REGIONAL ISSUES
Conrail split: affecting New England railroads.
NNE summit: to ask CONEG for regional working group.
GRS: West end traffic up. Evaluation of service.
PW: Worcester IM yard, doubletrack, doublestack, CSXT access, New Haven Station, fiber optic.

CONNECTICUT
HRRC: Reload facility doing well, new bulk facility.
NAUG: Freight constant, excursion same.

MAINE
Calais branch: McDonald still wants to start doodlebug service.
GRS: Unions picketing SAPPI. Seeking contempt of court on contracting out switching.
FTR: NNEPRA relocations. CN seeking Maine biz. BML, Belfast still disagree. Possible state rail plan. IRAP contracts mailed.

MASSACHUSETTS
HRRC: Waiting on EOTC for track money.
NECR: No use of CSXT trackage rights.

NEW HAMPSHIRE
NHDOT: To do state rail plan.
Airport branch: no injunction issued.
GRS: Milford, Nashua customers. Salem track work.
MB: Gives trackage rights to GRS for ballast move. Details on customers, history, operating agreement.
NEGS: Track relocation, new customer?
Nashua commuter: MIS shows it will succeed.

FTR: Kittery study passed, Northern pending, funding for rail purchases looks good. Rail Council no action.

RHODE ISLAND
PW: Turner’s Island rail yard in Pawtucket.

VERMONT
Amtrak: ABRB contract awards.
Commuter: Crossing work remains. Essex Junction study due in July.

MARITIMES/QUÉBEC
FTR: NB transportation minister Margaret-Ann Blaney. CBCN build-in to Goldsboro? QCR August startup?

ATLANTIC NORTHEAST PORTS
New Hampshire!
The multitude of stories about NH railroads, plus the passenger rail meeting in Durham, may reflect a watershed reversing the state’s past neglect of rail services. The Conservation Law Foundation, for one, certainly sees the state as pivotal for regional rail revival.

The reciprocal trackage rights between MB and GRS looks interesting. While Leishman would not disclose the terms of the agreements, I would suggest to the parties that they barter car for car on the rights, until the NNEPRA move is complete. No money need change hands, then.

However, the union battle with GRS on contracting...
out wins ‘favorite story’ this issue, because of the details it reveals about GRS ownership and its effort to save costs for paper mills.

- Chop Hardenbergh

Next issue: 14 July.

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**REGIONAL ISSUES**

**THE CONRAIL SPLIT**

20 June. *THE CONGESTION IS AFFECTING RAILROADS* in the Atlantic Northeast. NECR’s Mike Brigham [see Massachusetts] said the arrival of some 200 cars, which the railroad’s business plan called for in June, is delayed past June.

At HRRC, Rian Nemeroff said the split started well, but problems have cropped up in the past two weeks, with the Class Is running trains late, or annulling them. His customers have not experienced negative effects, though. Some laid in additional product ahead of the split; others are not affected; and still others have moved to trucking. Like others, he has heard a promise of “smooth sailing” after 4 July. *{ARW discussions}* 

**N. NEW ENGLAND RAIL SUMMIT**

9 June, Durham. *POLICY MAKERS DISCUSSED A REGIONAL RAIL PLAN* here, under the auspices of TrainRiders/Northeast and the Conservation Law Foundation [see 26 May issue]. NHDOT’s Jim Marshall characterized the conclusion as an agreement that the four states involved (Massachusetts, Vermont, Maine, and New Hampshire) need to plan rail regionally. The Council of New England Governors (CONEG) was picked as the best forum to do that, because it already has a rail task force in place.

As the next step, Marshall said the participants will try to get the question on the agenda of the next CONEG meeting in some form. A meeting scheduled for late May was postponed.

Nancy Girard of CLF said John Melrose, the MDOT commissioner whom she characterized as “damn good, an unusually good commissioner,” agreed to take the initiative with his counterparts to get the working group set up. *{ARW discussion 22 June 99}* 

**GRS**

20 June. *GUILFORD TRAINS OVER THE WEST END HAVE INCREASED*, said David Fink, executive vice-president. This reflects the fact that NS now serves some Conrail destinations. That traffic, which formerly moved to Worcester and to an interchange with Conrail, is now moving on GRS to Mechanicville NY and an interchange with the Delaware and Hudson, over which NS has haulage rights [see 9 June, Day One]. *{ARW discussion}* 

*Some interesting comments on Guilford*

*The excerpts below, both positive and negative, are republished here because they reflect comments I hear often about Guilford, mostly from people who do not want the remarks repeated.*

‘[Guilford officials] have a reputation of being some of the hardest bargainers in any industry in New England, which has not endeared them to either state governments or other railroads in the region, according to many industry sources.’ The response? “We usually don't start these fights, but if it happens, we will do what we think is right, and if it means going to court, we will,” Vice-president Fink said. “If people want to make those comments and do it without the facts - it’s a free country.... When people make comments and allegations, we'll take them to court, and most times we'll win....”

‘Fink said that [prior to the strikes in the 1980s] his father and [co-owner Timothy Mellon - see Maine] never thought about giving in to the strikers. "My father told them that if you do that (strike), I'm going to run the railroads," Fink said, "and he did. My father and Mr. Mellon are not that type - when they decide to do something, they see it through.”

‘Some [short line railroads] complain that Guilford does not pay enough attention to freight trains being run by smaller companies, instead holding them back while Guilford's own freight trains run on the main line. Sources who deal with Guilford on a regular basis refused to be quoted by name for fear of legal trouble. However, several said there is a distinct difference between Guilford's operation and those run by shortliners. ’

‘Lori Barnes, whose family owns the two-mile Claremont-Concord Railroad Company, said that when her family bought the line in 1988, their only link to the outside world was Guilford. "It was tough to drum up business," she said, adding that Guilford was not very active in helping them. In 1990, Barnes and her family got a second interchange with New England Central Railroad, which has provided the majority of their business since. "We do more business with New England Central than with Guilford," she said, adding that connections to Chicago and points west through NEC’s connection to the Canadian National line are cheaper for her business.

‘Paul Crawford is the executive vice-president and chief operating officer of the Massachusetts Central Railroad, which is one of the few lines in Massachusetts that does not connect with Guilford. "I wouldn't want to be in that position (of relying on Guilford)," Crawford said. "From what I understand (from other railroad companies), their service isn't that good."

