Atlantic Rail Watch
operating railroads + their intermodal facilities, ports, and government environment

Issue 99:13  16 July 1999

REGIONAL ISSUES

US rail program: No funding this fiscal year.
Conrail split: Affects two shippers.
FTR: Ted Michon back.

CONecticut
PW: No money from ConnDOT.

Maine
B&A: Presque Isle intermodal status.
Calais branch: [See Eastport.]
FTR: More on transportation bond bill.

Massachusetts
[No report.]

New Hampshire
Legislature: Study of Northern held over.
Airport branch: Abandonment filed, no hearing yet at STB.
GRS: West Lebanon sale nearly done, NHDOT considering operators, Twin State facilities.
MB: NHDOT holds up trackage rights.

Rhode Island
PW: Rail and marine shippers in Providence and East Providence.

Vermont
FTR: OMYA spur, Burlington-Rutland service.

Maritimes/Québec
CBCN: Passenger rail to Halifax. Four possible build-ins.
CN: Salt customer to Saint John.

Atlantic Northeast Ports
Eastport: Continues to seek rail. New customer?

QPD: Governor likes small load center.
Boston: Traffic up.
Halifax: Traffic up, task force to start.
Saint John: Traffic up.

FROM THE PUBLISHER

Proport
A description of Providence rail and marine shippers takes up several pages of this issue. I enjoy these overview pieces; they help me understand the transportation network in the Atlantic Northeast.

The prediction that NHDOT will own the West Lebanon branch by August means that part of New Hampshire will get rail service back - wonderful, wonderful.

Finally, and my favorite piece of news: salt and potash are finally travelling together to Saint John. Such an obvious step, what took so long?

Date of issue
Due my back forcing me to lie down, this issue emerges later than announced. Because of a vacation - if the back permits - at the end of July, the next issue comes out next week.

- Chop Hardenbergh  Next issue: 23 July.

Regional Issues

Federal Pilot Rail Program
12 July, DC. NO APPROPRIATION WILL APPEAR NEXT YEAR for this program, which was authorized under TEA-21 [see 23 June, New Hampshire]. According to Alice Saylor, vice-president of the American Short Line and Regional Railroad Association:

FY99 The program was authorized so late in the year that proponents had no chance to get an appropriation passed.

FY00 In late 1998 and early 1999, ASLRRA and others sought to convince the Federal Rail Administration to support an appropriation for FY00, which begins on 1 October 1999. The Clinton administration declined to support an appropriation, however, and proponents’ effort to amend the transportation appropriation bill to provide some funding failed.

FY01 Saylor said her association and others will try again next year. {ARW discussion}

CONRAIL SPLIT

13 July. TWO SHIPPERS DESCRIBED THE EFFECT ON THEIR OPERATIONS when NS and CSXT took over Conrail on 1 June.

Safe Handling

This Auburn, Maine transload operation receives chemicals on SLR, either from the north via CN, or the south via GRS. Paul Turina, one of the principals, said he had some delivery problems, more commonly for NS-origination shippers, but more problematic for one CSXT shipper. The NS shippers did truck the product to Auburn, where Safe Handling transferred it to empty railcars. The shipper had to bear the extra expense of using trucks.

But Safe Handling never received any product from the CSXT shipper, and its customer had to get the product from another source. “We lost six to eight truckloads of product” and thus lost revenue, said Turina.

“We had no problems the first two or three weeks, only the last few weeks,” he noted, with the slowdowns experienced in both the GRS and the CN lanes. “I think we’re at the end of it. Cars appear to be coming in normally, and we’re at normal inventory.”

OMYA

This Procter, Vermont marble slurry shipper sends product all over North America. Ken Enzor, the transportation manager, said he had had to supply six to eight customers - about 15% of the total - via truck at one time or another. “Cars go out and get tied up, or mis-directed. We then have to ship product by truck to meet the customer’s needs while the car is still enroute.” One account on NS has been “continuously aggravating.”

A problem for Enzor: finding enough trucks, both liquid and dry bulk, to send out to fill the urgent need.

Any improvement lately? “Nothing I would want to celebrate,” said Enzor. {ARW discussion}

FOR THE RECORD: REGIONAL

FORMER B&A PRESIDENT TED MICHON has returned to Falmouth MA after a stint at Savage Industries. Despite Savage’s desire to purchase short line railroads [see 19 February 1998 issue], Michon said he found nothing could be bought at a sensible price; he is resuming consulting on Polish and Central American railroads. {ARW discussion 9 July 99}

CONNECTICUT RAILROADS

PW - CONNECTICUT

13 July, Newington. THE RAILROAD WILL NOT GET MONEY FOR THE HARTFORD-MIDDLETOWN STRETCH from ConnDOT [see 23 June], according to rail planner Ray Godcher. PW officials held to high-level meetings with department officials more than a month ago, and two letters went out to the railroad saying the department could not provide the funds to pay for putting the new track materials in the ground. “We just don’t have the money, or any part of it,” said Godcher.

He explained that when then-PW General Counsel Heidi Eddins first discussed the project, ConnDOT agreed to provide the rails and ties for the state-owned line, and Eddins agreed the railroad would pay to put them in. Then PW changed its mind.

One problem: the railroad lacked a major shipper who would benefit from the re-opening of the line. Godcher conjectured that the line, by providing a second route between New Haven and Springfield, would help CSO which otherwise had to pay Amtrak for the trackage rights.

