REGIONAL ISSUES

**PW:** revenue up, net down.

**SLQ/SLR:** Also revenue up, net down.

**B&A:** Grand regional vision.

**CONNECTICUT**

**ConnDOT:** Last two railroad grants.

**HRRC:** Gets money for transload facility.

**PW:** Starts work on Wethersfield secondary.

**MASSACHUSETTS**

**Reefers:** Amtrak and CSXT services.

**GRS:** Americold.

**FTR:** GU transload not yet. Bond bill not yet. Bay State maybe never.

**NEW HAMPSHIRE**

**Legislature:** Committees on Northern, Manchester/Lawrence, and Eastern.

**Salem:** commuter rail in I-93 median?

**Nashua:** RFPs coming.

**NEGS:** traffic up, details.

**Lebanon:** Hearing on local concerns.

**RHODE ISLAND**

[No report.]

**VERMONT**

**VRC:** waste by rail?

**GMRC:** traffic up after joining VRS.

**ATLANTIC NORTHEAST PORTS**

**New Haven:** still working on containers and track.

New terminal operator Motiva.

**Portland:** New crane in operation soon.

**FROM THE PUBLISHER**

Too much happening! This issue has only half of it, but I hope the important half: the stuff you did not read in the newspapers.

Favorite story: the 15 June startup of the QCR. This will be the largest piece of track revived in the Atlantic Northeast in quite some time, possibly ever.

- Chop Hardenbergh

Next issue: 26 May.

**PROVIDENCE & WORCESTER**

9 May, Worcester MA. **OPERATING REVENUE INCREASED** 6.9% to $5.3 million from $4.9 million in 1999, resulting from a 5.2% increase in conventional freight revenues, a 23.9% increase in net container freight revenues and a 2% increase in non-freight operating revenues. However, the Company experienced a loss from operations of $184,000 in 2000 compared with income from operations of $136,000 in 1999. Net
income for the quarter decreased to $14,000 in 2000 compared with $260,000 in 1999. Income per share (diluted) decreased to less than $.01 per share in 2000 from $.06 per share in 1999.

'The decrease in the Company's operating revenues for the first quarter results from an increase in operating expenses to $5.5 million in 2000 from $4.8 million in 1999. The increase in operating expenses is attributable to a number of factors including a 155% increase in diesel fuel costs, a 13% increase in depreciation and amortization expense and a 32% decrease in costs capitalized in track improvement projects or recovered from projects funded by third parties. Historically, the Company has experienced its lowest levels of operating revenues and income from operations during the first quarter of each year [see 7 May 1999 issue].' {PW press release}

More from the Annual Report
The company expected the expansion of the Worcester transload and intermodal yards ‘in conjunction with the Massachusetts Highway Department’s $250 million highway project connecting Worcester to the Massachusetts Turnpike. When completed in 2002, the company expects a near doubling of its transload facilities.‘

RIDOT ‘contracted for engineering services to complete roadway improvements for vehicular access to the South Quay from the interstate highway system. The project is expected to be completed by 2002. The company believes its costs in developing the South Quay will be fully recovered from future development of the property and associated rail freight revenues, as well as possible port charges such as wharfage, dockage, and storage.’

Boxcar traffic in 1999 decreased from 30,482 to 29,933. PW said nearly 700 carloadings were diverted to truck, and 890 carloadings were attributable to reduced traffic from two customers [presumably Anchor Glass and Pfizer - more in a later issue]. ‘It is anticipated that these two customers will complete the phase-out of their rail-served freight operations over the next year or two.’

‘The Company did experience increased rail-traffic from several new customers and from certain existing customers which partially offset the traffic declines discussed above. The reduction in the average revenue received per conventional carload... is largely attributable to a change in the mix of freight hauled toward lower revenue commodities. Management believes that the average freight received percarload should increase in the future as freight, temporarily lost to Conrail split-up related service problems, returns to the railroads.’

The company also disclosed that the decrease in carloadings from 31,047 to 30,482 from 1997 to 1998 was due to a decline in shipment of scrap metal and US-made steel. {PW Annual Report}

SLR/SLQ
12 May, York PA. EMONS FISCAL THIRD QUARTER RESULTS showed a decline in income before taxes and net income while operating revenues remained basically flat for its fiscal 2000 third quarter. For the quarter ended March 31, 2000, operating revenues totaled $6.25 million, up 0.2% from $6.23 million for the quarter ended March 31, 1999. Income before taxes decreased 49% to $305,000 for the third quarter of fiscal 2000, compared to $602,000 for last year's third quarter.

Robert Grossman, chairman and president, commented, "I am disappointed in the results for this quarter, which interrupts a string of consecutive quarterly increases in pretax income. Freight revenues, excluding intermodal, for the current quarter increased only 2.2% on carloads of 17,025 for the current quarter compared to 17,050 carloads in the prior year's quarter. Average revenues per carload were up 2.3% due to the mix of business and selective price adjustments. Intermodal revenues were up 32% to $273,000 from $207,000 in the prior year's quarter, and units handled increased 20% to 2,300 from 1,925. A decline in other operating revenues largely offset these increases resulting in a net 0.2% increase in operating revenues.

"Operating revenues were negatively impacted by continued service disruptions at CSX Transportation and Norfolk Southern Corporation and the loss of certain one-time carload shipments last year."

"Income before taxes for the current quarter was [also affected] by certain cost increases. First, the Canadian National Railway (CN) altered its operating plan for interchange of traffic with our Québec rail line, which significantly increased our operating costs. We are currently working with CN to develop a solution to this problem.

