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

ATLANTIC NORTHEAST
RAILS & PORTS
operating railroads + ports, intermodal facilities, and government environment

Issue 01#05A 18 May 2001

REGIONAL ISSUES

NASTO: Port panel, rail mergers panel, passenger rail panel.
Regional rail: Melrose to serve on committees.
HSR, CLF update.
Emons: 3Q results
PW: 1Q results.
CSXT: Short-line simplified pricing.

CONNECTICUT

General Assembly: Reactivate Hartford-Providence line?
Ports: Pilot feeder barge funding. Three bargees interested.
New Haven: Advances on new port configuration.

MASSACHUSETTS

BCLR: Michon, Kennedy, and Betke propose Budd-power Cape commuter service.
GRS: STB says Ayer cannot regulate auto facility.
Last cars on Wakefield Industrial track.
QBT: TRT wins with 41% bid. Some concern.

NEW HAMPSHIRE

General Court: Liability bill killed. Bills on disposing of properties, raising lease fee moving.
CCRR: West Lebanon progress with NECR.
GRS: Salem Industrial Track, Conway branch.
NHC: NHDOT helping on track work on old NHVT. Possible customers.

RHODE ISLAND

Quonset Point: Draft master plan unveiled, money for container port EIS sought.

VERMONT

LVRC: Searles deciding on proposals.

MARITIMES/QUÉBEC

CBNS: Goldboro work starting 31 May. Devco mine to be closed.
NBSR: [Irving should buy B&A—see NASTO.]  

FROM THE PUBLISHER

Best part of this issue: the spur to regional rail coordination supplied by Joe Boardman and John Melrose.

Chop Hardenbergh
Next issue: 1 June

REGIONAL ISSUES

NASTO

13-14 May, Portland. THE NORTHEAST ASSOCIATION OF TRANSPORTATION OFFICIALS convened rail and port panels to address current issues. Congratulations to MDOT employees, who did yeoman work to make this a smoothly functioning and enjoyable meeting.

NASTO PORT PANEL

Statistics from NY/NJ
95% of the port area lies on the New Jersey side. Some 15% of the port’s containers now move by rail; in the not too distant past only 5% moved by rail. In the region, 40% of the containers come via the mini-landbridge, more than move through the port, so that Los Angeles/Long Beach actually qualifies as the region’s largest port.
{Robert James, head of policy and planning, NJDOT}

Statistics from Halifax
In the year 2000, of the 550,000 TEUs passing through the port,
95,000 were US cargoes. Overall, 65% of the containers move by rail, 5% by feeder ship, and 30% by truck. {Patrick Bohan, director of business planning, Port of Halifax}

Financial viability of North Atlantic ports
In the past, most ports have produced a profit, but that profit is shrinking year by year. In 1999, all US regions except the North Atlantic (Maine to Virginia) showed a profit.

The North Atlantic has incurred large expenses for dredging: one third of its costs go for dredging, while the country as a whole allocates only one-seventh of its expenses to dredging. Also, the region has spent significantly on container investments in recent years.

Container shipments in the North Atlantic will triple in the next 20 years, yet region's port traffic will grow more slowly than most other world regions. {Gerhardt Muller, US Merchant Marine Academy, Kingston NY}

The region should act together
New England is becoming a cul-de-sac of one-way loads into the region. The states should have acted as a region, and invested in rebuilding the Poughkeepsie Bridge.

The larger states can act because their territory covers as much as the North Atlantic: California, if placed over the region, would stretch from Maine to Virginia. But our region must handle 13 state DOTs, and thirteen legislatures.

The proposed Rhode Island container port
Planners believe Quonset Point/Davisville could handle one million TEUs a year, delivering within a local 300-mile radius, and as far west as Chicago. If dredged to 50 feet, no maintenance dredging would be needed; over the last 20 years only three inches of sediment has settled.

The port could become part of a waterway transportation system: 'O-95' (Ocean interstate route 95) would ease the congestion on 'I-95'. {William Ankner, director, RIDOT}

Does the region need another container port?
Your editor asked the panel whether, given the expansion plans of NY/NJ and Halifax, a port at QPD makes sense. Muller responded that ports need to become as efficient as the companies UPS and FedEx. At those companies, packages spend 90% of their time in movement.

Ports need to move containers as efficiently: get them off the ships and on their way immediately. Inbound to the ports, the logistics system needs to deliver the containers to the port just-in-time for loading onto a ship.

James said before building more load centers, the region must look at the situation systemically. New England now pays a $400 premium to receive or dispatch its containers to the major ports of NY/NJ and Halifax. The New England shippers need to tell us what they need from the transportation system to be competitive. {ANR&P coverage}

NASTO - RAIL MERGERS

Presenters: Dana Burleigh, manager of transportation for Great Northern Paper in Maine; Tom Till, former deputy FRA administrator; Robert Grossman, SLR president;

Great Northern Paper use of rail and merger impact
The two mills, in Millinocket and East Millinocket, are moving toward the production of specialty rolled paper, which lends itself to the use of rail. In the near future, the mills aim at producing annually 259,000 tons of market directory paper, 200,000 tons of specialty paper, 15,000 tons of newsprint, and 125,000 tons of coated paper. Almost all the directory paper goes to rail-served destinations.

Major customers include Verizon, Southwest Bell, Blethen Maine newspapers, Telstra (Australia), McGraw Hill, Quebecor, and R.M. Donnelly. The last two, both press rooms, are the largest in the world.

