From the publisher

WELCOME TO NEARS!
For the occasion, I have included a brief update on Aquidneck Island (location of Newport), cut off from but still legally a part of, the national rail network.

Correction A minor correction to the CP article on page 1 of the 3/27 issue: The SL&H sub that owned a mile of track near Rouses Point is the Napierville Junction Railway, not the Napier Junction. {thanks to Rich Slattery}

Date of next issue
The second April issue will come out Mayday, because NEARS (11-13 April) and a vacation (16-24 April) intervene.

- Chop Hardenbergh
Next issue: 1 May

REGIONAL ISSUES

PROVIDENCE & WORCESTER
23 March, Worcester. TWO SHAREHOLDERS EXPRESSED DISSATISFACTION WITH THE COMPANY’S PERFORMANCE. The Proxy Statement for the April 25 annual meeting of Providence & Worcester Railroad Company shareholders contains the following shareholder resolution: ‘An investor group consisting of Thomas VG Brown, David Nathanson et al. proposes the Providence and Worcester Railroad Company (PWX) seek an immediate sale of the Company or pursue other options to increase shareholder value.’

Shareholder comments
In a discussion on 5 April, Nathanson explained that in contrast to other short-line railroads, PW is not growing.

PEOPLE, POSITIONS, EVENTS
Steve Howard and Barry Knowles.
Operations. ‘In particular, the two note that low-rated aggregates traffic represents a large part of PWX’s business, that the company has yet to make use of a large parcel in the Providence area that has been held for development for some time, and that the value of the company’s New York metropolitan access is diminished by CSX-imposed restrictions. In general, this group would like to see the company market itself more aggressively in order to offset the decline in the region’s industrial base.’ {Rail StockWatch 2.Apr.01}

Revenues
Per Nathanson, revenues have grown ever so slightly, net income has not. The numbers apparently bear him out:

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<thead>
<tr>
<th></th>
<th>Company</th>
<th>Industry</th>
<th>S&amp;P 500</th>
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<tbody>
<tr>
<td>Revenue (MRQ) vs Qtr. 1 Yr. Ago</td>
<td>3.94</td>
<td>(5.09)</td>
<td></td>
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<tr>
<td>Revenue (TTM) vs TTM 1 Yr. Ago</td>
<td>(3.81)</td>
<td>(0.45)</td>
<td></td>
</tr>
<tr>
<td>Revenue - 5 Yr. Growth Rate</td>
<td>1.51</td>
<td>7.52</td>
<td>17.39</td>
</tr>
<tr>
<td>EPS (MRQ) vs Qtr. 1 Yr. Ago</td>
<td>(24.53)</td>
<td>(34.52)</td>
<td>9.11</td>
</tr>
<tr>
<td>EPS (TTM) vs TTM 1 Yr. Ago</td>
<td>(32.71)</td>
<td>(6.92)</td>
<td>21.42</td>
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<tr>
<td>EPS - 5 Yr. Growth Rate</td>
<td>(4.05)</td>
<td>4.62</td>
<td>20.88</td>
</tr>
<tr>
<td>Capital Spending 5 Yr. Growth Rate</td>
<td>20.99</td>
<td>7.05</td>
<td>4.28</td>
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{http://www.business.com/directory/transportation_and_logistics/rail_and_intermodal/railway_operators/regional_lines/providence_and_worcester_rr/financials/ratios_and_stats/}

ANNUAL CONFERENCE
THE NORTHEASTERN ASSOCIATION OF STATE TRANSPORTATION OFFICIALS

REGIONAL VIEW OF
FREIGHT AND PASSENGER RAIL ISSUES

12-15 May, Portland Maine

Keynote Speakers: Transcending borders -- opportunities for US-Canadian and multi-state collaboration in transportation. Angus S. King, Jr., Governor of Maine
Michael P. Jackson, Deputy Secretary, United States Department of Transportation

Track A (of 4) will look at Northeastern and Canadian Rail Planning and Implementation.
Making financing and partnerships work for passenger rail -- lessons learned looking toward TEA 21 reauthorization.
Moderator: Anne Stubbs, Executive Director, Coalition of Northeastern Governors
Speakers: Amy Elsbree, Senior Director, Constituent Relations, Amtrak
plus two others.

Freight rail mergers & acquisitions in the north Atlantic -- what state DOTs need to know as the private sector flexes across borders.
Speakers: Karen Phillips, Vice President, Canadian National
Dana Burleigh, Manager, Transportation, Great Northern Paper Company
Michael Ruehling, Vice President of State Relations, CSX Rail

Regional Passenger Rail Plans -- a focus on the emerging Montreal hub.
Speakers: Micque Glitman, Deputy Secretary, Vermont Agency of Transportation
Elsie Wayne, Member of Parliament representing New Brunswick
David Carol, Vice President, High Speed Corridor Development, Amtrak

Passenger multi-modal connectivity -- emerging opportunities in the Northeast and eastern Canada.
Moderator: Astrid Glynn, Deputy Secretary, EOTC
Speakers: C. Mitchell Mclean, President, Bay Ferries
Harry Blunt, President, Concord Trailways
Barbara Michael, Senior Project Manager, Parsons Brinckerhoff

Plus a session on port planning.
Registration & Information: http://www.state.me.us/mdot/nasto01
Book value (\textit{ANR&P analysis})

Compared to similar operations, the ratio of stock price to book value suffers, Nathanson explained. PW has a price/book ratio of .49 (book value/share $15.74, price/share $7.75). For comparison, Emons Transportation has a price/book ratio of .78 (book value $2.08/share, price $1.625). Rail America, a conglomerate of short lines, has a price/book ratio of 1.37. The industry as a whole enjoys a 1.36 ratio, and the top 500 public corporations in the United States, judging by the S&P 500, have a ratio of 6.00.

