line was constructed with light-weight rail; the condition of the line; what the line is used for (e.g., switching, loading, and unloading); and whether there are stations on the line.

‘Under the circumstances here, we find that the Track is excepted track under §10906. [BRT] state that the intended use of the Track is to load, reload, store, and switch “rail cars incidental to the receipt and delivery of shipments for existing and similarly situated customers in the same regional market now served by BRT’s existing terminal facilities.” According to Petitioners, the Track will “expand, improve, and increase” the
The record also shows that the Track will not reach new regional markets or invade another rail carrier’s established territory.

‘Additionally, the physical characteristics of the Track are those of excepted track. Brookhaven Rail currently cannot “provide short or long-haul common carrier services” over the track connecting to Parcel A, which is owned by LIRR and operated by NY&A and is “limited to interlining with the NY&A.”

‘The Track is approximately 12,500 feet in length (less than 2.5 miles) and consists of a stub-ended loop “with transloading and terminal facilities located along the stub-end of the track.” Brookhaven Rail has no regularly-scheduled service: the service on the Track will consist of “as-needed” transloading and terminal services. ...

No finding as to facilities in Parcels. ‘Petitioners state that at some point in the future, they, their customers, or others, would construct facilities on Parcels B and C, and they acknowledge that whether those facilities would fall under the Board’s jurisdiction remains to be seen.’
New parcel D, tunnel under LIRR track, separate proceeding
In footnote 9, the Board wrote:
‘The federal court order encompassed BRT’s proposed track on Parcels B, C and/or Parcel D. Parcel D is a plot of land practically adjacent to Parcels B and C, but separated from Parcels B and C by the Long Island Railroad track. Petitioners intend to extend their track from Parcels B and C onto Parcel D through construction of a tunnel under the Long Island Railroad track. Because the current Board proceeding has been limited to the track on Parcels B and C, Petitioners request for a declaratory order in the instant proceeding remains limited to a spur declaration as to the track on Parcels B and C only. Petitioners intend to initiate a future, separate declaratory order proceeding before the Board seeking a spur designation as to the proposed track on Parcel D.’ {STB webpage, decisions page, FD 35819 29.Aug.16}

QUEBEC

CMQ: PASSENGERS TO MAINE?
1 September, Portland. THE MONTREAL-MAINE HOTEL TRAIN REMAINS POSSIBLE, as well as other travel along the route. Proponents of reviving passenger service between Portland and Montreal, with service to Auburn along the way, expounded on the idea at an overflow campaign event here.

Francois Rebello, who has for years proposed a ‘Hotel Train’ from Montreal to Maine, told the crowd in Portland that he was considering passenger service Montreal-Sherbrooke, and then Montreal-Bangor, on CMQ tracks. {ANR&P coverage} Initial discussions have occurred, confirmed John Giles, president of CMQ. {e-mail to ANR&P 2.Sept.16}

MAINE

CRUDE TRANSPORT: JUNE MOST IN A YEAR
For the first time in 2016 [see box], the Portland Pipe Line moved crude oil to Montreal [see 16#07A]. {e-mail

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.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Portland PLC</td>
<td>306</td>
<td>4,215,328</td>
<td>2,030,814</td>
<td>4,219,484</td>
<td>2,426,495</td>
<td>680,909</td>
<td>2,504,744</td>
<td>2,525,136</td>
<td>3,588,942</td>
<td>###</td>
<td>2,824,336</td>
<td>2,500,968</td>
<td>###</td>
<td>32,609,995</td>
</tr>
<tr>
<td>MEC</td>
<td>903</td>
<td>0</td>
<td>0</td>
<td>15,545</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>15,545</td>
</tr>
<tr>
<td>MMA</td>
<td>914</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>CMQ</td>
<td>919</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>All Crude</td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Portland PLC</td>
<td>306</td>
<td>3,239,312</td>
<td>2,665,980</td>
<td>2,851,096</td>
<td>3,359,043</td>
<td>1,544,625</td>
<td>1,497,568</td>
<td>1,458,392</td>
<td>2,372,185</td>
<td>593,926</td>
<td>742,312</td>
<td>2,227,453</td>
<td>602,537</td>
<td>22,154,429</td>
</tr>
<tr>
<td>MEC</td>
<td>903</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>CMQ</td>
<td>919</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>All Crude</td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Portland PLC</td>
<td>306</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1,378,572</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>MEC</td>
<td>903</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>CMQ</td>
<td>919</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
CSXT: THE MIDDLEBORO MAIN AND CUSTOMERS

Overview: southeast Massachusetts
CSXT acquired the southeastern Massachusetts lines from Conrail, which in turn got them from the Penn Central, which in turn got them from the New Haven. At one time, much of the trackage was dubbed the ‘Cranberry Division’.

