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

ATLANTIC NORTHEAST
RAILS & PORTS

operating railroads + ports, intermodal facilities, and government environment

Issue 00:16 1 September 2000

REGIONAL ISSUES

Ayer train: Second trip successful.
B&A: Wells River startup soon. Traffic should grow.
SLR: Intermodal growth.
Foliage tours: Two companies running them.

CONNECTICUT

[No report.]

MAINE

GRS: HoltraChem shuts. GP’s Baileyville facility for sale.
B&A: Presque Isle ramp still alive. GAC Chemical remains open. Military vehicles delivered to Caribou. Track abandoned in Fort Kent.

MASSACHUSETTS

NEW HAMPSHIRE

NHDOT: Update on rail meetings - Railroad liability, Nashua commuter rail, state rail plan, Eastern line, Manchester/Lawrence, Northern, Plaistow, I-93 rail in median.

RHODE ISLAND

[No report.]

VERMONT

B&A: Ciment Québec drops WRJ plans.

MARITIMES/QUÉBEC

NBSR: New general manager, business development, Bayside access, no second train.
QCR: Map of system. Startup going well on freight, passenger biz booming.
VIA: Ridership down, but losses decreased.

ATLANTIC NORTHEAST PORTS

Boston: Update on effort to keep direct calls.
Halifax: Halterm increases traffic, but loses MSC to Ceres.

PEOPLE, POSITIONS, EVENTS

Peter Touesnard, Dale Thibodeau, Jim Gublck, Brent Cronkite, Andreas Aeppli. Northeast Association of Rail Shippers meeting 27-29 September.

FROM THE PUBLISHER

My favorite piece: my editorial on Maine intermodal ramps.

- Chop Hardenbergh  Next issue: 15 September.

REGIONAL ISSUES

CN/NBSR/GRS INTERMODAL TRAIN

30 August. ANOTHER P&O HOTSHOT TRAIN ARRIVED ON TIME IN AYER. According to Mark Hunter, P&O’s New England manager, the P&O ship [see 28 July issue] arrived in Halifax on Sunday. The CN train left Halifax on Monday; NBSR picked it up that night [see Québec and Maritimes], handed it to GRS on Tuesday morning, and the train arrived 0200 Wednesday.

The first run departed 8 August (a Tuesday) because the ship arrived late, said Hunter. “It’s travelling 9,000 miles and may...
State is in the last stage of clean-up and we are prepared to sign waiting for that to be completed. The final agreement with the operation by the second week of October. There is extensive numerical customers and I look forward to a revenue, scheduled season.

River line on September 11, and engineering will have a few

Some notes on the second trip
Train Q 18511 28 [train 185 originating in the Atlantic region on the 28th day of the month - also called Q HALAIT1 28, presumably Halifax-Ayer International Terminal] departed on 1837 (128 minutes early). Fourteen loads [articulated cars in this case], no empties, weight 785 tons, 1008 feet long.

At 0830 Tuesday, MAAY passed Northern Maine Junction. At 1800 on Tuesday, MAAY (Mattawamkeag-Ayer) was just leaving Rigby, and asked if he might get to Surf (Old Orchard Beach) by midnight. Answer from the train operations manager: “No, I gotta get you to Ayer tonight!” [various reporters on NERAIL@LISTSERV.AOL.COM]

B&A - Wells River, traffic
30 August, Montpelier. VAOT AND THE RAILROAD HAVE A FINAL DOCUMENT which will govern the operation of the railroad on the Wells River-White River Junction track, according to Assistant Attorney General John Dunleavy. He said the document would go to the governor for signature, and then on 14 September to the General Assembly’s Joint Fiscal Committee.

Another committee is empowered to approve items while the legislature is not meeting. Once approved, the operating agreement will take effect.

A final GMRC train
GMRC had planned to run a special excursion train on 9 September to Wells River, but the trip was cancelled, according to a GMRC official. A source close to the situation said the B&A inspection of the White River bridge revealed significant problems, so the train could not run north of it.

The beginning of the B&A operation
Dunleavy said VAOT was working to give B&A access to the track to begin work prior to 14 September. [ANR&P discussions]

Dan Sabin, B&A’s chief operating officer, wrote on 30 September: “We are tentatively planning a takeover of the Wells River line on September 11, and engineering will have a few weeks with good weather to assess what can be done yet this season.

‘Rates and traffic are being developed in detail with numerous customers and I look forward to a revenue, scheduled operation by the second week of October. There is extensive work required on the White River bridge and GMRC has made a commitment to run a passenger train on September 9, so we are waiting for that to be completed. The final agreement with the State is in the last stage of clean-up and we are prepared to sign it upon receipt. The interchange agreements are being completed with NECR and next will be the CC and ST. Traffic on the line looks very promising.’ [Sabin e-mail to ANR&P 30.Aug.00]

29 August, Northern Maine Junction. B&A ‘WILL END THE YEAR WITH SIGNIFICANT IMPROVEMENT IN REVENUES’ over 1999, while dramatic improvements have been made in our cost structure. Derby shops continues to provide improved efficiencies to the operations and we are hiring additional people for the fourth quarter increases in business, as well as the winter operations. Next focus is repair of freight cars and locomotives, which will make dramatic improvements in our winter operations,’ wrote Sabin.

