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Issue 02#03B 29 March 2002

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PEOPLE, POSITIONS, EVENTS

Jack Dail, Mark Bromirski, Sally Larner, Brian Lombard, Bob Blanchard, Rolf Westphal.
NEARS is coming.

FROM THE PUBLISHER

How fast was that?
The fast trains mentioned in the 15 March issue apparently were still slow. Reader Mike Clements says: ‘As a big fan of the Al Perlman era New York Central, it is my duty to report that the all-time record for NY-LA intermodal trains (or any other kind of train for that matter) was a test of the legendary Super C run by the NYC and ATSF from the Bronx to LA-Hobart in 54 hours and change in 1967. This is impossible to duplicate because much of the NYC and ATSF were still good for 90mph running as was the Flexi-Van container equipment that was used. SP torpedoed the train by threatening to take away their auto parts business from NYC if they worked with ATSF.’

He also reports that CSX dropped the Ice Cold Express a few months back.

- Chop Hardenbergh

Next issue: 9 April

REGIONAL ISSUES

BANGOR & AROOSTOOK

28 March, Boston. BURKHARDT MADE NO PRONOUNCEMENTS except that ‘our work is continuing,’ during his presentation to the New England Railroad Club [see 15 March issue]. ‘There are no particular problems - it simply takes

time to finish the financial plans (backed up by operational plans) that are essential to arranging the financing.' {e-mail to ANR&P from Burkhardt}

At the meeting, he predicted signing a contract would come in two months. {ANR&P discussion with Club president Paul Crawford of MCER 28.Mar.2002}

PROVIDENCE & WORCESTER

7 March, Newington CT. AN OVERVIEW OF PW TRAFFIC IN THE PAST YEAR was presented by Frank Rogers, the railroad’s director of marketing, to the Connecticut Public Transportation Commission. According to the meeting minutes:

The P&W had a fairly dynamic year in 2001, with a 13% turnover in P&W’s customer base. Inbound carloads decreased 1600, while outbound carloads were up 2000. Despite finishing the year up 1.5% on volume, PW dropped its revenue by 1.5%.

The traditional customer base suffered due to the economic problems, but P&W was able to make up most of the revenue by entering new markets, one of the largest being construction and demolition debris, and disposition of contaminated soil for remediation projects. New customers also included some companies that have not used rail for the past few years.

Some new customers

Worcester Envelope is running test cars of paper. Pennzoil and Quaker State, two distributors of motor oil who consolidated their operations, provide approximately 180 cars per year of motor vehicle oil. A steel company in Auburn, Massachusetts is in the process of expanding and they provide approximately 200 cars per year of work.

Mid-State Recovery in Portland, Connecticut started on 19 February [see Connecticut]. Calcium chloride and a de-icer is being handled by P&W. New England Stone from Davisville, Rhode Island, a company that makes granite curbstones and decorative granite faces for building exteriors, is also now using P&W. Metals USA in Seekonk Massachusetts [see 19 December 2001 issue].

Containers. P&W also works with CSX to run approximately 500 containers per week on trains that were operating on a two-day turnaround with empty cars. These extra loads are traffic taken off of Interstate 95.

Coal shipments increased. A vessel from China brought 55,000 tons of coal. P&W moved this coal over a period of four weeks from the Port of New Haven. This coal translates to 5000 truck trips (one loaded and one empty) off of Interstate 91. Another shipment is expected in late April or early May, coming to either New Haven or Providence. Tilcon, a major contractor for DOT, has three of its four concrete plants that are serviced by P&W. They recently purchased a facility in Groton, off the Amtrak Northeast Corridor. It took three or four months, but the track access there is now rehabilitated. P&W moved approximately 70,000 tons to the facility. At the same facility, Tilcon produces sand that they had been trucking from Groton to Saybrook. P&W ran a triangle route, starting a loaded stone train from Plainfield to Groton, emptied the stone, reloaded with sand and ran that train from Groton to Saybrook, and took the empty train back to Wauregan. Tilcon has secured another 66 rail cars for its fleet.

Connecticut Steel, a steel manufacturing plant in Wallingford, is receiving a 66,000-ton shipment. Superior Plastics, which recently moved to Putnam, will get service via a new 1200-foot siding PW is constructing for an industrial development, using thousands of yards of fill. The company will generate approximately 15 to 20 rail cars per month that will eliminate transload truck traffic.

TI Logistics is moving to Oxford, Massachusetts, from CSXT to PW. [See 16 January issue.]

Lake Road Electric Generating Plant in Killingly will receive fuel oil shipments by rail.

Subaru will be shipping cars by rail beginning in late 2003 or early 2004.

Others. Rogers mentioned Staples in Putnam, and two new customers in Providence and East Providence will also help grow P&W’s volume.

Loss of customers

Rogers reported that the closing of R.R.Donnelley’s Old Saybrook plant and Chinet’s plant in Rhode Island will remove 2.6% of P&W gross volume.

Hudson River crossing

Rogers noted that PW is active at the East of the Hudson Rail Freight Task Force, which is working on the proposal to build a tunnel under the river, as well as enhancing rail service in and out of the New York metro area and southwestern Connecticut.