Use it or lose it?
The state has not told PW that the state would take back the ties and rails if, within a certain period of time, PW had not used them. With the delivery of the last batch of ties cascaded out of the Northeast Corridor [see 9 June], though, ConnDOT did say that the railroad had to use them within a year, without state assistance. {ARW discussion}

MAINE RAILROADS

B&A - PRESQUE ISLE FACILITY

8 July, Presque Isle. THE INDUSTRIAL COUNCIL HAD TO SCALE BACK ITS PLANS for the permanent intermodal facility [see 9 June] when the only two bids came in “way above budget,” according to Executive Director Larry Clark. The facility will have a gravel laydown area, like that in Auburn (hot-topping would have cost $200,000 more), and will not have a office-cum-garage. Clark hoped money would remain at the end of the contract to add the building back in, but if not he is prepared to buy an office trailer [Conrail operated out of such trailers at its West Springfield MA yard].

The schedule

Clark planned to meet with the apparent low bidder, Ed Pelletier & Sons, the week of 12 July to iron out the final details. He will then issue a notice of award, which Pelletier must return within 15 days. Clark will then issue a notice to proceed.

The bid specifications required work completion by 31 December 1999, though that date may slip a little. Pelletier will not
do the track work; he has prices from two different rail contractors to do that work.

**Interim facility**

LMS took over the switching of the Skyway Industrial Park on 21 June, as scheduled. Trial service continues, Clark said. He has heard that one shipper will try the service to the Carolinas. “It’s going to take awhile to build traffic.” {ARW discussion}

**CALAIS BRANCH**

[See Eastport.]

**FOR THE RECORD: MAINE**

MORE EXPLANATION OF THE TRANSPORTATION BOND BILL. MDOT Commissioner John Melrose explained how the Legislature was able to add $3 million for B&A projects, and $2 million for the Portland waterfront, and still reduce the bond bill from a proposed $56.6 million to $56.0 million [see 9 and 23 June issues]. The highway portion of the bill was cut by $5.8 million, but the Legislature agreed to make that up from the general fund.

Melrose added that the B&A must match the $2 million it is receiving toward track reconstruction dollar for dollar. In addition, the state will recoup the money if the line is sold.

While the bond bill does not contain language explaining these details, Melrose said he had written a letter to the Transportation Committee with the language, which constitutes a commitment of the executive branch. {ARW discussion 23.June.99}

**NH RAILROADS**

**LEGISLATURE - NORTHERN LINE**

29 June. THE LEGISLATURE RE-REFERRED THE STUDY OF THE NORTHERN LINE TO THE SENATE TRANSPORTATION COMMITTEE, HJR6, as it ended the session. In early June, Senator Clifton Below and NHRRRA past president Paul Chapman discussed crafting a ‘Rail-with-Trail’ plan to be considered by the Senate Transportation Committee.

Subsequent discussion with other parties led to a consensus that an alliance with trails interests would benefit both groups in obtaining funding and furthering their respective interests along the Northern Corridor. On 16 June, members of the NHRRRA met with representatives of the three regional planning organizations concerned with the Northern Line "corridor-of-commerce" at the offices of the Central New Hampshire Regional Planning Commission in Pennacook, with representatives from the Upper Valley-Lake Sunapee and the Lakes Regional Planning Commissions. The situation and opportunity were thoroughly reviewed, copies of the Tuck Report were provided, and it was agreed to re-convene on July 21st, at 1:00 PM after each had obtained the endorsement of their respective organizations to proceed. All three groups expressed enthusiasm and vision as to the potential for the corridor.

At the June NHRRRA meeting, members agreed to a committee coordinated by Steve Flanders and Kenyon Karl to walk every foot of the corridor and postulate the most appropriate configuration for a rail-with-trail design. NHRRRA and trails advocates would then draft a rail-with-trail proposal for use by the Northern Line Coalition, and the Senate Transportation Committee. Senators Below and Russman would in November work with the Senate Transportation Committee to get a Northern Line resolution to the floor in January. {minutes of NHRRRA meeting}

**AIRPORT BRANCH**

2 July, DC. THE STB WAIVED A FORMAL ABANDONMENT APPLICATION for the section of the Manchester-Lawrence branch purchased by the Manchester airport. [More in a future issue, especially on whether CLF will intervene.]

**What about the requested hearings?**

NHDOT hearing officer Paul Sanderson had not heard a ruling from the Attorney General on whether he should hold a hearing in response to the request of the Conservation Law Foundation [see 23 June issue]. He hoped to hear soon, as he would like to get the matter resolved. {ARW discussion 13.July.99}

**GRS - CUSTOMER EXPANDING**

29 June, Charleston. RYMES HEATING OIL RECEIVED APPROVAL TO ADD NINE PROPANE TANKS of 90,000 gallons each, for which it had built a second track in 1998 [see 22 January 1998 issue]. At a hearing before the town zoning board, Mr. Rymes told the board that the expansion is based on need for more storage, nothing else. This arose in part because of slow rail service. He cited times in 1998 when rail cars bypassed the River Road site, leaving the company without propane to distribute from the site.

Currently, GRS moves about 130 cars a year to the site, which already has six 30,000-gallon tanks. Matt Ross, Rymes controller, said the firm would add the new tanks in stages, beginning with three it hoped to build by the end of the year. That would double current capacity, which Rymes would use for its own account. Plans to supply other dealers, which Ross described in January, have not yet materialized.

Ross said GRS deliveries this year were “pretty regular in the spring and early summer.” He did not see any effect from the Conrail splitup. {ARW discussion 13.July.99}

**GRS - WEST LEBANON**

14 July, Concord. NHDOT IS CONSIDERING OPTIONS FOR LEASING THE WEST LEBANON BRANCH, said Jim Marshall, the department’s director of transportation and public works. The 21 July agenda for the governor and council has an item seeking permission for NHDOT to purchase the line and the West Lebanon Yard. The department has not yet signed the purchase and sale agreement; “we’re still addressing some environmental concerns and we want the Department of Environmental Services comfortable with the state acquiring this land.” Marshall hoped that by August the department would
own the track and land; he said GRS has been quite cooperative and is anxious to make the sale happen.

New Hampshire will acquire trackage rights on the White River Junction VT line, permitting trains to reach NECR even though Vermont has not yet bought the Wells River branch.

