Regional Issues

PW: Income and intermodal revenue up.
Logistec: Steel, income down.
Intermodal: Increase all across the region.
Passenger rail: A tough winter for the Downeaster, Chaleur, and Ocean.

Connecticut

HRRC: Danbury waste shipper seeks permit for additional tonnage.
Road salt: All vendors renew for second year at increased prices.
New Haven: Gateway Terminal C&D permit still not processed.

Maine

MDOT: Fully-funded bond bill supported.
GRS: Boralex looking at chips by rail.
MMA: Boralex looking at chips by rail.
SLR: Intermodal traffic increased.

Massachusetts

CSXT: GM auto facility site work underway.

New Hampshire

GRS: Chart traffic up.
MBRX: Awaits STB ruling on GRS restrictions.

Rhode Island

PW: Pond View still looking to expand. Sprague does not need rail in Providence. Glens Falls rails out cement from Provport. Mt.Tom will continue to receive by rail.

 Vermont

VRS: ConnRiver line service increased.

Maritimes/Québec

CN/MMA: CTA denies MMA request for interswitching or running rights into Saint John.
SLQ: Aiming in Richmond PQ to replicate success of Auburn.
Halifax: Traffic generally improved. Ceres operating 24/7.

Rail Shippers/Receivers

A cross-reference to companies mentioned here.

People, Positions, Events

[No report.]

Province Quebec

My visit to Quebec City to drive my wife back home went very well last week. In fact, our drive back through Richmond, Sherbrooke, and Lennoxville generated several stories, the first of which on Richmond appears in this issue.

My thanks to Ed Foley, Gabriel Tessier, and Charles Bury for railway assistance, and to Serge Routhier and Raymond Lebel for inviting me to visit.

I wuz wrong

When I reached Levis, across the river from Quebec, I parked my car to take the ferry. To buy my ticket and board, I had to cross the former CN right-of-way along the shore, now a trail. But what use! I had to dodge bicyclists, roller-bladers, and runners, not a simple

From the Publisher

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task. And more poured off the just-arriving ferry.

As you know, I hate to see a rail line lifted. Only five years ago [see 16 July 1998 issue], my heart certainly sided with those trying to preserve the line for VIA to operate along—especially since VIA had just constructed a new terminal in Levis.

But unlike most terminals in mid-day, this one was not dozing, even in mid-week. Folks were going in and out to access the ferry, to get information, to buy refreshments, use the toilets, and rent roller blades. VIA would have to be running a 100-person train every half hour for it to equal the utility the right of way is now providing.

Admittedly, I visited during the middle of the summer on a warm, sunny afternoon. But I bet that over the course of a calendar year, the trail and the station see three or four times as many people as it would did carrying VIA trains.

So, the line is far better used as a piste than as a voie ferree.

- Chop Hardenbergh

- Chop Hardenbergh

REGIONAL ISSUES

PROVIDENCE & WORCESTER

12 August, Worcester. **PW OPERATING REVENUE DECREASED, BUT INCOME AND INTERMODAL LOADS INCREASED.** In the company’s report for the second quarter, it said:

Operating revenues decreased $125,000, or 1.1%, to $11.1 million in the six months ended June 30, 2003 from $11.2 million in 2002. This decrease is the net result of a $232,000 (2.5%) decrease in conventional freight revenues and a $77,000 (13.0%) decrease in non-freight operating revenues partially offset by a $184,000 (14.9%) increase in container freight revenues.

The decrease in conventional freight revenues is the result of a 5.7% decrease in conventional carloadings, partially offset by a 3.5% increase in the average revenue received per conventional car loading. The Company’s conventional carloadings decreased by 831 to 13,699 in the first six months of 2003 from 14,530 in 2002. The decline in conventional traffic is largely attributable to a decrease in the volume of construction aggregates due to the effects of extreme winter weather conditions during the first quarter of the year and other factors. The decrease in construction aggregate traffic, a lower-rated commodity, has had the effect of increasing the traffic mix toward higher-rated commodities, thereby resulting in an increase in the average revenue received per car loading.

The increase in container freight revenues is the result of a 6.2% increase in traffic volume and an 8.1% increase in the average revenue received per container. Intermodal containers handled during the six-month period increased by 1,895 to 32,255 in 2003 from 30,360 in 2002. The increase in the average revenue received per container is largely the result of a contractual rate increase. (Form 10-Q filed with the Securities and Exchange Commission)

LOGISTEC

5 August, Montreal. **LOGISTEC ANNOUNCED FINANCIAL RESULTS** for the three months and six months ended June 28, 2003. “Unfortunately, the improvement in revenues and profitability at many of our 28 terminals this year were not enough to offset the previously announced loss of container business in Montreal and the low volumes of steel imports, particularly in the United States where higher import tariffs were imposed last year,” said Madeleine Paquin, president and chief executive officer of Logistec Corporation.

Revenues in the second quarter of 2003 were $43.5 million, down from $45.6 million in the corresponding period a year earlier, although 2003 second-quarter revenues were still higher than second-quarter revenues of $41.3 million in 1999, $42.9 million in 2000 and $42.2 million in 2001.

Net income in the second quarter was $0.5 million ($0.08 per share), compared with $1.9 million ($0.29 per share) a year earlier. Cash flow from operations totalled $2.8 million, compared with $4.1 million a year earlier.

