NOTE: THE PREVIOUS ISSUE WAS MISNUMBERED. IT SHOULD HAVE BEEN 04#05B.

*Article unchanged from e-bulletin.  

REGIONAL ISSUES

Halifax-Ayer rail feeder: Ended.
Nova Scotia-NE ferries: Four new services?*

CONNECTICUT

New Haven: Steel from Eastern Europe returns. No rail subsidy deal yet.

MAINE

Amtrak: Three-stage plan for Downeaster.* Maine Narrow Gauge wants Portland tracks.

BML: New operations manager coming.

GRS: Brewer paper mill may reopen.

MMA: Katahdin machine restarts. Lumber mill near Greenville next year?

MASSACHUSETTS

Martignetti: Uses rail and port.

BCLR: Millis selection “paused.”*

CSXT: EOTC discussion re Beacon Park and Fall River/New Bedford. Service redesign in September.

GRS/MBTA: Plans to revamp line to Peabody. Map of area.

NEW HAMPSHIRE

NHCR/TSRD: Dirigo Paper to open without rail?

RHODE ISLAND

[No report.]

VERMONT

Salt: Extend contracts?

LVRC: Bids to lift track soon.

MARITIMES/QUÉBEC

CN: Improved service to two Dartmouth customers.

RAIL SHIPPERS/RECEIVERS

A cross-reference to companies mentioned here.

PEOPLE, POSITIONS, EVENTS

New RailAmerica leaders praised.

FROM THE PUBLISHER

Kudos to spokesperson

Whenever an official, public or private, shunts me off to a ‘spokesperson’, I grit my teeth. More than half the time, this means a futile effort (a) trying to reach the spokesperson in a timely fashion (think days, not weeks) or (b) getting anything significant out of them. This is particularly true of some Massachusetts agencies; I won’t name the worst, but think of the one represented by a horizontal line atop a vertical line.

To talk directly to the officials involved is far easier, and I congratulate the many companies and government agencies who do not require that we journalists funnel everything through spokespeople.

This Tuesday, I gritted my teeth when Tom...
Laughlin at MassHighway told me to call spokesperson Judith Foreman but he warned me I would be pleasantly surprised. Ms. Foreman answered the phone, the first pleasant surprise, and then called me back within an hour with answers, the second pleasant surprise. Ms. Foreman, thank you.

- Chop Hardenbergh

Next issue: 30 June.

**REGIONAL ISSUES**

**HALIFAX-AYER RAIL FEEDER**

1 June. *In March, the container rail feeder service ended* between Halifax and Ayer, Massachusetts. It began in 2000 [see 6 October 2000 issue]. Mark Hallman, CN spokesperson, said his railroad had suspended service because the sporadic traffic did not fit into the schedule model for CN’s new IMX intermodal service, which requires an even flow of containers.

Mark Hunter at P&O Nedlloyd’s Boston office concurred about the end of the service. {ANR&P discussion s 15 June 04}

The service, called the New England Clipper, had a varied demand, between five and 60 NYK and P&O boxes a week. {ANR&P discussion with port source 3.04} [See 27 March 2001 issue for traffic back then. In 2003, exports overtook imports on the Clipper - see 8 April 2003 issue.]

An industry source said transit times have improved with SPM. Containers were taking 10 to 15 days to reach their destination and now they are getting to Boston in three days. Reports continue that a second coastal shipping service will start up this year. {Tom Peters in Halifax Herald 16 June 04}

8 June. *The SPM Marine feeder service picked up additional business when the rail option to Massachusetts died*. Roger Swallow, president of SPM, said NYK and P&O moved over to the ship feeder service. The Portland-Boston service also handles Hapag-Lloyd and OOCL boxes.

Business is picking up in general, Swallow said, as the economy recovers. {ANR&P discussion}

**MORE ABOUT SPM MARINE**

SPM Marine is agent for St.Pierre Ro/Ro, which serves St. Pierre et Miquelon, and for SPM Container Line, which in 2000 was moving about 10,000 containers a year on the feeder route Halifax-Portland-Boston. The SPM Group has cornered this niche market. “We make ourselves available to the big ocean carriers and allow them to meet their schedules. They can bring in more cargo to New York by offloading boxes in Halifax to reduce their draft. It means they can carry more cargo per ocean voyage, and get the Boston containers there faster,” Swallow explained. “SPM provides a very timely service. Boxes can be in Boston by the time the big ships reach New York. Our service makes the larger carriers more competitive for their customers.” {Port of Halifax Magazine July-August 2000}

**NOVA SCOTIA - NEW ENGLAND FERRY**

8 June, Chelmsford MA. *The prospect for a ferry to Portsmouth remains*. Ralph Belfiore [see 8 August 2003 issue] said the freight customer [see 26 June 2003 issue] will do the first mining this week of the product, white quartz [see 8 April 2003 issue]. The sales group is hoping to find US customers for the product, from New Jersey to Texas. Belfiore will line up the maritime transport using a tug and barge.

**Future ferry**

In 2005, the customer hopes to have a crushing plant in operation. The fine, sand-like consistency material will go into 3,000-pound bags attached to pallets. Belfiore hopes to transport trailers loaded with the bags via a ferry to Portsmouth for over-the-road transport to interior North American destinations.

He would utilize a passenger/freight ferry for the lane, when the customer is ready to ship. Such a ferry will compete with the Scotia Prince which operates between Portland and Yarmouth, Nova Scotia. Belfiore will offer service every other day, versus daily for the Prince, but he notes that customers must drive past his offering in Portsmouth to reach Portland. {ANR&P discussion 8 Jun 04}
9 June, Gloucester MA. **THREE COMPANIES REMAIN INTERESTED IN ANOTHER FERRY BETWEEN SOUTHERN NOVA SCOTIA AND NEW ENGLAND.** Greg Ketchan, harbor plan implementation coordinator for City of Gloucester Community Development, said Bay Ferries (which operates the ‘Cat’ service between Bar Harbor and Yarmouth), believes such a service has “a lot of potential” and is evaluating the ports of Boston, Portland, and Gloucester as one end. At least one other firm is interested in ferry service possibly using Gloucester, and a third firm is examining service between Boston and the Maritimes, probably to Halifax.

