Intermodal: CN, NS, CSXi comments on profit.
NBSR/MMA: Test intermodal run.
High-speed rail: Boston-Montreal Phase I report*
PW: Lowe’s will not use rail, for now.
MAINE
MDOT: Freight Advisory Council will convene this autumn. Strong interest in IRAP.
Calais Branch: Future still looks uncertain.*
MDOT looking at bus or rail for Bangor-Bar Harbor segment.* EMRDC wants RDCs.*
Rockland Branch: Maine Eastern not to begin operation until 1 November.* MDOT will pay for maintenance up to $130,000.*
GRS - Maine: Georgia Pacific may acquire wood-fired boiler for the Old Town plant.* Chipper on hold.* Boralex ready for IRAP to rail in chips to Livermore Falls.*
MMA: Rail costs too much for Army shipping.*
MMA/B&A Estate: Adverse discontinuance filed.
Portland: Merrill’s Saga and Kent Line calls.
 MASSACHUSETTS
Boston MPO: Freight committee looking at rail to Massport's Conley Terminal.
BCLR: MBTA to add Plymouth line to Millis RFP.*
CSXT: Correction on East Braintree Yard. MIT constructing a building over the Grand Junction.
MCER: HQ building sold.
NECNS: Update on coal. Orangedale stud log shipper.
CN/Halifax: Municipality still looking at rail as a commuter option.
Sydney: Pulp & stud wood out by barge [see CBNS].
RAIL SHIPPERS/RECEIVERS
A cross-reference to companies mentioned here.

PEOPLE, POSITIONS, EVENTS
Al Soppitt, Michael Leone, Jon Lasko.

Activity picking up
Portland has two new, regular calls. The B&A adverse discontinuance is filed, finally. The Gilman mill may open. The MBTA will issue the Millis-Plymouth RFP. That test MMA-NBSR dedicated intermodal train may become permanent.

- Chop Hardenbergh

Next issue: 31 October

Common abbreviations:  
REGIONAL ISSUES

CLASS I INTERMODAL PROFITS?

19 September, Kerhonksen NY. THE NORTHEAST ASSOCIATION OF RAIL SHIPPERS heard a panel at its autumn gathering on the topic, ‘The long-term viability of the intermodal product.’ Representatives of three Class Is spoke.

CSXI
Joe Pirozzi, assistant vice-president of domestic sales, first noted that his company was chartered as a motor carrier by CSX; he pays FICA, and not railroad retirement. CSXI does all the CSX intermodal business, accounting for 16% of revenues at CSX, compared to 11% for auto traffic, 24% for coal traffic, and 49% for merchandise.

Of the intermodal traffic, 49% moves in domestic lanes, 14% is accounted for by less-than-truckload (LTL, primarily United Parcel Service), and 37% international traffic. His division of domestic sales handles the IMC–intermodal marketing company–business (and with one exception, all domestic boxes move under IMC management), the truck business (J.B.Hunt, Schneider, and so forth), and the Pacer Stacktrain.

Customer preference
A recent survey by J.D.Powers of customer preference in intermodal found that 41% of customers listed reliability as the number one reason to use intermodal, 39% listed price, 9% equipment choice, and only 11% speed. Even so, underscored Pirozzi, “we are very truck-competitive on the transcontinental lanes.” In the 600-700-mile lanes, truck moves 90% of the traffic. “We can be competitive, though”: east of the Mississippi CSXI has 40 terminals, and 71% of the population lies within 100 miles of one of those terminals.

Efficiency [supposedly]
Pirozzi extolled the efficiency of the intermodal trains. CSX freights average 125 miles per crew change. CSXI trains average 200+ piles per crew change, and run 30 miles per hour plus on the average. [This is remarkable? I admit that I come late to railroading, but surely a crew which has 12 hours to operate should be able to get farther over the road than 200 miles, even at 30 miles an hour! Editor]

Increasing profitability
Asked whether CSXI had looked at profitability as CN had done [see below], Pirozzi noted the shrinkage of international traffic, and the growth of domestic shipments. In the last month or two, CSXI is making an effort to increase efficiency by removing trailers from the system. Increasing the usage of containers will improve the efficiency because (1) CSXI can run more traffic doublestacked; (2) containers unlike trailers can be stacked at terminals, using terminal space more efficiently; and (3) the space made available will permit CSXI to run more container traffic.

CANADIAN NATIONAL

Matt Jacobson, assistant vice-president for intermodal sales, described the evolution of CN’s approach to intermodal, concentrating on Halifax. Ten years ago, Halifax enjoyed a significant advantage over New York, both because of its deep water and its lower labor costs. “We could compete with New York for delivery to Chicago.” Since then, New York has dredged its harbor, and improved its labor efficiency, reducing the cost to move a container through the port by $200.

During those same ten years, Halifax invested little in its port, and everyone “took a little more” by raising rates: the port, the stevedores, and the container terminals. To stay competitive, CN reduced its rates.

Should we keep the intermodal product?
In early 2002, Jacobson and other intermodal officials paid a visit to CN’s capital committee. “I wanted to spend $100 million on a new intermodal terminal in Toronto,” recalled Jacobson. Not so fast, said Chief Financial Officer Claude Mongeau. CN’s intermodal sector made 35% less profit than any other business at CN. “Why should we invest capital dollars in that sector?” Mongeau asked. Indeed, CN officials actively asked “whether we should stay in the intermodal business at all,” Jacobson reported.

CN decided to make the intermodal sector more profitable by reducing costs, as raising rates could price it out of the
market.

**The IMX effort and success**

As recounted earlier [see 8 August issue], CN set about “scheduling every aspect” of the operation, running trains of fixed length, and clearing out container yards. The IMX effort, including not permitting boxes into the yards until the day of departure, has worked. Jacobson said intermodal’s contribution to profitability has increased five-fold, and the market has accepted the more stringent operating requirements. Despite the complaints of shippers [see 8 August issue], CN is showing an 8% increase in intermodal traffic.

