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

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Issue 03#06B 3 July 2003

*Article unchanged from e-bulletin.

GRS: Office special did run.
MMA: Paycut restored.*
CSXT: Short line competition to increase carloads.
High-speed Rail: On to Phase II.

MASSACHUSETTS

CSXT: Circle of Life C&D under construction.

CONNECTICUT

BML: P&S signed, closing 21 July.*

Rockland Branch: Update on Atlas dispute.

NEW HAMPSHIRE

Commuter: Nashua and Portsmouth service.
GCR: Hampton branch will remain open.

RHODE ISLAND

[MMA/WACR: List of customers in the Northeast Kingdom.]*

VERMONT

WACR/Conn River: Operating agreement signed. Possible Gilman service, move to St.Johnsbury.*
WACR/Montpelier: Favorable court ruling.
VRS: State asks for delay on STB salt facility filing.

MARITIMES/QUÉBEC

CBNS: Bras D’Or starts again, 93% occupied in 2002.
MMA/CN/B&A: Two interswitching applications filed with CTA. Saint John, Sainte-Rosalie affected.
Strait of Canco: First Mulgrave tenant cancels.

RAIL SHIPPERS/RECEIVERS

Omitted for reasons of space.

EDITORIAL

Maine citizens: advocate for the transportation bond bill.

FROM THE PUBLISHER

Corrections
In the print version of the last issue, I omitted Cargill as a supplier of highway salt from western New York. Mike Rennicke, as one reader noted, did not work for the New Haven in the 1970s. His father worked for NH for many years, and Mike worked summers for the NH and then the Penn Central 1967-1971.

- Chop Hardenbergh  Next issue: 18 July

REGIONAL ISSUES

GUILFORD RAIL SYSTEM
27 June, Waterville-Rockingham Junction. THE OFFICE CAR SPECIAL RAN with “lots of suits inside,” according to one observer. Reports from other sources indicate Class I officials were aboard.

Norfolk Southern spokesperson Susan Terpay could not confirm or deny whether NS officials were aboard. \{NERAIL; ANR&P discussions\} [See 26 June issue.]

MONTREAL, MAINE, & ATLANTIC
‘Montreal Maine & Atlantic has quietly restored the pay cuts imposed when its largest customer imploded two hours after MMA opened the doors last January. VP Marketing Bill Schauer told me during my visit to Bangor this week the paper mill that sparked the initial troubles will be back to full speed by mid-2004. What’s more, they’re building back the business by calling on former customers and working with them to regain their former customers. Service design has a key role, too: it’s second morning delivery to the CP in Montreal from a 2 PM pull in Presque Isle. That’s 500 miles and three trains with the longest dwell just 15 hours. Track speed is 40 MPH, tops, so they have to hustle. No wonder MMA will be shortly be back at the 60,000 annual carloads they started with before the unpleasantness.’ \{Roy Blanchard’s newsletter, Railroad Week in Review 27 June 03\}

CSXT
New England railroads lagging?
In December 2002, CSXT network marketing told short lines that it would make two $10,000 awards for traffic growth: one for absolute carload increase, and one for percentage increase. The contest period compares the first ten months of 2002 to the first ten months of 2003. At the end of the first quarter, no New England railroad stood near the top in either category. \{Letter from Len Kellerman, director of rail network marketing, 8 May 03\}

The CSX real estate division announced its own $10,000 reward to the short line which landed the largest new site for rail traffic over the same period. \{ANR&P discussion with Kellerman 28 May\}

But shortlines overall are leading
‘CSX shortline merchandise (not coal or intermodal) carloads were up 7% in 1Q03 exclusive of switching roads like BRC and TRRA, so we’re looking at pure feeder routes where all traffic either originates or terminates. This is significant for three reasons:

1. It's better than twice the growth rate of CSX organic carloads;
2. In sheer numbers shortlines touched nearly half (11,000) of the 25,000 carload increase posted by CSX;
3. Automotive (cars and parts) represented a fifth of the growth with twice the number of shortline carloads posted in 1Q02.’ \{Roy Blanchard’s newsletter Railroad Week in Review 5/30/03\}

HIGH-SPEED RAIL
1 July, Montpelier. THE SCOPE OF WORK FOR PHASE II will emerge approved by the three states soon, predicted VAOT’s Charlie Miller. That will permit consultant Parsons Brinckerhoff to move ahead on the Boston-Montreal study [see 12 February issue]. \{ANR&P discussion\}

CONNECTICUT

CSXT
2 July, New Haven. CONSTRUCTION HAS STARTED ON THE CIRCLE OF LIFE C&D FACILITY. Mark Bourgeois, who is managing the project, anticipated completion by early autumn. \{ANR&P discussion 3 July 2003\}
MAINE

BELFAST & MOOSEHEAD LAKE

25 June, Unity. A PURCHASE AND SALE AGREEMENT WAS REACHED WITH RAILSTAR CORPORATION of Cape Vincent, New York. Larry Sterrs, chair of the board of the Unity Foundation, said the parties had scheduled a closing for 21 July, contingent upon a contract with MDOT for maintenance of the track bed.

“For the past six months, our focus has been in getting the railroad out on the market for sale,” said Sterrs. “We marketed it in the railroad community, people who are just crazy about railroads. We did get a fair response, but only two that we could work with who were interested in operating it. We got many responses from people who wanted to buy equipment. Individual railroads are operating all over the county and it’s hard for them to get replacement parts. You’re not going to find parts for 100-year-old steam engines down at Wal-Mart.

