**Twice-monthly trade newsletter dedicated to the preservation and extension of the rail network in New England, the Maritimes, and eastern Québec.**

### Issue 00:07   14 April 2000

#### REGIONAL ISSUES

**PW:** Income down.

**Passenger:** High-speed rail corridor.

**CONNECITUCK**

**ConnDOT:** Grant awards!

**TLTX:** Tilcon gets a grant.

**CNZ:** Height restriction on Griffins line. Transload in Hartford. Grant received.

**Commuter?:** Hartford looks at Springfield MA to New Haven.

**PW:** Grant for Wethersfield secondary.

#### MAINE

**MDOT:** Rail with trail policy

**B&A:** Money coming.

**Calais branch:** Update on transload study, legislative funding, port traffic, GP, trail.

**GRS:** Appeals Court supports union.

**MC:** Augusta mill startup this month?

#### MASSACHUSETTS

**CSXT:** Three industrial development projects.

**FTR:** T bond bill, BCLR arrest, Berkshire Scenic update.

#### NEW HAMPSHIRE

**NHDOT:** Rail Council coming; bills passed.

Manchester-Salem: Alternative to I-93 widening?

**GRS** files to abandon 3 miles in Salem. CLF asks review of decision on airport section.

**FTR:** CCRR contract not yet done; no talks with GRS about purchases; state rail plan work to start.

#### RHODE ISLAND

**Seaview:** Traffic up, more to come at All-American Meat and Seafood.

#### VERMONT

**VAOT:** another reorganization of rail. Applicants for industrial rail fund.

**ABRB:** Hoosick connection questionable this year.

**LVRC:** Negotiations with Forbes.

**Wells River:** Selection committee has not met.

#### MARITIMES/QUÉBEC

**NSDOT/NBDOT:** Budget cut impacts.

**CN:** Moffatt awaits appeals court on Terms of Union issues.

**FTR:** VIA traffic, startup of Sydney service, FOA under review by Transport Canada.

#### ATLANTIC NORTHEAST PORTS

**Bayside:** Feasibility study underway.

**Belledune:** Becomes Canada Port Authority.

**Halifax:** Dispute with Halterm; Review of Canada Marine Act; Scapa Flow study; dispute with Scotia Terminals.

**Eastport:** [See Calais branch.]

**Searsport:** Design update, possible container customer.

**Portsmouth:** No operator immediately. Master plan. Executive director search.

**New Haven:** Greiner to design track?

#### PEOPLE, POSITIONS, EVENTS

Three weeks, and fortunately not too much happened. Best result: PW to get money.

- Chop Hardenbergh

Next issue: 7 April.

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**FROM THE PUBLISHER**

**PROVIDENCE & WORCESTER**

29 March, Worcester. ANNUAL NET INCOME DECREASED by 20.0% to $3.0 million in 1999 from $3.8 million in 1998.

Operating revenues for the year were $21.9 million compared to $22.8 million in 1998, a decrease of $867,000, or 3.8%. The Company’s operating revenues were adversely affected by delays and other service problems resulting from the split-up of the rail lines and operations of Conrail between CSXT and NS. Most of this lost revenue represents freight shipments...
temporarily diverted to truck. Improvements in service have been experienced during the third and fourth quarters of the year and the Company expects that substantially all of the temporary truck traffic will eventually return to rail.

In addition, the Company experienced losses in freight traffic from two of its customers who substantially phased out their rail freight served operations during the year. These losses in freight traffic were partially offset by increased freight traffic from several new customers and from certain existing customers.

Container results
‘The Company's net revenues from container traffic increased by 11.8%, primarily from an increase in the volume of containers handled from 53,823 in 1998 to 59,921 in 1999. This increase is attributable to a rise in imported consumer products, successful marketing efforts and the growth of the rail shuttle operated by CSXT and the Company between the Port of New York/New Jersey and the Company's intermodal facilities in Worcester. Anticipating continued growth in container volumes, the Company and its operating partner, Intransit Container, Inc., are aggressively pursuing opportunities to expand the existing intermodal facilities through lease or acquisition of adjacent property....’

As a result of the decrease in operating revenues and increase in operating expenses, income from operations fell to $742,000 in 1999 from $2.7 million in 1998. Other income in 1999, principally generated from real estate asset management, decreased slightly to $4.0 million from $4.2 million in 1998.’ {text of PW press release}

**REGIONAL PASSENGER RAIL**
4 April, DC. **TWELVE OFFICIALS ASKED PRESIDENT CLINTON TO DESIGNATE BOSTON-BURLINGTON** a high-speed rail corridor [see 21 March issue - the final letter tracked the original]: US Senators Ted Kennedy (D, Massachusetts), John Kerry (D, Massachusetts), Jim Jeffords (R, Vermont), Patrick Leahy (D, Vermont), Bob Smith (R, New Hampshire); US Representatives Bernie Sanders (I, Vermont), James McGovern (D, Massachusetts), Marty Meehan (D, Massachusetts), Charles Bass (R, New Hampshire); and Governors Howard Dean (Vermont), Jeanne Shaheen (D, New Hampshire), and Paul Celucci (R, Massachusetts). {text from Jeffords office}

**BRANFORD STEAM RAILWAY**
11 April, Branford. **ConnDOT AWARDED $57,000 TOWARD A GRADE CROSSING** on this industrial railway, at Route 139. The railroad must come up with the other 30% of the cost. [See above.]