**SCOTT FLOWER ON CN INTERMODAL**

After a late August visit with CN management, Citigroup Smith Barney analyst Scott Flower provided details on the IMX progress. ‘We estimate that CN intermodal margins formerly were in the 12% range, and now we believe that margins may be in the 16-18% range, a dramatic improvement for the company... We believe for Western intermodal, such improvements will add C$50 million or approximately US$0.10-$0.15 per share on an annual basis.’

The East represents roughly 20% of CNI intermodal volumes, the west 70%. Fully 85% of the improvements in IMX are cost reduction. Hunter Harrison’s concern was, given the substandard profitability of this segment, that it was not sensible to grow, or in some cases even to maintain such business, in light of the incremental capital needs it could generate.

IMX, as initially viewed by management, was expected to enhance intermodal margins by 25-35% with full implementation to take perhaps as long as 18 months. As noted by Claude Mongeau, CFO, results have been spectacular, and CEO Hunter Harrison noted that the program’s targets have already been more than fully achieved.

**Involvement in port terminal operations**

‘One note of either optimism or caution, or both, is that CN management seeks to become more involved in port terminal operations, even to the extent of spending a controlled amount of capital to invest in/purchase such facilities and to partner with 3rd parties to operate such facilities more optimally for rail operations. Capital commitments to this effort are likely in the C$10-15 million range, and by taking the terminal operator out of the equation, and involving itself directly, CN hopes to take the middleman out and improve productivity for itself, while leveraging the turns on its container assets.’ {Scott Flower Salomon Smith Barney 2.Sept.03}

**Differential pricing**

Jacobson noted again [see 8 August issue] that one mechanism CN is using to smooth out the flow of traffic is to price days of the week differently. “Some shippers are ecstatic” because they can time their shipments for the cheaper days. Others vie for the more expensive Thursday or Friday slots, and cannot always get them. “That tells us we can look at raising rates for those days.”

**NORFOLK SOUTHERN**

Tom Reese, intermodal account manager Northeast Region, reversed the title of the session, which NEARS had described as looking at ‘the long-term viability of the intermodal product.’ The question, said he, is “can class Is survive without intermodal?” In 1990, “coal was king” at NS; by 2005, intermodal revenues will equal coal revenues. In contrast to CSXI, NS international traffic constitutes 51% of its intermodal revenue, “and it’s growing.”

As for profitability, Reese noted that NS closely examined its lanes in 1997, and weeded out non-profitable corridors as part of a larger effort to improve the margins overall. ‘As intermodal traffic density grows we see a continually improving trend in profitability. Intermodal will probably never be as profitable as most of the other commodity groups, but it is healthy and improving year over year.’

**NS intermodal in the Northeast**

In the late 1990s, intermodal was lagging in the Northeast. NS decided to provide a more rigorous service, by instituting dedicated, scheduled intermodal trains. The trains 205 westbound and 206 eastbound, are among the best-performing trains on NS, with an on-time rate above 90%.
Waterville, Maine. At the eastern end of the service area, this yard operated by Guilford Rail System provides a bit of the total traffic. GRS runs mixed trains from here to Massachusetts.

Ayer, Massachusetts. From this yard, GRS runs a dedicated train to New York.

Albany, New York. A subsidiary of the Canadian Pacific Railway, the Delaware and Hudson, runs a dedicated train from the Albany yard to meet trains 205 and 206. Albany and Ayer provide most of the estimated 61,000 intermodal units for the Northeast [I estimate split about evenly between the two - editor].

Scranton, Pennsylvania. Reese noted that Taylor Yard, outside Scranton, provides NS intermodal with direct service to northeast Pennsylvania. While smaller than Albany or Ayer, traffic has grown 35% since February 2003 when, as NS and GRS did for Ayer, CPR agreed to provide daily switching and dedicated service to/from Binghamton (interchange with trains 205 and 206). Previously, the CPR switch crew had not operated every day due to lack of volume.

The scheduled service has turned around the traffic, as the table shows:

**WHAT’S UP WITH INTERNATIONAL TRAFFIC?**

At CSXI, Pirozzi said, 49% of the intermodal traffic moves in domestic lanes, and 14% is accounted for by less-than-truckload (LTL, primarily United Parcel Service). International traffic constitutes 37%, and is declining, mostly on the mini-landbridge from the West coast, for two reasons. First, steamship companies increasingly want to turn their international containers at the West coast, and take them back to Asia. This and other reasons has led large national companies to utilize distribution centers on the West coast, which strip the international containers and stuff either domestic containers for travel east, or trailers for trucking. Second, receivers and steamship companies find the all-water route to the East coast cheaper, albeit a little longer. To reverse the international shrinkage, said Pirozzi, CSXI is looking to the smaller steamship companies and NVOCCs (non-vessel-operating common carriers) for growth.

CN and CSXI show different results. At NS, international accounts for 51% of intermodal revenue, “and it’s growing,” Reese noted. Jacobson said CN’s international is up 8% over last year.

**TAKING TRUCKS OFF I-95**

What about the promise both CSXT and NS made in 1997 when splitting up Conrail, that with a single line haul along the East coast they could take significant truck traffic off I-95? Neither Class I could report that this is close to happening.

Reese said NS had initiated an I-95 service between Atlanta and the Northeast in 2002. “This was a new service that is running primarily highway conversion volume, and represents new business for NS. Triple Crown did operate in this corridor, but that was exclusively Roadrailer.”

North-South traffic was strong enough to permit a rate increase beginning 1September in that corridor. “We have an adequate density,” though “to get a good balance we’d like more traffic heading south.” The I-95 service “may be a small percentage of the total truck-load traffic in the north-south lanes, but it does represent new business to the railroad and we expect volume in these lanes to continue to grow.”

