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

Issue 03#02A 12 February 2003

* Article unchanged from e-bulletin.

**REGIONAL ISSUES**

RailAmerica: NECR, CSO, CBNS not for sale.
High-speed rail: Report out soon.
Glens Falls: PW and GRS customer.

**CONNECTICUT**

Transportation SB: Freight rail no help?
Pioneer Cold: No rail traffic at the moment.
New Haven: Port Authority created.*

**MAINE**

Rail Task Force: Bill to implement recommendations.
Amtrak: May run at 79 miles per hour.*
Calais branch: Rail Authority to take over?
MMA: Lane Construction.* MMA update.
Rockland branch: Dragon Cement will expand.*
Pre-bid conference cancelled.*
Portland: Merril and Sprague results.
Eastport: Another record year.*

** MASSACHUSETTS**

Lynn: Bill to create Seaport Advisory Council.*

**NEW HAMPSHIRE**

Manchester-Lawrence: Bike path coming?
TSRD: NHDOT awaits STB ruling before closing.
Gilman mill to reopen?

**RHODE ISLAND**

FRIP: Completion in 2005.
PW: Re-open Allen Avenue for Sprague.

**VERMONT**

Amtrak: Manchester service not coming soon.
Commuter: Champlain Flyer will stop.
VRS: Funding for OMYA and Rutland rail yard.

**MARITIMES/QUÉBEC**

CN: New operating plan underway.
Saint John: Dry cargo up, containers down.
Halifax: Ro/ro and break-bulk up, containers and bulk down.

**RAIL SHIPPERS/RECEIVERS**

A cross-reference to companies mentioned here.

**PEOPLE, POSITIONS, EVENTS**

Christopher Gordon, Mike Michaud, John Brennan.

**FROM THE PUBLISHER**

And yet more news
Readers have something not yet in an e-bulletin. I am still working on port traffic stories and customers, so more will come soon in an e-bulletin.

- Chop Hardenbergh Next issue: 26 February

**REGIONAL ISSUES**

**RAILAMERICA**

6 February, Boca Raton FL.  **NECR, CSO, AND CBNS WILL NOT BE SOLD BY RAIL AMERICA**, according to spokesperson Wayne August. The company announced this day a plan to sell more than $100 million in assets by year-end 2004, to reduce net debt-to-capital levels to the current railroad industry average of approximately 50%. This includes the previously announced proposed sale of its 55% interest in its Chilean railroad, as well as the sale of several small non-strategic railroads, non-operating real

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estate, and other non-core assets in North America and Australia.

Citing Robert C. Parker, senior vice-president/North/Eastern Corridor, August said the railroads in the Atlantic Northeast are “doing pretty well, they’re good railroads for us.” {ANR&P discussion; RailAmerica press release}

HIGH-SPEED RAIL

4 February, Concord NH. **THE EXECUTIVE SUMMARY OF THE HIGH-SPEED RAIL STUDY WILL EMERGE IN A COUPLE OF WEEKS**, said Kit Morgan, NHDOT rail administrator. With the final report in hand [once due in December 2002–see 19 November 2002 issue], Massachusetts, New Hampshire, and Vermont will decide how to proceed into phase 2.

The study finds that commuters would rather drive if the train ran at 60 miles per hour, said Kit Morgan, but many drivers would park their cars if the train ran at 90. The study also found drivers would be willing to pay about 20 cents per mile, making a Concord to Boston round trip cost about $24.

**New Hampshire commitment to the next phase**

On the federal level, the Senate has included about $500,000 for the study to continue, but the House has not included funding in its version of the transportation budget bill. The three states would each pay one-third of the 50% match. New Hampshire will have a hard time finding its share, about $165,000, said Kelly Ayotte, spokesperson for Governor Craig Benson. “The governor loves rail [see 23 December 2002 issue], and he certainly supports the establishment of the Boston-to-Montreal railroad. He's dedicated to finding the money (for the project), but at this point he can't guarantee he'll find the money because of the current budget crunch.” {AP in Boston Globe 2.Feb.03}

GLENS FALLS LEHIGH CEMENT

6 February, Glens Falls NY. **GLENS FALLS LEHIGH CEMENT HAS THREE FACILITIES IN NEW ENGLAND.** From all three, cement moves out by truck. Dwight Fielder, director of logistics, first noted that the company’s product, Portland cement, comes in three types. (Basic cement is manufactured from a ground limestone, which is burned, ground again, and then gypsum added to it.) The difference among the three types stems from the chemistry of raw materials, and how the cement is ground. Type 1 is used for general construction, including redimix concrete, concrete blocks, and other precast products. Type 2 is used by state highway departments, while Type 3 has a higher strength earlier in the curing process.

**Providence dome**

The company imports Type 2 cement from Turkey for its new, 48,000-ton capacity dome finished in April 2002. The dome, located at 55 Fields Point Drive in Provport, has rail access to ship out product, but Fielder said the company is not yet using it.

**Providence silos**

These, located at 25 Terminal Road in Provport, receive Type 1 cement by barge from Cementon, NY. The Cementon facility, with a storage capacity above 50,000 tons, receives cement from overseas and clinker from the Glens Falls facility, and also grinds cement clinker with gypsum to create Type 1 cement.

