GRS: UTU and BLE agreements out for ratification.* Possible deal within a month.* A link to D&H? ‘Short Sea’: A study of marine transport of trucks from Newark to Provoport. **Map of ANE routes.**

**NEW HAMPSHIRE**

Portsmouth-Shelburne NS: Ro-ro awaits large customer.*

**RHODE ISLAND**

RIDOT: New director - trains to help auto congestion. **VERMONT**

VRS: Seeks STB ruling on proposed salt facility in Wallingford.

**MARITIMES/QUÉBEC**

CBNS: Government-paid trackwork underway; comment on traffic levels.

NBSR: Rail to Port of Bayside lifted.

Saint John: Bay Ferries looking for intermodal traffic. Irving moves ahead on LNG terminal.* Pugsley Terminal to become passenger.

Digby: Proposed basalt exports to U.S.

Halifax: Halterm reaches agreement with Zim.

**RAIL SHIPPERS/RECEIVERS**

A cross-reference to companies mentioned here.

**PEOPLE, POSITIONS, EVENTS**

Paul Waite, Matt Jacobson, Michael Rennicke, David Swirk.

You’ve heard this before
The local oil dealer in Yarmouth wants to build new storage tanks. I called the project manager to suggest he receive oil by rail. His response: “I never thought about rail [even though the track runs right by the site] and don’t know anything about it.”

Sure, railroads can market themselves. But we need a sea-change in awareness. The bill passed by the Maine Legislature calls on economic development officials to consider rail access. I would go further. **Every** state official, whenever talking about improving transportation, must tell the audience to consider rail. Then, every project developer will say, “I looked closely at using rail.”

- Chop Hardenbergh

**FROM THE PUBLISHER**

Next issue 30 June.
REGIONAL ISSUES

GUILFORD RAIL SALE?

16 June, North Billerica. THE UTU AND THE BLE ARE VOTING ON NEW LABOR CONTRACTS [see 6 May issue]. Michael Maloof, UTU general chair, wrote ‘the tally will be complete on the Conductor’s contract on the 2nd of July.’ {e-mail to ANR&P from Maloof and BLE official}

And the possible sale?
Reports from a number of upper managers and many rank and file indicate something must happen soon. Sources, both at headquarters and at unions, report that Canadian Pacific Railway was willing to purchase the system from Waterville to Mechanicville for $130 million. Norfolk Southern has offered $230 million for the whole GRS System. Maloof commented: ‘There has been no contact with [our union] by anyone from the NS. I hear the same rumors that you have been hearing and I know there is a proposition from NS on the table. And I have confirmed the CP story but nothing is overt at this time.’

One source said ‘CN valuation was around $170 million and they walked away for two reasons.’ First, the valuation by Dave Fink of $400 million [see 6 May issue: PW annual meeting] was not realistic. Second, CN did not want to get into a bidding war with CP.’ [See 8 April issue.]

Other indications that suggest a sale is not concluded but GRS officials are working hard on closing one:
- The maintenance crews in Massachusetts were told to use whatever overtime they need but get the signal towers on the Stony Brook section of the Freight Main (Ayer - Lowell) painted and get the property looking good.
- The business car is scheduled to go out on an inspection trip on 27 June. {e-mails to ANR&P} The car left Waterville the morning of 26 June. {Paul Apollo report in NERAIL}

Norfolk Southern comment
Spokesperson Rudy Husband said “there’s nothing to this rumor” in terms of NS involvement. {ANR&P discussion 18 June 2003} And another non-Class I railroad official noted that NS has alternatives that don’t require this capital [e.g. letting CPR, PW, or GWI purchase the line - editor]. CSX would have a hard time making the acquisition if NS opposed it. {e-mail to ANR&P}

What obligation to disclose?
One investment analyst repeated that ‘the obligation of a public company to disclose arises only when the two reach a handshake or if someone figures out they’re making goo-goo eyes at each other and that figuring leads to movement in the stock price. Normally, NSC shares can move a point ($1) during a day without any news flow at all. So, could a smallish deal ($200 million compared with NS enterprise value of over $14 billion) like Guilford move it more than that? Maybe, it would depend on just how strongly a significant investor would react to that rumor or intuition. I’m guessing that a deal this size would barely move the needle, though. Buying into New England seems at odds with what I know to be Norfolk Southern’s not-so-secret goal of expanding into faster-growing markets south and west.’ {e-mail}

A link to a D&H deal?
NS uses D&H tracks to reach Guilford. CPR, the owner of the D&H, announced on 18 June it was entertaining ideas from a variety of potential partners about improving the performance of the D&H. Officials including chief Rob Ritchie said the D&H had an operating ratio of 100% with about $100 million in revenue.

Possibilities listed during a conference call with the press and analysts included a “section 10901 [acquisition by non-carrier] or 10902 [acquisition by an existing Class II or Class III] operation, or coproduction with another Class I.” CPR anticipated completing the restructuring (in whatever fashion, including sale) of the D&H by the end of 2003. The officials anticipated its remaining part of the CPR network. {ANR&P coverage}
‘SHORT SEA’ OPERATIONS

MOVING DOMESTIC CONTAINERS FROM NEW YORK TO BOSTON BY SEA is being examined by the National Ports and Waterways Institute (NPWI) [see box] as part of an effort to pursue ‘short sea’ shipping along both coasts.

Kevin Krick, who made a presentation at the 5 June meeting of the North Atlantic Ports Association [see box] and who works as a special assistant to MARAD Administrator Captain William Schubert [see box], said Schubert is backing the concept which will not only ease congestion and help the environment, but provide jobs for seafarers and increase the merchant fleet. The latter two points are also important for national security, argued Krick.

