**Article unchanged from e-bulletin.**

**REGIONAL ISSUES**

Rail advocacy: CLF first draft nearly done.

Cousineau: Wood moves underway slowly.

**CONNECTICUT**

New Haven: Gateway C&D facility on hold. Port Authority nearly set up.

**MAINE**

MDOT/Legislature: Bond bill passed.* IRAP applications going out. Legislature looks at railroad taxation; GRS and MMA submit comments.

Amtrak: GRS says interferes with freight. No progress on 79 miles per hour, but *Downeaster* has 97% on-time month.

GRS: Sappi shuts one of two paper machines.

MMA: Boralex may rail to Megantic.

MERR: Starts 1 November.* More on M&E.

**MASSACHUSETTS**

BCLR: More on Plymouth line & its customers.*


GRS: Fletcher Granite’s switch installed.

**NEW HAMPSHIRE**

NHDOT: Proposed 10-year funding.

Passenger: To Plaistow? GRS congestion?

Portsmouth: Sprague to export wood chips.

**RHODE ISLAND**

FRIP: Undercutting to begin this month.

**VERMONT**


Act 250: Railroad Association of Vermont not pursuing a bill, satisfied with Supreme Court ruling.

Lamoille Valley: VAOT moving to abandon.

**MARITIMES/QUÉBEC**

CN: Three present, former customers in Sussex.

MMA: Building the TOFC terminal in Farnham PQ.

**PEOPLE, POSITIONS, EVENTS**

Kelley Carter, Richard Rushmore, Thomas Tardif, Gaynor Ryan, Dick Bowen. GRS seeks engineers.

Wood chips

Suddenly, everyone wants wood chips. Boralex wants them for its biomass power plants in Maine. Public Service of New Hampshire wants them for its new biomass boiler. Cousineau and Sprague want to export them. And the biomass power plant in West Hopkinton NH (not, alas, on rail) wants to burn construction and demolition debris wood.

Enough to go around? Stephen Chute says yes. Eric Dumond fears not. Eric Kingsley of Innovative Natural Resource Solutions sees definitely enough growth in the forests and a number of biomass energy plants which have shuttered recently. Who will offer me a contract to study the question for the entire region, with emphasis on movement by rail?

Chop Hardenbergh

Next issue: 26 November.

REGIONAL ISSUES

REGIONAL RAIL ADVOCACY
13 November, Concord. **THE CONSERVATION LAW FOUNDATION HAS NOT YET RECEIVED THE DRAFT REPORT** designed to show a ‘plan leading to the implementation of a Northern New England Rail Revitalization Initiative.’ [See 9 August 2002 issue.]

Although CLF’s Nancy Girard hoped for a rough draft by mid-September 2002, it emerged only in June 2003, due in part to the departure of a key manager from the consulting firm, Wilbur Smith Associates. After Girard asked for a much better version for the draft report, the lead consultant died.

Now, said Girard, new lead consultant Arno Hart, working in North Carolina, has promised the draft report by 17 November. Girard hopes to receive an “advocacy piece, slanted toward rail, with the benefits of rail very well defined.” It should be about 40 pages, with documentation backing it up. \{ANR&P discussion 13 November 2003\}

COUSINEAU
7 November. **BAD LOGGING CONDITIONS HAVE DELAYED PULP LOG MOVEMENT** out of Forestville Connecticut and Palmer Massachusetts, said Stephen Chute, who is managing the wood movement for Cousineau Forest Products. “We should see a lot of activity by next week....A Willimantic operation is coming soon.” \{ANR&P discussion\}

One rail observer spotted three hoppers loaded with logs coming off the GRS Waterbury branch at Berlin on 8 November \{e-mail to ANR&P from Bill Sample\}, but those were apparently logs loaded in New Britain (our *Directory* #618) to become ties at the Permatreat plant in Mattawamkeag, Maine. Chute said his cars were gondolas with stakes to increase the load. \{ANR&P discussion\}

CONNECTICUT

NEW HAVEN
6 November. **GATEWAY WAS “CLOSE TO GETTING A PERMIT” FOR A C&D FACILITY BUT**, said an official at the company, other people trying to get into the waste-hauling business had generated opposition to all such efforts. Hence, Gateway decided to tabled the effort [see 21 August issue]. \{ANR&P discussion\}

13 November. **THE PORT AUTHORITY BOARD MAY BEGIN IN JANUARY.** Helen Rosenberg at the city government said five of the seven members are now appointed [see 12 February issue]. \{ANR&P discussion 13 November 2003\}

MAINE

MAINE DOT/LEGISLATURE
4 November. **MAINE VOTERS EASILY PASSED THE TRANSPORTATION BOND BILL.** It contained $2.6 million for the Industrial Rail Access Program, $1.4 million for Mack Point, $2 million for MMA, $3 million for Portland to Brunswick and Auburn passenger rail, and $250,000 for rail and intermodal improvement. [See 29 August issue.]

