Public pricing: A boon, or not yet?
High-speed rail: Update on Boston-Montreal.
GRS/SLR: Cyro changes railroads.*
LNG: Proposed terminal in Maine, plus 2 others.
CSOR: Upgrade Amtrak line to 286?
Passenger rail: Plans for north of Portland, including high-speed rail to Montreal.
Amtrak: Downeaster riders increase.
MMA: Permission to participate in B&A/CN trackage rights dispute at STB.
Rockland Branch: Dragon not moving to Wiscasset transload?* Maine Eastern to start on 1 October.
SLR: Occasional scrap for Grimmell.
Salt: Reverse auction tossed, contracts renewed.
MBTA: Purchases Weymouth trackage from CSXT. Go-ahead received for Greenbush. Services solicited to upgrade tracks to Worcester.
CSXT: Presentation on West Springfield Rail Yard project.
GRS: Mt.Tom gets domestic coal too.
Commuter rail: House reluctant to push on light rail in I-93 corridor.
MBRX: Granite State wants to expand quarry. Box on operating agreement for Wilton Scenic and MBRX. STB declines to issue emergency order on GRS restrictions. Two sides go to mediation.

VERMONT
VRS: State argues sovereign immunity in VRS request for STB ruling on federal pre-emption.
MARITIMES/QUÉBEC
SLQ: Richmond citizens ok with new spur.
SCR: Description of new coal moving system.
Halifax: Shallow-draft container ships reaching Montreal: do they pose a threat?

FROM THE PUBLISHER
Fascinating sessions
NEARS provided some great panels. I have written about one, on public pricing, in this issue and hope to include another, about intermodal, in the next issue.

Our directory
This issue has an advertisement about our new directory. I’m excited—quick reference to any of the 470+ rail shippers and receivers in southern New England.

- Chop Hardenbergh
Next issue 17 October
PUBLIC PRICING

17 September, Kerhonksen NY. PUBLIC PRICING IS UTILIZED FOR 25-35% OF ALL BILLS OF LADING for Class Is CSXT and BNSF, according to a panel presentation to the autumn meeting of the Northeast Association of Rail Shippers here. But some found the price quote system still insufficient.

CSXT

Jim Howarth, CSXT vice-president sales and marketing for forest and industrial products, described his railroad’s approach.

The old way

In the past, CSXT had 5 to 10 inquiries about rail usage for every piece of traffic which materialized. To get a price, railroad employees had to go through 15 “touch points” within the organization and outside it. Employees had to contact other Class Is or short lines most of the time: “Seventy percent of our business touches another railroad,” noted Howarth. [Prospective shippers often compare the time and complication of this model, unfavorably, to that of other modes, such as air freight or parcel delivery, which can provide the price online within seconds. Editor]

The old way meant that pricing employees were spending 70% of their time on 9% of CSXT revenue, because the pricing process had to occur for an inquiry of one carload, or 10,000 carloads.

The new way

To create a new model, CSXT has set up a web site with 110 price lists, organized by geography and by commodity. These lists produce 4 million public prices, of which two million include the public price for a short line. CSXT does business with 225 short lines. About two-thirds of those participate in the pricing system. The remainder need to come on board, or no longer deal with CSXT.

Now, the customer goes to the CSX website, specifies the commodity, the origination, the destination, and receives a price. The railroad did not create prices for each existing railroad station. Rather, it established a price for delivery within a BEA region [regions around cities employed by the US Census Bureau of Economic Analysis - editor].

Who participates and who does not

At this point, said Howarth, about 25% of CSXT’s prices are established by the web. How can he tell? “Every bill of lading indicates the price, and the source of the price.” The source falls into one of three customer needs: contract, public price, or private quote.

Contract prices. Shippers who have a large volume of traffic over a period of time lock in the price for that period via a contract.

Private quotes. Howarth emphasized that the prices on the public system were not “take it or leave it. It’s a place to start” for some companies. Some shippers are unsatisfied with the public price.

Some want a bargain, a ‘special price’ lower than the internet price. CSXT, though, strives to use internet prices for smaller moves – less than one a week, according to one source.

Some shippers want to rely on the internet price over a period of time. CSXT and several other carriers have introduced a price calendar, showing how long CSXT will keep the price stable.

Guilford participation

Guilford, Howarth noted later, has a strong concentration of big paper customers in Maine. ‘Those are the kind of deals that do NOT tend to get automated. In 1998, CSX chose to work with Guilford to jointly put a product in the market that would let the shippers use rail instead of truck. It is very easy in the railroad business to haggle over the existing business, rather than to focus on growth. We took the attitude that we would work with Guilford and the customers - and it really worked.’ {e-mail to ANR&P 25.Sept.03}

Common language initiative

In order to create a pricing system among the Class Is, Howarth emphasized, the railroads must ensure that the terms each use mean the same thing. Hence, officials from CSXT, CN, BNSF, and UP are ironing out the differences, so that by mid-2004 their computers can produce joint pricing. “Without common language, we cannot produce a price for a movement across two systems” by combining the public price on one system with the public price on another system. He expects CPR, NS, and Kansas City Southern to join soon thereafter.

BCLR

Bernie Reagan, senior vice-president for marketing and sales at the Bay Colony Railroad, one of CSXT’s short lines, explained how the CSXT system evolved and applied to short lines. He sits on a CSXT committee which helped design, and advises on, the public pricing
system, and is enthusiastic about it. “It’s easy, it’s fast, it gives firm prices, and it enables us to compete for low-volume business.” Each short line has total pricing freedom: it can decide to participate in each price list.

And he sees increasing market acceptance. It may be similar to the early 1980s. Railroads after the 1980 Staggers Act were allowed to write contracts. In 1983 he handled his first contract. “In 1986 and 1987 came a tidal wave of contract pricing.” By 1992, people wanted to do contracts for one carload, but nobody can pay someone to negotiate rates for that. So the railroads moved toward public pricing.

“It’s been 116 years since railroad pricing was regulated. And 23 years since it was deregulated. It appears that this public pricing, in tune with the electronic age, is making direct and competitive pricing possible, and is finally getting it right.”

Prices don’t stay fixed
Reagan noted that sometimes a customer will call the public price too high, and complain to him even though CSXT sets the prices. In that case, “I’ll be your advocate” with the Class I to seek a lower price.

