REGIONAL ISSUES

FTR: New CSX presence; shakeup at RailTex.

CONNECTICUT

Railroad Association: formed by freight railroads.
NAUG: Possible new customer

MAINE

BML: Hands-on fun. Leaving Belfast?
GRS: J.B. Hunt pulls out.
Mountain Division: Phase 1 study done.

MASSACHUSETTS

EOTC: Doublestack status.
FTR: EOTC, CSXT talks; HRRC-Berkshire Scenic progress; FAC report still not done.

NEW HAMPSHIRE

NHVT: Possible Lancaster customers? NHDOT agreement on interim operation.
FTR: Rail Council still on Kenison desk. Seybold becomes sold CSRX owner.

RHODE ISLAND

[No report. See evaluation of freight rail in Ports: Quonset.]

VERMONT

Amtrak: Legislative views.
Transit Authority: Could help handling of Amtrak.
LVR: VAOT turns down Snyder, accepts NECR, Swanton, and B&A.
FTR: Wells River contact. No March VRC meeting.

MARITIMES/QUÉBEC

MTQ: New short line assistance program.
CBCN: Possible customers.

PORTS

Bucksport: Possible ship-scraping operation.
Portland: Strip-and-stuff offered.
Quonset: Stakeholders look at large port or nothing. Question of rail capacity. Seafreeze forced to move? Jamestown opposes container port.

EDITORIAL

Nova Scotia: Support rail!

Interconnectivity
My favorite story here shows that the failure of Massachusetts to move ahead on doublestack may negatively affect the chances of Quonset Point to become a load-center port. This underlines the fact that all of us interested in the economic viability of our own area need to express concern for the region as a whole.

Date of issue
Due to snow and sickness, this issue emerges later than announced. Because of rail-related trips and a vacation, you will have the next issue around 9 April, and then the following one around 30 April.

- Chop Hardenbergh

Next issue: 9 April.

FOR THE RECORD:

REGIONAL

NEW CSX PRESENCE: On 1 March, CSX Corporation appointed Paige Kane regional vice-president for New England. She will handle legislative and government activities, based in Boston. Since 1994, Kane has handled similar responsibilities for Conrail, including Québec and New York. Prior to Conrail,
she served as director of the Pennsylvania Bureau of Rail Freight, Ports, and Waterways. On 15 March, Kane told ARW that she will handle matters related to the entire corporation, such as CSXI, Sea-Land, and of course CSXT (the railroad). She will use the same office provided by Conrail. Reach her at 617-783-6200. {ARW discussion; PR Newswire 10.Mar.99}

MAINE RAILROADS

BELFAST & ML
January, Unity. THE RAILROAD OFFERED A HANDS-ON EXPERIENCE to the public. The Locomotion program offers a chance at the throttle of the Swedish steam locomotive Spirit of Unity. The Ultimate Rail Fantasy program provides a variety of railroading experiences including line inspections, brakeman, conductor and fireman. Call 1-800-392-5500.

16 March, Belfast. THE RAILROAD HAS OFFERED TO LEAVE BELFAST, due to its failure to meet the terms of its lease. The city owns the land where the BML rail yard is situated. Under the terms of a lease-purchase agreement approved by the council in 1994 [see May 1994 issue], the railroad can purchase the 2-plus-acre site for $50,000 in 2004 provided the company meets certain conditions. The lease term at issue requires the railroad to carry 75,000 passengers from its Belfast station over the course of any three year period. A deviation from that 75,000 total by "even a single person" gives the city the option of backing out of the deal.

Passenger counts supplied by the BML for the past three years indicate that only 60,860 persons rode the train from Belfast. Those numbers also include people who took sightseeing tours on the cruise vessels Voyageur during 1996 and 1997 and Chippewa in 1998. The railroad reported carrying 25,454 passengers in 1996, 15,929 in 1997 and 19,477 last year.

Councillor Walter Ash said it was critical for the city to review the railroad's lease. He said the ridership conditions were placed in the lease to ensure that the railroad kept operating from Belfast. The city has experienced a steady decline in passengers since the railroad moved its headquarters from Belfast to the western Waldo County town of Unity in 1996. {Walter Griffin in Bangor Daily News 13 Jan.99}

Railroad offers to leave
In negotiations with the railroad, the city asked for termination of the lease, with the railroad to leave at the end of the 1999 tourist season. The railroad responded with an offer to terminate the lease now, avoiding a lame-duck season in Belfast. The City Council met in executive session on 16 March, and decided to open negotiations with the railroad on the lease terms. [In 1993, the City Council sought to evict the railroad, but a citizen outcry forced a reversal of the plan and led to the lease-purchase agreement of 1994.] {ARW discussion with Walter Griffin 17 Mar.99}

GRS- MAINE
19 March. J.B. HUNT ANNOUNCED IT WOULD STOP serving the Waterville intermodal facility. Conrail said it would keep the facility open until after 1 June, when the decision would be made by NS and CSXT. [More in future issue.]

CONNECTICUT RAILROADS

CONNECTICUT RAILROAD ASSOCIATION
17 March. THE SEVEN FREIGHT RAILROADS IN THE STATE HAVE AN ASSOCIATION to protect their interests: the Naugatuck, Housatonic, Guilford, Providence & Worcester, Connecticut Southern/New England Central, Central New England, and Conrail/CSX. John Gamm, head of the Naugatuck Railroad, has served as the current president since January 1999; the position rotates annually in alphabetical order of the name of the railroad.

The group generally meets monthly at the ConnDOT headquarters in a room provided for them. Gamm said that Conrail had formed the main support for the group, but had recently stopped attending while Mark Mastro, CSXT director for short line marketing out of Selkirk NY had begun to attend.

