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

**REGIONAL ISSUES**

**B&A:** Management reductions, sales effort.

**PW:** Dissidents lose vote at annual meeting.

**Regional rail:** No scope of work yet.

**CONNECTICUT**

**ConnDOT:** Study calls for pilot project in New Haven or Bridgeport.

**Bridgeport:** Bill funds its pilot feeder project. New Haven opposes.

**New London:** Not a feeder port right now. Update on construction.

**MAINE**

**SRP:** Interim operator until October 2002.

Potential work trains on Rockland Branch, customer service good. On Lower Road, haulage trains stopped during Augusta sewer project.

**Eastport:** Sale of GP will not affect.

** MASSACHUSETTS**

**GRS:** Ayer intermodal traffic up. 286 upgrades. Two new customers.

**QBT:** Finalists announced 27 April. Questions.

**NEW HAMPSHIRE**

**NHDOT:** Concord grade-crossing opponents win a muted victory. GRS willing to sell all the Conway branch. Update on 3 bills. Rail plan out.

**Manchester-Lawrence:** 1000 feet used for pipeline. I-93 for light-rail corridor?

**NEGS:** Update on Ciment Quebec, Cohen Metals, and other Concord customers. MAP.

**RHODE ISLAND**

**PW:** Clearance improved to South Quay.

**Quonset Point:** NY feeder service possible.

**VERMONT**

[No report.]

**MARITIMES/QUÉBEC**

**B&A:** Dangerous goods embargo.

**Halifax:** Costco adds a call. Halterm income down.

**PEOPLE, POSITIONS, EVENTS**

Larry Laroque. Gary Burke.

**EDITORIAL**

PW’s chair takes an enlightened position.

**From the publisher**

Cannot cover everything

Either I have become less efficient, or more is happening in rails and ports, or more comes to my attention. In any case, while news this issue fills the twelve available pages, I know I am not reporting on several significant events, e.g. stuff in Vermont.

Readers who believe I should modify coverage, please let me know.

**AASTO and the date of next issue**

The second May issue (formally 01#05A) will come out around 17 May, delayed from the normal date of 15 May.

I will attend the Northeastern Association of State Transportation Officials’ meeting in Portland 14-15 May. Great railroad panels are promised, so I encourage you all to come.

[Link to website for more information.]

- Chop Hardenbergh

Next issue: ~17 May

**REGIONAL ISSUES**

**BANGOR & AROOSTOOK**

30 April, Northern Maine Junction. *THE RAILROAD IS CONTINUING ITS EFFORT TO GROW REVENUES AND CUT COSTS*, according to Iron Road Railways chief Bob Schmidt.

Management reductions

The company recently went through the third early-retirement offer

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since its formation in 1995. During this most recent round, 26 supervisors received the offer, and more than fourteen accepted it. Some of those who accepted the offer have stayed on as consultants, so that the B&A has a net of 14 fewer than it did as of 1 April.

Efforts to sell the line
Following the recent deal with CN on service to Madawaska [see 27 March issue], IRR resumed discussions with potential partners, Schmidt said.

In an earlier interview, new B&A President Fred Yocum [see 27 February issue] said, “I’m here largely because we haven’t had a successful transaction at this point.” An assortment of would-be buyers has expressed a lot of interest. “We’re working with a number of people but there’s a number of confidentiality agreements” preventing him from revealing any more information. The list of potential buyers includes entrepreneurs, and both small and large rail lines. {ANR&P discussion with Schmidt 27.Apr.01 and Yocum 29.Apr.01; Shawn O’Leary discussion with Yocum inBangor Daily News 12.Apr.01

 PROVIDENCE & WORCESTER

26 April, Worcester. SOME 10% OF THE SHARES WERE VOTED TO SELL THE RAILROAD or take other steps to increase shareholder value, as proposed by two dissident shareholders [see 10 April issue] at the annual meeting. Thomas V.G. Brown, shareholder and hedge fund manager fromNorwalk CT who owns 24,000 shares ofP&W and David Nathanson, a Sharon MA resident who owns 20,000 shares, initiated the proposal. The company is worth far more than its recent closing prices would suggest, Mr. Brown argued before about 65 shareholders and company officials. Sale of the business to another railroad company would garner at least the company’s book value of $15 to $20 per share [compared with a closing price of $8.75 on 25 April].

The directors should buy stock
Barring a sale, the company also could consider buying back shares to increase the value of those that remain, or visit institutional investors to increase interest in P&W shares, Brown said. He also urged P&W directors to buy more shares. Only three of the nine directors on the company’s board own more than 2000 each. PW does not require its board members to buy stock.

“To the directors I would say, please buy some stock,” Mr. Brown said. “It doesn’t give people too much confidence when, if you own more than 10,000 shares, you own more than most of the directors.”

The company has constituents other than shareholders
Robert H. Eder, director and chairman of the railroad since 1966, said that creating shareholder value is just one part of running a successful business. “Where I think a lot of people get off base is when you talk solely about shareholder value. This company has constituencies other than its shareholders.” The company should treat its employees fairly, reinvest in its rail lines, and run a reliable railroad for its shippers, he said. These goals sometimes conflict with creating shareholder value, but are worthy ones. [A very usual statement by the chair of an American corporation! See Editorial.]

“Obviously everyone wants to see value in the stock. Every employee is a stockholder, too, and everyone has an interest in seeing the value of our shares rise. But we’re not going to degrade our system to raise earnings.”