The Short Sea concept

Workers in this field said the term ‘short sea’ originated in Europe, to describe inland and cross-sea operations, compared with deep sea. Asaf Ashar of NPWI, who is heading the study, uses the term ‘coastal’ to designate a maritime route in head-to-head competition with a rail or road route. He distinguishes it from the standard ferry service, which crosses a body of water to shorten a land route. ‘Coast-wise’ shipping’ is an older term which apparently designates the same concept as ‘short sea’, and is used by MARAD.

The need for short sea shipping

Until the First World War, coast-wise shipping moved the majority of East coast traffic; railroads gradually took over this role, and then trucks. At present, part of effort to reduce that very truck congestion in the I-95 corridor is dedicated to moving traffic onto the sea. The Coastwise Coalition [see box] has listed four kinds of coast-wise routes for the traffic:

- Feeder traffic between international ports and domestic ports. Example: SPM’s Halifax-Boston-Portland service.

- Feeder traffic in a direct shuttle (without intermediate calls). Example: NY/NJ’s Port Inland Distribution Network NJ-Albany barge service [see 23 December 2002 issue].

- Domestic traffic in a direct shuttle or with intermediate calls. Example: the proposed New York-Boston service [see below].

- Coastwise loop services. No example exists for intermodal traffic, but bulk traffic often moves in a loop, for example cement from Rockland ME to Portsmouth to Boston.

Even if short sea services could capture only 1% of truck or rail that would provide great benefit to shippers, and to the environment. [The Coastwise Coalition emphasizes that both road and rail routes along the coast will get crowded, rail the more so as passenger services increase. Powerpoint presentation]

The NPWI study: New York-Boston corridor

In the first part of its study, NPWI completed a paper in 2000 evaluating vessels and possible markets (in particular New York to Miami), including the foreign experience [see paper in MARAD website, link on home page to ‘Coastal Shipping Initiative’]. Most recently, the group examined a practical small-scale application: could short sea provide an alternative to moving through the most congested stretch of I-95, between Boston and New York. The results of that examination, presented at a working group meeting at USDOT headquarters in DC on 29 May:

- The vast majority of trucks moving between the two cities on I-95 were carrying domestic cargoes, not international. And they were driving short distances, only 200 miles or so.

- Some 80% of the cargoes were destined to points south of Boston (the southern belt between Route 128 and I-495).
Over-the-road trucks tended not to take the trailer directly to the final destination, but rather to a truck terminal, from which, the next day, the trailer would move to the consignee.

The fact that a trailer sits overnight at a truck terminal provides an opportunity for a short sea service. Large truckers have said they could possibly fill such a coastal service.

An achievable goal. Ashar said traffic for the boat would come from two sources: trailers and “domesticized” containers, those which have cleared customs and are enroute to the final destination. The service would not remove all such traffic from I-95. “Our expectation is to get 10%. If the short sea service moved 100/day, that would constitute 10% of the estimated market of 1000-1500 trailers per day on I-95.”

Ashar emphasized the traffic could be long-haul (enroute to Boston from, say, Atlanta) as well short-haul (originating in the New Jersey area).

Proposed operation. Truckers going to the Boston area would park their trailers at a designated spot (say 21A) at five-acre private terminal within two miles of the New Jersey waterfront. The boat will require 20 minutes to dock. Hostlers will move the trailer from the terminal and roll it onto the boat to spot 21A; loading will require one hour. The boat will require 20 minutes to get underway. The ship will move at 20 knots to the destination. Hostlers will roll off the trailer and park it at spot 21B at the destination terminal, ready for pick up. The operation will require a shore crew of five and a vessel crew of five. The vessel would complete one round trip each day.

Ashar said the trip would cost $450-500, including drayage; the ferry service would net $250.

New York terminal. Ashar pointed out that the term ‘port’ usually refers to deep-sea ports with expensive equipment and elaborate labor. Lifts (moving a container into a ship or out of a ship) cost in the neighborhood of $150, far too high for a short sea operation. NPWI turned to terminals set up for domestic shipping, “ferry ports,” which would use ro-ro–only 15 to 20 feet of shoreline–to load a vessel.

In the New York area the group found “at least three sites” which could become a ferry port. “The one that looked to us best is the River Terminal at the head of Newark Bay (www.riverterminal.com). With two slips, both unused, it is a private facility (now just a distribution facility), unionized but not ILA, and has no customs.” Ashar said at such a terminal, the cost of rolling onboard a trailer would cost $35 to $40.

Providence terminal. Ashar said NPWI had chosen Provport, in Providence, for the other end of the route it wanted to study.

Vessels. The study group proposed a workboat, freight only, with one or two decks, which would carry 50 to 60 trailers at about 20 knots. A longer route would need vessel speeds comparable to truck, but for the 160 miles from Newark to Providence, “speed is not of the essence,” it just needs to get there overnight. The group recommended two vessels, so that customers missing one would not wait 24 hours for the next one. A simple double-decker might cost $20 million.

Unlike rail intermodal, the boat would accept any size of trailer. It could also accept containers on chassis. Like rail intermodal, it would take no passengers, nor the truck drivers.

Possible other calls. A MARAD official said the boat, once the service is working, could also stop in Bridgeport and at a point on Long Island, on inducement.

Next step
Ashar said the next step was up to MARAD. NPWI had shown that the short sea concept was viable. The next stage should look at who will do it, and how it will be done. NPWI did talk to truckers who found the idea “interesting” but not enough to work on the concept. Tom Delaney of Columbia Coastal, which is operating the trial barge service between New York and
Albany, is according to the MARAD official “very interested” but “it comes down to economic viability.”

Would MARAD [see box], which is sponsoring the short sea study, provide a subsidy? Kevin Krick of MARAD said his agency’s role was to provide the climate to promote short sea operations, and not look at the economics. Nevertheless, Schubert “has not ruled out a subsidy” and suggests CMAQ funds as a possible source. \{ANR&P coverage and discussions with Ashar, MARAD, and Wellock\}

ORGANIZATIONS INVOLVED IN SHORT SEA

MARAD

‘The overall mission of the Maritime Administration (MARAD) is to promote the development and maintenance of an adequate, well-balanced United States merchant marine, sufficient to carry the Nation’s domestic waterborne commerce and a substantial portion of its waterborne foreign commerce, and capable of serving as a naval and military auxiliary in time of war or national emergency.