How public pricing gets BCLR scrap iron shipments
Speaking after his presentation, Reagan explained that BCLR has an on-line scrap metal dealer which uses the railroad often. But in the scrap business, the dealer often needs to put in bids for delivery of scrap in a few hours. Since the bid includes transportation, the dealer needs a quick price from the railroad, usually for ten to 15 carloads at a time. In the past, Reagan noted, the dealer would put in a bid based on the truck rate because the railroad took days, or even weeks, to produce a price. And often that bid would come in too high.

Now, said Reagan, BCLR does not need to get involved in the quote if the end point lies on the CSXT system. The dealer goes to the CSXT website, enters the origin and destination, and can get an instant price.

In several recent instances, the dealer has gotten business he would not have gotten without the quick rail quote.

[BCLR has two scrap shippers: Millis Industries (our Directory #293) and Mid-City Scrap (our Directory #298). Reagan declined to name which customer he was referring to. Editor]

BNSF
Denis Smith, marketing vice-president for industrial products, described to the audience BNSF’s approach to “market-based pricing,” as his railroad calls it. “We’re not allowed to use the word ‘public’ in Fort Worth,” BNSF headquarters. His railroad introduced public pricing [since Yarmouth lies outside Fort Worth, your editor will use ‘public pricing’ to indicate that the public may get an automated price from the BNSF web site] for agricultural products in the late-1980s and consumer products [intermodal] in select lanes in 2001. In 2001, it also introduced public pricing for carload rail service. Prices from the web now appear on about 30% of the bills of lading.

Like CSXT, BNSF provides prices to what it calls ‘groups’. The ‘Railprices’ point-and-click system enables the user to click on a commodity, click in the Seattle area on a map of the western United States as the origin, and click the Chicago area as the destination. The resulting price [I found the system very easy to use - editor] shows, for example, lumber originating in the Seattle Group and terminating in the Chicago Group costing $4631 for a 7000 cubic-foot boxcar on 24 September. But BNSF will also provide point-to-point rates, which take priority over the Group to Group rates.

Simplifying the pricing
Smith said BNSF is reducing the variety of equipment both in reality, by standardizing sizes of boxcars, and virtually, by quoting cars similar at the same rate. For example, boxcars between 5600 and 7000 cubic feet are given the same rate.

Avoiding a too-low price
BNSF formerly had 7,000 “pricing authorities”, and now has 1800. Having public prices prevents the railroad from offering a too-low price just to capture a customer, but ending up “lowering prices into fully-supplied market.” Smith explained this concept by example. If BNSF is already moving OSB out of the Pacific Northwest into the fully-supplied Los Angeles area for customer X, it will not lower a price for customer Y for OSB received from the east at Chicago below the margin BNSF is making on customer X.

Nor will the railroad lower the public price so that customer Y can beat customer X. The railroad does not want to shrink the markets of its customers (as it would if customer Y beat customer X’s price) and aid in driving the consolidation of its customers.

Flexibility
Smith acknowledged that BNSF was much less likely than CSXT to move lower on a price, in part to avoid pricing an existing customer out of a market. The railroad stands ready to adjust the prices in the market-based system very quickly either if a customer can show the price is pegged too high, or if the railroad perceives the market has changed.

According to a railroad brochure, ‘BNSF continually monitors the market and quickly reacts to changing market conditions to make sure prices are set at the appropriate level. Those prices are then made available to all shippers at the same time.’ In fact, the lumber price from the web site on 24 September had been raised from the price a BNSF brochure on market pricing showed: $3673.

Smith emphasized that when a customer shows the price is too high, not only that customer but any customer then gets the benefit of the lowered price. But he argued that his prices were not too high compared to truck: “They come out to about 75 cents per truck mile.” [For comparison, Champion Transportation Systems will provide a 48-53-foot trailer between Seattle and Minneapolis for $1.03 per mile. All rates on the Champion website exceed one dollar. Editor]
Moreover, variation in the cost of transportation is not going to make or break a purchase. “For example, transportation accounts for less than 10% of the delivered price of lumber.”

NORFOLK SOUTHERN
Speaker Marty Fava, account manager for paper, clay, and forest products noted that NS too had made an effort to improve the response time for pricing requests. The NS web-pricing system is designed for the small- to medium-sized shipper, moving 300 to 400 cars a year, down to one a month.

For the larger shippers, “private pricing will continue to be out there.” The top 20 forest products shippers account for 85% of revenues, and they will use private pricing.

To simplify the pricing, NS is reducing the number of types of equipment listed in the pricing matrix. It did have 17 different types of cars for shipping paper products. “The system is designed to attract the non-rail user.”

NOT EVERYONE IS GUSHING
Striking a different note than the first four presenters, Jerry Hebda, vice-president of Vermont Rail System, found public pricing—or as he called it, “retail pricing”—not all it is cracked up to be. “In concept, retail pricing is a good thing, but it’s not there yet. The main reason? “All the Class Is are going in their own directions. Everyone’s method is a little different than the next one.”

Hebda said he uses the public pricing systems “every day,” in the main CSXT, but also NS and the western systems. The Class Is have made “good progress”: both CSXT and NS produce competitive prices, but BNSF prices “rarely are competitive for New England markets.”

In using the web sites, he had found these problems:

- The systems do not cover every point in the continent, nor every origin-destination pair.

- The software does not tolerate errors. “If I enter the wrong STCC code [standard transportation commodity code—used only by the railroads—editor], or misspell a station, the system tells me to call an 800 number. I’ve then wasted my time on the web.”

- Existing systems are not uniform. “I’ve found a price on an eastern Class I website for a joint move to a western destination. When I try the same move on the western Class I website, I get a different price.”

- Sometimes the price is too high. “A potential customer may look at the too-high price and say, ‘Let’s use a truck’ and then the railroads have lost that customer.”

Proposal: mileage-based
Hebda called on the Class Is to form “one master date base, with all the stations on continent” into which a potential shipper could enter the zip code or the municipality, and the commodity. The system would then calculate the rail miles, apply per-mile rates, add a switching fee for the originating and terminating carriers, and produce a price.

Each railroad would enter its own mileage rates for various commodities, car types, and rail lines. The system could present the potential shipper with several different routes.

Ultimately, Hebda said, the railroads should give up commodity classification. Like the truckers and the airlines, they should present a price for moving a boxcar independent of what’s in the car.

