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[No report.]

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CBNS: RailAmerica accepts business case, will withdraw abandonment application.

Halifax: Maersk halts one call to Halterm.

Rail Shippers/Receivers

A cross-reference to companies mentioned here.

People, Positions, Events

David Cole.

From the Publisher

NEARS & Directory of Rail Shippers/Receivers

Please consider attending NEARS, the North East Association of Rail Shippers spring meeting on Cape Cod 9-11 April. Besides meeting other railroading professionals (also wonderful people), you will get a first view at our new publication: Directory of Rail Shippers and Receivers: Southern New England.

Malcolm Laughlin has worked hard to include every facility using rail, either inbound or outbound.

- Chop Hardenbergh

Next issue: 26 March

Regional Issues

Twin State Railroad

Note: Up to March, the effort to kick Clyde Forbes’ operation, TSRD, off the line between St. Johnsbury to Whitefield trackage was confined to New Hampshire, because NHDOT had purchased the line from Guilford. When Dirigo appeared to restart the Gilman mill that all changed.

March. **THE GILMAN MILL WILL BE RESTARTED** by the small, new Dirigo Paper Company LLC of Milton, Massachusetts. The Steve Regan Company of Salt Lake City, Utah bought the mill and power dam out of bankruptcy [see 12 February issue–*New Hampshire*] and has signed a deal with Dirigo to operate the mill. Dirigo is backed by the Siman Paper Group, a 70-year-old privately-held paper products company headquartered in Miami, Florida. Siman will be the mill’s primary customer, at least initially.

The Regan Company, concentrating on the hydroelectric plant, will maintain an interest in the non-paper-related property. The mill will obtain power from the hydroelectric plant at a cost that is satisfactory. {Martha Creegan in *Caledonian Record* 4.Mar.03}

**Mill will use rail**

Peter Hanson, one of the principals of Dirigo, said the company is planning to use rail, both inbound and outbound. {ANR&P discussion 5.Mar.2003}

**VAOT position**

Charlie Miller, rail program manager for VAOT, said the state knows “it is very important to do everything we can to facilitate the rail connection. We want to demonstrate our ability to deal with business, and reopen the line.” That probably means local ownership and a New Hampshire railroad operating the line; local people are “much more likely to satisfy the customer.” Acknowledging the dispute between Guilford/NHDOT and Forbes, he believed that “an interim arrangement can be made, that the mill can live with” while it gets started. {ANR&P discussion 10.Mar.03}

6 March, DC. **TSRD OPPOSED THE ADVERSE DISCONTINUANCE** filed by Guilford and NHDOT on 20 February.

**Guilford/NHDOT position**

On 10 December, GRS subsidiary Maine Central filed an initial request for waiver pending its filing of a petition for adverse discontinuance of TSRD operating rights on its line between Whitefield and St.Johnsbury [see 23 December 2002 issue]. TSRD responded in opposition on 5 January [see 12 February issue]. At the end of December, NHDOT bought the New Hampshire side of the line from Maine Central [see 19 November 2002 issue] for $391,000.

Then on 20 February, Guilford withdrew its earlier request for waiver. The request, which covers the entire line, was jointly refiled by Guilford as the owner of the Vermont side, and NHDOT as the owner of the New Hampshire side. The new request stated: ‘The Applicants have developed theories as to why the traffic levels have declined, but, again, as the exclusive operator on the line, TSR and LVRC are in the best position to provide such information.’ {STB Docket Number AB 848 accepted 20.Feb.03}

**TSRD response**

Twin State argued that it had kept the line in the repair necessary without any customer on the line, and that the only customer on the line, the Gilman mill, had stopped using rail. {STB Docket Number AB 848 accepted 6.Mar.03}

*Obviously TSRD filed the response not knowing of the new customer. Clyde Forbes does not subscribe to this newsletter, but he probably already knows he has a new customer, plus two states anxious to ensure the successful revival of rail service. How all that affects the adverse discontinuance effort remains to be seen. Editor*

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**CONNECTICUT**

**CONNECTICUT PUBLIC T.C.**

5 February, Hartford. ‘**CONNECTICUT...SHOULD MAKE IT A PRIORITY TO DIVERT TRUCK TRAFFIC TO RAIL**’, stated the Connecticut Public Transportation Commission in its annual series of recommendations. As required by law, James Byrnes, acting ConnDOT commissioner, responded to that and all other recommendations [see 15 February 2002 for previous year’s responses].
1. ConnDOT already doing what it should. Responding to the recommendation to divert truck traffic to rail, Byrnes noted that ‘ConnDOT already promotes the existing rail freight infrastructure and the expansion of rail freight service wherever feasible. ConnDOT has maintained a Local Rail Freight Assistance Program that has provided funds and rail infrastructure components to various Connecticut freight rail operators. Connecticut also has a Tax Exemption Program, which permits freight railroads to avoid paying their gross receipts taxes as long as they are investing those funds in preapproved infrastructure improvements.

‘To understand the issues and opportunities associated with the movement of goods within and through the State, ConnDOT has conducted intermodal freight studies, interviewed rail freight operators and has conducted commodity flow studies regarding shipments into, out of and through the state. Findings indicate that the majority of the freight that travels into or through Connecticut is being transported using trucks. This is primarily because the nature of the commodity or the business (either the size of the load or the reliability of the shipment delivery) determines how that trip is made. ConnDOT has found that the most difficult issue to deal with in Connecticut regarding the diversion of freight from one mode to another is that the major decision that determines how a commodity is shipped to or through Connecticut is made outside of Connecticut. Shippers and receivers are influenced by their business requirements. Even if a less expensive or more socially acceptable alternative mode exists for the movement of their goods, the overriding factor that determines how the shipment is made is based upon the best interest of the company.’