‘Major operating changes will be in effect by Halloween and I will have some very exciting traffic news to share with you in the next few weeks. In the mean time, additional investments are being made into our holding company and we continue a massive capital program throughout the system.’ [e-mail toANR&P 29.Aug.00]

N. NEW ENGLAND PASSENGER RAIL
31 August. EFFORTS TO REVIVE INTERCITY PASSENGER RAIL FROM BOSTON TO MONTRÉAL, as well as other regional passenger rail, are moving ahead on six fronts:

High-speed rail designation Boston-Burlington
Karen Songhurst of VAOT, who handled the application for designation as a high-speed rail corridor for Boston-Burlington [see 14 April issue], said the federal government had closed the application process. She understood that the feds would review the applications by the end of September, and make the designations in October.

High-speed rail study
If the Boston-Burlington corridor receives high-speed designation, a study on its feasibility could go forward. The fate of the $300,000 earmarked by the US Senate for the study [see 3 July issue] awaits a decision in the conference committee on the transportation appropriations bill. The committee should meet when Congress begins an election-shortened session after 4 September.

If Congress agrees to the appropriation, Massachusetts, New Hampshire, and Vermont have agreed to equally divide the required local match, Songhurst said. [ANR&P discussion]

EPA-funded study by CLF group
The Conservation Law Foundation will spearhead the Northern New England Rail Action Project, to craft and implement a strategy to revitalize a 1000-mile network in the three northern states. Organizers thought the steering committee of the Project would hold its first meeting around 1 September [see 19 June issue], but CLF officials could not be reached for the exact meeting day. [ANR&P discussions 31.Aug.00]

CONEG study
The Coalition of Northeastern Governors is looking at the rail network in Massachusetts, New Hampshire, Vermont, and
Maine, and will create a map with service options. [See 28 July issue: New Hampshire.]

High-speed designation for Portland-Boston
MDOT has requested designation for this corridor. On 5 July, while the application was pending, MDOT Commissioner John Melrose asked the FRA to amend the corridor to include SLR track from Portland to Lewiston. [I assume the decision on the designations will follow Songhurst’s timetable, above.] [text of Melrose letter]

Revival of Northern line
In 2000, the New Hampshire legislature called for a study of ‘the feasibility of reestablishing the Lawrence, Massachusetts to Manchester, New Hampshire passenger rail service line and the Concord to Lebanon Northern passenger rail service line and coordinating passenger rail service with existing intermodal transportation systems within the identified transportation corridor.’ This study committee is now meeting [see New Hampshire].

Great Train Escapes
This company is offering a third season. In 1998 and 1999, the tour took place on a private train [see 18 June and 8 October 1998 issues]. The second year clients doubled from 500 to 1000, but the operation encountered problems: CN forgot to release the brakes and the entire train got flat wheels; the SLR thought the flat wheels had caused some rail problems, and an engine “blew up.” Great Train Escapes had to cover all these costs, according to one official.

Outcome? This year, the company is using existing trains: the Cog Railway, Conway Scenic’s Crawford Notch train, Amtrak’s Vermonter, and the Cape Cod Central. Eight days, cost per person double occupancy $1999. Trips begin on 23 September. [ANR&P discussion 29.Aug.00; www.greattrainescapes.com]

Trains Unlimited
This company will offer a somewhat similar, more spatially-limited one-shot tour beginning 22 September 2001. It includes six trains: MBTA Boston-Rockport, Conway Scenic’s Notch Train, Conway Scenic’s Valley Train, the Cog Railway, Hobo Railroad’s Café Lafayette Dinner Train, and the Winnipesaukee Scenic Railroad. Eight days, cost per person double occupancy $1,895. [www.trainsunltdtours.com]

MAINE RAILROADS

GRS - MAINE
22 August, Orrington. GRS IS FACING THE LOSS OF 2100 CARS A YEAR when HoltraChem Manufacturing Company LLC closes. Company officials told its 70 workers this day that it would cease operations at the Orrington plant 15 September and close in October if a buyer is not found. HoltraChem makes chlorine and rayon-grade caustic soda for the paper, plastics, fiber, water purification and drug industries.

Transportation cost a factor
Four factors contributed to the decision: high energy costs, high transportation costs, increasing costs to comply with environmental requirements, and historic lows in the prices being paid for its products. “It’s just the company’s not profitable,” said company president Steve Guidry. For almost three years, HoltraChem has experienced cash-flow losses.

The plant along the banks of the Penobscot River will be cleaned up of hazardous substances and other materials, and then mothballed. In the meantime, HoltraChem will be seeking a buyer for the facilities and the land. Another chemical company is a possibility, Guidry said, as is the prospect of a distribution company using the buildings for storage and the rail lines for shipment.
Headquarters selling the only other plant
With headquarters in North Carolina, HoltraChem also announced it is selling its other manufacturing plant, in Reigelwood, North Carolina. Unlike the Orrington facility, that plant will continue operating while it is presented to potential buyers.

History of facility
The facility was built by International Minerals and Chemicals in 1967 to supply Maine’s paper industry. ICM chose Orrington because of its central location to the mills which would use its chlorine and caustic soda, access to water, and the rail line. The facility went through a series of owners, until HoltraChem bought it out of bankruptcy in 1994.

Environmental problems
Almost since it began operating, HoltraChem was dogged by environmental concerns. The plant uses more mercury than any other facility in New England, to convert salt water into caustic soda and chlorine. The facility has spent $6 million in the past two years on environmental upgrades, including a new wastewater treatment facility and a containment system to control any future spills.