In sum: “The railroads should eat a little humble pie, and cooperate with each other.”

THIRD-PARTY LOGISTICS PROVIDER
Sandy Hall, who handles the boxcar operation for third-party logistics provider (3PL) Distribution Services of America [see our Directory #s 236 and 257], listed two drawbacks of public pricing in her particular sector. First, she deals with customers who move rail traffic in several lanes, some high-traffic, and some low-traffic. The public-pricing system recognizes the traffic in only one lane, and will give a price for that lane. However, the customer recognizes that it is giving the railroad a substantial amount of traffic in toto, and would like to get a volume discount even in the low-traffic lane.

Second, the official noted that as a 3PL, she is doing much of the work for a railroad, from handling the initial contact with a potential shipper, through to delivery confirmation and billing. Although she may be handling a series of low-volume moves, she would like to get a discount for her total volume. “We handle 1400-1700 carloads a year” across the country using several different railroads, generating about $5 million in revenue. Her company, she believes, should be able to get a discount below the public price because of her total volume.

That discount, she suggested, could be made available automatically by permitting her to insert a PIN number on the website and get an automatic statement of the discounted price. [Some short lines get a discount off the public price, but must contact the Class I to obtain it. Editor]
Give up the STCC

Rian Nemeroff, vice-president marketing for the Housatonic Railroad, said some of the difficulty of using web-based pricing came from the railroads’ STCC (standard transportation commodity code) system, which has too many levels in it, and leads to too many prices on the web.

A later speaker, Karen Anderson, logistics manager for Honeywell, agreed. “The STCC system is unique to railroads. USDOT does not require a STCC code. Railroads should organize themselves around the customer,” who does not use a STCC code for transactions handled by other modes. {ANR&P coverage}

HIGH-SPEED RAIL

Boston- Montreal

On 26 September, Vermont Senators Jeffords and Leahy announced that USDOT had committed $248,375 for Phase II of the feasibility study [see 29 August issue]. The money is granted to Vermont with a 50% local match requirement, but VAOT’s Scott Bascom said the three-state partnership will actually spend it.

While Vermont has its match ready, Bascom in early September wrote to officials in Massachusetts and New Hampshire asking about the status of their funding and underscoring the urgency of getting back to work on the study before winter. A key part of the next phase of the study, videotaping and mapping the rail corridor, is best done in autumn, when leaves are off the trees.

NHDOT has yet to ask the governor and Executive Council to approve paying the state’s share, said Kit Morgan, the state rail administrator. Bascom said Massachusetts officials seemed “more upbeat than in the past” about their share, “but I don’t begin to understand what their concerns and their current politics are.”

NHDOT’s inability to come up with $67,000 for the study reveals transportation officials’ lack of interest in rail, said Peter Griffin, president of the New Hampshire Railroad Revitalization Association, a group that advocates for rail travel. “Spending $500 million on widening Interstate 93, that’s for the public good and there’s never a question that we have to do it. Yet turn around and say, ‘We want to spend a certain amount of money to re-establish a rail corridor’; they balk at it. The fiscal caution lights come on. They say, ‘I don’t support something that requires a subsidy.’” {AP in Boston Herald 14.Sept.03; ANR&P discussion with Bascom 30.Sept.03}

On 29 September, Maeve Vallely-Bartlett, manager of rail at EOTC said the Commonwealth had “just this day” told Bascom it accepts the Phase I report. However, because a final capital budget is lacking, Massachusetts cannot yet commit to paying its share of the matching funds. {ANR&P discussion 29 September 2003}

Portland-Montreal

See Maine.

GUILFORD / ST.LAWRENCE & ATLANTIC

17 September, Kerhonksen NY. CYRO INDUSTRIES SWITCHED RAILROADS FROM GRS TO SLR. Ralph Iacobelli, logistics specialist, told the Northeast Association of Rail Shippers fall meeting here that the move had happened in June.

Facility in Sanford, Maine

The Cyro Sanford facility formerly ranked as the company’s main facility and warehouse. Production used the casting method to produce plastic sheets. When Röhm became a partner, Cyro began using the more efficient continuous production method, and Osceola, Arkansas became the main facility. Now, Osceola receives around 600 cars a year, and Sanford 250 to 280. Sanford still houses the company’s computer center.

Former transload in Newington, New Hampshire

Bulk plastic from Fortier [see box] arrived via GRS trains to a four-car siding with two unloading spots in Newington. There, the plastic was pumped into a storage tank, and as needed transloaded into trucks for the short journey to Sanford. Because the Newington Industrial Track is not switched every day, Cyro had to wait a considerable time to unload additional cars.

As a result, the tank—which cost Cyro $18,000 to $19,000 a month—averaged about one-quarter full. As the expiration date of the lease on the tank drew near, Cyro looked for alternative means to deliver bulk plastic to Sanford.

New transload in Auburn, Maine

In searching for other transload spots, Iacobelli kept safety uppermost. The Newington facility had a containment system for loading trucks, and Cyro required that any rail-to-truck facility have the same. Iacobelli found such a system at Safe Handling in Auburn, on the SLR. Now, bulk plastic arrives at Safe Handling and is pumped into a tank there, then into trucks as needed.

Ed Foley, vice-president marketing for the SLR, said he had long sought the business for his railroad. {ANR&P coverage}

ABOUT CYRO INDUSTRIES

Cyro, now headquartered in Rockaway, New Jersey, was formed in 1976 as a partnership between American Cyanamid and Degussa to produce bulk plastics. Later, the American Cyanamid half morphed into Cytec, and the Degussa share into Röhm Gmbh, a subsidiary of...
Degussa.
The bulk plastic is made at a plant in Fortier, Louisiana, which also produces for Cytec. Union Pacific Railroad (UP) hauls out product for both companies: about 1000 carloads a year for Cyro, and 3000 a year for Cytec. Cyro has production facilities at three locations, but limited storage at Fortier. The Sanford facility receives 250-280 cars a year; the Wallingford CT facility 80; and the main production facility in Osceola, Arkansas about 500 cars.

New rail distribution pattern
Iacobelli told the group that formerly UP had pulled the cars into the New Orleans Yard, whose congestion caused considerable delay before the cars were moved by various railroads to the distribution facilities. He found that by giving UP a long haul to East St. Louis, Illinois, Cyro not only avoided the New Orleans congestion, but also got the Fortier plant switched on a timely basis. With Cyro’s lean fleet of about 120 cars, quick cycle times (a cycle means a round trip between the production facility and the destination) were important.

