REGIONAL ISSUES
B&A: Weeks away from denouement.
FTR: Rail America open to purchases.

CONNECTICUT
ConnDOT: Oversight board coming this spring.
CPTC: Presents recommendations for rail improvement.
CSXT/HRRC: CPTC recommends shared access.

MAINE
MDOT: Lewiston-Auburn want the Lewiston Lower funds. Budget. Auburn intermodal and Calais video consulting contracts.
SHP: Begins serving Augusta. STB actions.

MASSACHUSETTS
GRS: Ayer auto facility moves to STB.
FTR: EOTC buys some of Bemis branch.

NEW HAMPSHIRE
CCRR: Read for business, especially for Irving.
NEGS: Ciment Quebec to locate in Bow.
FTR: No action on NHC, no budget yet. NHDOT buying more parcels from GRS. Airport litigation in holding pattern.

RHODE ISLAND
[No report.]

VERMONT
[No report.]

MARITIMES/QUÉBEC
NBDOT: No money for rail.
CFQ: Buys Rail America position.

ATLANTIC NORTHEAST PORTS
Portsmouth: Executive director hired.
Halifax: Ceres looks for expansion. More discussion of a third terminal

PEOPLE, POSITIONS, EVENTS
NHDOT wants rail engineer. Craig Della Penna, Jim LaVigne, Leon Kenison, Rob Finley, Bob Perol, John Gamm, Tony Pratt. Calendar.

FROM THE PUBLISHER

The new mission statement
At the top of this page you’ll note that I replaced ‘dedicated to the preservation and extension of the rail network’ with ‘Helping to move rail and port traffic’. While I have not abandoned the raison d’etre of this newsletter, I believe that the goal as stated reflects the reason that most of you subscribe—to help you in your task.

- Chop Hardenbergh    Next issue: 26 January 2001

REGIONAL ISSUES
B&A SYSTEM
2 January, Montreal. EIGHT LOCOMOTIVES FORMERLY USED BY B&A are parked in Montreal’s St.Luc Yard, enroute to Rutland on the VRS. They left Northern Maine Junction on 24 December, pursuant to an agreement with owner Helm Leasing [see 15 December 2000 issue]. ‘The units returned were bad order units, not in service,’ wrote Chief Operating Officer Dan Sabin. The remaining Helm locomotives (about 20) will go back to the leasing company in mid-January. VRS has agreed to store them on its property for Helm.

Replacement power?
The railroad, due to favorable financial arrangements, owns none of its locomotives. ‘BAR, when the purchase took place in 1995, owned 17 GP-38s and a handful of GP-7s and GP-9s. Since then, all the GP-38s on property went through a sale/overhaul/leaseback procedure. The GP-7s and GP-9s were sold and leased back.’
Moreover, said Sabin, “over the years we have needed to lease more power, and we have done so, to get up to 80 units.”

To substitute for the Helm units, B&A is ‘currently concluding documentation for replacement power, looking at a nice fleet of GP-40-2 units to upgrade our fleet. We’re trying to eliminate large bad order counts and failures on line.’ {e-mail to ANR&P from Sabin 4 Jan.01}

[While Amtrak earlier provided locomotives to the B&A, delivery of the final two F40PHs was cancelled due to the IRR financial difficulties. [Canadian Railway Observations 1.01] Two other locomotives acquired from Amtrak were sent to its Beech Grove, Indiana repair facility for major repairs. [NERAILS]}

3 January, system-wide. THE SYSTEM IS RECOVERING QUICKLY FROM THE SNOWSTORM. B&A has had to cancel some trains in recent days, said Sabin, but not due to lack of power. ‘Like most of the Northeast railroads following the severe holiday weather, we are digging out. Other carriers are reporting 50% power availability, we are slightly better off, probably 65% in service through the plowing out efforts.

‘Back-ups due to weather conditions have been pretty bad. CN has not delivered to us in Quebec since December 29, and is unable to give us any idea when they will. Our connection with St. Lawrence & Atlantic was buried in snow by [Sherbrooke]. We’re waiting for [Sherbrooke] to move large piles of snow so we can reestablish interchange with SLR.

‘CPR handling traffic that we give them, although nothing much is coming east to us.’ {e-mail to ANR&P from Sabin 4 Jan.00}

3 January, Northern Maine Junction. POSSIBLE ALLIANCE PARTNERS AND INTERESTED BUYERS HAVE ALWAYS KNOCKED ON THE RAILROAD’S DOOR, said Sabin. ‘The opening of the Wells River line has generated a great deal of interest for many different reasons, so having Rail America and others spend time with us while we look over their counterpart operations will be common theme for a long time.

‘All of the regional groups will be examining alliance and cooperative opportunities to recapture lost business due to the NS service problems which continue to plague all of us. CSX seems to be doing much better and have become far better to work with. They appear to be focused on restoring credibility in the marketplace.’

Wells River gateway traffic
‘Service on the Wells River line will increase by late January,’ wrote Sabin, ‘with a large bump in McCain’s lumber and OSB [oriented strand board] traffic. We should begin seeing more northbound grain and feed ingredients as well.

‘AMTRAK Express equipment [to tie into The Vermonter at Wells River, and The Ethan Allen at Rutland via Wells River] will be on line in mid-January for presentations to potential shippers. We are fielding large numbers of rate and route requests to develop this business. We expect to route AMTRAK Express business via Palmer and West Springfield as well as over GMRC to Rutland.’ {e-mail to ANR&P from Sabin 3 Jan.01}

9 January, Milo ME. OSHA PROPOSED $133,000 IN FINES TO THE BAR FOR 48 WORKPLACE VIOLATIONS. William Freeman, OSHA’s area director, said the violations were identified after employees notified the agency of possible health and safety violations at their rail yard in Derby. OSHA officials looked into the complaints in July 2000, Freeman said, but soon expanded that inquiry after noticing a number of other violations at the facility. Thirty-two violations were categorized as serious; three were considered repeat violations, and thirteen were considered other than serious. Each category carries a different penalty scale. OSHA cited similar problems at the Milo facility in 1998 and at the company’s main offices in May 2000.