**Wilmington MA silos**

This facility’s many different silos give it a total capacity of about 5,000 tons; it provides all three types of cement to customers. Most of it originates at the Glens Falls plant on CPR, and moves via Mechanicville to GRS and Wilmington. Late in the season, said Fielder, some product moves from Cementon–switched by CSXT–to Wilmington. For proprietary reasons, he declined to specify the number of carloads. {ANR&P discussion}

MORE ABOUT GLENS FALLS LEHIGH CEMENT

FREIGHT RAIL

November. **RAIL CANNOT OFFER MUCH HELP GETTING TRUCKS OFF THE STATE’S HIGHWAYS**, according to the *Background Paper on Rail* submitted to support the Transportation Strategy Board [see 14 January issue]:

While virtually no freight passes through the state by rail, in the year 2000, a total of 43,000 carloads either originated, terminated, or both, in Connecticut. This equates to approximately 95,000 trucks with either a reduced length or no truck haul in Connecticut. Aggregates, scrap material, metal products, lumber, and chemical products are the principal commodities, in that order. There are eight private freight railroads operating in Connecticut. The primary rail carriers in order of carload volume are Connecticut Southern between Springfield, MA, and New Haven; the Providence and Worcester, and the New England Central between New London and East Alburg, VT, at the Canadian border. The CSX line between Selkirk Yard, near Albany, and Boston is the principal connection for rail traffic to and from Connecticut, except for seasonal aggregate traffic.

With the existing rail freight infrastructure in New York and New England, there is little opportunity to divert existing truck traffic on I-95 and I-84 to rail intermodal. There is presently no intermodal container rail service in Connecticut. Rail intermodal containers to or from the west and south, with an origin or destination in Connecticut, are transported by highway from rail terminals in northern New Jersey, West Springfield, Palmer, Worcester, and Ayer MA.

Even if the Northeast Corridor, with its overhead catenary height restriction, were to be cleared for intermodal container service, a combination of the lack of a through rail freight line across New York Harbor or a Hudson River crossing, as well as line capacity limitations west of New Haven, leaves little or no prospect of diverting significant truck volumes to rail intermodal. While the car-less, bimodal technology of RoadRailer® could operate under the existing NEC catenary, service to the Bronx or Queens would not be either economically or operationally practical because of the relatively short haul involved. The presently balkanized rail freight network in New England adds an additional institutional barrier to the application of RoadRailer technology.

Another general infrastructure restriction on both the passenger and freight-only rail lines in Connecticut is their inability to accommodate 286,000 lbs. loaded freight cars. The capacity to handle 286,000 lbs. gross weight on rail (GWR) is gradually becoming an operational necessity, to be compatible with the national rail freight network, and truly high density freight lines are commonly rated at 315,000 lbs. GWR. Operations at 286,000 lbs. GWR on high speed passenger train routes, such as the Northeast Corridor, can result in significant additional maintenance costs for the passenger route, as the heavier weight freight cars have a tendency to “kick” rails out of alignment, especially at interlockings, and to wear rails at a faster rate than do the passenger trains. Required tolerances on rail alignment and surface condition, in order to safely operate high speed passenger service, are such that more frequent maintenance inspections and operations generally result when passenger and freight operations share a line.

**Working Group recommendations**

The Working Group on Movement of Goods, despite the consultants’ warning about capacity limits west of New Haven, supported a New York Harbor freight rail tunnel:

The State should support the proposed New York Harbor Rail Freight Tunnel. While there are capacity and clearance limitations on the Northeast Corridor, moderate capacity could be made available at night for general merchandise car types (excluding covered tri-levels), RoadRailer equipment, and single-level COFC. The tunnel would: permit a service using the existing Oak Point link to reach the Metro-North Hudson Line, would link New England directly with large intermodal hubs such as Atlanta and Tampa, and complement the infrastructure improvement recommendations of the Mid-Atlantic Rail Operations Study by the I-95 Corridor Coalition. (texts from TSB website)

**CONNECTICUT SOUTHERN**

28 January, Suffield. **PIioneer COLD LOGISTICS HAS NO RAIL TRAFFIC AT THIS POINT.** President Ed Walsh said GRS could serve his plant (and headquarters) at Chicopee, Massachusetts, but had last done so ten years ago. His Suffield plant received railcars twice a month out of Washington in 2002, but the shipper lost its contract, so the Suffield spur served by CSO is not used.

He noted that the board of the privately-held company had voted last year to change the d/b/a name from Pioneer Valley Warehousing, and that the company considered, but decided against, purchasing a former Ben and Jerry’s cold-storage facility in Bellows Falls, Vermont. {ANR&P discussion 28.Jan.2003}
NEW HAVEN

3 February. **THE BOARD OF ALDERMAN CREATED THE NEW HAVEN PORT AUTHORITY** [see 23 December 2002 issue]. The ordinance permits the mayor to appoint seven members to the board of the Port Authority. Mike Piscitelli in the planning department said the mayor will select commissioners and assign staff; “he’s very much behind this effort.” Members of the economic development and city planning divisions will provide staff until the Port Authority becomes economically viable.

The Authority will get some funds from port user fees, state and federal grants for infrastructure and security measures, and from leasing city parcels to one or more parties. Piscitelli noted in particular that the city could permit the Authority to lease the East Shore Parkway [see map in 01#02A and in www.atlanticnortheast.com free access to all subscribers]. Aldermanic action to turn over the East Shore Parkway to the Authority is “underway.”

He expected that the Authority would also advance the feeder barge proposal [see 14 January issue]. {ANR&P discussion 4.Feb.03}

MAINE

RAIL TASK FORCE BILL

11 February. **AN ACT TO IMPLEMENT THE RECOMMENDATIONS OF THE RAIL TASK FORCE** [see 23 December 2002 issue] was proposed as bill LD599 by State Senator John Martin (D, Eagle Lake), who co-chaired the task force. The bill proposes nine steps:

