ATLANTIC RAIL WATCH
operating railroads + their intermodal facilities, ports, and government environment

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FROM THE PUBLISHER

The favorite story emerges from the welter of intermodal stories: the startup of Asia service to Auburn, and the fact that it apparently offers a better deal than the Suez Express.

Missing the last issue?
The post office send back someone’s copy, with the bottom half torn off so that I cannot tell which subscriber it was intended for. Please let me know if you have not received the 15 October issue.

Next issue
I apologize for mis-stating the date for the next issue in the last two. Third time’s the charm. I will mail the next one on 12 November. The second November issue will follow on 19 November, as Thanksgiving falls in the next week.

Class Is and ARW subscribers
Anyone see a connection? Time’s up: both are frequently late. Now many of you pay in timely fashion; I am addressing those who do not. While I rejoice that nearly every tardy subscriber finally pays, I am painfully aware of how many need a telephone call to remind them to pay. They can’t seem to find the invoice, or are missing a key piece of information, or went on vacation, or are a bit short on money, etc, etc. Class Is probably have a different set of excuses for their tardiness, but in this day of high-tech, I can’t help but think maybe Class Is have the same problem as those tardy subscribers.
All that to say, if you have an outstanding invoice, please pay.

- Chop Hardenbergh  

Next issue: 12 November.

REGIONAL ISSUES

SLR - ASIAN SERVICE

22 October, Auburn. THE RAILROAD HANDLED ITS FIRST ASIA BOX, coming from Hong Kong via Vancouver on the 'mini-landbridge' route. Steve DiNisco of Tower Group, a logistics subsidiary of McGraw-Hill, arranged the box to move from Hong Kong to a receiver in Maine (whom he declined to identify). Zim Israel Navigation Company (Zim) began serving Vancouver from North Asia in May of 1999, with the 'Zim Pacific' service using six vessels ranging from 1400-2000 TEUs. Zim chose CN as its partner and Vancouver as the first port of call, citing the automatic container terminals and the direct rail links to the US Midwest.
CN has laid on two dedicated intermodal trains to handle the weekly Zim ship arrival, one to Toronto and Montréal and one to Chicago, in addition to its existing daily service to those points. The SLR picks up the railcars in Richmond PQ, its interchange point with CN, and brings them to Auburn. According to Pat Tkai, a CN spokesperson, the Zim ship arrives in Vancouver on Mondays, and CN makes the boxes available in Chicago on the fourth day (Friday) and in Toronto and Montréal on the fifth morning (Saturday).

A time comparison
Transit for the mini-landbridge from Hong Kong to Auburn takes 27 days, including about 19 days for the 5,803 miles by sea, and rail time of 8-10 days. “That’s a typical time for rail service” across the continent, said DiNisco. In comparison, a box moving the 11,628 miles from Hong Kong to New York via the Suez Canal (the ‘Suez Express’) takes 30 days to which must be added 3 days for trucking to Maine. A box on the Panama route from Hong Kong takes about the same 30 days to move the 11,190 miles.

A cost comparison
The cost to move a box varies considerably with the market and with the commodity moved. Ocean carriers do not price according to box, but according to the contents. Though no party was willing to quote prices on the new SLR service, Frank Navin of Global Trade Associates in Boston, Zim’s agent for New England, noted that mini-landbridge normally costs more than either the Suez or Panama route, but because of the speed, shippers were willing to pay for it. A box can move from Hong Kong to New York in about 18-21 days (fastest) or 22-24 days (slowest) using mini-landbridge via Long Beach, California. Maine customers must add about three days and $500-$800 to dray the box to its final destination.
Most Maine accounts using mini-landbridge have their containers arrive via rail in Worcester MA, a trip of 20-23 days, whence drayage to Maine takes another two days.
The Canadian mini-landbridge, per Navin, has three cost advantages. Canadian ports charge less to handle the boxes than their US counterparts; CN offers a single-railroad transcontinental line cheaper than the combination of two lines; and the SLR is offering a very attractive fee to move the boxes to Auburn and unload them. The advantage is so distinct that using the Zim-CN route costs less than the Suez Express.

FMC Biopolymer as an example
This company, based in Rockland, Maine, manufactures carrageenan from various seaweeds grown in Maine, Massachusetts, Nova Scotia, the Philippines, Malaysia, Indonesia, Tanzania, Chile, Peru, and Mexico. According to Purchasing Manager Rita Haas, more than half of the carrageenan is exported, for use as an emulsifier, jelling agent, suspension agent, and so forth. FMC, the only producer of carrageenan in North America, sells it to major food and toothpaste manufacturers.
Currently FMC needs 42 to 45 days to bring in boxes of overseas seaweed from Indonesia or the Philippines, via an all-water route. Zim is handling the Philippines route into Boston, while Hapag-Lloyd brings Indonesian boxes to Portland using the feeder service out of Halifax.
Zim is offering FMC a 39-day service from Cebu Philippines, first moving the box to Shekou for transfer. It then travels to Vancouver via Hong Kong, Shanghai and Pusan, South Korea. Haas is trying the Philippine service first, which should not only take less time but cost less as well. How much? No party cared to say, but Haas said the difference was significantly more than $10 per box.
The 150-person firm has never used rail directly to Rockland, though its filter supplier, Chemrock of Thomaston ME, brings in perlite from the Midwest by rail. “We care about rail service; without it Chemrock would have to truck - an expensive proposition.”