**Who will operate the branch?**

The department knows of several parties interested in operating the branch, said Marshall. NHDOT may want to have the right to operate already assigned “to an operator we are comfortable with” before it assumes ownership, or NHDOT could use a request-for-proposal approach to find the right operator. [Whoever is selected can expect traffic upward of one thousand cars a year on the three-mile line - see 9 October 1997 - well above average Class III density - see Atlantic Northeast Rail and Marine Transport Review 1999.]

**The interest of Twin State Sand and Gravel**

Bud Ames, head of the company, is awaiting completion of the deal to permit movement of aggregate from his quarry in Hartland/Hartford VT to the processing facility in West Lebanon. Several potential operators have asked him about the service he wants: NECR, B&A, the Claremont and Concord, and a Massachusetts company which does locomotive repair work. [Peter Leishman of the Milford-Bennington has also looked at the branch - see 22 January 1998 issue.]

On the Vermont end, Ames had planned to run a spur into the quarry area through a residential area, but decided against that route; “we would take trucks off the road, but cause hardship to residents.” His company is now looking at how to run a spur directly into the pit, which lies 150 feet above the NECR main line. That would cost several hundred thousand dollars.

On the New Hampshire end, he will need to spend even more money to build an adequate unloading facility. In addition, the City of Lebanon and Twin State are developing a master plan for the facilities, which will include redoing a city street. Lebanon has put the work into its capital budget, and is more likely to more ahead if Twin State can finally get rail service. [ARW discussions 14 & 15 July 99]

**MILFORD-BENNINGTON**

15 July, Concord. *THE STATE HELD UP GRS’ USING MB TRACK to reach Quinn Brothers Sand and Gravel [see 23 June issue]* because, as Marshall said, “we only heard about it reading Atlantic RailWatch.” NHDOT’s agreement with MB to use the state-owned tracks did not include a provision for third-party use. Since the state wanted to ensure that the extra traffic did not damage the track, it asked for written detail from MB and GRS. To date, said Marshall, he had not received any information from either railroad about the arrangement.

Peter Leishman, owner of MB, said the hold meant no agreement on trackage rights, and hence MB could only bring 10 cars at a time to GRS, rather than the 25 cars GRS wanted. Fortunately, according to Chris Baker of VHB, the track work between Portland ME and Plaistow NH is slowed up so that the construction gangs do not need that much ballast at one time. [ARW discussions]

**FOR THE RECORD: NH**

How about other purchases from Guilford? NHDOT has not made much progress on the other rights-of-way GRS would like to sell [see 12 March issue; according to Marshall, NHDOT has focused on West Lebanon because it has rail shippers ready to go. The department will probably focus on the other parcels one at a time; tackling them all at once resulted in none getting done. As his first priority, he selected the Hampton branch because of the potential of passenger service from Newburyport.]

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**THE LEGISLATURE DID ADD TO THE RAIL PRESERVATION FUND the amount requested by NHDOT: $1.45 million. [See 23 June issue]**

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**THE DEPARTMENT WILL ASK FOR EXPRESSIONS OF INTEREST from consultants to write the state rail plan within the next two or three weeks, Marshall said [see 23 June issue]. He expected the contractor would begin work in January 2000 and finish the plan by October.** [ARW discussion]

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**AMERICAN TISSUE BOUGHT THE BERLIN AND GORHAM mills on 9 July.** [More in a future issue.]

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**RHODE ISLAND RRs**

**PROVIDENCE PORT & RAIL SHIPPERS**

**Introduction to port**

Providence, at the head of Narragansett Bay, ranks third, after Boston and Portland, in tonnage, handling 8,814,000 tons in 1997. Like Portland, petroleum accounts for most of the tonnage - 7.0 million tons or 79%.

Until 1994, the City of Providence owned the public port facilities. Because the city realized it lacked funds for capital investment and even routine maintenance, yet the current tenants were committed to continued use of the facilities, in 1994 the city was able to sell them to Provport Incorporated, an operating entity established by Public Asset Management of San Rafael, California. {Provport website}

Some 75% of Provport’s revenue traffic comes inbound from foreign ports; the remainder moves outbound to either international or domestic destinations.

The following comes from discussions with Rob Maidman, Provport marketing director; Walter Adamowicz, president of George Mann Company; Mike LePort of the City of Providence; Jim Moran of the City of East Providence; Steve Devine of RIDOT; David Watelet, ARW correspondent; and the other sources noted below.

**The Provport facilities**

Provport has six contiguous deepwater berths with three adjacent warehouses totalling 325,000SF. On-dock and other outside storage totals 15+ acres. PW has extensive rail throughout the facility accessible for flatcars and gondolas. Water depths range from 26 to 36 feet depending on tides and vessels.

Marine Terminal Building, alongside berths 2 and 3, it has 140,000SF with rail access.

Ace Warehouse, adjacent to berths 4 and 5, it has 100,000SF under roof with a rail dock for boxcars.

Terminal Building #1, parallel to berths 1 and 2, has 75,000SF with rail between the structure and the water.
Yard 17: spur extending north now mostly lifted.
Provport formerly used trucking company John J. Orr to do the stevedoring, but in December 1998 Provport assumed the stevedoring function itself.

Rail to Provport/the shippers
The Harbor Junction Industrial Track accesses Provport and the adjacent areas; from PW’s Cranston Yard the track runs 2.2 miles to Allens Avenue, and then within Allens Avenue north about one mile. The track has about another two miles of spurs, principally serving Provport. PW acquired much of the trackage from Conrail in 1982, then sold it to the City in 1985 but retained freight rights. It provides daily service to all shippers on the branch. [Rhode Island Freight Rail Plan 1993] According to Maidman and Watelet, the following use or could use rail:

Metals Recycling (MR). MR receives scrap by truck and rail for export by ship. It also loads out scrap by rail. MR operates three crawler cranes in its yard which are also available to other tenants.