**CENTRAL NEW ENGLAND**
23 March, Hartford. **THE GRIFFINS LINE HAS A BRIDGE HEIGHT RESTRICTION**, as revealed by the embargo in effect today of all traffic in excess of Plate E. The exception: Hartford Lumber, which lies east of the bridge. {Views and News 27.3.00 citing Embargo No.1-00 CS 49}

**CONNECTICUT RRs**

**ConnDOT**
11 April, Newington. **FINALLY SOME GRANT AWARDS** [see 10 January issue]. According to Ray Godcher, the agency has sent letters to four railroads stating the grant, and asking, since the original applications were made in 1998, whether each wants to proceed with that project.

Guilford Rail System. It would receive $185,000, 70% of the cost of installing welded rail for one mile on the Waterbury branch in Plymouth, possibly near the Terryville Tunnel, after taking out some old switches to create “straight rail.”

Central New England. [See below.]

New England Central. It would receive $91,000, 70% of the cost of bridge rehabilitation at two locations on the Palmer subdivision.

Branford Steam Railway. [See below.]

Providence and Worcester. [Letter coming, see below.]

Housatonic Railroad. The department is still talking to the railroad about funding a project.

The only other small railroad, the Naugatuck, did not apply for funds. {ANR&P discussion}
Current transload operation
Bruce Macke, vice-president of Hartford Lumber 17 Albany Avenue in Hartford, said on 12 April that he himself had unloaded Plate F boxcars at his company’s rail dock, for Home Depot as well as other lumber reloaders. “It’s simpler than taking the railcar back to New Haven and transloading there.” He explained that CSXT was moving the Plate F cars to CNZR via the Hudson line and New York City, rather than through West Springfield MA. “We’ve done about 100 carloads.”

The once and future customer
Hartford Lumber once received “a car a day” from Conrail when it operated the line, Macke said. He no longer brings in any of his lumber by rail, in part because of a fire two years ago which destroyed much of his lumber storage. Also, the price requested by CNZR is “too high” and “Belliveau won’t go down,” so Macke is using truck exclusively, or getting lumber via other transload facilities.

However, he expects business to expand after 31 May, when Hartford Lumber puts a new warehouse into service. “We’ll have a spur directly into the building, and we’re now negotiating to transload for a big lumber distributor. We’ll get back into the reload business.” {ANR&P discussions 12.Apr.00}

12 April. THE RAILROAD WILL RECEIVE $100,000 from ConnDOT, 70% of the cost of installing about 2,000 cross ties on the Hazzardville branch in Broad Brook. [See above.]

No commuter rail
The GHCOG study on improving public transit preliminarily proposes a busway, not heavy or light rail, on the Griffins Line [see below].

HARTFORD COMMUTER RAIL?
10 April. THE CAPITAL REGION COUNCIL OF GOVERNMENTS HAS NARROWED THE ALTERNATIVES to provide public transit. It has chosen to provide busways along five routes, and look at commuter rail between Springfield MA and New Haven.

According to Tom Maziarz, GHCOG transportation director, the organization will next refine the rail proposal, getting new ridership estimates, capital costs, and operational costs, with the possible assistance of Amtrak. It will also work with the Pioneer Valley Planning Commission in Massachusetts.

“If I had to guess how the service would look, I would call it a unified service (Amtrak intercity and commuter), with commuters getting a break on ticket prices via a pass.” Interest is coming not only from Hartford, but from legislators in the southern part of the state. {ANR&P discussion}

PROVIDENCE & WORCESTER
14 April, Newington. ConnDOT WILL AWARD $1.3 MILLION TO THE RAILROAD. The department has reached an agreement in principle to cover 70% of the anticipated cost of reconstruction of the line between Middletown and Hartford; the railroad must supply the other 30%.

Ray Godcher, rail planner, emphasized that a grant of this magnitude, compared with the others, would not occur again for some time. {ANR&P discussion 14.Apr.00}

The award should obviate the need for the legislature to pass proposed bill 97, offered by Senator Ciotto and four representatives, which would have authorized $1.3 million in bonds for the project. {legislative website}

Maine Railroads

MDOT: RAIL WITH TRAIL
10 April. THE DEPARTMENT IS DEVELOPING A POLICY to govern rails alongside rails. According to John Balicki, the pedestrian and bicycle coordinator, it will call for trail design to meet the department’s draft conditions and recommendations for the Augusta-Gardiner trail along Maine Coast, with some exceptions. Once that trail design is settled, the department will issue the draft policy for public comment.

The policy will also affect the Mountain Division trail along the track, and a proposed trail along some of the Calais branch. {ANR&P discussion}

B&A: MAINE
10 April. MDOT HAS PAID SOME FUNDS TO THE RAILROAD, covering the cost of trackwork done last autumn, according to Rob Elder, chief of the department’s freight transportation office. “But more than half the trackwork remains to be done” so that less than one million dollars was paid. [See 21 March issue.]