The entire area is served via locals after cars are dropped by CSXT road freights in Framingham. On the Middleboro Main, CSXT has five customers: Stiles & Hart (bricks and coal inbound), Columbia Gas (propane inbound), Trojan Recycling (C&D outbound), Champion City (C&D outbound), and Burke Distributing.

CSXT SERVICE FOR MIDDLEBORO MAIN
B725 runs direct from Framingham to Attleboro [see map]. In Attleboro, B726 lifts the cars for the Middleboro Main; enroute, B726 interchanges cars for MC at Cotley Junction. B726 leaves cars in the Middleboro yard for
B727, for MC Cape service, and for B729.

CSXT, using its local B729, serves the five customers on the MBTA Middleboro Main Line, and also interchanges with the Fore River Transportation Company (FRTC) in Quincy.

The other local out of Middleboro, B727, operates back along the line as far as East Junction to serve customers in Taunton and Attleboro.

**CURRENT, PAST, FUTURE? CUSTOMERS**

From south to north [see map]:

**Stiles & Hart Brick Company (current)**

127 Cook Street, Bridgewater.

The facility still receives by rail both coal (to fire the kiln), and extruded brick from the South. Both quantities have declined from 2006’s report of about 50 cars of bricks and 20 cars of coal a year, because of the decline in building. Stiles and Hart makes waterstruck brick, and is operating at about one-third the level it did in 2006, though business is picking up in 2016. \(\text{ANR&P on-site visit 19.Aug.16}\)

**Columbia Gas (current)**

10 Oak Hill Way, Brockton
Columbia spokesperson Chavonne Baldwin wrote: ‘We do receive periodic shipments at that facility at different intervals throughout the course of the year.’ {e-mail to ANR&P 1.Sept.16}

A spokesperson in 2003 was much more forthcoming. He said the spur sees 10 carloads a year of propane, which supplements the natural gas it delivers by pipeline. The propane is delivered via a short spur, and is inserted into the pipe at this location. {ANR&P discussion 19.Mar.03}

Columbia became the name after first NiSource merged with Columbia Energy Group in 2000, and then Bay State Gas, the original owner and part of NiSource, was renamed Columbia Gas of Massachusetts. {company website}

**Trojan Recycling (current)**
71 Forest Street, Brockton. Uses a car mover.

This facility receives C&D plus other materials; the C&D residuals are send by rail to Lordstown, Ohio.

Mark Trojano, son of principal Steve Trojano, said CSXT switches his facility five times a week (not Friday night or Saturday night).

In the warmer weather the railroad lifts five loaded cars and delivers five empties; in the winter the traffic slows a bit. [That would put the total loads per year at around a thousand. *Editor*]

The residual goes to Lordstown, Ohio.

Car ownership Trojano said his firm owned 84 cars, and used only those 84. “We get a turnaround of two or three weeks.”

He rated service as “okay.” The local is “very helpful.” Problems arise farther west, where “sometimes cars get hung up. … Lately service has been good.” {ANR&P discussion 23.Aug.16}

**Champion City Recovery (current)**
138 Wilder Street, Brockton. An onsite visit 19 August found trucks constantly moving in and out of the facility. {editor}

Carloads. Jeff Leech, general manager (he also manages sister facility Stoughton Recycling Technologies, not on rail but only three miles away), said on 22 August that the facility is licensed for a thousand tons a day and he is handling close to that.
In addition to C&D, Champion City handles other waste such as metal. The metal is trucked to nearby yards such as Excel and Spiegel. One scrap driver, waiting in line to enter the facility, said he could also use Eco, but he did better at Champion.

**Railcars.** Champion City owns 260 cars, Leech said. Many were spotted at Champion City, marked ‘CDEX\(^2\).

A trace showed that two of the brand-new-looking CDEX cars built by National Steel Car in Hamilton, Ontario, poised in the Middleboro yard [see photo] were released in Fostoria Ohio on 11 and 12 August.