What does PW use as a comparison?

According to Nathanson, instead of using railroad similar to PW, the company’s annual report compares its performance to those of the S&P railroads group. The railroad group, dominated by the four US Class I railroads, “does not compare to short-line or other regional railroad performance.”

5-YEAR CUMULATIVE TOTAL RETURN

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<tbody>
<tr>
<td>PWX</td>
<td>100</td>
<td>114.5</td>
<td>267.3</td>
<td>181.8</td>
<td>116.4</td>
<td>103.6</td>
</tr>
<tr>
<td>S&amp;P Rrs*</td>
<td>100</td>
<td>16.3</td>
<td>128.1</td>
<td>115.9</td>
<td>95.4</td>
<td>100.3</td>
</tr>
<tr>
<td>S &amp; P Ind*</td>
<td>100</td>
<td>120.6</td>
<td>155.5</td>
<td>205.1</td>
<td>255.4</td>
<td>211.9</td>
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“Performance Graph Prepared by Burnham Securities Inc. for Providence and Worcester Railroad Company. The S&P Industrial Index is calculated using 377 industrial companies in the S&P 500. The index assumes dividends are reinvested. The S&P Railroad Index includes 4 railroad operating companies in the S&P 500, also assuming dividends are reinvested. Total returns assume $100 invested on January 1, 1995 with reinvestment of dividends. (Proxy statement)

Management the problem?

Nathanson labelled Robert Eder, the chair, and Harold Orville, the president, as the problem. “They’re just sitting around collecting paychecks, waiting for Quonset Point to open.” [Meaning the container port to open and provide PW with a large chunk of new business. \textit{Editor}] They have taken a “quite passive approach to running the railroad.”

What chance for change?

Nathanson did not expect the dissident resolution to win, at least not this year. It was filed by only himself (Sharon, Massachusetts), with 20,000 shares; and Thomas V.G. Brown of South Norwalk, Connecticut, with 24,000 shares. Nathanson said the two had sought no publicity, and had no attorney advising them. “This is a shoe-string, grass-roots operation.”

The two are facing chair Robert Eder, who per Nathanson has total control: on the board of nine people, two-thirds are appointed by the preferred shareholders. Only 650 shares of preferred are outstanding, and 500 shares owned by Eder. In common shares he owns only 27%.

“But he calls all the shots, he’s happy to take a salary, and run it as a little railroad, and not attempt to grow.”

The goal

“We’d be very happy if we can generate upwards of 10% of the votes, and increase that next year. If we can interest some of institutional investors and put a slate together for the other three seats, that would be our ultimate goal. We want to get management refocused, not do a coup d’etat. We’re looking for enhancement of shareholder value.” \textit{ANR&P discussion 5.Apr.2001}

Management response

“In defense of the company’s performance, president Orville Harrold says that operating cash flow improved from $2.3 million in 1999 to $3.9 million in 2000, that the railroad continues to be maintained in excellent condition and that short lines face an inherent disadvantage in getting large industrial companies to put new facilities on their lines because these companies typically have pre-existing relationships with the major Class I railroads.

‘Mr. Harrold also says that, long-term, one of the most promising assets for PWX is its access to the port of Quonset Point/Davisville, RI. Unfortunately, access for auto racks and double-stack intermodal cars requires additional work on Amtrak’s Northeast Corridor line, which PWX uses to reach the port; this work won’t be completed until 2003 [see 27 March issue]. But the company believes that its access to Quonset Point and other southern New England ports bodes well for its future, particularly as the major automakers feel pressure from residential and commercial development around their existing eastern Massachusetts rail terminals. Easy access to Interstate 95 would make Quonset Point an ideal location for such a terminal.’ \textit{Rail StockWatch 2.Apr.01}

Official company response

The proxy statement reads: ‘The Company's outside legal counsel has informed the Board of Directors that this proposal is inconsistent with the respective rights and powers granted to boards of directors and shareholders under Rhode Island law.

‘Rhode Island law places the authority for deciding whether, when and how to sell a corporation with the corporation’s board of directors. Therefore, this proposal's directive to "seek an immediate sale of the Company" is not a proper subject for action by shareholders under Rhode Island law.

‘Even if the proposal was fashioned as a request as opposed to a mandate, the Board of Directors would nonetheless recommend a vote against the proposal. The Board of Directors appreciates the proposal's appeal to increase shareholder value. Indeed, the Board of Directors is committed to this goal and together with management has undertaken numerous initiatives as detailed in the Company's Annual Report that it believes will produce increased value over time.

‘The Board of Directors continually weighs various options to increase shareholder value. Although it has no legal obligation to consider the proposal of the investor group described herein, the Board of Directors has concluded that the sale of the Company at this time would not maximize shareholder value, and, accordingly, would not be in the shareholders' best interest. Accordingly, the Board of Directors recommends that
the shareholders vote AGAINST this proposal.'

Another viewpoint
A rail analyst who asked not to be named agreed with Nathanson that the S&P rail group did not provide a good benchmark. The analyst did not believe a good comparison existed: ‘Comparing PW with Rail America or Genesee and Wyoming is equally inappropriate because the latter two are growing, internationally-oriented companies. They have risk factors that PW doesn’t.’