As for the purchase of acreage at Mack Point, Elder said the department is working on ascertaining that the railroad has good title, and on getting an appraisal. {ANR&P discussion}

Calais Branch
12 April, Eastport. HOPE FOR A REVIVAL OF THE BRANCH stems from developments on two fronts:

The transload study. According to Skip Rogers, chair of the Eastern Maine Railroad Development Commission, preliminary work by consultant Chris Hall has uncovered some new business “to the west not previously identified. ” The study, which will point to the best location for a transload, should be finished shortly, Rogers said [see 4 February issue].

Legislative funding. In addition to MDOT’s proposed half million for maintenance on the line, Rogers said State Senator Cassidy and State Representative Eddy Dugay have apparently secured a commitment from legislative leaders of another $5 million out of this year’s budget surplus.

Port traffic
Rogers, the general manager for Federal Marine Terminals, the
port operator, said March had seen a shortfall of 7,000 tons of outbound pulp from the expected 10,000. “Looks as though we’re on target for this month, but there’s only so much pulp we can expect” from Georgia Pacific’s plant in Woodland, Maine.

Rogers and others continue to search for other cash. The possible fertilizer import from Russia [see 4 February issue] is blocked by an “astronomical” penalty import fee. The creation of rail access will draw more cargo to the port, believed Rogers.

**Georgia Pacific’s attitude**

Tom Howard, a GP spokesperson, said on 13 April: “We believe it makes sense to build up the traffic from the existing rail at Calais over new rail to Eastport, or an intermediate transload. The west end of the line will be built up also [for passenger as well as freight - see 29 August 1999 issue]. Then, when traffic volume dictates, the two ends should be connected.”  {ANR&P discussion}

**The trail-with-rail controversy**

The Commission voted to send a letter to Cassidy, Dugay, and State Representative Shorey asking them for legislation to address the liability a rail operator would assume if a trail ran alongside the tracks. The Commission, Rogers said, was not happy with MDOT’s approach to writing the regulations on how to configure a trail alongside active track. “It looks as though the department, figuring that it had a 66-foot wide rail corridor, wrote the regulations to fit the space available, instead of beginning with looking at safety.”  {ANR&P discussion with Rogers 12.Apr.00}

**MAINE COAST**

12 April, Augusta. AMERICAN TISSUE OF MAINE HOPES TO START UP by the end of the month at the mill (the former Tree Free Fiber) it is buying.  {ANR&P discussion with mill official}

On 3 April the City Council voted to permit American Tissue to sell tax-free development bonds to help pay for the purchase.

Lawrence Clough, the local attorney for the company told councilors it has spent about $800,000 to maintain it and $1.2 million to ready one of three paper machines for use.” About 50 people are working at the mill. “This is an experienced set of buyers used to dealing with this type of facility.” Products made at the Augusta mill would be bought by other American Tissue companies. “A large part of the difficulty with Tree-Free was it didn’t have a regular buyer.”

Besides the inducement agreement, Clough said the completion of the sale hinges on obtaining dozens of Department of Environmental Protection permits. That procedure was moving along, and the buyers hope to close the sale by the end of the month. Byproducts will be sent to a private landfill in east Augusta.” These owners are not going to use that landfill for outside waste,” he said. "They want to use it specifically for the byproducts of the mill."  {Betty Adams in Maine Business on-line 5.Apr.00}

**GRS - UNION**

5 April. THE INJUNCTION AGAINST GRS’ USING ABR WAS UPHELD by the First Circuit Court of Appeals [see 12 November 1999 issue]. Circuit Judge Kermit Lipez, writing for the 2-to-1 majority, affirmed that the dispute was a “major dispute” under the Railway Labor Act, and that the plaintiffs in the case – the Brotherhood of Locomotive Engineers and the United Transportation Union – were entitled to injunctive relief in order to preserve the status quo.

"It's a substantial victory for us, but we know the battle isn't over," said Springfield Terminal [the operating arm of Guilford Rail Systems] General Chairman Mike Twombly, who delivered key testimony during the hearings. "It's a real kick in the pants for Springfield Terminal. Had the ruling gone in their favor, it would have given them the green light to circumvent our collective bargaining agreements."

The Appeals Court found that ST had improperly used ABR as its "alter ego" in order to avoid the status quo requirement of the Railway Labor Act. Under the status quo requirement, parties to a major dispute are prohibited from engaging in any kind of self-help until all of the Act's procedures have been exhausted.

Under the terms of the ruling, ST is enjoined from transferring any non-ABR switching work to ABR, and ABR is enjoined from performing any non-ABR switching work that has been performed by ST. A dissent was filed by Circuit Judge Norman Stahl. BLE General Counsel Harold A. Ross, who quarterbacked the successful legal effort, put the win in perspective. "For more than a decade, it has been difficult, if not impossible, for rail unions to convince a judge that a dispute is 'major' and to obtain injunctions against carriers' unilateral action against us. This decision represents a terrific victory for all operating craft employees."  {BLE press release 6.Apr.00}

**MASSACHUSETTS RRs**

**CSXT - ECONOMIC DEVELOPMENT**

15 February. THE RAILROAD WORKED ON TWELVE PROJECTS IN THE COMMONWEALTH in 1999, which helped bring more than $41 million in new plant and equipment investment and 221 new jobs to Massachusetts in cooperation with state economic development officials. The number of CSXT industrial projects in Massachusetts ranked third, after all of the states served by the railroad. Three of those:

**CONDYNE LOGISTICS**

CSXT partnered with the Massachusetts Office of Business Development and the Taunton Economic Development Office to help Condyne Logistics, LLC locate a rail-served site for its new frozen food warehouse and distribution facility. CSXT also offered engineering support to help the company connect to rail.

