Helping to move rail and port traffic through New England, the Maritimes, and eastern Québec. A twice-monthly trade newsletter.

Common abbreviations: 
- BCLR - Bay Colony RR, 
- BML - Belfast & Moosehead Lake RR, 
- CBNS - Cape Breton and Central Nova Scotia Ry, 
- CCCR - Cape Cod Central RR, 
- CCRR - Claremont Concord RR, 
- CFQ - chemins de fer Québec System, 
- CN - Canadian National Ry, 
- CPR - Canadian Pacific Ry, 
- CSO - Connecticut Southern RR, 
- CSRX - Conway Scenic Railroad, 
- EOTC - Mass. Exec. Office of Transportation & Construction, 
- GRS - Guilford Rail System, 
- GWI - Genesee & Wyoming Inc, 
- FHWA - Federal Highway Admin., 
- FRA - Federal Rail Admin., 
- FRTC - Fore River Transportation Company, 
- FTA - Federal Transit Admin., 
- HRRC - Housatonic RR, 
- MERR - Maine Eastern RR, 
- MBCR - Mass. Bay Commuter RR, 
- MBRX - Milford-Bennington RR, 
- MBTA - Mass. Bay Transportation Authority, 
- MCER - Mass. Central, 
- MDOT - Maine Dept. Transp., 
- MMA - Montréal, Maine and Atlantic Ry, 
- MPO - Metropolitan Planning Organization, 
- MTQ - Québec Ministry of Transport, 
- NAUG - Naugatuck RR, 
- NBSR - New Brunswick Southern Ry, 
- NECR - New England Central RR, 
- NEGS - New England Southern RR, 
- NHDOT - NH Dept. of Transp., 
- NNEPRA - Northern New England Passenger Rail Authority, 
- NSDOT - Nova Scotia Depart. of Transp, 
- PVRR - Pioneer Valley RR, 
- PW - Providence & Worcester RR, 
- PVRR - Pioneer Valley RR, 
- SLQ - St. Lawrence & Atlantic RR (Québec), 
- SLR - St. Lawrence & Atlantic RR, 
- TIRR - Turner's Island LLC, 
- VAOT - Vermont Agency of Transportation, 
- VRS - Vermont Rail System (Green Mt. RR Company), 
- GMRC + Vermont Ry VTR + Clarendon & Pittsford RR, 
- CLP + Washington County RR (WACR), 
- WHRC - Windsor and Hantsport Ry.

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Issue 03#11B 26 November 2003

*Article unchanged from e-bulletin.

Regional Issues

PW: Third-quarter increase in operating income.*

Northeast Utilities: Test coal move Provincetown-Bow.

Assistance to small railroads: Massachusetts and Rhode Island representatives not yet on board.

Chrysler: CPR wins award, redounds to D&H, MMA, NBSR, Logistec.

D&H: CPR looking for partners.

Connecticut

C&D: Construction not done at Circle of Life or Automated Waste Disposal.

Maine

Legislature: Tax committee considers RR taxes.*

MDOT: IRAP applications sent.

Calais Branch/Mt.Div: Dearness annual work trips.*

GRS: Meeting about re-opening rail line to North Anson. Cover comes off Maine Yankee car.

Harpswell, Searsport: Proposed LNG terminals.

Massachusetts

CSXT: Line spinoffs to include Boston Cluster?*

PVRR: Lowe's proposes distribution facility.

PW: EOTC seeks trail for Southbridge ROW.*

New Hampshire

NHDOT: Studying Ossipee-Conway line.

CCRR: Twin State seeks adequate permit.

GRS: No PSNH wood study yet.

MBRX: MBRX alleges GRS suborned perjury.*

Rhode Island

[No report.]

Vermont

VRS: WACR traffic off.

Maritimes/Québec

MMA/NBSR: Another test trip. Photos of locomotive and facility??

Halifax: CN meets with Port Authority.

Rail Shippers/Receivers

A cross-reference to companies mentioned here.

People, Positions, Events

Keith Heller, Keith Creel

From the Publisher

In support of the MMA

In response to a request from Jim Howard sent to stakeholders in Maine railroading, I submitted a statement to the Surface Transportation Board supporting the BAR/MMA effort to terminate the CN deal with the BAR giving CN access to Fraser in Madawaska via trackage or haulage rights.

Not that I disapprove of CN's ability to run a railway. On the contrary, CN has done admirably. No, I wrote to the STB because I believe that BAR made a bad deal with CN, under duress. That bad deal leaves MMA with not enough revenue to operate all its trackage, which in turn could lead to abandonment of the Brownville Junction-Jackman stretch.

