OPERATING RAILROADS + PORTS, INTERMODAL FACILITIES, AND GOVERNMENT ENVIRONMENT

Helping to move rail and port traffic through New England, the Maritimes, & eastern Quebec. A twice-monthly trade newsletter.

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**GROUNDS FOR REASONABLE SUSPICION**

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**Issue 03#04A 8 April 2003**

* Indicates unchanged from e-bulletin.

**REGIONAL ISSUES**

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**BCLR**: Possible rival considering bid for Millis branch.

**CSXT**: Update on Walpole terminal.* Harvard purchase near Beacon Park may present problems.* More on GM move to East Brookfield.

**PW**: Yet another postponement on LB Railco.

**NEW HAMPSHIRE**

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**Providence*/**PW**: The railroad relays dock track; brings in gons for scrapping at Metals Recycling.

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**RAIL SHIPPERS/RECEIVERS**

A cross-reference to companies mentioned here.

**PEOPLE, POSITIONS, EVENTS**

Mike Chilson, Kazem Farhoumand, Phil Kingman.

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**FROM THE PUBLISHER**

**Fun and frolic**

Could NEARS be near? Yes. My attendance there, plus a week of vacation, means the next print issue won’t reach your mailbox until 6 May.

Look for e-bulletins to keep you abreast of events. For those print subscribers who do not yet receive the e-bulletin: it comes at no extra charge.

- Chop Hardenbergh

Next issue: 6 May

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REGIONAL ISSUES

GUILFORD RAIL
March 29, Rockland, Maine.  **RECENTLY APPOINTED SENIOR VICE-PRESIDENT OF MARKETING AND SALES PHILIP KINGMAN** told the annual meeting of the Downeast Rail group [see Maine] about the diversification of Guilford Transportation Industries, including intermodal, bulk transfer, warehousing, and air transportation among other things.

Of intermodal and specifically the Halifax-Ayer container service, Kingman said initially there was concern about an import-driven balance of freight to Ayer. Since the start-up, though, he notes there’s been a “very good balance,” and even adds there’s “now more export-driven (containers) to Halifax.”

Kingman also commented on Guilford’s infrastructure upgrade to accommodate 286,000 pound freight cars having now been completed as far east as Ayer. It will eventually be extended to Mattawamkeag, Maine at the eastern end of the system.

GUILFORD
3 April.  **MORE THAN JUST CLASS Is ARE INTERESTED IN GUILFORD.** Following the report in the 26 March issue, sources have indicated interest on the part of CSXT, CN, and MMA. However, the owners are asking a price higher than what the market wants to pay. {E-mails to ANR&P in previous week}

More thoughts on why selling now
Another comment about GRS receiving contacts from Class 1 buyers: ‘This makes sense, as GRS had the state of Maine and FTA invest over $60 million US in its line, with no limits on transferability. If GRS sells the line now, it would pocket all that FTA/Maine money surely, then invest it in another down-and-out market sector, hence using the multiplier effect in economics to generate more opportunities for the owners. A good move for them.’ {E-mail to ANR&P from a close observer of the GRS/NNEPRA project}

When will we know?
Never, if the deal does not happen, even though many public companies are involved. One source noted: ‘Tire-kicking happens all the time and doesn’t imply much. Insiders might be barred from trading when the parties start looking deeply into each other’s eyes, but that would not normally constitute an announceable event until there is at least a handshake. The hard part comes when a third party sees two people looking deeply at each other and sighing. I can offer no rule to cover that situation as a general matter.’ {e-mail to ANR&P}

MMA and CP?
Many envision MMA combining with another railroad. One knowledgeable observer put it this way: '[Canadian Pacific Railway management] needs to show they can be aggressive like CN and they need to add revenue to the [Delaware and Hudson]. MMA has a huge long-term problem accumulating enough revenue to support that large system, particularly CDAC [Megantic-Brownville Junction] and the Great Northern process doesn't help.

‘I would not be surprised to see them get together and try to put together a plan under which MMA and CP try to buy Guilford and MMA operates a portion of Maine for CP, essentially consolidating operations of BAR and all or a portion of the former Maine Central.

‘I also wouldn't be surprised that if they were successful they would use this opportunity to exit CDAC and route all traffic over the now friendly CP connection in New England.'

He also warns about the process: 'Large railroads like many large companies think they are moving at lightening speed when to an outsider they seem to be crawling along. I think that is where they are right now.' {e-mail to ANR&P 7.Apr.03}
TRANSPORTATION STRATEGY

31 March. **A BILL IMPLEMENTING SOME OF THE TRANSPORTATION STRATEGY BOARD RECOMMENDATIONS** [see 14 January issue] has passed the Transportation Committee unopposed. HB6671 calls for certain projects, inter alia, to be completed, ‘to the extent possible, prior to any other transportation project. These include:

- Establish container barge service for the port of Bridgeport.

