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*Article unchanged from e-bulletin.

REGIONAL ISSUES

CPR+MMA: TOFC embargo no impact on MMA.*

UP/NS/GRS: test coal from Colorado to Mt.Tom.

CONNECTICUT

CSO: Increased traffic = large trains.

GRS: AmeriGas startup. Not getting enough cars.

New Haven: First port authority meeting.

PW: Contract for Connecticut bridge awarded.

MAINE

IRAP: No awards until at least next week.


GRS: Paid Waterville taxes.* Another car of biodiesel arrives.

MASSACHUSETTS

BCLR: Hi-rail trip to Millis and Dover lines.*

Transportation bond: Money for freight rail,* right of first refusal,* and probably Fall River/New Bedford.

CSXT: McCourt apparent low bidder.*

GRS: Opposition to new auto facility, concern from two other GRS customers.

Fall River: RFP for new facility not until April.*

NEW HAMPSHIRE

GRS: Chart Industries in Plaistow folding.

TSRD/NHCR: Possible paper mill startup.

NHN/Conway: State says looks feasible.

VERMONT

LVRC: Tries to disentangle itself from state-owned line.*

VRS: Rutland Yard EIS not yet issued.

MARITIMES/QUÉBEC

CBNS: Update on coal train, Cape Breton service.*

CN: Derailment, winter, and strike problems.

SLQ: Richmond spur to open in May.*

Halia: Halterm seeks indemnification from NCC.

Halterm three-year contract with Zim.

RAIL SHIPPERS/RECEIVERS

Should CSXT sell the Boston cluster?

PEOPLE, POSITIONS, EVENTS


Third annual rail colloquium in Ste.Foy. CSX decides not to build its own aircraft hangar.

FROM THE PUBLISHER

Thanks For the letters and e-mails of support during my surgery. All went very well, I was ready for pond hockey the next day – well, maybe not that strenuous. Anyway, I enjoyed the week of recuperation, and the report of no cancer outside the prostate gland. New lease on life!
REGIONAL ISSUES

CANADIAN PACIFIC
TOFC EMBARGO - MMA IMPACT
10 February. WITH NO FANFARE, CPR SAID IT WOULD NO LONGER ACCEPT TRAILERS FOR TOFC SERVICE after 29 February in an embargo filed with the American Association of Railroads (AAR) this day. Reason cited: ‘Discontinuance of Trailer or Container with chassis moving on Flat Car Operations (TOFC).’

The change can certainly be justified by the shrinking TOFC market in Canada. According to AAR statistics for the week ending January 17, Canadian railroads originated 2,974 trailers (down 26.1%), and 36,276 containers (up 8.0%). US intermodal traffic has a much stronger TOFC share: for that same week, US railroads originated 51,569 trailers and 147,883 containers.

The embargo did not cover CPR’s modern Expressway, which allows shippers to move their standard, non-reinforced trailers in the high-volume corridor between Montreal and Detroit. With a $52 million investment by CPR, this service has grown this decade, while CPR’s TOFC has shrunk. {Chop Hardenbergh in Rail Business 27.Feb.04}

No effect on MMA - its TOFC growing
Bill Schauer, MMA vice-president marketing, said the embargo “will not affect MMA at all.” Its current TOFC service travels between Saint John and Farnham, “self-contained within our territory.” Traffic in that lane, operated for Sunbury [see 2 February issue], is “still growing ahead of plan. The demand is there, and as the service reliability grows, the volume will grow.” Service reliability was “hard to demonstrate the last couple of months,” given the MMA’s problems with power [see 2 and 11 February issues].

MMA does want to work with CPR on intermodal in two areas: straight container business, and Expressway. Since Expressway has its own trains and its own terminals, the capacity issue which contributed to the TOFC embargo does not affect Expressway.

MMA is also putting its toe in the water in Presque Isle. With the assistance of Vermont Railway, it’s testing the intermodal market there, using the packer which has sat idle since IRR rolled up its intermodal offerings. {ANR&P discussion 27.Feb.04} [The B&A System, in a last hurrah, opened a gateway from Farnham through Vermont to Massachusetts. In November 2000, the first McCain reefers moved in TOFC service from Presque Isle to Palmer MA. See issue 00#21. Then-president Dan Sabin promised a bump up in McCain traffic, and demonstration of Amtrak Express equipment in the lane–see 01#01A. But when Yocum assumed the presidency from Sabin, he pulled the plug on the McCain traffic in early 2001. See issue 01#04A.]

UP - NS - GRS
Early March. A TRAIN OF COAL FROM COLORADO is making its way to the Mt.Tom power plant in Holyoke, via Union Pacific Railroad, Norfolk Southern Railroad, and Guilford. Railfan and other sources stated that Mt.Tom, owned by Northeast Utilities [our Directory #166], would burn the coal as a test. {NERAIL; ANR&P discussion}
CONNECTICUT

CONNECTICUT SOUTHERN
3 March. **CSO HAS RUN SOME VERY LARGE TRAINS RECENTLY** because of a traffic boost: 116 cars on 1 March, and then 88 cars on 2 March. {NERAIL} Charles Hunter, assistant general manager, said a recent drop from six to four operating locomotives had caused a bit of the need for large trains when the railroad returned to six units.