"Second, the Company is incurring high locomotive maintenance costs in New England/Québec as a result of continuing efforts to stabilize the fleet acquired in conjunction with our acquisition of the Québec rail line in December 1998. In addition, locomotive fuel costs increased $130,000 as a result of the significant increase in the price of diesel fuel. Finally, the Company incurred $90,000 of additional professional fees in conjunction with the pursuit of strategic plan initiatives which did not materialize. Net income and diluted earnings per share were down by a greater percentage than income before taxes because of a substantially higher effective tax rate in the current quarter compared to the prior year's quarter as a result of tax losses from our Canadian subsidiary that cannot be used to offset taxable income in the United States. Most of the taxes provided in each year are deferred federal taxes that do not require an actual payment."

Mr. Grossman concluded, "Steps have been taken to reduce our operating costs over the next several months. Long term, we expect revenues to show more significant growth as service by the eastern Class I railroads improves and certain of our marketing initiatives come to fruition, including our doublestack intermodal train service in coordination with CN that is being marketed to international steamship lines. We remain optimistic that this will add significant business to our New England/Québec operations. Also, our new $1.5 million bulk transload terminal in York, Pennsylvania, is in the process of being paved and is now open for business." {text from Emons}

B&A REGIONAL PLANS
10 May, Northern Maine Junction. WINNING THE BID FOR THE WELLS RIVER BRANCH will open up two grand visions the B&A has for the region.

First, the railroad will provide quick express service for customers in eastern Canada and northern New England by
hooking up with the Amtrak express service.  
Second, within five years the railroad will provide passenger service out of Montréal to New York, Boston, Portland, and Saint John. [See Vermont for details.]

**CONNECTICUT RRs**

**ConnDOT**

15 May. **THE DEPARTMENT FINISHED AWARING THE RAILROAD GRANTS.** Ray Godcher of ConnDOT said HRRC had switched its project from installation of thousands of ties to constructing a bulk transfer facility [see below], and PW had received the go-ahead for the Wethersfield secondary work. {ANR&P discussion}

**PROVIDENCE & WORCESTER**

27 April, Cromwell. **ConnDOT GAVE THE RAILROAD NOTICE TO PROCEED on the completion of the rehab of the Wethersfield secondary** [see 2 May issue], according to Godcher. By 6 May, according to a rail observer, work had begun with the replacement of the Route 99 crossing here.

**Will this help CSO?**

While ConnDOT did not give a grant to CSO [see above], in theory the grant to PW will help CSO by providing an alternative to using Amtrak’s high-trackage-fee route between Hartford and New Haven. However, noted Godcher, the ConnDOT grant will permit rehab only to Class I speed, which means CSO freights would travel at 10 miles per hour over the Wethersfield Secondary. South of Durham, the track has a Class II rating.

Furthermore, PW has agreed not to ask for crossing signals at all but the Route 3 crossing; it will instead use stop-and-protect (flagging the crossing). This makes for slow going.

In the future, if traffic increases (perhaps because of CSO trains), PW may need to re-examine the crossing issue. {ANR&P discussion 15.May.00; Richard Thompson in NERAILS e-mail list 6.May.00}

**HOUSATONIC RAILROAD**

15 May, Hawleyville. **THE TRANSFER FACILITY IS COMING!** Godcher said the award [see above] will permit HRRC to build the $550,000 setup, including moving the main line, adding lighting, and other work. HRRC will pay 30% of the cost, or about $165,000. ConnDOT has given the railroad the ok to begin work in advance of the formal contract.

The facility will sit directly across the main line from the Shepaug Transload Facility [see 4 February issue]. {ANR&P discussion}

**MAINE RAILROADS**

**AMTRAK - MAINE**

15 May, Portland. **THE BIG DIG CAUSES ANOTHER RAIL PROBLEM.** [After snafuing funding for the MBTA and causing at least in part the T to cancel the Bay State Transit contract [see Massachusetts], plus dictating no expenditures for double-stacking the Commonwealth’s rail lines, and limiting the T’s plans to expand to Scituate, the Cape, Fall River, and New Bedford, now it has delayed the Downeaster. Quel horreur!]

Mike Murray, NNEPRA executive director, said the Massachusetts Turnpike Authority, which is managing the Big Dig, met with the NNEPRA board on 12 May to say that adding Amtrak service to North Station at this point would not be possible. The Turnpike could change its Big Dig construction plans, but that would cost $2 million.

The NNEPRA board has agreed to postpone startup of the Downeaster until April 2001. {Dan Tuohy in Foster’s Daily Democrat 16.May.00}

**CALAIS BRANCH**

5 May, Cherryfield. **HOW TO REVIVE THE LINE** was debated by the Eastern Maine Railroad Development Commission here (EMRDC). Skip Rogers, who runs the Federal Marine Terminals stevedoring operation in Eastport, provided these details:

**Meeting with potential operators**

This proposal was well received. EMRDC will hold a series of meetings, probably at Eastern Maine Development Corporation in Bangor, this summer with stakeholders, including trail advocates, possible operators, and legislators.

**Draft of Stafford Feasibility Study**

Chris Hall, the consultant with Stafford Business Advisors who did much of the work, made a lengthy presentation on the large volume of work he had done to ascertain the best location for a transload facility to serve the Port of Eastport.