- Establish a commuter rail service that runs through New Haven, Hartford and Springfield, with a connection to Bradley International Airport.

- Establish container barge service for the port of New Haven.

- Establish rail freight service with connections to the New London port;

‘(b) Any transportation project included in subsection (a) of this section requiring expenditures of more than one hundred thousand dollars shall be accompanied by an economic development plan that provides for planned growth to support such transportation project...’ {text from website}

No money

Dan Lorimier, outreach and communications coordinator of the Connecticut Fund for the Environment, pointed out that even with this priority, the state has very few funds. He felt that the New Haven-Springfield commuter line [see 26 March issue] might get some actual funding.

Specific bills funding commuter rail have gone nowhere. {ANR&P discussion 7.Apr.03}

CSO/CSXT

8 April. **CORRECTION: NO CSXT TRACKAGE RIGHTS.** According to an Amtrak official, the statement at page 3-10 in the Draft Existing Conditions Report [see 26 March issue], that CSX has operating rights over the entire Springfield Line, is not correct. When Connecticut Southern was formed in 1996, Conrail assigned (with Amtrak's consent) its trackage rights between Springfield and North Haven (north end of Cedar Hill) to Connecticut Southern. {e-mail to ANR&P}

PROVIDENCE & WORCESTER

4 April, Moosup. **THE RAILROAD HAS A NEW CUSTOMER.** It is extending the old Moosup line to the Hopkins gravel pit just north of Plainfield, which will become a customer. {e-mail to ANR&P from PW spokesperson Mary Tanona}

MAINE

AMTRAK

24 March, Portland. **THE DOWNEASTER PASSENGER NUMBERS HAVE FALLEN OFF.** January numbers were off 22%, and February 32%. Uncertainty about the economy, bad weather, terrorism alerts and prospects of war in the Middle East all contributed, officials said. {David Sharp of AP in Portland Press Herald}

26 March, DC. **GUILFORD APPEALED THE STB DECISION** to not offer further advice on the speed the Downeaster may operate [see 26 March issue]. The court case: No. 03-1086, Boston and Maine Corporation, et al. v. Surface Transportation Board and United States of America before the United States Court of Appeals for the District of Columbia
**Circuit** {STB Finance Docket No. 33697 published 7.Apr.03}

**The STB decision**
On 25 March, the Board published the decision, stating: ‘We agree with Amtrak that our decision in Weight of Rail III was clear. In that decision, we stated...that: ‘Amtrak has completed the line rehabilitation, according to the terms set out in Weight of Rail I [decision issued October 22, 1999]. Therefore, it has complied with our conditions, and our analysis of this matter is complete. Accordingly, subject to FRA’s safety jurisdiction, Guilford must permit Amtrak to operate over the line at issue at FRA Class 4 speeds.’ {STB website}

**GUILFORD**
3 April, Auburn and Detroit. CAVENDISH AGRI SERVICES BOUGHT THE AGWAY FACILITIES HERE about two weeks earlier, according to Church Randell, general manager, who works out of Moncton NB headquarters.

**Coordinating with Leeds facility**
Randell explained that the company has long had a facility in Leeds which receives raw material ‘from all over the world’ to make fertilizer and put it into 50-pound bags, half-ton bags, and ton bags. The facility also distributes bulk fertilizer. Urea comes from Venezuela, Egypt, and Russia; potash comes from Canada; other commodities come from the United States. Much of the material arrives by rail year-around.

The Leeds facility supplies lawn care companies, wholesalers, and also sells retail.

**The Auburn and Detroit facility**
In the past, the Agway facility at Rumford Junction on the Guilford Freight Main has received product by rail. For this season, Randell said, since Cavendish had bought it so late, he had decided to truck in bulk fertilizer; however, some product will be brought in by rail. Randell stated that rail service will play an important role for Leeds, Detroit, and Auburn “as we grow in these locations.”

The Auburn facility loads, via a chute, bulk fertilizer into dump trucks for farmers.

**Why Cavendish purchased the Agway facilities**
When Agway went into bankruptcy in October 2002, its fertilizer distribution facilities throughout the eastern United States were sold to Growmark. That company chose not to re-open the plants in Maine. Cavendish bought them in order to put the bulk fertilizer distribution facilities closer to its customers. {ANR&P discussion 3.Apr.03}

**ROCKLAND BRANCH**
7 April, Augusta. FIRST RESULTS OF THE SELECTION PROCESS may emerge by Friday, 11 April: a short list of two or three potential operators of the Branch for further investigation. {ANR&P discussion with Allan Bartlett} [See 26 March issue.]

**DOWNEAST RAIL**
March 29, Rockland, Maine - KEY REPRESENTATIVES FROM MAJOR SECTORS OF MAINE RAIL TRANSPORTATION spoke at the annual meeting of Downeast Rail, Inc. here.