By 31 August these were situated in the Middleboro yard, empty. {e-mails to ANR&P} Fostoria is home to Sunny Farm landfill, also part of the Tunnel Hill Partners group, the ‘largest integrated waste-by-rail company in the USA.’ {website}

**Ownership.** Champion City was originally built by Regus Rail and Logistics, owned by Gordon Reger. In 2008,

\(^2\) The UMLER database does show 260 cars in the sequence CDEX 16000-16299. RailInc states that CDEX is owned by ‘Coastal Distribution’ and that company is another Tunnel Partners outfit, per its database.
Brockton, Massachusetts. The Champion City recycling facility. Photo 16 May 2016. (ANR&P)

Middleboro, Massachusetts. CSXT yard with two locomotives and six CDEX gondolas for Champion City. (ANR&P)
he sold Champion City and Sunny Farm to Live Earth [see 08#11B].

In 2009, WCA Waste of Houston acquired Live Earth. {Houston Business Journal} In 2014, Tunnel Hill Partners, founded in 2008 with the acquisition of a landfill near New Lexington, Ohio, acquired the Boston area assets of WCA: Champion City and Stoughton.

That year it also opened a new facility called Environmental Transload Services located at the Oak Point rail yard in the Bronx, New York. ETS transloads containerized materials from transfer stations in and around New York City with ultimate disposal at the New Lexington landfill. {Tunnel Hill website}

**Burke Distributing**
89 Teed Drive, Randolph.

In 2003, this facility handled about 250 inbound carloads of beer. By August 2016, the number had dropped to 80, annually. {ANR&P discussion 1.Sept.16}

**FORMER CUSTOMERS**

**Republic Services** (formerly BFI Brockton Recyclery)
190 Mulberry Street, Brockton

The company bales scrap paper for delivery by trailer for domestic reuse, and also loads containers drayed to a port for export.

It has not used rail for eight years. During an on-site visit 19 August, trucks were constantly moving in and out of each building belonging to Republic [see aerial], which apparently has acquired the Recyclery. {editor}

In 2002, the facility did ten to 15 cars a week. The short spur remains, overgrown. On 30 August Michael Sousa, operations manager [to whom I spoke more than 10 years ago as well – editor] explained that demurrage charges killed the use of rail, and he was hit with demurrage because of CSXT’s failure to deliver empties timely.

For example, he said, “say we ordered two empties for Tuesday, and two empties for Thursday. If the empties did not arrive, we would have almost three trailers’s worth sitting on the floor and we do not have the storage space.”

Sousa explained that each gondola held 88 bales while a trailer could hold only 35. The Recyclery would have to order trailers to move at least some of the bales.

“Then we would not have enough to fully load the empties which would arrive on a Wednesday, so they
would sit a day and we would get demurrage charges.”

His accountant concluded that even though the rail move itself was cheaper, the demurrage charges made the use of rail more expensive. \{ANR&P discussion 30.Aug.16\}

**Eco Metals** (never used rail)
This scrap yard was receiving and originating carloads of scrap nearly constantly. An official said outbound scrap went to the Schnitzer yard at ProvPort if #1 scrap; other scrap went to Schnitzer Everett, and still other to Schnitzer South Attleboro [the former State Line Scrap – see 10#12B]. \{ANR&P on-site visit\}

**Garvey Transport**
An official from the company explained that it lost the only customer which received lumber by rail “about ten years ago.” The spur was used once since then, eight years ago, to receive a project cargo.

Garvey now mostly does drayage for Massport. It does have one Randolph customer for whom it drays to the NS intermodal terminal in Worcester. \{ANR&P on-site visit\}

**CSXT: NEW CUSTOMER AHEAD OF SCHEDULE**
25 August, Indian Orchard, Springfield, Massachusetts. **CRRC HELD A TOPPING OFF CEREMONY**, marking the emplacement of the final steel girder for the $95 million subway car plant here [see 15#10A] on Page Boulevard, on the CSXT Athol Industrial Track.

CRRC plans to start hiring production workers in October and start sending them to China for advanced training by February. “This first group of workers will come back and help train others,” said Bo Jia, vice
president of CRRC MA, through a translator.

Construction of the factory is running ahead of schedule. Including a 2,240-foot dynamic test track, and staging/storage area, the project is projected to be completed in the fall of 2017.