High costs, low prices
Historically HoltraChem has sold most of its caustic soda and chlorine to pulp and paper companies located in Maine. When the Maine companies changed the way they produce paper and eliminated the use of chlorine [see box], HoltraChem was forced to find new markets for its products, and the nearest customers were in Maryland and New Jersey. The materials were shipped primarily by rail, but it was an added expense the company had to factor into the cost of its products. “It was a fundamental shift in our business,” said Guidry about the loss of the paper companies as clients. “That has added a lot of cost to our business.”

Downward spiral
With other industries changing their manufacturing operations, the supply of caustic soda and chlorine produced by HoltraChem and other companies was increasing. The products, considered commodities, were not in demand and prices for them started a downward spiral that lasted for 18 months. “It drove prices down to historically low levels,” Guidry said.

Prices slowly have been going back up, but not to the point where they had been, he said. The increases were being viewed as hope that HoltraChem could recoup some of its losses. That didn’t happen. “We had just come through an 18-month period where supply was in great excess and demand was very weak,” Guidry said. “That 18-month period was very painful.” [Deborah Turcotte Seavey and Susan Young in Bangor Daily News 23.Aug.00]

Impact on Guilford
According to Roland Guerin, the facility’s sales manager, it loaded 2100 rail cars a year. A rail official close to GRS said HoltraChem was usually switched by BKPO (Bucksport-Portland). This train will continue to serve the International Paper mill (until 2000 the Champion Paper mill) at Bucksport daily so no operations should change.

Despite the possibility of losing a large chunk of business (GRS does an estimated 160,000 carloads a year), the railroad had refused to budge on rates even when HoltraChem said it might go out of business. Nevertheless, GRS officials were surprised, Guerin said, when told that the company would stop shipping.

Rates in North Carolina were also high, according to Guerin. The Riegelwood plant sits only a few hundred yards from a major customer, yet “we’re paying twice as much as the competition.”

Impact on trucking
Guerin said the company totaled 8100 truck loads a year: inbound salt trucks at 11/day [roughly 3600/year], caustic soda (outbound by both rail and truck), sodium hypochlorite (all outbound by truck since the liquid deteriorates quickly), chlorine (all by rail), and hydrochloric acid (outbound by both rail and truck).

HOLTRACHEM INPUT, OUTPUT, TRANSPORT
Four chemicals are made in Orrington: chlorine, sodium hypochlorite (NaOCl), caustic soda (sodium hydroxide, NaOH), chlorine (Cl), and hydrochloric acid (HCl). The process uses salt, water, mercury, and copious amounts of electricity, between $10 million and $12 million per year. HoltraChem’s plant gets sun-evaporated sea salt from the Bahamas, delivered over Sprague’s pier in Searsport and drayed from there at the rate of eleven trucks per day.

HoltraChem has looked at using ships to receive the salt directly and to ship its product, but decided against it because its location on the Penobscot River did not provide enough draft, and because construction of a loading facility would further anger the environmental community.

The salt is poured into water drawn from local wells (the company does not need seawater) to make a 30% saturated salt solution.

Elemental chlorine
All chlorine is shipped by rail, said Roland Guerin, the facility’s sales manager. Paper plants in Maine formerly consumed 100,000 tons/year. HoltraChem did find new end users for the product out of state, such as pharmaceutical companies.

Chlorine was phased out in Maine. In 1985, dioxins were first found in fish below Maine’s seven “bleach kraft” paper mills that use chlorine compounds to bleach their paper. On 8 April 8 1996, Governor Angus King announced that the seven bleach kraft pulp and paper mills had signed on to the goal of eliminating the discharge of dioxin, by switching from elemental chlorine to chlorine dioxide. [The Natural Resources Council of Maine notes: ‘However, the chemistry of the ECF process clearly shows that the main bleaching agent, chlorine...']
dioxide, is still capable of producing dioxins. Research by both the pulp industry and the EPA demonstrates that chlorine dioxide bleaching does not ensure total elimination of dioxins. Totally chlorine free bleaching processes will do the job. [www.nrcm.org]

Jeff Toorisch of the Maine Pulp and Paper Association said all mills in Maine had stopped using chlorine that causes dioxin; instead they use chlorine dioxide. MPPA represents most, but not all mills (not Lincoln Pulp and Paper, Eastern Fine Paper, Chinet, and American Tissue). (ANR&P discussion with Toorisch 28.Aug.00)

**Caustic soda**
HoltraChem ships it out by both truck and rail both to Maine and out of state. Paper companies in Maine still use caustic soda as a bleaching agent.

**Sodium hypochlorite**
Also called chloride of soda, sodium hypochlorite moves all by truck. Paper mills and wastewater treatment plants use it.

**Hydrochloric acid**
Shipped both by truck and rail. Some paper companies use it. Out of state, Eastman Gelatin in Peabody uses large quantities of the acid to make gelatin. (ANR&P discussion with Guerin and Toorisch 28.Aug.00; with Eastman 31.Aug.00)

29 August, Baileyville. **GEORGIA PACIFIC HAS A BUYER FOR ITS MILLS** here, according to an announcement on 29 August. The mill generated 3400 rail cars per year in 1998 [see 98#22], and provides virtually all traffic for the Port of Eastport.