Rob Elder, head of MDOT’s Office of Freight, said notices would go out to all parties who had contacted MDOT about IRAP, to all railroads, to businesses which used IRAP in the past, and to economic development and planning agencies. “We hoping to leverage some economic development funds.” In addition, Elder hopes to do a joint mailing with MDOT’s Planning section for both IRAP and SHIP (the Small Harbor Improvement Program).
The MMA money?
The funds for MMA will not go out until 2006, Elder said. “We’ve already committee money to them for projects” in the next two years [see 29 August issue]. {ANR&P discussion 6Nov.03}

13 November. **THE LEGISLATURE WILL HOLD ITS SECOND MEETING ON TAXATION OF RAILROADS.** At the first meeting on 16 October, Fred Yocum of MMA submitted a written suggestion, while David Fink of Guilford and Dick Trahey of SLR made some oral comments, regarding the fuel tax, the sales tax, and the property tax. The second meeting, before the Taxation Committee, will convene this day in Room 127 of the State House 10AM-4PM. {e-mail to ANR&P from Taxation Committee}

**Guilford remarks on 16 October**
EXECUTIVE VICE-PRESIDENT David Fink wrote on 24 October, asking for ‘elimination of the use tax on diesel fuel’; only in Maine does GRS pay this tax. He also suggested expanding the sales tax exemption from ‘only material used in track to include all materials used by the railroads. This expanded exemption would save money on locomotive parts and also have us look for additional outside business at the Waterville Shops.

Fink concluded that while reducing taxes on railroads at a time of record budget deficits ‘seems unusual…this should be looked upon as a way to make the playing field level for the rail carriers versus other forms of transportation that are subsidized by the taxpayers.’ {Fink letter to Taxation Committee}

**MMA remarks on 16 October**
Fred Yocum, MMA vice-chair, in his prepared remarks noted ‘a number of arcane tax laws affecting railroads that make it even more difficult to effectively compete with other forms of transportation.’

- MMA pays a 5% tax on locomotive fuel, but must pay a tax on the same fuel when used in Quebec. Yocum noted that the federal fuel tax is apportioned between Maine and Quebec, and called on Maine to apportion its tax as well.

- Maine sales tax law exempts rolling stock used in interstate commerce, but does not provide an exemption for leased rolling stock. Consequently MMA is not able to use leasing. Similarly, sale and leaseback of rolling stock is not exempt, but the same sale and leaseback by a Maine manufacturer is exempt.

- The exemption for track materials saves MMA about $100,000 per year. But the railroad could lose that exemption if it improperly bills even one landowner for maintenance and repair of crossings. Yocum called on the Committee to provide a different, less draconian penalty.

- Maine should expand the railroad excise tax, which is levied in lieu of property taxes on rights of way in individual towns. The excise tax should cover all railroad property, as New Hampshire does. Then the railroad would not have to pay tax to 65 different taxing jurisdictions; instead, the state would apportion the excise tax to each municipality. {text of submission to Committee}

**AMTRAK**
16 October, Augusta. **GUILFORD’S DAVID FINK DEFENDED THE GRS RECORD ON AMTRAK** when he testified before the Legislature’s Taxation Committee [see above]. According to a letter he wrote on 24 October to the committee, during the first meeting on taxation, both an ‘elected representative’ and a ‘senior official of the Department of Transportation’ challenged ‘my corporation’s integrity’. In response, at the hearing he underscored Guilford’s view that spending the funds to bring passenger service back to Maine was not justifiable. But having done that, GRS provided ‘an upgrade track structure at one-third the going rate on other projects’ and ‘the highest on-time performance train in the United States.’

**Amtrak a hindrance to freight operations**
Also at the hearing, Fink reiterated six reasons that the passenger trains had hindered GRS freight operations:

- ‘Increased costs due to the fact that our freight trains must move out of the way of the eight Amtrak trains that move
between Boston and Portland every day on the single track.’

- ‘Increased liability issues associated with the passenger train that our company in the event of a large accident may not be able to handle, resulting in the bankruptcy of the railroad.’

- ‘Service issues for our customers, most particularly those between Portland and Plaistow, since we are only able to serve these customers at night within a very small window. These customers in the southern Maine area have seen an increase in rail business and do not want the passenger train to cause service problems for their freight movements.’

- ‘Increased legal costs for our company that could be spent on more productive areas.’ [Presumably if Guilford weren’t battling service at 79 miles per hour, some of those legal costs would go away. Editor]

- ‘Twelve years of bad publicity for our company. While we were fighting the passenger train, we have purchased and re-opened a closed mill in Mattawamkeag with 30 employees. We have also opened a reservations center for Pan Am in Mattawamkeag with up to 25 employees. These economic job-producing projects are overshadowed by the negative publicity associated with the Boston-Portland project.’

- ‘There are other issues regarding this project that have been a hindrance to freight service in the state, but I think you have heard enough on this subject.’ {Fink letter to Taxation Committee}

5 November, Portland. **RUNNING AT 79 MILES PER HOUR** continues in litigation and discussion with no change in current or short-term status,’ reported Englert. [GRS appealed the STB decision telling Guilford to let Amtrak run at 79. In theory, pending the appeal Amtrak may run at 79. GRS and Amtrak are supposed to work out the details. See 21 August issue.]

But Guilford is running the train on-time
‘October finished at nearly 97% on-time for the Downeaster. The aggressive GRS track program in the late summer and early fall has paid dividends to all and keeps the service as among the top in the nation.’ {e-mail to ANR&P}

**GUILFORD RAIL SYSTEM**

10 November, Westbrook. **SAPPI ANNOUNCED IT WOULD PERMANENTLY SHUT THE NO.14 PAPER MACHINE** by January 2004. SAPPI chief executive officer Jonathan Leslie said when releasing FY04 results: “At Westbrook mill in the US we will close our highest cost paper machine and transfer the production of coated fine paper to [the Muskegon Michigan mill]. The mill will in future focus on our Ultracast and casting release paper business.” The shutdown leaves only the #9 paper machine. The two together produced 115,000 tons per year, compared with the Somerset (Skowhegan, Maine) mill’s 730,000-ton capacity and the Muskegon mill’s 260,000-ton capacity.