New chair

New CPTC chair Tom Cheeseman, executive area of Middletown Area Transit, thanked Fred Riese from the Connecticut Department of Environmental Protection, who had acted as chair for four years. Cheeseman also welcomed newest Commission member Richard Schneider, from Housatonic Area Regional Transit. {text of minutes}

CONNECTICUT

CSXT/NEW HAVEN

28 March, New Haven. THE FOURTH DEMOLITION DEBRIS FACILITY FOR THE STATE will open later this year in the former Cedar Hill Yard [see box]. In 2000, Mark Bourgeois, the
Bourgeois mentioned prices to truck 80 tons from Portland Connecticut [site of the Mid-State Recovery demolition debris facility—see below] at $2200, truck from North Haven at $2900, versus rail from New Haven at $1000. Even given the mushrooming of rail-served demolition debris transload facilities in Connecticut [more in a later issue], he is confident the Anastasio site will succeed. "I have contracts available for over 1200 tons/day now."

Terminal switching railroad?
Bourgeois already intends to obtain and use a trackmobile to switch the demolition debris operation. He is negotiating now with CSXT to switch the cars to and from the North Cedar Hill Yard. At this point, CSXT uses the Airline Main to serve Anastasio facilities, running by the Transfo site and Metals Management, then into the Anastasio area, with service available once or twice a day.

“Our future plans include an in-house industrial railroad switching our cars to expedite car turns.” If Anastasio can build a track about 150 feet from the north end of its area to the North Cedar Hill Yard, the trackmobile could access the CSXT yard to pull or spot its cars. \{ANR&P discussion 28.Mar.2002\}

### THE ANASTASIO FACILITIES

#### The Cedar Hill Yard operation
In 1980, the Anastasio family companies leased 280 acres at the center of the Cedar Hill Yard from Conrail under a long term lease with an option to purchase. Four different family companies (Anastasio and Sons Reload and Distribution Center, Circle of Life LLC, St. Joseph’s Wood Products which markets the mulch from...
Circle of Life, and A. Anastasio and Sons Trucking, the (original family firm) presently transload/reload four commodities; lumber, steel, poles, and scrap steel. The facility also recycles clean wood, has a permit to transload containerized ash residue, and expects to open a facility to transload demolition debris later this year.

In 2001 the present operations transload/reloaded approximately 3,000-4,000 rail cars, including centerbeam, mill gondolas, regular gondolas, and coil cars. In addition, their tracks are used for the circus train when in the area.

Trucks reach all five operations by the ‘Burma Road’, a 35-foot-wide, 1,700-foot-long road from Middletown Avenue that enters directly to the site. At the entrance to the active rail facility lie a reload office and truck scale. These will be replaced by a new scale and plaza site. [See map.]

Lumber reload
Anastasio and Sons Reload and Distribution operates a lumber transfer facility in the southern part of the yard, near the former roundhouse location. It serves various major forest product suppliers including Home Depot. Drayage is done by A Anastasio and Sons Trucking

In 1998, Home Depot gave Anastasio and Sons Reload an award for as a distinguished distribution center carrier for the northeast region for its transload operation. The trucking company also serves Home Depot’s Bloomfield CT warehouse operation [see 10 January 2000 and 29 October 1999 issues], but does not operate any part of the facility.

Wood recycling
Circle of Life operates a permitted, clean wood recycling center across the Quinnipiac River from the lumber reload. The facility chips clean the wood for mulch, sludge treatment, and boiler fuel. None of the product moves in or out by rail. Bourgeois explained that to move efficiently by rail, woodchips need to travel in large cars, but CSXT cannot move anything over Plate C either north or south.

Rail rates for woodchips, a low-value product, are still not in line with the truck market for this type of material [see Intermodal, below]. However, said Bourgeois, options are being evaluated because the market for this more environmentally-beneficial fuel is there; cost-effective transportation is the issue.

Ash
Circle of Life has a permit to handle containerized ash from resource recovery facilities, but is not currently doing so. The ash is currently used to cap accepted at state/local landfills and does not need to move out of the state. However, Bourgeois believes that with the limited resources instate, this again may become a viable option.

Steel transload
Anastasio Reload and Distribution division operates the steel facility northeast of the wood recycling facility. Sheet steel, steel coils, and large pieces of steel, such as piping and bridge beams, and other metals are offloaded and drayed to construction sites for various customers. Steel comes in by ship or rail, and sometimes goes out by rail.

Pole yard
Anastasio Reload and Distribution operates a telephone pole yard for Koppers Industries, according to John Stahl, a Koppers representative. Anastasio removes the poles from railcars, inventories them, and ships them as needed.

Scrap metal
Clean scrap is loaded at the facility on an as-needed basis for Anastasio metal customers. When Metals Management, a company off the Airline Main CSXT track, is moving large quantities, it asks Anastasio to load on a team track shredded scrap. Anastasio and Sons Reload uses one of the tracks in the steel area which can hold 15-20 gondolas; Metals Management’s spur can only take a few cars. In 2001, Anastasio handled 500 cars of scrap steel.

