REGIONAL ISSUES

B&A: Update on sale.
CN/B&A/NBSR: Tropical switches to CN.
Emons: Fiscal figures drop in second quarter.
Regional rail: CLF negotiating contract, NYSDOT and MDOT completing freight study.

CONNECTICUT

ConnDOT: Responses to CPTC. Governor’s budget. Transportation Strategy Board recommendations.
HRRC: Still hoping to open bulk transfer facility.

MAINE

MDOT: Rail share drops.

 MASSACHUSETTS

SALT: Vendors of state highway salt.
CSXT: West Springfield railyard, Taunton rail.
BCLR:: Taunton rail update. Map
HRRC: Preparing revised OFA for CSXT.

NEW HAMPSHIRE

CCRR: Lebanon wants to acquire south rail yard.
GRS: Storage tanks move by truck. GRS contests Rymes allegations.
Portsmouth: Rail movement of CaCl done. Scrap beginning to arrive.

RHODE ISLAND

ProvPort: Changes coming.

VERMONT

General Assembly: Bill update, including exempting railroads from Act 250.
AOT: Middlebury spur discussion postponed.
Some still want St.Albans service. Rebuilding the Lamoille Valley remains on the agenda.

TSRD: GRS continues embargo.

MARITIMES/QUÉBEC

CBNS: BLE members walk out. Coal may still save the Cape Breton line.
Sydney: More on Emera purchase of DEVOC.

Halifax: 2001 results, feeder line update, Ceres to get post-Panamax crane, Honda to use Autoport. [second section]
Saint John: 2001 results, demand for public space on east side of harbor. [second section]
Salt: Nova Scotia and New Brunswick highway vendors.

PEOPLE, POSITIONS, EVENTS

Bruce Atkins, Rolf Westphal.

EDITORIAL

Tread carefully, Vermont.

FROM THE PUBLISHER

Second section, redux
As in the first issue of the year, this issue comes in two sections. In the second section I have put—thanks to a suggestion from reader Rian Nemeroff of HRRC—stories already published in the e-bulletin. That gets me down to twelve pages.

Hard copy subscribers who want the second section, please request it by e-mail. All e-mail subscribers should receive the second section with this first section.

Date of next issue
The second February issue will come out by 1 March.

-Chop Hardenbergh

Next issue: 1 March
R E G I O N A L  I S S U E S

B& A S Y S T E M
12 February, Charlestown MA. THE OUTLOOK FOR THE BAR WAS DESCRIBED BY TRUSTEE JIM HOWARD. The financial statements and cash flow reports as filed with the US Trustee’s office show a negative cash flow, meaning all current obligations are not being paid on timely basis. “We’re figuring out how to solve that now.”

Furthermore, all cash now generated is subject to security interests, Howard pointed out, and therefore the railroad can only use cash with the consent of the court. The court has acceded to the request thus far, because the creditors have acceded—after “difficult negotiations.”

If the creditors did not agree, then “we need to persuade the court that the public interest requires continued operation of the railroad.” If the court agrees, then the railroad will get the operating cash. If the railroad at some point becomes unable to continue operations, Howard has the option of asking the FRA for directed service by another entity.

“We hope that revenues will come back soon,” he said, noting that the economy’s general decline, plus Great Northern Paper’s being off-line for a period, reduced the railroad’s revenue.

And what about a sale?
The trustee had “heard from other potential buyers, but it is hard to tell their level of interest. No one has as high a level of interest as the Burkhardt group.” The sale process has taken so long because four entities are involved [BAR, NVR, QSR, and CDAC], one in Canada (QSR) in bankruptcy proceeding [see 16 January issue] and one (BAR) in bankruptcy in the United States. “This is no straight vanilla sale of assets.”

Nevertheless, said Howard, “if all goes smoothly a purchase and sale agreement [with the Burkhardt group] should be coming in terms of weeks rather than months.”

Schedule of assets
This is not yet filed. Howard has another extension of time [see 16 January issue] and expects to file the schedules—“a couple of inches thick”—this week. {ANR&P discussion 12.Feb.02}

CN/B& A/NBSR
6 February. TROPICAL IS MOVING ITS INTERMODAL BUSINESS TO CN, dealing another blow to the B&A System. Tony Peck, who manages operations for Kent Line-Tropical, the brand-name for the service out of Saint John [see 10 October 2001 issue], said the first CN intermodal train will carry product for the outbound ship 17 February. Asked why the change, Peck said: “We need an intermodal product to carry us forward...This product will bring better levels of business to the Port of Saint John.” {ANR&P discussion}

The port looks on the change as “giving CN an opportunity to raise its profile in Saint John, especially in the intermodal area,” according to Port Authority chief Al Soppitt. “One of our selling points is we have two rail systems. We support whatever choice our customers make which will help them.”

As for the impact on the route through Maine, Soppitt said the port is “waiting to see the developments on the CDAC line. CP is still running auto traffic to Saint John for domestic distribution” in the port. {ANR&P discussion 6.Feb.02}

Earlier switches
Before CP sold the Saint John-Montréal line, Kent Line had used it for its intermodal business. Because of uncertainty surrounding the continuation of the line, in late 1994 Kent Line switched its business to CN.

When in 1997 NBSR and B&A proved to have a reliable product, Kent Line switched back to the route through Maine [see 20 November 1997 issue].

What volume?
Peck would only say that the volume had not changed since Kent Line sold the traffic. At that point [see 10 October 2001 issue], Tropical said it would gain about 20,000 TEUs per year. In 1997, the B&A was moving 400 TEUs per week, about half the ship [see 20 November 1997 issue].