“We’re a big supporter of rail. The company is in constant communication with the state about rail issues.” [Inference: Great Northern is worried about the fate of the B&A. Editor]

[Note: Newsprint consumes 20% of a newspaper’s costs. Paper manufacturers are looking for higher prices, newspapers which are losing ad revenues are looking for lower prices. The top three producers (Bowater, Atibiti-Consolidated, and Norkse Skog) control 61% of the market. {Felicity Barringer in New York Times 14 May.01} Perhaps a good reason for Great Northern to move out of newsprint? Editor]

Rail potential
Great Northern’s modal breakdown for outbound shipments:

<table>
<thead>
<tr>
<th></th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>actual</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>rail</td>
<td>59%</td>
<td>59%</td>
<td>75%</td>
</tr>
<tr>
<td>truck</td>
<td>41%</td>
<td>41%</td>
<td>35%</td>
</tr>
</tbody>
</table>

Potential for shipping by rail is not reached, Burleigh explained, because of manufacturing issues, transit time, or short windows at the press rooms.

Impact of the mergers
Burleigh chose two points: Greely Colorado, where customer Southwest Bell was affected by the UP/SP merger, and Lancaster PA on NS (former Conrail), where customer Verizon was affected by the Conrail splitup.
Rate increases
Despite promises that rates in the shared asset area would decrease, Burleigh said rates had actually increased 27%, bringing them ever closer to truck rates.

Have mergers increased efficiencies?
Tom Till noted factors which have improved the efficiencies of Class Is.

- The improvement in labor productivity happened because of trucking deregulation forced the railroads to wring costs out.
- Mergers reduced administrative costs.
- Rail deregulation permitted Class Is to remove less efficient branch lines.
- Rail equipment improved, permitting the creation of the unit train and the intermodal train.

Two key measures have not changed. “No improvement in average speed versus truck” has happened. Second, turns for railcars, now 11-12 trips a year, have not changed since Reebie measured them in 1970 at 11-12 trips a year.

SLR 286 capability
Asked if making an entire short line 286-capable for one or two cars a train made sense, the panelists stated unanimously that the Class Is were moving toward 286 cars, so that eventually the majority of cars would weigh 286,000 pounds.

Robert Grossman of the SLR noted that the five-pack doublestack car would weigh more than 286,000 pounds, and the SLR is now full doublestack capable. “We can handle one or two 286 cars now,” but want to handle more. {ANR&P coverage}

NASTO - PASSENGER RAIL
Presenters: David Carol, head of high-speed rail for Amtrak, Elsie Wayne, Member of Parliament from Saint John, and Mique Glitman, deputy VAOT secretary.

Passenger traffic between New England and Canada
Carol listed five under- or non-served passenger corridors in New England:

New Haven-Hartford-Springfield
Albany-Springfield-Boston (one train each direction)
New York-Montreal (one train each direction)
New Haven-Springfield-Montreal (no trains)
Boston-Montreal (no trains)

He called on NASTO and CONEG to do a regional market study, not just the upcoming Boston-Montreal corridor. However, he called on rail advocates to base trains on “reality,” not “emotion.” In northern New England, the roads are not saturated. Until that saturation comes, “you won’t see a significant push for rail.”

Wayne called for VIA to restore the Atlantic Limited between Montreal and Saint John, through Maine. Asked about the possible of the B&A System failing and jeopardizing the existence of the corridor, she said, “I’ll go back and tell the Irvings—they might buy it.”

Freight railed between Canada and New England
Glitman pointed out the small portion carried by rail:

Vermont
Exports $198 million worth of goods ($664,000 by rail).
Imports $353 million of goods ($12.9 by rail)

Connecticut
Exports $126 million ($5.4 million by rail)
Imports $145 million ($38 million by rail)

Massachusetts
Exports $164 million ($1.4 million by rail)
Imports $489 million ($1.4 million by rail)

REGIONAL RAIL COOPERATION
17 May. MDOT COMMISSIONER JOHN MELROSE WILL HELP TO FOCUS ON RAIL in the region, at the behest of Joe Boardman, the incoming president of the Northeast Association of Transportation Officials. “He wants to create a focus on rail within the region, and wants me to help him lead that effort,” said Melrose.

Boardman also asked Melrose to serve on the American Association of State Highway and Transportation Officials (AASHTO) committee which is focusing on rail.

States are taking the lead
Melrose listed these reasons for accepting the invitation:

- States are far more out front on the rail issue than the federal government. Maine, a small rural state, is one of the leaders.
- Federal rail issues are in play, especially the future of Amtrak. The region must together make sure the Northeast Corridor as an asset is preserved and protected.
- “Rail may be the mode on which we can pull together as a region most readily. We have a high level of interest at the state level,
and a vacuum at the federal level. Rail can provide meaningful relief to I-95 congestion, especially as a part of an intermodal package. It has the capacity to grow, and provide relief on the air and highway front.”

**Maine to Worcester train**
Melrose still supports this concept, which would permit trains to avoid the lack of a through track in Boston, and connect up with the Vermont trains. “I look at [Boardman’s request] as an opportunity to keep pushing that issue.” He sees a linkage with the effort to run commuter rail from Hartford to Springfield. During the GRS train trip [see Maine], Dave Fink expressed receptivity to the idea. {ANR&P discussion}

**Other rail cooperation**
The Conservation Law Foundation plans in late May to issue an RFP for a consultant to do its regional rail study. The high-speed rail coalition is still working on its scope of work, trying to meet FRA requirements. {ANR&P discussion with Nancy Girard of CLF and Kit Morgan of NHDOT 13.May.01}