This newsletter seeks 'the preservation and extension of the regional rail network.' Supporting
MMA flows out of that goal.

- Chop Hardenbergh  

Next issue: 17 December

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**REGIONAL**

### PROVIDENCE & WORCESTER

14 November, Worcester. **THE RAILROAD REPORTED AN INCREASE IN OPERATING REVENUE FOR THE FIRST NINE MONTHS.** According to the 10-Q filing with the US Securities and Exchange Commission: ‘Operating revenues increased $236,000, or 1.3%, to $17.8 million in the nine months ended September 30, 2003 from $17.6 million in 2002. This increase is the net result of a $305,000 (15.9%) increase in container freight revenues partially offset by a $7,000 decrease in conventional freight revenues and a $62,000 (6.6%) decrease in non-freight operating revenues.’

**Container revenue.** The increase in container freight revenues [to $800,000] is the result of a 4.7% increase in traffic volume and a 10.8% increase in the average revenue received per container. Intermodal containers handled during the nine-month period increased by 2,211 to 49,717 in 2003 from 47,506 in 2002. The increase in the average revenue received per container is the result of a contractual rate increase as well as a change in the mix of containers handled.

**Conventional revenue.** The small decrease in conventional freight revenues [to $5,5126,000] is the result of a 4.1% decrease in conventional carloadings largely offset by a 4.2% increase in the average revenue received per carloading. The Company's conventional carloadings decreased by 999 to 23,354 in the first nine months of 2003 from 24,353 in 2002. The decline in conventional traffic is largely attributable to a decrease in construction aggregate carloadings partially offset by an increase in carloadings of coal. 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 carloading.

**Non-freight operating revenue.** The decrease in non-freight operating revenues [to $228,000] for the nine-month period is the result of modest decreases in maintenance department billings, as well as demurrage and other miscellaneous billings. Revenues of this nature typically vary from period to period depending upon the needs of freight customers and other outside parties.

**Operating Expenses.** Operating expenses for the nine-month period decreased by $932,000 to $17.4 million in 2003 from $18.3 million in 2002. This decrease reflects the impact of the prior year portion of the Amtrak arbitration award upon 2002. Operating expenses for 2003 include $100,000 of profit-sharing expense, whereas there was no profit-sharing expense in 2002.’

**Track usage fees.** PW paid Amtrak $190,000 to use its Northeast Corridor in the third quarter of 2003, compared with $248,000 in 2002. PW recently began stating the track usage fees as a separate item of the operating expenses. {text from SEC}

### NORTHEAST UTILITIES

20 November, Gardner. **IN A NEW MOVE, PW DELIVERED 50 CARS OF COAL** to Guilford for forwarding to the Bow power plant in New Hampshire [see 31 May 2002 issue for rundown on regional power plants]. The coal originates overseas and arrives at Provpport. {Providence and Worcester RR e-list} In the past, Northeast Utilities, Bow’s owner, has bought overseas coal for Bow, but drayed it from Portsmouth [see 17 May 2002 issue]. Bow, like Mt.Tom (our Directory #166) has also received coal by rail from the Appalachians via Norfolk Southern Railway (NS).

**Northeast Utilities comment**

Jody TenBock, fuel manager for Northeast Utilities, said: “We're giving them new business, more than they had in the past.” He would not disclose how much the utility company is paying for the rail service, but said, “It's a competitive business.”

Mt.Tom is receiving coal from the Far East and South America, as well as domestic coal. TenBock said the coal comes from China, Columbia and Venezuela.” Domestic deliveries in recent years have come from Kentucky, Pennsylvania, and Virginia.

He added that “Next year, we anticipate several hundred thousand tons from China, and a similar amount from South America.” {Leo King in Destination: Freedom 24.Nov.03}

**Slow delivery to Mt.Tom**

Guilford has only slowly delivered coal off PW to Mt. Tom [see 30 September issue]. A long-time railroader surmised that GRS power was
lacking, because the Norfolk Southern coal trains which deliver domestic coal to both Mt. Tom and Bow are getting through. GRS crews operate the trains, so the provision of run-through power by NS appears as the factor permitting NS-origin, but not PW-origin, coal to reach Mt. Tom in a timely fashion.