Remaining volume
Fred Yocum, B&A president, said if Tropical did drop the B&A service, that would spell the end of the weekly hotspot intermodal train. Remaining traffic, maybe 10 units a week, would run on the regular freight. {ANR&P discussion 14.Feb.2002}

EMONS/SLR
12 February, York PA. EMONS QUARTERLY RESULTS DROPPED compared to a year earlier. Robert Grossman, chair and president, commented, “Results were down for the quarter and six-month periods because of the difficult business climate created by the economic slowdown. Further, our second largest customer, which accounted for approximately 9% of our fiscal 2001 revenues, ceased operations and filed for Chapter 11 bankruptcy protection during the Company’s fiscal 2002 first quarter. Additionally, $143,000 in expenses for professional fees were incurred in the current quarter with respect to the proposed sale of the Company to Genesee & Wyoming Inc. Significant cost cutting measures implemented in the first quarter of fiscal 2002 helped to mitigate the effects of the above items.

“Freight revenues, excluding intermodal, were 11.7% lower in the second quarter of fiscal 2002, as compared to the previous year’s quarter. Carloads decreased 14% in the first quarter of fiscal 2002 to 14,000 from 16,300 in fiscal 2001’s second quarter, while average revenue per carload increased 2.6%. Intermodal freight and handling revenues decreased 13.3% to $378,000 from
$436,000 in the prior year’s quarter due to a 12.5% decrease in intermodal units handled for the current quarter to 3,200 from 3,650.”

Cost-cutting measures
The quarterly report stated:

In response to the downturn in business, the Company implemented a number of operating initiatives during the first quarter of fiscal 2002 to reduce costs and improve cash flow from operations. These include, among other things, reducing the number of daily through trains on New England/Québec operations from two trains to one train by combining the freight and intermodal trains, reducing staff where possible, and eliminating the costs to operate the Berlin Mills Railway and serve [Pulp of America and Paper of America in New Hampshire].

In October 2001, the Company implemented the following additional initiatives to control costs and improve cash flow until business conditions improve: The Company implemented a wage freeze for all employees not subject to a controlling agreement. The Company has not filled a number of open operating and administrative positions. The Company has cancelled all profit sharing and incentive compensation plans for fiscal 2002. The Company has eliminated or deferred discretionary spending, eliminated all but essential overtime, and is continuing to monitor costs to identify other expenses that can be eliminated or deferred. The Company has curtailed capital expenditures that are not immediately necessary to run operations efficiently and safely.

The Company believes that these measures, which are not expected to negatively impact our commitment to on-time and consistent customer service, will enable the Company to continue to operate profitably and generate sufficient cash to fund operations in the near term in the event that the merger of ETR with and into the Company is not consummated, providing business levels do not materially deteriorate below levels experienced in the six-month period ended December 31, 2001. However, there can be no assurance that business levels will not materially deteriorate from current levels.

Closing date set
Grossman continued: “A meeting of Emons’ shareholders is scheduled for February 20, 2002. If the shareholders approve the merger, the closing is expected to take place on February 22, 2002. Shareholders would then receive $2.50 per share in cash for each share of common stock held on the date of closing.”

Operating revenues dropped 17.4% from the same quarter a year ago, and 15.6% from the same six months a year ago. {Emons press release}

REGIONAL RAIL
11 February, Concord NH. WILBUR SMITH WAS CHOSEN TO DO THE REGIONAL RAIL PLAN for the Northern New England Rail Revitalization Project, coordinated by the Conservation Law Foundation [see 19 November 2001 issue].

Nancy Girard, lead attorney at the Concord office, is currently negotiating a contract and schedule of work. {ANR&P discussion}

12 February. MDOT AND NYS DOT ARE HEADING A FREIGHT TRANSPORTATION STUDY AND INVENTORY, to raise the awareness of the importance of freight transportation to the economy. The brainchild of MDOT Commissioner John Melrose and NYS DOT Commissioner Joe Boardman [see 18 May 2001 issue] under the aegis of NASTO (North Atlantic State Transportation Officials, which includes Canadian provinces as adjunct members), the study will cover the region from Maryland to Labrador.

Kevin Rousseau, who is overseeing the project for MDOT, said the survey is finding out which states or provinces are doing what on freight, what the needs are for different states and provinces for funding especially for the re-authorization of TEA-21, and making a map of freight flows. “We’ve done phone and personal interviews with all DOTs starting in November 2001.”

Rousseau and others aim for completion in early April, for presentation to the NASTO meeting in Newport RI in April. {ANR&P discussion 12.Feb.02}

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended December 31,</th>
<th>Six Months Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenues</td>
<td>$5,401,042</td>
<td>$6,542,030</td>
</tr>
<tr>
<td>Income Before Taxes</td>
<td>397,998</td>
<td>854,555</td>
</tr>
<tr>
<td>Provision for Income Taxes</td>
<td>138,000</td>
<td>280,00</td>
</tr>
<tr>
<td>Net Income</td>
<td>$259,998</td>
<td>$574,551</td>
</tr>
</tbody>
</table>
Connecticut

ConnDOT

15 January. THE TRANSPORTATION STRATEGY BOARD CALLED FOR BETTER FREIGHT MOVEMENT in its interim report to the General Assembly. For rail and marine, Goal 2 ‘Improve the Movement of Goods and Freight within and through Connecticut’ included this:

Objectives
Rail ensure adequate rail freight infrastructure · ensure adequate rail freight facilities · address the lack of a rail crossing over the Hudson River.

Water provide improved port facilities · integrate Long Island Sound barge services with the freight transport system · define niche markets for State ports · evaluate the use of ferry service for the movement of goods.