“All three believe the market can support a ferry....Clearly not all three, maybe even not two, can operate” and make money.

Gloucester remains “very interested” in serving as one end of the link, but will not, said Ketchan, “at least at this point invest capital.”

He listed advantages Gloucester can provide over Boston as: (1) The shorter distance to Nova Scotia. It can save one hour each way, which is “critical to getting a turn-around every day.” (2) Gloucester waterfront access will cost less than Boston. (3) Getting to a ferry terminal in Gloucester is easier than driving into downtown Boston.  

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### CONNECTICUT

#### NEW HAVEN

20 May. **STEEL IMPORTED FROM EASTERN EUROPE RETURNED TO THE PORT** after a three-year absence. [See 17 December 2003 issue.] The Federal Oshima brought in 4,500 tons of steel coil, and the Mount Fuji brought in 11,000 tons of steel wire rod from Turkey, which is bound for the Connecticut Steel Corporation in Wallingford. Connecticut Steel’s president, W. Fergus Porter, climbed aboard to inspect the shipment. He said he believes the price of the imported steel rod spiked 18 months ago in response to growing demand from China, rather than as an effect of the tariffs.

The Logistec/Coastline Terminals operation formerly offloaded 600,000 tons of steel a year from Eastern Europe and Asia at the harbor, said David Shuda, president of Coastline Terminals. [Logistec leases the terminals from employee-owned Coastline, and agrees to hire only Coastline workers. Editor] “The tariffs hurt our earnings and our company. We are just starting to come back.” As domestic manufacturers shied away from higher prices in imported steel, the longshoremen saw their steel shipments fall precipitously, although shipments from France and Germany continued. Wages for Coastline’s longshoremen dropped from an average $60,000 to $65,000 a year to $35,000 to $40,000, Shuda said. {Maria Garriga in New Haven Register 21.May.04}

11 June, Newington. **ANY DEAL FOR RAIL SUBSIDY TO THE PORT IS NOT YET COMPLETE**, said Mark Rolfe, ConnDOT’s construction chief [see 13 May issue]. “Discussions are underway, we hope something can be worked out. Meetings have occurred recently, and further meetings are planned.” He suggested checking back at the end of June.  

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### NEW LONDON

10 June. **WHY IS LOGISTEC USING THE CV PIER?** Under a 2003 agreement, a fishing coop was awarded its use versus Logistec, the stevedoring company, which wanted the pier for more storage space [see 9 September 2003 issue]. Per Alan Stevens, head of ConnDOT’s Office of Marine Transportation, the coop and Logistec could co-exist for some time. Logistec has month-to-month permission to use a large part of the pier toward the eastern side, but no part of the edge. Hence the stacks of lumber currently stored there. The co-op at this point does not need the interior of the pier.

The co-op would like potable water access at the pier so one of its members can wash clams. ConnDOT will undertake that work this summer.  

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{ANR&P discussion 9.Jun.04}
MAINE

AMTRAK DOWNEASTER
8 June, Augusta. MAINE HAS A THREE-STAGE PLAN FOR THE DOWNEASTER, said Ron Roy, head of MDOT’s Office of Passenger Transportation: business plan, enhance capacity, Portland north.

Business plan
“We are concentrating our efforts on completing a business plan for the train” because the CMAQ money initially available [much of it from the federal government–editor] will be spent by December 2004. “We’re pretty close to [completion]; we need to brief the governor and transportation committee.” Roy said the stakeholders feel a sense of urgency to solve the operating issues because that will help with costs.

Enhance capacity [see 3 June issue]
If the train runs faster, Amtrak can make five instead of four round trips a day. Roy explained that the $5 million additional money spent on the track was justified [and not just extracted from taxpayers to give to Guilford–editor]. “A year ago GRS offered to expand service...but asked for some additional improvements. We asked Amtrak to review the need for these improvements, and they agreed, ‘you should move forward with some of these.’” They include:

- Firming up the soft ground section in Kennebunk. Roy said NNEPRA had neither the “necessary funding or time” to do the work during the initial construction period in the late 1990s. Fixing that will make a substantial difference in time, as the train must now run at 30 miles per hour. After improvements, it won’t run 79, but could do 50.

- Adding passing sidings in Wells and in New Hampshire. Interesting, New Hampshire may contribute to the cost of a Dover passing track. “We have a window of opportunity to do that,” said Roy. Siding construction will occur in 2005, as that can happen while trains operate. [According to Kit Morgan of NHDOT, the transportation commissioners of New Hampshire and Maine recently discussed this issue. Any New Hampshire contribution involving CMAQ funds would require approval by the Governor’s Advisory Commission on Intermodal Transportation, which meets on the 23rd of June. David Cole, MDOT commissioner, will present a request for $1 million from NH funds for the track. {ANR&P discussion with Jim Marshall, NHDOT director of public works and transportation}]

- Tamping, grinding rails, rewelding, and additional ballast. These projects will produce a smoother ride and help the high-speed operation.

Much of this work will not directly contribute to the 79 miles-per-hour operation. MDOT had already agreed some work regardless of the decision to go faster, because track improvement will help trip time even if the train does not reach that higher speed.

The trackwork blitz
In late May, Guilford suggested to Maine that much of this happen during the one-week period of the Democratic National Convention, when the Downeaster cannot reach North Station in any case. NNEPRA and MDOT agreed to suspend service that week. Roy said Guilford is cooperating: it will run its freights at night, and will provide two 24-hour periods during which no trains will run.

Portland north
Roy cautioned about how soon Amtrak would extend north to Brunswick; MDOT will start working on that as a third priority. At this point, the extension is still in the environmental assessment phase. The MERR excursion service [see below] will
provide a good way to test the concept. Improved relationships with Guilford
[In contrast to past years—editor], Roy described relationships with GRS as “really going well.” He attributed that to a good personal dynamic between Dave Fink, the head of Guilford Transportation, and Governor John Baldacci as well as MDOT Commissioner David Cole. Baldacci and Fink have worked together on providing PanAm air service to Bangor, and in bringing back paper mills from shutdown or possible shutdown. Cole, formerly head of Eastern Maine Economic Development, and Fink worked together to bring business to Mattawamkeag, in particular the tie mill there.

