Regional Issues

D&H/GRS: How would NS benefit by buying.
SLR: BLE representing trainmen. Goss becomes general manager.*
Shortsea: Transport Canada workshop.

Connecticut

TSB: General Assembly endorses rail and port projects.

New London: Call for better statewide rail connection, and container port.

Maine

Salt: Harcross, Cargill, ISCO, GSM win bids.
Bond bill: IRAP, MMA, Mack Point ok, Atlantic Point not.
Rockland branch: M&E making progress.
Portland: Three improvements.

Massachusetts

BCLR: Millis Branch bid out soon? Transit Realty.
CSXT: East Brookfield auto not til summer 2004.*
GU: Getting a third customer.
GRS: Ayer and railroad reach agreement. GRS loses legal fees award. Devens Commerce Center update.

New Hampshire

Seacoast commuter: Interim report.
TSRD: NHDOT mulling service to Gilead.
Portsmouth: Update on traffic, rail, management.

Rhode Island

[No report.]

Vermont

[No report.]

Maritimes/Quebec

MMA: Comment on potash decision.*

Halifax: Halterm down.*Grain Elevator level.*
Can: LNG terminal proposed.

Rail Shippers/Receivers

A cross-reference to companies mentioned here.

People, Positions, Events


From the Publisher

Thank Heavens!
In October 2002 my editorial found an award of attorneys’ fees to Guilford a travesty. I thought that the Town of Ayer should not be punished for asserting its need for local regulation [see 28 October 2002 issue]. The federal First Circuit Court of Appeals agreed with me (though it did not ask my opinion!): ‘In the end, Guilford's argument devolves to the assertion that the town should not have attempted to enforce its own environmental regulations, but should have ceded all authority to the STB, and that Congress created a right, enforceable under §1983, to sue the town and recover attorneys’ fees for the town's error in judgment over jurisdiction.’ The First Circuit found Guilford’s argument in error, and reversed the lower court’s award.

New Reference Numbers for Customers

Now that we are ready to ship the Railroad Shippers and Receivers in Southern New England, I am designating the sequence number for customers mentioned in this newsletter. Those of you who have the directory may then easily find further data about that customer. For more information about the directory see the advertisement in this issue.

-Chop Hardenbergh

Next issue: 9 September.
REGIONAL ISSUES

D&H/GRS

AN ANALYSIS OF THE RAILROADS FOR SALE IN THE REGION. Rumors circulate about the Delaware & Hudson (D&H, owned by Canadian Pacific Railroad - CPR) and Guilford, the former publicly for sale [see 26 June issue]. With the assistance of a long-time New England rail observer, let’s look at some issues which may encumber a Norfolk Southern Railroad (NS) purchase of both lines.

Buying both

If NS bought Guilford it would also want the D&H, at least from Sunbury PA to Mechanicville as NS would need that to physically connect to GRS. Unfortunately for CPR, that line has little direct business, so it adds only to the total cost of buying Guilford, with no offsetting income.

Moreover, NS predecessor Norfolk & Western Railroad owned the D&H via Dereco from 1968 to 1972. NS or its predecessor lost money on the D&H, Guilford lost lots on the D&H, and CPR is losing lots on the D&H. If NS wanted only the Sunbury-Mechanicville section, Canadian National might buy the line from Albany to Montreal; CN was interested in that section when the D&H was being sold out of bankruptcy in 1990.

What traffic would NS enhance?

If it bought Guilford, NS would get the Ford facility in Ayer [see 26 March issue] and the new location in Ayer with the green light for another auto facility [see Massachusetts]. The paper mills in Maine account for a large part of Guilford’s revenue, so any purchase by NS would not end in Portland. Coal [to Bow, New Hampshire, with Mt. Tom now sourced offshore, see 21 August issue Rhode Island] remains attractive. Paper, coal and autos probably make up more than two-thirds of total revenue.

The Devens Commerce Center in Ayer could provide additional rail traffic, but not for warehousing or distribution [see Massachusetts].

CSXT interest in the Worcester Main?

CSXT would probably not buy the Worcester Main alone. While the Ayer intermodal facility works well for Guilford, additional storage capacity for a CSXT expansion of the facility appears minimal. The Hill Yard in Ayer is needed to serve the auto facility; no point in CSXT acquiring the yard without the auto facility. And NS would not buy the line without the auto facility. {ANR&P discussions}

ST.LAWRENCE & ATLANTIC

3 August. THE BLE ADDED TRAINMEN TO ITS REPRESENTATION on the SLR as of this day. Brotherhood of Locomotive Engineers official and GRS engineer Mike Twombly said the BLE had formed a new Division for the new members, #274 in Gorham NH. BLE had represented the engineers and conductors, a carryover from SLR’s predecessor, CN. The division voted to join the existing General Committee of Adjustment, comprising the Delaware & Hudson and GRS. Twombly is chair of the expanded committee, now handling D&H, GRS, and SLR, and will handle ‘all aspects of SLR representation along with the elected officers of the new Division 274.’

Existing districts

The D&H has three districts: #87 in Saratoga, NY, #311 in Binghamton, NY and #263 in Wilkes-Barre, Pennsylvania. GRS has three: #112 in Greenfield, Massachusetts, #191 in Lunenburg, Massachusetts, and #72 in Waterville, Maine. {e-mail to ANR&P 25.Aug.2003}

25 August. RAY GOSS BECAME GENERAL MANAGER of the railroad this day. Charles Hunter, who had managed the operating side of the railroad, left the SLQ on 31 July to take a position with the American Orient Express. {e-mail to ANR&P from SLR President Mario Brault}

Goss was vice-president engineering at MMA.

