Regional Issues

FTR: Initial CLF regional meeting mid-October. B&A financing.

Connecticut

PW: Middletown area not pursuing passenger rail at this point.

Maine

MDOT: IRAP projects selected. No buyer for HoltraChem.

Massachusetts

GU: Transload just about ready.

New Hampshire

NHDOT-Eastern: Lease three miles for maglev test track.

FTR: Nashua commuter pre-engineering contract awarded.

Rhode Island

[No report]

Vermont

Amtrak: $70 million to rebuild west side line for passenger service. Ideas on improving Vermonter schedule.

FTR: LVRC study in November?

Maritimes/Québec

CN: Halifax second track gets a stay of lifting.

CTA: Need help with the revision?

Atlantic Northeast Ports

Halifax: Ceres may buy crane, box on ownership.

Halterm and HPA reach accord. Map of rail system.

Sheet Harbor: Major shipper Northern Fibre Terminals.

Portsmouth: Simplex becomes TyCom. No word on executive director.

People, Positions, Events

Finn Posner, Bill Rowat.

Guest Editorial

Railroads need to move into the e-Age.

From the Publisher

Computer crash

Because I spent much of the past week recovering from a crash of my Windows registry, this issue may not have the complete coverage I would like. Next week, with back-to-back issues, I have a chance to catch up.

The e-bulletin

Print recipients may receive, free of charge, the Atlantic Northeast Rails & Ports e-bulletin. It will give you a news update between the regular issues. You need only send me your e-mail address.

- Chop Hardenbergh

Next issue: 22 September.

For the Record: Region

ClF will hold the initial meeting on the Northern New England Rail Action project [see 1 September issue] in mid-October, according to CLF’s Nancy Girard. (ANR&P discussion with Nancy Girard)

While additional capital is heading toward Iron Road Railways, B&A’s parent [see 1 September issue], Progress Rail is not among those providing it. Instead, said Mike Bombino, Progress Rail’s chief financial officer, subsidiary Railcar Limited

in Atlanta is assisting in the process. {ANR&P discussion 13.Sept.00}

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**CONNECTICUT RRs**

**PW - CONNECTICUT**

14 September, Middletown. **EFFORTS TO LOOK AT PASSENGER RAIL ARE FLAGGING.** Federal funds are available but need a 20% matching amount from local communities [see 4 February issue]. Brian O’Connor of the Middlesex County Chamber of Commerce, which had spearheaded the effort, noted one principal goal of the effort, rebuilding the track between Middletown and Hartford, was going ahead with state funds [see 14 April issue].

Their costs rising and local budgets tight, communities had little enthusiasm to fund a feasibility study, the first step in getting passenger rail back. Hence, O’Connor report, “there’s been no movement on matching funds.” {ANR&P discussion}

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**MAINE**

**MDOT - IRAP**

29 August. **MDOT SELECTED EIGHT INDUSTRIAL RAIL ACCESS PROJECTS** for funding. According to a press release, project funding will come from a balance of 1998 transportation bond funds approved for the Industrial Rail Access Program, as well as Congestion Mitigation/Air Quality (CMAQ) funding. The CMAQ funds were also committed to augment state bond funds during the first round of IRAP projects in 1998.

The IRAP program is designed to support and enhance rail transportation in Maine and to stimulate the economy by supporting rail infrastructure improvements benefitting both railroads and shippers. The state will fund up to half the total cost of each project, with the remainder coming from the private sponsor.

“The winning applications were chosen from among twenty-seven proposals,” Melrose said. The applications were reviewed and rated with the assistance of the Department of Economic and Community Development.

Projects selected for funding

-- Siding construction at Safe Handling Inc in Auburn, a hazardous materials repackaging facility to accommodate expanded services to Maine freight receivers, especially paper mills;

-- Siding construction on the Bangor & Aroostook line to accommodate a new and expanding Irving Woodlands program in Ashland;

-- Riverbank stabilization along the Bangor & Aroostook line in Madawaska to preserve rail service to Fraser Paper;

-- Industrial track rehabilitation and extension on the City-owned rail spur in the Saco Industrial Park;

-- Track rehabilitation/replacement at Sprague Energy in South Portland to accommodate new asphalt and clarified petroleum oil unloading systems and a rail-to-truck loading/offloading platform for handling liquid and dry bulk commodities;

-- Siding construction on the Bangor & Aroostook line to serve a Lane Construction Co gravel pit in Stockton Springs;

-- Siding relocation/lengthening on the Guilford line at the Champion International paper mill in Passadumkeag; and

-- Siding construction on the Bangor & Aroostook line in Portage to support E.J. Carrier LLC railcar loading of wood chips.

