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**Atlantic Northeast**

**Rails & Ports**

operating railroads + ports, intermodal facilities, and government environment

**Issue 04#01A 20 January 2004**

*Article unchanged from e-bulletin.

**REGIONAL ISSUES**

**MAINE**

MMA: First anniversary sees traffic up.* Celebratory box cars.* Possible customers.*

CSXI: Service to Worcester terminals will begin at ExpressRail, not Kearny.

D&H: No word on partners.

**CONNECTICUT**

CSXT: Winter slows Circle of Life startup.

New Haven: Port Authority birth in February?

**MASSACHUSETTS**

EOTC: Considering state rail plan.

Boston MPO: RTAC freight committee presses for doublestack and rail access to Conley.*

**NEW HAMPSHIRE**

[No report.]

**RHODE ISLAND**

[No report.]

**VERMONT**

LVRC: Abandonment finally filed.

NECR: VTR trackage rights to St.Albans.

VRS: VTR renews lease of state lines.

**MARITIMES/QUEBEC**

CBNS: First coal move to Trenton.*

VIA: New Brunswick requests service from Fredericton and Edmundston.

Hantsport: First call of larger ship.

Saint John: Containers up 20%, other traffic except forest products also up.

Sydney: Stevedoring scrape at Sydney Steel pier.

PEV moving coal and salt.

**RAIL SHIPPERS/RECEIVERS**

A cross-reference to companies mentioned here.

**PEOPLE, POSITIONS, EVENTS**

Charles Hunter, Mike McCluskey, Matt Jacobson, Mike Uberoi. Job openings CBNS and RailAmerica.

Contracts, contracts

Many RFPs discussed here. A good sign for the region, I predict.

- Chop Hardenbergh

Next issue: 2 February

FROM THE PUBLISHER
REGIONAL ISSUES

MONTREAL, MAINE & ATLANTIC

8 January, Hermon. **MMA CELEBRATES ITS FIRST YEAR WITH A GROWTH IN TRAFFIC.** On its first day, 9 January 2003, MMA was hit with the closure of its largest customer, Great Northern Paper. That caused the railroad to slash salaries for some time, but by August MMA was operating profitably [see 17 December issue: *Regional*]. Now, reported Vice-president of Marketing Bill Schauer, business has picked up, “especially in the last quarter [of 2003], more than the normal seasonality...Our volumes are rising every month, and we’ve done in excess of 5,000 revenue units each month of the last three months.” [That rate—despite Katahdin Paper not fully restarted, see below—is reaching near the predecessor B&A System, which did 76,000 units in 1997. *Atlantic Northeast Rail and Marine Transport Review 1999*]

**Power shortages addressed**

With the traffic upswing and some mechanical problems, MMA has suffered from a power shortfall. Schauer said the railroad is addressing the shortage, in the short term by leasing additional locomotives, and over the long term by putting a vice-president in charge of the mechanical department [see *People*] and rehiring a former employee expert in keeping the power running.

**Possible additional customers**

According to media and insider reports, Katahdin is taking steps toward re-starting #11 machine in Millinocket [see 5 January issue], planning to use market pulp. “We’re looking forward to that,” said Schauer. Additional traffic may come from Searsport. At this point, MMA moves oil north to Katahdin from the Sprague bulk facility. MMA is seeking out additional oil customers by talking to former receivers of tank cars, who had switched to truck as BAR went bankrupt. *ANR&P discussion 8 Jan.04*

Fort Fairfield could provide traffic when its track is rebuilt [see 5 January issue], not only from Boralex but also Aroostook Starch. Doug Clifford, an official at Aroostook Starch, said using potatoes, the company made both industrial grade starch for the pulp and paper industry, and food-grade starch. Both kinds are now trucked as far away as Ohio and Indiana. *ANR&P discussion 8 Jan.04*

Aroostook Starch, subsidiary of Germany-based Emsland Staerke [starch - *editor*], built a new facility in Fort Fairfield in 2002. [press release from Maine Public Service website]

**Commemoration of Year One**

MMA celebrated the completion of its first year at 3:00 p.m. on January 8, 2003 at headquarters in Hermon, unveiling the MMA 1 boxcar painted in the historic red, white and blue paint scheme for ‘State of Maine Products’. This continued a rich history of partnering with the State of Maine to promote the State that began as early as December 1950 when the Bangor & Aroostook’s president, Curtis Hutchins, wrote on a photograph of the BAR 2181 boxcar that was sent to Governor Payne: ‘Dear Governor — This represents a start on our efforts to assist you to tell the country what we in Maine have to offer. - Curtis M. Hutchins’

MMA President Bob Grindrod stated: “It is a historic day for the MMA. We have successfully waged an uphill battle in 2003 and want everyone to know that the MMA is here to stay! With help of the State and our very dedicated work force, we have weathered the storm and look forward to a brighter future.” [MMA press release]

CSXI NY/NJ

8 January. **CSXI CHANGED ITS SERVICE FROM NEW JERSEY TO WORCESTER.** In an announcement this day, CSXI said direct service between ‘Dockside, NJ and Stackbridge, MA’ will begin, offering second day availability. CSXI will no longer offer the service between Kearny and ‘Stackbridge’.

**CSXI’s peculiar nomenclature**

Dan Murphy, CSXI spokesperson, explained that CSXI uses ‘Dockside’ to denominate what everyone else seems to call ‘ExpressRail’ The Port Authority of New York and New Jersey states at its website: ExpressRail is the Port of New York and New Jersey’s on-dock intermodal rail terminal located at the Elizabeth Port Authority Marine Terminal. It links the Port with key inland markets and connects it to all major rail systems throughout the United States.