‘MARAD also seeks to ensure that the United States enjoys adequate shipbuilding and repair services, efficient ports, effective intermodal water and land transportation systems, and reserve shipping capacity in time of national emergency.’

{website}

National Ports and Waterways Institute

‘The institute provides factually and theoretically consistent input to the decision processes associated with the planning, development, and operation of ports, waterways, and maritime transportation systems in the United States and abroad. The institute’s efforts are related to strategic planning and analysis, information technology, economics, public policy, legislation, and regional development.’

It is one of four research entities which USDOT has designated as National Maritime Enhancement Institutes. {website}
Coastwise Coalition
This brings together in a loose organization: shipbuilders, ports (public and private), ILA, and vessel operators. It utilizes meetings to talk about coastwise, a.k.a. short sea, operations. Paul Bea, head of the DC office of the Port Authority of New York and New Jersey, chairs the coalition.

Connecticut Maritime Association
At its annual meeting on 18 March, the CMA sponsored three speakers on 'Short Sea Initiatives for Connecticut and the Tri-State Region', moderated by Marty Toyen of Seaworthy Systems.

- Tri-state Shortsea Initiatives, Kevin Wolford, NYMTC, representing Long Island Sound Water Transportation Project

- National Coastwise Initiatives, Paul Bea, Port of New York New Jersey and chair, Coastwise Coalition

- Making It Work, James L. Greco, Jr., Manager Sales and Marketing, Columbia Coastal Transport (operator of feeder barge services including the NJ/Albany run). {website}

North Atlantic Ports Association
This group of public and private marine terminal operators and others aims at the development of foreign and domestic commerce to and from all North Atlantic ports, from Halifax to Norfolk. It has a Short Sea Committee chaired by Rick Armstrong, executive secretary of the Massachusetts Seaport Advisory Council. Captain Brad Wellock of Massport attended the 29 May meeting on behalf of the Short Sea Committee. {ANR&P attendance}

CONNECTICUT

PROVIDENCE & WORCESTER
13 June, Wethersfield. THE RAILROAD WILL RUN ITS FIRST TRAIN OVER THE WETHERSFIELD SECONDARY next month, moving stone ballast from Wallingford [presumably the Tilcon quarry -editor] for a regular railroad customer to Hartford. The train will return empty.

“This is really a limited reactivation,” said Amy Silverstein, a representative from PW’s legal department. “At this point, we’re only looking at one train going through....As of now, we don’t foresee any further activity in the near future beyond this anticipated move, but additional moves could occur. It’s very limited.”

The railroad company has not set a date or time for the shipment, but wrote in a letter to town officials that it will print a notice in area newspapers before the train runs.

Mayor Kitch Breen Czernicki was enthusiastic about the possible business opportunities. “It could be a real economic plus.” {Terence Johnson in New Britain Herald 14.June.03}

On 24 June she said no notice about the train had yet appeared. {ANR&P discussion 24 June 2003}

BRIDGEPORT FEEDER
9 June. THE PROPOSED FEEDER SERVICE FROM NEW YORK STILL NEEDS MONEY. While the Transportation Strategy Board voted to start the service to Bridgeport [see 20 May issue], it must wait for an end to the state budget stalemate before the first elements of its 20-year plan can be considered by the full General Assembly.

The legislature adjourned in early June and will return in July to work on the budget stalemate. The Strategy Board’s
recommendations still lack funding mechanisms. According to the Advocate, Senate President Kevin Sullivan and Speaker of the House Moira Lyons recently appointed a seven-person committee to study funding for the plan. {Moving 9.June.03}

**Maine**

**MDOT/LEGISLATURE**

14 June. *AN ACT TO IMPLEMENT THE RECOMMENDATIONS OF THE RAIL TASK FORCE* [see 12 February issue], proposed as bill LD599 by State Senator John Martin (D, Eagle Lake), passed the Legislature, who co-chaired the task force. The legislation enacts, *inter alia*, 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 some truck fines to be deposited into the Railroad Preservation and Assistance Fund;
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}

14 June, Augusta. **SIGNIFICANT CUTS IN THE TRANSPORTATION BOND PACKAGE WILL OCCUR.** Due to state budget constraints, both Republicans and Democrats agree that not all proposed bond packages will be funded. All sides agree that it is impossible to fund all requests still on the table. The Legislature adjourned without passing a transportation bond, but will return for a special session in July to examine the issue further.

On 13 June, the Legislature’s Appropriations Committee took a straw vote on a $93.8 million bond package advanced by Democrats, with the transportation bond at $58.3 million [down from $75 million—see 20 May issue] (including $3.5 million for LifeFlight). The 6-5 vote split down party lines, ensuring its demise since bond votes must have a 2/3 majority from the House and the Senate before going out to voters.