**A change happening**

‘“That's absolute nonsense,” said Fink of charges that his company doesn't pay attention to the smaller railroads. Over the past year, Guilford's service has improved, according to Leishman, the owner of the Milford-Bennington Railroad, who has battled Guilford in court several times [see New Hampshire]. "It's much better than it used to be," he said. "Over the last year plus or so, everything has been fine. They're not the hostile
 PW - AN UPDATE
17 June, Worcester MA. COMMENTS ON SOME PROJECTS
were provided by Deborah Sedares, the railroad general counsel.

Expansion of Worcester intermodal yard
The railroad is talking to the City of Worcester about developing additional space adjacent to its Wiser Avenue terminal [see 24 September 1998 issue]. According to the 1998 Annual Report, the expansion is occurring in connection with the Massachusetts Highway Department’s ‘Little Dig’ creating a direct Worcester connection to the Massachusetts Turnpike. ‘This project will result in a near doubling of the Company’s transload facilities over the next two years.’

Doubletracking north of Worcester
As part of a Worcester redevelopment project, the railroad relocated part of its right-of-way, and built two tracks on the Gardner branch through the Lincoln tunnel [a tunnel underneath Lincoln Street] and as far as Garden Street. CSXT and GRS use this trackage to access Ayer, splitting off from PW trackage at a point called Barber’s. However, Sedares said, no railroad has plans to extend the doubletracking beyond Garden Street, despite the fact that an old second track begins at Garden Street and continues for some distance north.

Funding track work in Connecticut
[See Connecticut.]

Doublestack clearance in Massachusetts
Acknowledging the apparent inability of the Commonwealth to move ahead on doublestack clearance for all of the state [see 9 June issue], the railroad continues to believe in a piecemeal approach. “We would encourage Massachusetts to consider doing the work in segments.” [Up to now, the Commonwealth has insisted on an all-or-nothing approach - see 22 March issue]

Traffic to New York
Despite the agreement with CSXT that PW can handle, via haulage or otherwise, new traffic to Fresh Pond NY [see 5 February issue], PW is still moving only stone trains.

Improvements at New Haven Station
“We are talking with CSXT about better facilities at Cedar Hill

Yard,” said Sedares [see 5 February issue]. PW would like a more permanent trailer and fueling facility, which would permit more efficient operation.

Fiber optic easements
According to the 1998 Annual Report, the railroad earned $2.3 million from sales of fiber optic easements throughout the system. The rights-of-way have additional capacity, said Sedares, and PW sells only non-exclusive easements. {ARW discussion}

CONNECTICUT RAILROADS

HRRC - TRANSLOAD
21 June, Hawleyville. THE RAILROAD’S SHEPAUG TRANSLOAD FACILITY IS ADDING NEW CUSTOMERS, said Rian Nemeroff, HRRC vice-president of sales and marketing. While declining to name them, he did say that one is using new inside space the railroad has added at its facility, and one is using new outside space. The facility, “a real success story”, has permitted existing customers to increase their traffic as well. “We’re expanding capacity to serve existing customers and new customers.”

New bulk facility
Nemeroff is working with CSXT to locate one of the Class I’s TransFlo bulk facilities in Hawleyville, just across the tracks from the Shepaug facility. He has gotten the nod from three different CSXT officials. “Now we can assess what potential users would need, and we can begin laying track.” He expects it to open before the end of the year.

Neither HRRC nor CSXT would look for a commitment from a potential user before building the facility. Rather, they seek only an “assessment from a possible customer that it would use the facility.” With 6-12 assessments in hand, the railroads will proceed.

In his past work at Conrail, Nemeroff oversaw the creation of bulk facilities at short lines in the same fashion: an assessment of possible use, but no commitment. “Distribution is a key method for short lines to grow traffic.” {ARW discussion}

NAUGATUCK RAILROAD
15 June, Waterbury. FREIGHT HAS NOT CHANGED, said John Gamm, the general manager; the railroad still has the one customer [see 22 March issue]. Freight does not contribute significantly to the bottom line at this point. However, with the advent of CSXT, that may change. Sales people, cordial and inviting, have called on NAUG and offered assistance in finding additional freight traffic.

The railroad is doing a major track upgrade, paying for it and doing it on its own. It bought track equipment, and hired a full-time maintenance-of-way supervisor. With the “good foreman,” Gamm related that his volunteers can do much of the track work.
Excursion traffic
NAUG runs excursion trains nearly year-round now, Gamm said. While he is seeing fewer school groups, a new wine train ("a first-class experience") is drawing good crowds and picking up the slack. The trains now run out of the Thomaston Station, with ticket sales and a full gift shop in the building, now under restoration.

Gamm estimated that gift shop sales account for about 20% of revenues. The industry rule of thumb states that for each revenue passenger, the gift shop can expect $1.50 to $2.00 in sales. NAUG’s Thomaston operation is exceeding that this year. {ARW discussion}

PW - Middletown/Old Saybrook
17 June. THE CHAMBER OF COMMERCE RAIL COMMITTEE is making progress obtaining a $496,000 appropriation for planning money [see 7 April issue] to examine passenger rail between Hartford and Old Saybrook [see 8 October 1998 issue]. Since the FTA will only release the funding if the locality can provide $125,000 in matching funds, the Committee will meet with nearby municipalities in July to explain the need and seek their assistance. The Committee will also approach the state and private business.

The money will come through the Mid-State Regional Planning Agency; all FTA funds must funnel through such a creature.

PW efforts
The railroad is seeking $2 million from ConnDOT to cover the cost of putting down the ties and rails donated by the department to reopen the 11 miles from Middletown to Hartford for freight service, said General Counsel Deborah Sedares. “We have a proposal pending before ConnDOT for track construction and have had no response back.” She declined to discuss whether the railroad might borrow the money for the work if ConnDOT would not provide it [the railroad became debt-free in 1998].

O’Connor related that the Committee is supporting PW in that effort. The PW 1998 Annual Report said: ‘With a planned industrial park [in Rocky Hill] along this line and a new connection to other carriers in Hartford, the Company believes restoration of this line will present revenue growth opportunities.’

