21 January, Northern Maine Junction. **THE RAILROAD HAS CUT BACK ON SERVICE** due to some locomotives going back to Helm Leasing [see 12 January issue]. Sabin said the rail line is getting by with fewer locomotives by relying on other lines to use their own equipment to move some of their cars through Maine, and by cutting back on service. Some areas that were served by B&A six or seven days a week are now on a three-times-a-week schedule, but that also reflects a falloff in demand over the winter.

The lack of capital has also made it difficult to keep the rail lines upgraded, Sabin said, noting that the company spent $7 million this year replacing and repairing track and rail ties. A mile of new rails costs about $500,000 to put down. The same amount buys about 10 miles of new ties, but B&A's lines had gone years without substantial repairs before Iron Road bought them, and more work is needed. “The lines that we have, have not seen the kind of tonnage we've had on them for many years.” {Edward Murphy in *Bangor Daily News* 21 Jan. 01}

2000 issue]. “We certainly make every effort to pay every bill we owe,” he said.

The railroad owes the fire department $9,000 to $10,000, according to Greenville Fire Chief Mike Drinkwater. “I know we’re not high on the priority.” Sabin said that according to his company’s records, the fire department had been paid an initial $1,500 and $2,500 later. He said the records showed no balance owed to the fire department.

Sabin found it upsetting that the town believes the railroad must pay additional funds. Town officials should take into consideration the $12 million to $15 million the company spent in the region improving the tracks. The company should be treated like any other business that pays taxes and expects protection in return without double taxation. {Diana Bowley in *Bangor Daily News* 18 Jan. 01}

22 January, Milo ME. **ELECTRICITY TO THE LOCOMOTIVE FACILITY WAS CUT OFF** this day, according to Milo Town Manager Jane Jones. Employees were sent home shortly after 1PM when the power was disconnected. Jones said she had learned from several employees that the company owed $33,000 in past electrical bills.

Robert Briggs, president of Bangor Hydro-Electric Company, said he couldn’t confirm that B&A’s power was disconnected because that was confidential customer information.

Jones said the future of the railroad is essential to the long-term plans for the town’s economic development. “Obviously, Milo has a long tradition of railroading,” Jones said. “We would like to see B&A get its financial house in order.” {Shawn O’Leary in *Bangor Daily News* 23 Jan. 01}

28 January, **THE RAILROAD LAID OFF 26 ENGINEERING AND MAINTENANCE PEOPLE**. a seasonal layoff according to Sabin. They will be brought back in the spring. {Bangor Daily News uncertain date}

29 January. **AN UPDATE ON THE SEARCH FOR A BUYER OR INFUSION OF CAPITAL**

Comments by Sabin

In mid-January, Dan Sabin, the chief operating officer of the railroad, said the cash crunch was caused by difficulties in putting together refinancing 18 months ago, but he insists that the line is cutting its losses and will end up close to breaking even for 2000.

Despite that, he said the company needs a cash infusion from a new partner and would be willing to look at offers to buy the 858-mile railroad, which runs through northern Maine, with lines into New Brunswick to the east and Quebec and Vermont to the west.

"Cash is real tight, and it's fairly difficult to know what's happening economically, but we're working with several groups," Sabin said. "There's nothing that's excluded in the search (for capital) right now. Under the circumstances, we're going to examine all of the options." {Edward Murphy in *Maine Sunday Telegram* 21 Jan. 01}

On 22 January, Sabin confirmed that the company was looking for a new partner or owner. Sabin said that company is financially stable, and is capable of remaining financially solvent. Rumors of financial difficulties at B&A, Sabin said, are the work of “people who don’t understand the company and media willing to report their comments.”

Sabin said there would be no increase in rates for freight shipment or reduction of services by the company. He also said that B&A will not lay off any employees.

**Rail America interest**

Jane Jones, Milo town manager, said she was contacted by a representative of Rail America in mid-January who asked about the amount of back taxes B&A owed to the town, and indicated his company was interested in buying the railroad. {Shawn O'Leary in *Bangor Daily News* 23 Jan. 01}

**Irving and Great Northern interest**

J.D. Irving Company not only uses B&A to move its products through Maine to US markets, but also relies on the railway to feed its own line, the New Brunswick Southern Railway. The company has been watching B&A’s situation with concern, said Mary Keith, a spokeswoman for the company. "For us, it's not only a product issue, it's an interline issue," she said.

Irving is concerned enough that it has worked out an agreement with B&A to run its New Brunswick trains through to Montreal if B&A stops operating. Keith said the agreement needs federal approval and would only be used as an interim measure to keep freight moving. "We have the locomotives and the people trained to keep the line running, should this be required."

Officials at Great Northern Paper's mill in Millinocket say they are also in continual contact with B&A and state officials about the situation. Brian Stetson, a Great Northern spokesman, said the company's raw material, including oil for its steam plants, arrives by rail and 60% of its finished paper is shipped out in B&A boxcars. The company is refitting one of its papermaking machines to make 74-inch diameter rolls of specialty papers, which would be difficult, if not impossible, to send by truck.

"The cornerstone of Great Northern's business plan is to
produce large rolls of specialty papers that almost have to be shipped by rail,” and B&A's lines are the only ones that run to the Millinocket plant, Stetson said. {Edward Murphy in Maine Sunday Telegram 21 Jan 01}

Bondholder Bank Austria
On 17 January, a representative of Bank Austria, Dieter Boehme, said IRR is “working on a number of things to possibly sell the railroad. Some deal will be put together.” He said his firm, due to its recent merger, was unable to provide more capital to IRR. {On 27 September, stockholders of Bank Austria agreed to a merger into HypoVereinsbank in an all-share transaction. Integration started immediately. {Bank Austria website} [ANR&P discussion}

Preferred stock holder Progress Rail
Progress Rail, which holds a significant amount of secured stock in IRR, was swept into a new parent, Energy Ventures, as part of the creation of Progress Energy. In September 2000, Progress Rail said it could assist in the search but would not provide any capital itself [see 15 September 2000 issue].