‘Stackbridge’ denotes the two terminals on PW operated by Intransit Container [see our Directory #s 443 and 447]. CSXI also has a trailer intermodal facility in Worcester [our Directory #355]. [ANR&P discussion 15 Jan.04 and CSXI press release]

DELAWARE & HUDSON

20 January, Montreal. **NO NEWS ON THE STATUS OF THE RAILROAD.** reported spokesperson Michel Spenard. [e-mail to ANR&P] CPR had expected a partnership by the end of 2003. [See 26 November issue.]
CONNECTICUT

CSXT CONNECTICUT
14 January, North Haven.  **WINTER WEATHER HAS PREVENTED CIRCLE OF LIFE** from completing the tasks necessary to start up the construction and demolition debris facility here [see 26 November 2003 issue]. In particular, said project manager Mark Bourgeois, he wants to finish stencilling of his gondolas and applying the AEI (automatic electronic identification) tags. “We’re a month behind where I would like to be.” {ANR&P discussion 14.Jan.04}

NEW HAVEN
14 January.  **A FIRST MEETING OF THE NEW HAVEN PORT AUTHORITY WILL OCCUR IN LATE FEBRUARY.** [See 03#11A] Helen Rosenberg of the city administration wrote: ‘We should be meeting the second half of February. We needed to resolve an easement issue with United Illuminating.’ The commissioners have had a site tour. {e-mail to ANR&P from Rosenberg and Mike Piscitelli of the Plan Department}

MAINE

MAINE LEGISLATURE
**THE BILL REQUIRING FIVE-MAN CREWS, LD 1734,** will have a work session on 22 January in Room 126 before the Transportation Committee. The hearing took place on 15 January. {Legislature website}

BAR/CN
30 December, DC. **BAR’S REBUTTAL OF CN’S AND FRASER’S ARGUMENTS** stated, *inter alia*:

- ‘CN’s opposition to the [BAR petition to annul CN’s trackage rights agreement to reach Madawaska Maine over BAR tracks] is driven entirely by its desire to retain additional revenue it acquired from BAR/MMA upon implementation of the [agreement] and by the fact that if MMA fails, CN benefits greatly.’

- NITL’s filing [see 5 January issue] argued that Fraser would lose the benefits of the agreement, the competitive access. But BAR noted that Fraser had been served solely by BAR for decades with no ill effect, and that Fraser has multiple truck options which compete with the rail service.

- Fraser’s rail transportation costs have gone down since the agreement, but the decline cannot be attributed to the agreement.

- The BAR trustee is serving the public interest by seeking annulment of the agreement, for that will help MMA survive. The BAR trustee is also, as required by statute, promoting the interests of the creditors because the estate will receive $5 million from MMA if the agreement is annulled. That money will be parcelled out to creditors. ‘Bankruptcy laws are designed to free debtors from the burden of bad deals made on the eve of bankruptcy’ [as this one was - editor].

- The adverse abandonment is not a new action. ‘Any railroad granted trackage rights on the lines of another railroad already is aware of the fact that the grantee railroad can file an adverse abandonment application. See, e.g. Thompson v. Texas Mexican Railway 328 US 134, 145 (1946).’ [A US Supreme Court decision - editor.] {filing in STB Docket No.AB 124-2}

Appeal of District Court decision
The BAR filing noted that the BAR estate had appealed the US District Court ruling of 18 November that 11 USC 1170 did not apply to the case at hand. That statute permits a bankruptcy court to allow an abandonment, after advice from the STB. The Court found that ‘adverse abandonment’ did not fit 1170’s use of the word abandonment. {decision attached to filing on 25 November at STB}
GUILFORD RAIL SYSTEM
5 January, Scarborough. NORTHEAST PAPER AND MERRILL DOMESTIC DISTRIBUTION GENERATE OVER 2500 CARLOADS A YEAR at their warehouse here. Ralph Carpenter, CEO of both companies, said they share the same owners and the same 144,000SF warehouse.

Northeast Paper Services LLC
This company provides custom converting and repair to the paper industry. Paper mills send rolls to Scarborough, where Northeast resizes them for the end user, wraps the newly-produced roll, and puts a paper mill label. For example, said Carpenter, on this day one of his machines is cutting and rewrapping a roll from 74-inch width and 45-inch diameter to 9-inch width and 32-inch diameter. “The machines handle widths to 88 inches and diameters to 60 inches.” Northeast also provides repair services for damaged rolls.

Merrill Domestic Distribution
This company provides logistics support and warehousing to the paper industry. Carpenter noted his building was running full at this point; his workers are unloading inbound rail cars seven days a week.

Rail traffic
Inbound, the facility receives 200 cars a month at its eight-car siding. Outbound, it ships 25-30 cars a month. The balance go out by truck, about 600 tons a day, via the building’s 12 docks. {ANR&P discussion 5.Jan.04}

History
In 1998, Northeast Paper opened at the Scarborough warehouse then owned and operated by Merrill Marine Services. Business more than doubled almost every year at least through 2001, when Carpenter acquired majority ownership of Merrill Domestic Distribution, the prime user of the warehouse; Merrill retained a minority share. Carpenter retained the Merrill name to take advantage of Merrill’s reputation. The distribution company leased space to Northeast as well as to other customers. {Cargo Almanac, Merrill newsletter summer 2001}

Other Merrill offsite warehouse
Merrill Marine Terminal still utilizes a warehouse at Rumery Road off Rigby Yard. P.D.Merrill characterized it as “very active,” with two sidings, 8-10 car spots, doing “under 500 carloads” a year. {ANR&P discussion 5.Jan.04}