**FOR THE RECORD: MAINE**

GRS MAY STILL RECOVER CARLOADINGS from HoltraChem in Orrington, even though temporary mothballing will begin on 15 September. HoltraChem has not given up on finding a buyer for the facility, and would keep the plant in stand-down mode for three months at the longest. Potential buyers with and without experience in the chlor-alkali business have expressed interest. If no buyer is found, the plant will go into a formal shutdown phase, which would trigger a whole new set of standards and state oversight. {Susan Young in Bangor Daily News 15.Sept.00}

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**MASSACHUSETTS RRs**

**GRAFTON & UPTON**

12 September, North Grafton. **THE TRANSLOAD PLATFORM IS “JUST ABOUT READY.”** said GU Vice-president Florence Sairs and could be used next week. “One customer, the main customer, has a cereal account which requires a food-grade facility. That’s part of what took a long time.” [See 16 May issue.] {ANR&P discussion}

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**NH RAILROADS**

**NHDOT - EASTERN**

10 September, Seabrook. **THE EASTERN ROUTE MAY HOST A MAGLEV TEST BED** along the abandoned, state-owned three-mile section between Seabrook and Hampton.

Bruce Montgomery, chief technical officer of Magplane Technology Incorporated [www.magplane.com] of Bedford MA, said the test ‘Magplanes,’ looking like wingless airplanes, will float as much as 6 inches above an elevated magnet-filled trough. Since the Magplanes move above the surface of the aluminum
guideway, he said, they produce little noise. ‘Magplanes carry no fuel, emit no fumes or noise, and need only one-tenth the wayside power necessary for the acceleration of conventional high-speed electric trains,’ the company’s Web site reads.

**Why lease the rail corridor?**
The attraction of the Seabrook rail line is that it is relatively straight and has few crossings, Montgomery said. Magplane would like to lease the rail line for about five years, to test the train and demonstrate it to potential customers. After the end of the lease, the rail line would be returned to its current condition.

The Magplane tested in Hampton would likely travel up to 80 miles per hour. "We want to make sure it gives passengers a nice, smooth ride," he said. "We don't want it to bounce around."

Kit Morgan, NHDOT rail administrator, the lease could receive approval within six months to a year. "It's very interesting technology," Morgan said. "It's a chance to have something like this tested here and not somewhere else, like California."

It also has another benefit, Morgan said: "It raises awareness about the importance of mass transit."

Seabrook power plant officials have also said they would allow the Magplane company to use office space at their facility. Montgomery said Magplane would have up to 30 people working there. "It's a tremendously convenient location," he said.

The company is currently based at the former Hanscom Air Force Base. If the track can be leased, the company would move its headquarters here, Montgomery said.

Funding for the project, which is estimated at about $100 million to take the Magplanes through this test stage, has already been secured from Asia, which is also a source of potential customers.

**Potential use in northern New England**
"Long term, this kind of transportation could link Pease to Logan and Manchester. It makes traveling great distances much faster." {Alan J. Keays in *Portsmouth Herald* 11.Sept.00}

**A threat to conventional railroads?**
North American railroads may not view the Magplane—a concept kicked around for the last 40 years—as a threat to their freight. However, the website shows a freight-carrying tube system for everything from mail packages to ore transport. A typical ore application would have an underground pair of 24-inch diameter pipes for outbound and returning capsules, and typically carry 10 millions tons per year over a distance of 30 miles. {ANR&P analysis}

**FOR THE RECORD: NEW HAMPSHIRE**
NASHUA COMMUTER MOVES AHEAD. NHDOT selected a consultant to negotiate a fee agreement to do the preliminary engineering; the department will make public the name once the agreement is signed. The two parties will hold an initial scoping meeting on 18 September. Just a day later, Kit Morgan and VHB consultants will meet with the Manchester MPO to hear comments on the state rail plan [see 1 September issue].

