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**Issue 04#04B 27 April 2004**

*Article unchanged from e-bulletin.*

**REGIONAL ISSUES**

**High-speed rail**: NH court creates funding problem.

**Containers**: Overview of traffic from New York/New Jersey to Canadian markets.

**GRS/NAUG**: Albert Brothers and history of track ownership around Waterbury.

**Bridgeport**: Barge RFP not due for at least 30 days.

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**MDOT**: IRAP awards announced.*

**Transportation bond**: Merrill warehouse should be included.

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**BCLR**: T still pondering Millis branch bidders.

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**MARITIMES/QUÉBEC**

**NBSR**: How it serves East Saint John customers.

**Sydney**: Revive steel-making? Province says no.

**Rail Shippers/Receivers**

A cross-reference to companies mentioned here.

Sweetheart Cup sold to Solo Cup.

**People, Positions, Events**

George Bald.

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**FROM THE PUBLISHER**

**Heavy industry, leaving**

How poignant that this issue contains both the story about Nova Scotia refusing to consider reviving steel-making, and Vermont readying the bid to pull up the Lamoille Valley track. Both facilities have strong advocates for their retention, and in both cases the government has failed to make a convincing case for removing them. The cases may exist, but the government officials have not articulated either one publicly.

- Chop Hardenbergh

Next issue: 12 May.

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REGIONAL ISSUES

HIGH-SPEED RAIL

26 April, Montpelier. THE NH SUPREME COURT DECISION THROWS A MONKEY WRENCH INTO THE PLAN to design a high-speed rail corridor from Boston to Montreal. New Hampshire decided to await the decision [see New Hampshire] before proceeding to supply its share of funds to Phase II of the study [see 30 September 2003 issue]. Now, according to VAOT’s Scott Bascom, the DOT commissioners of Vermont (Pat Macdonald) and New Hampshire (Carol Murray) will discuss the next step. {ANR&P discussion 26.Apr.04}

CONTAINERS NY/NJ- MONTREAL

20 April, New York City. THE PORT HERE OFFERS ALL-WATER SERVICE TO CANADIAN MARKETS, per an advertisement received by e-mail. {PA NY/NJ advertisement}

Curious about the offering, since one might think all-water service would run to Saint John, Halifax, or Montreal, I asked the Port Authority of New York and New Jersey. William Cronin, manager of shipper sales at the Authority, kindly responded:

At present, container movement between NY/NJ and Canadian markets moves by rail and truck. The rail service is provided by CP Rail, either directly through Oak Island (very small amount), or from Expresstrail (Dockside) in combination with NS. We estimate that the majority are handled by truck. However, over the past year or so, the volume of rail movements has been increasing, reversing a trend of the previous years away from rail. We have been told there are several reasons for this, including lower rail rates, which are quoted in Canadian dollars, whereas truck rates are quoted in U.S. dollars. With the weakening of the U.S. dollar to the Canadian dollar, truckers have been affected more.

Another factor is that much Canadian cargo is heavy and there has been greater enforcement of weight regulations by U.S. highway authorities, making it more difficult for motor carriers to be in full compliance.

We estimate that rail volume is about 40% of truck volume. That only takes into account cargo discharged or loaded at the port. It is very difficult to estimate empties, which seem to move in both directions. Also, we do not know the volume of U.S. origin or destination cargo that goes through Canadian ports.

Inland distribution barge service to Albany

We have been working very hard to interest ocean and motor carriers to use this alternative for Canadian cargo. We believe there are some Hours of Service advantages to a round trip to Albany rather than to the Port of NY/NJ. Economics are very close to current through truck rates. The biggest impediment is having a round trip per motor carrier trip to/from Albany. We are working on the possibility of matching an in with an out in the hopes of getting a toe in this area.

As a part of our Port Inland Distribution Network, we are also looking at establishing inland ports in several locations, including Buffalo, and possibly Rochester and Syracuse, which would be done by rail using CSX. The most likely next place to be activated is Buffalo, where CSX has done a lot of groundwork. With that in place, we may be able to draw on cargo to/from Ontario. Presently, most of that goes by truck to the port in ten to twelve hours, because the rail service goes via Montreal and is essentially third morning. This is too slow for some users. {e-mail to ANR&P from Cronin}

CONNECTICUT

GRS AND NAUGATUCK RR

21 April, Waterbury. ALBERT BROTHERS SCRAP IS CONSIDERING EXPANDING ITS YARD. Eric Albert [our Directory #628] said the contractor performing work occurring at this time is just keeping the track in shape. Most of his scrap he sends out by truck. He is talking to Guilford about expanding rail service. {ANR&P discussion 21.Apr.04}

Albert is using rail contractor Highland Services.
BACKGROUND: NAUG AND GRS IN WATERBURY

See map.
Albert Brothers sits at 225 East Aurora Street in Waterbury, on the former Watertown Branch. Initially chartered and built by the Watertown and Waterbury Railroad, the Naugatuck Railroad leased it upon completion in 1970, and it afterwards became the Watertown Branch of the Naugatuck. Penn Central abandoned it, except for a stub, in 1973.