“The result was not what the commissioners wanted to hear, but it was an honest effort to look at what would help the port,” stated Rogers. Hall found that sited a transload facility at Ayers Junction would not help. Draying product to/from Ayers would cost only $1 less per ton than draying to/from Calais. Yet restoring the rail to Ayers would cost $6 million.

Furthermore, looking at Ayers as a first step to getting rail back to Eastport would backfire. Observers, finding Ayers “less than successful,” noted Rogers, might want to abandon the whole idea of rail.

**Future Eastport traffic**

As in previous studies, Hall found that bulk provides the best chance for maritime traffic growth for Eastport. A transload facility does not make economic sense for bulk; rail must come
close to the pier. The best chance lies in building a new highway-rail bridge to Moose Island, but, said Rogers, “nothing has moved on that.”

What options for transload?
Hall recommended building a transload facility in Calais on industrial land behind the UPS building, which would serve not only traffic for the port carried by NBSR, but also the Calais and Baileyville industrial parks.

In addition, he found that more business could be generated with a transload facility in Cherryfield from which traffic would run to Brewer.

Preserving the eastern end of the line
The western end of the line will get upgraded to provide passenger service between Bangor and Ellsworth, and possibly freight traffic as far as Cherryfield. EMRDc remained concerned about the eastern end of the line, especially since trail advocates were eyeing it covetously.

MDOT is not very interested in putting a lot of money into rehabbing the line without any traffic. Rogers said “we need a revenue stream” to provide funds for continuous maintenance.

Bayside?
Does the effort to revive the Calais branch compete with the study on returning rail to Bayside NB? Not yet, said Rogers. However, if Georgia Pacific sent its traffic via Brewer, and stopped subsidizing the NBSR branch, that could doom rail to Bayside. And if the United States lifted the embargo to Cuba, the Bayside traffic might move to US ports. {ANR&P discussion 12.May.00}

5-7 May, Brewer-Calais THE INTREPID VOLUNTEER MOW BAND again hi-ramed the branch, doing repair work such as installing cribbing under some major washouts, replacing some joint bars, and even installing two rails. NEGS provided hi-rail trucks which supplemented the six motor cars provided by volunteers. The two dozen people have now donated 5200 person-hours of work on the line over the past years.

Peter Dearness of NEGS [see New Hampshire], the organizer of the group and a consistent potential operator for the line, called the Brewer-Washington Junction track in good shape, and saw no reason for the state to hold up operation [see 2 May issue]. {ANR&P discussion 10.May.00}

runs between San Bernadino CA and Napierville IL in 59 hours. The intermodal marking company (IMC) Mark VII has arranged drayage of the ReeferRailers (a new product from Wabash National, refrigerated RoadRailers) to Amtrak’s Chicago terminal. The Lake Shore Limited takes them to Albany and they are drayed into Massachusetts to supermarket companies such as Stop & Shop, C&S and Market Basket all use it. {ANR&P correspondent Michael Clements; Intermodal Business 15.May.00}

Albany work
Amtrak recently added a yard crew and switcher in Albany which pulls the RoadRailers and Material Handling Cars off the rear of the east-bound Lake Shore Limited. The crew also makes up the west-bound consist. The passenger train thus no longer needs to stop prior to reaching the station platform to set off the rear-end cars. It regularly runs with more than 17 cars, often exceeding 20. {The Bridge Line cited by The 470 5.00}

UP-CSXT
UP and CSXT have teamed up to offer guaranteed 9th day delivery from the San Joaquin Valley to New England Produce at Chelsea, MA, and 8th day to Hunts Point in the Bronx.

If the railroads fail to meet those deadlines, they agree to pay customers a non-compliance payment of $200 for the first day or fraction thereof that any railcar is late, and an additional $100 per day (or fraction thereof) for every additional day the car is late. {ANR&P correspondent Michael Clements}

GRS - BEMIS BRANCH
10 May, Watertown. AMERICOLD PLANS TO MOVE ITS WATERTOWN OPERATION to another location in New England, said Joel Smith, vice-president for corporation operations located in Eugene Oregon. “The closing is scheduled for late September.” [GRS will then abandon the branch - see 2 May issue. One rail source said Americold had sold the parcel to a high-tech firm for $32 million for the property; another noted that the facility continues to receive and ship cars. {NERAIL}]

“We are contemplating a new facility somewhere in New England, and we’ll try to get it rail-served,” Smith stated. Americold currently has five warehouses in Worcester, one in South Boston (rail-served), and one in Portland not on rail. {ANR&P discussion}

FOR THE RECORD: MASSACHUSETTS
THE GU TRANLOAD DOCK IS NOT FINISHED, said VP Florence Sayles. “Probably in the next couple of weeks.” {ANR&P discussion 10.May.00}

THE STATE TRANSIT BOND BILL? Still held up in conference committee, reported staffer Shani Inge. The conference spent its time the last two weeks working out how to fund the Big Dig deficit [see Maine]. The governor should sign that legislation on 16 May, and the conference can get back to the bond bills. {ANR&P discussion 12.May.00}
THE MBTA CANCELLED ITS DEAL WITH BAY STATE at its board meeting on 11 May, and extended its agreement with Amtrak [see 2 May issue]. "It's not what the board wanted to do. It's not what I wanted to do," said Governor Paul Cellucci. "It's what the federal government forced us to do because they had pressure from the congressional delegation not to save us money. I think it's outrageous."