G-P operates three facilities in the Baileyville area: mills for pulp and paper, studs and composite board. In July, when Atlanta-based G-P acquired Virginia-based Fort James Corporation for $11 billion, making it the world’s largest tissue maker, G-P said it was ready to divest some of its other businesses. In that release, A.D. “Pete” Correll, G-P chairman and chief executive officer, said the company was prepared to divest nearly 250,000 tons of tissue-manufacturing capacity for away-from-home products as well as selected commodity and “nonstrategic” businesses.

Sale of the Woodland mill would be the latest in a string of huge paper-company transactions affecting Maine. Just a year ago, G-P announced it would sell its Maine timberland—about 440,000 acres—to Wagner Forest Management Ltd. And last year, Bowater Inc. announced it would sell its remaining assets of Great Northern Paper Co. in Millinocket and East Millinocket to Inexcon Maine Inc. for $250 million. This summer, International Paper Co. began efforts to acquire Champion International Corp., including its mill in Bucksport, for $7.3 billion. [Diana Graettinger in Bangor Daily News 30.Aug.00]

**B&A MAINE**

30 August, Searsport. **GAC CHEMICAL DOES NOT FACE MUCH ALIVE**. The family-owned company headquartered in Toledo Ohio known as General Alum and Chemical until 1999, GAC manufactures specialty and commodity chemical products for the pulp and paper and water treatment industries. It also produces fine chemicals for the food, pharmaceutical, and textile industries.

**The Searsport operation**
GAC bought the facility, which has 52 employees, from Delta Chemical in 1992; Delta located in Searsport to serve the paper industry. Initially Delta produced sulfuric acid. However, when refineries in Canada cut emissions, they got quantities of sulfuric acid as a byproduct and sold it inexpensively, resulting in the shuttering of most US sulfuric acid production. Delta stopped production in 1989; GAC now obtains sulfuric acid by rail from Canada, and distributes it from Searsport to the paper companies by truck (except to Lincoln Pulp and Paper, which receives by rail). According to Harmon, “Demand over the past seven to eight years has increased, partially as a result of the elimination of chlorine.” The company has increased its reselling of sulfuric acid—including to New Hampshire and Massachusetts—despite tougher competition due to globalized purchasing by the paper industry.

GAC produces foodgrade ammonium sulfate which it distributes nationally as a dry product in bags, totes, and drums. Precursors include sulfuric acid and anhydrous ammonia, which both arrive by rail.

The facility also produces alum (aluminum sulfate) from sodiumaluminate and sulfuric acid. Most of the alum goes to the paper industry by truck, with the exception of rail delivery to Madawaska.

**Comparison to HoltraChem**
Harmon characterized HoltraChem as a “whole different situation.” Not only was the Orrington plant plagued by environmental problems, but it lost its major business when the pulp and paper industry in Maine stopped using chlorine. “HoltraChem received sulfuric acid from us, and we purchased its caustic soda.”

HoltraChem produced one ton of chlorine for every 1.1 tons of caustic soda, meaning 50% of its production had to go out of state. GAC, on the other hand, is producing chemicals all of which the Maine paper industry uses. (ANR&P discussion 30.Aug.00)

31 August, Presque Isle. **THE RAMP HERE REMAINS VERY MUCH ALIVE**. Tom Flacke, head of B&A’s Logistics Management Services (LMS) which operates the facility, said a few loads are still coming inbound. “We’re still expecting McCain to be a big shipper” outbound. McCain director of transportation Jim Gulick confirmed this possibility.

The customer which had encountered border problems in late 1999 [see 3 December 1999 issue]—not McCain, Flacke said—is no longer using the ramp. (ANR&P discussion with Tom Flacke 31.Aug.00; Gulick 1.Sept.00)

**HOLTRACHEM’S PROBLEMS**
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McCain possibilities
On 11 August, McCain provided a major boost to the state's potato industry when it announced plans to build a new $100 million potato processing plant in Aroostook County. When completed, the new French fry plant will use about 15,000 acres of potatoes, and employ about 200 people. The company is looking at locations along the Aroostook River from Washburn to Fort Fairfield, according to state environmental regulators. (Bangor Daily News 12 Aug. 00)

31 August, Caribou. US MILITARY VEHICLES ARE ARRIVING here by rail. The US Defense Department has created a facility at the former Loring AFB to handle the US and NATO work including artillery, tanks, jeeps, humvees, trucks, etc.

On 19 August, the Cape Fear Railway pulled 10 cars from Fort Bragg containing two M-109A5 155-mm howitzers each, for storage pending sale to foreign allies. The cars then ran to Montréal via CSXT and the D&H, thence to B&A and finally to Caribou, for off-load there.

By next summer, according to B&A chief operating officer Dan Sabin, the B&A will revitalize the rail line right into the Loring Commerce Center, avoiding the need to transload. (e-mail to AN R&P from Dan Sabin 30 Aug. 00: ANR&P discussion with base official 1 Sept. 00)

18 August, DC. THE STB PUBLISHED THE ABANDONMENT OF TRACK IN FORT KENT by the B&A. It consists of 0.4 miles of railroad line between railroad milepost 0.0 and railroad milepost R-0.40 in Fort Kent, Aroostook County. {AB-77 (SUB-NO.11X)

NH RAILROADS

NH DOT
30 August. UPDATES ON SOME RAIL-RELATED MEETINGS:

Railroad liability
In November 1999, a legislative subcommittee on limiting railroad liability recommended further study on the question [see 29 October 1999 issue]. The General Court agreed, and in January 2000 re-referred the matter for further study [see 4 February 2000 issue]. Two work sessions are scheduled: 6 & 20 September. [www.state.nh.us/gencourt/legencourt.html]

Nashua commuter rail
According to Kit Morgan, NH DOT rail administrator, the Nashua selection committee on 24 August reached agreement on a firm to do preliminary engineering. He declined to divulge the name of the winner, as the bidders were not yet notified. He hopes to meet with the chosen firm in a few weeks to nail down the scope of the work.