**PROVIDENCE & WORCESTER**
4 May. THE RAILROAD’S CONTAINER REVENUE INCREASED BUT carload revenue dropped.

<table>
<thead>
<tr>
<th></th>
<th>1Q 2001</th>
<th>%total</th>
<th>1Q 2000</th>
<th>% total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carloads</td>
<td>$3.975M</td>
<td>78.8</td>
<td>4.220M</td>
<td>80.1</td>
</tr>
<tr>
<td>Containers</td>
<td>0.726M</td>
<td>14.4</td>
<td>0.632M</td>
<td>12.0</td>
</tr>
<tr>
<td>Transport services</td>
<td>0.266M</td>
<td>05.3</td>
<td>0.259M</td>
<td>04.9</td>
</tr>
<tr>
<td>Other</td>
<td>0.075M</td>
<td>01.5</td>
<td>0.155M</td>
<td>03.0</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$5.042M</strong></td>
<td><strong>100%</strong></td>
<td><strong>$5.266M</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

**Carload decrease due to late Tilcon startup**
‘The decrease in conventional freight revenues is attributable to a decrease in traffic volume [decreased by 492, or 8.8%, to 5,098], partially offset by an increase in the average revenue received per conventional carloading of 3.3%....Approximately 75% of this decrease was comprised of construction aggregate shipments. ...Snow and cold weather during March 2001 delayed the commencement of construction aggregate shipments....

‘The remainder of the net decrease in conventional carloadings appears to be the result of a weaker economy, particularly in the manufacturing sector. The decrease in construction aggregate volume accounts for most of the increase in the average revenue received per conventional carloading since this commodity commands a relatively low freight rate.’

**Container freight increase**
‘Total intermodal containers handled increased by 2,081, or 13.4%, to 17,650 in the first quarter of 2001 from 15,569 in 2000. The increase in container traffic volume is attributable to increased volume from existing customers. The decrease in non-freight operating revenues for the quarter results primarily from a decrease in Maintenance of Way Department billings. Such revenues can vary from period to period depending upon the needs of customers and other outside parties.’ {PW 10Q}

**EMONS TRANSPORTATION/SLR**
14 May, York PA EMONS ANNOUNCED A SIGNIFICANT INCREASE: revenues grew to $6.37 million, up 2% from $6.25 million last year, for the quarter ended 31 March 2001. Income before taxes improved 33%; net income grew 143% to $188,000.

**Carloads and intermodal units system-wide**
Chair Robert Grossman said: "Freight revenues, excluding intermodal, were down 1.4% for the third quarter of fiscal 2001, as compared to the previous year's quarter. Freight carloads were down 4.6% to 16,250 for the current quarter, from 17,025 last year.

Intermodal freight and handling revenues [only SLR handles intermodal] increased 42% to $387,000, from $273,000 in the prior year's quarter, largely due to a 41% increase in intermodal units handled for the quarter to 3,250 units from 2,300 units in the prior year's quarter.

"Freight carload volumes have continued to decrease into the fourth quarter as a result of the slowing economy, while our intermodal volumes remain strong. We are aggressively working on marketing initiatives, as well as cost reduction initiatives, including alternatives to reduce our high locomotive maintenance costs from certain of our older locomotives. The expansion of our intermodal terminal should be completed by June 2001, and we are monitoring economic conditions and their short-term impact on our business. Longer term, we are optimistic about our continued growth." {Emons press release}

**FY2000 carloadings**

<table>
<thead>
<tr>
<th>Railroad</th>
<th>Originated/Received</th>
<th>Overhead</th>
<th>Total 2000</th>
<th>Total 1999</th>
</tr>
</thead>
<tbody>
<tr>
<td>SLR</td>
<td>16,000</td>
<td>7,000</td>
<td>23,000</td>
<td>24,200</td>
</tr>
<tr>
<td>SLQ</td>
<td>6,800</td>
<td>20,200</td>
<td>27,000</td>
<td>16,000</td>
</tr>
<tr>
<td>PA</td>
<td></td>
<td></td>
<td>17,000</td>
<td>16,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>67,000</strong></td>
<td><strong>56,200</strong></td>
<td><strong>67,000</strong></td>
<td><strong>56,200</strong></td>
</tr>
</tbody>
</table>

Note: overhead traffic on SLQ for SLR is counted for both railroads.

For FY2000, as described in the annual report issued in October 2000, total traffic came to 67,000 for the entire company, up from 56,200. {Annual Report 2000}
CSXT SIMPLIFIED PRICING
13 April. **BCLR’S BERNIE REAGAN IS SIMPLIFYING PRICE STRUCTURE**, as chair of CSXT’s Short Line Pricing Simplification Subcommittee. The Subcommittee consists of five short-line organizations and railroads. It joins with CSXT’s Jim Howarth, vice-president, manufactured products, and others in a bi-weekly telephone conference to discuss specific topics.

To date, short lines are included in CSXT’s lumber and pricing documents, and those involved are working to expand the initiative.

“This is a representative group of CSX’s short line rail partners focused on connecting with CSX leaders,” said Reagan. “Simplified pricing is the goal of us all. We all want to make pricing easily accessible for shippers in hopes that we’ll carry more of their freight....

“I keep very much in mind a phrase I first heard from a CSX manager in the 80s: seamless transportation. We have to realize that we’re running a complex business, with many agreements between various railroads to ship a customer’s freight. But all that’s of no interest whatsoever to shippers....

“We want shippers to whip open a document or go to the Internet for a price to go from Point A to Point B. That’s how it works for trucks. We’ve got to get our pricing that simple to compete.” [CSXT Interchange winter.01]

Scrap paper
According to Reagan, scrap paper was the first price structure out. The pricing documents give the price to move one or two carloads, “and they’re sensible prices.”

However, the prices do not represent a starting point for negotiations with the shipper. “That’s the bottom line.” Now, if the shipper wants to provide the railroads with a good deal, such as a large one-time shipment or a guarantee of a number of cars per year, “then we will negotiate on price,” Reagan explained. [ANR&P discussion 12.Apr.01]

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**CONNECTICUT PORTS - OVERALL**
10 May. **WHO WILL GET MONEY FOR THE PILOT CONTAINER FEEDER SERVICE?** Both Bridgeport and New Haven are vying for money from the legislature, but apparently neither will get directly funded this year [see 1 May issue].