The Valley Railroad work
Hugh Cox, chair of the Chamber Committee and participant in the Valley Railroad which runs excursions between Essex and Deep River along the line to Old Saybrook, said it recently let a contract to Underwater Construction of Essex CT for repair of three of seven bridges on the line north of Deep River. Two others Valley will renovate itself. Ridership is about even with 1998. This year marks the third of shortened rides, caused by the disrepair in the bridges. Still, Valley in 1998 carried more passengers, about 160,000, than any other FRA-regulated excursion railroad in New England [see 7 April issue]. {ARW discussions}

MAINE RAILROADS
CALAIS BRANCH
23 June, Augusta. AN EFFORT TO START UP EXCURSION SERVICE is continuing. Bill McDonald, the Vermont dentist and former Conrail engineer, is continuing to advocate for ‘doodlebug’ service sans Maxx Robinson [see 7 April issue]. McDonald reasons service out of Ellsworth east would not interfere with MDOT’s plan for a major passenger service between Bangor and Trenton [see 9 June], and he is willing to contribute toward track rehabilitation.

On 20 June, Cherryfield residents met with McDonald to advocate an excursion trip from Ellsworth to their town. Rehab of track over the 30-mile distance for lightweight service could cost about $500,000. McDonald noted that the Legislature, upon the initiative of Cherryfield State Representative Eddie Duguay, had appropriated $300,000 for rehab [see 9 June], though not specifically for that stretch. {ARW discussion with McDonald}

GRS - switching operation
21 June, Hinckley. THE NEW SWITCHING OPERATION CAUSED INFORMATIONAL PICKETING. Unions UTU and BLE objected to the contracting out of work formerly performed by GRS [see 9 June issue], viewing it as a violation of their contract [see below]. However, UTU official Michael Maloof said, the pickets were not seeking to shut down the switching operation.

Bob Nichols, an official at the SAPPI mill here, said the union objections had not interrupted work. He also noted that by using Florida Rail Services, nine jobs were added, and no GRS workers had lost a job.

ARW asked Maloof, Why not organize Florida Rail? He characterized that as a next step, but noted difficulties would arise because of the difference in pay between GRS union members and the Florida Rail workers, “some of whom are scabs from the 1987 strike.” {ARW discussion}

21 June, Portland. THE UTU AND BLE ARE SEEKING A CONTEMPT OF COURT CITATION against GRS for violating a permanent injunction, issued in March, concerning contracting out of industrial switching.

Background
In 1996 GRS attempted to negotiate an agreement with the United Transportation Union (UTU, which represents brakemen, conductors, laborers and police) and the Brotherhood of Locomotive Engineers (BLE, representing engineers and hostlers). The agreement would permit GRS to use smaller crews when switching industrial yards, and pay lower wages to engineers. The agreements were rejected by the membership of both unions.

In April 1998, GRS trained workers of the Aroostook and Bangor Resources (ABR) in Mattawamkeag to do switching for ABR. GRS also leased a trackmobile to ABR and four tracks at
Mattawamkeag (in addition to the two tracks that ABR uses inside its own fence) to facilitate ABR’s self-switching.

Sydney Culliford, GRS vice-president of transportation (and father of GRS general counsel Robert Culliford), suggested that ABR also switch other customers. By May 1998, ABR was switching Lincoln Pulp and Paper [see 22 October 1998 issue] and Champion International’s lumber mill in Passadumkeag.

In August 1998 the unions requested an injunction against ABR and GRS contracting out the switching, pending mediation of the dispute. In September 1998 the unions made a joint counter-proposal for a mill switcher agreement.

The legal dispute
Under current federal common law, unilateral attempts to change a union contract become ‘major disputes’ endowing a federal court with authority to issue an injunction. Mere disagreements over the meaning or coverage of the contract become ‘minor disputes’ which do not give the court such jurisdiction.

[The union contract presumably gives the union members the sole right to perform the work of the railroad. If the railroad creates a subsidiary to perform its work, and fails to give the union members that work under the terms of the union contract, it arguably is unilaterally changing the contract.] Here, Judge Brock Hornby noted that GRS and ABR disavowed reliance on any term of the agreement permitting contracting out, and instead argued that past practices, where GRS helped its customers take over its own switching, justified the ABR move. The judge ruled that the past practices do not resemble this situation, and therefore this dispute becomes a major dispute, and eligible for an injunction.

The judge then addressed the question of whether ABR switching was created by GRS to perform the work otherwise done by GRS. The defendants argued that ABR is no a wholly-owned subsidiary of Guilford.

The ABR/GRS overlap
The evidence, stipulated by all parties, shows that ABR was formed in August 1994 and capitalized by its three shareholders: Timothy Mellon, David Andrew Fink (pere), and David Armstrong Fink (fils). ABR, Guilford Transportation Industries (GTI), and Springfield Terminal Railway (ST) had, during the period in question, the same four directors: the three owners of ABR plus Richard Kelso [not the executive director of Maine’s Mid-State Economic Development Corporation, rather an official at brokerage firm First Wheat in Washington DC]. The four also serve as the directors of GTI and ST. [ARWand Guilford use the term Guilford Railway System (GRS) to cover GTI subsidiaries Maine Central Railroad, Boston & Maine Railroad, Portland Terminal Railroad, and ST, which leases the other three railroads]

‘These four individuals also own all the shares of [GTI]. The only difference in ownership between ABR and Guilford, therefore, is that Mr. Kelso owns some portion - the record does not indicate how big a portion - of Guilford but owns no portion of ABR.’ [The judge noted that after August 1998 Thomas Steiniger, new GRS president, became a fifth member of the ST board. For Fink fils - the ABR president - duties at Springfield Terminal include media relations and government affairs; he is responsible for running the daily staff meeting when the president is not available.’]

Judge Hornby concluded: ‘Given the close family relationship among these various corporations and Springfield Terminal’s failed attempt to negotiate more favorable terms for the work that ABR is now doing on a non-union basis, Springfield Terminal’s claim that it is not attempting to change unilaterally the terms of the collective bargaining agreements is totally implausible. Accordingly, the dispute between these parties is major, not minor.’

The judge found, and the unions agreed, that ABR could do its own switching, but enjoined ABR from performing industrial switching for Lincoln Pulp and Paper, Champion, ‘or for any other entity to whom Springfield Terminal currently provides switching services.’ {text of judgement and order, 2.Mar.99}

The contempt of court request
In early June, the unions went back to federal district court arguing that GRS was avoiding the injunction. They stated that GRS had requested the firm S&S Transportation of Lincoln ME to perform switching for Lincoln Pulp and Paper. On 5 March - three days after the injunction - union members observed that ‘the persons performing the switching were the same as those persons who worked for ABR’ and that ‘ST Trainmaster Harold Labbe was assisting the crew doing the work.’ ST provided Labbe with the switch list and he gave this information to S&S’ crew. Labbe later admitted S&S had leased ABR’s trackmobile and was using the same people.