State rail plan
The advisory group will hold its first project coordination meeting in Manchester on 19 September, to talk with the public and members of the Southern New Hampshire Planning Commission (the Manchester MPO). By that point, Morgan said, the consultant should have a statement of objectives and have gotten part way through the inventory.

The group will hold three other project coordination meetings: for the North Country, the Lakes, and the Seacoast. Toward the end of the process, the consultant will hold a public hearing.

Legislative committees
Jim Marshall, director of public works and transportation, is attending these on behalf of the department.

Eastern line. The task force on the feasibility of passenger rail service between Newburyport and Kittery is debating whether the service should stop in Portsmouth, or in Kittery. Thus far, it has taken open testimony from planning groups and rail supporters, but has made no effort to compile a report. While it has no deadline [see 16 May issue], it must provide an interim report on 1 December. “Since the feasibility is already established [millions are needed to repair the bridge over the Merrimack—see 26 May 1999 issue], I’m at a loss as to what this task force can accomplish,” said Marshall.

Manchester-Lawrence/Northern line. This committee was established ‘to study the feasibility of reestablishing the Lawrence, Massachusetts to Manchester, New Hampshire passenger rail service line and the Concord to Lebanon Northern passenger rail service line and coordinating passenger rail service with existing intermodal transportation systems within the identified transportation corridor.’ [See HB1409 of 2000 and 16 May issue]

Marshall said the committee is listening to regional planning representatives on the Northern. “We’re looking at more than just passenger even though bill asks only to study passenger service.” He shared with the committee the effort to designate Boston-Burlington as a high-speed rail corridor [see Regional]. {ANR&P discussions

According to chair Bill Mosher, the committees have invited the NH Congressional delegation to attend meetings on HR 1409 and HR 1378 regarding the revitalization of the Northern line (Concord-Lebanon), the Manchester-Lawrence line, and the Eastern line (Newburyport MA to Kittery ME).

Mosher reported to interested parties: ‘It has been established that the Northern line is a vital link between Canada and the Port of Boston. Amtrak has also expressed interest as this reduces travel time and mileage between Montréal and Boston via the Manchester-Lawrence line. This connection also allows direct connection between Manchester airport and Logan. The Eastern line will
provide connection for commuters and links between Pease and Logan airports.

‘It is expected that the delegation will meet with the committees sometime in mid-October to discuss the necessity and the federal funding available to the state for these lines’ rehabilitation. Attendees at the next meeting of the committees will see a video regarding state of the art magnetic levitation travel.’ {Mosher e-mail to ANR&P 24.Aug.00}

Purchase of Salem section/CLF still litigating the airport
Morgan said that NHDOT had requested a price from GRS for the section of the Manchester-Lawrence in Salem, as Salem intends to use it for a trail [see 14 April issue].

CLF is still litigating on two fronts the removal of the Manchester-Lawrence line through the Manchester airport, according to an attorney in its Concord office, Tom Irwin. It has appealed the Public Utilities Commission’s finding of no jurisdiction to the state supreme court.

It appealed NHDOT’s finding of no jurisdiction and other issue to the Railroad Appeals Board. The Board heard oral arguments a couple of months ago [see 24 March issue], and CLF is awaiting a decision.

In neither case, to this point, has CLF been able to argue the merits: that the state violated New Hampshire law in permitting the removal of the rail corridor through the airport. {ANR&P discussion 31.Aug.00}

What’s next for New Hampshire commuter rail?
Despite the interest in commuter rail to Portsmouth, Plaistow [see 26 May 1999 issue], or Salem, Marshall said “the commissioner is anxious that after Nashua, the next step be Manchester. An extension of the Nashua service to Manchester is a higher priority than Portsmouth, Plaistow, or Salem.” {ANR&P discussion 31.Aug.00}

I-93 Citizens Advisory Committee
At a meeting on 27 July on the coming widening of the interstate, attendees discussed locating commuter rail service. NHDOT wants to reserve a 90-foot corridor down the center for future light rail. Some citizens called for planners to use the existing rail bed, the Manchester-Lawrence line. Unlike a median rail service, it would permit freight on the line, and would not require users to have automobiles.

Jeff Brillhart, NHDOT’s chief project manager, said a rail corridor in the median or along I-93 must be included now. “From the department’s perspective, we’re going to widen this road for the last time.” Widening construction will begin in 2004. {Nicole Boone in Derry News 1.Aug.00}

VERMONT RAILROADS

B&A - VERMONT
30 August, White River Junction. CIMENT QUÉBEC HAS SUSPENDED THE EFFORT to site a cement distribution facility here. Jean LeBrun, a company official, said: “From what we heard it was not possible, based on city and state regulations.”

