ATLANTIC NORTHEAST

RAILS & PORTS

operating railroads + ports, intermodal facilities, and government environment

Issue 00:22 17 November 2000

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PEOPLE, POSITIONS, EVENTS
John Vorrow. Calendar.

FROM THE PUBLISHER

Trouble! Trouble right here!
A virus from e-mail infected my main machine, and I have not yet fixed it. This issue was created on my backup machine, so it may lack some features. My apologies.

Favorite story
CSXT turning over a customer to PW, reflecting a put-the-

customer first attitude. Thanks to Mary Tanona, the new PW general counsel, for extracting information on this and the Wethersfield story in a timely fashion.

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: 1 December.

REGIONAL ISSUES

GRS - SOME UPDATES
16 November, North Billerica MA. GRS IS Growing, underlined Executive Vice-president David Fink. “We’ve just purchased 20 new locomotives and also about 50 hopper cars, which we will use to haul coal to Mead” in Rumford.

Intermodal growth
“We’re very busy with east-west intermodal at Ayer,” said Fink. “And we are very balanced.” [See 6 October issue.] In addition, the Halifax business is continuing to grow, “with P&O and NYK as users. We’re looking for other users.” Perhaps Maersk Sealand will use the train rather than a feeder service to Boston, now that the line has stopped direct calls [see Boston], he mused. {ANR&P discussion}

PROVIDENCE & WORCESTER
8 November. THE THIRD QUARTER REPORT showed the railroad doing well.

Operating results first three quarters
Operating revenues increased $1.0 million, or 6.4%, to $17.4 million in the nine months ended September 30, 2000 from $16.4 million in 1999. This increase is the net result of a $645,000 (4.7%) increase in conventional freight revenues and a $479,000 (27.3%) increase in net container freight revenues partially offset by a $73,000 (6.4%) decrease in non-freight operating revenues.

The increase in conventional freight revenues is attributable to an increase in traffic volume and to a 2.0% increase in the average revenue received per conventional carloading. The Company’s conventional freight carloadings
increased by 604, or 2.7%, to 22,902 in 2000 from 22,298 in 1999. The increase in conventional carloadings results from new customers, as well as increased rail traffic from certain existing customers. The increase in the average revenue received per conventional carload is primarily the result of some moderate increases in freight rates.

The increase in net container freight revenue is primarily the result of an increase in container traffic volume. Intermodal containers handled increased by 9,682, or 21.8%, to 54,028 in the nine months ended September 30, 2000 from 44,346 in 1999. The average revenue received per container increased by 4.5% due to increases in certain railroad industry cost indices and to variations in the mix of containers handled.

The decrease in non-freight operating revenues is the net result of decreases in maintenance departmental billings partially offset by increases in demurrage and other transportation related revenues. Such revenues can vary from period to period depending upon customer needs. The increase in demurrage revenue is related to the increase in net car hire expense incurred during the period.

Operating expenses/operating ratio
Operating expenses increased $1.2 million, or 7.6%, to $16.8 million in the nine months ended September 30, 2000 from $15.6 million in 1999. Operating expenses as a percentage of operating revenues (‘operating ratio’) increased to 96.1% in 2000 from 95.1% in 1999. The increase in operating expenses is attributable to a number of factors, among the more significant of which are the following:

- Diesel fuel expense increased by $377,000, or 70.5%, to $912,000 in 2000 from $535,000 in 1999 due to sharply increased costs in effect for petroleum products.

- Depreciation and amortization expense increased by $123,000, or 6.6%, to $2.0 million in 2000 from $1.9 million in 1999 due to recent property and equipment additions and amortization of goodwill.

- Costs capitalized or recovered through projects funded by public grants and contracts decreased by $708,000, or 23.1%, to $2.4 million in 2000 from $3.1 million in 1999. The total costs recovered from such government grants and contracts can vary significantly from period to period. [10-Q report filed with Securities and Exchange Commission]

SLR - 3rd QUARTER
10 November, York PA. **SLR CARLOADINGS AND INTERMODAL TRAFFIC INCREASED** during the third calendar (first fiscal quarter), according to the Form 10-Q filed with the Securities and Exchange Commission by SLR parent Emons Transportation.

Carload traffic increase
Company-wide, ‘traffic handled increased approximately 600 carloads from 16,200 for the quarter ended September 30, 1999 to 16,800 for the quarter ended September 30, 2000. Traffic for the quarters ended September 30, 2000 and 1999 includes approximately 5,100 and 4,700 overhead carloads, respectively, between the St. Lawrence & Atlantic Railroad (“SLR”) in New England and the St. Lawrence & Atlantic Railroad (Quebec) (“SLQ”) in Quebec that are counted as revenue carloads for both SLR and SLQ.