Anticipating the T's decision, Bay State sued the MBTA earlier this week. The company is seeking an undetermined amount in damages that it says it will incur if the T breaks the 5-year, $175 million contract that the two parties signed last year. The T cannot terminate the deal or extend the existing Amtrak contract until after a court hearing on 16 May. T officials believed they could successfully defend their decision in court, but the case could take two years to litigate and cost the agency $200 million in federal funds in the meantime. {Gary Susswein in Quincy Patriot Ledger 12 May 00}

NH RAILROADS

COMMITTEE ON NORTHERN AND MANCHESTER/LAWRENCE
4 May. A COMMITTEE TO STUDY THESE TWO LINES was appointed by NH legislative leaders: members from the House, John Flanders, George Katsakourios, and William Mosher.

Under the bill enacted by the General Court this year, HB 1409, the committee shall study the ridership over the next five to ten years, the cost associated with re-establishing the lines, the opportunities for public/private partnerships in re-establishing the lines, and the interactions between participating states. Its report is due by 1 November 2000. {text of letter appointing Mosher}

TASK FORCE ON EASTERN LINE
4 May. A TASK FORCE TO CONTINUE LOOKING AT THIS LINE was appointed by NH legislative leaders and others: from the House, John Flanders and William Mosher; from the Senate, Burt Cohen and Arthur Klemm; appointed by the governor (two); and designates of the NHDOT & Department of Environmental Services commissioners, the Portsmouth mayor, the towns of Hampton and Seabrook, the New Hampshire Railroad Revitalization Association, Portsmouth Chamber of Commerce, Rockingham planning commission, and TrainRiders/Northeast.

Under the bill enacted by the General Court this year, HB 1378, the task force shall look at the feasibility of re-establishing service between Newburyport MA and Kittery ME. Its first report is due 1 December 2000, and every six months thereafter. {text of letter appointing Mosher}

OTHER GRS SALES
12 May, Concord. NH DOT AND GRS ARE DISCUSSING FURTHER PURCHASES of rail lines, said Kit Morgan, NHDOT rail administrator. He met this week with Kelly Dunn, who handles real estate for GRS, making some progress on already abandoned parcels, such as a section for the Jefferson-Whitefield trail, a parcel in Woodsville for a visitor center, and the missing piece of the Conway branch.

The two sides did not make any progress on active rail lines, such as the Salem Industrial Track. {ANR&P discussion}

COMMUTER - NASHUA
12 May, Concord. NH DOT WILL ISSUE AN RFP FOR PRELIMINARY ENGINEERING to upgrade the rail line from the border to Nashua for MBTA passenger service. Within one month, said Morgan, the RFP will go out to a selected short list of firms. {ANR&P discussion}

COMMUTER - SALEM-MANCHESTER
12 May, Salem. A LIGHT RAIL SERVICE IN THE MEDIAN STRIP of the to-be-widened I-93 might not even connect with the heavy-rail MBTA commuter system, said Morgan.

Instead, it could run down to Woburn MA on the median strip, and there connect to existing subway operations on the T system. {ANR&P discussion}

NEW ENGLAND SOUTHERN
11 May, Concord. AN UPDATE ON TRAFFIC was provided by President Peter Dearness:

Northern Line
The railroad is paying its workers to keep this 8-mile line, owned by GRS and leased by NEGS, in shape, so that potential customers see the possibility of rail service. Ties have been dropped along the line, to be installed later this year. The track has good ballast and 112-pound rail. NEGS has one customer, Agway, on the southern end. Fertilizer traffic for Agway began again, as it does every year, in April.

NEGS had a customer here in the early 1980s, Riverside Mill Works (RIVCO). Wood products from Minnesota and Montana arrived by rail, about 200 carloads a year. After the two GRS strikes, the customer switched to all-truck. Trucks also eliminated the need to transload from one building to another.

Suncook Valley
Business has mushroomed for one of NEGS’ four customers on this GRS-owned two-mile spur from Concord to Bow Junction. Cohen Metals (aka Advanced Recycling) did about 60 carloads annually for the last few years, but is now moving about 7-8 per week. NEGS is using 30 railcars belonging to the receivers of the metals such as Phillips Steel, AMG Resources, and David Joseph Transportation.

Dearness is about to lease 25-30 4,000-cubic foot cars to use in shipments to Prolerized New England in Everett. These are needed because the other metal cars “are not in New England on a regular basis.”
MORE ON ADVANCED RECYCLING

This booming rail customer has some neighbors calling on it to move. The company has operated a shredder with noise problems; the city has required it cease operation.

Fifty years ago, the family-owned company did move, from Hammond Street to its present Sandquast Street location (not on rail). The company also owns a site on the rail line.

It trucks in metal from 35 surrounding communities, shreds most of it at the rail site, and sends it out on railcars and trucks.

The owner, Steven Cohen, would not object to moving, but no site near an interstate highway and on a rail line has come on the market.

To meet city requirements, he plans to spend a million dollars buying a new, much quieter shredder. Meanwhile, according to Dearness, he has a huge stack of already-shredded material, and another stack of #1 steel. These will permit him to load out railcars from now to the end of the year.

(Katie Helm in Concord Monitor 3.Mar.00; ANR&P discussion 11.Mar.00)

Concord Team Tracks
Also the New Hampshire Bituminous plant in Boscawen begins seasonal receiving of tank cars of magnesium chloride at the team track in the Concord yard.