Relationship between MDOT and NNEPRA
Roy explained that MDOT is providing the subsidy for Downeaster operation from CMAQ funds, but NNEPRA is the operating authority for the rail operation. MDOT has the statutory authority to approve the NNEPRA budget. This arrangement leads to joint decisions about operations, such as those announced by the governor on 2 June. \{ANR&P discussion 8.Jun.04\}

AMTRAK/MAINE NARROW GAUGE
15 June, Portland. The Maine Narrow Gauge Railroad is planning an extension to Hadlock Field, from its current end of track below the Eastern Promenade. [See Portland map at website to understand this.] Phineas Sprague, one of the founders and leaders of the MNGRR, said the company would like to use the existing, though abandoned, Union Branch line.

However, both the City and MDOT have for several years planned to re-use the Union Branch right of way, and to build a new rail right of way along I-295. According to Sprague, putting the narrow gauge tracks into the new right-of-way would require widening the overpasses needed to cross Forest Avenue and Preble Street. [When MNGRR laid its tracks along its current line, MDOT required the use of long cross ties so that standard-width track could be again laid there. Why couldn’t MNGRR run inside the standard gauge? Safety reasons? Amtrak already operates on freight tracks. Editor]

Even if MDOT agreed to widen the bridges, the change in the project would require, per Sprague, starting the whole

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**MAINE DEPARTMENT OF TRANSPORTATION**

Manager Rail Transportation
Public Service Coordinator II

Maine DOT seeks to fill a challenging and exciting full-time position in the area of rail transportation. The individual in this position has the opportunity to influence transportation investment decisions affecting the State’s economic, social, cultural, and physical environment.

The position involves managerial work in planning, developing, and implementing freight rail transportation programs and services for the State. Work includes program and policy development; asset management; Federal, State, Local, and Municipal negotiations and problem-solving; rail systems evaluation and design; and rail track, facility, and real estate procurement and management. Work is performed under administrative direction. Responsibilities also include policy work with private railroads and businesses, rail planning and logistics studies, and integration with other modes of the Department.

Applications must be received no later than 6:00 PM Tuesday June 29, 2004. Applications are available by calling (207) 624-3061 and on the MDOT website: [www.maine.gov/mdot](http://www.maine.gov/mdot).

THE STATE OF MAINE IS AN EQUAL OPPORTUNITY/AFFIRMATIVE ACTION EMPLOYER AND ENCOURAGES WOMEN, MINORITIES, AND INDIVIDUALS WITH DISABILITIES TO APPLY.

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MDOT-sponsored new corridor project again.

**Funding**
Sprague said his outfit had sent a request for funds to the office of Senator Susan Collins, which will decide the appropriate place to apply for funds. MNGRR has the backing of Senator Olympia Snowe and Representative Tom Allen.

Proponents believe the extension will increase MNGRR ridership, which came to 27,000 in 2003, because riders will have a destination.

The railroad seeks money for a planning grant; it will supplement the federal funds with donations. *(ANR&P discussion 15 June 2004)*

**BELFAST & MOOSEHEAD LAKE**

11 June. *THE RAILROAD WILL OBTAIN A NEW OPERATIONS MANAGER*, said Ronald Trottier, principal of BML owner Railstar [see 9 September 2003 issue]. Trottier declined to name the person until he has begun work. Bill Monson, acting general manager, is no longer with the railroad.

Trottier hopes that the steam engine, not available for two or three years, will operate the weekend of 19 June out of Unity. BML will continue to run diesel—currently Budd cars but soon trains—out of Belfast. *(ANR&P discussion 11 June 2004)*

**GUILFORD RAIL SYSTEM**

7 June, Brewer. *THE GOVERNOR WOULD LIKE TO RE-OPEN THE BREWER PAPER MILL*, formerly Eastern Pulp and Paper and now owned by the City of Brewer [correcting the account in the last newsletter—see 3 June issue], to the surprise of some former workers. On 5 June, he asked for two weeks to find an operator; he is talking to two interested parties. *(AP in Maine Sunday Telegram 13 June 04)*

**MONTREAL, MAINE, & ATLANTIC**

9 June, Millinocket. *KATAHDIN PAPER CELEBRATED THE RE-OPENING OF THE #11 PAPER MACHINE HERE* [see 14 April], though the machine had already run for two weeks. More than 425 people are employed here and in East Millinocket, down from the 1,130 workers that Great Northern had on its payrolls when it ceased operations in December 2002.

Since purchasing Great Northern out of bankruptcy, Katahdin Paper has invested more than $120 million in equipment upgrades, inventory and staff to restart operations at both mills, said Bert Martin, president of Fraser Papers. So far, the investment hasn't produced a profit, but the company is selling paper to customers who “are willing to pay a fair price,” Martin said. Profits are expected in about five months.

Besides investing in the company, Brascan is securing what it called a higher grade of pulp to be used in the production of supercalendared, magazine- and catalog-grade paper at the Millinocket mill, said Richard Legault, president and chief operating officer of Brascan. Next week, Brascan will fire up the Port Cartier pulp mill in Port Cartier, Quebec, and will ship pulp on one of three routes to Katahdin Paper. *(Deborah Turcotte in Bangor Daily News 10 June 04)*

9 June, Sapling Township. *A HUGE LUMBER MILL IS PROPOSED HERE* by SMIS Group of West Chester, Pennsylvania. On this day, the Maine Land Use Regulation, which has jurisdiction over unorganized townships, approved the rezoning of 90 out of 300 acres from general management subdistrict to commercial industrial development subdistrict. SMIS intends to purchase the 300-acre parcel from current owner Plum Creek Maine Timberlands.

**Transportation**
The commission was told that no negative comments have been made about the rezoning request. The Maine Department of Transportation did suggest, however, the need for road improvements once the project was under way. The MMA right-of-way borders the property; SMIS intends to construct a spur to access the property.