**VERMONT RAILROADS**

**AMTRAK - VERMONT**
14 September. THE RAILROAD PRESENTED CAPITAL COST ESTIMATES FOR WEST SIDE SERVICE at the Vermont Rail Council. Drew Galloway, Amtrak’s director of transportation planning/NEC planning and financial management, said improving the 166 miles of track from near Schenectady NY to Burlington would cost $70 million, and would need five construction seasons.

The second part of the study requested by Vermont’s two senators came in a 100-page report [see first part, on operating issues and costs, in 18 February issue]. "Western Vermont deserves passenger train service," Leahy said in a prepared statement. "Our earlier Amtrak report showed that expanded service along the western corridor is feasible. Now that we have had a look at the price tag and we understand what is involved, Vermont and these communities can make informed decisions about how best to proceed with improving passenger rail service in western Vermont."

VAOT Secretary Brian Searles said: "We didn't find that the price tag was a surprise. ... We feel the costs are well justified in the report." The upgrades to the rail line would enhance freight service as well to an area of Vermont that is not linked to Burlington by interstate highways, Searles said. "It is a significant project because it's in the Route 7 corridor," he said. "So we really need the western rail corridor to work, not just for passenger service but for freight service."

Sources of funding and the schedule for the project need to be worked out. The state will continue to make appropriations to improve the route for freight service, as it did last year, he said. "This is one of the most important projects in the whole rail picture," he said.

**The Hoosick section**
The report broke the work into sections; service could begin to points south of Burlington before the entire line was finished. VAOT has already begun work on the Hoosick branch. "We have 21 miles of rail and more coming from Metro North in 1400-foot sections," said Jeff Munger of Senator Jim Jeffords’ office. “Some 22,000 tonnes of ballast are ready from Colchester.”

The contractor doing the continuously-welded rail installation will not begin this autumn, because of low ambient temperatures which make installing the rail difficult. {ANR&P discussion 15.Sept.00; Lisa Rathke of AP in *Rutland Herald* 15.Sept.00}

14 September. VERMONT AND AMTRAK WANT TO IMPROVE THE VERMONTER SCHEDULE. According to Munger, they are looking at eliminating the existing baggage car because it limits train speed on the Northeast corridor (gain ½ hour), running direct from Springfield over GRS track (gain one hour), dropping some stops in Connecticut, and getting NECR to
remove slow orders on its track.

A Hot Destination?

_National Geographic Traveller_ picked Vermont as one of the top 50 places in the world to visit in a lifetime, in the ‘Country Unbound’ section. [Interestingly, the Canadian Maritimes also ranked in the same list, giving the tiny Atlantic Northeast region a large role in the must-see world.]

**FOR THE RECORD:**

**VERMONT**

STILL WAITING ON THE LAMOILLE VALLEY. Munger said the Vermont Rail Council heard a report that the consortium looking at the corridor will get a draft study by October or November, with a complete report in December. {ANR&P discussion 15.Sept.00}

**MARITIMES/QUEBEC RRs**

**CN - HALIFAX COMMUTER**

1 September. _CN AGREED TO KEEP TALKING ABOUT THE SECOND TRACK_ and not to lift it as of today, as the railway had earlier threatened [see 19 June and 14 July issues], CN spokesperson Scott Roberts announced. {Halifax Daily News 2.Sept.00}

The same week, Halifax Regional Municipality Councillor Peter Kelly faxed a letter to the senior vice-president of the eastern Canada division of CN, asking him for a six-month extension during which CN would not ask for a monthly fee of $13,500 to keep the second track. Kelly also asked CN to look at donating the track in return for a tax receipt and tax credits.

