REGIONAL ISSUES

SLR: Points from the annual report.
FTR: The fate of Rail & Transit.

CONNECTICUT

[No report.]

MAINE

Calais branch: Safe Handling would like to operate.
McDonald showcases doodlebug.
GRS: More on UTU outsourcing issue.
FTR: Bond bill okayed. Maine Coast boxcars.

MASSACHUSETTS

Bond bill: Mostly MBTA, some freight items. Box
on Long-Term Debt situation.
MBTA: Framingham-Worcester stations. Fall
River/New Bedford route. Providence service.

NEW HAMPSHIRE

GRS: Likes Nashua and Portsmouth MBTA service,
hesitant about Plaistow.
Portsmouth branch: State buys two chunks.

RHODE ISLAND

FRIP: Responsibility divided.
MBTA: Service to new airport station.
Newport secondary: Bids for study. Bridge
update.

VERMONT

WCRC: VRS subsidiary takes over Barre track.

MARITIMES/QUÉBEC

CFQ: Paper mill closure threatens CFBC cutback.
CFG: Noranda experiment continuing.

ATLANTIC NORTHEAST PORTS

Pugwash: Canadian Salt buys wharf.
Strait of Canso: Superport Authority soon.
Searsport: Mack point agreements signed.
Eastport: More on rail access, new traffic.

FROM THE PUBLISHER

Corrections

HRRC owns all the track on which it operates in
Massachusetts [see page 5, 29 October issue].
ConnDOT owns some of the trackage in Connecticut.
The name of the railroad magazine in Québec is
TRAQ [see page 8, 29 October issue] (Transport sur
Rail Au Québec.).

Best of the week

Contributor Chris Hall nominated the Calais Branch for
the prize this week, and I agree. Truly the impossible
seems to be happening as various pieces drop into
place to resurrect this line from the dead. To think that
in 1994 MDOT almost tore up the line!

- Chop Hardenbergh

Next issue: 19 November

REGIONAL ISSUES

SLR - ANNUAL REPORT

20 October, York PA. SOME INTERESTING POINTS FROM
THE ANNUAL REPORT released this day, covering the fiscal

Common abbreviations: B&A - Bangor and Aroostook System, CFQ - chemin de fer Québec System, CP - Canadian Pacific, EOTC -
Massachusetts Executive Office of Transportation and Construction, GRS - Guilford Rail System, FHWA - Federal Highway Administration, FRA -
Federal Rail Administration, FTA - Federal Transit Administration, MDOT - Maine Department of Transportation, MPO - Metropolitan Planning
Organization, MTQ - Québec Ministry of Transport, NHDOT - New Hampshire Department of Transportation, NHVT - New Hampshire and Vermont
Railroad, NNEPRA - Northern New England Passenger Rail Authority, NSDOT - Nova Scotia Department of Transportation, SLQ - St.Lawrence
& Atlantic Railroad (Québec), SLR - St.Lawrence & Atlantic Railroad, VAOT - Vermont Agency of Transportation, VRS-Vermont Rail System (Green
Mt. + Vermont Railway + Clarendon&Pittsford)
Carloads. The SLR handled 24,150 in FY99, up 15% from 20,975 in FY98. SLQ handled 16,050 in the seven months that it was operated by Emons in FY99, including 12,400 overhead carloads to SLR. “We expect to continue to grow our carload volume by being the rail provider of choice in our regions.” SLR gained “eight new significant customers” in FY99.

These included Gas Supply Resources 1000 carloads, cement for Boston’s Big Dig 1450, and oil to the Groveton mills 450. The Groveton paper mills converted to gas in autumn 1999, so the SLR will lose this move.

In FY99, a salt distributor received 300 fewer carloads as a result of fewer state contract awards.

Intermodal

According to the report, intermodal units in Auburn declined to 9,500 from 12,000; revenue came to $816,000, down from $1,030,000 in FY98 [$86/unit in FY99, the same as FY98]. Emons attributed the decline to ‘competition from a nearby intermodal terminal that opened in December 1996 [Waterville], the conversion of certain intermodal business to boxcars, and CN’s strategy to balance inbound and outbound loads by increasing rates on, and thereby reducing the number of, inbound shipments.’

Jacobson said later that because “we only can move outbound in trailers or containers we move inbound, we are limited by our inbound volume. I think we could handle more outbound, but I need empties to do it. Enter steamship cube [the Asian container service – see 29 October issue].”

Rail intermodal operating expenses decreased $83,000, from $535,000 for FY98 to $452,000 for FY99, as a result of the decrease in the number of intermodal units. Scott Ziegler, Emons chief financial officer, said later the expense line consisted of the terminal handling costs, but not the “freight” costs, meaning the cost of the train and track to move the intermodal unit. Teasing out those freight incremental costs is “difficult.”

The revenue side includes the terminal handling fees and the per-unit fee the SLR collects from CN. Hence one cannot get an accurate profit figure by subtracting the cost line from the revenue line.

Transload. Two new warehouses were constructed on the SLR (Commonwealth Wood built one in Groveton NH.[see ARW 98#01], and New England Public Warehouse in Mechanic Falls ME.[see 5 February issue]. The other three: New England Public Warehouse in South Paris ME; Fore River Distribution in Auburn ME; and RD Roy in Oxford ME (formerly operated by Mountain Valley [see 16 July 1998 and 27 August 1999 issues]).