Wallingford facility
The production facility in Sanford is described in the main article. The Wallingford CT facility Iacobelli called highly profitable, but low volume. It produces XT polymer. [ANR&P coverage]

LIQUID NATURAL GAS TERMINALS
29 September. THE REGION NOW HAS PROPOSALS FOR THREE NEW LNG TERMINALS, to supplement the gas pumped ashore in Goldboro Nova Scotia from Atlantic gas fields.

MORE ABOUT LIQUID NATURAL GAS
As finds of new natural gas fields in North America dwindle, and we use ever-more energy, the profit in importing natural gas has increased. In June, US Federal Reserve Chair Alan Greenspan called for an expansion of imported LNG.

In the United States, LNG accounts for less than 1% of the natural gas supply (most natural gas moves as a gas via pipeline), but in New England the figure is closer to 20%. LNG arrives by rail at several terminals and at one marine terminal, in Everett on Boston Harbor. Everett receives dozens of ships a year from North Africa and the Caribbean. [Our Directory lists 10 propane terminals in southern New England alone. Editor] [Tux Turkel in Portland Press Herald 19.Sept.03]

Harpswell, Maine
On 18 September, TransCanada Corporation and ConocoPhillips announced a proposal to re-use a former US Navy fuel depot here. The 188-acre property once received jet fuel from barges which was piped to the Brunswick Naval Air Station nearby.

The companies, under a partnership entitled ‘Fairwinds’, propose to install two storage tanks designed to handle 500 million cubic feet of gas. After conversion from liquid to gas, the product would move via a newly-built connector pipe to the existing natural gas pipeline through Maine. Ships would arrive every four to nine days.

The Town of Harpswell, which now owns the property, would receive $9 million a year when the terminal hits full operation in 2009. Town officials plan a vote on the deal on 16 December. [Dennis Hoey in Portland Press Herald 19.Sept.03]

Saint John, NB
The Harpswell proposal will not change Irving Oil’s plans for its own LNG plant in east Saint John, according to Daniel Goodwin, a company spokesperson. “We believe the long-term outlook for bringing LNG into North America is very, very positive.” Irving Oil will hold a public meeting at some point before the new year to release more details. [CBC webposted 29.Sept.03]

Strait of Canso, NS
On 25 September, local residents questioned Access Northeast Energy about its plans for a LNG terminal on Bear Head, on the east side of the Strait [see 29 August issue]. [CBC webposted 26.Sept.03]

CONNECTICUT

CONNECTICUT SOUTHERN
22 September, Windsor Locks. CSOR AND AMTRAK ARE EXAMINING THE STRENGTHENING OF A BRIDGE over the Connecticut River here. The bridge represents the only bar to running trains with 286,000-pound cars, though Amtrak will need to add 5,000 ties. Since
50% of CSOR’s business consists of lumber, the ability to increase weights from the 263,000-pound car to the 286 point means the railroad could increase its efficiency. [e-mail to ANR&P from source close to the issue]

Peter Cohen, director of government affairs for Amtrak, told the Connecticut Public Transportation Commission meeting on 4 September that Amtrak and Connecticut were working in partnership to permit heavy axle-loads on the route. {minutes of meeting}

MAINE

PASSENGER RAIL

29 September, Augusta. AN UPDATE ON SERVICE NORTH OF PORTLAND came from Ron Roy, head of passenger transportation for MDOT, said on 29 September that funding is identified for the entire project from Portland to Brunswick. It includes some unused funds from the past, the November 2003 $2 million bond issue, and another $2 million in the next biennium. Those funds will match federal CMAQ funds (congestion mitigation air quality) authorized under the six-year federal Transportation Equity Act, which expires at the end of this month.

The US Congress has not finished writing a reauthorization of TEA-21, but will extend it for half a year to permit reauthorization. Roy is confident that the CMAQ program will remain, and the MDOT can count on future uses of CMAQ funds. “That’s why we have put startup of the Portland-Brunswick Amtrak service to 2007: we anticipate using the CMAQ funding then.” [Maine has other plans for its annual share of CMAQ funding in earlier years. Editor]

Portland-Yarmouth

MDOT is still finishing the environmental assessment and the business plan for Portland to Brunswick [see 18 July issue]. The completion of this will permit FRA to decide to permit MDOT to draw down funds for the project, particularly for the construction of the bridge across Back Cove in Portland.

Yarmouth Junction

To permit trains to easily move off the SLR track at Yarmouth onto the GRS track to Brunswick, and vice-versa, MDOT anticipates significant track work.

Yarmouth-Brunswick

Amtrak needs an agreement with Guilford to operate over this section. Roy said that NNEPRA will handle these negotiations. NNEPRA Executive Director John Englert wrote that the first step will be an agreement between NNEPRA and Amtrak, and then Amtrak will negotiate with GRS. ‘No specific discussions have taken place.’ [e-mail to ANR&P 30.Sept.03]

Brunswick-Rockland

Roy said “when service to Brunswick is clearly in sight,” perhaps by 2005, MDOT will begin to entertain proposals for passenger operations on the refurbished Rockland Branch. He extolled the selection of the Morristown and Erie Railroad to run freight operations on the Branch [see below]: “Morristown & Erie has a background in passenger operations, has equipment, and a relationship with Amtrak. Perhaps ‘they will put some [excursion] operations in place themselves, and give us a chance to look at them’ [before 2005]. But, he cautioned, MDOT has retained the option of opening the Branch to proposals for passenger operations from anyone. [MDOT originally wanted to attract passenger operators before Amtrak got to Brunswick. Editor]

Yarmouth-Auburn

According to Roy, once the FTA gives the go-ahead for the Brunswick project, “we will start supporting studies” for Amtrak service to Auburn and “we may want to do a commuter piece.” The Maine delegation is seeking funding for this work. The Senate Appropriations Committee passed the FY04 Transportation and Treasury Appropriations on 4 September; it includes $3 million for upgrades on the Yarmouth-Auburn line to FRA class 3.

While obtaining this money seems premature, since work on the Brunswick segment has not even started, Roy noted funding need not be spent for three years after appropriation. MDOT anticipates significant planning expenditures, including an intermodal station near the airport in Auburn.