Greenville’s Town Manager, John Simko, who has worked with Marra, said in late May the project will benefit the MMA. “One of the criteria for the mill was to have access to rail transportation. This new mill will bring a great deal of business to the [MMA], which should encourage the railroad to make even greater improvements to the east-west CDAC line.” At this time of ever-increasing costs for gas and diesel fuel, rail transportation is making more and more fiscal sense.
The mill
Simko noted that he and other community leaders had been talking with Ted Marra, principal of SMIS, for more than a year. “This sawmill project is very important. Not only will it be of great benefit to the people and industry of Greenville, but it will also encourage investment of complementary businesses in the area. This mill will be a great boost to our wood composites incubation program.”

The mill will produce approximately 200 million board feet of lumber each year. It would also produce a large amount of wood chips which could be easily trucked the short distance down the road to Greenville Steam. That would be a boon to the steam company, which has had difficulty getting enough chips to produce electricity during certain times of the year such as spring, when roads are posted for weight limits.

Marra said in May he hoped the mill would start operation in 2005, though he characterized that as an “ambitious” plan. {Shelagh Talbot in Moosehead Messenger 25.May.04; Diana Bowley in Bangor Daily News 10.June.04}

MMA/BAR/CN TRACKAGE RIGHTS
3 May, DC.  MORE DETAIL FROM THE STB DECISION AGAINST BAR ON CN TRACKAGE RIGHTS.

MDOT waiver of matching funds
‘Additionally, two other recent developments seem to be improving MMA’s situation. The State of Maine has entered into an agreement with MMA to provide $5.4 million in infrastructure improvement funding to MMA for the years 2003 and 2004, waiving the requirement for matching funds for 2003. [MDOT’s Rob Elder confirmed this, noting that the funding did not come out of the Industrial Rail Access Program but separate track rehab dollars. {ANR&P discussion 11.Jun.04}]

CPR marketing incentives
‘And MMA has entered into a broad-based agreement with the Canadian Pacific Railway Company (CP) providing, among other things, for CP to pay MMA marketing incentives for traffic interchanged between MMA and CP over a 10-year period. [MMA’s Schauer declined to comment about this provision. {ANR&P discussion 10.Jun.04}]

MMA not that bad off
‘It is clear that the State itself is providing a prop against MMA’s failure and that the subject lines are not in imminent peril of being abandoned. Thus, the Trustee’s theory regarding potential harm to these two lines from CN’s continued rights to serve Fraser fails.’ [Trustee Jim Howard argued that without the additional revenue accruing to MMA if the trackage rights agreement were voided, the line from Brownville Junction west, and the line from Portage to Madawaska, might be abandoned. See 31 October 2003 issue.]

A fair agreement
‘Moreover, the terms of the March 2001 Transaction appear fair when compared to other similar deals. CN witness Carson has compared the terms of the March 2001 haulage agreement with the terms of haulage agreements between CN and other railroads. CN’s payment/car-mile to MMA is higher than the payment/car mile under other CN haulage agreements.1 CN witness Carson also has prepared a table showing that the revenue/ton-mile received by BAR/MMA under the haulage agreement exceeds that received by CN for its portion of each joint movement on the table, although the BAR/MMA revenue/ton-mile for each movement is less than it was when BAR was the sole rail carrier serving Fraser. Further, CN witness Carson testifies that the trackage rights rental fee for the entire 50-mile round trip is higher than the average fee paid by tenant carriers that use CN tracks under trackage rights agreements. The Trustee does not dispute this assertion.

Conclusion
‘In deciding cases such as this one, the Board weighs the public interests reflected in the bankruptcy laws. However, the Trustee has not sustained his burden of showing that the interests of the estate and MMA outweigh the public interest in retaining CN’s opportunity to provide competitive service. Moreover, it appears to the Board that the outcome would likely be similar if the March 2001 Transaction were the type that could be reviewed under bankruptcy law. Bankruptcy law permits

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1 Witness Carson’s figures are consistent with railroad cost patterns. Railroad unit costs usually increase less than proportionally with distance, as fixed costs are spread over increasing volume and distance. The payment/car-mile figures presented by CN show that payment/car-mile tends to decrease with the total (round trip) number of car-miles. CN’s payment/car-mile to MMA for its relatively short movement is at the upper payment range.
transactions to be undone if the transaction is between the debtor and a creditor and was entered into within 90 days prior to the bankruptcy. Even assuming that CN could be considered a creditor under the March 2001 Transaction, the parties entered into that transaction more than 90 days prior to the filing of the involuntary bankruptcy petition. And although a transaction entered into outside that 90-day period can be undone on a showing that it was a fraudulent conveyance or was unduly burdensome on the estate, the Board is aware of no allegation here that the Transaction was fraudulent and the outcome here appears to be consistent with the goals of the bankruptcy laws because the reorganization has succeeded and the assets of the bankrupt estate were sold to a willing buyer that is now operating them. Were the Trustee’s petition to be granted, the creditors would get more money and the buyer could operate more profitably. But these benefits do not appear critical to the success of the reorganization.

‘Under these circumstances, giving due consideration to the interests of the bankrupt estate and MMA, the Board is not persuaded that those interests justify stripping CN of its right to provide competitive rail service to Fraser or depriving Fraser of its right to receive that service.’ {text of decision}

13 June. **THE BAR ESTATE WILL PURSUE AN IMMEDIATE APPEAL OF THE SECTION 1170 ISSUE**, according to Jim Howard, trustee for the estate. The Estate and CN have entered into a stipulation permitting an immediate appeal. ‘We will be filing a Notice of Appeal shortly, and we will ask the Court of Appeals to expedite its consideration.’ {e-mail to ANR&P}

**The legal issue**

[The BAR Estate seeks to oust CN from its trackage rights agreement over former BAR trackage from St. Leonard, New Brunswick to Madawaska, Maine. Since CN wants to continue service, and the BAR wants MMA to provide the service, BAR is seeking an ‘adverse abandonment.’

