A semi-monthly trade newsletter dedicated to the preservation and extension of the rail network in the Atlantic Northeast.

**ATLANTIC RAIL WATCH**
operating railroads + their intermodal facilities, ports, and government environment

**Issue 99:5  12 March 1999**

**REGIONAL ISSUES**

No report.

**CONNECTICUT**
ConnDOT: Freight rail project solicitation, tie distribution effort.
CNZR: Home Depot service begun. Hallmark work.

**MAINE**
MDOT: Six Year Plan and BTIP passenger projects.
Amtrak: Issue update, 115-pound rail, Brunswick station.
Calais branch: Rail access promise. Transload siding.
GRS: Wood Structures move. Lewiston Lower Road transaction on hold.

**Massachusetts**
Bills: A listing.
BCLR: Three customers affected by MBTA Stoughton service.
GRS: Hoosac Tunnel done.
MBTA: Fall River/New Bedford bridge work.
FTR: Doublestack meeting soon.

**NEW HAMPSHIRE**
Bills: Liability, local taxation, Kittery service.
Northern: Hearing finds support for revival.
GRS: Sales of Monadnock, Lebanon, Woodsville, and Mountain Division discussed.
NHVT: Interim operating agreement closer. Lancaster interested in rail.

**RHODE ISLAND**
No report.

**VERMONT**
Rail budget: House amendments.
ABRB: Money for Hoosick Junction. Agreement with GRS.

**Commuter:** CCTA rejects role. VRA has equipment.
**GRS:** Wells River purchase reauthorized.
**VRS:** Relocate Rutland and Burlington yards?
**OMYA** spur hearing.

**Maritimes/Québec**

**DVR:** Not a promising future.

**PORTS**
Eastport: New executive director.
Quonset: Autoport supports load center.
Stakeholders asked to narrow alternatives to 12.

FROM THE PUBLISHER

The Atlantic Northeast

Last week I had a wonderful trip, discussing the concept of the Atlantic Northeast with Donna Fricke, director of graduate studies at the Maine Maritime Academy, Wade Merritt of the Maine International Trade Center, Steven Hornsby and Howard Cody of the Canadian-American Center at the University of Maine, and Ben Coes of the Bangor & Aroostook Railroad.

All were receptive to the idea. I recommend that the University create an Institute of the Atlantic Northeast. As Chris Hall and I noted in *Atlantic Northeast Transport Review* 1999, because of limited transportation gateways and its decreasing emphasis on manufacturing, the region faces the danger of becoming a backwater. Our book calls for more formal cooperation, not just the summit meetings of the governors and premiers.

An *Institute for the Atlantic Northeast* could become the advocate and the research arm for such cooperation.

Maine meetings

Downeast Rail is holding its annual meeting at the Owls Head Transportation Museum on 27 March. Victor Salemme of Amtrak, John Melrose of MDOT, and Alex Jordan of NS will speak. Contact Jack Sutton at 207-495-3498.

The Northeast Association of Rail Shippers is holding its spring meeting at the Samoset in Rockland 22-23 April. A good place to rub elbows and hear great presentations. Contact Bill Donovan at 508-428-1224.

-Chop Hardenbergh

Next issue: 19 March (back to back because of the New England Railroad Club 23 March).

CONNECTICUT RAILROADS

ConnDOT

11 March. THE DEPARTMENT IS SOLICITING PROPOSALS FOR RAIL PROJECTS from the state’s freight railroads. Ray Godcher of the department’s Office of Transit has $500,000 to pay the 70% state share of these projects. He expects to get at least one proposal from every freight railroad. If the department gets a flood of proposals, that could convince the department to increase the dollars available, which come from the general ConnDOT bond fund. Applications are due 16 March. {ARW discussion; Atlantic Northeast Rail and Marine Transport Review 1999}

11 March. THE DEPARTMENT HAS ARRANGED FREE DISPERSAL OF 60,000 RELAY TIES from the New Haven Line (between New Haven and New York). Godcher explained that ConnDOT had proposed to retire ‘track 2’, one of the four tracks on the line. Amtrak has taken it and will upgrade 24 miles of it, replacing the relatively-new wooden ties with concrete ties.

The members of the Connecticut Railroad Association, to which all freight railroads in Connecticut belong, have agreed to share the ties according to mileage operated. In June, the department will deliver the ties to a central location, probably Cedar Hill Yard, and the members will distribute them from that point. One catch: the ties will still have the plates attached.

More free ties?

Godcher said ConnDOT will conduct its own tie replacement programs in the future. This will make available more relay ties, which could be distributed in the same manner. {ARW discussion}

CENTRAL NEW ENGLAND

10 March, Newington. CNZR IS INSTALLING A SIDING TO HOME DEPOT in Griffins, and began moving traffic to the new facility on 6 March. A.J. Belleview, railroad owner, said he is marketing the re-opened line [see 5 February issue], from Hartford to Griffins, to other potential rail customers.

Non-railroad work

His construction company is laying 20,000 feet of rail inside the Hallmark plant in Enfield. The company does not ship by rail. Rather, the rail will carry a picking crane inside the enormous, nearly million square-foot plant. {ARW discussion}

MAINE RAILROADS

MDOT: SIX-YEAR PASSENGER PLAN

February. THE PLAN DESCRIBED THE STRATEGIC PASSENGER TRANSPORTATION EFFORTS for both rail and marine transport: ‘Through the [plan], the Office of Passenger Transportation [OPT] proposes to develop an integrated system of transportation options that will attract travellers to Maine, provide modal choices for Maine’s citizens, and supply efficient mobility to the traditionally transit dependent.’

Passenger rail

The Six Year Plan envisions expanding Amtrak service to Brunswick, beginning construction on the Rockland Branch rehabilitation in 1999 and conducting it over several years, and exploring passenger service from Brewer to Ellsworth. This last service could link Bangor International Airport with a modal facility at the Hancock County Regional Airport in Trenton. If feasible, construction would occur in the last four years of the Plan.

Bicycle and pedestrian

OPT is promoting three major trails on or near discontinued rail lines: the Mountain Division, about 40 miles long; the Downeast Trail near the Calais Branch, about 85 miles; and the Eastern Trail [following the old Eastern Railroad from Kittery to South Portland] about 50 miles long.