Union officials talked to one of the S&S owners, Steve Stanley, who said that Sydney Culliford had asked S&S to take over the switch operations. According to the motion filed by the unions, ‘Stanley did not want to do this type of work until Mr. Jamieson, apparently general manager at [Lincoln - actually transportation manager], approached him on the ground that ST would only give him one switch a week and he needed more switches. Because [Stanley’s] business was wholly dependent on Lincoln Pulp’s viability, S&S agreed to take over the operations.’

Stanley also said that ST leased the trackmobile and a truck to S&S without cost. S&S was also requested to switch Champion and ABR. But Culliford informed Stanley that the arrangement could disappear “tomorrow” if GRS won the appeal of the March injunction.

Stanley also said GRS had asked S&S to switch customers on Hammond Street in Bangor, but Stanley declined because he could not do the work within the 45-hour period GRS had restricted his weekly work to.

The unions argued in their motion for contempt that GRS was using an entity in active concert with it to transfer industrial switching. {text of March judgement and June motion for contempt}

Next step
According to Michael Maloof, a UTU official, GRS had responded to the motion and the unions expect to hear “any day” about a hearing on the contempt motion. During this time they are conducting informational picketing at the SAPPi mill, also a site of contracting out [see above].

Fink fils said on 22 June that GRS is appealing the March ruling, and confirmed that ABR is no longer switching itself or
others. “We are abiding by the terms of the injunction.” {ARW discussions}

FOR THE RECORD:
MAINE
MOVING CLOSER TO THE WORK on the Portland-Plaistow line were consultant VHB and NNEPRA, who have opened an office in South Portland, as well as the head of construction Brett Rekola, who has moved to Wells. Rekola, from consultant Louis Berger, is working as a subcontractor to VHB’s Chris Baker, the project manager. {ARW discussion with Baker 17 June.99}

CN IS WORKING WITH OTHER CARRIERS to develop business in Maine, apropos of the STB statement about Champion’s concern for access to CN [see 9 June issue]. Mark Hallman, CN spokesperson, said the railroad would locate an account manager in Portland in the near future. {ARW discussion 11 June.99}

NO CONSENSUS IN BELFAST. General Manager Bob LaMontagne of the Belfast and Moosehead Lake said on 11 June that the city had offered some space away from the water [see 30 April issue] which would not suffice, so the railroad will not undertake Belfast passenger operations.

However, it will continue to service the diesels in the city. LaMontagne spoke of the possibility of additional freight customers near Belfast.

Excursion traffic is “way up,” he noted. In 1998, the steam engine operating out of Unity was shopped for repairs, leading to a reduction in trips. This year the engine is back in use. Also, for the past two or three years the excursions have provided excellent customer service, which has translated into positive word-of-mouth advertising as well as people returning for another visit. {ARW discussion}

THE LIGHT-DENSITY RAIL PROGRAM? Like New Hampshire, Maine is “thinking about applying for those funds,” said MDOT’s Rob Elder. To do so, MDOT would have to update its state rail plan from the 1995 version. Elder said he would suggest that the update be done as part of the department’s planned 2000 update of the Integrated Freight Plan.

THE INDUSTRIAL RAIL ACCESS PROGRAM proposed contracts were sent out to the successful applicants [see 30 April issue] a week ago, Elder said. {ARW discussion 23 June.99}

NH RAILROADS

HRRC - BERKSHIRE SCENIC
21 June, Lenox. EOTC NEEDS TO ACT in order that Berkshire Scenic get on HRRC rails, said HRRC Vice-president Ed Rodriguez. “In our view, the railroad and Berkshire Scenic have concluded negotiations and resolved all difficulties.”

About a year ago, Rodriguez explained, HRRC and EOTC reached general agreement on a contract under which the Commonwealth would pay $1.4 million for track improvements so Berkshire Scenic could operate safely over HRRC tracks [see 26 February and 22 March issues]. “It was a fairly complex, but imaginative solution. Unfortunately, the Commonwealth could not follow through.”

Now HRRC awaits a “whole new proposal” for the track rehab from EOTC, which has promised the railroad a draft. {ARW discussion}

NECR - CSXT TRACKAGE RIGHTS
21 June, St. Albans VT. THE RAILROAD HAS NOT YET TAKEN ADVANTAGE OF THE TRACKAGE RIGHTS it was granted as part of the Conrail splitup [see 3 December 1998 issue]. Mike Brigham, vice-president and regional general manager, said the right to run between Palmer and Springfield only covered traffic between CSO and NECR, not traffic originating elsewhere. He has no such traffic at this point, though he is working on some customers.

The rights also permit the two RailTex owned properties to move locomotives between them. “We haven’t had to do that yet,” he said.

Brigham responsibilities
He covers not only CSO and NECR, but also five other RailTex railroads: the Indiana Southern, one in Pittsburgh, and three in the southeast. {ARW discussion}

NHDOT - RAIL PLAN
22 June. THE DEPARTMENT IS LOOKING FOR FUNDS TO DO A NEW RAIL PLAN, said Jim Marshall, director of public works and transportation. The previous week, it had decided to program federal funds made available under TEA-21 for planning and research. The monies would pay for a new rail plan, a new aviation plan, and a new 10-year highway plan. The last rail plan was completed in November 1993; annual rail plans were required by the federal statute as a condition of eligibility for federal Local Freight Rail Assistance, a program whose funding ended in 1994. Section 7202 of the 1998 TEA-21 creates a new program, ‘Light Density Rail Line Pilot Projects’, for capital improvements and authorized $17.5 million for five years to fund it [see 2 July 1998 issue].

Marshall said the department will probably hire a consultant to do the rail plan. “We did our best with state money in the past”; a new plan would not only cover the existing rail infrastructure, but also describe the goals and future of state policy.