As earlier noted [see 20 January issue], the US District Court entertained the question of whether 11 USC §1170 may be applied to an adverse abandonment. Section 1170 permits the Court to order ‘abandonment’ if (a) it is in the best interest of the estate; or (b) essential to the formulation of a plan; and (c) consistent with the public interest.

The US District Court judge, noting that the question had never been decided by a court, found that Congress had intended 1170 to apply only to the tracks of the debtor, and not to the tracks (or in this case the trackage rights) of third parties. {text of District Court decision}

Presumably, the Trustee will continue to argue that section 1170 must be applied to adverse abandonments, thereby making the District Court (the Bankruptcy Court is part of District Court), rather than the STB, the final decision-maker for adverse abandonments of service on a debtor's lines. That would treat pre-bankruptcy trackage rights agreements like any other pre-bankruptcy agreement. If the Court of Appeals agreed, it would send the issue back to the District Court to examine whether this particular trackage rights agreement should be nullified for the reasons listed in section 1170: in the best interest of the estate and consistent with the public interest. {ANR&P analysis}

**MAINE EASTERN**

10 May, Augusta. **NO LIQUOR WILL MOVE INTO MAINE BY RAIL**, at least at first, under the new state liquor contract.

**Holdup?**
The state awarded Martignetti Companies the contract in January. However, losing bidders Pine State Trading Company and MaineCentric protested the award. The bidders finally worked a new partnership involving Martignetti, Lindsay Goldberg & Bessemer (an investment firm that was an also-ran in the bidding) and Pine State. The investment firm will acquire majority ownership of the enterprise. The partnership will be known as Martignetti Maine, and Martignetti Companies will manage the business as a minority owner. MaineCentric reached a separate agreement with Martignetti.

Pine State Trading Company of Augusta will receive the product from manufacturers at its warehouse in Augusta, and oversee product distribution to nearly 300 agency liquor stores. {Francis X Quinn of AP in Portland Press Herald 11.May.04}

**Rail eventually?**
Paul Cottrell, president of Pine State, said that his warehouse did have a rail siding, but the question of rail delivery “has not been addressed.” The companies involved are getting ready for the “go-live” date of 28 June. {ANR&P discussion 10.June.04}

At this point, MERR has not leased the track north of Gardiner which would enable it to serve Pine State [see 2 February issue.]

Under the state-run arrangement, liquor arrived at Fore River Distribution in Portland, and was distributed by SPC
Transport in Auburn. {ANR&P discussion with Fore River official}

8 June, Augusta. **MORE ABOUT THE EXCURSION SERVICE TO ROCKLAND** was provided by Ron Roy, head of MDOT’s Office of Passenger Transportation. Guilford, MDOT, NNEPRA, and MERR have an agreement to provide limited excursion service from Portland to Rockland, beginning 1 August. The parties concerned will meet on 14 June in the morning in Rockland to talk about the particulars. The service will start at the existing Portland train station and proceed north under an operating agreement to be cooperatively developed. Stops may take place in Freeport, Brunswick, Bath, Wiscasset, Thomaston, and other points.

Moreover, Roy added, MERR is free to operate excursions along the track it operates, Brunswick to Rockland, independent of Guilford.

**How did this come about?**
Guilford approached MDOT in late May to propose such trips, said Roy. His agency welcomed the idea: “We want Maine Eastern to be successful.” MDOT will provide some capital improvements for train stations and platforms, including possibly re-opening the Rockland train station which MDOT owns. The stakeholders will meet with the Federal Transit Administration in the afternoon of the 14th about that. {ANR&P discussion 8.Jun.04}

**Tentative plans**
NNEPRA spokeswoman Patricia Douglas did not have much information available about the pilot program at this time, when she spoke on 2 June. “Right now it’s a tentative commitment to operate the service, but it's really not any further than that yet. There have been broad agreements and handshakes, but we still need to sit down with Guilford, DOT and Maine Eastern Railroad and figure out how to make it work, how many trips and logistically how to sell tickets.” Douglas said the plan is to provide rail service for the Maine Lobster Festival 4-8 August, and for the Rockland Harborfest Jazz and Art Festival, 18 September.

Gordon Fuller, chief operating manager of Maine Eastern Railroad and vice president and chief operating officer of Morristown & Erie Railroad, said crews from both Guilford and Maine Eastern will operate the train from Portland north up the coast. “We'll test it out this year and go where people tell us they want it to go and if it goes like gangbusters, we'll plan for it again next summer.” {Holly S. Anderson in Village Soup (Rockland web service) 2.June.04}

**ST.LAWRENCE & ATLANTIC**
April **MORE INFORMATION ABOUT THE IRAP PROJECTS FOR THE SLR** was provided by Alan Bartlett in April, and others later.

**New England Public Warehouse**
Award Mechanic Falls warehouse, new siding $107,700

Comment. The facility currently has a dead-end spur on which SLR spots cars next to loading doors. The fund will add length to the siding, and make it double-ended.

As with Maine Wood Treaters and other SLR customers, the limited storage on the line has meant that cars for NEPW and others are often parked in the Richmond, Quebec yard, the interchange point with CN. The additional space means that the customers will have their cars immediately available. {ANR&P discussion with Allan Bartlett 20.Apr.04}

**Grimmell Industries**
Award Auburn loading track, new siding $277,104

Comment. This project is not related to the scrap metal business which Grimmell conducts in Topsham, Maine (occasional transloading of scrap into rail cars in Auburn). The company will handle auto shredder residue from the Auburn-Lewiston area. {ANR&P discussion with Allan Bartlett 20.Apr.04}

**Morse Brothers**
Award Auburn facility, new siding, $193,504

Comment. Morse Brothers, at 224 West Hardscrabble Road, sells bagged soil and mulch products; it has not used rail before. It will use rail both inbound and outbound. {ANR&P discussion with Allan Bartlett 20.Apr.04}
Maine Wood Treaters
Award. Mechanic Falls facility, new siding, $55,500

Comment. The company will get a double-ended, four-car siding, so that cars need not be parked in Richmond. {ANR&P discussion with Allan Bartlett 20.Apr.04}

Some history. Hal Bumby, president of Maine Wood Treaters, said he had started Maine Wood Treaters after a family business went under. At that time, he talked to CN [then the owner and operator of the line from Montreal to Portland, the ‘Grand Trunk’] about a siding, but was quoted a price too high. When the SLR bought the Grand Truck, the price came down. In 1988-1989, the SLR pulled the track materials from an unused siding, Maine Wood Treaters supplied the ties, and paid the labor to create a two-car siding.