But the ‘big trains are more attributable to good business, especially going to Cedar Hill and some variances in the amount of cars we get at W.Springfield from day to day.’ {e-mail to ANR&P}

GUILFORD RAIL SYSTEM
27 February, Southington. **THE AMERIGAS DISTRIBUTION FACILITY STARTED OPERATION** earlier this year. AmeriGas Propane, which acquired the former Columbia Propane facility, reconstructed an eight-car siding. John Brown, regional logistics manager Upper Midwest & Northeastern Regions, said the facility’s tanks could hold 229,500 gallons, and that it has eight car spots to fill those tanks. Trucks of various sizes belonging to local distributors are loaded at the facility for delivery within the region.

Currently, enough demand exists to empty eight cars a day every day. “We can fill three 9500-gallon trucks at a time, taking one hour to fill three.” [That translates into 684,000 gallons per 24-hour period. Each railcar can hold perhaps 35,000 gallons/car, so the demand would exceed even eight cars a day. Editor]

Problems with switching
Overall, said Brown, AmeriGas appreciates GRS “willingness to listening to our concerns, cooperation, responsiveness and helping with our Southington Terminal.” GRS worked with AmeriGas during the renovation to add a second siding, so each siding sports four unloading spots. And when cars have reached Plainville, the local GRS crew works within its hours of service “to get us cars and do switches.”

However, when AmeriGas negotiated with Guilford for delivery of rail cars in summer 2003, AmeriGas stated it wanted a daily switch, and GRS officials said they would provide that. AmeriGas planned to receive and unload eight cars a day, at least five days a week, during the peak winter season. Now, said Brown, “we are lucky to get two switches a week....The inconsistency is causing us problems.”

The infrequent service, per Brown, stems from the fact that GRS uses only one crew to serve the customers on the Waterbury branch and make the exchange in East Deerfield, Massachusetts.

Brown has asked GRS repeatedly to station a second crew in Plainville. “GRS has been and is sympathetic, but with the inconsistent arrival of cars they are not able to schedule another crew.”

The gas originates in Sarnia, and in theory is dispatched in four-car blocks every day. It travels through Ontario and Quebec to Vermont, where another GRS train picks up the cars for the exchange in East Deerfield. The inconsistent arrival of cars stems first from the supplier not releasing four per day, second from intervening railroads CN and NECR, and finally from GRS.

Since the promise in summer 2003, AmeriGas has listened to, and understood, Guilford's problems. The two companies are trying to work out a service plan which would benefit both, without the need to station a second crew in Connecticut.

Given the current situation, Brown estimated he might do about a thousand cars a year. “AmeriGas believes we have a very good relationship with the GRS that should only get better with time and knowledge.”

Rail service problems lead to truck
Brown noted that “our industry 30-40 years ago had a siding at retail gas facilities, and relied on the railroad to keep them supplied.” But the railroad became unreliable: the facility might go for weeks without a car, and then get too many. The industry finally dismissed the railroads, telling them that “we can get it here better with truck, though not as inexpensively.”:

Now, Brown said, the railroads are coming back. Norfolk Southern and CSXT “are begging to do business with us, even paying to reinstall siding” and getting repaid by a per car fee. “That's fantastic,” exclaimed Brown, “and some do very well for us.” {ANR&P discussion}
More on operating problems

According to rail observers, GRS stations its one locomotive in Plainville. The crew must serve the customers on the Waterbury branch as far south as Seymour [14 customers in all, according to our Directory, where AmeriGas is listed as #625], as well as make the exchange in East Deerfield, Massachusetts (or sometimes Springfield). A crew will have a hard time getting to East Deerfield (77 miles) and back in one day. If it takes two days to do the exchange and does that only once a week, and works six days a week, it can only switch AmeriGas and other customers four days a week.

Since the Waterbury branch is normally assigned only one locomotive, the crew must often double or triple the hill (cut the train into sections and haul one section at a time) from Berlin to Plainville. This consumes more time.

For example, on 29 February the train from East Deerfield had 19 tanks for AmeriGas and nine gondolas, but two locomotives. On 25 February the train had 35-40 cars, and only one locomotive so the crew had to triple the hill, and rush tanks to AmeriGas besides. {NERAIL}

NEW HAVEN

4 March. THE NEW HAVEN PORT AUTHORITY WILL HOLD ITS FIRST MEETING tonight [postponed from 26 February–see 11 February issue]. Helen Rosenberg of the City listed these members: Richard Miller city engineer; Daniel Diaz, neighborhood representative; Judi Sheiffele, former deputy director of the city’s Office of Economic Development; Ian Solomon, associate dean of the Yale Law School for financial; Al Paolillo, alderman; John Russo, former chair of city planning; and Katherine Goodbody, environmental attorney.

While no port user sits on the board, Rosenberg points out the enacting legislation permits the mayor to appoint seven advisory members. That has not yet happened. {ANR&P discussion}

PROVIDENCE & WORCESTER

18 February, Middletown. MOHAWK NORTHEAST WON THE BID FOR SUBSTRUCTURE REPAIRS to the rail bridge over the Connecticut River between Middletown and Portland. A ConnDOT official and a Mohawk official each said the bid came to $1.6 million, and involved no track work. {ANR&P discussions 24.Feb.04}

MAINE

MDOT - IRAP

3 March, Augusta. NO DECISION YET ON THE IRAP APPLICATIONS. Allan Bartlett at MDOT doesn’t expect any word until at least the 8th. The Industrial Rail Assistance Program, applications were filed on 16 January [see 11 February issue]. {e-mail to ANR&P}
BELFAST & MOOSEHEAD LAKE
24 February, Unity. **THE TOURIST RAILROAD HAS BIG PLANS FOR 2004.** Bill Monson, formerly manager of operations, has become general manager following the sale of the property to RailStar [see 9 September 2003 issue]. The railroad will return its steam engine to operating condition, do significant tie replacement and brush clearing, and restore the opportunities for rail fans to learn about operating locomotives. In Belfast, the railroad will offer Rail/Sail packages.