**Current traffic on the line**

According to local rail observer Mark Rushton, the removal of the second track would not constrain freight operations, or a commuter service, anytime soon. ‘For example, Windsor Junction sees about 18 movements through the plant in 24 hours: 6 road freights, 2 VIA trains, 4 gypsum trains (701 and 703 each going through twice), and 6 locals (505 four times and 507 twice). This is far below the maximum conceivable total. As it is right now, the line between Halifax and Moncton could handle up to 30 movements a day. Removing [the second track] will not affect operations very much, as long as the current OCS/ABS is converted to CTC when the second track is removed.

**The feasibility study**

Kelly has asked the Council to authorize a feasibility study for commuter rail, but Council members have not yet done so. The extension would permit the writing of such a study. During the next few weeks, Kelly will talk to CN officials to come forward for more discussions. {Amy Pugsley Fraser in Halifax Herald 8.Sept.00}

**HALIFAX - CERES**

11 September. CERES MAY PURCHASE A POST-PANAMAX CRANE for its Fairview Cove Terminal operation from Shanghai Zhen Hua Machinery. "We are talking about it very seriously, and it won't be too long before we make a decision," said Christos Kritikos, president and chief executive officer of Ceres Terminals [see box] at a Halifax Port Days business session. The crane would reach across 22 containers on a vessel, like the two cranes recently set up by competitor Halterm.

Ceres would pay about $10 million for the crane itself, and another $5 million for support equipment. "We are thinking about one crane, but there is a possibility there for two." He would like to have the crane operating within a year.

**CN response**

A post-Panamax crane at Ceres "will certainly enable them to handle larger ships," said Jim Powell of CN Rail, also a port days panellist. The move would also put more pressure on CN as the only railway serving Halifax: "if they can provide a better service at the terminal, we are going to have to do more things to make sure the cars are moving in and out faster."

**One vision of the commuter service**

John Pearce, head of T2000 Atlantic, wrote on 4 September that the commuter service could run from downtown 15.8 miles to Windsor Junction, and turn left there to run for three miles on the Windsor & Hantsport (WHRC) to Beaverbank. The service could also run to Elmsdale on the main line, single-tracked after Windsor Junction.

**An alternative means of dealing with CN**

Harry Gow, national president of Transport 2000, noted on 5 September: ‘Faced with the possible destruction of much of the Lachute subdivision by CPR, the Quebec government zoned the track for railway use only, on the request of the municipalities & counties (MRCs). CN was then persuaded by T2000C to lease it out as a regional railway. Could Halifax ask NS to copy the Quebec move? Or would resulting ill-will with CN make them more determined to rip up the track?’ {Gow 5.Sept.00, Rushton 5.Sept.00, and Pearce 2.Sept.00 e-mails to ANR&P}
Hapag-Lloyd plans
Captain Wolfram Guntermann, director of corporate marine operations for Hapag-Lloyd, said his line will start bringing post-Panamax container vessels with capacities for 7,000 containers into service within the Grand Alliance by 2001. "Of course we are investigating various opportunities to deploy the ships, but nothing is official yet." (The Grand Alliance is a consortium of Hapag-Lloyd, NYK Line, Orient Overseas Container Line, and P&O Nedlloyd.)

Captain Guntermann did not say the post-Panamax vessels would come to Halifax, but they could be put in the Halifax rotation. {Tom Peters in Halifax Herald 12.Sept.00}

HALIFAX - HALTERM
12 September. THE TWO SIDES ANNOUNCED THEY HAD REACHED A NEW 20-YEAR LEASE AGREEMENT covering the South End Container Terminal.

What drove the resolution
Talks between the two parties broke off last November, and three different legal cases were pending. Halterm was resisting the authority’s proposed base rent increase of up to 700%, putting the cost of leasing the authority’s South End Terminal at over $4.2 million. The authority maintained it would negotiate the 700% proposition, despite the existing legal disputes.

Recently Halterm’s lawyers brought a new proposal to the authority. "Of course, our board has been very open to that," David Bellefontaine, chair of the authority, said. "We have never closed the door on Halterm, even as far back as the last meeting in November. So they initiated it, we were meeting and concluded an agreement."

[ANR&P analysis: What pushed Halterm to make a new proposal? Unlike other major terminal operators, Halterm has only the one Halifax stevedoring location, and is publicly owned by the Halterm Income Fund. The loss of the lease would eliminate any income for the Fund, and the shareholders would lose their entire investment.