More rail along I-95 corridor?
‘The State of Connecticut has been extensively involved in addressing the constraints associated with providing more rail service in the 1-95 corridor and the region. Connecticut is a member of the 1-95 Corridor Coalition. The I-95 Corridor Coalition has identified problems associated with increasing rail freight service in the corridor. These include:

Cross Harbor Tunnel ‘ConnDOT understands, and the NASTO study confirms, that improved access across the Hudson River is a prerequisite for improved freight movement in Connecticut and throughout the region. The New York Economic Development Corporation (NYEDC) is in the process of conducting a New York Cross Harbor Tunnel Study, and Connecticut has been participating in the process. The NYEDC study does not indicate that there would be a reduction in truck traffic if a new Hudson River crossing were built. It suggests that the rate of increase in truck traffic would be reduced. ConnDOT questions whether this would in fact occur, or would an increase in truck traffic possibly be accelerated along the I-95 corridor with the completion of a new lower Hudson River crossing and the limited opportunity for additional rail freight service along the New Haven Line.

‘In addition, ConnDOT is participating as a stakeholder in the Environmental Impact Statement that is currently being prepared by the New York State Thruway Authority and the Metro North Railroad regarding the I-287 corridor, which includes the Tappan Zee Bridge crossing. This study will identify and evaluate alternative multimodal and highway proposals to address the transportation needs of the study corridor.

Improved clearances on New Haven line. ‘Assessments have been made regarding raising the clearances of bridges over the New Haven Line. The high cost of raising the bridges, along with the opinions of various rail operators in the state questioning the need for higher clearances, has led the State to adopt a long-range policy and law that addresses bridge heights over railroad beds. As stipulated in Connecticut General Statutes, Section 13b-251, overhead clearances for railroad tracks: (a) The minimum overhead clearance for any structure crossing over railroad tracks for which construction is begun on or after October 1, 1986, shall be twenty feet, six inches...

‘Certain types of intermodal service can be operated with the existing bridge clearances. The nature of double-stack service requires traffic volumes that are not likely to occur in Connecticut. In addition, the rail line does not connect with a double-stack route in a way that would make such a service useful. In short, there is currently, and for the foreseeable future, little incentive for public investment in providing clearances higher than what currently exist.

Conclusion. ‘ConnDOT is aware of the issues that affect freight movement throughout the region. ConnDOT has and will continue to participate locally and regionally in efforts to explore opportunities to improve the movement of goods in Connecticut and the region.’

Recommendation 4. Commendation for initiation of New Haven - Hartford - Springfield Commuter Rail Service Study. Byrnes noted that ‘the study....is scheduled to be completed in 2003....The current and future needs of all users
(shippers, freight railroads, Amtrak and ConnDOT) will be assessed. Environmental constraints and considerations will be identified. An Implementation Plan will be developed for the recommended operating scenario and capital improvements. This could address possible staged or phased implementation and considerations regarding ownership and maintenance of the infrastructure (rail bed and stations) as well as the appropriate service operator.

‘Products from this study may include: a Capital Development Plan (for track, stations, rolling stock, and related facilities), an Operational Plan (for freight, Amtrak and commuter service), an Implementation Plan scheduling all project elements, Performance Measures, and a New Starts Federal Transit Administration Grant Application. The environmental documentation would be prepared subsequent to the completion of this study as a separate assignment based on the selected strategy.

‘ConnDOT appreciates the Connecticut Public Transportation Commission’s positive comments regarding this important effort.’ [See 26 July and 28 October 2002.] {text from CPTC}

CSXT/CSO
6 March, New Haven/North Haven. THE C&D FACILITY MAY OPEN SOON. On 21 January, the hearing officer recommended the Department of Environmental Protection issue a permit to construct, and a temporary permit to operate for 60 days, over the opposition of a group of neighbors [see 28 October 2002 issue].

The permit will allow the Circle of Life facility, owned by the Anastasio family, to operate 24 hours a day, receiving 2,378 tons per day, and keeping no more than 30 loaded railcars stored outdoors on-site covered by tarpaulins. {DEP website}

The commissioner, who has the final decision, will hear oral argument on 7 and 12 March. {ANR&P discussion with source}

CSXT will switch the cars; CSO will move them to West Springfield where CSXT will lift them for movement to the Midwest [see 29 March 2002 issue].

MAINE

CALAIS BRANCH
6 March, Augusta. THE BILL TO CREATE A RAIL AUTHORITY WAS NOT EXPECTED TO PASS [see 12 February issue], according to Skip Rogers, who heads the non-governmental Eastern Maine Railroad Development Commission. He therefore did not attend the public hearing. The Joint Transportation Committee will consider the bill, LD113, in a work session on 13 March. {ANR&P discussion 11.Mar.03; Legislature website}

ROCKLAND BRANCH/LOWER ROAD
18 February, Augusta. ANSWERS TO QUESTIONS ABOUT THE FUTURE OPERATING CONTRACT were provided by Allan Bartlett, rail official at MDOT. MDOT has asked for bids to operate the two lines by 14 March. Among these:

- Does provision of freight rail service require locomotive services only or is there a provision to be made by operator for freight cars in certain cases? At present, Safe Handling provides locomotives only.