Revenue per carload. Emons average revenue per carload decreased, because much of SLQ’s traffic consists of low-revenue overhead moves to SLR. Excluding acquired operations (SLQ was acquired during FY99), Emons had a 3.6% revenue per carload increase, in part as a result of the increase in higher-rated SLR traffic.

Carhire expense. The Annual Report noted that car hire expense decreased by $200,000 ‘in conjunction with the renegotiation of the CN Operating and Marketing Agreement and an $80,000 decrease in switching fees as a result of the acquisition of one mile of track from NHVT in December 1997.’ [text of Annual Report 1999; ARW discussions 11.Nov.99]

FOR THE RECORD:

REGION

WONDER WHAT HAPPENED TO RAIL AND TRANSIT? The rail part of Vanasse Hangen Brustlin was spun off and sold to ABC Rail more than a year ago. ABC Rail around the same time merged with NACO to form ABC-NACO. An official at the combined firm said Rail and Transit was rolled into the Rail Systems and Services Group to perform in-house work; it no longer offers outside consulting services. [ARW discussion 10.Nov.99]

MAINE RAILROADS

CALAIS BRANCH

5 November, Cherryfield. ANOTHER POSSIBLE OPERATOR STEPPED FORWARD during a meeting of about 80 downeast Maine business leaders and lawmakers here. Ford Reiche, president of transload terminal operator Safe Handling of Auburn, told the audience: “To make the numbers work, we would want to be the operator of the rail line as well as of a transload facility.” Reiche and Safe Handling co-owner Paul Turina had just completed a caravan-style hi-rail trip from Ellsworth to Cherryfield, which also included among others MDOT Commissioner John Melrose and several key state representatives such as House Speaker Stephen Rowe.

Safe Handling has expressed interest in seeing the line’s revival of the 127-mile line as early as a year ago when a Stafford Business Advisors report noted the firm as a potential customer. During the last week in October, Reiche told several members of the Eastern Maine Railroad Development Commission visiting his Auburn facility that the company wanted to operate the railroad, according to Diane Tilton, chair of the Sunrise County Economic Council and an EMRDC member.

Reiche said a limited market study has been completed, and that further evaluation has to be performed. The company is looking at agriculture products for the aquaculture and blueberry industry, forest products, and aggregate as possible shipping and receiving commodities. [Similar to the products Pete Dearness of NEGS proposes to haul. See 15 October issue.]

"...To develop the market is the key to make or break the endeavor," said Reiche, who made the visit in part to introduce Turina and himself to the market.

Most observers agree that finding a viable operator of the line with the ability to build traffic is the biggest challenge in starting service on the branch. While Safe Handling has never operated a railroad, it manages five miles of track in Auburn and Montréal facilities, working closely with the SLR and CN.

The upbeat, almost pep rally atmosphere of the meeting was
bolstered by Melrose, who told supporters they were "sitting on a jewel." Besides the possibility of renewing freight service on the Calais branch, he believed in "excursion travel in a significant way," similar to Great Train Escape's Fall Foliage Express [see 8 October 1998 issue] which operated on SLR tracks from Portland throughout New England earlier this fall. Melrose stressed the importance of working as a set of communities to rehabilitate the line.

Tilton compared the work of bringing back a strong local economy to restoration of an old house that hasn't seen investment in a long time. "Transportation is a huge part of the foundation." House Speaker Rowe acknowledged downeast Maine as a beautiful area aesthetically, having camped on Cobscook Bay many times. He called for it to become one of the most vibrant areas of the state economically as well, saying decision makers in Augusta would "like to be partners in development."

Doodlebug service
Also at the meeting, Bill McDonald of Rutland VT, who has also expressed interest in operating at least the Ellsworth-Cherryfield portion of the Calais branch for excursions, introduced the audience to his gas-powered "doodlebug" through a slide presentation [see 23 June]. The single-car lightweight unit, which can carry up to 52 passengers, successfully operates in Mount Dora, Florida on a line it shares with a freight railroad.

State Representative Eddie Dugay, who sponsored the meeting, seeks $500,000 to improve the track for an ecotourism effort such as McDonald's. Several small businesses have begun offering hiking, canoeing and kayaking trips in Washington County, he said.

MDOT approach
The respective interests of Bill McDonald and Safe Handling are not expected to conflict. Reiche stated that Safe Handling wanted only to operate the freight service, it had no interest in operating passenger services but would be happy to share the track with passenger service, and would welcome anything that increases the prospects of the line's revival making economic sense.

MDOT has proposed passenger rail shuttle service between the Bangor area and Acadia National Park [see ?]. The success this summer of the new Acadia Park bus service (which reportedly carried double the forecast volume of passengers, at 130,000 riders in a season of just 11 weeks) has increased the credibility of plans for a new, intermodal visitor center at Trenton Airport on the mainland side of the Mount Desert Island causeway. Preliminary funding for a rail link with a park-and-ride lot at the end of Interstate 395 in Brewer, and eventually with the Bangor International Airport, was contained in the bond issue approved by Maine voters on November 2.

The tracks along the 127 miles of the Brewer-to-Calais line need, according to MDOT estimates, more than $23 million for full rehabilitation for sustained freight operation. The department wants Class II track between Ellsworth and Cherryfield [see 15 October issue] and Class III between Ellsworth and Brewer [see 9 June issue], with the balance at Class I. The complete rehab would take three to five years.