The transportation proposal advanced by the Democrats included the following [see 20 May issue for particulars on rail and port programs]:

- $34.1 million for highways and bridges (down from $42 million)
- $875,000 for the Small Harbor Improvement (was $1.2 million)
- $500,000 freight rail & intermodal improvements ($1.2 million)
- $2 million for the Industrial Rail Access Program ($2.6 million)
- $1 million for Mack Point ($1.6 million)
- $2 million for Montreal, Maine & Atlantic ($5.4 million)
- $3.87 million Portland to Brunswick & Auburn rail ($5 million)
- $500,000 for Casco Bay Island Transit District
- $3 million to replace ferry  Governor Curtis  ($2 million)
- $4 million for aviation improvements ($5.6 million)
- $1.25 million for trail, bicycle & pedestrian  ($2 million)
- $150,000 for Park & Ride facilities ($140,000)
- $1.55 million for improvements to transit vehicles ($1.7 million)
- $3.5 million for LifeFlight (new)

**Total** $58.3 million

Other bond proposals in the package included $23 million for community colleges, the University of Maine system, the Maine State Library and a school construction fund; $7.5 million for environmental projects; and $5 million for improvements to state and municipal parks. {Maine BTA newsletters 11 & 14.June.03}

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**ROCKLAND BRANCH**

19 June, Augusta ME. **CAYUGA RAIL HAS WITHDRAWN AS A POTENTIAL OPERATOR** of the Branch and the Lower Road. MDOT’s selection group will interview the two remaining proposers, Finger Lakes Railway (7 July) and Morristown & Erie Railroad. MDOT will also take them on a hi-rail of the property. {ANR&P discussion with Allan Bartlett 19.Jun.2003; e-mail from Betke}

**Cayuga reasoning**

Eric Lee, principal, wrote: ‘We based our decision on several factors not limited to: the non-competitive interchange situation, the questions surrounding future traffic potential given local transloading competition, the long-term potential of existing customers, and our desire to make the best use of our limited resources. A number of other opportunities are before us at the moment and given all these factors and more we felt our members (shareholders) interests were best served by our withdrawal from the process. We were favorably impressed by MDOT and particularly Allan Bartlett who made every effort to provide us with necessary information and refine the process to make it bidder-friendly. We wish every success to MDOT and their chosen rail operator.’ {e-mail to ANR&P 20.Jun.2003}

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**GUILFORD RAIL**

13 June, Portland. **US DISTRICT COURT JUDGE GENE CARTER REQUESTED SPEEDY CONSIDERATION** [an unusual step for a judge] by the STB of GRS’s request for the Board’s reconsideration of its Grimmel decision [see 20 May issue].

The GRS request, filed on 9 May, stated: Immediately after the STB decision, GRS official Kenneth Berg reviewed his notes and concluded that, contrary to earlier presentations to the Board, Grimmel had not requested a quote for auto shredder residue. Moreover, later Berg did provide a rate to Grimmel (contingent on GRS access to the Lewiston Lower Road), again contrary to earlier contentions, but Grimmel did not accept the rate.

GRS requested that the Board accept this revised evidence and find that it did not violate 49 USC 11101. {STB Finance Docket No.33989 filings 9.May.03 and 18.June.03}

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**MASSACHUSETTS**

**CSXT EMBARGO**

17 June, Dartmouth MA. **A DERAILMENT MEANT LOSS OF SERVICE TO THREE CUSTOMERS** for a period of possibly four weeks. [In autumn 2002, CSXT experienced a derailment on the same line which stopped rail service for a period of weeks. See 14 January issue.] In early June, CSXT had another derailment on the Dartmouth Industrial Track, which runs west from the New Bedford area. BCLR interchanges with CSXT on the track, and serves the customer on the Watuppa end,
Mid-City Scrap. On 13 June, CSXT issued this embargo:

Destination Gateway or Territory. All customers at North Dartmouth, MA (FSAC 16385), and all traffic to/from the Bay Colony Railroad (BCLR) at North Dartmouth, MA (FSAC 068017) and Watuppa, MA (FSAC 068038). Cause: Track conditions due to derailment. Exception: None. Note: J.J. Carroll {AAR website}

CSXT customers
According to the forthcoming Rail Shippers and Receivers: Southern New England, the embargo affects two CSXT customers: Colonial Beverage and Dartmouth Building Supply. According to an official at Colonial Beverage, the company bought a third customer, J.J. Taylor next door, so now has two sidings served by CSXT. Dartmouth Building Supply uses one of the Colonial Beverage tracks to transload lumber, about two cars a month.

The Colonial official said his cars were diverted to another site, where the contents were transloaded and delivered to him by truck, at CSXT’s expense. That offers little consolation, though: “When you rely on the railroad so much, it becomes a logistics nightmare [to lose service]. It stinks.”

BCLR customer
Bernie Reagan, who handles new and existing customers for BCLR [see below], said his customer is “very disturbed” because the scrap company has to truck processed scrap to less desirable, non-rail destinations. Reagan received assurances on 18 June that the railroad will fix the derailment “shortly.” {ANR&P discussions 17 June 2003}

CSXT response
On 26 June Reagan said CSXT workers had spent several days at the site. {ANR&P discussion} On 25 June CSXT lifted the embargo. {embargo.railinc.com}

Editorial note
[The delay here of at least two weeks, similar to the delay in autumn 2002, seems crazy. Why didn’t CSXT have enough MoW workers to fix derailments quickly, or hire a contractor? Mid-City Scrap lost money, BCLR lost money, and CSXT lost revenue plus had to pay for trucking to Colonial Beverage.

The stance flies in the face of CSXT’s well-touted effort to increase boxcar business, to take traffic away from trucks, and to work closely with short lines.]

Bob Sullivan at CSXT said on 26 June the railroad had repaired the problem as quickly as possible given the availability of forces. {ANR&P discussion}

UTU response
‘Regarding the use on contractors the BMWE strongly opposes the hiring of contractors. The Carrier has the ability to hire more MOW workers. I know that the current work force is understaffed and they could use more help in the daily work projects. I do not know why it takes so long to fix a derailment site. The Carrier would be able to answer that question better.’
{e-mail to ANR&P from UTU general chair Stuart Hurlburt 19 June 03}

BAY COLONY RAILROAD
First quarter. STATISTICS SUPPLIED TO EOTC REVEAL TWO NEW CUSTOMERS: ECDC Logistics had 20 cars generated in March in Rochester and ECDC Environmental two or three cars a month in Yarmouth. The list, first quarter 2003 statistics for carloads, also shows a new customer, NSTAR, in Needham but showed 0 loads.