No containers in Montreal

“The second quarter was Logistec’s first full quarter without container volumes at its Termont facility in Montreal, as no containers have been handled there since mid-February. The situation has had an impact on the company’s margin from operations and net income since, despite the lack of container activity, the Company must still support fixed costs including
rent, equipment and municipal taxes.”

**In the Atlantic Northeast**
The Sydney, NS, coal-handling facilities are continuing to contribute positively to the Company’s results, said Paquin. Logistec’s Jim Schine acknowledged steel in New Haven had declined [see 23 December 2002 issue]. Logisteet also operates terminals in Bridgeport, New London, Bayside, Saint John, and Halifax.

**Outlook for 2003**
“We remain cautious in our expectations for the remainder of 2003. Despite improvements at several of our terminals, the business conditions faced by the Company on the whole continue to be challenging.” {company website}

**REGIONAL INTERMODAL**
The last issue explained that container numbers through Saint John, Boston, Vancouver, and Montreal increased. This issue shows increases for PW and Halifax, as well as SLR. [Recall the prediction that intermodal revenue will exceed coal by the end of 2003–see 30 September 2002 issue.]

<table>
<thead>
<tr>
<th></th>
<th>Volume</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>PW Worcester</td>
<td>32,255 units</td>
<td>+6.2</td>
</tr>
<tr>
<td>Boston</td>
<td>88,210 TEUs</td>
<td>+14.0</td>
</tr>
<tr>
<td>SLR Auburn</td>
<td>2988 carloads</td>
<td>+27</td>
</tr>
<tr>
<td>Saint John</td>
<td>21,148 TEUs</td>
<td>+18.3</td>
</tr>
<tr>
<td>Halifax</td>
<td>274,289 TEUs</td>
<td>+8.2</td>
</tr>
<tr>
<td>Montreal</td>
<td>4.8M tonnes</td>
<td>+5.6</td>
</tr>
<tr>
<td>Vancouver</td>
<td>752,819 TEUs</td>
<td>+16</td>
</tr>
</tbody>
</table>

**Regionals and intermodal**
At the Intermodal Association of North America ‘we find more shortline and regional operators sharing full Rail Division membership with the Class I roads. They are Anacostia & Pacific, Arkansas Louisiana & Missouri, Florida East Coast, OmniTrax, Providence & Worcester, RailAmerica, St Lawrence & Atlantic, Tacoma Belt, and Vermont Railway.

‘Membership in these August groups tells one that these are the non-Class I railroad companies committed to staying ahead of the curve and making a contribution to the good of the order.’ {The Railroad Week in Review 18.July.03}

*Note:* Of the nine non-Class Is with full rail membership in IANA, three operate exclusively within the Atlantic Northeast. Pretty good for a tiny part of North America. *Editor*

**PASSENGER RAIL**
18 August, Portland. **DOWNEASTER RIDERSHIP HAS RECOVERED WELL,** wrote NNEPRA Executive Director John Englert with July at 24,021, only 6.55% off 2002 levels. This rate ‘has outpaced other intercity providers. We are pleased with our customer retention following our first year of operation, which is always a high water mark for a new service.’

In July, Englert labelled winter “brutal.” Ridership fell 20-30% below the previous year’s level, due to several factors: snow days in Boston, terrorism fears, and the weak economy. “The whole industry froze up. Nobody was going to travel. People just sat at home and watched the war on TV.”

**Increasing speed**
Per Englert in July, increasing the train’s speed to the federally-mandated 79 miles per hour would attract those who find the 2-hour, 45-minute trip too slow. However, the higher speed will cut only 11 minutes off the travel time. Wayne Davis, chair of TrainRiders Northeast, argued that the train speed will make the train exciting: “When we get to 80 miles per hour, we will
develop a whole new constituency.”

While Guilford’s appeal of the STB decision is pending, it must comply with the ruling, and has not yet done so. Ron Roy, MDOT’s head of the Office of Passenger, said GRS and the state are negotiating the terms of the higher speed. GRS has asked for additional improvements such as another passing track. MDOT is examining the feasibility and costs of the proposed improvements.

In August, Englert added: ‘We continue to review engineering, scheduling and operations issues with Guilford and the MBTA on the corridor, including 79mph operation. There are no dates nor projections for 79mph operation. A late summer track work program that protects the corridor's freight and passenger operations is our next focus.’

Adding Freeport
Roy noted that extending Amtrak to Freeport and Brunswick will draw many more riders without adding much cost. The department has asked for $4 million in the upcoming bond issue [see Maine]. That money would allow the state to access $46 million in matching grants, enough to possibly complete the project by 2006. An environmental impact study of proposed routes is nearly complete [see 18 July issue]. {Tom Bell in Maine Sunday Telegram 6.July.03}

But an MDOT person said at the beginning of August that the deadline for Freeport service was moved to 2007, in part because of budget problems. {The Notes 5.Aug.03}

On-time percentage
To date, 2003 on-time percentage has averaged 89.5%, July was 89.1% Englert added: ‘Summer heat restrictions have kept things below their 93%+ non-summer average.’ {e-mail to ANR&P from John Englert 18 August 2003; Tom Bell in Maine Sunday Telegram 6.July.03}

According to a table compiled from Amtrak sources and published in a corridor newsletter, the Downeaster was topped only by the Clocker 86.5%, Pacific Surfliner 85.8%, and the Hiawatha at an amazing 97.4%. {Destination Freedom}

Montreal. VIA RAIL EXPERIENCED A ROUGH WINTER for its Eastern Services, from Montreal to Halifax (basically the Ocean and the Chaleur). Through April revenue came to $5.3 million, expenses came to $17.5 million. The resulting $12.2 million shortfall exceeded the budgeted shortfall of $11.6 million. VIA put it down to travel concerns associated with the war in Iraq and the SARS crisis.

