OPERATING RAILROADS + PORTS, INTERMODAL FACILITIES, AND GOVERNMENT ENVIRONMENT

REGIONAL ISSUES
B&A: Burkhardt to make a new offer.
CSXT: Two initiatives for smaller shippers.
High-speed rail: Public meetings set.

[No report]

MAINE
Portland: Merrill’s Marine Terminal has record year.

MASSACHUSETTS
CSXT/GRS: Maersk considering move to Ayer.
Doublestack: Listed in long-term plans.

NEW HAMPSHIRE
Airport: Supreme Court decision in three months.
SLR: Possible Berlin and Gorham mill revival.

[No report.]

RHODE ISLAND

VERMONT
LVRC: Forbes surrenders lease of Swanton branch.
VRS: To purchase New York & Ogdensburg Railway. Rutland rail yard awaits environmental studies.

MARITIMES/QUÉBEC
CBNS: BLE poised to strike the railroad.
Sydney/CBNS: Still trying to haul coal to retain the line.
Canso: Annual total. Map and description of facilities.

PEOPLE, POSITIONS, EVENTS
Slattery, Jad Roberts, Andrew Devlin, Peter Gregory, Lucy Gibson, Susan Compton Aylesworth.
Position open at Vermont planning agency.

FROM THE PUBLISHER

Hmmm....

After the last, giant issue of 20 pages this returns to the normal 12 pages. My wife fractured her ankle, so I have assumed much of her household duties (as well as my own - no Neanderthal here), meaning less time this issue for writing more stories.

Guilford Rail Errors?
Guilford declined to specify errors in two stories which ran in the 16 January issue. Rob Culliford, GRS counsel, told me that the Rymes account of Guilford mishandling of freight cars was “false” and the Norton statement that STB has granted federal consistency review is also “false.” However, he declined to specify the errors.

Most readers know that Guilford has declined to talk to me about stories for this newsletter since February 2001 [see 27 February 2001 issue: ‘Banned by Guilford!’]. I remain ready and eager to talk to GRS about stories which involve them, but fail to see how I can ascertain their point of view when GRS officials refuse to talk to me.

If any reader knows of inaccuracies in either story referred to above, please contact me. I always want an accurate story, even if I don’t always achieve it.

- Chop Hardenbergh

Next issue: 13 February
BAR BANKRUPTCY

23 January, Alexandria VA. THE B&A AWAITS A NEW PURCHASE & SALE AGREEMENT from Ed Burkhardt’s consortium, according to B&A President Fred Yocum. The consortium is changing the agreement, originally presented in October [see 10 October 2001 issue] and modified up until the bankruptcy order entered [see 6 December 2001 issue]. The revised agreement will take into account “the present status of the company,” said Yocum, but “it includes the same geography.”

How’s traffic

Yocum was not displeased by the traffic levels. The B&A is still interchanging with NBSR six days a week in Brownville Junction. The two railroads still run a hotshot intermodal train once a week from Montréal, most of which is destined for the Tropical ship in Saint John. The train also carries traffic out of Toronto’s Obico terminal. Empties, and some intermodal traffic, return via regular trains. {ANR&P discussion 23 Jan.02}

CSXT

24 January, Boston. CSXT OFFICIALS DISCUSSED TWO INITIATIVES DIRECTED AT SMALLER SHIPPERS.

Network marketing/core marketing

Dave Dufault, senior account manager, said he had taken on the role of ‘core’ marketing for northern New England, while Andrew Devlin did ‘network’ marketing for the same region. Bill Flynn, senior CSXT vice-president for marketing, explained to the New England Railroad Club dinner that the railroad had realized that about 150 customers accounted for about 80% of its revenue (the core), and the marketing force never called on the 400 companies accounting for most of the rest of the revenue (the network).

In an effort to give the second 400 more attention, a marketer was assigned to each region for network, and for the core. The network marketer will also approach new customers.

Project Phoenix

Flynn described this effort as coming from Jim Howarth, vice-president, manufactured products. Howarth later gave credit to the real estate department, which assembled a list of spurs and sidetracks, and ran it against a list of existing customers, thus creating a list of unused spurs and sidetracks. Howarth himself conceived the idea of hiring retired railroad sales or operating people who knew the territory to go back out to companies still located on the sidetracks and ask why they had stopped using rail, and whether they would like to come back. The effort has the name ‘Project Phoenix.’

“These are consultants,” Howarth said, “who only work two or three days a week.” So far CSXT has hired five for about $100,000, and garnered about $1 million worth of business.

CSXT has no one in New England doing this prospecting, Howarth said, and he would initiate that effort.