SHORTSEA CANADA

TRANSPORT CANADA WILL EXPLORE SHORT SEA SHIPPING, leading out of its policy document released in February, Straight Ahead: A Vision for Transportation in Canada. Promoting ‘shortsea shipping’ would ‘help facilitate trade, improve utilization of waterway capacity, alleviate highway congestion, and reduce greenhouse gas emissions.’

On 16 July Transport Canada and USDOT signed a Memorandum of Cooperation on shortsea shipping. It establishes a framework to share information and experience, with the goal of enhancing the use of marine transportation.
Meeting in Halifax
Transport Canada is hosting four workshops on shortsea, inviting industry representatives, government officials, and other stakeholders. For further information on the Halifax workshop, contact Peter Hood at 709-772-6099, hoodp@tc.gc.ca. {Transport Canada invitation letter}

HIGH-SPEED RAIL

AN UPDATE ON THE HIGH-SPEED RAIL CORRIDORS. The Atlantic Northeast has one US-designated corridor, from Boston to Montreal with a spur from Boston to Auburn, Maine. Efforts are underway to add Albany-Montreal, and Portland-Montreal.

Montreal to NY - MTQ
New York City to Buffalo is already one of the eleven federally-designated high-speed rail corridors. On 21 May New York Governor George Pataki and Quebec Premier Bernard Landry met to discuss an era of cooperation to benefit the economies of New York and Quebec. Pataki announced a series of initiatives to improve the flow of railcars, trucks, and passengers through New York to the Canadian border. For rail:

- $35 million in state, federal and local funds to improve rail links with Quebec, including $27 million with the Canadian Pacific Railway to upgrade its Schenectady-to-Rouses Point route in New York. [From the FRA website: New York State recently signed a $26.7 million agreement with Canadian Pacific Railway to upgrade the 173-mile line between Rouses Point and Schenectady, New York. Work will include tie and rail replacement, siding extensions, clearance work and an upgrade of Saratoga Springs Station. The State will fund approximately $5.5 million of the work, $9.2 million comes from Federal earmarks, $1.5 from local and Amtrak sources, with the remainder of $10.4 million funded by CP Rail.]

  Pataki said the improvements will allow scenic passenger rail service to begin to North Creek and the Gore Mountain ski center.

- $250,000 in state and provincial money to study the feasibility of extending Amtrak’s high-speed rail corridor between Washington and Boston to Canada. [The FRA website described the NYS-MTQ work ‘as a pre-feasibility high-speed rail economic development study of the Montreal to New York City line with the Province of Quebec. The study will update data gathered in the mid 1980’s, is expected to begin by January 2003, and should take about six months to complete.’] Reportedly, the study results will be announced 12-13 November at the next Quebec-New York summit.

- $2.2 million in state money to develop the arguments necessary to get Congress to designate the Montreal-to-New York City route a high-priority federal trade corridor. Such a designation would make the route eligible for millions in special federal infrastructure funding, Pataki said. {ANR&P discussion 15.Aug.03; Joel Stashenko in Albany Times Union 23.May.03}

Boston-Montreal
Massachusetts, one of three states (Massachusetts, New Hampshire, and Vermont) funding the study along with the FRA [see 12 February issue] has not yet accepted the final Phase I report, said NHDOT rail administrator Kit Morgan. The scope of work for Phase II is accepted in principle by the three states; the participants await approval at the highest level of the MOU which would provide matching state funds.

Connection between the New York and the Boston routes
Quebec reportedly anticipates having only one high-speed line from the south: the New York line and the Boston line would meet in Lecoll or Cantic, and run up either CPR or CN to Montreal. {ANR&P discussions 19&27.Aug.2003}

Portland-Montreal
The rail line from Boston to Auburn, Maine, is already part of the Northern New England high-speed corridor. On 31 July, US Senator Olympia Snowe (R, Maine) announced that Senator Kay Bailey Hutchison would include in her Amtrak funding bill a provision designating the track linking Auburn and Montreal: ‘Extending this corridor is the first step towards establishing Montreal to Portland rail service, which will further connect Maine to the national transportation network and pump millions of dollars into the state’s tourism industry,’ said a Snowe press release. {Christopher Williams in Lewiston Sun Journal 31.July.03} [This effort seems Quixotic: why would Quebec pay for a second high-speed corridor over a less-populated Quebec area of l’Estrie, continuing through very-thinly populated northern New England, to a terminus in the small city of Portland, population 64,000? Editor]
TRANSPO. STRATEGY BOARD

20 August, Hartford. RAIL AND PORT PROJECTS WERE AUTHORIZED BY THE GENERAL ASSEMBLY in two bills signed today by Governor Rowland: the budget bill (#6802) passed long after the beginning of the new fiscal year, and a bill on the Transportation Strategy Board and its projects (#6805).

The TSB bill
Section 3 of bill #6805 approved the TSB report of January [see 14 January issue]. It then stated: ‘No funds from the Transportation Strategy Board projects account, established under section 113 of public act 03-1 of the June 30 special session, shall be authorized for any transportation project except those specified in subsection (b) of this section.’ Subsection (b) listed the following rail and port projects:


- ‘Facilitate use of the Long Island Sound Waterway for passenger and freight movement, including, but not limited to, bulkheading and dredging, upon removal of prohibitions imposed by federal law, expanding passenger facilities, including facilities at the Bridgeport Intermodal Facility, to support high speed ferry service.’