A loss of the lease would result if the Port Authority prevailed on one or more of the three legal disputes. Despite Halterm’s brave face on its legal stance, a loss on one or more looked very possible, and soon: the Nova Scotia Supreme Court was scheduled for another hearing on the provincial lawsuit on 18 September.

Furthermore, the Port Authority had found two companies eager to take over the operation of the South End Terminal: Hutchison Whampoa, and Logistec Stevedoring. Thus Halterm had to know that it could not coast past the formal lease expiration date of 18 December.]
HALIFAX HARBOR
The Fairview Cove Terminal just to the east of Fairview Junction. The South End Terminal lies at Halifax Station. CN has double tracks from Milepost 7.0 (at the ‘CN to the left of the word ‘Basin’) to Windsor Junction.

Map courtesy Railway Association of Canada. RAC’s excellent atlas costs only $35 (US) for a hard copy, or $25 for the compact disk.
The two sides worked hard over the previous weekend so that they could announce a successful deal during Halifax Port Days, 11-12 September. “We would have liked to make the announcement at Port Days,” said Halterm President Patrick Morin. “The impending occasion did not trigger the negotiations, but it did help push things along.”

Terms of the deal
The agreement phased in the rent increases over a three-year period. This permits Halterm, to keep its rates at the South End Terminal competitive with the port’s other major terminal, Fairview Cove, operated by Cerescorp. Cerescorp’s lease will not expire until 2002.

The terms ensure that Halterm “can maintain its competitive position within the Port of Halifax, and with other terminals in the region,” underlined Morin. “We compete with any port vying for business in the hinterland of North America. I view our main competitors as New York and Norfolk.”

Doesn’t Montreal offer competition? “Montreal is a destination market. That is, ships calling that port can serve only Montreal and the hinterland. Ships calling Halifax provide worldwide services, as well as participate in the North American market.”

Most of the terms will remain confidential. Morin pronounced Halterm “very happy with the terms, and not least of which is the 20-year term. It’s not particularly unusual to have a 20-year lease; it’s more typical for the initial lease period, and less so for renewals. For us, it makes a significant difference to have it for 10 years.” The length of lease justifies the purchase by Halterm of two post-Panamax cranes in May at a cost of $23.5 million Canadian.

As part of the deal, which takes effect 19 December, both parties will discontinue all pending litigation, with each side paying its own costs.

Logistec response
After hearing of the Halterm deal, Logistec President Madeline Paquin said: “We’re disappointed. I would have liked to have the facility under our management, but what can you do? You win some, you lose some. We knew all along the risk of a locally-negotiated deal. We did not go in with our eyes closed.”/ANR&P discussion with Paquin 12.Sept.00}

Effect on Halterm Income Fund
According to a press release from the fund: ‘The terms and conditions of this lease agreement will not have any adverse affect on distributions of The Fund for the balance of this year. The three-year phase-in for rental increases covered by this agreement is expected to provide Halterm with the ability to maintain stable distributions in the future. As outlined in Halterm's prospectus, "NCC (Newfoundland Capital Corporation) has agreed that if there is a material increase in the base rental fee payable during the renewal term of the HPC (now the HPA) Lease which results in a decrease in Halterm's distributions to The Fund, it will indemnify Halterm for the amount of such decrease.” The NCC indemnity is limited to a maximum of 10 years.’

SHEET HARBOUR
12 September. ONE SHIP A MONTH WILL SAIL from this port during the autumn. Located roughly midway between Halifax and the Strait of Canso, Sheet Harbour\n\nhttp://www.dunmac.com/~sheetharbour/main4_02.html\n\nclaims ‘one of Nova Scotia's finest and most modern offshore terminal and shipping facilities. Completed in 1988, the Industrial Park and 152-metre Common User Dock is the closest marine facility to the Sable Offshore Exploration Project (150 statute miles).’

Port Facilities and Services
‘A 500-foot Common User Dock (deregulated) has a draft of 33 feet (10.2 metres) at low tide. A barge wharf is located adjacent to the Common User Dock.