Both Flynn and Howarth suggested that the New England short lines, if they liked the idea, replicate it themselves. {ANR&P coverage}

HIGH-SPEED RAIL

22 January. THE FIRST SERIES OF PUBLIC MEETINGS ON THE BOSTON-MONTRÉAL HIGH SPEED RAIL CORRIDOR will occur in February. Phase I of the Boston to Montréal High Speed Rail Study will be focused on developing preliminary service projections, identifying institutional and policy issues, and documenting basic existing infrastructure. The corridor is about 325 miles in length; roughly equal to the Northeast high speed rail corridor between Boston and Philadelphia.

A website has been developed as part of a public outreach campaign to generate interest and identify issues for high speed rail service. The site is located at www.bostonmontrealhsr.org and includes an overview of high speed rail, a description of the corridor, links to other related sites and an up-to-date schedule of the Phase I activities, including future meeting dates.

HIGWAY SALT COMPANIES

Eight companies account for most of the highway salt provided in New England. ANR&P profiled American Rock Salt, Cargill Salt, and Harcros Chemical in the 6 December 2001 issue. Profiles of the other five follow:

EASTERN SALT/EASTERN MINERALS

Eastern Minerals, Incorporated. and the Eastern Salt Company, both owned by various members of the Mahoney family of Lowell, are the only Massachusetts-owned and –operated importers of road salt. The Mahoneys first began operating their road salt business from their current terminal on Marginal Street in Chelsea, Massachusetts in the mid-1950s. Although they share the same dock facilities, Eastern Salt and Eastern Minerals are owned and operated as separate companies, and compete for contracts with state agencies and cities and towns in Massachusetts. A member of the Mahoney family also owns and operates Granite State Minerals of Portsmouth [see below].

Both Eastern Salt and Eastern Minerals import road salt, although other bulk commodities are occasionally imported at the Marginal Street facility. Eastern also leases Mystic Piers 48/49/50 from Massport, a three-acre bulk cargo terminal used to import, store, and distribute road salt [see Boston in 16 January issue].

Eastern Salt supplies Massachusetts highway districts 3A and 3B (1-190/495 area), plus 4B, 4C, and 4D (Boston and Route 128 towns). The two Eastern companies also supply the Massachusetts Turnpike Authority, and approximately 200 cities and towns in the state of Massachusetts.
The Eastern companies import salt by way of bulk cargo ships from all over the world, including Mexico, Chile, Canada, Italy, Egypt, and Australia. {e-mail to ANR&P from Shelagh Mahoney, president of Eastern Salt, 22 Jan.02; ANR&P discussion with Massport’s Frank Sheehan 21 Jan.02}

GRANITE STATE MINERALS

Granite State Minerals operation in Portsmouth

Situated on the Piscataqua River in downtown Portsmouth, the locally-owned and operated company supplies salt to New Hampshire and surrounding states. Bill Creighton, general manager, said the salt came from various points, including Canada, Europe, and South America. “We try not to depend on one source over a period of a year; a lot of the selection has to do with ocean freight rates.”

The company currently supplies Massachusetts districts 2A and 5C, plus New Hampshire 1, 2, 3, and 5. It also bids on, and has won in other years, for contracts in Vermont and Maine. {ANR&P discussion 12 Dec.01}

History

Granite State Minerals, Inc. was incorporated in 1959 by member of the Mahoney family, which also owns Eastern Salt and Eastern Minerals [see above]. The current pier was owned and operated by Consolidated Coal, one of the companies who were coal dealers following Portsmouth Coal Pockets demise early in the 20th century.

The pier is considered a “deep water” marine bulk terminal. Ships that use this facility can be as long as 750 feet with a maximum draft of 35 feet. This allows Granite State Minerals to accept salt deliveries from most of the world’s salt sources. {Portsmouth website}

INTERNATIONAL SALT

International Salt Company, LLC (ISCO), with headquarters in Clarks Summit, Pennsylvania, was formed in 1997 as an affiliate of Sociedad Punta de Lobos, a Chilean-based holding company that has been servicing the United States, South America and the Far East with quality salt products for nearly a quarter century. According to Jack Kassabian, the marketing official for the Northeast, the company sends salt by ship to various ports on the US East coast. It has won state highway salt contracts in Massachusetts, Vermont, New Hampshire, Maine, and Connecticut.

From Albany, ISCO serves the western half of Massachusetts and Vermont; from Cementon NY, western Connecticut. Since 1997 it serves southern Connecticut from New Haven. Up until this winter it had served eastern Connecticut and eastern Massachusetts from Providence.

For this winter, the company decided to use Portsmouth to serve the district it won in northeast Massachusetts, as well as those in New Hampshire and southern Maine. It serves points near Portland from the pile handled through Merrill’s Marine Terminal.