Now the facility will expand to a four-car siding. It receives southern pine lumber, mainly, which is readily treatable. The treated wood goes out by truck to northern New England destinations, although Bumby noted “a potential for outbound. Our rail usage continues to increase.” {ANR&P discussion 22.Apr.04}

May, Portland. ST.LAWRENCE CEMENT HAS MOTHBALED ITS PLANT HERE. According to Claude Chauvette, company Secrétaire at headquarters in Longueuil, Quebec, “we don’t have enough cement to supply all our terminals. So that’s why it is temporarily closed.” {ANR&P discussion 15.June.04}

4 June, Auburn. CORRECTION ON INTERMODAL NUMBERS. The 13 May issue noted that SLR parent Genesee & Wyoming reported an increase in the number of intermodal carloads first quarter 2004 versus first quarter 2003, and a jump in average revenue per carload from $275 to $405. These figures do not reflect only Auburn [see 13 May issue].

As reported by the SLR’s Ed Foley, ‘Our core intermodal operations are located on the QGRY (Quebec City), SLR (Auburn) and the ALM (Arkansas, Louisiana, and Mississippi Railroad).

‘Our increase in revenue on a per car basis has come not only from the business on SLR but from the combination of all three railroads currently handling intermodal traffic within the GWI umbrella. A combination of higher than normal revenues and the mix in traffic account for the increase per car. I would also add that the revenues per unit may represent different rate structures, some including non-railroad items such as terminal operations, drayage, ancillary services, etc.’ {email to ANR&P}

MASSACHUSETTS

MARTIGNETTI LIQUOR
27 January, Norwood. MARTIGNETTI USES RAIL AND PORT TO BRING IN LIQUOR. [It will not use rail for the new Maine contract. See Maine.]

More about Martignetti
Martignetti Companies of Massachusetts, with headquarters in Norwood, is participating in the Maine contract. Other Martignetti companies include Martignetti Companies of New Hampshire, Maine, Rhode Island and Vermont.

Established in 1908, the firm distributes wine and spirits throughout most of New England, and it has done business in Maine for nearly eight years. The firm has five warehouses, ships more than 3.5 million cases annually and processes over 300,000 orders every year. It employs more than 750 people in five New England states and reports annual revenues of $350 million. {http://nhwines.com; Paul Carrier in Portland Press Herald 17.Jan.04}

Current use of rail
Phil Finn, who handles transportation for Martignetti, distinguished among three products: wine, spirits, and beer. The company has stopped handling beer to concentrate on fine wine and spirits. For its last beer account, Corona, it brought in the product by rail from Texas to Tighe Warehouse in Mansfield [our Directory #264].

Wines from California arrive for the most part in boxcars at different warehouses, among them Advanced Warehouses in Mansfield [our Directory #261]. Finn primarily uses Hub for its California rail logistics, and other firms for the Midwest and Florida; he estimated the railcars from California at under 500.
Some spirits from the South and Midwest arrive by domestic container. \{ANR&P discussion 27.Jan.04 with update 15 June 2004\}

**Use of ports**

In June 2003, Steve Coval, import manager for the Martignetti Companies, which owns Carolina Wines, Gilman Wines and Classic Wines, said of the new liner service by Mediterranean Shipping: “This new service provides significant benefits for us because we import many wines from Italy and Spain in the Mediterranean as well as France and Germany in Northern Europe. We ship in excess of 250 containers of wine from Europe and the Mediterranean per year. With a direct inbound service from both of these regions, we can better control our inventory and reap the benefits of faster transit times, giving us a competitive advantage.” (Massport press release 2. June.03}

**BAY COLONY RAILROAD**

3 June. **“WE HAVE PAUSED THE PROCESS** while we review the submissions more closely and we are hoping we are able to come to some conclusion shortly,” said TRA’s Lorna Moritz. She would not comment further on the bidding process for the Millis branch. \{ANR&P discussion 3.June.04\} [See 3 June issue.]

**Correction**

While Chris Podgurski has publicly stated his interest in bidding on the lease for the Cape lines which comes up in 2006 [see 3 June issue], John Kennedy notes: ‘I never stated privately, and I certainly have not stated publicly that the BCLR ‘06 RFP is in my plans. I would not comment on such a thing at least until an RFP was issued and I had an opportunity to review it thoroughly.’ \{e-mail to ANR&P 10.Jun.04\}

**CSX TRANSPORTATION**

3 June, Boston. **HEADS OF CSXT AND EOTC MET**, according to Paige Kane, regional vice president state relations. EOTC Secretary Dan Grabauskas had a “meet and greet” session during a visit to Boston by CSXT chair Michael Ward. The two briefly discussed:

**Beacon Park/Allston Planning Study**

EOTC is in the final phase of choosing a consultant who will study CSX’s Beacon Park Yard [which forms a part of the area known as Allston Landing which Harvard purchased in 2003–see 8 August 2003 issue]. The study will seek to assess the impact of having a major freight/intermodal yard in urban Boston and what the economic and transportation effects would be should CSX chose to relocate.

**Fall River/New Bedford subdivisions**

CSX and the MBTA have worked for several years on the Fall River/New Bedford commuter rail project. The $850 million project is not currently funded although there is strong political interest in acquiring the 43 miles of right-of-way owned by CSX in advance of securing full funding. CSX would retain a freight easement. \{e-mail to ANR&P from Kane\}

10 June, Atlanta. **THE RAILROAD’S SERVICE REDISEGN WILL REACH THE NORTHEAST** around September, as well as the I-95 corridor and New Orleans. CSXT’s chief commercial officer, Clarence Gooden, will begin regional, month-long system redesigns, part of the recently-announced OnePlan, in the Indianapolis area in late June. The railroad will then roll out the plan to core network areas of Walbridge, Ohio; Cincinnati; Louisville; and Nashville in July. CSX will address the busy Chicago gateway in August.