As for book value, the analyst said: ‘That can also be a troublesome benchmark. Book values are close to meaningless for long-established, asset-intensive companies because assets are carried at historic values, which have little to do with current market values. Any such company should be trading at a premium to book value simply because the book values are so low. I would guess that PW, as a company established within the past 30 years, has asset book values that are more in line with current market values than other railroads.’ {e-mail to ANR&P from unnamed analyst 6.Apr.01}

CSXI: NY TO WORCESTER

6 April, New Jersey. AN UPDATE TO THE CONTAINER RAIL SERVICE FROM NEW YORK HARBOR was provided by Bill Goetz, assistant vice-president for intermodal development for CSXI.

The facility change in New Jersey and the routing
Recently, CSXI changed the routing of the international traffic to Worcester. Previously the boxes had moved out of the ExpressRail terminal [see box] first to Syracuse, and then on another train back to Worcester, taking two days to do so.

As of 12 March, containers for rail to Worcester are drayed from the quayside of one of the four container terminals (Maher Fleet Street, Maher Tripoli Street, Sealand/Maersk, and Port Newark Container Terminal) to CSXI’s intermodal terminal in CSXT’s South Kearny Yard and loaded onto railcars. These cars are then picked up by train #Q174 originating in Jacksonville, Florida. Goetz described it as “largely a trailer train,” because of the nature of the

<table>
<thead>
<tr>
<th></th>
<th>New time*</th>
<th>Old Time*</th>
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<tr>
<td>Leave S.Kearny (old place: ExpressRail)</td>
<td>1800</td>
<td>evening</td>
</tr>
<tr>
<td>Available Worcester</td>
<td>1500 next day</td>
<td>21-2200 next day</td>
</tr>
<tr>
<td>Leave Worcester</td>
<td>1700</td>
<td></td>
</tr>
<tr>
<td>Available S.Kearney</td>
<td>1200 two days later.</td>
<td></td>
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</table>

* New time schedule provided by Goetz. Old time schedule from 29 August 1996 issue. Since boxes arriving in Worcester at 9-10PM are too late for pickup, CSXI called the service ‘second morning.’ With the new time, boxes can be picked up at 3PM for delivery the same day.

Improvement in transit times
Northbound, according to Goetz, using a direct train has shortened scheduled transit time to less than a day. Southbound, the schedule still calls for an almost two day trip, due to the interchange in the Syracuse/Albany NY area. Southbound, the service runs as it did before: one train takes the boxes to Syracuse or Selkirk, and another train moves the boxes to South Kearny Yard.

Train Q174 and domestic boxes
Train Q174 originates in Jacksonville, Florida. Goetz described it as “largely a trailer train,” because of the nature of the
customers, “a lot parcel and mail.” However, Q174 does pick up domestic as well as international boxes in South Kearny for delivery into Massachusetts.

**Pricing**

While Goetz declined to discuss specific prices for service via barge, truck, or rail, he said CSXI had positioned its pricing between truck (“If you want something there in four hours.”) and barge (“If you want the rock-bottom price.”) {ANR&P discussion 5-Apr.2001}

**Traffic numbers to Worcester**

Goetz said ExpressRail is growing “nicely” and concomitantly its traffic to and from Massachusetts. Steve Cotrone, head of the Intransit Containers Incorporation (ICI) operation at PW’s two Worcester terminals (Wyser Avenue and Southbridge), said New York traffic came to about 200/week, up from the 100/week he cited in 1997 [see 24 April 1997 issue: Massachusetts EOTC]. {ANR&P discussion 9-Apr.01}

**FOR THE RECORD:**

**CSXU BOSTON-DETROIT**

CSXI EXPANDED CSXU SERVICE in March, to include Detroit to/from Boston and South Kearny. Rail trailer service is eliminated in both lanes. *(Rail Business 2-Apr.01)*

What's CSXU, you ask? So did I. Goetz explained that CSXU designates a CSX container, while CSXZ would designate a trailer. CSXI makes containers available to its customers. Shippers using a CSXU container must return it to a CSXI terminal. CSXI offers specific points for pricing and service, such as the Boston-Detroit lane. {ANR&P discussion with Goetz 9-Apr.01}

**CONNECTICUT**

**CONNECTICUT PORTS - OVERALL**

5 April, Newington. **CONNDOT'S STUDY OF ALL THREE PORTS** has gone to the commissioner [see 8 February issue], according to the manager of the intermodal division ??, Carmen Trotta. He expected its release in the next couple of weeks. {ANR&P discussion 5-Apr.01}

**PORT OF NEW HAVEN**

8 April. **MORE DETAIL FROM THE BARGE FEEDER STUDY** looking at service from New York Harbor [see 27 March issue]:

No rail use

While the port will have rail, ‘it is likely that containers moving via rail which are bound to or from the Port of New York and New Jersey will move from their origin/destination directly by rail, thereby avoiding the Port of New Haven feeder service.’