Concord-Lincoln
Quin-T began getting clay traffic for its Tilton plant, as it does every year in April. The Plymouth and Lincoln Railroad [which operates tourist trains on this state-owned stretch] is completing a state-funded repair job here. It had previously installed 10,000 ties and is now laying ballast along the line, along with removing some superelevation. R.J.Corman will then re-align the track and tamp the track.

The customer Dearness expected in 1999, who will receive plastic pellets year-round, should start up later this year or early next year.

He also had two potential water shippers. Unfortunately, someone vandalized the wells of one, and the other shipper may seek a new partner [anyone looking to own a water bottler?]. Dearness is preserving his capital for the potential Calais branch investment [q.v.] and a Colorado short line.

Manchester-Concord
Barrett Transportation, which operates a salt shed at Bow, will probably not receive as much salt by rail as in past years because of the mild winters. “He must have about 100 carloads there now, so he’ll get only 200-250 more,” estimated Dearness.

NEGS could serve the new Ciment Québec facility [see 2 May issue] with regular switching, noted Dearness. “Guilford knows what we can do. For example, by providing frequent switching, we built up the road salt business in this area from fewer than 100 cars to over 1600.” {ANR&P discussion

10.May.00}

WEST LEBANON
12 May, Concord. CONCERNS ABOUT THE WESTBORO YARD have held up completion of the contract between CCRR and the state to operate the West Lebanon branch. Kit Morgan, NHDOT rail administrator, is looking forward to a meeting possibly on 22 May among NHDOT, the city, the railroad, the local businesses, and the neighbors.

Some concern remains about environmental cleanup. NHDOT did withhold some of the payment to GRS for the branch to pay for cleanup. The governor and Council will soon approve a contract to spend some of those withheld dollars on a consultant to further evaluate the cleanup.

Neighbors are also concerned about the re-start of trains. The department wants to respond to their concerns, and will discuss how to do so at the meeting. Following the meetings, Morgan hoped that the railroad can start work in June. {ANR&P discussion}

The concerns
CCRR recommended razing the old roundhouse, sandhouse, turntable pit and machinery house as too badly deteriorated and not practical for current business needs. It would construct new service facilities but keep the old brick “bunkhouse” and have it refurbished for business occupation. This plan upsets local historical interests who cite the historical aspect of the yard; some talk of establishing a rail museum.

Local businesses have expressed concern about the return of the trains, citing noise, pollution and danger to life and limb.

CCRR said freight service would probably start off at 300 carloads per year, but 6,000 carloads were likely if business plans developed. {Valley News 3.May.00}

FOR THE RECORD:
NEW HAMPSHIRE
WORK ON THE STATE RAIL PLAN is not yet underway, reported Morgan.

VERMONT RAILROADS

GREEN MOUNTAIN RAILROAD
12 May, Burlington. GMRC TRAFFIC HAS INCREASED DRAMATICALLY. Dave Wulfson, president of parent Vermont Rail System, agreed that the increase happened after VRS acquired GMRC and was able to provide financial resources.

“We have invested nearly $1.5 million over the past three years in GMRC track, and put money into other infrastructure. We put money into the shop in North Walpole so that it can do better work on railcars and locomotives. In fact, the shop now does contract work on the railcars of other owners. We have also put money into locomotives.

“Since we put the best foot forward on service, the
carloadings on GMRC have vastly improved. Prior to our acquisition, they were trying to make it work with not enough resources.”  {ANR&P discussion}

WELLS RIVER

4 May, Bradford.  GMRC SERVED A NEW CUSTOMER ON THE LINE for the first time since completing repairs [see 18 February issue].  The railroad brought two cars to Twin State Fertilizer here, and brought back two empties. {Scott Whitney in NERAIL list}

10 May, Montpelier.  VAOT SELECTED NVR TO OPERATE THE BRANCH. Secretary Brian Searles said in a press release, “The NVR proposal had the broadest vision and the greatest opportunity for significant gains in traffic, level of maintenance, and rent to the state.”

The terms of the contract

According to the RFP [see 18 February issue], the legal form of the agreement, the term, the rental fees, and a schedule of capital improvements will be negotiated.

Minutes of the selection committee

Micque Glitman, deputy VAOT secretary, wrote up a one-page description of the decision process which was then approved by Searles.  The committee was composed of Glitman; Sue Compton, interim director of the rail division; Robert Merchant; Sam Lewis, former interim manager of the rail section [see 21 March issue People]; Barry Driscoll of Project Development; and Edna Martineau of the contracts administration division.

Each member, after reading the proposals from the three railroads, rated them on a scale.  The ratings were collected, with this result:

Northern Vermont Railway 427
Green Mountain Railroad 416
Boston & Maine Corporation 191

‘The committee was joined by Ed Langley from our Audit section for the purpose of reviewing and analyzing the financial information provided by the respondents. After a discussion of the three proposals, the committee agreed to hear verbal presentations from [GMRC] and [NVR].  NVR presented on 6 May and GMRC presented on 9 May.  The committee made a determination that the Boston & Maine Corporation proposal did not meet the requirements of the Request for Proposals and [it] was not considered further.

‘The committee felt that the NVR proposal had the broadest vision and the greatest opportunity for significant gains in traffic, level of maintenance, and rent to the state.  NVR’s proposal offers the best opportunity to expand transportation options for both shippers and receivers and for economic development in the Northeast Kingdom.  NVR’s corporate management is entrepreneurial, progressive, and contains strong mid-level management.