BAR has 15 days to respond to the alleged violations. The company may opt to meet with OSHA officials for an informal discussion aimed at correcting the violations, contest the allegations before an administrative law judge, or simply accept the violations and pay the fines.

“It’s really not going to take very much to come into compliance,” Freeman said. “They’ve got some fiscal things they need to correct, but I don’t think that will be a problem.” {Bangor Daily News 10 Jan.00}

11 January, Northern Main Junction. THE B&A HAS ONLY WEEKS before its sale or merger, according to sources both inside and outside the company.

The Helm lease dispute represents, but does not depict, the entire problem. The two sides are still discussing the question of how much is owned whom [see above].

Possible partners or buyers who have signed confidentiality agreements to look at the B&A’s financial records include Rail America (whose New England Central interchanges with B&A at White River Junction), Genesee and Wyoming (whose Quebec-Gatineau Railway could interchange with B&A in Montreal), the Irving Group (whose New Brunswick Southern Railway interchanges with B&A at Brownville Junction, ME), and the Wheeling and Lake Erie Railroad.

The state of Maine has a major stake in the health of the B&A, said Chris Hall, a transportation consultant with Stafford and Associates of Portland and a newly-elected state representative. He fears that if the B&A goes into bankruptcy, the remainder of its motive power could be removed from the railroad, because it is all under lease.

The state would then have to step in, as it is permitted to do under Maine law, and find an interim operator who could immediately provide the approximately 60 locomotives the B&A needs to continue operations. The interim operator must restart operation in a matter of days, not weeks, Hall claimed. A B&A stoppage could precipitate a significant collapse in the economic health of northern Maine, because the railroad serves the paper and lumber mills there, the mainstay of the area. For example, Hall said, “Great Northern Paper is not in a position to sustain operations if it has to pay significantly higher transportation costs.”

Officials from one suitor, Rail America, were spotted recently at B&A headquarters. However, both IRR and Rail America declined to comment on reports of a possible merger or acquisition. {ANR&P discussions 11 Jan.01}
WILL RAIL AMERICA BUY MORE IN THE REGION?

The CFQ transactions [see Quebec/Mariitimes] as well as several other sales by Rail America pushed the company well past its goal of paying down the debt incurred by its purchase of RailTex in February 2000. Spokesperson Wayne August said the company would enter a second phase: “around $130 million in sale/leasebacks of rolling stock by the end of March. That will allow us to lower our interest expenses....

“Our third phase will be to make more acquisitions... in line with the company’s vision. We’re starting to see more Class I [track abandonments], as well as those by shortline holding companies, so plenty of opportunities should arise.” [Such as the B&A..] {Rail Business 8.Jan.01}

CONNECTICUT RR's

CONNECTICUT DOT

10 January, Hartford. PLANS TO RE-DIRECT ConnDOT TOWARD NON-HIGHWAY TRANSPORTATION are emerging from two bodies.

Transportation Strategy Board
Governor Rowland and Connecticut House Speaker Moira Lyons sponsored a transportation summit in September 2000. The summit noted the congestion afflicting both passenger and freight traffic in the state, and wanted ConnDOT to place more emphasis on public transit, rail, and ports.

After the summit, the two appointed the Transportation Strategy Board, composed of five legislators, five business leaders, and five heads of state government departments. According to Audrey Honig, Lyons' spokesperson, the board is asked to come up with concrete recommendations for strategy and funding within ConnDOT.

The board is scheduled to deliver a report to the state's leaders 1 February, which will propose a board to oversee ConnDOT projects.

Program Review and Investigation Committee
In mid-December, this committee of the General Assembly called for creation of a new state-wide board to oversee transportation budgets and to review the state transportation commissioner's performance.

What the General Assembly might do
On 10 January, Lyons, who served six years as chair of the legislature's transportation committee ending in 1993, described how the General Assembly will mesh the two recommendations and pass a bill this session. The legislation will create the statewide board, and a procedure for the board to approve or disapprove of transportation projects according to specific criteria. The criteria will weigh how transportation can help economic policy, and funnel economic development into corridors which already have mass transit.

The board will not replace the myriad bodies which already advise ConnDOT on transportation policy. For example, in Lyons' view the CPTC [see below] would continue to make recommendations to the General Assembly and the governor, as before. ConnDOT would then make a decision on the recommendations; if the recommendation was translated into a proposed project, the board will pass on the project, according to the criteria developed.

Lyons, a state representative from Stamford, envisions the board looking at not only highway and standard mass transit projects, but also port and airport projects. "Our ports are not utilized sufficiently. We have a water passageway" along the coast which should be used more.

Business would be involved, Lyons said. It relies on transportation both for its supplies and products, and for bringing employees to work. "We want business as a partner in these decisions." {ANR&P discussion 10.Jan.01}

CONNECTICUT PUBLIC TRANSPORTATION COMMISSION

29 December, Hartford. FIVE RECOMMENDATIONS FOR RAIL IMPROVEMENT were submitted to the governor and the legislature's Joint Standing Committee on Transportation by the Connecticut Public Transportation Commission [CPTC], out of a total of 13 recommendations. The CPTC is required by statute to submit such recommendations annually to the governor and legislature [see 10 January 2000 issue].