Three Flags. This scrap metal company receives by truck and exports by ship, with a gantry crane located at berth #6, running over 700 feet of its own rail.

Transload. Located on Terminal Road, this Provport operation receives miscellaneous cars occasionally, including lumber, gondolas with wire coils, and covered hoppers. Other cargo, such as steel, lumber, and palletized cargo comes in by ship through Provport’s warehouses.

Bishop Terminal. Located on Terminal Road, formerly the Sun Oil site, it receives aviation fuel by rail every few days from the Midwest, which is then trucked to T.F. Green Airport. Bishop does not rank as the principal supplier of the airport, however, as most fuel comes down from Boston by truck.

Providence Gas. Liquid propane gas (LPG) arrives by ship for storage in tanks here. A track from the South Providence Yard permits rail access, used rarely.

Allied Plywood. Located off Shipyard Street, it receives occasional cars.

Spaulding Brick. The company, located at Track 3 in the Cranston Yard, is temporarily transloading off the Ace Warehouse track because of work in the Cranston Yard.

George Mann Company. Part of privately-owned, Atlanta-based conglomerate Ellis and Everard, George Mann has two locations in ProvPort: administrative offices on Terminal Road, and a chemical transload facility on Habourside. The company brings in chemicals by rail, and delivers them by truck in the immediate area. President Walter Adamowicz said he would like to deliver chemicals by rail, but freight rates prohibit that. He declined to provide total number of inbound cars, except to describe it as “large.”

Despite the water location, George Mann does not use marine transportation.

Motiva. This joint venture of Shell Oil, Texaco, and Aramco is the only shipper located directly in the South Providence Yard. It receives by ship or barge.

Spur running north near Cranston Yard. This was originally built for UER (a transit company). The switch to the spur, located under I-95, is removed but the track remains, though covered.

Harbor Junction Pier. This finger pier has two tracks running out to it from South Providence Yard as far as Allens Avenue, but no shippers to use them.

Customers on Allens Avenue. The last customer (unknown) on Allens Avenue used a vacant lot immediately north of where the track goes onto the street, on the harbor side. The customer loaded waste in large plastic bundles into gondolas.

Previous to that, PW ran to fuel/chemical customer(s) with two sidings off the street, about 1/4 mile north. The rest of track on Allens Avenue remains intact but in rough shape as far as the hurricane barrier.

Use of rail
Watelet estimated around 1800 cars a year, including scrap. RIDOT’s 1993 Rhode Island Freight Rail Plan stated that the Track had ‘the highest on-segment rail traffic of all Rhode Island rail lines. The segment traffic density of the Harbor Junction line is three times the average Class III line haul density.’

Non-rail marine customers along Allens Avenue
Heating oil arrives by barge and ship for local distribution by two companies [see map]: Sprague Energy and Northeast Petroleum.

PROVIDENCE - OTHER CUSTOMERS
While PW has rights to a large number of turnouts in Providence, in practice in addition to the Harbor Industrial Junction Track only Yard 17 has customers.

Located west of the railroad station, between Dean Street and I-95, Yard 17 has two customers. The trackage permits PW to get off track 7 [the freight track, adjacent to track 1 of Amtrak’s Northeast Corridor, which will become the FRIP - see 30 April issue] and still run around cars in the yard.


Capco Steel. A spur out of yard 17 formerly ran north and then curved west, serving US Rubber and some other industrial customers, all now gone. A remnant of that spur crosses Harris Avenue to reach Capco Steel (located off Charlotte Street) with about enough room for one flat loaded with steel beams. This requires a west-facing engine.

Shippers south of Providence
Like Providence, the Shore Line has a large number of turnouts for possible shippers, but active PW customers exist only in the Quonset Point Industrial Park, served by industrial railway Seaview Transportation Company.
Cranston Yard, which contains the lead to the Harbor Junction Industrial Track at the north end and the Warwick Industrial Track at the south end, has no customers. The last Warwick customer ceased operations earlier this year [see 30 April issue].

**EAST PROVIDENCE SHIPPERS**

**East Junction Secondary**

This line runs northeast from East Providence into Massachusetts. It serves Getty Oil seasonally and Chinet, a major producer of paper goods in Rumford (a section of East Providence). It also provides cars to Nyman & Homestead Bakery.

**East Providence Secondary**

This line runs 7 miles south from Valley Falls to East Providence, passing under the Shore Line. In East Providence, it joins to the East Junction Secondary and the Bristol Secondary.

RIDOT acquired the entire line in 1982 to facilitate the construction of the Pawtucket Industrial Highway. The land in Pawtucket is owned by the city, the track by RIDOT. In East Providence, RIDOT owns both the track and the land.

In 1993, RIDOT rated the line heavily used, with five rail customers who averaged above 200 workers. Some 20% of the section’s traffic moves overhead to the Bristol and East Junction secondaries. In 1999, according to Watelet, PW serves *inter alia* chemical customers NETEK and Tanner Industries in the vicinity of the bakery on the East Junction Secondary.

**Bristol Secondary/South Quay**

This track, bought by RIDOT from Conrail in 1976, extends about 16 miles from a switch at North Main Street in Providence, through a tunnel and across a bridge to East Providence and thence to Bristol. The last 13 miles consist of a bike path, and the first two miles - as far as the junction with the East Providence Secondary - is abandoned. From milepost 2.0 to 3.35 remains in service, but contains no permanent customers.

A produce receiver, who was using the former produce market in Yard 17 receives occasional cars here.

PW hopes to attract customers to its South Quay on the Bristol Secondary. As described in the 1998 PW Annual Report, beginning in 1979 this 33-acre site was built by filling tidally flowed land south of the Wilkes-Barre Pier. [Photos from the Annual Report show that the tank farms once surrounding the site have disappeared]. PW has dredged the adjacent harbor bottom to 40-foot depth at mean low water. When combined with adjacent PW properties, the site totals 45 acres.