‘The committee is recommending that the agency begin lease negotiations with NVR.  The Committee will continue to meet as an advisory committee to the lease negotiators.  If within 90 days the committee feels the lease negotiations have reached an impasse, then the committee will reconvene to consider its options.’  {text from VAOT}

Reaction in the Northeast Kingdom

"I don’t think people realize how important this decision is," said Darcie McCann, executive director of the Northeast Kingdom (the area roughly composed of Essex, Caledonia, and Orleans counties) Chamber of Commerce. "This is huge. This not only increases and strengthens the businesses of NVR, but helps every business along that route. I don't even want to think what would've happened if they hadn't got it. We just concentrate on the positive here ... we're really thrilled."

"I'm just ecstatic," said Sen. Robert Ide, R-Caledonia, vice chairman of the Senate Transportation Committee. "The process worked properly. The challenge now is for Bill Magee to make it work, and I know he can."

"This couldn't be better news," said Rep. Janice Peaslee, R- Essex-Caledonia, who serves on the House Transportation Committee. "It means so much for our part of the state. Certainly in the long run it's going to mean ... improvement to the economy. Any line that associates with the BAR has prospered and is successful ... They've got a great track record -- no pun intended. We're not a forgotten corner anymore, as far as rail is concerned."

"Janice (Peaslee) has worked very hard on this deal," said Rep. Dave Clark, R-Caledonia. "It's a good thing for St. Johnsbury so we're pretty happy."

Reaction at NVR

Bill Magee, general manager of NVR, the division of the B&A System which will actually operate the road, said: "Now we really have to get to work...As soon as we take over the land, we'll have to service the customers. We have one active customer (Twin State Fertilizer) at Bradford [see above]."  {John MacLeod in The Caledonia-Record 11.May.00}

VRS’s Dave Wulfson

The chief of the Vermont Rail System, which owns rival bidder Green Mountain Railroad, said on 15 May: “We were disappointed that we did not get the bid. However, we will make a smooth transition, and work with [the B&A] in any way we can.”  {ANR&P discussion 15.May.00}

B&A’s Dan Sabin

Dan Sabin, vice president and chief operating officer of the Bangor & Aroostook Railroad, who presented NVR's proposal to both the Vermont Senate and House of Representatives' committees on Transportation, as well as the AOT, saw the culmination of four years of planning and work come to a successful end.

Sabin added that the state recognized NVR as the best chance to recover its expenditures on the track; the bidding did not involve money.  The state will receive a fee for every car on the line; the more traffic, the higher Vermont’s revenue.

"We're going to hit the ground running," said Sabin, indicating he already had three new customers ready to start
shipping as soon as the NVR starts rolling. Within three years the B&A will be running 50,000 cars annually on the line.

Noting the incentive to come to a contract in 90 days, Sabin said he was anxious to begin working out details with the state over the next weeks. “Reaching this agreement will not take three months.”

The additional power required to begin the new train, as well as to deliver new traffic to the new train [see Regional for the new traffic], will come from putting back into service the locomotives B&A already owns.

Rehab will take place at the newly-redone Derby shops in Milo, Maine. The repair facility in Northern Maine Junction will close within days, “as soon as one final turbo is changed out” there.

Financial questions
How did the B&A deal with the inevitable questions about financial stability? As one irritated employee—not a manager—at the Green Mountain Railroad put it, “How anyone could endorse an outfit with the financial track record of non-payment of debts like IR has is beyond me. I see a storm on the horizon.”

Sabin noted that he had addressed the questions. “When AOT read all the facts, instead of just partial stories” they were satisfied, said Sabin. “They recognize our proposal provides Vermont with a big opportunity….The income we give to the state will enable it to help all railroads in the state.”

“Furthermore, since we pay Vermont on a per-car” that will help with B&A’s tight cash situation.

More traffic, more money
Sabin listed several positive financial points with immediate impact:

- “Traffic is up; we’re beating our revenue goals soundly: the BAR is 19% above last year in revenue, and CDAC is 8% above last year.” The railroad had a surge in March, when current customers moved traffic back to rail because the congestion on the UP and CSXT is easing.

- “The intermodal business should start growing dramatically.” Kent Lines will start on a new schedule with a larger ship on 29 May, with sailings on Mondays instead of Thursdays. The additional space will enable it to pick up Canadian-bound traffic in Miami.

- The B&A’s parent Iron Road Railways expects to get additional investors. “We’ve had folks asking to come in with more money,” Sabin noted. The Vermont decision will increase their interest.

- MDOT has agreed to pay B&A every fifteen days as the track improvement program proceeds this year. {ANR&P discussion}

Next steps
Magee and Sabin both hope to work out the details with the state on the terms of the lease by June of 2000, and shortly thereafter to achieve the approval of the Legislature and governor.

Magee said quite a bit of work remains on the newly-acquired line, and he hopes the whole stretch will be operating at speeds of 40 miles per hour within two years. Currently, trains travel at 10 miles per hour between Wells River and White River Junction, in part due to non-functioning crossing signals.

Magee wants to get the freight system up and running effectively before he tackles the issues of passenger service. {John MacLeod in The Caledonia Record 11 May.00}

Express traffic
The B&A had planned to begin providing express cars to Amtrak over the White River Junction (WRJ) gateway in August [see 21 March issue], Sabin said, assuming the B&A won the contract. Now, “some of this could even start earlier than August.”