Operating ratio
[Although the 10-K report does not spell out operating ratio, analyst Tom Murray computed operating expenses as a percentage of operating revenues, a common measure of efficiency in the rail industry. Generally, a ratio in the low 80s is considered good, and one in the low 70s is excellent. PW had an operating ratio over this 5-year period ranging from 83.0% in 1997 to 96.6% in 1999 and 94.9% in 2000, {e-mail to ANR&P from Murray}]

The stock has risen in value
A $4,500 investment in the company stock in 1966 would be worth more than $80,000 today, said Orville R. Harrold, director and president of the railroad. Some companies have outpaced that level of growth, he acknowledged, but others have failed completely during that time. “I know people who bought stock in companies then and now they paper the bathroom with it,” he said, reaching over his head to attach imaginary stock certificates to an imaginary bathroom wall.

The actual vote
The proposal to sell the company failed by a vote of 2.2 million shares to 436,537. The proponents said they considered it a victory that so many voted in favor. The 436,537 represents roughly 10% of all shares. “I know full well that, as Bob said, he and Orville are entrenched, and they intend to stay that way,” Brown said. “But sometimes you have to wake people up.”

The two spent less than six hours rallying votes for their proposal, Nathanson said. “So if you consider that 10% voted for it, that sends a clear message that some people are dissatisfied.” {Jim Bodor in Worcester Telegram 26.Apr.01

A large number of abstentions
With 4.3 million common shares outstanding and Mr. Eder controlling approximately 1.1 million of those shares, management was only able to muster 2,286,182 (barely 51% of the common shares). Some 615,000 did not vote, and 963,000 shares abstained. Wrote Nathanson: ‘That tells me at any rate that a large percentage (almost half) of the shareholders of this railroad are either disinterested or unhappy with the status quo. {e-mail to ANR&P from Nathanson 27.Apr.01

But Mary Tanona, PW general counsel, noted after the vote: ‘The fact that the shareholder proposal was presented on the proxy card without a statement of the company's recommendation
against it (that statement was set forth in the Proxy Statement, as opposed to on the proxy card) caused confusion and raises the question as to whether all of those votes were actually intended as a message.’ {e-mail to ANR&P from Tanona 26.Apr.01}

Next step
Nathanson wrote: ‘I was very pleased and gratified with the results of the shareholder initiative vote. I think it is now appropriate to let Mr. Eder and Mr. Harrold consider the issues raised at the meeting and allow them some time to reflect upon them. I can’t speak for anyone else, but as far as I am concerned I am prepared to wait and see how things progress.’ {e-mail to ANR&P 30.Apr.01}

HIGH-SPEED RAIL TO MONTREAL
27 April, Montpelier. VAOT IS STILL DRAFTING THE SCOPE of the work for the study on the high-speed rail from Boston [see 27 March issue]. The selection committee in March chose four finalists to put in a bid for the work once the finalists receive the proposed scope of work. Scott Bascom of AOT is working to conform the language of the scope of work to meet FRA requirements.

In addition, ‘we still have to do a cooperative agreement with the FRA,’ the supplier of the funds. {ANR&P discussion with Karen Songhurst of VAOT 27.Apr.2001}

Impediment in Concord
Opponents of a grade crossing are using the advent of high-speed rail as an argument [see New Hampshire].

CONNECTICUT PORTS
23 April, Newington. ConnDOT ISSUED ITS REPORT ON THE FEEDER BARGE for a Connecticut port. Carmen Trotta, manager of the intermodal division, said it recommended a pilot project in either Bridgeport or New Haven.

The next step? ‘The key thing is to get funding, above what the department can lay out in its normal budget.’ He surmised that parties interested (he understood both Bridgeport and New Haven were interested, and he had heard nothing about New London) would go to the legislature for further funding. {ANR&P discussion 26.Apr.2001}

Report statement
‘A detailed operations plan should be developed for implementing a ‘start-up’ barge feeder service between the Port of NY/NJ and either the Port of Bridgeport or the Port of NH. Such a plan and ‘startup’ service would demonstrate the actual market viability for a long-term investment.

It should be noted that ConnDOT must operate within the financial capacity of the Special Transportation Fund. ConnDOT’s capital and operating budgets are fully programmed and do not include the financial resources needed to initiate a new container barge feeder service. Additional funding sources will be required to pursue such an effort. {text of report}

BREIDGEPORT
26 April. THE PORT MAY GET $6 MILLION FROM THE LEGISLATURE to do a pilot barge feeder service as called for by ConnDOT [see above]. James Wang, executive director of the Greater Bridgeport Regional Planning Agency, said his agency had introduced legislation toward that end.

The legislation so far
Language from shRB 6985 (substitute for House Raised Bill 6985, an Act Implementing the Recommendations of the Transportation Strategy Board. [for Strategy Board see 13 February issue]), section 17(a), appropriated $50 million to ConnDOT for 21 different projects. Number 21 states: funding for the implementation of a demonstration project for a freight Feeder Barge Service in Long Island Sound between the port facilities of New York and New Jersey and Bridgeport Harbor in Bridgeport and such other projects and activities that enhance and support the strategic transportation initiatives. Work on such projects shall commence July 1, 2001.

{The bill also provides money for several rail passenger improvements, the details of which lie beyond the scope of this newsletter. Editor}

The future of funding
The use of a budget surplus for transportation projects has not won complete support in the General Assembly. Despite optimism by Wang that Bridgeport will win $6 million, others believe the effort to implement the Transportation Strategy Board recommendations may end up with $10 million or less. In that case, Bridgeport would probably not get the funding.