Marine Highway

MDOT is following the effort to locate more ferry services at the BIW dry dock location [see 5 February issue]. The department intends to conduct a study for a Rockland site. Bar Harbor already has a ferry terminal. {text of plan}

MDOT - BTIP, passenger side

24 February. THE BTIP WILL IMPLEMENT THE SIX YEAR PLAN with the following projects.

Feasibility, design, and permitting of Bangor-Trenton rail connection.

funding source: state bond $650,000

Rehab Rockland Branch

CMAQ & state bond $9.5 million

Ferry facility improvements at Bath, Rockland, and Bar Harbor.

FTA & state $2.5 million

Trail construction

STP-enhancement & state $1.25 million
Extension of Amtrak from Portland to Brunswick, years 2000/2001
CMAQ & state $9.375 million
Construction of a new highway facility connecting I-295 with the site of the Portland passenger rail terminal.
Interstate maintenance & state $2.5 million
Feasibility, design, and permitting for intermodal passenger facility in Bangor.
National highway system & state $825,000
Feasibility, design, and permitting for intermodal passenger facility in Trenton.
National highway system & state $825,000

FTA, state, local-other $50,000

Comments
Ron Roy, director of the Office of Passenger Transportation, said on 10 March:

Rockland branch. The department is waiting for completion of the environmental assessment before beginning work. As a first step, it would like to begin work on the Long Bridge over the Sheepscot River.

Mountain Division. Phase I of the feasibility study, which concentrated mostly on trail work, is nearing completion. In the next few days the department and the consultant will review the scope of work for phase II.

The planned intermodal passenger facilities
Roy noted that the department favored locating the three proposed facilities at airports, for several reasons:

- Airports already have the know-how to move people and baggage, and to do so as a business proposition.

- Airports have land available for the facilities and for parking.

- Bangor and Lewiston-Auburn airports are located just off interstates.

- Bangor and Lewiston-Auburn already have nearby rail, and all three have air service.

Trenton intermodal facility. Providing a rail corridor to the airport location “will be a challenge,” said Roy, and he anticipated that the next two years may not suffice to complete the design phase. Trenton would serve as the terminus of a rail connection with Bangor International Airport. The state plans to restore service on the Brewer-Ellsworth section of the Calais branch as phase I [see 26 February issue and below].

Bangor airport intermodal facility. The airport is currently working on a new master plan. Installation of the intermodal facility on the southeast side may be coupled with a new entrance from I-395. The city would like to see a transit connection from the airport to Bass Park and the waterfront, over to the Calais Branch.

This connection could also serve to move passengers to Trenton. Roy agreed that the existing rail right-of-way could suffice, “but if it’s new right-of-way that’s fine too.”

Auburn-Lewiston intermodal facility. Especially in view of the proposed SLR connection to the Lewiston Lower Road, some would like a station downtown [see 26 February issue]. However, Roy envisions it at the Lewiston-Auburn airport. Concord Trailways is already eyeing service to the twin cities, but wants to locate near the interstate, not far downtown.

Passenger rail may run both from Montréal to Portland, and from Montréal to Rockland. The former route may not even stop in Lewiston. But the latter route could stop both at the airport and in downtown Lewiston, where the city wants to renovate the Bates Mill building.

Next steps
Federal monies will become available on 1 October, state bond money after the vote in November, assuming the citizenry passes it. The department is now reviewing the qualifications provided by companies who want to bid on the feasibility and design phase for the three facilities. Roy hopes that in the 1999-2001 biennium, the department can get through the design phase on each of the facilities, though Trenton may only get as far as the feasibility because of the need to provide new rail access.

By 2003, when construction gets underway on the facilities, Maine will have a new governor. The proponents of the Strategic Passenger Plan, both in and outside the department, hope the newcomer will continue to back the Plan. {ARW discussion 10.Mar.99}
Decision on the weight of rail
NNEPRA is preparing to use 115-pound rail, regardless of the STB decision. Amtrak, per Murray, will ask the STB to permit it to run at Class 4 speeds, or to designate at what speed Amtrak can run on the 115-pound rail.

Bids for material
Bids on the second batch of ties are expected on 2 April. Bids on rails, plates, and spikes will go out “momentarily,” said Murray. While firms in Canada could explore the possibility of meeting the bid terms, he anticipated that the use of federal funds would require NNEPRA to buy US materials. {ARW discussion 9.Mar.99}

5 March, Brunswick. THIS TOWN IS GETTING READY TO BUILD ITS TRAIN STATION. Theo Holtwijk, town planner, said of the 5.5-acre site it bought last summer [see 30 July 1998 issue], the town had sold two acres away from the rail line to Bowdoin College, which this month began construction of a three-story, 36,000SF office building. The college will also build a 125-car parking lot, part of which the general public may use.

In February, NNEPRA Chair Jonathan Carter briefed the Town Council on plans for the station itself. NNEPRA will provide a design, a marketing plan and $150,000 for the platform, provided the town meets certain conditions, such as compliance with the Americans with Disabilities Act. {ARW discussion 9.Mar.99; Bath-Brunswick Times Record 2.Feb.99 and 5.Mar.99}

CALAIS BRANCH
2 March, Eastport. WHAT PROMISE FOR RAIL ACCESS? MDOT plans to do preliminary engineering for rail to Eastport, but has not decided what shape that will take [see 26 February issue]. As a first step, it will probably fund the construction of a transload siding in Calais [see below].

Skip Rogers, the chair of the local Eastern Maine Railroad Development Commission, said some legislators and others wanted to accelerate work on Eastport rail access. A bill is pending which would create a Calais to Eastport Rail Authority.

The Commission itself remains active [as opposed to the state-created Calais Branch Commission which ended its work in December - see 3 December 1998 issue], but will not hold any meetings until it finds out what it may need to do next, especially to influence events in Augusta.

Advantages of the Calais operation
The transload operation will enable marketers of the port to say that it had some rail access, albeit 30 miles distant. Rogers noted that rail access for some other ports around the United States was equally distant.

Eastport could point to Bangor as a transload site, but according to Rogers the commercial cross-docking operations there are prohibitively expensive. By creating a municipal facility, he can use Eastport stevedores in Calais and “give away the transload operation just to get cargo” to Eastport. {ARW discussion}

TRANSLOAD SIDING were provided by Jim Porter, assistant city manager. At this time, a spur extends into the Calais Industrial Park (located at the Campbell’s Siding point on the railroad, just north of St.Croix Junction). The city would like to extend the spur another 1200 feet to city-owned property in the Park.

Who will use the siding?
Under the Industrial Rail Access Program of MDOT, the state will pay 50% of the cost, and local interests 50%. Porter said the City of Eastport, the Eastport Port Authority, the City of Calais, and a private party will share the local cost. He declined to divulge the private party at this point. A building may come later.