Pirozzi of CSXT said his company “thought about it every day” but upon close examination, many of the trucks were making multiple stops and were not therefore amenable to an intermodal move. {ANR&P coverage}

**MMA/NBSR**

11 October. TEST INTERMODAL TRAINS RAN BOTH WAYS BETWEEN SAINT JOHN and at least Maine. Rail observers spotted at least 10 trailers on each train. [The trains may have run into Montreal, but I have no confirmation on that. Editor] Officials at each railroad declined public comment. {Railroad.net MMA forum}

**HIGH-SPEED RAIL**

7 October. THE FINAL REPORT OF PHASE 1 OF THE BOSTON TO MONTREAL HIGH SPEED RAIL FEASIBILITY and Planning Study has been released and is now available for review on the project website, www.bostonmontrealhsr.org.
PROVIDENCE & WORCESTER
10 October, Plainfield. THE NEW LOWE’S DISTRIBUTION CENTER WILL NOT USE RAIL, “at least for now,” according to Michael Faad, development officer for the Town of Plainfield. Lowe’s [see 28 June 2002 issue] has broken ground on a site at Tarbox Road and Lillibridge Road, next to the PW rail line and very near I-395. {ANR&P discussion 16.Oct.03}

MAINE

MDOT FREIGHT COUNCIL
9 October, Augusta. MDOT WILL CONVENE THE FREIGHT ADVISORY COUNCIL THIS AUTUMN, said Rob Elder, head of the Office of Freight. Enshrined by LD599 into Maine law [see 26 June issue - MDOT had created a freight advisory council on its own earlier] with at least twenty members, it will, per Elder, expand its role to focus on economic development. He also hoped it would convene at various locations around the state. {ANR&P discussion}

MDOT IRAP PROGRAM
9 October, Augusta. MDOT IS RECEIVING A LOT OF INTEREST IN THE INDUSTRIAL RAIL ACCESS PROGRAM, under which the state pays 50% and a local entity such as the town, the shipper, or the railroad pays the other 50% to share the cost of new rail access. Rob Elder said that, assuming the bond bill with more funds for IRAP passes [see 29 August issue], the department will send out applications to interested parties right after the vote. {ANR&P discussion}

ROCKLAND BRANCH
2 October, Morristown NJ. MAINE EASTERN’S DEBUT WON’T HAPPEN UNTIL 1 NOVEMBER. Steve Friedland, operations manager for parent Morristown & Erie, said the decision to postpone “happened about a week ago.” The extra time will permit the new operators of the Rockland Branch and the ‘Augusta Branch Line’ [see 30 September issue] to get the necessary paperwork in order to interchange cars. {ANR&P discussion}

9 October, Augusta. THE MDOT-MERR CONTRACT PROVIDES A MAINTENANCE PAYMENT FOR THE FIRST TWO YEARS OF THE TEN-YEAR CONTRACT. Allan Bartlett, MDOT’s rail honcho, said the contact has language dealing with maintenance and revenue sharing for the first two years: MDOT will reimburse MERR for maintenance costs on the Rockland Branch and Lower Road on a quarterly basis, up to $130,000 per year.

“The will be no revenue sharing.” The two sides will revisit this section near the end of the two-year period. “This will give them a chance to get up and running, and find what success they can have in generating revenue.” The two sides will then have “a clearer picture for a reasonable contractual relationship in years three to ten,” Bartlett explained.

Why the two-year period
Under LD599 (Session laws Chapter 498), passed by the Legislature this year [see 26 June issue], all revenues [rather than just the current $150,000/year - editor] from the railroad excise tax (23 MRSA §7103, sub-§1) and the use tax on fuel used by railroads (36 MRSA §1865) will go into the Railroad Preservation and Assistance Fund. However, because of the state fiscal crisis, the bill provided that the additional revenue will not start flowing into the Preservation Fund until 1 July 2005.

The two-year review point will occur at the time the Rail Preservation Fund will presumably have more than its current $150,000 per year because the new provisions of LD599 will go into effect.
Different from agreement with SRP
Safe Handling Rail’s agreement with MDOT provided that SRP (the current operator) would break even, Bartlett said. SRP stepped in temporarily when operator Maine Coast stepped out, until MDOT could seek proposals for a permanent operator. {ANR&P discussion}

CALAIS BRANCH
11 September, Cherryfield. THE EASTERN MAINE RAILROAD DEVELOPMENT COMMISSION DISCUSSED THE FUTURE OF THE BRANCH. In addition to members, Sally Jacobs of the Sunrise Trail Coalition, State Senators Chris Hall and Dennis Damon, State Representatives Eddie Duguay and Ed Pellon attended. Hall compared the advances on the Rockland Branch with the situation on the Calais Branch. The potential for rail shipping on the Cherryfield end of the Branch was discussed. {ANR&P discussion with EMRDC Chair Skip Rogers 6.Oct.03}

Bangor to Trenton
MDOT is continuing the study on a public transportation system between Bangor and Trenton [see 7 November 2001 issue]. By August, the department, along with the Hancock County Planning Commission and Systra, the consultant, had cut the six alternatives down to four: light rail or two bus systems in the existing rail corridor from Brewer to Ellsworth, or regular bus service. Light rail or dedicated bus may use a new bridge across the Penobscot, and a new dedicated right-of-way from Ellsworth to Trenton. How much this would cost and whether it would be funded by developers, municipalities, state or federal agencies have yet to be determined, according to MDOT’s David Nelson. {Bangor Daily News 13.Aug.03}

Nelson said on 9 October that MDOT hoped to present more data on the four alternatives by Thanksgiving.

EMRDC favors light rail
During a conference on transportation to and in Mount Desert Island on 11 September, Systra further discussed the study, and, thought Rogers, was leaning toward a dedicated bus system. EMRDC sent a letter to Systra following that meeting, making these points:

1. Rail, if it comes, should not sever the west end of the system’s connection to the national system. A rail line in its present alignment (using the track in place) would serve the passenger transportation need, while keeping the track down for future passenger or freight use. Once the line is rebuilt, EMRDC suggested looking for a short-line freight operator.