- ‘Expand rail passenger service on the Norwalk to Danbury-New Milford Branch Line to assist commuter movement on Route 7 and I-95.’ [See 8 August issue.]

- ‘Establish rail freight service with connections to the port of New London.’ [See New London.]

- ‘Acquire rolling rail stock for the Shoreline East Railroad Line sufficient to add no fewer than one thousand seats.’

Funding
The Transportation Strategy Board bill authorized $264 million in bonds over the next ten years. Section 113 of the budget bill transfers about $100 million over the next ten years in fee income to the Transportation Strategy Board projects account. {bills from General Assembly website}

Impact on the barge feeder service
Bob Hammersley, manager of the TSB, said the feeder service was listed as one of the ‘section 16’ projects in earlier legislation [see 14 January issue]. About $15 million remains in bonded appropriations, and feeder service to Bridgeport from New Jersey will use about $1.5 million [see 20 May issue]. Since the General Assembly endorsed the feeder service implicitly as part of the January TSB report, that money may now be spent.

Hammersley anticipated that the “state bond commission will release funds in the next couple of months” to begin the service. While the General Assembly dictates what may be funded with bonds, the Commission decides when the bonds are released. Its membership consists of the governor (who as chair controls the agenda), the secretary of the Office of Policy and Management, the state treasurer, the state comptroller, the attorney general, the commissioner of the Department of Public Works, and the co-chairs and ranking minority members of the General Assembly’s Finance Revenue and Bonding Committee. {ANR&P discussion 28 Aug.03; Commission website}

Oz Griebel, TSB chair, concurred. Once an agreement is signed among DECD, DOT, the Bridgeport Port Authority, and provider, it will go ahead. “That should happen sometime later this year.” {ANR&P discussion 28 August 2003}
6. Conduct a marketing and feasibility analysis for a north-south passenger and freight rail service between New London and Worcester.’

How did priority #6 morph into establishing rail freight service to New London? Several officials pointed to language in the TIA.

Concern about freight rail in eastern Connecticut
The TIA did discuss freight rail, and made the following statements in its report:

‘Rail: Impediments to increased use of rail freight service include: need for construction of new sidings and other track structure improvements; weight and vertical clearance restrictions on the new electrified AMTRAK line, and throughout New England, prohibit the use of double stack containers and heavier freight cars; the condition of the rail line between Willimantic and Plainfield limits the connection between the Providence and Worcester Railroad and the New England Central Railroad; lack of a viable crossing of the Hudson River between Connecticut and New York.

Maritime: Admiral Shear State Pier in New London is underutilized because there is no infrastructure and insufficient storage for containerized freight movement.’

Under ‘challenges/issues - rail,’ the TIA stated:

a. Lack of an adequate rail connection between Willimantic and Versailles prohibits rail traffic using the Providence & Worcester line from reaching New London.

b. Lack of a viable crossing of the Hudson River inhibits freight rail usage throughout the state.

c. There is no passenger rail connection from New London through the northeastern corner of the state to Worcester that would link the labor markets of the I-395 Corridor TIA to both the Worcester and Boston labor markets. It would also improve tourism access from the greater Boston area to the I-395 TIA and would reduce traffic.’

Speaker Lyons on the New London language
In a discussion on 28 August, Speaker Lyons agreed that New London did have rail connections, “but it has not utilized them very much. And we are trying to utilize the waterways [to address the congestion in southeast Connecticut] by first moving goods from New York to Bridgeport,” and then by extending that service to New Haven and then New London.

While the state would prefer that containers move over rail from New York, the rail line does not have the clearances to permit that [in doublestack, anyway, not to mention the heavy use of the line already - editor], and raising the bridges and other structures will cost a large amount of money. Using the waterway will cost much less.

Once the goods reach New London by waterway, the General Assembly does not want them to shift back to truck. “That would just move the truck problem from southwest Connecticut to southeast Connecticut,” Lyons pointed out. She specifically referred to putting both containers and trailers on railcars, to move better throughout the state. But, “we’re a small state, and we do not have good rail connections.” Thus the effort to improve those connections to New London.

A TIA member on the New London language
John Markowicz, executive director of the Southeast Connecticut Enterprise Region (seCTer), serves on the I-395 TIA and is one of its representatives to the TSB. He made some of the same points as Lyons, specifically noting that the PW line from Groton to Worcester connects with more intermodal terminals than does the NECR line which runs directly to the New London port. PW does connect to the port, but only through a switching move along the Northeast Corridor.

He emphasized the need for a thorough study of the rail connectivity, noting inter alia that consultants such as Marty Toyen had said to do a ship-to-rail intermodal facility in New London needed 30 acres, “and we don’t have 30 acres.”

Furthermore, he questioned whether a barge feeder service will work, noting that the initial attempt, the feeder service to Albany, has very little traffic. [See 23 December 2002 issue. An official close to the Albany feeder service called it “still in startup” and “promising talks” with shippers were occurring. {ANR&P discussion June.03}]. And, he acknowledged that the port is doing well serving break bulk clients. He inferred that the language referred to the need for a study.