NU anticipates receiving about 150 carloads via the PW route to Bow. {ANR&P discussion 20.Nov.03}

ASSISTANCE TO SMALL RRs
25 November, DC. NEARLY ALL MASSACHUSETTS AND RHODE ISLAND REPRESENTATIVES AS YET DECLINE TO SUPPORT A BILL to help out small railroads. H.R.876 and companion Senate Bill S.1703 make up the Local Railroad Rehabilitation and Infrastructure Act. These bills would provide tax credits of up to $10,000 per route mile for a five-year period to short line and regional railroads for infrastructure investment.

In the House, 229 representatives have agreed to co-sponsor the legislation. The New England situation: Maine 2 of 2; Vermont 1 of 1; New Hampshire 1 of 2; Connecticut 3 of 5; Massachusetts 1 of 10; and Rhode Island 0 of 2.

If interested, contact American Short Line and Regional Railroad Association lobbyist Adam Nordstrom at the firm of Chambers, Conlon & Hartwell for additional information at 202-638-7790.

[Mini-editorial: Massachusetts and Rhode Island residents. Call your representatives and ask them to get on board!]

Senate action
Nordstrom adds: ‘Co-sponsors in the Senate are important, but our goal has been to show dramatic results in the House, and focus on the Senate after Thanksgiving. Right now there are six senators supporting S. 1703, the Senate companion bill to H.R. 876. Those six are: Gordon Smith (R-OR), Ron Wyden (D-OR), Sam Brownback (R-KS), Pat Roberts (R-KS), Arlen Specter (R-PA), and Conrad Burns (R-MT).

CHRYSLER/CPR
3 November, Toronto. THE CHRYSLER GROUP GAVE ITS GOLD AWARD TO CPR the previous week, for providing the highest quality in the day-to-day delivery of parts and finished vehicles during 2002. “The CPR has again achieved significant status among our logistics providers, winning a fourth consecutive Gold Award,” said Edward T. Sprock, director of logistics for the Chrysler Group. “They exemplify the Gold standard, adopting our critical success in speed, technology and consistency.”

Finished vehicles contract extension
In June, CPR won a five-year extension of its contract to provide transportation for Chrysler Group finished vehicles within Canada, from Canada to the United States via Chicago, and from the United States to Western and Eastern Canada via Chicago and Albany, N.Y. {CPR press release}

CPR delivers to Saint John via MMA-NBSR to the Autoterm facility (operated by Logistec). {ANR&P discussion with CPR spokesperson Paul Thurston 26.Nov.03} [So the award should credit MMA, NBSR, and Logistec, as well! Editor]

DELAWARE & HUDSON
11 November, New York. CPR EXPECTS A PARTNERSHIP FOR THE D&H, said CEO Rob Ritchie to the Smith Barney Citigroup Transportation Conference [see CSXT - Massachusetts]. He noted that while the railroad has $100 million in revenue, “it’s very complex, and we’re learning more” in thinking how to restructure it. Part of the complexity stems from its short-line connections. Of the CPR’s 50 short line connections, the D&H has 25 of them. “We have met with all the Class Is which connect and the major short lines. Now we’re dropping back and taking another look. We expect by the end of the year a work-out involved with partners, or we’ll be grinding it out.” Bringing in some partners, said Ritchie, is the way to go forward. {Smith Barney website}

In a note to employees of D&H 10 November or so, D&H President Fred Green wrote: ‘To assist us in the restructuring process, we are going to proceed with the next phase of our examination of the network. Personnel from the interested parties will be invited on to the property for the purposes of further developing their proposals. At the same time we will continue our internal examination of the franchise. These activities are directed at ensuring we have the most comprehensive information available that will lead to the best restructuring plan. We expect this phase of the restructuring process to begin next week and take us at least through year-end to complete.’ {text from union representative}

According to one railroad official from a connecting carrier, RailAmerica and Genesee & Wyoming officials were spotted hi-railing the line in late November. {ANR&P discussion 26.Nov.03}
CONNECTICUT

C & D FACILITY UPDATE
25 November. TWO RAIL-SERVED FACILITIES REMAIN IN CONSTRUCTION, according to Elaine Coelho, processing technician at the state Department of Environmental Protection.

Circle of Life, New Haven, served by CSXT. A construction and demolition debris (C&D) facility (our Directory #647) still in construction, no request for license to operate. [See 31 October issue].