"Locating our facility on rail is critical to the success of our company," said Jeffrey C. O'Neill, president of Condyne Logistics, LLC. "The rail service offered by CSXT allows our customers to substantially reduce their overall freight costs."
The plant became operational in the first quarter of 2000. CSXT began transporting 600 carloads of frozen foods for the company annually. Condyne has invested $2.2 million in the new cold storage facility, which will create 25 new jobs in the Taunton area.

Condyne also operates a trucking firm out of Taunton, and another freezer warehouse and corporate offices in Avon. {ANR&P discussion 14.Apr.00; CSXT press release}

ALLIED COLD STORAGE
Up until 1999, Allied Cold Storage (ACS) operated out of three warehouses in Gloucester, which served the fishing industry there. Peter Maggio, the president, said in 1990 ACS started to transload frozen fish at a public dock on Guilford Rail Systems in Lawrence. The product came and went primarily from the Seattle area; ACS drayed the 60-mile distance to Gloucester.

Due to operational and competitive limitations, ACS had by the end of 1998 mostly backed away from the Lawrence operation. While Allied did about 200 carloads a year, Maggio rated the operation “achallenge at best” and went to truck though “trucks were never a better mode for our railroad customers.”

In addition, rail’s slower speed did not fit for much frozen fish with a high price tag. “The market changes quickly, and the consignees need speed.” But for other seafood, such as blocks of fish and bait, rail will work.

The expansion
Maggio began an expansion effort in 1996 with two goals: first to find a replacement for Lawrence “so we could improve and expand our railroad service to our seafood customers. Second, an improved situation would open up new opportunities in other frozen food commodities, i.e., frozen French fries and frozen vegetables.”

Maggio began working with Conrail to find a warehouse site west of Boston, between Route 128 and I-495. “Open land for a new warehouse doesn’t exist” on a rail line; some space is limited by proximity to a residential area. In 1998 he had one site lined up which would have required a private crossing, but that deal fell through.

Finally in Christmas 1998, the New England Frozen Foods warehouse in Southboro became available. Maggio put a deal together in about six months, including redoing the rail spur to the warehouse, which had not been used for 18 years. He has space for eight cars, and can get switched five times a week, so he can handle up to 40 cars a week. The warehouse has 125,000SF with cold storage of 2.5 million cubic feet, sited on 33 acres with the option to double in size.

“Pat Byrne, industrial and economic development manager for CSXT/Conrail over the last four years has given invaluable help and support in all our railroad-related efforts from site selection to reactivating the siding in Southborough,” according to Maggio.

New business
When the warehouse opened in summer 1999, Maggio found an explosion of non-rail users, and backed away from rail for the time being, though he did a few cars last autumn and winter.

In late winter, he paid a call on a food service business which was not using rail. “The excellent interstate highway access west of Boston and timely service from CSXT’s Framingham service yard were big factors in closing the deal.”

The first car has been ordered, and the flow over the next few months will ramp up to 25/30 cars a month for this customer with potential for more. Total cars from all sources both in and outbound are projected to be about 450/500 cars/year within a year.

“Andy Devlin, our CSXT Food Group Account Manager interacted with our customer with information and support that helped get the deal done.”

More food service business may come: while once only 20% of that sector’s product needed low temperatures, now 50% of it needs freezer space, and 20% needs cooler space. {ANR&P discussion 11.Apr.00}

ERIE PLASTICS
Erie Plastics, headquartered in Erie PA uses injection- molding to provide plastic components to the Gillette Company among others. It decided to open a New England area manufacturing facility, enabling them to use the Gillette business as a springboard to gain additional area clients.

Erie needed at least 70,000 square feet, and the site had to have the appropriate clear height, rail access, office layout, truck docks and highway access.

After a search, assisted by the Massachusetts Alliance for Economic Development, that included two “near misses,” a site at 205 Flander Road in Westborough was identified, and negotiations proceeded successfully. The Westborough site was chosen because of its close proximity to the Interstate Highway system, available skilled work force, rail access to the building, and a pro-business, cooperative local government. Erie has moved into its new facility, and is in the process of hiring 70 full-time skilled employees to operate its machinery. {Alliance website}

More from CSXT
In February, Randall Evans, CSXT vice president for real estate and industrial development, said: "Customers are increasingly using rail to forward-position their products closer to the markets that they want to reach. Receivers and shippers are not only using rail because it is economical and efficient, but also because it is an important part of their logistics chain." {CSXT press release}

On 30 March, at the Northeast Association of Rail Shippers meeting in Cape Cod, Evans said CSXT this year is “focusing on receivers” in the region. However, “land is a scarce commodity, at least land accessible to rail and zoned appropriately.” For that reason, CSXT is cooperating with short lines and “sharing inventory.” {ANR&P coverage}

FOR THE RECORD:

THE MBTA PORTION OF THE BOND BILL may emerge from conference committee [see 18 February issue] by 24 April and go to a vote in the House and Senate. Shami Inge, research director for the Joint Committee on Transportation of the
legislature, said the conference committee might well move the MBTA bond bill separate from the highway bond bill, as some T appropriations will expire. {ANR&P discussion 12.Apr.00}