2. The Commission also argued in favor of rail diesel cars (RDCs) rather than light rail. A freight operator could not use the light rail, but could use the heavier rail provided for RDCs.

3. Finally, according to Rogers, EMRDC also supported a terminus at Washington Junction rather than Trenton. While that would require the Island Explorer gas-fueled buses to drive farther off-island, it would save the millions of dollars needed to build perhaps as many as ten miles of new right-of-way into Trenton, as well as the traffic-stopping crossing of Route One. {ANR&P discussions}

No quick rail removal
Even if MDOT decides to remove the rail to permit a busway, new statute 23 MRSA §7107 [see 26 June issue] requires the permission of ‘the joint standing committee of the Legislature having jurisdiction over transportation matters prior to removal.’

GUILFORD - MAINE
9 October, Old Town. GEORGIA PACIFIC MAY ACQUIRE THE BORALEX PLANT IN ATHENS. Out of service since 2002, it would be moved to Old Town so that Georgia Pacific can manufacture its own energy. Rick Douglas, the plant’s controller, said further details would emerge if the deal becomes final, which he hoped would happen by the end of the year. Acquiring the biomass plant is part of the effort to retain tissue production arranged with the assistance of the state [see 6 May issue].
And the chip plant?
GP remains committed to building it [see 26 March issue], but installing the new biomass plant has a higher priority, said Douglas. {ANR&P discussion}  

9 October, Livermore Falls. **BoraLEX HAS ITS MATCH READY** for the IRAP program [see above], assuming that the voters pass the bond bill in November. To burn more construction and demolition debris, BoraLEX is amending its permit for the biomass-to-energy plant here. The dollars invested in expanding the yard will match the $200,000 cost for the switches and rail line.

Starting on 20 October, said BoraLEX fuel broker Eric Dumond, he will set up a portable chipper in the yard, enabling BoraLEX to accept whole wood as well. Should this work well, BoraLEX will rail in whole wood as well as wood chips [see 21 August issue].

He’s talking with various wood sources, and with MMA, about opportunities to rail in bark from Canada, and wood in bulk from various points.

What about Fort Fairfield?
Once the Livermore Falls rail delivery is working well, Dumond will look closely at using rail from its Fort Fairfield plant [see 21 August issue] to bring clean fuels to Livermore Falls. He would also consider bringing in C&D wood to Fort Fairfield, which costs less than virgin wood. While originators of C&D pay a tipping fee to processors, Dumond is willing to pay “a few dollars” for the C&D, to ensure his supply. Otherwise, the processors might use the chips for alternative daily cover at landfills.

Fort Fairfield would also require an investment to prevent leaching from the C&D (DEP does not require zero discharge from virgin fuel). Livermore Falls has a hottopped yard, while Stratton has a liner under the ground.

Competition for biomass
To keep his three biomass plants operating in Maine, Dumond finds himself competing against not only other energy plants, but also paper mills. For example, the SAPPi plant in Westbrook has its own biomass plant, which consumes more than the biomass byproduct of papermaking. {ANR&P discussion}

**MONTREAL, MAINE, & ATLANTIC**
2 October, Limestone. **RAILROADS WILL NEITHER DELIVER NOR SEND OUT HUMVEES** from the Maine Readiness Sustainability Center here at the Loring Development Centre [see issue 00:04]. Governor John Baldacci this day announced that the Center, an arm of the state as part of the Maine National Guard, has a contract to refurbish 555 Humvees on top of the 660 the facility handles now. {AP in Portland Press Herald 4.Oct.03}  

But, said General Manager Gary Cleaves, neither inbound nor outbound Humvees will travel by rail. “It’s too expensive. When every railroad [involved in the move] has to make a profit, and fifteen railroads are involved to move the vehicle across country, it’s too expensive.” He last brought in some howitzers by rail, about a year and a half ago. {ANR&P discussion 7 October 2003}

**MMA/B&A ESTATE**
7 October, DC. **THE B&A ESTATE FILED THE ADVERSE APPLICATION FOR DISCONTINUANCE OF TRACKAGE RIGHTS** held by CN from Madawaska Maine, to St.Leonard New Brunswick, to serve Fraser Paper. {STB Docket No.AB-279 Sub-No.3} [See 18 July issue.] The filing contains a mass of detail, some which a future issue will relay.

**PORTLAND**
15 October. **THE MERRILL MARINE TERMINAL HAS CALLS FROM SAGA AND KENT LINE** now.

**SAGA**
P.D.Merrill, president, explained that Saga Forest Carriers International A/S in late spring began delivering lumber from
Germany [see 9 August 2002 issue]; Klausner Nordic Timber (KNT), Wismar Germany, is one of the shippers. [Note that Klausner Holz Thueringen, another branch, is shipping via the Sherwood terminal in New London - see 9 September 2003 issue.] The inbound lumber is distributed all over New England.

Saga is now making monthly calls. Paul Prefontaine, vice-president and general manager responsible for SAGA’s Vancouver and Savannah offices, said his company decided to start calling Merrill because of positive experience during occasional earlier calls, and because of SAGA’s good relationship with Armand Demers, Merrill’s senior vice-president. Prefontaine said Demers “has been very cooperative in designing competitive services.”

Some Saga ships calling Merrill’s also load wood pulp for the Far East on a frequent basis.

Kent Line
In July Kent Line International, an Irving company, also started calling Portland, loading wood pulp for export to Northern Europe and the Mediterranean. Though it takes outbound cargo twice a month, Kent does not have a regular inbound cargo. P.D.Merrill reported that his terminal has unloaded various products from Kent Line.