He is concentrating efforts on the Manchester NH facility. Construction of the silos will begin soon; Ciment Québec is moving the pieces of the silo to the site by truck [[!]].

Why White River Junction in addition to Manchester? “We view that area as having good potential,” LeBrun said. {ANR&P discussion 30.Aug.00}

NEW BRUNSWICK SOUTHERN
30 August, Fredericton. AN UPDATE ON OPPORTUNITIES FOR THE RAILROAD was provided by Dale Thibodeau, who has become general manager pro tem after Touesnard’s departure [see People].

The new general manager
“We are looking for someone who would do mostly sales–spend 80% of his time with customers and do the majority of business development. We have a very solid operational team, a base of good employees. The new guy should have a good knowledge of the railway industry but a majority of experience in sales.”

Business development
NBSR does not have tariff authority for receivers or shippers on its line; depending on origin or destination; B&A or GRS will handle that. Nevertheless, said Thibodeau, NBSR employees do the majority of business development. “We’re extremely active; we work with either railroad, or in some cases with CN, to get through rates.”

The New England Clipper
CN brings the ex-Halifax train into the NBSR yard. NBSR power and crew moves it to Mattawamkeag, where GRS crew and power move the train to Ayer. “At some point using run-through power may make sense. But only if CN locomotives are accepted to run on US tracks under FRA regulations.”

Rail access to Bayside
Thibodeau will meet with the government next week to discuss how far the consultant has progressed in assessing the re-institution of rail service to Bayside from McAdam. “I hope the government will put money into it and re-open the line.” He saw two traffic possibilities, in addition to the gyprock moving to
A second train?
While the railroad experimented with a second train in 1999, Thibodeau did not see the need for one at this point. “Putting my Sunbury Trucking hat on now, we use CN intermodal over Moncton, and I am very pleased with how that is working.”

Traffic increase
Traffic on NBSR has risen 30% year over year in some products. (ANR&P discussion 30 Aug 00)

**Freight operation**
“We’re operating one train a week,” Champoux noted. Major potential shipper Cascades has not yet started using the service, “but we are talking to them.”

**Trackwork and expansion**
The railway is now operating between Vallee Jonction and Sherbrooke, flagging many level grade crossings. Starting in August, the company is rehabbing the crossings at the rate of 15 a month.

**Vallee subdivision**. This line runs from Sherbrooke to Charny. “We are in talks with CN for an interchange in Charny.” QCR
hopes to finish the trackwork for the entire subdivision within a few days, with the exception of a level grade crossing of Route 112 in Vallee Jonction.

Levis subdivision. This runs from Scott Jonction to Levis, crossing the CN main line on a now-removed diamond. Significant customers in Saint-Anselme (milepost 11) want rail service. They formerly used QCR when CP operated it, running traffic west via Sherbrooke, and Champoux wants to re-start that service. The track gang has almost finished repairing culverts and track to Saint-Anselme.

QCR has no immediate plans to reach the CN line at milepost 16, though “if a project develops, nothing is going to stop us from handling it.” The former diamond would have to be reinstalled.

Chaudiere subdivision. This line runs from Vallee Jonction east to Lac Frontiere. Engineers are doing preliminary engineering on the line. A section in Beauceville had a big washout in summer 1998 which still needs repair. “The engineering should be done in two to three weeks. I hope to complete the line to St.Georges by early fall, and to Lac Frontiere by late fall.”

The line requires three new level crossings of Route 173. \{AN R&P discussion\}

Who pays for the level crossing work?

For the most part, said Champoux, QCR is covering the cost of crossing work out of its grant from the province [see 16 May issue]. However, the work for certain crossings which were taken out of service by the province will be paid for by the province. The federal government will pay no costs because QCR is not a federally-regulated railroad; it operates only within the province.

Tourist operation

The Trains touristique de Chaudiere-Appalaches is beating its forecast, according to Vice-president Stephan Vachon. “We started out expecting 12,000-12,500 visitors,” a number set deliberately low to convince a bank to loan money. By 25 August the company had boarded its 10,000th passenger. “We have about 7,000 reservations for future seats from travel agencies booking parts of, or whole trains.”

The train will run only weekends after Labor Day, plus three special events. On Labor Day the company will run a train from its base at Vallee Jonction to Thetford Mines as well as a special excursion on another portion. On 9 October [Canadian Thanksgiving], a train will operate to East Broughton and Thetford Mines. On 21-22 October, the company will operate a train to East Angus, an 80-mile trip for which Vachon expected “many hundreds of visitors.”

By the end of the season, he anticipates a total passenger count of 20,000. \{AN R&P discussion 31.Aug.00\}

Montréal-Halifax route. Trains moved on-time 82.9% versus a goal of 89%. Ridership came to 97,361, some 9% below budget. Financially, the route lost $9.7 million versus a budgeted $9.9 million. \{Vialogue 7.00\}

### VIA RAIL

**VIA IS FALLING SHORT OF TWO TARGETS** on the

**BOSTON**

29 August. \textbf{LEONE UPDATED PORT USERS ON THE DIRECT SHIP CALLS} in a memo [see 28 July issue]:

Dear Port User:

Date: August 29, 2000

Just a brief update on the Port:

* The Port of Boston Action Committee met on August 3, 2000, at the Sheraton, Braintree. Virginia Buckingham, Gene McCormack and I addressed the Committee and invited guests and brought them up-to-date on our meetings with steamship lines. The goal of the Port of Boston Action Committee is to promote direct service to the Port of Boston and at the meeting the members restated publicly their commitment to support direct call steamship lines with their local cargo and cargo they controlled in other trade lanes. By leveraging their cargo moving in other trade lanes, New England companies are offering steamship lines ten times more than their local cargo in return for direct service. I want to express my appreciation to the Committee’s leadership and the entire membership. They clearly understand the importance of direct service to the Port. The companies represented in the Committee have taken the time to develop an attractive plan to entice steamship lines to the Port and have backed up this plan with actual cargo commitment.