Transfer Systems Inc, Danbury, served by HRRC. TSI, a subsidiary of Automated Waste Disposal (our Directory #678), seeks a permit modification to expand its C&D operation, and its municipal solid waste operation [see 21 August issue]. The double expansion for two activities remains in construction. {ANR&P discussion 25.Nov.03}

PROVIDENCE & WORCESTER
19 November, Plainfield. LOOK FOR THE HOPKINS QUARRY TO RAIL STUFF IN LATE SPRING. The company wants to use rail on the Moosup spur [see 21 August issue] to extend its market for the new plant which will come on line next year. {ANR&P discussion with Hopkins official}

MAINE

MAINE LEGISLATURE
13 November. THE TAXATION COMMITTEE CONTINUED ITS REVIEW OF RAIL TAXATION. According to Julie Jones of the Office of Fiscal and Program Review, the Committee reviewed information provided by Guilford Rail about taxes it pays in other Northeast state. The Committee asked for additional information about use of the Railroad Assistance Fund, on rail taxation in other states, and on the fiscal impact of the suggested tax changes. The next meeting, not yet scheduled, should occur in December. {e-mail to ANR&P 18.Nov.03}

MDOT - IRAP
25 November. “WE HAVE MAILED OUT THE APPLICATIONS” for the Industrial Rail Access Program, said Rob Elder of the Office of Freight. While declining to say which companies had requested applications [see 14 November issue], Elder noted that if all the parties which had expressed interest sua sponte [a legal term tossed in there because I like it, meaning ‘on his own volition’ - editor] received what they were seeking, “we would already outspend the money available.” {ANR&P discussion 25.Nov.03}

CALAIS BRANCH/MOUNTAIN DIV.
19 October. PETE DEARNESS LEAD ANOTHER WORK WEEKEND onto the Calais Branch, covering East Machias to Calais and back on Saturday, and Washington Junction-Harrington on Sunday. On this, the 18th such trip on the last 11 years, volunteers on hi-rail trucks and track cars found the track clear except for minor blow-downs.

Mountain Division
On 27 October, Dearness, principal of NEGS, organized a similar trip on the line between Westbrook and North Conway [uncertain how far the Dearness group travelled - editor]. In several places, they found, the trail-building crew had severely cut the elevated railroad bank and riprapped it. This raised concern among the experts there about the stability of the track under the dynamic loading of a train. {Jack Sutton in MRG/DownEast Rail newsletter 11-12.03} [Jack, how about a name for your newsletter? The Maine Rail Advocate? Editor.]

GUILFORD RAIL SYSTEM
31 October, Skowhegan. ECONOMIC DEVELOPMENT OFFICIALS WILL SEARCH FOR FUNDS to renovate Guilford’s track from Madison to North Anson [see 31 October issue]. The members of the Somerset Economic Development Corporation at their regularly monthly meeting this day had representatives from the offices of Guilford Rail System, MDOT, Senators Snowe and Collins, Representative
Composite I-beams to be shipped

Cousineau Lumber Company’s North Anson sawmill cuts and dries hardwood lumber. Randy Cousineau, president and owner, said in a telephone interview he hopes to expand into making I beams that are used in place of dimension lumber for floor joists, using dimension lumber plus oriented strand board. Because these could be up to 65 feet long and because the beams could be shipped at least as far as the Mississippi, truck transport would not be practical.

Speaking on 30 October, Cousineau said in addition to rail service and financing, the price of oriented strand board needs to drop. Costs rose dramatically after the U.S. military began buying up tremendous quantities of oriented strand board and plywood to use in Iraq. Cousineau said those prices should drop by the end of the first quarter next year. The sawmill could begin manufacturing I-beams “a year from now if we get those three things taken care of.”

Somerset economic developer Jim Batey called it “an important project for Somerset County and the businesses in the central part of the county.” It would create 25 to 30 new jobs at the mill ultimately.

GRS stance

David Fink, GRS executive vice president, told corporation members that renovating the line would cost about $1 million, including the construction of a grade crossing on Route 234 and a public siding next to the mill, which could be used by other businesses. GRS would like to serve Cousineau: “Anything we can do to put more car loads on this railroad track the better.” But Guilford probably will not invest its own money in upgrading the abandoned line. Fink noted no way to guarantee an amount of traffic on the line, making the financial risk too large.

GRS is prepared to bear ongoing maintenance and operating costs on the line if it is rehabilitated. Fink listed daily track inspections, vegetation control, and crossing maintenance; $5,000 a year is needed to maintain a single crossing.