On-time percentage
Eastern Services had an on-time percentage of 70.1% versus the expected 86%. VIA said at least half the delays were CN-related, including track crossovers, meets, and signal/switch problems related to cold weather. VIA-controlled delays were largely associated with equipment difficulties and with passenger and baggage-related problems during the Christmas season. {Vialogue summer.03}

[The annual blaming of weather for delays reminds me of an aphorism I first heard in 1970: “Every year, winter comes as a surprise to the Penn Central.” Editor]
CONNECTICUT ROAD SALT RENEWALS JULY 2003

14 July, Newington. **THE STATE RENEWED THE OPTIONS OF ALL ROAD SALT VENDORS** for a second year, at the prices offered by the vendors. The bid awards of 2002 [see 30 September 2002 issue, also for location of salt piles] included the option to renew for a second year. Janice Snyder, purchasing services officer for ConnDOT, supplied this information:

<table>
<thead>
<tr>
<th>District</th>
<th>stores location</th>
<th>bid winner</th>
<th>2002 price per ton delivered</th>
<th>2003 price per ton delivered</th>
<th>historical volume ConnDOT</th>
<th>estimated total ConnDOT + municipalities</th>
</tr>
</thead>
<tbody>
<tr>
<td>131</td>
<td>Darien</td>
<td>Morton</td>
<td>$35.95</td>
<td>36.09</td>
<td>6,130</td>
<td>15,093</td>
</tr>
<tr>
<td>132</td>
<td>Brookfield</td>
<td>ISCO</td>
<td>34.83</td>
<td>36.77</td>
<td>7,149</td>
<td>15,486</td>
</tr>
<tr>
<td>133</td>
<td>Waterbury</td>
<td>ISCO</td>
<td>32.92</td>
<td>34.86</td>
<td>9,436</td>
<td>23,762</td>
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<tr>
<td>135</td>
<td>Higganum</td>
<td>ISCO</td>
<td>34.62</td>
<td>36.56</td>
<td>3,099</td>
<td>5,244</td>
</tr>
<tr>
<td>136</td>
<td>Lisbon</td>
<td>Morton</td>
<td>34.32</td>
<td>36.35</td>
<td>5,825</td>
<td>11,843</td>
</tr>
<tr>
<td>137</td>
<td>Winchester</td>
<td>ISCO</td>
<td>35.20</td>
<td>37.14</td>
<td>9,460</td>
<td>11,998</td>
</tr>
<tr>
<td>138</td>
<td>Wethersfield</td>
<td>American</td>
<td>30.33</td>
<td>31.22</td>
<td>13,892</td>
<td>37,080</td>
</tr>
<tr>
<td>139</td>
<td>W.Willington</td>
<td>Morton</td>
<td>35.81</td>
<td>37.85</td>
<td>8,083</td>
<td>15,294</td>
</tr>
<tr>
<td>140</td>
<td>Putnam</td>
<td>Morton</td>
<td>31.58</td>
<td>34.03</td>
<td>7,091</td>
<td>12,806</td>
</tr>
<tr>
<td>141</td>
<td>East Granby</td>
<td>American</td>
<td>34.53</td>
<td>35.43</td>
<td>8,799</td>
<td>17,906</td>
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<tr>
<td>142</td>
<td>East Haven</td>
<td>ISCO</td>
<td>31.91</td>
<td>33.85</td>
<td>6,987</td>
<td>13,271</td>
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<tr>
<td>190</td>
<td>Millford</td>
<td>ISCO</td>
<td>32.34</td>
<td>34.28</td>
<td>6,934</td>
<td>9,113</td>
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<tr>
<td>192</td>
<td>Old Saybrook</td>
<td>Morton</td>
<td>34.97</td>
<td>37.74</td>
<td>6,158</td>
<td>8,640</td>
</tr>
<tr>
<td>TOTAL</td>
<td>OR</td>
<td>AVG PRICE</td>
<td>33.82</td>
<td>35.55</td>
<td>99043</td>
<td>197536</td>
</tr>
</tbody>
</table>

**HOUSATONIC**

13 August, Danbury. **AUTOMATED WASTE DISPOSAL HAS A PERMIT TO EXPAND ITS FACILITY** at its 307 White Street facility here. The subsidiary which operates the facility, Transfer Systems Inc (TSI), already has a permit to operate a construction and demolition debris transfer facility at 400 tons per day. [Some of the material is railed to a landfill in Ohio–see 12 April 2002 issue.] It also has a permit to handle household waste at 950 tons per day. Robert Isner, acting director of the waste engineering and enforcement division at DEP, said TSI had only received the construction permits. Once TSI completes renovation of its facilities, the company will ask DEP to inspect the facility and issue the permit to operate [see 12 April 2002 issue].

**Tonnage increase**

James Galante, who owns TSI and AWD, said the company wanted permission to expand the capacity of the transfer station so it could accommodate future growth in the region. Obtaining the new permit is a simple business decision that will allow...
TSI to process more waste as more customers move into the area over coming years. The region is growing and more houses and businesses mean more trash. The new permit will increase the TSI intake of household garbage to 1250 tons per day, and C&D to 600 tons per day.

The overall storage capacity of the White Street station would increase from 5,275 cubic yards today to 6,090 cubic yards when operational. Though the size of the transfer system wouldn’t change, some of the buildings will.