16 January, Brewer & Lincoln. EASTERN PULP & PAPER CLOSED ITS TWO MILLS, a move that Doug Walsh, manager, called “temporary and short-term.” Eastern Pulp and Paper has been under Chapter 11 bankruptcy protection from creditors since September 2000 and has more than $87 million in pre-bankruptcy debt [see 18 July 2003 issue]. Eastern Pulp's two mills in Lincoln (Lincoln Pulp and Paper) and Brewer (Eastern Fine Paper) have orders to fill, but because of depressed prices in the paper industry, the cost of filling them was certain to exceed their price tags. {Deborah Turcotte in Bangor Daily News 16.Jan.04}

Eastern Fine Paper has two paper machines (#1, #2); Lincoln Pulp and Paper has two paper machines (#3, #4), and two tissue machines (#5, #6). {company website}

PORTLAND
15 January. CONTAINER NUMBERS SHOWED A SLIGHT DECLINE. Figures from the City of Portland showed 2,142 container moves (includes empties), compared with 2,233 in 2002 [see 27 January 2002 issue - uncertain why 2,233, the total from the city, differs from the 2331 in the January 2003 press release]. {port press release}
EOTC

9 January. **THE MANAGER FOR RAIL WANTS A STATE-WIDE RAIL ASSESSMENT AND PLAN.** Maeve Vallely Bartlett is putting together a request for responses for the assessment and plan, possibly in two phases. ‘As of today I do not yet have either the funding or the administrative approval for this RFR so the plan is in the planning process.’ [e-mail to ANR&P]

BOSTON MPO

10 December, Boston. **THE RTAC FREIGHT COMMITTEE CONTINUES TO PRESS FOR DOUBLESTACK ACCESS** and rail access to Conley [see 26 February 2002 and 17 October 2002]. At its monthly meeting this day:

- Kristin Decas, deputy director of the Seaport Advisory Council, discussed the short-sea and intermodal concepts [see 5 January issue: Regional].

- Decas ‘synopsized the Massachusetts programs for improvement of our major ports and harbors, from Gloucester, to Salem, Boston, New Bedford and Fall River.’ The program determines which port is best suited for each type of shipping so that they complement not compete with each other in an overall economic and strategic strategy for the commonwealth [see Port of Massachusetts].

- The Committee minutes stated: ‘Through the combined efforts of the Seaport Council and the MPOs we see a great opportunity to mitigate congestion and zero-sum highway expansion by reviving, modernizing, and bringing our port and rail infrastructure back from the brink of morbid obsolescence. We also understand that public policy, political will, and public financial investment are necessary to accomplish this last alternative to transportation stagnation and advancing isolation of the Northeast from the national transportation system and the Commonwealth's dependence on trucks.’

- The Committee has invited Paige Kane, CSXT regional vice president state relations, to its next meeting 14 January to discuss how to refocus the legislature and CSXT on committing funding for doublestack.

- At the request of the Committee, Nathan Pham, staff assistant to Senator John Hart/Boston, has been inquiring at the State Transportation Committee about the status of the Seaport Bond Bill and the senator's bill SB 1865 concerning rail and truck access to Conley Terminal [see 26 February 2003 issue]. SB1865 is still in committee and viable. The Committee will hear about the status of the Seaport Bond Bill of 1996, which authorizes funding for full doublestack access in the Commonwealth, at its next monthly meeting.

‘Priority to freight considerations (rail, truck, ship/barge, pipeline) are insufficient in the regional transportation plan, studies, and programs. The committee will endeavor to provide RTAC its assessment of:

- The sufficiency of MPO's current transportation planning in consonance with the efforts of our neighboring states.
- The need to define the movement of container freight to and from the port of Boston, its impact on traffic congestion in the metro area and the feasibility and priority of need for on-dock rail access to Conley terminal.
- The need to assess and encourage the viability of the double stack initiative in the TIP and feasibility of its extension to rail freight corridors in the region.
- The need to review the MBTA's improvement of the Fairmont Branch to assure it includes accommodation for freight rail operations.’

[The Fairmont Line runs from South Station via Southampton Street over the Dorchester Branch to Readville. {MBTA website}] [minutes of meeting]

Demasi later commented: ‘The state’s budgetary limitations and Big Dig commitment have been very discouraging regarding transportation infrastructure improvements....The state's rail grant program is on hold. The focus we have in the short term is to keep the rail and port access improvements in the discussion at the MPO, EOTC, MBTA, and in the transportation plans.’ {ANR&P discussion 7.Jan.04}
PORT OF MASSACHUSETTS

12 January, New Bedford. **THE STATE’S PORTS WANT TO PRESENT THEMSELVES AS THE ‘PORT OF MASSACHUSETTS’**, according to Rick Armstrong, executive director of the Massachusetts Seaport Advisory Council. The Council’s mission statement now says:

Develop the commercial maritime resources of the Commonwealth both physically and institutionally into a “Port of Massachusetts”, each of the several ports working cooperatively doing better what each does best and thereby creating and enhancing an integrated land/sea transportation network as access to the global market place in support of the economic development needs of the Commonwealth.

The concept covers five ports: Fall River, New Bedford, Boston, Salem, and Gloucester. Only Boston has a port authority; the Advisory Council serves as a de facto port authority for the other four ports.

This means, for example, that Fall River will not become a deepwater container port, even though it now moves some containers [see below]. It means that as the focus of the ports shifts to cargo terminals [away from fishing with the significant depletion of fish -editor], the ports will not duplicate facilities.