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ONE OF BCLR’S OWNERS WAS ARRESTED on 5 April in Florida, charged with defrauding the state of more than $580,000 meant for safety improvements on his Seminole Gulf Railway. Gordon Fay, 60, was later released on bail. After a 1997 audit uncovered the discrepancies, Fay repaid all but $180,000. He was arrested after repayment negotiations on the balance broke down. (AP 6.Apr.00)

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BERKSHIRE SCENIC still awaits track. Ed Rodriguez of HRRC said EOTC had not yet had a consultant look at the tracks, a step necessary for a final agreement on trackage rights. Even if the agreement is reached this year, the required work will consume the construction season, so that the Scenic Railway could not use the tracks until next year. {ANR&P discussion 11.Apr.00}

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**NH RAILROADS**

**NHDOT: RAIL COUNCIL, BILLS**

14 April. **THE GOVERNOR WILL FORM THE LONG-AWAITED ADVISORY COUNCIL** in May, according to Susan Arnold in the governor’s office. Governor Jeanne Shaheen will sign an executive order creating the ‘Integrated Transportation and Rail Advisory Council’ sometime in May. It will meet quarterly, and report once a year to the governor, speaker of the House, and president of the Senate. {ANR&P discussion}

**Bills passed**

**HB 1378**. This establishes a task force to study the feasibility of re-establishing passenger rail service on the eastern line between Newburyport and Kittery ME.

**HB 1409**. This establishes a committee to study the feasibility of reestablishing the Manchester to Lawrence line and the Concord to Lebanon Northern Line.

**HB 1588**. This explicitly authorizes state track inspections.

**Not passed**

**CACR 38**, a bill to allocate 9% of transportation funds to rail infrastructure should be hitting the senate floor tomorrow, 3/9/00. Additionally, each highway’s companion rail corridors will be called upon to accommodate approximately 11.5 % of the travelling public during the next 15 years of construction on I-93 and Route 3. The Senate found it inexpedient to legislate. {General Court website}

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**MANCHESTER-LAWRENCE**

28 February, Salem. **THE STB INSTITUTED AN EXEMPTION PROCEEDING FOR GRS TO ABANDON** ‘and to discontinue service over a 2.95-mile line of railroad in Rockingham and Hillsborough Counties, NH, known as the Manchester and Lawrence Branch. Extending from milepost 4.65 to milepost 7.60 in Salem, NH, the line traverses U.S. Postal Service ZIP Code 03079 and includes the station of Salem, NH....A final decision will be issued by May 26, 2000. Any offer of financial assistance (OFA) under 49 CFR 1152.27(b)(2) will be due no later than 10 days after service of a decision granting the petition for exemption.’ {STB Docket No. AB-32 (Sub-No. 88X)}

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**NHDOT purchase/future commuter**

Kit Morgan, the department’s rail administrator, said on 12 April NHDOT had earlier told GRS of its interest in purchasing whatever GRS abandonments. But no talks have begun on the subject.

In part the department is driven by the need to look at rail alternatives, in addition to or as an alternative to the planned expansion from four to eight lanes of I-93, which runs roughly parallel to the Manchester-Salem line. Consultant Vanasse Hangen Brustlin (VHB) has been retained to examine and present the rail issues. Morgan listed three alternatives: commuter rail along the existing New Hampshire main line through Nashua, which roughly parallels US Route 3; reopening the Manchester-Salem-Lawrence MA line which provides a more direct route to Boston; and building a new rail line in the median of I-93. {ANR&P discussion 12.Apr.00}

NHDOT Commissioner Leon Kenison said earlier the department would reserve the opportunity for a rail line in the highway corridor, “and mark it out.” He also noted the department is working to restore commuter rail to Nashua and then to Manchester. ‘This service will also provide relief for the congested roadways and may one day return as the preferred mode between urban areas separated by modest distances and time to ride factors.’ {On the Move 3.00; John Toole in Manchester Union Leader 27.Jan.00}

[See related bill, above.]

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**Meeting on Rail Alternatives to I-93**

The NHDOT’s Advisory Task Force on I-93 widening will hold a public meeting on 3 May to look at the rail issues. VHB will present its work thus far. Thursday, 4 May, 6PM, Northgate Conference Center 50 Nashua Road, Londonderry.

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12 April. **WHERE DOES THE CHALLENGE TO NHDOT STAND?** Conservation Law Foundation (CLF) is challenging the department’s decision to permit the airport to sever the rail line between Manchester and Salem [see 21 March issue].

Tom Irwin, a CLF attorney, said the organization on 17 March had appealed to the Railroad Appeals Board the hearing examiner’s dismissal of the case. CLF had also appealed to the New Hampshire Supreme Court the negative ruling of the Public Utilities Commission.

Decisions will probably not come quickly. The Railroad
Appeals Board is overburdened [see 21 March issue], and the Supreme Court is embroiled in an ethics/impeachment controversy. {ANR&P discussion}

FOR THE RECORD:
NEW HAMPSHIRE
NHDOT and CCRR are still negotiating the contract to operate the West Lebanon branch [see 21 March issue]. Morgan expected it to be done soon.

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NO TALKS WITH GRS ABOUT PURCHASES of abandoned lines has occurred lately, said Morgan.