Next step

Batey, who also serves as executive director of the Corporation, is leading a working group to pursue funding. On 18 November he said he planned to apply to MDOT for IRAP, and to DECD for federal pass-through EDA and CDBG funds. The federal funds could provide the 50% match required by IRAP. The representatives from the Congressional delegation said they wanted to assist. Batey said MDOT told him the IRAP application would be due at the end January or sometime in February, with a quick response from the Department. {ANR&P discussion 18.Nov.03; Joe Rankin in Central Maine Morning Sentinel 1.Nov.03}

18 November, South Portland. AN OVERHANGING PIECE OF SCRAP STEEL CLIPPED A CAR WITH MAINE YANKEE WASTE, triggering alarm in South Portland officials and the arrival of a Maine Yankee (the former nuclear power plant being dismantled) team to deal with the situation. Eric Howes, Maine Yankee spokesperson, explained that the scrap steel car ran past the waste car and dislodged the cover. The cover is not designed to stop radiation, only contain debris within the car. The debris itself has a very low level of radioactivity, not higher than background radiation.

The shipment of debris

About 132 million pounds of waste has been shipped from the site by road, rail, and barge, about 55% of the outbound waste. Howes said every week the company ships about 15 carloads of waste, using MERR to Brunswick, GRS from Brunswick out of New England, and then other railroads to reach the disposal site in Utah. {ANR&P discussion 19.Nov.03}

SLR INTERMODAL RESULTS

13 November, Greenwich CT. SLR’S NINE-MONTH INTERMODAL TRAFFIC INCREASED, from 4,087 cars in 2002 to 4,335 in 2003, according to the GWI 10Q report. Intermodal revenue rose from $0.963 million to $1.199 million. Average freight revenue per car rose from $236 to $277. Intermodal revenue per car ranked eighth out of eleven commodities throughout the GWI North American System, with petroleum products leading at $780/car. {GWI website} {See six-month report in 21 August issue.}

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].

SEARSPORT

19 November, Augusta. A POSSIBLE SECOND LNG TERMINAL FOR MAINE could emerge at the state-owned Sears Island, adjacent to the renovated Mack Point cargo terminal. [Sears Island was the proposed site for the cargo terminal until 1996 when then Governor Angus King halted work–see 7 March 1996 issue. The state bought the island in 1997.]. A pipe would carry the gas to a connection with
the Maritimes & Northeast pipeline 12 miles north in Winterport.

Commissioner Jack Cashman of the state Department of Economic and Community Development confirmed talks between the state and the company first reported by Maine Public Radio. He did not identify the company interested, but said it can compete with the $500 million Fairwinds LNG proposal in Harpswell, which this autumn was proposed by ConocoPhillips and TransCanada. “We’re very much in support of both proposals, and I’d love to see them both developed,” Cashman said. [Irving is proceeding with an LNG terminal in Saint John, and Access Northeast Energy is proposing one in the Strait of Canso—see 21 August issue].

While the Maritimes and Northeast Pipeline is now moving gas from Sable Island, Cashman noted the Sable Island reserves “are not as large as we hoped,” and so a reliable source of gas would help sustain the area economy. {Tom Groening in Bangor Daily News 20 Nov 03}

MASSACHUSETTS

CSX TRANSPORTATION

11 November, New York City. CSXT ANNOUNCED IT MAY LET GO OF PART OF ITS NETWORK, during a presentation to the Smith Barney Citigroup Transportation Conference by Oscar Munoz, CSX CFO. The railroad has nearly finished a structured network review, looking at both a primary and a secondary network. It will identify candidate lines and a range of options for each line. Munoz promised an specific update on this review at its 4Q earnings release. {CSX website}

One railroader recalled that in the 1990s Conrail had offered to sell the ‘Boston Cluster’ but cancelled the deal when NS and CSXT started the fight to acquire Conrail. He rated the chances good that CSXT would get rid of the Boston Cluster (everything around Boston including the Fitchburg Secondary, except Beacon Park and the main line), with two qualifiers: CSXT must offer it at a sensible price; and the cluster definition must include most/all freight traffic generation in Boston as it did last time out. {e-mail to ANR&P}

PIONEER VALLEY

18 November, Westfield. LOWE’S PLANS A RAIL-SERVED DISTRIBUTION FACILITY HERE, off Servistar Industrial Way. [Lowe’s is also building a non-rail served facility in Plainfield CT. See 31 October issue.] According to the Environmental Notification form submitted to the state Executive Office of Environmental Affairs on 31 October, construction would begin June 2004 and the facility would open in May 2005. It would affect 56 acres (covering 38) of the 94-acre site; it would contain 161,000SF of buildings, with 139 truck trips per day.

Rail spur
Lowe’s would require a 2800-foot spur to reach the PVRR branch line. A 1470-foot spur would bisect the storage yard and service a specialty reload area on the center of the site. {application on City of Westfield website}

Next step
Due to the discovery by a Lowe’s consultant of rare box turtles on the site, environmental agencies will review the application.