Monson plans the first operation the 5th and 6th of June, out of Belfast, with both Unity and Belfast opening for the season in mid-June.

**Freight?**
BML formerly had one customer, Crowe Rope, now bankrupt [see 31 May 2002 issue]. Monson said that one potential customer had contacted the railroad, but has since “disappeared into the woods.” {ANR&P discussion; communication in The 470 2.04} [See Biodiesel, below.]

GUILFORD RAIL SYSTEM
20 February, Waterville. **GUILFORD PAID SOME BACK TAXES** this week. City Administrator Ronald J. Singel said on 10 February that David Fink, GRS executive vice president phoned to say the money would be paid by the 19 February foreclosure deadline. And on 18 February, a lawyer arrived at City Hall and paid the $108,617 by check, in back taxes for 2002.

The company still owes $199,776.07 for taxes in 2003 and 2004, according to city officials. “I'm very, very glad they paid it so we don't have to go through foreclosure,” Mayor Paul R. LePage said on 19 February. “I'm just hoping they're able to come up with the money to pay next year's taxes before we go through this again. It's very costly, and a waste of taxpayers' money.” The 2003 ($103,078) and 2004 ($96,686) taxes are now due, but Guilford has not given an indication as to when they will be paid, according to Clara Varney of the Finance Office.

Carol Blier, the city's tax collector, said Guilford in the past has been more prompt with paying taxes. She said she did not get any explanation as to why payment has been so slow. {Amy Calder in Waterville Sentinel 20 & 24.Feb.04}

UNPAID RAILROAD TAXES IN 1876
From The Annual Cyclopedia of 1876: ‘The Maine Central and certain other railroads have persisted in their refusal to pay the tax assessed against them....The taxes due and not paid amount to $147,000.’ {courtesy of Charlene Frick}

29 February, China. **FRONTIER ENERGY RECEIVED A SECOND CAR OF BIODIESEL** in October 2003 and will need another by summer 2004. Vice-president Joel Glatz, wrote that as before, Frontier had to wait up to 5 days for the car to move from Waterville to Augusta and pay $100 siding rental at Industrial Metal Recycling [see 18 July 2003 issue].

Glatz noted he had spoken to BML, ‘about getting our next car to Unity in order to help them out a bit with freight, but sooner or later (hopefully sooner) we will need to have it in Portland where the big oil is.’ {e-mail to ANR&P}

MASSACHUSETTS

BAY COLONY
26 February, Millis. **ONLY TWO PARTIES TOOK THE HI-RAIL INSPECTION TRIP** of the Millis and Dover properties the MBTA has put out to bid [see 2 February issue]. Those attending from the Charles River Railroad: Chris Podgurski, Paul Buckley, Dick Currier, John Kennedy [see 2 February issue]. From BCLR: Bernie Reagan, senior vice-president marketing, Charles Fellows, president, Bob Du Ponte, track inspector. MBTA representatives Dan Breen, MBTA section chief, and Peter Wilson, ROW Inspector, accompanied the group. {ANR&P discussions with Lorna Moritz of Transit Realty and Reagan 1.Mar.04}
TRANSPORTATION BOND BILL

2 March, Boston. THE HOUSE IS CONSIDERING THE GOVERNOR’S BOND BILL. It proposes substantive amendments to the Commonwealth’s administrative structure, tort law, and other changes, as well as bonding to transportation projects. Points of interest to rail:

Section 2H - money for freight rail.
6001-042 For the purpose of implementing rail improvements pursuant to the provisions of chapter 161C of the general laws, and pursuant to Section 11 of this act........................$50,000,000

EOTC described this section as providing $50 million for a reserve to protect freight rail properties when necessary and for EOTC rail improvements. [Put another way: it provides authority to the Commonwealth to issue bonds to obtain funds to buy freight rail properties which come on the market. The Commonwealth already has the right of first refusal. Editor]

Section 31 - Protecting Rail Properties: This change to MGL c.161C, §7 would require public entities to provide a right of first refusal to EOTC prior to the sale of any rail rights of way (as is already required by private parties). This would allow EOTC to protect valuable rail assets. This section also is intended to avoid the effects of the Rowley decision, which stated that where there is an abandoned right of way, the property rights vest with the abutters to the center of the right of way. The section would require, for old rail rights of way, certification of abandonment by the Secretary and registration of the abandonment with the registry of deeds. {EOTC website}

Funding for Fall River/New Bedford commuter rail
When Governor Mitt Romney released the bill last week, State Representative Robert Correia, D-Fall River said it “explicitly” excluded Fall River/New Bedford (NB/FR) from potentially receiving funding for a commuter rail line.

According to the Executive Office of Transportation and Construction, however, the bill does no such thing. In Section 46 of the bill, Correia said the governor provides the Massachusetts Bay Transportation Authority with authorization to select one transportation project of its choice to go forward with, but specifically excludes the rail line from
being selected as that project. “It’s becoming more and more apparent that (Romney) just doesn’t want it done,” Correia said.