* Maersk Line: Our discussions with Maersk continue. We have reached an agreement on terminal rates. To date, their plan for service beyond October 2000 has not been announced. I will continue discussions with them and urge them to speed up their announcement to eliminate the uncertainty that now exists.

* MSC: For the last 15 years MSC has called at Boston. Their presence in the New England market with a weekly service is well-established. MSC has recently stated publicly that they will continue to call Boston. MSC has always demonstrated an uncanny ability to rearrange schedules and increase capacity to meet market demand. In their most recent calls, they have handled much greater cargo volumes.

* I urge you to continue your support for Columbia Coastal and their twice-weekly service between New York and Boston. Hapag Lloyd continues to provide all water service to Boston through the weekly SPM service from Halifax. Numerous
steamship lines continue to provide all water service through these feeder services.

* I continue to meet with other steamship lines about bringing direct service to the Port. The lines are very receptive because of the unified approach of the cargo interests and the improved terminal infrastructure. These lines will evaluate Boston on different trade lanes but will need to find time on their schedule. Massport will continue to show the benefits of a Boston call and the ability to serve other areas from Boston. Decisions from the lines will not occur in the immediate future but I encourage each of you with freight on these lines to contact your carrier representative and indicate your desire for a direct Boston call.

* Conley Terminal: Our capital investment in Conley Terminal continues. I am pleased to announce that Massport has signed a $2.1 million dollar contract with Maher Terminal for a Gate and Yard Automation System (GYAS). The system will speed up the loading of vessels, maintain yard inventory, process trucks through the gate, and give us full EDI capability. The investment in this system is another example of Massport's commitment to keep Conley user-friendly and ahead of the competition.

Again, I want to emphasize that this is your Port. It is an asset that gives your company direct access to international markets and keeps your company competitive with other regions of the country. I urge you to support all steamship lines that call at Conley.

Sincerely, Michael A. Leone, Port Director (text from MassPort)

HALIFAX

24 August. HALTERM ANNOUNCED A TRAFFIC INCREASE, in publishing its second quarter results, which showed a net earnings increase of 46%, to $2,125,000 for the second quarter ended 30 June 2000 compared with net income of $1,450,000 in the same quarter of 1999.

‘During the second quarter the terminal handled 52,555 containers compared to 40,701 in the same period of last year. Earnings before depreciation amortization and taxes (EBDAT) increased to $3,325,000 from $2,346,000 in the second quarter in 1999. The improvement in earnings is a result of strong volume growth from existing customers and the addition of two new shipping lines, Mediterranean Shipping Company (MSC) and Costa Container Lines. Ceres operates terminals at Montréal and the terminal in Bremerhaven this year. MSC discontinued its call at Halterm subsequent to quarter end [see below]....

‘This is an exciting time for Halterm with the crane acquisition now complete. The cranes were officially commissioned on July 23rd and are now deployed in the operation.’

Legal Proceedings - Halifax Port Authority (HPA)

Halterm’s report added: ‘There are currently four actions before the courts [see 14 July issue]. The first being the Nova Scotia Supreme Court proceeding [HPA initiated it to determine whether Halterm has a right to renew its lease] in which discovery is currently under way. The Nova Scotia Supreme Court hearing date has been set for September 18, 2000. There are two Federal Court Judicial Review proceedings relating to the decisions by Cabinet and the Minister of Transport to rescind the decision of the Canadian Transportation Agency to hear Halterm’s case. Lastly, there is the proceeding before the Federal Court to review the HPA’s conduct and determine the guidelines for a fair rent.’ [text of Halterm report]

22 August. MEDITERRANEAN SHIPPING MOVED ITS BUSINESS TO CERES. ‘Halterm Limited announced today that MSC (Mediterranean Shipping Corporation) will no longer call at Halterm with their UK/Continent via Halifax (A) Service. This call represented 15,000 lifts on an annualized basis, or approximately 8 per cent of Halterm’s volume.’ [Halterm press release]

Halterm Vice-president Doug Rose said on 23 August: “It is obviously disappointing to lose MSC, but we do have a substantial bulk of business with ACL and Maersk and ZIM, and we will continue to service their needs and continue to develop and grow our business. Every once in a while a customer will tender its business and this is one of those cases. As far as we know, there were no significant service problems or issues like that.”

The first vessel to dock at Ceres, the 1936-TEU Xingang, will arrive in early September. Halifax is the last outbound port of call before the six-day voyage to Antwerp, followed by calls at Bremerhaven, Felixstowe, and LeHavre.

MSC serves Liverpool and Gothenburg via a slot-charter arrangement with ACL.