State of Maine action
"We're monitoring the situation and we've talked to them (B&A),” said Robert Elder, the director of the state Office of Freight Transportation. "We'll take what measures that are in our power if we need to.” {Edward Murphy in Maine Sunday Telegram 21 Jan 01}

PROVIDENCE & WORCESTER
30 January, Worcester. TWO INTERESTING MOVES WERE EXPLAINED by Frank Rogers, head of marketing for the railroad.

Coal to Mt.Tom via Gardner MA
Rogers prefaced the explanation by noting that any coal moves happened as a function of the domestic and imported coal markets. ‘The coal market is extremely tight right now.” But Northeast Utilities (owner of the Mt. Tom plant) might choose to get its next load somewhere else.

PW is currently moving a total of 28,000 tons of imported coal in four 70-car trains to Mt.Tom, Massachusetts from New Haven to Gardner, where it is handed off to GRS for the trip down the Connecticut River line. In 2000, it ran a first test move [see 22 September issue], which Rogers had worked two years to set up.

In cooperation with GRS and Northeast Utilities, PW has found this route the most effective way, beginning in New Haven as the off-loading point, in part because traffic is already established along that route with the GRS/PW interchange in Gardner. Trains take under 24 hours from New Haven (a night departure) to Mt.Tom, with PW recrewing.

The rail route, Rogers pointed out, “takes an enormous number of trucks off I-91.”

Intermodal traffic interchange with CN
For the past year and a half, PW has served as a terminal for CN international intermodal traffic to or from Vancouver, Halifax, or Montreal. It moves on regular PW trains, “pretty much daily and is actually quite effective” via Worcester/Groton/New London for interchange to NECR (a paper interchange with CN).

Rogers explained that the container lines do not want to split their chassis pools [some in Palmer and some in Worcester]. Those already using Worcester for their CSXT intermodal traffic want to use it for their CN traffic as well. Furthermore, the container lines can save drayage costs, since nearly all international customers lie south of I-90 and east of I-495, which Worcester lies nearer to than Palmer.

Recent moves include one well car in a 35-car train from New London toward Worcester, and, on a southbound train one spine car set of 5 with containers and one DTXX stack set of 5 on the Shore. All were 48-footers. {ANR&P discussion; NERAILS observations}

REGIONAL RAIL EFFORTS
Three projects pushing for regional rail coordination are moving forward.

23 January, DC. CONEG IS REFINING ITS OVERVIEW, INTERIM DRAFT REPORT which looks at how states might work together to ensure the individual state rail plans could fit into a coherent regional rail network. Anne Stubbins, the executive director of the Coalition of New England governors Policy Research Center, said to allow six weeks for the next version. {ANR&P discussion 23 Jan 01}

19 January 2001, Burlington. CLF WILL RENEW ITS ENERGY ON THE STUDY, said Mark Sinclair, who heads up rail issues for the Conservation Law Foundation. CLF is coordinating with Karen Songhurst on the high-speed rail corridor effort, and would like to work with the CONEG effort.

The organization plans an internal meeting 1 February, along with its consultants. The organization is working hard on particular rail issues in the various states [see Vermont in this issue], and needs to renew its focus on the region as a whole. {ANR&P discussion}

23 January, Burlington VT. LETTERS OF INTEREST ARE DUE 29 JANUARY for consultants to work on the Boston-Montreal high-speed rail corridor, said Karen Songhurst, the VAOT official heading up the effort [see 15 December 2000 issue]. Scott Bascom has replaced Paul Tober [see People] on the vetting committee which will produce a short list from those who file a letter of interest.

What the Letter of Interest should contain
According to the solicitation, the Vermont Agency of Transportation (AOT) will retain the services of a consulting firm to perform an extensive feasibility study of the proposed corridor which will lead to a comprehensive plan and approach for the improvements necessary to complete this High Speed Rail (HSR) long term transportation infrastructure project.

The proposed HSR corridor travels along existing rail rights of way from Boston, north to Nashua, Manchester, Concord, and then turns northwesterly following the former Boston and Maine Northern line to West Lebanon. It then crosses the
Connecticut River into Vermont at White River Junction continuing on to Montpelier, Burlington and St. Albans. It then links with the Canadian National Railroad at Alburg continuing on for the final 65 miles to Montreal.

‘From the letters of interest submitted VAOT will create a shortlist of qualified firms to which VAOT will send a formal Request for Proposals. Only those firms on the shortlist will be allowed to submit proposals.’ {VAOT Contract Administration website}

**CONNECTICUT RRs**

**ConnDOT**

25 January. **CONNDOT MADE TWO MORE GRANTS FROM ITS RAIL PRESERVATION AND IMPROVEMENT PROGRAM**, said Ray Godcher, who administers it: $91,000 to CNZR, and $100,000 to NECR. A CSO grant is coming; but GRS has not yet presented its request [see below].

**Modifications in program administration**

“When we re-instituted the program, we intended to make it annual, soliciting projects at a certain time each year,” Godcher said. But the selection process “got so dragged out, maybe we won’t use a formal clock. Railroads maybe will send in projects as they develop them…”

The state can handle a variable program amount by adjusting other projects. The bond program, which provides the grant funds, is replenished every year. “It’s pretty much a dynamic budget document, we’re constantly tweaking it anyway, and bond funds do not lapse.” {ANR&P discussion 26 Jan.01}

**CENTRAL NEW ENGLAND**

26 January. **ConnDOT AWARDED CNZR $91,000 FOR A LOADING DOCK AT HOME DEPOT** on the Griffin line, and for ties on the Armory line.

**The loading dock**

Home Depot cannot receive Plate F cars because of a low bridge in Hartford at Woodland Street. CNZR owner A.J. Belliveau wanted to undercut it in 2000 [see 14 April 2000 issue] but did not. The vice-president of Hartford Lumber, Bruce Macke, heard Belliveau intended to do the undercutting in 2001.