Danbury Mayor Mark Boughton said the application for the new permit for the White Street station was filed before he took office in 2001. “It’s an increase in tonnage for a permit that’s already in place. Obviously I’m not happy with the [prospect of increased] traffic, but the rail spur takes trucks off our roads. I’d rather ship garbage out in rail cars.” AWD already accepts waste from Connecticut, and from Dutchess and Putnam Counties in New York.

**New rail area**

While some C&D moves out by rail, all garbage now leaves the White Street facility by truck. Automated Waste will create a new rail loading for the municipal garbage. {Mark Langlois in Danbury News-Times 13.Aug.03}

** PROVIDENCE & WORCESTER**

19 August, Plainfield. THE NEW CUSTOMER HERE WILL NOT USE RAIL UNTIL 2004. Donald Hopkins of Hopkins Materials [see 8 April issue] said the rail spur is installed, and he would discuss its use as the time for actual operation, probably early spring 2004, approached. {ANR&P discussion}

**NEW HAVEN**

19 August. GATEWAY’S APPLICATION TO OPERATE A C&D TRANSFER STATION “is still in technical review by [the Connecticut Department of Environmental Protection],” said Robert Isner, acting director of the waste engineering and enforcement division at DEP. “The agency has not made a decision to issue or modify the permit.” [See 12 April 2002 issue.]

Not enough assistance

While the department has no statutory time limit within which to decide about permit applications, Isner said the review is nearly complete. Slowing the situation: his division has only one permit writer left out of five, Kalin Tanovici. The other four took early retirement or left for other positions. Isner said the department had received permission to fill some of the slots. {ANR&P discussion 19 August 2003}

**MAINE**

**MDOT BOND**

19 August, Portland. A BEVY OF PLANNING AND TRANSPORTATION OFFICIALS CALLED FOR A FULL $75 MILLION TRANSPORTATION BOND, at a press conference in Portland. At an Appropriations Committee meeting on 14 August, Republicans voted for a $62.5 million transportation bond, and Democrats for $57.05 million.

Earlier, State Senator Karl Turner (R, Cumberland) said the Republicans had come up with their figure by asking MDOT for the minimum necessary to fulfill the BTIP (biennial transportation improvement plan), and adding to that $5 million to fix the Waldo-Hancock Bridge. Democrats also included the $5 million in their total.

Maine will lose $220 million in federal funds and jeopardize transportation projects across the state if state legislators don't work out their differences and send a bond bill to the voters, the officials said. {Maine Better Transportation Association Update; ANR&P discussion with Turner; Paul Carrier in Portland Press Herald 20 August 2003}

**GUILFORD RAIL SYSTEM**

11 August, Livermore Falls. BORALEX IS CONSIDERING RAILING IN WOODCHIPS to its biomass energy plant here. Eric Dumont, fuel buyer for Boralex, said the Livermore plant, as well as the company’s plants in Stratton and Fort Fairfield, have always trucked in chips, either virgin or from construction and demolition debris (C&D). But the number of available
trucks has dropped considerably; high fuel prices led a lot of truckers to go out of business. “So I have a lot of wood in Massachusetts I just cannot get to my plant.”

“Rail is looking better and better,” continued Dumont. “Prices [from the railroads] are looking better than they have been.” The Livermore plant “can be a good customer...it combusts a lot of material,” 470,000 tons a year. The moisture content of the C&D chips ranks low–26-27%–so a normal hopper can only hold 75 to 85 tons, meaning if all wood arrived by rail, Boralex would receive 6000-7000 carloads a year. Added to that, said Dumont, would be the biomass for the Stratton plant (500,000 tons burned a year), which lies 64 miles to the north of Livermore, but not on rail. Boralex would truck the chips up there from Livermore.

When Dumont began to consider rail, others told him, ‘Don't even bother, rail does not work.’ Nevertheless, he opened discussion with the railroads, and found “they're aware they have an opportunity to do business. I’ve met a lot of good people, including people at Guilford, who are very informative and good to talk to.” However, he would never completely rely on rail. “I never want to put all my eggs in one basket.”

He would like to ensure himself of the rail rates for a contract period, and he needs a rail spur to receive the cars. Guilford officials visited his site; he is considering a 1000-1200-foot spur to hold ten cars. Putting in the switch, said Dumont, would cost about as much as constructing the spur itself.

AVCOG role
Dumont noted that Bob Thompson, executive director of the Androscoggin Valley Council of Governments, has been “very helpful and informative.” Speaking on 18 August, Thompson said AVCOG approached the issue on behalf of one of its member towns in two ways. First, from a business retention point of view, the logistics of fuel delivery and therefore the transportation infrastructure is the critical piece for Boralex. AVCOG is helping Dumont to obtain government funds to construct the rail spur, through MDOT’s Industrial Rail Access Program and other government programs.

Second, AVCOG is assisting its member towns in the search for disposal options for C&D. Boralex is discussing a contract for receiving wood for burning from these towns.

Wood from southern New England
Dumont is already receiving wood-residue chips by truck from Pond View, the C&D facility in East Providence, Rhode Island [see Rhode Island]. And he can receive unprocessed wood as well. Massachusetts is banning the dumping of wood in landfills, so that many transfer stations are now trucking the wood–making up 40-70% of their intake–west to Ohio and dumping it in landfills there. Boralex could receive this wood and grind it on-site.