Dugay, however, thinks that a $500,000 allocation from the Legislature, along with some of the MDOT bond issue voters approved last week, could make the line immediately serviceable between Ellsworth and Cherryfield for a doodlebug operation. {ARW correspond Fred Hirsch coverage; Rich Hewitt in Bangor Daily News 9.Nov.99; e-mail from Chris Hall of Stafford Business Advisors}

Connection with Eastport
Skip Rogers, who attended the meeting, commended it as heightening awareness to revive the line as far as Cherryfield [see Ports]. {ARW discussion 10.Nov.99}

GRS - UTU
8 November, Lincoln. THE UTU EFFORT TO STOP THE OUTSOURCING OF JOBS is now awaiting a decision by the US Circuit Court of Appeals. According to union official Michael Maloof, the UTU had a hearing in US District Court in Portland before Judge Hornby, seeking a contempt of court citation for the hiring of S&S Transportation to switch the Lincoln Pulp and Paper mill [see 15 October]. After an evidentiary hearing, said Maloof, Hornby "agreed that the carrier was circumventing" his order earlier this year, which barred GRS from using sister company A&B Resources to switch that mill.

However, Hornby said to forbid such circumvention, he would need to modify his order. But GRS had appealed his order, so the judge could not modify it pending the appeal. Earlier, Maloof had estimated a decision on the appeal might come in December. {ARW discussion}

FOR THE RECORD:
MAINE

MAINE VOTERS APPROVED THE TRANSPORTATION BOND BILL which contained funding for rail projects on the Rockland branch, the Calais branch, and others [see 9 June issue]. **

MAINE COAST HAS BOXCARS IN THE NATIONAL POOL. According to the railroad's Dan Moscata, MA leased 8700-series cars formerly marked BAR. and has stenciled in its reporting marks. The effort will provide more revenue for the railroad with very little cost. {ARW discussion 10.Nov.99}

MASSACHUSETTS RRs

LEGISLATURE: BOND BILL
27 October. SOME CHANGES APPEARED IN THE TRANSPORTATION BOND BILL during its stay at the Long-Term Debt and Capital Expenditures Committee (LTD), compared with the language emerging from the Transportation Committee (TC), House No.4836. LTD split the bill into two parts: House No.4853 covering mostly highway projects, and House No.4854 covering mostly MBTA projects. LTD labelled the former an
emergency bill, but not the latter.

Why the changes
State Representative Frank Hynes, LTD vice-chair, explained that the General Court plans to move the MBTA budget to ‘forward funding,’ that is, to a future budget as opposed to its current method by which the MBTA asks the legislature for money to make up the shortfall of the past year (‘backward funding’) [see, for example, Ellen Silberman article in Boston Herald 30.Oct.99 reprinted in The Callboy 11.99]. If this change, embodied in the annual budget, passes (the budget is five months late) it would take effect in FY01, beginning 1 July 2000.

To put the T on forward funding, LTD removed some projects which could require funding beyond FY00, cut the bill by $100 million, and separated the bill into two parts.

Requirements in the bill
Hynes noted that “the jury is still out” on whether the state government must spend according to the language in the bill. For example, No.4854 says that EOTC is ‘authorized and directed’ to spend $300 million on a haul road to Conley Terminal. The executive branch believes that it is not required to issue bonds for that amount, nor to spend it on the haul road; others believe the legislative language requires EOTC to spend that amount on the haul road.

Other language in the bill, all agree, does bind the executive branch. For example, the MBTA cannot do other than build the Fall River/New Bedford via Raynham, because of the specific language [see below].

Bill status
After Long-Term Debt, the bills went to the House Ways and Means Committee. On 2 November Ways and Means passed the ‘Highway’ bill in a new draft H4864, and the ‘MBTA’ bill in a new draft, H4865. The full House completed work on most of the bills 9 November. According to Hynes, while the House passed many amendments to the bills, none affected the Stoughton orientation for the new Fall River/New Bedford service. {ARW discussion 10.Nov.99}

SPECIFIC PROVISIONS
TC indicates the action by the Transportation Committee; LTD the action by the Long-Term Debt Committee. {text from House Documents room}

Fall River/New Bedford and Greenbush service
TC: $309 million for the above [no conditions – see 8 January issue]. {TC section 2H}

LTD: $309 million. ‘[T]he Fall River/New Bedford project shall use an extension of the Stoughton railroad through the municipalities of Stoughton, Raynham, and Taunton…’ {No.4854 section 2} [The bill drafters cleverly omitted the Town of Easton, through which the line passes, perhaps because Easton contains a hotbed of opposition.]

North Station
TC: $65 million for completion of renovations and modernization (TC 2G)
LTD: [Same] {No.4853 section 2G}

Framingham-Worcester commuter rail
TC: $15 million for completion of project (TC 2G) [See below.]
LTD: [Same] {No.4853 section 2G}

Commuter rail to Gardner
TC: At least $125,000 for a feasibility study [see 8 January 1999 issue] regarding the re-establishment of the commuter rail line to Gardner on the existing Fitchburg/Gardner spur line.’ (TC 2G)
LTD: [No language.]

Commuter rail to Haverhill
TC: The MBTA shall study the feasibility of providing additional rail service from Haverhill to Reading [currently single-track to Reading, and doubletrack from there - the Amtrak service to Maine will use this route] and constructing a commuter service parking garage in Framingham. {TC section 2H}
LTD: [No language.]

Commuter rail to Methuen
TC: The MBTA shall spend $80,000 on a study extending rail service from Lawrence to Methuen. {TC section 2H}
LTD: [No language.]