In June, PW contracted with realty company Cushman and Wakefield to seek users for this site. The Annual Report stated: “The Company intends to construct a vessel unloading area if it is able to attract user or investment commitments. The Company has engaged in discussions with potential users interested in utilizing the property for offloading bulk products such as salt and construction aggregate. The Company has also explored the development of the facility for offloading container vessels and barges.

“The Company will need additional terminal capacity to achieve expected growth in its intermodal container business.

The Company currently intends to use a portion of the property as an intermodal terminal facility to provide it with such capacity. This development will not occur until the Company completes the overhead clearance project required for the State of Rhode Island’s freight rail improvement project.’

**1997 Providence River and Port traffic**

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During the 1990s, the port has seen a gradual increase in tonnage from 6,015,000 tons in 1991.

**Source:** Waterborne Commerce of the United States, Part One, Rivers and Harbors of the Atlantic Coast, US Army Corps of Engineers. Definition of Providence River and Harbor: south of Prudence Light to Fox Point.

**VERMONT RAILROADS**

**FOR THE RECORD:**

**VERMONT**

OMYA’S MIDDLEBURY SPUR becomes the topic of a meeting among VRS, VAOT, OMYA, and the Conservation Law Foundation within a week, according to Ken Enzor, OMYA transportation chief. Since the Environmental Review Board turned down the company’s request for more trucks [see 26 May issue], the need for the spur has become more pressing. (ARW discussion 13.July.99) ********

THE BURLINGTON-RUTLAND SERVICE WILL TAKE 2.5 HOURS [see 23 June issue], which officials point out will still be faster for Burlington’s passengers heading to New York than for them to take the *Vermont* at nearby Essex Junction.

**MARITIMES/QUÉBEC RRS**

**CAPE BRETON & CNS**

18 June, Sydney. *THE SILVER DART RAILWAY UNVEILED A STUDY SUPPORTING PASSENGER RAIL TO HALIFAX.*

The train would depart 8AM, arrive Halifax at 3PM, depart Halifax at 4PM, and arrive Sydney at 11PM.
The study was paid for by BCA Holdings, Cape Breton County Economic Development Authority, and Enterprise Cape Breton Corporation. Trans-Community Consulting and Deloitte Touche Tohmatsu completed two months ago.

**Market assessment**
The train would compete with private, unlicensed van service at about $66 round trip, and scheduled bus service at $75 round trip. Consultants believed that by offering amenities such as seatside power for laptop computers, a dining area, and a recreation area, the railway could charge $55 one way.

**Operational assessment**
Discussions with the two freight railways, CBCN from Sydney to Truro and CN from Truro to Halifax, found that CBCN would charge about $5 per train-mile for trackage rights, and CN about $10 per train-mile. ‘In the opinion of the consultant team, lower charges should be negotiated with [CBCN]. The company has excess capacity and a passenger service utilizing [RDCs] would not appreciably increase their operating costs;’

**Track speed**
The market requires a trip of under seven hours. To achieve that, the train must run at 42 miles per hour average speed between Sydney and Truro. But CBCN freights now run at an average 32 miles per hour, and to end damage to wheels at the slower speed, CBCN took out most of the superelevation. [In a discussion on 13 July, Railway President Peter McCarron expressed reluctance to change the track structure.] The consultants call for examination of the track by a track-train dynamics specialist to determine the fastest and safest speed on the line.

**Equipment**
Consultants recommended that the service employ five used rail diesel cars (RDCs) as the least expensive way to start. VIA used such cars in this lane before its closure in 1990. VIA would sell a passenger locomotive for about $150,000 and passenger cars for $40,000. But these would require extensive refurbishing and cost more to maintain than RDCs. Plus standby units would be required. RDCs, unlike locomotive + car, would not require turning at the end of the line. RDCs are available from VIA for an advertised price of about $200,000. Based on the recent sale of seven units for about $1 million, the consultants believed VIA would sell five for well under $200,000 each. VIA assured the consultants that if offers were received on any of the RDCs picked out for the Sydney service, Silver Dart Railway would have first option.

**Stations**
The study recommended siting the Sydney station at the Cape Bretoner Motor Inn, to provide tourists with immediate access to facilities, and to save the 15 minutes required to reach the old downtown station. Other stops would occur at North Sydney, Orangedale (in the historic train station), Port Hawkesbury, Antigonish, Stellarton (possibly in the old train station now serving as CBCN headquarters), Truro, and Halifax.

**Maintenance**
The consultants looked favorably on the use of DVR’s 10-year-old maintenance center in Victoria Junction. Silver Dart could contract out the work to DVR employees, or use its own employees at the shop. The study opposed Silver Dart’s constructing its own maintenance building.

**Financial analysis**
One of the consultants, Deloitte Touche Tohmatus, presented these figures:
According to Touesnard, the trucks now haul out an 8-mile line formerly ran to Mulgrave and a ferry across to historical atlas 1953 Rand McNally issue, CBCN would build in from Havre Boucher. [Marked in my Goldboro provincial elections will occur on 26 July. On these [a level playing field - see 26 May], but recognizes that RailTex Canada. He is looking to the province for some support Touesnard, director of marketing and business development for BUILDING FOUR NEW SECTIONS OF TRACK 12 July, Stellarton. THE RAILROAD IS STILL LOOKING AT BUILDING FOUR NEW SECTIONS OF TRACK. Peter Touesnard, director of marketing and business development for RailTexCanada. He is looking to the province for some support on these [a level playing field - see 26 May], but recognizes that provincial elections will occur on 26 July.