What Bridgeport is doing
“We’re in the process of putting together an operational plan, to show how we are going to move cargo,” Wang said [this would fulfill the ConnDOT study recommendation—see above.] The pilot project needs a memorandum of understanding between the Bridgeport Port Authority and the Port Authority of New York and New Jersey, which will lay out how to work with the unions, and how the operator will get out from New Jersey, and into Bridgeport.

Proponents will also issue reports on traffic impact and neighborhoods impact. They will not do much air quality evaluation: “We’re not using CMAQ funding, so we have no need to do an environmental assessment.”

Wang said proponents are trying to put in a draft together in the next two weeks to send to all relevant authorities. He’d like to finalize everything by 1 July because that’s when the funding will become available. {ANR&P discussion 26.Apr.2001}

New Haven thinks differently
Judy Gott of the South Central Council of Governments (greater
New Haven) recently sent a letter to the players in the barge feeder effort. It argued against the effort of sHRB 9865, saying Bridgeport was not the place to start the service. {quote from letter by a source within ConnDOT}

PORT OF NEW LONDON
23 April. ConnDOT CONCLUDED THIS PORT WAS UNSUITABLE FOR FEEDER SERVICE, in its just-issued Container Barge Feeder Serviced Study [see above]. ‘New London does not have sufficient land available to provide the storage area required for a container feeder barge service. The warehouse adjacent to the port area that could accommodate stripping overweight containers and repackaging the containers is currently used to capacity to store lumber. New London has currently programmed the construction of the west side of the pier. Also, a new warehouse is planned...next to the existing World Cargo Building. With this programmed construction,’ feeder service in the next three years was rated ‘highly unlikely.’

Additionally, New London would compete with Quonset Point-Davisville [see Rhode Island]. {text of study}

30 April. MARITIME CONSTRUCTION WILL BEGIN IN MAY, according to Allan Stevens of ConnDOT’s maritime office. A 22-month project to rebuild the west side of the State Pier should begin on 19 May. Contractor: Blakeslee Apapaia and Chapman of New Haven.

A 14-month construction of a new 50,000SF warehouse should begin on 4 May, Stevens said. Roads Construction of New London will build this next to the rail line, along the northern perimeter of state property west of the state pier siding. The new facility will replace an older, also rail-served structure.

Purchase of the CN pier
ConnDOT has agreed with CN to buy the pier [see 00#22]. Stevens said, and expects to take possession at the end of May. However, due to the work on the State Pier, he did not expect ConnDOT to turn any attention to the CN pier in the coming months.

Copper
This metal is coming in over the State Pier, and is trucked to Phelps Dodge in Norwich. {ANR&P discussions Feb.01 and 30.Apr.01}

MAINE

SAFE HANDLING RAIL
22 April. MDOT EXTENDED SRP’S INTERIM OPERATING AGREEMENT until near the end of 2002 recently. When SRP in autumn 2000 was hand-picked by MDOT as the interim operator for the Rockland Branch and the Lower Road, the department said it would conduct an open, public process for the permanent operator in spring 2001 [see 20 October 2000 issue]. In a mid-April letter sent to those who had expressed interest in becoming the permanent operator, the department explained that it wanted to give continuity to the two construction projects which had engaged the services of the railroad.

Both projects continue until the end of 2002. “If we had changed operator to another railroad, the quotes given to Atlas and the Augusta Sanitary District would have required renegotiation, and probably would have ended up costing more money,” said Rob Elder, head of MDOT’s Office of Freight Transportation. “The taxpayers would probably have ended up spending more money.”

The department will put the Rockland Branch/Lower Road operation out to bid in two years, or as soon as both projects are complete. {ANR&P discussion 25.Apr.2001}

[See below for details on the two projects.]

23 April, Brunswick-Rockland. WORK TO UPGRADE THE ROCKLAND BRANCH GOT UNDERWAY THIS DAY. Russ Spinney, head of MDOT’s Office of Multimodal Project Development, described the proposed work to be done by Atlas Railroad Construction to rebuild this line to class III specifications:

Subcontractor CPM Construction started drainage work this day. Atlas will begin sometime in May with crossing work. Atlas anticipates receiving welded rail this year, and will install it in 2002, perhaps in 2001. Atlas is contracted to complete the work by 30 October 2002.

SRP contribution to the project
According to Spinney, “anything moving on the branch has to be handled by SRP, or Atlas can do it with its own equipment if light enough. SRP expects to move all of the welded rail, delivering it to Rockland whence Atlas will work back.”

Ford Reiche, SPR president, said his railroad has reached agreement with Atlas on rates to provide work trains to run out material, deliver ballast etc. Regular ballast trains will begin this next autumn.

MDOT is considering an Atlas proposal to truck ballast at least to crossing sites in the next few months. “That might make more sense than running a single-car work train from Dragon all the way to Bath,” said Spinney.

Work train allowance
Spinney explained that in 2000, when MDOT was unsure which operator, if any, would or could provide service for the winner of the construction contract, “we put an allowance for on-branch locomotive services, around $750,00, for any bidder to know what the services might cost them.” {ANR&P discussions 30.Apr.01}

30 April, Brunswick-Rockland. SRP IS SERVING ITS ROCKLAND BRANCH CUSTOMERS WELL, according to testimony. Spinney [see above] said he had heard good comments about Bath Iron Works and Maine Yankee. Furthermore, the railroad is marketing its services “much more aggressively than Maine Coast did.” And Rob Elder of MDOT found SRP “great to
work with."