- What is the current condition of the rail, i.e., speed rating, current freight traffic, and current revenues? Rockland Branch meets FRA Class I to Class III. Lower Road meets FRA Class I and II. Rockland Branch is relay 115# CWR, laid in 2001 and 2002. Lower Road is jointed 112# and 115#. All rail is in good condition. [See 14 January issue for traffic.] Revenues are proprietary to SRP. [Thus any bidder will have to find another way of knowing how much income the traffic will provide. Editor]

- Do any of the shipping contracts on Rockland Branch require special equipment/expertise to be provided by operators? No. Standard hazmat training for shipment of contaminated materials out of Maine Yankee. Are there prospective customers or contracts that would require special expertise? None we are aware of.

- Is trail built, or to be built, by Maine communities on Lower Branch to be used by snowmobile, ATV’s, etc.? The only motorized vehicles allowed will be (1) maintenance and emergency vehicles; and (2) motorized wheel chairs. Are plans for
trail and award of grant available, what is expected to be impact on operator. Only profile plans are available since project has not been advertised. Impact on operator is unknown since we have no history yet of shared usage of the R/W. Presumably there will be some impact on the operator’s insurance.

- Do Maine-based or -incorporated companies have preferential standing? No. {e-mail to ANR&P from Bartlett}

Additional names to which the answers were sent
[See 27 January issue for earlier names.] Dick Currier, NHCR; Gilbert Robert, affiliated with the company which won the MBTA commuter rail contract; James Roach, a consultant out of East Lansing [Not going to bid. {ANR&P discussion 12.Mar.03}]; Robert Ames of R.T.Ames & Company, a rail maintenance firm in New Sharon, Maine; Richard Bertel, chair of short-line holding company Rio Grande Pacific; and Jeff Woods, marketing manager of the Cedar Rapids and Iowa City Railroad.

R.T.Ames looking for partner
Ames’ firm has done rail maintenance in Maine since 1973; he is interested in partnering with a freight operator. His company has worked for four paper mills (International Paper, Bucksport mill, Wausau-Moisinee, and Huhtamaki), Dragon, Maine Yankee (including a new siding), Bath Iron Works’ Hardings site, and for MDOT’s out-of-service lines. Contact 207-778-4583. {ANR&P discussion 6.Mar.2003}

18 February, Hallowell. THE DEPARTMENT DECISION TO OFFER SAFE HANDLING FINANCIAL ASSISTANCE was based on two factors, according John Melrose, MDOT commissioner at the time:

- The interruption in service to operator due to the rail construction project. Could Safe Handling run the line the way it wanted, or would the track construction interfere?
  [Opinions differ on whether Atlas interfered with SRP, or SRP with Atlas operations. {ANR&P discussions 5-12.Mar.03} ]

- Dragon Cement's possible expansion. This weighed heavily in the background of preserving this particular line, since the department did not endorse subsidies. MDOT wanted to keep a freight operator on the line anticipating the Dragon expansion. If rail disappeared, that might affect how Dragon viewed its expansion plans [which came to pass—see 12 February issue]. {ANR&P discussion with John Melrose 18.Feb.03}

21 February, Augusta. MAINE TRACK MAINTENANCE WON THE CONTRACT TO RELAY THE TRACKAGE HERE taken up to do storm drainage work [see 27 January issue]. At the end of January, according to MDOT Multimodal Program Manager Russ Spinney, MDOT awarded a contract to Randy Pike’s firm of $414,000 to reconstruct about a mile of track, and install a new passing siding.

21 February, Augusta. ATLAS HAS ABOUT SIX WEEKS OF WORK LEFT on the Rockland Branch; work stopped after Thanksgiving and will resume in the spring. Spinney said the contractor must finish surfacing the line.

Then MDOT will decide whether to accept or reject the work. “If we accept it, that starts the clock on one-year warranty.”

How well has Atlas done?
“A reasonable job,” said Spinney. “We’ll have a pretty good track when done” though the project experienced “some inefficiencies along the way. The ultimate quality of work will be very good.” MDOT required all bidders to have an A- bond rating or higher to bid the job. Since Atlas acquired such a bond, it meant they had a good industry reputation and sufficient financial backing to perform the $25 million project.

In the Maine Track Maintenance contract, Spinney raised the specifications above the industry standard in the Atlas contract. For example, Spinney did not want tie plates to overhang the tie (the spike gets closer to the edge of the tie), but the industry standard (AREMA–American Railroad Engineering and Maintenance-of-Way Association) permits that. For the Augusta work, MDOT required the tie plate not to overhang the tie.
Atlas claims filed
Recently Atlas filed a claim with the Department for reconsideration of the Locomotive Allowance cap (a mandatory bid item of not-to-exceed $750,000 in the original contract) and a claim for delay. Project Manager Paul Pottle and his construction staff are reviewing supporting documentation provided by Atlas with its claim. \{ANR&P discussion 6.Mar.2003\}

Other opinion
One rail contractor, echoing the opinion of others who have viewed the Rockland Branch work, saw “many issues to be addressed when Atlas leaves–everyone says so.” He believed that the state would have to assume the cost of maintenance for the future operator because it is “an unknown factor.” \{ANR&P discussion\}

**MASSACHUSETTS**

**EOTC/MBTA**
2 March, Boston. **THE NORTH-SOUTH RAIL LINK WILL NOT SOON APPEAR**, and the Greenbush line appears tenuous, according to Doug Foy, Governor Mitt Romney’s chief of Commonwealth development. Foy oversees transportation, environmental protection, and housing.

The state is rating every project on the table for cost-effectiveness. “The only one that I know is not likely to make the final cut list on transit is the North-South rail link, which is a $7 billion project and it’s another tunnel through the center of Boston. I do not see any way that we are going to be able to do that.”

Foy was less certain about the $470 million Greenbush rail restoration. All state spending projects will be rated by a common set of criteria over the next several months. “What it does for alleviating sprawl, how many cars it takes off the road, how many people it moves from where they live to where they work, and how cost effectively it does that.”