Kit Morgan of NHDOT did not believe that the US Congress had appropriated any funds for the first fiscal year (FY98) authorized. {ARW discussion}
AIRPORT BRANCH

10 June, Manchester. **THE SUPERIOR COURT DECLINED TO ISSUE AN INJUNCTION AGAINST THE AIRPORT** which is cutting the rail line to extend a runway [see 9 June issue]. Nancy Girard, attorney for the Conservation Law Foundation (CLF) which sought injunctive relief, believed the judge realized (1) the track was already removed, and (2) the runway will not go into operation until autumn. Thus, CLF should have time to pursue administrative remedies in both the Public Utilities Commission (PUC) and NHDOT. If one body required ripping up the runway to restore rail, that could be done before the runway were operational.

Girard has already filed a motion for expedited hearing with the PUC by 15 July. “We’re working in a cooperative spirit with the PUC, who supports getting a look at the issue.”

Speaking on 22 June, Girard said the New Hampshire Attorney General’s Office has not yet ruled on how either the PUC or NHDOT should proceed on the administrative track.

Federal pre-emption?

Jim Marshall said that in early 1992 NHDOT had discovered Guilford crews taking up rail on the Northern line, which was abandoned in 1991. Applying the state statute forbidding a railroad to tear up tracks without notice to the state [see 9 June issue], the department issued a cease and desist order. After the Guilford crews left, GRS attorneys argued that the federal statutory scheme pre-empted the state statute, and the state could not halt the track removal.

According to Marshall, the state attorneys agreed with GRS, and the crews returned to take up the track. [In that case, the railroad had already abandoned the line, whereas here neither the owner of the track - Manchester Airport - nor the service provider - GRS - has filed for abandonment.]

The status of the rail line

The airport has removed the entire track in and south of the airport to Route 28 [see 19 November 1998 issue]. According to David White, an official with NHRRA, the airport has constructed new roads over the right of way south of the runway in parts. Though difficult, the airport could restore the rail line to customers south of the runway, but to run north the airport must tear up the runway and build a tunnel under it.

A railroad could reach the customers south of the airport by running along a newly-built rail line around the end of the runway, thence south past the airport, and then north again in a newly-restored right of way. {ARW discussions 21&22 June.99}

GRS - NASHUA AREA CUSTOMERS

21 June. **THE RAILROAD HAS ITS OWN CUSTOMERS IN MILFORD**, in addition to Granite State Concrete served by MB [see below]. GRS serves customers on what it calls the Hillsboro Running Track, though not speedily: the 1998 Employee Timetable requires crews to flag crossings at five streets in Nashua and four in Milford.

Hendrix Wire and Cable. Located on Old Wilton Road in Milford, Hendrix receives “millions of pounds” of plastic pellets from Texas and creates electrical distribution cable which is sent out by truck. Chris Asselin, a Hendrix official, declined for competitive reasons to provide the number of cars received during twice-weekly deliveries.

Hampshire Paper. Located on Powers Street in Milford, Hampshire receives about 2-3 cars of paper a month from the Midwest and South, and converts it by printing or coating it to paper used for retail packaging and floral packaging. Steve Stepanek, president, said the company used only truck outbound because it shipped in less-than-truckload quantities.

Milford Lumber. The company does not receive directly via rail. According to Scott Austin, an official there, it belongs to a buying group which receives lumber at the GRS-served Larson transload center in Billerica MA, and trucks it north. {ARW discussions}

22 June. **SOME OTHER GRS CUSTOMERS IN THE AREA**:

Harcros Chemical. Located in Nashua at the Westwood Industrial Park on Route 101A [see 8 January 1999: regional], the company receives cars of caustic soda for transloading into drums, drayed to nearby users. Joseph Kubec, safety officer at Harcros headquarters in Cleveland, said the product was used in many industrial applications. The company moved from Merrimack to this location about a year ago.

Hampshire Chemical. The company receives about 40 cars a month at its plant between milepost 7 and milepost 8 (from North Chelmsford) on the main line in Nashua, according to an official in receiving. Now a subsidiary of Dow Chemical, the plant makes a wide range of chemicals, including cleaning compounds, fertilizers, pesticides (Roundup), and food additives. Trains also carry some of the product outbound, to destinations all over the United States and Canada. {ARW discussions}

Tamor Plastic Corporation. Now located in Leominster MA, Tamor is considering a site in Westwood Industrial Park, co-owned by Winstanley Enterprises [see 8 January issue] and local water company Pennichuck Water. The company requires rail access. {Nashua Telegraph 8 June.99 cited by John Spence in NERAIL 8 June.99}

Winstanly said he is talking with a lot of potential tenants for the industrial park. {ARW discussion 22 June.99}

GRS - SALEM CUSTOMER

14 June, Salem. **GRS IS BUILDING A RUNAROUND TRACK** just north of the last customer on the branch, Key Packaging. Kit Morgan of NHDOT noted that without the ability to run around, a train would need to back down the mile or so to Lawrence, through several grade crossings - a dangerous move. The runaround was formerly located farther north [see 16 July 1998].

Sale farther north

According to Jim Marshall, following the move of customer B&D Warehouse at the end of 1998 [see 2 July 1998 and 8 October
1998 issue], GRS has mentioned the idea of selling the two miles of what it calls the Salem Industrial Track north of Key Packaging. The removal of this part of the former Manchester-Lawrence branch would eliminate several grade crossings, including the four lanes of Rockingham Boulevard.

According to Dave Wright, a rail observer, the trackage north of Key Packaging remains as far as Kelly Road. A new building project just north of there on Route 28 has obliterated the right-of-way. Trackage north of there remains but looks terrible. {ARW discussions}

GRS has not yet filed for abandonment of this section, though it has notified the STB of its intent to do so in the next three years [see 5 February issue].

**MILFORD-BENNINGTON**

21 June, South Lyndeboro. THE RAILROAD WILL GRANT TRACKAGE RIGHTS TO GRS to reach Quinn Brothers Sand and Gravel here and bring out ballast stone for the upgrading of the Portland-Plaistow line. Peter Leishman, owner of MB, declined to provide details of the agreement, calling it “good and fair” and a “mirror” of the trackage rights GRS has granted to MB.

Not only will the deal boost the local economy and the local railroad, the “gravel tax” levied on the product will also help state coffers, noted Leishman, who serves as a state representative. New Hampshire exacts a gravel tax of 2 cents per cubic yard when the product leaves the ground.

**Details of the new operation**

Quinn won the bid to supply ballast stone for the Portland-Plaistow reconstruction by a considerable margin. After some negotiation, Quinn and NNEPRA are about to sign a contract.

Leishman said Quinn has agreed to supply around 100,000 tons of stone this year and the same next year. That amounts to about 1,000 carloads a year; both Amtrak and GRS ballast cars will be used.