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WORK ON THE STATE RAIL PLAN should begin soon. Morgan is finishing up the contract with VHB. {ANR&P discussion 12.Apr.00}

RHODE ISLAND RRs

SEAVIEW TRANSPORTATION
13 April, Davisville. TRAFFIC HIT A MONTHLY RECORD EARLY THIS YEAR, said principal Bruce Hamilton. BB&S Treated Lumber is receiving a large number of cars. For 1999, he had an increase of about 10% to 1756, though a drop in revenue due to the car mix.

Hamilton explained that he earns different revenue for different cars: receivers with a higher volume get a lower per-car rate. “It depends on the deal the PW and I can put together to keep the customer.”

All-American Meat & Seafood
As of this day, said Hamilton, the contractor installing the company’s spur is beginning work. Problems have delayed what should be quick work: installing 600 feet of track, albeit with a sharp curve. {ANR&P discussion}

VERMONT RAILROADS

VAOT - NEW ORGANIZATION
3 April, Montpelier. VAOT SECRETARY BRIAN SEARLES DECIDED TO CREATE A RAIL DIVISION, in a memorandum this day. ‘The Railroad Division will consist of current staff with the addition of a Division Director who will report directly to the Secretary, and a Business Manager, both new positions.’ In the interim, the rail program manager, currently Sam Lewis [now Sue Compton is back, see People], will report to Searles.

The memorandum continued: ‘When I arrived in July 1999 the Division of Rail, Air and Public Transit (RAPT) had recently been dissolved and the three components assigned to three existing divisions as Programs. This move was controversial inside and outside the agency but was done for the best of reasons. In the case of Rail it was believed that placement of the program in the Project Development Division offered the best chance for rail projects to move forward effectively to completion....

‘Part of my charge upon taking over the Agency was to assess the performance of the above mentioned Programs, particularly as it relates to the organizational structure, and I have completed that assessment. It is clear to me that Aviation and Public Transit have thrived in their new environs.

12 April, Montpelier. THE INDUSTRIAL RAIL FUND WILL HAVE ONE APPLICANT, possibly two for FY01 (which begins 1 July). Dick Bowen, railway administrator, said the Northern Vermont Railway would like to install a siding to a Lyndonville customer, Caulkins Sand and Gravel.

The second applicant, Burlington Electric, needs a shed to cover its rail unloading site, to retain dust and chips floating around during the transload of the wood chips from rail cars to its chip pile. According to Bowen, the shed will cost in excess of $1 million. BE applied for the project in FY00, but has not yet begun work, so Bowen is looking at funding it out of the FY01 appropriation.

While Bowen has received no other requests for the fund for FY00, he explained that the agency had encountered unforeseen expenses in other rail areas, and would like to earmark the $500,000 appropriated in FY00 for other projects [see 17 December 1999 issue]. {ANR&P discussion}

Industrial rail fund appropriation
While VAOT requested $150,000, to be matched by the railroads and the customers to create a fund of $450,000, the Vermont House amended the budget bill to appropriate $480,000 of state money. This would give Bowen $1.44 million in projects. {legislative website, text of bill as passed by house, section 3(24)}

AMTRAK - ABRB
13 April, Hoosick NY. THE LEGISLATURE MAY NOT PROVIDE FUNDS TO COMPLETE the Hoosick branch this year, and thus the proposed Amtrak service to Manchester cannot start [see 21 March issue].

Legislative status
The House initially inserted money in the transportation capital budget for rail on the Hoosick branch, but later removed it [see 18 February issue]. The Senate will take it up this month, so the money may be restored.

VAOT status
The Vermont Rail Council agreed at its 17 March meeting to ask its Amtrak subcommittee to develop recommendations on how to move the project forward, especially service into Bennington, for review at its next meeting on 18 April.

During the discussion VAOT Secretary Brian Searles said too many questions remained unanswered to provide a date certain by which service to Bennington would begin. Vermont
did not want to end up with two trains on the west, one ending in Manchester, and one ending in Essex Junction. {minutes of VRC meeting}

**Trackwork status**

According to Doug Zorzi, senior civil engineer at VAOT’s rail division, the agency has funds for installing welded rail from Milepost 2.1 in North Bennington to Milepost 13.1 in Arlington, and between Mileposts 67-70 in Brandon. Money for work on the Hoosick branch is not yet in the capital budget bill.

Not only must rail be purchased, but the state needs $400,000 to repair several bridges on the branch. {ANR&P discussion 13.Apr.00}

**LAMOILLE VALLEY**

12 April. THE LAMOILLE ECONOMIC DEVELOPMENT COUNCIL HAS PREPARED a draft agreement for assigning the LVRC leasehold to a new LEDC subsidiary corporation.