Beyond Auburn, to Montreal?

Roy would like to look beyond Auburn, to Montreal. Senator Olympia Snowe’s letter to the FRA on 23 September, requesting designation of the Auburn-Montreal corridor for high-speed rail, and the designation language supported by US Senator Kay Bailey Hutchison [see 29 August issue], are steps in that direction. Roy said that Lewiston and Auburn made the initial request for high-speed designation; the MDOT commissioner endorsed that, and passed the request on to the Maine delegation. While getting the designation as a high-speed corridor “is easier said than done,” getting the designation “might shake loose some planning money,” noted Roy. {ANR&P discussion
AMTRAK

21 September. **DOWNEASTER RIDERSHIP IMPROVED DURING THE SUMMER** [see 8 April issue, down 32% in February], partly making up for a dismal winter and early spring. Overall ridership numbers for the year to date are down 5%, revenues 10%, below the train’s inaugural year, said John Englert, NNEPRA executive director.

For its part, Concord Trailways has seen ridership gains of 3 to 5% between Portland and Boston in this calendar year, said Ken Hunter, vice president of Concord Trailways in Concord, N.H. The bus company, which shares its Portland terminal with Amtrak, has benefitted from the attention the train service has brought as well as growth, albeit slow, in the number of people traveling in general, Hunter said.

Amtrak and Concord Trailways have joined forces to offer a six-day-a-week ride. Starting next month, a $99 “Flexpass” ticket between Boston and Portland will be good for six one-way trips between Portland and Boston on either carrier. {Destination Freedom 22 Sept 03}

MONTREAL, MAINE & ATLANTIC

25 September, DC. **MMA MAY PARTICIPATE IN THE BOARD’S CASE ABOUT CN TRACKAGE RIGHTS**, the Surface Transportation Board said. ‘In support of its request, MMA states that: (1) it has a stake in the outcome of these proceedings because it is the owner of the lines at issue; (2) the Board previously allowed MMA to intervene in related proceedings involving the lines; (3) intervention will give it the right to review confidential material, subject to protective order, and to participate fully in these proceedings; and (4) intervention will neither disrupt, nor broaden the scope of, these proceedings.’

In this case, the Bangor and Aroostook bankruptcy estate seeks to revoke the selling of trackage rights to CN from Van Buren to Madawaska to serve the Fraser paper mill there. [See 18 July issue].

Still awaiting the filing of the discontinuance

On 4 September, the trustee of the Bangor and Aroostook system estate, Jim Howard, filed an amended notice of intent to file the application to authorize discontinuance of CN’s trackage rights. ‘The trustee is refiling this Amended Notice so that if he does not file his adverse discontinuance application by September 12, he will become eligible to file it again on or after September 19.’ {STB Docket No. AB-124 (Sub-No. 2)}

ROCKLAND BRANCH

22 September, Wiscasset. **DRAGON HAS SUSPENDED THE EFFORT TO PURCHASE MASON STATION.** According to a press release from Dragon, the talks with the owner, FPL Energy, have reached an impasse over terms and conditions of the sale. The company was scheduled to present its application to the Planning Board this day, but canceled. Dragon proposed using the Mason Station as a rail-to-barge transfer facility for cement manufactured at its plant in Thomaston [see 9 September issue].

Local objections played no role

Dragon Vice President Terry Veysey said a group opposing Dragon's plans, Stewards of the Sheepscot, was “working with incorrect information.” Dragon wanted to correct some of the information the group has used to oppose the plans, but its opposition was not a factor in the suspension. “Our rail-to-barge operation would not create or produce dust. And noise is not an issue; all machinery used to transport the cement onto our barge would be enclosed. It really is a low-key operation since it is just the transferring of cement from the train to the silo or the barge.”

Andrew Gilmore, the town’s director of community and economic development, said Wiscasset officials are disappointed the talks have stalled, but the delay won’t take the pressure off the town. “The town still has to make up its mind what it wants to do with that site, and how it wants to get there.” {Bob Kalish in Brunswick Times-Record 23 Sept 03}

23 September, DC. **THE MAINE EASTERN RAILROAD WILL BEGIN OPERATING** on 1 October, according to the verified notice of exemption filed with the Board. The Morristown and Erie Railway (M&E) executed a Lease and Operating Agreement on 19 September with the state for operations on the ‘Augusta Branch Line’ [aka the Lower Road from Brunswick to Augusta as far as MP55.91], the Rockland Branch, and the Atlantic Branch (the line to Dragon’s transload at Atlantic Point in Rockland).

Maine has reserved for itself the non-exclusive right to operate passenger rail services over these lines [see above].

M&E will do business as the Maine Eastern Railroad. SRP is currently operating these lines, as provided for in STB Finance Docket Nos.33967 and 33968. SRP and Maine will terminate their lease and operating agreement on 30 September.
M&E certified that even with this acquisition, projected annual revenues will fall below $5 million. {STB Finance Docket No.34403}

**ST.LAWRENCE & ATLANTIC**

27 September, Auburn. **SLR OCCASIONALLY HANDLES SCRAP FOR GRIMMELL.** On this day, a blue crane with a magnet attachment was loading scrap into several gondolas on the siding across from the engine house in Lewiston Junction. Most of Grimmell scrap moves through Portsmouth [see 15 February 2002 and 29 August 2003 issues]. {e-mail to ANR&P from SLR’s Ed Foley; observation by Alan Seamans in NERAIL}

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**MASSACHUSETTS**

**HIGHWAY SALT**

26 September. **THE COMMONWEALTH DECIDED TO REJECT THE BIDS OF THE REVERSE AUCTION** and to renew the existing salt delivery contracts. [The new prices should appear on CommPass—see 02#12A for 2002 prices. More in a future issue.]

**MASS. BAY TRANSIT AUTHORITY**

7 August, East Braintree. **THE MBTA WILL BUY 1.7 MILES OF TRACK FROM CSX** for $3.9 million, to permit it to proceed with the Greenbush commuter operation. The T board, meeting in executive session this day, approved the purchase.