The statistics were obtained by Chris Podgurski, who is contemplating a bid to operate the MBTA-owned Millis Branch [see 4 June issue] from the Executive Office of Transportation and Construction, after he filed a Freedom of Information
request. {e-mail to ANR&P 14 June.03}

June, Taunton. **ANOTHER NEW CUSTOMER FOR THE RAILROAD** was obtained: Waste Management subsidiary Recycle America is using Gallo’s Sagamore Truck and Rail, Inc bulk transloading terminal on Dean Street to collect cullet created by the many glass recycling depots in the region. BCLR rails out the product in covered hoppers to Atlanta, Georgia. {ANR&P discussion 17 June.2003}

**CSXT**

20 June, Brockton. **CHAMPION CITY RECOVERY C&D TRANSFER OPENED THIS WEEK**, just off North Montello Street [correcting earlier account] near the Avon line [see 12 March issue]. To celebrate, the company hosted an informal open house 16 June; residents from the city and Avon were invited to tour the site.

The construction and demolition debris will move by rail to an Ohio landfill which the parent of Champion, Regus Industries of Holbrook MA, operates. “It's been an exciting time for us,” said Jack Walsh, Champion's chief operating officer. “It's been four years of working with many groups and organizations in both Brockton and Avon.” Regus Industries arranged the financing fora $10 million investment in the environmental clean-up of the former Hercules Wrecking Company site at the end of the Wilder Street extension and the construction of the 20,000-square-foot transfer station, a railroad spur to the main line, and a railroad bridge.

The transfer station has a permit to take in up to 1000 tons of construction and demolition debris daily, has an occupancy permit from the city, and received its final ‘authorization to operate’ from the Massachusetts Department of Environmental Protection this week.

**Future municipal waste facility**

Just a block south on North Montello Street, at number 10903, Champion is planning a 20,000SF transfer facility which would handle 1,000 tons of municipal solid waste (MSW). According to Gordon Reger [see box], Regus operates a 300 to 400-acre landfill in Fostoria, Ohio (not the same recipient as the C&D landfill) which could receive MSW. The MSW and C&D facilities will both use the entrance of the MSW facility.

The Brockton Zoning Board of Appeals approved a permit for the transfer station in May. The company still needs state and local environmental permits, as well as approval from the Massachusetts Highway Department, which controls Harrison Boulevard and Route 28.

Champion City officials argue that the facility will be an improvement over present conditions on the property, an abandoned and contaminated site formerly used as a trucking terminal. “Our goal is to revitalize the whole industrial belt in this area,” Walsh said. The northern stretch of Route 28 (North Montello Street in Brockton) contains a mix of stores, auto service businesses, and industrial sites, many of them idle. A Stop & Shop supermarket is under construction near the junction with Route 37, and a Wal-Mart is in Avon, just over the Brockton line.

**MSW handling in the southeast**

Walsh commented: “There is no capacity in Massachusetts for all the waste being generated in the state. To eliminate the trucks necessary to ship some of it out, we looked to rail.” {Sean Flynn in Brockton Enterprise 15 June.03} According to Champion City officials, the transfer station would save money for area cities and towns, which now have to pay to have trash hauled to regional facilities in Rochester [the SEMASS facility there is served by BCLR–editor] and Fall River. [The 100-acre Fall River landfill is operated by BFI, which has requested a permit to expand it by 45 acres. It now accepts trash from much of the region south of Boston and represents 9.4 % of the state's disposal capacity. To prevent the dump's expansion, the Fall River Board of Health has begun formal hearings aimed at revoking a permit for the project. If the city succeeds, it would lose more than $6 million in host fees and trash disposal discounts from BFI. “We don't cotton to the fact that we are the dumping site for all of these other communities,” said Joseph Cravalho, chair of the Coalition to Stop the New BFI Dump. {Providence Journal 1 Apr.03}]

**Some opposition**
Area residents fear truck traffic to the proposed MSW facility will worsen conditions on Route 28 and Harrison Boulevard, two heavily traveled state highways; some neighbors fear odors also.

“We don't want it,” said Lee Ferris, who lives with her husband and three daughters next door to the site of the planned transfer station. “This is an established neighborhood. I'll be darned if we are going to smell trash the rest of our lives.”

About 100 trucks per day will bring their loads to the transfer station. “For a busy state highway with trucks going back and forth, this is not going to be noticeable,” said Walsh. Between 20,000 and 24,000 vehicles a day travel on Route 28 and Harrison Boulevard, according to traffic surveys taken in the last three years by the Southeastern Regional Planning and Development District.

Brockton Mayor John T. Yunits Jr. supported the C&D facility, and his administration helped Champion City gain approval of the rail spur. Brockton officials appear less enthusiastic about the latest project. Yunits has not taken a stand on the matter, and Ward 7 City Councilor Charles R. Logan, who represents the city's north end, has come out in opposition.

Avon selectmen said they are concerned about increased truck traffic on Harrison Boulevard and Route 28 but concede there is little they can do about the proposed trash facility. The planned transfer station does not directly abut the Avon line, which means the town has no legal leverage.

Avon's town wells do abut the site of the construction debris facility, and the selectmen threatened to sue over that project. The town was able to negotiate a limit on the number of trucks to the facility, as well as a payment from the company for a study of how to protect the town's wells. {Robert Preer in Boston Globe 16.June.03}

MORE ABOUT REGUS

Gordon Reger, principal in Regus Industries, explained that Regus Industries is the parent of several affiliated companies involved in recycling and waste handling, among them: Champion City Recovery, Mid-State Recovery [operates a C&D facility in Portland CT see 12 March issue], and Regus Rail and Logistics. The last arranges the logistics and transportation of the waste.