At bottom, Markowicz expressed pessimism about the effort to reduce congestion, noting that the General Assembly had agreed to $350 million over ten years, but the TSB called for projects costing $5 billion over that time. {ANR&P discussion 28.Aug.2003}
MDOT BOND BILL

23 August, Augusta. **THE LEGISLATURE PASSED A $63.45 MILLION TRANSPORTATION BOND BILL**, after a three-day special session [see 21 August and 26 June issues]. In addition to transportation improvements, legislators sent out a $19 million educational bond, and a $6.95 million environmental bond. The final amounts in transportation (versus the amount requested by the governor):

- $38 million for highways and bridges (was $42 million)
- $4 million Waldo-Hancock Bridge (not in gov.'s request)
- $650,000 Small Harbor Improvement (was $1.2 million)
- $250,000 freight rail & intermodal improv. ($1.2 million)
- $2.6 million Industrial Rail Access Program ($2.6 million)
- $1.4 million for Mack Point ($1.6 million)
- $0.0 million for Atlantic Point Rockland ($3.75 million)
- $2 million for Montreal, Maine & Atlantic ($5.4 million)
- $3 million Portland to Brunswick & Auburn rail ($5 million)
- $500,000 for Casco Bay Island Transit District
- $2 million to replace ferry Governor Curtis ($2 million)
- $3.6 million for aviation improvements ($5.6 million)
- $1.25 million for trail, bicycle & pedestrian ($2 million)
- $100,000 for Park & Ride facilities ($140,000)
- $1.1 million for improvements to transit vehicles ($1.7 million)
- $3 million for LifeFlight (not in governor’s request)

The $63.45 million total matches over $221 million in federal funds and $18 million in local funds.

MMA support
As noted earlier [see 28 June 2002 issue and 20 May 2003 issue], MDOT agreed to seek for MMA $13.5 million over a five-year period, to be matched dollar-for-dollar by the railroad. In years 2003 and 2004, MDOT could provide $5.5 million from earlier-obligated or -available funds. The bond issue would provide funding for 2005 and 2006 at $2.7 million each, and MDOT would seek another $2.6 million in 2007 for total of $13.5 million.

But MDOT found half of the $5.4 million for 2005 and 2006 MDOT found in a $2.8 million bond obligation for a prior year to match federal funds for Calais Branch upgrades between Brewer and Ellsworth for passenger service. Rail head Allan Bartlett wrote: ‘Because such service is still somewhere off in the undetermined future, we opted to use the $2.8M to support our commitment to MMA.’

Maria Fuentes of MBTA reported MDOT was seeking the other $2.7 million from this year’s bond. ‘In the final hours, $700,000 was cut from the reduced amount, meaning that the MDOT will have sufficient funds to meet the current year commitment to the MM & A, but will be short the reduced amount in the second year of the biennium.’

IRAP
The Maine Better Transportation labelled “a big victory” preserving the Industrial Rail Access Program at its original proposed amount of $2.6 million. This will fund future applications, such as Boralex in Livermore Falls and Fort Fairfield [see 21 August issue].

Mack Point
Mack Point improvements were targeted at the 11th hour for total elimination, but were brought back in at $1.4 million, down from the original amount of $1.6 million.

Atlantic Point, Rockland
Eliminated was $3.75 million for the Atlantic Point Rockland intermodal facility.

Passenger rail to Brunswick and Lewiston
Passenger rail advocates had hoped for more than the $3 million funded in the final package for Portland to Brunswick and Lewiston rail
rehab. However, the MDOT says that $3 million is sufficient for its anticipated delivery schedule of extending the rail service to Brunswick and Lewiston.

**Congratulations**
The MBTA offered special thanks to MBTA members who contacted their legislators, and the many organizations advocating for transportation who worked hard to make this happen including MRG, Inc./Downeast Rail Group, TrainRiders Northeast, Bicycle Coalition of Maine, Maine Chapter/ APWA, ACM, PACTS, BACTS and LACTS and other municipal officials, the Maine Transit Association, Maine Tourism Association and many others. {MBTA Update 25.Aug.03; e-mail from Bartlett 28.Aug.03}

**ROCKLAND BRANCH**
26 August, Morristown NJ. **MORRISTOWN AND ERIE IS AIMING FOR 1 OCTOBER** as a start-up date [see 8 August].
Jon Shute, manager of the current operator Safe Handling Railroad, has agreed to become general manager for the Maine Eastern, the name of M&E’s future operation.

**Why is M&E doing this?**
Given that four earlier operators failed financially, and a fifth, Safe Handling, did not offer to continue its operation, why would any operator seek this rail line? Steve Friedland, operations manager, listed several reasons. First, M&E has very limited opportunities to expand in its own area, northern New Jersey. Second, with a completely rebuilt line between Brunswick and Rockland, “the time is right.” And third, the shippers on the line are committed to the rail. {ANR&P discussion}  

**PORTLAND**

**THREE RECENT IMPROVEMENTS TO THE PORT**

**Road connector to freight waterfront**
In August, the state started work on a one-mile connector road between I-295 and Congress Street, due for completion in November 2005. It will help automobile traffic and businesses like Barber Foods, Cozy Harbor, and Merrill’s Marine Terminal, said Brad Foley, who is overseeing the project for the state and working with contractor, Cianbro Corporations.