‘Freight and haulage revenues (excluding intermodal freight) increased $366,000, or 7.8%, consisting of a 4% increase in the number of carloads handled and a 3.5% increase in average revenues per carload. Freight and haulage revenues on New England/Quebec operations increased $400,000 and traffic increased approximately 900 carloads, while freight and haulage revenues on Pennsylvania operations decreased $34,000 and traffic decreased approximately 300 carloads.

‘The 900 carload increase in New England/Quebec traffic includes approximately 400 additional paper-related carloads as a result of changes in market conditions and new business with existing customers, 140 additional carloads to an on-line bulk transload customer, 140 carloads to a railcar repair facility on a connecting short line railroad (New Hampshire Central - see 20 October issue), 400 additional overhead carloads between SLR and SLQ, and a variety of other less significant increases in other business. These increases were partially offset by a decrease of 270 one-time shipment carloads of cement for a major construction project in New England [interchanged with GRS for Boston’s Big Dig], a decrease of over 100 salt carloads as a result of the customer utilizing a new supply source, and a variety of other less significant decreases in other business.

‘The 3.5% increase in average revenues per carload is primarily attributable to SLR’s price adjustment arrangement with the Canadian National Railway which is partially based upon changes in railroad operating costs and which reflects the significant increase in locomotive fuel prices.’

Intermodal traffic increase
‘Intermodal freight and handling revenues generated by the Company’s rail intermodal terminal in Auburn, Maine increased $224,000, or 67%, from $333,000 for the three months ended September 30, 1999 to $557,000 for the corresponding period in the current year. Intermodal volume increased 1,775 trailers and containers, or 63%, from 2,850 trailers and containers for the first quarter of the prior year to 4,625 trailers and containers for the first quarter of the current year. In October 1999, the Company’s intermodal terminal handled its first international steamship containers, and is cautiously optimistic that this business will result in an increase in future intermodal volume. The Company’s intermodal terminal handled approximately 200 international steamship containers in the first quarter of fiscal 2001.

‘As a result of the continued increase in intermodal business, the Company is currently in the process of doubling the size of its intermodal terminal using a combination of state funding under TEA-21 (Transportation Equity Act for the 21st Century) and local funding. SLR and SLQ, in conjunction with CN, offer the only hi-cube, double stack, cleared route in northern New England [indeed anywhere in New England—see Massachusetts] for intermodal trains, and provide the Company’s intermodal terminal with access to CN’s Vancouver, Montreal, Halifax and New Orleans ports.’

Expenses
‘Excluding the increase in locomotive fuel costs, railroad
operating expenses increased $249,000, or 7%, consisting of a $385,000 increase in expenses for New England/Quebec rail operations, partially offset by a $136,000 decrease in expenses for Pennsylvania rail operations.

The $385,000 increase in railroad operating costs for New England/Quebec rail operations, excluding locomotive fuel, is attributable to the increase in business and the continuing impact of the change in CN's operating plan for delivery of trains to SLQ implemented in September 1999, which has adversely affected SLR and SLQ's operations and increased their operating costs.

The Company is continuing to work with CN to develop solutions to improve operations, and has been successful in partially reducing these costs over the past several months. In addition, safety costs have also increased in the current year as a result of a loss control program being implemented by the Company to reduce the number of accidents and incidents on these operations.

'Rail intermodal operating expenses increased $46,000, from $95,000 for the first quarter of the prior year to $141,000 for the first quarter of the current year due to additional fees paid to the terminal's independent operator in conjunction with the 62% volume increase over the prior year, and due to the favorable settlement in the prior year of a previously accrued loss and damage claim.'

'Selling and administrative expenses decreased $5,000 from $913,000 for the quarter ended September 30, 1999 to $908,000 for the quarter ended September 30, 2000. The net decrease consists of additional wages and benefits as a result of normal wage increases and staff additions, and additional provisions under profit sharing, commission and incentive compensation arrangements, which were more than offset by decreases in a wide variety of expense categories and the unfilled president position for the New England/Quebec operations in the current year. The responsibilities of the president of the New England/Quebec operations are being assumed by the Company's President and Chief Executive Officer until a replacement is found.'

Government grants

‘As of September 30, 2000, the Company had approximately $475,000 of state government grants and approximately $500,000 of Quebec government grants available for future track rehabilitation and other track improvement projects. The Company has no other material commitments for capital expenditures.

The Company's net long-term debt obligations increased $312,000 during the three-month period ended September 30, 2000, including a $700,000 draw on the prepaid portion of the Revolving Term Loan and $3,000 of borrowings under government no-interest loan track rehabilitation programs, partially offset by $390,000 of scheduled debt repayments....’