‘A fully-enclosed shiploading conveyor system owned by Westminer Canada Limited is located on the dock. In addition, a rental crane is also available. Numerous firms in Sheet Harbour, as well as other Eastern Shore communities, can provide a variety of services and supplies.

‘Road transportation from the Port and Park is one of the area's geographical strengths. The Stellarton-Sheet Harbour all-weather highway provides the Port with a direct link to the Trans Canada Highway system. Via these roads, links supply immediate access to national transportation routes, as well as Halifax International Airport and the airfield at Trenton, Nova Scotia which services private corporate aircraft on an all-weather runway. The Port facility is also served by highway #7 which leads directly via limited access highway #107 to Metro Halifax and its harbour facilities.’

The Industrial Park
‘Sheet Harbour's Port facilities are located within the 100-acre marine-oriented Industrial Park. Situated across the harbour directly south of the community, it provides the dock with a large, well-lit open storage area for port traffic. Private industry...owns [about 20%] of industrial land; for future use, in excess of 6000 acres of private lands remains adjacent to the Industrial Park.’ {website}

History
The Nova Scotia Business Development Corporation (NSBDC), a provincial crown corporation, helped create the dock and park in 1988, according to George Reid of NSBDC. Because of the impending extraction of off-shore oil and gas, federal funds paid for infrastructure to prepare for off-shore work.

The Sable Island project did not begin until the 1990s, however. In the meantime, the Scott Maritimes company (now Kimberly-Clark Nova Scotia) saw an opportunity. Instead of raling the product of its mill at Abercrombie Point [see 2 May issue], it decided to try a maritime lane. Pictou would not work
In 1989, Scott paid for and completed construction of a dedicated barge wharf adjacent to the Main Dock to permit year-round shipments of its pulp production (previously shipped by rail) to Chester, Pennsylvania. Scott hired McAllister Towing to move barges. Reid said that at any one time, Scott had one barge at Chester, one being loaded at Sheet Harbour, and one on the water. The pulp was drayed from the mill to the port.

The maritime route was used steadily for three years. Then, according to Dan Hill, materials superintendent of Kimberly-Clark, the demands of the company’s Chester mill dropped off. Furthermore, “we got an aggressive rail rate.” So the company stopped using Sheet Harbour, for the most part [see box].

In 1997, Northern Fibre Terminals began using the port to load out woodchips [more below]. In 1998, Shaw and Shaw Limited employed the dock and park for its original purpose: the coating of pipe that was be used for the Project and shipping it off-shore. From 10 May to 1 September 1999, Shaw and Shaw moved about 250,000 tonnes of pipe [see photo].

Traffic
Northern Fibre Terminals Incorporated, a major supplier of Canadian wood chips to Japanese fine paper manufacturers, continues the two-century tradition of shipping wood products from Sheet Harbour to locations throughout the world.

A joint venture involving the Japanese industrial conglomerate Mitsubishi, Northern Fibre plans to keep doing so for at least a decade, providing about 20 direct jobs at the Industrial Port and another 80 or so indirect jobs harvesting hardwood, which is not used by Nova Scotia-based pulp companies. The hardwood chips are used in Japan to produce very high quality, bleached and coated papers. {http://www.coastalcommunities.ns.ca/v4_i1.html}

The port in the past has also handled telephone poles to Turkey, in-bound fish meal, as well as in-and-out-bound frozen fish. In 2000, stevedores have moved rebar inbound, roundwood for pulp outbound, a grinding compound outbound to the Sable Island project, and fiber optic vessel-to-vessel.

Port operator/operation
The Port and Park are still owned by NSBDC, which has hired a subsidiary of Cerescorp [see above] to manage it and market it: North Atlantic Marine Terminals Limited.

According to the vice-president of North Atlantic, Malcolm Swinemer, Northern Fibre receives by truck harvested hardwood logs from all over the province in Sheet Harbour, debarks them, and chips them. When a ship calls, the chips are moved by conveyor under the roadway, and into the hold. Stevedores use the ship crane (self-g geared ship) to load a bulldozer into the ship’s hold and compact the chips as the trimmer head sprays the chips.