An intermodal operation?
Even with all five facilities running, Bourgeois still has “about 100 acres to work with.” He is investigating whether enough intermodal shippers exist who would use New Haven, rather than New York/New Jersey or the Massachusetts facilities in West Springfield, Worcester, or Boston.

Demolition debris
[See story.] {ANR&P discussion 28 Mar. 2002}

NEW HAVEN/PW
26 March, New Haven. CONTINUING THE RAIL SUBSIDY REMAINS UNDER DISCUSSION, said Tom Dubno of Gateway Terminal. Used to cover trucking from the port to the railhead, some maintain that it is linked to relaying of rail over the Tomlinson Bridge, now complete [see 16 January issue]. However, the rail on the bridge is linked neither to the port facilities down Waterfront Street [see map at www.atlanticnortheast.com] nor to the main line.

“We’re trying to preserve that intermodal yard for our customers which use rail,” said Dubno. Gateway and PW are talking to state and federal officials, “trying to get the existing subsidy extended to the end of the year. By then, we will have figured out how we will access the yard. We realize the rail subsidy cannot continue forever.”

However, Dubno went on, the subsidy should not be discontinued entirely until the rail has been completed and properly located on the eastern side of Waterfront Street and into the terminals. In addition, land will need to be made available
adjacent to the terminals “to duplicate the intermodal yard that we have created on Chapel Street [see map this issue]. We have established new business and our customers are depending on us to continue to provide service using our intermodal yard.

“It is our belief that once the above has been accomplished, the subsidy could be eliminated.”

According to Dubno, the coal move to Mt. Tom [see 27 February 2001 issue and Regional] uses the yard, as well as sand which arrives in New Haven by barge from Cape Cod and is then railed to points in Connecticut. {ANR&P discussion 26.Mar.02}

PROVIDENCE & WORCESTER

19 February, Portland. MID STATE RECOVERY BEGAN OPERATING ITS DEMOLITION DEBRIS FACILITY, permitted for 400 tons per day, located on PW’s line to the Smurfit Stone cardboard plant [see 19 November 2001 issue]. According to Rory Fallon, general manager, the facility has begun gradually, and will build up to above 300 tons a day during the construction season. About 92% of that will go out by rail; the balance (scrap steel, corrugated cardboard, concrete, et al) is sent to other facilities by truck for re-use. He’ll produce about three railcars a day; PW can switch the facility every day, as it serves Smurfit Stone daily. {ANR&P discussion 27.Mar.02}

7 March, Newington. AN OBSTACLE ON THE WETHERSFIELD SECONDARY was made public. Frank Rogers, PW director of marketing, told the Connecticut Public Transportation Commission that the railroad is working on surfacing on the track north of Rocky Hill to an interchange established with the Connecticut Southern Railroad. However, due to an agreement dating to Connecticut Southern’s purchase of its tracks from Conrail, if traffic could have moved with CSXT (Conrail successor) in the route, and moves without CSXT, a per car charge can be assessed by CSXT, which limits use of the PW-CSO interchange.

For example, PW cannot, without incurring the high tariff, move the coal from New Haven to Hartford for interchange to CSO which would then pass it on to Guilford. Nor can the coal move directly on CSO cheaply, due to Amtrak’s $1.01/car-mile fee.

To date, Rogers said, PW and GRS have determined that, although longer in mileage, a routing via Gardner is presently the most viable. “On a combined basis we handle the train on an overnight basis.” {e-mail to ANR&P}

MAINE

OPERATION LIFESAVER
March. CROSSING INCIDENTS ROSE IN 2001, according to Maine Operation Lifesaver’s Annual Report. The year 2000 had seven, 2001 10, with four injuries, up from two in 2000. This despite publicity surrounding the introduction of Amtrak passenger service. {text}

A note from southern New England
Just a heads up, railroad police just gave me a ticket for $124 for walking the rails, so they are still out there! And they STILL don’t like it. But, did I learn my lesson… Bottom line, watch out for them, fellas! {e-mail on railfan listserv ProvidenceandWorcesterRR.} [Better yet, get off the tracks! Editor]

GUILFORD

28 March, Waterville. THE RESTART OF SERVICE IS “DOING QUITE WELL”, according to one IMC official. The test loads went very well [see 15 March issue].

However, traffic has not grown to the point of requiring a dedicated train between Waterville and Ayer, according to several rail sources. But the dedicated train AYMO/MOAY between Ayer and Mohawk Yard in New York is running. {ANR&P discussion and e-mails 27.Mar.02}

MASSACHUSETTS

EOTC FREIGHT STUDY

12 March, Boston. STILL NO DECISION ON THE FREIGHT TRANSPORTATION STUDY. Siobhan Perenick Norton of EOTC, who is tasked with conducting the bidding [see 19 November 2001 issue], said the heads of the Office are still deciding “whether to award the bid, or cancel the Request for Responses.” She attributed the delay to internal issues and “to the responses we got.” {ANR&P discussion}