Goldboro. To serve a possible industrial park here [see 23 June issue], CBCN would build in from Havre Boucher. [Marked in my 1953 Rand McNally World Atlas as Frankville, and in the 1998 historical atlas Lines of Country as Linwood Junction, from here an 8-mile line formerly ran to Mulgrave and a ferry across to Point Tupper. With the building of the causeway, the ferry ceased operating and the last eight miles of the line was abandoned. The first two are still used to reach the Martin Marietta aggregate facility, also a location for unloading coal. Only 35 miles as the crow flies, CBCN is proposing a longer build-in to run along the most level topography.

Point Melford Industrial Park, Guysborough. To reach this site on the west side of the Strait of Canso [see 22 March issue], the railway would need to reconstruct much of the line to Mulgrave. Near Mulgrave, it would swing west around a hill to reach the site of the industrial park.

Georgia Pacific gypsum mine. According to Touesnard, the railroad has presented to GP a proposal to build about 10 miles to reach the mine [see 22 March issue], which has attracted some interest.

Upper Muscodoboit. Touesnard noted that trucks now haul out of this site lumber wood chips [see 30 April issue], and limestone. Deposits of kaolin clay were recently discovered there. To haul those by truck would overtax the road system. CBCN hopes to convince the government to upgrade the rail system to serve Upper Muscodoboit, rather that upgrade the highway system to serve the trucks.

Locomotive maintenance facilities The railroad employs the former CN maintenance facility on Ferry Street in Sydney. It can house six road diesels simultaneously. Because of the relatively light traffic east of Port Hawkesbury, railway officials have informally discussed moving the maintenance facility westward, but never formally studied the idea.

Level of service to Sydney CBCN has varied its frequency of service to customers in this area, though it has always maintained the level needed by them to maintain their business. Touesnard said traffic had shrunk on the eastern end, but grown on the western end. In August of 1998 service was reduced to three times a week; in October raised to five times a week; in January cut to four times; and recently increased again to five times a week.

Labor issue According to Touesnard, organizing drives have occurred in 1993, 1996, and 1999. The last, conducted by the Brotherhood of Locomotive Engineers, resulted in the provincial labor board conducting a vote on 4 March. The railroad and the union disagreed on who should cast ballots, so the votes have not been counted pending a determination by the board, which Touesnard expected shortly. [ARW discussion 13 July 99]

<table>
<thead>
<tr>
<th>YEAR</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>ticket sales</td>
<td>1,225,700*</td>
<td>2,325,225</td>
<td>2,923,140</td>
</tr>
<tr>
<td>bond proceeds</td>
<td>2,100,000</td>
<td>500,000</td>
<td>0</td>
</tr>
<tr>
<td>operating exp.</td>
<td>1,732,468</td>
<td>2,782,052</td>
<td>2,952,286</td>
</tr>
<tr>
<td>capital purch.</td>
<td>1,584,183*</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>net cash</td>
<td>9,049</td>
<td>52,222</td>
<td>23,076</td>
</tr>
</tbody>
</table>

* based on average ticket price of $42, and ridership 40% of the 100,000 riders of the last year of operation, 1989. Ridership will increase 1% per year for three years.

** Includes $754,500 for five RDCs, mechanical overhaul $510,500, interior refurbishing $221,133.

12 July, Stellarton. 100,000 riders of the last year of operation, 1989. Ridership will increase 1% per year for three years.

13 July, Sussex NB. CANADIAN NATIONAL when Potash Company Saskatchewan (PCS) took over the delivery of salt to Saint John in March. Up to then, PCS had moved its potash by rail to the Barrack Point Potash Terminal in Saint John, but Cargill, who bought the salt from PCS as it came up from the

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[ARW discussion 13 July 99]
very same mine, was trucking the product due to cost [see 98#07].

Cargill struck a new relationship with PCS, buying the salt only once on board ship in Saint John. This permitted PCS to negotiate an amendment to its contract with CN, so that the railroad delivered cars of potash and cars of salt to Barrack Point. Since each car holds about 100 tons, and the port will move perhaps 150,000 tons this year, that gives CN 1500 carloads.

**Advantage of Barrack Point**
The terminal’s conveyor unloading system for cars of potash also works for the salt cars. Both Colleen Mitchell of Saint John Port Corporation and Roy Gautier of PCS said when Cargill had stored the salt in open piles, people nearby had complained about the blowing salt, and the noise of loading and unloading. As PCS now stores the salt along with the potash in sheds, those problems have ceased.

The arrangement also benefits PCS, which had extra room at Barrack Point. The potash company has a contract with Furncan Marine stevedoring to operate the terminal. Logistec Stevedoring had handled the salt at Long Wharf and Lower Cove Terminal.

Gautier predicted a steady decline in marine movement of salt, due to decreasing prices of land transportation. [ARW discussions with Mitchell, Gautier, and Cargill Salt’s Ken Ellen, director of rail and marine transportation]

**ATLANTIC NORTHEAST PORTS**

**EASTPORT**

13 July. **THE EASTERN MAINE RAILROAD DEVELOPMENT COMMISSION** continued to advocate for revival of rail to serve Eastport and other parts of the area. At its 24 June meeting, members voted to send a letter to MDOT Commissioner John Melrose which:

- Supported using the $300,000 legislative appropriation for maintenance where most needed, on the east end. Skip Rogers, chair of the commission, said in order for the line to repay the cost of renovation, it must generate revenue, and that would only come from freight on the east end. The money, said Rogers, would open up and preserve the east end, especially around Dennysville.

- Asked MDOT to liaise with Charles Freeman, who is acting as custodian of the line, in taking steps to maintain the line. “He knows what should be done,” Rogers said.

- Inquired about the department’s intent with respect to a road in East Machias which was built over the track to a depth of one foot. According to Rogers, MDOT had earlier given assurances it would use highway money to re-open the line.

Melrose has already responded positively to the suggestion on where to spend the maintenance money, said Rogers.