Fritz Conway, of the lobbying firm Gaffney, Bennett, and Associates, has been hired to watch relevant legislation. The Railroad Association also partially sponsors Operation Lifesaver, and will be supporting a course this month on reconstructing grade crossing accidents. {ARW discussion}

NAUGATUCK RAILROAD
17 March. NAUG MAY ACQUIRE CUSTOMERS IN A NEW DISTRIBUTION CENTER in Torrington, according to John Gamm, president of the railroad. Located in an existing building, it would serve several receivers.

Gamm also said he is continuing to serve D.A. Lubricants [see 16 July 1998 issue]. {ARW discussion}
MOUNTAIN DIVISION

17 March. **PHASE ONE OF THE FEASIBILITY STUDY IS NEARLY FINISHED** [see 12 March issue: MDOT]. The completed study may be obtained by the end of March. Contact Annie Wadleigh at 207-774-9891.

Two reported results:

**Poll on possible use**

In autumn 1998, Mountain Division study staff distributed 4,775 surveys to residents in 13 communities in the vicinity of the line. Of the 656 who returned the survey, 43% chose a recreational trail as the first use for corridor development, 24% weekend rail excursion use, and 22% weekday rail commuter use.

**Cost of a trail**

TAMS, the consultant to MDOT for the trail feasibility study, costed four possible trails. Option A, a 10-foot wide trail with much grade separation, would cost $34 million, or $855,000 per mile. Option B, the same as option A except acquiring easements on adjacent land for side slopes, would cost $19 million. Option C, an eight-foot trail but no land acquisition, would cost $21 million, and option D would use a narrow trail with land acquisition, costing $11 million or $530,000 per mile.

Three miles of the total 40 miles consists of embankment sections bordered by open water and wetlands. Within these three miles, locating the trail within the ROW would be the most costly. (Mountain Division Alliance Connections spring.99)

MASSACHUSETTS RRs

**EOTC - DOUBLESTACK AGREEMENT**

19 March. **THE DOUBLESTACK STAKEHOLDERS WILL HAVE A MEETING SOON**, but agreement does not appear around the corner.

**A review of the history**

In 1996 the General Court passed the Seaport Bond Bill. *Inter alia*, it provided $85 million as the state share to clear obstacles to doublestack throughout the state, in an effort to provide doublestack access to the Port of Boston. Since then, a working group composed of the railroads involved (PW and Conrail/CSXT, with GRS on the fringes), representatives of the legislature’s Transportation Committee, Massport, and EOTC have met on a regular basis.

The stakeholders apparently have resolved the operational and engineering issues, leaving only the question of funding. According to the Bond Bill, railroads must pay 50% of the cost west and south of Worcester, with the balance coming from the $85 million. Between Worcester and Framingham, the state will pay 100%. Between Framingham and Boston, Massport will pay 50% and the state 50% [see 14 May 1998 issue].

In May 1998, parties were reportedly close to signing the agreement. However, a new estimate raised the cost of construction east of Worcester from $50 million to $100 million+, stopping the project in its tracks. Since that time, the state and others have been seeking an additional source of funds.

According to Astrid Glynn, deputy secretary of EOTC, the increased costs do not relate to the extension of commuter service to Worcester.

**Status west and south of Worcester**

PW has maintained for some time that it and Conrail/CSXT could, with the state paying 50%, proceed with removing obstacles; the funding west of Worcester was no problem. Indeed, PW would like to move ahead immediately [see 5 February 1999 issue].

However, Conrail and the state continue to maintain that the whole package should be done at once, especially since the funding is intended to create doublestack access to Boston.

**Status east of Worcester**

According to Mike Leone, maritime director for Massport, a reanalysis of the work east of Worcester has reduced the cost to under $100 million. Massport needs this doublestack access to attract the discretionary cargo which would move to the Midwest. Container traffic on rail for Boston at this point consists of 95% domestic, and only 5% international.

**CSXT view**

Paige Kane, newly-appointed vice-president for CSX [see Regional], strongly supported the doublestack network. “Boston is the only major port without doublestack access on the East Coast. Without that, its ability to price effectively and competitively is stunted….Chairman Sullivan [Joe Sullivan, House chair of the Joint Committee on Transportation] has been a wonderful champion of rail and he understands the need for doublestack.”

Responding to the view that the railroads will have to pony up more funds, Kane said: “We have committed to our share of the costs west of Worcester, and we will not back away from that commitment.” As for paying more, “that has not yet been proposed to us. Any capital expenditure will have to be examined for its cost-benefit analysis.” CSX is open to “revising the funding ratio, based on the economic return.” {ARW discussion 15.Mar.99}

FOR THE RECORD: MASSACHUSETTS

EOTC AND CSXT ARE TALKING about how to integrate freight and passenger traffic, as required by the October 1997 agreement under which the Commonwealth agreed not to oppose the Conrail splitup [see 5 February 1998 issue]. The latest meeting took place a couple of weeks ago. The new platforms for service to Worcester were not raised as a problem by either side.

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THE HRRC-BERKSHIRE SCENIC deal still needs agreement on language. EOTC has sent a revised draft back to the Housatonic Railroad. Once the parties agree on the language, the transaction will take place, as EOTC has programmed the
funds for trackwork. (ARWdiscussion with Astrid Glynn, deputy EOTC secretary, 18.Mar.99)  
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THE REPORT OF THE FREIGHT ADVISORY COMMITTEE is still stuck in the Transportation Building, under review since July 1998 [see 3 December 1998 issue].

