REGIONAL ISSUES

REGIONAL RAIL: CLF finally issued the RFP for its regional rail study. The high-speed rail consultant selection is due today.

B&A sale: Probably not by the end of the year.

PW: 3Q results.

CONNECTION

Transportation Strategy Board: Funds yet another study of barge feeder service.


PW: Bankruptcy not delaying Wethersfield work.

MAINE

MDOT: Salt contracts, bond results.

Portland: Merrill heading for a record.

MASSACHUSETTS

EOTC: Conducting a study on doublestack financing, but don’t expect a miracle.


GRS: Moving out of Yard 8 in Cambridge.

Massport wants public use for Mystic branch.

HRRC: Another extension on buying Pittsfield branch. Trail users interested too.

Boston: COSCO coming in February?

NEW HAMPSHIRE

[No report.]

RHODE ISLAND

[No report.]

VERMONT

VRS: STB holds Rockingham petition in abeyance.

MARITIMES/QUÉBEC

CBNS: Goldboro build-in years off. Stevens says Sydney rail line viable.

Saint John: Load center idea, Tropical call.

Halifax: ACL starts ro-ro call, but threatens to take business elsewhere. Traffic down slightly in 3Q.

PEOPLE, POSITIONS, EVENTS

Rob Finley.

FROM THE PUBLISHER

Favorite story

None. Hard to find some good news here. Even Connecticut’s new construction debris facilities scare me, because they may drive each other out of business.

Thanksgiving

Defying the terrorists, but still nervous, my family is flying to Minnesota to spend Thanksgiving with my mother and my sister. I’ll return to the office on Monday 26 November, ready for your calls.

- Chop Hardenbergh

Next issue: 5 December

REGIONAL ISSUES

REGIONAL RAIL STUDIES

10 November. CONSULTANTS TO STUDY THE NEW ENGLAND RAIL SYSTEM are asked by the Conservation Law Foundation to respond to its long-awaited [see 24 October issue] Request for Proposals by 1 December. See www.clf.org for complete details.

Project description

The Northern New England Rail Revitalization Project seeks to develop a viable rail plan, consisting of strategic analysis of...
possible existing rail corridors and rights-of-way that prioritizes corridors for re-development, as well as a business plan for funding the re-development of these corridors and for operating certain passenger and freight rail services. Currently, several projects in the northern New England area are moving forward and should be taken into consideration in this process. 

Against the background of these State efforts, the goal of our effort is to prepare a strategic assessment and business plan for an updated rail system for the Northeast. Ultimately, the goal is to use this plan to advance specific rail projects in the region - those projects that, according to the plan, are of greatest value to the region and where the funding prospects, private, public, or some combination, look brightest. Accordingly, the project needs to address and tie rail to local development trends and project the long-term need for rail service based on those trends.

This project will provide the infrastructure and oversight to assist further efforts in northern New England to bring rail, freight and passenger, back into our transportation system. Important factors in this initiative are the desire to improve and expand rail service, while reducing travel times and increasing frequency of service; providing a high quality, reliable rail service that is intermodal and acceptable; creating a transportation alternative that the public will pay for and use; and, finally, this project seeks to support economic growth and create development opportunities around stations in communities across the region.

**Work product**
- Conduct a strategic assessment of the regional rail system.
- Develop a business plan for the revitalization of the northern New England rail system.
- The strategic assessment and business plan should be designed and printed in a visually attractive and easy to read format, with maps and tables as appropriate for exposition.

This contract would be fulfilled over a 7-month period, starting on January 1, 2002 and ending on July 31, 2002. Pursuant to a grant CLF received from the United States Environmental Protection Agency, CLF has the ability to pay $50,000 for the completion of the strategic assessment and business plan. {text of RFP}

19 November, Montpelier. **THE ANNOUNCEMENT OF THE HIGH-SPEED RAIL CONSULTANT IS DUE THIS DAY.** [See 24 October issue.]

**B&A SALE**
13 November. **DOES THE LETTER SHOWING ENOUGH MONEY FULLFILL THE REQUIREMENT** of the stipulation? It was late, all sides agree [see 7 November issue]. But Barbara Wilson, vice-president of creditor Helm Financial, said “the letter does not meet the meet the requirements of the stipulation,” and the creditors are working "shoulder to shoulder with the BAR" to get a conforming letter.

**Ed Burkhardt response**
Responding to the concern, Ed Burkhardt, who is leading the consortium negotiations for the B&A System, wrote: 'Beauty is in the eye of the beholder. I thought our letter was anything but weak.

‘Neither Rail World nor MMA had anything to do with drafting the "requirements of the stipulation." It may be that the only thing that would satisfy the stipulation as drafted would be to have $62 million in cash sitting in an account with the BAR's name on it!

‘We are doing our best, and expect to complete our financing, followed by completion of the transaction.’ {e-mail to ANR&P 14.Nov.01}

15 November. **‘I'M NOT AS COMFORTABLE GETTING THE DEAL CLOSED BY THE END OF THE YEAR’** as with the letter, said Larry Parsons, chief of the Wheeling and Lake Erie Railroad and one of the major investors in the consortium. “It’s an excellent letter. And I’m comfortable that the consortium can come up with a purchase and sale agreement without problems.” But Parsons did see two obstacles: deals with customers, and transferring the Canadian railways.

**A division of responsibilities**
Parsons noted again that Jerry Davis and Ed Burkhardt both serve on the board of his railroad company, which had a meeting on 13 November, providing a chance to discuss the negotiations. While Burkhardt is negotiating with IRR, Parsons is handling “environmental stuff, talks with CP and the Irvings and other miscellaneous parties.” And Davis is doing “negotiations with third parties which would be involved”; Parsons declined to characterize the work more definitely.