The reason

An MSC spokesperson in Montréal stated the company made the change after reviewing bids submitted by both facilities. MSC began calling Halifax on the UK route with four of its own ships in January, and put the business out to bid about three months ago. (Tom Peters in Halifax Herald 24.Aug.00)

CERES TERMINALS INCORPORATED

The company operating the rival container terminal to Halterm, Ceres, is part of the Ceres Group, which consists of:

North America. Ceres Terminals Incorporated (Chicago, Cleveland, Duluth and Superior, Hampton Roads, Portsmouth Va.), Ceres Marine Terminals (Charleston SC, Savannah), Ceres Gulf, Inc (Houston, New Orleans), and Ceres Incorporated

Canada. Cerescorp Company. In addition to the Halifax operation, Ceres operates terminals at Montréal and the terminal at Sheet Harbour, Nova Scotia. Ronald (Ron) McBrearty, president; Calvin Whidden, general manager.
The fall conference of the Northeast Association of Rail Shippers will occur 27-29 September at the Sheraton Ferncroft in Danvers, Massachusetts. These meetings provide an excellent chance to meet members of the rail community, and a great learning opportunity. STB Vice-chair William Clyburn will speak. We’ll hear supporters of open access, and a response by an AAR attorney. For more information, contact Bill Donovan at 508-428-1224.

EDITORIAL

INTERMODAL: THE FUTURE FOR MAINE’S RAILROADS?

North American railroads have long pointed to intermodal as their growth engine. CSXT and NS touted their carve-up of North American railroads have long pointed to intermodal as their growth engine. CSXT and NS touted their carve-up of

We told you so

Reviewing the situation, consultant Chris Hall of Stafford and Associates said: “In Stafford’s” 1996 report for BACTS (Bangor Area Comprehensive Transportation Study committee) on the feasibility of a Bangor ramp, we pointed out that the State of Maine could potentially support one additional ramp over and above Auburn, which was already in full operation at that time. We believed that Bangor was potentially the best location for a second ramp. But if Waterville or another location opened ahead of Bangor, we recommended that Bangor not proceed as the market could barely support two ramps, and certainly no more. I believe that a Waterville or Bangor location can still succeed if Guilford and its connecting class Is can provide a reliable

PEOPLE, POSITIONS, EVENTS

People, events

Peter Touesnard will return to the Cape Breton and Central Nova Scotia Railway as of 5 September. Touesnard left his position as general manager of New Brunswick Southern Railway in the middle of August.

Touesnard will work as both general manager and manager of business development for CBNS. To review [you can’t tell the players without a scorecard!]: Touesnard handled business development in the mid-1990s for CBNS alone. Rail Tex then shuffled its Canadian alignment, and Touesnard became liaison between CN and three Rail Tex railroads. (The ‘other Peter’. Peter McCarron, at this time became president of Rail Tex Canada and general manager of the three Rail Tex Canadian railroads). When Rail America bought Rail Tex in early 2000, Touesnard left CBNS to become general manager of NBSR, and McCarron left for points unknown. [ANR&P discussion with NBSR and CBNS offices]

Charlie Moore, regional honcho for Rail America, declined to comment on specific reasons for Touesnard’s returning to CBNS. In general though, “there are great opportunities with Rail America, it’s a great company to work for, the benefits were there, it’s not hard to make a decision.” [More in Québec and Maritimes.]

Over in Maine, McCain Foods USA in May transferred transportation responsibilities to Jim Gulick, who works out of corporate headquarters in Oak Brook, Illinois. His predecessor Brent Cronkite is now handling all public cold storage for the company, from Maine to Atlanta. [ANR&P discussion with Cronkite 31.Aug.00]

A consultant has disappeared! A&L Associates of Cambridge, Massachusetts was acquired by Reebie Associates of Stamford, Connecticut. Founded by Andreas Aeppli and Patrick Little in 1987, A&L produced rail equipment maintenance and planning technologies, as well as transportation service planning and designs. Reebie characterized itself as the ‘premier commercial supplier of US freight transportation data, utilized for marketing and strategic planning as well as infrastructure and policy planning applications. Reebie’s freight transportation consulting practice has been built over thirty years, and has been growing at a rate of 50%.’ Aeppli became a principal in Reebie, and will keep his Cambridge location as a satellite office. [Reebie press release] Mary Walton left her position at the Loring Commerce Center in Limestone, Maine about a month ago. No successor is yet named.

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through service to the Midwest and South, but it remains to be seen whether that reliability can be achieved while Class Is are still preoccupied with bigger service problems elsewhere.”

In a perfect world, GRS and B&A could cooperate to provide a single service which would run the spine of Maine, serving Presque Isle, Bangor, and Waterville. This service could run on the direct Halifax-Ayer train, which NBSR and GRS have shown they can move on a scheduled basis [see Region], or in a similar fashion.

**Time for Joe McCarthy?**

No, emphatically no: it’s not time to point a calumnious finger at anyone for wasting taxpayer dollars. Yet the Atlantic Northeast region would profit by knowing exactly how Maine’s ramps—with the singular exception of SLR’s Auburn—have fallen on such hard times. Were the projections too ‘Field of Dreams’? Did the shift to the New Economy doom the ramps? Or do the [I hope] exceptional congestion problems of CSXT and NS only create a rail kink on the way to substantial intermodal growth?

Perhaps one of the groups embarking on a review of the regional network [CONEG, Conservation Law Foundation, the New Hampshire legislature – see Regional] could do an analysis of Maine’s intermodal difficulties.