Rail to trail
In 1994 the city sought and won $61,000 funding from the Transportation Enhancement portion of the federal ISTEA appropriation to convert the rail spur into downtown Calais. Porter said the trail was complete as far as Todd Street, but that GRS needed the balance of the spur, which comes off the main line at the bridge to Canada, for switching. {ARW discussion}

Any competition in St.Stephen?
Dale Thibodeau, general manager of NBSR, said no transload existed in St.Stephen. The company would probably not be interested in supporting one, because it would compete with Saint John. {ARW 9.Mar.99}

GRS - MAINE
9 March, Biddeford. WOOD STRUCTURES INC. PLANS TO CONSOLIDATE ITS WOOD TRUSS MANUFACTURING OPERATION into the Biddeford Industrial Park and close its Saco manufacturing plant. The company plans to buy 2.1 acres of land adjacent to the Biddeford property where its administrative offices are now located.

Affect on rail
Wood Structures head David Gould said the company relies almost 100% on rail for its inbound materials, receiving about three cars a week. While the Saco Industrial branch is losing a large percentage of its traffic, the new location in Biddeford also has rail. “I wouldn’t have moved without it.” He anticipated the consolidation would take place within a year. {ARW discussion}

11 March, North Billerica MA. ACTIVITY CONCERNING THE LEWISTON LOWER ROAD IS “ON HOLD” for now, said GRS Executive Vice-president David Fink. “An impending legal matter - not between us and the state” has caused GRS to hold off until it can be resolved. Fink declined to say more, except to emphasize that “no one is doing anything on the line right now.”

On a hunch that the problem may have to do with Grimmell Industries, a customer on the line who would like rail service, ARW has tried unsuccessfully to talk with Gary Grimmell.]

The link with the SLR?
Fink had read the report inARW’s 26 February issue. He said that
link-up “has nothing to do with the issue at hand” on the Lower Road. \{ARW discussion\}

**MASSACHUSETTS RR**

**MASSACHUSETTS BILLS**
* indicates ARW will not follow the bill, and has listed it here for information only. Furthermore, the General Court is entertaining several other bills concerning whistle-blowing and property development which ARW is neither listing nor following.

*H#2260*, heating in cabs.

*H#2261*, counselling for crew members.

*H#3609*, adjacent lands. Permits easier conveyancing of former non-ROW railroad land. This will have a hearing on 22 April.

H#3962, the transportation bond bill. This contains money for the Fall River service [see below].

*S#181*, addressing trespass issues. This has already become law.


**Bills on Fall River/New Bedford Commuter Service**
On 25 March the Joint Committee on Transportation will hear many railroad bills. Among these, S1687, S1694, and H567 concern the proposed commuter service [see below]. Moreover, H3962, the transportation bond bill, devotes $269 million for the full capital costs of construction.

*BAY COLONY**

11 March, Taunton. **COMMUTER RAIL WILL REQUIRE BCLR SHIPPERS TO RE-WORK THEIR TRACK ACCESS.** Bernie Reagan, the railroad’s general manager, said BCLR stations a switcher to serve the three customers on the three-mile stub [see MBTA], with an interchange to Conrail at Weir Junction.

Ventura Grain at the end of the track (Dean Street or Longfellow Road) receives about 100 carloads a year of various grains. It supplies animal feed to farms in the area.

Near Weir Junction, a salt terminal operated by Gallo Construction handles salt provided by Cargill. Carloads vary from 100 to 800 depending upon the need.

Finally, Northeast Refrigerated, a cold storage facility also near Weir Junction, handles about 200 carloads a year.

**Effect of commuter rail**
While all three have sidings, the salt terminal and Ventura Grain both use the main line for unloading bottom-door hopper cars through the rails to bins below. Reagan pointed out that these would have to be moved.

Finally, BCLR for the first time will have to work its switching around the commuter schedule. Reagan noted that the railroad co-exists with MBTA trains on the Needham branch, but does not serve shippers on that line. \{ARW discussion\}

**GRS - MASSACHUSETTS**

11 March, Hoosac Tunnel. **THE TUNNEL NOW HAS 19'6" CLEARANCE**, reported Executive Vice-president David Fink. In the past two weeks a machine undercut the last 1500 feet of the single-track line in the tunnel. “We do have clean-up and drainage issues remaining.” He expected that the railroad would have a ceremony to recognize that the line from Mechanicville to Ayer is now entirely cleared to 19’6”, which will permit mixed doublestack traffic and auto trilevels. \{ARW discussion\}

**MBTA**

9 March **WORK ON FIVE BRIDGES FOR COMMUTER RAIL SERVICE TO FALL RIVER** and New Bedford is underway, but the subject of legislation scheduled for a hearing on 25 March [see above]. Robin Bavaro, EOTC spokesperson, made two points:

- The T in 1997 looked at three alternatives for getting to Boston: via Attleboro, Stoughton, or Middleborough. In January 1998, Transportation Secretary Moynihan released a study showing the favored alternative, Stoughton, had no fatal environmental flaw. This route requires reconstructing track from Dean Street in Taunton (the current end of the spur now served by BCLR) to Stoughton (the current end of a branch now used by the MBTA).
  - To avoid further delay, the design of both the Attleborough and Stoughton routes are going through the environmental approval process to determine which best meets the state’s environmental standards.
  - The T determined that the Middleborough route was cost-prohibitive and operationally unsound.

In October 1998, Moynihan announced a commitment to begin work on three bridges in the New Bedford area. Bavaro said work is going forward on two other bridges as well. One of the bills, H567, would require that the T repair all passenger rail bridges in New Bedford ‘at the same time that similar use bridges in Fall River are repaired, in order to have all bridges ready for passenger rail at the same time.’

Bavaro said the environmental approval process is continuing; the T will make a recommendation as to which line to go forward with when it is ended. \{EOTC press releases; ARW discussion 10.Mar.99\}

**FOR THE RECORD:**
**MASSACHUSETTS**

DOUBLESTACK. According to Sean McDonnell, a staffer at the Joint Committee on Transportation, the General Court is waiting for the parties to agree on funding for the doublestack
program [see ARW 99#1]. His chief, Representative Joe Sullivan, will call another meeting of the parties in the near future. {ARW discussion 9.Mar.99}

**NH RAILROADS**

### NEW HAMPSHIRE BILLS

*From Webster web site. HB = House Bill, HJR = House Joint Resolution, SB = Senate Bill.*

**HB575**, limiting passenger liability to $75 million for regular service and $5 million for excursion service. Hearing 16 March in House Transportation Committee. Kit Morgan, NHDOT rail administrator, said the department supported the concept, and has asked the Attorney General’s office for an advisory opinion on whether the federal $200 million liability cap would apply to New Hampshire operations.