Some 170 workers will lose their positions, cutting the Westbrook facility employment to 330. Only four years ago the company shut all pulp-making in Westbrook. {Sappi website; Jennifer Sullivan in WMTW news radio}

**MONTREAL, MAINE & ATLANTIC**

6 November, Fort Fairfield. **BORALEX MAY RAIL CHIPS TO MEGANTIC TO SUPPLY MAINE BIOMASS PLANTS**, said Eric Dumond, Boralex fuel broker. If he cannot obtain IRAP funds in the competition [see MDOT], he is considering ralling via MMA out of northern Maine to Megantic, in Quebec. From there (more room than in Jackman), he would utilize Quebec truckers who operate less expensively than Maine truckers to bring chips to the Boralex plants in both Stratton (not rail-served anyway) and Livermore Falls [see 17 October issue].

Why not MMA to GRS at Northern Maine Junction? “Rail on Guilford from Northern Maine Junction” costs a lot. The switching is the biggest charge. If IRAP assistance gets Boralex a siding in Livermore Falls, and he brings up wood from the south, his biggest cost will come from switching the cars in Ayer onto north-bound GRS trains.

**Biomass competition**

Dumond views the proposed Schiller biomass boiler [see 17 October issue] in Newington as a significant competitor for wood. If that starts up, “it will put a world of hurt on Sappi [in Westbrook] and a world of hurt on me.” {ANR&P discussion}
MAINE EASTERN RAILROAD

1 November. THE STATE’S NEWEST RAILROAD STARTED UP SMOOTHLY, according to Steve Friedland, head of operations at parent Morristown and Erie [see 17 October issue]. MERR will operate the Rockland branch and as needed, the Lower Road between Brunswick and Augusta. “We had a very smooth transition...thanks to Safe Handling [the previous operator] for making it as a smooth transition as possible.”

A formal ‘grand opening’ may occur once MERR has some operating experience under its belt. {ANR&P discussion 4.Nov.03}

THE MORRISTOWN & ERIE HAD TO EXPAND OR DIE, M&E President and CEO Wesley R. Weis said in October. Although the line was able to replace customers lost as the area’s industrial base shrunk, the trend lines pointed in the wrong direction. An increasingly residential Morris County would have less and less use for its own freight railroad. “Over time, we would have had to sell our equipment and assets to keep going and pay our overhead,” Weis noted.

So, since spring 2002, the M&E has signed deals which nearly doubled the 158 miles of track on which it operates in Morris County and at the Bayway Refinery in Linden. In addition to winning the operating rights in Maine, the M&E also has beefed up its fleet of passenger cars available for charter, buying a new one as recently as last week. And it is in the midst of revamping its compact railyard, in a gully a few blocks from the Morristown Green, to take on signal maintenance work for NJ Transit commuter trains.

If the strategy works, freight traffic still will account for about three-fourths of the M&E’s revenue. But the fixed costs would be spread over a larger base to generate enough profit to keep the line, which traces its heritage back 108 years, viable in the coming years. Weis said the M&E will take some time to master its acquisitions before looking for more.

Besides freight, the M&E hopes to bolster what it earns from passenger travel, with dinner trips in northern New Jersey or hitching up to an Amtrak train with excursions to destinations, such as Montreal. Currently, passenger travel accounts for nearly 10% of revenues, with the share expected to remain about the same as it grows in tandem with freight.

The Union County deal
Under its pact signed with Union County in June 2002 the M&E pays $2-a-year rent to operate portions of the Staten Island Railway and the Rahway Valley Railway near Cranford and a graduated scale of 8% to 10% of its freight revenues above $65,000 a month.

During the first three years, under several scenarios the railroad would pay nothing. The county also laid out a four-stage improvement program for the lines, to be funded by the nearby Bayway Refinery and with state grants.

MDOT’s hope
With several large customers along the Maine Eastern, “Our belief within these four (state office building) walls is that the line has not been marketed aggressively,” Allan Bartlett of MDOT said. “It is our belief that the M&E brings the aggressiveness in marketing needed to succeed.”

Morris County experience
In Morris County, the railway's emphasis has been on converting truck-hauled freight. Director of Marketing and Sales Bill Phillips said the M&E has constructed team tracks, such as one along South Jefferson Road in Hanover. Nearby companies can truck their products to the team track to load onto boxcars, avoiding the cost and upkeep of having their own rail siding.

Besides its core Whippany Line running from Morristown across Hanover and East Hanover to Route 280, the M&E runs three sections in Rockaway, Dover and the western part of the county under a $1-a-year contract with the county government. It also collects a charge from shippers to plow back into maintenance. The lines are tied together by trackage rights on NJ Transit, and connected to the national network by Norfolk Southern.

Short line holding companies needed
Art Hatfield, an analyst at the Morgan Keegan & Co. brokerage in Memphis, said: “For the most part, independently-operated lines typically don't make money. For somebody who has the capital, it makes sense to own several lines.” While M&E is expanding, Philips disavows any intent to grow as large as RailAmerica, although its long-term bank debt stands at zero. {Tim O'Reiley in Morris County Daily Record 21.Oct.03}
BAY COLONY RAILROAD
6 November, Plymouth line. **ONE SWITCH EXISTS TO SERVE FREIGHT CUSTOMERS** on the MBTA’s Plymouth line. BCLR currently holds the freight rights on that line [see 17 October issue], but has served no customers since 1990. The T reportedly plans to include the line when it bids out the Millis branches.

**Sidings on the line**
According to a railroader, during the reconstruction for 1997 restart of commuter service, the T installed only one siding for a consignee. ‘What we always called GE Gypsum [now Gypsum Specialties], just north of where Route 27 crosses over the tracks). Kingston Gas is at the same location, but the stub of their siding was not reconnected. The T was supposed to build Kingston Gas a siding somewhere down on the Cape Main Line, but some disagreement cropped up and it was not done.’