Commuter rail. The Commission repeated its 1999 recommendation 'that ConnDOT pursue the implementation of commuter rail service between New Haven, Hartford, and Springfield to meet the needs of commuters and other travelers in Connecticut's central corridor.' CPTC urged ConnDOT 'to establish initial talks with Amtrak to develop a proposal for the implementation of the Springfield Line commuter service,' though it noted that the line 'has numerous speed restrictions that limit the effectiveness of service.'

Sidings to be constructed at Guilford. The FRA required that Amtrak, when building its high-speed Acela service, construct sidings at various locations along the Northeast Corridor to mitigate impacts to other Corridor users. Amtrak is seeking a delay in one such siding, at Guilford CT, beyond the current date of 20 June 2001.CPTC asked the FRA not to grant this delay.

In 2002, the CPTC noted, Guilford will receive a new Shore Line East passenger station, on the south siding. Without the siding, the trains will have to stop on the main line, exacerbating operating windows on the corridor and requiring a temporary
platform to reach the trains.

‘For freight service, availability of the Guilford sidings allows the P&W the flexibility to use smaller windows in the Amtrak schedule to deadhead trains from New Haven to Old Saybrook. [CPTC chair Fred Riese explained that PW official David Fitzgerald told the Commission PW trains run west to deliver to customers, but have no east-bound traffic. The locomotives run without cars, or ‘deadhead’.

‘Guilford can be reached in 25 minutes from New Haven. Freight trains could then wait at Guilford for Amtrak trains to clear, then proceed to Old Saybrook.’ Without the siding, PW needs a 40-minute window to reach Old Saybrook, and if that window is missed, a PW train must wait another hour, using up two hours of the permitting 12 hours of operation by one crew.

Since both passenger service and PW freight volume is increasing, the need for the Guilford sidings is increasing.

**Promote access from New York.** In 1999, CPTC recommended the state follow proposals for increased rail passenger or freight access for New York City. This year, the Commission recommended that the state participate in the East of Hudson Rail Freight Task Force, chaired by US Representative Jerrold Nadler (D, NY). [Commission member Richard Carpenter sits in on the Task Force meetings.]

The state should also:

- support the car float operation and the proposed harbor tunnel [as well as RoadRailer and single COFC trains through the Penn Station tunnels, like Penn Central Flexivan Mail Trains # 16 and # 17, which operated from Philadelphia to Springfield , Mass. in the 1970s–comment from Carpenter.]

- [In view of positive results of the recent cross harbor rail freight tunnel study by the New York City Economic Development Corporation], update the ConnDOT 1986 report, Recommended MinimumOverhead Clearances for Railroad Lines in Connecticut, looking at doublestack clearances. Improved clearances may be necessary if New York can provide doublestack clearance from New Jersey.

- work in concert with New York State to promote shared access on key rail lines, ‘especially the New Haven Line and the Maybrook Line (Beacon NY-Derby CT).’ Connecticut should actively encourage a CSXT/PW agreement to better handle PW traffic between Connecticut and New York City, and via car float to New Jersey and beyond.

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**WHY INCLUDE THE MAYBROOK?**

The section of the Maybrook line from Beacon NY to Danbury CT has seen very little traffic for at least five years, so little that HRRC sold the portion from the NY state line to Beacon to Metro-North Commuter Railroad in 1995. (Before withdrawing from Connecticut, Conrail used the Maybrook Line to Beacon for its two daily through freights between Cedar Hill(New Haven) and Selkirk.)

Nevertheless, Dick Carpenter, CPTC member who drafted the language of this recommendation, wanted to include both lines which run into Connecticut from the southwest. Since no traffic runs on the Maybrook, getting one railroad to do so would be wonderful, getting two might be a "pipedream." Nevertheless, CPTC wanted to “put forth a principle” of shared access.

Moreover, Carpenter wanted to keep the Maybrook possibility open. He noted that due to low clearances on the New Haven Line, only COFC, RoadRalers, and trailers in well cars can be used for intermodal freight. By contrast, the Maybrook line has better clearances and fewer overhead bridges and the Hudson Line has fewer passenger trains than the New Haven Line.

Also, at Derby Junction, trains can turn north to Hartford and beyond or go south and east to New Haven and Cedar Hill Yard. The general idea is this: Don't let the perfect become the enemy of the good.

Once the New York rail tunnel is open, or car float traffic improves, freight could use the Maybrook to access northern Connecticut, rather than needing to run trains up to Selkirk and then back down. "Right now, rail freight in Connecticut runs into a cul-de-sac: it must come in from the north, and run back out the north.” [ANR&P discussion 10.Jan.01]
Adriaen's Landing. This site in southern Hartford on the Connecticut River may receive mega-development (the football stadium for the Patriots would have been built here). CPTC recommended that development not preclude rail access in the future.

Wethersfield Secondary. In 1999, CPTC called for the restoration of the line between Middletown and Hartford. This year, it commended ConnDOT for furnishing 70% of the cost of the project, due for completion in July 2001. The restoration ‘could also provide an alternative rail route from Hartford to New Haven, offering an alternative to the trackage fees in excess of $.90 per car mile charged by Amtrak. [2000 Annual Report and Recommendations; ANR&P discussions 8 and 11.Jan.01]

The commissioner of transportation is required to provide written responses to these recommendations by 1 February.

CSXT/HRRC
[The Connecticut Public Transportation Commission recommended shared access for CSXT’s freight route between New York and New Haven, as well as HRRC’s Maybrook Line from Beacon NY to Derby. See above.]