That done, Home Depot could receive Plate F cars, which are currently transloaded in New Haven. Gee Lamba, who handles delivery for the Home Depot facility, said he used only about one Plate F car every six months. Lamba was unaware of plans for a new loading dock.

**Rail service improved**

Lamba said the rail service, which was poor in 1999 [see 29 October 1999 issue] has been working very well for some time.

**Hartford Lumber transload?**

In April 2000, Macke expressed a desire to get into transload himself, perhaps by utilizing the new warehouse, which has a line right into it [see 14 April 2000 issue]. But in January 2001, truck rates had fallen so low that he had no reason to use rail. At the same time, his lumber sales were booming to his own accounts, so his company had no opportunity to set up a transload operation for others.

**Ties on the Armory (Hazzardville) line**

Godcher said the grant money would also pay for new ties on CNZR’s other operation, the Hazzardville line. [This comports with earlier reports that the railroad would receive $100,000 for ties in Broad Brook—see 14 April 2000 issue. In late November, Godcher said that CNZR wanted to modify the Broad Brook proposal—see 1 December 2000 issue.] {ANR&P discussions with Bruce Macke, Gee Lamba, and Ray Godcher 25-30 Jan.01}

**CONNECTICUT SOUTHERN**

25 January. **CSO AGREED TO THE BRADLEY SPUR DEAL**, but the documents are not yet signed, said Ray Godcher of ConnDOT. Both sides have an understanding that when that happens [maintenance traded for trackage rights - see 1 December 2000 issue], CSO would receive a $100,000 grant. {ANR&P discussion}

**MAINE RAILROADS**

**MAINE DOT**

25 January. **THE GOVERNOR PROPOSED $3.5 MILLION FOR RAIL AND PORT PROJECTS In a 2002 bond issue**. Out of a total $61 million transportation bond issue ($44 million for highways and bridges), Governor Angus King would provide:

**RAIL IMPROVEMENTS**

- **Loring Development $1.5 Million.** To rehabilitate track from Caribou to Loring to provide rail access. These funds will match $2 Million in federal funds and significant private investment at Loring.

- **Improvements to State-Owned Rail Lines $1 Million.** For capital improvements to the state-owned rail lines, in particular the Lower Road between Brunswick and Augusta. Improved facilities will aid the private rail operator in marketing rail-based industrial development in towns served by the line including Topsham, Bowdoinham, Richmond, Gardiner, Hallowell and Augusta.

**PORT IMPROVEMENTS**

**Mack Point Pier Construction $1 Million** To further the efforts of a public-private partnership to modernize the cargo handling facilities at the Port of Searsport. This supplements funding already in place, and supports special handling to reuse some of the dredge materials as an environmental benefit in an effort to reduce potential impacts to marine resources.

**Trails $750,000** To match $1.7 million in Enhancement funding
for construction of trails of statewide significance. These trails include the Downeast Trail from Brewer to Calais [for the most part, following the Calais Branch rail line], the Mountain Division Trail from Windham to Fryeburg [following the rail line], and the Eastern Trail from Kittery to South Portland [somewhat following the former Eastern Railway corridor which ran from Portsmouth to South Portland].

Intermodal Facility Development $4 Million
To match $6.1 Million in Federal funds to develop intermodal facilities providing connection between rail, transit, marine and park-and-ride facilities and supports the Explore Maine Strategic Passenger Transportation Plan. (text from governor’s website http://www.state.me.us/governor/news/index.html)

The Legislature must now pass the bill; it would then go to the voters for approval, probably in November. Editor

AMTRAK - MAINE
15 January, North Billerica. NNEPRA AND GRS DISCUSSED STATION ISSUES during a meeting here. Construction of platforms along the long-awaited Downeaster line hinges on the signing of lease agreements for the use of land in the railroad’s right of way. Officials hoped to work out liability issues, including who would be responsible if any pollution is found in the right of way.

NHDOT plans to put the Dover and Durham stations out to bid by 30 January and Exeter’s station in February, according to project manager Nancy Mayville. But that will not happen if the state fails to obtain permission to build on Guilford’s land. Without a platform, the train will not stop.

“We’re just in a holding pattern,” said Steve Pesci of the Strafford County Regional Planning Commission. “These are all things that can be resolved. I’m very optimistic about it. We just have to sit tight.”

Although Guilford would not delve into further details, Director of Legislative Development Cynthia Scarno anticipates the leases will be signed in time for the service to begin. “We’re still negotiating.”

Past disagreements helped cause delays that led to the project’s infamous distinction as the longest-delayed passenger rail project in Amtrak history, according to Amtrak spokesman Rick Remington. The project has been in the works for almost a decade. (Robert Emro and Nick Henderson in Foster’s Daily Democrat 17 Jan. 01)

25 January, Boston. THE TRACK MODULUS TESTING WILL OCCUR AROUND MAY. said Peter Conlon of the Transportation Test Center (TTCI) in Pueblo, Colorado, the exact date to be set in discussion with NNEPRA, GRS, and Amtrak. In Boston to speak to the New England Railroad Club about 286,000-pound cars, he said:

“TTCI’s test equipment will consist of three cars (the Track Loading Vehicle, a coach containing data collection and analysis equipment, and a third car that will be used in the measurement process) and will operate at 10 miles per hour over the entire line. We expect that a locomotive will be provided. Track modulus is calculated from measured wheel load and rail deflection data.

Dynamic rail deflection will be measured on the section of the line that NNEPRA intends to operate at 79 mph.

‘Stationary measurements will be made at locations which will be selected after the dynamic testing is performed and analyzed. (e-mail to ANR&P from Conlon 30 Jan. 01)

Editor’s note. Assuming that the deflection [a rough term for the track modulus, k] falls within the level which the STB stipulated, trains will be permitted to run at 79 miles per hour. Until that time, trains must remain at or below 59 miles per hour.