[To build the Old Colony, the old railroad was first removed right down to the dirt. A totally new railroad, ballast, ties, rail, signals was then built. To accommodate the construction, it was necessary to shut off the freight railroad operation by embargoing the line. BCLR served Gypsum Specialties before the embargo. The embargo was issued shortly before construction began. \{e-mail to ANR&P from railroader close to the situation 6.Nov.03\}]

**Timetable restrictions**
The Massachusetts Bay Commuter Railroad (current operator) timetable for the Plymouth line states no cars weighing over 220,000 pounds allowed on the line or 6-axle locomotives. While experts agree this makes no sense given the current heavyweight track, the railroader underscores changing the instructions would be difficult. ‘I have found that rules departments are loathe to change things (especially increasing speeds, weight limits, etc.) without someone telling them why. And the people who first put on these restrictions are often long gone. So no one else is eager to put their stamp on removing something when they don’t know why it was put on. It can be done, but it is a real headache. And these restrictions in particular’ must be reviewed by passenger operators. ‘There is no one representing the freight side. The typical response is, “Does it affect passenger trains? No. Who cares?”’ \{e-mail to ANR&P\}

CSX TRANSPORTATION
30 October, West Springfield. **THE ADVISORY COMMITTEE EXAMINED THE MARKET STUDY** of the 600 businesses in the Merrick Neighborhood [see 30 September issue]. Put together by Jim Prost of Basel Bauman Prost and Associates, it noted which businesses use rail, which did not, and if not why not.

**What’s next**
The Pioneer Valley Planning Commission (PVPC) wants to finish Phase I of its study of reviving the Merrick Neighborhood surrounding the West Springfield CSXT Rail Yard by March 2004. Dana Roscoe of PVPC, the project manager, listed obtaining freight flow data for all modes as the next step; either PVPC or VHB (the overall contractor), will hire Reebie Associates to provide that data within the next six weeks. Roscoe anticipates the advisory committee will receive a presentation of that data when finished.

Ken Schwartz of VHB sketched the next steps: “go into developing scenarios, testing of alternatives, looking at suitable sites for various facilities, and developing a master plan.” \{ANR&P discussions 10.Nov.03\}

10 November, New Bedford. **THE CORPS OF ENGINEERS WILL SEEK PROPOSALS TO DISPOSE OF DREDGE SPOILS** from the EPA Superfund site in New Bedford Harbor on or about January 2004. Dave Dickerson of the EPA’s Boston office explained that Tetra Tech Foster Wheeler serves as the prime contractor for the building construction, but not for the ‘T&D contract’ for transportation and disposal of the spoils. The EPA will fund the T&D work, but the contract will be let directly by the Corps. Other parts of the effort:

**Dewatering facility**
R. Zoppo was awarded the contract to build the dewatering facility. According to the EPA website:
The marine bulkhead around the shoreline of this facility on Hervey Tichon Avenue was completed in fall 2003, and construction of the 55,000SF dewatering building has begun. Next steps include construction of a rail spur from the dewatering facility to the redeveloped city rail yard on the opposite (west) side of Herman Melville Boulevard.

**Rail spur**
EPA is confident enough that rail will become the transportation method that it is funding the design and construction of the rail spur. “If all goes as planned, we will start full scale dredging and offsite disposal in fall 04. Use of rail is the preferred approach for the offsite transportation, but is not necessarily guaranteed (i.e., will be based on proposal prices),” said Dickerson.

**Rail yard**
At the same time as the harbor clean-up, the New Bedford Redevelopment Authority will redevelop the former rail yard, which at this point is not connected to the CSXT system. The City proposes a freight facility, a rail passenger facility, and connections to buses. The Authority is funding the design of the rail yard, and will find funds to pay for the construction.

**Rail design consultant**
Paul King in the Boston office of STV Inc, a national engineering firm, is handling the design of the spur for the spoils (paid for by EPA), and of the rail yard (paid for by the city). Dickerson said STV submitted the ‘90% design’ just this week to the EPA and the city. {ANR&P discussion 12.Nov.03} STV has done MetroLink for St.Louis, the AirTrain for the Port Authority of New York and New Jersey, and other rail projects. {STV website}

**Bidding for the rail work**
According to Bob Luongo, executive director of the Authority, in January the Authority will send out five bids, expecting to spend a total of about $10 million. The separate bids will cover: the rail spur, a barrier cap over the contaminated rail yard, the

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CSXT freight yard, main line reconstruction, and filling a large culvert in the yard. {ANR&P discussion 14.Nov.03}

**Paying for some of the rail yard cleanup**

On 29 October, the EPA announced a $800,000 settlement for environmental work done at the freight yard site. In the late 1990s, the EPA spent $1.2 million assessing pollution on the 25-acre site and installing a fence around the property, and the agency then sued the current and former owners of the property for the costs.

Extensive soil testing revealed the site is contaminated with polychlorinated biphenyls, or PCBs, the same contaminant that polluted New Bedford Harbor. The PCBs were shipped by rail to electronics companies such as Aerovox, Inc. and Cornell Dubilier. The EPA theorized that the PCBs found their way into the ground at the rail yard because ‘numerous spills occurred while transferring the PCBs from tank cars to 55-gallon drums.’