Once completed, the 204,000SF factory will employ 150 workers. The first cars are scheduled to be delivered in 2018. {masslive.com}
PAN AM: CIMENT QUEBEC UPDATE*
30 August, Everett. AT THE NEWLY-YELLOW DOME, CIMENT QUEBEC IS GETTING “DECENT” SERVICE, said Plant Manager Tom O’Neill.

While the plant aims at six carloads a day, it has a target of 20 a week currently; switching is suffering because of “too frequent” breakdowns of the CQ trackmobile.

Paint?
The company owner likes the color, and hence many CQ facilities receive it [see two photos].

Bow?
O’Neill said Pan Am service to the CQ facility in Bow New Hampshire was “reasonably consistent.”

{ANR&P discussion}

PAN AM: WYNN DIRTY DIRT
29 August, Everett. THE FIRST 16 CARLOADS OF DIRTY DIRT LEFT THE WYNN CASINO SITE. Observers, as well as a comment to your editor during a 27 August front-gate visit, agree that the following has happened:

- Workers have completed constructing a three-track loading yard on the Wynn site [see map].

- Pan Am, using newly-created local LOSA [Lowell-Salem3], delivered 19 empties to the Wynn yard on 25 August.

- Pan Am, using local LA-3, ran 16 cars of dirty

---

3 Why the designation of the end point as Salem? Unknown. To this point, Pan Am local BO-1 has served the only customer in Salem, Rousselot. See photo.
dirt, plus empty covered hoppers from Ciment Quebec, to Lowell on 29 August. The train required two
locomotives to lift it over the Mystic River rail bridge, which has a steep elevation.

- Pan Am might reach 5,000 carloads of dirty dirt by the end of the year. {Boston Reports, plus e-mail from
informed source, plus discussion with informed source, 30.Aug.16}

**BCLR: MID-CITY**

29 August, Westport. *A MASSDOT REHAB OF THE WATUPPA LINE MAY EXTEND IT A MILE OR SO.*
Bernie Reagan, marketing manager for BCLR, and Mark Gitlin, operations manager for Mid-City Scrap,
explained.

**History**

Conrail suspended service to Watuppa (part of Fall River) in 1980. When BCLR began operating the line in
1982, it had a customer west of Mid-City. By 2003, the last customer was Mid-City Scrap [see 04#01B (plans to
rebuild its track)].

In 2007, MC won the right to operate the MassDOT lines southeast of Boston for ten years beginning 1

---

Watuppa line. {from 2007}
January 2008 with options to renew, including the end of the Watuppa [see 07#09B]. Because BCLR served several customers on its part of the line, MC agreed to let BCLR service Mid-City as well.

In 2009, BCLR and MC disagreed about operation; BCLR filed to discontinue its service [see 09#03A], but the two sides resolved the conflict [see 09#05A].

Mid-City expanded to handle finished steel. It brought the steel into the scrap yard sometimes by rail; it opened a separate facility for the finished steel west on US Route 6, not on rail, and an annex for the finished steel, which if the line were re-opened could be rail served.

The rails and ties remain for at least 1.38 miles past Mid-City [see maps].

**Track ownership and operation**

As the map shows, BCLR owns the track – but not the underlying real estate – between Nash Road and Reed Road. Beyond Reed Road MassDOT owns, as well as the land underlying the track BCLR owns [see 09#03A]. When CSXT transferred its ownership of the lines south of Taunton, it transferred the real estate and the BCLR lease as well.

Reagan reported: ‘We are serving both Colonial and Dartmouth Building Supply. We are not interested in giving up this rail operation and will continue to serve our customers.’

**Extension of track: MassDOT funds**

Mid-City and BCLR for years have discussed extending the operable track to a point west of the scrap yard, but
Mid-City has been reluctant to pay for it.

In 2015 MassDOT approved a capital expenditure of $900,000 in FY16 and $400,000 in FY17 to rehab the track between Nash Road and the scrap yard [see 15#06A]. Mark Gitlin of Mid-City and MassDOT are now discussing whether to rehab the track west of the scrap yard.

On 29 August 2016, Gitlin said MassDOT was scheduled to relate to him how much, if anything, the rehab might cost Mid-City.

Reagan expected the track work to go out to bid soon. {ANR&P discussions 29 & 30.Aug.16}

MC: ONE OR TWO NEW RAIL CUSTOMERS? ++

Mid-August, Cape Cod. **THE BOARD OF THE UPPER CAPE REGIONAL TRANSFER STATION WILL BEGIN NEGOTIATIONS WITH CAVOSSA DISPOSAL** to use the transfer station itself [see 16#08A]. Catherine Laurent, head of the board and of Mashpee Public Works, wrote: ‘The Board selected the proposal from Cavossa Disposal Corp. as most advantageous and has begun negotiations with them. No agreement has been signed at this point for them to operate the facility. If negotiations are unsuccessful, the Board will initiate negotiations with the second most advantageous proposer.