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**NH RAILROADS**

**NHVT**

12 March, Lancaster. LOCAL LEADERS DISCUSSED THE POTENTIAL FOR RAIL SERVICE, at a meeting convened by the Coös Economic Development Corporation. Comments at the meeting:

- Joe Elgosin, said the fragmented rail lines limited direct shipping. Freight had to move either to Portland ME or Montréal before turning south.

- Representative Larry Guay called for more enforcement of weight limits and nitrous oxide emissions for trucks. He is working to eliminate bottlenecks to through shipping so that short lines can connect seamlessly.

- Clyde Forbes, head of CSF Acquisitions and NHVT owner, attributed some difficulties to competition between short line operators. “We hardly ever talk to each other. We’re enemies in the business world.”

Attendees agreed a follow-up meeting was needed, as well as work drawing the other operators and potential shippers to the table. {Peter Riviere in Caledonian Record 12.Mar.99}

Lisa Maxwell, executive director of the Coös Economic Development Corporation which convened the meeting, said on 22 March that she needed more information on the marketability of the rail line. Among other questions, she wanted to look at how rail’s customer base had changed in the last five to ten years, and why rail was not as successful in the North Country as it once was. When she had gathered that, she would convene another meeting. {ARWdiscussion}

17 March, Concord. NHDOT AND THE RAILROAD HAVE OPERATING AGREEMENT LANGUAGE. Kit Morgan, rail coordinator, the text was based on the state’s standard operating agreement [see Milford-Bennington]. It required 20% of revenues to be paid for maintenance. But it did not contain a user fee, because of the low amount of traffic and its interim nature.

The agreement lasts until the end of 2000, but is terminable with 60 days notice. Before the end of the agreement, the state hopes to find a long-term operator.

Next steps

With the language in hand, NHDOT will complete the purchase of the line, and the STB will be asked for its blessing to the change in ownership. {ARWdiscussion}

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**VERMONT RAILROADS**

**AMTRAK - VERMONT**

23 February. THE LEGISLATURE HAD SOME VIEWS ABOUT SERVICE TO MONTRÉAL AND BOSTON. On Montréal, the legislature in 1998 asked VAOT for a report by 30 March 1999 on extending service. On Boston, people south of White River Junction opposed service to Boston as that would mean loss of service for them, or at least loss of service to New York.

At the Vermont Rail Council this day, it was reported that the House Transportation Committee urged a one-year contract (rather than the proposed three-year) with Amtrak and caution on the Boston connection. The Senate also wanted caution on Boston, but connection to Montréal. {VRC minutes 23.Feb.99}

**VERMONT TRANSIT AUTHORITY**

17 March, Montpelier. THE TRANSIT AUTHORITY WOULD HELP AMTRAK AND COMMUTER RAIL, according to Greg Maguire, head of VAOT’s Rail and Air section. VAOT is reviving it to administer the Burlington commuter service [see 12 March issue], but it would also help the state to work with Amtrak. “Maine has a wonderful arrangement” with its Northern New England Passenger Rail Authority; “we would like to borrow” the idea.

Currently in Vermont, the state contracts with Amtrak in a partnership arrangement, where the cost shortfall is split. In Maine, NNEPRA contracts with Amtrak to run service, though it could conceivably contract with another operator. {ARW discussion}

**LAMOILLE COUNTY**

11 March, Montpelier. VAOT HAS DECIDED NOT TO ACT ON PROPOSALS which ‘are dependent on an infusion of state funds to repair flood damage or to restore the line continuity that was interrupted by removal of hazardous overpasses,’ Acting Commissioner Mique Glitman wrote to Peter Snyder, one of the
four bidders to use the line.  

'Realistically, AOT will have limited funding and staff resources available for railroad projects during the next few years. We will be focusing our staff and financial resources on the Albany-Bennington-Rutland-Burlington (ABRB) passenger train project, commuter operations along the Charlotte-Burlington-Essex Junction corridor, and acquisition and rehabilitation of the Boston & Maine’s Connecticut River Line between White River Junction and Wells River.'

**Problems with STB**

Bidders whose proposal is not held up because of the above two reasons nevertheless need to wait, the letter also stated. ‘At present, AOT is unable to make any commitments regarding future uses of this corridor because of a February 4, 1999 decision by the federal Surface Transportation Board (STB). This decision [see 26 February issue] denied the application of the current carrier, the Lamoille Valley Railroad Company, Incorporated [LVRC] to convert its traditional certificate of public good and necessity (issued in 1978) with a “modified certificate of public convenience and necessity.” This would have brought the LVRC under streamlined procedures established in 1981 to facilitate the easy entry and exit of operators of state-owned railroads.

Through its legal counsel, AOT has sought to intervene in the STB proceeding and requested the STB to reconsider this decision. However, AOT has no assurance that the STB will act favorably on this request. If the STB fails to act favorably on AOT’s reconsideration request, then AOT probably will be forced to resort to filing an adverse abandonment application.

Because adverse abandonment proceedings do not fit neatly within any of the STB’s established regulatory exemptions, consideration of such an application could be lengthy, even though the application would be unopposed by LVRC.’ {text of letter to Snyder dated 11.Mar.99}

**The Agency response to the other three bidders**

As described to a House Transportation committee meeting on 18 March [see below], VAOT “gave the green light to three bidders, and a yellow light to Pete Snyder,” according to Maguire. He reiterated that the RFP had noted that ‘the state is not inclined to provide an operating subsidy in cases where the applicant ‘should...expect the state to deliver the property - for the most part - as is.’” (page 9, emphasis in original).

Only Snyder sought financial assistance from the state. The Town of Swanton only wanted some of the ROW for an access road. NECR only asked to continue its use of the western end to serve its woodchip yard.