**MDOT**
Newly-appointed Transportation Commissioner David Cole noted he was coming from an economic development background (more than two decades with Eastern Maine Development Corporation), but said his mission was to bring DOT and economic development together, suggesting that transportation is a major factor in every aspect of economic development. Cole, having been deeply involved promoting trade with Canada in his previous role, said the geography of Maine presents an opportunity as the state is surrounded by Quebec and the eastern maritime provinces. “We need the infrastructure to support it [trade]. Otherwise, we’re a cul-de-sac.”

Cole plans to work together with the railroads to seek investment. For example, he believed in continuing the success of the state’s IRAP program.
Montreal, Maine and Atlantic

Montreal, Maine, and Atlantic President Robert Grindrod addressed the railroad’s recent takeover from the Bangor and Aroostook System, commenting on concessions employees had made to accommodate the new ownership. Besides the much-publicized wage and salary cuts made in light of the GNP mills shutdown, Grindrod brought up union givebacks as a efficiency factor. As an example, even when GNP is operating again, three train crews will be handling duties rather than the previous six crews.

Also, under the prior owner, he noted, the Millinocket train crew could not take a train to East Millinocket, and vice versa. Meanwhile, at the Derby shops in Milo, three different unions once represented metalworkers, depending on the thickness of the material being fabricated, that difference sometimes being as little as one-eighth of an inch. Employees there and elsewhere, Grindrod said, are now cross-trained for other work.

The equipment fleet, now owned by the railroad rather than leased, results in better utilization, said Grindrod. MMA owns 27 locomotives (versus 52 by BAR) and 2,434 freight cars (versus 3,600).

Grindrod listed MMA efforts to increase revenue including creation of stability; providing a proactive customer service focus; better equipment; increased service frequency; a competitive price structure; and consistent transit times.

A monthly survey of customers, he says, indicates “generally pretty good marks....[We are] starting to get business back from trucks and other sources.”

Still, the railroad lost $445,000 in its first month of operation and $755,000 in February, partly due to weather conditions and the poor economy.

Grindrod was proud to say there have been thus far no employee injuries since the takeover, something he called “amazing,” considering the rough weather conditions.

Guilford Rail System

[See Regional.]

Northern New England Passenger Rail

Northern New England Passenger Rail Authority Executive Director John Englert also made a presentation to Downeast Rail attendees. He pointed to the success thus far of Amtrak’s Downeaster service, giving a number of reasons for its progress, but also pointing to future concerns in sustaining that success in the future. {ANR&P correspondent Fred Hirsch coverage}

MASSACHUSETTS

BAY COLONY RAILROAD

31 March, Canton. THE MBTA MAY PUT THE MILLIS BRANCH OUT TO BID in the near term. If so, Chris Podgurski would like to bid on the operation, now run by BCLR. He owns Podgurski Corporation of Canton, a heavy equipment/earthwork/underground utilities/road-building construction company. His partner for the bid serves as a principal in a company called Allied Pile Driving, which does major earth support jobs in Boston as well as all the earth support for the Old Colony rail lines. Both men became rail fans watching at Canton Junction in their youth. {e-mail to ANR&P}

CSXT

25 March, Shrewsbury. MR LOGISTICS CONTINUES TO PLAN FOR THE WALPOLE SITE. Clyde Ames of Modal Resources explained that he had partnered with Ken Foley to build a waste-to-rail facility in Walpole; after they got started, they formed MR Logistics [see box]. Ames met Foley when Ames put together the project for Foley’s Pond View Recycling to move out C&D (construction and demolition debris) by rail [see 26 February issue].

Ames and Foley have control of the property on CSXT, and still intend to do “something,” ranging from municipal solid waste (MSW), to the bulk transload of dry and liquid commodities, to containerized intermodal shipments of remedial soils [see 26 February issue]. He cannot comprehend Walpole’s resistance to MSW, which would arrive by truck. Within a completely enclosed facility, MSW would move via conveyor from trucks to open-top railcars; once fully-loaded, the cars would receive an air-tight hard lid. Summing the increased property taxes, reduced disposal costs, and fees paid, Walpole would gain $300,000 a year.
For bulk transload, Ames has talked to CSXT Transflo. He has a possible customer next door in BOC Gases, which could bring in 300 tankers of LPG a year. {ANR&P discussion 25.Mar.2003}

MORE ON MR LOGISTICS
Ames worked for PW until 1997, then moved to the Hub Group, and then to an environmental firm. At the end of 2000 he created his own transportation and consulting firm, Modal Resources. Working with Foley in MR Logistics, an asset-based logistics company, the two are exploiting the access they have to Ohio landfills to offer turnkey disposal operations. They can offer trucks (roll-offs and end dump trailers), container intermodal rail, gondolas, high-capacity gondolas, site excavation, soil disposal, and track construction, in addition to various disposal services. Facilities from Maryland north are already utilizing these services.