Marketing the concept

“We want to offer to the global market a Port of Massachusetts. Anyone developing maritime commerce can go to a clearinghouse, and find an opportunity in Massachusetts at one of our ports. We want to offer diversity to the global marketplace,” Armstrong said. Massport is currently serving as the informal clearinghouse.

Marketing is happening very slowly. The concept “is out there in terms of the mission statement,” but the state wants to get more facilities built before “putting it out on the global wire,” reported Armstrong. These include the Fall River and New Bedford facilities [see below]. {ANR&P discussion]

BAY COLONY RAILROAD

15 January, Braintree. **BCLR AND CSXT POSTPONED THE SWITCHOVER DATE** to 1 February. That’s when BCLR will purchase the Dartmouth Industrial Track [see 5 January issue]. Bernie Reagan, senior vice-president, said the two sides were still “steadily grinding through issues” related to title and legal matters.

A good record on the Watuppa

Reagan also recounted a bit of history. In 1982, when BCLR took over the Watuppa Line as part of the EOTC package, Watuppa had no traffic. The railroad “rapidly got Mass Crinc,” the outfit handling bottle and can returns. Because Crinc only needed switching once a week, BCLR hired GRS to bring a trackmobile on a lowboy once a week to switch Crinc. BCLR later stationed a locomotive on the line to serve Crinc, which left in the late 1980s. Very soon after Crinc’s loss, BCLR convinced Mid-City Scrap, up to that point only a truck user, to begin using rail.

Starting from nothing, and using the trackmobile, attracted a *Golden Freight Car* award in 1984 from the magazine *Modern Railroading*. BCLR won a second *Golden Freight Car* in 1989 for its role in the SEMASS trash train creation [see 03#06A]. {ANR&P discussion]

The STB decision

On 16 January, the Surface Transportation Board published the Notice of Exemption describing the purchase. {Finance Docket No. 34446}

EOTC no right of first refusal

Massachusetts General Laws Chapter 161 C, section 7(a) states:

To the extent not inconsistent with federal law, no railroad company which conducts or has conducted operations within the commonwealth shall sell, transfer or otherwise dispose of railroad rights-of-way or related facilities without first offering such rights-of-way or facilities for sale, transfer or disposition to...the executive office....

EOTC does not interpret the statute as applying to CSXT’s sale of the tracks only. Maeve Vallety Bartlett, EOTC manager of rail, said the
agency is not interested in the right of first refusal if track is transferred to another railroad. EOTC would only be concerned if the track were sold to a non-railroad, or if CSXT were transferring the underlying right of way. {ANR&P discussion 8.Jan.03}

CSXT MASSACHUSETTS

14 January, New Bedford. BIDS TO REBUILD THE RAIL YARD, to construct a spur to rail out dredge spoils, to cap the brownfields site, to rebuild the main line, and to fill a culvert are due on 29 January, according to Paul King of STV Engineering, which is doing the design [see 14 November issue]. The bids went out on 12 December; the due date has been postponed once from 15 January, and per King may suffer another postponement. {ANR&P discussion}

GRAFTON & UPTON

29 December, DC. THE RAILROAD FILED A REPLY TO MILFORD’S STB PETITION seeking an order that Boston Railway Terminal is subject to local laws [see 17 December issue]. It argued that GU operations are exempt from local laws under the federal Interstate Commerce Termination Act.

Facts about GU

The railroad operates between North Grafton and Milford, with yards in Hopedale, Grafton, Upton, and Milford. Until recently, the railroad has ‘been relatively dormant’, with tracks underutilized, grade crossings paved over, and so forth. It seeks to revive itself, but lacks capital, depending on cash flow for improvements. The prime location for new operations is the Milford Yard.

‘In order to enable the interchange of cars with CSX at the Yard, the GU (within the last four months) has had an old switch re-installed at the point where GU’s tracks connect to CSX’s Milford Secondary Branch.’

Looking for new business

GU is developing new business with the assistance of Robert Krafty, former manager of real estate for Conrail. In 2003, Krafty contacted Allen Marsh, owner of the Boston Railway Terminal. ‘BRT is a terminal railroad company and its principal business is the distribution of steel….BRT owns and operates its own locomotive and conducts its own railroad switching operations at and within its South Boston facility….The BRT represents the only current option available for the GU to increase its financial standing through the use of the Yard.

BRT only possibility

‘During this past spring, the GU and BRT reached an agreement that the BRT would move its operation to the GU’s Milford Yard.’ GU agreed to re-install the switch; BRT will refurbish the yard. Originally, the agreement provided that BRT would lease the yard. Now, CSX will deliver railcars to the GU’s account at the Yard. GU will, operating a locomotive leased from BRT, switch the Yard. GU will retain the right to use its main line for other traffic.

GU will enter into an interchange agreement with CSXT. BRT will not be a party to this agreement. Steel shippers will pay $250 per car to GU, BRT will pay GU $5000 per month for the use of the Yard, offset by a $100 credit for each railcar brought into the Yard.

In Boston, BRT has averaged 11 cars a month for the last 12 months [meaning about 130 carloads a year - editor].

Milford may cost GU the customer

Though ready since summer to begin, BRT and GU have not yet entered into a written contract with these terms because the Town of Milford opposes BRT’s use of the rail yard. In early spring 2003, GU representatives talked to Milford about the proposed use; Milford advised them that the 6.5-acre Yard was located in an area zoned residential and it opposed the use. Milford then filed its Petition in December.

