# Regional Issues

**Intermodal**: Fuel price has no effect.

**SLR**: Positive 2Q results.

**FTR**: UTU wins NECR, other engineers.

**Connecticut**

[No report.]

**Maine**

**MDOT**: More rail grants.

**Amtrak**: Coming in December! Track modulus, Brunswick service.

**B&A**: Customers coming and going in Aroostook County.

**GRS**: Two customers.

**MC**: Running to east Augusta. Lease talks. American Tissue to become shipper?

**Massachusetts**

**EOTC**: Bond bill with amendments passes Senate.

**CSXT**: Embargo on Northeast Corridor.

**FTR**: Westover meeting coming. Guilford thinking autos over west end? Berkshire Scenic still awaiting deal.

**New Hampshire**

**GRS**: Running north of Bellows Falls is profitable.

**Rhode Island**

**Vermont**

**Amtrak**: ABRB still possible by December.

**TSRD**: GRS embargoes track.

**Wells River** RFP issued to five railroads, including Guilford. First run to Wells River by GMRC.

**FTR**: LVRC discussion continuing. TSRD purchase

## Maritimes/Québec

**CBNS**: More details on possible rail for the Georgia Pacific mine. Sydney Steel.

**Atlantic Northeast Ports**

**Boston**: Autoport operators say little rail use.

**Halifax**: Hapag-Lloyd to increase use. Halterm to start improvements.

## From the Publisher

Most intriguing story: Guilford wants to bid to operate the Wells River branch. It also is winning kudos for its service, negotiating, and getting the Plaistow-Portland project done on time.

Other than that, the rail and port scene appears quiet. Not even diesel at $2.25 can boost traffic [see regional story].

- Chop Hardenbergh

Next issue: 3 March.

## Regional Issues

**Intermodal Traffic**

15 February. **Does the Leap of the Price of Diesel Increase Rail Traffic?** The Maine Motor Transport Association reports that prices have risen from an average of $1.16 per gallon to about $2.00, with some reporting prices of

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Spokesperson Mark Hallman reported that CN’s system fuel costs rose 36% in the 4th quarter of 1999, but CN had hedged that to some degree.

While the railroad is reporting an increase year-to-date of 15% in intermodal traffic, Hallman could not pin the increase on diesel fuel cost. Both CN and CP were reporting double-digit intermodal increased during 1999 as well.

“We are looking at the fuel crisis as an opportunity to gain traffic,” he said, “but it’s too early to tell if we are doing so.”

How about international movements?
The two terminals dedicated to ocean movements see no effect on rail, said Steve Cotrone, who runs the Intransit Containers Inc. (ICI) facilities in Worcester. ICI operates the two on behalf of the Providence and Worcester Railroad (PW), unloading ocean boxes railed from West Coast ports. Trucking boxes to or from the West Coast doesn’t happen anyway, said Cotrone: “it would cost too much.” So he’s getting no extra traffic due to fuel prices.

“We do run a small draying company” which is getting hit, as well as the owner-operators who do much of the drayage out of the ICI facilities.

As for equipment, since New England receives more cargo than it sends, ICI has no problem with getting containers for ocean use. Plus, shippers lock up the containers in advance; he’s now booking containers two months ahead. That doesn’t give a company which wants to switch to rail in the short term a shot at the ocean boxes.

Expansion in Worcester
Controne added that the Worcester City Council has referred the PW/ICI plan to expand the Wiser Avenue terminal to a subcommittee [see Regional: 17 December 1999 issue]. He expected approval soon. {ANR&P discussions 16-18.Feb.00}

SLR - SECOND QUARTER
9 February. INTERMODAL TRAFFIC INCREASED 11% in this period at the Auburn facility.

Emons results
Parent company Emons reported an increase in operating revenues of 22% to $6.39 million, and a 60% increase in net income to $841,500. Robert Grossman, chair and president, commented, “I am very pleased with our financial performance this quarter. The Company reported a significant increase in revenues, operating margin and net income, despite service levels of the eastern Class I railroads remaining significantly below the levels of Conrail service before its acquisition by Norfolk Southern Corporation ("NS") and CSX Transportation ("CSXT"). These lower service levels have caused some business to move by truck rather than rail. We are hopeful of recapturing that business as service by the major railroads improves.

“Freight revenues for the current quarter increased 26%, excluding intermodal, and carloads increased 44% to 16,800 from 11,700 in last year’s quarter, largely due to our newly acquired rail line in Québec on December 1, 1998. Excluding...
acquired operations, freight revenues increased 9.5% and
clidean volumes increased 8% for the quarter. Intermodal volumes
handled increased 11% to 2,550 units for the quarter.”

Grossman further commented, “Even though the service of
CSXT and NS is below acceptable levels, we were able to
mitigate the effects of these service problems and actually
increase rail traffic partly due to our multiple Class I railroad
connections in York, Pennsylvania. Canadian National’s
acquisition of the Illinois Central Railroad on July 1, 1999 has
enabled our St. Lawrence & Atlantic Railroad subsidiary to
develop new business in the Midwest. Our internal growth, as
well as growth through acquisitions has contributed to
improvements in our operating margin to 16.8% in the latest
quarter, up from 13.9% in the comparable quarter a year ago. This
is the fourth consecutive quarter in which operating margins
have improved over the prior year's quarters.” {Emons press
release}

FOR THE RECORD:
REGIONAL

UTU RATIFIED A CONTRACT WITH NECR to represent the
railroad’s engineers on 9 December. Did it include CSO? “Not
yet,” said UTU organizer Brian Lawlor.