Projects in New England
According to Ames, MR Logistics is working on projects in Connecticut and in Massachusetts. Ames will subcontract the track work.

Designing a new MSW car
At this time, CSXT requires all MSW to move in hard-lid containers. Ames and Foley are designing a carload approach using an airtight hard lid, which CSXT would find satisfactory. “The problems are odor and leakage, so the cover must be air-tight,” explained Ames. {ANR&P discussion 25.Mar.2003}

More resistance to a waste terminal
After the current owner of the property proposed a land swap to make access to the proposed terminal site easier, local opponents asked the town to amend the zoning ordinance to eliminate waste terminals as a use permitted by right in the industrial zone. The property, now owned by Michael Viano and others, lies in an industrial zone. {Tom Glynn in Walpole Times 27.Mar.03}

New England Waste also offering C&D disposal
In early March, New England Waste Systems (NEWS) of New England, a subsidiary of Casella Waste Systems (a publicly-held company headquartered in Rutland, Vermont), proposed to fill a 131-acre area with trucked-in C&D. Now home to auto salvage yards, the area includes land used as a town dump several decades ago. According to a study prepared for the health board last year, soil conditions likely are suitable for a golf course but might not allow more intensive development without costly clean-ups. NEWS suggests that when it restores the site, it would be suitable for commercial development along Main Street (Route 1A) and athletic fields in the rear. {Tom Glynn in Walpole Times 6.Mar.03}

3 April, Allston. THE SALE OF TURNPIKE LAND TO HARVARD MAY SNARL RAIL for a CSXT customer and the MBTA. On 31 March, the Massachusetts Turnpike Authority (TA) announced Harvard University as the apparent winner, with a bid of $75 million, of an auction of 90 acres of land in Allston, between the Charles River and the Beacon Park Yard. “Harvard has no immediate or near-term plans for the property,” said Lauren Marshall, a university public information officer. “We see this as a long-term investment. We're thinking about the needs of the university far into the future.”

Rail access concerns
However, rail customer Houghton Chemical feared it could lose its access. Bruce E. Houghton, president of the company and grandson of its founder, felt concern because Harvard has long been interested in acquiring his property. “We like being here in Allston. We've been here most of our history. Do we want to move? No.” But if the Turnpike Authority accepts Harvard's bid on all five parcels that make up the 90 acres, the university will acquire a 1.4-acre splinter parcel that includes both Houghton's parking lot and part of its railroad spur. Houghton said he receives somewhat under 1000 railcars a year.

The TA broke the 90 acres into five parcels; Harvard was the only bidder on four of the parcels, according to Houghton. Houghton Chemical bid separately on the 1.4-acre parcel, but Harvard bid four times Houghton’s bid. A spokesperson for CSXT said the railroad, which has the right to operate on the land under Beacon Park in perpetuity, has no plans for change. [See 26 February issue: Boston rail access.]

Truck access to Beacon Park
Others note that truck access to CSXT’s Yard passes through the 90-acre parcel. If access to the yard is lost due to
development, the intermodal and other uses of the yard might stop, meaning trucks would need to drive to Worcester’s intermodal yards.

**MBTA use as coach yard**

Top Commonwealth officials Dan Grabauskas (secretary of EOTC), Douglas Foy (chief of development and transportation), Mike Mulhern (MBTA head), and Thomas Menino (mayor of Boston) said they have for months tried to get an audience with Amorello or his staff to discuss the land deal. “I ask you to take all steps necessary to make sure that the Turnpike suspends action on pending solicitation for Allston property until we have had a full briefing,” Foy wrote to the TA 28 March. Menino said he personally asked Amorello to hold off on the sale "until we see the economic and transportation impact this has on the area." Still, that meeting has not taken place. Mulhern said the CSX yard is vital to the T creating a layover facility for commuter rail trains, especially as the lines expand via the controversial Greenbush line and the proposed Fall River-New Bedford line. {Thomas Palmer in *Boston Globe* 1.Apr.03; Mac Daniel 3.Apr.03; ANR&P discussion with Houghton 3.Apr.03}

7 April, East Brookfield. **WHY DOES GENERAL MOTORS WANT TO MOVE AUTO UNLOADING HERE** from its Framingham site [see 26 March issue]? Bob Coggins, regional terminal for CSX, said GM wants to avoid the operating curfew in Framingham.

Usually, residences grow up around an existing rail site. Here, GM moved into the residential neighborhood in 1960s, obtaining a zoning variance. The facility received a permit to expand about 15 years ago, but had to agree to a limit on operating hours.

Labor costs did **not** provide a reason to move. “Our CSX labor is very competitive to contractors, as is TDSI,” said Coggins.