Dumont reported that wood chips cannot sit long: after three to four months, the pile will combust spontaneously. “If it’s unprocessed, the facility can hold onto it longer.” Also, Maine winters will retard combustion, so better to have the wood in Maine than farther south. {ANR&P discussions 11&18.Aug.03}

Fort Fairfield also a possibility
The Boralex plant here may ship out virgin woodchips to Livermore Falls, if the town gets money to restore the rail line. [See below.]

MORE ABOUT BORALEX
Boralex, a subsidiary of Canadian forest products company Cascades, ‘owns and operates twelve power stations located in Quebec, the United States, and France, with an installed capacity of 229.0 MW, as well as an urban wood processing and recycling centre in Montreal. In addition, the Corporation holds a 34% interest in Boralex Power Income Fund, which owns eight power stations in Quebec.’ Boralex is the largest producer of power from wood-residue in North America, with five of the seven in Maine: Ashland (40MW, 470,000 tons of material consumed per year, out of service), Athens (16MW, out of service), Fort Fairfield (36MW, 400,000 tons), Livermore Falls (40MW, 350,000 tons), and Stratton (50MW, 500,000 tons). {Boralex website}
Access Program (IRAP).

This would only make sense if Boralex provided the volume of traffic it could, consisting of outbound chips from its Fort Fairfield plant to the Livermore Falls plant [see above]. Two other companies are “very interested” in siting on the Fort Fairfield track, if MMA can provide appropriate rates and service. MMA can only do that if their business is combined with the considerable traffic Boralex could generate. {ANR&P discussion}

SLR INTERMODAL RESULTS
14 August, Greenwich CT. SLR’S HALF-YEAR INTERMODAL TRAFFIC INCREASED 27%, from 2337 carloads in the first six months of 2002 to 2988 carloads this year. Intermodal revenue rose from $561,000 to $788,000.

Quarterly intermodal traffic increased 11.7%, from 1,515 carloads to 1,692 from 2Q02. {10-Q filing of Genesee and Wyoming}

Note: GWI acquired Emons Transportation in January 2002, and does not split out its results railroad by railroad. However, the parent has only one intermodal terminal among its railroads: the SLR’s at Auburn, Maine.

Auburn’s becoming a port of entry should increase its intermodal traffic [see 19 November 2002 and 18 July 2003 issues]

The railroad does not provide traffic by intermodal unit. However, in 2002 it reported the terminal handled about 14,400 units (trailers or containers) [see 19 November 2002 issue].

Why the increase?
Ed Foley, vice-president of marketing for SLR and SLQ, declined to provide particulars ‘as we are in a very competitive market for intermodal in our region.’

He does foresee a positive future for the terminal: ‘Imports have developed nicely with APL and Zim to the degree that others are now looking at Auburn. Due to the increased volume of imports we now have additional equipment (empty containers and trailers). Those are used to generate more exports of pulp and paper which helps to bolster our overall volumes handled at the Maine Intermodal Terminal. If the outbound paper can pick up we could end the year on a high note.’ {e-mail to ANR&P}

MASSACHUSETTS

CSXT
19 August, Spencer. SITE WORK FOR THE GENERAL MOTORS AUTO FACILITY has begun, reported Town Building Inspector Paul Blanchard. [See 26 March issue.] The proponents have all necessary permits except building permits for any structures. The rail spur work has not yet begun. {ANR&P discussion}

NEW HAMPSHIRE

GUILFORD RAIL SYSTEM
18 August, Plaistow. CHART INDUSTRIES WILL CONTINUE TO DO BUSINESS HERE despite the bankruptcy filing in Chapter 11 in early July. Tom Lawrence, transportation manager, called the bankruptcy filing “prepackaged” because the lenders and the company did it cooperatively. The company expects to emerge from Chapter 11 this autumn, and Lawrence anticipated that the Plaistow facility would remain in operation.

Rail business
The Chart Distribution and Storage Group in Plaistow handles large tanks (> 15000 gallons), electronic-grade tanks, liquid hydrogen tanks, LNG systems, ozone system equipment, specialty transports (electronic grade or custom), and railcars. Lawrence said in 2002 Chart received 30 tank cars for rebuilding into cryogenic cars, and has 20 on the books for this year. It also will send out tanks by rail, but fewer than the six to ten it has done in the past.
Lawrence said that following the 2002 story [see 15 February 2002 issue], Guilford had assigned an employee to him, whom he contacts whenever he needs a particularly-sized car to ship a tank. This has worked well. {ANR&P discussion}

MILFORD-BENNINGTON

19 August, Milford. **MBRX AWAITS AN STB DECISION ON ITS REQUEST FOR EMERGENCY SERVICE.** Granite State and the railroad filed the request on 14 July, GRS responded, and both sides now await the Board’s action. As of late July, Granite State had lost $325,000 in revenue, and in addition was losing $10,000 per day.

[Here’s the question: How much more appropriation does the STB need to act in a timely fashion? Editor] {STB website filings}

RHODE ISLAND

PROVIDENCE & WORCESTER

6 August, East Providence. **KEN FOLEY OF POND VIEW IS STILL CONSIDERING EXPANSION.** The effort to build a facility in Walpole is on hold [see 8 April issue: Massachusetts], but he is looking at two or three other sites, “all rail served.” He declined to name them: “Call in a month.”

**Permit for expansion/competition from Champion City?**

Foley noted that the Rhode Island Department for Environmental Management had issued him a permit for expansion, but he still needed to resolve an issue with the City of East Providence [see 26 February issue]. He said the opening of Champion City C&D facility in Brockton [see 18 July issue] had affected him “not one ounce.”