The site includes some of the same land which would have held the galvanizing plant which the city opposed [see 28 November 2002 issue]. {George Graham in Springfield Republican 19 Nov 03}

The environmental agencies met at the City Hall on 25 November. The Massachusetts Environmental Permitting Agency is leading a scoping session; the MEPA representative said he had found nothing precluding MEPA from moving forward. Clough Harbor, Lowe’s consultant, needs to provide some additional information. Lowe’s has not yet applied for permits from the City of Westfield.

Volume will add 5-7 cars to what is moving up that line anyway. {ANR&P discussion with PVRR’s Mike Rennicke 26 Nov 03}

PROVIDENCE & WORCESTER

13 November, DC. EOTC FILED ITS REQUESTS FOR PUBLIC USE AND TRAIL USE for the Southbridge Branch, which PW is proposing to abandon [see 31 October issue]. {STB Docket No.AB-254 Sub-No. 7X}
CLAREMONT CONCORD

24 November, Hartford VT. *Twin State Sand & Gravel Received An Inadequate Permit* from the Act 250 Commission.

**Background**

Twin State has sought for many years to obtain rail access to its quarry here [see 14 June 2002 and 6 December 2001 issues]. Currently it moves product by truck to its processing facility in West Lebanon, New Hampshire. Vermont’s development control statute, Act 250, limits the number of trucks per day which can move. Bud Ames, one of the two partners of Twin State, said the company seeks rail to permit it a considerable expansion of production. Merely replacing the truck move with the rail move would not suffice.

A string of CN cars still sits in West Lebanon, awaiting the permit.

**The initial decision**

The Act 250 local commission decided earlier this year to permit Twin State to build the rail spur into its quarry if, for every ton moved by rail, the company took off one ton of a truck move. Rather than appeal, Twin State filed a motion to alter the permit. The Town of Hartford, in which the quarry is located, responded; final comments are due by 5 December. The commission will then decide on the motion.

“I thought we had a reasonable number,” said Ames. Twin State plans to begin moving only sand by rail, and that makes up less than one-third of the total traffic out of Hartford. It is proposing a ratio of 1:3. For every three tons of sand moved by rail, it will take one ton of sand off a truck move. {ANR&P discussion}

NEW HAMPSHIRE NORTHCOAST

13 November. *State Lawmakers and the NHN Would Like to Revive the Ossipee-Conway Line*. State legislators , NHDOT officials, and NHDRED officials took a five-hour tour of the line, starting with a train ride from Somersworth and then vans on the road from Ossipee the 23 miles to Conway.

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NHDOT bought the line in 2001 for $530,000 from GRS. “Someday there will be a passenger line, and people will utilize this railroad — sometime in 10 years with all the growth in the area,” said Steve Arnold, NHN operations manager. And the railroad would help ship materials north by rail, instead of having to rely on trucks that clog the highway.

State study of line
Out of service for 30 years, the line needs considerable work. Arnold said the price of the project could be as little as $50 a foot, a roughly $6 million job. Kit Morgan, NHDOT rail administrator, said the department is conducting a low key, in-house study (there was no appropriation to hire a consultant). ‘We will be working cooperatively with the Northcoast and Conway Scenic to come up with a range of costs and potential business on the line, over the next few months with a report due June 30.’

“If you’re going to run your state as a tourism economy, you really need to get behind a transportation infrastructure,” said State Senator Joe Kenney, R-Wakefield, chair of the Senate Transportation Committee.

State Representative William Mosher, R-Nashua, said other projects have run as high as $250 a foot, a price tag of $30.3 million for the line. Mosher chairs the Seacoast Commuter Rail Task Force. For this and other rail projects, the task force is looking at bonding or putting a $1 fee on any sort of transportation ticket sold in New Hampshire, including airline and bus tickets. Kenney said raising the gas tax could be something to consider as well.

Representative George Katsakiores, R-Derry, chair of the House Transportation Committee, said he thought the funding would only be there if the state, the federal government and NHN each came up with some money. “There’s no way you can afford to put down the line without all three entities helping out.” Also attending part of the tour was Senator Richard Green, R-Rochester, chair of the Senate Finance Committee. {e-mail to ANR&P from Morgan; Riley Yates in Manchester Union Leader 13.Nov.03}

PORTSMOUTH - GRS
25 November. PSNH HAS NOT YET PRODUCED A WOOD SUPPLY STUDY to look at acquisition of chips for its proposed biomass boiler at Schiller Station [see 17 October issue]. Matt Martin, spokesperson for Public Service of New Hampshire, said the Public Utilities Commission had completed its hearing on switching the boiler from coal to wood, and may issue an order in the case in December.