But according to Vermont Assistant Attorney General John Dunleavy, VAOT has not yet processed the contract amendment with Kevin Sheys that would permit his DC firm to perform the STB-related work surrounding such a transaction. {ANR&P discussion }

**WELLS RIVER**

11 April, Montpelier. VAOT’S SELECTION COMMITTEE HAS NOT YET MET. Edna Martineau of the agency’s contract administration division said the auditors await some financial information from one of the proposers. {ANR&P discussion}

**MARITIMES/QUÉBEC RRs**

**NSDOT/NBDOT**


NS debt as a percent of revenues at 19% exceeds all other provinces; NB stands at 13.5%, with British Columbia lowest at 3.5%. At NBDOT, employees face a round of layoffs as the government tries to reduce spending. All other departments have already been cut; NBDOT’s turn has come. {NS Finance Minister speech 11.Apr.00; CBC On-line 12.Apr.00; ANR&P discussion with NBDOT official 12.Apr.00}

Don Stonehouse of NSDOT’s Policy and Plans said a supplements document would emerge from the Government in about two weeks, which would show more detail on the cuts. {ANR&P discussion 12.Apr.00}

**CN/TERMS OF UNION**

11 April, St.John’s NF. MOFFATT WAITS THE FEDERAL

**COURT OF APPEALS DECISION** on CN’s appeal of the two CTA decisions.

**Status of arbitration**

Due to the appeals by CN, Moffatt has chosen not to proceed to final offer arbitration. “I knew this process would take five or six years, and we’re only into year three.”

No other shipper, “to the best of my knowledge,” said Moffatt, had taken advantage of the Terms of Union rates. “FOA is not working the way it should. It does not give a swift decision.”

**CTA award of costs**

Moffatt applied to CTA for an award of his costs in two proceedings where he succeeded: the eligibility of his effort to get a through rail rate at CTA [see 2 July 1997 issue]; and his participation in the Terms of Union issues [see 9 June 1999 issue]. On 15 March, CTA awarded Moffatt his costs in both proceedings, though not completely.

On the eligibility issue, CTA awarded costs for Moffatt’s presentation of ‘the issues which dealt with the intermodal nature of the traffic, that is, the lack of an identifiable rail rate [section 3] and the eligibility of intermodal traffic to FOA [section 4].’ These, ‘which are closely related, meet the criteria set out for awarding costs. Mr. Moffat’s contribution on these two issues was significant in assisting the Agency in making a determination in this matter. The Agency’s decision in sections 3 and 4 not only provides clarification to Mr. Moffat and other Newfoundland shippers and carriers but also has an impact on the Canadian shipping community as a whole who ship traffic under intermodal through railway rates.’

On the Terms of Union issues, CTA found Moffatt’s participation important and the issue of general importance to the Newfoundland shipping community. {Decision No. 178-R-2000 15.Mar.00}

**Federal Court of Appeals**

Both issues were appealed by CN. Moffatt, due to financial constraints did not present arguments to the Court in either matter - CTA did. He expected the the appeal will be heard in September this year. {ANR&P discussion 11.Apr.00}

**NBSR**

See Bayside in Ports.
FOR THE RECORD:
QUÉBEC/MARITIMES

VIA WILL RUN TOURIST TRAINS in summer 2001 from Halifax to Sydney and return [see 4 February issue]. The Bras D’Or will run eastbound Tuesdays 9 May 9 to 17 October, and westbound a day later. (John Pearce e-mail to ANR&P 11.Apr.00)

VIA TRAFFIC ROSE FOR 1999 on the Eastern transcontinental routes, up 1.3% to 259,053 (compare to 3,756,855 system-wide). On-time performance fell just under systemwide, 83.2% versus 84.4% for the system. The deficit of $18.1 million (revenue $20.5 million, cost $38.6 million) for the year shrunk over 1998 but not as much as budgeted ($17.4 million deficit). {VIAlogue 2.00}

FULLERTON said the stakeholders “have had, and will have” a voice in the study; they include the industrial park, the port, NBSR, and governments. He expected completion by mid-July, some 16 weeks after FGA began on 27 March. {ANR&P discussion 11.Apr.00}

APPOINTMENTS TO THE PORT AUTHORITY

Collenette also announced the appointment of Joseph Flynn of Miramichi, Georges Marcoux of Petit-Rocher, and Robert DeGrace, Constance Gay Morrison, and Pierre T. Tremblay of Bathurst to the board of directors of the Belledune Port Authority. All were nominated by the local port advisory committee. Joseph Flynn has extensive experience in teaching and school administration, and has served his community for 30 years in various capacities.

Georges Marcoux is currently a marketing consultant for Publisol and has extensive experience in Aboriginal economic development. He is the current president of the Chaleur Regional Development Commission.

Robert DeGrace, a former mayor of the City of Bathurst, is currently the general manager of the Best Western Danny’s Inn and Conference Centre in Bathurst. He has held numerous executive positions with industry and business associations, and is a member of the board of directors and the executive committee of the Canadian Tourism Commission.

Constance Gay Morrison is currently a member of the Farm Products Marketing Commission. Ms. Morrison was the executive director of L’École d’Infirmières de Bathurst for 20 years, and a member of the Management Nurses’ Association of New Brunswick. She is also a member of several community organizations and is co-director of the Bathurst United Way.

Pierre T. Tremblay has been practicing law privately since 1973. He has been a member of several professional associations, and in 1982, he became a director of the New Brunswick Law Foundation. Mr. Tremblay has also served as president of the Caisse Populaire Ste. Famille and as president of Bathurst N.B. Trails Inc. {Transport Canada press releases}

Next steps
Winifred Goodman, interim port manager, will continue in his position until the board selects a manager. According to Colin MacKay, Transport Canada spokesperson, the board will select a chair and begin working on an approach for the port. {ANR&P discussions 12&13.Apr.00}

HALIFAX

UPDATES ON SOME CURRENT ISSUES

Halterm v. Port Authority hearing
The Port Authority says it has received seven expressions of interest to operate the container facility should Halterm and the Authority not settle the matter.
transshipment facility in Scapa Flow, Orkney Islands, the site of a former naval base. The Port Authority has contributed $15,000 to a $100,000 study; the Orkneys Islands Council (municipality) and Highlands and Islands Enterprise (state body) are contributing the remainder.