29 January, North Billerica. LAND LEASING DISCUSSIONS CONTINUE said GRS executive vice-president David Fink. This includes a spot for Amtrak to service the train in Portland. (ANR&P discussion)

MASSACHUSETTS RRs

MASSACHUSETTS CENTRAL
11 January, Palmer. A NEW OPERATOR IS HANDLING HALF OF BARRE RELOAD AND STORAGE [see 6 October 2000 issue], said Paul Crawford, chief operating officer. Elite Transportation, a trucking company, is handling the outside storage under the name ‘Barre Reload.’

“He’s working hard to bring in new business, though as of now only truck to truck,” said Crawford. Elite Transportation is handling old business involving rail-truck reloading.

The other half, a warehouse serving paper customers, is still operated as a sister company to MCER under the name ‘Barre Reload and Storage’. Crawford has seen interest in some additional business.

CSXT intermodal business?
The railroad has not yet persuaded a shipping line to use CSXT and stop in Palmer [see Regional PW]. Bob Williams, who had headed MCER's marketing, has retired [see People.] "We have issues in getting CSXT and CSXI to provide service and rates to Palmer. Bob had been working with several shipping lines for CSX traffic, only to have it nixed by CSX. (ANR&P discussion)

NH RAILROADS

EASTERN ROUTE STUDY
24 January, Portsmouth. A HEARING ON REVIVING THE EASTERN ROUTE drew support during a public hearing at City Hall of the legislative task force looking at the idea [see 17 November 2000 issue]. The proposal calls for the train to travel from Kittery to Newburyport and then continue to North Station in Boston; it last had passenger service in 1965. Members of the legislative study committee members said revival could take as long as 10 years.
A study estimated between $77 million and $104 million for the capital and operating costs. Jim Jalbert of C &J Trailways bus company said the cost to establish the train service as well as the subsidy that would be needed to fund its operating cost would likely be higher than the figures in the study.

The commuter train would most likely be operated by Massachusetts Bay Transit Authority, said Bill Mosher, task force chair. The commuter train would serve a different market and offer much lower rates than more upscale Amtrak service. {Alan J. Keays in Portsmouth Herald 26 Jan.01}

Mosher noted afterward that participants discussed the need to involve the Congressional delegations from Massachusetts, Maine, and New Hampshire. Plans are under way to meet with members of MDOT, the Maine House representatives from southern Maine, and representatives from the various Kittery development associations.

A Chamber of Commerce representative explained that with the development of the port of Portsmouth, the advent of cruise ships, and the possibility of hundreds of visitors to the area, the rail service to Boston could make Portsmouth a unique port.

The task force will next meet on 24 February in Hampton. {email to ANR&P from Mosher 25 Jan.01}

NHDOT

24 January. AN UPDATE ON SEVERAL ISSUES was provided by Kit Morgan, the department’s rail administrator.

Rail Plan

Consultant VHB has produced a draft rail plan. Before distributing it for public comment, Morgan would like to include a statewide map and maps showing each rail line. A public hearing date is tentatively set for 22 February, and the draft will be available before that date.

Contract with New Hampshire Central

The Governor and Council approved an operating agreement ‘with the New Hampshire Central Railroad, Inc., Colebrook, NH for short line railroad operation on the State-owned Berlin and Groveton branch railroad lines in Grafton and Coos Counties...with a completion date of January 1, 2011.’ [See 15 December 2000 issue.]

NHC must now do an STB filing to transfer the common carrier obligation, said Morgan. NHDOT will cooperate on maintenance on that line (surfacing and improving the condition of the track).

Land sales

The Governor and Council on 24 January approved ‘a Purchase and Sale Agreement with the Boston and Maine Corporation to acquire a parcel of land comprising a portion of an abandoned railroad corridor in Ossipee for the purchase price of $14,000.’ [NHDOT will buy an parcel which has a freight shed. See 12 January issue.]

Morgan said purchase of the bridge at Woodsville would go to the next Governor and Council meeting.

Tie disposal

The Governor and Council also authorized ‘the Bureau of Rail

and Transit to transfer and expend an amount not to exceed $75,000 for the disposal of old railroad crossties and other creosote wood products removed from the State-owned Mountain Division Railroad Line, as specified in letter dated November 7, 2000.’

Solicitation for railroad engineer

Rail and Transit is still looking to fill this position. {ANR&P discussion 26 Jan.01; quotes from Governor and Council website}

Vermont Railroads

Rail Capital Plan

A first draft of the Rail Capital Investment Policy Plan has gone to the General Assembly and the Study Advisory Committee. Scott Bascom, VAOT planner, said consultant Parsons Brinckerhoff would receive comments, and then hold a Committee meeting, probably the last one, on 8 March.

VAOT will then have the task of employing the proposed policy as one to follow in expending its rail funds. {ANR&P discussion 24 Jan.01}

VRS - OMYA Spur

17 January, Middlebury. CLF ASKED TO REVOKE OMYA’S ACT 250 PERMIT AMENDMENT because OMYA failed to fulfill one of the conditions of receiving the permit: building a rail spur to its quarry here.

Background: plant expansion

In 1998 OMYA received a permit from the District Environmental Commission #1 to expand its plant in Florence by 10,000SF. The Conservation Law Foundation (CLF), as an intervenor, brokered a Memorandum of Understanding among CLF, OMYA, and three state agencies (Natural Resources, Transportation, and Commerce) dated 8 October 1998. The MOU required the parties to work together to build the spur within five years [see excerpt in 5 February 1999 issue].

Based on OMYA’s representations in the MOU, CLF dropped its opposition to the OMYA plant expansion and the resulting truck traffic. The Commission, in issuing the permit, found that the rail spur would eliminate about 24% of truck traffic between Middlebury and Pittsford.