As Swinemer pointed out, the ship takes 33 days to get to Japan. The more chips in the ship, the more efficient the “inventory in motion” [see Editorial]. Northern Fibre ships make 5-7 voyages a year. The company continues to seek more market to get more volume—this year it will do seven ships for the first time. Each ship moves about 40,000 tonnes. {ANR&P discussions with Swinemer, Reid, and Hill 11-13.Sept.00}
KIMBERLY-CLARK NOVA SCOTIA
The company’s mill at Abercrombie Point in New Glasgow produces a bleached sulphate, paper grade wood pulp. According to Dan Hill, material superintendent, most of the product from the mill is currently moving to Europe by ship or by rail to Mobile Alabama, New Milford Connecticut, and Chester Pennsylvania.

The company uses the port of Pictou about ten months of the year. When ice blocks the port, Hill has used three options: pay for an icebreaker, truck to Sheet Harbour, or truck to Mulgrave. (ANR&P discussion 13.Sept.00)

Use of forest lands in Nova Scotia
According to Dan Eidt, director of Nova Scotia’s Crown lands program in the provincial Department of Natural Resources in 1999 testimony to the Nova Scotia Assembly’s Standing Committee on Resources, Crown lands account for about 26% of the land area of the province. In-land waters, a total of 1,861,000 hectares, cover about 35%. The forested land covers about 1,154,000 hectares.

The seven eastern counties, with Stora and Enso Port Hawkesbury Limited, have about 607,000 hectares under forestry license. In Halifax East, Kimberly-Clark has slightly over half the forested area under license agreement. A couple thousand hectares are withdrawn for wilderness area in Kimberly-Clark’s license area. {Hansard 25.May.1999}

PORTSMOUTH
27 July, New York City. A MAJOR USER OF THE PORT WENT PUBLIC. TyCom (www.tycomltd.com), a major supplier of undersea fiber optic systems, includes the former Simplex Technologies with its plant in Newington. TyCom was spun off by Tyco International through an IPO this day which raised approximately $2 billion. Tyco International retained 86% of TyCom, making the market capitalization of the company about $20 billion.

Tyco International Limited (www.tycoint.com), which acquired Simplex Cable in 1974 and also acquired AT&T’s Submarine System unit in 1977, decided to combine all operations under the TyCom umbrella this year and launch the IPO. Tyco International, with world headquarters in Bermuda, has four core divisions and employs more than 200,000 in 80 nations.

Based in Bermuda with US headquarters in Morristown New Jersey and Exeter New Hampshire, TyCom holds about 45% of the $12 billion market for making and maintaining cables. It plans to expand by building its own, 250,000 kilometer underwater network, called TyCom Global Network (TGN). The project, now under construction for Phase One, will eventually serve six continents and connect more than 25 of the world's major telecommunications centers.

The majority of the cable used in TyCom's systems comes from the Newington plant.

The reason for the name change
Tyco International Incorporated, which acquired Simplex Cable in 1974, changed the name of Simplex to TyCom this day as part of the in an initial public offering. Tyco, the parent company still has 33 subsidiaries..

Transport of the product
The TyCom Marine Group, part of TyCom Integrated Cable System, uses some owned and some contracted ships to move the product to the laying destination for the undersea cable, according to Bob Roy, in program management at the Newington plant. Asked why the company does not supply cable for land lines, Roy noted: “We have more than enough business underwater.”

The ships, some of which were acquired from AT&T Submarine Systems in 1997, pull alongside the TyCom manufacturing facility here, and wind the cable along a covered conveyor into their holds. The ships then sail for the site which wants the cable, and transfer the cable to an actual cable-laying vessel.

Some cable (“a very limited amount” per Roy) does move on reel by rail or by truck out of the plant and down to the Port Authority facility, for loading into barges.

Because the TyCom dock cannot hold large trucks or cranes, the ships call the Port Authority facility to load equipment, bunker, and take on stores. {ANR&P discussions 12.Sept.00}

FOR THE RECORD:
PORTS
THE NEW HAMPSHIRE PORT AUTHORITY HAS NOT selected the executive director yet.