NAUGATUCK RAILROAD
10 January, Thomaston. THE RAILROAD IS SEEKING MORE FREIGHT CUSTOMERS, said Tony Pratt, the new president of the Railroad Museum of New England, the sole stockholder of NAUG stock.

Existing customers
The railroad continues to serve D-A Lubricants of Waterbury with a car of lubricant every five to seven weeks, said Pratt [see 16 July 1998 and 22 May, 23 June, and 23 July 1999 issues]. In December, it completed a move of an 80-ton emergency generator for Connecticut Light and Power from East Litchfield to Montville. The machine was trucked from Torrington to NAUG track, thence to the GRS interchange in Waterbury and via GRS/CSXT/NECR to Montville.

New freight customers
Pratt noted that freight customers provide a good revenue stream. “We are actively investigating customers, and are talking to several of them.”

Passenger traffic
The passenger traffic “did ok” in 2000, per Pratt [same as the Valley Railroad - see 15 December issue]. “The Connecticut economy did so well that people had money to go out of state, and we had to go outside the state to draw in customers. in entertainment business.”

NAUG has three main products. Pratt listed them as the Vinyard Special (which did well), regular excursion traffic (which was soft), and charter business (which did well, relying on out of state business). The railroad does run some special events. In June, a Civil War enactment featured a battle for the tracks in a field next to Thomaston Station. December specials sold out just about every train.

NAUG will repeat the Civil War event this year, and expand the Christmas trips.

Management changes
In autumn 2000 Pratt became president, succeeding Howard Pincus, who retained his position as board chair. In December, Bob Perol resigned as operations manager and maintenance of way supervisor, and NAUG is looking for a successor. [See People for more details.] {ANR&P discussion}
Regardless of hurdles in opening the Lewiston-Brunswick line that goes through Lisbon, Feeney also worries that if the $6 million is spent on the Auburn-Portland line no money will be left over for improvements to the Lisbon-Brunswick section of track, which is owned by the state.

Lisbon Town Manager Curtis Lunt said it might make sense to spend the money on the Auburn-Portland line, but not without public discussion. "We voted one way and they are trying to do something else. Right now, I feel left out."

**Spend the money now**

Melrose, who admitted the state said the money would be spent on the Lewiston-Brunswick line during the bond campaign, said no changes would be made without legislative approval. He was unaware of any complaints from Lisbon or any other town, adding the process is far from over and would include a chance for public comment. [During the BTIP evaluation? - Editor.]

However, citing Guilford's apparent reluctance to sell its line to the state, Melrose said the public money might as well be spent on the Auburn-Portland line. He said that route is also designated by the federal government as having passenger rail potential, meaning that it is eligible for federal grants that could quadruple the state's money.

"Let's put this money to work bringing rail service up to the Lewiston-Auburn area," said Melrose.

**But reserve some for purchase**

The department is thinking about reserving $2 million of the $6 million for the purchase of the Lisbon-to-Brunswick track if Guilford should ever want to sell the section of track not owned by the state, per Melrose. MDOT would like to open the Brunswick-to-Lewiston line because it would allow for more competition within the rail industry. He said the Lewiston spur would give rail customers along the coast a chance to send freight through the SLR's facility in Auburn as well as the Guilford terminal in South Portland. [Steve Hargreaves in Brunswick Times Record 21.Dec.00]

5 January. **LOOK FOR THE BTIP IN FEBRUARY OR LATER.** MDOT has two budgets: one paid for out of the highway fund and the general bond fund, and one paid for with state and federal dollars described as the Biennial Transportation Plan Improvement Plan (BTIP). The BTIP describes specific projects the state will undertake, including port and rail projects.

Commissioner John Melrose said on 5 January that the Department is still fine-tuning the BTIP. "Later in the session, we'll be submitting the new BTIP to the legislature, outlining the specific projects we intend to undertake if the program budget is approved," he notes. [MDOT press release 5.Jan.00]

11 January. **THE CONTRACTS FOR THE AUBURN INTERMODAL FACILITY AND THE CALAIS VIDEO** are progressing, said MDOT's Tracy Perez. The department received six bids to do the promotional video of the Calais branch [see 20 October issue], and selected BFT International of Portland at the end of November.

As for the Auburn Intermodal Facility, a first look will take place in February. MDOT will convene the advisory committee to meet with consultants Wallace Floyd out of Boston on the design of the bus/rail/air facility [see 18 August 2000 issue]. {ANR&P 11 Jan.00}

**MAINE COAST/SAFE HANDLING**

15 & 22 December, DC. **THE STB PUBLISHED A NOTICE OF EXEMPTION** and a Modified Certificate of Public Convenience and Necessity concerning the Safe Handling Railroad (SHP) operation of the lines formerly operated by Maine Coast (MC). The notices outline the complex nature of SHP's operating rights:

**Exemption for Brunswick area**

As a result of the exemption, the transaction took effect on 8 December, seven days after the notices were filed on 1 December. SHP receives:

- operating rights on the Rockland Branch from Church Road in Brunswick (milepost 28.03) to Hardings (Bath Iron Works steel fabricating facility, milepost 33.79).

- incidental overhead trackage rights from the Brunswick interchange yard on Guilford property at milepost 27.5 to milepost 33.79.

Traffic handled by SHP to and from Hardings travels in the GRS account, [presumably a part of the sales agreement when GRS deeded over the line to MDOT - editor]. {STB Finance Docket No. 33968 15-Dec.00}

**Certificate for branches**

‘On December 1, 2000, Safe Handling Rail, Inc. (SHP), a noncarrier, filed a notice for a modified certificate of public convenience and necessity for

Rockland Branch. Extending for approximately 51.76 miles between milepost 33.79, in Brunswick, ME, and milepost 85.55, in Rockland, ME (Rockland Branch).