“We have conditions that certain things happen, we get deals done with customers. That’s progressing, but a lot slower than we had hoped.” [A re-reading of the Term Sheet and the stipulation reveals no reference to any conditions about deals with customers. But the offer from chemins de fer du Québec did contain such a clause. See 18 September issue. Editor]

**The Canadian time-line**
Federal and provincial labor rights require a longer timetable than anticipated. [More in a future issue.] {ANR&P discussion 15.Nov.01}

**Comment by creditor Bank Austria**
Dieter Boehme, who is handling the bank’s loan to the BAR for Bank Austria Credit Anstalt, said of Wilson’s concern on the letter, “Barbara Wilson can be a difficult person. This deal is going forward.”

However, he was not surprised about Parsons’ forecast. “Getting this done by the end of the year was always highly optimistic. This deal is too complicated to wrap up that quickly. But if the purchase and sale is in place, and the parties need
another month or so to wrap it up, people should go along with that.”

Boehme was impressed that the buyers were “getting into all sorts of operational details. That shows the deal will happen.” {ANR&P discussion 15.Nov.01}

**PW THIRD QUARTER**

<table>
<thead>
<tr>
<th>(revenue in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PW 3Q</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Carloads</td>
</tr>
<tr>
<td>Containers</td>
</tr>
<tr>
<td>Transport. services</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

[See 18 September issue for 2Q.]

**Carloadings**
The decrease in conventional freight revenues is attributable to a decrease in traffic volume partially offset by a 1.1% increase in the average revenue received per conventional carloading. The Company’s conventional carloadings decreased by 1,124, or 4.9%, to 21,778 in the nine months ended September 30, 2001 from 22,902 in 2000. The Company estimates that losses or delays of as many as 500 carloadings of conventional freight are attributable to the terrorist acts of September 11, 2001. In addition, the Company has experienced reductions in carloadings from certain of its manufacturing customers due to the deterioration of the national economy.

**Container traffic**
The small increase in net container revenue is primarily the result of an increase in container traffic volume. Total intermodal containers handled increased by 486, or 9.9%, to 54,514 containers in 2001 from 54,028 containers in 2000. While this increase is attributable to increased volume from existing customers, the Company has experienced a reduction in container traffic volume during the latter part of the nine-month period due to deteriorating economic conditions and the loss of a customer [“K” Line moved to Ayer—see 25 September issue].

**Non-freight operating revenues**
The decrease in non-freight operating revenues is primarily attributable to decreases in maintenance department billings. Such revenues can vary from period to period depending upon

---

**TRANSPORTATION STRATEGY BD**

1-2 November, New Haven. **THE TRANSPORTATION STRATEGY BOARD ENDORSED 22 PROJECTS FOR IMMEDIATE WORK**, at its second meeting, and appropriated $13.5 million. The Board followed the language of the bill bringing it into existence by endorsing the 21 projects the bill’s section 16 required it to support [see 3 July issue]. The ‘section 16 project spending’ spread sheet on the Board’s website included this cryptic note:

**Feeder Barge Service (Bridgeport/New Haven)**

Lead agency: Policy and Planning
Time from notification: 6 months
Estimated duration to complete program: 18 months
From $15 million allotment: $906,000.
Not programmed: $5,150,000
Comment: Which City? Need Operational Plan w/Operating Costs. Labor Issues. Need NY Port Authority Buy In Environmental Permits/Equipment, Funding for Feasibility, Env. Study

Bob Hammersly of ConnDOT’s Policy and Plans, who is staffing the board, explained the cryptic notes as meaning that the Board wants an operational plan with operating costs. It has allocated $906,000, of the $15 million it had available to allocate over all 22 projects, to create the operational plan which would permit the Board to choose either Bridgeport or New Haven to start the feeder service.

The Office of Policy and Planning will do the plan. Hammersly said his office may hire a consultant.

**Rail projects**

Rail projects concerned only passenger rail advances such as expanding the New Haven Line rail maintenance facilities and studying commuter service between New Haven and Springfield.

**More money**
The General Assembly, in a special session this month, will decide how much more the Board will have to spend on the section 16 projects. Hammersly said the Transportation Investment Area committees were asked to prioritize spending the next allocation of funding.

**Next meeting and report to General Assembly**
The Board will meet again on 4 December. The Parsons Transportation Group is assisting the Board in preparation of the
initial draft of a state transportation policy, due to the General Assembly 15 January. {ANR&P discussion 15.Nov.01; ConnDOT website}

**HRRC - CSO - PW**

13 November. “OUR BIGGEST WORRY IS GETTING ENOUGH WASTE,” said Tommy Logano, partner in building one of three new construction debris recycling and transfer stations in Connecticut.

Suffield on CSO: Logano

In Suffield on CSO’s branch, Logano and partner Gary Pagnelli are constructing a facility which will handle 1000 tons a day of debris. When it begins operation in June or July 2002, it will recycle some, and rail out the rest to a landfill in Ohio.

Portland on PW: Mid-State Recovery

In October, a rail crew was installing a new siding to a facility under construction by Mid-State Recovery of Wethersfield. Logano owned this site, just over the railroad bridge and short of the Stone Container facility, and sold it to Mid-State. That company will recycle some debris and ship the rest out to the same landfill in Ohio.

Won’t this compete with the Suffield facility? It could, Logano admitted, but “right now we’re working as a team.”