The plan to restore the Greenbush commuter rail line is under a six-month construction moratorium. The MBTA halted all construction-related activity on the Greenbush project as it finalizes needed permits. “No one is saying Greenbush is dead or not going to survive the cut when we do a serious set of transit analyses,” Foy underlined.

Other transportation projects—including the planned Stoughton rail line extension to New Bedford and Fall River—remain in limbo as the Romney administration reviews transit projects. \{Tom Benner in Quincy Patriot Ledge 3.Mar.03\}

**BAY COLONY**
5 March, Sagamore. **BCLR WILL SWITCH GALLO WHILE THE BRIDGE IS OUT**, according to Bernie Reagan, who handles marketing for the railroad. He explained that the power plant in Sagamore is now owned by Mirant, a nationwide power company, under its subsidiary Mirant Canal LLC. The fly ash from Mirant’s plant is moved by Gallo Construction via truck about one mile to Gallo’s location on the BCLR in Sagamore.

Gallo has the use of a siding under the Sagamore Bridge where it loads the fly ash, belonging to Mirant, into rail cars for shipment to US Vanadium (a subsidiary of Strategic Minerals Corporation–Stratcor) in Arkansas \[see 12 July 2002 issue\], three or four a month. BCLR has left a locomotive on the Cape in order to switch Gallo during the repair of the rail bridge across the canal, which begins this month and is scheduled for completion at the end of May. While out, the largest Cape customer, waste to energy plant SEMASS, is trucking waste from the Cape \[see 30 August 2002 issue\].

Gallo has taken special steps to keep the flyash out of the environment, said Louis Gallo. The cars have a 10-millimeter plastic lining, and will receive a special tarpaulin. Gallo will maintain and inspect the cars for the duration.

**Gallo and salt**
Gallo Construction also operates the salt terminal in Taunton for American Rock Salt \[see 7 November 2001 issue\]. Per Gallo, it handles about 1000 carloads a year there. \{ANR&P discussion 5.Mar.2003\}

**CSXT**
4 March, East Brookfield. **THE RAILROAD IS PROPOSING AN AUTO UNLOADING FACILITY HERE** and in the adjacent town of Spencer. According to the town office, the Conservation Commission will hold a meeting on 18 March at
830PM at the town hall, to look at a proposed amendment to the order of conditions for the future facility. {ANR&P discussion 4 March 2003}

5 March, Brockton. **THE RAILROAD WILL SOON HAVE A THIRD WASTE SHIPPER HERE.**

**Champion City**
Champion City will open a c&d (construction and demolition) processing and transfer station here in April, weather permitting. Champion City and Mid-State Recover of Portland, Connecticut, are subsidiaries of Regus Rail & Logistics of Holbrook, Massachusetts.

Located just off Howard Street about Milepost 18 of the Middleboro Main, the site has received remediation and a building is nearing completion. Workers are constructing a spur carried by a trestle across a brook into the site. {e-mails to ANR&P from Jim Christie of Regus}

**BFI Brockton Recyclery**
This facility at Milepost 19.30 does not need more rail access. Michael Sousa, operations manager, said the company accepts and recycles paper, corrugated paperboard, glass, tin, plastic, and aluminum. He sends out by rail only the paper and corrugated paperboard, and not even that when truckers offer him a cheaper price. For example, a Canadian company which trucks material to a nearby company offers a cheap backhaul in its own trucks for the scrap paper, so only the paperboard is now moving by rail.

CSXT spots three railcars a day for him, and he cannot fill them right now, in a low season. In high season, he could send out six to twelve cars a week. {ANR&P discussion 4 March 2003}

**Trojan Transfer Station**
This facility operated by Trojan Recycling Inc. redid its trackage in 2002, and recently purchased additional railcars. Located at about Milepost 21.75, it sends out c&d by rail, about 100 cars a year to increase to 800 [see 12 July 2002 issue]. {e-mail to ANR&P from NERAIL source.}

10 March, Wilbraham. **WASTE MANAGEMENT (WM) IS LOOKING AT A NUMBER OF DIFFERENT ALTERNATIVES** for this facility, said WM’s John Horak, director of operations for central and western Massachusetts. He was asked about a report that the company is looking at possibly moving away from rail.

WM bought the facility from Western Recycling six to eight months ago. Western was owned by Gerry Gagliarducci of Gagliarducci Construction. {ANR&P discussion 10.Mar.03}

Note: The above explains the report in the last issue, Connecticut section, about the closing of Western.

**PROVIDENCE & WORCESTER**

10 March, Millbury. **UNDISCLOSED PARTIES ARE NEGOTIATING A SALE** of the property on which LB Railco is proposing to operate a waste transfer facility [see 26 February issue], according to Millbury Town Manager Ray Houle. If the sale goes through, it would remove the possibility of siting a waste facility there. {ANR&P discussion 11.Mar.3}

On 6 March, the Surface Transportation Board granted a second extension to the parties ‘to allow the continuation of settlement negotiations.’ {STB Finance Docket No.34281}

**BOSTON**

6 March. **TRACK 61 WILL AGAIN REACH NEARLY TO MASSPORT PROPERTY** following completion of the Big Dig, probably in 2004 [see map]. The Central Artery/Third Harbor Tunnel Project will run it to the Boston Marine Industrial Park, and if wanted, to the Massport Marine Terminal (MMT) (former Subaru terminal) [see 26 February issue]. Massport leases the MMT from the Economic Development and Industrial Corporation of Boston through 2070, assuming Massport exercises two 25-year renewal options.