The fourth bidder, B&A, did originally ask for the line to be brought up to operating condition (Expression of Interest, page 7). However, Maguire related, in subsequent talks the railroad said it intended to proceed in stages, and had other priorities at this point. Furthermore, the railroad understood that it would receive no state money.

**Snyder’s reaction**

On 18 March, Snyder found the AOT decision surprising, given the fact that the state has already invested $20 million in trying to keep the line going. While he did request state funding of $174,000, he also wanted to seek federal flood-damage assistance of $225,000 to help with re-establishing the line. And at the end of five years, he would have sunk $950,000 into the line.

Second, he noted that both New Hampshire and Maine were reviving their sections of the Mountain Division, while Vermont seemed to be pulling back.

Third, he noted that the agency is willing to spend millions of dollars elsewhere on railroads, but is declining to spend under $200,000 here. "It shows a lack of respect for the Northeast Kingdom and Lamoille County in particular.”

**The legislative reaction**

On behalf of Snyder and Lamoille County, the Lamoille delegation met with Maguire and the House Transportation Committee on 18 March. At the meeting, Maguire agreed to sit down with Peter Snyder and the delegation to discuss the question. Snyder and Maguire both said the delegation spoke of putting some funds into next year’s capital budget, via a floor amendment, when the bill came to a vote.

To ARW, Maguire agreed that the Glitman letter looked like a red light to Snyder, “and in the context of the bid process, it is.” However, he characterized the signal to Snyder as a yellow light, because he is willing to talk with him about operations.

**Problems with access from the east end**

The Glitman letter referred to hazardous overpasses. One was removed a couple of years ago. The second, only a mile outside St.Johnsbury, was removed in February as an emergency measure when a water main burst. Repairing this will require at least a year, Maguire said. {ARW discussions 18&19.Mar.99}

**FOR THE RECORD:**

**VERMONT**

WELLS RIVER. The agency is contacting GRS this week to get a response to its offer to purchase the Wells River line [see 12 March]. On 23 February Maguire told the Vermont Rail Council that the B&A has made several inquiries about the line, and made proposals. The state is meeting with the railroad to ascertain their interest.

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NO MARCH MEETING OF VRC. Next meeting 27 April. Meetings will occur on the fourth Tuesday of each month until the end of the year in the National Life building. Some concern arose about attendance, which is purportedly down. [Five members attended the last meeting, but only six attended March a year ago. The number of ‘others’ dropped from 18 to 7.] {ARW discussion with Greg Maguire 17.Mar.99; minutes of 23 February VRC meeting}
Maritimes/Québec RRs

Québec Ministry of Transport

9 March. The Minister of Finance announced a Program of Assistance to Short Line Railroads, the first such provincial program in Quebec, New Brunswick, or Nova Scotia in decades. The opportunity to do so arose as the government ended an era of deficits. Last year - meaning the fiscal year 1 April to 30 March 1999 - the government anticipated a zero deficit and ran a surplus because of the strong economy. For the new year, the government again anticipates a zero deficit and intends to spend some of the revenue on transportation. The minister stated:

‘To develop our vast territory according to its need, we must have at our disposal quality transportation infrastructure. We dedicate to this nearly $1.6 billion annually.

I am announcing today the additional structural investment of $72 million into the means of transport. In the first place, funding for the road network will be increased from $644 million to $679 million in 1999-2000, notably to cover additional road improvement work and preparatory studies in anticipation of the reconfiguration of the Autoroute Metropolitaine.

Additionally, we will dedicate $19 million, over five years, to support the compagnies de chemin de fer d’intérêt local (CFIL) [short lines], in order to encourage their restructuring and the renovation of their infrastructure. It is among others on the basis of this fund that we will re-establish the rail line of the Québec Central.

Finally, we will inject an additional amount of $18 million over five years to realize the completion of the national cycling network called the Route d’verte (Green Way).’

Also of interest, the minister announced spending for sustainable development, consisting of recovering of contaminated areas, encouragement of recycling, and revitalization of parks. [text from MTQ: ARW translation]

The program to handle the funds

Roger Ledoux of MTQ’s rail group said the money would flow out in annual tranches of $3 million for the first year and $4 million in each successive year. His office will spend the next few weeks finalizing the rules for the program. [ARW discussion 17.Mar.99]

CAPE BRETON & CNS

16 March. The railroad has some solid, some theoretical new customers.

Sable Offshore Energy (SOE)

This company plans to build a pipeline from Goldboro to Port Hawkesbury as a lateral from the main Sable Island gas pipeline. In Port Hawkesbury, on land leased from Statia Terminals, a fractionate plant will produce 20,000 barrels a day of natural gas liquids [see 4 June 1998 issue].

CBCN will move much of that product - estimated at roughly eight to 12 cars a day - by rail, according to Elaine Collins, the railroad’s marketing director. Traffic should begin to move by 1 November 1999.

US Gypsum

The railroad is continuing to work on the new track into this customer [see 13 August 1998 issue] which it now expects to complete this summer.

Georgia Pacific

The company currently mines 1.5 million tonnes of gypsum a year at Sugar Camp, north of the Strait of Canso and east of Queensville. The product moves by truck to Point Tupper, in the Strait of Canso, and then out by ship over the company’s private pier for distribution along the East Coast.

According to the company’s Jim Graham, Sugar Camp is playing out. Georgia Pacific is planning to open a new mine in Melford in about two years, about 15 miles farther north. As Sugar Camp winds down, the Melford mine would ramp up, so that two would total 2 million tonnes a year, with Melford itself eventually reaching that level. [Assuming that each railcar could hold 100 tonnes, and one truck could hold 50 tonnes, that production would mean 20,000 carloads a year, or 40,000 truckloads.]