From the Sprague terminal in Searsport, ISCO supplies municipal contracts in the northern part of Maine. {ANR&P discussion 15 Oct.01}

MORTON SALT

In 1999 Morton International Salt merged with Rohm and Haas, a Philadelphia-based specialty chemical company which makes products that quietly improve the quality of life through products for the personal care, home and construction markets, and the electronics industry. The company has annual sales of more than $6 billion and operations in more than 25 countries.

Now called the ‘Morton Salt Company, a Rohm & Haas company,’ Morton has mines in the Atlantic Northeast:

Mine Seleline on Isles de la Madeleine, PQ. 1.5 million tonnes
{http://www.geocities.com/lamaisonclarke/aboutthemags.html}

Pugwash Nova Scotia. 900,000 tonnes per year.
{http://www.gov.ns.ca/natr/meb/ic/ic33.htm}

Morton also has mines in Windsor Ontario (Ojibway mine); Fairport, Ohio; Weeks Island, Louisiana; and Grand Saline, Texas, and a solar facility at Inagua, Bahamas [1 million tonnes per year {http://www.geographia.com/bahamas/bsinin01.htm}]. In unusual situations, Morton also sources from Mexico, Spain, and Tunisia. {ANR&P discussion with Morton spokesperson Joe Wojtonik 1.02}

It supplies salt to Massachusetts (districts 3C, 5A, 5B from Providence RI), all of Rhode Island [see 19 December 2001 issue], Connecticut districts 131, 135, 136, 139, 140, 142, 190, 192 from either Providence or New Haven, Maine district 6 [see 19 November 2001 issue] from Sprague’s South Portland facility, and New Hampshire
districts 3, 5, and 6 [see 16 January issue] from the Sprague terminal in Portsmouth [see 6 December 2001].

SIFTO CANADA

Founded in Goderich, Ontario, the company became a subsidiary of Domtar Limited, and in 1955 took on the name Sifto. In November 2001, after ownership by Domtar Limited and International Minerals and Chemicals, it became part of the Apollo Management, which set up Compass Minerals which owns *inter alia* North American Salt, which in turn owns Sifto Canada. Sifto operates a rock salt mine in Goderich, Ontario, and an evaporated salt plant in Nappan, Nova Scotia near Amherst.

The evaporation plant [producing 90,000 tonnes annually http://www.gov.ns.ca/natr/meb/ic/ic33.htm] produces salt for food; it costs too much for highway applications. Sifto’s highway salt moves by ship from Goderich to Sainte-Catherines.

Sifto supplies two districts in Vermont, eight and nine [see 24 October 2001 issue], by truck from Sainte-Catherines. {ANR&P discussion with Gaetan Gentilcore of Sifto 22 Jan. 02}

MASSACHUSETTS

CSXT/NS/GRS INTERMODAL

23 January, Worcester-Ayer. **MAERSK IS CONSIDERING AYER AS A TERMINAL FOR ITS MINI-LANDBRIDGE AND New York business.** The ocean container line uses Norfolk Southern for the majority of its rail business in the East, though Maersk historically uses the Worcester terminal for its New England business. Conrail up to 1998, and CSXT since then, has had the line haul to Worcester, where PW moves the intermodal cut to two terminals operated by Intransit Container Inc (ICI). Maersk moves 5000-6000 containers a year in and out of Worcester. On 24 January Maersk, NS, and GRS officials will meet in Ayer, according to one participant.

Maersk may stay at Worcester

According to an official at one of the companies involved in the current routing to Worcester, “Maersk is looking at all the options.” The railroad [NS] is leveraging its volume, as it did in getting “K” Line to use Ayer [see 25 September 2001 issue]: it offers a reduction in rates across the country if the steamship line will use Ayer.

But the official spoke confidently about Maersk continuing to use Worcester. “I recently visited Charlotte [North Carolina - Maersk headquarters for North America]. [Maersk] said they were happy with our service. Money is an issue, yes, especially with the way the economy is going. They’re going to Worcester after the Ayer visit.”

After the Maersk officials look at total operating costs, the official said, “I’m confident they’re not going to Ayer, but I do expect them to price the Ayer service.” {ANR&P discussion 23 Jan. 02}

24 January, Ayer. **KELLAWAY PLANS TO EXPAND ITS CONTAINER YARD HERE over the next few months.** Ken Kellaway, principal, said depending on new commitments from steamship lines, the yard could increase up to ten acres.