Gooden provided this timeline to a service forum organized by the National Industrial Transportation League and the railroad. \{Rail Business 14.June.04\}

**GUILFORD RAIL/MBTA**

8 June, Salem. **PLANS TO REVAMP THE RAIL LINE TO PEABODY** are afoot in three different projects, though two of them are a few years away.

**Extension of Salem park/re-opening of tunnel**

According to Joe Connor, who is handling the new parking garage project for the MBTA, the Massachusetts Highway Department is undertaking a project to rebuild Bridge Street from Washington to Flint Street. As part of that project, the City
of Salem will extend its existing park, now running along the old canal at the head of North River, under the Waters Street overpass along the North River proper. To facilitate that, and to help Guilford’s access to Peabody, the project will pay for the lifting of the T spur from Waters Street to Northey Point. It will also pay for revamping the North Street Yard.

To retain GRS access to the Danvers Industrial Track, as Guilford calls it, the highway project will also pay for rebuilding the former track through the portal which formerly led to Danvers. This track was closed in the 1980s when the T lifted one of the two tracks through the Salem rail tunnel.

Judith Foreman, MassHighway spokesperson, said that in autumn her department will hold a public hearing to unveil the 25%-completion of design. The actual construction won’t take place for “a few years.” {ANR&P discussions 15.June.04}

New MBTA parking garage
Separately, the T is expanding parking for rail commuters here. The T and Jim Stanislaski of TAMS Architecture showed the conceptual design of a $23-million, 1000-space three-level garage at the current commuter rail station to the public in Salem this day.

Connor told the audience that the transportation bond bill presently making its way through the state legislature has about $19 million earmarked for the project, and the MBTA’s parking enterprise fund might be able to make up the $4 million difference. But another option could include bringing in a private developer.

The current design shows the new track running through the middle of the parking garage. Architects were forced to work around it because Guilford intends to lay tracks there again, Stanislaski said. {Sean Corcoran in Salem Evening News 9.June.04}

Guilford track improvement
According to ‘a very reliable source’ within Guilford, the railroad has completed tie replacement up to the Waters Street overpass, and will replace 85-pound rail on the branch from North Street Yard nearly to Liberty Carton with 112-pound rail. It will also rehab the North Street Yard. {NERAIL 5.May.04}

[Joshua Moldover’s Guilford Rail System Timetable shows that the ‘Danvers
Industrial Track’ begins in Salem at a switch off the MBTA Eastern route to Rockport. The North Street Yard consists of a couple of runaround tracks east (compass west) of North Street along the North River (where the editor’s great-great grandfather moored his ship). The South Reading Industrial Track, which branches off the Danvers Industrial Track at Wallis Street in Peabody (the Danvers track from that point on is out of service), continues to two customers. The Central Transportation Planning Staff map of 1998 shows that Guilford owns the South Reading part, but the MBTA owns the Danvers part.

Current Guilford operation
Guilford is using the North Street Yard to store loads and empties for Eastman Gelatine [our Directory #201] (usually four to seven acid cars and four to seven bone cars) on Washington Street in Peabody, as well as Liberty Carton (usually three to five cars) on First Avenue in Peabody [our Directory #202, former Bicknell & Fuller]. Neither customer has the space at its facility to retain these cars, so GRS leaves the extras at North Street Yard for storage and later switching to the receivers.

Returning with empties, the train is made up at the North Street Yard, and shoved out (locomotive at the rear) onto the MBTA main line at Northey Point. Often in the afternoon, the T dispatcher will not permit the GRS train to use the track due to congestion.

The T is willing to permit GRS to use the Castle Hill Yard to serve the Peabody customers, but doing so requires more use of the T main line and hence more chance of needing to wait for commuter trains. {e-mail to ANR&P from Don Lejeune 12.May.04}

How Eastman Gelatine receives acid now
On 16 May, Eastman started receiving hydrochloric acid by truck from the Safe Handling (SHI) facility in Auburn, Maine. GRS had embargoed rail shipments on 20 April after a derailment in Boston [see 13 May issue]. According to Ford Reiche, SHI president, “Everyone is very happy. Good service, safety and price via CN, SLR and SHI.” SHI is using tri-axle trucks, so one rail car fills three trucks.

From 1991-1998, SHI had delivered hydrochloric acid to Eastman using the same method. In 1998, Eastman decided to start railing in the hydrochloric acid along with the ‘bone’ cars it was already receiving. {e-mail to ANR&P 17.May.04}

NEW HAMPSHIRE

NHCR/TSRD
4 June, Gilman VT. DIRIGO PAPER COMPANY AIMS TO RESTART THE MILL HERE THIS SUMMER. Peter Hanson, head of the company, plans to hire up to 25 engineering and maintenance workers to prepare to re-open. [The mill, then operated by American Tissue, shut in April 2002–see 5 March issue.] When ready, Dirigo will hire production workers. {AP in Maine Sunday Telegram 6.June.04}

Rail use
On 14 June, Hanson said he is still working on getting rail service. He will open the mill without rail service, though. {ANR&P discussion 14.Jun.04}

Hanson has inquired of NHDOT about the availability of rail along the line from New Hampshire, said Kit Morgan, NHDOT rail administrator. Morgan said: “We will do whatever we can to make it [rail] available. If the current lessee is not able to provide service, we will find one who is.” {ANR&P discussions 9.June.04 and 11.May.04}

Current Guilford operation
Guilford is using the North Street Yard to store loads and empties for Eastman Gelatine [our Directory #201] (usually four to seven acid cars and four to seven bone cars) on Washington Street in will open the mill without rail service, though. {ANR&P discussion 14.Jun.04}

Hanson has inquired of NHDOT about the availability of rail along the line from New Hampshire, said Kit Morgan, NHDOT rail administrator. Morgan said: “We will do whatever we can to make it [rail] available. If the current lessee is not able to provide service, we will find one who is.” {ANR&P discussions 9.June.04 and 11.May.04}

NHCR has operating rights from the interchange with SLR in Groveton to Whitefield; TSRD still has operating rights over the Whitefield-Gilman-St.Johnsbury line, even though NHDOT has bought from Guilford the section from Whitefield to Gilman.
The department withheld money from the purchase price, to be paid when Guilford files an adverse abandonment action [see 17 March issue].
VRS is also interested in serving the mill [see 27 April issue: Vermont].