Martin Boston, a former CN employee and operator of a railroad museum in the former Orangedale train station, fears that about 100 trucks a day will pass down the highway. A round trip will take about 100 minutes. Boston would prefer the company use rail.

CBCN’s line runs about five miles east of Melford, through River Denys. Collins said if using rail makes economic sense, a spur could be built from River Denys to Melford. Graham said he had talked to the railroad a year ago, and never gotten a response.

Point Melford Industrial Park?

The Guysborough Regional Development Agency, which owns land on the west side of the Strait of Canso south of Mulgrave, at the point where the SOE lateral will cross the Strait, would like to tap into the pipeline and create a petroleum-based industry at that point.

Point Aconi/DEVCO coal mine

Finally, and most unlikely, CBCN could reach the Prince mine in Point Aconi. DEVCO plans to keep that open [see 12 March issue], but to close the rail-served Phalen mine in Lingan. Since coal from Point Aconi does get used in Lingan, a rail spur from the CBCN main crossing the water channel could easily move the coal to Lingan. Such a move, however, would have to make economic sense, which in turn means first, the buyer of the mine would have to commit to keeping it open. [ARW discussions 16 & 17.Mar.99]

[See Halifax for fourth new rail customer possibility, though not on CBCN.]
**BUCKSPORT**

13 March. *SCRAPPING OF NAVY SHIPS MAY OCCUR HERE.* Jim Jabbusch, president of the Auburn company Maine SF, said he is bidding for a pilot five-year contract under which the US Navy will pay him to dismantle ships, but retain ownership of the resulting scrap metal. Though declining to disclose the exact site, he chose Bucksport because it had a rail line and an existing pier.

The scrap would move by rail to destinations which Jabbusch is currently negotiating.

The Navy in the recent past has sold ships to foreign scrapers. This has led to ecological harm, for example when the ships were scrapped on beaches in India.

**Why not Portland?**

Other ports in Maine have both a pier and dockside rail: Searsport, Rockland (possible draft problem), Bath, and Portland. Jeff Monroe, Portland’s waterfront director, was aware of the possibility for his port, but declined to offer competition for the work. Yes, he does have the space, in the Guilford railyard between Merrill’s Marine Terminal and the International Marine Terminal. However, the city is looking to develop a container terminal there [see below].

If a sound business plan were presented by a potential scapper, Monroe said a dock could be built at the railyard [assuming Guilford would accept the use], and the site appropriately regulated [dismantling involves significant environmental issues]. But he is not looking to steal business away from the eastern Maine ports: “They need economic development, and I am happy to support that any way I can.” [ARW discussion 16.Mar.99; Rich Hewitt in Bangor Daily News 13.Mar.99]

**PORTLAND**

16 March. *THE PORT CAN NOW OFFER STRIP-AND-STUFF OF CONTAINERS,* said Monroe. “Our waterfront plans are falling into place: the fishing component is functioning, the passenger side will move to the State Pier, the International Marine Terminal will take containers, and Merrill’s will handle bulk and breakbulk.”

Next, the city would like to add value-added service to its container handling, meaning the capacity to transload the contents of ocean containers into trucks or other containers (“strip and stuff”), and vice-versa. Merrill’s is prepared to do this for customers. Contact P.D. Merrill at 207-772-3254, or Jeff Monroe at 207-773-1613.

**A container railyard in the future**

After 2003, when the waterfront is reoriented, Monroe would like Guilford to open a container facility in its railyard and he has already discussed the matter with railroad officials. [ARW discussion]

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**QUONSET POINT/DAVISVILLE**

12 March. *THE STAKEHOLDERS WERE TOLD THAT ONLY A LARGE PORT MADE SENSE* when they gathered to narrow the list to 12, after creating a list of 23 falling into six basic categories [see 26 February issue]. The consultants who did the feasibility analysis used three criteria to rule out other options: the governor’s insistence on 100% private financing, the consultants’ estimate of which port options could exist with only private financing, and consultant R.K. Johns assessment of marketability.

**The three possible alternatives**

Stakeholders could select a large container port located only at Quonset, a large container port located at Quonset and Davisville, or no container port at all. All load center port options aim to handle 1.5 to 2 million lifts per year.

The idea of a megaport, which would handle other cargo in addition to containers, was ruled out for lack of room. {ARW e-mails from stakeholders Carbolne Karp and Greg Gerritt. 15&16.Mar.99}

**What Quonset Point Partners is looking for**

Chip Norton, one of the principals in QPP, the developer, said his firm is not necessarily looking for a load-center port. In an exchange with Karp, he wrote: ‘QPP supports a container and vehicle terminal that is designed and sized to meet the market requirements enabling the developer to secure minimum volume contracts with credit-worthy shipping companies. By securing these types of contracts, the project will be developed on sound business fundamentals which will greatly reduce the risks of this type of development to the Rhode Island taxpayers and beneficiaries of the Bay. As I have stated at previous stakeholder meetings, the size of the project is not the key requirement. The keys to the success of any development project are market acceptance and a financing structure that works.’

Later, Norton said at least five of the alternative load-center configurations in Quonset Point-Davisville might work: ‘Any plans developed in the stakeholder process, will need to go through a rigorous analysis from a design, environmental and financial perspective as part of the EIS process. Most likely, stakeholder alternatives will be modified as part of this process and new plans will evolve.’