The marketing is generating potential customers. SRP has asked MDOT to retain two turnouts MDOT had planned to remove: one in Waldoboro, and one in Wiscasset. {ANR&P discussion 30.Apr.2001}

**Dragon Products**

Jim Jaffray of Dragon, the Thomaston-based cement manufacturer and largest customer on the Rockland branch, pronounced himself “very pleased” with SRP. “It filled a void, and provides a service we want and expect from short lines.”

He declined to compare SRP service with its predecessor, Maine Coast. “Maine Coast did a good job too.”

Terry Veysey of Dragon said SRP was handling the finished product delivery from Thomaston to Rockland for loading on a barge. The company has recently run a barge almost every week, and each barge requires 40 railcars to load it.

Dragon has not yet received coal, which arrives by rail, as the company is still using its winter stockpile. As an aside, Veysey noted that his company is not yet receiving petcoke either, which comes in bulk via ship to Searsport, and is then moved by truck to Thomaston. Dragon is still using its on-hand stockpile, and then will use the stockpile in Searsport. He did not expect a new supply to arrive by ship until this summer. {ANR&P discussion 30.Apr.2001}

**Maine Yankee**

A company called MHF Logistical Solutions is dismantling and shipping the radioactive components of the former nuclear reactor in Wiscasset. In a letter to SRP, the company wrote that in December and January, MHF loaded and sent out five railcars with radioactive material. SRP had handled these in perfect fashion and coordination with MHF, with far greater ‘attention to the customer’ than MHF had received from Maine Coast.” {copy of 6 February letter}

30 April, East August. **SRP RECENTLY AGREED TO SUSPEND ITS CONTRACT HAULAGE OFFER** for customers here due to a major sewer project. Ford Reiche, president of the railroad, said following discussions with MDOT, he agreed to the temporary service suspension in part because it will benefit the state and the taxpayers and result in a better roadbed

**The construction project**

The Augusta Sanitary District is rebuilding its whole outfall system under mandate from the US Environmental Protection Agency. The work requires lifting and relaying the track along the Kennebec River in places.

Russ Spinney, head of MDOT’s multimodal project development office, explained that the Sanitary District planned to ask for bids on the project in May, to get underway in June. It had planned to ask for two different bids, one with the rail line active during construction, and one without active rail.

The Sanitary District, if it has to maintain rail service, will make repairs to the track if any damage, and will do some upgrade of one of the passing tracks to allow service if a problem develops on the main. If the District does not have to allow for rail service, it will remove all the track and put back the main track and a new passing track, Spinney said. “In the long term, if we go that route, we will get better facilities.”

Furthermore, if Pine State, the tobacco and liquor distributor in southern Augusta asks for rail service, the District will build a small runaround track at the facility. {ANR&P discussion 30.Apr.2001}

**SRP role**

According to Elder, part of the package offered to bidders will include SRP’s bringing in the pipe by rail. Reiche anticipated a number of cars coming into the Sanitary District. “We have done some elaborate logistical planning and layout with the engineer, the City of Augusta, and MDOT. We have agreed to work with the Sanitary District to do anything it needs.”

**Other reasons to suspend the service offer**

Allan Bartlett, MDOT’s rail honcho, reiterated that SRP did not directly serve the East Augusta customers. “SRP picked up Guilford’s train in Brunswick, and delivered it to East Augusta, where a Guilford crew actually switched the customers.” George Betke, a rail operator who lives in Maine, related his understanding that SRP got paid very little for the haulage, an understanding confirmed by a source close to the SRP operation. The low fee was negotiated by Maine Coast with Guilford, and SRP stepped into MC’s shoes.

Unfortunately for SRP, its only actual potential customer on the Lower Road, Pine State, had not returned to rail following the service suspension by Maine Coast. Ford Reiche told the annual meeting of Downeast Rail in Rockland on 24 March that Pine State had gone back to all-truck for its inbound product.

**No haulage now**

In any case, Bartlett noted, SRP is not now conducting the haulage. When SRP took over the operation of the line from the Maine Coast, Guilford resumed serving the East Augusta customers from Waterville. SRP in late December began the Brunswick-Augusta route [see 12 January issue], only to halt it about a month later.

The problem? Inconsistent GRS service. Bill Whitney, the traffic manager for Blue Seal Feeds in the region, said his facility in East Augusta was receiving its rail cars via Waterville because GRS would not give SRP enough notice about delivery to Brunswick. Without notice, SRP could not send a crew to operate out of Brunswick quickly and at the same time continue its excellent service to its Rockland Branch customers [see above]. As a consequence, cars would sit in Brunswick to await the SRP ride to Augusta.

“If SRP is trying to force GRS to adhere to a consistent schedule, that’s good for the long term,” noted Whitney. “I just can’t wait around for the cars.” Whitney asked GRS if it could resume serving East Augusta through Waterville, and GRS did so.

“At the time, Waterville was quiet, and GRS found getting the cars from Portland to Waterville easier than from Portland to Brunswick. If GRS had consistently brought cars to Brunswick [GRS had promised Maine Coast, SRP’s predecessor, daily
service–see 18 February 2000 issue] SRP could have done it.”
{ANR&P discussion 27.Apr.2001}

EASTPORT
30 April, Woodland. DOMTAR’S ACQUISITION OF GP FACILITIES SHOULD NOT AFFECT EASTPORT TRAFFIC, according to Christian Dube, Domtar senior vice-president and senior financial officer.

On this day Domtar and Georgia Pacific announced the tentative sale of Georgia-Pacific’s stand-alone uncoated fine paper mills at Ashdown, Arkansas, Nekoosa and Port Edwards, Wisconsin, and Woodland, Maine as well as the associated pulp facilities. For Woodland, that means the paper mill with annual capacity of 130,000 tons, and the market pulp mill with capacity totalling 380,000 tons.