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UTU REPRESENTS A LOT OF ENGINEERS, said Lawlor,
despite the existence of a separate union, the Brotherhood of
Locomotive Engineers. “We represent them on the B&A, and
on Guilford,” where engineers may choose between the two
unions. {ANR&P discussion 16.Feb.00}

MAINE RAILROADS

MDOT RAIL GRANTS

14 February. MDOT ANNOUNCED A SECOND ROUND OF
THE INDUSTRIAL RAIL ACCESS PROGRAM. The program
is not limited to improvements to railroad tracks, rails or ties,
explained Rob Elder, head of the Office of Freight
Transportation. "We're going to look at almost any project that
can be associated with the use of freight rail as a transportation
mode," he said. Selected projects will be funded using a
combination of state and private monies, with the state providing
up to 50% of the cost.

Round One projects selected for funding included track
rehabilitation, improvements to existing rail sidings, and
construction of new sidings. Those projects, with a total value
of more than $2 million, were [see 30 April 1999 issue]:

Easton. New siding for McCain plant on B&A [see below].

Portage. Siding for Maine Woods.

Hinckley. New siding for SAPPI paper mill on Guilford.

South Portland. New siding for Sprague Energy, providing rail
access for kaolin [see 17 December 1999 issue].

Winterport. New siding for Lane Construction pit on B&A due
in 2000 [see 15 October 1999 issue].

Taunton. Siding for Plum Creek.

Auburn. Track rehab on the Lewiston Auburn Railroad.

"We want to encourage and develop projects that will promote
both economic development and increased use of the rail
transportation system in Maine," said Elder. "We're looking for
projects that will stimulate economic and employment growth
through new or expanded rail service, that will preserve essential
rail service where commercially viable, that will enhance
intermodal transportation, and that will preserve rail corridors for
future transportation use. To achieve those ends, we will
consider applications from railroads, railroad customers,
municipalities, or anyone else with an interest in rail
transportation or access to rail transportation."

The specific criteria for program eligibility are spelled out in
the application itself. "Some of the criteria include transportation
and logistics cost savings for rail users, employment and
economic development opportunities for rail users and the
community served by rail, a favorable benefit/cost ratio, the
significance of the project for continuous and productive
improvement of rail service levels, and other benefits to the
general public such as decreased air emissions, decreased
highway maintenance requirements, decreased dependence on
foreign oil, and decreased levels of highway congestion," he
explains. Applications will be reviewed by a team made up of
both transportation and economic development interests.

The program will be funded by state General Fund bonds.
"We may also be able to use some transportation congestion
mitigation/air quality funding on projects in certain geographic
areas of the state," Elder noted. Letters of interest are due by 17
February; completed applications are due in by 12 April 2000.
Application forms are available from the Office of Freight
Transportation, Maine Department of Transportation, 16 State
House Station, Augusta, ME 04333-0016. For more information:
Rob Elder, 287-2841 {MDOT press release}

AMTRAK - MAINE

11 February, Portland. THE FIRST TRAIN COULD RUN BY
CHRISTMAS to Portland, GRS Executive Vice-president David
Fink told the NNEPRA board meeting. After consulting with
Mike Murray, NNEPRA’s executive director, GRS concluded that
it had done 33% of the work, and by putting on a second crew
this year, it could substantially complete the work in December.
“Some loose ends will remain, and weather problems could
delay us,” cautioned Fink. He related that NNEPRA’s marketing
subcommittee was considering a 25 January 2001 startup, with
a grand kickoff.

What about the issue of speed?
Mike Murray, NNEPRA executive director, said he had reviewed the budget, looking at money expended/work completed, and money remaining/work outstanding. He concluded that the project is on budget despite installing 23,000 more ties than anticipated. While initial inspection showed NNEPRA could get by without replacement, the ties would quickly need replacement.

“We’re getting a very favorable installation price” so NNEPRA decided to do the work this year.

NNEPRA must show the STB that the track upgrade will yield the required track modulus of 2750 pounds/ inch/ inch in order to travel at Class 4 speeds [see December 1999 issue]. The Transportation Test Center in Pueblo Colorado has agreed to provide Murray with a methodology for verifying the track modulus, and the cost associated with doing that.

With those figures in hand, he intends to return to the STB to show that its requirement to directly test the track modulus is onerous, difficult, and costly. [ANR&P discussions 15.Feb.00]

15 February. THE COST OF GETTING TO BRUNSWICK PENDING THE NEW BRIDGE [see January issue] remains an open question, said Murray and Fink. Because of the track rebuild through Portland a few years ago, that part could qualify for the Class 3 speed Amtrak wants. Neither knew the speed rating of GR5 track between the outer edge of Portland and Royal Junction, where the branch to Brunswick begins. From StJohn Street to Yarmouth Junction is 13.5 miles, to Brunswick 27.6 miles. Trains in 1938 made the trip in 55 minutes. [ANR&P discussion]

BANGOR & AROOSTOOK

15 February, Presque Isle. A NEW CUSTOMER BEGAN USING THE FACILITY, according to Larry Clark, executive director of the Presque Isle Industrial Council. While the Canadian shipper who stopped shipping last December had not yet resumed [see December 1999 issue], the new customer was bringing in loads on a daily basis.

Equipment shortage is not stopping the Canadian shipper, said Clark. The B&A positioned 42 trailers in Presque Isle last year, anticipating the 10/day loads the shipper described. [ANR&P discussion]

16 February, Limestone. ANOTHER CUSTOMER WILL TRY AGAIN. Roy Cyr, who heads the Hydroblend facility at the Loring Commerce Center (former Loring AFB) here, said he had tried bringing in raw material from Idaho but the railroads took too long to accomplish that – apparently the interchange to CP in Chicago caused particular problems.