Kellaway reported that he, Guilford, NS, and Maersk officials had a good meeting this day [see above]. “We will work hard on getting Maersk’s business,” a decision he expected “in a few weeks.” {e-mail to ANR&P 28 Jan. 02}
DOUBLE-STACK PROGRAM

30 January, Boston. **Creating Full Double-Stack Access Remains in Long-Term Plans**, explained David Mohler of the Commonwealth’s Central Transportation Planning Staff. The *Boston MPO Transportation Plan 2000-2025*, approved in January 2001, is currently open for its annual revision. The ‘Plan Update’ Table 4-1 contains all projects that add capacity to the current transportation system which are recommended for implementation over the next 25 years. The table contains several line items on doublestack, as well as commuter rail, under these headings:

**Highway initiatives**
- Boston to Newton Double Stack Initiative $40,000,000.
- Framingham to Worcester Double Stack $16,000,000.
- Natick & Wellesley Double Stack Initiative $40,000,000.

**Transit initiatives**
- Boston Fairmount Branch Improvements $29,600,000.
- New Bedford/Fall River Commuter Rail $610,000,000.
- Boston to Scituate Greenbush Commuter Rail $400,000,000.

**The process**
Mohler explained that the 2000-2025 region’s transportation plan is created by the Boston MPO (metropolitan planning organization), a public board with staff supplied by the Massachusetts Central Transportation Planning organization. The MPO board has voted for the ‘Plan Update’ and that is now awaiting public comment.

To begin implementation, a project must move onto the TIP (Transportation Improvement Plan) which is annually approved by the MPO. One of the implementing agencies which is a member of the MPO or an MPO municipality may recommend putting a project into the TIP, or the MPO may hear about it from public comments. Projects are typically considered for programming in the TIP only after they have progressed into the design process.

**The doublestack program**
Despite the listing in the 25-year program, the doublestack program is not ready to go. That would require a political decision about spending that much money, Mohler noted, and a commitment from Massport and the railroads to contribute [see 19 November 2001 issue]. Doublestack is listed as a highway program because the highway bridges must be raised. The Massachusetts Highway Department would do most of the work, which would go into the TIP as a series of bridge projects. *ANR&P* discussion 30-Jan.02

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**NEW HAMPSHIRE**

**AIRPORT SECTION**
15 January, Concord. **The NH Supreme Court Should Decide in Three Months** on whether the City of Manchester violated state law by tearing up a portion of the Manchester-Lawrence rail corridor through the city airport. Tom Irwin, who argued the case against the city, said the Court has a goal of issuing decisions within three months after oral argument, which took place this day. Irwin noted that only a few of the justices’ questions centered on the Court’s case on the same matter, but a different law, decided in October [see 24 October 2001 issue]. *(ANR&P* discussion 28-Jan.02)*

**COMMUTER ON EASTERN ROUTE**
30 January. **An Update on the Status of the Eastern Line** from Newburyport Massachusetts to Kittery, Maine:

**Maglev test bed**
NHDOT bought the Hampton-Seabrook section from Guilford in December 1999 [see 10 January 2000]. NHDOT is moving to lease this track to a company which wants to test a maglev train [see 15 September 2000 issue]. The lease will last five years, with a provision for renewal of five years. In June 2001, Kit Morgan of NHDOT said the department is not concerned that the lease will block the startup of commuter service: “That’s at least ten years away.” [See 15 June 2001issue.]

On 30 January, Morgan said the state Council on Resources and Development (composed of the heads of various departments) has to consider whether any other state agency wants to use the land. That would preclude NHDOT from leasing to the line to a private party. He expected a decision within the next six months.

**Environmental impact**
NHDOT’s environmental bureau must also investigate the environmental impact of the maglev project, to fulfill a federal requirement because the Hampton-Seabrook section was purchased with federal funds. Morgan believed the scope of the review was limited to any potential historical resources and any contamination.

**Planning funds**
The Rockingham Regional Planning Commission (RPC) has requested some planning funds to do alternatives analysis for commuter rail service. Cliff Sinnott, executive director of the RPC, explained that the feasibility of passenger rail on this line done by the RPC’s Chris Hrones [see 27 August 1999 issue] did not have an alternatives analysis. The Federal Transit Administration requires applications for federal New Starts funding [the program funding the Nashua commuter service] to include an alternatives analysis showing that the rail service “is the best alternative to serve the transportation need for the region.” With that done, and
the new service included by the MPO in its long-range transportation plan “then we can apply for New Start funding.”

So the RPC has applied for a grant via NHDOT to pay for that work, as well as to expand the scope of the study to include the line to Kittery; Hrones only took it to Portsmouth.

“If [NHDOT does not] fund it, we will try to do it with existing MPO funding, stretched over a couple of our fiscal years. We may not be able to expand the scope to Kittery.”

The RPC could do the work in-house, except evaluating the track structures such as the bridges and culverts to get an idea of the cost to rehab the line.

The RPC asked for the money to do the study faster, so it could update its regional long-range plan between now and August, said Sinnott. “Finding the rail as the preferred alternative is not a foregone conclusion; C&J Trailways’ intercity bus service is now carrying a lot of people” on the Boston route.