Fulfilling the hope of the new warehouse
The amassing of wood pulp for export fulfills the hope embodied by the new warehouse funded with state money in November 2002 [see 02#11B]. Vessel calls will be generated when a terminal corralss enough business to make the call worthwhile. The major customers served by SAGA and Kent Lines allow Merrill’s to handle smaller shipments for other Maine shippers.

The booming pulp business has required Merrill to lease 30,000SF of warehouse space in Portland, outside of his complex. “A year ago we spoke about possible expansion; this has exceeded our hopes.”

Where does the wood pulp come from?
Merrill said three mills in Maine delivered, via rail, pulp for the Saga ship. [In 2002, Mead in Rumford and the SAPPI mills in Westbrook and Hinckley were listed as using Merrill’s - see 9 August 2002 issue. Editor]. For Kent Line, mills in “northern New England” were railing pulp to Portland. Guilford, which does all Merrill’s rail service, received praise from Merrill for its “very good” service. The additional deliveries of pulp provided a “major logistical challenge” to the terminal and the railroad, and Guilford “met the challenge very well.”

Traffic improved overall
The number of vessels calling to load pulp has increased about 25% through the third quarter, said Merrill, and the pulp tonnage should increase over 2002 by 50-60% by the end of the year.

Overall, the terminal has grown about 10% over 2002: “We’re ahead of last year and ahead of forecast.” He’s looking at total tonnage of 525-550,000 tons, versus 520,000 tons in 2002 [see 12 February issue]. {ANR&P discussion 15 October 2003; Merrill Cargo Almanac summer.03}

KENT LINE CALLS
The ships calling Portland do so in two rotations, according to the line’s website:

Mediterranean. Pictou NS, Saint John NB, Portland ME, Eastport ME, Santander Spain, Savona Italy, Livorno Italy, Civitavecchia Italy, Patras Greece, Monfalcone Italy, and Derince Turkey.


SAGA CALLS
Saga Forest Carriers, a Norwegian shipping company, operates several routes, two of which include Portland:

Europe-East Coast
Saga calls Portland on its Europe to East Coast service, in this rotation: Dalhousie NB, Eastport ME, Portland ME, Wilmington NC, Savannah GA.
East Coast to Far East
The ship will continue to the Far East, sometimes with Portland pulp shipments, with these destinations: Hachinohe, Yokohama, Tokyo, Tagonoura, Nagoya, Osaka, Iyomishima, Sendai (Kagoshima), Incheon, Gunsan, Masan, Toyama, Niigata, Kushiro. {Saga website}

MASSACHUSETTS

BOSTON MPO
September. A FREIGHT COMMITTEE IS ASSESSING HOW THE BOSTON MPO IS INCLUDING FREIGHT MOVEMENT in its planning documents.

The Freight Committee
The Freight Committee is a part of the Regional Transportation Advisory Council (RTAC), an independent group of citizens and officials charged with providing public input on transportation planning to the Boston Metropolitan Planning Organization (MPO) [see 26 February issue]. The Advisory Council provides a forum for broad-based and robust discussions of transportation issues and planning, including programming of federal transportation funding for the region, and is a main avenue for public participation in the planning process. One specific responsibility of the Advisory Council is to review and comment on the MPO’s certification documents: the Regional Transportation Plan, the Unified Planning Work Program, the Transportation Improvement Program, and Air Quality Conformity Determinations. The Council, through its representatives and subcommittees, participates in the development of the documents and submits comments and recommendations on drafts. The Council’s chair has direct input to the MPO as a voting member of its Transportation Planning and Programming Committee. {MPO Website}

Freight planning
The Freight Committee is using the report sponsored by Massachusetts Highway Department, Identification of Massachusetts Freight Issues and Priorities. This report, a compendium of issues and concerns voiced by a very broad cross section of the freight community, was prepared for the Massachusetts Freight Advisory Council in November 1999 [see 21 January 2000 issue].

Possible rail route to Conley Terminal
According to the chair of the Freight Committee, Frank Demasi, ‘We are also embarking on a survey of MBTA and CSX officials to determine the feasibility of using the Framingham to Walpole to Readville to Fairmont Line, aka the Midlands Division of the former New Haven, as an alternative route directly into South Boston and onto the dock at Conley Terminal versus Beacon Park Yard. [See 26 February issue.]

‘Senator John Hart (South Boston) has a bill in committee (Senate Bill 1865) to fund a Rail/Truck Haul Road link across the Reserve Channel to extend a spur (track 61) into the terminal from a proposed junction at the rail entrance to the Boston Marine Industrial Park. Currently the only "physical" missing link in this routing to avoid "back up moves", might be a double slip switch and two cross tracks at the merge of the Fairmont and Old Colony Lines in the yard at South Boston.’ {e-mail to ANR&P from Demasi 7.Oct.03}

The bill seeks ‘$30,000,000 for the design, engineering, permitting and construction of a dedicated commercial freight corridor to preserve truck access between the Paul W. Conley Marine terminal in South Boston over the Reserve Channel, so-called, to the existing port haul road connecting to the interstate highway system, including, development of a cost estimate for acquiring a parallel rail easement to connect the Paul W. Conley terminal to the rail line that ends at the marine industrial park in South Boston; provided that no more than 15% of the total appropriation herein shall be expended for the design of said freight corridor. Said freight corridor shall be designed and constructed to handle the maximum allowable weight for trucks of 99,000 pounds.’ {General Court website}
Membership of the Boston MPO
The cities of Boston, Everett, Newton, and Peabody
The towns of Bedford, Hopkinton, and Framingham
Executive Office of Transportation and Construction
Massachusetts Bay Transportation Authority
MBTA Advisory Board
Massachusetts Highway Department
Massachusetts Port Authority
Massachusetts Turnpike Authority
Metropolitan Area Planning Council [see 6 May issue]
Federal Highway Administration (ex officio)
Federal Transit Administration (ex officio)
Regional Transportation Advisory Council (RTAC)