Price hikes to come
The cost saving serves to offset the cost increases for any traffic out of Asia. Due to its weak economic condition, Asia is exporting far more than it imports. Tom Boyd, a spokesperson for Maersk, said his company’s revenue from cargo inbound to
North America is five times as high as the revenue from outbound traffic. Part stems from the relatively high demand for inbound transport. Part stems from the commodities; inbound traffic consists mostly of manufactured goods, while exports consist of bulk commodities such as scrap paper.

Haas said that the carriers already raised prices $1000 per 40-foot box in May 1999, and recently announced another $400/box increase in May 2000. In addition, the carriers add a surcharge of $300 per box during the high season from July to December. DiNisco noted that the Auburn service can offset future price increases.

**Selling the service in Maine**

Navin said the landbridge service sells itself. “A lot of customers were receiving in New York, or even further south, and then trucking the product to Maine. Now we can offer faster transit times and lower prices, the pride of using a Maine facility in Auburn, and more weight per box.”

As noted above, carriers charge a certain fee per box, depending on the commodity and independent of the weight of the box. Shippers whose route requires federal highways often cannot fill a box because of the US federal truck weight limits of 80,000 pounds.

But if a box can get into Maine and onto Maine roads (including the Maine Turnpike), it can weight 100,000 pounds. Those shipping dense commodities, which ‘weigh out before they cube out’, get an additional 25% of product without paying anything extra, as long as they can get it into Maine without using the highway.

**Backhaul**

Matt Jacobson, SLR president, said in a press release that ‘the inbound containers can be reloaded with exports from our region. Since our connecting Class I rail carrier, CN, provides single-line service to the ports of Halifax, Montréal, Vancouver, New Orleans and Mobile, we can reload these international containers with New England exports to any global market. We can also reload the empty containers with domestic cargo to reposition them for Zim to Chicago or the West Coast.’

**What does Tower Group offer?**

Tower Group, for whom DiNisco works, acts as a consolidator and qualifies as a Non-Vessel-Operating Common Carrier (NV OCC) which gets wholesale rates from ocean carriers. Zim does not handle less-than-container loads (LTC). Tower will gather product from, let’s say, 100 different vendors in China into a central receiving point, where it will stuff the product into containers. Tower also provides purchase order and shipment tracking to the customer, as well as coordinating the arrival and customs clearance paperwork, creating a seamless service.

While Navin is selling the Zim-CN service to customers who want full containers, DiNisco goes to LTC and FTC (full container load) customers who require value-added services. Both Navin and DiNisco added that Jacobson and the SLR vice-president for marketing, Ed Foley, are making the service known to their customers. DiNisco already has six more boxes in the pipeline, and both expected two or three more accounts to order the service in the very near future.

**Service from Halifax as well?**

Matt Jacobson, SLR president, has worked on creating the Vancouver service for three years, and would like to add service from Halifax as well. That depends on whether CN would like to offer the Halifax service, which would compete with the New England Clipper service between Halifax and Ayer MA offered by Guilford and CN, and with the feeder service offered by SPM Marine [see 24 September issue].

Ken Kellaway Jr of Kellaway Intermodal and Distribution Services, which operates the Ayer facility for Guilford, saw no competition with a Vancouver service. “Halifax handles the Suez service and European traffic. Vancouver will handle North Asia - that’s two different vessel routes, and different cost levels.”

CN spokesperson Patricia Tokai said CN would use a dedicated train between Halifax and Massachusetts given sufficient volume. Kellaway is trying to convince CN that the dedicated train would draw shippers [see 15 October issue].

**Customs in Auburn?**

Jacobson has also advocated for a US Customs clearance in Auburn, much as Worcester MA can offer clearance. As noted in the Port Access meeting [see Ports: Portland], US Customs has not yet provided an officer there, so the first box came to Portland for clearance, and then proceeded to the customer.

DiNisco said the customer chooses where to clear the inbound box. His company has an office in Norton VT where the SLR crosses the border, and can work with customs officials there to clear the box. Alternatively, the customer can choose to clear in Portland (where Tower Group also has an office), or other points. Usually, the receiving business has developed a relationship with the local customs official, and wants to clear the box locally. “No one wants to wait for days while a box is held up in Customs.” Contact Frank Navin at 508-485-6000; Steve DiNisco at 617-887-8706.


**FOR THE RECORD:**

**REGIONAL**

CSXT’S REORGANIZATION ALONG PRODUCT LINES means that Jim Howarth, former vice-president for commercial operations in the Northeast, has become vice-president of manufactured products (consumer and government goods traveling in boxcars). Formerly in Selkirk, Howarth has now moved back to Jacksonville. “We’re still continuing our industrial development efforts, and working with short lines.” People such as Michael Ryan, Eric Moffitt, and Tom Egan will remain in place and work under Howarth.