Morgan said his bureau would make a decision about awarding the extra study funds. All such requests are put in one package and send to the FTA as a grant application. {ANR&P discussions 30 Jan.02}

New Hampshire riders in Newburyport
On 15 January, Bill Mosher and State Representative George Katsakiores, who co-chair the task force looking at the Eastern [see 15 June 2001] tallied the cars in the parking lots serving the Newburyport MBTA stop. ‘[I]n one of the parking areas fully 25% of the vehicles were from NH with a few from Maine. [In] the second parking lot we discovered that 40% of the vehicles were from NH and again a few from Maine. There were a few vehicles from other states as Virginia, Texas, Connecticut, and New York.’ {e-mail to ANR&P}

SLR
30 January, Delaware. CASCADES, INC. PROPOSES TO KEEP THE BOILERS RUNNING IN BERLIN AND GORHAM to prevent winter damage, according to a filing in bankruptcy court this day. The mills closed on 12 August [see 18 September 2001 issue], putting about 860 employees out of work. On 10 September, American Tissue of Hauppaug N.Y. and 27 of its U.S. subsidiaries filed for bankruptcy protection, including the subsidiaries owning the two New Hampshire mills.

‘Cascades has expressed an interest in purchasing the facilities,’ the filing says, but the company is not committed to do so. Keeping the boilers going costs about $250,000 a week. Founded in 1964, Cascades of Kingsey Falls Québec describes itself as a North American leader in the production and marketing of packaging products, fine papers and tissue papers. It employs 12,300 people worldwide and operates 150 facilities in Canada, the United States, Mexico, France, England, Germany and Sweden. {AP in Foster’s Daily Democrat online 30 Jan.02}

For the SLR, the mills provided 3,000 carloads a year in 1999 [see 13 August 1999]. In November, Emons said problems at the mill accounted for a drop of 400 carloads 1 July 2000 to 30 June 2001 [see 7 November 2001 issue].
to the new operator.’ {e-mail to ANR&P from Dunleavy}

A HISTORY OF THE SWANTON-ST.JOHNSBURY LINE

1877: Workers complete the line from St.Johnsbury to Lake Champlain. The 98-mile line became a division of the Portland and Ogdensburg [NY - see below] line. The Boston and Lowell acquired the line in 1885, and the B&M, when it acquired the Boston and Lowell in 1887, owned the line but kept it independent under the 1880 name St.Johnsbury and Lake Champlain Railroad, leasing the line. {RLNNE}

1955: Major shippers bought the SJ&LC [now the St.Johnsbury and Lamoille County Railroad after reorganization in the 1940s–see 271 I.C.C. 820 (1948) (F.D. No. 16163] from the Boston & Maine Corporation. The shippers conveyed it to H.E. Salzberg in 1959, who conveyed it to the Pinsly Group in 1967. {RLNNE}

1972: Pinsley ended all traffic. {RLNNE}

1973: On 17 October 1973 SJ&LC bought the Fonda Branch from the Central Vermont Railroad (CV). {JD} This permitted abandonment of the East Swanton-Swanton section, with its three-span, 369-foot covered bridge (longest in the United States). {Bruce Curry and Bob Mohowski, ‘Saga of the St.J’, Railfan and Railroad 1.80}

1973: On 7 December, the state bought the entire line from Fonda Junction/Swanton to St.Johnsbury. {JD}


1977-1978: Major shippers formed the Northern Vermont Corporation and this in turn formed the Lamoille Valley Railroad Company (LVRC) to take over operation as of 1 January 1978. {RLNNE}

1983: On 1 November, LVRC entered into a settlement agreement whereby it withdrew its opposition to Guilford's acquisition of B&M, in return for acquiring the right to operate the MEC line segment between St. Johnsbury and Whitefield, NH. LVRC had opposed Guilford's acquisition of B&M fearing that Guilford, which already controlled MEC, would divert to the B&M traffic originating on MEC that formerly went over MEC Mountain Division to St. Johnsbury, where it was handed over to LVRC for delivery to CV/CN at Swanton [later St. Albans]. {JD}

1984: The Central Vermont Railway (CV) agreed to begin hauling chip trains from a point on the Fonda Branch to Burlington, to supply the Burlington Electric plant with wood chips [see 20 November 1997 issue]. To do so, CV had to gain trackage rights from the LVRC. CV agreed to pay to LVRC $2,405.41 per month. {JD}

1989: CSF Acquisitions bought the stock of the Lamoille Valley Railroad Company (LVRC) from the Northern Vermont Corporation, [RLNNE] and the stock of the Twin State Railroad Corporation (TSRD). {JD}

1995: On 5-6 August, flood damage severed the LVRC at several locations. Although the flood was federally declared a disaster and the railroad was state-owned, Federal Emergency Management Agency (FEMA) subsequently denied federal disaster assistance for repairs to publicly owned facilities on the ground that the railroad had not been in active use immediately prior to the disaster. {JD}

1996: At the direction of the General Court, VAOT removed the antiquated overpass carrying LVRC over VT 15 in Walden. The overpass had been the site of several fatal accidents. {JD}

1998: NECR as successor to the CV renewed the contract with Burlington Electric [see 13 August 1998 issue]. At that point, the contract gave NECR 4,160 carloads and $1.2 million in revenue per year.