Other provide critical missing links connecting Connecticut to regional and international markets · improve connections to regional, national, and international networks · provide intermodal integration of freight transport systems

Challenges
Rail lack of east/west rail corridors for through and local freight movement · connectivity of rail freight system over the Hudson River · control of rail lines is split among different private companies · infrastructure constraints along the Northeast Corridor, including catenary height and rail maintenance requirements · scheduling conflicts between rail freight and rail passenger services.

Water difficulty of expanding port capacity and improving port access · ownership / control issues at some ports · dredging of harbors.

Active initiatives/programs
Rail · construct miscellaneous freight improvements · construct a bulk transfer facility, Housatonic RR · tax credit program for freight rail improvements · capital assistance for Middletown North Freight Rail project.

Water · evaluation of a freight Feeder Barge Service in Long Island Sound from the port facilities of New York and New Jersey* · completion of the development of the State Pier Warehouse, New London.
* Projects included in Section 16 of Public Act 01-5

Next steps
Bob Hammersly, staff of the Board, said the section ‘Active initiatives/programs’ referred to steps the state is now taking or recently completed. The interim report makes no recommendations; those will come in the Strategy Board’s report to the General Assembly on 15 December 2002. The ‘Section 16’ actions were intended to move ahead, “to fill the gap between the creation of the board and later recommendations.” {ANR&P discussion 12.Feb.02}

31 January, Newington. ConnDOT RESPONDED TO THE RECOMMENDATIONS OF THE CPTC, as required by law [see 16 January issue for the Connecticut Public Transportation Commission recommendations].

Amtrak to construct sidings at Guilford
‘Due to the financial constraints of Amtrak, they do not currently have a construction schedule.’

Commuter rail New Haven-Hartford-Springfield
‘The consultant Wilbur Smith is hired to study this service, and complete the study by April 2003.’

Participate in the Mid-Atlantic Rail Operations Study
ConnDOT declined to do so, stating that the major choke points lay between DC and New Jersey. However, ‘it is recognized from this study and by the Northeast Association of State Transportation Officials that there is a need for a comparable study, incorporating the findings of this [Mid-Atlantic] study, in New York State and New England. Discussions are underway concerning study sponsorship, management, and a forum for bridging regional studies.’ {text of response from ConnDOT Commissioner Kevin Sullivan}

11 February. DESPITE A BUDGET SHORTFALL, THE GOVERNOR PROPOSED TO INCREASE THE TRANSPORTATION BUDGET last week. He proposed to keep the ‘Strategic Immediate Action Projects’ identified by the Transportation Strategy Board [see above].

In addition, the budget proposed to continue major waterway improvements currently underway, or soon to be started:
• Reconstruction of the west side of the Admiral Shear State Pier.
• Construction of a 50,000 square foot Warehouse at the State Pier. {Mobilizing the Region Issue 352 February 11, 2002}

HOUSATONIC RAILROAD
11 February. THE RAILROAD IS HOPING FOR TRAFFIC FOR ITS BULK TRANSFER FACILITY this spring at Hawleyville [see 10 October 2001 issue]. It needs some “tiny things” to be complete, said Executive Vice-president Ed Rodriguez. {ANR&P discussion}

[As the Transportation Strategy Board reported, the facility received some state funding, $385,000 or 70% of the facility cost. See 23 December 2000 issue].
MAINE

MDOT

5 February, Augusta. THE FRACTION OF MAINE FREIGHT MOVED NON-TRUCK DROPPED over the past three years, according to a report issued by the Maine Economic Growth Council, Measures of Growth 2002. Relying on figures supplied by MDOT, which in turn obtained them from Reebie Associates, the report stated: ‘In 2000, approximately 90 percent of all manufacturing freight tonnage transported in Maine was done by truck, while 10 percent was shipped by rail, water, and air. This is an increase from 1997, when 89 percent of shipping was done by truck and 11 percent by other means. In total, an estimated 105 million tons of freight were shipped in Maine in 2000. Overall, the amount of manufacturing freight shipped in Maine increased 17 percent from 1998 to 2000.

‘A good business climate requires an efficient transportation system. While trucks serve as an important means of transport in Maine, it is often more efficient to use other modes to carry large amounts of cargo. The increase in heavy truck traffic has increased traffic congestion and the rate of pavement loss and bridge stress, particularly on older local and secondary highway systems, all of which reduce the speed of travel. The situation also can translate into increased highway and bridge funding needs.

‘Improving the balance among transport modes will result in increased modal choice and competition, which will increase the efficiency of Maine’s transportation system. Maine has a number of underutilized transport modes: railroads, airports, and seaports that can efficiently transport large amounts of cargo. Greater utilization of rail in particular, as well as air and seaports, would increase competition and relieve the dependency on the traditional road system.’

Breakout figures

MDOT’s Kevin Rousseau provided more Reebie figures (in short tons):

<table>
<thead>
<tr>
<th>Mode</th>
<th>2000</th>
<th>1998</th>
</tr>
</thead>
<tbody>
<tr>
<td>truck</td>
<td>94.6 million</td>
<td>90.1%</td>
</tr>
<tr>
<td>rail</td>
<td>6.6 million</td>
<td>6.3%</td>
</tr>
<tr>
<td>water</td>
<td>3.8 million</td>
<td>3.6%</td>
</tr>
<tr>
<td>air</td>
<td>16,739 tons</td>
<td>0.0%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>105 million</td>
<td>99.9 million tons</td>
</tr>
</tbody>
</table>

Curiously, the American Association of Railroads reported that rail accounted for 8,237,340 tons in 2000, in 113,996 carloads. {AAR website}