“We haven’t given up on rail, though,” Cyr said. Hydroblend, which moved to northern Maine in September 1999, receives flour, starches, and spices to blend at its plant here, and then provides that blend to the local food industry. While he currently is using truck to bring in the raw material, Cyr will try again “out of the South.” [ANR&P discussion]

16 February, Easton. BUT MccAIN HAS STOPPED USING RAIL. Brent Cronkite, who handles traffic for the facility here, said his company will end shipping via refrigerated boxcars at the end of the month, for two reasons. First, McCain has its own fleet of trucks and is committed to using it. Second, the increasing use of the fleet instead of railcars led to a decrease in the amount of CO2 (the railcar refrigerant) and a consequent increase in the unit price of the gas.

What about intermodal?
McCain has not tried the new Presque Isle facility, because the company would need refrigerated containers, and none are available. Once they are available, Cronkite would like to see a rate quote from the railroad. [ANR&P discussion]

18 February, Limestone. THE NATIONAL GUARD WOULD LIKE TO USE MORE RAIL. Gary Cleaves, general manager of the Maine Readiness Sustainability Maintenance Center of the National Guard command, said his facility repairs vehicles which have been on active duty in the US Army.

He has brought some into Caribou by rail, and would like to bring them directly into the Commerce Center when the rail is restored to his site.

He will pursue the least expensive route to bring in the vehicles, and believes that rail will provide that for at least the heavier vehicles such as scrapers and bulldozers. [ANR&P discussion]

GUILFORD

TWO RAILROAD CUSTOMERS:

Cyro Industries
This plastics plant, located in Sanford, receives its raw material by rail to Newington NH. There, Sprague Energy stores it in a tank whence it is delivered to Cyro by truck as needed.

According to Richard Healy, the plant manager, it has operated in Sanford since 1963. Initially, as American Cyanamid, it produced skylights and plastic sheet. In 1976, American Cyanamid and Rohm GmbH (Gesellschaft mit bregrenzter Haftung - a company with limited liability), a German company, formed a partnership called Cyro (get it?) and took over the plant to manufacture plastics. Today Cyro is owned by CyTech and Rohm.

Cyro, which has four other plants throughout North America, receives a raw material called methyl methacrylate (MMA) by rail from its Fortier, Louisiana plant. Cyro leases its own cars for this service; the Sanford plant uses about 100 per year.

The Sanford plant makes plastic acrylic pellets, as well as sheets of all colors. Outbound, the product goes all over the country. Much moves by truck; the product to a distribution center as well as customers in California goes piggy-back.

According to Healy, rail delivery has had difficulty, so he has built in extra lead time. But otherwise the service has been “great.” [ANR&P discussion 29.Jan.00]

Southern Container
This company in Westbrook has a spur off one of the last two remnants of the Worcester, Nashua, and Portland Railroad (another, also in Westbrook, is used by SAPPi).
According to Stan Hackett, purchasing manager for the Westbrook facility, Southern Container, a family-owned private company, has eight other corrugated paper facilities along the East Coast: Hauppauge NY, Dayton NJ, Deer Park NY, Lancaster PA, Mooresville NC, Spartanburg SC, Syracuse NY, and Solvay NY (paper mill). Solvay rails paper to Westbrook; Hackett also purchases paper, both virgin and recycled, from other vendors.

Southern bought the Westbrook plant from Weyerhauser in 1995. It receives 15 cars a week. While GRS sometimes misses its target of delivering five cars three days a week, Hackett rated Guilford service as ‘pretty good.’

Much of the product is trucked to area destinations, though Southern also sends it to Canada, and to Iceland in containers via Eimskip out of Boston. {ANR&P discussion 5.Jan.00}

MAINE COAST

8 February, Augusta. **THE RAILROAD REACHED EAST AUGUSTA.** Rob Elder said on 15 February, and GRS Executive Vice-president David Fink confirmed on 16 February, that the work necessary was recently completed [see 10 January issue] and MC is interchanging with Guilford in East Augusta. The GRS crew comes down from Waterville five days a week, and MC comes up from Brunswick five days a week.

In addition, GRS is now interchanging with MC in Brunswick five days a week. “New Hinckley [MC general manager] wants to grow the business, and we told him we would provide service five days a week to give him that chance.” said Fink.

Trail with rail
On 8 February, the railroad conducted a runby for the Planning Board in Gardiner. Elder described the purpose as a display of how a pedestrian would be affected by a passing train on the proposed trail with rail between Gardiner and Augusta - opposed by the railroad [see 15 October 1999 issue].

Lease renewal
Though the negotiations for getting MC to East Augusta and the lease negotiation were going on together earlier, Elder said with the access completed, the parties can deal with the lease.

New customer?
American Tissue, the soon-to-be new owner of the former Statler Tissue building in east Augusta, has inquired about reopening its side track, according to Fink. An American Tissue official said he would know more by the end of March, after the closing. {ANR&P discussions 15-17.Feb.00}

The changes were made, and the bill approved, by the Senate Ways and Means Committee 15 February. {ANR&P discussion with staffer Phil Nunes of Senator Montigny’s office 17-18.Feb.00}

Bradford layover facility
Ways and Means agreed to tack $8 million onto the bill to move the T’s layover facility and its concomitant noise and air pollution from its current location in Bradford closer to North Andover. {Nancy Rodrigues in Lawrence Eagle Tribune 16.Feb.00}

Fall River/New Bedford
New Bedford State Senator Mark Montigny authored the Senate version of the bond bill, which, like the House version, commits the state to using the Stoughton route. Montigny said: “In terms of economic impact, this would be the most important thing that could happen to our region...The extension of commuter rail service to the SouthCoast is of utmost importance because it will establish a direct link between our communities and the other major economic centers throughout the commonwealth.”

The bill also authorizes the Massachusetts Bay Transportation Authority to begin work immediately on existing rail beds south of Taunton. John Birtwell, spokesman for Governor Paul Cellucci, said the governor was "totally committed" to the Stoughton route. {New Bedford Standard Times 16.Feb.00}

Worcester commuter service
The bond bill includes a section calling for 10 round trips daily between Boston and Worcester, added by Senator Robert A. Bernstein (D, Worcester). “Ridership figures clearly demonstrate that the demand for additional service is there, and this action simply requires the administration to honor the commitment they made to Central Massachusetts in 1996,” Bernstein said [see 21 January issue].