**Number of trains**

New England imports a powerful high number of automobiles. Trains unload twice a day at Ayer, Westborough, and Framingham. The same train serves both Westborough and Framingham, while a separate train serves Ayer.

**Explanation of BB**

The previous issue noted that Ford uses the Westborough facility to move its BB (buybacks, or used cars), though it unloads the new cars in Ayer. Coggins said “the shipper determines” which facility to use. {ANR&P discussion}

**MASSACHUSETTS CENTRAL**

27 March, South Barre. **WILDWOOD RELOAD HAS TAKEN OVER THE OPERATION HERE**. A bit of history:

In the 1990s, MCER leased property in South Barre from Matt Trifilo. On this property it operated buildings using a corporation called Barre Reload. MCER leased land for the spur, and Barre leased land for the buildings.

When times got hard for MCER and it fell behind in payments, MCER traded the buildings to Trifilo for a release of the MCER and Barre Reload lease payments.

Paul Crawford, then general manager of the railroad, found an operator of the warehouse: CLS Dedicated [see 00#19]. In calendar year 2001, CLS brought in about 350 carloads [see 15 March 2002 issue].

**New operator: the owner**

CLS too fell on hard times. In late 2002, Trifilo ended the CLS lease and formed his own warehouse and transload operation, Wildwood Reload. An official said that Wildwood handles paper, plastic, lumber, herbs, steel, boats and cars, campers, salt. By rail, it moves steel and paper.

Volume? Not yet established, but she said “12 cars last week, six this week”. {ANR&P discussion 27.Mar.03}

**PROVIDENCE & WORCESTER**

3 April, DC. **SPEAKING OF CONTROVERSIAL WASTE TERMINALS**, the Surface Transportation Board granted yet another extension to the effort to sell the site eyed by LB Railco to a non-rail user [see 12 March issue]. The parties now have until 9 April to complete negotiations. {STB Finance Docket No. 34281}
NASHUA COMMUTER

28 March, Concord. **NHDOT IS PROPOSING TO USE NON-HIGHWAY FUNDS AS A LOCAL MATCH**, bypassing the political barrier created by the court suit seeking to block the use of highway funds [see 26 March issue] for further design and permitting of the Lowell-Nashua commuter rail. The existing capital budget (2002-2003) included $300,000 to match federal funds for improvement to state-owned rail lines. According to Kit Morgan, NHDOT rail administrator, the proposed capital budget (2004-2005) would amend this.

**The existing appropriation**
Morgan explained that in 2001, Congress was making noises about enacting a program to help local rail lines, so the department [in those fat years! editor] asked for and received an appropriation of $300,000 for a local match to the envisioned federal program.

The program failed to emerge. NHDOT then proposed to use at least some of the money to match money out of the enhancement portion of the TEA-21 program. In particular, in 1999 New Hampshire had federal funds for rehabilitation of the *Flying Yankee* [now under restoration at the CCRR shops-editor] and for a wye to turn it on. The rehab funds are drawn down, the train remains under restoration, but the wye funds remain, and also the state match for the wye funds.

Now NHDOT proposes to use a portion of the $300,000 to match the federal funds appropriated for the commuter rail.

**The General Court amendment**
The administration, in the capital budget bill HB25-FN-A, has introduced an amendment to the current appropriations language:

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22 Purpose Amended; State Rail Lines; Department of Transportation. Amend 2001, 202:1, XIII, B as amended by 2002, 26:9 to read as follows:
B. Repair State Rail Lines and Design Lowell to Nashua Commuter Rail [600,000] 1,500,000
Less Federal [-300,000] -1,200,000
Net state appropriation subparagraph B 300,000
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This language has passed the House Public Works Committee, and has moved to the House Finance Committee.

**The proposed track work**
Morgan put the estimated cost of the track from North Chelmsford to Nashua at $36 million. This includes building a second track, plus rejiggering the wye in North Chelmsford, building a layover facility, redoing grade crossings, repairing bridges, and laying 132-pound rail. He declined to comment on the weight of rail differing from the 115-pound rail Guilford is fighting in Maine, saying only, “We all agreed.” {ANR&P discussion 7.Apr.2003}

PORTSMOUTH

31 March, Chelmsford MA. **RO-RO SERVICE BETWEEN PORTSMOUTH AND SHEL BURNE** could begin this summer, if plans by Ralph Belfiore of Chelmsford come to pass. From the US Customs Service, he has learned that nearly 300,000 trucks pass over the Maine/New Brunswick border at either Calais or Houlton. Many of those, he believes, originate or terminate in southern Nova Scotia, and hence would have an interest in using the ro-ro ship.