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CSXT HAS A PRIME INDUSTRIAL SITE SOUTH OF ALBANY in New Baltimore, on the River Line with easy access to the New York State Thruway (I-87). Howarth said the site, which the railroad has shown to several customers, could serve well for a distribution facility. {ARW discussion 28.Oct.99}
Matt Jacobson described the new doublestack service [see talk about his traffic and equipment shortages; while the SLR’s Program project at the SAPPI mill; the B&A’s Dick Rushmore this day. GRS’ David Fink discussed the Industrial Rail Access 18 October.

and CSO did not return phone calls. {Hurricane Floyd, and the fall peak. CNZR declined to comment, She attributed the problems to digesting the Conrail split, where we want it to be nor where our customers want it to be.”

pecific shippers but in general, “we recognize service is not want to apportion blame among the three railroads, saying he exactly reversed, though lately rail has crept up to 30%. He did

of its material by rail, with the balance by truck. Instead, it was 

It’s gotten better in the last month and a half.”

According to Lamba, Home Depot expected to receive 80% of its material by rail, with the balance by truck. Instead, it was exactly reversed, though lately rail has crept up to 30%. He did not want to apportion blame among the three railroads, saying he saw “multiple concerns….We want our customers to expect the best of us, and we expect the best from our railroads.”

Railroad responses
CSXT spokesperson Kathy Burns declined to comment on specific shippers but in general, “we recognize service is not where we want it to be nor where our customers want it to be.” She attributed the problems to digesting the Conrail split, Hurricane Floyd, and the fall peak. CNZR declined to comment, and CSO did not return phone calls. {ARW discussion}

CENTRAL NEW ENGLAND

26 October, Bloomfield. RAIL SERVICE “STILL HAS A LONG WAY TO GO,” said Gee Lamba, assistant manager of the Home Depot distribution center built here in 1998 [see 8 January issue] and served by CNZR. “At first we were not getting any rail, then we were getting it occasionally, and now we are getting it regularly, but not timely.” First the Connecticut Southern Railroad (CSO) had trouble getting the traffic from the CSXT interchange in West Springfield to Hartford (where CNZR picks it up), and it also took time for CSXT to sort the situation out. “It’s gotten better in the last month and a half.”

AMTRAK - MAINE

22 October, DC. THE STB RULED THAT AMTRAK COULD RUN AT 79 MILES PER HOUR over 115-pound rail, ’provided that the line is rehabilitated to, and maintained at, the levels indicated in the FRA’s analysis.’

The Surface Transportation Board (STB) requested the assistance of the FRA in making this safety related decision [see 7 April issue]. The parties (Amtrak and GRS) and the FRA agreed that the standards of the American Railway Engineering and Maintenance-of-Way Association (AREMA) would govern, and AREMA set two criteria. First, the maximum stresses in the rail base should not exceed 25,000 pounds per square inch [When will we convert to metric?]. Second, the largest vertical deflection must not exceed 0.25 inches.

The parties disagreed about the value of one component of the formulas used to calculate the stress and deflection limits, k. The value of k indicates the vertical stiffness of the track below the rail base, with the higher k indicating more stiffness, and thus less deflection. The STB accepted the FRA’s conclusion that k should equal or exceed 2,750 pounds per lineal inch per inch of deflection. GRS also concluded that 115-pound rail can meet AREMA criteria when k lies between 1,750 and 2,150 pounds per inch per inch. Guilford questioned whether the work now underway would produce acceptable k values for 79 miles-per-hour operation. The STB concluded that ‘until the project is completed, and the k values for the rehabilitated line established, there will be no way to know the precise maximum speeds at which the service can be safely operated.’

Maintenance of way payments
In the event the higher speed is permitted, GRS sought a payment of $2,940/mile/year versus the $2050 figure set in the STB decision on compensation in 1998 [see 4 June 1998 issue] for a speed of 59 miles per hour. The STB declined to raise the payment, instead encouraging the parties to settle the matter privately; if they cannot agree, the STB will ‘revisit the issue.’ {STB Finance Docket No.33697}

What’s next?
Wayne Davis, chairman of the rail advocacy group TrainRiders
Northeast, was elated by the decision. The slower speed "just wouldn't cut it...The perception that the train can only go 59 miles per hour clashes with people's knowledge they can drive their car faster than that," Davis said in a telephone interview from Toronto.

David Fink, Guilford's executive vice president, said the decision requires additional, costly upgrades of the rail bed. He said it may have been cheaper to have used heavier rail in the first place. "Some hard decisions are going to have to be made (about) how much they want to spend to be able to do this."

Amtrak's Remington disagreed, saying Amtrak engineering experts concluded that the planned rehabilitation of the track would be sufficient to accommodate the 79 mph speed. "And the Surface Transportation Board's decision seems to agree with that," he said. {Dieter Bradbury in Portland Press Herald 23.Oct.99}

Later comments

Mike Murray, executive director of NNEPRA, agreed with Remington. "We will proceed as we have been doing in terms of roadbed rehabilitation and laying of the continuous-welded rail. When we have a section done to the standard we want, we may run a test vehicle over it to ensure the trackbed has the k value set by the STB. I'm fully confident that some areas already meet or exceed mandated k even before we begin the track work." One problem: finding a vehicle which measures track modulus. The FRA does not inspect for modulus, but to other standards which would determine k, such as the number of sound ties. Another problem: the timing of the tests.