Danbury on HRRC: Automated Waste Disposal

HRRC is converting a truck move of debris to the Youngstown area to rail. The railroad is completing installation of a siding, and the company, Automated Waste Disposal, completing installation of a loading facility. “We’ll begin moving debris by rail on a regular basis,” said HRRC Executive Vice-president Ed Rodriguez. {ANR&P discussions 13.Nov.01}

**MAINE**

**MAINE DOT**

**MAINE ROAD SALT VENDORS**

<table>
<thead>
<tr>
<th>salt provider</th>
<th>pile/delivery</th>
<th>source</th>
<th>Districts served</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harcros Chemical</td>
<td>truck from mine</td>
<td>Pugwash (Morton)</td>
<td>1: northern Maine</td>
</tr>
<tr>
<td>Cargill</td>
<td>truck from mine</td>
<td>Sussex mine</td>
<td>2N: eastern, 3N: n.central</td>
</tr>
<tr>
<td>International Salt</td>
<td>S.Portland/ship</td>
<td>Chile mine</td>
<td>7: mountains</td>
</tr>
<tr>
<td>Morton</td>
<td>S.Portland/ship</td>
<td>Pugwash mine</td>
<td>6: southern</td>
</tr>
</tbody>
</table>

{Brian Picard, MDOT Highway Maintenance 3.Nov.01}

**Notes**

- Morton unloads at Merrill’s Marine Terminal in Portland, then trucks the salt to South Portland at Sprague. Sprague’s pier cannot now handle the Morton ships’ unloading.

- International also unloads at Merrill’s and piles the salt at W.H.Shurtleff in South Portland. Later this year it will begin using the Merrill’s salt shed. {ANR&P discussion with P.D.Merrill 6.Nov.01}

- Maine purchasing is splintered. The above table shows only MDOT highway use. Towns buy separately or in consortia such as the Greater Portland Regional Council of Governments, which awarded its bid, as large as that of one highway division, to International Salt at a price of $31.81/ton delivered or $29.5 picked up. International will serve the member towns either from Portland/South Portland or, for southern York County, from its pile in Portsmouth. {ANR&P discussion with Carol MacKenzie, GPCOG director of joint services, 6.Nov.01}

The bankruptcy

But on 21 September the parent of NE, RailWorks, filed for reorganization under Chapter 11 of the US Bankruptcy laws. RailWorks was founded in 1998 and went public that same year, acquiring 14 companies including NE, headquartered in Bridgeport, Connecticut. By the end of 2000, RailWorks had bought an additional 21 companies or groups of companies.

Mike Julian, spokesperson for the Bridgeport office of RailWorks and a principal of the former NE, said on 15 November that “the bankruptcy has not changed our attitude on any of the work that we do....RailWorks is pretty much through the worst [of the bankruptcy] and should be out of it in a couple of months.” {ANR&P discussion 15.Nov.01; RailWorks website}

The work and startup date

An unnamed source at the railroad indicated that some “ragtag things” remain to complete the Wethersfield Secondary. {ANR&P discussion 13.Nov.01} The railroad already has an interchange agreement with CSO, according to Mary Tanona, PW general counsel. {e-mail to ANR&P from Tanona}

**PROVIDENCE & WORCESTER**

13 November, Wethersfield. **THE FINAL 2% OF THE CONSTRUCTION CONTRACT IS NOT BOGGED DOWN BY BANKRUPTCY**. New England Railroad Construction (NE) was hired by PW to do the rehab of the line from Middletown to Hartford. As recently as September, PW’s representative on the Connecticut Public Transportation Commission, Russell St.John, said the work was 98% done.

The bankruptcy

But on 21 September the parent of NE, RailWorks, filed for reorganization under Chapter 11 of the US Bankruptcy laws. RailWorks was founded in 1998 and went public that same year, acquiring 14 companies including NE, headquartered in Bridgeport, Connecticut. By the end of 2000, RailWorks had bought an additional 21 companies or groups of companies.

Mike Julian, spokesperson for the Bridgeport office of RailWorks and a principal of the former NE, said on 15 November that “the bankruptcy has not changed our attitude on any of the work that we do....RailWorks is pretty much through the worst [of the bankruptcy] and should be out of it in a couple of months.” {ANR&P discussion 15.Nov.01; RailWorks website}

The work and startup date

An unnamed source at the railroad indicated that some “ragtag things” remain to complete the Wethersfield Secondary. {ANR&P discussion 13.Nov.01} The railroad already has an interchange agreement with CSO, according to Mary Tanona, PW general counsel. {e-mail to ANR&P from Tanona}

**MAINE**

**MAINE DOT**

**MAINE ROAD SALT VENDORS**

<table>
<thead>
<tr>
<th>salt provider</th>
<th>pile/delivery</th>
<th>source</th>
<th>Districts served</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harcros Chemical</td>
<td>truck from mine</td>
<td>Pugwash (Morton)</td>
<td>1: northern Maine</td>
</tr>
<tr>
<td>Cargill</td>
<td>truck from mine</td>
<td>Sussex mine</td>
<td>2N: eastern, 3N: n.central</td>
</tr>
<tr>
<td>International Salt</td>
<td>S.Portland/ship</td>
<td>Chile mine</td>
<td>7: mountains</td>
</tr>
<tr>
<td>Morton</td>
<td>S.Portland/ship</td>
<td>Pugwash mine</td>
<td>6: southern</td>
</tr>
</tbody>
</table>

{Brian Picard, MDOT Highway Maintenance 3.Nov.01}

**Notes**

- Morton unloads at Merrill’s Marine Terminal in Portland, then trucks the salt to South Portland at Sprague. Sprague’s pier cannot now handle the Morton ships’ unloading.