The ‘Naugy’ itself was taken over by the New Haven, and subsumed in Penn Central and thence in 1976 into Conrail.

The 1982 sale and split-up
In 1972, ConnDOT acquired the line south of Waterbury to Milford, to preserve passenger service. In 1982, ConnDOT bought the Naug from Waterbury to Torrington as well. The Boston and Maine assumed freight rights over this stretch, and the same year purchased from Conrail the stub of the Watertown Branch and the former Hartford, Providence, and Fishkill between Waterbury and New Britain. It also acquired freight rights over the Waterbury-Derby Junction section, and ownership of the freight yards in Waterbury.

Creation of Watertown Junction
Before 1982, the Watertown Branch ran parallel to the Naug into the upper Waterbury Yard. ConnDOT in 1982-1983 rehabbed the Naug from Highland Junction to Torrington. At that time, ConnDOT declined to rehab the parallel track, and instead cut a new switch into the Naug, creating ‘Watertown Junction’ at the point where Thomaston Avenue crosses on an overhead bridge.

The Watertown Branch trackage from that point south to the north end of the B&M-owned upper freight yard (opposite the passenger station) was taken out of use and later removed.

In 1995, Guilford as the successor to the B&M gave up on the freight service to Torrington. The Naugatuck Railroad (NAUG), a new company, was created by the Railroad Museum of New England to operate excursion trains. It acquired passenger rights over the Torrington stretch in 1995, and on the main track to the MetroNorth limit. Subsequently, it acquired its only customer, D-A Lubricants in Waterville, in 1998.

GRS thus retains ownership of the Watertown Branch and the line from Highland Junction to Berlin; it also has freight rights from Waterbury to Derby Junction, and from Highland Junction to Watertown Junction.

Albert Brothers owns the track in its yard, and has responsibility for maintaining the track as far as the bridge over the Connecticut River.

The washout which interrupted service on both NAUG and GRS occurred north of Watertown Junction [see 14 April issue].

Location of D-A Lubricants
D-A (our Directory #629) sits on the Naugatuck proper, about 2.5 miles north of Highland Junction/Watertown Junction, in the hamlet of Waterville. It is NAUG’s only freight customer [see 14 April]. {Ronald Dale Karr Rail Lines of Southern New England, Steam-Powered Video’s Rail Atlas, USGS topographical maps, Railroad Museum of New England website, ConnDOT map of rail ownership 1998; e-mails from local rail historian Bill Sample; {ANR&P discussion 21.Apr.04}

BRIDGEPORT

26 April. THE RFP FOR THE BARGE OPERATOR WILL NOT APPEAR for at least 30 days, according to Joe Riccio, executive director of the Bridgeport Port Authority. He had expected to produce it by the end of March [see 11 February issue]; it will cover container service to New York. {ANR&P discussion}
MAINE DOT: IRAP
15 April, Augusta. **GOVERNOR JOHN BALDACCI ANNOUNCED THE WINNERS OF THE INDUSTRIAL RAIL ACCESS PROGRAM GRANTS**, in a ceremony at the State House. MDOT Commissioner David Cole said the 13 projects selected out of 20 applicants had the potential to create 250 jobs and take 40,000 truck trips off the state highways.

The $3.9 million in state funds comes from past transportation bond issues and other available funds. As the governor noted, each project requires an equal amount of money from the applicant or other local sources. “We think it’s important that we invest in improving rail access for Maine industries, but we also think it’s important that the industries we’re helping put some of their own money on the table as well.” {MDOT press release}

<table>
<thead>
<tr>
<th>GRANTEE</th>
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<th>AWARD</th>
<th>JOBS</th>
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MAINE TRANSPORTATION BOND
21 April. **THE BOND ISSUE FOR A MERRILL WAREHOUSE SHOULD GO INTO THE TRANSPORTATION BOND**, according to testimony from the Maine Better Transportation Association (MBTA). The $3 million bond issue bill [LD 1647–see 5 January issue] would fund another warehouse at Merrill’s Marine Terminal in Portland. MBTA supports the Merrill proposal, and suggested in testimony before the Appropriations Committee that funding for the warehouse be added to the transportation bond proposal (as opposed to sending it out as a separate proposal). It would be a disservice to eliminate projects from the transportation bond proposal in order to make room for the warehouse – the warehouse should be added on to the proposal. {MBTA LEGISLATIVE ALERT 21.Apr.04}

GUILFORD RAIL
22 April, Biddeford. **CORRECT BUILDING PRODUCTS WILL ACQUIRE ITS OWN SIDING**, funding half by a IRAP grant of $102,194 from the state [see 14 April issue]. The company anticipates the siding will enable it to continue to expand, adding 15 jobs, making CorrectDeck from hardwood sawdust and polypropylene resin. It is now draying resin from Leominster or Ware to the tune of 20 to 24 carloads a year [see 13 September 2002 issue].