Section 46 (a) reads: Notwithstanding the provisions of any general or special law to the contrary, the Massachusetts Bay Transportation Authority shall select one additional construction project not including the so-called Greenbush Rail Restoration Project or the Fall River/ New Bedford Commuter Rail Project for utilizing a design-build process, but such procurement process shall not require an alternative means of financing unless specifically authorized by the general court, and shall initiate the procurement of a contract for the construction project within three years of the effective date of this act.

EOTC spokesperson Jon Carlisle said the wording took account of the fact that NB/FR was already authorized in the 2002 bond bill. Although the project has been authorized, Carlisle said a number of issues need to be addressed before funding for the project is considered. “There are some significant hurdles that the line faces and those hurdles should be dealt with in a thoughtful fashion before we go through with a further substantial design and certainly before substantial construction funds are expended.” Among the issues are environmental permitting, the fact that the MBTA doesn’t own a significant portion of the track that the train would travel on, and right of way problems.

**Bill will specifically include FR/NB**

While the bill did not include specific appropriation for any project, Correia said he will make sure the revised bill includes the $500 million for the rail line. Having the project specifically mentioned with a price tag in the bill will not ensure that the project gets done, but Correia said it leaves open the possibility for the governor to move forward with it. “If I don’t earmark New Bedford/Fall River, then he doesn’t even have to consider it....

“Right now we have the bill before us and we are reading what (Romney) sent us and we are in the process of having the [House Transportation Committee] add the Fall River/New Bedford railway.” Once the bill is passed by the House it is then sent to the Senate and back to the governor for final approval. {Daniel Fowler in Fall River Herald News 3.Mar.04}

**CSXT**

19 February, New Bedford. **McCourt Construction was apparent low bidder to do the rail yard here.** Bob Luongo, executive director of the New Bedford Economic Development Council, listed the three lowest: McCourt Construction of Boston $5.8 million, P.Gioiso & Sons of Hyde Park $5.9 million, and J.F.White Construction of Framingham $6.2 million.

**Due date was changed again**

The due date set for 12 February was changed to 19 February, after the construction industry challenged the idea of using a technical bid and then a financial bid [see 2 February issue]. Luongo said the selection people, from consulting engineer STV and from the city purchasing department, were looking at the bids now, checking references. As of 1 March, the selection people had not made a decision. {ANR&P discussion 24.Feb & 1.Mar.04}

**Experience of bidders**

In a 2003 competition conducted by the MBTA to renovate the Fairmont Commuter Rail Station, McCourt finished last at $5.2 million, J.F.White third to last at $4.9 million. The winner bid $3.6 million. {MBTA website}

According to its website, J.F.White anticipated bidding on 18 February for the rebuild of the PW-used bridge over the
Connecticut River at Middletown [see Connecticut] and on 27 February for the Lawrence Rail Facility (bus and rail passenger service) owned by the Merrimack Valley Regional Transit Authority. Current projects of JF White include Orange line and Green line rebuilds, tamping for the Fore River railroad, and building the rail spurs in the EPA processing area as a subcontractor for Tetra Tech FW, Inc. {JF White website}

**GUILFORD RAIL SYSTEM**
2 March, Ayer. **A LOCAL CITIZENS GROUP CONTINUED TO OPPOSE THE NEW GRS AUTO FACILITY HERE.** Under a mediated agreement in July 2003, the Town of Ayer agreed it had no formal jurisdiction, but GRS did agree to 17 conditions about the use of the property [see 29 August 2003 issue].

Carolyn McCreary, spokesperson for People of Ayer Concerned about the Environment (PACE), acknowledged that, as the map shows, the area did have rail activity on it earlier. Her group is opposed to paving of nearly 60 acres out of the 126 acres Guilford owns. PACE fears that runoff alone may affect the aquifer beneath it, but also fears a spill of contaminants.

She said these efforts were going forward:

- A petition campaign to get the governor to help find an alternative site for the auto facility.

- A December meeting with Secretary of Environmental Affairs Ellen Roy Herzfelder in Littleton, where representatives of the business community, state legislators, and environmental groups talked to her. At the meeting, she said Guilford was not being a good corporate neighbor, and recommended the "court of public opinion" as the final recourse to stop the facility.

- Elicitation of statements from auto companies that they would not use the new facility. John T. Bozzella, Ford's executive director of governmental affairs, told Littleton and Ayer selectmen in September that the auto maker does not intend to use the new site. “It is our understanding Guilford has no plans to relocate Ford from their facility,” Bozzella wrote.

  McCreary said General Motors and Toyota had told PACE that they have commitments to unload autos at other facilities. The group is approaching DaimlerChrysler.

- The Congressional delegation has supported PACE, but has not committed to try to change the federal statutes under which GRS stands immune from much local regulation.

- Finally, McCreary hoped that Guilford customers Veryfine and Cains would have some voice with GRS about the use of the parcel. {ANR&P discussion 2.Mar.04}

**Other Guilford customers oppose auto facility**
Veryfine Products [our Directory #208], a beverage manufacturer located in Littleton, consumes huge quantities of two ingredients: corn syrup and water. GRS brings in the syrup in two 8,000 gallon tank cars weekly. Veryfine draws 250,000 gallons of Littleton town water every day to produce 100,000 cases of beverages a week.

The quality of Littleton's water is so good, “Veryfine takes it in and uses it directly,” said Ken Lee, Veryfine's director
of quality assurance. “Without quality water, you can't even start to make a quality beverage.” Littleton's water tastes pure and is low in minerals, making it ideal. Veryfine is Littleton Water Department's largest customer, according to Manager Savas Danos. The company could draw double its current use of 250,000 gallons per day, if required.