**HB644**, establishing a study committee to review re-establishing passenger rail service on the Eastern Line between Newburyport MA and Kittery ME. Sponsored by representatives from the area, it was referred to the Transportation Committee. It requires the committee to report by 1 November 1999.

**HB709**, sponsored by Gene Chandler of Bartlett. This would provide to each town with a state-owned rail line operated by a private company a certain percentage of the user fee [see 22 January issue]. At a hearing on 11 March in the House Municipal and County Government Committee, NHDOT supported the bill. Kit Morgan, the department’s rail administrator, said the bill was moving along.. {Bill printed out 8.Mar.99]

**HJR 6**, supporting the revitalization of the Northern Line from Concord to Lebanon. The House Transportation Committee held a hearing 10 March [see below].

**SB34**, requiring at least two crew members on trains. Introduced by Rick Trombly [see 26 February issue], this had a hearing on 2 March. Kit Morgan testified against the bill, but the committee did not make a decision. {ARW discussion}

### NH DOT - NORTHERN LINE REVIVAL

10 March. *A HEARING ON REVIVING THE NORTHERN LINE* took place when the House Transportation Committee heard testimony on HJR 6, which supported the revival between Concord and Lebanon. Between Boston and Montréal, freight and passenger service along this 60-mile route take 70 fewer miles than via Palmer MA.

Tink Taylor, a member of the New Hampshire Railroad Revitalization Association, reported: “The proposal got a far warmer reception than I had anticipated. Fortunately the members of that Committee on Transportation are old enough so most can remember "how it was." And fortunately, the three or four most vocal representatives were either former RR engineers such as Representative William Mosher (R, Nashua), rail advocates, senior members or otherwise leaning toward rail. The only two appearing in opposition were trucking lobbyist Bob Sculey, and Dick Mackay, Rails to Trails advocate from White River Junction VT.

Kit Morgan testified that the department supported the concept, but did not want to specify that any particular line be revitalized in a vacuum.

Representative Paul Mirski (R-Enfield) told members of the Transportation Committee that industry in his district, once thriving mills, shops and tourist stop-offs, had become a hard-scrabble existence for many of his constituents. He felt that revitalizing the Northern would be the economic stimulus his part of the state needed.

HJR 6 remains in committee with an executive session scheduled for next week. After that a recommendation will be made to the full House before it goes to the Senate where the process will be repeated. Governor. Shaheen does not need to sign off. {Malcolm T. Taylor inNortheast News 11.Mar.99; e-mail correspondence; ARW discussion with Morgan}

### GRS - LINE SALES

11 March. *NHDOT AND THE RAILROAD ARE MAKING PROGRESS.*

**Monadnock**

Kit Morgan said Guilford had supplied a map of what it wanted to sell. The parties have agreed on a $500,000 price and gotten approval from the Governor and Council. Morgan is waiting for a purchase and sale agreement.

**Lebanon**

Morgan recently received a map showing what GRS wants to sell. The two sides still need to negotiate a price.

**Mountain Division**

The department would like to open talks with GRS on purchasing the balance of the former Mountain Division in New Hampshire. That hinges on finding an operator for NHVT, however [see below].

**Woodsville**

Referring to the bridge across the Connecticut River, Morgan said the department would like to “take it off Guilford’s hands” to assist with local revitalization. The Town of Woodsville would like to use it, either to run excursion trains into town from Vermont, or for a pedestrian river crossing. Joint use might be possible, Morgan said, on two decks. {ARW discussion; Manchester Union Leader 18.Feb.99}

### NEW HAMPSHIRE AND VERMONT

11 March. *THE OUTLINE OF AN INTERIM OPERATING AGREEMENT IS RESOLVED,* said Morgan. Under it, NHVT would continue to operate over the line after NHDOT purchases it and seeks a new operator [see 8 January issue]. The two sides must agree on the language and get the approval of the Governor and Council.

With that in place, the department can not only seek the
permanent operator, but look at purchasing the track on which TSRD runs, so the permanent operator would have access to the only current customer, Simpson Paper of Gilman VT [see ARW 98#8]. {ARW discussion}

12 March. **LANCASTER WILL HOST A RAIL CONFAB** to look at the possibility for rail service to an incipient industrial park. Morgan as well as representatives of NHVT, SLR, and the B&A were invited by Lisa Maxwell of the municipality. {ARW discussion}

**VERMONT RAILROADS**

**VAOT RAIL BUDGET**

10 March. **THE SENATE TRANSPORTATION COMMITTEE TOOK UP THE CAPITAL BUDGET BILL,** according to Greg Maguire, head of the Rail and Air Division of VAOT.

**House action**
The House earlier passed the bill with several amendments from what VAOT had presented [see 26 February issue]: adding state funds of $1.45 million for the ABRB service [see below]; urging the agency to complete the double-stack clearance study [see below]; reauthorizing the purchase of the Wells River branch [see below]; asking new rail bridges be able to hold 315,000 pounds [see 2 July 1998 issue]; authorizing $75,000 for a study of new railyards in Rutland and Burlington [see below]

**Senate sentiment**
Senators expressed very strong sentiment for extending Amtrak to Montréal. They also expressed frustration that the agency did not have the resources or money to address the doublestack clearance issue on NECR.

NECR and other railroads discussed maintenance needs. Senators noted that the companies using state-owned lines got maintenance paid for, while NECR did not. “The senators have a point,” said Maguire. {ARW discussion}

**BENNINGTON/BURLINGTON**

10 March. **THE HOUSE TRANSPORTATION COMMITTEE ADDED $1.45 MILLION** to the effort in an amendment to the VAOT capital budget earlier this month. The money will pay for welded rail and cross ties for the section from Hoosick Junction to North Bennington, provided that an agreement permitting Amtrak to operate is reached by 30 April [see 26 February issue]. If not, the materials may be used on other state-owned rail lines in Vermont.

This conflicts with language in the Senate-passed Budget Adjustment Act. Maguire related that the Senate appeared to require all money to be spent north of Rutland. He has asked Assistant Attorney General John Dunleavy whether the House language and the Senate language can be reconciled.