Station in Gloucester
TC: The T shall expend $3 million to improve and reconstruct the station. {TC section 2H}
LTD: [No language.]

Rail bridge clearance
TC: On bridge projects crossing a rail track, the T shall ‘seek the opinion of any railroad company’ operating on the track about the necessary clearance, ‘but said clearance shall be at the discretion of the department.’ {TC section 30}
LTD: [Same] {No.4853 section 31}

Long-range surface transportation finance plan
TC: The legislature establishes a 15-member committee to report on transportation needs and funding sources for the next six fiscal years. It shall make a priority of the feasibility of the ‘Urban Ring’ and ‘North-South Rail Link.’ {TC section 48}
LTD: [Same] {No.4853 section 48}

Dedicated haul road for South Boston
TC: $30 million for truck access between Conley Terminal and the interstate highway system, ‘including development of a cost estimate for acquiring a parallel rail easement to connect the Paul W. Conley terminal to the rail line that ends at the marine industrial park in South Boston.’
LTD: [Same] {No.4853 section 49}

Dedicated haul road for East Boston
TC: $10 million for a 0.5-mile truck access route ‘running along the route of the northern portion of a dormant railroad right of
way, between the foot of Chelsea Street bridge and a point opposite the Day Square section, so called, in East Boston; thence running under the Route 1A overpass and connecting to the north service area of Logan International Airport.” {TC section 50}
LTD: [Same] {No.4853 section 50}

**Worcester-Providence, Webster commuter service**

TC: The T shall study such service, along the PW alignments in each case. {TC section 57} [The Webster service would continue into Connecticut – see 15 October issue.]
LTD: [Same]. Report due one year from effective date. {No.4854 section 6 and No.4853 section 57}

**Readville layover facility**

TC: The T is required to cease ‘any proposed expansion or planned expansion of the Readville Train Layover Facility’ as of 1 July 1999. {TC section 68}
LTD: [Same] {No.4853 section 67}

*Note:* The MBTA is completely rebuilding the Readville Yard, but will not expand it, according to workers on site. It contains, in addition to MBTA facilities, a Stop ‘n Shop grocery warehouse. {Roger Tobin in NERAIL e-mail list}

**Boston-Providence commuter service**

TC: The bill authorized the T to expand this service [see below], and to build and operate a layover facility in Pawtucket, if the T relocates the current layover facility in Attleborough. {TC section 71}
LTD: [Same] {No.4853 section 71}

**MBTA**

7 November, Worcester. **THREE INTERMEDIATE STOPS BETWEEN HERE AND FRAMINGHAM** remain to be built, due to several obstacles. Residents had hoped much-anticipated stations, in Ashland, Southborough and Westborough along the Worcester-to-Boston line, would unoclog regional traffic and ease a parking crunch in downtown Framingham. Because of environmental requirements, the three stations have to open almost simultaneously, and will be handled under a single contract.

Weekdays, the T runs five inbound and five outbound trains as far as Worcester, a one-hour plus trip, with no intermediate stops between Framingham and Worcester. More than 1,600 commuters regularly board the Boston-bound train in Framingham, one of the busiest stations on the entire commuter-rail system, reaching Boston in about one hour. Worcester takes another half hour.

Funding for the $15.4 million project was authorized in a $225 million transportation bond bill that cleared the House this past week. Work is almost complete on a $5 million station in Grafton, which is expected to open to passengers in late January.

**Juggling capital demands**

Some local officials believe the delay comes as Massachusetts’ cash-strapped transportation agencies try to handle the burdens of the Central Artery project. “I think money is the major issue. I think they just don’t have it,” said State Representative John Stasik (D-Framingham). “The Big Dig is driving the whole thing. They are moving money around from one project to another, trying to keep the ball as viable as they can.” [See box.]

Glen Tepke, who studies transportation funding for the non-partisan Massachusetts Taxpayers Foundation, said the latest bond bill authorized, but did not require, the MBTA to spend money on any of the myriad of projects mentioned in the bill. “I would say that their capital plan is always tight. They have a lot of competing projects, and they are always juggling what they can complete in any given year with the bond constraints that they have, their ability to pay the debt service on those bonds, and the amount of federal capital aid that they have,” Tepke said. {John Gregg in Metrowest Daily News 7.Nov.99}

9 November. **THE MBTA IS PRESSING AHEAD WITH THE STOUGHTON ROUTING** for the $410 million project to restore Fall River/New Bedford commuter service, a route supported by two committees of the House [see above]. Andrew Brennan, MBTA director of environmental affairs, told a hearing in Stoughton on 19 October that the Stoughton route will impact the environment less and serve an additional 4,000 commuters, compared to alternate routes.

The MBTA is holding the hearings as part of a final environmental report; a final impact study should emerge in the next 9 to 12 months. Rail service, if not delayed significantly by lawsuits, should return by 2002 or 2003. {John Doherty in New Bedford Standard-Times late.9.99; Jason Pring in The Patriot Ledger (Quincy) 20.Oct.99}

10 November. **RHODE ISLAND IS LOOKING FORWARD TO MORE MBTA SERVICE**, as contained in the Massachusetts transportation bill [see above]. “Trying to finally give these [Attleboro] residents a quiet night’s sleep has been a long frustrating process,” said Massachusetts State Representative John A. Lepper (R-Attleboro) said. “I have been working with neighboring residents and Rhode Island transportation officials on this issue for many years [see 8 January issue]. I find it a bit hard to explain how relieved I am that this section was finally adopted.”