BAY COLONY RAILROAD
2 October, Boston. **THE MBTA IS PLANNING TO ADD THE PLYMOUTH LINE TO THE RFP FOR THE MILLIS BRANCH.** [See 26 June issue.] A source close to the project said the RFP is expected within 30 days. {ANR&P discussion}

Background on Plymouth line
In 1959 the New Haven Railroad ended commuter service on this line from Braintree to Plymouth, and the Southeast Expressway opened. In 1973 the MBTA bought all potential commuter lines from the Penn Central Railroad, but PC retained the non-commuter trackage. In 1982, as part of the MBTA-BCLR agreement, BCLR acquired the freight rights on the Plymouth line, and operated it until 1990. BCLR rights remain. In 1997, the MBTA re-opened the Plymouth line as passenger-only. **Editor**

CSXT - MASSACHUSETTS
**Correction:** The article in the last issue referring to CSXT selling the Weymouth Industrial Track should have indicated that the MBTA will eliminate all but one track at the East Braintree Yard.

3 October, Cambridge MA. **A NEW BUILDING WILL SPAN THE GRAND JUNCTION.** The Massachusetts Institute of Technology is constructing a brain and cognitive sciences project building between Albany (parallel to, and north of, the track) and Vassar Streets (parallel to, and south of, the track). In order to maintain future uses along the railroad corridor, an at-grade tunnel measuring 50 feet in width and 22.5 feet in height will be preserved through the middle of the building. In that way, the street-level facades on Vassar, Main, and Albany Streets can be filled with uses that enliven the street (such as classrooms and offices) while the rail traffic continues “behind the scenes.” {MIT website}

**Note:** The width will preserve the ability to run at least two tracks for a possible ‘Urban Ring’ commuter system. The height, while below the nationally-recommended 23 feet, will still accommodate full doublestack, the current highest standard car. [See 26 February issue.]
MASSACHUSETTS CENTRAL
7 October, Palmer. **THE RAILROAD HAS SOLD ITS HEADQUARTERS BUILDING** [see 8 August issue]. Mike Smith, general manager, said by 1 December, MCER employees will have moved into a “right-sized” modular behind the existing building, on railroad property.

**EOTC negotiations**
Later this month, MCER officials will meet with Maeve Vallely Bartlett, EOTC’s new rail honcho, to resume negotiations on the MCER’s lease of EOTC track [see 02#07B]. {ANR&P discussion}

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NEW HAMPSHIRE

NEW HAMPSHIRE DOT
24 September, Concord. **THE NH SUPREME COURT WILL DECIDE ABOUT GAS TAX MONEY USE** for the Nashua commuter rail service [see 02#12B]. The NH Superior Court granted the joint motion of the New Hampshire Motor Transport Association and the state to remove the constitutional issue from the Superior to the Supreme Court, since the Supreme Court would eventually hear the matter.

When will that happen? A Supreme Court clerk said the case was received on 6 October; the justices take upwards of 30 days to decide whether to accept the case. {NH Supreme Court docket #2003-0641; ANR&P discussion 7 October 2003}

TWIN STATE/NHCR
14 October, Gilman/Dalton. **THE PAPER MILL HERE MAY BE LEASED SOON**. Since the initial report of a possible re-opening [see 12 March issue], the players may be changing.

The owner of the mill, Steve Reagan Company, transferred it to the Dalton Hydro Company, owned by Reagan, Rocky Mountain Engineering, and two other principals. Dalton takes its name from the New Hampshire town in which the dam and turbines on the Connecticut River lie, since New Hampshire owns to the west bank of the river. The mill building itself is located in Gilman, Vermont.

The owner of Rocky Mountain Engineering, Roger Evershed, said the deal with Dirigo Paper, the company Reagan hoped would lease the paper mill, has not been concluded and other parties have expressed an interest in opening the mill. Dalton Hydro wants to “vigorously pursue an arrangement whereby the mill can be started up in the near future, possibly within six to eight weeks,” Evershed said. Information on the new operator and possible use of rail could be forthcoming next week. {ANR&P discussion 14 October 2003}

[NHRSD is considering re-starting rail operations to serve the paper mill, which would become the only customer on its line. NHDOT, which bought the rail line from Guilford, is considering asking another railroad, probably NHCR, to operate on the line and serve the paper mill. Editor]

GUILFORD RAIL SYSTEM
16 September, Plaistow. **CHART INDUSTRIES EMERGED FROM BANKRUPTCY** [see 21 August issue] on 4 September with senior debt holders owning 95% of the company. {Business Wire 16.Sept.03}

9 October, Portsmouth. **THE CITY WANTS PSNH TO LOOK AT OTHER THAN TRUCK TO DELIVER WOOD** to the company’s proposed wood-fired boiler at Schiller Station [see 9 September issue - Note: the plant does lie in Portsmouth, not Newington]. Although the city does not yet have a formal building permit application, David Holden, the planning director, said city officials had orally indicated to PSNH that the city would request the company look at alternatives.

Regional Planning Commission
New Hampshire statutes require any municipality entertaining a project which could affect neighboring municipalities to notify them. Holden said Portsmouth will notify neighboring towns; he expected that the Rockingham Planning Commission will take the lead in advocating for alternative means of transportation. He expects the application from PSNH “momentarily.”
Wood procurement

Company spokesperson Martin Murray wrote: ‘I don't expect we'll have any news on wood procurement until we obtain approval for the project from our state regulators [PUC - editor]. That approval is not expected prior to early/mid November.’

{e-mail to ANR&P 9 October 2003}

VERMONT

NEW ENGLAND CENTRAL

14 October, Brattleboro.  CERSOSIMO LUMBER IS BUILDING A SIDING FOR ONE OF ITS FACILITIES in the Brattleboro area.

Lagoon facilities

Cersosimo has three locations around the lagoon created by the NECR right-of-way running along the west side of the Connecticut River.