MASSACHUSETTS

SALT

MASSACHUSETTS ROAD SALT VENDORS

<table>
<thead>
<tr>
<th>salt provider</th>
<th>pile/delivery</th>
<th>source</th>
<th>Districts served</th>
</tr>
</thead>
<tbody>
<tr>
<td>Granite State Minerals</td>
<td>Portsmouth NH/ship</td>
<td>various sources</td>
<td>2A, 5C</td>
</tr>
<tr>
<td>Cargill</td>
<td>Westfield MA/rail</td>
<td>Cleveland, Ludlowville</td>
<td>2B</td>
</tr>
<tr>
<td>International Salt</td>
<td>Albany NY/ship</td>
<td>Chile</td>
<td>1A, 1B</td>
</tr>
<tr>
<td>International Salt</td>
<td>Portsmouth NH/ship</td>
<td>Chile</td>
<td>4A</td>
</tr>
<tr>
<td>Morton</td>
<td>Providence/sh ip</td>
<td>Mexico, Bahamas, Spain (all solar)</td>
<td>3C, 5A, 5B</td>
</tr>
<tr>
<td>Eastern Salt Inc</td>
<td>Chelsea/ship</td>
<td>various</td>
<td>3A, 3B, 4B, 4C, 4D</td>
</tr>
</tbody>
</table>

{Salt Award Breakdown - VEH40 from Comm-Pass website}

Pre-mix sodium and calcium chloride

InternationalSalt won the contracts for all Massachusetts districts. {VEH43 from Comm-Pass website}

CSXT

6 February, West Springfield. AN UPDATE ON RAILYARD REDEVELOPMENT [see 19 December 2001 issue] was provided by Tim Brennan, executive director of the Pioneer Valley Planning Commission (PVPC). Locally, the city has set up a redevelopment corporation. On the regional level, PVPC is understanding the hoops it must jump through to draw down the federal earmark of $400,000. {ANR&P discussion}

13 February. RAIL DEVELOPMENTS IN TAUNTON, MASSACHUSETTS. [See map.]

Myles Standish Industrial Park tenants

The park has four active rail tenants served by CSXT twice weekly [see 7 November 2001 issue]. The spur was built in 1974 off the
stub of the former New Haven line between Attleboro Junction and Mansfield; the balance was abandoned in 1965.

**Agar Supply.** An independent foodservice and retail distributor since 1940, with a 285,000SF facility. {Agar website}

**Retail Printing.** A facility for printing newspaper inserts acquired by Quebecor in June 2001 when it acquired Retail Printing Corporation. Quebecor World was already operating a much larger rail-served printing facility, doing magazines, at Cotley Junction, near the proposed East Taunton Industrial Park [see below]. {Quebecor website}

Bill Foster of Retail Printing said his customers order their own paper and have it shipped three to four weeks in advance. He gets three to four cars per week directly to his facility from the Montréal/Québec area. He prefers to get paper through Munson Warehouse (ProLine) in Springfield as needed, because his Taunton facility has limited room. {Discussion with ANR&P correspondent Malcolm Laughlin 11.Feb.02}

**P&O Logistics.** As Condyne Logistics, this facility became operational in the first quarter of 2000, with an estimated 600 carloads a year inbound with frozen foods [see 14 April 2000 issue]. In February 2001, P&O Cold Logistics (POCL—a branch of the P&O group) entered the market in New England through the acquisition of the refrigerated logistics assets of the privately-owned Condyne Group of Massachusetts for approximately US$20 million, subject to earnout over the next two years.

POCL obtained two large distribution centres in Taunton and Avon, Massachusetts and a fleet of temperature-controlled vehicles. Additionally the acquisition includes the operation of a dry goods distribution centre designed to service the requirements of a major international supermarket group. {P&O press release 22.Feb.02}

**Huttig Building Products.** The distribution facility, with rail access used at one point in the past, is part of ‘the largest distributor of building products in the nation.’ {Huttig website}

According to Dick Shafer, executive director of the Taunton Development Commission, Perkins Paper, a distributor of restaurant products, looked closely at rail access for its new building in the park, but decided its long-term truck system was working well and decided not to build a rail spur.

**East Taunton Industrial Park** [see map]
The Commission is deciding to develop in three phases. It wanted to do the area designated Phase III first, but the installation of a grade crossing—to permit trucks to exit the Phase III area via the Phase II area—requires working through permitting issues with MBTA and CSXT. Without it, explained Shafer, the salt company, which prefers the Phase III area because of a good price, would have no truck access except through a residential area. So the Development Corporation is postponing the grade crossing issue to Phase III. “We have strong interest in the non-rail side of the park” (Phase I). Shafer expects to close on the property and get the necessary permits by mid-year.

**Paying for spur construction**
The railroad, CSXT in this case, does not normally pay for spurs. The Corporation paid for the spur into the Myles Standish park; the one for the East Taunton park will be shorter and hence cost less. But the switch off the main line must be purchased. The Corporation recovers the cost of the spur through its land sales. The client in the park pays for construction of its own siding; CSXT will reimburse, via a rebate on transportation costs, toward the siding cost based on usage. {ANR&P discussion February 7, 2002}

**BAY COLONY**

**Bay Colony customers in the Taunton area**
BCLR maintains an engine on the Dean Street branch, a part of the former Dighton & Somerset Railway, at Ventura Grain, the customer at the end of the line who uses about 100 carloads a year [see 12 March 1999 issue]. American Rock Salt is using the salt site on Dean Street [formerly Gallo Construction used it for Cargill salt and flyash—see 17 December 1999 issue—for 100-800 carloads a year—see 12 March 1999 issue]. BCLR has one other customer on the line, Northeast Refrigerated near Weir Junction using about 200 carloads a year [see 12 March 1999 issue], and a team track.