Now using rail
Marty Grohman, president, said he is now railing out the very dense deck material, using the Wood Structures siding in the Alfred Road Business Park.. However, Wood Structures is loading A-frames onto the siding, and needs considerable time
to load the cars. CorrectDeck is railed out to Colorado and Montana.

New location
To obtain the siding access, Correct Building will move from 15 Morin Street in Biddeford to 26 Morin Street, the former Biddeford Blankets building, adjacent to the GRS Freight Main. Grohman said the company is now shipping out two cars a month, and will go to eight cars a month. Inbound, he anticipates receiving 15 cars a month of resin. “We see big things for rail,” as shipping is already “very good by rail.”

Overseas shipping
Grohman said he is also shipping decking overseas. “We load it here, either into containers or flat racks,” and dray it to either Portland or Boston. {ANR&P discussion}

MAINE EASTERN RAILROAD
22 April, Thomaston/Rockland. DRAGON WILL DOUBLE ITS RAIL THROUGHPUT HERE, with the assistance of an IRAP grant [see 14 April issue] of $708,846 which Dragon must match. Dragon anticipates it will add six jobs to enhance the transportation.

The planned expansion of the Thomaston plant [see 12 February 2003 issue] will nearly double the output of cement, so Dragon needs to double throughput over Atlantic Point in Rockland. It will add 20 cars to its dedicated fleet, and a second barge. Dragon owns the trackage in both Thomaston and Rockland.

Terry Veysey, vice-president for cement, said the trackage at Atlantic Point will increase to permit spotting of two six-car consists on parallel track. Dragon will add three compressors, doubling throughput to 500 tons an hour. The compressors will unload six cars at once into two hoses leading out to the barge. The first twelve cars will be sitting there as a barge arrives; after the first six are emptied, MERR will switch out the empties and insert the other six loads.

Two barges a week will sail from Rockland, serving terminals in Newington NH (Sprague) and Boston.

The new plant will begin operation in June and ramp up to full production by 2005. Veysey is still working out the equipment and selecting cars. He expects to hire a track construction contractor soon. {ANR&P discussion 22.Apr.04}

MONTREAL, MAINE, & ATLANTIC
15 April. THREE SITES ON THE RAILROAD WILL RECEIVE IRAP GRANTS [see 14 April issue].

Searsport
MMA itself will receive $137,473, which it must match, to rehab the “F track” at Mack Point. According to Allan Bartlett, MDOT rail honcho, the F track runs south under the Sprague pier structure down to the salt pile. It will serve, inter alia, the new warehouse building there [see 5 January issue].

Bartlett said the funds for this project were not found within the IRAP grant funds for 2004. Rather, recognizing that rehabbing the F track had awaited funding for some time, MDOT decided to re-program $298,000 from a Madawaska project which the BAR had never done.

Irving Aroostook County
According to Bartlett, this new siding will permit Irving to haul timber directly to rail, rather than use a public highway. The company anticipates that spending the $191,752 plus a match of an equal amount of money for the ‘Nixon’ siding in Township 14, Range 6 (between Portage and Eagle Lake).

Nixons

Town of Fort Fairfield
The town has acquired the former B&A trackage leading into town. The $800,000 grant, which the town must match, will in turn help match a $500,000 economic development grant [see 5 January 2004 issue] to rehab the main line and three spurs, one for Boralex. {ANR&P discussion 21.Apr.04}
ST.LAWRENCE & ATLANTIC

9 April, Auburn. **THREE SEPARATE PARTIES HAVE TALKED TO THE CITY ABOUT WASTE OR RECYCLING BY RAIL**, said Roland Miller, the city’s director of community development. For the first two, “it’s hard to judge how serious they were. Both projects were floated as ideas, but when the time came to commit serious money, the private parties pulled out.”

The last, a recycler, was “dead serious.” Unfortunately, the company was looking at a parcel of publicly-owned land kitty-corner from the proposed passenger intermodal (rail/air/bus/car) terminal adjacent to the municipal airport. Miller presented the proposal to the appropriate officials, who concluded that the parcel would have a higher and better use.

**The passenger intermodal terminal**

Miller said the stakeholders had a preliminary design, and had begun “the initial environmental stuff, and are now ready for permitting.” The stakeholders are still looking for sources of funds.

**What about the Bayshore Concrete site?**

A rail-served waste or recycling operation “would work perfectly” at the site currently owned by Bayshore Concrete, just west of the SLR intermodal terminal. However, Bayshore spent “a lot of money taking care of environmental sins of the past” and currently has no interest in pursuing an alternative use. Miller believed the company anticipates using the site for concrete production eventually. {ANR&P discussion 9.Apr.04}

21 April, Auburn. **SAFE HANDLING WILL ADD A TOLL-PROCESSING FACILITY**, further enhancing its status as the railroad’s leading customer. President Ford Reiche recently discussed the company’s plans to add a 60,000SF building, rail-served, to house the facility.