1. Directs the Commissioner of Economic and Community Development to ensure that transportation needs and the potential use of rail are considered when economic development projects are planned;
2. Establishes a 20-member freight transportation advisory council in statute;
3. Requires the Commissioner of Transportation to seek the review and approval of the joint standing committee of the Legislature having jurisdiction over transportation matters prior to the dismantling of state-owned railroad tracks;
4. Increases the maximum reimbursement to railroad companies for maintaining a railroad crossing from $1,500 to $2,500 per crossing;
5. Provides for fines imposed for 6-axle truck weight violations to be deposited into the Railroad Preservation and Assistance Fund when the weight exceeds 100,000 pounds;
6. Repeals the tax credit cap on the railroad excise tax;
7. Provides for all revenue from the railroad excise tax to be deposited in the Railroad Preservation and Assistance Fund;
8. Provides for use taxes paid on fuel consumed by vehicles operating on rails and eligible for a refund from the gas tax to be deposited in the Railroad Preservation and Assistance Fund; and
9. Directs the Joint Standing Committee on Taxation to review and make recommendations for statutory revisions to Maine tax laws affecting railroads. The bill authorizes the committee to report out legislation to implement recommendations during the Second Regular Session of the 121st Legislature. {Legislature website}

AMTRAK

31 January, DC. **AMTRAK COULD RUN AT 79 MILES PER HOUR**, all three STB commissioners agreed in the first public voting conference since 1996. Their opinion issued later stated:

On October 22, 1999, we issued a decision (Weight of Rail I) in this proceeding requiring Guilford Rail System (Guilford) to permit Amtrak to operate over one of Guilford’s lines at speeds consistent with Federal Railroad Administration (FRA) Class 4 track safety standards (i.e., a maximum of 79 miles per hour (mph)), provided that a certain level of line rehabilitation was achieved. Substantial work was done on the line at issue, and the line was tested to determine that it met the required level of rehabilitation, but Guilford did not permit Amtrak to operate at 79 mph. Accordingly, on April 12, 2002, Amtrak filed a motion requesting that we clarify our decision in Weight of Rail I, find that Amtrak has completed the necessary rehabilitation, and require Guilford to permit it to operate at FRA Class 4 track speeds....

We find that Amtrak has completed the line rehabilitation, according to the terms set out in Weight of Rail I. 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.

A slap at Guilford?

We have the statutory authority to prescribe terms of access, and that is why we have entertained Amtrak’s requests that we become
involved in the long-running dispute between it and Guilford. It has become apparent, however, that the issues that have separated the parties—at least on the surface—involve safety matters. Therefore, in exercising our authority, we have relied heavily on input from FRA, the Federal agency with the expertise and primary responsibility for rail safety...

The goal of our decisions in the Amtrak/Guilford proceedings has been to resolve matters related to access and rehabilitation, and allow safety issues to remain with FRA. We now find that the line has been upgraded to the level set out in Weight of Rail I, and that our involvement is no longer needed or appropriate. We will therefore discontinue this proceeding. {STB Finance Docket No. 33697 31.Jan.03}

Amtrak reaction

John Englert, NNEPRA executive director, said Amtrak will not implement the higher speeds immediately: “With Amtrak and Guilford we'll sit down and figure out how to interpret the ruling. But it's time to move on. It's a good time to review these issues and look at ways we can improve service.”

According to Dan Stessel, spokesperson for Amtrak, if discussions go well the change could take place in 45 to 60 days. That time is needed to finalize agreements and to rearrange freight and passenger train schedules. GRS did not immediately respond to the ruling.

Englert said on 4 February that NNEPRA and GRS would meet “in a couple of weeks.” The authority needs to draft speed tables and proposed schedules in the interim. {ANR&P discussion 4.Feb.2003}

ROCKLAND BRANCH - SRP

3 February, Thomaston. CUSTOMER DRAGON CEMENT WILL PROCEED WITH EXPANSION following a vote of its board. The modernization, which will begin in March, will take 18 months and cost $50 million. According to Terry Veysey, vice-president, cement operations, $25 million will come from FAME [see announcement in 30 August 2002 issue], the balance from investment by the owners and some long-term debt.

Modification to the distribution system

Since Dragon will increase output by 40%, it must increase the capability of the system moving cement. Rather than adding another barge to travel between Rockland and Boston, the company is considering modifications in Rockland and in Boston to increase the speed of loading and unloading. Loading currently takes roughly one day, the barge travels one day, and unloading one day.

Veysey said the company would probably also acquire additional railcars to move the cement from Thomaston to Rockland. Design of the new system, which will cost in the vicinity of $10 million, can proceed over the next several months, because the modifications to the plant itself will come first, and a better distribution system will be needed only in the latter half of 2004.

Quebec silos

Veysey said Dragon’s new distribution facility in Windsor PQ [see 30 August 2002 issue] is “going quite well.” Since the supply line was not “really running” until October 2002, and winter slowed the use of cement, the company has not decided whether it will use direct rail from the plant, transload at Auburn to rail, or a combination of both. Turnaround time has not been consistent, due to glitches with customs, the SLR, and other participants. {ANR&P discussion 4.Feb.2003; Dragon press release 3.Feb.03}

4 February, Augusta. THE PLANNED MEETING OF INTERESTED PARTIES WAS CANCELLED due to inclement weather. Allan Bartlett, MDOT official handling the bidding to operate the Lower Road and Rockland Branch [see 27 January issue], wrote that it will not be rescheduled. Seven interested parties had asked to attend. {e-mail to ANR&P}

CALAIS BRANCH

28 January, Eastport. SKIP ROGERS TOOK A DIM VIEW OF THE CREATION OF A CALAIS TO EASTPORT RAIL AUTHORITY.

As introduced by State Representative Al Goodwin (D, Pembroke), LD113 would create the authority ‘for the general purpose of establishing freight rail service between Calais and Eastport.’ [Goodwin offered this bill in 1997, and at that time argued that towns along the route would prefer to keep the railroad and not break up the right of way. He withdrew his bill because of studies underway on the line. See 8 May 1997 issue.]

Transfer of corridor

The bill requires MDOT to transfer ‘without compensation any interest it has in the railroad right-of-way known as the Calais-Cherryfield rail corridor in the following manner:

1. That part of the railroad right-of-way between Calais and Ayers Junction must be transferred to the Calais to Eastport Rail Authority.
2. That part of the railroad right-of-way between Ayers Junction and the Hancock County line must be transferred to the various towns and cities and unorganized territory in which the rail corridor lies.’