The expert hired by Amtrak to testify to the STB on the k question, Arnold Kerr, said he believes existing ballast, along with ballast added this summer by workers, should be enough. But David Fink, GRS executive vice-president, said on 28 October much more ballast would be needed. "I don't think anyone is going to want to stake their reputation on the fact the standard will be met when the project is over," {ARW discussion 28.Oct.99; David Sharpe in AP 28.Oct.99}

Affect on Brunswick service

In an earlier interview, Murray said $10 million was set aside to upgrade the tracks between Portland and Brunswick. He anticipated Amtrak would begin serving Brunswick in 2001. However, should the Portland-Plaistow construction and service run over budget, NNEPRA may need to take the extra funding from that set-aside. {Lisa Chemlecki in The Forecaster (Falmouth ME) 21.Oct.99}

B&A SYSTEM - MAINE

26 October, Presque Isle. "A LOT OF DIRT IS MOVING" FOR THE NEW INTERMODAL FACILITY, said Presque Isle Industrial Council Executive Director Larry Clark. The work is well underway, with the yard nearly completed. About 4,000 feet of main line is rehabbed, and 2900 feet of new track is laid into the yard itself; ballasting remains to be done. According to the contract, work will be substantially done by 31 December, a target which "looks good" with favorable weather. {ARW discussion}

GRS - MAINE

24 October, Waterville. A HUB OFFICIAL CONFIRMED THAT NS IS NOT MARKETING the intermodal service from here. The HUB source said NS could not promise even 8-day service to Chicago, so GRS, HUB, and NS agreed to hold off until the service came back.

HUB loads are moving "totally to Auburn, or to Massachusetts." {ARW discussion}

MAINE COAST

26 October, Augusta. MDOT IS NEGOTIATING ACCESS TO EAST AUGUSTA with the railroad. Elder characterized the discussions as progressing well.

As a separate point, but also under discussion, the two parties are negotiating the terms of a new lease. {ARW discussion}

HOUSATONIC - MASSACHUSETTS

27 October. HRRC AND EOTC ARE STILL TALKING about track repairs to let the Berkshire Scenic Railroad operate on the state-owned, HRRC-leased track in Massachusetts [see ARW 99#06]. According to an EOTC official, HRRC now believes the work will require more money than the $1.4 million previously allocated [see ARW 98#15]. Ed Rodriguez, HRRC executive vice-president, agreed last week that EOTC could send out an official to evaluate the track status. HRRC will not permit passenger service on less than Class II track.

Jim Howard, attorney for the scenic railroad, noted his railroad and the HRRC reached agreement a year ago on the operating arrangements. Since then, HRRC and EOTC have edged toward agreement on the funding of the track work. EOTC has hired outside counsel, Charles ‘Chip’ DeWitt of Palmer & Dodge, to draft the appropriate agreements. The lengthy process "is very frustrating," said Howard.

Class I woes

Rodriguez echoed others’ complaints about NS and CSXT service. In particular, one shipper which receives product originating on NS track and reaching HRRC via CSXT is severely affected. {ARW discussions 27&28.Oct.99}

P & W - MASSACHUSETTS

26 October, Worcester. THE INTRANSIT INTERMODAL TERMINALS ARE WORKING WELL, said General Manager Steve Cotrone. The Wiser Avenue terminal received a second track in late August, and a reach-stacker able to load over two tracks.

Expansion plans

Intransit continues to plan for expansion at Wiser, in conjunction with the new Route 146 turnpike exit, whose ramp lies less than
a mile from the terminal. The exit has now opened, and trucks can reach Wiser from the south along the current 146. The state plans to convert 146 into a four-lane, limited access highway into Worcester, with the first exit at Millbury, the location of the Wiser Avenue Terminal.

PW and Intransit are discussing with the city expanding onto a 20-acre site adjacent to the Wiser site to the south, where Cotrone expected to be operational in spring 2000.

Why did K-Line switch from MCER?
Cotrone surmised that Intransit offered a better package of pricing and service [see 20 September issue]. “We offer the best value in the region.” Also, K-Line may have been attracted by the new access to Wiser, the terminal it is now using. {ARW discussion}

FOR THE RECORD: MASSACHUSETTS
CSX ANNOUNCED UPS SERVICE FOR WORCESTER: starting 11 October, a weekday train handling UPS trailers in the Chicago lane on new trains Q185 and Q186. (UPS website)

The move may have halted Amtrak’s plans for a similar train handling parcels and other small freight. Amtrak officials earlier this month confirmed that the passenger railroad was looking at ways to move freight along the Boston-to-Chicago route, but that nothing was final. (Eastern Rail News 16 Oct.99)

GRS RENEWED THE EMBARGO IN PEABODY: ‘Embargo No. 3-99, effective 10-14-99, all traffic to, from or via the following industries at Peabody, MA: Maynard Plastic, Aet Corporation, Omega Plastic, Webster Industries, is embargoed due to track conditions, no exception. (CS 145)’ {News and Views 18 Oct.99}

According to one observer, the tracks have not seen traffic in more than five years. The branch, already in poor condition, was severed over a year ago to put in a new overpass in Wilson Square in Peabody at Route 114. {Don LeJeune e-mail to ARW 27 Oct.99}

TRANSPORTATION BOND BILL. The General Court’s Transportation Committee released the bill last week to the Long Term Debt Committee, which will split the bill into a highway piece and a MBTA funding piece. Both went to the Ways and Means Committee on 27 October. According to a staffer at the Transportation Committee, legislative members seem inclined to hold the MBTA piece until the question of forward funding is resolved.