**IRAP grant**

The company received an IRAP grant of $600,000 (which it must match) to assist with the rail construction [see above].

**Toll processing, a definition**

The opening paragraph of an article in *Powder and Bulk Engineering* states it well:

> ‘Perhaps you’ve been in a situation where you find that a new product can be made from your existing stock of raw materials, but you don’t have the necessary equipment, capital, or manufacturing capacity to do so. Many bulk materials manufacturers in this situation contract a toll processor. A toll processor can perform several manufacturing services for you, allowing you to expand your operations without having to expand your plant. This article discusses several services toll processors offer, including size reduction, blending, classification, compounding, testing services, and others.’ {Rick Ritter, Bill Mitchell, Dan Bopp, and Dennis Sarno in October 2000 issue}

Reiche ticked off the advantages Safe Handling already possesses for successful processing: daily rail service, onsite storage for 150 railcars, existing truck fleet, storage, washouts. and 14 years of experience with the customer base the toll processing facility will serve.

**Possibilities for toll processing in Maine**

Reiche divided inbound bulk into three categories:

**Large volume.** Bulk in this category is just too much to reach facilities in any other way than rail direct. Clay and coal would fall into this category. Reiche estimates that about 750,000 tons of clay per year are used in Maine. Trucking that in, rather than raling, translates into 30,000 trucks from distribution points like Georgia.

**Medium volume.** Bulk in this category can go rail direct, but can also move via transload. Here Safe Handling has its niche. Rather than take an entire railcar of a bulk product, a facility in Maine takes a truck at a time, storing the rest at Safe Handling. This service enables the facility—most often a paper mill—to save the expense of a storage tank and the associated need to safely transfer the bulk from the railcar to the storage tank, and then from the tank to the processing machinery.
Low volume. Bulk in this category moves in quantities so small that railroads know nothing about it. Reiche said the total deliveries to Maine probably totalled very roughly 25,000 truckloads a year. Toll-processing can serve this market.

**Maine has a special advantage: truck weights**
Federal law requires every state to use a maximum truck weight of 80,000 pounds. A truck with 80,000 pounds can carry 25 tons of bulk. But Maine will permit trucks with three axles to weigh up to 100,000 pounds, so a truck can carry 70,000 pounds or 35 tons of bulk. So in Maine, three trucks can move the contents of one railcar carrying 100 tons, while in other states four trucks are needed.

**The sense of toll processing: don’t transport liquids**
For Safe Handling's toll processing facility, Reiche is targeting bulk which now arrives in Maine in liquid form, bulk in which the solids form less than half of the final product by weight. Safe Handling will accept the solid as the active ingredient, then mix it with the appropriate liquid as a carrying agent (water, for example), and deliver it to the facility. This will provide considerable savings.

As a hypothetical, Reiche said consider 25 tons of a solid product moving from Texas to Tennessee (Dallas-Nashville 664 miles), where it is processed, and then forwarded to Maine (Nashville-Portland 1207 miles) as a 25% solid, 75% liquid product, total 100 tons. To truck the 25 tons of product to Tennessee—a one-truck move—would cost $1000. After creating the liquid product, the Tennessee facility would need four trucks to move the 100 tons of product to Maine, at $3,000 per 25-ton truck. The total move would then cost $13,000.

To truck the 25 solid tons direct to Maine would cost $2500. After Safe Handling processes it into a liquid, it would need only three trucks, not four to deliver the liquid product direct. And this time they would move only, say, 100 miles, a move which would cost $300. The total move then costs the receiver only $3400 ($2500 + 900), instead of $13,000.

Even better, Reiche envisions using intermodal cars or tank cars to bring in the active ingredients, providing a further savings over truck and more environmental benefits.

**Other savings**
By decreasing trucks, the toll processing concomitantly decreases both pollution and wear and tear on the highways. The shipper will also save on the fuel surcharges, and not encounter as many hours-of-service problems.

**Who will reap the savings?**
According to Reiche, the producer usually handles transportation, and thus would reap the transportation cost savings. But the producers will share the savings with the users, most importantly the paper mills. Toll-processing also improves access to a distant market, so that more suppliers can offer to serve Maine paper mills. Result? Lower prices to the mills.

Reiche noted that Maine's mills are downsizing, and outsourcing. Maine, at the end of transportation network in the US Northeast, is at a disadvantage in transportation costs, and this will help.

**What are the steps to do toll processing?**
The Auburn Planning Board has approved the entire 55 acres of Safe Handling's property for processing, so the company does not need a special approval for the work.

Safe Handling already has one toll processing contract, for which it must start operation by 1 June. To do that, Reiche plans to move the product now in storage in the existing warehouse to outlying warehouses owned by other firms, and begin toll processing inside the existing warehouse.