CSXT

28 February, West Springfield. ECDC LOGISTICS OPENED A WASTE TRANSLOAD FACILITY in the railroad’s yard recently [ECDC once wanted to open such a facility in Pawtucket–see 10 January 2000 issue]. Part of Allied Waste, CSXT’s second largest waste customer, ECDC is shipping municipal solid waste to Bishopville, South Carolina from a container handling facility supporting a nearby trash transfer station. Under the agreement,
CSXT will transport 750 carloads annually by rail. “I want to express my sincere thanks to the whole team involved in making this happen,” said Jim Knoblock, senior account manager. “This could not have been accomplished without you.” The operation is expected to produce a significant amount of revenue for CSXT every year for at least the next three years. {ANR&P discussion with ECDC officials 25-28.Mar.02; CSXT Mid-Week Report to Employees 28.Feb.02 cited in The Bullsheet 3.02}

Correction on Grand Junction article. In the 15 March article, I incorrectly stated that the bridge across Chelsea Creek remains. As several readers pointed out, the counterweight fell off the bridge in the mid-1950s. With little traffic and an alternate route, the railroad stopped using the bridge and it was soon removed.

BOSTON
21 March. THE FIRST COSCO CALL HAPPENED here, when China Ocean Shipping Company’s Zhen He arrived at Conley Terminal in South Boston. [See 19 November 2001 issue.] Massport Maritime Director Michael Leone stated in a note to shippers on 28 March: ‘[All parties concerned have said that] if COSCO put a direct service into the Port of Boston, that COSCO could expect immediate support and quickly achieve the volume necessary to reach profitability. It is now time to deliver on those promises to support the AUM service and quickly make it profitable.

‘Now, I am asking members of CONECT, the Port of Boston Action Committee and all New England companies doing business in the markets serviced by the AUM partnership to take an immediate and active role in supporting this service. I am asking New England shippers to contact local offices of COSCO, K Line or YML for rates and to book cargo. I am asking importers responsible for routing cargo to correspond with their suppliers or consolidators in China by FAX or E-mail, notifying them of this new service and insisting that they book New England cargo on the AUM vessels. I am confident that the AUM service will be successful long term, but I need your immediate support to quickly increase the inbound volume.’ {text from Massport}

MASSACHUSETTS CENTRAL

Participants saw six customer sites [see 15 March issue], not all of which are accessible from EOTC-owned property. From south to north:

**Thorndike (MP 4)**. A spur on the west held two plastics cars spotted for unloading by Advanced Drainage, with public truck access. A spur on the east leads to a two-car loading dock used for transloading by paper company Cascade Diamond.

**MP 7**. Two spur tracks, one on each side, holding 23 total plastic cars. EOTC ownership, no truck access.

**Gibbs Crossing (MP 8)**. Around 80 cars were parked on two side tracks on EOTC property. The site is used for transloading by both A&R Transload and Novacor; truck access comes off Route 32 over MCER property. The site has a track scale, out of service.

**Kanzaki (MP 11.5)**. The specialty paper company is sited on a spur to the west, part of the former B&M Hardwick branch, in turn part of the old Central Massachusetts line. MCER bought the branch from the B&M in the 1980s.

**Ware (MP 12)**. Two stub storage tracks run off to the east, without truck access. West of the main lies a runaround siding. The yard curves off the main to the west, entirely owned by MCER. A&R Transload and Novacor each use the yard. The yard and sidings held this day about 100 cars.

**South Barre (MP 24.7)**. The 12 miles of track from Ware to Barre is in good condition for a line that handles less than 50 annual carloads per mile. On the west lies a runaround siding. At the north end of the siding a spur runs off a switch to CLS Reload. Paper is housed here and shuttled by rail to the Kanzaki plant as needed. CLS also handles steel and lumber; a lift truck was observed unloading rebar from a flat car.

The figures for the Kanzaki shuttle move are not included in the EOTC count of 350 for South Barre.

**Pre-submission conference on Ware River Secondary**
The next day, representatives of four railroads attended the conference in EOTC offices at Park Square, Boston:

New England Central Michael Olmstead, general manager and Jack Dail, recently appointed manager of marketing and sales.

Pioneer Valley Jon Lasko, general manager of PVRR.

Finger Lakes Railway Michael Smith.

Massachusetts Central Paul Crawford, executive vice-president.

Donna Hill, senior program coordinator, presented the state's requirements. Asked about the MCER role, she responded that it
should be discussed in the proposals. Paul Crawford suggested negotiating directly with MCER before submitting proposals.

Deadlines
Written questions are due by 5 April; EOTC will publish responses 19 April. EOTC must receive proposals by 1 May. It will notify short-listed firms on 10 May, complete contract negotiations by 30 June, and wants operational transition beginning 1 July. [ANR&P correspondent Malcolm Laughlin coverage]

NEW HAMPSHIRE

NH DOT
26 March, Concord. AN UPDATE ON SEVERAL RAIL ISSUES was provided by DOT officials:

Purchase of Guilford-owned segments
The department is talking with Guilford about the acquisition of a couple of segments of different corridors: one on the Salem Industrial Track north of Key Packaging, and one in Goffstown.

Twin State Railroad/New Hampshire Central
Kit Morgan, rail administrator, added that the department and Guilford were discussing the fate of the line, which presents a difficulty since the line lies in both New Hampshire and Vermont, and has an existing lease by the Twin State Railroad (TSRD). If purchased, “we intend to keep it active,” said Morgan.