- International also unloads at Merrill’s and piles the salt at W.H.Shurtleff in South Portland. Later this year it will begin using the Merrill’s salt shed. {ANR&P discussion with P.D.Merrill 6.Nov.01}

- Maine purchasing is splintered. The above table shows only MDOT highway use. Towns buy separately or in consortia such as the Greater Portland Regional Council of Governments, which awarded its bid, as large as that of one highway division, to International Salt at a price of $31.81/ton delivered or $29.5 picked up. International will serve the member towns either from Portland/South Portland or, for southern York County, from its pile in Portsmouth. {ANR&P discussion with Carol MacKenzie, GPCOG director of joint services, 6.Nov.01}
The Maine Turnpike Authority awarded its bid also to International Salt for delivery to various locations from its Portsmouth or Portland/South Portland piles. Prices range from $32.21 to $36.46 delivered. {ANR&P discussion with Mary Ellen Tetreau 6.Nov.01}

6 November. **MAINE VOTERS PASSED THE TRANSPORTATION BOND BILL.** The B&A, SRP, Mack Point, and passenger rail will benefit [see 24 October issue for more details].

**PORTLAND**

6 November. **MERRILL’S MARINE TERMINAL WILL HAVE ITS BIGGEST YEAR EVER** in terms of tonnage if nothing untoward happens. P.D. Merrill, principal, ascribed the result first to coincidence, second to an increase in market share of the commodities the pier handles, and third to wood pulp production policy. By the last, he meant that while Maine paper companies were idling their paper machines, they were continuing to make wood pulp, and instead of using it for their own machines, were selling it overseas. {ANR&P discussion 6.Nov.01}

**MASSACHUSETTS**

**EOTC - DOUBLESTACK**

13 November, Boston. **EOTC HAS NOT YET SELECTED A CONSULTANT TO EXAMINE TRANSPORTATION ISSUES,** among them doublestack financing. On 30 August, the agency released a request for responses (RFR) seeking ‘to identify and contract with one business entity (person, persons, company, partnership, or team) to help identify the key regional transportation issues in Massachusetts and use this information to develop a set of regional transportation initiatives.’

‘This Request for Response (RFR) has the following objectives:
· Coordination of outreach program to the business community to gain support for Massachusetts’s regional transportation plans;
· Identification of key freight intermodal centers in the state that serve the needs of the business community and have the support of the community/region;
· Funding strategies for acquiring or otherwise preserving rail corridors that are proposed for abandonment or discontinuation of service;
· Doublestack finance plan;
· Identification of concrete actions and/or projects that will lower the cost of freight shipments and passenger transportation in Massachusetts.’

**Decision still coming**

EOTC received responses by 24 September and had intended to award the contract by 11 October. However, EOTC’s Supervisor of Rail Siobhan Norton Perenick said on 13 November that EOTC hoped to make the award “in the next couple of weeks.” {ANR&P discussion}

**Haven’t we seen studies before?**

Yes. The Massachusetts Highway Department commissioned a study on doublestack market and finance from Jim Molloy and a team at Northeastern University, completed in 2000 [see 13 March issue]. And the Massachusetts Freight Advisory Council did a freight transportation study with consultant Louis Berger [see 21 January 2000 issue].

15 November, Boston. **FULL DOUBLE-STACK CLEARANCE WON’T COME TO THE COMMONWEALTH ANYTIME SOON,** according to responses from EOTC and CSX. Jon Carlisle, EOTC spokesperson, stated:

While funding issues for the overall implementation of doublestack in Massachusetts are an obstacle, we continue to work with CSX and Massport to develop public-private partnerships to that end. We support the spirit of the initiative, as demonstrated by the bridge structures that we have altered over the past several years to permit passage of doublestack vehicles.

Paige Kane, director of governmental affairs for CSX in New England, wrote:

EOTC has expressed their support for the project, but we must remember that this is not a CSX and Massport project. The clearance project was developed by Guilford, P&W and CSX, EOTC, Governors Weld and Cellucci, Massport, the legislature, and affected industries. Each will benefit from the partnership, but the true benefits will be in economic development opportunities for the industries in Massachusetts. The clearance project will give the Commonwealth a strategic transportation option for industries shipping and receiving goods in Massachusetts. The project is an economic development tool that directly affects the rail freight transportation costs to shippers and consumers in Massachusetts. CSX recognizes the financial issues surrounding a project of this magnitude, but we will continue to work with EOTC and the Legislature to reinforce the importance of the clearance project.

Both EOTC and CSX agree that they are continuing to work with each other, but, Kane acknowledged, ‘it has been a very long time that we have had a face to face [meeting], but when [EOTC is] ready, we’ll be here!’ {e-mails to ANR&P}

**And Massport?**

Frank Sheehan [see below] admitted that despite the successful effort to provide an overweight truck route from Conley Terminal to Beacon Park Terminal, very few of Massport’s containers were actually moving via rail. {ANR&P discussion 15.Nov.01}
GRS - YARD EIGHT
19 November, Somerville. Guilford has moved out of Yard 8 here, leasing it for 99 years to a developer. [In 1999, GRS said it sold the remaining part of Yard 8 to Cathartes Investments which planned two office buildings. See 13 August 1999 issue.]

Two customers remain
The Boston & Maine Railroad, now part of Guilford, once had eight yards in the East Cambridge/Somerville area. Yard 2 is still used by Boston Sand and Gravel; Yard 7 will be developed by Guilford; Yards 9&10 were sold earlier by GRS to become the Innerbelt Industrial Park; Yard 14 is used by the MBTA; Yard 19 is no longer in existence, and Yard 21 remains where the Eastern and Western routes diverge. [See 13 August 1999 issue.]

In addition to Boston Sand and Gravel, MS Walker Wine Distributors still remains at 20 3rd Avenue in Somerville, and uses rail, according to an official there.

Sweetheart Plastics gone. Up to 2000, this sat between Yards 9 and 10; it then moved to North Andover on the GRS line.

Mystic Wharf customers. GRS is proposing to abandon the 1.45-mile line leading out of Yard 8, which has only one customer left, US Gypsum, which is willing to give up its rail access [see below].