PEOPLE
As of 2 October, Finn Posner, NHDOT’s railroad operation engineer, will take up a new post at Washington’s Department of Transportation, rail division. “I’m attracted by the large rail division there. That state is five, even ten years ahead of New Hampshire’s rail development.” {ANR&P discussion 15.Sept.00}

In Montreal, the Railway Association of Canada has selected William (Bill) Rowat, a career officer in the federal public service with extensive experience in federal-provincial relations, as president and chief executive officer of the association, effective 25 September.

"Mr. Rowat's new role will include developing the railway association's capabilities to meet its newly-expanded public policy mandate as it relocates from Montreal to Ottawa," said R.J. Ritchie, RAC chair and CP chief. "Sustaining and accelerating the industry's rate of improvement is critical to sustaining a viable rail transportation sector that enables
Canadian industries to be competitive in their markets." {RAC press release}

GUEST EDITORIAL

Viewpoint: If the Railroads Can’t Do It, Someone Else Will

This guest opinion piece by Tom Murray catches all the current discussion about the problems of railroads. You, dear reader, have seen these points before, but never so succinctly and neatly captured.

‘Without question, the biggest trend in the logistics industry is the movement of information in tandem with goods and services. In today’s e-business environment moving products is only 50 percent of our job. We must also be able to move information and provide customers with real-time, 24-hour access to the status of their shipments. In essence we must offer customers complete visibility to their supply chain...’


In the past 30 years, whole industries have been launched by the railroads’ inability to meet the full range of their customers’ needs.

In the 1970s, intermodal marketing companies emerged to act as intermediaries between the railroads and the shippers who wanted to take advantage of multiple-trailer rates, but didn’t have the volume to do so.

In the 1980s, when the railroads developed double-stack container service, they saw it as a cost-saving tool. Others, notably steamship line APL, saw the opportunities inherent in combining international and domestic freight flows to create a national network of dedicated double-stack trains.

Today, the number one need of shippers is to be able to manage their inventories effectively. Low transportation costs are a poor bargain if erratic service results in plant shutdowns or customers being out of stock on critical items.

Logistics (which Robert Delaney of Cass Logistics defines as “the management of inventory in motion or at rest”) requires its practitioners to have a constant flow of information about where their goods are. This is known as “inventory visibility” in logistics circles.

The question of the moment for the railroads is, who will provide that information? A recent article in Traffic World about Solvay Minerals’ efforts to provide its customers with better inventory management suggests that, even if the railroads themselves aren’t ready to take on the challenge, there may be one railroad subsidiary that is. Solvay selected Union Pacific’s Transentric subsidiary (formerly UP Technologies) to track rail shipments, generate alerts about delayed shipments, and provide early warnings if a customer’s inventory levels are at risk.

The system replaces a set of informal and manually intensive methods that Solvay and its customers had previously used. According to Traffic World, “the real benefit hasn’t been in saving money on paper and telephone calls but in being able to provide customers visibility into their inventory pipelines.”

However, non-rail firms are also ready to do the job. On August 15, Kleinschmidt Inc., which has long provided shippers with car location and EDI services, announced a product called Rail-ETA that “enables shippers to provide their customers with real-time in-transit visibility of inbound rail shipments, via the Internet.” The service will take advantage of Kleinschmidt’s knowledge base about rail transit times.

The disadvantage faced by individual railroads is that their information about transit times is limited to their own systems. This is illustrated by Burlington Northern Santa Fe’s announcement on August 21 of a new Internet application that “will provide carload customers access to estimated transit times between any BNSF served city or point where BNSF interchanges with another railroad.” Once it leaves BNSF, the shipper must depend on whatever information a connecting line may provide.

Steelroads.com, the rail industry’s effort to build an electronic data delivery system for its customers, would be the ideal vehicle to bring together transit time and inventory management systems of different railroads. So far, though, Steelroads provides only a tracking tool. Instead of having information pushed toward them, customers must pull data out of the Steelroads system.

It’s a cliche to say that knowledge is power, but in today’s transportation market it might be more accurate to say that knowledge creates value. The question is whether the value created by electronic inventory management systems will go to the railroads’ shareholders or to firms outside the rail industry who recognize this need and are prepared to meet it.

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