**Potential numbers**

The Port Authority study estimated the following international TEUs in 1998/1999 move in all modes

<table>
<thead>
<tr>
<th></th>
<th>1999</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Hartford/Springfield</td>
<td>92,230</td>
<td>99,200</td>
</tr>
<tr>
<td>Worcester &amp; Framingham</td>
<td>590,598</td>
<td>673,903</td>
</tr>
</tbody>
</table>

About 73% move via New York, other North Atlantic, or Canadian ports. {text of Harris report}

**M A I N E**

**AMTRAK**

13 March, Augusta. **GRS NOTIFIED THE STATE IT INTENDED TO SUE THE LEGISLATURE** in its lawsuit for libel against State Representative Chris Hall (D, Bristol). Such notice is required under Maine law before a private entity may sue the state. The letter, from GRS chief counsel Rob Culliford, informed House Majority Mike Saxl (D, Portland) and Attorney General G. Steven Rowe that damages in the case are likely to exceed $1 million.

GRS stated that Hall, in a press release and in statements to Maine newspapers "falsely asserted that Guilford had been somehow remiss in its performance of its contract with the Northern New England Passenger Rail Authority." Culliford wrote to the two state leaders and the Maine House that they might be included in any lawsuit because Hall was claiming that his statements arose from his official position as a member of the House. ‘It is not yet entirely clear whether Rep. Hall was acting within the scope of his official capacity in each instance giving rise to this claim. Nevertheless, because Rep. Hall has stated that his comments are subject to some form of government immunity and/or privilege, this notice is being made to fully protect the rights of Guilford.’

**Hall rejoinder**

Hall said he exposed the company's refusal to go along with plans for a Boston-to-Portland high-speed railroad connection, and now Guilford officials are angry and threatening to retaliate through the courts. The attorney general has agreed to defend him against any lawsuits arising from his statements about Guilford.

"I basically blew the whistle on Guilford's disrupting the Amtrak service," Hall said. "I sent out a press release to my local papers and followed it up with an op-ed piece... and they didn't like it." The freshman lawmaker said time has shown his published observations were true. As a result of the public exposure of the snag in state efforts to establish the rail link to
Boston, he said negotiations have resumed and the outlook for a train connection between Maine and Boston seems brighter.

Guilford officials have a history of suing their critics to harass them into silence, noted Hall. "With the attorney general agreeing to defend me, they're not able to harass me in terms of paying legal fees."

**Saxl statement**

Ryan Low, Saxl's top aide, said the House speaker had met with both Hall and representatives of Guilford Transportation to determine the company's claim of injury and to try to broker a settlement.

"We asked them what their goal was and they said they want Representative Hall to publicly apologize," Low said.

A spokesman for Rowe, Special Assistant Attorney General Charles A. Dow, acknowledged that the attorney general has agreed to defend Hall, but he refused to comment on the details of Guilford's claim. "The Maine Tort Claims Act has immunity for legislators acting in the course and scope of their official duties," he said. Guilford's move to supersede that immunity by filing suit against the House may be a unique tactic, but unlikely to succeed, he said. "Let's just say I'm not aware of any specific examples where that argument has prevailed," Dow said. \{Gary Remal in Central Maine Sentinel 30.Mar.01\}

**Later comment**

By 6 April, Hall had not received an initiation of the lawsuit. "I'm just amazed at how popular this threatened suit has made me. It seems as though everybody from labor unions, to the paper companies, to environmentalists, is upset about the state's poor railroad service.

"I get calls daily from railroad employees, railroad customers, and angry citizens." \{e-mail to ANR&P }\

**Platforms and station construction**

'NNEPRA officials have been working in concert with the Maine Department of Transportation to resolve a number of issues associated with the construction and maintenance of station platforms. Once an agreement is reached with GRS, construction of stations and platforms will begin. While the completion of this construction is expected to take 90-120 days, NNEPRA is recommending an accelerated construction schedule that could allow for train service to start sooner.'

**Portland layover facility**

Negotiations [remain] underway to locate and construct the Portland layover facility.

**Starting speed**

'Should the rehabilitation, platform and layover elements be resolved prior to the STB's decision and the completion of track modulus testing, NNEPRA Executive Director Michael Murray has stated that he would recommend passenger service commence at speeds up to 59 mph so that Maine residents can begin to benefit from the passenger rail service in which they have invested.' \{www.downeaster.com\}

30 March, DC. **THE STB SET THE SCHEDULE FOR THE DECISION ON SPEED.** 'Amtrak requests that, as the TLV [track loading vehicle–see 27 March issue] is available for use in July, the Board issue a final decision by June 30, 2001, so that Amtrak and NNEPRA can commit to July testing dates. To expedite matters, Amtrak requests that its pleading be treated as an opening statement, that Guilford be given 45 days to reply, and that Amtrak be given 15 days to file rebuttal. The proposed procedural schedule is reasonable and will be adopted. (3)

‘FRA, which has jurisdiction over rail safety matters and significant expertise, has participated in this proceeding, and its views contributed substantially to the Board's October 22, 1999 decision. Because the instant motion raises additional rail safety issues, the Board requests FRA to participate in this phase of the proceeding....

‘Guilford's reply statement is due May 14, 2001. (2) Amtrak's rebuttal is due May 29, 2001. (3) The parties must serve copies of their pleadings on FRA....FRA's analysis and comment is requested by June 8, 2001.’ \{STB Finance Docket No. 33697 30.Mar.01\}

3 April, Concord NH. **GUILFORD INVITED MEDIA FOR A RIDE ON THE TRACK** from Portland Maine to Bradford Massachusetts [the section it owns]. The railroad intends to raise safety awareness and demonstrate higher-speed traffic. Guilford Executive Vice President David Fink said the trip results from media requests. "For 2½ years, you and your brothers [in the media] have begged, cajoled and pleaded with us to see the conditions and progress of the rail line and ongoing improvements," Fink said on 5 April. Space is limited, he said, and officials will have an opportunity in the future.