The settlement amount will be paid by American Premier Underwriters (the corporate entity which merged with Penn Central Transportation Corporation), the Consolidated Rail Corporation, the City of New Bedford, and a housing authority. CSXT, which is not a defendant, owns some of the property. The city hopes the site will become a transportation hub, including a commuter rail station [for the besieged Fall River/New Bedford MBTA service - editor], a freight yard, and rail spur to the North Terminal waterfront. {EPA press release}

**GUILFORD RAIL SYSTEM**

7 November, North Chelmsford. **GUILFORD INSTALLED FLETCHER’S SWITCH AS PROMISED** [see 31 October issue]. The north end of the spur and the south end are now connected by a ‘golden spike’ (gold-painted) at the Willows Pizza parking lot. Tamping, the last step, will start on 13 November. The spur permits Fletcher Granite (our Directory #111) to receive stone directly, rather than transloading it in North Billerica.

**Traffic**

Dave Psaledas, the plant engineer, said the traffic, from Georgia, takes 20-30 days to reach Fletcher, so the first cars may not arrive until December. GRS will spot them on a runaround track which can hold five cars at a time; from there the plant switcher will pick them up. {ANR&P discussion 12.Nov.03}

**NEW HAMPSHIRE**

**NHDOT**

**THE TEN-YEAR TIP CONTAINS SOME RAIL PROJECTS.** The public has the chance to comment on the 10-year Transportation Improvement Plan at hearings around the state. It serves as a planning guide for the state, not as a binding program. The TIP notes that the rail and public transit division of NHDOT has funding sources outside the general fund: the Special Railroad Fund receives fees and expends monies on state-owned lines. NHDOT also has a revolving loan fund. Proposed rail projects for 2005-2014 (grade-crossing projects omitted):

**Exeter parking lot.** To expand parking area, $25,000 in 2005 for preliminary engineering and $325,000 for land acquisition; $125,000 in 2006 for construction. CMAQ funding.

**Nashua commuter rail.** To acquire commuter equipment, $5 million in 2005 and $5 million in 2006. CMAQ funding.

**Plaistow commuter rail.** To extend MBTA service to this town, $100,000 in construction in 2006, and $866,000 in construction.
in 2007. [See below.]

**Statewide short line assistance.** In years 2007-2009, $1 million per year. In years 2010 to 2012, $2 million a year. Capital budget funding to match federal funds. NHDOT’s Kit Morgan said the Legislature had not funded such requests recently. Also, which federal funds would match the state dollars was not known. {text of draft TIP; ANR&P discussion 5.Nov.03}

### NEW HAMPSHIRE PASSENGER

5 November, Plaistow. **INTEREST IN PROVIDING PASSENGER SERVICE TO PLAISTOW REMAINS.** NHDOT’s draft ten-year plan [see above] has programmed $100,000 in construction in 2006, and $866,000 for three years of MBTA operating subsidy in 2007.

**Amtrak instead of MBTA?** When NHDOT broached the subject in 2002, Guilford’s David Fink responded that the company had never been contacted about the proposal. He added that adding the MBTA passenger traffic to Amtrak and freight would not work without double-track, heavier rail, and signal improvements, because of congestion. Finally, Guilford did not want to discuss it. {e-mail to ANR&P from State Representative Bill Mosher 6.Nov.03}

What about Amtrak providing the service? John Englert, executive director of NNEPRA which contracts with Amtrak for the Downeaster, wrote: ‘Regarding Plaistow, we have asked the NHDOT simply to keep who operates any prospective Plaistow service carrier neutral - it is now stated as an MBTA service in future plans. We would like the opportunity to submit any intent with Amtrak and GRS partners at an appropriate time if such a service works for all of us and if funding for capital and operating costs are identified.’{e-mail to ANR&P from Englert 5.Nov.03}

NHDOT is willing to modify the project to keep the carrier open, said Cliff Sinnott, executive director of the Rockingham Planning Commission, which is handling the project for the towns involved. {ANR&P discussion 4.Nov.03}

**Congestion in Plaistow?**

Rail observers note that Guilford runs only six trains a day on the Amtrak line: MOPO/WAMO [Mohawk Yard in NY to Portland/Waterville to Mohawk Yard], POSE/SEPO [Portland-Selkirk NY], and BODO/DOBO [the New Hampshire Northcoast hopper train from Ossipee to Boston Sand and Gravel on the Charles River]. GRS has two passing tracks between Plaistow and Kittery, at Rockingham and Dover, and two between Kittery and Portland. {e-mails to ANR&P from subscribers}

Guilford argues that the passenger trains do interfere with freight. [See Maine: Amtrak. I would welcome a cogent explanation, complete with string diagrams, illustrating the congestion problem. Editor]

### PORTSMOUTH

10 November. **SPRAGUE RECEIVED A PERMIT TO BUILD A WOOD CHIP EXPORT FACILITY** from the Town of Newington.

**Idea considered in August**

Sprague approached Newington in August about using its salt pads to store woodchips for export. Ted Reed, Sprague manager for operations support, told the Planning Board on in August that trucks from Cousineau’s wood yard in Henniker would motor down Route Four to Newington, two trucks an hour, five days a week to unload chips onto a pad. Four ships a year would depart from Sprague’s terminal, each carrying about 35,000 tons of wood chips, for delivery to Europe where they would be used as a fuel source.

**Compared with salt**

The stack used to load the material will stand about 120 feet tall, about double the current height for the salt hopper infrastructure. One of Sprague’s two salt pads has been vacant since International Salt deposed Cargill as a supplier in the region. The other pad is occupied by Morton Salt.