1999: On 22 January LVRC filed to modify its certificate of public convenience and necessity, but the STB turned that down [see 26 February 1999 issue], and a request for reconsideration [see 26 May 1999 issue].

1999: VAOT agreed to permit NECR to continue with trackage rights for no fee if NECR will operate the WACR [see 7 April 1999 issue]. But NECR handed the WACR operation to VRS.

2001: The second competition to select an operator or user ended
with the VAOT decision to let the entire line except the Fonda Branch become a trail. The General Assembly told VAOT to hold off any action until it revisits the situation.

2001: In late November, a report favorable to revival of rail was sent to VAOT and on to the General Court. [More in a future issue.]

2002: VAOT finally got CSF Acquisitions out of the operating agreement on the Fonda Branch [see text].


VERMONT RAIL SYSTEM
22 January, Burlington. VRS WILL PURCHASE THE NEW YORK & OGDENSBURG RAILWAY (NYOG), according to Jerry Hebda, vice-president of the system. He has signed a memorandum of understanding to acquire the interest of Eyal Shapiro, which is “close to 100%.” VRS is now doing due diligence, and Hebda expects the deal to close in mid-March.

The purchase of NYOG fits into VRS’ expertise of operating short lines. “We see a lot of potential for new business,” said Hebda. No change in the present railroad’s corporate identity or management status will occur at this time.

No deal yet
Doug Golden, a principal at NYOG and Main Line Management, said “any announcement was premature,” but he did confirm discussions with VRS. {ANR&P discussions 22 Jan.02}

NEW YORK & OGDENSBURG RAILWAY
NYOG was hired in 1998 to operate two short lines, totalling 30 miles, owned by the Ogdenburg Bridge & Port Authority: a section of the former Rutland Railroad from Norwood to Ogdensburg NY, and a section of the former Norwood and St. Lawrence Railroad from Norwood to Norfolk. Previous to 1998, the St. Lawrence and Raquette River Railroad ran the railroads.

Rail traffic
Doug Golden [see story] said NYOG had one customer in Norfolk, APC Paper of New York, and the engine house. In Ogdensburg, it built a transload facility in 1999 and leased it to CSX Transflo in early 2000. The terminal handles plastic, agricultural products, and oil. The railroad also serves an oil company and a company using magnetic powder. Cars at the end of the first full year, 1999, exceeded 200. By 2001, that number had grown to 675. [A number still well short of the 150 carloads/mile/year needed to make a short line viable. Editor]

Marine traffic at the port
Joe Tracy, deputy executive director of the Authority, said the port handles two commodities. Salt comes inbound by ship and moves out by truck. A starch byproduct comes in by truck from Canada and is sent out once a year by ship.

The position of the Ogdenburg Bridge & Port Authority
On the sale, Tracy said “there is nothing in the agreement prohibiting a stock sale. We see no downside to this; we are not opposed to a change of ownership. VRS runs a viable operation and has some experience.”

Both the Authority and VRS would like to change some items in the agreement, Tracy said, but the two sides have not initiated discussions about them. {ANR&P discussions 22&23 Jan.02}

24 January, Rutland. ENVIRONMENTAL STUDY OF THE PROPOSED RAIL YARD is underway, said John Weston of Vanasse Hangen Brustlin, the consultants working for the Rutland Redevelopment Authority. He expected some results in March or April which would determine the extent of on-site and off-site impacts [see map and story in 31 August 2001 issue]. {ANR&P interview}

QUÉBEC / MARITIMES

CBNS
28 January. THE RAILWAY AND THE UNION ARE GIRDING FOR A STRIKE. Robert Toole, special representative for the Brotherhood of Locomotive Engineers which represents the engineers, conductors, and trainmen on the freights, explained that the union was certified under provincial labor law in October 2000. Negotiations began in February 2001 and continued into the summer, with the assistance of a conciliator appointed by the Nova Scotia Department of Labor in the later stages. Since the two sides did not agree, the union was permitted, under Nova Scotia law, as of 15 August to give 48-hour notice to begin a strike.