**Questions of capacity**

Karp, representing the Sierra Club, has raised the question of whether the huge volume of traffic generated by a large load center port could move in and out of Davisville. Jim Hunt of Maritime Intermodal, one of the consultants, estimated that the facility itself would generate 9,314 vehicles (autos and trucks) per day at full build out for the large load center with 2 million lifts.

For the trucks, assuming an average distribution of cargo, a 20% modal split for trucking cargo and 5 work days per week, the Average Daily Truck Traffic from the port is 1,538 trucks. The proposed ‘Quonset Freeway’ would permit the trucks to move between the port and I-95 and would handle the newly-generated vehicular traffic, Hunt estimated.
Recommended Railroad Facilities

Figure 7.6

Sources:
RIEDC, PB documents, and R/GIS
Rail traffic - 70% of the total traffic would move by rail over the newly-built freight track between Quonset and Providence and then over the PW main line to Worcester [see box]. The Freight Rail Improvement Project (FRIP - the project to build the freight rail alongside the Amtrak passenger tracks) ‘planning document expected a demand of 12 trains per day to and from the Quonset Industrial Park, including the proposed port. However, according to detailed operational models that are run by the P&W, the partial build has the capacity to adequately handle up to 22 trains per day out of the Industrial Park and Port.

‘The Parsons Brinckerhoff data presented in the Draft Master Plan [for the port] concerning a 4000-foot limit on trains appears to be in error. Parsons Brinckerhoff stated that this limit was imposed because of the length of proposed passing sidings along the Northeast Corridor. However representatives of the P&W have stated that there is no such limitation within the system. Since the average container train length is 6000 feet, we have assumed that trains into and out of Quonset would also average this length....Based on 70% of the cargo being moved by train, the Port at Quonset might generate from 19 to 22 trains per day, depending on a 5-day or 6-day schedule. This appears to be within the capacity of the [FRIP].’

[For comparison, at Halifax CN runs eight container trains a day (four each way), some up to 8000 feet long, to move 236,000 boxes a year. {Atlantic Northeast Rail and Marine Transport Review 1999}]

The train calculation

Hunt wrote that ‘the average container train today is usually 6000 feet, and consists of twenty 300-foot articulated rail cars. Each rail car has the capacity to carry 20 to 24 TEUs.’ [If the port moves 3.4 million TEUs, which Hunt translated as equivalent to 2 million lifts, it will need to load and move out on rail 70% of that, or 9,520 TEUs over a five-day week, 50 weeks a year. If each train can carry 480 TEUs, then the port needs to move 20 loaded trains a day, plus 20 empty trains. If, as is most probable, the port will export as well as import containers, the number of trains will diminish, since the loaded cars with boxes for export will also carry out imported boxes.]

‘Concerning the ability of the [FRIP track] being capable of handling freight plus passenger rail and commuter rail service, the operating models do take both passenger services into account. P&W, who have written agreement with Amtrak to provide exclusive freight service along the corridor have identified the window of opportunity to run the freight service at those times of day that will not be in conflict with either the passenger service or the commuter service.’ {Hunt e-mail to Karp 19.Mar.99}

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<th>RAIL NETWORK LIMITS ON QPP?</th>
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<td>The proponents of the port at Quonset believe that they can move out the proposed 2 million boxes a year using 22, 6000-foot trains a day [see accompanying story]. These boxes will move over the Quonset rail system, now operated as an industrial railway by Seaview Transportation, to an interchange in West Davisville with PW, which has exclusive freight rights on the Amtrak corridor in Rhode Island. The train will then enter the FRIP track adjacent to the Northeast Corridor and run up to Boston Switch, in Pawtucket, turn left onto the PW main line to Worcester, and run about 34 miles to Worcester. At Worcester, the train will join the CSXT main line and head out to the Midwest. This traffic volume will encounter several potential bottlenecks and one time problem.</td>
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**Bottleneck: FRIP**

According to the Final Environmental Impact Statement for the FRIP (EIS), it will have a five-mile stretch of shared track with Amtrak trains [see 8 January issue], and two sidings (at Hillsgrove and the Track 7 rehab). In the past, according to a veteran dispatcher, Amtrak has allowed about eight movements a day. The EIS anticipated only 10 train movements a day, rather than the 44+ possible in the QPP vision. However, PW believes it can handle this traffic on the FRIP [see story].

**Bottleneck: PW main**

According to rail observers, this single-track line has virtually no passing sidings. Some believe without some sidings, the railroad cannot run the anticipated 44+ trains on this stretch. However, the enticement of 22 trains per day would surely get PW to provide whatever capacity is needed to run them.

**Bottleneck: Worcester**

With the current configuration, the PW trains cannot directly run onto the CSXT line westbound. Current access would leave the trains pointed toward Boston. Operationally, the railroad can easily handle this, but with the loss of some time.

**Bottleneck: CSXT main line**

Rail observers question whether CSXT could add 22 trains to its mostly single-track main line, which already has several hotshot intermodal trains, manifest freights, unit auto trains, and locals. As one said: ‘there is no way that you could put 44 new trains on the B&A. Even if they redouble tracked it, 44 plus what they’ve got now is a lot of trains on a windy curvy grady rail line like the B&A with no uncongested terminals from Boston to Pittsfield.”

**Bottleneck: no doublestack capacity**

The calculation of 22 trains requires doublestack configuration. [Furthermore, without doublestack the rail leg would price the port out of the competition.] But the line from Selkirk NY to Quonset is not cleared for doublestack; only the PW main from Boston Switch to the Massachusetts line is. The FRIP will provide doublestack clearance, but getting the clearance in Massachusetts has proved thus far intractable [see Massachusetts].