- Sawmill, north of lagoon and west and north of Route 142. A siding (trailing point facing south) off the south end of the NECR Yard gives access to the ‘railhouse’, a facility built by Cersosimo to load lumber. The railhouse is surrounded by a large yard and many Cersosimo log trucks. [This site once had an Agway feed mill. Just to the north is Triple T trucking, which runs a recycling transfer station (they have an old boxcar as a storage shed), and just to the north of that is an older small tool manufacturer. Neither are rail customers.]

  Here the company loads lumber in CN, SP and RBOX boxcars.

- 644 Vernon Road (Vermont Route 142) in Brattleboro. Cersosimo pine products division has taken over the site once occupied by Snow River Wood Products, at the north end of the lagoon but south of Route 142. It is accessed by a wye. Until May 2002, Snow River manufactured its products in Brattleboro, Vermont, under the name Snow River Wood Products. In May 2002, Snow River consolidated its manufacturing and distribution operations in Crandon, Wisconsin, and ceased its manufacturing in Vermont.

- 1103 Vernon Street (Vermont Route 142) in Brattleboro, at the south end of the lagoon. This has the main office and a kiln, with lumber storage on the river side of Route 142. This site once had a siding, trailing point facing south, which crossed Route 142 and ended at the large building. [To the southwest of the Cersosimo property lies Brattleboro Sand and Gravel/Carroll Concrete which also has a main plant and gravel pit adjacent to NECR in Charleston NH.]

Vernon Station facility

A new siding, trailing point heading south and set back a little from the main, has been built in Vernon at the former station site, junction of Route 142 and Bemis Road. At the same time, the runaround track there has been removed. SpurTrak of Northampton, Massachusetts did the work for Cersosimo. It has done many maintenance jobs for NECR. The adjacent property is used by Cersosimo Lumber for storing logs and sometimes woodchips. A Cersosimo-owned gravel pit lies at the end of Bemis Road.

Cersosimo has not determined the future use of this siding.

North Hartland Dry Kilns

Cersosimo owns this facility in Hartland, Vermont, which is operating. However, the railroad took out the siding. {e-mail to ANR&P from correspondent Chris Parker 3.Oct.03; ANR&P contact with Dan Harrison, Cersosimo operations manager 14.Oct.2003}

Hardwick Kilns

Cersosimo owns this facility on MCER at Old Furnace, Massachusetts. MCER lifted 2 cars in 2001, 1 in 1998, and 4 in 1996 [see 15 March 2002 issue]. The facility is now inactive, according to MCER manager Mike Smith. {ANR&P discussion 28.Mar.03}
QUEBEC/MARITIMES

CAPE BRETON AND CENTRAL NS
15 October, Stellarton. DETAIL ON SOME SHIPMENTS was provided by Peter Touesnard, general manager of CBNS:

Coal to Trenton
Because inbound coal unloaded at Auld’s Cove has “been a little heavy” recently, CBNS has laid on an extra train (thus running two per day) between Trenton and Auld’s Cove through at least the 20th of October.

Cape Breton traffic
The railway is “getting ready to move coal out of Sydney first of next year,” per the agreement under which Provincial Energy Ventures will handle NSP coal [see 26 March issue]. {ANR&P discussion 15.Oct.03}

16 October, Orangedale. RED POINT EXPORT LOADS STUD LOGS HERE for railing to Irving’s saw mill in Saint John. Michael Dan McNeil, principal of Red Point, said he purchases the logs from suppliers in the area, tells Irving when he needs railcars, and Irving in turn orders the cars spotted in Orangedale. By the end of the year, Red Point will have loaded in excess of 100 cars.

[Note: In past years a woodlot owner would call the WHRC to order cars for Mount Uniacke. The owner would load them for delivery to CN and thence Irving in Saint John. WHRC in turn had to get the cars from CN, a long drawn-out process. {e-mail to ANR&P from Doug Conrad 7.Oct.03}

   Irving was (and may still be) barging chips from its Weymouth NS mill across the Bay of Fundy. See 01#08A.]

Barging logs off-shore
Red Point Export, Limited, of Iona also ships, via barge, stud logs out of Sydport to Georgetown, Prince Edward Island. The logs end up at a saw mill in Charlottetown.

   The Sydport operation also loads pulp logs onto barge for shipment to Abitibi in Newfoundland. McNeil said he competes for pulp wood with the Stora Enzo paper mill in Port Hawkesbury, usually buying what Stora does not need. {ANR&P discussion 16.Oct.03}

CN / WINDSOR & HANTSPOSIT
2 October, Moncton. SHUR-GAIN WILL CONSOLIDATE ITS THREE MARITIME FEED MILLS TO A NEW PLANT HERE, according to a press release this day. Construction on the new $15 million facility, in Caledonia Industrial Park, will begin immediately and conclude in 12 months. The existing mills in Port Williams NS, Summerside P.E.I., and Sussex NB will then close. ‘The new fully-automated mill, using the latest production technology, will produce 225,000 tonnes per year of dairy, beef, swine, poultry and other livestock feed.’
Source of feed
Peter Peacock, who works at Shur-Gain’s new offices in Moncton, said very roughly half of all grain inbound to the three mills originates in northern New Brunswick or Prince Edward Island. The other portion comes from western Canada. He does not expect that sourcing to change upon completion of the new mill.

Rail and port use for the new mill
Currently both the Port William mill (WHRC) and the Sussex mill (CN) are served by rail. Peacock cautioned, however, that whether Shur-Gain used truck, rail, or ship to truck depended on pricing and capacity. Shur-Gain has used Halifax Grain Elevator [see 29 August issue] to receive western Canada grain delivered by ship.

The new mill, served by CN, will have many tracks, said Peacock, and the ability to unload cars quickly in an effort to eliminate demurrage, which the company incurs more than it would like to.