**Woodchips to Maine**

Pond View has trucked woodchips from C&D to Maine, and is now considering using rail [see Maine]. {ANR&P discussion}

11 August, Providence. **SPRAGUE WILL NOT NEED RAIL DOWN ALLEN AVENUE,** said Burt Russell, Sprague’s vice-president of terminals and transportation. The company was considering using rail to reach its asphalt plant [see 12 February issue], but the need for rail has disappeared. {ANR&P discussion}

13 August, Providence. **GLENS FALLS LEHIGH CEMENT IS SHIPPING THE FIRST CARLOADS** from its dome facility in Proviron, which receives Type 2 cement from Turkey [see 12 February issue]. Dwight Fielder, director of logistics, said the company would ship around 10 cars, but did not ‘expect it will continue beyond the end of August.’ {e-mail to ANR&P}

18 August, Providence. **THE RAILROAD WILL HAUL COAL FOR THE INDEFINITE FUTURE** from Pro装修 to Mt.Tom. Keith Saunders, fuel principal for Northeast Utilities, which owns the Mt.Tom plant, wrote: ‘At the moment there is no set time that this will continue. But it will continue as long as the railroads and foreign coal are more economical than domestic coal.’ {e-mail to ANR&P}

**The existing coal contract**

According to PW, PW had won a six-month contract beginning in April [see 6 May issue] with 80,000 tons. In each of the next four months, some 40,000 tons will arrive at Providence and be moved to Mt.Tom, for a total of 4,000 carloads. In anticipation of the delivery, PW rebuilt 1200 feet along the wharf at Provoir, to hold 25 coal cars at one time [see 8 April issue]. This will eliminate the live loading used in the past, meaning that Waterson Stevedoring does not need a crew and engine on hand to move cars, but can load 25+ cars at a time for pickup by PW. {PW newsletter}
VERMONT

VRS - CONNECTICUT RIVER
18 August. WACR WENT TO FIVE-DAY A WEEK SERVICE as of this day. Trains depart Newport and White River Junction daily, meeting at Wells River with crews returning to their home terminals.

“The good thing about this,” said VRS Vice-president Jerry Hebda, “is that every car we pick up is delivered to one end or the other every day.” {ANR&P discussion 20 August 2003}

QUEBEC/MARITIMES

CN/MMA
14 August, Ottawa. THE CANADIAN TRANSPORTATION AGENCY DECIDED AGAINST MMA AND B&A AND FOR CN about the question of access for MMA traffic to the potash terminal in East Saint John. The case arose in 2002 when CDAC, a part of the Bangor & Aroostook System whose assets were acquired by MMA in January 2003, sought to ship potash for export.

The facts per MMA/B&A
‘MMA submits that CN acted in a manner tantamount to a refusal to permit a large shipment of potash to be carried by CDAC and interswitched to CN’s line from the NBSR/CN connection in Saint John to the Potash Terminal in the port of Saint John in August 2002. MMA indicates that over the period leading to mid-August 2002, CDAC, in connection with CP, successfully negotiated an agreement with Canpotex, a fertilizer shipper located in Saskatchewan, to transport potash fertilizer from western Canada to Saint John, for exportation. Pursuant to the agreement, CP would carry the traffic from Yarbo, in the province of Saskatchewan, to Saint-Jean, in the province of Quebec, where the traffic would be transferred to CDAC, which would haul the cars to Brownville Junction, Maine, and then interchange it to EMR/NBSR which would in turn deliver the cars to CN at the CN/NBSR connection in Saint John, for delivery to its final destination at the Potash Terminal in the port of Saint John. [B&A] specifies that the only rail access to the Potash Terminal is over the line of CN.’

[Both CP and CN have access in Yarbo, according to the Canadian Railway Atlas.]

‘MMA explains that in mid-August 2002, Canpotex gave to CP a block of 111 cars loaded with potash destined for the Potash Terminal in the port of Saint John. According to MMA, CN advised that it would not provide interswitching at the prescribed rates and would accept no liability for the train. MMA contends that because of CN’s refusal to accept liability for the train, CDAC was unable to give NBSR a guarantee of revenue and, consequently, NBSR refused to accept the train.

‘[B&A] indicates that Canpotex was then forced to make alternate arrangements with CN to transfer the traffic to CN at Montréal for delivery to the Potash Terminal at Saint John. Accordingly, MMA emphasizes that when the train arrived in Montréal, instead of being routed as previously authorized by the shipper via CDAC-NBSR, the traffic was rather diverted to CN for a direct delivery to the Potash Terminal.

‘MMA submits that as a result of CN’s refusal to accept liability for the train and its denial of access, CDAC lost a valuable business opportunity to carry and deliver potash from western Canada and, similarly, CN secured a valuable revenue haul for itself. MMA contends that CN had an obligation to interswitch the potash train arriving at the port of Saint John on a MMA routing under haulage subcontract with NBSR/EMR entered into for and on behalf of MMA.’

How can MMA/B&A force CN to accept the traffic?
The two parties tried three arguments, based on Canadian transportation law.

Application for interswitching. Subsections 127(1) and (2) of the Canadian Transportation Act provide that:
'(1) If a railway line of one railway company connects with a railway line of another railway company, an application for an interswitching order may be made to the Agency by either company, by a municipal government or by any other interested person.

(2) The Agency may order the railway companies to provide reasonable facilities for the convenient interswitching of traffic in both directions at an interchange between the lines of either railway and those of other railway companies connecting with them.'