Lower Road. In addition, SHP will operate MDOT's approximately 33.60 miles of rail line known as the Lower Road extending between milepost 29.40, at Rock Junction, in Brunswick, and milepost 63.00 in Augusta, ME (Lower Road).

Pursuant to a lease and operating agreement with MDOT, SHP will provide freight service over the Rockland Branch and the Lower Road beginning on or soon after December 6, 2000 and terminating on June 1, 2001.

‘A subsidy is involved. The agreement provides that SHP shall not suffer any financial loss and that MDOT will reimburse SHP the difference between SHP’s costs and revenues through
the term of the agreement. The agreement further provides that, should SHP's revenues exceed its costs, then no payments will be made by MDOT to SHP or by SHP to MDOT. SHP represents that it has obtained liability insurance coverage and that there are no preconditions for shippers to meet in order to receive rail service.’ {STB Finance Docket No. 33967 22.Dec.00}

26 December, Brunswick. THE RAILROAD BEGAN HAULING NUCLEAR WASTE from the dismantled Maine Yankee nuclear power plant in Wiscasset. Six gray sea-land containers were at the GRS/SHP interchange yard in Brunswick. The containers are labeled ‘MHF Logistical Industries’, named for the Zelienople, Pa., company that is handling the transfer of nuclear waste to Utah.

Spokesperson Eric Howes of Maine Yankee said the containers, scheduled to be moved out of Brunswick on 28 December, holding concrete rubble with trace amounts of radiation. Approximately two such containers a month are coming through Brunswick. {Christopher Cousins in Brunswick Times Record 27.Dec.00}

SHP begins serving Augusta
On 29 December, the first cars to reach east Augusta passed through Brunswick, meaning GRS no longer needed to run traffic down from Waterville. Bill Whitney of Blue Seal Feeds said GRS had done a good job serving his east Augusta feed mill via Waterville. {ANR&P discussion with Whitney 4.Jan.01, Ford Reiche of Safe Handling 2.Jan.01, and personal observation}

GRS - AYER AUTO FACILITY
22 December, DC. THE STB TOOK ON THE RESPONSIBILITY TO DECIDE ABOUT THE AUTO FACILITY IN AYER. A joint petition demanded by the federal district court in Boston [see 3 November 2000 issue] asked that the Board "evaluat[e] the right of the [Town], if any, to regulate [Guilford's] proposed development off Willow Road in the Town of Ayer, . . . ." The court requested that the Board address this case within 5 months, and Guilford and the Town have submitted a proposed procedural schedule.’

Background
‘GTI has operated an automobile unloading facility (which will be referred to as the "existing facility") on 40 acres of land located in the "Heavy Industry District" as defined under Ayer's zoning by-law. The existing facility is bordered by a rail line and is accessible to vehicular traffic by a road. This facility has 5 unloading tracks that can accommodate 35 rail cars, and it also contains 2000 automobile parking spaces, and an 8800 square foot building. The existing facility receives train service twice daily and truck service about 75 times a day. Cars arrive by rail, are temporarily stored, and then transferred to motor carriers for distribution in New England.

‘GTI also owns a 126-acre parcel of land (the site) that is bordered by two rail lines and is across the road from the existing facility in Ayer. It is also located entirely in the Heavy Industry District. Guilford claims that it has used the site for off-loading rail cars and storage since 1997. Guilford indicates that it wants to construct and operate a car unloading facility (new facility) on 57.7 acres of the site. The new facility will contain an access road, 6 unloading and 2 support tracks, a parking area for about 3000 cars, and a 55 feet by 75 feet maintenance building, will be used for unloading from rail cars, temporarily storing, and transferring automobiles to trucks for distribution in New England. [In its filing with the Town of Ayer, GRS estimated 2,000 cars a day would arrive - see 3 March 2000 issue.]

‘Guilford states that it has sought local approval for construction and operation of the new facility for more than 2 years, through a process it describes as "heavily regulated," involving numerous state and local application and permitting procedures.

STB’s discussion and statement of law on pre-emption
‘A declaratory order proceeding will be instituted pursuant to 5 U.S.C. 554(e) and 49 U.S.C. 721 to permit the Board to address the extent to which Ayer's regulation of Guilford's proposed construction and operation of the automobile unloading facility (2) is preempted by 49 U.S.C. 10501(b), (3) as broadened by the ICC Termination Act of 1995, Pub. L. No. 104-88, 109 Stat. 803 (1995). To guide the parties in preparing their submissions addressing the facts of this case, this decision sets out a review of the potentially relevant legal framework.

Under the law, the Board conducts environmental reviews of rail construction projects for which a license from the Board is required, such as those involving the extension of a rail line into new territory. See 49 U.S.C. 10901. There is, however, no statutory requirement for a carrier to obtain Board approval to build or expand facilities that assist the railroad in providing its existing operations but that do not give the carrier the ability to penetrate new markets....Railroads also do not require Board authority to upgrade an existing line, and indeed, the law explicitly provides that a license is not required to construct an unregulated spur, industrial, or switching tracks....

The fact that the Board does not regulate a particular project, however, does not necessarily mean that the project is subject to local regulation. As the courts have found in addressing the scope of 49 U.S.C. 10501(b), zoning ordinances and local land use permit requirements are preempted where the facilities are an integral part of the railroad's interstate operations....

Moreover, state and local permitting or preclearance requirements (including environmental requirements) have been found to be preempted because, by their nature, they interfere with interstate commerce by giving the state or local body the ability to deny the carrier the right to construct facilities or conduct operations....