Background: increased truck trips

In 1998, OMYA also petitioned the District Environmental Commission to increase truck trips from the Middlebury quarry. The Commission permitted OMYA to increase trips from 85/day to 113/day, phased in over two years. OMYA appealed this decision to the Vermont Environmental Board. The board granted OMYA an increase to 115/day, but denied OMYA’s request to increase to 170/day. In its 25 May 1999 findings, the board noted the MOU about the rail spur, and the studies showing that the rail spur ‘would be more cost-effective than
Problems building the spur

After the permit issued, OMYA and the other parties held meetings on the proposed spur, and funded studies indicating the spur was economically feasible [see 5 February 1999 issue], not to OMYA alone, but if public funding were also involved.

But work has not started. No meetings on the spur have taken place since mid-2000 [see 28 July 2000 issue].

According to CLF, VAOT has indicated it would contribute at least one-third of the capital cost of the rail spur, through the industrial rail spur program. OMYA, however, in a January 2001 letter from OMYA attorney Edward Schwiebert of Rutland, argued that the state had never formally committed to funding the spur, and that the permitting agencies appeared not ready to collaborate in getting permits for the project.

VRS application for grant money

According to Schwiebert, VRS in December 1999 did submit an application to the Rail Siding Enhancement Fund (the three-way match program) ‘to obtain funding for the Middlebury siding (to serve OMYA, Standard Register, Synergy Gas, Specialty Filaments, Carrara Concrete, and other potential users)....

By a 23 December 1999 letter, AOT’s David V. Scott, director of project development, responded to VTR, saying the agency could not participate in the ‘OMYA Enhancement Project as outlined in your most recent Grant application. It is our understanding that OMYA and [VRS] do not wish to participate in the phase I portion,’ involving planning and permitting.

[VRS] responded, on behalf of itself and OMYA, by letter dated December 29, 1999, expressing the intent of each to participate equally with the state and expressing disappointment that the state does not want to participate as well.

Scott Bascom, in a discussion on 22 January, said during the MOU discussions, AOT had said the three-way match provided a good paradigm to follow but had not formally committed to providing one-third of the funding. Dick Bowen, who administers the three-way match program for AOT, said an applicant had to have permitting in hand for the application to be accepted [see 15 December 2000 issue].

CLF’s argument

In its petition to the Environmental Board, CLF argued that OMYA has failed to follow through on the MOU. According to CLF, OMYA has not developed a financing plan, nor moved forward on studies for scoping, planning, permitting, and engineering, nor initiated the permitting process.

In November 2000, CLF asked OMYA for a written commitment to provide a specific share of the capital costs of the project, and to convene a meeting of the MOU parties. On 12 January 2001, OMYA responded that the state agencies bore the blame for the lack of progress, because they had failed to commit to public financing.

In the response, OMYA attorney Edward Schwiebert noted the Banks study concluded that ‘the project is not economic to OMYA alone.’ Others must participate in funding the spur. While OMYA and VRS formally committed to funding one-third of the cost, ‘VAOT has never formally committed to doing so.’

CLF concluded that the Environmental Board should revoke OMYA’s permit to expand its Florence plant.

Further remarks

In a discussion, CLF’s Mark Sinclair, who drafted the petition to the Environmental Board, said CLF had worked with many companies in Vermont to do responsible development. “OMYA is the most difficult company I have ever dealt with. They’re antagonistic, not responsive, and have ignored the MOU too long.”

Schwiebert, however, noted an earlier snafu involving the state. “Before OMYA built its plant in 1976, it was very concerned about infrastructure to support it, including outbound rail shipping and the ability to move ore in trucks along Route 7. The state at that time said, in effect, ‘don’t worry, we’ll build bypasses around the town in the next 10 to 15 years. But no bypasses have been built, not that bypasses are the only or proper solution.’” [text of CLF petition with Schwiebert letter attached; ANR&P discussion with Bascom 22.Jan.01, with Schwiebert 23.Jan.01, with Sinclair 19.Jan.01]

The position of OMYA

In a response to the filing, OMYA Executive Vice President James Reddy said on 17 January that he was not aware of the CLF petition. But he disagreed with the assertion that the company had been dragging its feet on the rail project.

The company is currently exploring other options besides the rail spur to move its marble ore three miles from its quarry to the rail line in Middlebury. He said those options included conveyer belt and pneumatic tube systems that would tie in with the rail line [both options considered by the January 1999 Banks study—see above].

“We really would prefer to be on rail. That's what we're trying to figure out,” Reddy said. "How can we can get from the quarry to the rail?” He understood that the transportation agency has so far only agreed to pay a third of a $750,000 environmental study to determine whether the rail spur could receive a permit, and that the state was willing to pay a third of construction costs. "Obviously, if the state pays a third of the capital costs, we have to go back and look at the economics again," he said.

How easy to get permitting?

In addition to the cost, the rail spur has environmental obstacles to overcome. In the 12 January letter to CLF, Schwiebert reminded Sinclair that the spur must not only be economically feasible but also able to gain a permit. ‘In short, OMYA and VTR (Vermont Railway) cannot afford to spend the huge sums that are at stake only to be blocked at different turns along the way
with the contention that the project does not pass muster under one program or another...OMYA simply cannot afford to go through this process only to find that “an arrowhead in the ground” has derailed it.’

But Sinclair believed the environmental problems could be solved, and a rail spur would create environmental benefits. “Getting permits for this is certainly less daunting than getting permits for bypasses around Brandon [or] Pittsford. This is the fastest and least expensive way to get some relief for those towns that are suffering the effects of ever-increasing truck traffic.”

The position of AOT
VAOT Secretary Brian Searles was quoted on 17 January as saying that the state's funding offer also applied to construction. "That would also be subject to the three-way grant." However, at this point he was unsure what kind of interest OMYA had in pursuing a rail option. “We haven't had substantive discussions about this in quite some time. We've been awaiting word from OMYA and the railroad as to whether or not they want to participate [in the environmental study].” {Bruce Edwards in Rutland Herald 18 Jan.01}

What’s next
Sinclair saw little chance at this point that the Environmental Board will revoke OMYA's Act 250 permit. However, he hopes the board will take a strong stance to make sure that “OMYA begins to comply with the MOU.”