No objection from the Commonwealth
Siobhan Norton Perenick, who handles rail at the Executive Office of Transportation and Construction, said the state in late summer waived its right to acquire the yard, which it has under Chapter 161C section 7(a). That says no railroad shall ‘sell, transfer or otherwise dispose of railroad rights-of-way or related facilities without first offering such rights-of-way or facilities for sale, transfer or disposition to either the executive office, acting on behalf of the commonwealth,...’

The MBTA also accepts the deal, as it is working with a developer on the new Lechmere Green Line station and possible Urban Ring needs [see 13 August 1999 issue]. [e-mail to ANR&P 14.Nov.01]

New yard in Montvale
Guilford will rebuild the Montvale Yard in Winchester on the Lowell line to handle its traffic through and to Boston [more in a future issue]. [NERAILS submission from Paul Taylor 10.Nov.01]

GRS - MYSTIC WHARF BRANCH
15 November, Charlestown. Massport is seeking a public use condition from the Surface Transportation Board on the Mystic Wharf line GRS proposes to abandon [see 10 October issue]. The line runs from Somerville into the Charlestown waterfront, and onto the pier at Moran Terminal, now used as auto port.

Mike Leone, head of Massport Maritime, said his organization supported having on-dock rail: “To keep the port viable we need on-dock rail as many places as we can get it.”

In particular, the rail line provided “a great opportunity if clearances can improve for autos” [meaning the clearances will not now permit multi-level auto carriers].

The public use condition
Massport is proceeding under Title 49 US Code section 10905:

Sec. 10905. Offering abandoned rail properties for sale for public purposes

When the Board approves an application to abandon or discontinue under section 10903, the Board shall find whether the rail properties that are involved in the proposed abandonment or discontinuance are appropriate for use for public purposes, including highways, other forms of mass transportation, conservation, energy production or transmission, or recreation. If the Board finds that the rail properties proposed to be abandoned are appropriate for public purposes and not required for continued rail operations, the properties may be sold, leased, exchanged, or otherwise disposed of only under conditions provided in the order of the Board. The conditions may include a prohibition on any such disposal for a period of not more than 180 days after the effective date of the order, unless the properties have first been offered, on reasonable terms, for sale for public purposes.

“We want to keep the rail line down” and Massport looks on public use as the best method to do that. Leone expects to negotiate with Guilford to purchase the property over the next year or so.

The Commonwealth’s Coastal Zone Management agency is also interested in preserving the access to the pier, and has also filed a letter with the Surface Transportation Board.

Public use comments were due by 19 October. A final decision on the abandonment is due by 21 December 2001. [ANR&P discussion 15.Nov.01]

EOTC also opposing abandonment
Siobhan Perenick Norton said that EOTC is working on this issue with Massport and CZM. ‘It does not want the line to be abandoned or sold to a non-rail user.’ [e-mail to ANR&P 16.Nov.01]

CSXT - OFF DOCK CYs
12 November, Mansfield. Coastal is completing its new off-dock container yard here, after moving the operation from Malden in April. Coastal was operating at full capacity in Malden and will more than triple its size with room for further expansion in Mansfield, said Steve Cotrone of Coastal’s sister
company Intransit Container.

**What’s an off-dock container yard?**
These are used to receive foreign-origin boxes arriving from the West Coast utilizing a Boston bill of lading. The loads must clear customs before delivery to the customer.

**Different bills of lading**
Foreign-origin containers are delivered in Massachusetts under one of three bills of lading (BL, chosen by the importer): store door, Worcester BL, or a Boston BL.

*Store door BL* clears Customs at either the West coast or Worcester. Delivery from the intermodal ramp in Worcester to the merchants door is the responsibility of the contracting steamship line and is included in the ocean rate.

*Worcester BL* clears customs at the Worcester ramp. The receiver is responsible for delivery from the ramp to its warehouse.

*Boston BL* clears customs either at the Port of Boston or at an off-dock container yard. Under the Boston BL, the steamship line pays for carriage from the Worcester rail ramp to the steamship lines’ designated bonded container yard (also known as an off-dock container yard) located within the Boston Customs bill-of-lading district. Receivers often like to clear the container through Customs close to home, so if any problems arise, receivers can handle them more easily.

**ILWU and ILA agreements**
The agreement between the steamship lines and the West coast stevedoring union, International Longshore and Warehouse Union (ILWU), allows use of an off-dock container facility for bonded import loads destined to the East coast locations for Customs clearance.

Import loads arriving at East Coast ports are handle by the International Longshoremen’s Association (ILA). This separate agreement requires that boxes unloaded at one ILA facility moving to a clearance point that has an ILA facility, clear Customs at the ILA facility. In the case of a Boston BL, import loads arriving the Port of NY/NJ must clear customs at Conley Marine Terminal located at the Port of Boston.

**The Coastal operation**
Coastal, Incorporated is owned by the same people who own Intransit. Coastal has consolidated into Mansfield a truck yard formerly in Intransit’s Southbridge Yard [see 5 June issue] and its off-dock container yard operation formerly in Malden. Mansfield, southwest of Boston, is served by CSXT on the Northeast Corridor. However, Cotrone emphasized, the 63-acre site will not use rail for containers for some time. It does use rail for boxcar service.

Moving from Malden in April, Coastal started operating right away because the site already had laydown area associated with the 300,000SF warehouse there. Rick Souza, one of the Coastal owners, also owns the warehouse operated under the name Advanced Warehouses.

Coast is expanding the laydown area, “pouring concrete as we speak,” Cotrone said.

**The Romar operation**
Romar operates a container and trailer facility in Allston, a stone’s throw from CSXI’s container yard at Beacon Park. Shaun Keefe, the vice-president at Romar, said Hapag-Lloyd uses Romar as its off-dock container yard for mini-landbridge boxes moving under a Boston BL. OOCL uses Romar for its Boston BL boxes, but unloads them in Worcester.