One Ayer rail user also relies on clean water. Cains Foods [our Directory #117] makes food, famously mayonnaise. Ayer has just two wells that produce high quality water. If one of those wells went down, the Ayer business community would have little recourse, said Joe Sampson, Cains plant manager.

Every year, GRS delivers 30 million pounds of soybean oil by tank car [about 150 carloads a year - Editor] to Cains for mayonnaise, salad dressings and sauces. Cains uses between 15,000 and 20,000 gallons of water a day.

GRS a safe operation
The Federal Railroad Administration named Guilford as America's safest railroad in 2002, based on the safety of the employees, Executive Vice-president David Fink said.

“There's been hundreds of thousands of dollars spent on studies done by different companies. The environment will be protected. I think everybody realizes that.” The rail company ships a wide range of economically crucial goods. “Pick something - we move coal and gas to move the power plants. We bring all the Ford automobiles to the New England area.” Guilford transports goods to several major retail outlets, including Home Depot, K-Mart and Wal-mart. {Susan Tordella in Littleton Independent 2.Jan.04 and 20.Aug.03}

FALL RIVER
23 February, Fall River. THE RFP FOR THE NEW CRUISE+CARGO FACILITY will not go out until April. Rick Armstrong, executive director of the Seaport Advisory Council, wrote: ‘We have $200,000 on the table for the final design. The contract will be let by the Division of Capital Asset Management. They are in the process of putting the RFP together but that takes awhile because they first have to go thru the Design Review Board. [DCAM] by law...will have to manage all construction - fine with us, we clearly can not or should not do it.’ {e-mail to ANR&P}

NEW HAMPSHIRE

GRS - LOSS OF CUSTOMER
25 February, Plaistow. CHART INDUSTRIES WILL CLOSE ITS PLANT HERE on 18 June. In December, it filed a Form 8-K with the Securities and Exchange Commission and notified the workers; it notified the Town of Plaistow earlier this month. “We've been struggling for a couple of years to have enough volume to keep the Plaistow plant open,” said Kenneth Paul, a vice president at the company. “It's a consolidation issue.”

Chart is headquartered in Cleveland, but its legacy is local. Process Engineering, founded by Paul's father, the late Lawrence Paul, made copper boilers and fire extinguishers during World War II.

A core group of sales and engineering staff will remain and manage projects for Chart Industries' tank business. [The company uses rail to bring in tank cars for rebuilding into cryogenic cars, and to ship out large tanks on flatcars. See 21 August 2003 issue.] {Kathryn McLaughlin in local newspaper 25.Feb.04 via NERAIL}

TWIN STATE/NHCR
3 March, Gilman VT/Dalton NH. DIRIGO PAPER IS STILL PURSUING OPERATION OF THE PAPER MILL HERE. Now shuttered, it was last operated by American Tissue [see 03#03A issue]. Peter Riviere, executive director of the Coos Economic Development Corporation, named Dirigo Paper as the possible operator. Back in October, the mill owners were looking at other possible operators as well. [See 03#10A issue.]
According to Riviere, on 10 March the Governor and Executive Council will consider a Community Development Block Grant for the mill. Even though located in Vermont, the mill is eligible for New Hampshire money because more than half of its workers will come from New Hampshire. The approval of the New Hampshire money will trigger a Vermont grant as well.

The mill is having trouble securing a chip supply for its biomass boiler, however. (The mill will bring in drylap pulp to make paper.) Wood chip supply is an issue throughout the area due in part to market conditions, the temporary loss of the Berlin pulp mill demand, and subsequent cessation of operation by loggers. The cutters cannot function economically in a feast or famine mode; the shutdown of the pulp mill eliminated 43% of the state's low-grade wood demand for 18 months, until Nexfor Fraser reopened the plant.

Startup date? Riviere hoped for May or June. {ANR&P discussion}

Use of rail; adverse abandonment
As for rail, Riviere said the plant would not use it at startup, due to the poor condition of the rails. Peter Hanson, who is managing Dirigo Paper, said in 2003 attorneys for TSRD had phoned him to express a willingness to serve the mill, and to fix up the track. Hanson anticipates bringing in some supplies by rail, and perhaps shipping out paper by rail. {ANR&P discussion 5.Mar.04}

In 2003, GRS and NHDOT coordinated an effort to remove the Twin State Railroad from the track serving the plant. GRS is to file the petition for adverse abandonment [see 03#08B issue]. According to Kit Morgan, NHDOT rail administrator, GRS has not yet done so. {ANR&P discussion 3 March 2004}

NH Northcoast/Conway Branch
4 March, Center Ossipee. NHDOT will present information on reviving the line between Conway and Ossipee at a public meeting. ‘In response to legislation passed in 2003, the Department's Bureau of Rail & Transit has been studying the cost and feasibility of rehabilitating the inactive rail line between Ossipee and Conway.’ [See 26 November 2003 issue]. ‘The Department is interested in receiving comments or information from towns, interested parties, and the public on this railroad corridor and the potential reestablishment of service.’ {text of meeting notice}

A preliminary report from the meeting indicated that NHDOT did find worthwhile reviving the line. [More in a future issue.]

Vermont

Lamoille Valley
12 February, DC. LVRC opposed a motion to stay the abandonment, filed by Timothy Phelps, who had earlier opposed the abandonment [see 20 January issue]. The railroad, represented by Kirkpatrick and Lockhart attorney Tracie Spear, labelled erroneous Phelps’ arguments that the railroad had not done enough to meet shipper demand.