The delay because of Milford refusal has cost GU $30,000. Milford’s continued resistance ‘will also likely permanently and irrevocably damage the GU’s ability to conduct its business, at the Yard or otherwise, since the BRT will most likely relocate its operations to another location.’ {GU filing in STB Docket No.34444 30.Dec.03}

Town of Milford position

Town officials recognize the protection of railroad companies provided by federal statutes; however, they say the law is intended to protect rail carriers as they pertain to transportation of people or goods. It does not, they say, protect related companies that either depend on or operate in conjunction with rail companies. In this case, Milford officials say the Grafton and Upton Railroad is trying to elude local and state regulations by presenting itself in its proposal as a rail carrier. “This is not a rail carrier,” said Milford Town Attorney Gerald M. Moody, speaking of the proposed relationship between the railroad and Boston Railway. “It’s a trucking company.”

The town contends that the rail company has changed its proposal to appear more legitimate to the court, and that originally the
company had no intention of operating any of the trains, only leasing the property to BRA. “They’re attempting to make it on paper more complicated, but in our view it is the same thing that is going on in South Boston,” Moody said.

**District Court suit**

On 29 December, GU sought a federal injunction against the town’s pursuing the matter at the STB, arguing GU is losing money. {Franco Ordonez in *Boston Globe* 15.Jan.04}

16 January, Boston. **THE US DISTRICT COURT TOOK THE MATTER UNDER ADVISEMENT.** Judge Nathaniel M. Gorton, after hearing the arguments of both sides, said he would allow the STB four weeks to decide the issue before it. [An STB decision that quick would rate the appellation ‘miracle!’ Editor] He will revisit the motion of the railroad on 13 February. {USDC website summary of USDC Docket number 4:03-cv-40291-NMG}

**BOSTON**

12 January. **CONTAINER VOLUME INCREASED 8.6% IN 2003,** the Massachusetts Port Authority (Massport) reported, through its Conley Container Terminal in South Boston. TEUs increased 12,459 to 158,020 TEUs [see 2002 results in 27 January 2003 issue]. Exports showed an 18.3% increase in export TEUs, jumping to 45,987 in 2003 from 38,879 in 2002. Imports also grew, climbing to 74,643 TEUs in 2003 from 70,128 TEUs in 2002 (6.4% increase). "Direct trade with Asia as well as Northern Europe and the Mediterranean has made all the difference," said Mike Leone, Massport's port director. "With a direct ship calling Boston from China every week, as well as weekly ships direct from Europe and from the Mediterranean, port activity is showing steady growth."

China Ocean Shipping Company (COSCO) and its partners, "K"-Line, Yang Ming, and Hanjin Shipping Lines, began calling the Port of Boston from Asia with direct, inbound service in March 2002. Cargo volumes on the Far East service alone have grown 73%, from 17,488 TEUs in 2002 to 30,304 TEUs in 2003.
Mediterranean Shipping Company (MSC) experienced a 20% growth in cargo volume in Boston in 2003. Last year, MSC added a second weekly vessel to Boston [see 20 May 2003 issue], calling direct from ports in the Mediterranean and Northern Europe. MSC containers handled in Boston rose to 56,373 TEUs in 2003 from 46,793 TEUs in 2002 {Massport press release}.

FALL RIVER

12 January. **AN RFP FOR FINAL DESIGN OF THE NEW CRUISE+CARGO FACILITY** may be ready by 1 February, according to Armstrong [see above]. The Seaport Advisory Council proposes to rebuild the state-owned building into a warehouse on the first floor, and create a passenger facility for cruise ships on the second floor. The Council also proposes reducing the warehouse floor area from 100,000SF to 60,000SF.

The project emerged from the Municipal Harbor Plan which the Council funded in Fall River. Some funding will come from the Seaport Bond Bill.

Despite state financial constrictions, the Commonwealth okayed another $200,000 in December to go forward on the final design; construction is estimated at $20 million to $24 million. Because of the size of the project, the state division of capital asset management is putting together the Request for Proposals. Armstrong hopes for a good-to-go RFP by 1 February, because the state has the money available this year to do the final design.

The Commonwealth will build and own the multi-use facility; it will lease various segments to a variety of operators.

Less warehousing

In the past, the building served as a warehouse for lumber and steel coils. With the reduction in floor space, Fall River will move away from warehousing to a throughput facility. Armstrong noted that the Fall River area has plenty of warehouse space, including the new Stop and Shop facility under construction in Freeport [see 3 July 2003 issue].

Not much rail

Even though Fall River has the only active rail on dock in the Commonwealth, very little rail cargo stays in the warehouse. The yard only sees about 100-150 cars a year, containing either frozen fish which moves immediately to New Bedford, or steel which “is gone in a couple of days.”

A spur belonging to the state facility does run directly alongside the warehouse.