Bruce Atkins, director of material handling for Sprague said the proposal would help benefit the state economically. “With the decline in use of the wood-burning energy plans, this provides a great outlet.” {Michael Goot in Foster’s Daily
Democrat Aug.03

The machinery
Sprague proposes to install a 1,000-foot conveyor belt to move the chips from the pad to a telescoping 30-inch pipe which would reach to the ship hold. The biggest concerns from the Planning Board involved Sprague’s ability to control the noise from its proposed two 2000-horsepower blowers and River Road’s ability to handle that traffic. {Pat McGowan in Foster’s Daily Democrat 13.Sep.03}

RHODE ISLAND

FREIGHT RAIL IMPROVEMENT
6 November. AMTRAK’S UNDERCUTTING WILL BEGIN THIS MONTH, said David Fish of the RIDOT bridge department. He has assumed direction of the FRIP (Freight Rail Improvement Project—the effort to provide a track for PW freights to run on adjacent to Amtrak) from Kazem Farhoumand.

The agreement covering Track Seven (from Boston Switch six miles south) is not yet formally signed, said Fish, but it is circulating within Amtrak for final signature. Amtrak told RIDOT that as the undercutter is now in the East, RIDOT can avoid spending additional funds by beginning work now. So RIDOT has given a “verbal go ahead.”

RIDOT is asking Amtrak if it can install some portions of the new track before December 2005. {ANR&P discussion}

VERMONT

VERMONT RAIL COUNCIL
22 October, Montpelier. VAOT WILL FORM AN OPERATIONS COUNCIL, the Vermont Rail Council was told. ‘The purpose of this newly-formed Council is to be involved in all matters of the multimodal transportation network in Vermont and to make recommendations for a more efficiently-run transportation system. Appointed members will include representation from each of the existing Air, Rail, Public Transit or other Councils, but appointment to the Operations Council will not be exclusively from these Councils.’

Trespass
The Trespass Bill did not pass the 2003 Legislature. The Council members agreed that a consensus is needed, and they will proceed to secure it from the current Administration to strengthen its position when presented to the 2004 Legislature.

Amtrak ridership
The Amtrak contract has been secured for this fiscal year, but the cost for FY05 contract could increase substantially. Ridership numbers for Vermont and nationally have shown improvement. The Vermont Transit Thruway (bus) Connection from Montreal to the St. Albans station has been discontinued with the new schedule of October 27th. Chris Andreasson said that the change in the train schedule adversely impacted the bus ridership. {text of ‘highlights’ from VAOT}

Future meetings
Charlie Miller of VAOT said for cost reasons the department had reduced the meetings from monthly to the minimum required by the executive order creating the Council: four per year. But it will have an extra meeting in December this year. {ANR&P discussion 12.Nov.03}
VERMONT ACT 250
13 November, Montpelier. CONCERNS ABOUT THE IMPACT OF ACT 250 ON RAILROADS WERE RESOLVED BY THE STATE SUPREME COURT in June, in the view of the Railroad Association of Vermont. Anthony Otis, lobbyist for the Association, said it would not re-introduce the bill on Act 250, which did not get through the 2003 legislative session [see 03#05B].

“The Supreme Court decision affirms the original intent of the legislation of 1994,” said Otis, referring to MacIntyre Fuels’ argument that its facilities lay outside the reach of Act 250. The Court said the General Assembly in 1994 exempted rail sidings and attendant facilities, if under 10 acres [see 3 July issue].

Trespass bills
The Association is seeking stiffer regulation of trespassers, Otis said. [See above. The details of this issue lie outside the scope of this newsletter. Editor]. Otis also serves as lobbyist for NECR and the Vermont Rail System. {ANR&P discussion 13.Nov.03; General Assembly website}

LAMOILLE VALLEY RAILROAD
12 November, Montpelier. AN APPLICATION TO ABANDON THE LAMOILLE VALLEY LINE will go to the STB in December, said VAOT’s Charlie Miller, fulfilling the legislative intent [see 4 June issue]. An RFP to lift the tracks should be extended by late spring. {ANR&P discussion}

QUEBEC/MARITIMES

CANADIAN NATIONAL
2 November, Sussex NB. THREE RAIL CUSTOMERS IN THIS TOWN.

J.D. Irving Ltd Sussex Sawmill
While not on rail, this mill is sometimes supplied from the north siding just west of Sussex station. On this day the siding held 10 NBSR bulkhead flats, some with 8-foot yellow birch and others with 8-foot spruce of various round (small spruce goes for chips, larger spruce for studs). The logs are drayed to the mill north of Route One on Wheeler Road.

Irving also owns Bayshore Timber Products, at the end of the spur in Sussex. However, an official said Bayshore has been closed for about a year. Irving could have brought the bulkhead flats into its Bayshore plant, but the tracks were lifted some time ago; relaying them made no sense because the cost of drayage would have been the same. {ANR&P discussion 11.Nov.03}

Shur-Gain
This mill, formerly Canada Packers, is located on Stewart Street near the end of the CN spur through the town. It receives about 200 carloads a year [see story and photo in 17 October issue]; the track to Bayshore ran through the Shur-Gain property.

Weyerhaeuser
This wholesale distribution facility in the Sussex Industrial Park receives about 100 carloads a year, both boxcar (plywood) and centerbeam (lumber). Built in 1994, it owns the siding. Operations manager Doug Perkins said he wanted no outside requests to use his siding, due to liability and interference. He has had calls from as far away as Edmundston and Prince Edward Island to use the siding. {ANR&P discussion 13.Nov.03} [Note to those seeking sidings: Please do not call Perkins. Call either Allan Kane, sales supervisor at New Brunswick Southern Railway, who can help (506-632-46540); or Claude Pourier, who handles smaller accounts in the Maritimes for Canadian National Railway, who can also help (506-853-2361).]