At the same time, Clyde Forbes signed a letter (filed separately from the above) saying the railroad would not oppose the request for trail use. {STB Docket No. AB-444 (Sub-No. 1X)}

13 February, DC. LVRC still cannot escape responsibility for the line. The Surface Transportation Board (STB) found that the engine shop in Morrisville constituted an active hazardous waste site, and required LVRC to identify safety precautions before undertaking salvage.

LVRC asked the Board to permit it to hand off responsibility to the state, the landlord of the property. The Board replied that since the state was not a party, LVRC would have to retain responsibility.
The Board did impose trail conditions, as requested by VAOT. {STB Docket No. AB-444 (Sub-No. 1X)}

20 February, DC. **FOR ONE PART, THE RAILROAD FILED ITS CONSUMMATION OF ABANDONMENT.** Peculiarly, the notice was filed by Jim Fitzgerald, an employee of VAOT. He stated that LVRC had discontinued its trackage rights over the former CV section between Sheldon Junction and Richford. {STB Docket No. AB-444 (Sub-No. 1X)}

**VRS - RUTLAND YARD**

2 March, Rutland. **LOOK FOR THE EIS IN APRIL,** cautioned Matthew Sternberg, executive director of the Rutland Redevelopment Authority. “It keeps moving closer.” [He had anticipated its completion in February. See 11 February issue.] Consultant HDR will produce a document to review “in the next couple of weeks.”

**Center Rutland Connector**

Sternberg said the three alternative routes were still under nominal consideration for CPL traffic to move directly to Burlington without going through the Rutland Yard. But the longer one, using an old right of way, required a grade crossing and had environmental issues. So the question had come, whose houses were going to be taken for one of the other two options. “The Town of Rutland and the state need to make that decision.” {ANR&P discussion}

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**QUEBEC/MARITIMES**

**CAPE BRETON & CENTRAL NS**

25 February, Sydney. **THE DAILY COAL TRAIN WAS SUSPENDED DUE TO ICE,** said CBNS General Manager Peter Touesnard, but he expected it to resume on the 26th. While a blizzard left the railway dealing with 30 to 50 inches of snow between Truro and Port Hawkesbury, the storm left ice at the yard on the SYSCO pier where the coal train is loaded.

CBNS serves its regular customers situated in the Sydney-Port Hawkesbury main line as needed, using the daily train delivering coal to the NS Power station in Trenton. But the customers located in Sydport and North Sydney industrial parks are served by the Sydney local, which also switches the coal facility at the Sysco pier.

**Future for the Cape Breton line**

Economic Development Minister Cecil Clarke wrote to Touesnard and other stakeholders in late 2003, indicated he wanted to meet with them early in 2004 to revisit the issue of preserving the line. Touesnard said that meeting has not yet happened. He has regular meeting with provincial officials at a lower level every quarter or so, and those are continuing.

**CN strike**

Touesnard sized up the strike as having “no major effect yet” on his operation, though problems attributed to the winter conditions may instead be strike-related. “Trains are arriving on-time in Truro with reasonably-sized” strings of cars for CBNS. {ANR&P discussion 25.Feb.04}

**CN TROUBLES**

11 February, McAdam NB. **NBSR TOOK SOME DETOURED CN FREIGHT** when a derailment in Quebec on 7 February blocked the line to the Maritimes. Bill Schauer, MMA vice-president marketing, said some Saint John shippers, not knowing how long the line would be blocked, had detoured traffic for two days.

“CN deserves accolades” for the speed with which its workers got the line restored, noted Schauer. {ANR&P discussion}
25 February. **A FEDERAL MEDIATOR MET WITH CN AND CAW OFFICIALS,** seeking a resolution to the six-day strike by the Canadian Auto Workers, who represent 5,000 workers, including mechanics, customer service agents and clerical workers. {Toronto Globe and Mail webposted} CN reported the mediated talks will resume on 5 March in Montreal, and CAW workers remained on strike.

**Halifax**
Michele Peveril, spokesperson of the Halifax Port Authority, said the start of the strike overlapped with a severe winter storm on 18 February. But the strike impact did not appear significant. {ANR&P discussion}

Domestically, the Halifax Intermodal Terminal is shut down {CN website} [Apparently because it is operated by CAW workers. Editor]

**Saint John**
No impact or delays were reported at the port or elsewhere. {ANR&P discussion 25.Feb.04}

**CBNS**
Little impact [see CBNS].

**Any diversion of intermodal traffic?**
Vice-president Marketing Bill Schauer said MMA ‘is handling a small amount of CPR container traffic in and out of Saint John.’ So MMA does have the ability to handle diverted CN containers.

In addition, MMA and NBSR could handle Sunbury containers on the TOFC Farnham-Saint John train, if they are placed on chassis. {e-mail to ANR&P from Schauer 2.Mar.04}

**ST.LAWRENCE & ATLANTIC - QUEBEC**
23 February, Richmond PQ. **THE SPUR TO THE INDUSTRIAL PARK SHOULD BE READY IN MAY.** Martin Lafleur, general manager of the comite promotionelle industrie Richmond, said work had commenced in late 2003 [see 30 September 2003 issue] but halted for winter weather. By the end of April the rail contractor, Entretien des voies ferrées Coyle Inc of Delson, will finished the spur; Lafleur anticipates operation beginning in mid-May. {ANR&P discussion 23.Feb.04}

BR Logistics will use the facility. {e-mail to ANR&P from SLR vice-president of marketing, Ed Foley}