Following recent acquisitions, Dube said, Domtar lets “people run the way they have been running unless something major does not make sense. We plan no job layoffs. If the best practice is to ship pulp through Eastport, we will continue, because that’s what the customer wants.”

Domtar officials will meet with local management of all the mills affected in the next few days as part of Domtar’s due diligence. Dube expected the topic of Eastport would be discussed then. {ANR&P discussion; joint Domtar-GP press release}

MASSACHUSETTS RR’s

GUILFORD RAIL SYSTEM
12 April, Ayer. THE RAILROAD IS SEEING POSITIVE RESULTS FOR ITS INTERMODAL SERVICE here thus far this year, GRS executive vice-president David Fink told the North East Association of Rail Shippers meeting in Newport RI this day.

After starting a connection with Norfolk Southern in 1998 only to have it falter when NS could not smoothly handle its merger with Conrail, the two railroads backed off. Now they have resumed intermodal service. “Working with NS’s Mike McClellan, we’re getting third morning service from Chicago.”

Service near balance
“We are finding more freight heading west than heading east,” said Fink. GRS had expected more outbound than outbound intermodal equipment, and had wanted to take the empties up to Waterville to implement service out of its ramp there, “but we have no available equipment.” The outbound volume from Ayer uses it.

McCain TOFC service
Fink also cited the french fry traffic captured by GRS when the B&A suspended its White River Junction service [see 10 April issue Vermont]. After arrival in Ayer, it is trucked to Taunton.

Halifax service
For the past few weeks, GRS has run once a week to Halifax with export items, Fink said. [Rail observers agree that intermodal traffic is up in both directions, and the direct train, a rarity last year, ran at least once in April. {NERAIL listserv}]

The ramp finally successful
At the Ayer ramp, GRS held “this site for a long time, invested a lot of money, and were not getting much business,” Fink told the audience. Now the railroad is expanding it; last fall 150 truck spots were added, and GRS will fill in for more space this spring. {ANR&P coverage}

12 April. FURTHER DETAILS ABOUT GRS OPERATION were also given by Fink.

286 upgrade
He characterized this as “basically a bridge program” with VHB telling the railroad what is needed. “We’re OK from Worcester to Ayer. From Ayer to the NH line, we’re working with the MBTA.” From Plaistow NH to Portland is now okay.

GRS is taking time to get 286-capacity farther into Maine. “We will move further east as money allows.”

He emphasized that in the last century, each upgrade of capacity had taken time. In 1927, railroads had a 220,000 pound limit, with steam locomotives which had a high impact on the rails. In the 1950s, they went to 250,000 pounds. Beginning in 1964 and lasting into the 1970s, they went up to 263,000. Given the 10-15 years taken to move from 250 to 263, Fink expected that getting to full 286 would also take some years.

New customers
GRS is proud to announce three: Baer Supply, in Tewksbury MA, California Products, also in Tewksbury, and Ciment Quebec, in Bow [at the end an NEGS customer–see New Hampshire]. {ANR&P coverage}

QUINCY BAY TERMINAL RAILROAD
25 April, Quincy. THE MASSACHUSETTS WATER RESOURCES BOARD ANNOUNCED FIVE FINALISTS to operate the Fore River Railroad: Beth Intermodal (the rail arm of Bethlehem Steel), Finger Lakes Railroad (Michael Smith), Pinsly Railroad, Quincy Bay Terminal Railroad, and Twin Rivers Technology. [See 10 April issue.]

Other applicants
Six others supplied a bid before the deadline on 12 April: New York and Ogdensburg Railroad (Eyal Shapiro), Housatonic Railroad, New England Locomotive Services (David Pena of Marion MA), Cayuga Railway Company (Eric Lee of Syracuse NY), Fore River Terminal Company (Gordon Wallack of Newton MA), and Respondek Railroad Corporation (Douglas Jobs of Bear DE). {ANR&P discussion with Elizabeth Murray of MWRA 30.April.01}

John Lasko, who runs Pinsly’s Pioneer Valley Railroad in Westfield MA, said that the parent, Pinsly, will make the application; if it wins, the rail operation will take place under PVRR auspices.
Next step
Each of the finalists is asked to submit one additional figure by 5 May: the percentage of revenues it is willing to pay MWRA. Dick Currier of QBT said MWRA has not yet said how soon after 5 May it will decide, nor if the 5 May figures will become public.

Questions arise: customer as a competitor
Two of the finalists were troubled by the fact that one candidate is a customer. “The customer can derive economic benefit from being the operator which a non-customer cannot,” said one. But another finalist was not. Lasko agreed that Twin Rivers Technologies (TRT) entry “is unusual: everyone else is an existing railroad.” He surmised that TRT had entered because of its interest in getting a high level of service and competitive prices.

Fees charged by the railroad to TRT are not fixed. Thus, said Lasko, TRT is vulnerable to price increases. TRT may then remain active in the bidding “to keep the railroads honest,” that is, to prevent the railroads from offering a relatively high percentage of revenue hoping to recover the payments to MWRA by charging the shippers high prices.

Lasko did not believe that TRT could undercut the railroads by charging itself falsely high prices.

And what about the three-person crew requirement?
MWRA, in its notice to finalists, added the requirement that the winning bidder must operate with three-person crews. One of the finalists was troubled by this, both as to why it was tacked on at the last minute, and the reasoning for it. “It’s onerous.”