The track will reach to Coastal Cement, on city-owned property; it once reached the International Cargo Port on Massport-owned property, but that facility does not use rail so the tracks are no longer in place.
MMT development
On 23 January, Massport began seeking expressions of interest from developers who would use the remaining 30 acres of the MMT for bulk cargo operations, warehousing, distribution or other maritime and industrial uses. The land most recently has been used as a staging area for construction firms working on the Central Artery/Tunnel project, known as the Big Dig. As that project nears completion, all 30 acres will be available for development between 2003 and 2007. The other 10 acres have already been dedicated to the seafood-processing business. {Mark Micheli in *Boston Business Journal* online 23 Jan. 03}

Role of Track 61
Track 61 (the name for the last remaining spur into South Boston) splits from the MBTA-owned route out of South Station to the Old Colony and Readville lines. It formerly served the A Street Yard and had spurs out the finger piers at what is now MMT. {Railroad Atlas of North America, Steam-Powered Video UK} The rail, owned by CSXT which accesses it via trackage rights over the MBTA, could play four different roles:

Reach Conley Container Terminal
Proposed legislation contemplates extending the dedicated truck access (Massport Haul Road) to Conley. If that occurs, Massport would add a rail easement, to preserve the possibility of rail access to the container terminal.

Serve bulk or warehouse customers at the Marine Terminal
A study by Massport’s Business Development and Maritime Departments released in December 2002 stated that extending rail to MMT ‘will increase the site’s marketability, particularly for bulk cargo operations, although it is not necessary for all bulk cargo uses.’ Cost: $2 million.

The study reported that two earlier analyses indicated a market for handling additional bulk cargoes at the Port of Boston. The two departments have also identified a market for breakbulk waterborne cargo handling. {text of study}

The Boston Sand and Gravel batch plant is now closed; the Boston Redevelopment Authority, owner of the site, has a developer for it. The Coastal Cement terminal receives barges from Rockland, Maine (Coastal is owned by Dragon Cement [see 26 February issue]), and deepdraft vessels from overseas.

Passenger rail access
[Although never used for this purpose, the rail passes the Black Falcon Cruise Terminal. Cruise passengers could theoretically be hauled away for a rail excursion and returned. Editor]

Acquisition of more space for Conley
Massport has long wanted to purchase the tank farm to the west of Conley Terminal, to permit expansion of the container operation. Coastal Oil, the long-term owner, transferred it to El Paso Corporation of Houston, Texas, when El Paso bought Coastal in 2001. But because El Paso no longer wants to use the property, contaminated by petroleum products, El Paso put it out to bid. Boston-based Brownfields Recovery Corporation apparently won the bid in 2001, but efforts to come to agreement failed. John Devillars, former regional EPA administrator, was at Brownfields at the time. {Carol Masshardt in *South Boston Online* 8 Nov. 01}

Per El Paso, the site not currently for sale, but Massport is still interested in purchasing. A separate site within the tank farm did hold a molasses plant, now decommissioned and sold to a developer.

Existing bulk and break-bulk handling in Boston Harbor
In addition to the autos at Moran and the containers at Conley, the Port of Boston houses these terminals [see table page 8]:

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*Atlantic Northeast Rails & Ports – twice-monthly trade newsletter*
<table>
<thead>
<tr>
<th>Facility</th>
<th>location</th>
<th>rail</th>
<th>traffic</th>
<th>comments</th>
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<tr>
<td>Coastal Oil Terminal</td>
<td>South Boston</td>
<td>No</td>
<td>petroleum</td>
<td>Unused. Massport wants to buy.</td>
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<td>Coastal Cement Terminal</td>
<td>South Boston</td>
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<td>inbound cement</td>
<td>owned by Dragon</td>
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<td>Mystic Piers 48-49-50</td>
<td>Charlestown</td>
<td>No</td>
<td>leased* by Eastern Minerals</td>
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<td>Charlestown</td>
<td>GRS</td>
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<td>Charlestown</td>
<td>GRS</td>
<td>inbound cement</td>
<td>active</td>
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<tr>
<td>Medford Street Terminal</td>
<td>Charlestown</td>
<td>GRS</td>
<td>**</td>
<td>owned by Massport</td>
</tr>
<tr>
<td>Prolerized New England</td>
<td>Everett</td>
<td>GRS, CSXT</td>
<td>scrap metal</td>
<td>in/out by ship and rail</td>
</tr>
<tr>
<td>Distrigas Natural Gas</td>
<td>Everett</td>
<td>No</td>
<td>inbound natural gas</td>
<td>out by pipe</td>
</tr>
<tr>
<td>Exxon Oil</td>
<td>Everett</td>
<td>GRS</td>
<td>petroleum</td>
<td>out by truck</td>
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<td>St. Lawrence Cement (formerly Independent)</td>
<td>Everett</td>
<td>GRS</td>
<td>inbound cement</td>
<td>in by barge, out by truck</td>
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<td>Coldwater Seafood</td>
<td>Everett</td>
<td>GRS</td>
<td>fish</td>
<td>sometimes containers</td>
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<tr>
<td>Eastern Minerals</td>
<td>Everett</td>
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<td>petroleum</td>
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<td>petroleum</td>
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<td>Global Petroleum Terminal</td>
<td>Revere</td>
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<td>petroleum</td>
<td>active#</td>
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<tr>
<td>Tosco Corporation (formerly Mobil)</td>
<td>East Boston</td>
<td>GRS</td>
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<td>active#</td>
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*Eastern Minerals leases from Massport this three-acre bulk cargo terminal to import, store, and distribute road salt. Eastern won the bidding for the pier in 2001, but has yet to use it. In 2002, it exercised the option to renew the lease for another year, which runs November-November.