The situation at the General Assembly
Section 17(a)(21) of bill 6985, as of 9 May, still called for the funding of a pilot project to Bridgeport as part of the effort to create the Transportation Strategy Board, ‘and such other projects and activities that enhance and support the strategic transportation initiatives.’

However, Judy Gott, executive director of the South Central Council of Governments, said the transportation committee had put $50 million into bill 6985 to get people to pay attention. Under its final format, the money will come out. Whatever money the Transportation Strategy Board receives will go via ConnDOT under the budget bill.

As of 9 May, the budget bill (#6668 - file number 695) will include whatever Transportation Strategy Board projects would get funded. Gott also said that despite the specific language of 6985, when the Transportation Strategy Board finally meets, it can alter the bill’s direction, direct the money to New Haven, or fund both pilot projects.

The Transportation Strategy Board
The bill was passed by the Joint Appropriations Committee 42-2 on 9 May. It sets up the Board, earlier proposed by political leaders [see 13 February issue], with about 15 members, five of whom will represent newly-formed TIAs (transportation investment areas): coastal corridor TIA, I-84 corridor TIA, I-91 corridor TIA, I-395 corridor TIA and southeast corridor TIA.

The Board shall propose a transportation strategy, plus costs to implement it, by 15 January 2002, and every two years thereafter. [bill #6985 from Connecticut General Assembly website]

So what about New Haven
Gott said her letter urging the General Assembly not to fund only
Bridgeport [see 1 May issue] met a good response from Representative Bill Dyson (D, New Haven), one of the major players on the Appropriations Committee. ConnDOT Commissioner James Sullivan also responded, saying the language did not mean New Haven cannot go forward. However, the remainder of the legislative delegation did not respond.

Gott argued that funding should go to whichever port can start quickest, but “if we can do both, that would be good.” Yes, that would require a subsidy to each, but each port would have plenty of customers by the third year, and no longer need a subsidy. {ANR&P discussion 10. May.01}

The view of Logistec’s Marty Tristine
Tristine heads Logistec’s operations in at all three Connecticut ports. Asked about Bridgeport versus New Haven, he noted, “we have one foot in both camps. I can see compelling arguments for each location.”

New Haven has the proximity to I-91 and I-95; the NY/NJ Port Authority study says most containers move via the I-91 corridor.

On the other hand, Bridgeport lies closer to the container terminals and could get daily service, the better to meet manufacturers’ requirements.

“But we cannot start at both ports,” they will both fail. The state needs this to work, so it should start at one port, and later expand to both. Everyone knows that people need to change their mindset away from only automobiles, Tristine said. Similarly, shippers need to change their mindset away from only trucks, to viewing the waterway as a traffic lane. That will take time.

Westchester Motor Freight
Tristine pointed to Westchester Motor Freight as one of the key players in the decision: “I have heard they control as high as 40% of the container market.” If Westchester agreed to put its containers on barges and pick them up in Bridgeport or New Haven, “we would have a viable service.”

14 May. THREE DIFFERENT COMPANIES WOULD LIKE TO RUN THE BARGE SERVICE. In addition to Columbia Coastal [see 27 March issue], both McAllister Towing and Gateway Terminals would like the job:

Gateway Terminals wants to run the barges for the proposed feeder service, said Tom Dubno of Gateway Terminals. In reviewing the Frederic Harris feeder study [see 27 March issue], Dubno agreed with it that the New Haven Terminals site would prove best for loading and unloading. He added: “Westchester Motor Freight should do the dray, and we should do the barging….We have tugs and barges which could be converted, if bought. We know how to do this.”

Westchester is trying to buy the North Yard [see map in 13 February issue]. It would store containers there which were not immediately drayed to the customer, said Dubno.

Next steps
Dubno noted that if government funds were supplied for the feeder service, they would pass through a local governmental entity [see New Haven]. That entity would, Gateway would insist, bid out the pieces of the barge service, and Gateway would compete for the barging component. {ANR&P discussion 4.May.2001}

McAllister ‘certainly is interested in operating a feeder service to Connecticut,’ wrote Buckley McAllister. ‘As you may know, McAllister has all of the equipment needed to start the service ready to go to work. Numerous studies have been prepared arguing for one or another of the competing sites as a shoreside facility in New England. We are waiting for the analysis of these studies to reach its conclusion.’

The company once ran a container feeder service between NYNJ and Boston, with a stop in New Haven. It was discontinued for general economic reasons. {e-mail to ANR&P 14.May.2001}

PORT OF NEW HAVEN
10 May. LAND SWAPS TO PROVIDE BETTER TRAFFIC FLOW FOR THE TERMINALS in the Port of New Haven will soon occur. They have become part of an idea hatched some time ago by Marty Tristine, head of Logistec Connecticut, [see 13 February 2001 and 00#21] which is “slowly moving its way through,” according to Tristine. The city has embraced the plan, which must begin with some real estate transfers. “Within the next 60 days, those should be in place.” [See map in 13 February issue.]

The rest of the reconfiguration should fall into place after the real estate deals.

North Yard. Gateway Terminals has sought to buy this from owner Coastline Terminals (the labor-owned terminal company whose operations are handled by Logistec). According to Tristine, the two companies have had three deals ready, but each time Gateway dropped out.

Under the current plan, Westchester would buy the North Yard for its operations, and move out of its current parcel.

Westchester site. Gateway would buy Westchester’s current site on East Shore Parkway.