But Dick Currier of QBT, one of the finalists and the current operator, explained. “The use of three-person crews was happening when we first took over the operation, and we have continued it. It’s part of our agreement with the UTU.

“I would not want to change it. Because of the nature of switching particularly at Twin Rivers, it can be dangerous.” Lasko noted that at TRT the yard tracks are all paved over, and trucks drive across the tracks constantly. {ANR&P discussions 30.Apr.01, 1.May.01}

The legal test
Sanderson wrote that New Hampshire statutes RSA 373:1 and RSA 373:10 require a “reasonable necessity” for the public to cross the railroad at the requested location, and if such a necessity is found, the crossing must be protected so that the safety of both the motoring public and the railroad crews is maintained. Both elements must be shown before the crossing may be created. He found that the city had shown such a reasonable necessity to cross the rail lines.

What kind of crossing protection?
According to Sanderson’s findings, two sidings, and a service line that parallels the main line, all lie in the path of the Langdon Avenue extension. Sanderson agreed with GRS, that the issue of discontinuance of spur, switching, and side tracks as well as operating practices and routes of railroads is committed exclusively to the Surface Transportation Board of the U.S. Department of Transportation. See 49 U.S.C. Section 10501(b). State law is fully preempted as to such matters. He therefore could not compel the railroads to give up these tracks.

Nor could he decide on the issue of a safe crossing. ‘There may be a single crossing of the mainline, or there may be three crossings involved. I therefore must deny the request of the petition to establish this crossing, and find that the City of Concord has not met its burden of proof on the issue of crossing safety.

The city may return
‘This denial of the request for establishment of the crossing is without prejudice to a renewal of the request once the issues surrounding these sidetracks have been resolved in accordance with the applicable federal law. Since it is impossible to know on the state of this record what will happen to these sidetracks, if anything, it is inappropriate to comment upon the relative merits of the proposed at-grade crossing of the main line track as opposed to the offered alternatives to create a grade-separated crossing.’ {text of decision}

Reaction from the opponents
Nancy Girard of the Conservation Law Foundation, which had opposed the grade crossing, called the decision a victory for the proposed Boston-Montreal high-speed rail corridor.

Peter Dearness, NEGS president, used the term “muted victory” as the city could return and somehow deal with the necessity of the extra spurs. “We’ll see.” {ANR&P discussions 20k26.Apr.01}

NEGS use of the spurs
Dearness explained that his railroad uses one spur to reach a turntable pit, where workers inspect the underside of locomotives per FRA request. NEGS uses the turntable pit about four times a year.

NEGS also uses the turntable track to reach the back of the
Advanced Metals Recycling yard.

NEGS also uses the Suncook side track. “We still pull and push cars through there. Yesterday we had a string of 24 cars: when the first reached the NEGS tower, the 24th was back at the proposed site for the connecting road.”

**NHDOT reaction**

Kit Morgan, the department’s rail administrator, explained on 26 April that the city believed building a separated grade crossing was not only expensive, but physically very difficult, because of the need to bring the road back to ground level after crossing the rail lines. He agreed, however, that any new grade crossing “is not a good thing for high speed rail.” {ANR&P discussions 26 Apr. 01}

26 April. **UPDATES ON SOME ISSUES** the department is working on.

**Legislative bills**

Kit Morgan, rail administrator, felt optimistic about the chances for two bills: that raising the lease fees on state-owned railroad property [see 13 March issue], and that permitting the department to dispose of rail parcels with no possible future railroad use [see 27 March issue]. However, the bill increasing trespass penalties had much less of a chance [see 10 April issue].

**Rail plan**

The department has issued the plan, which is available without cost.

**Purchase of the Conway branch**

Some time ago, NHDOT broke off discussions with GRS about purchasing the balance of the branch GRS still owns, from Conway to Ossipee. GRS was insisting on retaining a short stub in Ossipee, which would have prevented an operator from reaching the NHN.

Now, said Morgan, GRS is willing to discuss selling the entire parcel. {ANR&P discussion}

**MANCHESTER-LAWRENCE**

26 April, Londonderry. **NHDOT WILL PERMIT A GAS PIPELINE IN THE RIGHT OF WAY** of the former Manchester-Lawrence line, another nail in its coffin. In March, the Public Utilities Commission issued a permit for KeySpan to build a three-mile pipeline to a new gas-fired power plant under construction by AES here. The pipeline will occupy 1000 feet of the abandoned Manchester-Lawrence right-of-way. KeySpan official Tony DiGiovanni promised the PUC that his company would move the pipe to the edge of the right-of-way if NHDOT decided to revive the line.

Although the PUC ruling did not mention the promise, KeySpan attorney Steven Camerino noted the permit only allowed a pipeline somewhere in the right-of-way. “In the future, the Department of Transportation could still require us to move the line.” {Chris Dornin in Derry News 27 Mar. 01}

**NHDOT will support easement**

In the beginning of May, according to Kit Morgan of NHDOT, the department will appear before the ‘Legislative Long-range Planning Committee.’ to support the easement in the Manchester-Lawrence line. The approval of this body is needed to permit any type of land disposal by any state agency, including giving easements as required in this case. {ANR&P discussion}

**A new rail line in the I-93 corridor?**

While the historic rail line is disappearing, a new rail alignment is proposed by the NHDOT as a future part of the I-93 corridor from Manchester to Lawrence. This year, the department is designing the widening of I-93, construction of which will start in three or more years. Jeff Brillhart, project manager for the widening, said the widening must first get underway before any serious talk of track and stations begins. [The commuter rail service planned for Nashua will not help the I-93 corridor congestion.]