Former customers
In addition to Irving’s Bayshore Timber plant, more than seven years ago CN served G.E.Barbour on Stewart Street, a
company which makes *inter alia* tea and peanut butter. It now ships via container.

Baxter Foods, located across Stewart Street from Shur-Gain, has not received any railcars for two to three years. This company makes margarine, edible oils, and juices. {*Scott’s Atlantic Industrial Directory* 2001; ANR&P discussion with Baxter official 14.Nov.03}

[With the departure of Shur-Gain to Moncton, CN will have no other customers on the spur, and will probably take it up. Editor]

### MONTREAL, MAINE & ATLANTIC

28 October, Farnham PQ. **A NEW INTERMODAL TERMINAL IS COMING TO THIS TOWN.** The industrial engineer with MMA, Gabriel Tessier, and the company Distribution Marcel Dion, subcontractor in this project, raised the veil on work—which began 11 October—surrounding the establishment of this terminal in the heart of town.

#### Sunbury the customer

Sunbury Transport, a subsidiary of the Irving group in New Brunswick, obtained a significant contract to distribute goods in Quebec, Ontario, and New England. Sunbury turned to MMA. “Several sites were considered: Farnham, Ange-Gardien, Iberville, and Lachine,” Tessier said. “For the needs of the company, Farnham represented the ideal place to arrange an intermodal terminal.”

On its side, Distribution Marcel Dion sees an interesting business fit there. “Frankly, the lack of trucks will harm the economic growth of Quebec in the coming years. The rail network will have to work jointly with the trucking industry. Fewer trucks on the roads means less pollution and less damage with the roads,” underscored Sylvain Dion, president of Distribution Marcel Dion.

The promoters invested around $500,000 and envisage the creation of six jobs. About 60 % of the traffic will be handled by Distribution Marcel Dion and 40 % by Sunbury. Dion stressed the terminal will accommodate only trailers. “There are no containers.”

“In the future, perhaps, factories will come to Farnham because of the intermodal connection. That will give us an advantage to other towns,” estimated Sylvain Dion.

#### Gestation

The project, according to the officials, has been in the air since last August. A design for the terminal was elaborated in a few days, and a proposal submitted to Sunbury. “They wanted to begin the activities on October 1. We finally made the site operational on October 11,” noted Tessier.

A temporary ramp was installed on the site [see photo]. In November, a permanent ramp will replace it, with access from rue Aikman.

#### The facility

By the end of November, three tracks will be arranged in the south of the sorting yard. Each track will hold ten trailers. Moreover, space will be made for storage of 80 trailers.

Dion predicted about “20 movements” in and out per day. A tractor will bring a trailer in, and take another out. Traffic will not move into the downtown area nor the school zones, but will use rue Aikman to reach the circumference road. “The tractors will arrive around 6PM and set out again at 1AM,” reported Tessier.

Within one month, Sunbury expects that the operations will peak at four days per week. But Tessier notes that Sunbury “already predicts that the site will be too small in a few years.”
Decontamination
Parallel to the construction of the terminal, other work with not connection to the intermodal project is proceeding to decontaminate the rail yard land near the rue du Pacific. An agreement between MMA and CPR provides for the work to occur over a five-year period. {Richard Hamel in *Journal L'Avenir & Des Rivières* 1.Nov.03 (translation by your editor)}

Objection to location
Some object to the location, such as federal MP Denis Paradis, who supported the terminal but did not want it in the middle of town. {Jean-Marc Beauchesne in *La Voix de l'Est* (Granby) 5.Nov.03}

Test trains
Observers report that the test intermodal train ran 1-2 November to Farnham and return to Saint John, the fourth consecutive, and successful, test weekend. Observers also report an NBSR locomotive painted in Sunbury yellow, with the Sunbury logo and URL on the side.

Both MMA and NBSR declined comment, again [see 17 October issue]. A source close to the situation said an official announcement would come “soon.” {ANR&P discussions}

SAINT JOHN
6 November, Saint John. *THE PORT REPORTED A 9% CARGO INCREASE YEAR-TO-DATE.* Increases include containers (24%), potash (7%), and salt (18%), as well as ‘other cargo’ 76%.

Maritime Metal
SNF Maritime Metal Inc [correcting the spelling in 6 May issue], a recent addition to the port community at Pier 10, is responsible for a 76% increase in ‘other cargo’ (e.g. cargo which is not liquid bulk, dry bulk, or containerized). “The labour-intensive Maritime Metal Inc. operation at Pier 10 is an example of the type of commercial investment needed at this port to ensure it continues to be an important economic contributor to the greater Saint John economy,” explained Port Authority chief Captain Soppitt.

Many ships in port on 7 November
The *Albert Oldendorff* and *Edward Oldendorff* are two Indotrans vessels in port at the same time. Oldendorff Indotrans provides breakbulk service from/to South East Asia on a monthly basis. In addition to petroleum tankers at Courtenay Bay and Canaport, also in port on the seventh will be *Vega Pioneer* (recyclable metal), *Saudi Hofuf* (forest products), and *Cape Syros* (potash). Due in later that same day will be *Tropic Canada* (containers) and *Kent Forest* (forest products). {port authority press release}

6 November. *THE IMPORT OF ORIMULSION APPEARS SECURE* Stewart MacPherson, NB Power president, says two government officials from Venezuela were in the province this week and they reassured him New Brunswick will get all the Orimulsion it needs. The president of the country's state-owned oil company had said in October that all deals are off to supply Orimulsion fuel to Coleson Cove.