‘We are in the process of scheduling another [formal] meeting.’ {e-mail to ANR&P 30.Aug.16}

Cavossa on 29 August said he plans to continue use of the site as a transfer station for municipal solid waste, but will likely ship the waste out-of-state, rather than to SEMASS. {Falmouth Enterprise 29.Aug.16}

Chris Podgurski, MC president, pointed out that MC has available some of its captive rail cars for MSW service to SEMASS in Rochester. ‘As of this writing I have not been contacted to discuss the resumption of service’ from the Otis transfer station. {e-mail to ANR&P 30.Aug.16}

More from Cavossa

On 29 August, Cavossa said he hopes to be able to process multiple kinds of waste in addition to municipal solid waste, including construction and demolition waste. The facility has to have the space to keep the different waste streams separated and staggered shipment schedules to accommodate different destinations.

His operations will benefit the waste transportation market, because Cape Cod had no competition for waste movement off the Cape. “It’s going to keep pricing competitive in the region,” Mr. Cavossa said. “What we’ve seen is that with no competition, SEMASS and Bourne have been able to drive pricing up.”

Asked why he was selected, Cavossa said: “I would imagine that it’s because [the proposal] was servicing local customers that we already have here on the Cape, and we’re not creating new traffic and bringing in waste from off-Cape.”

The Integrated Solid Waste Management Department of the Town of Bourne expressed interest in running the facility, but decided not to pursue the RFP. A Bourne representative sits on the regional transfer station’s board of managers, and the board noted a potential conflict of interest.

The plan originally submitted by Integrated Solid Waste Management of Bourne proposed using the site as a construction-and-demolition debris transfer station, which would be open to processors from off-Cape. Those processors could then truck waste onto Cape Cod, only to have it travel back off-Cape by rail.

Recycling Solutions had also considered trucking C&D residuals back onto the Cape to move off by rail [see 16#08A]. {Falmouth Enterprise 2.Sept.16}

Salt still a possibility

Saltine Warrior, which proposes a salt pile on site [see 16#08A], informed this newsletter that ‘its proposal for the use of a portion of the site other than the transfer station is likely mutually exclusive from the Cavossa proposal and is still under active consideration to the best of its knowledge.’ {e-mail to ANR&P 30.Aug.16}
MC: MORE ON THE LINE TO OTIS

24 August, Camp Edwards, Cape Cod. THE JOINT BASE COUNCIL MET WITH THE CAPE COD COMMISSION TO DISCUSS THE RAIL LINE TO BOURNE. The Council supports a trail alongside the line, rather than replacing it [see 16#008A]. Col. Francis "Frank" Magurn, executive director of Joint Base Cape Cod, said the tracks can be useful if the base has to mobilize its heaviest equipment, such as M88 recovery vehicles – massive armored vehicles that can be used as cranes, three of which are used for training at Camp Edwards. To move them over highways would require closing the Bourne Bridge to other traffic and would strain the asphalt roads, he said.

The idea in Bourne is to use the existing 6.5-mile railroad right of way as a trail, which is rarely used for anything other than an occasional Cape Cod Scenic Railroad dinner train, said Glenn Cannon, technical services director for transportation for the Cape Cod Commission. {George Brennan in capecodonline.com 25.Aug.16}

The Upper Cape Regional Transfer Station board has not yet selected one or more users, who might also use rail. [See other article.]

NEW HAMPSHIRE

MBRX: HARASSMENT?*

1 September, Milford. A PAN AM CREW AGAIN LEFT A LOCOMOTIVE AND CARS ON THE HILLSBORO MAIN, in the stretch used by MBRX to reach the Granite State processing site [see map]. {ANR&P discussion with MBRX President Peter Leishman}

11 August, earlier instance

On 11 August, Leishman wrote to Pan Am President David Fink, ‘my crew arrived at work at 6:00 only to find NA-1 parked on the main at Hendrix Wire and Cable in Milford [see photo].