The 34 members of the BLE local twice asked the negotiating committee to re-open negotiations [at a time when CBNS was losing traffic east of Port Hawkesbury due to the closing of the DEVO mines and the failure of a buyer for SYSCO steel to emerge], but Toole said “we did not get too far.” In fact, the company negotiators—Peter Touesnard and Rail America eastern vice-president Jan Polley—either would not or could not set up meetings.

Finally at a meeting on 21 January the union received “draft seven” of the agreement, which did not meet union requests. The
union then gave the railroad the 48-hour notification, meaning it could strike as of 24 January after 3PM.

According to Toole, the negotiating committee delivered a copy of the draft to all members and is now polling them about it. At this point, with 75% of the members contacted, “the general consensus has not changed.”

The issues
Toole listed four. Union members believe that the railroad has not kept an accurate seniority list: 10-12 of the members who began working at CBNS when it took over from CN in October 1993 “are not happy” with incorrect dates.

Second, wages fall well below that of other Rail America properties in Canada, said Toole. “Locomotive engineers on the Mackenzie Northern are making $31/hour; at the E&N $30/hour; at the Ottawa Valley $25/hours; at the Goderich & Exeter $22-23/hour plus profit sharing. [Despite two requests, Toole did not supply the wage rates for two other Rail America properties in Canada: Southern Ontario and .Huron & Eastern. Editor] In comparison, CBNS engineers are making about $19.60/hour with profit-sharing.

Third, Toole listed the profit-sharing. “That’s not in black and white, it depends on management evaluation.” On other lines, for example the New Brunswick East Coast Railway [CFQ not Rail America], the profit-sharing is based on the number of hours worked.

Fourth, BLE members would like better work scheduling so they would be guaranteed a certain number of hours a week.

The negotiating
The management talking is done by Rail America regional vice-president for the Northeast region Jan Polley [the Northeast consists of the Goderich & Exeter, the Southern Ontario, the Ottawa Valley, and CBNS–Rail America website], and CBNS General Manager Peter Touesnard. However, Toole said “they cannot decide on anything without Boca Raton [Rail America headquarters]. This is who is really pulling the strings, the ones who are saying no, this was indicated by the conciliator.”

Toole and David Swales, locomotive engineer and local chair, sit on the union’s negotiating committee along with BLE Vice President and Canadian Director Gilles Halle. The union wants to get rid of profit-sharing and add an increase in wages, which Toole spelled out as a raise in 2001 to $23.50, in 2002 to $24.50, and finally to $25.50 over four years.

Strike and scabs the next step?
With the authorization to strike already in hand, tactical considerations will dictate when or if to strike. The legal permission to strike given on 15 August lasts six months; under provincial law, after that date the union must take another official vote.

If the BLE does walk off the job, Rail America “already has a hotel full of replacement workers from other Rail America properties, plus some retired railroaders,” said Toole. Neither provincial nor federal law requires an engineer to hold a license to drive a train. “It’s up to the company to decide how much training is required.”

If a strike comes, noted Toole, “they may be an international company but we are an international union.” Nevertheless, he’s ready to return to the bargaining table at any time.

Other representation
Toole said BLE is involved as part of the Canadian Council of Railway Operating Unions representing NBEC running trades. However, neither the WHRC nor the NBSR is organized. {ANR&P discussion}

The railroad position
Touesnard commented on a possible lockout: "It is not the intention of CBNS Railway to lockout our employees. Having said that, we have advised our customers that it is our intention to continue to serve them and continue to interchange traffic with CN as per our normal schedules should any strike action be taken by the Brotherhood of Locomotive Engineers."

Wayne August, who handles public affairs for Rail America, added: ‘Due to the sensitive nature of this issue and CBNS's desire to reach settlement on this, we cannot provide any additional information or comments at this time.’ {e-mail to ANR&P 28.Jan.02}

No change
As of press time (noon on 31 January), the contract was not settled, nor had the workers walked out.

Sydney/CBNS
31 January, Sydney.  **TWO GROUPS ARE LOOKING AT PROVIDING NS POWER / EMDR WITH STEVEDORING AND STORAGE OPTIONS IN SYDNEY**, said Touesnard: a Port Authority Group from Sydney and AMCI.