However, the significant players, including Northern New England Passenger Rail Authority, Strafford Regional Planning Commission and Amtrak, were told they could not participate. They hope Guilford’s message is not a slap in the face to continued rail safety efforts they have promoted for several years.

The demonstration train will reach speeds up to 59 mph, something that is a bone of contention among the passenger rail advocates. NNEPRA and Amtrak feel confident a recently improved infrastructure can safely handle traffic at 79 mph. \{Nick Henderson in Foster's Daily Democrat 5. April.01\}

**SEARSPORT**

9 April. **MDOT HAS SUBMITTED THREE PERMITS FOR THE NEW PIER** here [it will replace the B&A pier for breakbulk], according to Paul Pottle of the multimodal project
development. He first needs one from the Department of Environmental Protection (DEP), solid waste division, to okay placing dredge spoils in Searsport, Bucksport [see below], and at sea.

If he gets that, then DEP will act on the request for wetlands action. Finally, with both DEP permits in hand, Pottle can ask the US Army Corps of Engineers for its okay on the pier project.

On this day, Pottle had heard no objections to any of the permits, and he hoped to get them in a few weeks. Then putting the bids out will take two weeks, a contractor will be selected about four weeks after that, and construction can get underway. {ANR&P discussion}

BUCKSPORT
9 April. SPRAGUE WILL TRANSFORM A FORMER PETROLEUM TANK SITE using dredge spoils from the Searsport project [see above]. Bert Russell of Sprague explained that his company bought the tank farm, upriver from the International Paper mill in Bucksport, in 1987 and used it until 1991. Sprague then consolidated its petroleum service at its ‘Bucksport South’ terminal just north of the paper mill, and tore down the tanks.

Alternative rail site
At one point, Sprague had put the property on the market, but received no significant offers. At this point, company officials believe that the site could provide overflow space for Searsport, and also give Sprague rail access to GRS, as an alternative to using Searsport.

By filling three tank dikes, Sprague will create some usable space, and at the same time dispose of 15,900 cubic yards of spoils from the Searsport dredging. {ANR&P discussion; Sprague plans for site courtesy of MDOT}

MASSACHUSETTS

GUİLFORD RAIL SYSTEM
13 March, DC. FLETCHER GRANITE COMPANY ASKED THE STB TO CONFIRM ITS EXCLUSIVE JURISDICTION over the mile of spur it wants to reopen between Route 40 and a GRS connection at Brookside. The request is a pro-active move to prevent either Westford boards or state officials from regulating resumption of service, confirmed David Psaledas, Fletcher Granite plant and safety engineer. Since about 1965, granite has moved to and from the Groton Road plant primarily by truck, although Psaledas said the company also uses rail from Billerica.

Traffic plans
During a June 2000 presentation to the Board of Selectmen, Fletcher Granite’s attorney Frank Balas said the trains would be no more than three cars, and would travel about three miles per hour, during weekday daylight hours.

According to the 13 March petition for a declaratory order, Fletcher currently requires approximately 600 truck shipments annually. The company hopes to eliminate about 450 incoming and 30 outbound trucks yearly once the rail line is operational.

Some local opposition
The petition stated that when Fletcher Granite first made its plans public [in 1999], it received negative attention from abutters, public officials and the media. In June 2000, representatives from Fletcher Granite presented their plans at a Board of Selectmen’s meeting filled with abutters. Some Brookside Road residents said they were worried about the environmental impact and safety issues relative to re-opening the track.

No public meetings or meetings with abutters have happened since then, although Town Manager Steve Ledoux said Fletcher gave assurances it would do so once surveys of the tracks were complete.

Fletcher fear of delay
The company owns a 12-foot right-of-way along each side of the track bed and part of it abuts wetlands and a brook. According to the petition, ‘local officials have indicated that any project involving the resumption of service over Fletcher’s track is subject to the environmental permitting process under Massachusetts state law and to review by the local Conservation Commission.’ Fletcher stated it will submit its plans to the Conservation Commission and work within ‘relevant environmental standards,’ but ‘prior experience has shown that the Commission will intervene, attempt to regulate and delay this project, and assert jurisdiction over the construction and usage of the track.’

Psaledas said he met informally with Westford Conservation Coordinator Bill Turner about two years ago, and Turner told him that he anticipated few problems with re-opening the line. Eric Fahle, Conservation Commission chair, said this week that he has not seen any specific plans for re-opening the spur and limited his comments to general ones. "Since they already have the easement there and it’s pre-existing, they would be maintaining what they have," he speculated. "Granite, at least from a transport perspective, it’s certainly not going to do anything to the environment [if there were a spill]." If there were other materials transported through wetlands, "I guess I wouldn’t want to make it any riskier."

Town response
"The language is outrageous," said Selectman Bob Jefferies. "I’m offended by this. They have no basis for saying this."
"We’ve been bushwhacked," said Selectman Bob McCusker.

Why work with the slow STB?
On 2 April, Dave Psaledas acknowledged that the STB may not
provides a decision in less that a year, “but the time frame to go though the town may take as long.” He expected that going to the Conservation Commission for a permit to re-open the line would take 8-12 months.

Fletcher Granite is using a DC lawyer Edward Greenberg, of Galland, Kharasch, Greenberg, Fellman & Swirsky, P.C.