‘The dispatcher informed us the crew would be on duty at 8:00 in Nashua and then taxi to Milford to retrieve the train. This has happened several times this season which prevents us from either servicing Granite State's operations in Wilton or Milford.
‘Today, the Wilton quarry is unable to run due to the size of the surge pile and Milford is out of material. Is there any way your crew could "can" either off the main at Hendrix or a mile further south of Hendrix?’

The crew arrived at 09h30 on the 11th, but found the locomotive would not run. An engine maintainer finally got the locomotive operating, and MBRX could run by 11h30.

Leishman has not as of 1 September received a response to his note. {e-mails to ANR&P; ANR&P discussion with Leishman 1.Sept.16}

A request to Pan Am’s Cyandi Scarano for comment was not received by publication time.
PAN AM v MBRX: LITIGATION UPDATE ++

Mediation in abeyance
In 2015, Pan Am filed a lawsuit to collect unpaid trackage rights fees. MBRX responded that no fee was set, and that it had done an enormous amount of work on the Pan Am track which more than offset any fees.

The two sides agreed to mediate. After a disagreement selecting a mediator (Pan Am wanted to use a free mediator, while MBRX is content to pay the retired judge, Kathleen McGuire [see 16#06A] earlier selected), the two sides placed mediation in abeyance and planned direct negotiations.

Lawsuit
Although the judge has paused forward movement of the discovery process, in August Pan Am did file supplemental disclosures, including invoices for the last few months of track use, and a motion for summary judgement.

Track condition
While Leishman continues to maintain his track to FRA Class 2 standards, Pan Am treats the entire part of the Hillsboro branch it owns as excepted track, whereon crews may only operate at five miles per hour, according to the 2 May 2016 Temporary Speed Restriction Summary.

Leishman reported on 22 August that his crews require 35 minutes ‘to make the run from Milford to Wilton (2.86 miles) due to the PAR restrictions.’

Trackage fees
In 2012, Leishman discovered that the agreement expired in 2004. MBRX subsequently paid only $6.90 per car, the amount set for 2004. The rate had risen to $8.49 per car by 2010.

Leishman later unearthed a 1993 letter cancelling the agreement. The ICC in 1993 declined to revoke MBRX’s operating rights based on Pan Am's allegation in the letter [see box in 09#07B].

On 30 July 2015 Leishman explained why he stopped paying entirely in 2013: 'Without objection, we have been supplying ties, timbers, rail, stone ballast, track bolts, joints, cutting brush, and labor. Our contribution to maintaining the Wilton to Milford section was and is becoming costly and necessary.

'For the last several years our contribution of materials and labor has far exceeded any trackage rights charges PAR alleges we owe.

'However, MBRX is still more than willing to sit down with PAR to discuss a reasonable trackage rights fee and the MBRX will continue to provide track materials if necessary.’ {e-mail to ANR&P 30.July.15}

In the latest 2016 invoice, Leishman discovered that Pan Am was billing $4.29 per car-mile, or $12.28 per car to use the 2.86 miles. {e-mail to ANR&P 17.Aug.16}

RHODE ISLAND

PW: MORE ON THE BOSTON SURFACE RAILWAY*

On an inspection trip over the route in July, the man behind the passenger service between Providence and Worcester [see 16#08A], Vincent Bono, called the P&W “a very supportive partner.” But with the news that the G&W will purchase the P&W for $126 million [see Regional], it appears Bono will have to work with someone else if he wants to achieve his goals. “G&W is a progressive and forward looking organization, Bono said. “We anticipate at least as good a relationship with them as the P&W considering the financial benefit of our project to them as well as the economic benefits to the entire region.” {Scott A. Hartley in Trains 16.Aug.16}

---

Leishman notes the cost of the mediator should total around a thousand dollars. As attorneys bill in the $400 to $500 range, one can assume that Pan Am and MBRX have already spent, in legal fees, half that amount arguing about whether to pay the mediator. Editor
Notes of support
The City of Worcester, Rhode Island State Senator Marc Cote, Blackstone Valley Tourism Council, and Woonsocket Mayor Lisa Baldelli Hunt all filed letters of support for the Railway at the STB in mid-August. {STB website, filings page, Finance Docket 36043}

VERMONT

VRS: SHELBURNE SALT PILE PRE-EMPTION*
29 August, Essex Junction. THE DISTRICT ENVIRONMENTAL COMMISSION COORDINATOR RULED THAT THE SALT TRANSLOAD COULD BE FEDERALLY PRE-EMPTED FROM ACT 250 REGULATION. The Town of Shelburne and the Nature Conservancy had requested the state action.