Regus Industries through two subsidiaries operates the landfills in Ohio; it is discussing employing an abandoned strip mine for the C&D. It also arranged financing for the recovery and construction of the Brockton site. {ANR&P discussion 16.Jun.2003}

Reger, who works out of West Seneca, New York, is also the principal in Reger Holdings, an unrelated company which does commercial construction in the Northeast. {web search}

MASSACHUSETTS BAY CR

5 June, DC. THE STB AGREED THAT MBCR IS NOT SUBJECT TO STB JURISDICTION but will be subject to applicable laws regarding safety, collective bargaining, and other employee relations, as provided for by 49 U.S.C. 10501(c)(3). {STB Finance Docket No. 34332 5.June.03} [See 6 May issue.]

NEW HAMPSHIRE

PORTSMOUTH - SHELBURNE

16 June, Portsmouth. “WE’RE TRYING TO MOVE FORWARD AS FAST AS THE ECONOMY WILL ALLOW”, said Ralph Belfiore, who seeks to start ro-ro service between Shelburne NS and Portsmouth NH [see 8 April issue]. While he has many smaller Nova Scotia shippers expressing an interest in the service, he is negotiating with an anchor customer who would supply a significant portion of the truck traffic needed to make a go of the business financially. This customer would send the product on, probably via intermodal, to the interior of the United States.

Both Belfiore and his customer are seeking to raise private capital for the venture. {ANR&P discussion}
RHODE ISLAND

RIDOT ON PASSENGER TRAINS
26 May, Providence. **THE NEW RIDOT DIRECTOR IS LOOKING TO TRAINS** to handle road congestion. James Capaldi, appointed in January by new Governor Carcieri to succeed William Ankner, believes, as did Ankner, that the answer isn't building more roads. “You can't build yourself out of the problem we have.” Anyway “the money isn't there.” That brings him to trains because, “Trains are the first thing that I think can work.” He envisions completing a chain of projects that could bring Massachusetts Bay Transportation Authority commuter rail service all the way down the west side of Narragansett Bay, connecting Providence to near the airport in Warwick to Wickford Junction in North Kingstown. The prospect for rail service on the other side of the Bay is hazier and more distant. Capaldi hopes that the MBTA will extend rail service south to Fall River. If that happens, “It's really not that far away to go to Newport.” The rail line there is used by dinner and sightseeing trains. {Bruce Landis in Providence Journal 27 May 03}

VERMONT

VERMONT RAIL SYSTEM
17 June, DC. **VRS PLANS A NEW SALT FACILITY AND WANTS A DECLARATORY ORDER** from the STB about the degree to which state and local governments can regulate it.

The proposed facility
VTR is discussing with a highway salt supplier a transload facility near Wallingford, which will in part replace older, less efficient Vermont facilities currently served by VRS. The 39-acre tract was formerly a rock quarry. VTR will construct a 1700-foot spur to the 10-11 acres needed for the salt facility, as well as a concrete unload pit, a salt shed, a truck scale, and an administrative building.

Salt will originate in western New York State arriving in shipments of 8 to 12 cars, for a total of 800 carloads a year (or 80,000 tons of salt per year, on average). [Apparently American Rock Salt or Cargill, the only suppliers in western New York (editor), will become the customer–see issues 01#11B and 03#3A.] VTR personnel will unload the rail cars, store the salt, and load the trucks. The rate quoted to the customer includes ‘all of the transload facility service supplied by VTR.’

Salt traffic taken from other facilities
Jerry Hebda, vice-president of VTR, said in a verified statement that the facility in Wallingford ‘could attract business away from transload facilities in New York State or could replace, in whole or in part, the VTR and GMRC salt transload operations at Burlington, Rutland, Rockingham, and North Clarendon.’ VTR concluded that a partial alternative to the Burlington facility is needed, because of the limits on truck trips and hours of operation. The GMRC shed in Rockingham [operated by Barrett–see 12 March issue] may be closed if the courts find against GMRC in a pending case.

Hebda said the Rutland facility [operated by Barrett–see 12 March issue] has a capacity of only 3,000 tons, and is inefficiently operated; yard congestion means only one or two cars may be spotted at a time for unloading. The North Clarendon facility, not owned by GMRC, has a capacity of only 1500 tons.

He noted that a facility in Wallingford would reduce the number of truck trips between rail facilities in New York, Burlington and Rutland, on the one hand, and state or town salt sheds in the Rutland-Burlington area.
Vermont/Wallingford regulations; relief sought from the STB
VRS asked the Board to ‘institute an expedited proceeding for the purpose of removing uncertainty or terminating controversy regarding the appropriate extent of (a) Board jurisdiction and (b) pre-empted state and local requirements as related to state and local laws and regulations purporting to require VTR to obtain preclearance before it can construct and operate a rail spur and a rail-truck transload facility.’

The filing notes that Wallingford ordinances ‘purport’ to govern the construction of this facility; the railroad must obtain use approval and site plan approval. VTR noted that similar ordinances were applied to VTR’s Burlington salt facility to impose limits on the hours of operation and the number of truck trips, effectively limiting the total volume of salt through the Burlington facility. VTR argues that, adding in an appeal to the Vermont Supreme Court, obtaining Wallingford approval could require up to three years.

Vermont’s Act 250 [which the railroads sought to limit in legislative action–see 4 June issue] governs development on more than 10 acres. Again, opposition could lengthen the time to obtain an Act 250 permit to more than two years. Practically speaking, Wallingford approval precedes Act 250 approval, so that a minimum of 8-12 months is required before the railroad may begin construction, and the process may take more than four years.

VTR argued that this matter differs from the pending US District Court matter concerning the Riverside Reload Center, because the railroad has not begun construction, and the state has not alleged violation of an existing permit [see 27 January issue].

VTR asked the Board to declare that Act 250 and the Wallingford ordinances are pre-empted by US statute 49 USC 10501(b). It argued that the transload facility will become ‘an integral part of its rail operations and well within the reach of the federal statute.’ But VTR did not argue that the State totally lacks jurisdiction. Regulations which do not interfere with railroad operations, such as building and electrical codes, are not pre-empted.