He intends to build a ‘straight express train’ with cars from north and east of WRJ (including Montréal) and turn the train and its power over to NECR crews at WRJ. NECR will then run the train to Palmer and continue to New London to turn the rest of the consist over to Amtrak corridor trains. The B&A does not intend that the south-bound Vermonter pick this consist up at WRJ. [The backing move of the Vermonter from Palmer to Springfield prohibits this—see 21 March issue. If Amtrak uses the Lake Shore Limited at the interchange in Palmer, that will require a new stop.]

Running on the NE corridor will require obtaining 80-foot plate B boxcars, noted Sabin. While RoadRailers would fit through the Hudson River tunnel in terms of height, their width (with tires up) prohibits this. [According to Mike Clements, author of Trackside New England 2000, RoadRailers would fit on the two through tracks, but Amtrak could not guarantee a slot for them.]

The B&A is aiming high: “We can become the largest express partner with Amtrak in the country,” believed Sabin.

Passenger traffic
The B&A foresees passenger traffic radiating out of Montréal within five years, said Sabin [see 21 March issue]. “[W]e would be running passenger trains from Montréal to Boston, Montréal to New York, Montréal to Portland, Montréal to Saint John, and from the Maritimes down to the Amtrak network.” This would occur in cooperation with Amtrak and VIA, and would be made financially viable because of the express traffic the trains would carry.

“Newport (VT) would serve as the hub. We would make up the express consist there rather than in Farnham, so that all cars will have already cleared through customs.” He hopes that by that point Canada and the United States have arranged for passengers to clear customs in Montréal, thus avoiding the hour’s wait at the border. {ANR&P discussion}

Boxcar traffic
One marketer at another New England railroad described possible box car traffic. “Paper traffic for PW will most likely travel over Wells River along with any possible Amtrak Express business. I foresee the largest amount of traffic over Wells River being CSXT traffic going to BAR. Currently this moves over either GRS or CPRS. NECR can throw in a haulage number
between Palmer and White River; B&A will get the longer haul
over its own lines to Maine.

“Traffic going to Long Island NY off BAR will probably stay
on CPRS via Montréal.” {NERAIL e-mail list}

**MARITIMES/QUÉBEC RRs**

May, Québec City. **MTQ ANNOUNCED A FINANCIAL AID PROGRAM FOR RAILROADS.** This program, according to the ministry’s description, ‘is designed in a specific manner for the restructuring of the Québec rail network. It particularly touches the secondary network and comes on two sorting-boards:

- rehabilitation of secondary lines operated by a short line (CFIL, chemin de fer d’intérêt local)
- project to place infrastructure linked to a rail line having an intermodal potential.

The aid program constitutes a transitory measure within the movement of rationalization of the secondary rail network for the large rail companies and the price charged for the shortlines.

It sees ulteriorly a better modal balance within the transport system of Québec and that with care for protecting the environment and for safety.

**Objectives**
The aid program of the ministry has two objectives:

- support for maintaining the rail infrastructure on Québec territory in view of assuring the integrity of the network and the transport system of Québec.

- revitalizing this mode of transport with a view to assuring complementarity with the other modes, as well as permitting intermodality.

The program is not for developing the actual network, but more for its improvement, as well as for rendering it accessible to intermodal nodes and industrial branches.

**Evaluation criteria**
The projects within each category ‘are evaluated according to the following criteria which permit putting them in a priority order. The list is not exhaustive:

- importance of the line for the region and its economy;

- economic advantages for shippers;

- state of the track and its structures;

- existence of a rehabilitation program for the track and structures.

- safety of the activities of the railway.

- modal transfer (oversize traffic, protection of the environment, safety of transport, protection of the network route).

**Money available**
The minister of finance announced a total five-year budget of $19 million. The province has already allocated $6 million to the Québec Central revival [see below]. Of the balance, 80% ($10.4 million) is allocated to rehabilitation of infrastructure; 20% ($2.6 million) is allocated to intermodal yards and industrial spurs. For 2000, the government has about $2.5 million.

Each railroad company may obtain $5,600 per kilometer of main track it owns. Thus a company with 100 kilometers of track may receive for a maximum of $560,000 over the next 4 years. The railroad must also contribute.

**Procedure**
For the year 2000-2001, applicants must submit their projects to the ministry before 31 May on the form created for this with the information required. Following this, the ministry will analyze the projects in part on the qualification of the applicant and the expenditures, in the other part on the precise evaluation criteria. Finally, the ministry will make known the projects accepted, and announce the amount of the grants.

In subsequent fiscal years, projects must be submitted before 31 December. The ministry will announce the amount of the grants before the end of April of the following year.

An applicant rejected in one year for lack of government funds may re-apply the next year. An applicant rejected for failing to meet the criteria must re-file with an acceptable application.

**Principal stages of the railway of the project**
- deposit of a request for assistance, which states the rail service for freight, no later than 31 December of each year [starting in December 2000 for 2001].
- analysis of the request and a decision of the ministry to give or refuse the aid.
- negotiation and signing of an agreement between the ministry and the applicant which must contain the following:
  - estimated cost of the work and a schedule for its completion.
  - total of the government’s financial aid for the completion of the work.
  - clauses and modalities of the financial contribution of the government and agreements of the parties.
  - modalities for providing the contribution as well as the dates for beginning and completing the work.
  - inspection of the completed work by a representative of the ministry and payment of the grant on presentation of justification of work completed.

**Particulars**
For an intermodal yard, the maximum is $200,000 and the applicant must spend double the government money. For an industrial spur, the maximum is $125,000; again, the applicant has to spend double the government money.