Rogers, head of the Eastern Maine Railroad Revitalization Commission and manager of the Eastport stevedore Federal Marine Terminals [see Eastport], noted that the second provision would give individual towns sovereignty over the line, which “is as good as giving the line to Sally Jacobs”, who advocates turning the line into a trail. “She needs only one town, then, to sever the line.”

**Funding**

The bill provides no funding to the authority, but does permit it to borrow money, without the backing of the state. Rogers worried that the bill would let MDOT wash its hands of the whole issue. With MDOT involved, the line still had a chance to get some money.

The bill does require the authority to submit its budget for MDOT approval.

**Rogers’s approach**

In Rogers’ view, Goodwin “steamrolled into this with his eyes wide shut. The bill definitely needs some major rewriting.” But he had “no problem with the basic idea of a commission, similar to a port authority, if it has blessing of DOT and some bonding capacity. That would work.”

**EMRDC meeting**

The previous week, the EMRDC met with Rob Elder and Ron Roy of MDOT. They discussed the forthcoming report for the passenger corridor Ellsworth - Trenton: “It’s still a work on progress,” reported Rogers. They agreed that to revive the Calais Branch, “we need to find potential rail business.”

29 January, Pembroke. **GOODWIN EXPLAINED HIS MOTIVATION FOR THE BILL**, noting that John Melrose, the most recent MDOT commissioner, talked for years about restoring rail from Brewer to Ellsworth, Calais to Ayers Junction, and perhaps as far as the Estes Head pier in Eastport. Then three months ago, Melrose proposed to tear up the tracks between Machias and Ayers Junction [see 30 September 2002 issue]. “Before that happens, I would lie down on the tracks,” Goodwin explained. “Once the rail is torn up, it will never go back down.”

Goodwin would also like to investigate “who gave Melrose the authority” to take up the rail from Ayers Junction to Eastport, and sell some of the right-of-way.

**What Goodwin proposes**

With the authority in control of the track from Calais to Ayers Junction, and the various towns in control of the rest of it, “we could get short line operators to start running, and get the 16 miles from Calais to Ayers Junction running.” This would require no money, in fact the short line operators would pay the Authority a little money. The towns, also, could permit tourist operations. As in 1997, Goodwin did not believe the towns would sell off the line.

Goodwin also recognized the demand for a trail. “We can put hot top between the rails, and share the line with bikers and trail users. They can have it 22 hours a day, and the choo-choo only 2 hours a day.” But he does not want to build any path.

He believes MDOT has behaved far too cautiously in not letting short-line, tourist operations on the line. “The State has done nothing, how can we go wrong?” **{ANR&P discussion 29.Jan.2003}**

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**MONTREAL, MAINE, & ATLANTIC**

*Note: This newsletter does not normally follow the fate of customers so closely, but given the fact that GNP makes up one-third of MMA’s traffic, I am following the company.*

25 January, Millinocket. **A NEW MANAGEMENT TEAM WILL OPERATE GREAT NORTHERN**, according to an announcement by Maine Governor John Baldacci. Details were still being worked out in talks involving creditors and labor unions, but Jim Giffune, a former executive for Great Northern and Fraser Paper, would essentially head a three-person team, subject to approval by a federal bankruptcy judge, the governor said. Giffune, of New Gloucester, would not receive any pay; Lambert Bedard, GNP’s owner and CEO, would step aside. {Associated Press}

The selection of the team must be approved by the U.S. Bankruptcy Court, which will be asked to do so next week. If the court goes along, the management team will serve as an alternative to a court-appointed trustee and will take charge of the mills, inventory their assets and liabilities, and try to line up a buyer.
Economic impact of mills
The company employs 1,130 people, which is more than a quarter of the work force in the Katahdin region. An economic analysis by the state suggests that a prolonged shutdown could cost nearly 5,000 jobs and $115 million in annual wages, including indirect impact. “It's not a ripple effect,” said Tom Brown of Bangor, a lawyer for some of Great Northern Paper's creditors. “It's a tidal wave.” {Paul Carrier in Portland Press Herald 26.Jan.03}

23 January, Bangor. **LANE CONSTRUCTION IS READY TO EXPAND** when the economy improves. Frank Healy, district manager for the company, described the current and future use of rail:

The Maine market
Much of Lane’s product is related to the paper mills. As they decline, the entire economy of northern and eastern Maine also declines. He still uses the MMA to the tune of about 500 carloads with these facilities:

**Prospect.** From the Mosquito Mountain quarry, sand and stone move out by rail.

**Presque Isle.** MMA brings in rail cars of sand from Prospect.

**Sherman.** MMA brings in rail cars of stone from Prospect.

**Bangor/Hermon.** From a quarry served by both GRS and MMA, Lane takes stone [See 15 October 1999 issue].

**Stockton Springs.** MDOT’s Industrial Rail Access Program (IRAP) has funded a siding here [see 22 September 2000 issue]. Healy said Lane had the permitting, and will work out the cost of trackage with the railroad.

**Winterport.** MDOT’s Industrial Rail Access Program (IRAP) has funded a siding here [see 22 September 2000 issue]. The siding is installed, said Healy, “but we have not shipped anything out of that pit yet.”

**Oakfield.** Lane employs its siding here only when working on a job in the area.

Belfast
Healy had met with BML officials [see 27 January issue] to look at building a siding into the Lane quarry in Belfast, north of Route One and east of the river. The project would need a market, money to invest, and the promise of a return. With the current industrial climate in Maine, the siding was not worth it. “We’ve talked with DOT for years about that.”

Healy has looked at loading small ships in Belfast, but believes the city would no longer accept an industrial operation on its tourist-oriented waterfront. Lane would probably be best off running trucks to Searsport from the Belfast quarry.