**VIA RAIL**
**PASSENGER RIDERSHIP DECLINED** in 2003 versus 2002 in the Eastern Services which run Montreal to Halifax including the Chaleur. December year to date came to 208,987, a drop of 10.4%; revenues came to $19.6 million, expenses to $50.4 million; trains were on time only 68.7% versus the target of 86%. {Vialogue winter 2003-2004}

**SAINT JOHN**
25 February. **NB POWER SUED PDVSA ABOUT DELIVERY OF ORIMULSION,** concluding that the state-owned Venezuelan oil company would not deliver the Orimulsion. NB Power also halted work on the pipeline and storage tanks which would move the Orimulsion [see 14 November 2003 issue] to the Coleson Cove generating plant. Now, the plant will have to burn oil instead of Orimulsion, costing the power company nearly $2 billion over the life of the alleged 20-year contract. The $750 million refurbishing was not wasted, NB Power said, since the plant needed it in any case, and new technology will result in a reduction in emissions of 75 to 77%. {CBC webposted}

Coleson Cove now receives fuel oil via pipeline from the Courtenay Bay Terminal, where Irving refined products are exported. {NB Natural Resources website}
1 March. **INBOUND LIMESTONE WILL ARRIVE AT THE EAST SIDE OF THE HARBOR**, under a lease the Saint John Port Authority (SJPA) is negotiating with Empire Stevedoring, the intended terminal operator. According to a fact sheet from SJPA, the contract with Empire Stevedoring calls for the supply of up to 300,000 tonnes of limestone aggregates per year from Newfoundland at a rate of about 30,000 tonnes per month.

The ship will offload the product onto the pier using the ship's on-board conveyor system and discharge arm. The cargo can only be piled within the scope of the unloading arm (70 metres). The designated area for this cargo is on the west end of Long Wharf where salt was previously handled [salt is now handled at the Barrack Point Potash Terminal], some 1000 feet from York Point on the other side of the existing cargo shed. [See map in 9 April 1998 issue.] Each cargo will be loaded to truck and transported to Coleson Cove daily by Kingsco Transport, where NB Power will take possession.

The pile will therefore continually be reduced to make way for the next ship. Truck traffic is estimated at 50-60 loads per day, operating only during normal working hours. This is considerably less than the sustained 75-80 loads a day occurring when salt was delivered to the terminal previously. [text of fact sheet]

**Use of the limestone**

According to Paula Small, SJPA spokesperson, NB Power will use the limestone in the new scrubbers they have installed, or are currently installing, for the burning of Orimulsion.

**Long Wharf lessee**

Empire Stevedoring [aka Furncan Marine - see 22 November 1999 issue] will lease part of Long Wharf for five years with an option to renew. Even if NB Power uses much less limestone [as will happen if it burns fuel oil–see above–editor], the lease, once finalized, will go forward. [e-mails to ANR&P from Small 02.Mar.04]

**Some protest**

In recent years the Saint John Development Corporation and SJPA have engaged in creating a pedestrian-friendly east side of the Harbor. On 27 February the president of the Development Corporation, John Wallace, resigned because he believed that “I don't feel that it's wise to combine heavy industrial operations [the limestone move] with the other types of uses that we proposed for the east side.” [CBC webposted 1.Mar.04]

**HALIFAX**

27 February. **HALTERM HAS SUBMITTED A REQUEST FOR $1.77 MILLION FROM NCC** (Newfoundland Capital Corporation). Under an existed indemnity agreement, as stated in the 1997 prospectus:

‘The land and buildings [of the South End container terminal owned by the Halifax Port Authority] have been leased by Halterm LP from the Halifax Port Corporation ("HPC") for 28 years under several long-term agreements (collectively, the "HPC Lease") which expire December 18, 2000. Halterm LP has an option to renew the lease for an additional 10 year term subject to negotiation of satisfactory lease terms. In connection with the Acquisition, NCC has agreed that if there is a material increase in the base rental fee payable during the renewal term of the HPC Lease which results in a decrease in Halterm's distributions to the Fund, it will indemnify Halterm for the amount of such decrease.’

According to the prospectus, Newfoundland Capital Corporation (NCC) ‘took the initiative in founding and organizing the Fund and its business. Prior to the closing of the Offering and the Acquisition, NCC will have acquired the limited partnership interest of CN in Halterm LP and, as a result, will indirectly receive the proceeds payable to Halterm LP by Halterm pursuant to the Securities Purchase Agreement. In addition, NCC will continue to provide management services to Halterm pursuant to the Management Agreement and will receive compensation therefor. See “Management of Halterm – Management Agreement”.’ [prospectus on SEDAR]

On this day, the Halterm Income Fund made this one-sentence announcement: ‘The Halterm Income Fund (the "Fund") today announced that its wholly owned subsidiary, Halterm Limited ("Halterm"), has submitted a Notice of Claim to Newfoundland
Capital Corporation Limited ("NCC") in the amount of $1.77 million under an existing indemnity provided by NCC to Halterm as described in the Fund's prospectus dated April 30, 1997.