“The major thing, from my perspective, is Mr. Clifford loved the railroad and also knew how important it was to the communities it serves,” Sterrs said. “Since he passed, we have made every effort to find a buyer interested in operating the railroad instead of just selling the equipment and real estate. Mr. Clifford loved the railroad and spent a lot of time and a fair amount of his money to keep it going.” Bob Lamontagne, general manager of the B&M for six years, said he is “very excited” about the pending sale. “I think it is positive for everyone, the state of Maine, the county of Waldo — actually all the counties.”

More about Railstar
Railstar’s vice president and general manager, Ronald J. Trottier, said trains will continue to operate between Unity, Burnham Junction, and Belfast, including charter and dinner train service. Originally from Massachusetts, Trottier said he went to school in Boston and his familiarity with New England drew his interest to the local railroad. “We don’t have a lot of tourist lines. This will sort of be our first entry into that aspect of it,” Trottier said from his Railstar headquarters in New York. “We feel the interest is there in railroads; we need a certain number of people to make a business like this fly.” {Darla L. Pickett in Central Maine Morning Sentinel 28 June.03}

A Google search of the web provides only these points: Railstar owns and operates Erie Canal Village, a tourist attraction in New York. It has also bought two antique locomotives for restoration. {editor}

ROCKLAND BRANCH

3 July, Augusta. THE DISPUTE WITH ATLAS HAS NOT COME TO ANY RESOLUTION YET. [See 12 March issue.] According to Russell Spinney, program manager for multi-modal projects, the project manager makes the initial decision, and he—Paul Pottle—has not yet mailed an official response to Atlas. If Atlas does not accept that, it appeals to the director of project management, and then to the commissioner. At any time, either party may ask to convene a dispute resolution board. {ANR&P discussion}

MASSACHUSETTS

BAY COLONY

6 June, Newton. IVEX CEO JIM KENDALL UNDERLINED THE IMPORTANCE OF THE RAILROAD, in a letter to EOTC Secretary Grabauskas. He commending the decision to retain the bridge [see 4 June issue] and pointing out how important the Millis rail line is. {e-mail to ANR&P from Bob Merriam of Ivex}

CSXT

13 June, Freetown. OFFICIALS BROKE GROUND FOR THE NEW STOP & SHOP DISTRIBUTION CENTER just off South Main Street here, not far from Route 24 and the Fall River boundary. On a 180-acre parcel, it will comprise two warehouse and distribution buildings totaling 1.3 million square feet, 75,000SF of office space, a 15,000SF maintenance building, tractor trailer storage, 1,100 parking spaces, loading areas, fuel islands, truck-trailer wash bays, landscaped areas and storm water management areas.

The land is still being cleared. Stop & Shop says the project should be completed by the autumn of 2004. Rick Stockton, company spokesperson, said the Stop and Shop Readville facility will then close, but the North Haven CT one will remain open.

The developers and the use of rail
Stop and Shop had originally asked Fall River. “We didn’t have that much developable land,” said Kenneth Fiola Jr., executive vice president of the Fall River Office of Economic Development. “We helped them find this spot.” The Greater Fall River Development Corporation bought the property from ComEnergy in an effort to attract businesses and jobs to the area. The development corporation sold
the 587-acre parcel in 2001 for $12 million to Churchill & Banks, a Providence real estate firm. Churchill & Banks created the ‘Riverfront Business Park’, and Stop and Shop became its first client. {Marc Munroe Dion in Boston Herald 14 June 03}

Richard Baccari of Churchill and Banks said the Park abuts the Taunton River, along which runs a buffer zone of about 75 acres. The firm has talked to three other potential distribution-facility clients, and one possible office-park client. Only one of the distribution-facility clients "had a real need for rail."

Will Stop & Shop use rail?
The Fall River Subdivision runs though the Park. Baccari said that Stop and Shop wanted to retain the option of rail, even though rail does not run through its 180 acres. The company would have two ways: either run a spur off the main line to the site (it retains the ability to run a spur through the adjoining parcel), or transload from a siding [pne rail observer mentioned the 'old gas company siding' - editor] and truck the product over to the warehouses.

Stockton reported that Readville now receives some perishables by rail; North Haven, though it has a siding, does not use rail. {ANR&P discussions 1 Jul 03}

27 June, Wilbraham. THE C&D FACILITY HERE IS GOING GREAT GUNS. “I saw huge piles of debris with earth movers running around on top of them. There were a dozen USWX cars, each with four containers, and more such cars in the yard at Palmer.” [See 12 March issue. Waste Management has decided to keep the facility and its rail connection.] {ANR&P correspondent Malcolm Laughlin coverage}

‘Waste Management of Massachusetts, Inc. has contracted with CBI to design and build two C&D Processing Lines for their sites in Wilbraham and Raynham. These custom-designed systems include primary shredders, screens, picking stations, secondary shredders and truck loading systems. These systems will be up and running by mid summer in 2003....

‘[CBI], Continental Biomass Industries, since its founding in 1988, has changed the standard by which all grinder performance and support is now measured. Through a combination of state of the art design, the latest in materials technology and unflagging commitment to quality and customer service, the CBI name has become synonymous with performance and reliability in a broad range of grinding applications the world over.’ {CBI website}

GUILFORD RAIL

30 June. GRS FILED A RESPONSE IN ITS DISPUTE WITH ENGELHARD over car hire charges. [This newsletter will not follow this dispute. See the STB website for filings.] {STB docket NOR_42075_0}

GRS/WILMINGTON RAILROAD

19 June, DC. THE WILMINGTON AND WOBURN TERMINAL RAILROAD COMPANY SOUGHT COMMON CARRIER STATUS in a notice to the Surface Transportation Board (STB) to operate over a GRS spur, trackage to be built through the former Olin Corporation facility, and then on an industrial track owned by New England Resins and Plastics (not a current customer). Total trackage about 1.5 miles.