**Possible new MBTA route**
A alternate route for the MBTA Fall River/New Bedford service might run along the Raynham Branch of the former Dighton & Somerset Railroad. This possibility led Taunton City Councilor Charles Crowley to get the Council to renew its opposition to a Taunton route for the service, even though the alternate route would reduce the number of grade crossings [and keep the T service away from the three customers of the Bay Colony Railroad on the Dean Street branch—editor]. But Raynham Selectman Gordon Luciano doesn’t want that route, as trains would then run through the backyards of some homes in North Raynham. {editorial in Taunton Gazette 3.Feb.02}

**HOUSATONIC RAILROAD**
11 February. **HRRC IS PREPARING A REVISED OFFER OF FINANCIAL ASSISTANCE** to purchase the branch north out of Pittsfield [see 19 December 2001 issue], reported Executive Vice-president Ed Rodriguez, for submission “this week or next week.”
NEW HAMPSHIRE

CONCORD CLAREMONT

12 February, Concord. The struggle over the future of the West Lebanon rail yard continued at the New Hampshire General Court. The municipal and county government committee held a hearing on an amendment stating that notwithstanding the ‘440 process’, the state must sell the southern part of the rail yard to the City of Lebanon for one dollar.

Jim Marshall, director of public works and transportation, explained that the 440 process required the state, before disposing of any property, to offer it to any state agency, then ask a legislative committee who would determine if the state wanted to get rid of it, and at what price (normally fair market value, which Marshall estimated at $400,000 once cleaned up), and then the governor and council must approve the de-accession.

Observers believed the bill would certainly fail.

Origin: Lebanon wants the south part

The City Council, meeting on 6 February, voted to ask the legislature to turn over the south part for a dollar to the city. A local state representative agreed to sponsor the amendment.

Claremont Concord position

Lori Barnes, CCRR principal, noted she had a long-term lease on the entire yard. The legislature cannot constitutionally overturn that lease. Even if it could, the legislature’s voiding of that contract would set a terrible precedent, permitting any locality to seize revenue-producing state property.

NHDOT position on the southern part

Marshall said Barnes’ lease identifies the entire 20-acre yard. “She has a binding contract and the right to use the yard.”

The southern part [see map 26 May 2000 issue], said Marshall, contained 9-10 acres. Of that, the railroad had agreed to give up about 4.5 acres for public use as a river walk, and one acre for public use around the roundhouse. The railroad wants the remaining five acres for rail activity, and “the state is obliged to accept this.”

The state has invested $1 million in the property, the railroad several hundred thousand; “the city has not spent a dollar yet.”

CCRR about to invest in north part

Barnes said the railroad “is about to invest $500,000 in” a cement transload facility in the north part of the yard. The user, Lafarge Cement, will give the railroad carload guarantees over next five years.

City position on the cement facility

Ken Niemiec, the city planner said the city attorney had informed city officials that federal law pre-empts the city asking for building permits or planning board approval for the cement facility. The officials do have a concern about traffic generated, noise, and dust. The city counsel believes that the city can ask for a site plan, and provide comment to the railroad. (ANR&P discussions 11&15.Feb.02)

GUILFORD RAIL

11 February, Plaistow. Lack of an appropriate car forced Chart Industries to ship by truck, according to Tom Lawrence, transportation manager. Chart—formerly Process Engineering—“tries to use rail where possible” to ship its product, cryogenic storage tanks. In a recent instance, Lawrence had two 95-foot long, 12'2” wide and high, 153,500-pound tanks for shipment to Fishkill, New York.

Guilford attempted to accommodate the need by showing Chart, in Deerfield Massachuesetts, 12 different flatcars which arrived there. Some had steel rigging which made loading the tank impossible; others could not handle the weight, and in still others the brake handle interfered. In the end, Lawrence had to ship by truck over circuitous routes, “spending a lot more money and having to get overweight permits.” The truck routing has become more difficult since the State of Vermont has barred this kind of shipment on its highways.

More on overweight/oversize loads

Lawrence related that ‘we try and ship six to ten loads per year via rail. That number would increase if we could get better dependability from the rail lines. Right now we tell customers in California that it will take five to six weeks for delivery by rail, two to three via truck.

‘The whole problem is that over-dimensional loads account for 2% of the railroad’s business so we are basically a thorn in their side.

‘The problem in Vermont will be an on-going problem. It is going to take the surrounding states (MA, CT, VT, RI and NH) getting together and finding a solution to this problem.’ (ANR&P discussion 11.Feb.02)

More about Chart Industries

Chart Industries is the leading supplier of cryogenic equipment and services in the world. Headquartered in Cleveland, Ohio, the Company's broad product lines are each established leaders in the markets that they serve. Chart has domestic operations located in 13 states and international operations located in China, Czech Republic, Germany, and the United Kingdom.

Its Storage Systems Division, headquartered in Burnsville,
Minnesota, has four other operating units in addition to Plaistow: three in the United States and one in China. [Chart website]

22 January, DC. **GUILFORD CONTESTED RYMES’ ALLEGATIONS** [see 16 January issue] in its response filed with the Surface Transportation Board. It noted that under the Trackage Rights Order (TRO) issued by the Interstate Commerce Commission in 1990, Amtrak has priority over freight traffic, and for freight, ‘[t]rains providing local work are not entitled to priority over trains that are not providing such work.’

The response also described the reason the TRO gave GRS exclusive rights to the existing shippers. Guilford was paid for its loss of ownership of the Conn River Line, as a going concern. The amount Amtrak was required to pay to acquire the line was significantly decreased because Guilford retained the exclusive right to serve existing customers, a right worth at least some of the ‘going concern value.’ The response noted that if Guilford were deprived of ‘all or a part of these rights, the payment of just compensation to Guilford would be required.’ [footnote one]

**Guilford service was adequate**

‘While Guilford did experience some difficulty in providing service to Rymes between late 1999 and early 2000, as well as during the winter of 2000-2001, Guilford scheduled three-day per week service [nota bene: ‘scheduled.’ Editor] on the Conn River Line throughout those periods. Moreover, in recognition of these operational issues, Guilford worked diligently to ensure that the shipping needs of its customers were being met during that difficult period. Finally, most service failures that did occur were due to circumstances beyond the control of Guilford.’