Once the second warehouse is completed later this year, toll processing will move inside there. "We are presently negotiating for major toll processing projects which will start as soon as possible," Reiche confirmed in mid-April. The Maine paper mills will benefit directly and significantly from these first four arrangements, and "we foresee that to continue as we further grow."

**Handling competition from Asia**
Not only are Asian firms winning significant shares of the forest products market and thereby providing tough competition to Maine paper mills, but they are also winning shares of the suppliers to the forest products industry in Maine. ‘The Chinese chemicals industry is expected to maintain an annual growth rate of 9% through 2005: rising foreign investments aided domestic chemical companies to create globally competitive products’ {Frost and Sullivan (global consultants) website}
Safe Handling will do some toll processing using an Asian-produced chemical arriving via container via CN/SLR. In Auburn, the patented chemical will become part of an additive (60% oil, 40% solid) which will go out by rail to an industrial facility (not a paper mill) in the mid-Atlantic states. Why go first to Maine? “Our expertise,” said Reiche.

He also noted that Maine is not particularly geographically disadvantaged for some Asian shipments, especially those moving intermodally from the West coast via CN and the SLR.

Safe Handling might also be able to take advantage of a foreign trade zone for Auburn, which may get approval in the summer of 2004. {e-mail to ANR&P 14.Apr.04}

**Support from the City of Auburn**

In December 2003, Safe Handling applied for, and received, renewal of its permit to build the new warehouse. Roland Miller, director of community development for the city, said that when Safe Handling had built the existing warehouse, it had permission to add 60,000SF. The terms of the permit required renewal if construction did not begin within a certain period of time.

Several years ago, the city sold Safe Handling the parcel which will contain both the existing warehouse and the new one just next door. Even before that, when Safe Handling opened shop in Auburn 21 November 1990, the city hoped that it would expand through a series of activities, making Auburn a hub for the services Safe Handling and others now offer. The toll processing facility “is precisely the kind of activity we envisaged” for the site.

“In all transportation service, any value-added such as processing becomes a bonus to the local area in terms of jobs materials use.” The excellent transportation logistics available in Auburn “make delivery of the component parts advantageous to producing and distributing product here, similar to the relationship Safe Handling has with Luzenac.” {ANR&P discussion 9.Apr.04}

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**Massachusetts**

**Bay Colony Railroad**

16 April. **The bid opening is postponed at least a week,** on the request for bids put out by MBTA for the Millis Branch and Dover Secondary [see 14 April issue]. Lorna Moritz, head of Transit Reality Associates which is handling the bidding for the T, said her team had questions for the two bidders and has requested answers “within a week.”

After the team gets the answers, it will decide whether the two are qualified, and then open the financial bid of either or both, if qualified. {ANR&P discussion 16.Apr.04}

26 April, Hyde Park. **Transit Realty Associates is still doing "due diligence" on the two proposals for the Millis line operation.** Lorna Moritz, who is handling the bidding at Transit Realty Associates [see 14 April issue], said the firm [which has received the answers to the questions—see above—editor] would "take at least another week" to decide on the qualifications of the Bay Colony Railroad and the Charles River Railroad to operate the Millis and Dover lines. She declined to specify why TRA needed the time; the RFP had said TRA would decide on qualifications by 15 April.

Once qualifications are determined, Moritz said, TRA would open the financial bid 24 hours later. {ANR&P discussion}

**CSX Transportation**

20 April, Westfield. **CSXT trains are pulling ballast out of the Lane quarry here,** located at 387 East Mountain Road. Operated by John Lane & Son, the quarry has the informal name ‘Trap Rock’ (for the kind of rock quarried). Jonathan Lane, a principal in the company, said CSXT owns the track it uses into the quarry, which has many other non-rail customers. {ANR&P discussion}
Past Pioneer Valley Railroad usage
PVRR also has a spur into the quarry. Mike Rennicke, PVRR general manager, said his railroad last used the spur about five years ago, when it pulled out ballast for GRS, delivering the 10-15 ballast cars to GRS in Holyoke. PVRR obtains its own ballast by truck from the quarry. {ANR&P discussion 21. Apr.04}

26 April, Pittsfield. **NO NEWS ON THE TWO PROPOSED WASTE FACILITIES** [see 5 January issue], according to Sara Crowell, new principal planner at the office of Community Development for the city. {ANR&P discussion}

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**NEW HAMPSHIRE**

**NASHUA COMMUTER SERVICE**
19 April, Concord. **THE NH SUPREME COURT RULED THAT GAS TAX REVENUES COULD NOT SUPPORT COMMUTER RAIL.** The court’s opinion, written by Chief Justice John Broderick, clarifies Article 6-a of the New Hampshire constitution (passed in 1938) stating that all vehicular charges and taxes ‘shall be appropriated and used exclusively for the construction, reconstruction and maintenance of public highways within this state.’ Broderick described the provision’s intended meaning as both obvious and common sense.