New England Transrail, d/b/a Wilmington and Woburn Terminal Railroad (WWR), would acquire a portion of the Olin facility at which to construct a transload facility served by the new railroad.

The proposed operation
GRS owns a spur at North Woburn Junction leading west off the south-bound MBTA line between Lowell and Boston (the MBTA New Hampshire Route) less than 1000 feet to the Glens Falls Lehigh Cement Company plant on the north side of Eames Street. [The spur is part of a former branch through western Woburn which joined back to the New Hampshire Route at Winchester Center. Editor]

Currently, GRS runs one train a day to the site, which must reach the spur off the south-bound MBTA track. The train must then back northward off the siding to proceed farther south.

New England Transrail LLC, doing business as the WWR, proposes that GRS, after it drops or lifts cars for Glens Falls, proceed along new track to connect to an existing—but unused—industrial track belonging to New England Resins. Running past (but not serving) the New England Resins facility, the GRS train would rejoin the MBTA New Hampshire Route less than 1000 feet over the Woburn line.

The transload—located off the new track—will open for up to 16 hours a day, and close during the hours that WWR will interchange with Guilford (at night). WWR will retain a machine to switch its own site, as well as Glens Falls and other rail customers who may also locate there.

Why wouldn't GRS handle the switching?
Ron Klempner, principal of New England Transrail, said that Guilford had no desire for ownership or operating rights through the Olin site, much of which remains heavily contaminated. [The contamination may sound familiar, but the Olin site is not connected with the book and movie ‘A Civil Action’, depicting a case in east Woburn. The Olin site lies in western Woburn.]

Klempner said his situation did not resemble that of LB Railco, which tried to use a railroad front to operate a C&D facility outside of Massachusetts DEP regulation. [In LB Railco, the company would construct a spur off the PW line and become a railroad on that new spur. In the case of WWR, the company will be taking over a rail line already in interstate commerce. Moreover, Klempner has already subjected
his operation to local permitting. *Editor*

**Why another transload?**

Klempner sees many transload customers: GAF, lumber, aggregate, and the plastics manufacturers in the area. The filing at the STB notes that the transload will ‘facilitate rail access for area industries now precluded from direct service by the limited window allowed to B&M freight service on the MBTA line.’

Klempner also seeks to load onto rail cars outbound containers with contaminated soil, and to load previously-processed construction and demolition debris. He does not plan any permanent structures. He would not store salt because it may exacerbate the site conditions and clean-up efforts. Indeed, he plans to store no material on site because ‘any storage would less space for rails and reload activities, and the key to success at the property would be a compact and efficient rail operation which maximizes car movements and minimizes car and material storage.’

He selected this site ‘[b]ecause it was a large enough parcel located in proximity to the major highway networks, I-93 and I-95, and the closest available location to downtown Boston.’ *(ANR&P discussion 23 Jun. 2003; text of filing)*

**The request to the STB/delay in effective date**

On 19 June, WWR filed ‘a verified notice of exemption under 49 CFR 1150.31, to acquire and operate, pursuant to contract rights from Boston and Maine Railroad Company, certain trackage in Woburn and Wilmington, MA.’ Klempner invoked the exemption open to Class III railroads to commence operations without a formal Board decision. Under 49 CFR 1150.32(b), the exemption would normally become effective on June 26, 2003 (7 days after the notice was filed). Parties objecting to an exemption have 20 days from the service date of the decision (here, 19 June) granting the exemption to file a petition to reopen and 10 days from the date of service to seek a stay.

‘On June 25, 2003, New England Transrail requested that the exemption not become effective until July 11, 2003. New England Transrail states that it has been engaged in meetings with the community and with the staff of US Representatives Edward Markey and John Tierney, and, as a courtesy to them, it is requesting a delay in the effective date of the exemption. New England Transrail’s request will be granted.’ *(STB decision published 26 June)*

**Some resistance**

The Town of Wilmington has presented several argument against the proposed use [see STB filing]. On 26 June, it filed a petition for a stay of the exemption, which will probably be granted by 3 July, thus giving more time for opponents. *[More in a future issue.]*

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**NEW HAMPSHIRE**

**COMMUTER RAILROAD**

12 June, Portsmouth. *Extension of the MBTA to Portsmouth remains a decade away*, according to some in attendance at the meeting of the State Legislative Committee to Promote the Commuter Rail between Newburyport, Mass., and Kittery, Maine. According to State Representative Bill Mosher, “We have to get the Nashua line up and running.” Then the state would turn its attention to the Kittery-Newburyport service.

Mosher added that New Hampshire can fight suburban sprawl by locating commercial and housing development around the train stations that would serve communities such as Seabrook, Hampton and Portsmouth. “We have to get rid of the mentality of pave New Hampshire,” said Mosher. “You can’t just pave over everything.”

He explained that the towns should be looking at available properties for either industrial or housing development in the vicinity of possible rail platforms. Towns could form a coalition to market the sites and to bring in real estate people and the NH Department of Resources and Economic Development and build a fire under them.

The task force is recommending the formation of a Southern New Hampshire Transportation Authority to coordinate and implement a structure and development plan for all pending transportation projects.

**Purchase of the rail line**

Guilford ownership of the remaining track, between Hampton and Portsmouth, should not be a hurdle; although the railroad just agreed to keep open the last active stretch [see below], it is apparently ready to sell. [The state already owns the track from the state line north to Hampton. *Editor*]

**Private funding for the Nashua service**

NHDOT was holding off the next step on the environmental permitting for the Nashua service until the New Hampshire courts have ruled on using gas tax funds for it, but the new capital budget bill does have money [see below].