Use of Searsport
Healy noted that a market for aggregate existed in Florida. Lane’s asphalt plant in Lakeland now uses stone imported from the Yucatan peninsula by ship. His plants in Belfast and Hermon could also supply the stone, if they could get it onto a ship cheaply enough. Lane could load railcars and run them to Searsport. If Sprague, the selected operator for the port, could load a ship via conveyor, Maine’s quarries could compete with Mexico (and with Scotland which is mining its stone), providing the railroad and the port operator set the right price. “We’ll meet with Sprague soon.” {ANR&P discussion 23.Jan.03}

11 February, Bangor. **BELGRAVIA PAPER OFFERED $91 MILLION FOR THE MILLS,** just in time to meet the court-ordered deadline. The privately-held company in Vancouver, British Columbia, is owned by Ronald M. Stern, who also has ownership in four other paper companies, two in Canada and two in the United States. Together, the four mills employ more than 1,250 people and produce grades of paper similar to what Great Northern manufactures, including supercalendered paper that is used for catalogs and magazine inserts.

Although Belgravia submitted a detailed letter of intent to buy Great Northern, it may not end up as the actual new owner. Belgravia has presented the stalking horse bid, the price which other interested buyers will have to meet or beat during a court-held auction in March. Each new bid must exceed the previous bid by at least $2 million. {Mary Anne Lagasse and Deborah Turcotte in Bangor Daily News 12.Feb.03}

The auction was scheduled for 15 March. Another month would be needed to wrap up financing, complete talks with union representatives and get operations on line. {Deborah Turcotte Seavey in Bangor Daily News 30.Jan.& 5.Feb.03}
PORTLAND

11 February. **MERRILL DECREASED, SPRAGUE INCREASED IN 2002.** P.D. Merrill reported that his eponymous terminal decreased from 634,000 tons in 2001 to 520,000 tons in 2002, principally because some of the inbound salt and coal switched to Sprague [see 9 August 2002 issue, Maine salt contracts, and 28 November 2002 issue]. Sprague’s dry cargo increased to 175,000 tons, and its non-petroleum liquid bulk came to 300,000 tons.

**Competition with Saint John**
Merrill plans to increase his tonnage: “We continue to have a lively competition with Saint John to ship out pulp” from Maine paper mills. “They won the last round. We fully expect to win the next one.” {ANR&P discussions with Merrill and with Sprague’s Burt Russell (both residents of Yarmouth, the center of the transportation universe!)}

EASTPORT


This January he expects a record month of just under 30,000 tons, based on a record export for one ship of 22,537 tons. “In spite of the market pricing, Domtar continues to export pulp.” He noted that Federal Marine had also handled some outbound pulp for Irving, out of Saint John, probably due to the availability of a ship. {ANR&P discussion 28.Jan.2003}

MASSACHUSETTS

LYNN

January. **A BILL TO CHANGE THE SEAPORT ADVISORY COUNCIL TO A STATUTORY BODY** was introduced into the General Court, sponsored by the local Lynn delegation. Under Senate Bill #75, the proposed Chapter 21FF Section 1 would read: ‘There is hereby established a Seaport Advisory Council (the ‘Council’) whose purpose shall be to provide statewide coordination of all seaport-related planning and development activities and provide the Governor with policy and funding recommendations as appropriate.’

The existing Seaport Advisory Council was created by an executive order of the governor. The bill will include Lynn as a member of the Council along with eight others representing: the southeast region, the northeast region, Cape Cod, Boston, New Bedford, Fall River, Gloucester, and Salem.

**Lynn’s position**
Peter Deveau, chair of the Economic Development Industrial Corporation of Lynn, acknowledged that unlike Salem, Gloucester, New Bedford, and Fall River, Lynn does not yet have commercial shipping. However, it does have two of the largest vacant pieces of property totalling 50 acres on the waterfront in the state, at Lynn Harbor, and another vacant parcel on the Saugus River (the ‘River Works’ site).

Lynn, with a population of 90,000, needs economic development as one of the poorer cities in the state. The General Court through Massachusetts General Laws Chapter 91 has regulated coastal development to limit Lynn’s vacant waterfront property to maritime uses.

Lynn would like more of the aid which the Seaport Advisory Council makes available. Deveau noted about communities who have representatives on the existing council, “Their voice gets heard. It’s important [to Lynn] to have clear representation” as it seeks to develop its waterfront.

Deveau also noted that unlike other more toney waterfront communities, Lynn would welcome job-creating commercial and industrial uses for the vacant property.

**Seaport Advisory Council position**
According to Rick Armstrong, executive director of the Council, it has sent money to Lynn for boardwalk planning and engineering, dredge permitting and disposal options in anticipation of future dredging, and for a boat ramp, as well as an industrial pier for the General Electric plant in Lynn. Deveau said GE products move out via the pier three or four times a year, depending on the transportation mode chosen by the contractor (GE does not make the choice). The Council is open to further aid, but putting Lynn in an equal position with the commercial ports “will dilute the effort in commercial ports.” {ANR&P discussions with Deveau 29.Jan.03, Armstrong 5.Feb.03}
NEW HAMPSHIRE

MANCHESTER-LAWRENCE

11 February, Derry. **NEAR-UNANIMITY FOR A BICYCLE PATH IN THE RIGHT-OF-WAY** was heard during a meeting to consider potential bicycle routes between Salem and Concord. Some 40-50 citizens attended a public hearing concerning a NHDOT study which also looked at a path in the median of I-93, and a path along existing streets. Only Peter Griffin of the New Hampshire Railroad Revitalization Association spoke in favor of retaining the corridor for rail. {ANR&P discussion with Kit Morgan of NHDOT 12. Feb.03}

TWIN STATE

4 February, Concord. **NHDOT AWAITS THE STB RULING ON ADVERSE ABANDONMENT** before other steps to remove Clyde Forbes from the TSRD trackage and substitute NHCR.