Current plans for ABRB
Maguire said the agency had informed the House Transportation Committee of the unanimous vote on the Rail Council to proceed simultaneously with Phase IA (Rutland to Burlington) and Phase IB (Bennington to Manchester) and to do Phase II later (Manchester to Rutland).

VAOT is currently discussing with the federal government whether it can spend the earmarked ‘Bennington-Burlington’ money [see 26 February issue] for trackage leading to Bennington.

**Agreement with Guilford**
David Fink, GRS executive vice-president, said on 11 March his railroad had sent to VAOT an agreement stating what it needed to permit Amtrak to run on its lines. “We used the Maine agreement as a basis.”

Next, Amtrak and VAOT will hi-rail the line. This was set for early March, but heavy snow has postponed the trip to early April. Not until after that trip, Fink expected, could the parties move toward accord on the operating agreement. {ARW discussion 11.Mar.99}

**COMMUTER RAIL - VERMONT**

10 March, Burlington. **“THIS PROJECT IS CURSED,”** said Sue Compton, VAOT rail coordinator. She has handled it for over a year, encountering many obstacles and opposition.

**Transit Authority rejection**
The latest arose when the Chittenden County Transit Authority (CCTA), which runs the bus system in the area, turned down VAOT’s request that it administer the rail system [see 19 November 1998 issue]. Compton acknowledged some on the CCTA board opposed the request. The rejection leaves two problems: administration and equipment procurement.

VAOT itself is not well-equipped to operate a revenue service. Statutes prevent the agency from insulating itself from liability issues, and require it to turn all revenues into the general fund. As a fall-back if CCTA did reject the agency request, VAOT has already started legislative action to reactivate the Vermont Transit Authority, which could become the administrator of the commuter rail operation. [The authority, in turn, would hire an operator.]

**Equipment procurement**
VAOT had hoped that CCTA would handle the procurement of the push-pull equipment the agency would like to use for the service. Now, said Compton, she will have to obtain it. She has found “nice stuff” owned by the Virginia Rail Authority (VRA). VRA is holding it for Vermont. Because one federally-funded agency would sell to another federally funded agency, VAOT will not need to go through the normal formal bid process.

**Delay in startup**
Compton stated that the latest problems will delay the startup past the autumn 1999 timeframe. But the first step in the reconstruction of Route 7, the project which justifies the commuter rail creation, will not occur until spring or summer 2000. Compton believes that gives her sufficient time. {ARW discussion}

**GRS - WELLS RIVER**
24 February. **THE PURCHASE WAS RE-AUTHORIZED** for another year when the House amended the VAOT capital budget bill. Current authorization would run out at the end of this fiscal year on 30 June. The letter to GRS [see 26 February issue] supplied a price for the land and a price for the track materials. Because some reversionary claims to title of the land exist, the land appraisal is “considerably lower” than if Vermont were buying the land in fee simple. {ARW discussion with Sue Compton, VAOT rail coordinator, 10.Mar.99}

**NECR- VERMONT**

10 March, St.Albans. **EFFORTS TO CLEAR OBSTACLES TO FULL DOUBLESTACK** are held in abeyance, pending the decision by Sea-Land/Maersk on siting a container facility in Halifax [see Ports].

On 23 February, the House Transportation Committee held a hearing on the matter, following up on the report furnished to the General Assembly by VAOT [see 19 November 1998 issue].

Maguire said the agency had generated a cost estimate to clear the line and provided it to RailTex, NECR’s parent, to re-check. If the ocean carriers do decide in favor of Halifax, that will provide the economic incentive for the railroad and the agency to push the effort ahead. {ARW discussion}

**VERMONT RAIL SYSTEM**

10 March. **A STUDY OF RELOCATING THE BURLINGTON AND RUTLAND RAIL YARDS** was called for by the House in an amendment to the VAOT capital budget. Originally proposed as a separate bill, H.502, it provides $75,000. Maguire said the Burlington yard uses prime lakefront acreage and conflicts with a variety of land uses around it. The Rutland yard - part of which was converted some years ago into a shopping center - creates noise and disruption and is not conducive to growth for the city. {ARW discussion}

23 February, Montpelier. **THE HOUSE TRANSPORTATION COMMITTEE HELD A HEARING ON THE OMYA SPUR**, beginning with a summary of the VAOT report provided 15 January [see 5 February issue]. According to Scott Bascom of VAOT, all the players made presentations.

Ken Enzor of OMYA told the committee members that the company is prepared to make a $160 million investment in Vermont if it can increase traffic between the Middlebury quarries and the Florence plant. If it cannot, OMYA will invest the money elsewhere. “The equipment is on order, it’s just a question of where to ship it.”

Even if the rail spur were installed, his company needed a permit to use more trucks to move marble, in case of a problem with the train. Putting in a spur would be worthwhile though, for the quarry has 20 to 50 years left.

Other presentations were made by John Kessler of the Agency of Commerce and Community Development, who is representing the state in the Act 250 appeal; Greg Maguire; the acting town manager of Brandon; a representative of the Vermont Railway (VTR); and Marc Sinclair of the Conservation Law Foundation (CLF).

On 12 March, Sinclair reported that committee members appeared to support the project as a public-private partnership. It was willing to provide state dollars if VTR and OMYA would provide private dollars.

**What’s next?**

Maguire believed that legislative action is stalled pending the Act 250 decision. Crafting language to cover the spur construction cannot be done well until OMYA knows how many trucks over what period of time it will be permitted. The State Environmental Board held a hearing on the Act 250 appeal in February.

Doesn’t the October 1998 Memorandum of Understanding require the parties to ask the General Assembly to support the spur [see text in 5 February issue]? Bascom pointed out that section, B.2, bound only OMYA, CLF, and VTR, but not VAOT [contrary to the summary in the 6 February issue].

However, he conceded that VAOT had agreed to complete a project action plan in six months, or by 8 April. He does have a method to develop such a plan, but work has not begun.

Marc Sinclair hoped to have a meeting within a week of VTR, OMYA, VAOT, and CLF to discuss how to support the project. “We have done enough studies. Now the Dean administration should step up and support the project, and VTR and OMYA should do their part.” {ARW discussions}

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**MARITIMES/QUÉBEC RRs**

**DEVCO RAILWAY**

9 March, Sydney. **MORE ABOUT THE FUTURE OF THE RAILWAY** after the coal mining operation is privatized. Assuming that a new owner would continue to operate the railway only if it made sense in the coal transporting scheme, let’s look at what happens now:

**The DEVCO facilities**

The Cape Breton Development Corporation (DEVCO) operates a mine at Lingan (the Phalen colliery) and another at Point Aconi (the Prince colliery), northeast of Sydney along the coast.