In a related development, the MBTA announced that the Grafton commuter rail station will open 23 February. At the same time, the House approved a fiscal 2001 supplemental budget that includes a waiver from state rules that would have forced the Worcester Redevelopment Authority to make the entire 800-foot train platform accessible to the handicapped. {Timothy J. Connolly in Worcester Telegram & Gazette 16.Feb.00}

Greenbush service
The Committee dropped money for the controversial rail line from the bond bill, diverting the funds to build a proposed rail line from Boston to Fall River and New Bedford instead. ”It would take priority over other capital projects at a time when the state may have to look to cut back on capital projects,” said Senator Robert Hedlund (R, Weymouth), a Greenbush opponent. Many lawmakers and local officials say the recent Big Dig cost overruns will divert money from other transportation projects and that only those which have already been started will survive.

But House leaders Tuesday dismissed the Senate’s move as legislative wrangling and said they would restore the money for
Greenbush before signing off on the Senate plan. Senator Michael Morrissey (D, Quincy) said Greenbush is still covered by a line in the Senate bill that allows the T to fund ‘previously authorized projects.’

But House leaders dismissed that as unenforceable boilerplate language and said the Senate’s omission spoke volumes. ‘If they meant Greenbush, they should have said Greenbush,’’ said House Transportation Committee Chairman Joseph Sullivan, D-Braintree, a long-time Greenbush backer. The House, at the urging of Sullivan, has traditionally pushed to build the $400 million Greenbush line. The Senate, prompted by Ways and Means Chair Mark Montigny (D, New Bedford) now appears to be toting the other $410 million rail line.

“There are some differences between the House and Senate on priorities,” said Hedlund, a member of the Transportation Committee. “There is a recognition among many in the legislature that Greenbush is a very expensive project given the number of riders it will service.”

The Braintree-to-Scituate Greenbush line was supposed to have opened with the other two branches of the Old Colony rail line in 1997 but was delayed by residents’ concerns over safety, air pollution and the train’s impact on historic Hingham Square.

State and local officials may reach a formal agreement in the coming weeks on a plan to build Greenbush with a tunnel under historic Hingham Square. T officials said the state has already authorized enough money to begin Greenbush construction and that the Senate plan won’t have any long-term impact.

Montigny acknowledged that the Legislature’s influence will be limited when the bill expires July 1. He said he will do what he can to advance work on Fall River/New Bedford until then. “In conference committee, I may weigh in with the strength of my feelings and see what the House members have to say. Conference is a wonderful sport because of that.” [Gary Susswein in Quincy Patriot Ledger 23.Feb.00]

CSXT

31 January. AN EMBARGO OF FREIGHT TRAFFIC ON THE NORTHEAST CORRIDOR was announced by the railroad, in rail cars in excess of 15 feet 9 inches to, from, or via the following stations ‘due to a height restriction created by lower clearance of new overhead line installed by Amtrak between Readville and Attleboro MA’: Canton Junction, Hebronville, Norwood, Readville, Stoughton, Westwood. ‘The only consignees affected at Norwood are: Barret Warehouse, Home Depot, Radford Warehouse, no exception.’ [Embargo No.1-00, Amendments 1&2 effective 2-2-00, Consecutive sheets 21 and 22, as cited in Views and News 7.2.00]

FOR THE RECORD: MASSACHUSETTS

A MEETING ON THE PLIGHT OF WESTOVER rail customers should happen soon. EOTC is now trying to get agreement on a date with all the players. {ANR&P discussion with GRS Executive Vice-president David Fink 16.Feb.00}

END? One rail observer reported seeing a westbound GRS train with a few bi-level autocarriers in late January. Fink declined to comment on the report, but did say, ‘That’s why we improved clearances – to handle autos and doublestack.’ {ANR&P discussion 16.Feb.00; NERAIL listserv 1.Feb.00} ********

STILL NO RESULT FOR THE BERKSHIRE SCENIC. EOTC and the HRRC are negotiating [see 21 January issue]. {ANR&P discussion with EOTC source}

NH RAILROADS

GUILFORD - NH

16 February, North Billerica MA. GUILFORD DOES MAKE MONEY RUNNING NORTH OF BELLOW FALLS, said GRS Executive Vice-president David Fink in response to the ANR&P question in last issue [Does GRS make a profit by serving the four customers there?]. "We don’t provide service if it doesn’t make fiscal sense." {ANR&P discussion}

One other reader responded to the question with this viewpoint: ‘GRS can’t make a Bellows Falls-East Deerfield turn with one crew because of poor track between Greenfield and East Northfield, MA. Therefore they won’t be able to cut their fixed costs at all by ceasing to run north of Bellows Falls; they need one crew to run north and one crew to run south anyway. ‘So that $77,000 [estimated revenue] should be viewed as incremental profit until they repair tracks to the point that they can run an EDBF turn; even then the railroad would probably only allocate one crew a week [for the trek to White River Junction] plus overnight expenses at the outlying terminal. [E-mail from Mike Clements 8.Feb.00]

VERMONT RAILROADS

AMTRAK - ABRB

16 February. HOW DOES THE FUTURE OF SERVICE TO MANCHESTER LOOK IN THE WAKE OF THE AMTRAK STUDY? and the removal from the supplemental budget of funds to purchase rail?

The Amtrak study

This first part, which looked at service and operating costs, studied nine scenarios. A second part, due in August, will discuss the capital costs.

The leadoff scenario, extension of the Ethan Allen to Burlington, proved particularly costly because it required both an additional train set and train crew to meet the service goals.