**Edgcomb Metals.** This company no longer uses rail. It became part of Macsteel USA. In 2001, Dave Morey, a buyer for Macsteel’s facility in Nashua New Hampshire, said his company brought in steel by rail cars to the pier warehouse. “It’s strictly extra storage for us, the mills do not produce it or get it in as fast as we like.” The metal coils are drayed as needed to the company’s Nashua NH facility, which shears it and slits it into coils. {ANR&P discussion 11.May.2001}

**Buzzards Bay Trading Company.** Only this company rails fish from the Fall River team track to New Bedford, according to President Mike King. When track ran to New Bedford, he received frozen fish there. Now, he said in December 2002, “it’s an absolute pain” to dray from Fall River. He uses his own trucks, or others. The fish comes palletized, with a label indicating by whom it was caught. {ANR&P discussion 12.03}

**Atlantic Shipping Company as anchor tenant**

This line currently operates two ships. In December, one plied among Fortaleza Brazil, Praia Cape Verde, and Fall River. The other called Ponta Delgada Azores, Mindelo Cape Verde, Praia Cape Verde, and Fall River. {company website} Cargo consists mostly of household goods packed in 55-gallon blue plastic drums, sent by the Azorean or Cape Verdean community along the US East coast to family back home. It has expanded enough that the owner purchased a second ship. The line also carries containers on deck. Armstrong labelled Atlantic as the “anchor tenant” for the new facility at the State Pier. {ANR&P discussion with Armstrong 12.Jan.04}

NEW BEDFORD

15 January. **THE PORT WILL START MAJOR DREDGING IN THE SPRING** to improve access to the north terminal area. [This dredging is separate from the EPA-sponsored effort to clean up the contaminated area of the harbor, and move the spoils out by rail.. See 13 September 2002 issue and above.] The city and Seaport Advisory Council shared a $5 million dredge south of Route Six a year ago June which included approaches to and the south berth at State Pier.

Armstrong said the planned dredge at Pope’s Island was never done [see 02#09B]. The state pier terminal will be upgraded and repaired, adding facilities for passenger service, with $1 million in federal and $500,000
in state money. {e-mail to ANR&P from Rick Armstrong}

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**VERMONT**

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**LAMOILLE VALLEY RAILROAD**

16 January, DC. *A NOTICE OF EXEMPTION TO ABANDON THE ENTIRE LINE WAS FINALLY PUT TOGETHER* by LVRC and the state [see 02#09A]. The Surface Transportation Board published the notice this day. ‘The rail lines to be abandoned are: (1) between approximately milepost 0.057 (SJLC valuation station 3+00) [SJLC refers to an earlier operator, St.Johnsbury and Lake Champlain Railroad. *Rail Lines of Northern New England*, Karr] in St. Johnsbury, Vermont, and approximately milepost 95.324 (SJLC valuation station 5033+10) in Swanton, Vermont, a distance of approximately 95.26 miles; and (2) the Hardwick and Woodbury Connecting Track (H&W) between approximately H&W valuation station 0+00 (Granite Junction) and approximately H&W valuation station 80+48 (Buffalo Road), a distance of approximately 1.52 miles, in Hardwick, Vermont (collectively, the line).’

LVRC also seeks to discontinue trackage rights over the former Central Vermont Railway, Inc. (CVR) line between approximately milepost 9.9 at the north abutment of the Missisquoi River Bridge at Sheldon Junction and approximately milepost 27.4 at Richford (the Richford Subdivision), in Franklin County, Vermont.

**No complaints from shippers, but complaint from citizen**

‘LVRC alleged that no shippers had complained about the proposed abandonment. However, one interested party did file a comment with the Board.... On November 10, 2003, Timothy D. Phelps filed a letter expressing his concerns regarding the then-anticipated abandonment proposal and requesting that the Board disallow the sought exemption authority. Mr. Phelps alleges that, despite documented interest by shippers for rail service, LVRC has made no attempt to operate rail freight service on the line since at least 1994. Mr. Phelps states that LVRC abandoned several bridges on the line, dismantled several sections of track, paved over grade crossings along the line, and pursued non-rail uses for the right-of-way. He asserts that these actions communicated a message to the public that there was no intent or possibility that rail service would ever be provided again. Mr. Phelps may file a petition for stay or for other relief within the deadlines established in the notice being issued today.

**Next step**

‘Provided no formal expression of intent to file an offer of financial assistance (OFA) has been received, this exemption will be effective

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1 The line is owned by the State of Vermont (State) by and through the State of Vermont Agency of Transportation (VTrans). See Lamoille County Railroad, Inc. and Vermont Transportation Authority, Acquisition and Operation Between St. Johnsbury and Swanton, Vermont, Finance Docket No. 27494, et al. (ICC served Apr. 22, 1974). LVRC holds a leasehold interest in the line, pursuant to a lease agreement by and between LVRC and the State dated December 31, 1977.

2 LVRC states that CVR filed a notice of exemption to abandon the Richford Subdivision in *The Central Vermont Railway, Inc.–Abandonment Exemption–in Franklin County, Vermont*, Docket No. AB-174 (Sub-No. 3X) (ICC served Feb. 27, 1992), which became effective on March 28, 1992, but it did not consummate the abandonment. Instead it sold the Richford Subdivision to, and entered into a trail use agreement with, VTrans. LVRC states that it did not seek authority to discontinue its trackage rights at the time that CVR initiated its abandonment proceeding. LVRC, in cooperation with VTrans, is now seeking an exemption to discontinue trackage rights on the Richford Subdivision that has not been used since 1989. VTrans still owns and manages a trail on the Richford Subdivision. See *The Central Vermont Railway, Inc.–Abandonment Exemption–in Franklin County, Vermont*, Docket No. AB-174 (Sub-No. 3X) (ICC served Oct. 8, 1992).
on February 17, 2004, unless stayed pending reconsideration. Petitions to stay that do not involve environmental issues, formal expressions of intent to file an OFA under 49 CFR 1152.27(c)(2), and trail use/rail banking requests under 49 CFR 1152.29 must be filed by January 26, 2004. Petitions to reopen or requests for public use conditions under 49 CFR 1152.28 must be filed by February 5, 2004. *STB Docket No. AB-444 (Sub-No. 1X)*

VAOT will seek contractors to lift the rail after the exemption becomes effective [see 5 January issue].