East Shore Parkway. The city would lease this parcel to Coastline, which in turn would sublease it to Logistec. Coastline would then have a large contiguous parcel for its operations. {ANR&P discussion 8.May.01}

18 May. THE CITY IS COORDINATING ALL THE PIECES OF PORT IMPROVEMENT, said Mayor John Stefano. While he did not personally ensure that the pieces fit together [see 13 February issue], he had confidence that his staff is doing exactly that. He described the city’s approach:
- Encourage land swaps and logical distribution of land [see Tristine comments above].

- Stay engaged with DOT about the configuration of the new Q-bridge on the east side of the Quinnipiac River, so that the ramps use the least land possible. In an early May meeting with ConnDOT Commissioner Sullivan, “we made very clear that keeping land under the ramps clear made a lot of sense.”

- Make a commitment to DOT to create a port authority, a decision the city took about six months ago. “Private operators have well served us well up to this point.” But to begin the pilot feeder service [see below], the city needs an entity to receive funds. Sullivan supported the city’s decision.

- Continue a good dialogue among the state, the city, and the private operators. {ANR&P discussion}

**MAINE PORTS 2000**

**Table of dry tonnage through Maine ports**

<table>
<thead>
<tr>
<th>Year</th>
<th>Portland</th>
<th>%</th>
<th>Penobscot</th>
<th>%</th>
<th>Eastport</th>
<th>%</th>
<th>TOTAL</th>
<th>% chge</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950</td>
<td>215,000</td>
<td>48%</td>
<td>236,000</td>
<td>52%</td>
<td>N/A</td>
<td></td>
<td>450,000</td>
<td></td>
</tr>
<tr>
<td>1975</td>
<td>35,000</td>
<td>12%</td>
<td>262,000</td>
<td>88%</td>
<td>N/A</td>
<td></td>
<td>297,000</td>
<td></td>
</tr>
<tr>
<td>1990</td>
<td>391,341</td>
<td>40%</td>
<td>427,639</td>
<td>43%</td>
<td>168,821</td>
<td>17%</td>
<td>987,801</td>
<td></td>
</tr>
<tr>
<td>1995</td>
<td>564,696</td>
<td>43%</td>
<td>564,246</td>
<td>43%</td>
<td>174,539</td>
<td>14%</td>
<td>1,303,481</td>
<td></td>
</tr>
<tr>
<td>1996</td>
<td>655,477</td>
<td>47%</td>
<td>535,400</td>
<td>38%</td>
<td>201,103</td>
<td>15%</td>
<td>1,391,980</td>
<td>6.9</td>
</tr>
<tr>
<td>1997</td>
<td>654,018</td>
<td>47%</td>
<td>541,746</td>
<td>39%</td>
<td>199,739</td>
<td>14%</td>
<td>1,395,503</td>
<td>0.3</td>
</tr>
<tr>
<td>1998</td>
<td>516,401</td>
<td>38%</td>
<td>690,842</td>
<td>50%</td>
<td>167,865</td>
<td>12%</td>
<td>1,375,108</td>
<td>-1.5</td>
</tr>
<tr>
<td>1999</td>
<td>713,600</td>
<td>54%</td>
<td>458,097</td>
<td>34%</td>
<td>164,497</td>
<td>12%</td>
<td>1,336,194</td>
<td>-2.9</td>
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<tr>
<td>2000</td>
<td>774,695</td>
<td>60%</td>
<td>345,903</td>
<td>27%</td>
<td>159,760</td>
<td>12%</td>
<td>1,280,358</td>
<td>-4.2</td>
</tr>
</tbody>
</table>

**MDOT comment: Searsport needed**

Rob Elder, head of the Office of Freight Transportation, said: “The port statistics underscore the need to get the Searsport pier built. We’ve really not have had a viable pier there for the last period of the decline. Portland’s done alright; Eastport’s declined a little but remained fairly stable. Searsport’s where the big decline has come.

“Permits for the [pier] project are coming on schedule and we’re optimistic we can get out to bid this summer.” {ANR&P discussion 12.May.2001}

**AMTRAK**

11 May. **NNEPRA AND LEGISLATORS HAD A TRAIN TRIP FROM GUILFORD.** Only two legislators rode: Boyd Marley (D-Portland) and Ron Collins (R-Wells), according to one legislator. Also on the train: a councilman from Saco; Jeff Monroe, head of the Portland transportation department; MDOT Commissioner John Melrose; half a dozen MDOT staff, and various NNEPRA Board members. NHDOT officials joined the train in Dover, New Hampshire, where most Maine riders departed. {ANR&P interviews with various riders 13-14.May.01}

Cynthia Scarano, GRS spokesperson, said of service startup: “We anticipate it will happen this year,” Track work is still expected to be complete by 15 June, and the federal Surface Transportation Board is expected to render a decision on track speed by 30 June. {Tammy Wells in Saco Journal-Tribune 9.May.01}

12 May. DC. **GRS ARGUED IT NEED NOT LET AMTRAK TEST** the track, in its responsive pleading to Amtrak’s petition asking the STB for access. The pleading, from GRS counsel Rob Culliford, argued, *inter alia:*

- Since Amtrak does not “need” to travel at 79 miles per hour, it cannot ‘take the position that the Board’s decision made it necessary for Amtrak to have access to Guilford’s line in order to perform this testing.’

- ‘Guilford is under no contractual obligation to provide the access requested by Amtrak. The Class 4 Rehabilitation Agreement referred to by Amtrak merely required Guilford to allow Amtrak to
operate the passenger service at speeds up to 79 miles per hour if the Board issued an order allowing these speeds. In this instance, the Board did issue an order allowing the operation of the passenger service at 79 miles per hour, but it is up to Amtrak to ensure that the condition imposed by the Board is satisfied.’ [What chutzpah! Editor] {text of pleading}

**BAY COLONY/CAPE COD RAILS**

1 May, Bourne. **THREE LONG-TIME NEW ENGLAND RAILROADERS WANT TO RUN COMMUTER SERVICE** from Cape Cod. John Kennedy, president of the Cape Cod Central Railroad which operates tourist trains out of Hyannis, told the Bourne Select Board..."We think there's an enormous potential without the trappings, if you will, of bringing the MBTA (to the Cape)." The plan already has the endorsement of the Cape Cod Transportation Task Force, which was formed by the state last fall to seek ways to reduce traffic congestion on the Cape.