Orimulsion burning at Coleson Cove
NB Power is spending $750 million to convert its plant on Coleson Cove, on the Lorneville peninsula to the south of Saint John, to burn Orimulsion. The utility is also renovating Canaport so the fuel can be unloaded from ships and moved by pipeline to Coleson Cove.

Orimulsion is a liquid fuel made up of 70% bitumen and 30% freshwater. Bitumen is a highly viscous (difficult to pump) naturally occurring petroleum hydrocarbon from the Orinoco belt region of Venezuela. To facilitate pumping and transportation, the natural bitumen is mixed with water.

NB Power’s Dalhousie Generating Station has been using Orimulsion since 1994. The refurbished Coleson Cove Generating Station will start using it in 2004. {NB Power website; CBC webposted 3&6.Nov.03}
MORE ON CANAPORT
Irving Oil operates two petroleum terminals. Canaport, a crude oil terminal to the east of the harbour itself, receives crude oil through a monobuoy from tankers (up to and including ULCC size) moored offshore. Refined petroleum products are exported from the Courtney Bay Terminal in East Saint John. Both are connected by pipeline to the Irving Oil Refinery. As a secondary function, the Courtney Bay terminal receives and stores caustic soda, which is shipped out in bulk by truck. {Irving website}

HALIFAX
31 October. Halifax Container Traffic May Set a New Record in 2003, besting the old record set in 2000 of 548,000 TEUs. Through the third quarter, the port saw 409,456 TEUs [see 31 October issue]. If growth continues at 4%, the port would hit 545,000 TEUs by the end of the year. “The numbers are reasonably good, even though the last quarter was down a bit,” said Patricia McDermott, the Port Authority vice-president of marketing. {Tom Peters in Halifax Herald 1Nov.03}

6 November. Halterm Announced Third-Quarter Volumes, 34,667 containers down from 43,789 in 2002 [see 29 August issue].’During the second quarter, Maersk/Sealand discontinued its North Atlantic Service in Halifax and Atlantic Container Line (ACL) shifted its business to a competing terminal in the Port of Halifax. Increased terminal lease costs also contributed to the reduction in earnings compared to 2002.

Income payment
The trustees approved a one-time distribution of $0.20 per unit ‘Future annual distributions, if any, will be determined in accordance with the Fund's policy to distribute all available cash after reserves for working capital and capital expenditures, as may be considered appropriate....After the announcement of a reduction in volume from Maersk/Sealand and the loss of the Atlantic Container Line contract, the Fund suspended distributions to Unitholders due to the decline in distributable cash.’

Customer base
‘Halterm has a very narrow customer base, which is common within the container terminal industry. In 2002, three customers, Atlantic Container Line (ACL), Maersk/Sealand and Zim Israel Navigation Company (Zim), represented 76% of the terminal's overall volume....The Company's main customers now include Zim, Maersk/Sealand, Costa Container Lines, Oceanex, Melfi Marine and SPM Container Line....All of the Company's customers are currently under contract. The Company has one terminal service contract that will open for rate negotiations at the end of 2003. [Not Zim, renewed in June–see 26 June issue] If this contract is not renewed, or is renewed at rates less than those currently charged, Halterm's financial performance could be materially ‘affected.

Lack of railcars
‘The Port of Halifax has been built on the efficient and timely flow of cargo to inland markets. A change in the supply of rail cars which occurred in the latter part of the third quarter of 2002 is resulting in delays to cargo being shipped from Halifax to inland destinations. It has also increased handling costs and created congestion on the terminal. Should this situation continue, the competitive position of the Port and Halterm may be affected.

Outlook
‘Management continues to aggressively market the terminal for new business. There are some good, long-term prospects on the horizon, but these will take time to materialize. In the meantime, the Company continues to work with its existing customers to expand their business base. Management also remains vigilant in its pursuit of increased productivity and improved operating efficiency.’ {Halterm press release}
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.

Boralex (MMA and GRS ME), Cousineau (NECR and GRS), Gateway (PW CT #544), Fletcher Granite (GRS MA #111), Halterm (CN Halifax), Irving (CN Sussex NB), Sappi (GRS ME), Sprague (GRS NH), Sunbury (NBSR and MMA Farnham PQ), Weyerhaeuser (CN Sussex NB)

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PEOPLE

MMA PROMOTIONS.
Kelley M. Carter has been promoted to Chief Financial Officer. Carter succeeds Richard J. Rushmore who will continue as
Vice President, Secretary and Treasurer, with concentration in special capital and financing projects, bank relations and completion of acquisition arrangements. **Thomas N. Tardif** becomes Director of Real Estate and Environmental Affairs. Tardif has over 27 years service with Maine railroads. **Gaynor L. Ryan** becomes Director of Human Resources; she has nine years experience with railroading. All three officials promoted held management positions with Bangor & Aroostook Railroad. They joined MMA when MMA acquired the B&A assets on January 9, 2003.

**Dick Bowen** at the **Vermont Agency of Transportation** is retiring after 42 years, at the end of November. Dick was always forthcoming to me, and his information considerably improved the stories of this newsletter. His departure, said the section head Charlie Miller, will lead to a reshuffling of responsibilities.

**Guilford** is hiring **six new locomotive engineers** and other railroad personnel. {GRS website} Mike Twombly, BLE general chair, said the engineers will replace the up to ten engineers GRS will lose through retirement and health reasons in the next year.

**The St.Lawrence and Atlantic Railway** recently hired two transportation and engineering employees and is currently seeking two maintenance of way workers, according to Craig McQueen of GWI human resources. GWI will soon have job postings on its website. {ANR&P discussions 12.Nov.03}

In contrast, the **PW** website postings page shows no current vacancies.

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**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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