To move the stone efficiently, GRS wants to run 20-25 car trains each day. The normal interchange track, in Wilton, will only hold about 10 cars. GRS proposed in April that MB grant it trackage rights so the trains could run direct to the Quinn quarry without interchange, and the two sides reached an agreement in principal. Leishman said he was awaiting the final language on the trackage rights.

**Temporary delivery**

Chris Baker of VHB, the consulting firm handling the Portland-Plaistow track construction, said due to the holdup in completing the bid award, GRS had agreed to supply ballast from its own account. Leishman noted that he had run nine empties up last week, and brought down 10 loaded cars this day from Quinn for GRS.

**Current operations**

MB has two customers. For Quinn, about twice a week it moves carloads of ballast from South Lyndeboro, milepost 19 from Nashua, about three miles to milepost 16.36 in downtown Wilton, where GRS and MB track meet. GRS picks up from MB about 200 cars a year of the Quinn stone. The Quinn quarry has a runaround track built in 1996 which can hold 20-25 cars (depending on length); MB supplied the 85-pound rail taken out of the main line as well as the switches, while Quinn provided the cross ties and switch timbers.

For Granite State Concrete, four times a day MB moves a train of seven cars of aggregate three miles. The train begins in Wilton at about milepost 18.5 - directly adjacent to the Quinn quarry - and ends at the Granite State facility off Westchester Street, at about milepost 13.5 in Richardson, an area in west Milford. One crew member, Conductor Dave Raymond, operates the machinery which loads the stone into the hoppers in Wilton, and opens the bottom hatch in Milford, permitting the stone to drop down onto a conveyor built. In 1998, MB moved about 3175 cars for Granite State, a decrease of about 1000 from 1997 caused by a track washout and, more significant, a breakdown of one of the Granite State crushers.

Why not move the Richardson operation to the quarry? Leishman explained that Granite State did primary crushing at the quarry, and secondary crushing and washing in Richardson. The quarry does not have enough water, while the Richardson washing facility has access to wells and water recycling. Quinn, on the other hand, uses the water of the Stony Brook to wash his aggregate, but the brook would not supply both Quinn and Granite State.

All of Granite State’s product moves out by truck, to four concrete plants in New Hampshire and neighboring states. MB has looked at moving the product by rail, but no arrangement for doing that has jelled.

**Existing trackage rights and interchange**

In 1992, GRS granted MB trackage rights not only to Richardson, but farther, to a runaround track at milepost 11, one mile east of downtown Milford, where Route 101 crosses the track. Located the end point here permits MB to use the runaround track there for storage, as well as a runaround track in downtown Milford at milepost 12. (The Milford runaround track until 1942 was part of the intersection with a line leading south to Brookline and thence to Ayer MA.)

Interchange for the crushed rock from Quinn occurs in downtown Wilton, at the yard on Howard Street.

**History**

The State of New Hampshire bought the line in 1986. “I saw the potential for the railroad when I saw all the stone running by truck. People like to see the trains running through town rather than the trucks.” The seven cars, each carrying 100 tons, replace 21 truckloads, or a total of 63 each day. “It’s a major savings and environmentally safe. A truck burns 100 gallons of fuel a day; a train uses 400-500 gallons a week.”

Leishman incorporated the railroad in 1987, then spent five years negotiating trackage rights with GRS, including two years before the Interstate Commerce Commission, predecessor to the STB. “The ICC essentially brokered the agreement,” and the railroads finally signed it in July 1992. The term extends “well into the 21st century,” Leishman said.

**New operating agreement/maintenance**

In January 1999, MB negotiated a new operating agreement with NHDOT, which owns the track west of Wilton as far as
Bennington. Earlier, Leishman had paid a “flat fee each month” regardless of how much revenue he was generating. Other railroads operating on state lines had various other arrangements, so the Department renegotiated the agreements to treat all railroads equally: each pays 5% of its gross revenues as a fee, and pays 20% of its gross revenue toward maintenance. MB’s new agreement is scheduled to take effect at the end of July, according to NHDOT’s Kit Morgan.

Under the old agreement, Leishman had responsibility for all state trackage, from Wilton to Bennington. He had hoped that a major company in Bennington, Monadnock Paper, would return to using rail, but MB still has no customers past the Quinn quarry. For that reason, MB’s new agreement only covers to milepost 20, about a mile past the Quinn quarry. He is not required to carry insurance covering his operation west of that milepost.

However, Leishman still hopes for customers there; he had the section to Bennington sprayed last week at his expense, and is working with volunteers from the NHRRRA to talk to potential customers. He sees some potential in Greenfield, and notes that the railroad as courtesy checks the track to Bennington; “it’s not in bad shape.” {ARW discussion 21 June.99; Albert McKeon in Manchester Union Leader 3 May.99}

## NEW ENGLAND SOUTHERN

21 June, Concord. THE RAILROAD IS COMPLETING THE TRACK RELOCATION which will permit construction of the new convention center [see 5 November 1998 issue]. Peter Dearness, NEGS president, said the 2.5-3-week period during which the track to the north is cut will soon end. Customers there laid in extra material and thus are not affected by the interruption.

NEGS crews removed the old track; contractor H.C.Ladd excavated the new ROW; and Maine Track Maintenance is laying the 3100 feet of new track.

New customer?
A bottling company could become Dearness’ next shipper [see 8 January issue], on the track north of Concord. He declined to provide more details, except to say “quiet discussions are continuing.” {ARW discussion}

## NASHUA COMMUTER SERVICE

15 June, Nashua. THE MAJOR INVESTMENT STUDY ON THE COMMUTER RAIL EXTENSION showed “the project will clearly be a success,” said Andrew Singelakis, executive director of the Nashua Regional Planning Commission. Undertaken by the Commission with the assistance of consultant Vanasse Hangen Brustlin, the MIS was required as part of the filing for a New Starts program under the federal TEA-21 program [see 7 April issue].