Prince. DEVCO plans to keep this open until the new owner makes a decision about its future. Currently, about 40% of its production moves by truck to the Nova Scotia Power Corporation (NSPC) plant two kilometers distant in Point Aconi. The other 60% moves by truck to Victoria Junction, where DEVCO operates a coal washing facility and stores coal.

Phalen. DEVCO has voted to close this mine. About 50% of its production goes to the NSPC power plant in Lingan, by rail, after mixing with Prince coal at Victoria Junction. The balance of the Phalen and Prince coal moves by rail to the NSPC plants in Point Tupper and Trenton.

International Pier. DEVCO has recently equipped its ocean pier
in Sydney for coal unloading [see 8 January and 5 February issues]. This permits it to bring in coal for the NSPC Point Aconi and Lingan plants when the local mines cannot produce enough.

For the Trenton and Point Tupper plants, NSPC has imported coal through Auld’s Cove, Strait of Canso. In 1998, NSPC brought in a total of 810,000 tonnes through Sydney (30,000 tonnes) and the Strait of Canso (780,000 tonnes).

Tom Fleming, director of marketing for DEVCO, said both facilities were needed, given the volumes. One would not suffice.

The NSPC plants and plans
The Trenton plant has a maximum output of 340 megawatts; Point Tupper 155 megawatts; Point Aconi 165 megawatts; and Lingan 600 megawatts. NSPC and DEVCO are working on a coal inventory management plan for the future, when Phalen closes. The two already have a plan to build current inventories for each plan to a six-week supply, in case Phalen shuts down either temporarily or permanently before the scheduled 18-24-month stop date. {ARW discussions with Fleming and Stacey Lewis, NSPC spokesperson 9.Mar.99}

Future use of rail
These facts point to only one possible use of DVR: to move coal imported at the International Pier to the Lingan power plant. With Phalen closed, rail will not be needed to move coal to Sydney for interchange with CBCN. Possibly production from Prince could be loaded onto rail cars in Victoria Junction for a trip to Trenton or Point Tupper, but sending that coal to the Lingan plant makes more sense.

Of course, should other rail users spring to life east of Sydney, DVR could play a role. Given the economies of scale of combining short lines, though, letting CBCN take over any DVR operations would make more sense. {ARW analysis}

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**ATLANTIC NORTHEAST PORTS**

**EASTPORT**

2 March. *THE BOARD RECENTLY CHOSE JOHN SULLIVAN AS DIRECTOR* of the Port Authority. The former chair of the Port Authority and a teacher of the fifth grade in Eastport, he will handle the port on a part-time basis. The authority does have an operations manager, Tom Armentano, who has worked there since 1992.

Skip Rogers, the manager of Federal Marine which actually operates the port, said Sullivan’s appointment just continued the way the port had operated after the departure of former executive director Jonathan Daniels in summer 1999. {ARW discussion with Rogers and with Port Authority office}

[For comments on rail access, see Calais Branch.]

**QUONSET POINT/DAVISVILLE**

2 March, Davisville. *THE AUTOPORT SUPPORTS A LOAD CENTER PORT* at Quonset Point. However, Michael Miranda, president of NORAD (North American Distribution Incorporated), wrote to Stakeholders, alternatives which exclusively utilize the Davisville piers for the container port would detract from the auto business, which currently uses those piers [see 8 January issue; FRIP]. '[A]utomobiles and containers could exist together and cooperatively’ if each has sufficient space.” {text of letter}

12 March. **THE PENULTIMATE STAKEHOLDERS MEETING** will happen today. The facilitators, in a sheet sent prior to the meeting, asked that the meeting try to consolidate or eliminate some of the 23 alternatives for which an impact analysis was done [see 26 February issue]. Six small groups will be asked to identify a minimum of five alternatives which the members feel comfortable about consolidating or eliminating. The facilitators would like to get down to 12 for the final meeting. Stakeholders should settle on the alternatives which respond most fully to the most interests.

The final report to the governor, which will emerge from the ultimate meeting on 22 March, will describe ‘which alternative or alternatives have the support of the broadest number of Stakeholders....The wider the range of alternatives reported to the governor, the wider the discretion the Stakeholders leave the decision-maker. The more unity there is for an alternative that reflects the interests of a broad number of Stakeholders, the more like the recommendation will be accepted and implemented.’ {text of message from facilitators}

Some dissent
Some of the Stakeholders believe that the impact analyses are slanted toward the building of a large port, which they oppose. Some are considering gathering to discuss the alternatives without the ‘large port’ proponents in attendance. {e-mail correspondence}

**HALIFAX**

15 February. *THE PORT OF HALIFAX POSTED A 1998 $3 MILLION PROFIT DESPITE DROP IN TONNAGE*. The port had net earnings of $3 million on $14.1 million in operational revenue, said Mere Russell, chair of the port corporation. The $3-million income will be reinvested in ongoing upgrades to the port infrastructure as part of the corporation’s five-year $46-million capital plan.

The financial crisis in Asia is likely behind 1998’s decrease in cargo tonnage, said Dennis Creamer, vice-president of finance with the port corporation. “We rise and fall on the world economy. Certainly that impacted us."

<table>
<thead>
<tr>
<th>cargo</th>
<th>tonnes</th>
<th>percent change</th>
</tr>
</thead>
<tbody>
<tr>
<td>containers 425,535 TEUs</td>
<td>3.5 million</td>
<td>-7.4%</td>
</tr>
<tr>
<td>bulk (oil, fuel, gypsum)</td>
<td>9.3 million</td>
<td>n/a</td>
</tr>
</tbody>
</table>
## Midwest increase

While cargo tonnage decreased, U.S. Midwest container traffic posted favourable gains with a 10% increase over 1997 levels, and a 3% hike over 1996 figures.