And State Rep. William Mosher, R-Nashua, said a House Task Force on Developing Alternative Funding for Transportation is seeking
potential private donors to support the environmental study at the Nashua site. In fact, reported Mosher, ‘A local resident of Nashua indicated to Mayor Streeter that if we could get the show on the road (commuter rail) that he would personally write the $15,200 check.’ {Jesse J. DeConto in Portsmouth Herald 11.June.03; e-mails to ANR&P from Mosher}

30 June. **FUNDS FOR THE NASHUA SERVICE PASSED THE LEGISLATURE** in section 25 of HB25, the capital budget bill. Kit Morgan said NHDOT must now re-apply to the Governor and Council to approve the consultants’ contract amendment which was rejected in October 2002 because it required the use of gas tax money [see 8 April issue]. {ANR&P discussion 2 July 2003}

**GUILFORD**

2 July, Hampton. **GUILFORD SAID IT WILL KEEP THE HAMPTON BRANCH OPEN** “‘for now’, whatever that means,” said Steve Foss of Foss Manufacturing. The plant here received cars on 1 July. {ANR&P discussion} [GRS had started the abandonment procedure—see 6 May issue.]

**MILFORD-BENNINGTON**

2 July, Milford. **GUILFORD OPERATING RESTRICTIONS HAVE LIMITED SERVICE TO THE MAJOR CUSTOMER**, Granite State Concrete. According to Peter Leishman, MBRX honcho, GRS recently told him he may operate on its line only between 12 midnight and 8AM. Since Granite State’s Wilton quarry hours of operation last from 6:30AM to 6:30PM, MBRX can only run one a day rather than the three it customarily makes between the quarry in Wilton and the processing plant in Milford. Leishman said that the trackage agreement under which he uses the GRS line to Milford does not specify particular hours of operation. While restricted, “we’re losing money, and Granite State is losing money.”

Request to the STB

To work out the problem, Leishman has asked the STB’s Office of Compliance and Enforcement to help. Mel Clemens, director of the office, explained that his office has a rail consumer assistance procedure. “It’s an informal way to get the parties together, and to mediate the dispute, without need of usual formalities. I’m sometimes called the ‘low-cost alternative.’” While documents are submitted to him, he keeps them confidential. “There’s no docket.”

When contacted on 2 July, he was actively working on the problem.

**What’s up with Guilford?**

No party contacted—NHDOT, MBRX, WSRX, or the STB—could point to one cause for Guilford’s action. Two theories exist: GRS is exacting revenge for the refusal to use a derail on MBRX property; or GRS is exacting revenge for a dispute with Pike Industries.

Per Leishman, one GRS statement to the STB said that the hours were giving MBRX ‘a better window of operation.’

The derail theory: Guilford safety concern and WSRX

In December 2002, after the excursion train’s cars arrived [see 20 May issue], GRS dropped off a portable derail on the state-owned track. Officials were concerned that the Budd cars would roll onto GRS track. Leishman agreed to install the portable derail for the winter, since neither the Wilton Scenic RR (WSRX) nor MBRX were going to be running.

In the spring, GRS requested that MBRX install a permanent derail (spiked to the ties, opened and closed as needed) which was done. However, it was installed in downtown Wilton, meaning a derail might send a car into people or buildings. Both NHDOT and MBRX’s insurance carrier did not like it, and Leishman never used it.

WSRX has used it when operating on weekends (excursion riders board in downtown Wilton), but not during the week when WSRX cars are stored on a side track some three miles from GRS property.

GRS has installed a derail on its own property, just a few hundred feet from the MBRX derail; Leishman said his crew must stop and open it, proceed, and then close it, every time the crew runs the train to Milford.

The Pike theory: Guilford service to Quinn/Pike

MBRX has served the Quinn Brothers quarry in Wilton for some time. In 1999, MBRX and GRS agreed that GRS could run trains direct to the Quinn Brothers quarry to haul stone for the Portland-Plaistow rebuilding [see 99#16 and previous issues]. Leishman said the agreement remains in effect, and GRS had served the quarry at least through 2002.

Pike Industries has purchased the quarry from Quinn Brothers. Guilford and Pike have a dispute [the details of which need confirmation - editor]. {ANR&P discussions with Leishman, Clemens, a WSRX official, and NHDOT 2-3.July.03}

**TWIN STATE RAILROAD**

1 July, DC. **GRS AND NHDOT WON SOME WAIVERS** to the filing requirements for an adverse discontinuance against TSRD [see 12 February issue], which has been reluctant to provide service to the possible new customer, Dirigo Paper [see 20 May issue].
Not waived

Notice. Applicants asked to waive notice. ‘The Board has not granted authority to abandon the line. Notice to the parties who would be directly affected by the removal of the present operator of the line (and by the substitution of a new one), as well as notice to the public, is therefore appropriate.’

Service, revenue, impact. ‘Applicants also seek waiver of: (1) 49 CFR 1152.22(c), requiring a description of the service performed on the line during the base year; (2) 49 CFR 1152.22(d), requiring revenue and cost data; and (3) 49 CFR 1152.22(e), requiring information about rural and community impact, significant users, and transportation alternatives. Applicants assert that only the operator of the line can provide the information required by these provisions of the Board’s regulations and, because the applicants do not operate the line, they do not have most of the information.