The cost of moving the facility – about $8 million – will be borne primarily by Rhode Island, with some aid from Massachusetts. “The immediate effect of this section will be three commuter trains which now end their run in South Attleboro will go on to Providence,” Lepper said. And their return run to Boston will start in Providence rather than South Attleboro.

In exchange for moving the layover facility, Rhode Island would get extended service between Providence and Boston, starting with three daily runs. That could increase to 16 runs. The MBTA would also extend service to T.F. Green Airport once the Rhode Island Department of Transportation completes a $30-million train station there [see Rhode Island].

The Massachusetts Senate will vote on the bill next, and Lepper's legislative aide Wayne Weikel predicted it would pass without any major problems. {Marie Sanchez in Providence Journal 10.Nov.99}
**LIMITS ON LONG-TERM DEBT IN MASSACHUSETTS**

As explained by State Representative Frank Hynes, two restraints keep down the debt of the Commonwealth, both originating in the recession of 1989-1992. Up to that time, state government had authorized the executive to issue $12 billion in bonds, though the executive had issued only about $6 billion. “Wall Street expressed deep concern” that if the executive issued more debt, it would jeopardize its ability to repay the bonds and therefore reduce its credit rating and increase the interest rate it would have to pay.

The General Court responded by enacting a limit on long-term indebtedness, MGLA chapter 29, section 60A. Starting in FY91, the limit was set at $6.8 billion, with a 5% increase permitted each year. (As of 1 January 1999, said Hynes, the statutory limit stands at $10 billion, while actual debt comes to $9.2 billion.)

The executive responded by creating a five-year rolling capital plan, which provides that the executive can issue only a certain amount (currently $5 billion) of long-term debt over a five-year period. The Secretary of Administration and Finance (the secretary) has designated the Fiscal Affairs Division (FAD), under the direction of the Budget Director, to oversee statewide capital spending on his behalf.

For FY99, the secretary has allotted the roughly $1 billion as follows: $504 million to transportation and construction; $176.9 million to capital asset management; $120 million to environmental affairs, and so forth. Hynes remarked that “because of the Big Dig, transportation consumes one half of the capital budget” and $131 million of the $504 million goes to the Big Dig.

Despite this large amount, the legislature has given the executive branch authorization to issue about $12 billion in bonds. Thus the executive has whittled down the priorities to one-twelfth of what is authorized, in order to meet the statutory limit on long-term debt and the administrative five-year capital plan.

**Legislative oversight**
The Committee on Long Term Debt and Capital Expenditures reviews all legislation providing for the giving, loaning or pledging of the credit of the Commonwealth and determining the appropriateness of enacting new legislation containing increased bond authorizations for the Commonwealth. Hynes pointed out that the Committee does not have the power, according to the interpretation of most observers, to force the executive branch to spend money for particular projects. [See Transportation Bond Bill story.] {ARW discussion 9.Nov.99}

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**NH RAILROADS**

**COMMUTER RAIL**

10 November. **GUILFORD DOES NOT ENDORSE COMMUTER RAIL TO PLAISTOW**, according to Executive Vice-president David Fink. NHDOT’s Jim Marshall [see 29 October issue] and State Representative Bill Mosher [see 15 October issue] earlier ranked Nashua as the first route, Plaistow as the second, and then Portsmouth or Salem third.

Fink noted that GRS had supported Nashua as a route since the 1980s, and believed that the growth along the seacoast could justify commuter rail there, as he told a legislative hearing in October [see 29 October issue]. However, he saw significant problems in Plaistow, because GRS has only a single track there, and told New Hampshire of his concern when the matter came up recently [see 27 August issue].

“We run ten trains a day through Plaistow, and Amtrak will be running four more,” Fink stated. To run a commuter service, double-tracking is needed.

New Hampshire may shy at the cost of adding additional track, said Fink. He noted that the study on the Portsmouth service estimated track rehab at $3 million per mile, while Union Pacific recently did double-tracking at $9 million per mile. {ARW discussion}

**GRS - PORTSMOUTH BRANCH**

27 October, Manchester. **THE STATE EXERCISED ITS RIGHT OF FIRST REFUSAL** on two small parts of the now-abandoned Portsmouth branch in Manchester:

About one acre west of Willow, adjacent to the New Hampshire main line near the switch to the Portsmouth branch.

About one-third of an acre between Willow and Union.

According to Kit Morgan, NHDOT rail administrator, abutters were prepared to buy the property, but could not build on it because GRS reserved a telecommunications easement, and the right to access to any underground space, meaning the ability to require any occupier of the land to move a building.

The Governor and Council authorized NHDOT to buy the parcels; Morgan said his department would either buy them separately, or as part of a purchase of the entire section in Manchester. The department has set the latter as a priority [see 24 September issue]. {ARW discussion 9.Nov.99}
**RHODE ISLAND RRs**

**AMTRAK - FRIP**
10 November. *PROJECT RESPONSIBILITY IS NOW DIVIDED* between Peter Janaros, who is handling construction management, and Kazem Farhoumand in RIDOT’s bridge division who is doing design work. Janaros, who formerly oversaw consultant Frederic Harris’ work on the FRIP (Freight Rail Improvement Project), is engaging construction inspection firms to prepare for January, when Amtrak has scheduled work on ‘Track Seven’ the section from Boston Switch to Providence [see 30 April issue].