For track rehab on short lines, the railroad must spend the
same amount as the government grant. {ANR&P e-mail from MTO planner Roger LeDoux May 16, 2000; text of rules (please excuse the rough translation) on http://www.mtg.gouv.qc.ca/ministere/programmes/c71.htm }

Québec Central
12 May, Northern Maine Junction ME. THE B&AcSHOULD OPEN AN INTERCHANGE WITH QCR on 15 June, according to B&AC Chief Operating Officer Dan Sabin."We think we work out substantial volumes of traffic together” at the Sherbrooke interchange. {ANR&P discussion}

Atlantic Northeast Ports

Portland
15 May. THE NEW CRANE SHOULD BEGIN OPERATION soon. It arrived on 26 March from manufacturer Liebherr in Austria. The $2.44 million price was paid for mostly out of a 1995-96 state bond issue, federal matching funds, and $235,000 of city money.

The new crane will reach the new containership, Shamrock, which will replace the Elisabeth C this autumn. {Raymond Blair in Working Waterfront 5.00}

Ben Snow, the waterfront manager for the City of Portland, said the only line currently calling Portland, Hapag-Lloyd, had leased the existing crane and an operator from the firm Reed & Reed of Woolwich ME. Hapag-Lloyd has notified Reed & Reed that the lease will end on 1 July. At that point, the new crane “will begin swinging boxes.”

The complicated arrangement for the new crane
Snow explained that the International Container Terminal, owned by the city, is open to use by any licensed stevedoring firm (the city does the licensing). Hapag-Lloyd has hired International Terminal Operators (ITO) to handle its containers in Portland.

The state will own the new crane, when it takes possession of it after the state is satisfied that it meets all specifications. The city has leased the crane long-term from the state. Snow pointed out that the city will not sublease the crane. Instead, it has hired ITO to operate and maintain the crane, which will remain available for any maritime use.

Preparation for expansion
The new arrangement reflects the fact that the city is reworking its relationship with Hapag-Lloyd. In the current configuration of the container terminal, Hapag-Lloyd “is maxed out,” with containers parked on city streets. But when the city finishes expanding the terminal to 12 acres, the terminal could accommodate another container line, or other uses such as ro-ro. Hence, the city wants to maintain a more neutral posture toward users of the terminal. {ANR&P discussion}

New Haven
10 May. MOTIVA ENTERPRISES COMPLETED THE PURCHASE OF CARGILL’S TERMINAL in New Haven CT.
The 1.8 million-barrel terminal, which handles refined products, became Motiva’s largest in New England and second largest overall.

The terminal will receive gasoline, diesel, jet fuel and heating oil by tanker and barge via two marine berths, one of which can accommodate deep-draft tankers. The products will be stored in 21 tanks and delivered to customers by way of a nine-lane truck loading rack and the Buckeye Pipeline. The majority of gasoline throughput services will be provided for third-party customers and the remainder for Shell- and Texaco-branded stations.

Motiva, a joint venture owned by affiliates of Shell, Texaco and Saudi Aramco, combines the major elements of the three companies’ former eastern and Gulf Coast U.S. refining and marketing businesses. Headquartered in Houston, Motiva refines and markets gasoline and other petroleum products under the Shell and Texaco brand names in all or parts of 26 states and the District of Columbia, providing product to approximately 14,600 Shell- and Texaco-branded retail outlets. Motiva's major assets include four refineries and ownership or partial interest in a growing network of 50 product terminals. {Motiva press release} [For more information go to http://www.equilonmotivaequiva.com]

Reasons
Motiva was already operating in New Haven using the Wyatt terminal, according to new manager Herm Rogers. To acquire an “equity terminal,” the company bought the Cargill terminal; Cargill had acquired it when it bought the Northeast Petroleum company.

In New England, Rogers noted, Motiva operates in South Portland (jointly with Citgo); in Providence; in Bridgeport; and in East Hartford via the Buckeye Pipeline. {ANR&P discussion 12 May.00}

12 May. STAKEHOLDERS FURTHER DISCUSSED A CONTAINER TERMINAL HERE [see 3 March issue]. James Schine of Logistec Connecticut said his firm, while also considering Bridgeport and New London, will first look at New Haven in part because of the interest of Westchester Motor Freight. WMF has a yard in New Haven which serves as a distribution point, and drays containers to/from the ports of New York/New Jersey. A barge might deliver the containers instead, if the plan works.

According to another port source, meeting attendees included representatives of ConnDOT and the planning department of the City of New Haven. {ANR&P discussions 15 May.00}

15 May. THE BOARD OF ALDERMEN MUST OKAY THE CONTRACT with U.R.S.Greiner to design a new track along Waterfront Street [see 3 March issue]. The approval will not occur until June, and the design work will not get underway until July. {ANR&P discussion}
PEOPLE, POSITIONS, EVENTS

People
A much belated welcome to Benjamin Snow, the waterfront manager for the City of Portland, who works under transportation director Jeff Monroe. Snow took over his current responsibilities in June 1999, moving over from the private sector where he worked for the previous ten years as a ship’s agent for Chase Leavitt. {ANR&P discussion 15.May.00}

Herm Rogers became terminal manager in New Haven for Motiva on 10 May, when it bought the former Cargill terminal.

Events
The North Atlantic Port Association (NAPA) will hold its annual meeting in Portland Maine 7-8 June. Those wishing to attend, please contact Tom Valleau, the current NAPA president, at tomvalleau@worldnet.att.net for more information.