The bill remains basically unchanged from its language of spring [see 30 April issue] except that the Transportation Committee ended up lumping funding for the Fall River-New Bedford line and the Greenbush line into a $309 million line item. {ARW discussion with staffer 28 Oct.99}

HOW ABOUT DOUBLESTACK ACCESS? According to the EOTC official, her agency has hired a financial firm to look at “creative ways for the state to come up with the necessary money,” apparently more than the Seaport Bond bill has available [see 13 July issue].

BCLR LOOKS IN COMPLIANCE on its agreement with EOTC to operate on state-owned lines in southeast Massachusetts. The EOTC official said her agency had reviewed the operating agreement and the reports filed by BCLR. “They’ve been pretty responsive.” {ARW discussion 27 Oct.99}

NH RAILROADS

LEGISLATURE

28 October. UPDATE ON THE NEW HAMPshire BILLS [see 15 October issue].

HB444. Eastern Line revival. The third meeting of the legislative study committee took place on 19 October. After the last meeting, the committee will file a report with the Speaker of the House.

Representative George Katsakouris has put in a Legislative Services request for a bill next session, meeting in 2000, to create an ongoing task force composed of members of the legislature, officials from the executive branch, citizens of the region, and representatives of the railroads.

“We did the same on the expansion of the Manchester airport.” He expected the bill will pass next spring, noting that at the meeting Guilford supported the revival of the corridor. “It’s one of the four MBTA extensions,” which Katsakouris ranked as first Nashua, second Plaistow, third Portsmouth, and fourth Salem.

Jim Marshall, NHDOT director of public transportation, also attended the meeting. In a later discussion, he said Nashua would come first, Plaistow second because of the upgraded track and the parking lot. Whether Salem or Portsmouth next might depend on whether Guilford abandoned the Salem stub, which would make startup easier. “It’s only a couple of miles into Salem, but nine miles into Portsmouth. Both have excellent potential.” [See below.]

HB575, passenger liability. This bill passed a subcommittee of House Judiciary Committee with two amendments: the passenger service liability limit was changed to $75 million per incident, and $100 million per annum. Any application of the requirement for liability insurance for excursion railroads was eliminated. However, the full Judiciary Committee voted ought not to pass, and again asked for an interim study.

HJR6. Northern Line revival. The study committee created in the spring to look at this resolution [see ] has not yet acted. Its recommendation will go to the full Senate for action next spring.
Manchester-Lawrence line revival. Katsakouris said he has put in a Legislative Services request for a bill next spring to support a study. [ARW discussions]

27 October. A CONSTITUTIONAL AMENDMENT TO SPEND GAS TAX MONEY ON RAILROADS will be submitted to next year’s session. Senator Rick Russman (R, Kingston) said it would provide 9% of the tax receipts for rail infrastructure. The bill would need a 3/5ths vote in both houses, and then a 2/3rds majority of those voting on next November’s ballot. [ARW discussion]

GRS - NEW HAMPSHIRE
26 October, Concord. NH DOT IS RESUMING DISCUSSION ON PURCHASING SECTIONS, said Jim Marshall, director of Public Transportation. The department sees the merits of service to Portsmouth [see above] and expects to acquire a section of the Hampton branch in the next three to six months. But any passenger service on the old Eastern will have to go to Portsmouth to get the ridership, so the state will have to negotiate with GRS on trackage rights, since GRS would still own from Seabrook north.

Marshall noted that the Hampton deal was settled earlier, but GRS wanted to lump sales of sections of the Portsmouth, Hampton, and Conway branches into one package. The two sides could not complete the Conway deal, so the department asked GRS to go back and separate out the Hampton and Portsmouth branch sales. [ARW discussion]

MILFORD-BENNINGTON
26 October, South Lyndeborough. AMTRAK IS NOT DRAWING AS MUCH BALLAST AS ANTICIPATED from the Quinn Brothers quarry here, reported Peter Leishman, MBRX president. Amtrak had anticipated needing one 20-carload train each day to ballast the work on the Plaistow NH-Portland ME line, but GRS has used its trackage rights over MBRX [see 24 September issue] to take only 15 carloads in August, 47 in September, and 46 thus far in October. He is charging GRS the same per-car fee as it charges him for access to Milford.

Other projects
Leishman is changing out MBRX’s last section (about one mile) of 75-pound rail, and replacing it with 100-pound rail taken up from the state-owned portion of the Northern Line (five miles of track remain in Andover and Franklin).

His railroad also does siding construction, not only for online customers such as Granite State but also off-line ones such as Law Warehousing in Nashua and others in Massachusetts. “We’ve been doing that for years,” he said.

The possible service for Monadnock Paper in Greenfield [see 23 June issue] has not yet taken shape. [ARW discussion]

VERMONT RAILCOUNCIL
11 October, Montpelier. CLEARANCE RANKED FIRST IN PRIORITY with the members of the Rail Council, following a discussion about the role of the Council. Two roles were proposed: advisory to the Secretary of Transportation and VAOT staff, helping prioritize and organize where the rail program goes; or advocacy, in which the Council would take a stand independent of VAOT, advance rail issues, and go to the legislature on behalf of rail projects.