But long-term, rail will provide part of the answer. “In 20 years, this section of I-93 is going to be back to where it is today. We know that this highway we’re designing today is not going to take care of all of our problems.” NHDOT has done preliminary studies of two rail options.

**Re-open the Manchester-Lawrence**

Brillhart listed this as an option, but noted that to permit trains to run past Lawrence, the MBTA would have to doubletrack the line south of Lawrence, some 13 to 18 miles. “[I]t’s not really planned to do it.” [However, Brillhart must know that Guilford is already complaining of the congestion on this line due to the Amtrak Downeaster. GRS, the T, and Amtrak would probably welcome doubletracking. Editor]

Brillhart also noted that this corridor has many dangerous crossings, and development has occupied the right of way in many places.

**Light rail in I-93**

A second option would run lighter-weight rail cars, similar to the Green Line in Boston, in the corridor. Heavy rail would not work because of the geography. Under one alternative, the light rail would terminate in Woburn, where riders would transfer to other transit. Under another alternative, the line would terminate at the MBTA commuter station in Lawrence.

NHDOT is designing a light-rail line into the I-93 corridor, although not at this point planning to build it. Feasibility studies show light rail would divert 4,000 cars a day, leaving 140,000 drivers in 2020. {Adam Barone in Salem (NH) Observer 29 Mar. 01; Chris Dornin in Derry News 27 Mar. 01}

**NEW ENGLAND SOUTHERN**

26 April, Concord. **THE RAILROAD IS RECEIVING LOADED CEMENT CARS** for eventual delivery to new customer Ciment Quebec in Bow, according to principal Peter Dearness. The company has obtained 42 covered hoppers from Texas, which have gone to Quebec to be loaded. Some 34 have already arrived in Concord, and NEGS is storing them in the yard there.
Unloading in May
Although workers have completed the building structure, mechanical and electrical systems are not yet installed. “We’re 50% of the way on the 1000-foot siding” which runs through the building and then farther north, Dearness said. NEGS will install a second, 400-foot siding off the first in four to six months, when production justifies it, and his crew has time to get back there [see below].

Dearness expected Ciment would do a test unloading of a car 10-11 May. {ANR&P discussion}

26 April, Concord. COHEN METALS HAS OBTAINED A RAILROAD SCALE. In June, NEGS will relocate some of the Suncook loop [see 01#01A issue] so that it runs through Cohen property. At this point, NEGS is awaiting the agreement of GRS engineering to do the relocation, since GRS owns the siding.

Why have a railroad scale
Scrap metal dealers sell by weight. Until now, Cohen has relied either on a connecting carrier, or on his customers, to weigh the product after it leaves his yard. (Connecting carriers need to weigh the car to ensure it does not exceed track limits.)

Cohen has estimated carload weight by knowing the approximate volume equivalent of the commodity moving in the car (Cohen is now moving six different commodities). The scale will prevent underloading and overloading.

Despite the plusses of the scale, according to Dearness, “very few scrap yards have their own scale.”

Inbound scrap
While the vast majority of the scrap sorted and shredded by Cohen arrives by truck, Dearness explained that Cohen occasionally receives large pieces of metal by rail. NEGS spots the car in the back of the yard on the turntable track, where “Cohen can cut it up and peck away at the scrap.” {ANR&P discussion 26.Apr.01}

30 April, Concord. SOME OF THE CUSTOMERS AND RAIL ARRANGEMENTS IN CONCORD. In addition to discussing the new rail scale and the proposed grade crossing, Dearness pointed out [as illustrated on the map]:

Steenbeke Lumber
This customer still receives by rail. NEGS uses one spur right into the building, and another alongside it.

Capital Distributors
Although it has a siding, Capital does not currently use rail. It is adding a 20,400SF space.

Universal Packaging
This company no longer uses rail.

Blue Seal Feeds
NEGS formerly served Blue Seal by running down the Suncook loop. In anticipation of Cohen Metals (aka Advanced Metal Recycling) using a large number of cars spotted on the loop, Dearness decided to build a new connection to Blue Seal Feeds. “We paid for that completely out of our own pocket.” {ANR&P discussion

RHODE ISLAND RR

PROVIDENCE & WORCESTER
March, East Providence. THE CITY CREATED A REDEVELOPMENT AGENCY TO LOOK AT THE SOUTH QUAY AND OTHER DEVELOPMENT POSSIBILITIES. An editorial in the Providence Journal in April stated: ‘It is past time for East Providence to do something with its underused waterfront – an amenity few communities in the Northeast, big or small, have in such abundance. The 300 acres under consideration span Route 195 as it crosses from Providence into East Providence via the Washington Bridge. Most of the developable acreage is south of the bridge, beyond Bold Point, including land owned by Chevron, Providence & Worcester Railroad, Amoco/Arco and Unical. For years, P&W has pondered building a small container port on part of its property. It may be time to reconsider that idea. ‘Rulings by the Rhode Island Supreme Court suggest that without a redevelopment agency, a smaller city like East Providence might not have the clout to appropriate, through eminent domain, land it wants to see developed for a broader civic purpose. We don't think governments should use their powers merely to favor one group of private interests over another, but when a property owner leaves valuable property fallow, benefitting neither itself nor the public, then eminent domain becomes increasingly appropriate.

‘Some of the land along the East Providence waterfront may fall into this category. With a municipal agency in place to prod more attractive uses of valuable land heretofore underused, perhaps its longstanding owners will now think of making the land work for them in ways that will also make life more pleasant for the community. Either that, or sell it.