Farhoumand, according to Janaros, will finish the bridge design work so that work on the bridges can begin in spring 2000. {ARW discussion}

**MBTA - RHODE ISLAND**
10 November. *THE T WOULD LIKE TO EXTEND ITS RAIL SERVICE TO THE T.F.GREEN AIRPORT* station in Warwick, to relieve some of the pressure on Logan Airport. Steve Devine, rail honcho for RIDOT, said the station itself is in the design phase [see 8 January and 23 July issues]. In addition, the state is in the middle of an RFP process to select a developer for the land around the station. Officials for the station and the site development process should meet “in the next few months” to ensure that the two projects mesh together.

Devine said RIDOT has initiated discussions with the T about the proposed rail service, an extension of current – soon to expand [see Massachusetts] service – to Providence. {ARW discussion}

**NEWPORT SECONDARY**
10 November. *RIDOT HAS RECEIVED PROPOSALS FROM EIGHT CONSULTANTS* to do the ‘Aquidneck Island Passenger Rail Study’ on the feasibility of various types of rail and intermodal service (commuter, tourist, rail-with-trail, etc) which the market could support for this corridor [see 23 July issue].

Steve Devine, the rail chief for RIDOT, said due to the complex contract selection and approval process of the state, he did not expect contract award to occur for six to nine months.

Interestingly, the state no longer issues paper RFPs; the entire process is handled on the web.

**Sekonnet River bridge**
With the rail bridge out of service and a new highway bridge proposed, the Environmental Impact Statement for the highway bridge, now in the scoping phase, is including as an alternative the possibility of adding in the future a rail crossing to the highway bridge. {ARW discussion}

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**VERMONT RAILROADS**

**WASHINGTON COUNTY**
3 November, DC. *THE WASHINGTON COUNTY RAILROAD COMPANY (WCRC) RECEIVED A ‘MODIFIED CERTIFICATE* of public convenience and necessity’ to operate the line from Montpelier to the Bombardier plant. The Vermont Railway Company (VTR), parent of WCRC, has operated the line to this point [see 15 October issue]. The STB, in allowing the action, provided more detail on the subsidy of the operation: ‘Under the agreement, the State of Vermont’s Agency of Transportation (VAOT) agrees to pay WCRC a subsidy equivalent to $5,000 per week, through June 30, 2000. The agreement further provides that VAOT, beginning July 1 2000, and for each subsequent year of the agreement, agrees to pay a subsidy of $260,000 per year [$5,000 per week], reduced by a subsidy credit equivalent to 50% of all gross revenues between $150,000 and $670,000.’

**One holdup**
US law requires that the STB must approve the control of WCRC by individuals who control other carriers, or give an exemption to WCRC. In this case, the same persons who control VTR also own WCRC. WCRCX stated it would seek an exemption. The STB noted: ‘Common control authority or an exemption is needed before WCRC may begin rail carrier operations.’ {STB Finance Docket No. 33807 3.Nov.99}

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**MARITIMES/QUÉBEC RRs**

**CFQ SYSTEM: GASPÉ**
28 October, Chandler PQ. *A MAJOR CUSTOMER CLOSED, THREATENING SERVICE EAST OF NEW RICHMOND.*

Abitibi-Consolidated Inc. announced it will close its Gaspésia paper mill here cutting more than 450 jobs. The newsprint company also released financial results showing a loss for the fifth consecutive quarter; it said excess production capacity in its own network as well as the entire industry was behind the mill closure. “The Chandler mill, which has been idled since June 20, has among the highest production costs in North America," said company vice-president Claude Janelle. Abitibi has another 17 mills in North America, but none located in the Atlantic Northeast.

Québec Premier Lucien Bouchard said the closure of Gaspésia "is a very hard blow" because it employs so many in Gaspésie. Yannick Joyal, a union official at the plant, said, "It wasn't a surprise, but it wasn't something we wanted to hear. It
hits hard. It really is a shock."

The mill's 327 employees and 100 forestry workers will get severance packages as will 40 managers. The company had been trying to save the mill in a joint effort with Groupe Cedrico, but the announcement killed that attempt.

Notice from the railway

Officials of VIA Rail Canada, which runs the thrice-weekly Chaleur between Montréal and Gaspé, freight customers of the short line chemin de fer Baie-des-Îles (CFBC, a subsidiary of CFQ), and assorted politicians have been notified by Serge Belzile, CFQ president, of the possibility of suspension of freight service on the line 1 February 2000.

“We do not desire that. That is not an ultimatum, the decision is not definite, but it is a notice. When we bought the line, the traffic of 4000 cars coming from the Gaspé mill represented 60% of our revenues. If the mill does not resume, we are not in the stance of maintaining the service in the long term.”

At VIA, spokesperson Malcolm Andrews said Belzile’s letter “preoccupied” his company. Even though the Chaleur, like all VIA regional trains, runs at a deficit, its passenger number has risen 45% since 1992.

Harry Gow of Transport 2000 believes that the federal government, Martin Cauchon at head, must unblock a “grant of transition” to avoid the closing on 1 February if the problem of the Gaspésie mill is not resolved.

The copper traffic

At the moment, copper anodes move from Gaspé, about 500 carloads a year, not enough to compensate for the lost revenue resulting from the closing of the paper mill. Some roundwood and grain is shipped as well. M.Belzile anticipates an increase of traffic for Gaspé, but that will take more time.

“We would like to create a context for working, and not a context of panic. We have spent more than two years to develop traffic in Gaspé, but that will take more time.