He is joined by Alfred (Ted) Michon of North Falmouth [former president of the Bangor and Aroostook Railroad - editor] and George C. Betke Jr., chair and CEO of Farmrail System of Clinton, Oklahoma [who lives in Maine and was one of the bidders for the Fore River Railroad operation - editor]. State Transportation Secretary Kevin Sullivan is expected to assess the plan in coming weeks.

**The operation**

The three propose to begin the service at Buzzard’s Bay, on the Cape just over the Cape Cod canal, thereby providing a way to avoid the tremendous backups of automobiles seeking to cross the two highway bridges over the canal. Self-propelled rail cars would run to Middleborough, where passengers would transfer to regular MBTA commuter service.

MBTA would actually operate the service, at a far lower cost than extending formal T service to the Cape. While state officials in 1996 said it would cost $30 million to upgrade the 181/2 miles of track between Middleborough and Buzzards Bay, Kennedy’s plan will cost only about $500,000. The proposed service comes as a $30 million rehabilitation project has started on the train bridge in Buzzards Bay, built in 1935 and a crucial rail link to the Cape.

**A concept with some support**

Betke emphasized the plan had “a lot of hurdles to cross, with some strong and growing public support....Lots of potential parties are involved. We need to sit down with EOTC [owner of the tracks] and get as many parties in one room as possible.”

Betke said the group owned Budd cars and is marketing their use. Advocates of the new line say the slower, less obtrusive cars - rather than the heavier locomotives used by the MBTA - would be in keeping with the "character" of Cape Cod. {Kevin Dennehy in The Cape Cod Times 2 May 01; ANR&P discussion with Betke 11 May 01}
If possible, the ICCTA and these other federal laws should be read together.

**Should the STB do an environmental review?**

‘In our December 2000 decision instituting a proceeding, we asked the parties to address whether the project comes under 49 U.S.C. 10901 or 10906; whether the conditions set by Ayer interfere with interstate railroad operations; and whether we should address both the existing and new facilities or only the new facility.

‘Under 49 U.S.C. 10901, a license from the Board (and an appropriate environmental review) is required for a railroad’s construction of “an extension to any of its railroad lines [or] an additional railroad line.” In a licensing proceeding, after conducting an environmental review, we typically impose appropriate environmental conditions to address environmental concerns raised by the parties, including local authorities. See City of Auburn v. STB, 154 F.3d 1025, 1031-33 (9th Cir. 1998), cert. denied, 527 U.S. 1022 (1999) (City of Auburn). However, there is no statutory requirement for a railroad to obtain Board approval to build or expand facilities that assist the railroad in providing its existing operations but do not give the carrier the ability to penetrate new markets. See Nicholson v. ICC, 711 F.2d 364, 368-70 (1983), cert. denied, 464 U.S. 1056 (1984) (Nicholson). Nor do railroads require authority from us to upgrade an existing line. Finally, 49 U.S.C. 10906 explicitly provides that no regulatory permission is required for “construction . . . of spur, industrial, team, switching, or side tracks.” Where no license is required, there is no environmental review by the Board.....’

‘In light of the court’s referral order, which, as noted above, is limited to the new facility, we will focus on that facility. However, the legal principles set out in this decision can provide general guidance as to how section 10501(b) applies to state and local regulation of the existing facility.’

**STB conclusion: Ayer’s actions are pre-empted**

The Board noted that GRS had taken significant steps to keep pollution from Ayer’s aquifer. ‘[A]s Guilford notes, an expert agency, the Massachusetts Department of Environmental Protection, recently concluded that, with the mitigation system proposed by Guilford, the new facility poses no threat to the local water supply. Moreover, EPA, which was given detailed information about the project, has expressed no concerns about it.....

‘In these circumstances, the towns cannot reasonably argue that Ayer is basing its various permitting requirements, prohibitions, and conditions on the SDWA and the CWA. Rather, the record here supports the conclusion that the SDWA or the CWA are being used merely as a pretext. As Ayer’s actions do not appear needed to carry out the SDWA or the CWA, we agree with Guilford and AAR that the noisome trade ordinance, the Ayer Planning Board permit process, and the Conservation Commission’s pre-construction approval process are preempted under the statutory preemption provision and the case law interpreting it.’ {STB Finance Docket No. 33971 service date 1.May.01}

**Next step**

Since the STB took the case on referral from the US District Court in Massachusetts, the matter will now return there for final disposition. [Indubitably, the judge will accept the STB determination and permit GRS to proceed. Editor]

The Ayer town administrator said the town council will decide, probably by 25 May, on whether to appeal the STB ruling, or wait for the district court decision. {ANR&P discussion 18.May.2001}

8 May, Wakefield. **SMURFIT STONE RECEIVED ITS LAST CAR TWO WEEKS AGO**, said Chet Wiezbowski, an official at the plant. Despite the embargo [see 27 February issue], Wiezbowski told GRS that he had no way of getting the material already in railcars except by rail delivery, so Guilford delivered the last several cars.

**Changed to transload: cheaper!**

“We’re now not getting any service,” the official said, “and I expect them to file for abandonment.” His company is already using transload from a warehouse in Worcester, which is actually cheaper than direct rail delivery. “Think about it. ST does not touch the cars, so we cut out the middleman.