Scenarios 2 through 5 assumed continuation of the current Ethan Allen service to Rutland, and added new service to southern Vermont. They used existing train sets assigned to Albany-New York service where possible. Analysis found that
the such service could only reach to Manchester. ‘A new lay-up facility to store and service equipment at either Manchester or Bennington would be required.’

Scenarios 6 through 9 rerouted the existing Ethan Allen to the new, southern Vermont route. This would discontinue service to Fair Haven VT.

**New service to Manchester, or to Rutland**

Amtrak proposed three trains a day between New York City and Manchester, making the trip in about four hours via Colonie (straight up from Albany to Mechanicville rather than over to Schenectady and then to Mechanicville). It found that such a service would run an annual deficit of $1.78 million.

Service to Rutland (versus to Manchester) would entail only one train a day, but not the regular Albany-New York trains. Via Colonie, it would take 4.5 hours. Via Schenectady, it takes five hours from New York City.

### FINANCIAL RESULTS FOR ALTERNATIVE SCENARIOS

**Source: Amtrak study**

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<th>Description</th>
<th>Passenger Revenue ($M)</th>
<th>Operating Expense ($M)</th>
<th>Profit/Loss (Loss)</th>
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<td>2.82</td>
<td>(1.13)</td>
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<tr>
<td>New service to Manchester (3/day)</td>
<td>2.49</td>
<td>5.40</td>
<td>(2.91)</td>
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<td>plus Ethan Allen</td>
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<tr>
<td><code>New service to Manchester (1/day)</code></td>
<td>1.89</td>
<td>3.80</td>
<td>(1.91)</td>
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<tr>
<td>plus Ethan Allen</td>
<td></td>
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<tr>
<td>Ethan Allen via Colonie</td>
<td>2.10</td>
<td>2.57</td>
<td>(0.47)</td>
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<td>to Rutland (1/day)</td>
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<tr>
<td>Ethan Allen via Schenectady</td>
<td>1.86</td>
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<td>to Rutland (1/day)</td>
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</table>

*ANR&P analysis. Since the Manchester advocates want only one train daily, I assume that $200,000 of the additional $800,000 in new revenue from three trains to Manchester will flow for one train. I also assume that of the additional operating expense estimated by Amtrak of $2.58 million, one train will cost $1 million/year to run. Thus the addition of one train should cost but $800,000.

**VAOT position/Amtrak negotiations**

Sue Compton, head of the rail division, said the agency wanted to wait until Amtrak produces the second part of the study, on capital costs, before committing to the Manchester service.

Meanwhile, VAOT Deputy Secretary Mique Glitman is still negotiating the contract to cover the Amtrak subsidy for the Vermonter and Ethan Allen services. The Manchester proponents want it extended to cover that service as well. The existing subsidy contract expired July 1999 [see 26 May 1999 issue].

**Remaining work**

Pat Garahan, along with Bob Stannard the consultants hired by southern Vermont rail advocates to pursue Amtrak service, said studies performed both by himself and others indicated that service to Manchester could work. Both said it could start this summer.

“We’re getting a good deal from VRS,” which is doing the work “for 30 cents on the dollar,” said Stannard.

**Guilford contract**

The state wants some changes in the contract, which were sent to Guilford on 16 February. Stannard said he expected the contract to be resolved very soon. “Guilford has been great to deal with,” since he began negotiating three years ago. “They have bargained hard – just as others do. We have had some hot conversations, but you’re going to have those in any negotiation.

“But Guilford has taken the time to understand our issues, and to find a way to meet us, or at least reach a good compromise. And most important, once an agreement is reached, they do what they say they are going to do. They honor their agreements,” said Stannard.

**The equipment**

Amtrak has the equipment for the Albany NY to Manchester trip; it lays over in Albany during the day anyway. So Garahan points out that by the summer – August perhaps – VRS will complete the upgrading of Hoosick Junction to Class III condition. Amtrak already has the equipment, and a contract with Guilford should be signed. “All we need is the state go-ahead.”

**The rail**

Amtrak has two conditions for providing service: the incremental cost for the service is fully covered (either by subsidy or ticket revenue), and it can operate at Class III speeds (59 miles per hour).

In 1999 the legislature has appropriated money for ties for the Hoosick branch. Federal dollars will pay for track improvements from Bennington to Rutland. [See 26 May and 23 June 1999 issues.]

The $1.425 million for rail passed by the House [see 4 February issue] was removed from the Supplement 1999-2000 budget by the Senate “for procedural reasons,” said Garahan. “We fully expect this money in the regular budget.” VRS has said it can front the money to purchase the rail from the earlier-appropriated funds to purchase and install ties [see 29 October 1999 issue]. The rail will arrive in April; “we’re buying it at last year’s prices,” said Stannard. When the legislature appropriates the rail purchase in the regular budget, that will then cover the cost of rail and tie installation.

**Legislative action**

Dick Pembroke, chair of the House Transportation Committee, expressed confidence on 17 February that the General Assembly will provide funding to permit service to Manchester to start for
the fall foliage season, and direct VAOT to proceed with the startup, not waiting for Amtrak’s capital budget study.

“The most important hurdle is the Amtrak agreement,” said Pembroke. “The legislature is putting pressure on the Agency on the Manchester service, and I’m confident the agreement will be resolved soon.”

In the near term, Pembroke would like to begin providing service to Burlington with the Ethan Allen, and not leave that on hold pending the track improvement between Manchester and Rutland.