‘CBNS has quoted rates to both groups and they are both trying to convince NSPI/EMERA that it makes financial sense to them to move the majority of their Tupper and Trenton coal over Sydney instead of Aulds Cove. Obviously it is the same volume that they are chasing so if they can convince NSPI/EMERA that Sydney makes sense, only one group will handle the business.’ {e-mail to ANR&P from Touesnard 20.Jan.02}

What facility?
Sources indicated that the price for delivering coal by rail to Trenton and Point Tupper could drop if environmental restrictions limiting the amount of coal stored at the International Pier could be lifted. [More in a future issue.]
STRAIT OF CANSO

Traffic for 2001

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<tr>
<td>Petroleum</td>
<td>16.2 million</td>
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<tr>
<td>Coal imports</td>
<td>1 million</td>
</tr>
<tr>
<td>Aggregates</td>
<td>2.1 million</td>
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<tr>
<td>Gypsum</td>
<td>1.4</td>
</tr>
<tr>
<td>Paper</td>
<td>1.3</td>
</tr>
<tr>
<td>Mulgrave</td>
<td>269,000</td>
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<tr>
<td>TOTAL</td>
<td>21.4 million</td>
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**Petroleum: Statia Terminals**
Statia Terminals was purchased late in 2001 by Kaneb Pipeline Partners. Its facility in the Strait receives petroleum products from supertankers and transloads to shallower-draft vessels. The terminal provides oil companies with blending, processing, and other services for crude oil, refined products, and other bulk liquids.

**Fractionate plant**
Statia handles product for the Sable Island Offshore Energy fractionate plant, located on the old Atomic Energy of Canada Heavy Water Plant property, just north of the Statia Terminals Property. The SIOE plant exports its condensates but rails out its propane and butane [see 28 July 2000 issue]. Rail stops at the fractionate plant just at the border with Statia.

**Coal imports**
Coal lands at Auld’s Cove for railing to Nova Scotia Power’s Point Tupper and Trenton power plants. The terminal is served by a spur from the CBNS main line.

**Aggregates**
Martin Marietta Materials owns the aggregate quarry and the pier in Auld’s Cove.

**Gypsum**
Georgia-Pacific ships out gypsum which arrives at the plant by truck. [Many wish GP would use rail for future delivery].

The Canadian Gypsum Company, a subsidiary of USG Company, operates a gypsum-wood fiber plant at Point Tupper. It operates gypsum quarries in Windsor, Nova Scotia [served by WHRC–see 6 October 2000 issue] and Little Narrows, on Cape Breton. The Point Tupper plant, formerly owned by Louisiana Pacific, is served by rail and does not use its barge wharf. Some product moves to Halifax for export in containers.

**Paper**
The Stora Enso paper-making facility switched to super-calendared paper some time ago. Some of its product is railed out, also.

**Mulgrave Common Wharf**
The wharf handles salt transshipping for Morton, export of paper for Kimberly-Clark [see 19 December issue], and servicing of foreign fishing vessels. [Tom Peters in *Halifax Herald* 9 Jan.02; e-mail to ANR&P from Superport Operations Manager John MacLeod Langley 30 Jan.02]
STRAIGHT OF CANSO FACILITIES
1 Martin Marietta Materials Canada (aggregate quarry, deep-water terminal, rail spur, coal-unloading)
2 Georgia-Pacific Corporation gypsum export facility
3 US Gypsum plant making gypsum fibreboard and exporting. Terminal for a barge.
4 Mulgrave Common Wharf. Salt transloading, foreign fishing vessels, paper export for Kimberly-Clark
5 Stora Enso Port Hawkesbury. Supercalendared paper.
6 Nova Scotia Power generating plant. Rail runs this far south for coal delivery.
7 Stata Terminals petroleum storage and ocean terminal.
8 Marine fabricating facility.
9 Salt caverns, not in current use.
10 Hospital. 11 Nautical Institute/Community College (Strait-Highlands Regional Development Agency website)
12 Sable Island Offshore Energy fractionate plant
PEOPLE, POSITIONS, & EVENTS

Rich Slattery, who handled Guilford-Amtrak relations in Amtrak’s law department, now becomes senior director - rail and state policy. Jad Roberts will assume Slattery’s former responsibility for this relationship.

Lucy Gibson, former planner at the Two Rivers Ottauquechee Regional Commission, started her own consulting firm in Norwich Vermont called Smart Mobility. Executive Director Peter Gregory of the Commission has assumed her responsibilities temporarily. Have a planning/engineering background? Apply to 802-457-3188.

At the beginning of this year, Andrew Devlin became network account manager [see Regional] for CSXT’s Northeast Region, with a territory of eastern Massachusetts, New Hampshire, Maine, and New Brunswick. He started with CSX in April of 1998 as a regional account manager covering all commodities in Massachusetts and Rhode Island. Once CSX went to commodity sales, Devlin joined the Manufactured Products Group covering the same area, prior to the most recent change.

Susan Compton Aylesworth has left the Vermont Agency of Transportation, where she worked as rail program manager, to become Director of Railroad Administration in the Office of Freight, Railroads and Waterways in the Minnesota Department of Transportation.

Le Groupe TRAQ
Sixth annual symposium on railway policy matters and railway safety matters, 30 April to 1 May, organized by TRAQ (Transport sur rail au Québec) in cooperation with Transport Canada and Québec Ministère des Transports. E-mail Louis-François Garceau at traq@total.net.

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