**The Kellaway facilities**
The Massachusetts area south of Boston contains much of the Commonwealth’s manufacturing and distribution facilities. Hence, locating an off-dock container yard there makes sense. Coastal is building the second: Kellaway has long had such a yard at its Randolph headquarters.

Ayer lies within the Worcester customs district, so that “K” Line boxes moving under a Boston BL are drayed by Kellaway to its Randolph off-dock container yard. [ANR&P discussion 14.Nov.01]
WHY USE A BOSTON BILL OF LADING?

Cotrone pointed out that in 1987, when Intransit began operating in Worcester, 100% of the mini-landbridge boxes moved under a Boston BL, from Worcester to Coastal's off-dock container yard in Malden. Prior to that, all boxes came into Boston by rail or barge. Now, 65% of the boxes move under a store door BL. Why the change?

“It’s driven by the market,” he explained. A steamship line must pay the cost under a Boston BL to dray the box to the off-dock container yard, plus a fee to use the yard, and the customer pays for the drayage from the container yard. When the box goes to the container yard, the steamship company must give the merchant five days to move the container out of the yard, and another five days to unload the container and return it.

Under a store door BL, the steamship line prices the move to include the dray from the ramp to the customer. Also, the container returns more quickly. The market has gradually adjusted to the fact that the store door BL has one less move and no container yard fee. However, cautioned Cotrone, so many factors come into play in steamship pricing that for a given move, any one of the BLs could have the lowest price.

Why are companies still using Boston BLs?

“Because in Asia they’ve never heard of Worcester,” Cotrone explained. When a large non-vessel operating common carrier (NVOCC) negotiates with a steamship company for rates to, say, 500 points around the globe, the representative and the steamship company may know of Boston as a port and name that for the bill of lading. “But someone making a deal in, say, China has probably not heard of Worcester as a port.”

[ANR&P discussion 14.Nov.01]

HOUSATONIC

9 November, DC. THE STB GAVE HRRC UNTIL 19 DECEMBER TO SUBMIT ITS OFA to purchase the spur line leading out of Pittsfield north [see 24 October issue] CSXT asked for, and was granted, another 30-day extension to 12 December because it had not gotten an appraisal on the property, according to HRRC Executive Vice-president Ed Rodriguez.

In October [see 10 October issue] the STB granted CSXT an extension to 12 November.

Trail users want line/city master plan

Members of the Berkshire Bike Path Council wanted to use the line in Pittsfield to extend the Ashuwillticook Rail Trail.

David Hathaway, principal planner for Pittsfield, said in September that the city's master plan called for rail service from Merrill Road to Crane Avenue. That section has the potential to service the General Electric Plastics plant, General Dynamics, and an industrial park just north of Dalton Avenue (Route 9) with its own spur.

Farther north, Hathaway saw no rail possibilities. The only possibility, concrete-producer Petricca Industries, is split by the line just before the Pittsfield/Lanesborough town line. But Hathaway did not believe Petricca would ever use rail.

Hathaway believed the right-of-way could accommodate both rail and trail. Ed Rodriguez, HRRC executive vice-president, said: "We'd have to look at a proposal after we own it. I wouldn't rule anything out."

As for the traffic north of Crane Avenue, Rodriguez believed at least one other possible customer existed there. [ANR&P discussions 13.Nov.01; Glenn Drohan in Berkshire Eagle 11.Sept.01 thanks to MassBay RRE Callboy: STB Docket No. AB-565 (Sub-No. 3X) (1) served 19.Oct.01 and 9.Nov.01]

PORT OF BOSTON

MASSPORT PROVIDES NINE FOREIGN TRADE ZONE SITES, which permit import, assembly, manufacture, and processing and the re-export of the products without paying Customs duties: East Boston around Logan airport (3 sites), Moran Terminal [see GRS, above], Harbor/Channel Streets, International Cargo Port in South Boston, Coastal, Inc [see CSXT, above], and Kelloway [see CSXT, above]. [Massport sheet]

14 November. THE FIRST SHIP OF A COSCO-LED ALLIANCE WILL CALL “ABOUT FEBRUARY,” according to a sheet circulated by COSCO to possible customers in New England.

The pendulum service

Twelve 3800-TEU vessels will ply along this route: Tokyo, Qingdao, Shanghai, Yantian, Hong Kong, Panama, Charleston South Carolina, Norfolk Virginia, Boston, Genoa, Naples, Barcelona, New York, Norfolk, Charleston, Panama, Tokyo, Qingdao, Shanghai, Hong Kong. Seven ships will belong to COSCO, three to “K” Line, and two to Yang Ming Line. [sheet from Massport]

The attraction for New England importers and exporters

The route will provide quick service inbound from Asia, only 27 days from Hong Kong. For exporters, it means outbound service of only eight days to Genoa, and transshipment from there to the subcontinent and Asia.

Whether it will succeed depends on price, “and it’s up to the carriers to price into the market,” said Frank Sheehan, marketing director for Massport’s maritime division. The service should save both importers and exporters money: “Now they don’t need to truck to or from New York.”

What attracts a new call?

Sheehan saw “a resurgence in direct, all-water service” because “rates even on inbound traffic have come down” and carriers need to minimize their costs. One way: eliminate the payments to
railroads for mini-landbridge and keep the containers on the water. Another intermodal player gave for illustration purposes only a comparison in costs and rates: Hong Kong via the Panama Canal will take 27 days and cost $3500, mini-landbridge 20 days and $4,000.