The railroad proposed a quick briefing schedule and a decision as soon as possible.

Cement example of impact of regulation
Hebda noted that for years GMRC operated a bulk cement transload at Riverside. When the customer desired to expand, and GMRC told the customer it would need an Act 250 permit, the customer [Lafarge Cement–see 9 August 2002 issue: CCRR] moved to a site in New Hampshire.

Hebda concluded from that example that VTR will not reach agreement with a salt shipper until VTR has approval to construct, but the length of time to get approval and the possibility of limits on the flow of salt are ‘likely to doom the project.’

VERMONTER: NOT ON GRS
9 June, Massachusetts. OPERATING THE VERMONTER UP GRS would not be a good idea, said an industry source, despite the conclusion of Brad Worthen in the Vermont Passenger Rail Study [see 4 June issue]. Currently, northbound the train turns east onto CSXT tracks at Springfield, and then north on NECR at Palmer. This route measures 58.7 miles on track, while running directly from Springfield to East Northfield on GRS measures 50.8 miles, according to ALK’s PC*MILER/Rail 10.

Less costly
In 1988, after NECR acquired the Vermont stretch of the GRS ConnRiver line, Amtrak and GRS reached a tentative agreement on restoring the East Northfield-Springfield track. Both would make a contribution, but Massachusetts was asked to pay some $5-6 million out of a total cost of $7.5-$11 million. A state fiscal crisis blocked any contribution from Massachusetts, so Amtrak agreed to use the NECR line through Connecticut. {Tom Nelligan in Trains 10.89} Later Amtrak changed to the current CSX use.

At this point, even if capital expenditures put the GRS stretch in good shape, GRS only maintains it for 10 miles per
hour. Amtrak (more specifically, Vermont) would have to pay a significant amount to maintain it at the much higher standard needed for class 3 track.

Finally, the reversal of equipment at Palmer, the industry observer noted, requires only 10 minutes, not the 45 listed in the Study. {ANR&P discussion 9.Jun.2003}

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**QUEBEC/MARITIMES**

**CAPE BRETON & CENTRAL NS**

18 June, Cape Breton. *THE RAILROAD IS INSTALLING 7700 NEW TIES AND MORE THAN 20 MILES OF NEW RAIL* this summer, along with lots of ballast. The federal and provincial governments each promised $500,000 for track upgrading [see 26 March issue] and those funds are paying for this work, according to Don Stonehouse of NSDOT. Per General Manager Peter Touesnard, the railroad has hired contractor PNR to do the work.

Traffic up on Hopewell subdivision
While traffic has dropped east of the Strait of Canso, from 10,000 to about 1,000 [see 12 July 2002 issue], traffic on the mainland has increased. This stems from increased traffic out of the Strait from Stora Enso, and the addition of the propane/butane/flammable liquids traffic (10-20 cars daily) from the Sable Offshore Energy fractionation plant.

Pictou County traffic has grown as well, with Kimberly-Clark loading a few boxcars a day with heavy paper, Michelin steadily receiving loads of carbon black and steel, and Trenton Works receiving loads of steel and wheels and sending out new cars.

The CBNS daily freight arriving at Truro is reaching toward 7000 tons [approximately 50-70 carloads a day, or about the 26,000 carloads Touesnard predicted for 2002—see 26 July 2002 issue]. Current traffic is tracking above the 26,000 figure for 2003. {ANR&P discussions; AtlanticRails e-group}

**NEW BRUNSWICK SOUTHERN**

May, Bayside. *NBSR LIFTED THE TRACK SOUTH OF ROUTE ONE*. According to David Jamieson of Irving, who handled the initial creation of NBSR in 1995, Canadian Pacific had given NBSR the option of purchasing the St.Andrews Branch (from Watt, next to Lawrence Station NB, to Bayside) and NBSR had done so very soon after its creation. Hope remained for a re-use of the rail to serve the Port of Bayside (reached by the ‘Champlain spur’) for some years, but no customer materialized. [The best possible customer, Westroc, began using rail direct from Nova Scotia—see 4 June issue.]

NBSR completed lifting the track from Bayside to Route One this month. The tracks from Watt Junction to the Champlain spur were randomly removed starting around 2001. {AtlanticRails e-group reports} The line from Bayside to St.Andrews was abandoned in 1988. [CPR abandoned the entire network in January 1995—see 8 January 1995 issue—which included the Bayside trackage. NBSR never ‘revived’ the trackage, and therefore did not need to abandon it before tearing it up. Editor]

**SAINT JOHN**

3 June. *PORT DAYS HEARD A PROPOSAL FOR SHIP-TO-RAIL DOMESTIC CONTAINER TRAFFIC*. Mark MacDonald, who became president of NFL Holdings and its operating subsidiaries Bay Ferries Limited and Northumberland
Ferries Limited on 1 January, described passenger and freight operations of the three routes the companies ply: Bar Harbor - Yarmouth NS; Digby NS - Saint John; and Caribou NS- Wood Islands PEI. The Digby service, he told attendees at the annual conference, could carry containers or trailers to be put on rail cars.

Contacted later about the mention of intermodal service on the Digby-Saint John route, MacDonald said the ship, M/V *Princess of Acadia* presently services “a large truck volume, and reasonable drop-trailer volume.” He would like to expand the kinds of traffic, potentially to utilize facilities such as the next-door intermodal terminal operated by Logistec. “The message I am delivering is this: we want to build as diversified a commercial business as possible. With our large terminal yards and reasonable times between crossings, we are able to try just about anything our customers may require.”