Presumably, if the state and the railroads knew that 22 trains a day were coming, the money could be found for clearance, just as it would be found for track capacity improvements.
The time problem
QPP has long said that it would not begin construction without a commitment from a major ocean carrier to provide much of the throughput needed. Any carrier would know, however, that an operational port with adequate rail access lies at least four or five years away. The following major construction projects are needed:

- The port must clear environmental hurdles, be dredged, and built.
- Rhode Island must complete construction of the FRIP. The FEIS, page ES-17, estimated construction will require four years to complete. The Track 7 project between Providence and the Boston Switch is now underway and should be complete in 2002. The contract for the Track 3 project between West Davisville and Providence has not yet been signed, according to the FRIP office [see 8 January issue].
- Massachusetts and the railroads must reach agreement on doublestack clearance in the Commonwealth, and then clear the obstacles.
- PW and CSXT must create new track capacity. This could easily happen within the time required for the other steps. {text of FRIP FEIS 1.98; ARW e-mail correspondence with various rail observers; ARW discussion with FRIP office 22.Mar.99}

**WHAT PORT CAPACITY IS NEEDED?**
In light of the claims by the consultants that only a port with a throughput of 1.5 million to 2.0 million TEUs will prove financially viable, let’s take a look, with the assistance of Tom Boyd, spokesperson for Maersk, into how boxes move off a ship and into the hinterland.

Ship capacity
The Columbus Group review of the QPP port needs and the size of ships crossing the Atlantic appears reasonable [see 8 January issue]. One berth is needed to handle 500,000 TEUs per year (if the ship holds 5,000 TEUs, that’s 100 ship calls per year, or one every three days).

Unloading capacity
Standard cranes can unload about 25 boxes per hour. Assuming that a 5000-TEU ship has 2500 boxes, that would require 100 hours, or about four days. For this reason, many berths have more than one crane. “The most we have ever used on a ship” is five, Boyd said. And at that, the process must run very smoothly, for each crane has a gang of stevedores, and five cranes together provides precious little working room. Therefore, the port will require multiple cranes.

Transfer capacity
At Long Beach, the nation’s number one container port, Maersk will sometimes take two or three days to unload an entire ship. The priority, “hot-hatch” cargo gets unloaded and put on a train first. Cargo of a lower priority may not emerge until the third day.

**WHAT FUTURE FOR QUONSET?**

The Sea-Land/Maersk view
These two carriers set Quonset out of the running in 1998, Boyd said. “They have the best of intentions, but lack an existing facility, a large local market, and depth.” Furthermore, the port with only PW as a serving railroad lacks the two-railroad competition the carriers are looking for [see 26 February: Halifax]. The carriers did not want to wait the length of time needed for the facility construction and dredging [see 18 December 1998 issue]. {ARW discussion 18.Mar.99 with Boyd; e-mail reports from rail observers}

Another view
Given the fact that the rail capacity could be developed, Quonset does have three advantages over New York: it lies 100 miles closer to Europe, it has deeper approaches, and dredging would be easier.

Boston lies even closer to Europe: 75 miles, since ships of any size need to pass south of Asia Rip, 45 miles south of Nantucket. However, Boston has neither the rail infrastructure nor the back land necessary.

From a different perspective, the 2,000,000 box per year capacity constitutes 25% of all containers and trailers handled by US railroads in 1996. That’s a very ambitious target for a port in the planning stage. {ARW e-mail correspondence with James Woodward 19.Mar.99}

17 March. A SIGNIFICANT PORT PLAYER OBJECTED TO BEING KICKED OUT to make room for a load-center port. QPP estimates the cost to move Seafreeze, currently located in Davisville, at about $500,000. [Not all site configurations would require Seafreeze to move.]

The company, according to a letter written to Stakeholders, operates the largest and most sophisticated fishing boats on the East Coast, which “only catch strong healthy resources like squid, mackerel and herring. The fish is packed and frozen right on the boats at sea.” In port, 500-700,000 pound frozen blocks of fish are unloaded into a 6-million pound-capacity cold storage facility.

Seafreeze products are mostly exported around the world, and virtually all exports go out in refrigerated containers. “We are the largest shipper of refrigerated containers in Rhode Island, and we are also one of the very largest shippers in Rhode Island in terms of overall volume. We also import a large number of both refrigerated and dry containers.”

The company stated that no other ports in the state have deep water facilities sufficient to accommodate its boats,
meaning it and its 80 high-paying jobs would need to relocate out of state. It fears that would end the business, for most employees would not move and trying to train new employees would end the business.

‘At the present time, the fishing industry is by far the dominant type of business in the Port of Davisville....Seafreeze is planning an additional investment in our business of $6-7,000,000, and we know of other companies that are planning even much larger investments.

‘If the Governor and the stakeholders find it in the best interest of the state to build a container port at Davisville at the Seafreeze location, and to eliminate 80 high paid jobs and one of the largest shippers of containerized cargo in the state, we will surrender our business and go away peacefully. However, our accountants, Markarian & Meehan, have estimated that based on the remaining length of our lease, our total investment and current and projected future earnings, fair compensation to Seafreeze would be at least $50,000,000; we believe this needs to be factored into the decision equation.’  {Seafreeze letter}

17 March, Davisville. **THE TOWN OF JAMESTOWN OPPOSED A MAJOR CONTAINER PORT.** Lying opposite Quonset Point on Conanicut Island, the town supported ‘the expansion of the existing businesses at the Davisville waterfront and the establishment of other uses that can be accommodated without serious environmental impacts.’

In a letter to Governor Almond, the town supported dredging ‘the channel to the 40 feet required to assure the future of the existing auto importing business. Forecasts of rapid growth in the automobile processing business upon the completion of the Freight Rail Improvement Project should be given careful consideration.’