No matter which port wins the Sea-Land/Maersk business, the US Midwest sector is still a prime area for future growth, Mr. Creamer said. "Certainly we're not hinging everything on the Maersk-SeaLand business. We're ... expanding on our own." The containerized cargo increase can be attributed to a number of factors, including the introduction of several new lines and growth among individual port customers, port officials said. The China Ocean Shipping Co., Yang Ming, and K-Line started calling at the port last year. And earlier in 1998, the Orient Overseas Container Line returned to the port for the first time since 1991. {Eva Hoare in Halifax Herald 15.Feb.99; Port of Halifax website}

| breakbulk (flour, newsprint, rubber) | 169,000 | n/a |
| roll-on/roll-off (cars trucks) | 248,000 | n/a |
| cruise vessels | 53 vessels | +15% |
| **TOTAL TONNAGE** | **13.2 million** | **-6.7%** |

### East-West highway

Maine also wants to construct a trans-Maine east-west highway that could link the Maritimes and Quebec. As this would benefit all, Canadian funding for the project would not be unwarranted. "It would be very difficult for the State of Maine, by itself, to take on a project of that magnitude. ... It is an issue of cost more than anything - these highways cost between $5 million and $6 million US a mile. That's a big expenditure for any of us."

King also noted that Nova Scotia sends about $100 million worth of goods and services into Maine every year, while Maine sends only about $2 million to Nova Scotia. "So there is a trade imbalance there that I aim to try to rectify," he said.

In his speech to local business leaders, Mr. King said Nova Scotia and Maine must learn to deal with the issue of location. "We can't repeal the hand geography has dealt us." For that reason, people living in the northeastern part of North America have to take advantage of new technology to create new jobs. {Halifax Herald 9.Mar.99}

9 March. **THE LATEST ON THE SEA-LAND/MAERSK BID.** Across the Atlantic Northeast, observers find disturbing the fact that the ocean carriers have not come back to Halifax for the final round of negotiations. According to Bill Adams, spokesperson for the Halifax Port Working Group, members of the group were also a bit nervous, waiting for the phone to ring. They contacted the carriers, who recently assured them that the carriers were finishing up in Baltimore and New York and were still coming to Halifax. {ARW discussion}

Earlier stories that the carriers had put Halifax last were denied on 19 February by Phil Connors, executive vice-president of Maersk. “We have reached no conclusions.” Each port has positives and negatives [see 26 February issue]. “For Halifax it is: how do you service the Northeast from there.” {Bruce Erskine and Roger Taylor in Halifax Herald 20.Feb.99}

Some are concerned that the efforts by the Strait of Canso to win business may detract from the Halifax bid [more on this in a future issue]. {Eva Hoare in Halifax Herald 10.Feb.99}

### SAINT JOHN

23 February. **TOTAL PORT TONNAGE SLIPPED FROM 1997**, according to figures the port released. But its net income rose from $1.5 to $1.91 million.

<table>
<thead>
<tr>
<th>cargo</th>
<th>tonnage</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>petroleum*</td>
<td>17 million</td>
<td>-5.6%</td>
</tr>
<tr>
<td>forest products</td>
<td>803,000</td>
<td>-5.4%</td>
</tr>
<tr>
<td>potash</td>
<td>762,000</td>
<td>-36.5%</td>
</tr>
<tr>
<td>containers(42,270 TEUs)</td>
<td>284,000</td>
<td>+2.2%</td>
</tr>
</tbody>
</table>
Among others: Colleen Mitchell, vice-president of marketing, described these developments:


To wit, the creation of Autoterm - see below - and the domestic marine connections have meant increased utilization of facilities.

In 1998, the Port Corporation revised its strategic plan, setting a new course as a transportation hub. Improved trucking, rail, and marine connections have meant increased utilization of facilities. [To wit, the creation of Autoterm - see below - and the domestic truck-rail facility - see 18 December 1998 issue.] {port press release}

**Transportation hub**

In 1998, the Port Corporation revised its strategic plan, setting a new course as a transportation hub. Improved trucking, rail, and marine connections have meant increased utilization of facilities. [To wit, the creation of Autoterm - see below - and the domestic truck-rail facility - see 18 December 1998 issue.] {port press release}

**Developments**

Colleen Mitchell, vice-president of marketing, described these among others:

- Canadian Pacific Railway officials came to Saint John in February to meet with NBSR and B&A officials plus representatives of the BTI container terminal to discuss initiatives to improve rail and container business. As the table shows, only container traffic rose last year.

- In 1998, the port created a new automobile handling facility, Autoterm, operated by Logistec. Lying between No.11/12 Terminal and the Rodney Container terminal, it currently acts as Chrysler’s distribution facility for the Maritimes [see 9 April 1998 issue]. For the first six months of the contract, which began in February 1998, Logistec operated out of the NBSR yard west of the port. Last autumn, the port opened the Autoterm facility.

- Potash traffic declined from 1.5 million tonnes in 1996 to 1.2 million tonnes in 1997 because a mine closure. Mitchell attributed the 1998 decline to world conditions, leading to the suspension of work at the mine in Sussex NB [see 9 April 1998 issue]. Potash still moves through the port in 1999, using stockpiles at the mine, in railcars, and at the port.

- Salt, moved by truck by Cargill from the same mine as the potash comes from by rail [see 9 April 1998 issue], is now handled at Barrack Point along with the potash. It moved from Long Wharf to Lower Cove, and in 1998 from Lower Cove to Barrack Point. The 192,000 tonnes moved in 1998 equals the tonnage of 1995, but falls well below the 1996 and 1997 tonnages of 293,000 and 286,000 respectively.

- Lantic Sugar will close its importing facility in 1999. The port is talking to the community about another user, but Mitchell saw nothing solid yet.

- Long Wharf has two activities: A ship recently unloaded a cargo of fertilizer, and another company is conducting a ship repair there.

- Saint John Shipbuilding, part of the Irving Group, will launch its first container ship in July 1999, with a second already under construction. Mitchell said the 1250-TEU ships will go to Irving’s Kent Line. {ARW discussion 10.Mar.99}

**The future?**

Despite the bright points listed above, stevedore business agent Pat Riley said in February: “We’re in much more dire straits than people realize.” Stevedore hours have decreased by one-third since 1996. Some of that is attributable to the downturn in the forest industry and the halt in potash mining, and some to traffic transferring to Halifax.

He pointed out that even forest products, an item Saint John specializes in [but see new Halifax facility - 10 July 1997 issue] from Dalhousie move through Halifax. “I hope people realize what has happened to the port in the last two years. We’re about to lose three quarters of a million in payroll.”

**Rivalry with Halifax**

If Halifax lands additional container traffic from Sea-Land and Maersk, it could further cut into Saint John traffic. Peter Clark, a consultant and freight forwarder in Quispamsis, said: “It is obvious that the economies of scale offered by these carriers if they call Halifax will pose a competitive threat to container traffic via Saint John. Halifax will have a combined container volume nearly 50 times that of Saint John.