T spokesperson Joe Pesaturo, speaking on 12 September, said: “With this purchase, the T now owns the right of way for the entire Greenbush corridor. The alternative would have been a costly long term lease with CSX without a fixed cost.” CSXT retains trackage rights. {Braintree Forum 17.Sept.03}

In February, the T was offering to lease the short section for $70,000/year, while CSXT was asking $580,000/year. {Casey Ross in the Patriot Ledger 14.Sept.03}

**What track is involved**

CSX is selling the Weymouth Industrial Track in Braintree from the wye to Mill Street. It will retain ownership of the Braintree Yard.

**Effect on Fore River Transportation**

FRVT has two customers, Twin Rivers Technologies (our Directory #320) which owns FRVT, and New England Fertilizer [contract operator of the Massachusetts Water Resources Authority (which owns the Fore River Railroad and leases it to FRVT) sludge plant (our Directory #319)]. Currently, FRVT interchanges with CSXT at the East Braintree yard.

The T plans to eliminate all but one track of the Braintree yard, and install new tracks near the FRVT customers. FRVT will then interchange with CSXT at the Braintree Yard, which was completely rebuilt when the T restored commuter operations to Plymouth and Middleborough. {ANR&P discussion with Bob Sullivan, CSXT spokesperson 29 September 2003}

22 September, Boston. **GOVERNOR MITT ROMNEY GAVE THE HIGH-BALL TO THE GREENBUSH COMMUTER RAIL PROJECT,** after suspending the project in February to obtain needed permits and review the state’s overall financing. Romney, who had recently voiced doubts about the cost and value of the project, ultimately decided that the Braintree-to-Scituate branch would offer residents the best transit alternative available, said Douglas Foy, Romney's transportation and development chief. Still remaining to be secured for the project is a key wetlands permit.

Minutes after Romney made his decision, officials at the Massachusetts Bay Transportation Authority called the contractors, Cashman/Balfour Beatty, and told the company to press forward, said MBTA general manager Michael H. Mulhern. He spent hours lobbying for the 18-mile, $479 million project over the summer. Mulhern, along with Foy and EOTC Secretary Dan Grabauskas, made the announcement.

Bennet Heart, a senior attorney for the Conservation Law Foundation, said the foundation was gratified by Romney's decision to back Greenbush in the end. “It was a commitment [brokered by CLF] of the Central Artery project, and it's important that that commitment be fulfilled.”

**25-year transportation plan**

According to Foy, the governor and Legislature in October will begin the arduous task of formulating a 25-year state transportation plan to create a list of transportation priorities. Doing so will create a badly-needed road map for transportation spending. Many MBTA proposals, such as the New Bedford/Fall River commuter line, may not make the cut, Foy said. {Raphael Lewis in Boston Globe 23.Sept.03}
22 September. THE T IS SOLICITING ENGINEERING SERVICES FOR INFRASTRUCTURE IMPROVEMENTS ON THE WORCESTER COMMUTER RAIL LINE. [See 18 July issue.] ‘The infrastructure improvements to be identified will enable the MBTA to add additional commuter rail train service between Framingham and Worcester. This solicitation also includes a Feasibility Study for a Framingham State University Commuter Rail Station. Services for the Worcester Track will include, but not be limited to, Alternatives Analysis; Conceptual Design (0-15%) for a Third Main Line Track between Framingham and Worcester; Preliminary Design (0%-30%) for approximately 6.5 miles of side track in the Framingham and Worcester areas; Community Participation; Interagency Coordination; Environmental Services; Coordination with CSX Transportation; and Cost Estimating.

Framingham State College [No such thing as ‘University’ per website - editor] is located on Route 9 off the CSXT Fitchburg subdivision. Any service to the college would entail a separate train from the Worcester trains. The solicitation did not mention this, saying only: ‘Services for the Feasibility Study for a Framingham State University Commuter Rail Station will include, but not be limited to, Kick Off Meeting / Project Start-up; Research and Data Gathering; Preliminary Concepts and Analysis; Preliminary Concepts Presentation and Preferred Alternative(s) Selection; Preliminary Design, Study and Analysis; and Report Preparation, Graphics and Presentation.’

Responses are due to the T by 15 October. {MBTA website}

CSX TRANSPORTATION

16 September, West Springfield. A PRESENTATION ON THE WEST SPRINGFIELD RAIL YARD PROJECT was made to the City Council by Tim Brennan, executive director of the Pioneer Valley Planning Commission, and his consultant Ken Schwartz of Vanasse Hangen Brustlin [see 8 August issue].

A group of Precinct 1 residents recently told Schwartz that the underpasses on Union and Main streets are too low, that trucks traveling to the industrial area near the CSX railyard go too fast, and that they lessen air quality. Those factors need to be taken into consideration before use of the railyard and nearby industrial properties is increased. “I couldn't agree more with what the neighbors said about truck traffic,” District 1 Councilor Diane Crowell.

Next steps

Brennan said later that VHB is doing a market survey of 500 businesses in the area; the results are due in a few weeks. It has also received some base information from CSXT. The intended September meeting of the advisory committee will happen in October. {ANR&P discussion 29.Sept.03; Jack Farrell in Springfield Republican 17.Sept.03}

GUILFORD RAIL SYSTEM

29 September, Mt.Tom. NORTHEAST UTILITIES HAS HAD TO PURCHASE DOMESTIC COAL ‘due to coal not getting to Mt.Tom in a timely manner,” said the company’s fuel principal, Keith Saunders. {ANR&P discussion}

Coal train MAU-19 (Massachusetts Utility) was spotted on 28 September at Ferry Street on GRS, just across the Hudson River from Mechanicville. On the same date, coal train NHB-43 (New Hampshire Bow) was enroute on Guilford’s west end to Northeast Utilities’ Bow power plant.

By 30 September, the train was dropped at Mt.Tom for GRS to switch into the plant. {Gary Young cited in NERAIL 29&30.Sept.03}

NEW HAMPSHIRE

COMMUTER RAIL

29 September. HOUSE MEMBERS APPEAR RELUCTANT TO PUSH A LIGHT-RAIL SYSTEM FOR THE I-93 CORRIDOR, AT LEAST NOW. John Gleason, state representative from Derry, in early 2003 introduced HB765, which ‘directs the department of transportation to consider a commuter light rail system in conjunction with the project widening Interstate 93 from Manchester to the New Hampshire - Massachusetts border. This bill also sets up a commission to monitor the Interstate 93 widening project and ensure that a light rail transportation system is considered and implemented whenever possible.’