On the NHCR nearby, the industrial park in Whitefield is moving ahead, with a plant under construction and the developer intending to build some spur track.

West Lebanon/Claremont Concord
Morgan noted that the Lafarge cement facility is under construction [see Vermont]. The amendment to hand the yard over to the City of Lebanon was killed at on the floor of the state House of Representatives [see 16 January issue].

Maintenance
Brian Lombard, the railroad operations engineer for the department [see People] said the department is spending more time on the bridges on the state lines, making repairs as the lines themselves are worked on. (This is not intended to permit use of 286,000-pound cars.) For some of the work, he will put out a contract, such for the Frankenstein Trestle and Willey Brook Bridge on the Mountain Division. DOT will soon let a contract to Moores Marine Construction of Dover NH to do a pier on the bridge over the river in Concord. [ANR&P discussion 26.Mar.02]

PORTSMOUTH

7 March. TROUBLE CONTINUES TO HAUNT SALT TRAFFIC HERE [not to mention scrap metal—see 15 February issue]. The Pease Development Authority (PDA), which governs the state pier, this day declined to renew the International Salt Company (ISCO) contract for a full year at its Market Street Terminal. [In November 2001, the contract was extended to April 2002—see 6 December 2001 issue]. Instead, the PDA board provided a short-term extension to 1 June, and tabled the issue for further study.

Sprague and Granite State still involved
In late 2001, PDA asked, according to Sprague’s Bob Blanchard, if Sprague and Granite State Minerals would offer storage to International Salt, as a means of participating in the salt move over the Market Street pier. Sprague did make the offer to use salt pad on River Road in Newington. Granite State did not offer ISCO its 17-acre site at 193 Gosling Road in Newington.

On 2 January, the Newington Zoning Board rejected the proposal to truck the salt to Sprague’s, because the zoning required marine use and Sprague estimated moving the content of a ship to Newington by truck would take 5,000 truck trips. On 22 January, the Zoning Board rejected Granite State’s application for 3,000 truck trips per ship (not ISCO salt) as well; the Board reasoned that a ship could deliver the salt as well as truck.

On 4 March, the Zoning Board did grant a variance to Granite State to move salt by rail from Market Street to Newington; no inbound trucks were permitted.

Does trucking even make financial sense?
Blanchard said he understood that Guilford Rail System had quoted Granite State $2 a ton to rail the salt to Newington, and that trucks would cost about $1 per ton. A chronology on the salt controversy, written by Newington Planner Tom Morgan and posted on the town website, states the charges for unloading and storing a ton of salt at several East Coast locations as of 6 November 2001:

NH State Pier: $1.98
GSM’s Portsmouth Dock: $5.80
Sprague’s Newington Terminal: $6.00*
Portland, Maine: $5.68
Newark, NJ: $5.99
Baltimore, MD: $5.51

* Blanchard called this inaccurate; the real figure lies between $2 and $6.

Hence, even with trucking or rail, using the State Pier appears to make economic sense.

Sprague getting ready to accept ships
Blanchard said that Sprague needed to truck because it could not accept the geared, self-unloading vessels used by International Salt. He has the necessary conveyor, but needs two additional hoppers. “We’re prepared to do this.”

The battle is not yet ended
Blanchard said even if Sprague were taking part in salt storage for International Salt, “This is not going to end. The folks at Pease are ignoring 30 years of public policy and letting the state compete with private enterprise. They confuse activity with progress.” {ANR&P discussion 28.Mar.02}

Why did Cargill leave Sprague?
Through spring 2001, Cargill used Sprague’s Newington facility for salt storage [see 6 December 2001 issue]. According to one player in the Portsmouth salt brouhaha, and contrary to other statements, Cargill had decided to leave Sprague before ISCO came on the scene, because Sprague was charging too high a fee. {ANR&P discussion 28.Mar.2002}

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**VERMONT**

**GENERAL ASSEMBLY**

20 March, Montpelier. **THE TRANSPORTATION COMMITTEE PRODUCED A CAPITAL BUDGET BILL**, as it does every year, by tweaking the one presented by the governor [see 10 April 2001 issue]. In a time of decreasing state revenue, H.764 cut many rail programs to provide money for others:

- **Bellows Falls-Rutland.** Trackwork was cut from $300,000 to $208,440.

- **Burlington-Essexcommuterrail.** Funding was cut from $300,000 to $208,440. This language was added: ‘The authorization for the rail project, Essex-Burlington commuter rail, page 7, shall not be construed as obligating or committing any additional state funds to the project. No future state funds shall be expended without prior legislative approval.’

- **Essex-St.Albans commuter rail.** The project was deleted [see 15 March issue].

- **Hartford-Newbury rail project.** Funding was cut from $810,000 to $562,788 for work on the state-owned line between White River Junction and Wells River.

- **Statewide development and evaluation.** Funding was increased from $1,975,000 to $2,230,030, with the state share increased from $475,000 to $730,030. ‘The changes are to increase state funding for the Rutland Rail Yard project by $400,000 for the purpose of completing the Act 250 process, and to decrease $144,970 in state funds for other projects.’

- **Rail statewide property management.** Funding was decreased from $450,000 to $312,660.