A table accompanying a memo Singelakis wrote to accompany the draft MIS provides a summary of the results:

<table>
<thead>
<tr>
<th></th>
<th>MBTA to Route 3, exit 2 in Nashua</th>
<th>MBTA extension to Merrimack</th>
<th>Rail shuttle</th>
<th>Intercity bus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated daily ridership*</td>
<td>926</td>
<td>1004</td>
<td>623</td>
<td>225</td>
</tr>
<tr>
<td>Infrastructural cost</td>
<td>$21.5M</td>
<td>$26.6M</td>
<td>$21.5 M</td>
<td>$2.2M</td>
</tr>
<tr>
<td>Annual operating deficit</td>
<td>$0.5M</td>
<td>$1.6M</td>
<td>$0.5M</td>
<td>$50,800</td>
</tr>
<tr>
<td>Maximum % vehicle reduction**</td>
<td>11.9%</td>
<td>12.9%</td>
<td>8.1%</td>
<td>2.4%</td>
</tr>
<tr>
<td>Vehicle miles travelled reduction</td>
<td>41,112</td>
<td>46,898</td>
<td>20,42 2</td>
<td>14,325</td>
</tr>
</tbody>
</table>

*Assumes six weekday round trips and three round trips each Saturday.
** During peak hours 0600AM-0700AM and 0600PM-0700PM.

Singelakis looked on the first alternative as the best, because at a considerable lower operating subsidy it provides nearly the benefits of the second alternative. The rail shuttle option, while giving favorable numbers, would involve a private operator running a train to Lowell, and is opposed by the MBTA. The bus costs far less but also provides little of the benefit.

Singelakis also noted that ‘VHB did additional work, evaluating the extension of service to downtown Manchester via a location near the proposed Manchester Airport Highway Access Road in Bedford. Since these alternatives were located outside of the NRPC region, they were excluded from the MIS.’

Next move
Nashua RPC will meet with Dick Doyle, regional FTA administrator, in the next few days to discuss exactly how to apply for the New Start funding. Singelakis will also discuss with NHDOT and MBTA their requirements for participation in the service. Fortunately, the cost came in under $25 million. Projects exceeding that level require an Environmental Impact Statement.

“The T has expressed an interest” in trading equipment for operating funding, a deal the T has already struck with Rhode Island. If the T picks up the $500,000 operating deficit for 10 years, that would require New Hampshire to spend $5 million to acquire possibly two train sets, said Singelakis.

On 30 June, NRPC will hold a public hearing on the MIS at the Nashua City Hall Auditorium at 0130PM.

Federal appropriation possible
US Senator Judd Gregg (R, New Hampshire) succeeded in earmarking the Nashua commuter service for an appropriation in the Senate version of the FY00 US transportation appropriations
bill [see 4 June 1998 issue for earmarking in TEA-21]. No dollar figure was attached at the time. According to Singelakis, the House version does not include similar language, so the different versions must be resolved in committee.

Train speed
Some noted that VHB assumed the train would travel at only 60 miles per hour, while rail advocates prefer 79. But Singelakis noted that the speed increase would provide only 3 minutes time decrease, even if the train were travelling at top speed the entire distance of 11 miles. Since the train will require some distance to both accelerate and decelerate, the time difference becomes negligible. {text of memo; ARW discussion 21 June.99; Joshua Trudelle in Nashua Telegraph 14 June.99}

FOR THE RECORD:
NEW HAMPSHIRE
HOW ABOUT THE LEGISLATURE? Both houses have now passed and sent to the governor HB444, the study committee on passenger rail from Newburyport to Kittery ME. The Senate Transportation Committee is still holding HJR6 on revival of the Northern line. And the legislature is still considering the budget.

Jim Marshall, NHDOT director of public works and transportation, said the $1.45 million sought by the department for rail acquisition [see 22 January issue] was included in both the house and the senate budget bills. (ARW discussion with Marshall and with legislative reference librarian 22 June.99)

******
THE PROPOSAL FOR THE RAIL COUNCIL remains on Commissioner Leon Kenison’s desk [see 7 April issue]. Marshall provided the commission with a draft membership, plus a mission and vision statement. The commissioner needs to decide when to implement it. (ARW discussion 22 June.99)

RHODE ISLAND RRs

PW - PAWTUCKET
22 June. THE TURNER’S ISLAND RAILROAD IS OPERATING A THREE-ACRE YARD here, to receive granite stone. Roger Hale Jr, manager of the railroad which operates in South Portland ME, said stone for three different consignees is offloaded using a crane.

The consignees
Stone from the leased yard moves north by truck to Lemar Industries, west to New England Stone (about 250 stones a year), and south to Castalucci Stone (about 200 stones in 1999 and 200 in 2000). The stones average about 40,000 pounds, meaning TIR can get five stones on a 100-ton car.

Much of the stone moves from Maine on TIR’s four flatcars [see 98/#24], but all three receive stone from points around the United States. Four cars are arriving from South Dakota via BNSF, and four cars from Texas via BNSF.

The yard operation
TIR asks PW to switch the yard, which lies on Pine Street just north of I-95. In South Portland, TIR does its own switching with a trackmobile, and interchanges with GRS at Rigby Yard. Hale rated GRS service as good. {ARW discussion}

VERMONT RAILROADS

AMTRAK - ABRB
22 June. VAOT WILL SOON AWARD CONTRACTS TO VRS for work in preparation of the Amtrak service to Manchester, said Sue Compton, rail program manager. It includes the state appropriations of $1.45 million for work on the Hoosick branch west of Bennington [see 26 May issue], to cover tie replacement and ditching, in preparation for new rail. The state has not yet resolved whether it will install continuously-welded rail. VRS will also get a $350,000 contract for track work south of Rutland.

While some hoped for initiation of Amtrak service this year, Compton viewed that as “optimistic.” {ARW discussion}

COMMUTER RAIL: BURLINGTON
22 June. WHAT’S LEFT TO DO? The rail cars have arrived and will go into service between Burlington and Rutland [see below]. Compton listed, as the only barrier to beginning service, constructing the crossings. The state has agreed to some quiet zones before service begins. She needs to acquire one locomotive, and has not decided whether to purchase it, or lease it. She also needs, half-time, a backup to permit servicing of the main locomotive.

Vermont Transit Authority
The VTA will take over operation of the service once construction has ended [see 12 May issue], Compton hoped. The governor needs to appoint the board, and the board needs to hire an executive director and find a dedicated funding source. {ARW discussion}

Extension to Essex Junction
The study’s steering committee will hold its final meeting on 8 July [see 12 May issue]. Public hearings will follow and then the board of the Chittenden County MPO, which is funding the study done by R.L.Banks, will discuss it in August. {ARW discussion with Peter Keating of MPO 22 June.99}

FOR THE RECORD:
VERMONT
MORE ON VAOT REORGANIZATION [see 9 June issue]. Most of the rail people will move to project development, said Sue Compton, rail program manager. In addition, Dan Grahovac and Doug Zorzi, who formerly did planning for both rail and aviation, will go with the rail group to project development.