The state, the city and Cianbro held a meeting with most of the abutting businesses last month to gather input and modify some of the plans. “I think everybody feels that this project is much better in design than when it first started out,” said P.D. Merrill, who suggested - and got - a queuing lane for delivery trucks outside his business. {Josie Huang in Maine Sunday Telegram 10.Aug.03}

**Dredging deeper channel for Portland Pipeline**
In August, the Portland-Montreal Pipeline Company announced it would dredge 75 acres of the ocean floor so it can bring bigger loads of crude oil into its terminal in South Portland. Portland Pipe Line wants to add 5 feet of depth to the shipping channel that leads into the harbor, increasing the Depth to 50 feet, which would allow oil tankers to carry full loads to the terminal. It could cost $2 million.

The company’s South Portland terminal takes in an average of 150 to 160 million barrels of crude oil per year. The dredging could increase tanker loads by 10 percent.

The application process could take much less time than normal; Ralph Wink, the company’s director of engineering, said federal officials determined that the company would be the sole benefactor of the dredging. So while the channel is federally maintained, the company will not be eligible for funds from the Army Corps of Engineers or state sources. Wink said the project largely benefits the tanker operators, which will be able to bring in more cargo at a lower cost by taking fewer trips. {Justin Ellis in Portland Press Herald 9.Aug.03}

**Drydock**
The Fore River Dock and Dredge company, is “finishing up construction of our drydock,” said principal Roger Hale Junior. It will handle 1500-ton vessels, such as large tugs and barges. It will get no business from the pipeline dredge, though, said Hale; that utilizes larger vessels which can move 30,000 yards a day. {ANR&P discussion 19.Aug.03}
MAINE ROAD SALT CONTRACTS AUGUST 2003

Maine bid and awarded contracts in 2001 [see 01#11B]. For 2002, the department renewed the contracts at the existing prices except for Cargill, which offered a lower price [see 9 August 2002 issue]. In 2003, the department asked for bids by 18 August, and the awards are:

<table>
<thead>
<tr>
<th>District</th>
<th>Location</th>
<th>Provider</th>
<th>Estimated tonnage</th>
<th>Price 2002 per ton</th>
<th>Price 2003 per ton</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 northern</td>
<td>Harcros</td>
<td></td>
<td>23,000</td>
<td>37.08</td>
<td>38.18</td>
</tr>
<tr>
<td>2 eastern</td>
<td>Cargill</td>
<td></td>
<td>14,580</td>
<td>36.26</td>
<td>37.19</td>
</tr>
<tr>
<td>3 central</td>
<td>ISCO</td>
<td></td>
<td>20,240</td>
<td>37.41</td>
<td>38.32</td>
</tr>
<tr>
<td>4 central</td>
<td>GSM</td>
<td></td>
<td>15,370</td>
<td>40.38</td>
<td>39.31</td>
</tr>
<tr>
<td>5 midcoast</td>
<td>ISCO</td>
<td></td>
<td>12,910</td>
<td>36.48</td>
<td>36.37</td>
</tr>
<tr>
<td>6 southern</td>
<td>GSM</td>
<td></td>
<td>11,600</td>
<td>31.40</td>
<td>31.04</td>
</tr>
<tr>
<td>7 mountains</td>
<td>GSM</td>
<td></td>
<td>13,500</td>
<td>35.96</td>
<td>37.41</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Maine Turnpike**</td>
<td>all districts</td>
<td>GSM</td>
<td>n/a</td>
<td>29.21 (York)</td>
</tr>
<tr>
<td></td>
<td>GPCOG</td>
<td>ISCO</td>
<td>~71,000*</td>
<td>28.40</td>
<td>31.16</td>
</tr>
</tbody>
</table>

*The amount increased over 2002's 10,000 tons because the number of towns participating increased.
** The Turnpike Authority opened bids on 26 August. Granite State Minerals (GSM) is the apparently low bidder for all districts, over Morton and International Salt Company (ISCO). {Denice Baron of MDOT 28. Aug.03; Mary Ellen Tetreau of Turnpike 29. Aug.03; GPCOG Carol McKenzie 4. Aug.03}

---

MASSACHUSETTS

BAY COLONY

26 August. *THE RFP FOR THE MILLIS BRANCH* is apparently still under review by the MBTA legal department. Transit Reality Associates will place an advertisement in the legal section of the *Boston Globe* when the property is put out to bid. {ANR&P discussion with source close to situation}

More about Transit Realty Associates

Transit Realty Associates, LLC was founded in 1996 to provide real estate services to the Massachusetts Bay Transportation Authority in Boston, MA. Since then, it has:

- Doubled annual lease income;
- Implemented new collection procedures, which reduced outstanding receivables by seven figures;
- Reorganized the MBTA's retail program in transit and commuter rail stations, resulting in more vendors, improved choices for riders, and the doubling of revenues from the retail portfolio;
- Identified undocumented telecommunications installations and placed them under agreement, which will generate cumulative payments of over $25 million to the MBTA over the lease term;
- Developed an aggressive telecommunications marketing strategy leading to new agreements which tripled the MBTA's telecommunications rental stream and obtained multi-million dollar infrastructure improvements for the MBTA;
- Renegotiated outdoor advertising contracts, resulting in a 20% increase in base rent, receipt of percentage rent and a large retroactive settlement payment;
- Increased revenue from pay telephone services four-fold.
- Implemented higher utility rate schedules;
- Completed a parking garage feasibility study, which proposed building 3,200 parking spaces at no cost to the MBTA by leveraging $100 million in private investment;
- Completed a joint development feasibility study resulting in potential projects for office, residential and entertainment uses;
- Negotiated transit oriented development transactions;
- Tripled the number of property sales transactions; and
- Created a multi-dimensional property inventory database for tracking the MBTA’s real property assets utilizing Geographic Information System (GIS) technology. {company website}