- **Statewide bridge repair and upgrade.** Construction funding was decreased from $1,275,000 to $603,560. State funding was decreased from $2,200,000 to $1,528,560.

- **Three-way industrial development partnerships.** Funding was deleted. {text of bill H.764 emerging from House Transportation Committee}

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**AMTRAK**

20 March. **THE LEGISLATURE MAY WANT TO APPROVE AMTRAK CONTRACTS.** Bill H.764, as emerging from the House Transportation Committee, stated:

Sec. 39. AMTRAK NEGOTIATIONS
Any agreement between the state of Vermont and Amtrak for passenger rail service shall not be finalized without the approval of the joint fiscal committee and the chairs of the House and Senate committees on transportation. {text of bill}

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**LAMOILLE VALLEY**

20 March. **THE LEGISLATURE MAY GIVE THE LINE ANOTHER REPRIEVE.** Bill H.764 coming out of the House Transportation Committee reads:

Sec. 14. **LAMOILLE VALLEY RAILROAD**

(a) The general assembly directs the agency of transportation to establish the Lamoille Valley Railroad corridor project, which is approximately 96 miles in length and extends from St. Johnsbury to Swanton.

(b) The agency is directed to enter into a long-term lease with the Vermont Association of Snow Travelers (VAST) for use of the section of the corridor between St. Johnsbury and Greensboro Bend.

1. As part of the lease, VAST shall be responsible for all further restoration, maintenance, and insurance coverage of this designated section of the corridor. No future state funds shall be expended without prior legislative approval.'

(c) The section of the corridor between Greensboro Bend and Morrisville shall not have any construction or other projects, unless approved by the general assembly.

(d) Rail service restoration of the corridor between Morrisville and Swanton shall be considered an active project. The project shall be done in compliance with Surface Transportation Board and Federal Railroad Administration requirements.

(e) The secretary of transportation shall not renew the Interim Corridor Management Agreement (ICMA), dated January 4, 2002, between the agency and the Lamoille Valley Railroad Company. The secretary shall replace the interim agreement with one designating a new rail operator as the interim leaseholder or operator, or both. In doing so, the new designated interim
operator must agree to the terms of the current ICMA, and be required to assist the agency of transportation in accommodating, as required by the Surface Transportation Board, the VAST lease designation between St. Johnsboro and Greensboro Bend. In addition, the new interim operator shall secure proper liability insurance coverage, maintain the corridor as required to assure stabilization of the existing infrastructure, and adhere to the future request of the general assembly with regard to the long-term use of the corridor. (text of bill)

VERMONT RAIL SYSTEM-GMRC

12 February, DC. GMRC ASKED THE STB TO VACATE ITS ORDER and to move ahead to resolve issues raised by GMRC’s July 2001 petition on the state’s effort to regulate activity in the Riverside Reload Center. Specifically, GMRC wanted the Surface Transportation Board to rule that ‘Act 250 is pre-empted totally to the extent it is interpreted and applied by the State of Vermont as a Pre-Construction Permitting Process or Requirement.’

Response
On 1 March, Vermont filed its opposition to GMRC’s request, noting that the Vermont US District Court already ruled that the ICCTA (Interstate Commerce Commission Termination Act) did not totally pre-empt Vermont’s Act 250. (Vermont filing from STB website)

Ongoing harm to the railroad
Jerry Hebda, system vice-president, said if Vermont successfully shuttered the facility, “many customers would be affected. It would be catastrophic from a commerce fluidity standpoint.”

Moreover, the uncertainty about possible expansion caused one customer, Lafarge Cement, to move to West Lebanon New Hampshire [see New Hampshire]. The company had wanted to build silos in Riverside. {ANR&P discussion 27 Mar. 2002}

1 March. THE STATE ASKED THE COURT TO RULE THAT ACT 250 MAY BE APPLIED to railroad construction even as a pre-construction permitting process. {Motion for Clarification, Docket No. 1:01-cv-181}

The court denied the motion
On 21 March, the court denied the state’s motion, noting it had already asked the state to further develop the record in order to enforce its permit [see 6 December 2001 issue]. {Ruling, Docket No. 1:01-cv-181}

22 March. ONE BODY MADE A DECISION ON WHETHER FEDERAL LAW PRE-EMPTED ACT 250 as applied to the Riverside Reload Center: the Vermont Environmental Board. The US District Court and the Surface Transportation Board have not yet issued final rulings. The box on chronology contains facts in the case.

Conclusions of law
The Board decided by a 6-2 majority that in this case Act 250 was not pre-empted by federal law. Under state law, GMRC may not withdraw the application because the Act 250 commission did not have jurisdiction. However, under common law GMRC may withdraw its application as long as no other party is harmed, and the public interest is not prejudiced. The Board found no other party was participating in the process, and appropriate enforcement would preserve the public interest. GMRC could withdraw the application, and suffer the consequences.

‘Having said this, the Board does not automatically grant the withdrawal, but rather provides Green Mountain the following two options. As set forth more specifically in the Order section below, Green Mountain may either:

A. Confirm its interest in withdrawing its Application. The Board will grant withdrawal and will then be required to vacate the Commission’s Permit and Decision. Green Mountain would then have an as-built project without a permit and would be subject to enforcement remedies for any violation(s) commencing on the first day of construction of the salt storage shed project.