GRS described the difficulty of providing service and switching along the 50-mile Conn River line from East Northfield to White River Junction and back. The line has two Amtrak trains daily (one northbound, one southbound *Vermont*) plus three NECR freights (one northbound from Brattleboro, one southbound from White River Junction, and one southbound switching train). GRS runs one train, running northbound and southbound on alternate days. ‘Thus traffic on the line is considerable, time is at a premium, and Guilford’s trains—especially those serving local customers such as Rymes—are at the bottom of the pecking order.’

‘Although NECR is required to set its schedules “with due regard” to Guilford’s needs, in practice a dispatching carrier’s traffic receives priority.’

**Rymes Heating Oil is not a new customer**

Under the TRO, GRS has the right to serve all new customers that locate at facilities at rail sidings existing prior to the TRO and which tendered traffic to GRS in the 12 months before the TRO. Its response stated: ‘Rymes alleges that since 1995, the Distribution Center has been located on approximately 650 feet of track installed by Rymes. This length of track connects not to the Conn River Line, but to a pre-existing rail siding that in turn connects to that line. The siding that connects to the Conn River Line, and from which Rymes’ track was extended in 1995, has existed since well before 1987 and has been served continuously by Guilford since at least 1987. During the twelve-month “window” established by the TRO (September 9, 1987 through September 9, 1988), Guilford handled numerous shipments to and from Claremont Foundry, which then was located on the siding in question.’ Eastern Bridge is now located on the siding.

Guilford argued that ‘if a siding received or tendered rail shipments during the twelve-month window, any shipper or facility on that siding is within the exclusivity provisions’ of the TRO....

‘While it is true that the track immediately adjacent to the Distribution Center did not exist in 1987-1988, the siding that connects to the Conn River Line existed, and was served by Guilford....All that Rymes did in 1995 was extend that siding to reach the Distribution Center.’

**GRS responds to new allegations**

The response addressed three of the five mistakes listed in the 16 January 2002 Atlantic Northeast Rails & Ports. The cars mis-delivered to CCRR were handled by NECR, not GRS. The deliveries to the storage track rather than the unloading track, GRS said, were ‘acceptable because Rymes has a trackmobile that can easily move loaded and empty cars within Rymes’ facility regardless of the track on which they were originally placed.’ [GRS did not address the fifth mistake: asking why it had ten cars for Rymes in Brattleboro, and then finding out they were empty cars. GRS was supposed to haul south. Editor] {STB Finance Docket No.34097, GRS response found under ‘Filings’}

**PORTSMOUTH**

4 February. **SCRAP METAL WILL RETURN TO THE MARKET STREET MARINE TERMINAL.** [See 22 March 1998 issue: Scrap Metal, Ports, and Rail in New England.] John Black, representing Rensselaer Iron and Steel of Albany NY, and Grimmell Industries of Lewiston and Topsham, Maine met with the Portsmouth City Council at the request of City Manager John Bohenko. On 24 January, the Pease Development Authority (PDA) approved a contract for scrap shipping at the terminal.

Black told the City Council: “The reason for coming to Portsmouth is that ships cannot be fully loaded at the New York facility because the water is not deep enough. We can load 15,000 to 20,000 tons but we need 30,000 to 35,000 tons to fill a ship. We plan on six ships a year coming to Portsmouth.”

**City concerns**

Bohenko and councilors were concerned about the length of time scrap is stored, any possible shredding at the port, and the truck traffic. Black said no processing would occur, and scrap would...
remain only until a ship arrived to take it away. At the PDA meeting, the companies agreed to move the scrap every ninety days, except two initial periods of 120 days to get the operation rolling. {Karen Dendurant in *Portsmouth Herald* 7.Feb.02}

**Loading the ships**

Later, Gary Grimmell, who owns both Rensselaer Iron and Steel and Grimmell Industries, said he estimated that his companies would load the equivalent of six half-ships [apparently about 90,000 tons—editor] over the year. He might top off steel loaded in Albany, or top off a ship from another source, or load an entire ship in Portsmouth.

**Scrap inbound**

The first load of scrap arrived by truck on 11 February. Geno Marconi, general manager of the Market Street Marine Terminal, said Grimmell expected some scrap to come in by rail as well. {ANR&P discussion 11&13.Feb.02}

11 February. *ISCO IS FINISHED WITH SALT MIXING*, said Geno Marconi. The International Salt Company brought in calcium chloride by rail to mix with the sodium chloride [see 6 December 2001 issue], at the rate of five to six cars a week.

They were unloaded into a hopper by a conveyor installed under the railroad tracks by Guilford Rail. {ANR&P discussion}

**RHODE ISLAND**

**ProvPort**

12 February. *CHANGES ARE COMING* to the port, according to Ray Meter, “not negative.” He declined to describe in advance what would happen, advising “call back around June 1st.” {ANR&P discussion}

**VERMONT**

**GENERAL ASSEMBLY**

11 February, Montpelier. *THREE BILLS ON RAILROADS* showed up in the General Assembly’s website, searching under ‘rail’:

H.0336 Compensating landowners for land originally taken for a railroad. Introduced in 2001, this is still mired in the House Transportation Committee.

H.0343 Trespassing on railroad property. Introduced in 2001, this is still mired in the House Judiciary Committee.

H.0674 The development of railroad infrastructure through an exemption from the Act 250 process. [See below.]