CSXT

25 August, East Brookfield. **THE NEW AUTO FACILITY HERE WILL BECOME OPERATIONAL NEXT SUMMER**, according to one CSXT official. Site work has begun [see 21 August issue]. {ANR&P discussion}

GRAFTON & UPTON

28 August, Worcester. **THE RAILROAD MAY ACQUIRE A THIRD CUSTOMER**, said Vice-president Florence Sairs. It currently serves Washington Mills [our Directory #350] and, via its transload [our Directory #351], Weetabix. The third customer, located in Milford, is asking GU to re-open its interchange with CSXT at that end of the line.

Trailer fleet
Gu sister company Torco Incorporated owns a fleet of 45-foot intermodal trailers. Sairs said these are no longer used in intermodal service, but are still marked GURZ and are used in regular hauling. One was recently spotted carrying wood chips into the Masonite plant in Lisbon Falls, Maine.

Other sister companies
Central New England Systems is a group of companies under the same owner, the Lucey family, which includes the railroad, Torco, a warehouse in Worcester, and an air freight company using the Worcester airport. {ANR&P discussion 28 August 2003}

GUILFORD RAIL

24 July, Ayer. **THE TOWN AND GUILFORD REACHED A MEDIATED AGREEMENT** on town jurisdiction over the proposed auto facility in Ayer [see 28 October 2002]. The Town agreed that it ‘has no authority to regulate the construction and operations of a railroad facility at the San Vel site. Any plans or test results provided to the Town in accordance with Exhibit A or under any other circumstances will be for informational purposes only with no right of the Town to approve, delay, or otherwise regulate the construction or operation of a railroad facility at the San Vel site.’

If Ayer believes GRS is not complying with the consent decree, it must seek relief with the Court or the STB. {text of consent decree issued by US District Court containing the agreement, Civil Action #99-12606}

Exhibit A
Exhibit A has 17 conditions GRS will comply with in building and operating the site. These include continued environmental testing, and installation of a septic system. If the site is turned to alternative uses, GRS will notify the town about that. [The agreement was reached in the spring. The appeals court remanded the case to the district court, which issued the consent decree on 24 July.]

How the parties reached mediation
The District Court, following an opinion of the STB, had supported Guilford’s contention that it was exempt from local control. The District Court also awarded Guilford attorneys fees [see 28 October 2002 editorial]. Ayer appealed, supported by the Conservation Law Foundation, the Town of Littleton Water Department, the Massachusetts Municipal Association and the National League of Cities and Towns, as friends of the court. Guilford was supported by the Association of American Railroads.

The federal First Circuit Court of Appeals, in its opinion, wrote: ‘The parties presented the case as a pure conflict between the strong federal interest in a uniform system of railroad regulation and the strong local interest in protecting water supplies. As the ensuing discussion shows, the law presents much more nuanced accommodations.

‘At oral argument, we sought a practical solution to a portion of the case and requested that the parties meet with this court's Civil
Appeals Management Program (CAMP) to see if they could negotiate an agreement as to Guilford's voluntary compliance with certain conditions. Admirably, the parties have reported back that they have reached partial settlement through an agreement on the conditions under which Guilford will proceed with the development, construction, and operation of an automobile unloading facility at the San Vel site...’

Attorneys’ fees
The resolution of the substance left the First Circuit to deal with the issue of attorneys’ fees. The Court noted: ‘When the district court granted summary judgment for Guilford on March 20, 2002, it declined to evaluate whether some or all of the conditions were indeed preempted. Instead, it ruled for Guilford because Ayer had failed to request judicial review within ninety days of the STB's order, as required by 28 U.S.C. § 1336(c) (2000). The status of the thirty-six conditions was left, to some degree, unresolved...The analysis by the STB of federal preemption under 49 U.S.C. § 10501(b) was finely crafted.’

The Court went on to conclude that ‘nothing suggests that Congress intended to create rights for railroads apart from the STB statutory scheme. Even the "rights" cited by Guilford are less than clear and definitive. Guilford does not have the right to be free of all local environmental regulation; the STB order makes that pellucid. Moreover, the district court's judgment was entered based on the STB order under § 1336, not under the Commerce Clause.

‘In the end, Guilford's argument devolves to the assertion that the town should not have attempted to enforce its own environmental regulations, but should have ceded all authority to the STB, and that Congress created a right, enforceable under § 1983, to sue the town and recover attorneys' fees for the town's error in judgment over jurisdiction. Given that the town does have environmental responsibilities under federal law, we are convinced Congress did not intend this to be a situation where a separate cause of action is created under § 1983.’ {US Circuit Court #02-1537, 21 May 2003}

25 August, Ayer. **DEVENS COMMERCE CENTER WELCOMES ADDITIONAL RAIL USERS**, said Meg Delorier, vice-president of community relations. It does have a moratorium on warehouse or distribution center operations because they provide fewer jobs per square foot than other commercial activities. In addition, Devens agreed to an overall limit on the number of truck trips in and out of the center when it obtained a permit under the Massachusetts Environmental Policy Act.

Current users
In addition to the Guilford intermodal yard at Devens, the Commerce Center proper has two rail users: Southern Container at 51 Independence Drive [#126 in our Directory], and New England Distribution at 50 Independence Way [#127 in our Directory].