‘They acknowledge that the lease agreement gives MEC the exclusive right to deal directly with shippers and receivers and to solicit traffic. The applicants indicate, however, that although MEC, TSR, and LVRC had previously shared information about actual and potential traffic, in recent years that practice has been limited. Applicants argue that TSR and LVRC are obligated to maintain the line under the lease agreement and can provide information about the costs they incurred....

‘TSR...disagrees with applicants’ request to waive revenue and cost data required by 49 CFR 1152.22(d). Noting that the applicants are seeking an adverse discontinuance to enable a new operator to conduct viable freight operations, TSR asserts that applicants should provide projected revenues and costs to support their assertion that the line can be viable. TSR also asserts that applicants should submit cost evidence to substantiate their claim that the line had not been maintained as required by the lease agreement.’

The Board waived the filing requirements on past costs, revenues, and service. But it required the applicants to provide projections of revenue and cost, as well as impact on the community.

Environment, conclusion. The Board waived the environmental impact requirements because service would continue. It concluded with this language: ‘The applicants are reminded that they have the burden to support their case with relevant evidence to show that it is in the public interest to terminate TSR’s operating authority so that a new operator can provide service.’ {STB Docket No. AB-848 service date 1. July.03}

2 July, Concord. NEXT STEP will be to provide the information requested to the STB, said Kit Morgan, NHDOT rail administrator. But the STB will probably not rule before Dirigo Paper needs rail service. {ANR&P discussion}

How about service from Vermont?

As well as from New Hampshire, TSRD runs from the mill location in Gilman to St. Johnsbury, and WACR is asking VAOT to acquire operating rights to Gilman [see Vermont: WACR]. But Charlie Miller, VAOT rail chief, said on 1 July that his agency is not actively seeking to acquire the line. “When does it make sense to have access both ways?” {ANR&P discussion}

Possible options

Dirigo could get rail service via New Hampshire from TSRD. Or, TSRD could contract with another entity to provide the service. Or, Dirigo could ask the STB for directed service. Or, NHDOT—the owner—could declare the contract breached and get another railroad to file a notice of exemption to become the operator. Editorial analysis.

PORTSMOUTH

30 June. THE PEASE DEVELOPMENT AUTHORITY MAY ACT AS A TERMINAL OPERATOR, according to the provision of HB719 about the powers of the Authority:

V. Be authorized and empowered, in lieu of the provisions set forth in paragraph IV, to undertake the business of a port terminal operator and stevedore as to any division property, including but not limited to the handling of cargo, the setting and collection of fees from wharfage and dockage and other marine terminal operations, the maintenance and security of the premises, and the promotion, encouragement, and solicitation of business for such port facility or facilities. In undertaking the business of a port terminal operator or stevedore on any division property the authority may exercise any of the powers granted it under this chapter.

Notwithstanding any other provision of this chapter, any person granted by the authority a non-exclusive lease or license relative to division property who, pursuant to such lease or license, handles or manages or in any way participates in the handling or management, including but not limited to, the loading, unloading, stockpiling, storing, or other transfer, of cargo owned, controlled, or otherwise lawfully in the possession of or being delivered to or from any such non-exclusive lessee or licensee shall not be deemed to be operating the business of a port terminal operator and stevedore as set forth in paragraph IV. {legislative website}
MMA/WACR

18 June, ConnRiver. **MMA AND WACR ARE MOVING A FAIR AMOUNT OF TRAFFIC** on the stretch from White River Junction to Farnham. According to Bill Schauer, MMA vice-president marketing, MMA was “quite pleased at the way this is working, better than we thought it would.”

**NECR haulage**

NECR is “happy with the haulage arrangement” which gives it a paper interchange with MMA in Newport.

**MMA Farnham PQ to Newport**

MMA runs trains southbound five times a week, Sunday through Thursday, and on the other days as needed. MMA has four customers on this stretch, totalling perhaps 1600 carloads. Adding the WACR cars for interchange, perhaps 20 a day five days a week or 5200 a year, that totals 6800. [Under the rule of thumb of at least 100 carloads per mile per year, that falls just over the necessary 6500 carloads for the 65 miles from Newport to Farnham.]

**Active customers.**

*Blue Seal Feeds* (Richford). Bill Whitney, transportation manager, gave the annual traffic as 1000-1100. ‘Service has been acceptable. I get the feeling that these folks want to do a good job and, given the condition of the paper industry and its effect on the MMA’s income, they are doing quite a good job with the resources at their disposal.’ {e-mail to *ANR&P* 23.Jun.2003}

*Poulin Grain* (Newport). Jeff Poulin said the company had “no major problems then or now. The mill could not get away without getting new cars for a week.” The company does about 800 carloads a year. {*ANR&P* discussion 23.May.03}

*Columbia Forest Products* (Newport). Larry Boisvert, shipping coordinator, explained that Columbia had a sister plants for hardwood veneer in Presque Isle Maine, Rutherfden Ontario, and Mellen Wisconsin. The Newport facility ships veneer outbound via boxcar (4 cars in a recent five-week period), and logs to Rutherfden and Presque Isle via gondolas. “The railroad is working pretty good, making sure we have cars available.” Rail use “depends on the market, inventory, time to get in there, and whether the receivers have room in a warehouse.” The railroad does have “a great rate.” {*ANR&P* discussion 23.May.03}

*Feed Commodities* (Newport). Glen Burnett, plant manager, said the company is doing an increased business mixing feed, bringing in about 150 cars a year. “A lot of people are changing how they feed, who used to use standard pellets. Now everyone has their own nutritionist, recommending a different feed, so the farmer is mixing and matching, getting the feed in grist form as opposed to pellets.”