The CTA also states rates for the switching which the switching line, in this case CN, would have to pay. Unfortunately, the subsections cited above only apply if a physical connection between two federal railways exists. NBSR as a provincially-regulated railway does not meet this requirement.

MMA argued that NBSR only acted as a subcontractor to MMA and previously CDAC, both of which were federally-regulated railways and hence a connection does exist. The Agency rejected this contention, noting in part that MMA had not sought a federal certificate of fitness to operate into Saint John.

Canadian law does not permit the right to interswitching to be extinguished when a line is transferred from a federal to a provincial railway, but in 1993-1994 CP abandoned the line which CDAC eventually acquired. Hence CDAC did not receive the line as a transfer.

Application for running rights. MMA also asked for the right to directly access the potash terminal via its subcontractor, NBSR. Subsection 138(2) of the CTA provides that: ‘The Agency may grant the right and may make any order and impose any conditions on either railway company respecting the exercise or restriction of the rights as appear just or desirable to the Agency, having regard to the public interest.’

The Agency noted two problems with running rights. First, MMA has no way of exercising running rights over CN in Saint John, as MMA does not operate to Saint John. ‘During the exchange of pleadings, MMA indicated that, in the past, it has tried to negotiate a running right agreement with NBSR but the negotiations failed to materialize into a concrete agreement.’ Second, ‘the applicants did not file any arguments, other than the level of service complaint which will be examined below, indicating as to how the granting of running rights would benefit the public interest.’
Level of service complaint. Finally, MMA argued that CN had the obligation to accept the traffic which NBSR would have tended to in Saint John. The Agency noted that a ‘railway company must provide, according to its powers, adequate and suitable accommodation for the receiving, loading, carrying, unloading and delivering of all traffic offered for carriage on its railway. Section 116 of the CTA confers upon the Agency the authority to investigate a complaint with respect to the level of service offered. If the Agency determines that a railway company is not fulfilling its service obligations, it may order relief.’

The Agency noted first that NBSR, not MMA, refused to accept the train. Second, that the customer Canpotex agreed with the change in routing to use CN from Montreal. Third, that Canpotex was not a party to the complaint. Fourth, MMA only acquired the assets of CDAC, and not the right to complain, so the Agency ‘seriously questioned the right of MMA to file such a level of service complaint.’

But the Agency cast those points aside in making its decision, relying on the fact that MMA and B&A failed to provide any evidence that, as MMA alleged, CN refused to accept liability for the train.

‘Accordingly, the Agency concludes that there was no conclusive evidence that CN breached its common carrier obligation to provide adequate service.’

Conclusion
The Agency dismissed the application. {Decision No. 472-R-2003 14.Aug.03}

SAINT LAWRENCE & ATLANTIC

13 August, Richmond, Quebec. **SLQ WILL CREATE A MULTI-MODAL INDUSTRIAL CENTER** here. Ed Foley, vice-president for marketing of the SLR and SLQ, said the railroad would rebuild about a mile of the former CN Danville line and the City of Richmond will construct a warehouse in the Richmond Industrial Park.

SLQ current customers in Richmond

SLQ has current customers in the Richmond Yard. It has loaded paper for Cascades [nearby mills in Kingsey Falls and East Angus] with an ingenious through-boxcar system. The truck backs up to a stationary, converted car. SLQ spots a car on the opposite side adjacent to the stationary boxcar. A forklift enters the trailer, runs through the fixed boxcar, and loads the paper into the outbound car. This provides a covered transload.

Also in the yard, a plastics customer transloads pellets. Occasionally, customers transload aluminum and structural steel. Most importantly, CN and SLQ interchange here, even though the SLQ ownership extends to Sainte-Rosalie.

But the railway knows the Cascades operation would go more smoothly inside a warehouse. Also, SLQ could provide warehousing for Kruger’s giant mill in Bromptonville and the largest paper mill on the SLQ, Domtar in Windsor. SLQ serves both direct.

Using the Auburn template of success

When the SLQ was added to the SLR in 1998, the SLR wanted to replicate its success in Auburn, Maine, where the railroad serves a number of facilities in an industrial area, including bulk, chemicals, grain through a trestle bridge, several paper grade warehouses, and its own intermodal facility for import/export, domestic Canada and US destinations.

Said Foley: “We needed to bolster the carload traffic, and we had three ways to do that: locate new customers on line; second create bridge direct traffic with connecting carriers CN, ST, CDAC, and NHCR; and lastly, acquire customers off-line with value-added services such as warehousing, transloading and bulk distribution.”
On-line customers

Dragon Cement has located its Quebec terminal in Windsor, operated by Bess Cargo, which also offers bulk transloading, mainly of plastics. Until Great Northern Paper shut down early this year, SLQ picked up cars of chips created by Beaubois in Coaticook and delivered them to Sherbrooke to the CDAC for furtherance to GNP at Millinocket. Later this year SLQ hopes that a grain transload facility will open in Upton, west of Richmond, operated by Jean Lavallee Transport.

Found: one industrial park

Three years ago, SLQ looked for an industrial-park-like site where it could serve a number of customers, and found it in the industrial park in Richmond. Why rebuild the line when space exists in the SLQ Richmond Yard? Foley gave two reasons: First, the yard does not have as much space as appears at first glance. In the yard, SLQ interchanges long trains with CN, and much of the yard is in a flood plain from the St.Francois River. Second, the railway could fit in one small warehouse, but would have no room to add additional customers, which the railway aims to do to replicate the Auburn model.