B. No longer seek withdrawal and retain its Permit and Decision. Any enforcement would then be limited to a period from the first day of construction of the salt storage shed project until the date that the Commission issued its Permit and Decision. Additionally, if Green Mountain is in violation of the Permit and Decision, enforcement could be taken in that respect as well.’

(The dissent argued that the withdrawal did prejudice the ‘values Act 250 was designed to protect.’) The Board asked GMRC to decide by 9 April. {Vermont Environmental Board RE: Green Mountain Railroad Land Use Permit Application #2W0038-3B-EB Docket # 797 issued 22 Mar. 02}

Next step
Vermont Assistant Attorney General Rebecca Ellis declined to describe how the state would respond to either choice by GMRC, nor whether it would await the resolution of the US court case before proceeding. The STB must still rule on GMRC’s request to proceed on its petition.

CHRONOLOGY OF GMRC VERSUS ACT 250

1997. Anthony Cersosimo, then-owner of the Riverside parcel, conveyed it to GMRC. The local Act 250 commission officer decided the Act applied to a proposed forest products transload and a ‘20x630’ [sic] office building. The local commission later issued a land-use permit for the two projects.

1999. In January, the local commission issued a permit for a 100x300 salt shed, conveyor pit, rail siding, and truck scale. But GMRC build the shed to different specs and at a different location than specified in the permit. On 14 October, GMRC filed an application to cover the as-built salt shed.

2000. At a February hearing, and subsequently, GMRC argued that Act 250 actions were pre-empted by federal law, and it requested permission to withdraw the application.
2001
GMRC proposed to build a cement transload facility in the Park, with a spur track.

US District Court. In June, GMRC filed a lawsuit seeking a declaratory ruling that Act 250 is pre-empted by the ICCTA (Interstate Commerce Commission Termination Act). In August, GMRC asked the court to refer the matter to the STB. On 26 September, the court decided not to refer the matter, and not to dismiss GMRC’s claim. As of 29 November, neither side had moved forward with the action.

Surface Transportation Board. In June, GMRC filed a petition asking the STB to rule that the ICCTA pre-empted Act 250. On 17 October, the STB agreed to GMRC’s request to hold the matter in abeyance until the District Court had issued a final decision.

Act 250. In July, The state agreed not to initiate an enforcement action pending the resolution of its motion to dismiss the US District Court complaint. The local commission decided against the pre-emption argument, and denied GMRC’s request to withdraw. GMRC appealed to the Vermont Environmental Board.

2002
Act 250
On 22 March, the Environmental Board ruled that Act 250 did apply to the Rockingham projects, but permitted GMRC to withdraw its application for an Act 250 permit [see this issue].

Surface Transportation Board
On 12 February, GMRC asked the STB not to await the court decision, but to proceed to rule that the ICCTA totally pre-empted Act 250 [see this issue].

US District Court
The court declined to clarify its order of October 2001, and awaits action by either party to move the case forward [see this issue].

VERMONT RAIL SYSTEM-VTR
27 March, Bennington. TWO STATE SENATORS WANT TO FORCE THE RAILROAD TO MOVE PARKED BOXCARS from the North Bennington-Bennington spur. The first of some 300 empty, graffitied boxcars reached the spur in early March. At some point, possibly June, they are to be transferred to Rutland and Bellows Falls for repair.

Democratic Senator Dick Sears and Republican Senator Gerald Morrissey are introducing a bipartisan amendment that would give municipalities the ability to regulate how long boxcars can sit idly on local tracks. “We just think it’s terrible that they can force these boxcars on us and there’s nothing we can do about it,” Sears said. The two senators want the attention of VAOT, which leases the rail line to Vermont Railways. “While we’re losing jobs throughout Bennington, we still have our environment which we can sell,” Morrissey said. But Bennington can’t be sold to tourists and consumers while those boxcars are sitting there. “You can see from the graffiti on them that they didn’t come from Vermont,” Sears said. “If they were junk cars, they wouldn’t be allowed to be where they are.”

Morrissey said he has received assurances from Senator William Doyle (R-Washington County) that the boxcar regulation will make it through his Senate Government Operations Committee.

A group called the Paran Pathway Coalition has been hoping to turn a 3.1-mile stretch of the spur into a recreation trail for non-motorized uses. The Coalition was able to get an advisory, non-binding article on the path on the March town meeting ballot, which voters favored 1,594 to 1,227. Rail supporters hope to leave the rail line open and available for rail use. {Bennington Banner 27.Mar.02}

The legal situation
John Dunleavy, VAOT’s assistant attorney general, wrote: ‘I agree that the bill raises serious preemption issues. VTR's lobbyist, Anthony Otis, is handing out copies of a recent (March 7, 2002) decision from the Supreme Court of Washington (City of Seattle v. Burlington Northern R.R. Co.) that invalidated, on federal preemption grounds, a Seattle ordinance that attempted to regulate railroad switching activities. {e-mail to ANR&P 27.Mar.02}

The VRS response
Jerry Hebda, system vice-president, noted the cars were parked due to the slump in the economy. Now, however, “the economy is heating up, the phone is continually ringing on requests for rates, we’re making deals.” So the cars will eventually move. Even before that though, “we’ll do something to help the citizens.” {ANR&P discussion 27.Mar.2002}

WASHINGTON COUNTY RAILROAD
6 March, Barre. THE LOCAL ACT 250 COORDINATOR DECIDED THE ACT DID NOT APPLY TO THE RE-OPENED TRACK HERE.