Members then composed a list of possible rail projects, and each member chose his or her top five. These were winnowed down to three:

1. ‘Doublestack/315,000 on the core rail system and within the core rail system.
2. ‘Rail property management and maintenance of the existing rail properties.
3. ‘State Rail Plan Update of the 1986 plan. (This is different from
the policy plan for the rail system. The policy plan would be incorporated into the State Rail Plan. There is still a need for prioritization and an implementation plan.’

The Council requested a framework plan of implementation for the three priority projects, recognizing they could not be done at the expense of all else.

286,000/316,000 clearance
In the above discussion, Member Ken Enzor, traffic manager for OMYA, stressed the need to get trucks off the road, but called rail service in Vermont ‘unacceptable’ [and thus unable to handle the truck traffic]. Enzor said the ability to handle TOFC and COFC on rail cars up to 315,000 pounds was the priority. Jerry Hebda, VRS vice-president, said rail lines need the ability to handle 286,000-pound cars immediately, and Vermont industry is held back because of this inability.

Compton asked whether the state budget should be prepared based on that priority. Enzor said a shopper needs to know when the state will implement the 315,000-pound clearance, so the shipper can order the cars able to carry that weight.

TSRD sale
Compton gave as another example the possible sale of this line. Should VAOT buy it, even though the budget did not contain a line item for it? Rail Council members said they would support the purchase. {minutes of Rail Council}

AMTRAK - VERMONT
27 October. THE ‘ETHAN ALLEN CONNECTION’ TRIAL WILL STOP ON 31 OCTOBER, said Sue Compton, VAOT rail administrator. With the new schedule Amtrak will introduce for the Ethan Allen in early November, that seemed a good point to stop the test [see 24 September issue]. VAOT will pull together an evaluation of the service to present to the legislature in early 2000.

David Wulfson, VRS president, called the operation “fine” for his railroad operating it; he would like to continue operating it. The service lacked any coordination with Amtrak advertising, because Amtrak prints its timetables so far in advance and only every six months; that kept ridership low. VAOT subsidized the $1,650 daily cost. “It started out at about 65 passengers a week [southbound] and we’re up to about 300 a week now,” said George Walker of VRS. Northbound, the number has been far fewer. Only 20-25% of passengers take the train to connect with the Ethan Allen. {ARW discussions; AP in Boston Globe 13.Oct.99}

28 October. SERVICE TO MANCHESTER SHOULD BEGIN IN 2000, said Wulfson. Finishing the track work and reaching agreement with Guilford on trackage rights from Mechanicville NY to Hoosick Junction should be done by then [see 24 September issue]. His railroad is currently dropping new ties along the Hoosick Branch, and depending on weather will start tie work before winter. {ARW discussion}

GRS - WELLS RIVER

27 October. VAOT AND GRS HELD ANOTHER MEETING to reach agreement on the sale of the branch to the state. [Results not available by press time.]

LAMOILLE VALLEY
28 October. A GROUP IN LAMOILLE COUNTY IS TRYING TO UNTIE THE GORDIAN KNOT which is preventing interested parties from restarting rail service on the line. VAOT, having failed in convincing the STB to use an expedited procedure [see 26 May issue], has turned attention elsewhere.

Barry Driscoll of VAOT will brief the 8 November meeting of the Vermont Rail Council on the history of the snafu, and Jeff Lefebvre of the Lamoille County Planning Commission will talk on the new efforts. Peter Snyder, one of the bidders to operate the line, said he was not involved in the new discussions. {ARW discussions 28.Oct.99; VRC minutes of 11 October meeting}

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CN - TERMS OF UNION
25 October, St.John’s NF. CN APPEALED THE CTA DECISION IN FAVOR OF TERRA NOVA, which held that the 1949 Terms of Union of Newfoundland with Canada required CN to offer through-rail rates to Newfoundland, rates lower than the current market prices [see 9 June issue]. The Canadian Transportation Agency (CTA) required CN and Terra Nova to move to final offer arbitration on the rate CN would offer. However, Gordon Moffat, principal of Terra Nova, said he held off going to arbitration on the rates because it did not make sense to do so if the Federal Court - Appeals Division was going to reverse the CTA.

CN must file its appeal brief by 31 October; Moffat will have 30 days to respond to it. He surmised a hearing would take place no earlier than December. Canadian Pacific has asked for intervenor status.

The other appeal
CN appealed the initial CTA decision stating that the rate for the route Moffat wants to use, central Canada to Newfoundland, is eligible for arbitration [see 3 December 1998 issue]. According to Moffatt, CN has asked to consolidate this appeal with the Terms of Union appeal.

CTA role
The Agency in the past has filed briefs with the Appeals Division to support its decisions. John Cottreau, CTA spokesperson, said it had decided to do so in this case. Cottreau confirmed Moffatt’s assertion that CTA has not lost an appeal since its creation in 1996. However, in previous incarnations such as the National Transportation Agency (1987-1996) it lost “a few times.” {ARW discussions 25&26.Oct.99}
**QUÉBEC CENTRAL**

1 October, East Angus. **OWNER JEAN-MARC GIGUÈRE IS TRAINING AS AN ENGINEER.** During a recent conversation with Louis-Francois Garceau, secretary of CMUAR (Coalition pour le Maintien et l’Utilisation Accrue du Rail), Giguère said he had studied in Oregon for more than a month during the past year.