‘We hold that Article 6-a was designed to insure that highway funds would be used exclusively for highway purposes and that such purposes do not include railroads.’ Justices Joseph Nadeau, Linda Dalianis and James Duggan agreed with decision.

The state had argued that railroads are public highways and that the rail project would improve roads by reducing traffic, so it fits the constitutional restriction. But the Court noted that Legislature has rejected numerous efforts to change the constitution to include railroads.

**Impact**
NHDOT had sought to use revenues from the gasoline tax to provide the 20% local match to federal funds, to pay for providing commuter rail between Lowell, Massachusetts and Nashua. The entire project would cost $70.7 million. Department of Transportation Commissioner Carol Murray said the decision creates a fund-raising hurdle for the state, which has to come up with about $15 million to move ahead with the project. The state has secured more than $25 million from the federal government, of which it has already spent about $1 million.

“I do believe there are going be commuter rails back in New Hampshire for you and I [sic] to ride on,” Murray said. “I just think we’ve got to try to regroup and potentially scramble to try to find other funding sources.”

Roughly $10 million in congressional money earmarked for the project stands to disappear 30 September, when the federal government’s fiscal year comes to a close, she said. “We’re going to have to move fairly quickly.”

Murray said she planned to talk with Nashua officials about the possibility of using city money for the project. The city has discussed funding options with some private investors

To raise money, Nashua Mayor Bernie Streeter said the city could bring restaurants or other businesses into the station or charge a small fee for parking. For its own part, the city has no bonding for the project, and would not be able to bond until the next fiscal year.

**Reaction of the truckers**
Bob Scully, president of the New Hampshire Motor Transport Association, said: “We’re not opposed to railroads; we just don’t want them to steal the money from the highway fund to build them.” His organization filed the original lawsuit. {Scott Brooks in Manchester Union Leader 20.Apr.04}

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**NH SALEM TRACK**
19 April, Salem. **THE TRACKS ARE GONE BUT THE COVERED HOPPERS REMAIN!** Key Packaging went to transload in 2001 when Guilford embargoed and then abandoned the line [see 01#10A and 01#07A]. But, said Chief Executive John Flynn, before the operation stopped the company found and purchased some inexpensive covered hoppers which serve
as “silos on wheels”, providing the extra storage the company always had with the presence of a few railcars. Incoming trucks will unload either into the rail cars, or into the company silos.

Flynn said he uses two different transloads, one in Leominster and one elsewhere, depending on the supplier of the plastic pellets. The transload is working just fine: “It’s as though we never used anything else.”  {ANR&P discussion  19.Apr.04}

26 April. **THE PURCHASE OF THE FINAL MILE OF TRACK IN SALEM** was not on the agenda for the April meeting of the Governor and Council. Kit Morgan had not heard whether it would make the agenda for the next meeting. [See 1 April issue.]  {ANR&P discussion}

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**VERMONT**

**VAOT BRIDGE REPAIR**

25 February. **PRIORITY FOR RAIL BRIDGE REPAIR WAS DISCUSSED** at the Vermont Rail Council this day. According to the minutes:

Chris Andreasson reported the Subcommittee on Infrastructure Improvements reviewed rail infrastructure throughout the state to try to prioritize where improvements should be made to benefit the state as a whole. Maintaining current operational stability of the system is the main focus.

The rail line from Florence to Ludlow to Bellows Falls to Vernon was ranked the first priority ([VRS and—editor] New England Central Railroad and the track must be upgraded to 286,000 pounds).

The second priority was the rail line from Alburg to Florence, and the rail line from Burlington (includes tunnel in Essex) to Montpelier.

The third priority was the rail line from Bellows Falls to Newport, and the rail line from Rutland to Bennington. Cost figures for the upgrades have not yet been compiled. The subcommittee is recommending that VTrans move forward on priority #1 (Florence to Ludlow to Bellows Falls to Vernon) to determine precisely what needs to be done and the associated cost. Charlie Miller noted work is beginning on the Florence and Rutland section, but not Rutland to Bellows Falls.

David Dill asked the criteria for recommending the sites as priorities. Dave Wulfson stated the subcommittee looked at what benefits customers and upgrades the rail to 286,000 pounds. David Dill summarized the criterion was economic development.

Dave Wulfson explained the discussion was about 286,000-pound bridge capacity, not track improvements or passenger considerations. The cost of track structure upgrade is minimal to bridge upgrade costs.

There was discussion of a time frame for the implementation of improvements. Jim Anders, NECR, noted some of the upgrades are five years in arrears. The industry shipping standard is 286,000-pound rail, not 263,000-pound rail. In order for railroads in Vermont to compete, the track must support 286,000 pound cars. Mr. Andreasson also pointed out Amtrak operates on rail lines in Vermont (Montpelier to Bellows Falls), and the integrity of the track must be maintained to continue the revenue stream from this operation.