Feed Commodities purchased four other former Agway mills, in Vergennes VT, Middlebury VT, Detroit Maine, and Bernardston MA. {*ANR&P* discussion 19.Jun.2003}

**Interchange with WACR.** Perhaps 5200 carloads a year [see below.]

**WACR Newport to White River Junction**

[See below for new WACR operating agreement.] According to Doug Morton, transportation planner for the Northeast Vermont Development Association, VRS’ Ed Fitzgerald has stated to him that it has 20 sidings on the line, of which 13 are active. The other seven not shipping at moment or are out of business, but the site remains as potential. WACR, with an engine based in MMA’s Newport Yard, moves 15-20 cars per day on the line, either north or south (service south three days a week–Monday, Wednesday, Friday; and north three days a week–Tuesday, Thursday, Saturday). The railroad is “looking to increase that to every day.”

The draft of *New England Rail Shippers and Receivers* (forthcoming 2004) identifies some of these.

**Active customers (8 listed)**

*Blanchard Oil* (Orleans). Inbound tank cars.

*Local breweries* (Orleans). Some local breweries receive malt in covered hoppers, on a team track on the west side of the line.
Calcium chloride (Orleans). A highway contractor will receive calcium chloride in tank cars on a track on the east side of the line, trackage formerly used by Ethan Allen, which still has a plant there.

Outbound lumber (St. Johnsbury). A lumber mill loads its product on a siding on the east side of the main line. The siding was expanded last winter to hold two cars instead of one. Cars are lifted just about every other day.

Quest Transportation (St. Johnsbury). This company’s website advertises transportation, distribution, and warehousing services, including a rail connection.

Morrison Milling (Barnet). Covered hoppers from the north supply this feed mill, which delivers by truck. An official at the mill said the rail is working “pretty good,” equivalent to the service from the B&A System. “They get the cars here when we need them” to the tune of 150-200/year. {ANR&P discussion 25.May.2003} [Morrison wanted to use rail in 2000–see 20 October 2000 issue, Twin State Fertilizer comment.]

Twin State Fertilizer (Bradford). Owner Craig Trischman receives inter alia potash from New Brunswick, and phosphate from Montreal. In late May he was having problems with delivery in late May. In one instance, two cars remained in Chicago undelivered, yet the railroad had “shipped the bills long before the cars—that’s not a good thing.” In another instance, Twin State was due two potash cars from same company. “We got one car, don’t know where the other car is.” Trischman lamented that he does not “know where issue lies. I don’t know how system works. It would be nice if things got here when we thought they should.” {ANR&P discussion 25.May.03}

Jewell Transport (Wilder). This transload did a fair bit of business in the 1990s [see issues 99#10 and 00#20]. An official at the company office said it now does “maybe one carload a year.” {ANR&P discussion 23.May.03}

Inactive customers
Ryegate Associates (East Ryegate). Chip-powered plant, not using rail as of three years ago. [See 20 October 2000 issue.] MMA is actively discussing possible rail traffic here.

Ethan Allen (Orleans). Not using rail

Allen Lumber (St. Johnsbury). Not using rail, though the line runs right through it

Closed former customers
Kimberly-Clark (Ryegate). Paper mill, closed, did use rail

Interchange in White River Junction. WACR may interchange with NECR, GRS, and CCRR. Observers report quite a few grain cars northbound for local mills, as well as cars with products left after milling in Ayer, Massachusetts. {NERAIL}

WACR/CONN RIVER

4 June. WACR SIGNED A NEW OPERATING AGREEMENT WITH VERMONT, which took effect on 1 July. Some details:

- WACR was operating under assignment of the freight easement from the B&A estate. WACR will assign the freight easement to a subsequent operator if the agreement lapses.

- The exclusive assignment for freight operations lasts for ten years, with two 10-year renewal periods. WACR has the non-exclusive right to operate excursion trains. It may not operate intercity or commuter passenger trains.

- WACR shall provide three round-trips a week ‘RAILROAD shall have the right to reduce this minimum service schedule with the approval of STATE if traffic conditions warrant such modification.’

- ‘... RAILROAD acknowledges that the ST (and its successors-in-interest to trackage rights over the New England Central Railroad between East Northfield, Massachusetts and White River Junction, Vermont) shall have access to the Line as necessary to interchange with the New England Central Railroad at White River Junction. RAILROAD shall not unreasonably interfere with ST’s use of the Line for such interchange purposes and RAILROAD’s interchange agreement with ST shall not require the payment of any fees or charges for use of the Line to effect interchange with any rail carrier. In addition, RAILROAD shall negotiate in good faith with ST to permit ST to
switch and set out cars on a track within the White River Junction Yard, provided that RAILROAD may require ST to pay reasonable fees and expenses for use of the Line by ST for such purposes (i.e., purposes other than mere interchange with another carrier).’

- WACR has the responsibility for maintenance, ‘at its sole cost and expense, in good operating condition and up to standards necessary for the use contemplated herein; provided, however, that after July 1, 2006, RAILROAD shall maintain the entire Line to FRA Class 1 track condition (maximum allowable operating speed: 10 m.p.h. freight/15 m.p.h. passenger) or better. However, it is the parties’ intention that, unless otherwise agreed by the parties, enough of the Line should be maintained to FRA Class 2 track condition (maximum operating speed: 25 m.p.h. freight/30 m.p.h. passenger) or greater to permit efficient operation of the Line for authorized railroad purposes.’