He has also purchased two other coaches of the type bought for TTCA [see 13 August and below] and five flatcars. {Louis-Francois Garceau in TRAC 11-12.99 - ARW translation}

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23 October, Sainte-Foy. **TRAIN TOURISTIQUE CHAUDIÈRE-APPALACHE** was discussed at a meeting of CMUAR. François Cliche, president of the Rail Museum of Vallée-Jonction and principal organizer of the tourist train, explained that in 1991 his group was able to save the 1917 *gare* in Vallée-Jonction which now houses the museum. The museum is affiliated with the ACHF (Association canadienne d’histoire ferroviaire).

In addition, when CP proposed to abandon the QCR tracks in 1991, members of **Train Touristique Chaudière-appalache** (TTCA) wrote letters and articles to apprise the public of the importance of conserving this route, and of creating a short line on it. The provincial transport minister did an inexpensive study which gave very positive results. Following that, TTCA formed a relation with Jean-Marc Giguère: Giguère would run freight, and TTCA would have exclusive rights to operate the tourist trains.

TTCA concluded in 1994 that the section from Vallée-Jonction to Tring-Jonction would serve best: the track is in good condition, and the countryside superb. Unfortunately, many difficulties delayed start-up past the intended date of 1996.

TTCA has now purchased three coaches of the Long Island Railroad (the last to arrive is now located in Farnham) and a 1963 dummy locomotive. Cliche projected the initial operation of the train, for which he already has 14,000 reservation requests, would occur in spring 2000; it may run over the same line which QCR is opening for freight. {letter from Cliche in TRAC#3 1999; proces verbale of the 23 October meeting from CMUAR via e-mail (ARW translation)}

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**FOR THE RECORD:** **QUÉBEC/MARITIMES**

CN WILL OPEN A NEW SPUR TO PINTENDRE INDUSTRIAL PARK at Carrier, a station north of Joffre on the line to Saint-André Junction, at the end of October. Although the primary request for the line came from Aliments Breton, it will not need the spur until spring 2000. Another shipper, Pivot Pintendre, wanted rail service as well, so CN decided to proceed with the spur now. {Jacques Vandersleyen, member of CMUAR, in TRAC 11-12.99} ******

THE GAS PIPELINE WILL OPEN. Maritimes and Northeast has finished the 55-kilometer 8-inch portion of the lateral to Point Tupper. Construction of the 4-kilometer, 6-inch portion of the Point Tupper Lateral pipeline is well underway. The construction of the three customer stations has also begun. The construction and testing of the Sable Offshore Energy Inc., Stora, and CGC customer stations are scheduled to be complete in October.

Work on laterals to serve Saint John and Halifax will begin when the company has purchased all of the right-of-way. {Maritimes and Northeast Project Update 15.Sept.99} *******

MTQ IS STILL WORKING ON ITS RAIL GRANT PROGRAM and on amending the Short Line Railway Act [see 22 May issue]. {ARW e-mail from Roger Ledoux of the Ministry of Transport Québec 27.Oct.99}

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**ATLANTIC NORTHEAST PORTS**

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**PORTLAND**

19 October. **CREATING AN INTERMODAL FACILITY ON THE WATERFRONT** was discussed at the Listening Session held by the USDOT Region I Access to Ports Committee.

**Background**

The committee consists of representatives of FRA, FHWA, US Coast Guard, Maritime Administration (MARAD), and the Research and Special Programs Administration. It chose Portland as ‘a pilot effort to assess whether the Federal DOT agencies, working together as a ONE DOT, can help State, local, and seaport officials advance access improvements for the Port of Portland. Our mission is focused on *freight access to the seaport*, and we are interested in roadway, railroad, and waterside access....’ {text of 17 September letter to invited stakeholders. emphasis in original}

**Current container traffic**

The port, according to Jeff Monroe, the City of Portland transportation director, has increased its container throughput to an annual rate of 4500, compared to 1495 in 1998 [see 12 May issue]. Monroe told the session that the ITO-operated facility is taking traffic from Boston and Montréal. “We’re serving shippers from every county in the state. We’re Maine’s port for the container trade.”

Tom Valleau, the former transportation director, told the session that some years ago, an application for federal CMAQ money to improve the container facility was denied. Although the port could show that an improved facility would take trucks off the highway, the federal agency denied the application because the reduction in pollution would take place outside Maine, because trucks would be taken off the road which would have gone to New York and Montréal. In other words, the
improvement in air quality had to take place in the state of application.

Clearance to a future facility

Alan Graves, a marina owner, noted that railways currently do not have doublestack clearance as far as Portland. GRS has 17 bridges between Mattawamkeag and Kittery which need more clearance [not to be done as part of the track rehab from Plaistow to Portland - see 30 April issue]. The SLR has full doublestack clearance as close as Auburn; one bridge, the truss trestle over the Royal River in Yarmouth, blocks access to the SLR terminus in the East Deering section of Portland.

Monroe was delighted to hear this. He has a sketch of a facility occupying vacant land on the harbor uprimer from the new Casco Bay Bridge; the waterside portion of the land is owned by Northern Utilities, which formerly operated a coal unloading site there, and the landside portion is owned by GRS.