**No competition from the Gloucester service**
According to Belfiore, the Gloucester service [see Shelburne] will receive an exclusive contract to handle passengers and light freight in Shelburne. He will receive an exclusive to handle heavy freight. Pease Development Authority Executive Director George Meyer told Michael Goot of *Foster’s Daily Democrat* that PDA wants financial information and a business plan. “It looked like it would work between there and here. The *Scotia Princess* goes back and forth all the time between Portland and Nova Scotia. This would only be doing this a little further south.”
Not much cooperation from Massport
Belfiore related that, with a partner in Yarmouth, NS, he had twice tried to start such a service, from Gloucester or from Boston. Gloucester believed it did not have the staging area for vehicles or for freight. Massport did not encourage use of a site in South Boston, and referred him to Autoport, which operates the Moran Terminal in Charlestown. That did not encourage him either, with talk of the need for traffic studies.

In Portsmouth he got a much more welcome reception, and, he notes, he gets easy access to I-95 and the Spaulding Turnpike.

Next moves
To generate potential traffic, Belfiore and others are scouring southern Nova Scotia for possible shippers who will give him letters of intent. “The mayor [of Shelburne] has people knocking at his door almost daily” looking for ro-ro service. Belfiore is looking at a ship in Europe right now which would cost about $1 million, with bow, stern, and quarter ramps.

He will meet with Geno Marconi, manager of the Market Street Terminal, in the near future. {ANR&P discussion 31.Mar.03}

And the Arain effort?
Belfiore may face competition from Fiaz Arain’s proposed container/ro-ro service between Halifax and Portsmouth [see 6 December 2002 issue]. Arain said this day he has “made progress with ocean carriers, we are in serious negotiations, contracts should be signed very soon.” With the war going in the Middle East, “people are a little cautious.”

While he does plan a ro-ro service to take trucks from Halifax to Portsmouth, “our first priority will be containers.” {ANR&P discussion 31.Mar.03}

RHODE ISLAND

PROVPORT/PW
4 April, Provport. PW RESTORED AN OLD DOCK TRACK along berths 3 and 4, up to the Ace Warehouse at berth 5. Mary Tanona, PW general counsel, put the number of feet at about 1300. {e-mail to ANR&P}

4 April, Provport. HOPPERS ARE ON THE MOVE TOWARD PROVPORT FOR TWO REASONS. PW has moved two strings of smaller hoppers with TLTX (Tilcon Tomasso Quarries) markings to Metals Recycling for scrapping.

Coal hoppers
PW has a string of larger, coal hoppers at Northrup Avenue Yard, under the Park Avenue bridge in Cranston, at the Valley Falls Yard in Pawtucket, and in Putnam, Connecticut on the Klondike Siding. The Klondike siding cars are moving to Rhode Island for the imminent arrival of another coal ship. {ANR&P discussions with
Mary Tanona, Bruce Waterson, and the NERAIL e-group

**PW/AMTRAK**

4 April, Providence. *NEW WELDED RAIL IS SHOWING UP AT THE NORTHUP AVENUE YARD AREA* in advance of Amtrak beginning work on Track Seven, the freight track from Boston Switch to Mile Post 183. [NERAIL e-group]

Kazem Farhoumand, RIDOT engineer overseeing the Freight Rail Improvement Project (FRIP), said RIDOT and Amtrak are renegotiating the 1999 contract for the trackwork [see 24 October 2001 issue]. In 2002, RIDOT asked Amtrak for an estimate to do the track rehab for Track 7, after the parties decided not to spend the money to allow full doublestack (20'6") and instead only do tri-level auto carriers (19'11") [see 26 July 2002 issue].

He does not expect the trackwork to start soon. {ANR&P discussion 4.Apr.03} When started, PW will use the crossover to the main line at Boston Switch when Track Seven is out of service. {e-mail to ANR&P from PW general counsel Mary Tanona 4.Apr.03}

**VERMONT**

March. *THE TRANSPORTATION COMMITTEE RELEASED ITS RE-DRAFT OF THE STATE TRANSPORTATION CAPITAL PROGRAM.* Both houses must still pass the bill, H.454. It included these provisions:

**Commuter rail**

Sec. 3. RAIL PROGRAM

The following modifications are made to the rail program:

(1) The Burlington-Essex Corridor New Starts Development project, page 4, is modified as follows: Notwithstanding the description of the project, federal New Starts funds in fiscal year 2004 shall be used exclusively for the following activities:

(A) acquisition or long-term lease of the railroad right-of-way for use as fixed guideway public transit service, intercity passenger rail service, or freight service; and

(B) engineering work with respect to the potential use of the railroad right-of-way for a fixed guideway public transit service, intercity passenger rail service, or freight service.

(2) The Middlebury-Charlotte project, page 6, is amended by striking the description and comments. The project description shall read: The project is for the rehabilitation of the condition of the track and rail infrastructure between Middlebury and Charlotte.