Success already

The fact that the SLQ was creating a rail-served park drew Dragon to the area, said Foley. “Dragon would never have come without the offer to locate in Richmond first.” When Dragon realized that the railroad would not have track into the industrial park soon enough, it looked elsewhere. The trucker, Bess Cargo had land next to the SLQ line in Windsor with an existing terminal, and preferred a location there.

Setting up the rail access

The SLQ seeks not only the physical template of the Auburn set-up, but also the political template. Lewiston-Auburn officials support the SLR’s industrial development efforts, and promote them. Said Foley: “We brought the Richmond officials down to meet the Lewiston and Auburn officials; so that Richmond would know what it is getting into, and also understand that the railroad is not all things to all people.” To make the business happen, the SLR pointed out, “we needed the cities of Lewiston and Auburn on our side, where they would lobby for companies and for jobs.”

With the support of Richmond, the SLQ will have access to the 250-acre industrial park, created by a combination of funds from the provincial and the federal government. Foley anticipates that construction will begin in late fall 2003, and the warehouse will be ready for use in early winter. By an arrangement with Richmond, MTQ which owns the right of way will lease the spur to the SLQ.
Future intermodal?
The railroad is looking into the feasibility of an intermodal terminal in Richmond as an extension of Auburn. “We can move empties there from Auburn, and load them” with the outbound production of the large mills in the region: Domtar Paper in Windsor, Kruger Paper in Bromptonville, and Cascades in East Angus.

Competition from MMA?
Foley acknowledged that MMA had a warehouse in Sherbrooke which already serves Kruger [see a future issue]. But he wants to offer single-line access for his customers. “MMA has an affiliation with CP, so traffic coming over CP will tend to stay on a CP-MMA route and it should, it makes sense.”

SLQ is affiliated with CN–most of its traffic occurs on a haulage basis–and Foley would like traffic coming over CN to stay on his line and provide the CN-SLQ more opportunities for the SLQ. “New industrial development opportunities and locating manufacturing companies and bringing jobs to the Eastern Townships and Richmond in particular is our main focus,” said Foley. “Our people are committed, we have a great team from top to bottom, and we understand what it takes to create an opportunity first and in turn turn that opportunity into an online customer.”

And Foley added special praise for his Sales Manager for the SLQ Mr. Dany Julien “He came on board when the SLQ was ripe for opportunity, he’s made my job easier by defining the market and delivering the opportunities in a multitude of areas for the SLQ business.”

Possible show-stopper?
Officials at Ministère Transport du Quebec (MTQ) warned that the funding for the project had not yet received a positive decision. If MTQ approves, that would automatically draw down additional funding–somewhat more than the province’s–for the rail spur.

The go-slow order occurred because in April the Liberals (76 seats) turned out Parti Quebecois (45 seats), after nearly a decade in power. The new cabinet will return from holidays and examine every program. MTQ officials expected a decision on the Richmond spur within three weeks.
HALIFAX

11 August. **PORT CONTAINER THROUGHPUT ROSE 8.2% FOR THE FIRST SIX MONTHS.**

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{figures from Halifax Port Authority}

**Expectations for the full year**

Patricia McDermott, vice-president for marketing, said because Maersk/Sea-Land had ended its trans-Atlantic call in April [see 12 March issue], the Port Authority does not expect the rate of increase to hold up until the end of 2003. Nevertheless, she does expect the total TEUs to exceed half a million, as it did in 2002 [see 12 February issue].

**Still congestion**

McDermott echoed shippers [see 8 August issue] in stating that the congestion at the container terminals “continues to be a challenge. The overall situation has improved, but it is not where we want it to be. There is a higher number of high-capacity cars in the system from CN’s perspective...” {Tom Peters in Halifax Herald 12.Aug.03}

11 August. **CERES IS OPERATING AROUND THE CLOCK “MOST DAYS,”** said Calvin Whidden, general manager of the terminal operator at Fairview Cove Intermodal Terminal. Although ACL’s Fritz King feared that Ceres could not continue “indefinitely” [see 8 August issue], Whidden said “we can keep it going forever. I hope the volume stays so we operate 24/7 and go to two million containers.” {ANR&P discussion}

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**RAIL SHIPPERS**

As a precursor to our forthcoming Directory of Rail Shippers & Receivers: Southern New England this section lists the companies discussed in this issue.

Automated Waste Disposal (HRRC CT), Boralex (GRS Maine and MMA Maine), Canpotex (CN/MMA New Brunswick), Chart Industries (GRS NH), Dragon (SLQ Quebec), Gateway (PW CT), Glens Falls (PW RI), GM auto facility (CSXT MA), Granite State (MBRX NH), Hopkins Materials (PW CT), Northeast Utilities (PW RI), Pond View (PW RI), Sprague (PW RI).
Coverage
The newsletter covers the operating freight railroads and ports in New England, Atlantic Canada, and eastern Québec, as well as the government environment they function within. Coverage includes passenger rail and ships when relevant to freight operations.

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Purpose
*Atlantic Northeast Rails & Ports*, née *Maine RailWatch* (1994-1997) and later *Atlantic RailWatch* (1998-1999), is dedicated to the preservation and extension of the regional rail network. The editor believes that publishing news on railroads and ports spotlights needed action to preserve the rail network. The publication also imbues the region with a sense of an interdependent community, employing the network to move rail and port traffic. ‘No railroad is an island, entire onto itself.’

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