While the harborside site could work, Monroe said he could also use a site in East Deering, and dray to and from the International Marine Terminal, the ITO-operated facility. He needs doublestack to compete on rates with trucks.

Traffic for a Portland intermodal or auto facility

Since Maine as a net exporter needs empty equipment, and Montréal has many empties, the SLR could provide them. Hapag-Lloyd, who operates a container feeder service between Portland and Halifax, could use more empties, “but cannot bring them down from Montréal now because we have no doublestack,” said Monroe. He later explained that inbound empties are returned to the International Marine Terminal by the receiver for re-use. But as a net exporter, Portland needs to reposition additional empties. Most repositioned empties arrive by truck; some arrive by ship.

Second, with full clearance Portland could begin to handle automobiles. “The new Boston Autoport has already exceeded its capacity.” Portland could receive inbound auto shipments and distribute them, not only to southern Maine, but also New Hampshire and northern Massachusetts.

Auburn versus Portland

While Monroe waxed enthusiastic about getting containers into Portland, Charles Hunter, SLR vice-president for operations, argued the cost of building facilities in Portland equivalent to the railroad’s intermodal facility in Auburn would far outweigh the cost advantage of a shorter dray.

He would like to see customs clearance in Auburn. US Customs has told the SLR that it would send an officer to Auburn to clear inbound cargo there if the volume grew to thousands of units. However, pointed out Hunter, the SLR cannot grow the inbound Auburn volume to that scale without offering the service of customs clearance - so it becomes a chicken-and-egg problem.

Funding for clearance

Rob Elder, head of MDOT’s Office of Freight Transportation, said at the Listening Session that the department could fund upgrading the Yarmouth bridge for the SLR, “but we have to be even handed. We would need to provide the same package for Guilford.”

Other topics

Rail competition. Your editor, Chop Hardenbergh, suggested to the panel that having access to two or even three railroads (if a new operator handles freight on the Mountain Division) would help shippers. Competition could lower price, increase frequency, and provide more traffic lanes. If Portland Terminal Company became a neutral terminal railroad, rather than a sister company of the Boston and Maine and the Maine Central, it could resume its former role as a neutral operator among the previous two as well as the SLR.

However, P.D. Merrill, owner of Merrill’s Marine Terminal, downplayed the need for access directly to the port. Even though Guilford has direct rail into his facility, he believes that either GRS or SLR can serve his terminal with relatively equal efficiency.

Service is not an issue. “We get a good level of service from both railroads. “We can always hope for better, but GRS does provide two switches a day if needed.

On-dock rail. While at first blush giving many railroads direct access to the waterfront looks advantageous, Merrill downplayed that as well.

“It’s rarely practical to use on-dock rail. We cannot load or unload a vessel directly from railcars quickly enough.” Using trucks, which his operation can load or unload faster than railcars, he places the cargo in stockpiles where needed, including a transload facility for loading into railcars.

“It’s not essential that rail be at the doorstep. Access can be as much as five to seven miles away.” [Merrill’s did do some transloading from the SLR in East Deering, about a mile away.] He acknowledged that with large loaders, ones handling 6000-7000 tons per hour such as those in Los Angeles or Long Beach, on-dock rail could work.

Dredging. Monroe, Merrill, and others emphasized the need for speedier dredging decisions by the federal agencies, and quicker evaluation of possible dredge spoils. “We’re now at 35 feet,” said Monroe, “and we need a 45-foot channel to serve Halifax and Montréal.

South Portland. The city manager attended the session and underlined the need for better road access to his piers, which in the main handle liquid bulk.

Port Authority. Alan Caron of Caron Associates, a local strategic development firm, suggested that Portland and South Portland work together in some forum to address the problems faced by the port. He did not mention the obvious solution, a port authority, and later said to ARW that some in the community felt they would lose too much control with an autonomous port authority.

The five rail access issues. A breakout session to pick the five top rail access issues listed these: customs clearance in Auburn; doublestack clearance into Portland; a possible neutral port railroad; improvement at the STB in terms of easier access, quicker decisions, and more pro-shipper decisions; and a
skepticism toward rail trails, which use up federal enhancement funds, pose a safety issue when trails run with rails; and eliminate rail corridors. {ARW coverage}

PORTSMOUTH
26 October. WOODCHIP PRODUCERS ANTICIPATE EXPORTS TO JAPAN in the next few months, according to Eric Kingsley, executive director of the New Hampshire Timberland Owners Association in Concord. “At this point only Japan is importing woodchips.” Because of the weak Japanese economy, it has had neither a large appetite for them, nor the ability to pay higher prices. So Japanese importers have tapped only the southern United States. With their economy recovering, however, “they’re working their way up the East coast” consuming more chips and willing to pay more for transportation, and will reach New Hampshire soon.

John Coady, manager of the Bulkloader stevedoring operation at the Port Authority facility here, agreed with Kingsley’s analysis: “We’re at the end of the transportation lane
to the Far East” where 90% of wood chip exports go. “We would welcome those exports....A lot of people have put time and energy into making it happen,” though Bulkloader has not yet received any firm offers or given any quotes for that traffic. {ARW discussions 26&27.Oct.99}

The Sperry Railcar and crew, Gorhan New Hampshire September 1998. This car cannot measure track modulus [see Amtrak - Maine story].
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