Nevertheless, ...the Board expressed its view that not all
state and local regulations that affect railroads are preempted. In particular, the Board stated that state and local regulation is permissible where it does not interfere with interstate rail operations, and that localities retain certain police powers to protect public health and safety.

Specifically, the Board concluded that local authorities can take actions that are necessary and appropriate to address any genuine emergency on railroad property. Railroads also are required to comply with nondiscriminatory application of local codes for electrical, building, fire, and plumbing to the extent that compliance would not restrict the railroad from conducting its operations or unreasonably burden interstate commerce....

With regard to the kinds of inspections that are permissible on property owned or used by interstate railroads, the Board has made it clear that the potential for interference depends on the particular facts involved; the Board sees no simple, clear line of demarcation that has been or could be drawn, except that the inspection requirements or local regulations must be applied and enforced in a non-discriminatory manner and that preclearance construction-type requirements would generally be preempted....

Additionally, the Board has concluded that Federal environmental statutes such as the Clean Air Act and the Clean Water Act are not preempted.... Thus, the lack of a specific environmental remedy at the Board or at the local level as to construction projects over which the Board lacks licensing power does not mean that there are no environmental remedies under other Federal laws. As this agency does not administer statutes such as the Clean Air Act and the Clean Water Act, however, the Riverdale decision offers no advice as to the circumstances under which a cause of action might be available.

Finally, for projects that do not fall under section 10906, but instead constitute a rail construction project under section 10901, an appropriate environmental review would be conducted under the National Environmental Policy Act, ....After conducting such an environmental review, the Board would adopt appropriate environmental mitigation conditions to address environmental concerns raised by the parties, including local authorities....

What the STB wants addressed
Accordingly, the parties should address: whether this project falls under section 10906 or 10901; whether the conditions that Ayer seeks to impose would interfere with interstate railroad operations; and the extent to which both the new and/or existing facilities are subject to Town review.

Guilford, the Town, and any interested person shall submit opening statements by January 8, 2001. Guilford, the Town, and any interested person shall file replies on January 28, 2001. {STB Finance Docket No. 33971 22.Dec.00 - citations omitted as indicated by ellipses}

Littleton intervention
On 2 January the STB granted the petition of the the Littleton Electric Light & Water Departments, a division of the municipal government of the Town of Littleton to intervene because it [like Ayer - see 3 March 2000 issue] gets drinking water from the aquifer replenished by the proposed new site. {STB Finance Docket No. 33971 3.Jan.01}

PIioneer Valley RailRoad
early December, Westfield. NEW CUSTOMER GAS SUPPLY RESOURCES BEGAN OPERATION, at a site on the Easthampton branch, north of Summit Lock Road and west of the rail line [see 18 March 2000 issue]. PVRR General Manager Jon Lasko said he looked forward to the company “being here for a long time. I’m very impressed with the employees from the CEO on down, all very professional, personable, and interested in working with all parties to make the operation efficient and profitable for all concerned.”

Other customers on the Easthampton branch
Lasko reported that many companies have rail sidings, but not all have yet become “rail customers.” Kitty-corner from the Gas Supply site lies the Summit Lock Industrial Park, which contains C+S Cold Storage, which does not use rail.

Farther south lies the Northside Industrial Park, containing a cluster of businesses off Egleston Road. In the park Barker Steeland Jen-Coat use rail; a Servistar Warehouse, Agway, and Ampad have rail sidings but do not currently use rail.

Off Servistar Industrial Way and Ampad Road lies a 21-acre site, ‘Mead Industrial Land’, a rail-served parcel available for industrial development, Lasko pointed out.

Claremont Concord locomotive
On PVRR property sits a locomotive which CCRR bought from PVRR as is. CCRR is doing the repairs itself, driving mechanics south from Claremont as needed. Eventually the locomotive will make it to New Hampshire.

Coal gondola storage
In late December, the railroad agreed to store some coal gondolas for CSXT. Lasko said on 9 January that he had a string of them in the yard. “You’ll have to ask CSXT why it is storing them.”

Army agreement
PVRR has a final agreement with the rail battalion, to store its locomotives on the property. “This spring, we’ll start up with training in our yards,” said Lasko.

Rail Distribution Services
The new terminal manager, Dick LaVigne [see People], is “doing a terrific job,” Lasko stated. “He’s creative, and aggressive; that’s why I asked him to apply.” Although RDS is owned by PVRR’s parent Pinsley Railroads and is a sister company to PVRR, LaVigne reports to Lasko. {ANR&P discussion 10.Jan.01}
FOR THE RECORD: MASSACHUSETTS

EOTC BOUGHT MOST OF THE BEMIS BRANCH for $1.7 million from Guilford; 1.3 miles of the 2.11 miles abandoned, from School Street to Grove Street [see 1 December 2000 issue], will be used for a trail. EOTC expects to transfer ownership to the Metropolitan District Commission. The ROW between Grove Street and Fresh Pond will remain as an active freight line for now. {Transreport (newsletter of the Boston Metropolitan Planning Organization) 1.01}

NH RAILROADS

CLAREMONT CONCORD RAILROAD

11 January, West Lebanon. THE CCRR TRACK HERE IS READY FOR CUSTOMERS, according to the railroad’s Jeff Albright. He is expecting word from Irving Oil that it has made arrangements for equipment to deliver oil by rail to the West Lebanon transfer facility.