Air pollution, noise pollution, and light pollution were listed as reasons to oppose the container yard as well as changes to the configuration of the airport runways which will increase air traffic over Jamestown. {text of letter as sent to Stakeholders}

**HALIFAX**

10 March. **MAINE GOVERNOR ANGUS KING RE-STATED HIS SUPPORT FOR HALIFAX** [see 12 March issue]. In a statement at Province House today, Governor Angus King formally acknowledged Halifax's bid as important to the entire northeastern Atlantic region. He also indicated that the greatest benefit for Maine would result from a Maersk and Sea-Land decision that awards the contract to both Halifax and New York. "Anything that strengthens the economy and increases economic activity in this region can't help but be of benefit," he said. {press release from premier’s office}

**East-West highway**

Even though trade figures show a significant decline in trade between Nova Scotia and Maine, Mr. King thinks the state and its northern neighbours should be building up trade links. He argues that the construction of the natural gas pipeline between Sable Island, Nova Scotia, and Boston will bring about a new era of prosperity in Nova Scotia - and renew historic ties with New England. He argued that improved transportation links are becoming inevitable.

"In the long run I think it's hard to deny that such an east-west link, a direct connection between the Maritimes probably coming through at St. Stephen and Calais across Maine through Bangor and somehow finding its way up to Montreal just plain makes sense."

Mr. King said the main roadblock to the new highway is the apparent reluctance of the United States and Canadian federal governments to become involved. {Telegraph Journal 10.Mar.99}

15 March. **HALIFAX GRAIN ELEVATOR HAS A NEW CUSTOMER,** MacTara Limited, who is shipping 60,000 tonnes of wood fuel pellets through the Halifax facility to Sweden.

The pellets are manufactured from the bark stripped off logs, in a 120,000-tonne capacity facility MacTara built in 1998, and are used in Sweden as an alternative industrial fuel source. MacTara needed a facility to store the pellets after manufacture.

James Burgess, operations manager at the Elevator, said with some modifications the elevator can handle the wood pellets. It certainly has the capacity: the elevator can handle 140,000 tonnes, but truck delivery of grain presented only 5% of its business, and is declining. Local grain deliveries came to 150-200 trucks per year. When MacTara comes on line it will deliver ten trucks a day over a 24-hour period. {Port of Halifax 3-4.99}

**What about rail?**

On 15 March, Burgess said “I would love to receive by rail.” Why? His facility is best set up to receive railcar shipments. However, the 60 miles of rail to Upper Muscodoboit, where MacTara is located, was lifted about 10 years ago. He estimated that the 60,000 tonnes of produce would translate into about five railcars a day, or 1500 for a year.

Not enough, said Steve Newson of NSDOT. And even if it were enough, abandoned corridors like this have been purchased by the Nova Scotia Department of Natural Resources for recreational use. Unlike New England states, Natural Resources has no mandate to return the corridor for rail use.

**Other business?**

The Grain Elevator receives grain from Western Canada via ship for two uses. It provides feed for feed mills in Port William, New Minas, and Truro NS. The Elevator faced competition from C/WHRC delivering grain by rail direct to the feed mills [see ARW 96#24] and that competition still affects the company, said Burgess. He also receives about four carloads a week of soymeal for two uses. It provides feed for feed mills in Port William, New Minas, and Truro NS. The Elevator faced competition from C/WHRC delivering grain by rail direct to the feed mills [see ARW 96#24] and that competition still affects the company, said Burgess. He also receives about four carloads a week of soymeal for mixing into feed. {ARW discussions}

Since 1968, the grain also moves directly to the Dover Mills flour mill adjacent to the Elevator, where it is processed into dozens of different specialty flours. {Port of Halifax 3-4.99}

19 March. **HALIFAX ADVOCATES REMAIN “CONFIDENT”** about their ability to win some or all of the Sea-Land/Maersk business, according to Bill Adams, spokesperson for the Port Working Group. Though the carriers had not yet scheduled a return visit for intensive negotiations - especially about rail access, Adams maintained that the port had submitted significantly more information than Baltimore and New York, so
that the carriers did not need to talk as much with Halifax.

**The same deadline**

Tom Boyd, Maersk spokesperson, said the carriers were still aiming toward the announcement of a selection by the end of March. {ARW discussion}

**FOR THE RECORD:**

**PORTS**

SEA-LAND RESTRUCTURING: CSX named the officers that will head operations of what will be three separate businesses starting in mid-1999: global container shipping, international terminal operations, and domestic trade. {Reuters 16.Mar.99}

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**EDITORIAL**

**NOVA SCOTIA SHOULD SUPPORT RAIL**

Potential uses of rail are leaping out at the province, yet it has no ability to capture these opportunities. As described in this issue, rail could readily serve the new Georgia Pacific gypsum mine in Melford, the potential Guysborough petroleum area, the Prince mine in Point Aconi, and the wood-pellet traffic in Upper Muscodoboit.

These are not tiny, one or two-car moves. Each involves large, single-commodity bulk moves: exactly the kind of traffic railroads handle cheaper and better than trucks. For that reason, the savings on highway damage alone would justify the diversion of some tax dollars into a rail fund for one or more of these projects.

Some may say that states have the US government tax dollars to dole out, while the Canadian government is not supporting rail. True, but both Maine and Vermont are investing millions of their own dollars. Nova Scotia could do the same.

Yet the province is paralyzed, and not only because of its minority government. For too long, it has seen fit to concern itself only with the regulation of safety on the rail lines. Surely these new possibilities deserve fresh approach. Begin with safety: getting those trucks off the provincial roads will surely increase safety.