Restatement of facts [see 10 October 2001 issue.]
Swenson Granite, d/b/a Rock of Ages, owns a 1335-foot stretch of track in Graniteville, over which a train last ran in 1984. In 2001, Swenson Granite granted WACR permission to operate over the track. WACR rehabbed the track and build a platform for loading stone.

Legislative amendment to Act 250 on railroads
The Commission noted that the General Assembly in 1994 had amended Act 250 to state (10 VRSA 6081(i):

(i) The repair or replacement of railroad facilities used for transportation purposes, as part of a railroad’s maintenance, shall not be considered to be substantial changes and shall not require a permit as provided under subsection (a) of this section, provided that the replacement or repair does not result in the physical expansion of the railroad's facilities.

2002
and 10 VRSA 6001(3) to state:

(3) "Development" In the case of a project undertaken by a railroad, no portion of a railroad line or railroad right-of-way that will not be physically altered as part of the project shall be included in computing the amount of land involved. In the case of a project undertaken by a person to construct a rail line or rail siding to connect to a railroad's line or right-of-way, only the land used for the rail line or rail siding that will be physically altered as part of the project shall be included in computing the amount of land involved.

The decision
The local Commission’s district coordinator, Edward Stanak found that the rehab was classified as ‘replacement or repair’ of the existing railroad structure. The construction of the loading platform, because it was done within the right of way, fit within the legislative intent to exclude projects which did not expand upon past uses of the railroad line. {text of decision from VAOT}

QUEBEC/MARITIMES

CAPE BRETON AND CENTRAL NS
15 February, Lake Oswego OR. GREENBRIER WILL RE-OPEN TRENTONWORKS to fill new orders. TrentonWorks will produce 750 cars, keeping the plant busy through autumn 2002. {Greenbrier press release} [See 6 December 2001 issue.]

28 March. BLE MEMBERS RATIFIED THEIR FIRST CONTRACT with the Cape Breton & Central Nova Scotia Railway (CBNS), concluding a strike that began nearly two months ago [see 15 March issue]. “I am pleased to announce that the strike is over,” said BLE Canadian Director Gilles Hallé. “The workers will go back to work at midnight tonight.” Hallé commended the brothers of BLE Division 900 for sticking together and bringing the strike to a successful conclusion. “It was a big show of solidarity.” BLE International President Don M. Hahs and Hallé both recognized Special Representative Robert J. Toole for his outstanding work on a job well done.

Hallé said the agreement meets the needs of the CBNS workers, and that more details about the contract will be provided shortly. {BLE NewsFlash Service}

A union official says under the new four-year contract, wages for locomotive engineers will increase by more than $6 an hour, to $25. {CBC website}

NEW BRUNSWICK SOUTHERN
15 March, Saint John. THE DEAL PERMITTING NBSR TO SWITCH THE EAST SIDE OF SAINT JOHN was signed by NBSR after some unexpectedly difficult negotiations. “We have no firm date for hand-over of operations,” said General Manager Dale Thibodeau. “We need a couple or three weeks to get everything pieced together.”

What’s happening
As stated earlier [see 6 December 2001 issue], NBSR will lease the trackage involved for a 20-year period, and take over the railway operation. “We will not need all the buildings in the yard,” Thibodeau noted. “We’re working through the inventory with CN, looking for some way to use them so that CN will not have to tear them down.” This includes the main maintenance building.

The two railroads will interchange at Island Yard, where they do now. {ANR&P discussion 18.Mar.02}

PEOPLE, EVENTS

Jack Dail has joined the New England Central and Connecticut Southern as the manager of marketing and sales. Sally Larner has become manager of pricing for the same railroads. CSO has a business development manager, Mark Bromirski, who reports to Dail. Prior to this, Dail had worked at railroad holding company Rio Grande Pacific, and before that as national director of sales and marketing for RailTex.

Brian Lombard became the railroadding operations engineer at NHDOT back in July 2001 [a late announcement, sorry - editor]. He formerly ran his own company, Amoskeag Falls Management Corporation, which did site engineering and building investigation, including bridge, highway, and drainage experience.

Rolf Westphal lasted but a few days at Sprague [see 15 February issue]. Pending hiring a replacement, Bob Blanchard, vice-president, is also acting as manager for terminals and marketing.

North East Association of Rail Shippers will hold its spring meeting in Newport, Rhode Island 24-26 April. The group chose Newport for the second year because of last year’s great turnout at the same site, Hotel Viking. Look for Jack Dail there, who not only works for NECR but also serves as president of the National Association of Rail Shippers. These meetings provide great networking and fascinating insights into our rail network.

E-MAIL ISSUE