‘At some point, a vision of embankments lined with marinas, apartments, shops and offices should move toward reality in East Providence. A similar vision is on tap across the river, in Providence. We believe the combination will produce synergies that could both enrich and enchant the city, the state and the region.’ {text of editorial}

Not PW's idea
[While the editorial writers propose eliminating a large chunk of the region’s rare rail-accessed industrial land, PW fortunately has other ideas - editor.] The railroad’s 2000 Annual Report states that Cushman and Wakefield, the company engaged to market the property, has identified, and PW intends to pursue, these uses: ‘development of a private port facility, manufacturing use with direct multi-modal access (truck, port, and rail), and other commercial, industrial, or residential development...The company believes its costs will be fully recovered from such future developments, including the lease or sale of the property, associated rail freight revenues, particularly intermodal double-
stack container trains, and possible port charges such as wharfage, dockage, and storage.

‘The company is considering a proposal to develop the site to provide freight service for the transport of automobiles along the Company’s main line to and from East Providence, pending the development of the Quonset Point-Davisville Industrial Park. In addition, the Company is considering development options consistent with the plans of the City of East Providence, including a corporate office park.

‘If able to attract user or investment commitments, the Company intends to construct a vessel unloading area. The Company has engaged in discussions with potential users interested in utilizing the property for off-loading bulk products such as salt and construction aggregate. The Company has also explored the development of the facility for offloading container vessels and barges. The Company will need additional terminal capacity to achieve expected growth in its intermodal container business and may use a portion of the property as an intermodal facility to provide it with such capacity. This development will not proceed, however, until the Company completes overhead clearances which are anticipated to be completed during 2001.’ {text of annual report}

Current work to provide access for mixed doubles
PW is currently working in the vicinity of Red Bridge, where the East Providence Secondary joins the East Junction Secondary [see map 17 November 2000 issue page 6]. Mary Tanona, general counsel, wrote: ‘A 15” undercut of track at Waterman Avenue is well under way. Excavation is complete. We are currently building track and expect completion in May. No other P&W clearances are required for Phase I double stack to East Providence. The State is raising Central Street in Millville.’ {e-mail to ANR&P 30.Apr.01}

QUONSET POINT/DAVISVILLE
23 April. NEW YORK IS DISCUSSING BARGE FEEDER SERVICE TO THIS PORT, according to a ConnDOT study [see Connecticut], one reason ConnDOT did not recommend pilot feeder service to New London.

‘The Davisville Port has considerably more capacity and serves a much larger market area than New London. Economics associated with a large container service in the Davisville Port indicate that Davisville would likely attract most of the containers that are destined for the New London market area. The cost of [load-on/load-off] container barge service would put the Port of New London at an economic disadvantage compared to trucking....’ {text of study}
PEOPLE, POSITIONS, EVENTS

NECR’s Superintendent of Operations Larry LaRocque recently left his position.

In Maine, Gary Burke is one of the supervisors who left the B&A and is now working for Guilford’s mechanical shop in Waterville.

CALENDAR

5 May. Finalists file revenue proposal with MWRA.
12-15 May. Northeast Association of State Transportation Officials conference, Portland [see advertisement]
10 May. Maine Better Transportation Association legislature day, Augusta.
10 May. New England Railroad Club, Danvers
14 May. Guilford reply on speed decision due to STB.
mid-May. VAOT to decide on Lamoille Valley Corridor.
29 May. Amtrak rebuttal is due.
4-5 June. Port Days, Saint John.
8 June. FRA comment on speed due to STB.

EDITORIAL

DOES PW HAVE A SOCIALLY-RESPONSIBLE CAPITALIST?

As reported in the Regional section, PW chair Robert Eder does not hold shareholder value as the be-all and end-all of his corporation. Instead, he told the annual meeting, “Where I think a lot of people get off base is when you talk solely about shareholder value. This company has constituencies other than its shareholders.” The company should treat its employees fairly, reinvest in its rail lines, and run a reliable railroad for its shippers, he said. These goals sometimes conflict with creating shareholder value, but are worthy ones.

What a breath of fresh air! And how counter to the conservative capitalist position that the managers of corporations should focus only on the bottom line. Eder’s position hews more closely to the progressive idea that corporations, as creatures of the state, should have responsibilities beyond lining the pockets of their owners.

Eder is still doing OK

Not to say that Mr. Eder is going broke while serving social functions. In 2000, Eder received $5 for each of the 500 preferred shares ($2500) each year, in addition to his salary of about $407,000 (includes all compensation), plus the dividend of 16 cents per share for a total dividend of $142,720. That comes to a total of about $550,000, a sum less than he could get by selling out.

If the dissidents are correct that the railroad would sell for at least $15 per share, Eder could cash out his 892,000 shares and get $13,380,000. Investing that at, say 8% would yield $1.04 million per year, much more than he is now getting from the company.

How about that attitude at the region’s bete noir?

Now if only Eder could convince Timothy Mellon, the majority owner of Guilford Rail Systems, to adopt some of that attitude, perhaps Guilford would invest more in its rail lines, and run a more reliable railroad for its shippers.

And make more money too

Peculiarly, as amply illustrated by Canadian National and BNSF, if one does invest more in rail lines, and run a more reliable railroad (a scheduled railroad), then the railroad ends up making MORE money, not less. Mr. Mellon, please note.

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Purpose

Atlantic Northeast Rails & Ports, nee Maine RailWatch (1994-1997) and later Atlantic RailWatch (1998-1999 - coverage expanded to southern New England with the 2 July 1998 issue), 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.’

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