Notice of exemption/purchase

In December, NHDOT filed with the STB a notice of exemption to acquire from Maine Central (a part of Guilford) the trackage underlying TSRD's operating rights. The notice filed in mid-December, due to take effect at the end of December, was published on 22 January. {STB Finance Docket 34307}

Kit Morgan, rail administrator, said the state had bought the line on 30 December.

The adverse discontinuance action

TSRD opposed the GRS request for a waiver of certain filing requirements [see 23 December 2002 issue], and also plans to oppose the future adverse discontinuance petition. That would only serve ‘to devalue [TSRD]’s substantial investment in the subject line, and vitiate its long-term leasehold rights therein.’ TSRD also states that the GRS claim it never renewed the lease is ‘utter nonsense.’ It also seeks information on potential rail traffic, which GRS claims can happen [see ‘viable freight rail service’ in 23 December issue]. {STB Docket No.AB-848 5.Jan.03 or 83(sub no.17) - the filings differ}

Morgan reported his lawyers saying that assuming Forbes’ common carrier rights are taken away by the STB, NHDOT may move to extinguish Forbes’ property lease rights under state law. That may involve some negotiation and some payment, hence the reserved $100,000 approved by the Governor and Council [see 23 December issue]. {ANR&P discussion 4.Feb.03}

As of 10 February, GRS had not filed the petition for adverse discontinuance [probably awaiting the STB ruling on the waiver of some filing requirements–editor]. {STB website}

Embargo

On 4 February, GRS refiled [see 15 February 2002 issue] the embargo on the line, attributing it to ‘track conditions’. {AAR filing in Views and News}

The sole customer

While the parties joust at the STB, the Vermont Bankruptcy Court is overseeing bidding for the paper mill in Gilman, the most recent active customer on the entire line between Whitefield and St.Johnsbury. Owner American Tissue closed the mill in April [see 3 May 2002 issue]. Efforts to disqualify bidders pushed the decision to at least 14 February. {Vermont Bankruptcy Court docket 02-10923}

RHODE ISLAND

FREIGHT RAIL IMPROVEMENT

5 February, Providence. **THE TRACK FOUR CONSTRUCTION PACKAGE FOR THE FRIP WILL GO OUT WITHIN THE NEXT COUPLE OF MONTHS**, according to RIDOT’s Kazem Farhoumand, who is supervising the construction for the Freight Rail Improvement Project. He provided this update [see 26 July 2002 and 30 September 2002 issues]:

Track four (package 5A). This—the final package—covers the track from West Davisville to the town line. DJM Harris, the prime consultant, is doing the design. RIDOT will secure the right-of-way and permits, and then advertise.
Contracts in construction. These include the boat section, Cranston Street viaduct, Wellington Avenue, and undercutting south of Wellington [see 26 July 2002 issue].

Completion?
Farhoumand said the contracts were “pretty much on track for the end of 2004,” after which Amtrak needs time to install ballast, ties, and rail—“three to six months.” {ANR&P discussion}

PROVIDENCE & WORCESTER
10 February, Providence. *SPRAGUE AND THE RAILROAD MAY PUT INTO SERVICE THE ALLENS AVENUE TRACK* for Sprague customer CertainTeed, which makes asphalt shingles at its plant in Norwood, Massachusetts.

Until the recent strike in Venezuela, CertainTeed had imported liquid asphalt from that country to the Sprague tank farm in Providence, and then trucked the asphalt to Norwood as needed. Burt Russell, Sprague vice-president of terminals and transportation, said even if the strike ended this day, “most people anticipate the supply won’t return to normal for four to six months” and possibly up to one year.

CertainTeed is discussing supplying the tank from various refineries in the United States, and looking at road, rail, and ship to get the asphalt there. Reviving the rail would require PW to rehab the Allens Avenue track, and Sprague to do the same for the rail in its yard, which has not seen cars for some time. [In 1993, RIDOT stated that ‘where the track runs down city streets (Allens Avenue), track conditions are very bad and difficult to keep at FRA Class I. A major problem is the existence of large amounts (sic) of street rail which is well over a half century old and having switches.’ *Rhode Island Freight Rail Plan*] PW has confirmed it is discussing the rail option with Sprague.

In Russell’s view, PW would benefit not only from the traffic, but from re-using the track to demonstrate to the city and others the wisdom of keeping the line intact. Russell believed PW was not bothered by the ‘New Cities’ plan of Providence to take over the industrial area along Allens Avenue [see 14 June 2002 issue with map]. With the jailing of former Mayor Buddy Cianci, Russell said, he had not heard more about the plan. {ANR&P discussion 10.Feb.2003}

VERMONT

AMTRAK
8 February, Montpelier. *THE STATE WILL VERY PROBABLY NOT SEE MANCHESTER SERVICE* for some time, said Charlie Miller, VAOT’s rail director.

Preliminary budget numbers for the coming year give Miller $3.5 million to negotiate with Amtrak to continue providing service to Vermont in the next fiscal year beginning 1 July. “Right now it's pretty sensitive with Amtrak,” Miller said. “Whatever we do we will have to pay for.”

Unless the state can come up with $670,000 more, the Ethan Allen and Vermonter could stop running on 31 March [see 27 January issue] for the last three months of the current fiscal year. Miller would not say where he would find the money, but he intends to present a plan to the legislature before it considers the budget adjustment act this year.

Vermont has invested in the track
VAOT has spent about $11 million to upgrade state-owned tracks from Hoosick, N.Y. to Manchester, and will spend another $1 million to replace a bridge in Sunderland this summer, Miller said.

“There has been huge money spent to fix up this line and it's just sitting there,” said Robert Stannard, a former partner in Railhead Limited, adding that ranks it as one of the state's largest investments in improving the transportation infrastructure in the area.