** Medford Street is half-leased to Boston Autoport, and half for construction staging for power plant equipment which arrived from overseas. It is barged to site across the river where Sithe Energy is building a new power plant. The existing facility uses coal. (Massport)


## Global Companies owns Global Petroleum, which operates this facility through subsidiary Chelsea Sandwich LLC (not a sub shop, but named after the towns of Chelsea and Sandwich, where Global also has a terminal).
NEW HAMPSHIRE

NASHUA COMMUTER/GRS
12 March. **GUILFORD IS PROPOSING TO OPERATE THE SERVICE ITSELF.** GRS has proposed to run from Manchester to Lowell on single track, and make a cross-platform move at Lowell to the MBTA. Guilford does not wait for the bureaucratic process [see 26 February issue]; it will employ used equipment to operate four trains per day, and spend federal funds already appropriated.

The state may hire a consultant to evaluate the GRS proposal. {ANR&P discussion with Kit Morgan of NHDOT}

PORTSMOUTH
10 March. **A SHIP WAS RECEIVING SCRAP METAL** this day.

Scrap contract
On 22 August 2002, the Pease Development Authority board agreed to extend the contract of Rennselaer Iron and Steel [see 28 June 2002 issue] to use the Market Street Terminal.

Salt
On 6 March, the Pease Development Authority (PDA) Board considered a request from the International Salt Company (ISCO) to extend its use of the Market Street Terminal for another year. The board, according to PDA Executive Director George Meyer, granted an extension until the next meeting on 10 April.

On 5 March, PDA Chair William Bartlett said financial considerations would definitely play a role in the decision whether to renew the contract. “The Legislature has asked us to run that [port] as close to a business as we can. To turn away a customer, you’d have to have a very good reason to do so.” Bartlett said he did not feel the port was in direct competition with private industry. International Salt is paying $50,000 an acre, considered to be a fair market rent. Dick Kurcina, consultant for International Salt, said the company generates $500,000 for the state.

What about the competition?
In 2002, other salt terminals apparently convinced the PDA to end the usage of the Terminal by other salt companies, arguing unfair competition [see 14 June 2002 issue]. The competition argument did not bear up in the bidding, since Granite State Minerals won five of the six New Hampshire contracts [see 14 June 2002 issue], though International is serving Maine contracts [see 9 August 2002 issue–contract extensions] and Massachusetts contracts [see 6 December 2002 issue–contract extensions].

Kurcina turned the competition argument around: he has to pay dockage (the price to have a ship alongside) and wharfage (a cost per ton to use the pier). The private terminals earn money from dockage (which should more than cover real estate taxes) and don’t need to pay wharfage because they own the terminals. {ANR&P discussion 10.Mar.2003}

Competitor Granite State Minerals
Like all salt suppliers, Granite State is having a boom year. Bill Creighton, general manager, said he may have an extra six or seven ships this winter, with each ship carrying about 40,000 tons. The salt comes from South America. {Michael Goot in Foster’s Daily Democrat 8.Jan.03} [While Creighton has declined to specify tonnage through his facility, it can be estimated by looking at state contracts. In Massachusetts, District 2A estimated 27, 650 tons of usage and 5C 10,000 tons. In New Hampshire, the five districts supplied total perhaps 200,000 tons. If we add to that municipalities, we get perhaps 350,000 tons. Adding six more ships would increase Granite States’ tonnage by 240,000 tons. Editor]

Containers
PDA offered forgiveness of dockage and wharfage to the container feeder service as a startup [see 11 October 2002 issue]. The International Longshoremen’s Association believed the container service would not interfere with either scrap or salt [see
Meyer said Captain Arain, who is spearheading the effort, “is making pretty good progress. We’ll have a meeting later this week.”

Other possibilities
The port’s marketers are working on additional cargoes, according to Meyer. He declined to reveal names; they could become public at the 10 April board meeting. Some do not involve bulk, and thus could permit the salt to remain. {ANR&P discussion 11.Mar.2003}

VERMONT

VAOT/LEGISLATURE

January. VAOT HAS A NEW STRUCTURE FOR RAIL ISSUES. This month the new commissioner, Patricia McDonald, has reduced the number of divisions in the agency to five: Finance & Administration, Program Development, Operations, Policy & Planning, and Motor Vehicles. Rail responsibility, formerly within the Rail Division, is handled by Operations, including project development. Charlie Miller, formerly director of the Rail Division, now serves as the rail program manager within Operations (David Dill, director).

The rail program within Operations
Miller’s staff consists of Dick Bowen, railways administrator; Anne Candon, grants administrator; Nancy Rice, rail project coordinator; Del Thompson, transportation leasing specialist. Operations also has a rail engineering group of Tina Bohl, transportation project manager and roadway design; Jennifer Royer, civil engineer, traffic & safety; and Doug Zorzi, senior civil engineer, structures. {VAOT website}

10 March, Montpelier. THE VERMONT HOUSE IS EXAMINING THE GOVERNOR’S BUDGET RECOMMENDATION for the transportation budget. According AOT’s Charlie Miller, for rail this includes a total of $15,457,301. Some items:

Industrial development fund
Zeroed in the 2002-2003 budget [see 17 May 2002 issue], the governor proposed using $200,000 of state money to match $200,000 from the railroad and $200,000 from the rail customer.

Amtrak funding
Amtrak funding expires on 31 March; the House and Senate are considering a supplemental funding bill which in one draft increased the budget $670,000 for rail from state funds. [This money may replace some of the funds AOT expended to purchase the ConnRiver line—see 6 December 2002 issue—or help AOT pay Amtrak for the final three months of the fiscal year. Editor] The one draft also includes this language: ‘The secretary of the agency of transportation is authorized to negotiate with Amtrak and with other intercity transit providers to extend, modify, or replace the existing Amtrak services which terminate March 31, 2003 for the period through June 30, 2003.’ Miller said the state had asked Amtrak to continue service after 31 March, although the supplemental funds are not yet approved.