- ‘The RAILROAD’s obligation to maintain shall include the obligation to repair or replace such rail, ties and other items of track or signal equipment as may be necessary to keep railroad in the condition required by this Agreement. In the event of such replacement by RAILROAD, the new property shall become the property of STATE and the removed property shall become the property of RAILROAD regardless of whether the removed property is sold or retained by RAILROAD as materials and supplies. The RAILROAD shall promptly remove from the Line and dispose of in a lawful manner any removed property (including but not limited to salvaged crossties) that constitute hazardous materials under any federal or state laws.’

- WACR may retain all revenues.

- ‘The STATE and RAILROAD agree that the anticipated operating revenues are likely to be insufficient to support the duties and obligations of RAILROAD under this Agreement during the first three years of the initial term. To make it possible for RAILROAD fully to perform all its obligations under this Agreement, the STATE agrees to pay RAILROAD a subsidy equivalent to $25,000 per month, through June 30, 2006. The operating subsidy will be paid by the STATE in quarterly installments of $75,000 upon receipt of an invoice from RAILROAD.’

- ‘The STATE reserves as rent and RAILROAD covenants to pay or cause to be paid to the STATE as and for the monthly rental of the premises, the following percentages of gross revenues: Less than $1,000,000, 0%; $1,000,000 or more, 3% (not limited).

- WACR may sell fiber optics rights, revenue to be shared equally with the state. ‘The parties acknowledge that the fiber-optics rights to the White River Junction-Wells River segment of the Line were reserved and excepted by B&M when it conveyed the White River Junction-Wells River segment to the STATE in December 1999.’

- WACR must maintain a $20 million general liability insurance policy.

- WACR has the right of first refusal should the state desire to sell the line.

- The General Assembly must approve the agreement. It will lapse on 31 December 2003 without that approval. {text from VAOT}

18 June, Northeast Kingdom. **WACR IS CONTEMPLATING TWO CHANGES.**

**Possible service to Gilman**

According to an employee of WACR, VRS is pushing the state to acquire operating rights on the TSRD from St.Johnsbury to New Hampshire. In addition to the mill in Gilman which should reopen this summer [see 20 May: *New Hampshire*], customers could include Fairbanks Steel, a cement company, and a maple syrup producer.

**Possible change of base to St.Johnsbury**

The employee also said that the base may move to St.Johnsbury, where the train would run northbound and southbound on alternate days. {ANR&P discussion 19.Jun.2003 Mark Fortin}

**WACR/MONTPELIER**

30 June, Montpelier. **THE VERMONT SUPREME COURT RULLED IN FAVOR OF MACINTYRE FUELS**’ proposal to build fuel transfer facility here. VAOT officials supported MacIntyre’s contention that the project lay outside Act 250 scope.

The local Act 250 coordinator found in November 2001 that the Act applied. In May 2002, the Environmental Board upheld the decision [see 31 May 2002 issue].
Here, the Court noted that an amendment in 1994 to Act 250 exempted rail sidings, and that legislative history indicated the General Assembly intended to include not just the track but also the construction of attendant facilities. The Act only applies if the track to be constructed and the attendant facilities comprise more than 10 acres. The attendant rail line, if already existing, should not be included, as that would treat railroad customers different from trucking customers (the adjacent highway is not included in an Act 250 application).

{entry order docket #2002-272 2003 VT 59} [MacIntyre is no longer in operation–see 30 September 2002 issue.]

**VRS - SALT FACILITY**

2 July, Wallingford. **THE STATE AND TOWN ASKED FOR AN EXTENSION** to the time to reply to the VTR request to declare its plans for a salt shed exempt from Act 250 [see 26 June issue]. STB rules require responses by 7 July.

‘The State of Vermont, until it received this petition, had no knowledge of Vermont Railway’s intended plans for a site in Wallingford, Vermont, and needs time to investigate Vermont Railway’s claims relating to the preemption of Vermont’s Land Use Law to any proposed railroad activities at that site,’ according to the motion for a time extension filed this day.

Wallingford officials agreed to make the same request during a meeting on 30 June. VTR plans to use part of a 39-acre South Wallingford site off Homer Stone Road, formerly used by Whitcomb’s Construction as part of a rock quarry operation.

Assistant Attorney General Jean Elias [also handling the court case on pre-emption involving the Riverside Reload facility on the GMRC] wrote to Mark Blucher of the Rutland Regional Planning Commission: ‘Given the real possibility that the Surface Transportation Board could rule that all the town’s ordinances and permit processes are preempted by federal law, and thus unenforceable, this should be and no doubt is a matter of grave concern to both the town of Wallingford and potentially all other towns and cities in the state of Vermont.’ {Sandi Switzer in Rutland Herald 1 July.03; STB website}

**QUEBEC/MARITIMES**

**CAPE BRETON & CENTRAL NS**

3 June. **THE FIRST TOURIST TRAIN FOR THE SEASON LEFT HALIFAX** for Cape Breton. VIA’s *Bras d’Or* carried 2500 passengers in 2002. A VIA marketing survey found that 42% of these were older Americans and 19% were from overseas, mostly the UK. The rest were largely from Ontario. The tour train made money last year, its third year of operation, which saw it running at about 93% of capacity. {TrainsCan 7.03}

**MMA/CN/BANGOR & AROOSTOOK**

5 June, Ottawa. **IN 2002, THE CANADIAN TRANSPORTATION AGENCY RECEIVED TWO APPLICATIONS REQUESTING ORDERS DIRECTING THE INTERSWITCHING OF TRAFFIC.** Both involve CN and either MMA or its predecessor, the Bangor & Aroostook System, and both were mentioned in the *Annual Report 2002* of the CTA.