Further discussion

Scott Ziegler, Emons chief financial officer, and Tobert Grossman, the company president, provided further details:

Long-term debt. In both New Hampshire and Maine, the SLR took advantage of government loan programs. The company has steadily repaid these loans, so that now only $3000 remains to be paid off.

Search for SLR president. Grossman, who is currently holding down the job, emphasized that the job does not remain vacant because Emons wants to avoid paying the salary. “Paying the relocation and possible agency fees will offset any salary savings.” Emmons is “aggressively looking for someone,” but the right candidate has not come along. “Most people dropping out of Class Is have become independently wealthy or are not of the caliber we want.”

Maine Coast operator. Emmons did not offer to assume this role [see Maine] because better growth opportunities exist. “We're not connected, and this would divert attention from pursuing these other opportunities,” Grossman noted.

CN interchange and higher expenses. Ziegler noted that SLQ and SLR do not have passing sidings and room in yards “to handle a train as large as CN brings us.” When CN turned over two shorter trains a day, SLR could move each of them onto the road, and pass at appropriate points. Now, SLR must switch the CN train before moving it out. Ziegler emphasized, however, that CN and SLR were working to improve the situation.

Salt customer. Per Ziegler, Barrett operated the salt shed which had a fall-off in traffic. “This business can fluctuate wildly, depending on whether the salt distributor lands a state contract for road salt, and where the distributor will obtain the salt.”

Government grants. Emmons' current grants in the United States come from a Pennsylvania program. The potential Quebec grants require a submission [see Quebec/Maritimes] to draw down the US$500,000.

Intermodal expansion in Auburn. That’s going ahead, noted Grossman, and should be ready by the end of 2000. The company is continuing to pursue steamship lines in Vancouver and Halifax. “We haven’t even looked at opportunities in Mexico and the Gulf.” [ANR&P discussions 15.Nov.00]

CONNECTICUT RRs

PROVIDENCE & WORCESTER

16 November, Wethersfield. THE TRACK GANG HAS MADE SIGNIFICANT PROGRESS restoring the Wethersfield Secondary, according to Mary Tanona, spokesperson for the railroad. ‘The track has been totally replaced from Route 99/Wall Street to Bellamose Road (+/- 4 miles) with 112# rail and relay ties.

‘Design is complete on bridge and crossing work. Work is progressing on the reconstruction of the crossings and underground bridges:

Crossings

Nordland Ave (MP 13.5) - Cromwell
Field Point Rd (MP 12.5) - Cromwell
Bellamose Rd (MP 10.0) - Rocky Hill
Condo Crossing (MP 6.7) - Wethersfield
Goff Brook Lane (MP 7.2) - Rocky Hill

Bridges:
Goff St. Bridge (Cromwell)
Nooks Hill Bridge (Cromwell)
Goff Brook Bridge (Wethersfield)
Evans Road Bridge (Rocky Hill)

‘We expect to continue until the weather closes in. We are on schedule for summer 2001 completion.’ [e-mails to ANR&P 15&16.Nov.00]

MAINE RAILROADS

AMTRAK - MAINE
14 November, Portland. THE TRACK GANG LIEST 4.25 MILES FROM PORTLAND, according to GRS Executive Vice-president David Fink. “We’ll be at Rigby by the end of the year,” though work has slowed now because of the need to heat the rails, and the shorter daylight hours.

NNEPRA Executive Director Mike Murray. “They’re doing about one mile a week,” meaning if the weather holds, the gang will reach Rigby Yard before the end of the year. Murray explained that under the contract with GRS, NNEPRA has the authority to initiate winter suspension of elements of work when weather makes this work inefficient.

Per Fink, the railroad is looking forward to the completion of trackwork, so that its freight trains can run around the clock. “Our customers have been patient with us” when trackwork delays their cargo. Last week the railroad had to shut down for a 30-hour period to replace a bridge, for example.

Remaining work
After the continuously-welded rail reaches Portland, “additional surfacing remains to be done, although significant surfacing has taken place. Completion of this work element will take place in the spring.” In addition, other above-ground work, such as signals, will take place through the winter.

Both Murray and Fink believed the railroad will complete work on time and the service will start, as expected, in April.

Event trains?
Trains might run before the official intercity start in April, explained Murray. Victor Salemme, Amtrak’s representative on the NNEPRA project, said he had had requests from two groups to run event trains [my wish: a train for the Beanpot, the Boston college hockey tournament the first two Mondays of February]. “We need to see if it is feasible,” said Salemme. The requests are turned over to a department of Amtrak in Philadelphia which handles special movement trains.