Charlie Miller stated an inventory of rail bridges is done, but load ratings and what is needed to upgrade to a certain level are not included in the inventory. The Rail Division does not have plans (drawings) for the bridges. It is hoped to find the original drawings for these structures or the work will have to be redone which will lengthen the process. Most of the bridges can be rehabilitated. Replacement is not likely. David Dill added the objective is to get the bridge work designed and ready to go when funding becomes available. Bridge structures are a significant investment for the state. There is some money in the budget for design work on some of the bridges, but not all the bridges. VTrans would like to have bridge plans on the shelf by FY‘06.

Chris Andreasson suggested the Rail Council make a motion to recommend that VTrans compile cost figures for the improvements needed on the three ranked priorities identified by the subcommittee, especially the section: Rutland to Bellows Falls. Charlie Miller mentioned the usefulness of the subcommittee in identifying priorities, and suggested the subcommittee remain active in the process of cost assessment in order to supply information on bridge structures and needed improvements on rail lines.

There was discussion of the ranked priorities. Richard Moulton felt the Rutland to Burlington line should be a priority since Amtrak (passenger rail) piggy-backs the freight lines. Mr. Moulton did not have a problem extending the priority to include Florence and Alburg. Chris Andreasson pointed out OMYA is an issue to be addressed (286,000-pound rail is needed in the corridor in order to benefit two private carriers and Vermont Railway).
Need rail line to Gilman mill?
Greg Maguire interjected for the State Department of Commerce, OMYA is one rail issue, but another is a rail line to Gilman [see 17 March issue New Hampshire]. There was brief discussion of the routes to Gilman (from New Hampshire and Canada). Dave Wulfson stated Vermont Railway is interested in serving the mill in Gilman. There was further discussion of options for moving freight to/from Vermont on lines supporting 286,000 pounds.

Final recommendation
The consensus of the members of the Rail Council present is to endorse the priorities as suggested by the infrastructure subcommittee, and to retain the subcommittee as an advisory group to VTrans Rail Division. Charlie Miller will research information on rail bridges and the progress on each.

By the next Rail Council meeting, staff will investigate if there is money to do a study of the priorities as suggested by the subcommittee. It was noted it is not known if federal transportation money received by the state will allow flexibility in spending on rail as determined by the state. {minutes of meeting}

Next meeting
The Rail Council has moved to quarterly get-togethers. They will next meet on 12 May. {e-mail to ANR&P from Nancy Rice at VAOT}

LAMOILLE VALLEY
22 April, Montpelier. VAOT HOPES TO ISSUE THE RFP TO LIFT THE TRACK OF THIS FORMER RAILROAD by late May, said Jim Fitzgerald, the agency official handling the transaction [see 5 March issue]. He would like the contractor to start by 1 July, and end by late autumn. “We’re looking at a four-month job” for the 96 miles, but he does not expect the contractor to fix the washouts. That would be left up to the lessee, Vermont Association of Snow Travelers. The state got $7.2 million via TEA-21 to turn the rail into trail. {ANR&P discussion}

QUEBEC/MARITIMES

NEW BRUNSWICK SOUTHERN
April. AN NBSR LOCAL SERVES THE CUSTOMERS ON THE IRVING SPUR IN EAST SAINT JOHN. For example, on 20 March the local left Island Yard with two locomotives in the middle of 22 cars - mostly tank cars - with a caboose (van) leading. The lineup started with the van, then 17 cars, then two locomotives, then the final five cars. Rail customers on the spur (owned by CN but switched by NBSR):

Note on sidings. Each of the customers listed below has its own siding, although the map does not designate them.

Irving Lubricants
This facility receives inbound rail shipments.

JD Irving
JD Irving owns this facility, named ‘Willett Warehouse’, where Irving-produced forest products are stored.

Irving Paper
This facility at 435 Bayside Drive houses both a pulp mill and a paper mill, capable of making 1000 tonnes daily of newsprint and soft-calendered specialty paper. {Lockwood-Post’s Directory 1998}

Irving Refinery
Irving Oil Limited, the Refinery Division, is located on Refinery Road, at 340 Loch Lomond Road. It has three spurs off the main branch. {Scott’s Atlantic Industrial Directory} One observer records between 30 and 70 outbound loaded tank cars a day. {e-mail to ANR&P from Wendell Lemon 23.Apr.04}

Grandview Industrial Park
This facility has four customers who use rail.

Praxair. Praxair Canada, at 669 Bayside Drive, gets two or three tank cars a day. The facility receives waste CO2 from the Irving Oil refinery, purifies it to a very high grade, and then rails it out or trucks it out. The CO2 is principally used in carbonating soda pop, as it is food-grade from the plant.
IPEX. This manufacturer of plastic pipe (Scott) receives resin by rail.

Saeplast. This manufacturer of plastic fish boxes, etc. receives resin by rail. It is located at 100 Industrial Drive.

Bercon Atlantic. This company, at 75 Old Black River Road, supplies high-density plastic bottles for the dairy, bottled water, and fruit juice industries.