In 2000, Halterm and the Halifax Port Authority reached agreement on the base rental fee during the 10-year renewal period [see 28 July 2000 issue]. [Apparently the increase in base rental fee, coupled with the traffic fall-off–see 14 November 2003 issue, caused the decrease in Halterm distributions. Future distributions may or may not occur. Editor]

4 March. **HALTERM SIGNED A NEW CONTRACT WITH ZIM** [see 26 June 2003 issue for temporary extension of existing contract]. The terminal service contract with Zim Israel Navigation Company (Canada) Limited ("Zim") will run for a period of three years, commencing January 1, 2004. Zim is Halterm's largest customer and has called continuously at its container terminal facility in the Port of Halifax since 1972. “We are very pleased that Zim has chosen to extend our service contract for another three years,” said Doug Rose, President of Halterm. He added, “This new agreement adds some stability to Halterm and allows us to re-focus our efforts on building volume and improving profitability.” {Canada News Wire}

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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.

AmeriGas (CT, GRS, #625), BR Logistics (PQ, SLR), Chart Industries (NH, GRS), Dirigo Paper (NH, TSRD-NHCR), GRS auto facility (MA, GRS), Mt.Tom (Regional, GRS, #166).

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**GUEST EDITORIALS**

**SHOULD CSXT SELL THE BOSTON CLUSTER?**

*Guest editorial by Malcolm Laughlin, former New York Central transportation manager*

Perhaps because of the huge cuts in management at CSX Transportation at all levels [see People 5 January issue] and its less than stellar operating performance, some observers are suggesting that CSXT should sell off the Boston cluster, the network of lines south of Boston served via Framingham.

While many assume that CSX should want to jettison the cluster as a nuisance to operate, that's not a good criterion for such decisions. Management should be looking at whether the revenue from the cluster is greater than the cost, whether that revenue/cost ratio would be better with a short line operator, and whether a short line could generate more traffic.

Operating difficulties in the Boston cluster don't look as bad as might appear to the casual observer, even with many MBTA commuter trains on the same track. The eastbound freight trains from Selkirk include several that get cars to Framingham by early evening. It makes good operating sense for CSXT to run the two trains south from Framingham in the early morning to Readville and Attleboro, a time at which there are no commuter trains.

My contacts with CSX management indicate that they will base a decision to sell the cluster on the bottom line, not on inconvenience to train masters who need to plan operations around passenger service.

This leads to probably the most important reason that CSX should be looking at selling its light traffic lines to short line operators. The CSXT sales and marketing folks don't have time to focus on small customers; shortline sales people do. An example of the benefits of using short lines for pickup and delivery is the Bay Colony Railroad. BCLR had the time and
interest to develop the Mid-City, GAF, Harris Rebar and Gallo transload business. Those customers most likely would have been below the size cutoff for attention by CSX sales people.

CSXT recognizes the advantages offered by a short line, and after its massive management cuts, CSXT will be less able to serve the small customers. It would be sensible for those CSX managers who survive to move toward more sales of lines to short line operators.

A more general comment by Roy Blanchard
Blanchard, who does consulting for short lines and publishes Railroad Week in Review, wrote to ANR&P recently, stating New England short lines have an opportunity to grow business [see his newsletter and website], working in conjunction with their Class I, CSXT. After individual conversations with senior managers at Class Is, he e-mails a letter to the short lines which connect with each particular Class I. ‘The letter I wrote to BNSF shortlines was different than the one I wrote to NS short lines. The CSX letter will differ from the UP letter.’ The letter asks for quantitative feedback on the points the Class I is making.

‘Each letter takes points that have been made in private dialogs with senior managers and puts them in the context of what shortlines ought to be doing to stay ahead of the Class I curve. As a rule what I put out is about six months to a year ahead of the public domain. The reason: I'm talking policy in the making vs. a record of what's been done.’

Some short lines have the time and inclination to attempt to understand their Class I business partner. Others don’t. But, Blanchard underlines, the short line managers can do well ‘where what they're doing fits the Class I core business model. It's on the periphery where they don’t fit that they don't get a hearing. And, increasingly, neither are the Class I sales reps who bring in crappy business leads.

‘Class Is are surveying their waybill stations and trimming the network by annual dollar volume. The $20 million revenue customer on the main gets more weight that the $1 million customer at the end of a rickety branch, to cite the extremes. A shortline bringing $20 million to the interchange is worth more than his neighbor with only $1 million and who is twice the pain in the ass in the bargain.’ {e-mail to ANR&P}

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PEOPLE, EVENTS

PEOPLE

The initial meeting of the Railroads of New York elected as president Robert Grossman, former SLR president and now executive vice-president, government and industry affairs at Genesee and Wyoming, and as member-at-large Tom Egan of CSXT, who handles short line railroads and regional railroad development.

Once the strike ends, the Canadian National superintendent for the Atlantic Zone, Normand Gagnon, will take up a new position as superintendent for the Quebec Zone and C.F.I.L.N.Q. (Chemin de Fer d'Intérêt Local du Nord du Québec). His replacement for the Atlantic Zone will be Derrick Colasimone.

Fred Yocum was mis-labelled as the president of MMA in the past issue. He serves as vice-chair of MMA. My apologies.

Eight Railway Symposium
+ Third Railway Exhibition
On May 5, 2004, in Ste.Foy (Quebec City), the TRAQ Group will sponsor these two events.

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And a good thing, too!
CSX Corp., in the midst of sweeping cost-cutting measures, has canceled plans to build a hangar for its corporate aircraft at Jacksonville International Airport. Instead, Jacksonville-based CSX will continue leasing hangar space at the airport. The decision to halt the project was made “earlier this year,” said a CSX spokesman. CSX had approached the Jacksonville Airport Authority to lease land for the new hangar about one year ago.

— Florida Times-Union

If I were a stock holder, would I rather have more employees working to boost business, or would I rather the top managers have their very own hangar? Editor