5 February. **AN ACT TO EXEMPT RAILROADS FROM THE ACT 250 PROCESS** was introduced to the House Transportation Committee this day, sponsored by Richard Pembroke. It fulfills the desire of the Vermont Railway Association for some action [see 16 January 2002 issue]. The significant change is made in 10 VSA 6001:

The word “development” shall not include construction for farming, logging, forestry or railroad transportation purposes below the elevation of 2,500 feet. The word “development” also means the construction of improvements on a tract of land involving more than 10 acres, which is to be used for municipal, county or state purposes. In computing the amount of land involved, land shall be included which is incident to the use such as lawns, parking areas, and roadways, leaching fields and accessory buildings. In the case of a project undertaken by a railroad, no portion of a railroad line or railroad right-of-way that will not be physically altered as part of the project shall be included in computing the amount of land involved. In the case of a project undertaken by a person to construct a rail line or rail siding to connect to a railroad’s line or right-of-way, only the land used for the rail line or rail siding that will be physically altered as part of the project shall be included in computing the amount of land involved.

(27) “Railroad” means a switch, spur, track, terminal, terminal facility, and a freight depot, yard, and ground, used or necessary for transportation.

(28) “Railroad transportation” means a locomotive, car, vehicle, vessel, warehouse, wharf, pier, dock, yard, property, facility, instrumentality, or equipment of any kind related to the movement of passengers or property, or both, by rail, regardless of ownership or an agreement concerning use; and services related to that movement, including receipt, delivery, elevation, transfer in transit, refrigeration, icing, ventilation, storage, handling and interchange of passengers and property.

Sec. 2. 10 V.S.A. §§ 6081(i) is amended to read:

(i) The repair or replacement of railroad facilities used for transportation purposes, as part of a railroad’s maintenance, shall not be considered to be substantial changes and shall not require a permit as provided under subsection (a) of this section, provided that the replacement or repair does not result in the physical expansion of the railroad’s facilities. Prior to any construction for railroad transportation purposes, no later than 30 days before commencing construction, a railroad shall provide copies of any applicable plans to the local planning commission, the regional planning commission, the district environmental commission, the agency of transportation, the agency of natural resources and the state fire marshal, for review
and comment, and shall make a good faith effort to address any concerns raised if it can do so without unduly restricting the railroad from conducting its operations. Any construction project for railroad transportation purposes shall comply with all applicable:

(1) federal environmental laws;
(2) state waste management laws; and
(3) electrical, plumbing, or other building code or other health requirements. (legislative website)

AGENCY OF TRANSPORTATION

13 February, Montpelier. AN UPDATE ON SOME RAIL ISSUES following the meeting of the Vermont Rail Council was provided by Charlie Miller, head of the VAOT Rail Division.

Middlebury Rail Spur. Discussion of the spur to serve the OMYA quarry [see 24 September 2001 issue] was postponed a second time, this time to make room for a discussion of high-speed rail by consultants Parsons Brinckerhoff [see 31 January issue].

Lamoille Valley. Miller told the VRC about the legal situation, with LVRC remaining the common carrier [see 31 January issue]. As for the legislature’s attitude toward it, Miller noted the legislature had told VAOT not to expend any funds while it was studying the Vermont Rail Link proposal [see 15 June 2001 issue]. The study, completed in November 2001, has gone to the General Assembly. Some such as Rail Link see it as positive for rail, others such as the Mountain Valley Consortium see it differently, said Miller. [More in a future issue.]

Miller believed that the legislature, consumed with a budget shortfall, will not focus its attention on the LVRC issue for some time.

Trial commuter service from St. Albans. While the Joint Legislative Council failed to move ahead as some wanted in autumn 2001 [see 19 December 2001 issue], the project “remains alive and certainly talked about on Senate side,” according to Miller. “Senator Mazza would like to see it happen.” {ANR&P discussion 13.Feb.02}

TWIN STATE RAILROAD

January. GRS CONTINUED THE TRAFFIC EMBARGO OF THE RAILROAD: ‘ST Rail System, Emb No. 1-02, effective 1/30/2002, all traffic to, from or via the following stations in the states of Vermont and New Hampshire: Saint Johnsbury, VT (FSAC 00268), Gilman, VT (FSAC 00113), Whitefield, NH (FSAC 00307) is embargoed due to track conditions, no exceptions. (CS #5) {ASLRRRA Views and News} [See 20 October 2000 issue.]

QUÉBEC / MARITIMES

CAPE BRETON & CENTRAL NS

4 February, Stellarton. THE CAPE BRETON LINE’S FUTURE LOOKED A LITTLE BRIGHTER, said General Manager Peter Touesnard. “There is nothing definite, but it seems to be a little brighter on the horizon now, than before” CBNS had its first meeting with AMCI. “There seems to be sound financial footing for NSP to seriously consider Sydney as the port to handle the majority of coal to Point Tupper and Trenton.”

The future of the Cape Breton line

CBNS has not yet applied for leave to abandon the line. Touesnard said, “We have committed to the province to the end of March. In early March we would know if there is something to sustain the line.” {Wes Stuart in Cape Breton Post 5.Feb.02}

Emera attitude

Earlier, Emera spokesperson Alison Gillan had said. “We are interested in the economic delivery of fuel, and the original price to bring the coal into Sydney and rail it to those two plants was not economical.” {ANR&P discussion 10.Jan.02}

6 February. THE OPERATING PEOPLE WALKED OUT AT 7AM. Robert Toole of the Brotherhood of Locomotive Engineers, which represents the operating crafts, said the company had made it clear during presentations in the past few days that it was “not willing to talk one minute about wages” but would talk about other issues.

The company “has some scabs lined up” but he did not know if the railroad had resumed operations. “The members are strongly behind this.”