Even though the Gaspésia mill did not operate much in 1998 and is shut down since June. Québec and Ottawa may perhaps assist us in accordance with the fact that the question of Gaspé rules itself and one would like to avoid a suspension in service.”

The section under discussion


10 November, Gaspé. NORANDA IS CONTINUING TO SHIP COPPER ANODES via CFG (operated by CFBC) to the CFQ System and thence to Montréal, according to Renault Coté, a contract analyst at the Noranda subsidiary Gaspé Mines. Noranda is testing rail shipping over a 20-month period which began in 1998; Coté said the mode had problems at start-up, but is running fine now.

Gaspé Mines operation

According to the Noranda website, Gaspé Mines operates an underground mine and a copper smelter in Murdochville. The smelter treats copper concentrates from Noranda's mines, custom concentrate from unrelated mines, and secondary copper and precious metal-bearing materials. Gaspé stopped its current mining operation on 15 October, but per Coté continues to do customsmelting, using concentrate imported by ship into Gaspé.

In 1998, the smelter produced 105,000 tonnes of copper in anodes which were refined at CCR in Montréal East while sulphuric acid production totalled 219,000 tonnes. In the second quarter of 1998, Gaspé's third converter started up. The converter, which cost $17 million, is expected to increase annual throughput capacity to 350,000 tonnes and to increase production capacity to approximately 135,000 tonnes of anodes. This expansion will position Gaspé as a world-class custom copper smelter.

Gaspé Mines employs 549; workers are represented by United Steelworkers of America, Locals 6086 and 8227; the current three-year contract will expire 27 May 2000. {ARW discussion; Noranda website}

CN - QUÉBEC

28 October, Drummondville. ANOTHER MILL CLOSING COULD AFFECT CN. On 28 October Celanese AG announced it planned to shutter its mill in Drummondville as of 31 March, putting 440 employees out of work. The plant, which manufactures acetate yarn for clothes and industrial use, blamed excess production capacity and persistently weak market conditions. {Canada Press}

Spokesperson Jean-Daniel Hamelin of CN said the plant received about 150 carloads of plastic inbound each year, and shipped out about the same number of trailerloads via the Roadrailer service from Montréal. {ARW discussion 12.Nov.99}

FOR THE RECORD:

QUÉBEC AND MARITIMES

COULD QUÉBEC CENTRAL START IN NOVEMBER? If so, says Martin Laflamme, president of trains touristiques de Chaudière-Appalaches, “it is possible to run a few excursion trains this winter...I am very excited about that possibility.” [See 29 October issue.] {e-mail to ARW}
PUGWASH

21 October. **THE CANADIAN SALT COMPANY PURCHASED THE GOVERNMENT WHARF** and surrounding 2.7 hectares (100 hectares = 1 square kilometer; 1 hectare = 2.47 acres) for $410,000. According to Lloyd Henderson of Transport Canada’s harbors and wharves division in Atlantic Canada, the wharf can handle two vessels and has a depth of 7.3 meters. (The name Pugwash is derived from the Mi’kmaq word for "deep water".)

The company operation

About 200 people work a nearby salt mine for Canadian Salt, a subsidiary of Morton International with headquarters in Point Claire PQ. Alan Davidson, a company official, said during the early 1900s salt moved by rail to the wharf; it is now trucked. Up until 1989, salt moved out by rail directly from the mine to North American points. CN then abandoned the Pugwash branch and now receives truckloads of salt at a Cargo-Flo facility in Oxford Junction. Davidson estimated about 50,000 tonnes per year went out by rail.

The maritime operation

Henderson said the company uses a 6,000-tonne vessel, the Saunier, and two smaller vessels of about 2,000 tonnes to handle the salt. Because of the depth, the Saunier cannot accept a full load in Pugwash. Sometimes it will go through the Strait of Canso to Mulgrave and unload the first half-load there, return to Pugwash to get the remainder, and then sail to Mulgrave to top off.

Or, it will go to the other Canadian Salt operation in the Atlantic Northeast, Mines Saleine on the Magdalen Islands, to top off.

Most of the salt moving by ship goes to Newfoundland or Québec, said Davidson. About 50,000 tonnes goes to Searsport, Portland, or Portsmouth or elsewhere in New England.

Reason for purchase

The company shipped over the wharf about 300,000 tonnes over the past year, paying 60 cents per tonne for wharfage fees. The company will henceforth avoid the approximately $180,000 per year in fees. But Davidson believed it would break even, because of the need to maintain the wharf; repairs to the south side of the jetty, needed soon, will cost “$300,000 or more.”

Canadian Salt does not expect significant fees from other users. Past years saw one or two pulp boats. BHP Minerals Canada (non-ferrous metals) has mining rights on some nearby countryside, but has found nothing yet, said Davidson. {ARW discussions 10.Nov.99; Halifax Herald 19.Oct.99}

STRAIT OF CANSO

10 November. **THE SUPERPORT AUTHORITY WILL EMERGE BY THE END OF THE YEAR**, believes Blaine Gillis, consultant to the Superport Corporation which is creating the authority. [The Authority will not become a federal Port Authority, though it has a similar name.] Working with Lloyd Henderson [see Pugwash], the Authority will acquire from the government the public wharves at Mulgrave and Point Tupper [see 8 January issue]. Transport Canada will also provide funds to rebuild the wharves, and some ‘transition funds’ to sustain the Authority during the two-year rebuilding period when it will receive no revenue from the wharves.