As for the long-awaited gravel move from Vermont for Twin State Sand and Gravel, Albright declined to comment. {ANR&P discussion}

NEW ENGLAND SOUTHERN

11 January, Bow. CIMENT QUEBEC DECIDED TO BUILD HERE, RATHER THAN MANCHESTER. Jean LeBrun, who is managing the project, said while the company had received Manchester building permits for the proposed four cement silos in mid-2000 [see 5 May 2000 issue], “the city had attached so many conditions that the project was hard to live with for us.” {ANR&P discussion}

So the company looked for other sites. NEGS President Peter Dearness said “I was contacted out of the blue to look at sites in Concord.” He showed Ciment Quebec, based in Saint-Basile near Quebec City, Cargill’s idle salt site in Bow. When the company showed interest, he immediately took officials to the town hall to discuss the potential facility.

Cargill subsequently sold its nine-acre site to Ciment Quebec. And why didn’t the proposal raise a hue and cry like that in Manchester? It has had no publicity, Dearness responded, “because I walked through the whole process” with Ciment Quebec, getting any variances, or changes needed to be made. Moreover, Bow was much more receptive because the salt plant was virtually idle, and the construction improves on use of facility. “We had virtually no opposition.”

Current status

“Workers are literally breaking ground,” said Dearness, completing the foundations for the operations building and the silos. His crew two weeks ago rebuilt the existing 600-foot siding, raising it by three feet and adding 300 feet more. NEGS will add a second, 500-foot siding off that in the spring.

Rail access

To keep NEG rates lower, Dearness originally wanted to put in a second, northern switch from the New Hampshire Main to make a double-ended siding. However, the price quoted to Ciment Quebec for GRS to install the switch caused the company to change that idea. When the plant opens—now planned for March—NEGS will bring the cement cars past the plant up to Concord on the regular train, then run them down via a switcher, a distance of about four miles.

According to Dearness, the company plans to move about one thousand cars a year via SLR to Danville Junction and GRS to Manchester.

Use the Perini track?

Ciment Quebec’s silos will sit just south of Johnson Road, on the west side of the track. Just north of the road lies the ‘Perini track,’ a mile long siding adjacent to a construction company named Perini. Once used to load aggregate to fill Bird Island Flats for Logan Airport expansion, it now hosts idle coal train power, while New Hampshire Public Service unloads coal cars at its site farther north in Bow.

Ciment Quebec obtained authority from Bow to build two additional, larger cement silos because the Bow plant will serve as its major facility in the NH/VT/MA area [the company gave up on a White River Junction site]. If business expands enough to build those silos, Dearness believed that Ciment Quebec will have to put in the northern switch. {ANR&P discussion}

FOR THE RECORD: NEW HAMPSHIRE

NHC’S OPERATION OVER FORMER NHVT LINES still awaits approval by the Governor and Council [see 15 December 2000 issue]. Contract approval at the attorney general’s office delayed the deal past the December Governor and Council meeting; look for it at the January meeting.

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THE NHDOT CAPITAL BUDGET SHOULD GO TO THE
LEGISLATURE in February, along with the operating budget.

GRS IS SELLING AT LEAST THREE PARCELS to NHDOT: the Woodsville bridge (to be retained for future railroad use) across the Connecticut River along with an ancillary parcel; a bridge in Dover which the city wants to use for a trail; and a West Ossipee parcel which holds the freight house there. {ANR&P discussion with NHDOT rail administrator Kit Morgan 10 Jan.01}

AIRPORT/RAIL LITIGATION REMAINS IN A HOLDING PATTERN. Tom Irwin, an attorney at the Conservation Law Foundation (CLF), is handling CLF’s challenge of the airport’s removal of a section of the Manchester-Lawrence line. He awaits the scheduling of oral argument before the New Hampshire Supreme Court of his appeal from Public Utilities Commission decision against CLF. As well, he awaits a hearing before the Railroad Appeals Board on the Manchester Airport’s request for reconsideration of the Board’s remand of the case to the NHDOT hearings examiner. [Got that? If not, see 17 November 2000 issue.]

MARITIMES/QUÉBEC RRs

NEW BRUNSWICK DOT
6 December, Fredericton. THE CAPITAL BUDGET CONTAINED NO FUNDS FOR RAIL OR PORT WORK. [No surprise—it has not done so in the past. Editor]. It did provide $116.7 million for the Department of Transportation; $40.9 million for funding under the Highway Improvement Program, which is 59% higher than last year; $75.7 million for construction of local roads and bridges, which is 11% than last year; and $1.2 million to build a new visitor information centre near Fredericton to inform tourists. [NB website]

CHEMIN DE FER DU QUEBEC
26 December, Montreal. RAILAMERICA COMPLETED THE SALE OF ITS 26.5% OF CFQ which came via the RailTex acquisition. The Société des Chemins de Fer du Québec bought back the Rail America shares, and also bought Rail America’s Ontario l’Original. [See box in Regional.]

Madeline Paquin, head of Logistec (a CFQ major shareholder), described why Rail America would want to sell. CFQ rules barred a competitor from sitting on the board of directors. Moreover, Rail America prefers to be a sole owner, while at CFQ it held a minority share.

New shareholders
As part of the transaction, Paquin said, the société sold newly-issued stock to a new shareholder. That shareholder, which now owns somewhat less than did Rail America, is a company owned by two individuals who bought their CFQ position as an investment, and are not involved in the railroad operation. {ANR&P discussion 11 Jan.01}

PORTS

PORTSMOUTH
8 January. CRAIG WHEELER WAS NOMINATED TO HANDLE THE PORT AUTHORITY by Governor Jean Shaheen. Wheeler was recommended by a selection committee earlier [see 1 December 2000 issue]. Planning director of Concord since 1999, he had served as planning director in Portsmouth 1987-1995. [press release from governor’s office]

Comments from Bartlett
Just appointed to the Port Authority board [see 15 December 2000 issue], Pease Development Authority chair Bill Bartlett said in December “the governor would like to see us (the airport development authority and the port) working together to see if we are compatible.” Though he wanted to find ways to increase the economic development and employment opportunities at the port, he expressed caution about the prospects. He noted Boston was “no longer a major port” and the Port of Portland “has been shrinking. Boston, Portland, and small places like Portsmouth will ship to New York, using small vessels.” [Jerry Miller in New Hampshire Sunday News 17 Dec.00]

HALIFAX
15 December. CERESCORP WANTS TO LOOK AT EXPANDING FAIRVIEW COVE, said President Christos Kritikos. Construction of a third terminal might not be advisable yet; expansion of the Ceres terminal might be more advisable. Ceres forecast handling 150,000 to 160,000 containers in 2001. “We can do about 250,000 at present, and with expansion, including an additional berth, we could do 350,000 containers.” The company will acquire a post-Panamax crane in 2002, and make improvements to its two existing cranes, the president added.