Peter Keibel, the coordinator, wrote that in years past, previous owners of the site did obtain Act 250 permits, before it turned over the site to Vermont Railway. The permits remain in force.

Permits should have been amended
‘Although much of the work performed for Vermont Railway as a transloading facility is federally preempted, at the time construction began some of the work was being constructed as a facility for Barrett’s Trucking. This work was not preempted. Since the subject parcel was subject to Act 250 jurisdiction, that work required an Act 250 permit amendment. Failure to secure the amendment before construction is a violation of Act 250. However once the project changed to a railroad project, the subsequent work was preempted.

‘...[I]t is possible that the state could regulate traffic (i.e. vehicle trip generation) provided that it does not deny or defeat the railroad’s ability to conduct its operations. ... The proposed trip generation could have a significant impact on the congestion at the nearby intersections. Excessive congestion at these intersections can lead to safety issues as crash rates increase. A full traffic impact analysis may be needed to make the case that safety is not an issue.’

Town overstepping bounds
Vermont is not a “Home Rule” jurisdiction, but instead follows “Dillon’s Rule.” See, e.g., Central Vermont Quality Services, Inc. v. Rutland, 780 F. Supp. 218, 220 (D. Vt. 1991) (“Vermont is not a “home rule” state. Thus, any ambiguity as to whether a municipality possesses the authority for a given act is construed against the municipality.”); Hinesburg Sand & Gravel Co. v. Town of Hinesburg, 135 Vt. 484 (1977). Accordingly, the Town’s police powers are limited to the authority specifically granted to it by the state of Vermont, which in turn is limited in its power by the Supremacy Clause of the United States Constitution.

‘In the instant matter the Town has consistently attempted to overstep its authority under the guise of its “police powers,” and now claims that the Railroad must undergo both municipal and Act 250 pre-construction permitting land use regulatory review.’ {Jurisdictional Opinion #4-249, ‘Shelburne Salt Storage Transloading Facility’, issued by Keibel, coordinator for District Environmental Commission #4}

MARITIMES

HALIFAX: PELLET FACILITY IN TROUBLE
1 September, Upper Musquodoboit, Nova Scotia. SCOTIA ATLANTIC BIOMASS CONTINUES ON TEMPORARY SHUTDOWN; ITS PARENT VIRIDIS ENERGY SEEKS A BUYER. “The plant is for sale and as of right now we are on temporary shutdown. We shut down August 1,” said Plant General Manager Julie Millington. Over 30 people have kicked the tires of the mill.

The company has laid off 18 workers. If the plant is not sold it will likely get “mothballed until next spring. We will secure it for the winter and try and sell it again when things are more favourable,” said Millington.
Supply and demand
“We are finally at the point where fibre is priced right to be profitable, however, the European spot price dropped significantly. In less than nine months it went from $160 [per tonne] to $120,” and the $40 drop was too much, she said.

The company cannot get long-term contracts. “In Nova Scotia we can’t get long-term fibre contracts so it is difficult for us to negotiate long-term sales contracts in Europe.” Fibre suppliers don’t want to commit to long term because of price fluctuations.

The European market has softened [so the long-awaited Eastport chip exports have not occurred – see ??]. A few years ago the market and its potential were strong. “There was expectation there was going to be several new facilities come on line and increase demand but they haven’t converted yet,” Millington said. In the meantime, several pellet mills in Russia and overseas have opened up providing a much greater supply for the less-than-expected demand.

However, “there are several projects in the European market that are expected to come online in 2017” which would increase demand.

Use of Halifax Grain Elevators
In the past few years, Scotia Atlantic Biomass has stored and moved over 100,000 tonnes of pellets through the Halifax Grain Elevator [see 16#01B]. Presently the company has 12,500 tonnes stored at that facility. Millington said the company has options as to what to do with those pellets. “If we have a spot buy at a decent price we could start back up and finish a shipload (about 25,000 tonnes) or we could sell half a load or we could partner with someone that has pellets available in Maritimes to fill a shipload,” she said. {Discussions with ANR&P correspondent Tom Peters, 1.Sept.16}

Halifax Grain Elevator’s Jeff Brownlie said it is disappointing to lose Scotia Biomass. “It was a big part of our business because it was year round,” unlike seasonal tonnage the elevator handles like soya beans which are only around about four months of the year. “We certainly hope it will start up again and hopefully the price of pellets comes back but nobody really knows,” he said. {Discussions with Peters 2.Sept.16}