To address longer-term issues, Pembroke would like to convene an informal confab (“a retreat during the off-session”) to discuss how Vermont itself could operate the passenger services with its own trains, at a less expensive price. “The state can’t afford to continue these subsidies.” {ANR&P discussion with Pembroke 17.Feb.00;}

BURLINGTON COMMUTER SERVICE
16 February, Montpelier. AN UPDATE ON THE STATUS OF THE PROJECT was provided by Compton. VAOT hopes to start the service as early as possible, perhaps by June. Constructing a crossing at Windmill Bay has become the major obstacle. Charlotte Station is not yet underway; it is going through local permitting now, with a possible April construction start. However, “I don’t need the Charlotte station to start service,” she said.

Administrator
The Vermont Transportation Authority, which will manage the service, has formed its board and received applications for the position of general manager. {ANR&P discussion}

TWIN STATE
15 February, Gilman. AMERICAN TISSUE WOULD LIKE RAIL SERVICE to the mill here which it bought in December from Simpson Paper [see 3 December 1999 issue]. According to Steve Catalfamo the company’s vice-president, it asked for rate quotes from “the railroad” [unclear whether TSRD or GRS] and was told it had to provide a minimum guaranteed revenue. American Tissue declined to provide that, but it remains interested in service.

Guilford embargo
Effective 3 February, GRS embargoed all traffic on TSRD, that is, between Whitefield NH and St.Johnsbury VT due to track conditions, no exception. No one contacted (Vermont and New Hampshire state employees, TSRD and GRS officials, and American Tissue) knew of the embargo.

Mike Gooden, who manages the TSRD operation along with the Florida Switching operation in Maine, said the embargo could be due to the need to work on the track, which has lain idle since December, when Simpson stopped production. TSRD did meet with the mill’s new owners in January about rail service.

Traffic on TSRD travels on a GRS bill of lading; GRS pays TSRD a per car fee. Therefore GRS had the authority to impose the embargo. {Embargo No.1-00 on Consecutive Sheet 23 cited in News and Views 7.Feb.00;}

VRS - RUTLAND YARD
16 February, Rutland. THE CITY IS SEEKING A STATE APPROPRIATION TO COVER SOME COSTS of moving the VRS rail yard to a new, more southerly site [see 17 December 1999 issue]. Matthew Sternberg, executive director of the Rutland Redevelopment Authority, said the money would cover scoping, a conceptual description of the work, and an environmental assessment.

The city is requesting that it, not VAOT, handle the studies. Both the legislature and VAOT appear willing to do that, in part because the engineers at VAOT are already overworked.

Although no bill has come before the legislature, Sternberg and others did appear before the House Transportation committee for a general presentation. {ANR&P discussion}

WELLS RIVER
15 February, Montpelier. A CLOSED LIST OF FOUR RAILROADS RECEIVED THE RFP to operate the line [see 4 February issue]: B&A (via NRV - the Northern Vermont Railway), CCRR, VRS (via GMRC), and NECR.

When the news of the RFP became public, GRS (via B&M) requested to be included in the closed list, and VAOT granted that request.

Why does Guilford want back in?
GRS Executive Vice-president David Fink responded on 16 February, saying that the line could not support itself, but if the state is willing to invest in the line, then “we’re in the best position to operate it. We’re the largest regional railroad; we can provide customers with a direct connection to Class Is; and we have already operated over that line.”

Some terms of the RFP
NB: The text apparently leaves open passenger operation. A VAOT source confirmed that the Agency wants to settle the operator first, and then address the passenger question.

- The selected operator will be expected to enter into a long-term operating agreement with VTrans for freight rail operating rights and associated maintenance responsibilities for this line. The exact legal form of the agreement (lease, freight easement, etc.), the original term of the agreement (including renewal options), rental fees and a schedule of capital improvements will be negotiated based on the proposal submitted.

- VTrans’ strategic plan envisions efficient rail freight service between White River Junction and Wells River, Vermont, as part of an overall rail freight route between southern New England and Canada. Proposals should address development of such service (including development of overhead traffic that would contribute to the line’s viability), along with meeting required levels of service on the White River Junction - Wells River line, with connections to the New England Central, the Northern Vermont and other connecting railroads.
The proposal is intended to permit VTrans to determine each applicant's ability to provide the operating services and management skills necessary to re-establish rail service on this line. The applicant must be willing to accept responsibility for all common carrier obligations pertaining to the line under the Interstate Commerce Commission Termination Act, as amended, and must be willing to accept assignment of all responsibilities of the track owner under the regulations of the Federal Railroad Administration (FRA), 23 C.F.R. Part 213 (Track Safety Standards).

The selected operator will be required to rehabilitate and maintain the line's trackage to minimum operating level for freight purposes, eventually meeting or exceeding the FRA standards for class 2 track (maximum allowable speeds: 25 m.p.h./freight; 30 m.p.h./passenger).

The subject segment of the former B&M Connecticut River Main Line extends approximately from milepost S-123 in White River Junction (town of Hartford), Vermont to milepost S-163 in Wells River (town of Newbury), Vermont. It includes the former B&M trackage in the "wye" area easterly of the Amtrak station at White River Junction, as well as the former B&M "South Yard" which is located on the westerly shore of the Connecticut River in White River Junction, between the I-89 overpass to the south and Nutt Lane to the north.

The subject property does not include B&M's trackage rights over the New England Central Railroad between East Northfield, MA and the "Bank Switch" located at the south end of the former B&M "South Yard" in White River Junction VT. Also, it does not include the former B&M bridges over the Connecticut River at White River Junction and Wells River; however, it does include an easement to operate over the Connecticut River bridge at White River Junction for the limited purpose of turning locomotives and trains on the "wye".

The selected operator will be required to provide the State of New Hampshire's designated operator of former B&M trackage in West Lebanon, NH with access across the former B&M property in Vermont to the New England Central Railroad.

[Proposals must indicate] the financial and physical ability of the applicant to reinstate rail service on the line for an initial five-year period without operating subsidy, including the means whereby the following tasks are expected to be accomplished: (1) Supply of motive power for the line; (2) Supply of freight cars; (3) Providing experienced railroad supervision, sufficient track laborers, track tools and equipment for initial startup and continued maintenance of track to permit rail operations at minimum track safety standard, eventually meeting or exceeding the FRA's standards for class 2 track.