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VERMONT

VERMONT HIGHWAY SALT
11 June, Montpelier. **VAOT IS CONSIDERING AN EXTENSION OF ITS HIGHWAY SALT CONTRACTS.** Judy Jamieson, the purchasing agent who handles that commodity, said the New Hampshire bidding resulting in “a very high increase of $10 to $10 per ton.” She would decide by 18 June whether to extend the current contracts [see 9 September 2003 issue] by negotiating a price with each vendor. {ANR&P discussion}

LAMOILLE VALLEY
11 June, Montpelier. **VAOT WILL ISSUE THE BIDS TO LIFT THE TRACK** ‘shortly,’ wrote Charlie Miller, head of VAOT’s rail division. Any interested party should ‘contact Jim Fitzgerald for information. They will need to be registered in the State to bid so I would encourage them to do so ASAP.’ Contact: 802-828-3628 or James.fitzgerald@state.vt.us.

State of right of way
Because washouts make reaching some of the track difficult, and the agency wants to protect environmentally sensitive areas, the agency will ask the salvage crews not to lift any track materials if they need to build roadbed or replace culverts. {e-mail to ANR&P}

In early May, brush-cutting crews began clearing the west end of the right-of-way. The Connecticut Eastern Railroad Museum, owners of the ALCO locomotive and flanger in Morrisville, had placed the equipment for sale as the state wanted it off the property. {Burlington television cited by Matt Rines in The 470 June.04}

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QUEBEC/MARITIMES

CN - NOVA SCOTIA
14 June, Dartmouth. **CN SERVICE HAS IMPROVED IN THE LAST TWO WEEKS** to at least two of the customers in the Burnside Industrial Park on the Dartmouth subdivision

Cantrax Containers
Ken Webb, manager of Cantrax, said he had been arguing with CN for better rail service for three or four years, seeking weekend shunts, or more than one shunt a day.

Moreover, the railway would on occasion deliver 12 cars at once from Moncton and then charge demurrage after two days, even though CN would not provide the shunting necessary to unload all the cars.

The company recently hired Bruce Rogers to talk to CN, and he has produced results, according to Webb. [See below.]
Rail customer AV Cell
Cantrax offers stripping and stuffing of containers, serving solely AV Cell in Atholsville, New Brunswick. AV Cell loads pulp into boxcars in Atholsville. New Brunswick East Coast Railway moves the car to Moncton, and CN the rest of the journey to Dartmouth. Cantrax is handling 35-40 cars a week with the two shunts.

Sheila Chedore, AV Cell’s warehouse and shipping supervisor, said her facility makes cellulose pulp, which is shipped to Indonesia, China, India, and Taiwan to make rayon clothing.

Once Cantrax workers have loaded the pulp into a container, Cantrax drays it to either Halterm or Ceres container terminal in Halifax. The driver may then return to Cantrax with an empty container.

Webb is talking with other customers, among them Bowater in New Brunswick. {ANR&P discussions 14&15 June 2004}

More on Rogers’ work
Rogers started meeting with CN about better service for Cantrax in early 2004, when it could handle only 20 cars a week with the one shunt. He made two points: Cantrax had done 35-40 cars when CN had provided two shunts a day, and could resume that level; second, that other users in Burnside would begin or increase usage with more shunts. He told CN that in talking with other businesses in the park, he had found two happy with the one shunt a day, but three or four others who would like better service.

Rogers met with the Halifax Port Authority and got its assistance, arguing that Cantrax could put out 1000 containers a year, from AV Cell and other clients, if it could get adequate service from CN.

Darren Doby, CN local operations manager, has now begun a three-month test period to ascertain whether the railway will gain sufficient business to justify the second crew.

Rogers works as an independent consultant. Clients include recyclers and a non-rail transport company not rail. {ANR&P discussion 15 June 04}

Dartmouth Metals and Bottle
This company receives scrap metal by truck and loads it into gondolas every day. Peter Giberson, the owner, agreed with Webster that rail service had just gotten better; he is now getting two shunts a day.

Another problem, a shortage of gondolas, has also improved. He encounters a shortage of cars every year. CN takes many cars out of service. “We complain, and they bring them back into service.”

Giberson ships scrap into Canadian steel mills in Quebec, versus overseas, with the goal of supporting the mills. If the mills disappeared, he would become dependent on the export market.

He does export “a bit,” but only when he cannot get enough cars. “We have to keep moving the scrap out.” {ANR&P discussion 14 June 2004}
PEOPLE & RAIL SHIPPERS

RailAmerica, Inc. today appointed Charles Swinburn, a former U.S. deputy assistant secretary for transportation and nine-year veteran of the RailAmerica board, as chief executive officer effective 1 August 2004. The company also announced the appointment of Donald Redfearn, who has served as an officer and board member since 1992, as president. Charlie Moore, regional vice-president, Atlantic lines, called the announcement 'very good news! This is the Different RailAmerica and we are focusing our efforts on our core business of railroading in North America.' (e-mail to ANR&P)

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.

Advanced Warehouses (CSX, Massachusetts), Cantrax Containers (CN, Nova Scotia), Dartmouth Metals (CN, Nova Scotia), Dirigo Paper (NHCR or TSRD, New Hampshire), Eastman Gelatine (GRS Massachusetts and SLR Maine), Grimmell Industries (SLR, Maine), Katahdin Paper (MMA, Maine), Maine Wood Treaters (SLR, Maine), Martignetti (Morse Brothers (SLR, Maine), New England Public Warehouse (SLR, Maine), Pine State (MERR, Maine), St.Lawrence Cement (SLR, Maine), SMIS (MMA, Maine), Tighe Warehouse (CSX, Massachusetts)

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Coverage
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