The decision to run the special trains rests with Amtrak and GRS, emphasized Murray. These would not constitute a precursor, intercity NNEPRA train, but would use different equipment, and operate at different, slower speeds.

“I hope these event trains, if they run, do not give a message to future NNEPRA riders about the quality of equipment or the time of the trip,” he underlined. Amtrak has run the ICE demonstration train, and the Talgo demonstration train. But Amtrak has no qualified crews at this point, so GRS must provide pilots.

The layover facility
NNEPRA has not yet decided on a location for the trains to lay over. Murray hi-railed the Mountain Division on 13 November, “a positive experience” in the search for a facility. He saw some side track in Westbrook near Exit 8 on the Maine Turnpike which looked possible.

As a side note—and emphasizing that he was not proposing this—Murray noted that the area could provide a nice place for a station if the state were ever to operate commuter service into Portland on the Mountain Division. [ANR&P discussion with Murray 15.Nov.00 and Fink 16.Nov.00]

ROCKLAND BRANCH/LOWER ROAD
6 November. MDOT SELECTED SAFE HANDLING AS THE INTERIM OPERATOR FOR THE ROCKLAND BRANCH AND LOWER ROAD. Last month, Maine Coast gave the required 60-day notice to cease its operation of those two state-owned lines.

Late on 3 November, the department announced its selection from among three letters of interest it had received, said Rob Elder, head of the Office of Freight Transportation. “Of the three, Safe Handling offered the most beneficial economic terms. All three bidders presented strong credentials for conducting rail operations.”

Next step
MDOT wants to complete a final agreement with Safe Handling very quickly. That should provide that the company will begin operation coincidentally with Maine Coast ceasing operation on 5 December. “This will provide uninterrupted, seamless service to the shippers on those two lines,” said Elder. “The process for identifying and selecting a new, long-term operator is really just beginning, so we anticipate it will be well into 2001 before we’re ready to announce who that operator will be.” Elder explained that he expected to issue an RFP for the long-term operator soon.

The other bidders/subsidy
According to a source, George Betke’s Finger Lakes Railroad and Guilford made the other two proposals. All three bidders sought a subsidy. MDOT, per Elder, is willing to continue the (at that point) indirect, unplanned subsidy it was providing to Maine Coast in the form of track maintenance. How that will be handled remains a question of negotiation.

Next step for Safe Handling
Elder said that the company needed to complete final negotiations with the connecting railroad, with Maine Coast, and with shippers. He expected completion of those talks within a matter of days.

[While the company has not yet operated a railroad, it has worked intimately with the SLR and other railroads as a shipper]
and receiver, and understands the much about the business of railroading, as well as yard operation.] What about over-the-road operations, I asked Ford Reiche, president of Safe Handling?

His company has hired Jonathan Chute of North Yarmouth to handle the operation, Reiche responded. Chute has worked for large (the New Haven and Penn Central), medium (Maine Central), and small railroads, in both passenger and freight. Moreover, underscored Reiche, he has port experience as well. {ANR&P discussions 6.Nov.00; MDOT press release}

Update

Reiche explained on 15 November that he had not completed arrangements with GRS and Maine Coast. When that happens, he will provide more information on his operating plans. {ANR&P discussion}

FOR THE RECORD:

MAINE

Ron Roy expected the closing on the Union Branch to take place toward the end of December [see 3 November issue]. {ANR&P discussion 15.Nov.00}

CSXT - PW

9 November, Seekonk. CSXT AGREED TO LET PW ASSUME THE COMMON CARRIER OBLIGATION HERE, in order to serve Metals USA (formerly Levinson Steel), according to Joanna Griffith of CSXT. As a result, CSXT abandoned its trackage rights over most of the Massachusetts portion of the East Junction Secondary, and PW will rebuild the track into Massachusetts to serve the customer.

Why the switch in customers

Robert McAleer, an official at the Metals USA plant, explained that three years ago, his company asked CSXT for service, after trains had not used the line to his plant for nine years. In the late 1990s, and continuing to today, CSXT has brought the metal to a transload site (which McAleer declined to name). CSXT eventually declined to provide service, citing the cost of upgrading the 2.5 miles of track to the plant.

Looking for direct rail service, Metals then turned to PW, which did agree to serve the plant if CSXT would abandon its trackage rights.

Griffith would not speculate on whether the combined PW-CSXT freight rate for Metals USA would be lower than the all-CSXT route. In fact, Griffith said, if the two railroads compared their cost to serve Metals USA, “that would get into antitrust issues.”