Halifax is considered the North American port for the transshipment because of its proximity to Europe. Port Authority President David Bellefontaine said: “What if a large post-Panamax vessel could leave Halifax and go to Scapa Flow, unload, and then Scapa Flow could feed northern Europe, Scandinavia, and maybe down as far as the Netherlands. That is sort of the concept. Halifax could be the loading area or the receiving area. We would become a transshipment point as well as Scapa Flow.”

Bellefontaine did not know if the concept would work, but the Authority would like to explore any option which would lead to more traffic between Halifax and Europe. The parties have hired Napier University in Scotland for the study, led by Al Baird, a professor there. It should be complete by September. {Tom Peters in Halifax Herald 30.Mar.00; ANR&P discussion 13.Apr.00}

Subsidies. David Bellefontaine, chair of the CAPA task force reviewing the new Canada Marine Act and president of the Halifax Port Authority, said the federal government shouldn’t be withdrawing financial support when major competitors are still being subsidized by the US government. “Maybe (Ottawa) should get out of ports but they shouldn’t get out when the U.S., our strongest competitor, is not out of it.” Last year, the port of New York, lost $29 million US, Mr. Bellefontaine said. When the exchange rate of 45% is taken into account, “you get a $43 million Canadian loss,” which was covered by the state and American federal governments, he said. “And I look at that as a subsidy.”

By comparison, the Port of Halifax, although it made $3 million last year, no longer receives any funding from Ottawa. Bellefontaine said without federal backing, the Port of Halifax has a maximum borrowing capacity of $25 million. “We can't . . . efficiently go out and build a berth based on our full capacity of loans . . . We will have to form partnerships” with shipping lines, banks or other private investors, he said. But he isn't sure that type of partnership would produce enough capital for major development.

Commissions, such as those in Nanaimo, Port Alberni and Toronto, did not have to pay municipal taxes, or pay fees to Ottawa or pay for dredging of their harbours. “So, some ports are now facing huge increases in costs . . . some in the millions - that were never factored into their rates,” he said. “There are ports that could be not viable in the very near future.”

Port revenue fees. CAPA is advocating that the federal government base fees not on gross revenue, as done currently, but on “net income, which is what the private sector pays taxes on,” Bellefontaine said. {Halifax Herald 20.Mar.00}

Link with Scapa Flow container facility
Halifax has joined in a study of the feasibility of a container
clients’ needs on an interim basis].”

**The master plan**

On 7 April, voting via e-mail, the board accepted the master plan which it had discussed at its March meeting [see 3 March issue]. It calls for continuation of the current public mission with some embellishments, and a possible land swap with Granite State Minerals. {Alan Keays in Portsmouth *Herald* 13.Apr.00}

**Bulkloader will not seek a renewal**

Hugo Neu, the parent company of current operator Bulkloader, has closed its Portsmouth office, essentially giving up on trying to attract traffic. Andy Feuerstein, senior vice-president of Hugo Neu, said the entity will remain in existence, and as other opportunities arise, “we will look into them.” {ANR&P discussion 10.Apr.00}

**NEW HAVEN**

11 April. *THE CITY ENGINEER HAS RECOMMENDED U.R.S.GREINER TO DESIGN THE TRACK* to the port facilities [see 3 March issue]. Lisa Barlow, one of the engineers, expected the Board of Aldermen to award the contract by the end of May. {ANR&P discussion}

**PEOPLE, POSITIONS, EVENTS**

In another twist at VAOT on rail staff, Susan Compton returned as acting director of the new VAOT rail division on 31 March. Compton, earlier rail administrator for the rail section [see 21 March issue], had been transferred out to the maintenance division. Dick Bowen, the railway administrator, returned this month, putting the division closer to a full complement. Doug Zorzi, senior civil engineer, is assigned to work on the ABRB (Albany-Bennington-Rutland-Burlington) project. {ANR&P discussion 10.Apr.00}

John Coady, general manager of Bulkloader which was operating Portsmouth for the New Hampshire State Port Authority, left his position earlier this year [see Ports].

Both Milton Cross (Bayside) and Winifred Goodman (Belledune) are interim port managers. But Cross, who was called out of retirement when his predecessor quit after three months on the job, wants to retire again. Goodman, who was harbor master at Belledune, may be a candidate for permanent manager once the new Belledune port board meets.

**Event: NHRA**

The next meeting of the New Hampshire Railroad Revitalization Association will be held Monday, April 24th in CONCORD, 7pm, at the offices of The Safety & Health Council of New Hampshire, 163 Manchester Street Suite D.

Special guest speaker will be Dan Sabin, Vice President & Chief Operating Officer of the Bangor & Aroostook System. He will be speaking about B&A's long range development plans.

**Event: Rail alternatives to I-93**

[See New Hampshire, above.]

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**E-MAIL ISSUE**