What’s next
Psaledas said this week that he didn’t know the company’s schedule for re-opening the line. At this point, he is using a rate from Albertson, Georgia (source of some of his rock) to North Billerica on GRS. From there, Fletcher Granite uses Larson Brothers’ trucking firm to dray the rock to Westford. This service began in August 2000 and to date has moved 77 cars of granite, 45 this year alone.

Westford intends to have legal counsel at the hearing before the transportation board, according to Ledoux. He also said the town hopes to schedule a meeting with Westford town counsel, Fletcher Granite representatives, and its legal counsel prior to the hearing. {Kathleen Cordeiro in Westford Eagle 30.Mar.01; ANR&P discussion 2.Apr.01}

More about possible rail usage
Since 1895, the quarry has owned a seven-mile rail line from a point on the GRS main line near Brookfield Station (milepost 3.5) running northeast. Fletcher stopped using the line in the 1960s for interchange, but still uses rail for service within the quarry, employing a GE 80-tonner locomotive.

According to Psaledas, Fletcher brings in blocks of granite of different colors from all over the United States to make curbing and building materials, as well as using granite from its own quarry. It ships product all over the country as well. If rail could provide a cost savings, it would also prove very convenient as well, for the rail runs beneath an overhead crane, making unloading easy. Fletcher met with GRS officials in August 1999 to get a rate quote.

Several neighbors had raised concerns about the environment. Fletcher President Duke Pointer noted that rail would eliminate some of the trucks going through the neighborhood, some 20 to 50 per day. The line would operate twice or thrice during the day time. {27.Aug.99 issue}

29 March, Boston. GRS CANCELLED ITS EMBARGO OF THE MYSTIC WHARF branch, which covered only US Gypsum [see 27 February issue]. {ST RAIL SYSTEM Embargo Number 4-01, AAR website}

NEW HAMPSHIRE GENERAL COURT

6 April. AN UPDATE ON SOME OF THE RAIL-RELATED

BILLS, with notes by former state representative Bill Mosher:

HB 352 Limiting passenger liability. Sets the limit at $75 million.

A hearing on 7 February at the House Judiciary Committee; a subcommittee work session scheduled for 4 April.

Mosher wrote: ‘Peter Bergin, the chair of the study committee on the liability bill, decided that they will hold the bill in study for a year [again!] because he felt that it would not pass the full committee.(probably trial lawyers again). Guilford said that indemnification would be in the contract anyway. That way it would still be up to the state to fulfill the contract and provide the insurance (cap at $75 million).’


Mosher noted: ‘The trespass bill is not held in very high esteem by certain reps that don’t like the idea that crossing the tracks to get to their beach, swimming hole or special fishing site will make them liable to prosecution for trespassing.’ He listed the probably foremost and most vocal as Stretch Kennedy. ‘Two of the other reps that blocked the trespass bill were James Splain from the seacoast and Loren Jean from Litchfield.’ {legislature website as of April 5, 2001; Mosher comments 5&6.Apr.01 by e-mail}

RHODE ISLAND

NEWPORT SECONDARY

6 April, Newport. AN UPDATE ON THE VARIOUS ACTIVITIES HERE was provided by Steve Devine, quasi-deputy head of RIDOT’s intermodal planning division, and Jack Doyle (general manager of the Old Colony and Newport excursion service). [See 22 July 1999 issue for history and overview of track use and the excursion trains.]

Track maintenance
RIDOT owns the track from Newport to the Massachusetts state line. Since 1999, it has put out two contracts for trackwork, getting the track to class I standards for the two excursion trains. Much of the work was done on the northern end, to encourage the excursion trains to show a presence on the line there.

The Sakonet River rail bridge
Damaged by a barge in the late 1980s, this bridge is out of service and hence trains cannot reach the island. RIDOT was requested by the US Coast Guard to do something with the bridge. Plans were developed to take the structure taken down but keep the piers future use; nothing has yet happened.

RIDOT’s highway division is completing an Environmental Impact Statement to replace the existing road bridge. Some of the
alternative structures looked at would include a space for track.

**Possible shuttle service**
Two months ago, RIDOT hired Louis Berger to look at the future of the line, and its preservation. Some would like to run a rail shuttle from the north end of the island into Newport, so tourists could leave their cars. Berger should finish the study in a year.

**Excursion train**
Both the Old Colony and Newport excursion, and the Newport Dinner Train, will run this year. The latter actually holds the lease from RIDOT, and subleases to the former. {ANR&P discussions 29.Mar.01 and 6.Apr.01}

**Freight**
Although PW has not run freight on the line in many years, the railroad’s general counsel is not giving up on the line. ‘I don’t think we really know what will happen there in the future, but, given that P&W has exclusive freight rights there, if an opportunity presented itself, we would surely pursue it.’ [e-mail to ANR&P 2.Apr.01]

**PROVIDENCE & WORCESTER**
29 March 2001, Providence. **PW BEGAN SERVING A NEW CUSTOMER, COASTAL RECYCLING.** PR3, the switcher out of Valley Falls which serves customers as far south as North Kingstown, left with eight empty high-side gondolas. The conductor decided to leave one in the Valley Falls yard because it was even higher than the rest, and he feared problems with Amtrak’s catenary wire.