Not in the Commerce Center proper, but adjacent, lie Pac Warehouse, 1 Bligh Street [#122 in our Directory] and Mieron Plastics, 30 Faulkner Street [#121 in our Directory].

More rail users wanted
The Center has a third lot on Independence Drive which would accept a direct rail spur. Moreover, underscores Delorier, the adjacent intermodal facility and New England Distribution warehouse provide wonderful transloading opportunities. The truck trips necessary to move freight to or from these transloads do not add to the permitted trips, because they occur within the Center. {ANR&P discussion}

**NEW HAMPSHIRE**

**SEACOAST COMMUTER**

5 August. **AN INTERIM REPORT OF THE NEWBURYPORT TO KITTERY EASTERN LINE RAIL SERVICE TASK FORCE** was presented to the governor and the General Court [see 3 July issue]. Chair Bill Mosher noted suggestions to try to preserve the Hampton Branch, and to create a Southern New Hampshire Rail Authority. {text of report}

**TWIN STATE RAILROAD**

26 August. **NH DOT IS CONSIDERING THE BEST WAY TO ESTABLISH RAIL SERVICE TO GILEAD VT**. The department did get a decision from the STB about information it did not need to file with its petition for adverse abandonment [see 3 July issue]. According to Kit Morgan, Guilford will prepare, and NH DOT will file, the petition. {ANR&P discussion 28 August 2003}
PORTSMOUTH

4 August. **AN UPDATE ON TRAFFIC, NEW AND CURRENT, AT THE PORT** was provided by port officials.

Scrap pile
At the 22 May Pease Development Authority board meeting, the board voted unanimously to renew the contract with Rensselaer Iron and Steel [sister to Grimmel Industries, see 02#02A] through 30 June 2004, with a fee increase from $50,000 to $53,000 per acre per year. Geno Marconi, head of the PDA’s Division of Ports and Harbors, later called the company’s behaviour “exemplary, they keep the yard and roadways clean, we have no problems.”

Salt pile
At a special board meeting on 8 April, the board extended, on a 5-1 vote, the license of the International Salt Company (ISCO) to use the Market Street terminal from 1 June to 30 May 2004. [ISCO will use the pile to serve New Hampshire road salt contracts, see 8 August issue.]

The board discussed whether to add a second option year, to 30 May 2005, but voted against that. The board decided to increase the per acre fee from $50,000 to $53,000 per year. Some board members called for diversifying the cargo; member Allard reminded the board that the port had sought containers for more than 20 years, and that the salt fee does provide income.

Board members were frustrated that Sprague and Granite State, while calling the rates charged at the Market Street terminal low, refused to disclose their own rates. Chair Bartlett concluded: “Instead of threatening lawsuits, why don’t you put your cards on the table?”

Marconi said that Morton Salt had unloaded 20,000 tonnes in late March. Jim Hood of ISCO said the company had sought alternate sites. It conducted a number of serious discussions, including with Sprague. ISCO is seeking an extension at the Market Street terminal because those discussions made ISCO uncompetitive. [minutes of meetings from PDA website]

Rail lead
The Market Street terminal has rail access at two points, said Marconi. It has a double siding south along the Market Street Extension, where two years ago a crane was unloaded. GRS parks maintenance equipment in there. On the line to Kittery, salt companies unload calcium chloride from rail cars to mix with the sale. The terminal has a hopper and conveyor in the upper yard.

New traffic
Marconi noted the visits of “a lot of tire kickers, we have ten times more inquiries than a year ago.” He ascribed that in part to a new website.

The known interested parties include Captain Fiaz Arain proposing a container service from Halifax [see 4 June issue]. In early August, he said he wanted to “keep the matter confidential” as to how it stood.

The ro-ro and passenger service from Shelburne is making progress [see 8 August issue: Maritimes].

New director
PDA continues to search for a successor to George Meyer as executive director. Deputy Executive Director Dave Mullen is interim executive director at this point. [ANR&P discussions with Marconi 4.Aug.03, Marie Aleksy of the legal office 8.Aug.03, Mullen 5.Aug.03, and Arain 5.Aug.03]

New offices and demolition of old warehouse
On 10 April the board authorized Marconi to request permission to demolish the 21,420SF warehouse on the pier. It interfered with moving cargo. The board then authorized Marconi to ask the Capitol Budget Overview Committee to release $320,000 appropriated for engineering, design and construction of a new office and truck scale facility. [PDA minutes on website]

QUEBEC/MARITIMES

MONTREAL, MAINE & ATLANTIC

25 August, Bangor. **FRED YOCUM COMMENTED ON THE CTA POTASH DECISION**. The MMA was “very disappointed” losing the case at the Canadian Transportation Agency [see 21 August] on whether CN was required to accept a unit train of potash from NBSR. “We have obviously learned from this decision...and will consider how to proceed” in the future. “We anticipated that the CN would accept
the train when it started out.”

He argued that CN had turned down the train even without interswitching rates, but “it was done verbally and through NBSR” so MMA had no physical evidence of CN’s action to present to the CTA. “We have not given up” on making the potash move work.