The company brings in about 15,000 tons of steel a year, about one-quarter of that by transload. “It’s not working out well” and McAleer would prefer direct rail service. [Figuring 100,000 pounds (50 tons) per carload, that works out to 80 carloads a year]. Metals USA distributes the product by truck to points in New England. The nearest sister depot lies in New Jersey. {ANR&P discussion with Griffith 15.Nov.00, with McAleer 16.Nov.00}

Metals USA is sited at roughly Milepost 3.0 (10 Tower Road), just a half mile from the state line.

History and description

The East Junction Secondary Track was once part of the 1831 main line of the Boston and Providence Railroad. It became a branch line when the B&P built a connection to the PW to reach the Union Station in Providence in 1847. In 1888, Old Colony branch line when the B&P built a connection to the PW to reach the Union Station in Providence in 1847. In 1888, Old Colony Railways leased the line; the New Haven took over in 1893.

The track runs from East Junction (Milepost 0) in Massachusetts to the state line (Milepost 3.13) to the junction with the East Providence Secondary (Milepost 6.9) and the Bristol Secondary.

PW acquisition and transfer in Rhode Island

The New Haven became part of Penn Central, which in term was subsumed by Conrail. In 1982 PW acquired ‘all of the lines and operating rights of Conrail in Rhode Island and Conrail’s exclusive freight easement on Amtrak’s Northeast Corridor from the Massachusetts/Rhode Island border to Old Saybrook, Connecticut.’

Sometime after 1993, RIDOT provided federal Local Freight Rail Assistance (LRFA - a now defunct program) to PW to upgrade the East Junction Secondary. In 1993, the state listed rail traffic density as 14% of the average Class III line haul density. {quotes from Rhode Island Freight Rail Plan 6.93 and Prospectus for Sale of Common Stock of PW 1.Sept.98}

Current situation

PW has three active customers on the Secondary: Getty Oil (seasonal) in East Providence, Homestead Bakery (aka Kavanaugh Bakery) and Nyman Company (Chinet) in Rumford. Several unused sidings remain in the industrial area of East Providence and a new siding has been graded for Pond View Construction, but no track has been laid. {e-mail to ANR&P from David Watelet 15.Nov.00}

CSXT acquisition in Massachusetts

Conrail sold much of its trackage south of Boston to the Massachusetts Bay Transit Authority (MBTA), including the Massachusetts part of the East Junction Secondary. Conrail retained trackage rights to serve customers, while PW had overhead rights over the whole line in order to reach Newport, RI. PW only used those rights a few times before the Sakonnet River Bridge was put out of service in 1988 [see 23 July 1999 issue].

Current situation

CSXT serves one customer in Massachusetts on the branch: Teknor Apex at roughly Milepost 0.5. The MBTA has a layover facility for commuter trains near East Junction, but that will move to Pawtucket when the new facility there is complete.
In 1999, the line was severed by a grade crossing removal at Route 152 (Newman Avenue) in Seekonk. To serve the plant, PW must rehab the track in Massachusetts and replace the grade crossing. [ANR&P discussion with John Vorrow of RIDOT, Joanna Griffith of CSXT, Mary Tanona of PW, and Robert McAleer of Metals USA 13-17.Nov.00]

The abandonment and transfer
The STB on 8 November issued this notice: ‘CSX Transportation, Inc. (CSXT) has filed a notice of exemption under 49 CFR1152 Subpart F--Exempt Abandonments and Discontinuances of Trackage Rights to discontinue trackage rights over an approximately 2.5-mile line of railroad owned by the Massachusetts Bay Transportation Authority (MBTA) between milepost QVJ-0.6 and milepost QVJ 3.1 near Seekonk, in Bristol.’

[The MBTA must grant trackage rights to PW, then PW may enter the Secondary.]

EOTC
13 November. THE STUDY ON GETTING FULL-DOUBLE STACK ACCESS IS DONE said the principal author, Jim Molloy of Northeastern University. He expected to hear from EOTC on its payment for the study in the next week or so. “When they respond, they will get the report.” [ANR&P discussion 13.Nov.00]

BAY COLONY
15 November, Buzzards Bay. THE MBTA COULD SERVE BUZZARDS BAY FOR ABOUT $19 MILLION, but passengers would encounter parking problems, according to comments at a commuter rail forum here. About 50 people attended the event hosted by the Buzzards Bay Village Association, including officials from EOTC, state representatives, State Senator Therese Murray (D, Plymouth), and John Kennedy, president of Cape Cod Central Railroad. The forum, which lasted about 2 hours, was very positive with no opposition and was followed by a question and answer period.

Details
Statements indicated: The estimated commute time from Buzzards Bay to South Station would be about 1 hour and ten minutes. Buzzards Bay is about 18 minutes from Middleboro [the current end point of the T’s Old Colony commuter service] by rail. The MBTA is focused on New Bedford/Fall River service, even though that would cost about $600 million. So, commuter rail to Buzzards Bay stands at least several years away.