“The traffic department did a good job, negotiating with CSXT about another route. And CSXT has been pretty good to us.” {ANR&P discussion 8.May.01}

**QUINCY BAY TERMINAL**

5 May, Quincy. **TWIN RIVERS TECHNOLOGIES WON THE BID TO OPERATE** the Fore River Railroad. Elizabeth Murray of MWRA’s procurement office said all five finalists selected by the MWRA [see 1 May issue] submitted a revenue figure. Twin Rivers submitted the highest, at 41% of general revenues; BethlIntermodal the second-highest, at 36%. {ANR&P discussion 9.May.01} [This far exceeds the current percentage of revenue paid by QBT: 7% of the first $250,000 and 9% of all revenue over that. Editor]

**Response of another bidder**

One of the bidders characterized TRT’s high bid as “either an error, or a misunderstanding.” He had no problem with this result: “for the MWRA, it’s excellent.”

**MWRA concerns**

Murray said the Authority had similar concerns about the percentage offered by TRT, and had already had an initial meeting with the company. TRT told the meeting it is open to answering the concern about getting fair market value for rail service. It is willing to enter into an alternative arrangement which will provide MWRA with essentially the same amount of income. [The RFP showed in 2000 QBT had an income of $1,253,219; 41% of that would come to $513,000. Editor]

The two sides have not decided whether to use the alternative
method, or stick with the initial method of figuring the level of compensation. The contract will not be awarded until at least 23 May, when the FRRC board will meet. The board may not act then, if new MWRA Executive Director Fred Laskey (who has a seat on the board) has not taken office. {ANR&P discussions 10.May.01}

Proposed operation
Paul Angelico, a principal of TRT who handled the bid, said on 15 May that his company had based its rail bid on three points: TRT has done its own switching with a trackmobile for ten years and thus has some rail experience; QBT and TRT have worked together for 10 years, so TRT understands the rail operation; and TRT stated it would take over much of the current operation, including QBT personnel and equipment.

Angelico said he is working with QBT on taking over the operation. He expected that in a month he could announce who will manage the railroad for TRT. His contract with MWRA will begin on 1 July. {ANR&P discussion}

NEW HAMPSHIRE

NH GENERAL COURT
17 May. AN UPDATE ON SOME RAIL-RELATED BILLS.

HB 352. Limiting passenger liability. The House Judiciary Committee found the bill ‘inexpedient to legislate’ (killed the bill) on 8 May. Committee Chairman Henry Mock, R-Jackson, said legal experts on his panel believe such a cap would be unconstitutional and the House has repeatedly rejected this concept. “It was here in 1996, 1997, 1998, 1999. It’s been around here forever, killed or studied to death.’”

Andrew Singelakis, executive director of the Nashua Regional Planning Commission, said on 17 May that the bill’s failure is not critical to the project at this time. He predicted commuter rail proponents will try to come back next year with a similar measure to cap liability and clear up what he considered confusion on the issues.

“Unfortunately, there’s an assumption that the reason we are asking for this is because Guilford is asking for this,” he said. “If we don’t have a cap, the cost of providing insurance is prohibitive.” Singelakis expected that by next year, the consultant working on the project with the state will be able to provide detailed numbers showing the cost of insurance with a cap and without it. {Kevin Landrigan and Corene Dee Bruce in Nashua Telegraph 18.May.01}

HB 413. Permitting NHDOT to dispose of rail properties with no future. Passed by the House, in committee in the Senate, where, per Kit Morgan, it encountered no controversy.

HB 320. Raising the lease fee on state rail property and defining amusement railroads and providing for their taxation. This has passed the House, where the language about amusement railroads was added, and will have a hearing in the Senate on 5 June. {General Court website}

CLAREMONT CONCORD
14 May, West Lebanon. NECR EXPECTS PROGRESS ON THE TWIN STATE GRAVEL MOVE, according to Charlie Moore, vice-president, Eastern lines for Rail America. “We have met with the contractor for the 10 car side track for the gravel move. Should receive the plans this week for final review and approval. I’m not aware of any obstacles that would prevent construction after the plans are approved.” {e-mail to ANR&P}

Vermont Act 250 permitting
On 21 May, the Town of Hartford, in which Twin State’s quarry sits, will consider the building of the temporary siding as change in a non-conforming use. Stewart Close, Bud Ames’ partner in Twin State, explained that the quarry is now zoned agricultural. Its existence is grandfathered, but not its new development.

Assuming that Hartford permits the siding, then Twin State will proceed to obtain an Act 250 permit [Act 250 governs most development in Vermont].

What will move?
Even with the siding in place, said Close, “we won’t be able to move all the product we want by rail.” Some product will work well by rail, but some will not, because of the type of car available and the type of dump gate.

Consequently, Twin State does not want to give up its current permit to move product by truck. “If we give that up now, we may never see it again.” And something may happen in the future to halt use of rail.

And the permanent siding?
Twin State does plan a permanent siding directly into the quarry, according to Close. Its construction will require the company to mine out some of the quarry to permit access. “That’s a bit down the road,” maybe five years into the future. {ANR&P discussion May 11, 2001 Stewart Close}

GRS: REAL ESTATE
NHDOT has the price GRS is asking for the Salem Industrial Track, Kit Morgan said. No additional steps have happened on the Conway branch purchase [see 1 May issue]. {ANR&P discussion May 10, 2001}

NEW HAMPSHIRE CENTRAL
10 May, Groveton-Whitefield. NHC IS WORKING ON THIS LINE to get it into shape, said Morgan. Ed Jeffery, principal, “will have some customers there.” NHDOT is contributing to the cost of the contractor to do the surfacing.

On 11 May, Ed Jeffery declined to comment on his plans for the line, or on the customers he may have. {ANR&P discussions}
RHODE ISLAND

QUONSET POINT/DAVISVILLE
13 March. THE PORT BOARD HAD A LOOK AT THE DRAFT MASTER PLAN during its meeting today, but only the executive summary. On 17 May, RIEDC will hold a public meeting to get comments on the full draft plan.