VTrans, in cooperation with GMRC, has arranged for an inspection trip over the line by applicants on Monday, February 28, 2000 at 10:00 a.m. at the White River Junction yard. The applicant or its representatives, prior to inspecting the line, must execute the enclosed waiver releasing VTrans and GMRC from any liability for death, injury or property damage.

Proposals will be evaluated by a selection committee appointed by Vermont's Secretary of Transportation, which will transmit its recommendations to the Secretary of Transportation for his/her final action. The committee will evaluate proposals based on the overall best interests of the State and will include (but not be limited to) one or more of the following criteria:

1. Operating and management experience; (2) Financial ability to sustain railroad operations.
2. Comprehensiveness and quality of the proposal and business plan submitted.
3. Ability to operate and maintain the rail facilities; 
4. Coordination of service with connecting rail carriers; 
5. Return of investment to the State of Vermont, including (but not limited to) rental income.

Proposals must be received no later than 2:00 p.m. on March 15, 2000....VTrans will attempt to notify each applicant as to acceptance or rejection of its proposal on or about April 19, 2000. (text of RFP)

"We're hoping to have an operator selected by June,"' Compton said. [Diane Bowley in Bangor Daily News 16.Feb.00]

15 February, Northern Maine Junction. THE B&A REITERATED ITS INTEREST IN OPERATING TO WHITE RIVER JUNCTION [see 4 February issue]. At a hearing before the Vermont General Assembly’s Senate Transportation Committee, B&A Chief Operating Officer Dan Sabin presented his railroad’s concept. The B&A could use the line profitably and might be interested in buying it sometime in the future. Whether or not it purchases the line, B&A intends to ask Vermont for an additional $2 million in rehabilitation costs.

The Vermont extension would not only provide B&A with a link for freight, but also would serve as a feeder to the Amtrak Express Network, according to Sabin. With this connection, frozen potato products from Aroostook County or perishables from other parts of the state could be placed into refrigerated cars, transported over rail to Amtrak and be in markets as far away as California in five days, the B&A vice president said.

If B&A receives the contract, as many as 50 jobs would be created, Sabin said. In addition, the added railroad line would result in more equipment purchases and more track maintenance, he said. Because B&A has its maintenance facility in the Derby section of Milo ME [see 10 January issue], more positions likely would be added there, the B&A official said. “Milo could become a huge beneficiary of this,” he said. [Diane Bowley in Bangor Daily News 16.Feb.00]

16 February. A GMRC LOCOMOTIVE COMPLETED THE FIRST TRIP OVER THE “POMPIE” in some years, after quick repairs and filling of washouts. What ANR&P calls the Wells River branch was referred to by B&M workers as the “Pompe” perhaps because it was built by the Connecticut and Passumpic Rivers Railroad Company.

One railroader wrote: ‘Here’s a hopeful note. The inaugural run stopped on the way north at a potential customer site. By the time the locomotive came past on the southbound run, they had already plowed the snow off their siding.’ {NERAILS e-mail listserv}
FOR THE RECORD:
VERMONT

BRINGING BACK RAIL ON THE LAMOILLE VALLEY continues. Sue Compton said Clyde Forbes, the current leaseholder, is willing to transfer the lease to a non-profit entity [see 4 February issue], but some pieces of the lease need some reworking.

THE PURCHASE OF THE VERMONT PART OF TSRD from GRS “remains on the table.” Compton maintained. “We’ve not yet followed up” because of the attention given to buying the Wells River branch, and to getting access for the Manchester Amtrak service. {ANR&P discussion 16.Feb.00}

CAPE BRETON & CNS

15 February, Sydney. SYDNEY STEEL AGAIN NEEDS A BUYER. The deal with the Rail Associates consortium fell through in January [see 21 January issue], so Ernst and Young, now managing the plant, placed ads this day in newspapers in North America and Britain.

Prospective buyers - either to dismantle and scrap the plant, or to keep it operating - should submit proposals by 7 April.

Bill McNeil, head of the local steelworkers’ union, said: “We told Ernst and Young there's no way, no way that we can stand by and let the vultures in and pick the equipment apart piece by piece. . . . It's not going to happen.”

The plant is currently processing inventory and is expected to reopen the steel shop 1 March 1 to fill a few orders that remain in the books.

In the meantime, the union plans to find its own potential buyers to bring to the table for Ernst and Young to consider. “What the union is looking at is the possibility of that happening, yes,” Mr. McNeil confirmed. The union's head office has hired a New York firm to seek out a viable company. {David Jackson and Tera Camus in Halifax Herald 15.Feb.00}

16 February, Cape Breton. THE STATUS OF PROJECT REVIEW FOR THE GEORGIA PACIFIC GYPSUM MINE was described by the spokesperson for the Nova Scotia Department of the Environment, Steve Warburton, and the officer in charge of the file, Loren McNeill.

GP’s application to open a new mine in Melford was “released with conditions on 23 March 1999.” Four conditions, related to transportation, needed resolution before Environment would release the permit. One of these required the traffic study.

Environment relies on the Department of Transportation and Public Works to provide the data on the impact of transportation on the environment, and that is the study NSDOT is now reviewing [see 21 January issue].

Department of Transportation

Steve Newson, who handles rail, said NSDOT had not yet given an official response to the traffic impact study or the rail alternative study. Environment and Georgia Pacific had agreed to an extension of time for the response to the conditions imposed. NSDOT officials will meet on 17 February to discuss the rail study. {ANR&P discussions}

Opposition to trucks

The local chair of the national advocacy group Transport 2000, John Pearce, noted that GP expected 35-tonne trucks to make 250 round trips a day along a 30-kilometre section of Highway 105, then through Port Hawkesbury’s shopping district to the company's terminal on the Strait of Canso. “That’s a tremendous amount of traffic. The road is two-lane, it's hilly with few passing lanes, access to it is not controlled and constant truck use would wear out the road quickly.”