“Once the tracks were done I thought this project would take on a life of its own. The citizens of Bennington County should be outraged.”

Per Miller, the improvements to the upgrades to the Bennington County rail line were made at a time when the state of Vermont thought a deal for Amtrak service could have been easily negotiated. “People, I think, just felt we could utilize a train that was just sitting over there in Albany. We had all the best intentions of having service to Manchester and that's why we did the work.”

Then the financial condition of Amtrak changed just VAOT was finishing the track upgrade. “All of the sudden the price tag kept jumping up and jumping up and that knocked us out of the ballpark. I think that the challenge has changed to dealing with a railroad company that has tremendous pressure on it.” Miller said he would rather wait until the bridge in Sunderland is replaced before he works
to negotiate with Amtrak about the possibility of service to Manchester. 

“You could run passenger rail service over most of that (track) right now,” Miller said. “For the most part, the improvements that need to be made are done.” Even with tracks in top shape for passenger rail service, Amtrak may still ask for Vermont state government to pay for more of the service costs than it can afford. In April 2001, Amtrak told the state it needed to contribute $1.1 million to get a train rolling to Manchester on weekends.

Right now, Amtrak is working out a new "route contribution analysis" to determine how much the state would have to pay for Manchester service. “I'm not sure (Manchester passenger rail service) is on the radar screen at this point, but we're certainly not taking it off the table. I don't know what my existing services will cost me yet.” {Bobby Gates in Bennington Banner 8.Feb.03}

VERMONT COMMUTER

31 January, Montpelier. THE PLANNED SUSPENSION OF THE UNDERUTILIZED CHAMPLAIN FLYER was announced by Patricia McDouglas, VAOT secretary. VAOT and VTA (Vermont Transportation Authority) were working with federal authorities and the railway to address details associated with the proposed suspension, scheduled for 1 March.

‘The Flyer started on 4 December 2000; to date, total expenditures exceeded $6 million, and the ridership has fallen short of projections as shown in earlier studies by 40%. Total fare revenue since inception was less than $100,000. The decision to suspend service on March 1st rather than June 30th stems from a recent analysis of federal funds that concluded there was not sufficient funding to continue the service.

‘McDonald made it clear that the Douglas administration is not abandoning commuter rail in Vermont. The Administration believes it must examine ways to provide sustainable passenger rail service in areas with passenger demand to support it and within the ability of the state to pay for it. Governor Douglas has said that rail is an integral part of the over all transportation network and rail infrastructure must be upgraded to support rail operations that contribute to the State’s economic development.

‘McDonald said that her agency along with the administration will perform a comprehensive review of all functions related to transportation modes. This review will include public transit, air, and rail and highway infrastructure. “It is our intent to develop a seamless and fully integrated transportation network that is cost effective and one that will provide all Vermonters service we can be proud of.”’

{VAOT press release}

Audit for General Assembly

The audit report filed on 4 February showed that the Flyer never carried even close to the 215,000 passengers a year it was supposed to. In the 12 months that ended 30 September, only 82,811 passengers boarded the train. Fewer passengers meant lower revenues and a $2.55 million operating deficit last year.

Fewer passengers also meant fewer people were leaving their cars at home. While the train did prevent some auto emissions of pollutants like carbon dioxide, the train's locomotive more than made up for that reduction with its own pollution, according to an environmental consultant's computer model.

“Certainly, it's hard to justify its existence. The figures don't lie,” sighed Senate Transportation Chair Dick Mazza (D, Chittenden-Grand Isle), and a supporter of commuter rail experiments.

The construction has not started

The Flyer was designed in the mid-1990s to relieve traffic during the reconstruction of U.S. 7 south of Burlington, but the state has not begun the construction yet. Mazza said people shouldn't forget one thing: Federally funded improvements in the rail bed for the Flyer have made the line much more attractive to freight shippers. “That will be a tremendous asset for 50 years.” [Plus, the improved line means that much less expense when passenger rail begins from Rutland to Burlington. Editor] {Candace Page in Burlington Free Press 5.Feb.03}

VERMONT RAIL SYSTEM

4 February, Montpelier. OMYA AND VRS PROPOSE A NEW ‘MIDDLEBURY RAIL SPUR’ to be funded in part by a VRS loan from the federal Rail Rehabilitation and Infrastructure Finance program. The announcement followed a meeting with VAOT Secretary Patricia McDonald and other VAOT officials, which also proposed a means to fund moving the Rutland rail yard [more in a future issue].

The project

According to a 13 December memorandum of understanding among that company, VRS, the Conservation Law Foundation, VAOT, the Vermont Agency for Commerce and Community Development, and the Vermont Agency of Natural Resources, VRS would set up a separate railroad company to build a three-mile spur from the main line to an intermodal bulk commodity transfer facility (the ‘A-1 alternative’) located near US Route 7 in Middlebury.
Additional customers
OMYA will provide the majority of traffic for the new spur, replacing about 70,000 truck trips. ‘Three businesses within close proximity to the Intermodal Facility—Foster Brothers Farm, Carrara Concrete, and Specialty Filaments—all have indicated an interest in utilizing the Intermodal Facility’ which could eliminate an additional 10,000 truck trips.

The project cost
The total comes to $24.5 million. OMYA will directly pay $7.3 million to provide the means to unload rail cars at its Florence facility. The federal government may provide, via an earmark requested by US Senator James Jeffords, another $6.25 million for infrastructure (road crossings, floodplain trestle, and bridges). The VRS loan would provide the balance of nearly $11 million, and interest to be paid over a 23-year period would add another $11 million.