Agreement with association
On 21 October, PSNH concluded an agreement with the NH Timberland Owners Association. Under it, ‘PSNH agrees to procure fuel for the Schiller project in accordance with the following procurement strategy, provided that such fuel is available on essential terms (price, quality, quantity, timeliness and consistency of delivery) equal to alternatives:

a. In the year 2005, prior to the boiler being placed in-service, PSNH agrees to purchase approximately 30% of the total quantity of wood for the new boiler from New Hampshire sources or suppliers;
b. In the year 2006, the first year the new boiler is in service, PSNH agrees to purchase a minimum of 35% of the total quantity of its wood fuel from New Hampshire sources or suppliers;
c. In the year 2007, PSNH agrees to purchase a minimum of between 35-40% of the total quantity of its wood fuel from New Hampshire sources or suppliers;
d. In the year 2008, PSNH agrees to purchase a minimum of 40% of the total quantity of its wood fuel from New Hampshire sources or suppliers.
e. In the year 2008, the Parties agree to use their best efforts to negotiate a successor agreement for the purpose of continuing the procurement priority provided to New Hampshire sources and suppliers established herein. Any such successor agreement must be provided to the NHPUC.’

Long-term contracts
‘a. The Parties agree that it is in the best interests of PSNH customers, NHTOA members, and the economy of the State of New Hampshire, in order to provide certainty in the market and to ensure consistency of supply at fair prices, for a certain percentage of the Schiller project wood fuel requirements to be procured through long-term fuel supply contracts (defined as having a duration of 12 months or greater). PSNH agrees, subject to the provisions of subparagraph 3(b) below, that

- in the year 2006, a minimum of 10% of the wood fuel for the Unit 5 boiler will be procured through long-term contracts, and in the years 2007 and 2008, a minimum of 15% of the wood fuel for the Unit 5 boiler will be procured through long-term contracts.

Furthermore, PSNH agrees to make a good-faith effort to increase the percentage of long-term contracts entered into for wood fuel procurement in 2008 so long as it remains economically feasible.’

Martin knew of no effort to combine a wood move by rail for the boiler with a wood move by rail for Sprague’s chip export facility [see 14 November issue].
A glitch in tax credits
Martin said PSNH had reckoned on using tax credits made available by the federal energy bill moving through Congress, but that bill has failed to pass the US Senate. PSNH may slacken its pace toward construction, but “we will start the design phase as soon as possible.” {ANR&P discussion; text of agreement from Martin}

MILFORD-BENNINGTON RAILROAD
13 November, DC. A GUILFORD EMPLOYEE ALLEGEDLY STATED HE GAVE FALSE TESTIMONY at the behest of his employer, during a deposition about Guilford’s restriction on MBRX operations [see 30 September issue]. According to a motion by MBRX in the case before the Surface Transportation Board, MBRX and its customer, Granite State Concrete, deposed Andrew Zompa, rules examiner for Guilford who was involved in determining the correctness of the derail which GRS required MBRX to place.

At the deposition, Zompa testified he met on 12 December 2002 with MBRX chief Peter Leishman. Zompa denied that Colin Pease was present at the meeting, made other mis-statements, and stated that no one had instructed him on how to answer questions at the deposition. But according to both Leishman and Pease, at the 12 December meeting the three agreed that the derail would be used only during passenger operations, and not during freight operations. However, when in June 2003 GRS learned the derail was not used during freight operations, GRS concluded GRS was justified in curtailing MBRX hours of operation.

On 3 November 2003, after the deposition, Zompa told Leishman he knew Pease was present at the 12 December meeting, and that he was told to say Pease was not present, under threat of losing his job. On 4 November, Zompa told Leishman that all MBRX employees were required to attend the third rules class in six months concerning operations on the GRS track - when, per Leishman, one class a year is normal. At the conclusion of the class [which, from Leishman’s testimony, one may conclude was conducted for harassment only], Leishman asked Zompa again why he lied in his deposition, and Zompa shrugged, and said, “I’m just trying to keep my job.”