Kennedy outlined a possible privately-run feeder service connecting Falmouth and Hyannis with the T in Middleboro. This passenger service would avoid some of the scrutiny, such as assessments and parking issues, that commuter rail would have to adhere to. Also, according to Kennedy, it could go into operation within a matter of months.

The 2000 transportation bond bill contained an amendment proposed by Murray which called on the T to extend service to Buzzards Bay [see 3 March 2000]. [Jerry Sylvia e-mail to ANR&P 16.Nov.00; Kevin Dennehy in Cape Cod Times 16.Nov.00]

NH RAILROADS

NHDOT - MANCHESTER AIRPORT
5 September. THE RAILROAD APPEALS BOARD REVERSED NHDOT’S DECISION on how to handle the issue of maintaining the rail corridor through the Manchester airport [apologies for the late delivery of this news]. The NHDOT hearing officer, Paul Sanderson, had dismissed the petition of the Conservation Law Foundation (CLF) that the department had acted illegally in permitting the airport to close the line and remove any possibility of reviving it through the airport [see 21 March issue].

The pre-emption issue
The City of Manchester argued, and Sanderson agreed, that federal law pre-empted the state statute requiring New Hampshire to preserve rail corridors. The Railroad Appeals Board disagreed: ‘[F]ederal law may well pre-empt some of the relief sought by CLF such as requiring immediate physical restoration of the line, but [it] would not prevent DOT from preserving the integrity of the line for possible future use.’

The requirement to acquire and preserve the line
The Board noted that under RSA 228:54-75, the state must create a state plan for acquisition and preservation of abandoned rail properties. The record did not show a valid waiver of NHDOT’s right to purchase the line through the airport, and ‘it appears likely that proper planning by DOT has not occurred and the DOT, Boston and Maine Corporation, and the City have not in all ways complied with the mandate of RSA 228 in the notification, purchase, and sale of the property.’

Conclusion
The Board concluded that ‘remedies exist under RSA 228:54-75 which may, if upon hearing are borne out, give relief to CLF under its amended petition.’

This matter is remanded to the Hearings Officer for further findings and rulings consistent herewith. Specifically, the Hearings Officer may consider:

a) CLF’s second amendment or other timely filed pleadings by the parties,
b) Whether the mandatory provisions of RSA 228 have been complied with by the parties including the Boston and Maine Corporation, and if not, the remedy,
c) the existence, nature, and extent of any waiver [by DOT] to purchase the property.

‘The Hearings Officer may, if he finds a lack of compliance with the statute, order that the parties come into full compliance.’

{text from Railroad Appeals Board Docket No. 2000-04}
Reconsideration

Sometime after the decision, one of the parties filed a motion for reconsideration. According to the secretary of the Board, Marty Walsh of NHDOT, the Board has not acted on the motion for reconsideration. {ANR&P discussion 13.Nov.00}

AMTRAK - NEW HAMPSHIRE

13 November. NHDOT JUST ISSUED CROSSING UPDATE ORDERS for all grade crossings which Amtrak will use on the Portland-Boston service. Before the FRA will agree that the track is upgraded to permit Class 3 speeds, FRA requires that the state deal with the relevant grade crossings, explained Paul Sanderson, NHDOT hearing examiner.

On the petition of GRS covering the eight grade crossings in six towns, Sanderson ruled that in all cases the crossings must be guarded by full gates as well as lights and bells. “Most of the work is already accomplished,” he noted, but NHDOT had to formally change the level protection before the FRA would permit higher speeds. {ANR&P discussion}

FOR THE RECORD:

NEW HAMPSHIRE

THE STUDY COMMITTEE ON THE NORTHERN and the Lawrence-Manchester line [see 3 November issue, ITRAC meeting] is writing its report. {e-mail to ANR&P from Paul W Chapman 12.Nov.00 ..........}

NHN IS WORKING FOR ALSTOM to do warranty work on MBTA locomotives, according to Lydia Rivera, a T spokesperson [see 3 November issue]. Under the warranty, Alstom agreed to do work off T property if the T could not provide adequate work space.

Consequently, Alstom found NHN to do the work and provide the appropriate space. {ANR&P 15.Nov.00 ..........}

MACINTYRE BROKE GROUND LAST WEEK for its oil distribution facility on the New Hampshire Central [see 20 October issue]. {ANR&P discussion with MacIntyre’s Cindy Wright 13.Nov.00} SLR President Robert Grossman hoped to open the facility in January. {ANR&P discussion 15.Nov.00}

VERMONT RAILROADS

VERMONT RAIL SYSTEM

2 November, Bellows Falls. VRS AND NYSW ARE DISCUSSING COOPERATION. Some of the exchange took place during a business trip on the deluxe NYSW office train this day, running over Green Mountain Railroad trackage. Jerry Hebda, .GMRC president, later explained that the two railroads had talked about sharing equipment and trading engines as they needed them. “We have nothing formal, however. This is an agreement in concept.”