PR3 dropped the cars at the South Providence Yard off the Harbor Junction Industrial Track [map, see 16 July 1999]. PW also serves Motiva from a spur off the yard [same issue]. {e-mail to ANR&P from Dave Watelet 29&31.Mar.03}

Facility manager Anthony Davidson said he had shipped out the first two loaded cars on 2 April. He has leased a total of 60 cars, to transport construction debris from the immediate region: Massachusetts, Rhode Island, and Connecticut. {ANR&P discussion 2.Apr.2001}

**Coastal Recycling plans**
According to advertisements posted on the website of the Western Coal Transportation Association, Coastal Recycling of Providence sought a total of 60 high-side gondolas. As of 3 January 2001, the advertisement stated that Coastal recycles ‘construction and demolition debris....We are currently negotiating with the Providence & Worcester Railroad for the transportation of this debris by rail to a landfill in Youngstown, Ohio....[W]e need...A FULL SERVICE lease for 30, gondola type or open top railcars with a minimum capacity of 6,700 cubic feet and a maximum height of 15 foot-7 inches.’ Two other advertisements sought 15 cars each. [posting by Jim Saccoccio, owner Coastal Recycling, Inc. 3.Jan.01}

**Not Metals Recycling**
Off the Harbor Junction Industrial Track, in the ProvPort area, Metals Recycling ships out loaded scrap metal cars. It has no relation to Coastal Recycling, said Davidson. Metals Recycling uses CSXT gondolas to and from its facility, mostly loads in and empties out, with 9 or 10 going out most days. Extra empties are stored at Valley Falls or at the Cranston Yard. {Dave Watelet in NERAILS 2.Apr.01}

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**VERMONT RAILROADS**

**VERMONT GENERAL ASSEMBLY**
10 April. **SOME ITEMS OF INTEREST IN HOUSE BILL H.0488, Transportation Capital Program FY02 and Project Development Plan FY03-06.**

**Note:** Unlike most bills, the transportation capital bill is written by the House Transportation Committee using the proposed AOT budget as a guide. Not until the bill emerges from the Committee is it assigned a bill number.

On railroads, the bill contains many more provisions, some of equal interest, than I describe here. Please see the General Assembly website for more information, http://www.leg.state.vt.us

**WCRC: granite transfer station**
Under section 6 (1), the House rewrote the description for work in Barre City. It will (a) purchase property to expand activities in the rail yard; (b) reconstruct the bridge over the Stevens Branch to access a granite transfer station; and (c) move the track to give the city access to more downtown parking. “It’s a win-win situation,” said Charlie Miller, head of VTAOT’s rail division. “We can start hauling granite by rail again.” [See map in 20 October 2000 issue.]

**Purchase of NECR’s Burlington branch**
Under section 18, the bill authorizes the secretary of transportation ‘to negotiate for the acquisition or lease of the New England Central Railroad line between Essex Junction and Burlington, including any remaining interests of CV Properties, Inc. that the secretary deems necessary for present or future transportation uses.’

Miller explained that if the state were to operate commuter rail to Essex Junction, requiring the expenditure of $6-7 million, legislators would prefer the money expended on a state-owned line. “We need to upgrade the line and put in passing sidings, because the chip train now parks on the branch to unload.”

Miller intimated that the state may trade a line which it now owns for the Burlington branch line. “There’s always an opportunity to talk when things are in a state of flux with other railroads.” Sphinx-like, he declined further comment. {ANR&P discussion}
**BANGOR & AROOSTOOK**


President Fred Yokum said the B&A decided to redirect McCain french fry traffic via GRS rather than through Quebec, because the route to White River Junction cost more. The thrice-weekly run has become once a week south of Newport.

The railroad had hoped that other traffic would emerge once the french fry cars started moving, but that did not happen."It was not successful, We found there was a lot of additional expenses. We ended up taking the business back to Bangor and taking it to Guilford. It was closer to our distribution center for the fast food market."

While the railroad is still shipping once a week into White River Junction, most NVR traffic runs from Newport north into Quebec and from there to connections in Maine. He emphasized the rail company would maintain its commitment to provide services to its rail customers in northern Vermont, many of whom rely on services north.

**Future of the Wells River branch**

Yokum said his company is having talks with state transportation officials about the future of the railroad in this sector of the state on a long-term basis. The B&A will continue to use the line until it can sell its lease or the state finds other options.

He didn't anticipate any rehirings of the seven railroad workers laid off in Newport a week ago. The railroad needs to stabilize its financial problems before it expands services. And he said the whole company is suffering from extensive financial problems.

NVR will focus on providing services for the railroad's present customers in the Newport area and the region, much of which is dependent upon rail service north. And he also didn't expect any improvement in rail traffic heading south, although customers using that line will continue to be served. {Terrill Albee in *Caledonian Record* 5.Apr.01}

**VAOT comment**

Charlie Miller said the state had no contract issues at the present time. Delivery to customers on the line is not a problem. However, at the end of the first year, the B&A must increase significantly its payments to the state.

If Yokum wanted to talk about another operator, “I’m willing to talk with him if that’s the direction he wants to go.” {ANR&P discussion 10.Apr.2001}

**LAMOILLE VALLEY**

29 March, Montpelier. *VAOT RECEIVED THREE PROPOSALS ON THE CORRIDOR*, said Edna Martineau of the contract administration division. As expected, VAST and Rail Link made proposals [see 27 February issue].

In addition, the Town of St. Johnsbury bid for a short stretch of the track in the town. Manager Michael Welch said in extending the town’s trail system, it would save money to utilize a rail tunnel under Route 5, and a rail bridge across the Sleeper River, rather than construct new crossings.