Port Authority view
David Bellefontaine, president of the Halifax Port Authority, agreed that by adding an additional berth at the Fairview Cove terminal the port could take care of near-term needs, “maybe two, three, four years. We are certainly not ruling anything out but we were specifically talking about a new terminal for our long-term needs [see 15 December 2000 issue].” [Tom Peters in Halifax Herald 16 Dec.00]
15 December. **HALIFAX WILL GAIN ABOUT 6,000 CONTAINERS AT BOSTON’S EXPENSE**, because Maersk chose not to call Boston directly [see 17 November 2000 issue]. John Boudrea, who directs the line’s Atlantic services out of Madison NJ, said the feeder service will begin on 13 January. He confirmed negotiations with SPM, which operates the only feeder service between Halifax and Boston, were going on.

**Newark interim service**

Maersk is now shipping the boxes to Newark, and bringing them back to Boston, said Boudrea. The Halifax service will do better because Maersk ships can lighten up in Halifax to enter the shallower New York harbor. Moreover, the boxes reach Boston sooner.

“The Boston service has not shown any real consistent growth over the years, but it has potential once the service is established.” {Tom Peters in *Halifax Herald* 16.Dec.00}

20 December **HALTERM PRESIDENT PAT MORIN ALSO QUESTIONED THE NEED FOR A THIRD TERMINAL**. Port stakeholders have started to look at expansion, but capacity is not yet fully utilized. If better synergy could occur, the current terminals could do a higher capacity. “We’re at around 60-70% right now, depending on whom you ask,” said Morin:

Halterm is not yet directly involved in the current Port Authority planning, noted Morin. The latest effort is done by the people who would be funding port expansion: provincial and federal officials, as well as the Port Authority. “They’re doing their own long-range planning.” {ANR&P discussion}

**PEOPLE/EVENTS**

**PEOPLE**

NHDOT is still looking for a **railroad operations engineer**

Duties: directs engineering functions on state-owned railroad properties, including managing construction projects; oversees the operation of private railroads on state-owned railroad lines; evaluates proposals and plans for construction projects on or adjacent to state-owned railroad lines; and represents the Department in negotiations with railroad operators; responds to public, legislative and other inquiries on railroad activities.

Contact: Kit Morgan, 603-271-2468.

NHDOT Commissioner Leon Kenison announced his retirement, effective 31 December 2000. **Craig Wheeler**, Concord planning director, was nominated as executive director of the New Hampshire State Port Authority.

Down in Massachusetts, **Rob Finley**, who was hired by Bay State Transit as a key official, has left the company to join a subsidiary of Genesee and Wyoming. This company will “add a Fedex flavor to boxcar service,” by using a Union Pacific unit boxcar train on the West Coast.

Class Is would like this service; their unit intermodal trains provide only small returns. Boxcar traffic provides greater margins. The unit trains would provide less than truckload service at a trainload pace; the GWI subsidiary would provide tracking, tracing, and most important, a consistent time. Instead of huge distribution centers, the trains would replace the centers, and deliver directly via drayage to retailers.

As for Bay State Transit, it is pursuing breach of contract claims against the MBTA. {ANR&P discussion 4.Jan.01}

Also in Massachusetts, **Craig Della Penna**, terminal manager of **Railroad Distribution Services** in Holyoke MA, left that position in November 2000 for his dream job: full-time representative to the DC-based **Rails to Trails Conservancy**. Pinsley Railroads, the owner of RDS, hired **Dick LaVigne** to succeed Della Penna. LaVigne had been general manager of US Distribution Services in Holyoke, which uses some railcars. Most recently, LaVigne served as the manager of maintenance at Westover AFB. {ANR&P discussion 9.Jan.00}

Farthersouth, at the **Naugatuck Railroad** in Thomaston CT, the position of president is open. **Tony Pratt** was elected president in autumn 2000 of the Railroad Museum of New England, the sole owner of the railroad. He succeeded **John Gamm**, who served as vice-president then briefly as president. Gamm remains as managing director, general counsel, and chair of the board of the railroad. **Bob Perol** resigned as operations manager and maintenance of way supervisor for the 20-mile short line. Perol spent two years at NAUG after leaving the Pioneer Valley Railroad.
CALENDAR

January
16th VAOT delivers rail capital investment policy plan to legislature
17th New Hampshire’s North Country Council will convene its transportation committee, to discuss the state’s draft rail plan. Per Kit Morgan, the consultant should deliver the draft to NHDOT “any day now.”
22nd ITRAC meeting, New Hampshire
24th The first seacoast meeting of the task force regarding re-establishment of commuter service between Newburyport MA. and Kittery ME. will take place at the Portsmouth City Hall at 6:30 PM. All interested parties are invited to attend.

February
Public hearing in Concord on state rail plan. Location and date to be determined.
1st ConnDOT responses to CPTC recommendations due.