**Does the proposed Shelburne-Portsmouth service compete?**

That would be a "reasonable assumption," said MacDonald. Southwest Nova Scotia does a large business in fish export, which would be an obvious target for freight service. However, when the Yarmouth-Bar Harbor service sailed year-round in the conventional vessel *Bluenose*, they "struggled to make a go of it, and lost large amounts of money in winter season." The service to Portsmouth may run into similar problems. [The existing *Scotia Prince* private service between Yarmouth and Portland only sails in the warmer months, and caters primarily to tourists and passengers. *Editor*]

MacDonald said that the *Acadia* service can well serve the south and west portions of Nova Scotia. It is run year-round.

The challenge for the company is to mix tourist traffic and local traffic in summer, and commercial augmented by local traffic in the winter. {ANR&P discussion 20.June.03}

**MORE ABOUT THE FERRY COMPANY**

NFL Holdings has two operating companies. Northumberland Ferries was founded in 1941 to operate a ferry between Wood Islands, Prince Edward Island, and Caribou, Nova Scotia. Northumberland always has received a subsidy from government of Canada to operate the ferry during the seven and a half months of ice-free navigation in the eastern part of the Northumberland Strait.

In 1997, a sister company, Bay Ferries, won the right in open bidding to commercialize the two Bay of Fundy routes previously operated by the government- owned Marine Atlantic. Bay Ferries has operated the services since then, at an annual savings to taxpayers of $17 million — the amount of the last annual subsidy paid to Marine Atlantic for these services.

Following an initial five-year operating contract, Bay Ferries now holds leases on the terminal facilities (still owned by the federal government) in Digby, Saint John, Yarmouth, and Bar Harbor. The services are not regulated and Bay Ferries does not have a monopoly on the routes. {ANR&P discussion 20.June.03}

**16 June. IRVING IS REVIVING ITS PLAN FOR A LIQUID NATURAL GAS TERMINAL** at its Canaport here. Irving spokesman Daniel Goodwin says the new terminal now makes more financial sense. "The project had become a little more complex because of what was happening in the energy industry. Since then the prognosis looks very good and we continue to move ahead with the project.” The company is continuing with an environmental impact assessment, and if the company receives all the provincial permits it needs, Irving Oil will begin construction by the new year. {CBC webposted 16.June.03}

Irving's liquid natural gas project is so big it will have the capacity to supply as much natural gas as Sable Island does. Irving Oil spokesperson Jennifer Parker said Irving is negotiating with natural gas companies for product.

To get the LNG to the United States, Irving is looking for a partner. Parker says the gas could go into the Maritimes and Northeast pipeline or into an entirely new pipeline. {CBC webposted 18.June.03}

**23 June. THE PORT AUTHORITY WILL CONVERT PUGSLEY INTO A CRUISE LINE TERMINAL.** Pugsley A/B is primarily used for cruise vessels from May to October and used for warehousing year-round. No conventional marine cargo has been handled at this pier since 1997. While the shed has rail, no cars have graced the track for some time.

The Port Authority announcement noted that "[t]he sheds are not geared for today’s cargo mix. Cargo is no longer handled in the old conventional manner requiring pallet boards, nets or rope slings. It either requires specialized handling, as is the case with forest products, or it is carried in bulk or by container...."
‘Our East Side facilities are very much under-utilized and the Port Authority needs to increase marine use of these facilities and generate new revenues for the port....We cannot handle the larger ships now scheduled with our existing infrastructure. We need a new facility in order to be a major player in the cruise business. We have done our best to dress up the shed, but at the end of the day that is all it is – a cargo shed.’

The Authority anticipates the renovations will be ready for ships in the 2004 season. {announcements from Port Authority; railfan observation of tracks in e-group Atlantic Rails}

DIGBBY NS

17 June. **NOVA STONE EXPORT WILL EXPORT TO THE UNITED STATES.** Under a plan announced in 2002, Nova Stone would mine $1 million worth of basalt every year from White's Cove on Digby Neck, eventually levelling North Mountain. Opponents recently lost an effort to block the quarry by constructing a building near the site which would interfere with, and therefore block construction of, the quarry.

History

Nova Stone Export received a permit for the quarry in Digby Neck in April 2002. Its American affiliate, Clayton Concrete, is one of the largest concrete producers in the world. About 150 people attended an October 2002 public meeting in Digby to oppose the quarry. {CBC webposted 17.June.03, 24.Jan.03 11.Oct.02}

HALIFAX

13 June. **HALTERM REACHED A NEW AGREEMENT WITH ZIM** - the company noted in reporting its first quarter earnings report that failure to renew the contract could affect earnings [see 6 May issue]. Zim is Halterm’s largest and longest-tenured customer. The new agreement will not affect earlier cash flow estimates. {Halterm press release}

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.

American Rock Salt (VRS), Champion City (CSXT - MA), Colonial Beverage (CSXT - MA), Dartmouth Building Supply (CSXT-MA), ECDC Environmental (BCLR), ECDC Logistics (BCLR), Kimberly-Clark (CBNS), NStar (BCLR), Recycle America (BCLR), Riverside Reload (VRS), Sable Offshore Energy (CBNS), Sagamore Truck and Rail (BCLR), Stora Enso (CBNS), Wallingford salt facility (VRS).

PEOPLE

CN reorganized its intermodal sales as part of the IMX effort to improve intermodal operations. **Paul Waite**, AVP IMX East and U.S., now reports to Jim Foote, Executive Vice-President, Sales and Marketing. **Matt Jacobson**, AVP Intermodal Sales, now reports to Andy Gonta, VP Automotive Sales and Marketing and Intermodal Sales.

**Michael Rennicke** became general manager of the Pioneer Valley Railroad and Railroad Distribution Services. Most recently, he served as vice-president of sales Pottles Transportation (Bangor), handling most of the Northeast as far out as Ohio. He worked with a “fair number of rail transloads, in a variety of geographic areas.” In the 1970s, Rennicke worked for the New Haven Railroad. **David Swirk**, formerly RDS terminal manager, has become manager of special projects.
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