The inbound traffic
Massport believes the COSCO direct call will provide “a big step toward diverting cargo from mini-landbridge to all-water” as well as diverting the cargo now coming into NY and moving by truck, rail, or barge into New England. Sheehan saw all-water as “more dependable” than mini-landbridge [others agree—see Intermodal Business 17 September 2001]. Currently beer and ale at 9,735 TEUs rank as the top import commodity through the port (August 2000 to July 2001), with frozen fish second at 3,161 TEUs.

One target: national discount companies such as Walmart. The New England region has lost its regional discount companies. “Without direct service, it’s hard to convince people to use Boston to feed regional warehouses, but the market’s still here.”

The outbound traffic
Currently paper, especially waste paper, ranks first in export cargoes with 4,003 TEUs, followed by 1,959 for logs and lumber, 1,017 household goods, 852 metalware, and 790 TEUs in hides.

Sheehan did not envision the alliance’s outbound ship to the Mediterranean competing with the Mediterranean Shipping Service, as that carrier calls Boston first from the Mediterranean.

How much traffic will the COSCO alliance provide to Boston?
Sheehan said the service will only work if the ship handles 300 FEUs (forty-foot equivalents, or as much as a forty-foot long container) each call. That comes to 15,000 FEUS a year, or to use the standard measure, 30,000 TEUs. “With its partners, the alliance should achieve that quickly.”

He noted that neither “K” Line or Yang Ming had used the port directly before. “We’ll get cargo never handled over Boston before.”

How does international traffic look for New England?
According to Sheehan, growth for traffic will depend on growth in the population base, since New England is basically an import market, with high income. “The products consumed here are not being made competitively anywhere else....We can always get the inbound business.”

But with the outbound service, “we become more competitive for forest products” especially with the transshipment to Asia from Genoa. International Forest Products, a leader in the international pulp and paper trade [and owned by the Kraft family, which also owns the New England Patriots], has given an indication it would use the service. {ANR&P discussion 14.Nov.01; import and export numbers from PIERS via Massport]
traffic potential to maintain the rail line.”

Next step, to facilitate discussions among key players to try to develop the traffic. After the resolution on leasing the Sysco piers [see 7 November issue], AMCI can discuss with the railroad its intentions on freight traffic. {ANR&P discussion 15.Nov.01} 

5 November, Guysborough. THE REPORT ON A BUILD-IN TO GOLDBORO cut down seven different possible rail alignments to two, which differ only over one 12-mile section [see 18 September issue]. Bill Connolly of the Guysborough County Regional Development Authority said consultant Stone Consulting/Northwest Theil “did an excellent job, and Conestoga Rovers did a good job on the environmental stuff.”

Next step: Get commitment from investors. “It’ll be at least 2005 before something is going across the rail.” {ANR&P discussion 5.Nov.01}

SAINT JOHN

26 September. WHY NOT A LOAD CENTER PORT? Hermann Boschken, a visiting professor at the Center for Property Studies at the University of New Brunswick, asked this question during Saint John Port Days in June.

The Port Days presentation

Boschken noted that the foreign trade of the European Union has grown to 80% of its gross domestic product. One-third of that trade occurs with North America, putting enormous pressure on Atlantic shipping. Saint John, Boschken told the Port Days, could relieve some of that pressure by becoming a major load center for the Atlantic container trade. Moreover the port could also capture some of the growing South and Southeast Asia trade moving through the Suez Canal.

The professor listed two strategic hindrances. The low-speed rail line between Saint John and Montréal [apparently destined for light density—see 10 October issue, 9 October comments from Burkhardt], and the lack of reliable funding mechanisms.

He called for the port to make a major commitment of management resources to strategic planning, instead of just planning year-to-year priorities, and for the business community to coalesce around the strategic opportunity.

Rail condition

Responding to questions from his editor in September, Boschken stated: ‘I know most of the rail lines remain in place across NB and beyond (including Maine), but much of the fragmented system is in too poor condition for fast double-stack container trains. Also, I would be concerned about private-firm game-playing regarding who gets access. New Brunswick is well known for its Irving-McCain and other rivalries, and Irving owns the main line west from Saint John.’

Saint John off the main shipping lane?

‘Your [Chop Hardenbergh’s] last statement about the unlikelihood of Saint John as a load port: First, the load center shippers care less about where the shipping lanes are and more about transshipment amenities. The load center shippers are no longer working their way along ports on the shipping lanes—they are headed for a single large multi-purpose point (which Saint John could become) and returning in a "pendulum" system.

‘Second, I am reminded of what Seattle used to say about LA/Long Beach when the load-center concept emerged. LA/Long Beach is, of course, a couple of days longer on the sea lanes, but today is far ahead of Seattle in cargo handling.’ {e-mail to ANR&P 25.Sept.01}

10 October. TROPICAL’S ASSUMING THE KENT LINE BOX BIZ ‘will be positive for the Port,’ said Port Authority chief Captain Al Soppitt. ‘We will have a new container line in the form of Tropical and a new service from Kent Line. We are looking forward to working with both to increase business through this port. We welcome Tropical to the Saint John family and look forward to working with them in their new venture. We also will be working with our "home team" Line to explore the new opportunities they have embarked upon and we are very excited about this expansion of service.’ {e-mail to ANR&P}

Soppitt referred to Kent Line’s saying it would grow its breakbulk business to Europe, the Caribbean, and South America using a fleet of owned and chartered ships. [See 10 October issue.]