(3) In the event of traffic congestion resulting from construction of the Shelburne-South Burlington NHEGC FEGC 019-4(19) (US 7/Shelburne Road) highway project, the secretary may resume operation of the Champlain Flyer passenger train service between Charlotte and Burlington, with the operating expenses of the passenger train charged to the highway project. The secretary is directed to seek the maximum participation of federal aid funds in meeting such expenses.

**ConnRiver line operating agreement**

Sec. 15. WHITE RIVER JUNCTION-NEWPORT RAILROAD; NEGOTIATION OF LONG-TERM OPERATING AGREEMENT

(a) The secretary of transportation, as agent of the state of Vermont, is authorized to negotiate a long-term operating agreement with the Washington County Railroad Company for operation of freight service over the state-owned railroad line between Hartford (White River Junction) and Newport City. The proposed agreement shall be submitted for approval of the general assembly or the legislative joint fiscal committee in accordance with 5 V.S.A. §§ 3405.

(b) The duration of any proposed operating agreement shall not exceed an initial term of 10 years, with an option to renew for two additional terms of not more that 10 years each.
(c) If the secretary is unable to reach a proposed agreement with the Washington County Railroad Company by May 15, 2003, the secretary shall immediately request proposals from other potential operators.

[This fulfills the effort by VRS to eliminate their quandary as interim operator—see 26 February issue.]

Lamoille Valley track lifting
Sec. 17. LAMOILLE VALLEY RAILROAD
The agency of transportation is authorized, subject to approval of discontinuance of service and the approval of rail-banking, by the Federal Surface Transportation Board and notwithstanding any prior legislation, to salvage materials from those sections of the rail corridor which are leased to VAST between Morrisville and at or near mile marker 94.81. The agency shall negotiate with the successful request for proposal (RFP) responder for the removal of the rails and ties over the entire length of the Lamoille Valley Railroad bed. If the rails and ties can be removed at no cost to the state, the agency is authorized to enter into an immediate contract for their removal as quickly as possible. Notwithstanding any prior legislation, the agency is further directed to negotiate to retain as much of the salvaged material as possible, at no cost to the state, for use on other rail projects in the state.
[See 12 March issue.]

VAOT leasing of railroad lines
Sec. 18. 5 V.S.A. §§ 3405 is amended to read:

§§ 3405. LEASE FOR CONTINUED OPERATION

(a) The secretary, as agent for the state, with the approval of the governor and, when the general assembly is in session, the general assembly, and when not in session, the legislative joint fiscal committee, or if the general assembly is not in session, approval of a special committee consisting of the joint fiscal committee and the chairs of the house and senate committees on transportation, is authorized to lease or otherwise arrange for the continued operation of all or any state-owned railroad property to any responsible person for operation of a railroad, provided that approval for the operation, if necessary, is granted by the Interstate Commerce Commission federal Surface Transportation Board. The lease transaction shall be for a price and shall be subject to any further terms and conditions as, in the opinion of the secretary, are necessary and appropriate to accomplish the purpose of this chapter.

(b) To preserve continuity of service on state-owned railroads, the secretary may enter into a short-term lease or operating agreement, for a term not to exceed six months, with a responsible railroad operator. Within 10 days of entering into any lease or agreement, the secretary shall report the details of the transaction to the members of the house and senate committees on transportation.

MARITIMES/QUEBEC

CANADIAN NATIONAL

31 March, Halifax.  CN WILL SOON MAKE OPERATIONAL A LUMBER RELOAD FACILITY ADJACENT TO CERES (the marine intermodal terminal on Bedford Basin), named ‘Basinview Reload Center’. Scott Roberts, assistant vice-president public affairs, said it is not a ‘public’ facility, but for use by several customers who bring in lumber for loading out on rail cars.

The move from Burnside Industrial Park
Until now, the reloading has taken place in Dartmouth, in the Burnside Industrial Park. The move serves several purposes:

Faster service. In Burnside, the reload would only get one switch a day, and the outbound cars would get left at Windsor Junction for pickup by a long-distance train. At Fairview, inbound long-distance trains can drop the empties in the morning, and pick up loaded cars in the afternoon. For the customers, this ‘shaves 24 hours or more off their current service,’ wrote Roberts.
Improved equipment cycle times. With the cars moving more quickly, and not stopping at Windsor Junction, the railway needs fewer cars, and can thus operate less expensively.