Repaying the loan via a per-ton fee
OMYA is willing to pay a surcharge of 30 cents per ton, and VRS a surcharge of 60 cents per ton, to pay back the loan. Erik Bohn, OMYA’s director of transportation said: “We calculated the per-ton fee to ensure that what we and the railroad contribute did not exceed the current trucking costs.” Then the companies calculated how long, paying that amount per ton for a million tons of ore per year, they needed to repay the loan, and came up with 23 years. “We did not want to be penalized, plus this gets us more on rail. We’re looking at long-term development, not a normal rate of return.” {text of memorandum; ANR&P discussion 12.Feb.2003; {Brent Curtis in Rutland Herald 5.Feb.03}

QUEBEC/MARITIMES

CANADIAN NATIONAL
6 February, Truro-Halifax. CN’S NEW OPERATING PLAN IS WORKING WELL. [See 27 January issue.] Scott Roberts, spokesperson, wrote: ‘We run three trains to Truro, but the two that carry on to Halifax have, for now, merchandise traffic that we set off at Kinsac. This is primarily our Dartmouth traffic. Some Halifax merchandise traffic will also be part of the IM trains but some will also be set off at Kinsac. Locals will then work Dartmouth and Halifax with this Kinsac traffic and the westbound IM trains will pick up at Kinsac before proceeding to Truro.

‘Our hope was that we could use the third train to handle all merchandise traffic and use switchers to pick up and drop off Halifax/Dartmouth merchandise traffic. But we can’t—at least not yet. But this remains our goal. We do want to have two exclusively IM trains serving Halifax and will need the train length if IM volumes grow.

‘As is the case with any new service, there is some ramping-up going on this week. The terminals also have to make some adjustments and this will no doubt have an impact on train service. But no one on the waterfront is getting too worked up. We will meet with the port stakeholders again in March to assess our progress and there may be further refinements. I was in Halifax this week and all perspectives seemed to be on an even keel.’ {e-mail to ANR&P}

SAINT JOHN
6 February. DRY CARGO INCREASED, BUT CONTAINERS DECREASED, said Captain Al Soppitt, the president of the Saint John Port Authority, at his annual press conference on the outlook for 2003. Potash rose 4%, and forest products 1%; new cargoes of metals and sugar should add to the dry cargo in 2003.

The container decrease
Soppitt attributed the 25% drop to the operator change: Tropical Shipping took over the container operation from Kent Lines in late 2001 [see 6 December 2001 issue]. Tropical shifted some of the containerized cargo to break-bulk. It also built its customer base over 2002, so that Soppitt noticed a steady increase in container traffic.

Competition with regional ports
Per Soppitt, “A lot of our cargo is regional cargo for customers in Atlantic Canada and New England.” Regional ports such as Portland—not major ports—provide competition [see Maine]. “We have to keep a competitive edge.”
Rail access
Saint John has access to three rail lines, noted Soppitt, via NBSR: CN, MMA, and GRS. He has a discussion planned with MMA, “to see what we can do to provide service into Montreal.”
The port wants to focus on getting business from Canadian industrial heartland. “The rail competition is healthy. We want to use all of them to our best advantage.” {ANR&P discussion 12.Feb.03}

HALIFAX
5 February. **TOTAL PORT TRAFFIC DECLINED**, finishing the year at 12.84 million tonnes, a decline of 8.3% from 2001’s 14 million tonnes, with most of that drop occurring in the bulk area, though containers showed a drop as well from 542,000 to 524,000. The port did have increases in breakbulk, ro/ro, bulk oil rig supplies, gypsum and coal.
Patricia McDermott, vice-president of marketing, said the port lost a number of lines in the early part of the year, but its other carriers were able to pick up the slack and increased by 2.4%. The carriers that left in 2002 did so for reasons that were not Halifax-specific; they relocated mainly because of business consolidation decisions resulting from the slower economy in 2002. {Ken Cashin in *Halifax Herald*}

**HALIFAX 2002 TRAFFIC IN METRIC TONNES**

<table>
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<tr>
<th></th>
<th>2002</th>
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<tbody>
<tr>
<td>IMPORT CARGO</td>
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<tr>
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<tr>
<td>Ro/Ro Cargo</td>
<td>114,296</td>
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<td>GRAND TOTAL</td>
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<tr>
<td>TEUs</td>
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<tr>
<td>Import</td>
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<td>Export</td>
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<td>TOTAL TEUs</td>
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<td>Cruise Vessels</td>
<td>87</td>
<td>96</td>
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<tr>
<td>Cruise Passengers</td>
<td>157,036</td>
<td>158,410</td>
<td>-0.9%</td>
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</table>

Container numbers showed an increase in the fourth quarter of 1.8%. ‘Based on conversations with carriers, we expect business to be positive in 2003.’ wrote spokesperson Dawn Dalley. {e-mail to ANR&P 12.Feb.03}
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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<th>Customer</th>
<th>serving RR</th>
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<td>Maine</td>
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<td>PW</td>
<td>Providence</td>
<td>Region</td>
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<tr>
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<td>MMA</td>
<td>Maine</td>
<td>Maine</td>
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<tr>
<td>Sprague</td>
<td>PW</td>
<td>Providence</td>
<td>Rhode Island</td>
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PEOPLE

Next MDOT commissioner? Word around the State House in Augusta says that Baldacci is considering Christopher Gordon, Director of Capital Programs and Logan International Airport Modernization for the Massachusetts Port Authority. He received the award for Person of the Year from the Construction Management Association of America in 2001. Reached at his Massport office on 28 January, he said: “You’ll have to talk with [Baldacci officials] about that.” {ANR&P discussion 28.Jan.2003}

New US Representative Michael Michaud (D, Maine) won a seat on the House Transportation and Infrastructure Committee. “The reauthorization of [highway] funding will be coming up this Congress,” said Michaud. “It’s really important, since Maine has ranked at the bottom for the last few years and because transportation is key in economic development and growth.” {Bangor Daily News 29.Jan.03}

John Brennan, formerly at Louis Berger, has become majority counsel for the subcommittee on railroads at Michaud’s new committee.