“You will start seeing Susquehanna equipment going back and forth,” Hebda said, explaining the two railroads were talking about a non-revenue contract that would make it easier for the two to share equipment such as track machinery, which may sit idle half the year. Both railroads were about the same size when it came to employees and equipment, but were not in competition with each other for freight. Sharing resources made sense.

The Susquehanna serves the Binghamton, NY to New York City and the New Jersey area. “We’re always looking for ways to expand our business and strategic alliances like this are a good way to do that without a lot of money,” Hebda said, refuting rumors of a buy-out in the offing.

VRS is leasing an SD-70 locomotive from NYSW, and “a second one is on the way.”

Car repair shop

The VRS shops in North Walpole may be repairing the New York railroad’s equipment in the future, both locomotives and cars. The shop can also do passenger equipment repair. {Sally L. Anderson in Claremont/Bellows Falls Eagle-Times 9.Nov.00; ANR&P discussion with Hebda 16.Nov.00}

16 November, Memphis. VRS HAS THREE TERMINATION POINTS FOR ITS TRAILERS which are running free in the national system: Chicago, Memphis, and St.Louis. Jerry Hebda, who is handling some intermodal work for VRS, said receivers of trailers want to get them off the property to avoid demurrage charges.

If the trailers have no immediate user, they are sent to one of the termination points, operated by VRS staff (Chicago, St.Louis), or a contractor (Memphis). The staff not only receive the trailers, but put them in good working order. “We have a reputation for the quality of our equipment,” underlined Hebda, “and furthermore the railroad industry would not allow poorly-maintained equipment to circulate. {ANR&P discussion}

16 November, Burlington. VRT AND GMRC WILL NOT FORMALLY MERGE, said Hebda. The agreements with the state to use state-owned trackage are so different, “it would be impossible to bring the two railroads into one agreement without one suffering...”

Nonetheless, the railroads of the system view it as a whole. “I don’t think of myself as working for one or another railroad; I’m working for the whole system.” {ANR&P discussion}

MARITIMES/QUÉBEC RRs

CHEMIN DE FER DU QUEBEC

14 November, Boca Raton. RAIL AMERICA IS SELLING ITS INTEREST in the railroad, according to a press release this day, which said: “The Company also announced today that it has signed letters of intent to sell certain non-core assets for a total of approximately $15.5 million. ‘Included in this is the Canadian portion of its discontinued specialty truck trailer manufacturer, Kalyn/Siebert Canada, Inc., its minority interest in Quebec Railway Corporation, as well as a small, non-core railroad. These proposed sales are part of Rail America’s ongoing capital plan to re-deploy funds generated from the sale of non-strategic assets and utilize the proceeds to reduce debt. These transactions, which are expected to close by
CONSTRUCTING A CONNECTION WITH CN

The Quebec Railway Corporation is privately held by its chair Pierre Martin, its president Serge Belzile, and four companies: RaiLink (26.7% ownership), Capital d’Americque CDPQ (a wholly-owned subsidiary of Caisse de depot et placements due Quebec), Logistec Corporation, and Gestion Jean Fournier.

Origin of ownership
The Quebec Railway Corporation was founded by Quebec Central (QC) in 1969, after the latter's owner, Quebec), Logistec Corporation, and Gestion Jean Fournier.

New grade crossing okayed
On 8 November, the Canadian Transportation Agency announced that on 16 October it had received “an agreement between the Canadian National Railway Company and Ville de Charny pursuant to subsection 101(2) of the Canada Transportation Act, S.C., 1996, c. 10, relating to the construction and maintenance of a road crossing at mile 123.50 Drummondville Subdivision, in the city of Charny, in the province of Quebec. {CTA website, File No. R 8050/413-008.69A, ORDER NO. 2000-AGR-437}

Potential customers
Michel Champoux, who is handling the QCR work said on 16 November that lumber industries are currently draying product to CN’s terminal in Saint-Foy for transload. These industries would like to load the product onto rail cars at their mill. He expected these companies to use QCR as soon as rail service becomes available, to reach CN.

Connection to SLR?
At this point, said Champoux, QCR has no connection to SLR [see map in 3 July issue] in Sherbrooke. The two railroads discussed the matter some time ago, “but not recently” .