As Peacock noted, CN will see a substantial increase in traffic since the western grain for the P.E.I.-related production will now arrive by rail (when rail is appropriate).

Advantage for Halifax Grain Elevator
Peacock noted that typically, ingredients for the P.E.I. facility are trucked from Quebec, not Halifax. ‘In our scenario Halifax would work better because it becomes a backhaul for feed from Moncton going to the Annapolis Valley.’ That is, returning trucks can load at the Halifax Grain Elevator [HGE - see 29 August issue]. ‘HGE gains because as a backhaul they now become competitive as an ingredient supply for feed sold into NB and P.E.I....In the past it was very rare that a feed mill would send a truck to Halifax empty from P.E.I. or NB to pick up raw material.’ {ANR&P discussion  3.Oct.2003}

Number of carloads involved
A rough idea of the number of railcars per year may be gained from the photo and from Peacock’s comment that the Sussex mill has two cars there often. If the cars remain half a week, that translates into 200 cars a year. If the other two mills do an equivalent amount, that totals 600 carloads a year, at 100 tonnes per car comes to 60,000 tonnes. That’s the right order of magnitude if half the 225,000 tonnes is brought in from the west, and half moves by ship. {ANR&P analysis}

Impact on WHRC
Jim Taylor, general manager of the Windsor & Hantsport Railway, predicted the closure of Shur-Gain’s Port Williams feed mill will have “very little impact, if any.” The mill now receives about 14 cars a month; the annual total has decreased since 1999. “I’m not sure whether that’s due to truck [supplementing the rail], or a depletion in the customer base.”

Taylor has noticed that when one of the five feed mills [Smith Brokerage Limited (Steam Mill)*, Co-op Atlantic (New Minas), ACA Cooperative (Kentville), Scotia Farm Service (Kentville), and Shur-Gain (Port Williams)] in the area lessens its inbound rail, one of the others increases. Grain traffic has increased considerably since the spring, said Taylor. “We’re just going crazy. Today we have 35 cars at the interchange [with CN], ten empty,” and the train will have to leave some. He attributed the increase to the lower price of rail. “The number of meat-producing animals needing feed” is not changing. {ANR&P discussion  6 October 2003}

*In May, 2003, Smith Brokerage took over the Steam Mill grain handling facilities, located in the Town of Kentville. “We have been working with the Smith Brokerage Limited and farmers to come up with a solution over the past year and believe that the lease arrangement will provide continued and future benefits for agriculture,” said Leo Cox, chair of the Nova Scotia Farm Loan Board. {press release from Province of Nova Scotia Agriculture and Fisheries 16.May.03}

MORE ABOUT SHUR-GAIN
Shur-Gain, a separate corporate entity within Maple Leaf Foods’ agribusiness group, is Canada’s leading feed company, operating 16 facilities in Canada and the United States, including the three in the Maritimes. Shur-Gain will continue to
maintain a strong local presence throughout the Atlantic Provinces through its 11 Feeds ‘N’ Needs stores and will maintain its local sales force.

Maple Leaf Foods was created in 1995 when McCain Capital Corporation and the Ontario Teachers Pension Plan Board acquired controlling interest in the company from Hillsdown Holdings plc. Publicly-held Maple Leaf Foods Inc., Canada's largest food processor, amalgamated in 1991 two diversified Canadian food companies, Maple Leaf Mills Limited and Canada Packers Inc. McCain Capital Corporation is controlled by the G. Wallace F. McCain family. J. Scott McCain, son of Wallace, serves as president and chief operating officer of the Maple Leaf Foods Agribusiness Group. {various websites}

CANADIAN NATIONAL/HALIFAX

15 October, Halifax. **THE REGIONAL MUNICIPALITY IS EXAMINING COMMUTER OPTIONS** on high-capacity routes. According to the manager of regional transportation, Dan McCusker, Lea Consulting Limited of Toronto is determining major corridors for the municipality, and examining whether rail, bus rapid-transit (BRT), or ferry would best serve certain corridors. McCusker hoped for a report by late summer 2004.

McCusker said Mayor Peter Kelly continued to support commuter rail [see 00#23, CN agreed not to remove roadbed for second track].

Two lines for BRT

Halifax and Metro-Transit have won Urban Transportation Showcase Program funds from Transport Canada to establish two BRT routes from the east of Halifax, where neither rail nor ferry would work. {ANR&P discussion 16.Oct.03}

RAIL SHIPPERS

**Our Directory of Rail Shippers & Receivers in Southern New England** has more information on the companies denoted with their directory number.

ACA Cooperative (WHRC), Boralex (GRS ME), Cersosimo Lumber (NECR - VT), Chart (GRS - NH), Co-op Atlantic (WHRC), Dalton Hydro (TSRD), Georgia-Pacific (GRS ME), Irving (CBNS), Lowe’s (PW CT), Maine Readiness (MMA - ME), Merrill Marine (GRS ME), Nova Scotia Power (CBNS), PSNH (GRS NH), Red Point Export (CBNS), Scotia Farm Service (WHRC), Shur-Gain (CN and WHRC), Smith Brokerage Limited (WHRC)

PEOPLE

Is the region taking command of North America? **Captain Al Soppitt**, head of the Saint John Port Authority, was elected chair of the Association of Canadian Port Authorities at the 45th Annual General Meeting held recently at Trois Rivières, Quebec. And **Mike Leone**, head of Massport’s Maritime Division, was recently named chair of the American Association of Port Authorities. The 90-year-old association is the principle voice for more than 150 public port authorities in the US, Canada, Latin America and the Caribbean. Leone was officially named at the organization’s annual convention in Curacao, Netherlands Antilles.

**Jon Lasko**, previously general manager of PVRR, has become director of transportation and warehousing for Seder Foods, a grocery wholesale company located in Palmer, MA. It does not currently use rail.
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