As for the next fiscal year, Miller said the governor “strongly supports both freight and passenger rail.” Toward that end, the Amtrak budget increased from $2.1 million in 2002-2003 to $3.5 million in 2003-2004.

Rutland Yard/Middlebury spur
Miller said the proposed budget would expend $400,000 toward the corridor project [see 26 February issue], which would probably be spent on the Middlebury spur.

Lamoille Valley Railroad
The House has added language to the budget bill, stating that subject to the discontinuation of operating rights on the LVRC,
AOT is directed to salvage the track between Morrisville and Swanton. That would leave rail only on the section operated by NECR [see 28 June 2002 issue].

VAOT is planning to file with the STB to discontinue LVRC operating rights [see 13 September 2002 issue]. According to Assistant Attorney General John Dunleavy, ‘Kevin Sheys’ firm prepared a draft petition in December 2002. However, they have a number of questions for me, which I have not had time to research’ due to the press of other matters. He plans to work on that in the next few weeks. {e-mail to ANR&P 11.Mar.2003}

**Burlington Branch**

VAOT, per Miller, may have funding in the budget for preliminary engineering on the Burlington Branch for rail improvements, rail, tunnel, and switches. This will “put us farther ahead of the curve when we look at use of line.” The agency has not purchased the branch [see 30 August 2002 issue]. {ANR&P discussion 10.Mar.2003}

**Champlain Flyer**

John Vincent, chair of the Vermont Transportation Authority, told the Vermont Rail Council on 12 February that the commuter service suspended as of 1 March may return once construction on Route Seven begins. The budget bill contains language to that effect.

VAOT Secretary Patricia McDonald told the Council that Jim Fitzgerald, VTA general manager, would continue until the maintenance of the Flyer equipment and facilities is settled. ‘Economic development is the primary focus...and this includes freight, connecting with Amtrak, and passenger rail service. The role of the VTA will continue. An Operations Committee with each transportation mode represented on a subcommittee will be formed to design a comprehensive, integrated transportation system that works in Vermont to meet the needs of Vermonters.’ {draft minutes of VRC meeting}

**THE VERMONT RAIL COUNCIL SHOULD HAVE A RECOMMENDATION ON ACT 250**

for its meeting today, according to the 12 February meeting [see 26 February issue]. In February, the Council asked members Representative Sonny Audette, Greg Maguire of the Department of Economic Development, John Pennington formerly of VRS, and Curt McCormack to come to consensus on the bill proposed by the Railroad Association of Vermont, H.176. {draft minutes of VRC meeting} Note correction of bill number

**BARRETT TRUCKING**

Barrett, with headquarters in Burlington, Vermont, operates six salt piles, all supplied by Cargill. {02#08A} According to owner George Barrett, he offloads, stores, reloads, weighs, and delivers salt from each of the sites.

**The six salt piles**

**Burlington** (2, both owned by VTR) One sits on Battery Street in the rail yard; the other south of it on Flynn Avenue, but still within yard limits. Cargill rails salt here, from Cleveland or Ludlowville NY. {02#08A}

**Rutland** (2) Served by VRS.

**Rockingham.** Barrett has a long-term lease on a building and property here. Served by VRS.

**White River Junction.** Barrett owns the facility here, NECR-served.

**Stark NH.** Barrett owns the facility here, SLR-served.

**Plattsburg NY.** Barrett is moving to a leased site at the Plattsburg Air Force Base, to which CP Rail has agreed to move the entire yard, away from the waterfront. {ANR&P discussion 4.Mar.03}

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**QUEBEC/MARITIMES**

**CAPE BRETON & CENTRAL N. S.**

3 March, Sydney Mines. The Province has a plan for enough traffic to save the Cape Breton Line. Economic Development Minister Cecil Clarke, CBNS General Manager Peter Touesnard, and federal Members of Parliament Mark Eyking and Rodger Cuzner shared a platform at Memorial High School to describe the result. Clarke said: “The business case is in keeping with the figures provided by CBNS during the Nova Scotia Utilities and Review Board (URB)
hearings last July.” [CBNS said it was losing $50,000 a month in operating costs, and the line needed $750,000 in maintenance. See 26 July 2002 issue.]

The province would not subsidize operating costs, but is prepared to invest in infrastructure improvements. “The details of that support will depend upon the railway finalizing a capital maintenance program.” Touesnard said part of the business plan addresses the ongoing losses, about $50,000 a month, until sufficient business is brought to the line over the next two years. “Things have certainly come together and we are quite optimistic.”

The business plan put together by Clarke involves Canadian National, VIA Rail, Nova Scotia Power (NSP), Sysco, and Provincial Energy Ventures, the operators of the bulk terminal at the former Sydney Steel pier. He noted that the railway needs 5,000 railcars a year, and “they have been identified.”