Harbor deproclaiming

As a separate event in the transfer, probably by December 2000, Transport Canada will ‘deproclaim’ the harbor; it now holds the submerged lands and the seabed of the harbor, but these will, Gillis believed, become property of the province. The Superport Authority may take ownership from the province or in some fashion assume the ability to receive the fees for seabed use such as pipeline easements.

After deproclaiming, the Superport Authority will also draw the boundaries for the harbor.

Marketing and development

After the Authority is established, it will not only handle the two public wharves, but work with other public and private owners in the harbor area to market existing facilities and plan new facilities. In partnership with the administrators of the Bearhead/Point Tupper Land Reserve and the Melford Land Reserve [see 16 July issue], the Superport Authority will create a land-use plan.

Various parties have already considered proposals for new facilities, particular container facilities [see 9 January issue]; these, Gillis said, “perhaps got out too much in front” of the Authority process. {ARW discussion}

SEARSPORT

8 November. **THE SET OF AGREEMENTS GOVERNING MACK POINT REDEVELOPMENT** were signed today by MDOT Commissioner John Melrose, Bob Blanchard of Sprague Energy, and Dan Sabin of the B&A System. According to Brian Nutter, the department’s coordinator for the project, members of the Maine Port Authority gave permission to Melrose, who chairs the Authority during a board meeting held by conference call. MDOT has $19 million to spend on the redevelopment from a bond package passed by voters in June 1998 [see 18 June issue], but will spend only $16 million, $250,000 of which will
come from a 1997 appropriation for design and permitting, and $800,000 from the sale of steel for the cancelled Sears Island project [see 13 August 1999 issue].

**The Sprague pier**
The Authority will provide to Sprague not more than $2 million in financing to rehab the existing pier for handling liquid cargo.

**The B&A pier**
The railroad will sell the existing pier to Sprague for $2 million, which will sell it to the Port Authority for the same price. The Authority will also loan Sprague $2 million to buy 12 acres of B&A land surrounding the pier, about nine acres of which lies underwater. The Authority will spend not more than $12 million to demolish the structure and build a dry cargo pier for Sprague. The Authority will also spend up to $250,000 for half the cost of a fendering system.

Sprague will have exclusive operating rights on the new pier for 30 years, and during that time will repay the $16 million invested by the state in the Mack Point projects. At the end of 30 years, Sprague may buy the pier for one dollar. All payments by Sprague to the Authority will support other port development and maintenance projects around the state.

Sprague has an agreement with Merrill’s Marine Terminal to operate the reconstructed pier; at this point, only Irving oil is moving over the B&A pier [see 13 August issue]. The Irving operation will move to the Sprague pier before demolition begins.

**What’s next**
State engineers will move ahead to complete the design work (about 60% done) and get the necessary permits. Nutter did not expect much difficulty because one pier will receive renovations, and the other a rebuild within the existing footprint.

If, as he predicted, construction begins in summer 2000, the B&A project should be completed by autumn 2002. The Sprague pier rehab will begin soon after.

**B&A attitude**
Sabin said that “The Mack Point project ties the expertise of Sprague in domestic and international shipping to the strength of a growing regional railway. We are already developing projects that will use Searsport as a gateway for products to and from northern Maine, Atlantic Canada, Ontario, Québec, and Vermont. The project will strengthen Maine’s transportation infrastructure and tie well with Governor King’s efforts to increase economic ties with our Canadian neighbors while making northern Maine more competitive in the global marketplace.” {Walter Griffin in Bangor Daily News 5 Nov.99; ARW 13 Aug.99 issue; MDOT press release; ARW discussion with Sprague’s Bruce Atkins 12 Nov.99}

**Sale of B&A railyard**
In a separate deal, MDOT will spend $1 million of the bond issue to purchase a certain amount of the B&A railyard [see 13 August issue]. Rob Elder, head of MDOT’s Office of Freight Transportation, said the department had not yet starting on that. “We would like to buy an area close to the piers, the closest we can to on-dock railyard.” {ARW discussion 12 Nov.99}

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**EASTPORT**

5 November, Cherryfield. **EFFORTS TO BRING RAIL ACCESS TO THE PORT** were discussed at a meeting of the Eastern Maine Railroad Development Commission (EMRDC). Skip Rogers, chair of the Commission and manager of Federal Marine’s stevedoring operation in Eastport, said the EMRDC meeting preceding the meeting about rail improvements from Ellsworth to Cherryfield [see Calais branch].

**Match obtained**
To EMRDC members, Rogers explained the $3000 match had come, in the form of a $1000 grant from Maine Community Foundation, and more than $3000 from individuals and companies. This means the Eastern Maine Railroad Development Commission can receive the grant to study the location of a possible transload terminal [see 15 October issue]. He expects to put out an RFP in the week of 15 November.

As a source of funds for the terminal, Rogers is anticipating that the US Congress will appropriate money for the short line improvements, a program authorized by TEA-21 but not yet funded.

**Possible traffic**
Rogers said three ships had called this week to pick up kraft pulp, though not in large quantities. He hopes to reach an agreement on an inbound bulk product by the end of the year. He welcomes the traffic, though he prefers breakbulk cargoes as they put more people to work. {ARW discussion 10 Nov.99}
IT’S COMING!

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ATLANTIC WATCH
VRS excursion train in Manchester VT in Miles Lumber Company yard. 17 July 1999. {Courtesy Fred Hirsch}
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