RAILROADS IN QUEBEC
HAVE USED THE PROVINCIAL GRANTS

Results of the first year
Ledoux said that all railroads operating in the province—both federal and provincial railroads—took advantage of the assistance program in the first year. Both the SLR and B&A System have projects underway which should need to be completed before the province pays.

For the B&A System (QSR and CDAC) “the work is not completed fully. We will verify what is done already.” Whether railroads receive an interim payment “depends on the agreement with each railroad.” MTQ has not paid the B&A System anything yet.

Projects for next year
Ledoux underlined that programs for 2001, the second of five years, must be submitted by 31 December. “We will verify if what the railroad proposes meets the grant rules, and by the end of April we will give the railroad the OK.” The railroad may use the money for any type of work, such as tie change, rail change, or bridge repair. 

ANR&P discussion 16.Nov.00}
BOSTON
15 November. MAERSK SEALAND WILL NO LONGER DIRECTLY CALL THE PORT. According to a missive from Massport Maritime Director Michael Leone, in the future 'they plan to call at Conley Terminal via SPM Container line [out of Halifax] or Columbia Coastal Transport [out of New York].

'Mediterranean Shipping Company will continue their direct weekly service to Conley Terminal and they have assured us that they can continue to increase vessel capacity to handle expected volume increases.

'SPM Container line, the Boston-to-Halifax feeder, will introduce their new 500 TEU M/V Shamrock in the first quarter of 2001 in order to handle the containers from Hapag Lloyd, Zim, Maersk Sealand, and P&O Nedloyd.

'Columbia Coastal Transport has publicly announced and demonstrated that they have the capacity to add barges to meet the needs of the New England market. Congestion, a shortage of qualified drivers, and increases in fuel prices are strong indicators that barge transportation will play an important role in our transportation system.

Leone exhortation
His missive concluded: ‘We have experienced many challenges and changes in the last 12 months: Maersk buying Sea-Land Service, the break-up of the VSA, and now the announcement of Maersk Sealand discontinuing its direct weekly service. However, the New England market is and will continue to offer steamship lines a strong financial incentive to serve this market with direct and feeder services. Be assured that Massport will continue to invest in both equipment and infrastructure to make sure that we have facilities second to none.

‘I am confident that New England companies recognize the value of the Port and the benefit of all-water service and I am asking you to support those steamship lines that use the Port of Boston. {Port Bulletin 15.Nov.00}

Cargo shifts
"What we have seen since the vessel-sharing agreement broke up in July is that the freight has shifted," said Leone this day. The size of the feeder ship from Halifax is expected to increase in January "and we are seeing a modest increase in barge service." Mediterranean Shipping Company saw a 56% increase in cargo from Europe since July. {Matthew Brelis in The Boston Globe 15.Nov.00}

Nevertheless, Boston has experienced a drop in boxes [see table].

SAINT JOHN
1 October. TRAFFIC YEAR TO DATE:

Bulk traffic 1,159,000 tonnes (excluding liquid bulk)
Breakbulk 596,000 tonnes (includes ro-ro)
Containers 222,000 tonnes (about 27,750 TEUs)
{figures from Saint John Port Authority}
NEW LONDON
16 November. UPDATE ON TWO ISSUES

Sale of CN pier
According to Paul Perenewski, counsel to ConnDOT, his department and ConnDOT are discussing ConnDOT’s purchase of this pier [see 18 August issue], parallel and roughly the same size as the existing state pier in New London [see photo in 28 July issue].

Study on barge facility
Gerald Jennings of ConnDOT’s Intermodal Planning said his staff is compiling data on existing infrastructure and requirements, as well as land availability. The market for such a facility, which would receive intermodal boxes from New York, remains to be determined.

ConnDOT has hired Management Transport Associates [the same firm is handling the Bridgeport–see 28 July issue–and New Haven studies–see 22 September issue] to assist in the work. Jennings expected completion of the work in January. [ANR&P discussions 16.Nov.00]

PEOPLE, EVENTS

John Vorrow, principal civil engineer in RIDOT’s office of intermodal transportation planning The department has not yet found a successor.

CALENDAR

November
15th Newburyport-Kittery legislative task force, Legislative Office Building 10AM
17th I-93 widening, Manchester-Lawrence corridor
   - Senator Robert Smith public input sessions are scheduled for
     17 November in Salem
     14 December in Derry.
   - Public Officials meetings
     28 November Manchester
     29 November Londonderry
     30 November Windham
     7 December Derry
     13 December Salem.
   - Scoping Meeting Manchester 6 December
   - Meetings with Massachusetts rail and transit officials, and highway, FHWA, and regional planning commissions - 15 December.
20th NHRRA monthly meeting, Northfield Freight House 7PM. {e-mail to ANR&P from Paul W Chapman 12.Nov.00

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