Effectiveness

Locally, a source at the railroad said it was experiencing some delays due to snow and high winds, but “we are not shut down.” {ANR&P discussion 6.Feb.02}

Previous strike

Since the 1994 founding of Atlantic Northeast Rails & Ports, no strike has occurred in the region. The March 1995 Canadian Pacific strike did affect the region’s railroads, however [see 31 March 1995 issue].

13 February. THE RAILROAD WAS OPERATING THROUGH THE STRIKE. Margaret Murphy, spokesperson for coal receiver Nova Scotia Power, said “we’re not seeing much difference....The
railroad is managing to move supplies to Trenton adequately from Auld’s Cove,” where the imported coal lands.

And Dan Hill, materiel manager for Kimberly-Clark Nova Scotia, a paper producer, said “we’re getting rail service, not to the level that we had before, but the railroad is keeping us going.” Normally, he explained, the railroad would switch his plant, located near New Glasgow, twice a day if needed. Yesterday, for the first time since the strike began, CBNS did switch twice.

Outbound traffic of Kimberly-Clark
Hill explained that about one-third of the total production is exported to Europe. “We use the port of Pictou as much as possible, but in the winter it gets iced up.” The ship’s captain has the option of using Mulgrave, in the Strait of Canso [see 31 January 2002 issue]. Kimberly-Clark’s product, bleached kraft pulp, moves by barge to the port sites.

Much of the production moves out by rail, about 170,000 tonnes. Kimberly-Clark formerly exported pulp by barge to Chester, Pennsylvania out of Sheet Harbour, but the demand from Chester has fallen off, and rail is cheaper than barge. {ANR&P discussions 13.Feb.02}

Much of the wood is drawn from the one million acres on the Nova Scotia mainland owned and operated by the Timberlands Division. {excerpt from a help-wanted ad}

SYDNEY/CBNS
19 December. **CORRECTIONS AND MORE DETAILS ABOUT EMERA’S PURCHASE OF THE DEVCO SURFACE ASSETS.**

- Emera also bought the Point Tupper unloading facility. DEVCO had owned the facility at the Point Tupper power plant used to unload coal railed to that facility.

- Correcting the story in the 19 December 2001, Emera did not buy the Victoria Junction facility, but only leased it for two years. [The facility is no longer used for washing coal–see 15 December 2000 issue.]

- Correction: Emera owns the Lingan and Point Aconi generating stations [not mines].

- In 2000, about two million tonnes moved through the Sydney facilities. Emera anticipates that this volume will continue. [press release from company website]

Spokesperson Alison Gillan later explained that about one million tonnes came out of the Prince mine, and about one million tonnes over the International Pier. With the closure of the Prince mine, about two million tonnes a year of coal will move over the International Pier for the Lingan and Point Aconi power stations. The Sydney Coal Railway will move the coal from the pier to Victoria Junction for storage.

Since NSP consumes about 2.7 million tonnes per year, the Auld’s Cove import facility handles the balance, or about 700,000 tonnes. {ANR&P discussion 10.Jan.02}

SALT

**NOVA SCOTIA HIGHWAY SALT VENDOR**
The province asks for tender offers annually to supply salt, from a list of two or three on its ‘standing offer list.’ “Reputable companies” are placed on the list for salt procurement at the Nova Scotia Department of Transportation and Public Works. Richard Perry, director of public affairs for the department, said since 1998 Canadian Salt [a subsidiary of Morton Salt with a mine at Pugwash, Nova Scotia–see 31 January issue] has won the contract.

The province holds a separate bid for trucking the salt to the 14 districts within the province. Perry said the average delivered price (Canadian Salt per ton price plus delivery) came to $42/tonne Canadian.

Some salt does come from Mulgrave, where Canadian Salt transloads for transport by ship south [see 19 December 2001 issue, Strait of Canso]. {ANR&P discussion 11.Feb.02}

**NEW BRUNSWICK HIGHWAY SALT VENDOR**
Annually, the province twice asks for offers to supply highway salt. The first, in April, requests salt for stockpiling beginning in July, about 60-70% of the annual requirement. The second requests a price for salt on demand, for later in the winter. Both prices are for supply at the mine, or entry point into New Brunswick. According to Bruce McFarlane, who handles the salt for the New Brunswick Department of Transportation, the province conducts a separate tender for trucking to 90 storage locations.

For this year, Cargill Salt in Sussex NB has won the salt tenders. Prior to the Sussex operation opening, Canadian Salt in Pugwash NS won. The province pays Cargill C$36/tonne, and a total average delivered price of about C$45/tonne. {ANR&P discussion 7.Feb.02}

PEOPLE

Bruce Atkins of Sprague moved into the company’s marketing division. Rolf Westphal will succeed Atkins as manager, terminals and marketing, for Sprague. {ANR&P discussion 6.Feb.02}
EDITORIAL

TREAD CAREFULLY, VERMONT
The Vermont Railway Association is backing a bill, H674 which will help railroads in their effort to develop traffic. A plus! But it does so by exempting railroads from Vermont’s Act 250, the statute which regulates development.

I understand the reasoning behind the bill: courts have generally ruled that federal railroad law pre-empts state efforts to regulate railroads. Strictly speaking, then, the bill only codifies existing common law. In fact, the bill makes explicit excellent safeguards by stating that the rail development must comply with federal environmental laws and state waste management laws.

An uneasy feeling still remains. I have long admired Vermon ters’ Act 250, for its effect is easily appreciated travelling through the bucolic countryside. I want the protection of Act 250 to remain.

Atlantic Northeast Rails & Ports aims to help railroads, because they provide more environmentally-friendly transportation than trucks. So bill H674, by helping railroads, should end up a plus for the environment. Let’s hope so.