HALIFAX

30 October. TOTAL TONNAGE FELL ONLY SLIGHTLY THROUGH THE FIRST NINE MONTHS, to 10, 406,290 from 10,411,380. Bulk tonnage rose 1.5%, containers 0.04%. But the number of TEUs dropped from 410,880 to 406,140. Ro-ro dropped 30%, break-bulk 34%. [Tom Peters in Halifax Herald 30.Oct.01]

On 6 November, marketing vice-president Patricia McDermott said of the container traffic through the end of August, boxes to the Midwest showed tonnage down 4% to 461,000 from 2000's 481,000, and TEUs to the Midwest down 8.6% to 59,000 from 2000's 64,000. {ANR&P discussion 6.Nov.01}

1 November, Halifax. ATLANTIC CONTAINER LINE IS ADDING RO-RO SERVICE TO THE MEDITERRANEAN from Halifax. ACL has operated a weekly transatlantic RORO/container service [roro below deck, containers above] for over 34 years, calling Thursdays in Baltimore, Fridays in Portsmouth, Virginia, Saturdays in New York and Mondays in Halifax. The ACL vessels arrive Thursdays in Antwerp, where the ro-ro cargo is relayed to the Grimaldi Euromed vessel that departs every Friday.

What kind of traffic increase for Halifax?

Bob Willman, general manager of roro/special projects for APL, said on 13 November that Halifax traffic accounts for about one-
quarter of the existing trans-Atlantic traffic, mostly inbound. Since he anticipates much of the Mediterranean traffic from the industrial Midwest outbound, he does not anticipate Halifax will see much of a traffic increase. Baltimore, rather than Halifax, gets the Midwest-ro-ro traffic [though CN would have it otherwise! Editor].

The ACL ship uses Halterm, which handles both the containers and the ro-ro cargoes. While initially ACL hopes to entice traffic away from other carriers, Willman would like to see export traffic from both Canada and the United States grow because of this new service offering.

Service to West Africa
In May, ACL started a similar transshipment service via Antwerp to West Africa, which has ‘proven to be very successful so far,’ according to an ACL press release. {ANR&P discussion 13.Nov.01; ACL website}

8 November. ACL AND CN WERE NEGOTIATING VERY HARDOVER RAIL RATES. On 8 November, during question period at the legislature, Don Downe (Liberal, Lunenburg West) asked Economic Development Minister Gordon Balser what he and his department were doing to prevent ACL from pulling out of Halifax.

Balser responded: “Any negotiations do not involve the government directly. At this point, it’s a discussion, I’m assuming, between two private sector operators. If there is a role for the province to play...we’ll step up to the plate when that’s required.”

Outside the chamber, Downe said ACL carried 50% of the boxes going to the Midwest [or about 30,000 TEUs–see above, editor]. {Tom Peters in Halifax Herald 9.Nov.01}

15 November. ACL MAY TAKE ITS BUSINESS ELSEWHERE. Brian McBride, an ACL vice-president in New Jersey, said other railroads had expressed interest in the business. “We have had offers from Norfolk Southern and we have had rates from CSX and from third-party rail providers for moving freight to traditional US East coast ports, but that is just the normal course of business.” NS would look at moving the cargo through New York, according to an NS spokesperson.

Fritz King, ACL’s managing director in Halifax, fingered money as the issue. “Of course, we do have a 30-year history with Halifax that we wouldn’t throw away lightly, but the markets are so depressed that survival becomes an issue too.”

Mark Hallman, CN spokesperson, said talks were “continuing and we are making progress. CN is, and remains, committed to the Port of Halifax. We think we offer the port competitive inland transportation and that is where we stand at the present time.”

Union wants two railways to Halifax
Gerald Murphy, president of the International Longshoremen’s Association local in Halifax, said: “We need [rail] competition in Halifax for this port to be viable and grow. Murphy feared other shipping lines may leave. “If this [NS] offer is out there for ACL, how many other lines are they going to try and attract to New York?” {Tom Peters in Halifax Herald 16.Nov.01}

16 November. SHIFT OF A CN MANAGER OUT OF HALIFAX DOES NOT PLEASE the Halifax Shipping Association or the Halifax branch of the Shipping Federation of Canada. Shawn McMahon, CN’s marketing manager in Halifax, will take a new position in Toronto in the new year, and his position will not be filled.

Russ Herder, chair of the Halifax Shipping Association, said the move “means that CN won’t have much of a presence here anymore from a management point of view.” Shipping lines will have to deal with customer service people in Winnipeg, Toronto, or even [gasp! editor] Chicago. “So we are concerned with that, and with CN being hardnosed with ACL in their [rate] negotiations and they being the only railroad in town, we are concerned with them pulling out any semblance of senior management.”

Wayne Morrison, chair of the local branch of the Shipping Federation of Canada, said CN operational staff will remain, but not sales or customer service representatives. “It is important to the container lines having a port manager and local contact. It just helps you get your problems resolved quicker and easier...In all customer-client relationships, a client has to have people who will fight for them. We will lose that contact.”

Mark Hallman, CN spokesperson, said MacMahon’s position won’t be filled because of the integration of sales and operations sections of CN’s Eastern Canada division. “It means we can fulfill the same level of customer service and contact through other people that we already have in Halifax.” {Tom Peters in Halifax Herald 17.Nov.01}

PEOPLE

Rob Finley became vice-president of finance for the Housatonic Railroad at the beginning of November when the previous office-holder moved out of the industry. Finley was most recently helping Genesee & Wyoming’s SpeedLink less-than-carload service between Portland, Oregon and Los Angeles. GWI pulled the plug on the effort at the end of September.
Atlantic Northeast Rails & Ports
87 Main Street Yarmouth, Maine 04096
Vox (207) 846-3549 Fax (603) 215-4482
Chalmers (Chop) Hardenbergh, publisher and editor
ey-mail: C_Hardenbergh@juno.com

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

Pricing
ANR&P appears twice a month, via post or e-mail. Subscriptions cost $375 for professionals, $95 per year for students, young and old. Introductory prices available.

Updates between issues
The e-bulletin, sent by e-mail as needed between issues, is free of charge to all subscribers.

Advertising
Subscribers may purchase half-page ads for $50 per issue. Non-subscribers, $100.

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.’

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.

E-MIAL ISSUE