**Georgia Pacific position**
The Woodland company would very much like the Calais branch re-opened. according to Rogers, providing an alternative route to the one used by NBSR. According to two sources who have talked to GP, in addition to the normal car fee, the company is paying NBSR $800,000 a year for ten years to help maintain the track from St.Stephen to McAdam. [GP uses upward of 4,000 carloads a year, so that adds about $200 per car to the cost of doing business.]

**Next step**
Rogers would like the department to fund some preliminary engineering to determine the cost of building the line to Eastport, or to a point near Eastport. The $2 million request which the Legislature failed to include in the bond fund [see Maine] would have done more; it would have “gotten rail as close to Eastport as possible, perhaps to Ayers Junction.”

**Possible new customer**
A shipper of a bulk commodity was recently impressed by the new port facility and the way labor handled product; Rogers expected the shipper to decide to use Eastport in six weeks, and the first shipment by January 2000. The commodity would go to the surrounding area, though the shipper said it could move a lot more product easily by rail to more distant points. [ARW discussion 13.July.99]

**QUONSET POINT/DAVISVILLE**

30 June. **QPP SUBMITTED THREE POSSIBLE PORT DEVELOPMENT PLANS** to the Rhode Island Economic Development Corporation (RIEDC). According to the contract signed by the state with Quonset Point Partners (QPP), the RIEDC board must respond to the QPP proposal within 30 days. The developers then have 15 days to respond to any concerns voiced by the board, and the board must either accept or reject the proposal during the following 15 days.

**The QPP proposal**
The developers, noting concerns about a large load center voiced by the stakeholders, sought to make a small load center economically feasible. During the stakeholder process, experts told the stakeholders that only a large load center made economic sense [see 22 March issue]. By reducing the necessary depth to 45 feet from the originally-posed 52 feet, the savings on dredging costs made a small load center port financially viable; (A small load center would have at full capacity 1.7 million TEUs going through it annually, while a large load center would have upwards of 2 million.)

The reduced depth means that the largest container ships would enter only after lightening their load at other ports such as Halifax, or that only smaller ships would call. The developers did not believe this restriction would reduce Quonset’s opportunity in the marketplace.

QPP presented three options:

* Davisville alternative. In phase one, this would fill 68 acres, and
in phase two another 69.7 acres.

**Quonset North alternative.** This would fill 202 acres, including Fry’s Cove.

**Quonset Alternative.** This requires 204.5 acres, but not Fry’s Cove.

**Looking for partners**

Bearing in mind the requirement for a carrier commitment before beginning construction [see below], two days earlier QPP issued a public offer for equity participation by a carrier in the port development. {ARW discussion with RIEDC spokesperson John Martin 13 July 99; governor’s press release}

1 July. **GOVERNOR ALMOND SUPPORTED A SMALL LOAD CENTER,** reacting to the QPP proposal following a meeting in executive session with the RIEDC board. “With Quonset’s history as a port, with its strategic location, and with the projected changes in shipping routes worldwide, I have long believed that the state must aggressively pursue the development of a port that would be privately financed and create thousands of good-paying jobs for Rhode Islanders. While there is a small group of people who do not want any port at Quonset, I believe most Rhode Islanders support a smaller-scale port developed responsibly. This is what I would like the state to pursue.

“Since the beginning of the stakeholder process [in 1998 - see 18 June 1998 issue], I have made it clear that a port development plan must be **economically viable** - that the developers must be able to secure the financial and shipping commitments to ensure that the port will be successful.

“The plans must also be **privately financed.** As governor, I do not support investing hundreds of millions of dollars in public monies to build a port.

“And as governor, I insisted a plan would not go forward unless it was **environmentally sound.** Finally, our goal should be to develop all of the property at Quonset and Davisville to its **highest and best use.** Economically viable, privately financed, environmentally sound, and best and highest use of the land - I have set the bar very high for port development at Quonset.

“Unfortunately, the three plans by the developers do not appear to meet all of the criteria I have set forth for port development. I am, however, encouraged that the developers have taken into account the principles agreed to by the stake holders and have attempted to respond to concerns over a larger-scale port.

“In fact, phase one of one port development plan calls for filling in 68 acres of the Bay. The QPP proposals reaffirm my belief that there can be an economically viable, small load center at Quonset that produces significant jobs and revenues for the state.

“As we go forward to explore the feasibility of a smaller-scale port, I would prefer that the configuration does not include the filling it of Fry’s Cove and seriously considers a location at Quonset, rather than Davisville. Quonset is more industrialized along the waterfront, and a port at Quonset would not tie our hands to market the Davisville area for other uses. The discussions about port development have been very open and public from the beginning, and will continue to be so....

“I believe economic development and the preservation of the environment can go hand in hand, and are not mutually exclusive. Rhode Island faces tremendous opportunity is we head toward the 21st century. I believe a port at Quonset will be a major part of that future, and I am committed to leading us there;” {press release from governor’s office}

**More on the governor’s position**

According to John Martin, RIEDC spokesperson, the governor made these additional points about the small load center port:

- The budget for permitting, at $2 million, was too low by $6-8 million. Given the objections voiced by some to a port, litigation over the permitting looked very possible. That would turn it into a three-four year process.

- The developers lack a commitment from a carrier. If one took an equity position, that could remedy the permitting budget problem as well.

- QPP should look at, as some of the stakeholder options did, eliminating the present cross runway. This would increase the laydown area on existing fill, and decrease the need for new fill.

- QPP should consider moving more of the fill toward the sewage treatment plant near the end of the major runway. Bay waters there already are degraded significantly.

- A location in Quonset will avoid the auto port and Seafreeze [see 22 March].

**Next steps**

Members of the board have the QPP proposal. They will meet for a working session on 22 July, and for a regular meeting on 26 July, at which, Martin surmised, they would vote against the proposal as presented. QPP then has 15 days to respond to any objections.