**NEW ENGLAND CENTRAL**

20 January, Burlington-St. Albans. **NECR PERMITS VTR TO OPERATE BETWEEN BURLINGTON AND ST.ALBANS.**

Charlie Moore, regional vice-president, Atlantic lines of RailAmerica, wrote:

An agreement between the two roads (VTR/NECR) allows VTR to operate between Burlington and St. Albans. This is an old agreement, probably dating to the operation of the stretch by NECR predecessor Central Vermont Railway. Interchange traffic normally moves on NECR’s chip train from Swanton to Burlington, unless tonnage requires the NECR to operate an extra train into Burlington for this purpose.

Due to extreme weather conditions in St. Albans, over five feet of snow and to keep the tonnage current in an attempt to satisfy both NECR and VTR customers, the VTR has made the interchange in St. Albans per this agreement.

‘This is one example of the NECR/VTR Team, working together to seek new business opportunities and to meet, and hopefully exceed the service expectations of both our customers.

Not only do both roads recognize the need to work together to accomplish growth and customer satisfaction, but we are actually making this happen. The operations group and customer service of both roads communicate on a daily basis putting together a joint operating plan between both roads.’ [e-mail to ANR&P]

**VERMONT RAILWAY SYSTEM**

6 January. **THE VERMONT RAILWAY RENEWED ITS LEASE OF STATE LINES.** In a communication to the Surface Transportation Board, it reported that its lease from the state permits renewal for successive ten-year periods, up to six times. The first renewal took place 6 January 1994, the second would occur 6 January 2004. [STB Finance Docket No.34555 filed 5.Jan.04]

**QUEBEC/MARITIMES**

**CAPE BRETON & CENTRAL NS**


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3 LVRC states that it intends to relinquish its leasehold interest and enter into a trail use agreement with VTrans for the line, and intends to consummate discontinuance of its trackage rights over the Richford Subdivision soon after the notice of exemption becomes effective. It should be noted that, because LVRC plans to enter into a trail use agreement for the line, it may never consummate the abandonment. However, pursuant to 49 CFR 1150.50(d)(2), the earliest possible consummation date for the discontinuance, based on the December 29, 2003 filing date, is February 17, 2004.

4 The Board will grant a stay if an informed decision on environmental issues (whether raised by a party or by the Board’s Section of Environmental Analysis (SEA) in its independent investigation) cannot be made before the exemption’s effective date. See Exemption of Out-of-Service Rail Lines, 5 I.C.C.2d 377 (1989). Any request for a stay should be filed as soon as possible so that the Board may take appropriate action before the exemption’s effective date.

5 Each OFA must be accompanied by the filing fee, which currently is set at $1,100. See 49 CFR 1002.2(f)(25).
VIA THROUGH SAINT JOHN

8 January. **NBDOT IS WORKING ON RESTORING PASSENGER SERVICE TO WESTERN NEW BRUNSWICK.**

First meeting in 2003
On 23 April 2003, Transportation Minister Percy Mockler presented VIA Rail Canada officials with a report asking the company to consider two service improvements in New Brunswick. The report outlines the history and current role railways play in New Brunswick's transportation system, and establishes a market for improved rail services in the province.

Mockler wanted VIA to consider a pilot project restoring passenger service between Fredericton Junction-Saint John-Moncton to Edmundston using rail diesel cars on NBSR and CN.

These have the potential to double VIA Rail's ridership in New Brunswick, restoring direct services to the Saint John area, with a population of 123,000, and allowing a short bus shuttle connection to Fredericton and its surrounding area, with a population in excess of 80,000. It would also restore service to the upper St. John River valley and northwestern New Brunswick, currently outside of a reasonable driving distance of any railway station. {NBDOT press release}

Tracey Burkhardt, NBDOT spokesperson, said VIA is doing research, intrigued by the idea. {ANR&P discussion}

New federal government a problem?
In early January, current New Brunswick Transportation Minister Paul Robichaud said the effort was slowed when Paul Martin began running the country last month. David Collenette, a rail proponent, was replaced as federal Transport minister.

However, Robichaud said, “I feel very optimistic.” He hopes to discuss the matter during a meeting with incoming federal Transport Minister Tony Valeri by the end of this month or start of February.

Robichaud pointed out that New Brunswickers are real train enthusiasts, representing 7% of VIA's total passenger load, despite only having 3% of the nation’s population.

Rail diesel cars
John Pearce, president of the public transportation watchdog group Transport 2000 Atlantic, said the New Brunswick route could employ self-propelled rail cars that are now sitting in storage in Moncton.

While he would like VIA to restore the Atlantic route, which up until the 1990s ran between Saint John and Montreal via Maine, “this is a cheaper and more achievable plan and would help those in New Brunswick who lost their air service.” {Saint John Telegraph-Journal 8.Jan.04}

HANSPORT

7 January. **THE FIRST CALL OF THE GYPSUM CENTENNIAL** took place. The larger ship was loaded at the refurbished pier [see 20 May 2003 issue].