BURLINGTON-RUTLAND CONNECTING SERVICE should begin on 1 August, said Compton; the state is announcing that today at a rail rally in Burlington. Trains will leave Burlington at 10 AM, arrive in Rutland at 12:30 PM to meet the Ethan Allen (arrives 12:30 PM, departs Rutland 12:15 PM). It will leave Rutland
at 1250PM and arrive back in Burlington at 0320PM. The service will run at least one month, and possibly longer depending upon demand.

PRELIMINARY ENGINEERING ON THE BELLOWS FALLS TUNNEL will be handled by VAOT consultant Gordon, Bua Read, and paid for by the $100,000 appropriation [see 12 May issue] matched with $100,000 from VRS. Compton said the engineers will examine whether the tunnel can be reconfigured for doublestack clearance (20'6"). {ARW discussion 22.June.99}

THE WELLS RIVER DEAL continues to cook [see 9 June issue]. John Dunleavy, VAOT’s assistant attorney general, is contracting with Washington counsel because of the complexities involved. He believes the self-imposed 1 August deadline for taking possession now “looks unrealistic.” {ARW discussion 22.June.99}

NECR CONTINUES ON THE WACR, said General Manager Mike Brigham, recovering from the May derailment of Bombardier cars. NECR serves the plant weekly, pulling out Amtrak passenger cars. {ARW discussion 21.June.99}

FOR THE RECORD:
NEW BRUNSWICK NEW TRANSPORTATION MINISTER. Following the 7 June election win of the Progressive Conservatives, new Premier Bernard Lord appointed Margaret-Ann Blaney as transportation minister and minister responsible for the status of women. According to the official release: ‘Margaret-Ann Blaney was elected to represent Saint John-Kings on June 7, 1999. She was a leadership candidate for the New Brunswick PC Party in 1997, and also co-chaired the party policy development committee. In 1998 she chaired the Kidney Foundation fund-raising campaign in southern New Brunswick, an event which required 500 volunteers. She is involved in many activities, including Partnership 2000; board member of the Saint John Aquatic Centre, member of the Saint John Kings Rotary Club, and member of the Kennebecasis Valley Chamber of Commerce. She and her husband Michael have a son and a daughter.’

CBCN IS CONSIDERING A 56-KILOMETER SPUR TO GOLDBORO, the first such major track construction in nearly 100 years. It would serve the proposed industrial park, which would use the Sable Island gas [see 22 March issue]. {Jeff Fulton in Halifax Herald 18.June.99}

QCR STARTUP IN AUGUST? Michel Champoux, heading up the effort for Express Marco, said his crews are already repairing the track, and will do more work in July. For some severe problems, however, such as a washout in Beauceville, he will also need to hire contractors. The railroad plans to begin both freight and excursion service at the same time.

Roger Ledoux of MTQ noted that QCR would require a certificate of operation from the Québec Transportation Commission, a process which could consume several weeks.
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PORTLAND
21 June. **WHAT WILL THE PORT DO WITH THAT MONEY?** Captain Jeffrey Monroe, director of the Port of Portland, provided the following details on how the port got an extra $3 million attached by the state legislature to the transportation bond bill [see 9 June issue]:

**Working with the legislature**
[Correcting the 9 June account] the Appropriations Committee held a working session on the bond bill. Monroe said members of the Committee, following a general presentation by John Melrose, asked him to work with three parties seeking additional funding: Portland, the Bangor and Aroostook Railroad, and the City of Bangor.

Monroe sat down with Melrose and his staff to agree on language covering the additional funding the port wanted. According to Monroe, early in 1999 the port had sought $10.171 million; the state countered with $4.776 million, which was raised to $6.776 million after a Portland group met with Governor Angus King.

At the early June meeting, Portland and MDOT agreed to add $2 million from the bond fund and $500,000 in federal funds for a transfer bridge for the passenger ferry M/S *Scotia Prince*. The total then came to $9.476 million.

According to a memo Monroe wrote at the time, ‘[t]he remaining $695,000 which was not funded would have covered the anticipated balance of the crane acquisition, which came in under the projected total cost. In addition, we made some adjustments to the anticipated cost of terminal paving.’

The final bond package passed the joint Transportation/Appropriations Committees on 3 June, and the Legislature at the weekend. Monroe wanted to credit not only the Propeller Club, but also the Chamber of Commerce, Convention and Visitors Bureau, Portland Pilots and Docking Masters, Portland Marine Society, Waterfront Alliance, ILA, AFL/CIO and many more who wrote letters, made personal calls, and spread the word.

**Buying a new crane**
Monroe explained that while the bond money will pay for a two-year repackaging of the waterfront, the port wanted the new crane immediately. Currently the port uses a truck crane which can handle 12-14 lifts an hour; costs for a new crane, including pier strengthening, were estimated at $2.9 million. Bids went out in December 1998, and came back in May, indicating the port would only need about $2.4 million. It already had $1.1 million from a 1995 bond issue, and another $1.1 million in CMAQ federal funds; Monroe believes the bond language is flexible enough “to close the $200,000 gap.”

In early June, the city chose the Liebherr bid. The new crane, expected in 12-20 weeks, can do 22-24 lifts an hour. The new speed will decrease the length of time a ship spends in port, and hence ultimately reduces the cost to shippers. “We’re already one of the lowest-cost ports on the East coast. We want to help out Hapag-Lloyd and ITO (the operator).”

**The new cargo arrangements**
ITO currently has the use of three acres of city land to run its container operation. The city recoups its costs and investment by charging dockage and wharfage fees to the ship. The new crane will go into use right away, but the fee arrangement will not immediately change.

Once the city has moved the passenger operation out of the International Terminal, and created a 12-acre cargo facility - Monroe expects completion in 2002 - “we might then enter a new business arrangement” with ITO, under which it might end up leasing the facility **cum crane**. ITO is undertaking the preliminary design work now.

**Rail connections**
Monroe said the new passenger ship facility will have rail access ‘for the hoped-for Portland to Montréal passenger service.’ And once the new cargo facility has come on line, he plans to work with GRS to provide rail access for containers. *ARW* discussion}