**Existing customers**
The 15 current customers who use rail account for about 1,000 carloads a year [520 originating in 2002, 767 terminating per page iii of Enterprise Cape Breton Corporation (ECBC) report–see 26 February issue]. The plan counts on them to increase rail: Clarke said users such as Polysteel Atlantic, Copol, Cape Breton Beverages, Canwell, and local feed recipients will raise that to 1200. [ECBC page v says to 1620 in two years. Page 34: ‘The increases are reported to come from increased penetration of existing geographic markets with existing commodities. Current rail users do not expect to move different commodities, or serve different markets, in any appreciable way in the next two to five years compared to present.’ ]

**New customers**
The package includes a freeing up of coal leases to allow open pit mining, and allowing the Donkin mine to proceed. The federal government must transfer the coal leases from crown corporation DEVCO to the province, said Clarke. Traffic would come from CN freight to Newfoundland, and bulk freight from Atlantic Bulk Terminals (Provincial Energy Ventures). [ECBC page vi says 60,000 tonnes of salt will land in Sydney, coal 0.5 to 2.0 million tonnes. Page 38: Coal is transloaded to smaller vessels for delivery to US electric station. Surface mining will result in 7,000 trucks per year. Page 35: ‘In all likelihood, surface coal in Cape Breton County will be consumed at Lingan generating plant. Expectations are that should this prove to be the case it will be transported by truck, thereby increasing intra-Island truck volumes.’ Donkin (rated ‘highly questionable’) could result in significant railed volumes.]

[ECBC says page 39 that CN sends about 2,000 trailers intermodally via Halifax for Clarke Transport. Clarke favors Halifax because of the less frequent, but direct, service to St.John’s which destination accounts for 80% of all trailers.]

**Adding the power coal back**
[ECBC page H-4: NSP is currently using some local coal: approximately 60,000 tonnes of coal per annum from strip mining operations located in Cape Breton County, and approximately 300,000 tonnes of coal per annum from strip mining operations located in Stellarton.]

CBNS ran into trouble when DEVCO ended mining coal, and NSP imported coal, landing it at Auld’s Cove in the Strait of Canso for railing to Trenton and Point Tupper. NSP publicly insisted that its coal would not save the line; using it would cost an additional $8 million per year.

[See 28 June 2002 issue. But ECBC page vi notes NSP’s pledge to invest $2 million to preserve the option of using the line should Auld’s Cove be blocked. Page 40: ‘Transportation and handling cost differentials make it prohibitively expensive for NSP to ship coal by rail from Sydney to Point Tupper or Trenton, or from Auld’s Cove or Point Tupper to Point Aconi and Lingan.’ Page H-10 says $2 to $3 per tonne from Sydney, and since Trenton and Point Tupper use about a million tonnes, NSP would pay $2 million to $3 million extra.]

Clarke said NSP had another look at the viability of moving coal through Sydney and determined it was a viable option. “Nova Scotia Power through its coal tendering process is looking at moving coal by rail to its power plants using Sydney as a staging point....Nova Scotia Power will be a significant component,” but would not start re-using the rail line until 2004. [ECBC notes NSP has a commitment to Martin Marietta in Auld’s Cove.]

Now, said NSP spokesperson Margaret Murphy later, her company will use the railroad to move the coal from Sydney to those two facilities. “We’ve said all along this railroad needs a plan that makes financial sense, there needs to be enough traffic on the line that it can operate without losing money. We have that now.”

[In another discussion, Murphy said: “Obviously Minister Clarke worked hard to discuss costs and options with the various parties. We intend to ship a significant portion, maybe as much as 400,000 tonnes, via Sydney harbor.” How were the NSP extra costs reduced from $8 million to $2 million to nothing? Murphy declined specifics, awaiting the Rail America...
decision. She would say that the “minister able to get parties to look at impediments.” {ANR&P discussion 4.Mar.2003]

Next step
Touesnard said he had recommended the business case to his superiors at Boca Raton, and expected to hear by 5 March if Rail America will accept the plan. {Wes Stewart in Cape Breton Post 4.Mar.03}

5 March, Sydney. **RAILAMERICA AGREED TO WITHDRAW ITS ABANDONMENT OF THE CAPE BRETON LINE**, based on the business plan presented to it by the province. Senior company officials flew to Sydney to meet with CBNS General Manager Peter Touesnard and government and business officials, and by the evening of the 5th reached the decision.

Economic Development Minister Cecil Clarke said later: “I think this is obviously what we've been working for and that is a business case for the line. I think in the coming days and weeks people will see that the business case will be strengthened for rail service on Cape Breton. And obviously for the community it takes a great pressure (off) with the continuance of rail service." {Philip Croucher and Wes Stewart in Cape Breton Post 6.Mar.03}

**HALIFAX**

28 February. **MAERSK WILL DISCONTINUE ITS NORTH ATLANTIC CALL** here on 5 April, according to a notice to Halterm, which operates the South End container terminal. ‘The Maersk Sealand North Atlantic service is one of two Maersk Sealand services calling at Halterm. Maersk Sealand will continue to call Halterm with its Middle East Container Line service. Maersk Sealand's decision to discontinue its Halifax call on the North Atlantic was made in response to current market conditions in North Atlantic trades.

‘This service represents a meaningful portion of Halterm's volume and, while the net effect is not fully known, could result in a reduction of over 15% of Halterm's cash flow assuming none of the volume is shifted to other services calling Halterm.’ {Halterm release}

For Halifax, it means a 40% drop in Maersk business at Halterm, and a 7% drop in business overall. “We're disappointed they're withdrawing one of their services,” said Patricia McDermott, vice-president of marketing at the Halifax Port Authority. {CBC webposted 4.Mar.03}

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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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The newsletter covers the operating freight railroads and ports in New England, Atlantic Canada, and eastern Québec, as well as the government environment they function within. Coverage includes passenger rail and ships when relevant to freight operations.

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Purpose
Atlantic Northeast Rails & Ports, née 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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PEOPLE

David Cole was approved by the Maine Legislature as MDOT commissioner on 11 March.

Trojan Transfer CSXT Brockton Mass.
WasteManage CSXT Wilbraham Mass