McAllister Industrial Park
In 1999 Wirsbo, manufacturer of Uponor radiant heating systems, opened a second North American manufacturing facility in Saint John. It planned on receiving resins by rail, but has not yet done so.

Cansugar, which opened its manufacturing facility in 2003 in the Park, recently installed a private siding, but has fallen into bankruptcy. {e-mail to ANR&P from Dan LeBlanc, director of Saint John Industrial Parks 21.Apr.04; Scott’s Atlantic Industrial Directory; e-mails to ANR&P from Steve Boyko 24.Apr.04}

SYDNEY
21 April, Sydney. CHANCES OF REVIVING A STEEL-MAKING FACILITY AT SYSCO APPEAR VERY SLIM. That they exist at all stems from a proposal made by the local steelworkers union to reopen part of the former Sydney Steel Company facility: a plant for making billeted steel. The union presented the idea to Duferco, the Swiss-based company whose deal to buy all of Sysco fell through a few years ago. According to Roger Falconer, national representative of the United Steel Workers of America, Canadian branch, an official from Duferco said it was not only interested in exploring the idea, but would itself pay for a feasibility study of the idea.

Duferco would ship in scrap steel, produce the billeted steel, and then ship it out to a port near another plant Duferco owns in Pennsylvania. Reportedly Chinese steel demand has sopped up the global market, and Duferco would like a source to supply the Pennsylvania plant. While Chinese demand has also driven up the scrap steel prices, Falconer reports two places in North America still price scrap reasonably: Hamilton, Ontario, and Montreal. The steelworkers suggest shipping in the scrap from Montreal.

Province completely against the deal
Inexplicably, the government of Premier John Hamm outright rejects the idea, even though it would cost the provincial coffers nothing, and provide 200 jobs to a hard-pressed area. More, Hamm will not even discuss the reasons for opposing the deal. Sysco President John Traves said earlier there are no options left. “Steelmaking is over. We will not entertain any proposal involving steelmaking at Sysco.”

The government alludes to a legal contretemps between it and Duferco, which keeps both sides mum. The government cannot tell proponents why it opposes the deal, and Duferco is barred from exploring the idea by the contretemps.

Could the steelworkers move the mill to another Canadian location? Too costly, said Falconer. Sysco has sold the mill to Zoom Developers, and Indian company which is set to dismantle it and move the parts to India. Much of the expense of a new Canadian location would come from re-installing the utilities.

Municipal reaction
The mayor of the Cape Breton Municipality recently described himself as baffled about the government stance. John Whalley, director of economic development for the municipality, said it would of course welcome the return of manufacturing and the 200 jobs it would bring. {ANR&P discussions 21.Apr.04}
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.

Albert Brothers (GRS, Connecticut, #628), Bercon Atlantic (NBSR, New Brunswick), Correct Building Products (GRS, Maine), D-A Lubricants (NAUG, Connecticut, #629), IPEX (NBSR, New Brunswick), Irving Lubricants, Irving Paper, Irving Refinery, JD Irving (all NBSR, New Brunswick) Irving Woodlands (MMA, Maine) Lane Quarry (CSXT, Massachusetts), Merrill Marine Terminal (GRS, Maine), Praxair (NBSR, New Brunswick), Saeplast (NBSR, New Brunswick), Safe Handling (SLR, Maine),

1 March. SWEETHEART CUP WAS BOUGHT BY SOLO CUP. According to an announcement this day, Solo Cup of Highland Park, Illinois completed the acquisition of SF Holdings Group Inc. (Sweetheart Cup, Hoffmaster Tissue and The Fonda Brands). The combined company, which will retain the Solo Cup name, brings together two leaders in manufacturing and distributing disposable foodservice and beverage-related products. Over the next few months, the company will integrate the two operations.

As previously disclosed on December 22, 2003, Solo paid all cash; Vestar Capital Partners made a substantial minority equity investment of US$ 240 million in Solo in connection with the transaction.

Solo Cup is a leading manufacturer of single-use foodservice cups, bowls, plates, cutlery and related items made from plastic, foam and paper. A privately-held company established in 1936, Solo sells products into Consumer, Foodservice, and International channels. The Consumer channel sells the full range of products to retailers for direct use by the consumer. The Foodservice channel sells institutional products to organizations such as schools, restaurants, coffee houses and hospitals. The International channel markets retail and institutional products to more than 50 countries.

In 1998, Solo bought the Clear Shield National company; one of Clear Shield’s three plants is located in Leominster, Massachusetts.

Plants in New England
Sweetheart operated a facility in North Andover, Massachusetts (our Directory #54), and one in Berlin, Connecticut (our Directory #611).

Corporate transportation

PEOPLE

George Bald, until March the New Hampshire commissioner of the Department of Resource and Economic Development, has become executive director of the Pease Development Authority near Portsmouth. The Authority has oversight of the Market Street Terminal at the Port of Portsmouth.

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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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