The fiscal note attached to the bill noted: ‘The Department states this bill establishes a Light Rail Oversight Progress Commission that will require consultant assistance to comply with requirements of this bill. The Department estimates that state expenditures will increase by $400,000 for this consultant based on the requirements of the bill and comparisons with other consultant agreements.’

Gleason said he wanted, after the widening, to ensure that the possibility of rail is retained. “I do not oppose the widening, but let's keep this on the horizon.” The bill was not passed during the 2003 session, but ‘retained’ for further discussion. Following a meeting on 10 September of the House Public Works and Transportation Committee, Gleason said his fellow members apparently feared the oversight would slow the widening process, and would not support his bill.

Gleason reported that US Senator Judd Gregg is seeking funding for a joint study between Massachusetts and New Hampshire on the rail possibility. {ANR&P discussion 29 September 2003}
MILFORD-BENNINGTON RAILROAD

September, Wilton. GRANITE STATE CONCRETE WANTS TO EXPAND ITS QUARRY. The Wilton Planning Board is now considering a request, filed in late 2002, for a permit to expand the quarry from 22 acres into a 120-acre tract currently zoned residential/agricultural. Neighbors oppose the expansion. The Planning Board has hired an engineering firm which has been collecting data and will eventually present a report. Then the board will decide.

According to Jeff Kandt, one of the neighbors, Granite State does not plan to increase production, but anticipates the playing out of its current quarry in 10 to 45 years. The new site will enable it to continue production at its current rate. {e-mail to ANR&P from Kandt 25 Sept.03}

15 September, DC. THE STB DECLINED TO ISSUE AN EMERGENCY ORDER TO ASSIST GRANITE STATE CONCRETE, in response to the request of the railroad and its customer.

Background

MBRX moves stone from a quarry at Milepost (MP) 19 in Wilton on MBRX to a processing plant owned by Granite State Concrete in Milford at MP13, on the GRS line from Nashua. Before 20 June, MBRX had operated three trains a day during the operating window from 630AM to 630PM available to the quarry as a condition of its permit. On 20 June, GRS restricted the hours to 1-8AM, but later changed the hours to 4AM-1PM.

After a bout of mediation from the STB [see 18 July issue], MBRX and Granite State filed a petition on 14 July [see 18 July issue] requesting an order for emergency service, and an award of damages. The parties alleged that Granite State was losing $10,000 a day [see 21 August issue] because it could run only two trains a day, not the usual three.

Emergency order denied

The Board, or Roger Nober [normally the board consists of three commissioners, but the Bush administration has declined thus far to nominate new members, so the one commissioner makes all the decisions -editor], noted that it may issue an emergency order for a period up to 30 days directing the movement of traffic of rail carrier ‘over its own or other railroad lines’ if a substantial, measurable deterioration in service occurs.

But, Nober found, a decrease in service from three to two trains a day does not constitute an emergency or a substantial material deterioration of service. Moreover, MBRX ‘appears to have the ability to increase its service by commencing operations earlier in the morning.’

And an emergency order requires a finding that the incumbent carrier, here GRS, cannot transport the traffic offered to it. Here, GRS ‘maintains that it offered to serve Granite State directly but that Granite State declined this offer. Complainants do not deny this, and do not show why such alternative service would not be adequate.’

Adequacy of service

Nober wrote that the Board would commence a proceeding under 49 USC 11701(c) ‘to consider whether [GRS] has acted to interfere unreasonably with [MBRX’s] ability to meet its common carrier obligation.’

Revocation of class exemption

GRS argued that the STB had exempted rail movements of stone from its regulation [see similar exemption of scrap metal in 20 May issue]. The complainants responded that the exemption should be revoked, and Nober agreed. The Board’s ability to consider requests to revoke an exemption as part of a complaint ‘is important where, as here, there is a need for expedition....Assuming without deciding that the exemption applies to [GRS] transportation and services here, revocation of the exemption, to the extent necessary to allow the Board to give consideration to [GRS] actions with respect to the service provided by [MBRX] to Granite State, is required to carry out the many provisions of the rail transportation policy favoring competition.

‘In particular, Granite State lacks the competitive service options that were the basis for the original class exemption because its excavation permit requires that stone move by railroad, not by truck, to avoid movements through Wilton.’

Next step

The two sides will proceed with discovery through 30 October, file opening statements by 1 December, reply statements by 29 December, and rebuttal statements on 13 January 2004. Nober recommended that the parties resolve the matter by private negotiation, ‘or by using the Board’s alternative dispute resolution processes of arbitration or mediation.’ {STB Docket No.42083 served 15 Sept.03}

Wasn’t this already in mediation?

Before MBRX filed its complaint, it sought resolution through the STB’s Office of Compliance and Enforcement, and failed [see 18 July issue]. But, per STB attorney Nancy Beiter, that did not constitute mediation. The Board has rules under which opposing parties may select a professional mediator or arbitrator to try to resolve the dispute. {ANR&P discussion 25 September 2003}
25 September, Milford. **GRS, MBRX, AND GRANITE STATE WILL GO TO MEDIATION.** Peter Leishman, MBRX owner, said GRS had contacted his attorney, Jim Howard to move into mediation; “we were willing to do arbitration” but GRS declined. The parties have agreed to ask the Board to make Mel Clemens available, who handled the informal dispute earlier. Howard emphasized that the mediation will not delay the procedural schedule spelt out by the STB [see above].

**Ongoing problems**

On 18 and 19 September, GRS permitted MBRX to run without restricted hours, raising false hopes that the dispute was over. But per Leishman, GRS had done that only because GRS track had suffered a number of broken rails, further restricting MBRX operations. On 22 September, GRS reinstituted the restricted hours, which allow MBRX only two trains, in part because GRS track will permit only five miles-per-hour operation.

The railroad and the concrete company have incurred damages to date of $2 million, said Leishman. “Over the last eleven years we have run three or four trains a day,” with some deliveries permitting Granite State to build up its stockpile for winter processing in Milford. At this time, Granite State has no stockpile built up, and has had to lay off workers. “We’re all really hurting. Last year we did 4,000 cars; this year we have not yet reached 2,000.”