Container facility environmental impact statement
Simultaneously with the master plan, RIEDC at the governor’s direction wants to do an EIS to look at the viability of a one-million TEU/year container port at the site, according to RIDOT Director William Ankner [see Regional NASTO].

Eckert said RIEDC is discussing with the leadership of the General Assembly getting an appropriation of $2.5 to begin the EIS. “We’re anxious to get into the process” which could take two to three years.

Quonset Point Partners arbitration
Eckert said as of 11 May, the request of QPP to get paid for some of its work “is still in arbitration.” [See 13 March issue.] {ANR&P discussion with Claire Eckert 11.May.2001}

VERMONT

LAMOILLE VALLEY
7 May, St.Albans. THE MOUNTAIN-VALLEY CONSORTIUM SUBMITTED ITS RECOMMENDATION on whether to accept any or all of three proposals to use the rail corridor between here and St.Johnsbury. Catherine Dimitruk, executive director of the Northwest Regional Planning Agency, said the consortium met 1-2 May: “We didn’t take long to make a decision, according to the specific criteria worked out for us to judge the proposals.”

Committee members received technical input on the proposals, from both the engineering and audit branches. {ANR&P discussion Dimitruk 4.May.2001}

Next step: Brian Searles
The secretary of the Agency of Transportation will now make the decision on the three proposals, based on the recommendation. Reportedly the recommendation has taken a detour; a part of AOT (not the Rail Division) is reviewing the recommendation. {ANR&P discussion with Charlie Miller, head of the rail division, 8.May.2001}

17 May, Montpelier. VAOT SECRETARY BRIAN SEARLES HAD MADE NO DECISION on the three proposals to use the Lamoille Valley corridor by this day, according to Dick Bowen of VAOT.

No unusual treatment for decision
In a discussion on 11 May, Searles said he was following usual practice in asking for internal advice on the Consortium recommendations, though he understood that some had thought he would base his decision solely on the Consortium input. [For example, Governor Howard Dean said near the beginning of May that the fate of the rail from Swanton to St. Johnsbury was in the hands of the Mountain-Valley group. {Peter Fraehm in Burlington Seven Days 9.May.01}]

“We usually get recommendations from regional agencies which are examined internally.” If a rail recommendation comes in, then it has to compete with other rail projects. The new rail capital plan has an objective scoring mechanism. If the projects gets rated highly, then AOT will submit it to the Legislature and it would go through the normal appropriations process.

Searles said he hoped to make a decision on the recommendations on 16 May at his weekly executive staff meeting, but that apparently did not happen. {ANR&P discussion with Searles11.May.01 and with Bowen 17.May.01}

Governor opposes, but Senate appropriates $500,000
Earlier, Governor Howard Dean told a press conference: “If we siphon off $3 to $4 million doing the Lamoille Valley railroad,” said Dean, “that’s $3 to $4 million that’s not going to go to the rail between Rutland and Burlington or between Rutland and Bennington. We’ve got to focus our resources or nothing will get done.” [Dean was apparently indicating that VAOT did not want to use the regular budget to fund the Lamoille Valley work. Editor] {Peter Fraehm in Burlington Seven Days 9.May.01}

However, all the legislators from Franklin County signed a letter to the Mountain-Valley consortium sent on 1 May, prior to the consortium decision. According to Brad Worthen of Vermont Rail Link, it strongly opposed any attempt to convert the rail to a trail ‘until we are positive rail is not needed.’

The Vermont Senate inserted $500,000 into the transportation capital program and project development plan, H.488. The House version did not include the money, so the fate of the funds is left to the Committee of Conference which as of 17 May had not made a decision.

The Senate language: ‘(3) Upon successful completion of the directive in Sec. 16 of this act and upon a recommendation by the Mountain Valley Corridor Committee to approve of the proposal to use that portion of the Lamoille Valley Railroad corridor between Morrisville and Swanton for rail operations, a new project is added for improvements to the state-owned railroad infrastructure as part of the long range goal of improving freight service. The new project, authorized for construction in fiscal year 2002, shall consist of $500,000 of state funds.’ {Legislative website}
CAPE BRETON & CNS

10 May. PRELIMINARY ENGINEERING WILL START ON THE LINE TO GOLDBORO on 31 May, according to Bill Connally, investment and trade officer for the Guysborough County Regional Development Authority (GCRDA) [see 10 April issue]. The contract was signed a couple of weeks ago. Public announcement of the identity of the contractor will come from the agency which provided some of the funding, the Atlantic Canada Opportunities Agency. But a source close to the situation said Northwest Theil Rail Consultants (NT) was selected. According to its website, Northwest Theil Rail Consultants Inc., a joint venture of Stone Consulting & Design Inc., Warren, Pennsylvania and Paul Theil Associates Limited, Brampton, Ontario, was formed to provide rail consulting services to the Canadian market.

The work

Within 120 days, NT will decide on an appropriate corridor not only for rail, but for a road and utility lines as well. Connally said his agency had done preliminary assessment of land acquisition, grades, and so forth, and decided the corridor would lie within a triangle with Goldboro at its apex and the base formed by a line between Antigonish and Monastery. The junction there could utilize the large CBNS yard at Havre Bouche which the railroad recently rejuvenated.

The chosen design will become a common corridor for all industrial users in Goldboro. NT will provide a detailed design and costing.

Melford Industrial Reserve

GCRDA is also considering building a rail line into the Melford Industrial Reserve as a separate project [see 15 December 2000 issue]. It is holding that effort until the big user of the rail makes a formal announcement; Connally suggested some progress could be announced by the end of June. {ANR&P discussion Bill Connolly 10.May.2001}