“We find that dangerous for the people who have to use that road on a daily basis,” said Blair MacLennan of the Melford Concerned Citizens group. Residents feel it would be safer to transport the gypsum by rail, as is done from Windsor to Hantsport and Milford to Halifax.

Georgia Pacific position on rail

Georgia Pacific waited for years for Department of Environment approval of the mine, which would employ about 120 people currently working at its Sugar Camp mine. It can't wait for further environmental assessments and possible rejection of a rail line to Melford, mine manager Jim Graham said.

That leaves trucks as the only option. And even if a Cape Breton and Central Nova Scotia Railway proposal to build a rail spur to serve the mine went ahead, he said, problems with previous service from CN, including the gypsum freezing in rail cars, have put him off trains.

The railroad position

But there are methods to handle that problem, CBNS’ Elaine Collins said. Her company is willing to build the spur and has designed a 12-kilometre route that avoids the River Denys wetland and populated areas. And unlike taxpayer-funded highway maintenance, rail maintenance is covered by freight fees. The railway has submitted two proposals to Georgia Pacific, plans which have piqued the interest of officials at GP headquarters in Atlanta GA but have been refused by Cape Breton administrators, Collins said.

Georgia Pacific currently uses Seaboard Transport, owned by DEVCO chair Joe Shannon, to move gypsum 16 kilometres from its Sugar Camp mine to the marine terminal, mostly along secondary roads. {Monica Graham in Halifax Herald 4.Feb.00}

ATLANTIC NORTHEAST PORTS

BOSTON

14 February. NO READY USE FOR RAILED AUTOS currently exists at Massport’s Boston Autoport [see 4 February issue], said George Bell, one of the principals. He explained that the Autoport is jointly operated by his company, Foreign Auto Service (FAS), and another, Diversified Automotive Inc (DA). While the two have a 50-50 joint venture, FAS handles many more cars than does DA.
Foreign Auto Services
In the main, FAS handles Audis and Volkswagens arriving by ship. International Longshoremen’s Association members unload the ship; FAS employees then prep the vehicles for dealers. Enclosed autocarriers hauled by a tractor deliver the Volkswagens and Audis directly to dealers in New England; for Audi, the autocarriers also haul into the Midwest, reported Bell. FAS also does ancillary work for Toyota, adding special accessories requested by customers, or repairing those damaged in transit.

Diversified Automotive
DA handles Subarus, both US-built and foreign-built, for delivery to New York and New Jersey, said the company’s president, Dennis Kraez. Foreign-built Subarus arrive at the Autoport by ship. Domestic Subarus arrive by rail at the vehicle center in Westborough and drayed by autocarrier to the Autoport. DAS then mixes the necessary vehicles and delivers them to New York and New Jersey destinations via its own trucks.

While the use of a Boston company to handle cars for New Jersey and New York sounds odd, Kraez pointed out that Boston is nearly as close as New York City to upstate New York points. Furthermore, his operating costs are lower than those in the NY-NJ area.

Why doesn’t DA also handle New England Subarus? Those are handled out of Davisville RI.

Any possible use for rail?
Bell believed that delivery to New England dealers is most efficiently done by road. Since Audi only has about 300 dealers nationwide, trying to serve them by rail into the Midwest did not make sense. {ANR&P discussions 10 & 16.Feb.00}

HALIFAX
3 February. HAPAG-LLOYD EXPECTS TO DOUBLE ITS THROUGHPUT THIS YEAR. The port's top line in 1999 in terms of tonnage and container numbers has welcomed the first of seven new vessels it will introduce into its Pacific Atlantic Express, (PAX) service; these will replace older ones in the service. The Hamburg Express, which made its inaugural call this day at the Ceres terminal at Fairview Cove, has a 4,639 TEU capacity. The other six vessels, with capacities of between 4,600 and 4,800 TEUs, will be in the service by the end of the year.

Peter Selig, Hapag-Lloyd's general manager in Halifax, said the new ships replace older vessels of capacities up to about 3,200 containers. "The new vessels are longer but still within Panamax size (can pass through the Panama Canal). We have kept our options and are not going to post-Panamax (too wide to go through the canal) at this point."

The move to larger vessels is attributed to the container line's growth and CN Rail’s expansion into the U.S. which offers potential for market development.

Grand Alliance partner
The Grand Alliance consortium (Hapag-Lloyd, Orient Overseas Container Line, P & O Nedlloyd and NYK Line) provides the PAX service, using 13 vessels with annual capacity of close to one million containers. It moves cargo from Europe to the Far East through Halifax and the Panama Canal, returning to the U.S. West Coast, back through the Panama Canal and back to Europe.

The Grand Alliance also provides the AEX service, which is routed along the East Coast of North America including Halifax, to the Mediterranean and Asia through the Suez Canal. {Tom Peters in Halifax Herald 5.Feb.00}

14 February. HALTERM WILL PROCEED WITH ITS EXPANSION despite the litigation about the terminal rental [see 4 February issue]. Halterm is strengthening Pier C and installing approximately 612 metres of rail track in preparation for two huge, new cranes, scheduled to arrive 21 May from China. The cranes are capable of loading and unloading the new generation of giant container ships.

"We've gone ahead with the cranes because we've made a commitment to do it. We believe that's where the future is and believe this process (lease talks) will be resolved in the end," Doug Rose, Halterm vice-president, said this day. "We have taken the risk and if we don't get our terminal at the end of 2000, we are out three and a half million bucks." {Halifax Herald 15.Feb.00}