**Interswitching jurisdiction**

‘Under Subsection 128(1)of the [Canadian Transportation] Act, the Agency publishes the Railway Interswitching Regulations, which prescribe the rates for interswitching rail traffic. The Act allows any person to request that their traffic be interswitched at the rate provided for in the Regulations to another railway carrier if their point of origin or destination is located within the interswitching limit of a 30-kilometre radius from an interchange.

‘The Agency reviews the interswitching operations of CN and CPR annually and revises the rates as required so that each rate will reflect changes in the average variable costs of all movements of traffic subject to that rate. Subsection 128(5)of the Act requires the Agency to review the Regulations when warranted and, also, at regular five-year intervals.’

**Interswitching in Saint John**

‘An application filed by the Trustee of Canadian American Railroad Company sought an order directing the interswitching of traffic between Canadian American Railroad Company and CN at the point where New Brunswick Southern Railway Company and CN join in the port of Saint John, NB. The Bangor & Aroostook System, in filing the reply in this proceeding, requested as an alternative to the interswitching order that the application be extended to include a request for running rights over CN’s line at the port of Saint John and a level of service complaint concerning CN’s refusal to grant the Canadian American Railroad Company access to the potash terminal on CN’s line at the port of Saint John.
‘CN filed an objection requesting that the complaint be dismissed. The application and CN’s objection will be considered in 2003.’ {text of Annual report}

Explanation from the B&A. Fred Yocum, former B&A president who is working for both the trustee of the bankruptcy estate of the B&A and for MMA, said this case involves the movement of potash from Saskatchewan to Saint John. [Though he did not mention the customer, it is readily identified as the Potash Corporation of Saskatchewan. Editor] CDAC planned to pick up the cars in Montreal, and deliver them to NBSR at Brownville Junction as a haulage carrier, which would deliver them to CN for spotting at the Barrack Point potash terminal.

CN turned down the move, arguing that the traffic was not covered by the interswitching regulation, and required that CN interchange with CPR in Montreal. CN according to Yocum, maintained the regulation did not apply first, to a haulage carrier such as CDAC, and second, to provincial railroads such as NBSR.

To Yocum’s knowledge, CDAC had carried no other potash. [In 1999, it was moving via CN–see 7 April 1999 issue.]

What result? Nina Frid, chief of CTA’s rail complaint division, said Agency had reached a decision on the Saint John interswitching, and the result will be posted on its website within a week.

Given that CDAC is now in bankruptcy, a decision in its favor would not result in more traffic. However, said Yocum, if the CTA agreed with CDAC thatinterswitching applied in these circumstances, the decision would “help a lot of people.”

A CTA decision that the interswitching regulation applied here, and therefore CN breached it, would permit the trustee of the estate to pursue a monetary claim in a Canadian court. {ANR&P discussion 2 Jul.2003}

Interswitching in Sainte-Rosalie
‘The second application, filed by CN, requested an order directing the interswitching of traffic between CN and Montreal, Maine & Atlantic Railway at Ste-Rosalie, QC, and a determination that the junction at Ste-Rosalie constitutes an interchange for the purpose of Section 127 of the Act. The Agency will render its decision on the matter in 2003.’ {Annual Report}

MMA position. Yocum described this as a “continuing issue” stemming from the lack of a diamond. [In 2001, two diamonds were removed; CN and CPR apparently were not able to reach agreement on replacing them, and MMA acquired the line from CPR when it bought the B&A assets. See issue 01#01B, which has map; map also at www.atlanticnortheast.com]. The deteriorating diamonds caused CN to slow its main line trains at this point.

CN is arguing that since no diamonds exist, it should handle the traffic to the two customers north of its line, Leblanc et Lafrance and a fertilizer company via interchange in Montreal. Or, if MMA participates, it should do so through interswitch. {ANR&P discussion 2 Jul.2003}

Current stance. Frid said that the dispute did not involve interswitching so much as construction and maintenance of the diamonds. MMA has requested, and CN has agreed, to an extension until October 2003 to work out the dispute between themselves. {ANR&P discussion 3 July 2003}

STRAIT OF CANSO
2 July. THE INITIAL TENANT FOR MULGRAVE PULLED OUT OF ITS LEASE recently. Genesis Offshore Canada, a Calgary company that supplies fluids used in drilling, had signed a lease to move into a new 35,000SF warehouse on the wharf [see 26 February issue]. But just days after the provincial government announced a $1-million loan for the project, Genesis pulled out of the deal.

Enterprise Cape Breton agreed to loan Genesis $552,000. “No money was dispersed to Genesis,” said Rick Beaton, with the federal agency. “They decided to abandon the plant before they incurred any costs.” {CBC webposted 2 July 03}

EDITORIAL

SPEAK UP FOR FREIGHT
If you are reading this editorial, you spend much of your time working with, and supporting, transportation. Right now, if you live in Maine, you have an opportunity to do more by talking to your legislator about the transportation bond. Recall from the last issue that MDOT’s proposed $75 million bond bill is already reduced somewhat, even though both Democrats and Republicans support the transportation bond bill.
When the Maine Better Transportation Association sent out an e-mail during the session, says director Maria Fuentes, 'bicycle and pedestrian advocates did a stellar job generating phone calls to legislators, but other modes need to get their message to them as well.'

We freight people need to speak up. A $75 million bond bill will provide $10.8 million for freight railroads and freight ports. Contact your legislators and tell them Maine industries, distant from the major markets, need better freight transportation to survive. And remind them that if the bond bill fails, Maine will give up over $200 million in federal funds (taxes Maine citizens have already paid to the federal government).

The legislator needs to hear from you. Not your lobbyist. You. The voter. The citizen.

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

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