The last attempt at a meeting, January 2000, founded when Searles, then newly-appointed, had to cancel [see 4 February 2000 issue]. It was never rescheduled. Now, said Ken Enzor, OMYA’s point person for this project [see People], Sinclair’s petition has “stimulated the interest of all parties involved as to what the best solution its, and how to get it funded.”

Bascom understood that “OMYA is interested in having a meeting with the agency [where] the new CEO at the OMYA plant can meet AOT Secretary Brian Searles.”

Schwiebert said OMYA would like VAOT, VANR [Agency for Natural Resources], and other permitting agencies to agree among themselves and with OMYA that the state would do whatever is possible and necessary to get the spur built. “OMYA knows that the state cannot guarantee a permit for the spur. The state agencies can at least tell us what OMYA needs to do, what is likely to be found, and what the state will do to overcome any obstacles.” {ANR&P discussion 22&23 Jan.01}

As of 29 January, per Bascom, no meeting between OMYA and VAOT was set up. {ANR&P discussion}

B&A VERMONT
26 January, Bradford. TWIN STATE FERTILIZER EXPECTS CARS IN MARCH, said principal Craig Trischmann. Noting the possibility of the B&A stopping service [see Region], he was concerned. “Last year, GMRC gave us super service.” {Craig Trischmann 26 Jan.01}

VAOT response
Charlie Miller, head of the agency’s rail division, said, “We’ll get him those cars” if the B&A has stopped running. “We at the state will make sure service continues on the line, in whatever way we can, if the operator we have leased to stops service.” Under the lease, VAOT has the ability to step in if service stops; “we don’t want customers waiting for cars.”

The agency has not yet put in much money, but would like to in cooperation with the leaseholder. “We’re hoping Dan [Sabin] will pull through and we will not need go through the process over again.” {ANR&P discussion 29 Jan.01}

B&A QUEBEC
25 May 2000, Ottawa. CP FILED AN 1877 AGREEMENT WITH THE CTA. The 1877 agreement covered the crossing of what is now the CN main line by what is now a CP-owned branch [see map]. {ORDER NO. 2000-AGR-182 May 25, 2000}

25 May 2000, Sainte-Rosalie. CP ALLEGED CN WAS BLOCKING ACCESS TO A TRACK HERE. The Canadian Transportation Agency (CTA) ordered CN to unblock the siding, pending resolution of the dispute. CTA has the authority to enforce agreements, once on file [see 25 May].

CTA’s view of the dispute
On 25 May, the Canadian Pacific Railway Company (CP) filed a letter ‘in which CP requests the Canadian Transportation Agency (the Agency) to issue an order urgently with respect to the Canadian National Railway Company (CN) requiring it to remove the cement blocks preventing passage through the south crossing at Ste-Rosalie, to put an end to all work to dismantle the railway crossings and to allow free movement of traffic at the crossings....In support of its application, CP alleges the irremediable prejudice that would be suffered by the shipper Leblanc et Lafrance, which is served by the Quebec Southern Railway Company and by the railway companies involved.

‘In May 26, 2000, CN filed its answer to the CP application. In its pleadings, CN, among other things, contests the Agency's jurisdiction in this matter, as the railway infrastructure in question is the responsibility of the provincially regulated Quebec Southern Railway Company. CN further alleges the unsafe state of the railway crossings. Should the Agency determine that it has jurisdiction over the Quebec Southern Railway Company, CN requests the Agency to grant it trackage rights between the point of interchange of CN and the Quebec Southern Railway Company and the private facilities of Leblanc et Lafrance on the terms and conditions set out in its letter of May 8, 2000.’ [Section 138 of the Canadian Transportation Act permits a railroad to apply to the CTA for running rights, and the CTA may grant them 'having regard for the public interest.‘]

CTA’s temporary action on the dispute
CTA’s interlocutory order told CN to immediately unblock the crossing, to get Leblanc et Lafrance service. CTA also said it would study the matter further. {2000-05-26, LET-R-146-2000, File}
12 January 2001, Sainte-Rosalie. **AN EMBARGO ON LEBLANC ET LAFRANCE WAS LIFTED** by CDAC this day. The embargo was instituted on 2 January due to car accumulation because, L&L official Yvon Ethier said, CDAC had a service problem. {AAR website; *Views and News* 15 Jan 01}

24 January, Montreal. **PARTIES ARE STILL WORKING TO REPLACE THE DIAMONDS** to provide direct access to Leblanc et Lafrance, according to spokesperson for CP’s Eastern Network [see Regional], Michel Spenard. Following the filing of the complaint and meetings among CN, CP, and the CTA [see above], both railroads agreed to hold in abeyance the proceeding.

Spenard said engineering designs for a new diamond are complete, and the two railroads have an agreement in principal to proceed with construction. “If that all works out, we will withdraw our complaint.” {ANR&P discussion}

**Line ownership**

B&A chief operating officer Dan Sabin said QSR is leasing the line north of Farnham with an option to buy. The stub of a mile or so north of the CN line is left from CP’s former line from Farnham over CN up to St. Guillaume. [Hence CP, and not QSR, filed the CTA action. *Editor*] CN is responsible for the north diamond [see map] and QSR for the south diamond of CN’s double-tracked main line. [Presumably out of rail safety concerns, CN blocked CDAC’s use of the south diamond. *Editor*] In June, both diamonds were removed.

B&A reaches the stub by using an industrial track running through a site formerly used by Griffin Steel. This enables B&A trains to reach the CN line about a mile west of the former diamonds.