All of Viridis for sale
Viridis Energy announced in April all of its assets are on the block: Okanagan Pellet Company of in West Kelowna, British Columbia; Scotia Biomass; and Viridis Merchants, Inc. a pellet brokerage business. {Anna Simet in Biomass Magazine 20.Apr.16}

---

**RAIL FREIGHT FACILITIES**

Described in this issue.
Brookhaven Rail (NYA, New York) Way clear to expand.
Burke (CSXT, Massachusetts) Traffic down from 2003.
Cavossa (MC, Massachusetts) Startup at Otis on Cape?
Champion City (CSXT, Massachusetts) Traffic up from 2003.
Ciment Quebec (Pan Am, Massachusetts) Service decent.
Ciment Quebec (Pan Am, New Hampshire) Service consistent.
Columbia Gas (CSXT, Massachusetts) Service level with 2003.
CRRC (CSXT, Massachusetts) Topping off ceremony.
Mid-City (BCLR, Massachusetts) Service to steel site?
Stiles & Hart (CSXT, Massachusetts) Traffic down from 2003.
Saltine Warrior (MC, Massachusetts) Startup at Otis on Cape?
Trojan (CSXT, Massachusetts) Traffic level with 2003.
BOOK REVIEW:

**Pittsburg, Shawmut & Northern Railroad**

The History Press and Arcadia Publishing, per their blurb ‘the largest and most comprehensive publisher of local and regional content’, put out Ken Clark’s *Pittsburg, Shawmut & Northern Railroad* this month. Clark has collected, into this 126-page soft-cover, historical photos of the now-defunct railroad, under four headings:

- The Shawmut in New York State
- The Shawmut in Pennsylvania
- Motive Power and Rolling Stock
- The Shawmut Mining Company.

Per the only map, the line ran from Wayland, New York east of Buffalo in the GWI home territory, to Brockway, Pennsylvania, just north of Punxsutawney Phil’s home.

Clark’s ample captions explain the historic photos, at least to my untutored eye. However, I sorely miss more maps, particularly a map of the rail lines in the area in 2016. What, if any, of the “Pretty Slow and Noisy” remains in operation? Which railroads still operate in the area?

Even better: a modern map at the beginning of each of the four chapters, showing the location of the sites captured in the photos. This would help armchair buffs like me, as well as railfans who want to head out to the area to find what remains. The book is apparently part of a series ‘Images of Rail’, but that supertitle [see book cover] is explained neither in the book nor in the marketing material which arrived with it.
**Atlantic Northeast Rails & Ports**

PO Box 357, Freeport, Maine 04032  
Vox 207-865-2922  Fax 866-484-4490  
Chalmers (Chop) Hardenbergh, publisher and editor  
editor@atlanticnortheast.com  
www.atlanticnortheast.com

**Coverage**

The newsletter covers the operating freight railroads and ports in New England, the Maritimes, and eastern Québec, as well as the government environment they function within. Coverage includes passenger rail and ships when relevant to freight operations.

**Frequency and the e-bulletin**

**ANR&P** appears at least four times a month. We send a formal issue twice a month, via post or e-mail. Between the issues, we send out the **e-bulletin**, only by e-mail. All information in the **e-bulletin** is included, and often updated, in the issue.

Stories not updated for the issue are noted with an asterisk. I urge readers to look at the issue’s updated stories (those without an asterisk).

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

Readers building a personal archive of the newsletter should discard the e-bulletins. The newsletter archive on the web at www.atlanticnortheast.com is open to all.

**Pricing**

Subscriptions cost $495 for professionals, $125 per year for students, young and old. (Add $100/year for print issue). Introductory prices available. The **e-bulletin**, sent by e-mail at least weekly between issues, is free of charge to all subscribers.

**Advertising**

Subscribers may purchase half-page ads for $100 per issue. Non-subscribers, $200.

**Copyright notice**

PLEASE DO NOT COPY THIS NEWSLETTER, or forward it in e-mail format, in whole or in part. You receive it as a paying subscriber, or a potential subscriber. Passing it on without explicit permission of the editor violates copyright law, and diminishes the likelihood of our staying in business.

HOWEVER, anyone may quote bits of articles, with attribution, under the fair use doctrine.

**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**