How’s MMA doing generally?
With Katahdin Paper [former Great Northern] slowly returning to production, “we’re digging ourselves out from the hole” MMA fell into with the shut-down of Great Northern. The railroad is not in danger of running out of working capital: “We’ve done a good job of conserving cash.” [ANR&P discussion 25.Aug.2003]

HALIFAX
21 August, Halifax. **HALTERM VOLUME DECREASED FROM THE SECOND QUARTER OF 2002**, down to 37,925 containers from 43,389 the previous year. The owner of Halterm, the Halterm Income Fund, noted that earnings dropped from $2.3 million to $1.7 million. The drop caused by Maersk/Sea-Land discontinuing its North Atlantic Service in Halifax and Atlantic Container Line (ACL) shifting its business to Ceres was offset by a 10% increase in volume from the continuing customer base, and four one-time additional vessel calls (two ACL, one Maersk/Sea-Land and one Evergreen).

Container volume for the first six months of 2003 was 83,720 lifts compared to 83,007 lifts during the first half of 2002. {Halterm press release}

25 August, Halifax. **HALIFAX GRAIN ELEVATOR CONTINUES ITS TRADITIONAL TRAFFIC**, according to Vice-president Elke Juckes [see issue 99#06], basically unchanged from 1999:

- Wood fuel pellets trucked from MacTara Limited in Upper Musqodoboit. The elevator stores these, and then loads them onto ships. It was loading wood pellets on 7 August when an explosion ripped through the middle elevator.

- Inbound grain from western Canada by ship. The elevator then delivers this grain by truck to feed mills in Port William, New Minas, and Truro NS. Juckes noted that as in 1999, the Elevator faces competition from WHRC delivering grain by rail direct to the feed mills and that competition still affects the company. Annual truckloads run as high as 200.

- Since 1968, the grain also moves directly to the Dover Mills flour mill adjacent to the Elevator, where it is processed into dozens of different specialty flours.

- The Elevator receives about four rail carloads a week of soymeal pellets for mixing into fee.

**Resumption of operation**
The Elevator is now serving its customers using blowers to load trucks. Juckes expected to resume regular operation by the end of the week, after repairing the dust system, damaged by flames from the explosion.

James Burgess, operations manager of the Elevator, left the company around the time of the explosion,
NOW AVAILABLE!

Rail Shippers & Receivers in Southern New England

A directory of the 450+ shippers, receivers, transload facilities, and intermodal terminals on the rail lines of Massachusetts, Rhode Island, and Connecticut.

Malcolm Laughlin, editor
Chop Hardenbergh, publisher

Save $100. PRICE AT INTRODUCTION $295
Normal price $395.

Please request a sample page, sent by e-mail.

Contact:
New England Directories

19 Holden Road, Belmont Massachusetts 02478
Vox: 617-489-4383
m.laughlin@atlanticnortheast.com
Fax: 617-507-0472
but per Juckes his leaving was not connected with it. She is taking her time in hiring a successor. \{ANR&P discussion  25.Aug.2003\}

**STRAIT OF CANSO**

27 August. *A LIQUIFIED NATURAL GAS TERMINAL MAY COME* to Bear Head [see map of strait at www.atlanticnortheast.com]. Access Northeast Energy has to satisfy government regulators first and obtain the proper permits, before it will sign a lease. “We have all the private funds arranged, all the equity is there and we will go to the banks for the difference,” said company president Gordon Hart. “We certainly do not need any local money. What we need is the kind of support that you have seen today and received from this community.”

Municipal and port officials have been promoting the strait area for energy-related development for some time. The proposed terminal, which could cost up to $500 million, would receive liquefied natural gas from all over the world and feed it into the existing pipeline to New England.

If the project is approved, company officials say construction could start two years from now and employ hundreds of people. There would be about 50 permanent jobs at the terminal. {CBC webposted}

---

**RAIL SHIPPERS**

This section lists the companies discussed in this issue with a reference to our Directory of Rail Shippers & Receivers in Southern New England for the customers in that area.

Grimmel Industries (GRS, Portsmouth), International Salt (GRS, Portsmouth), Halifax Grain Elevator (CN, Halifax).

---

**PEOPLE**

Maeve Vallely-Bartlett became manager of rail at the Massachusetts Executive Office of Transportation in early August. She succeeded Siobhan Perenick Norton, who departed in March. Vallely-Bartlett had earlier served as general counsel at the Executive Office of Environmental Affairs.

Jon Shute became general manager of the Maine Eastern [see Maine].

Ray Goss on 25 August became general manager of the St.Lawrence & Atlantic (both SLR and SLQ), succeeding Charles Hunter who took a position with the American Orient Express.

---

**ATLANTIC NORTHEAST RAILS & PORTS**

162 Main Street
Yarmouth, Maine 04096
Vox (207) 846-3549
Fax (617) 507-0472
Chalmers (Chop) Hardenbergh, publisher and editor
C_Hardenbergh@juno.com
www.atlanticnortheast.com

**Coverage**

The newsletter covers the operating freight railroads and ports in New England, Atlantic Canada, and eastern Québec, as well as the government environment they function within. Coverage includes passenger rail and ships when relevant to freight operations.

**Pricing**

*ANR&P* appears twice a month, via post or e-mail. Subscriptions cost $375 for professionals, $95 per year for students, young and old. Introductory prices available.

**Copyright notice**

PLEASE DO NOT COPY THIS NEWSLETTER, or forward it in e-mail format, in whole or in part. You receive it as a paying subscriber, or a potential subscriber. Passing it on without explicit permission of the editor violates copyright law, and diminishes the likelihood of our staying in business. **E-ISSUE**