Norman Raynes, president of Canadian Transmarine and Clark’s business partner, said “most of the container freight that I’m booking today moves out of the Port of Halifax.” But that costs more. According to drayman Black’s Transfer, a single 20-foot container moved from Fredericton to Halifax can cost $1,000, almost $700 more than moving the same box to Saint John. Ocean rates for containers have dropped, however. A typical box to Germany from Halifax has fallen from $1500-$2000 to $800-$1000, said Raynes.

New Brunswick boxes move through Halifax because container lines delivering to Europe or the Far East call Halifax, and not Saint John. For example, according to Smith Brokerage, the agent for New Brunswick’s peat moss industry, 6500 containers of moss moves over Halifax. Ganong chocolates move from St.Stephen to Halifax. Prestige Homes of Sussex ships its pre-fabricated units to Shanghai and Germany, via Halifax. Raynes noted: “You look at the figures of what is exported out of Nova Scotia and it is next to nothing compared to what comes out of New Brunswick.” {Saint John Telegraph Journal
6&8.Feb.99}

**The Saint John response**
Mitchell said her port reacted to this competition by re-categorizing itself as a bulk and break-bulk port, with niches in container traffic. Peter Glennie, the chair of Saint John Port Corporation, said: “In our case we have a competitive geographic advantage for South America [as does Philadelphia - see *Atlantic Northeast Rail and Marine Transport Review 1999* chapter two], rather than Northern Europe. We have to be realistic.” He said the port hoped to attract a line between Saint John and South America. [Kent Lines currently services the Caribbean as well as smaller Northern European ports - see *Transport Review* Reference 2.]

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**MONTRÉAL**

31 January. **THE PORT OF MONTREAL CONTAINER CARGO SET ANOTHER RECORD**, the sixth consecutive year. Total traffic reached the highest total traffic figure at the Port since 1990 despite a substantial decrease in dry-bulk traffic.

**Containers**
"Growth in the North American and European economies certainly helped push our container traffic to new heights for a sixth consecutive year," Mr. Taddeo said. "But there is no doubt that the advantages our port offers to shippers also contributed to this new record." Mr. Taddeo explained that the shipping lines serving Montreal did well for themselves despite increased competition brought about by the arrival of ships that left the Pacific for the North Atlantic because of the Asian crisis.

Containerized cargo represents 42 per cent of total traffic handled at the Port of Montreal. "It is by far the traffic sector with the greatest amount of cargo and the one that generates the greatest economic spinoffs," Mr. Taddeo said. Over the last five years the port's container traffic has increased on average a remarkable 7.9% annually.

<table>
<thead>
<tr>
<th>Cargo</th>
<th>metric tonnes</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>containers</td>
<td>8.7 million (932,701 TEUs)</td>
<td>+5.8%</td>
</tr>
<tr>
<td>other general cargo</td>
<td>800,000</td>
<td>+15.3%</td>
</tr>
<tr>
<td>liquid bulk</td>
<td>5.3 million</td>
<td>+23.4%</td>
</tr>
<tr>
<td>dry bulk</td>
<td>6.2 million</td>
<td>-18.1%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>21 million</td>
<td>+1.2%</td>
</tr>
</tbody>
</table>

**Petroleum**
Within the liquid bulk sector, petroleum products traffic increased by about 1.4 million tonnes or 45.3%, to reach 4.4 million tonnes. This growth is attributable to increased inbound movements of fuel oil handled at the Tracy facilities mainly for Hydro-Quebec and Ontario Hydro thermal stations. Other liquid-bulks (hydrocarbons other than fuel, chemical products, and vegetable oils) totalled 900,000 tonnes in 1998, down about 400,000 tonnes, or 28.1% following the temporary closure of the Petrochimie Coastal du Canada paraxylene plant in Montreal East.

**Dry bulk**
In the dry bulk sector, grain traffic dropped by about 900,000 tonnes, or 34.1%, to total 1.9 million tonnes following a less abundant harvest of Canadian grain. Nevertheless, the Port of Montreal succeeded in maintaining, if not increasing, its share of grain traffic on the St. Lawrence River. Meanwhile, other dry-bulks totalled 4.3 million tonnes, a decrease of 400,000 tonnes, or 8.4 per cent. Mainly inbound movements of nickel, coal, iron, and steel residues decreased.

**Earnings**
For the year ending December 31, 1998, the Montreal Port Corporation reported net earnings for a 19th consecutive year. These net earnings reached $12.9 million, up $500,000, or 4% compared with the previous year. Net earnings in 1998 comprised net earnings from operations of $6.6 million and net investment income of $6.3 million.

Mr. Taddeo explained that the Montreal Port Corporation's excellent financial health is an essential element in ensuring the port's dynamic growth. "Earning sufficient profits to finance all of our projects without ever losing sight of the realities of the marketplace remains one of our main objectives," he stated. "We fully understand that providing top-notch facilities is simply not enough. We must also offer highly competitive tariffs."
The Montreal Port Corporation announced last autumn a freeze of all its tariffs for 1999 and the continuation of its incentive program for containerized cargo. All port tariffs are frozen for a seventh consecutive year, excluding the fact that wharfage charges on petroleum products had increased by 1 per cent per tonne in 1997.

According to Mr. Taddeo, with the incentives and tariff freeze, net wharfage charges on containerized cargo at the port should average $1.89 per tonne in 1999, 36 cents per tonne less than in 1985.

Forecasts
The Montreal Port Corporation forecasts that containerized general cargo traffic will reach new heights in 1999, increasing by about 3%. It will be a seventh consecutive record year in this sector despite even more fierce competition. Bulk traffic on the whole will decrease substantially because of a weak grain sector, less demand for iron ore, and the effects of a full year of production interruption at the Petrochimie Coastal du Canada plant in Montreal East.

According to Mr. Taddeo, 1999 should be a more difficult year for the entire maritime industry. "As the Asian crisis probably will not sort itself out this year, there will be more container transportation companies on the North Atlantic fighting over the same piece of pie," he stated. "The trend towards lower transportation rates will continue and affect shipping line and shipowner earnings." Over the longer term, the European and North American economic blocs will continue to do well, however. "So, too, will the Port of Montreal," Mr. Taddeo remarked. "In five years, by the end of the year 2003, total traffic handled at the port should increase to about 22.6 million tonnes, compared with the 21 million tonnes of 1998."

The net increase of about 1.6 million tonnes will, for the most part, come from the containerized general cargo sector and, to a lesser extent, various dry-bulks other than grain. {Canadian Sailings 1.Feb.99}