Using trackage rights over CN, B&A trains run east into the CN Sainte-Rosalie Yard, which lies just west of the diamonds, and via yard tracks get back onto their own line. {ANR&P discussion 29 Jan 01}

**Quebec comment**

Louis Doyle of the Ministere Transport Quebec wrote on 30 January 2000: ‘The history of this situation is concerning a conflict between CN and Quebec-Sud over the rehabilitation of the diamond in Ste-Rosalie. The rehabilitation of this diamond was the responsibility of Quebec-Sud. In order to put pressure on Quebec-Sud to accelerate the repair, CN decided in May 2000 to cut connection at the Ste-Rosalie and forbade Quebec-Sud to serve their customers on St-Guillaume subdivision north of the CN line. Quebec-Sud retaliated by advising EKA Chemie in Magog that from now on QSR would not handle their products.

‘At that time, in May 2000, the Quebec government position on that matter was that we opposed very strongly taking shippers hostage in a dispute between railroad companies.

‘We are considering the introduction of some amendments to the Quebec Railway Act in order to resolve this kind of situation.’ {e-mail to ANR&P}

30 January. **B&A HAS SEVERAL CUSTOMERS IN THE AREA** of Saint-Hyacinthe and Sainte-Rosalie, said Michel Bertrand, B&A vice-president for operations, and Dan Sabin, B&A chief operating officer.

It has two customers in Sainte-Rosalie north of the CN line (L&L and a fertilizer receiver), and several south in Saint-Hyacinthe. These include a wetlap warehouse, which receives by truck wetlap pulp from a mill in Trois-Riviere, and transloads...
it into rail cars for shipment to Millinocket, Maine. \{ANR&P discussions 29&30.Jan.01\}

**CAPE BRETON AND CNS**

25 January. **MAINLAND GOOD, ISLAND OTHERWISE.** Peter Touesnard, the general manager said the traffic is “very strong Port Hawkesbury to Truro.” The coal will stay \{see Ports\}, not as strong as originally when from DVR, but still 9-10,000 carloads. Stora Enso is doing well, the Sable Offshore Energy plant is gearing up. For Michelin in Granton the railroad handles its outbound product, but not shipments of finished product. That generally moves intermodally to Moncton or Halifax.

**The Cape Breton Island traffic**

Georgis Pacific. GP officials did not return calls seeking comment on reports that due to increased diesel prices it was reconsidering its decision to truck to Port Hawkesbury.

**Marine Atlantic** (North Sydney). The railroad is moving some carloads here for transfer to the Maritime Atlantic ferry to Newfoundland. Touesnard would only say the number was higher than one or two a week, consisted of lumber and other commodities.

He described the drop in intermodal traffic sent by Terra Container, the company set up by service Newfoundland when CN discontinued rail service. When CBNS took over it moved 1000-1500 carloads of containers 1993-95. The traffic began to decrease in 1995, and had disappeared by late 1998. CN changed to a maritime service out of Montreal or Halifax, even though CBNS could give daily service to Newfoundland via Marine Atlantic.

CBNS sought to convince CN to continue the traffic, but CN believed that the other way kept its equipment on its own line.

**Sydport Industrial Park**. The railroad delivers to a number of customers in the park, all receivers.

**Sysco** \{see below\}.

**Maintenance shop** (Ferry Road in Sydney). CBNS now uses this former CN shop to service its locomotives. Some believe that as traffic to Sydney drops off, CBNS will move its shop west, to Havre Boucher or even Stellarton. Touesnard said no decision had been made.

**DEVCO**. CBNS, interchanging with DVR, moves coal produced at the Prince mine sporadically, said Touesnard. \{ANR&P discussion 25.Jan.01\}

29 January, Sydney. **A QUEBEC FIRM IS OFFERING TO MAKE RAILS** and other products at SYSCO. Jesta Capital Corporation Director John Abbass said his company bid early in 2000 for SYSCO, and the offer still stands. "We are offering $31 million. We'll pay $1 million with $500,000 down and then we'll pay $1.5 million for the next 10 years," Abbass said. "Ten years after the deed is signed, we'll pay the balance."

Jesta wants to make rails and other steel products for existing Sysco customers and others. Abbass says the company can employ about 400 people. But the government of Premier John Hamm is apparently not listening. \{CBC website\}

**The Duferco deal falls through**

On 18 January, Nova Scotia Premier John Hamm announced that “Duferco is not going ahead with the deal to buy the Sydney Steel plant so the deal is dead.” The province will now move to liquidate the assets of the mill that has cost tax payers more than $3 billion. The world economic slowdown caused Duferco to pull out. \{CBC website\}

**CN-CBNS offer to serve Duferco**

Though Duferco had planned to ship the mill’s product by sea to Pennsylvania \{see 15 December 2000 issue\}, CBNS and CN had been negotiating with Duferco. At first CN proposed using three unit trains, 45 cars each, running twice a week.

However, Touesnard reported, the numbers showed the costs worked better if the product ran in regular service. Duferco found the running time acceptable. \{ANR&P discussion 25.Jan.01\}

**Provincial position**

The Tory government still plans to sell Sysco piece by piece after the latest failure to sell the plant. It issued the first pension checks to laid-off steel workers two days ago. \{CBC website\}

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**ATLANTIC NORTHEAST PORTS**

**BRIDGEPORT-NEW HAVEN**

29 January. **A RECOMMENDATION TO FUND FEEDER SERVICE** to these two ports may emerge next week from the Transportation Strategy Board \{see 12 January issue\}, in the set of near-term recommendations to use state revenue surpluses to send a public message that the state is moving to combat congestion.

Projects totaling about $40 million would likely include closure of a number of I-95 on- and off-ramps in Fairfield County, additional operating funds for Shore Line East, a partnership with Amtrak to reduce commuter fares, bus service increases, and funding for improvements in New Haven and Bridgeport to facilitate coastal barge service as an alternative to trucking on I-95. \{MOBILIZING THE REGION, weekly bulletin from the Tri-State Transportation Campaign, 29.Jan.01\}

**PORTLAND**

23 January. **SPM’S NEW FEEDER SHIP CALLED** for the first time. The Shamrock, a 5,000-ton ship is 393 feet long and can travel faster than 20 knots, versus the Lisbeth C, SPM’s former ship, which was 300 feet long and could travel at only 13 knots. Shamrock can hold nearly 400 containers, compared to a maximum of 276 on the Lisbeth C. \{Jack Milton in Portland Press Herald 24.Jan.01\}
SAINT JOHN

18 January. **THE PORT HAD A GOOD YEAR.**

- forest products up 17% (from 501,000 to 588,000 tonnes)
- containers up 6%*
- miscellaneous cargo up 11%
- potash and salt, down 18%**
- sugar, down 39%.