The town submitted the bid in cooperation with VAST; should the Town win, it would work with the snowmobile association on the trail system. {ANR&P discussions 6&9.Apr.01}

**QUEBEC/MARITIMES**

**CAPE BRETON AND C.N.S.**

9 April. *THE GOLDBORO BUILD-IN CONTRACT WILL BE SIGNED* by 13 April, anticipated Bill Connally investment and trade officer for the Guysborough County Regional Development Authority (GCRDA) [see 27 March issue]. The contractor, whose name he will divulge after the signing, will begin in 1 May and have 120 days to complete the preliminary engineering. {ANR&P discussion}

**PORT OF SYDNEY**

9 April. *THE MUNICIPALITY WOULD LIKE TO ACQUIRE THREE PIERS* in Sydney Harbour’s South Arm, according to John Whalley, economic development manager of the Cape Breton Municipality. (The municipality was formed in 1995 out of the 8 political entities in and including Cape Breton County, an area of 2500 square kilometers coincident with the land boundary of the county.) The South Arm has four piers in all:

**DEVCO’S International Pier**

This belongs to the Cape Breton Development Corporation, owner of the coal mines and the DEVCO railway and is currently used for importing coal. Whalley noted that the pier facility was developed for efficient loading of coal exports. In recent years, however, with the closure of all but one of Cape Breton's coal mines, it has been used for coal imports. Importing coal requires a significant lay-down area. People living in the vicinity have objected to the dust from the coal piles. As a result, DEVCO can
only lay down 8,000-10,000 tonnes of coal at one time.
This means that unloading of a ship must halt every 40
minutes or so, while front-end loaders put the coal into waiting
DVR rail cars.

SYSCO’s pier
Now that the sale of SYSCO as an operating unit has fallen
through, the province is auctioning off the pier and the
municipality has bid [see 27 March issue].

According to Whalley, a Ports Study prepared by Dan
O’Halloran in 1999 indicated that the marine facilities of the
Sydney Steel Corporation were the most significant in the entire
port. While the facilities are not as modern as the Sydney Marine
Terminal, they are capable of moving a more diverse range of
cargo, including bulk cargo such as coal and gypsum. This is
critical to the future of the railway in this region.

“I suspect,” Whalley said, “just as a personal opinion, that
whoever gets the SYSCO pier will control what happens in
the harbor. It has a significant land base, a substantial laydown area,
a good wharf, and a heavy-lift crane. It’s a premier site.”

A number of entities have expressed an interest in the
facility. “We have yet to find out what will happen,” said
Whalley.

Sydney Marine Terminal
Cape Breton has negotiated with Transport Canada for a couple
of years. Now, it has a deal to acquire this for $1.5 million [see 13
February issue], said Whalley. It serves for the most part to
receive petroleum products for Imperial Oil, and to berth cruise
ships. The transfer should occur near the end of May.

Sydport
This serves the Sydport Industrial Park, a private facility
purchased by Laurentian Energy about a year and a half ago.

Municipal objective
Per Whalley, Sydney Harbour is a magnificent harbour which has
been underutilized in recent years. The CBRM has been working
for five years on a plan to consolidate the public assets and then
enable a variety of private sector interests to access the facilities
is designed to diversify the economic base of the region.

If the municipality can acquire all three piers, it would
rationalize their use, Whalley explained. More than profit,
though, Cape Breton wants to keep the piers in public ownership
so that the municipality would not again become captive to the
fortunes of the coal and steel business.

The Marine Terminal would remain a clean facility for
petroleum and cruise ships, as well as general public use. Bulk
cargoes would move over the SYSCO pier.

The municipality would seek to fill between the SYSCO and
International Pier, to provide a larger laydown space so that the
International Pier could become more efficient.

CBRM would also improve road and rail access to the piers,
and consolidate the workers under one union for all three piers.
Currently, CAW operates the Marine Terminal, the steel workers
SYSCO, and UMWA the DEVCO pier.

The nascent Port Corporation [see 13 February issue] would
become the landlord and lease the facilities to private operators.

The municipality has broad support for its three-pier plan:
MLAs (members of the provincial legislative assembly), the local
board of trade, and the economic development authority. “We
intend to accommodate all private interests.” {ANR&P
discussion

PEOPLE, POSITIONS, EVENTS

Steve Howard, director of customer service for the Bangor &
Aroostook System, took early retirement at the beginning of
April. Barry Knowles, car manager and assistant manager of
customer service will assume his duties. {ANR&P discussion
with Knowles 9 Apr 2001

CALENDAR
10 April, Eastern Maine Railroad Development Commission,
Cherryfield. Agenda: Insurance legislation, permits for washout
repair, meeting with Baldacci, gravel rate from Guilford [see 13
March issue].
11-13 April, Northeast Association of Rail Shippers, Newport
Rt. Good panels, and always a good time. Contact Bill Donovan
at 508-428-1224.
22-24 April, orth American Rail Shippers (NARS), San
Francisco. Contact 972-644-5582.
24 April, ConnDOT study of 3 ports done?
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.
29 May, Amtrak rebuttal is due.
8 June, FRA comment on speed due to STB. May 29, 2001.

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ATLANTIC NORTHEAST RAILS & PORTS

Purpose
Atlantic Northeast Rails & Ports, see 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 by publishing news on railroads and ports, he spotlights
needed action to preserve the rail network. The publication also imbues
the region with a sense of an interdependent community, which employs
the network to move rail and port traffic. "No railroad is an island, entire
onto itself."