In Leishman’s verified statement to the STB, he concluded: ‘It is clear to me based on conversations I have had with him and based on the false statements in his deposition that someone at Guilford is apparently intimidating Mr. Zompa to misrepresent the facts or face the consequences.’ {STB Docket No. NOR 42083}

VERMONT

VERMONT RAIL SYSTEM
26 November, Newport. THE DAILY WACR TRAIN TRAFFIC “IS NOWHERE NEAR WHAT IT NEEDS TO BE,” said Jerry Hebda, VRS vice-president. Traffic at the interchange with MMA fell way off earlier in the autumn, according to one rail observer. MMA had traffic to Newport for Poulin Grain, and to Richmond for Blue Seal, but little for interchange with WACR.

Hebda called that a “cyclical dip,” with interchange traffic up to 14 cars on 25 November, near the level of spring 2003, when trains with up to 30 cars rolled through Newport. The traffic is “holding its own,” and VRS continues to attract new customers. {ANR&P discussion 26.Nov.03; Mark Fortin in MMA-rail group 19.Nov.03}

QUEBEC/MARITIMES

SYDNEY/CBNS
22 November. PEV WILL BE READY TO MOVE COAL IN DECEMBER, said Ernie Thrasher, president of Provincial Energy Ventures, in the previous week. The first of seven coal ships will arrive on 8 December, and through the year CBNS will move about 4,000 cars to the Nova Farnham Intermodal Yard construction 16 November 2003. {courtesy Frank Jolin}
Scotia Power plant in Trenton five days a week.

PEV is completing the renovation of the former Sysco (Sydney Steel Company) pier [see 17 October issue]. {Cape Breton Post in Canadian Press 22.Nov.03}

**HALIFAX**

20 November. **PORT STAKEHOLDERS WILL DISCUSS CONTAINER TRAFFIC CONGESTION** on 21 November. Halifax Port Authority President Karen Oldfield told reporters at a Metropolitan Halifax Chamber of Commerce breakfast on 20 November she was “cautiously optimistic” about getting CN to move cargo out of Halifax faster. “It will be an opportunity for CN to present its winter plan and to work through some of the logistics,” she said after the speech. “I cannot stress enough that without a stronger commitment from CN, little else matters.”

She noted that the port authority is looking at other ports in the world that are also served by only one railway. “We’re looking at ways we can augment the existing rail service, ways we can help CN ensure their success here in the port. We don’t want to reinvent the wheel; we just want to make sure that we’re doing everything that we can do as a good CN partner.”

**Short sea shipping**

Ms. Oldfield said the authority is also looking at ways to move cargo faster, including transshipment or short sea shipping. [SPM Marine operates a short sea service out of Halifax to Boston, Portland, and St.Pierre/Miquelon. Editor] “Short sea shipping is one way to get traffic off roads, rail and so forth.” {Judy Myrden in Halifax Herald 21.Nov.03}

**MMA/NBSR**

26 November. **THE TEST TRAIN CONTINUES TO RUN** on the weekend between Saint John NB and Farnham PQ [see 14 November issue]. The photos show the preparation of the Farnham facility, and the locomotive painted for the shipper, Sunbury Transport.

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**RAIL SHIPPERS**

Described in this issue. **Our Directory of Rail Shippers & Receivers in Southern New England has more information on the companies denoted with their directory number.**
Automated Waste (HRRC Danbury CT #678), Circle of Life (CSXT CT #647), Cousineau (GRS ME), Granite State Concrete (MBRX NH), Hopkins Quarry (PW CT), Lowe’s (PVRR MA), Maine Yankee (MERR ME), Northeast Utilities (GRS, Bow NH and Mt. Tom MA #166), PSNH (GRS NH), Provincial Energy Ventures (CBNS NS), Twin State Sand and Gravel (CCRR NH).

PEOPLE

Keith L. Heller, senior vice-president of CN’s Eastern Canada Region, will retire at year-end to become chief executive officer of English Welsh & Scottish Railway (EWS) on Jan. 1, 2004. Keith Creel, CN’s senior vice-president, Western Canada Region, will replace Heller. Peter Marshall, a CN vice-president in operations, will succeed Creel as senior vice-president, Western Canada Region.

Coverage

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

Frequency and the e-bulletin

ANR&P appears at least four times a month. We send a formal issue twice a month, via post or e-mail. Between the issues, we send out the e-bulletin, only by e-mail. All information in the e-bulletin is included in the issue.

Pricing

Subscriptions cost $375 for professionals, $105 per year for students, young and old. Introductory prices available. The e-bulletin, sent by e-mail as needed between issues, is free of charge to all subscribers.

Advertising

Subscribers may purchase half-page ads for $50 per issue. Non-subscribers, $100.

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 unto itself.’

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