Martin noted that at the executive session, “the board seemed enthused by the direction toward a smaller port, and voiced no major dissent.” While Martin could not think of a precedent where the board and governor “were not in sync,” the governor did say that he had only one vote, and would defer to a board decision. {ARW discussion 13 July 99}

**BOSTON**

7 July. **TRAFFIC ROSE FOR THE FIRST FIVE MONTHS THIS YEAR.** Port Director Michael Leone said Massport, faced with declining tonnage, had combined its container terminals and created Boston Autoport. “By streamlining our facilities, we’ve made Boston work more efficiently by moving more cargo in less time. With Boston Autoport, we looked for a niche market this port could fill, and we’ve had great success with cars.”

From 1996 to 1997, import container tonnage grew, but export container tonnage shrunk, to 350,295 short tons. For 1999, the table below compares traffic before the consolidation of
container handling to Conley in May 1998:

<table>
<thead>
<tr>
<th>January-May</th>
<th>1998</th>
<th>1999</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>import container tonnage</td>
<td>287,102</td>
<td>326,703</td>
<td>13.8%</td>
</tr>
<tr>
<td>export container tonnage</td>
<td>120,095</td>
<td>146,085</td>
<td>21.8%</td>
</tr>
<tr>
<td>container numbers</td>
<td>32,943</td>
<td>35,698</td>
<td>8.4%</td>
</tr>
<tr>
<td>autos</td>
<td>25,533</td>
<td>29,051</td>
<td>13.8%</td>
</tr>
</tbody>
</table>

Georgeane Tacelli, a Massport spokesperson, said June figures look very good as well. {ARW discussion; Massport press release}

**HALIFAX**

1 July. **HALIFAX TRAFFIC HAS INCREASED FOR THE FIRST FIVE MONTHS** of 1999. Patricia McDermott, port spokesperson, provided these figures:

<table>
<thead>
<tr>
<th>January-May</th>
<th>1998</th>
<th>1999</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>containers (TEUs)</td>
<td>n/a</td>
<td>191,163</td>
<td>9.71%</td>
</tr>
<tr>
<td>containers (MTs)</td>
<td>1,400,000</td>
<td>1,600,000</td>
<td>9.6%</td>
</tr>
<tr>
<td>roll-on/roll-off (MTs)</td>
<td>110,000</td>
<td>99,000</td>
<td>-9.9%</td>
</tr>
<tr>
<td>break-bulk</td>
<td>80,000</td>
<td>79,000</td>
<td>-1.9%</td>
</tr>
<tr>
<td>bulk (liquid&amp;dry)</td>
<td>n/a</td>
<td>3,900,000</td>
<td>5.2%</td>
</tr>
<tr>
<td>TOTAL PORT</td>
<td>n/a</td>
<td>5,600,000</td>
<td>6%</td>
</tr>
</tbody>
</table>

Containers to the Midwest rose in the same proportion as containers overall, about 10%. {ARW discussion 13 July 99}

9 July. **THE PORT IMPROVEMENT TASK FORCE WILL BE REACTIVATED** to look at future proposals [see 14 May 1998], headed by Fred MacGillivray, chair of the Halifax-Dartmouth Port Development Commission. “We’re proceeding on an optimistic note,” said Wade Elliott, noting the traffic increase to date. “We want to get the stakeholders around the table to be sure we have the most efficient product to sell.”

The Task Force was suspended during the June 1998-May 1999 effort to win the Maersk/Sea-Land major terminal. {ARW discussions with Tom Peters, transportation correspondent for the Halifax Herald, and Elliott}

**SAINT JOHN**

7 July. **THE PORT ENDED THE FIRST HALF OF THE YEAR UP 12% IN TONNAGE:**

<table>
<thead>
<tr>
<th>January-June metric tonnes</th>
<th>1998</th>
<th>1999</th>
</tr>
</thead>
<tbody>
<tr>
<td>potash</td>
<td>352,000</td>
<td>484,000</td>
</tr>
<tr>
<td>forest products</td>
<td>410,000</td>
<td>277,000</td>
</tr>
<tr>
<td>sugar</td>
<td>107,000</td>
<td>115,000</td>
</tr>
<tr>
<td>containers</td>
<td>141,000</td>
<td>161,000</td>
</tr>
<tr>
<td>salt</td>
<td>86,000</td>
<td>120,000</td>
</tr>
<tr>
<td>other</td>
<td>86,000</td>
<td>106,000</td>
</tr>
<tr>
<td>total main harbour</td>
<td>1,070,000</td>
<td>1,201,000</td>
</tr>
<tr>
<td>petroleum</td>
<td>9,215,000</td>
<td>9,150,000</td>
</tr>
</tbody>
</table>

Colleen Mitchell, the port’s ice-president for marketing and communications, provided these notes:

**Petroleum** This is counted separately because it all goes to Irving via a private off-shore monobuoy to which supertankers tie up. The remainder of the cargoes come into the main harbour.

**Potash and salt.** These both arrive at Barrack Point Terminal for export. [See Canada.]

**Sugar.** Lantic’s refinery is now set to close at the end of 1999, but will remain in full production til then.

**Long Wharf Terminal.** The Port Corporation has five different proposals for use of this property, where salt was once loaded. While none are close to a lease-signing, Mitchell saw the potential for a trial shipment in September. {ARW discussion}

**Forest products.** The only sector not showing an increase was forest products, down 33%. “Forest product exports have been very strong into the US market over the past year. This reflects negatively on the amount going overseas. We anticipate that the US economy will remain strong for the remainder of the year,” stated port chief Captain Al Soppitt.

Mitchell noted: “We have been steadily working to increase the diversity of cargo handled through the port. We are progressing with a number of initiatives to increase our volumes and array of cargo. Although forest products are down, yet main harbour traffic is up 12% shows that we are on the right track.” {port press release}
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