No increased rail tonnage
Jim Taylor, WHRC general manager, echoed his remark of May 2003, that Fundy Gypsum is not expecting to increase gypsum throughput, and therefore his tonnage will return to 2002 levels after falling off during facility reconstruction. Traffic via CN is also “holding steady.” {ANR&P discussion 12.Jan.04}

Fundy Gypsum locomotives
In 1994, after Iron Road Railways bought the line from CP Rail and created the WHRC, Fundy Gypsum started leasing a Windsor and Hantsport RS23 to switch the dumper at Hantsport. The GE switchers formerly used here were too small to push the maximum number of loads through the dumper. With the elimination of the use of vans, and other operating enhancement at startup, the WHRC simply was delivering too many loads for the GE units to keep up. Fundy Gypsum continues to use its small GE switchers at the Mantua mine, since the RS23s are too tall to fit into the loader. {post to Atlantic Rails by Geoffrey Pohanka, IRR stockholder}

SAINT JOHN

15 January. **CONTAINERS GREW 20% IN 2003,** the Saint John Port Authority reported, due largely to Tropical Shipping traffic. TEUs were up 21% at 45,638 from 2002 TEUs of 37,868. ‘Total traffic at the Port of Saint John was 26,096,210 metric tonnes last year, a slight increase over 2002. However, Saint John Port Authority facilities showed an increase of 10% in marine traffic.

‘Dry Bulk (potash, salt, fishmeal and sugar) showed a 13% increase overall with individual increases in each commodity....Maritime
Metal Inc., which began operations at the Port of Saint John in 2003, is largely responsible for a 97% increase in non-forest products breakbulk, as well as a significant increase in man-hours for port labour...

'Forest products experienced a decrease of 7% in 2003. Within forest products, paperboard and newsprint were the two commodities hardest hit. “Notwithstanding the decreases in forest products, 2003 was an excellent year for the port’s cargo sectors and its cruise market was also up 18% from 2002,” stated Captain Al Soppit, head of the Port Authority. “In 2004 we look forward to continued increases in business for our key sectors: dry bulk, forest products, containers and cruise.”'

{Port Authority press release; e-mail to ANR&P from Paula Small of Port Authority}

SYDNEY

13 January. **EASTERN CANADA STEVEDORING WAS LOADING SCRAP AT THE FORMER SYSCO PIER** into a ship. By 18 January, according to Don Rowe, Sydney harbour master, the ship *Blue Princess* was nearly loaded, ready to take the scrap to China. {ANR&P discussion 19 January 2004}

Former Sydney Steel employees have been staging an information picket at the main gate to the plant, saying they should've been hired to move the scrap created by dismantling of the defunct company’s facilities. Eastern Canada Stevedoring has not made anyone available to answer questions about its contract at Sydney Steel. Premier John Hamm declined to intervene in the labor dispute, saying the scrapping was nearly complete. {CBC webposted}

Eastern Canada Stevedoring, a subsidiary of Quebec Stevedoring Companies (QSC), also handles the Port of Belledune. QSC and subsidiaries handle cargo at 21 terminals from Thunder Bay to Belledune. {company website}

**Not again**

After a meeting among the steelworkers’ union, the president of Sysco, and the Quebec stevedoring company, the union won the right to load future steel shipments but not this one. Mike Buchanan, union president, said: “We got a commitment from Provincial Energy Ventures as well that any scrap going off the dock, that local people will be used.” {CBC webposted 15 Jan.04}

Don Rowe explained that up to now the port “never had any labour problems.” But Sydney Steel, for unexplained reasons, hired Eastern Canada despite the existence of qualified people “which we have had for the last hundred years.” And then the stevedores which Eastern Canada brought in were embarrassed to be called scabs, since they were union members. {ANR&P discussion 19 January 2004}

19 January. **BOTH COAL AND SALT HAVE LANDED AT THE SYDNEY STEEL PIER**, according to Rowe. Provincial Energy Ventures has brought in ships with self-unloaders to handle the bulk products. The coal is railed to Trenton [see CBNS], while the highway salt is only transloaded; probably used to top off vessels loading in shallower harbors. {ANR&P discussion 19 January 2004}

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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.

Aroostook Starch (MMA regional), Boston Railway Terminal (GU, MA #219), Boralex (MMA regional), Buzzards Bay Trading (Fall River), Eastern Fine Paper (GRS, Maine), Fraser Paper (BAR/CN, Maine), Fundy Gypsum (Hantsport), Intransit Container (CSX) regional, #443, 447), Katahdin Paper (MMA regional), Lincoln Pulp and Paper (GRS, Maine), Macsteel USA (Fall River), Merrill Domestic Services (GRS, Maine), Northeast Paper (GRS, Maine), Nova Scotia Power (CBNS).

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**PEOPLE**

Charles Hunter on 1 January became assistant general manager for the **Connecticut Southern Railroad**. He reports to Jim Anders, general manager, New England Central Railroad/Connecticut Southern Railroad. Hunter previously worked for the SLR as vice-president
transportation and general manager in Auburn, Maine. He will reside in the Hartford area with his wife, Mary. {Rail America press release}

Montreal, Maine, and Atlantic promoted Mike McCluskey to vice-president mechanical. Earlier, one person had handled both engineering and mechanical.

Matt Jacobson, former president of the SLR, has moved out of CN's intermodal department (assistant vice-president for sales) to learn about the rest of CN. He's now working in the Mechanical Department, managing locomotive maintenance in the United States.

Mike Uberoi resigned from his position of chief financial officer at the Halterm Income Fund. He will ‘pursue other interests.’ President Doug Rose will assume responsibility for the finance function at Halterm until a suitable replacement is found.

Job postings

Cape Breton and Central Nova Scotia Railway: Qualified conductor and/or locomotive engineer. See RailAmerica website.
Rail America Atlantic Division: director of marketing and sales. See website.

Atlantic Northeast Rails & Ports
162 Main Street
Yarmouth, Maine 04096
Vox (207) 846-3549
Fax (775) 854-2476
Chalmers (Chop) Hardenbergh, publisher and editor
C_Hardenbergh@juno.com
www.atlanticnortheast.com

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

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E-ISSUE