Unclogging Burnside. Per Scott, ‘Burnside is an enormous municipal industrial park in Dartmouth, not on the water. It's been around for years, started slowly but has exploded in the last ten years. Congestion and track configuration in Burnside means slower switching and additional costs. Other Dartmouth and Burnside traffic will continue to be spotted near Windsor Junction, but less of it. We will also be able to serve new rail customers in Burnside who don't present the same volume and congestion problems we have with lumber. Notice that Burnside has run out of room, just that it's difficult to serve our lumber customers located there. Burnside is a great place for light manufacturing—even a newspaper (Halifax Daily News).’ {e-mails to ANR&P from Roberts 1-3.Apr.03}

HALIFAX

2 April, Halifax. **HOW TO MOVE NON-RAILED CONTAINERS OUT OF THE SOUTH END** is under examination by the Halifax Regional Municipality (HRM). David McCusker, manager of the transportation portion of a new regional plan for HRM, and Marcus Garnet of HRM’s planning staff have brainstormed these methods:

- Paving a new road alongside CN’s rail line from the South End to a point where trucks could get on a twinned highway.
- Paving between the rails of CN’s track to the same point.
- Driving trailers onto intermodal cars so CN could drag them to Bedford where tractors could pick them up.
- Barging the containers across the harbor to Dartmouth for loading onto chassis there.

Increased trucking and residences

In a presentation to a session entitled ‘The Water’s Edge: Competing Interests - Industrial’ at a coastal planning conference co-sponsored by the Dalhousie School of Planning on 25 March, Garnet explained that trucking of containers out of Halterm had increased, and at the same time residential housing had sprung up in the South End on former parking lots along the harbor. However, Murray Graves of Halterm later stated that about 65% of containers move by rail, 25% by truck, and 10% by transshipment, a ratio which has not changed in recent years. {e-mail to ANR&P 7.Apr.03]

Need to preserve South End

At the same time, planners were considering whether the South End Terminal was needed, given the plans by the Halifax Port Authority to build a new terminal probably at Rockingham Shores, in the Bedford Basin. Garnet said the planners concluded that no container ships larger than post-Panamax size would come along anytime soon, and those ships will fit under the MacKay and MacDonald Bridges which cross the harbor. But, “post-post-Panamax may not,” and here HRM planners believe that the South End terminal would provide the only point for such ships to load and unload. {ANR&P discussions 2.Apr.2003}

SYDNEY/SYDNEY COAL RAILWAY

2 April, Sydney. **LOGISTEC IS SCRAPPING OBSOLETE RAILCARS** here, and moving them to the Sysco pier for eventual shipment overseas by Provincial Energy Ventures (PEV), a terminal operator.

Not asked about coal

Paul Doiron, Logistec vice-president, Atlantic division, wrote that ‘Logistec did not and was not asked to bid on the import coal for the Trenton plant [see 26 March issue]. This will occur in 2004 and has no bearing on our operation in Sydney.’ {e-mail to ANR&P}

SHELBURNE

31 March. **THIS PORT ANTICIPATES FURTHER TRAFFIC GROWTH**. Mayor P.G.Comeau, who also serves as the chair of the port authority, explained that the town had taken over ownership of the port facilities from the federal government in mid-2002.
Existing traffic includes automobiles
The port receives a call by Eimskip, the Icelandic shipping line, which handles containers. It calls Shelburne out from Reykjavik, and back from Newport News, giving it one call a week. It carries Chrysler products in containers to Iceland, among other cargo.

**Attractiveness of Shelburne**
Comeau ticked off these: ice-free port, non-union labor, no pilots needed, 42-foot channel, 27 feet alongside the berth. A landside crane can stack containers three-high.

**Possible passenger ferry**
Comeau said he had instigated the idea in 1997, and has continued to back passenger ferry service to Gloucester, Massachusetts [see 00#03]. He expects a formal announcement in a few weeks, with service to start in 2004.

**Future cargo**
This summer, a quartz mine will begin shipping “the finest white quartz in North America”. In a few years, kaolin, rock, and aggregate may move by ship to the United States. {ANR&P discussion 31 March 2003}

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**PEOPLE**

Mike Chilson, former SLR president, has a new position as position of Senior Hub Manager for BNSF. In Stockton, California he’ll be responsible for the intermodal ramps in Fresno, Stockton, Oakland, Richmond and North Bay.

He says: ‘I enjoyed working with you here in Maine. I'll really miss the excellent staff I was privileged to work with on the SLR.’ {e-mail to ANR&P}

Kazem Farhoumand, the bridge engineer supervising RIDOT’s Freight Rail Improvement Project, has become the department’s deputy chief engineer. David Fish has taken Farhoumand’s position as managing engineer, but Farhoumand will continue to oversee the FRIP.

Phil Kingman has become senior vice-president of sales and marketing at Guilford Rail System.

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**RAIL SHIPPERS**

*As a precursor to our forthcoming Directory of Rail Shippers & Receivers: Southern New England this section lists the companies discussed in this issue.*

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*Atlantic Northeast Rails & Ports*, nee *Maine RailWatch* (1994-1997) and later *Atlantic RailWatch* (1998-1999), is dedicated to the preservation and extension of the regional rail network. The editor believes that publishing news on railroads and ports spotlights needed action to preserve the rail network. The publication also imbues the region with a sense of an interdependent community, employing the network to move rail and port traffic. ‘No railroad is an island, entire onto itself.’

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