**Why not buy the GRS track?**

“Long before this trouble started,” noted Leishman, he sent several letters to GRS President Tom Steiniger seeking to buy the three-mile section of GRS track used by MBRX. “We offered permanent trackage rights for Guilford to serve its customer Hendrix in Milton, and to serve Pike Industries.” But GRS did not sell. Now, Leishman says, he might be willing to accept the track in return for his dropping the damages claim. {ANR&P discussion 25.Sept.03}

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**VERMONT**

**VERMONT RAIL SYSTEM**

15 September, DC. **THE STATE OF VERMONT RAISED THE ISSUE OF SOVEREIGN IMMUNITY** in response to VRS’ request to the Surface Transportation Board to rule on whether state and local environmental regulations violate the federal jurisdiction over rail matters [see 26 June issue]. VRS would like to build a salt transload facility in Wallingford.

In responding this day via a supplemental petition to the state claim of sovereign immunity, VRS first amended its request to require that named individual officers of the state and Wallingford may not perform their duties in a manner contravening the Interstate Commerce Commission Termination Act.

The state is relying on *Federal Maritime Commission versus South Carolina State Ports Authority*, 535 US 743 (2002), where the US Supreme Court held for the first time that the Eleventh Amendment can be applicable to certain federal administrative adjudications. {STB Finance Docket No.34364 15.Sept.03}

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**QUEBEC/MARITIMES**

**ST.LAWRENCE & ATLANTIC**

10 September, Richmond. **A PUBLIC MEETING ABOUT THE PROPOSED RAIL SPUR WENT WELL**, reported Martin Lafleur, general manager of comite promotionelle industrie Richmond [see 9 September issue].

Proponents presented the project to citizens of Richmond. Only 37 people signed to refer the question to a referendum, far short of the 184 (2% of the population) needed. Lafleur estimated that work would get underway in three weeks. {ANR&P discussion 29.Sept.03}

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**SYDNEY COAL RAILWAY**

September, Sydney. **LOGISTEC IS REPLACING THE COAL MOVEMENT SYSTEM AT THE INTERNATIONAL PIER.** The pier, built in the 1990s to continue to export coal from the DEVCO (Cape Breton Development Corporation) mines, is now used to import coal for burning in Nova Scotia Power (NSP) plants. Logistec in December 2001 began operating the pier and other coal facilities under contract to its owner Emera, the parent of NSP. In January 2003 Emera sold the coal-handling assets to a partnership of Logistec and CFQ [see 27 January issue].

Logistec initially used the jury-rigged system employed by DEVCO to unload the ships and to load trucks, which deliver coal to Point Aconi, and railcars, which deliver coal to the Lingan power plant. The coal is dropped on the pier; bucket loaders scoop the coal into
trucks, and a stacker boosts coal into the rail cars.

The rail loop
Tracks form a loop shoreside of the International Pier, at an elevation of about 60 feet above the pier because the tracks remain at the same elevation coming off the upland terrain. This loop embankment effectively provides a walled enclosure with but one opening, a trestle where loaded coal cars dropped the coal down to the system for loading ships.

New system and operation
The partnership is now spending $7.5 million to install a state-of-art coal handling system, based on storing 200,000 tonnes of coal inside the loop. According to Peter Weaver, Nova Scotia Department of Environment and Labor, Logistec received an amendment to its permit expanding coal storage at the pier from 40,000 tonnes to 240,000 tonnes, contingent on the installation of the new handling system.

Coal will move off the ship on the enclosed existing conveyor but speeded up from 1300 tons per hour to 2500 tonnes per hour. It will then move to the inside of the loop for storage, or be diverted to another enclosed conveyor which will lift the coal into waiting coal cars.

Advantage of new system
As explained by Paul Doiron, vice-president of the Atlantic division of Logistec, the new method provides surge capacity at International Pier rather than at Victoria Junction. This benefits Nova Scotia Power by cutting the costs associated with double-handling. In addition, rail delivery to Lingan can now happen as needed on a Monday-Friday 8-5 schedule.

The speed increase in off-loading should also benefit NSP by reducing ship time in port. About 2 million tonnes a year will move over the pier [see 15 February 2002 issue], with ships delivering 35,000 to 50,000 tonnes per call.

The system also has significant environmental controls which should help the nearby residents, who often complain of coal dust. Trucks are loaded inside the loop, by a scoop; the embankment will reduce the spread of coal dust.

Future of Victoria Junction
Emera only leased this coal transload facility for two years [see 15 February 2002 issue]. Doiron said “we’re in the midst of final cleanup” before handing it back to DEVCO. That should happen before December.

The new handling system should come into full operation in mid-October. \{ANR&P discussion 26.Sep.2003\}

HALIFAX
25 September. *A SHALLOW-DRAFT 4100TEU CONTAINER SHIP DOCKED IN MONTREAL*, the *Canmar Spirit*, ‘one of the three largest containerships ever to sail the St. Lawrence River. Her two sister ships, the OOCL Montreal and Canmar Venture, began calling Montreal in July and August respectively. Designed specially for navigation on the St. Lawrence, these state-of-the-art containerships have drafts of only 10.7 metres - equal to those of the 2,300-container vessels already calling Montreal. The *Canmar Spirit*, *Canmar Venture* and *OOCL Montreal* now offer a weekly service between Montreal and the European ports of Thamesport (England), Antwerp (Belgium) and Le Havre (France). All three are operated by world-class shipping lines: the first two by Canada Maritime, a member of the CP Ships group, and the third by OOCL. \{press release\}

A threat to Halifax?
Do these ships diminish the competitive benefit of Halifax’s deep harbour? No, said a source close to the competition between the two ports:

1. The strings that call Halifax call New York. Because they call New York, they hit the same origin ports that are popular in the United States. That gives Halifax an advantage. The Montreal strings hit origin ports that are attractive to the Montreal market first, and the United States second.

2. Going down the St. Lawrence River is a long voyage for a ship. The rail will always be faster, and probably more cost-effective counting in and out. \{e-mail to ANR&P\}

RAIL SHIPPERS
Described in this issue. *Our Directory of Rail Shippers & Receivers in Southern New England has more information on the companies denoted with their directory number.*
Cyro (GRS and SLR), Distribution Services of America (CSX - see Public Pricing - #s 236, 257), Dragon Cement (Rockland Branch, Maine), Granite State Concrete (MBRX NH), Grimmell (SLR Maine), Mt.Tom (GRS, MA #166), Nova Scotia Power (SCR).
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