Overall tonnage down 2%, from 2,440,000 to 2,315,000 tonnes. This does not include private tonnage, mainly petroleum products, which dropped from 17,556,000 tonnes to 17,326,000 tonnes.

*Container tonnage, 301,000 up from 285,000; TEUs level at 48,000. Loads/empties 1999 was 25/23,000; in 2000 26/22,000.
**Potash dropped from 1,131,000 to 933,000; salt from 157,000 to 152,000 tonnes.

“We were very pleased to see the recovery of forest products, one of the port’s historic mainstays,” stated Captain Soppitt in reviewing the year’s results. Also a new service with Wallenius Wilhelmsen to Australia-New Zealand was introduced in 2000 opening up a new continent and bringing an additional 24 calls and almost 60,000 tonnes of new cargo to the Port of Saint John.

In 2001, continued growth in forest products and another strong cruise season is anticipated. Efforts will also continue to build container business through the Port.

Through the year, the Port Authority will focus on Performance 2000, raising the profile of the port and on working with operators to increase cargo. The Authority will also strengthen current partnerships and build new ones. Significant are the Manufacturing partnership, the Waterfront Development Partnership, signed just this week, and the London Maritime Partnership, a marine consulting firm engaged by the Port Authority to raise the port profile in Europe. The Authority will also be working closely with Provincial Government departments to promote Saint John as New Brunswick’s key gateway.

Over the next five years, the Saint John Port Authority will invest $14 million dollars in an aggressive capital works and major maintenance program designed to fast track upkeep on current facilities and paving the way for new development. {port press release; tonnage statistics from Paula Small of the Authority}

HALIFAX

11 January. **SHIPPING LINES COMPLAINED ABOUT DELAYS** at the port due the shortage of pilots, during a meeting this day. Delays became costly when the lines had to pay stevedoring gangs waiting to work the vessels arriving late. {Halifax Herald 12 Jan.01}

21 January. **THE PORT HAS GAINED MARKET SHARE,** said Port Authority President David Bellefontaine recently. It handled about 540,000 TEUs [see 17 November 2000 issue] and about 70% of all inbound containers moved by rail to Montreal or farther west. {David Fraser in Halifax Herald 22 Jan.01}

STRAIT OF CANSO

19 January. **THE PORT HANDLED OVER 13 MILLION TONNES** in the last 10 months of 2000, the period during which the Superport Authority took over the port. Some 9.7 million tonnes were handled by Statia Terminals’ petroleum products transhipment point, and Martin Marietta 3.5 million tonnes, inbound coal for Nova Scotia Power, and outbound aggregate from its quarry adjacent to the pier.

Georgia Pacific moved nearly two million tonnes of gypsum outbound, and the Mulgrave Marine Terminal 347,222 tonnes, mostly salt, paper products, and fish products. Stora Enso, the paper manufacturer, did 85,000 tonnes.

John Langley, the port authority’s manager, said it would invest $6.6 million of the $10 million in transition funds it received from the federal government on upgrading the Port Hawkesbury wharf (completion date June) and the Mulgrave wharf (construction to start soon). {Tom Peters in Halifax Herald 20 Jan.01}

PEOPLE

Brett Rekola, as a consultant with Louis Berger, is working for the Port Authority of New York and New Jersey as Tenant Project Manager for the Port of Newark/Elizabeth rehabilitation of PNCT Terminal, Maersk Terminal, and Maher Terminals. The project budget has about $1 billion, for crane rail, berth, upland, intermodal yard, rail overpass, crane purchase, and improvements for 1,200 acres in the terminals.

His own firm, Rekola Engineers & Surveyors, Inc., continues to grow also. "We have several contracts with state DOT’s for rail-related work. Karen Rekola is president of RES." {e-mail to ANR&P from Rekola early January}

Also in Massachusetts, Bob Williams, who was handling marketing for the Massachusetts Central Railroad, will retire on 31 January. The railroad will split his duties between Paul Crawford, the chief operating officer, and Gary Hoepner. Over at Quincy Bay Terminal, operating over some of the former Fore River Railroad trackage, Catherine J. Barone has become terminal manager, in effect the general manager. Barone took over in early December, after only seven months working at QBT. She also handles marketing for the shoreline, coming from a marine management background and five years in the Coast Guard. {ANR&P discussion 25 Jan.01}

Ken Enzor, the longtime director of transportation for Vermont marble company OMYA, is now helping out his successor, Eric Bohn. He also spearheading two major projects for the company: rail access to the Middlebury quarry [see Vermont], and opening a quarry Danby Four Corners. In the near future, Enzor will retire from OMYA, but stay in Vermont and remain active in transportation in some form. “I can’t play golf all day.” {ANR&P discussion 22 Jan.01}

As of 28 December, Paul Tober left his position in Policy and Planning for the Vermont Agency of Transportation to move back to Arizona for family reasons. He will become a district engineer for the Arizona Department of Transportation. His wife has been dealing with cancer.
Abandoned CP ROW to Saint-Guillaume

Sainte-Rosalie to Quebec City

QSR to Farnham (leased from CP, operated by CDAC)

Abandoned CP ROW to Saint-Guillaume

LeBlanc et LaFrance

Griffin Steel

Saint-Hyacinthe

CN yard

CLQ to Sherbrooke

CDAC Fertilizer customer

South diamond, QSR to replace

North diamond, CN responsibility to replace

CN double-tracked main line to Montreal

QSR to Farnham (leased from CP, operated by CDAC)