Regional rail: CLF study nearly done?
Hazmat: US Congress gets two bills, due to GRS-related spills. Non-hazardous GRS derailment in Maine.
MMA: No added traffic from D&H deal.
Feeder ship: Shamrock seized in Portland. Columbia Coastal will help move boxes.
PW: Usual quarterly dividend.

**CONNECTICUT**
Salt: Bids due 19 August.
HRRC: Kimberly-Clark closes diaper division here.
Bridgeport: Feeder RFP in September?

**MAINE**
NEPW: New warehouse, overview of all facilities.
Salt: Bids due 6 August.
Amtrak: Demo train, photo.
GRS: Costigan stud mill postponed again.

**MASSACHUSETTS**
Salt: Negotiated contracts this year.
BCLR: Millis branch competition cancelled.*
CSXT: Champion City new site imperilled.
GRS: Still serving Newly Weds. Embargo on all Boston traffic due to Democrats’ convention.
HRRC: Future traffic growth.
Fall River: New pier out for final design.
New Bedford: North Terminal dredging funded.

**NEW HAMPSHIRE**
Salt: More on Cargill supply.*

**VERMONT**

**RHODE ISLAND**
[No report.]

**MARITIMES/QUÉBEC**
CBNS: Prepares to abandon Cape Breton.

News about contracts, facilities welcome!
As you readers know, this newsletter is dedicated to expanding the regional rail network, and the ports it supports. I welcome news from railroads about new customers, from customers about new facilities [see the NEPW Logistics story in Maine], and from suppliers about new contracts with ports, railroads, or their customers. Don’t be shy! Send news my way!

- Chop Hardenbergh

Next e-bulletin next week. Remember, post subscribers get the e-bulletin free. Just tell me to sign you up.
REGIONAL ISSUES

REGIONAL RAIL

30 July, Concord. **THE EPA-FUNDED REPORT TO THE CONSERVATION LAW FOUNDATION** about reviving northern New England rail [see 14 November 2003 issue] sits on Nancy Girard’s desk. “It’s pretty good,” said the head of CLF’s New Hampshire office. She has asked consultant Wilbur Smith for some final comments, and hopes to release the report in September. {ANR&P discussion}

HAZMAT INFORMATION

9 July. **THE US CONGRESS MAY REQUIRE ALL RAILROADS TO REPORT HAZMAT CARGOES**, under bill HR 4802, introduced this day by US Representative Marty Meehan (D, Lowell). The Operation Respond Institute, a DC-based non-profit, has the encrypted database OREIS listing railcars' hazardous contents and offering guidance for specific chemical spills that can be viewed by local emergency response officials in real time. All major U.S. and Canadian railroads, as well as several regional railroads, already participate in the program voluntarily, said Meehan. His bill would require all railroads to participate.

Guilford reluctance

Guilford officials resisted Meehan's previous request to take part in OREIS. In a May letter to Meehan, Guilford President Thomas F. Steiniger said his firm is ‘performing additional research to determine whether this system would be appropriate’ for its operations. A Guilford spokesman declined comment on the bill, saying he had yet to review it.

Guilford has long drawn the ire of South Lowell residents, who have said the company regularly parks its trains for extended periods in their densely-settled neighborhood. In May 2002, an unattended, 29,000-gallon tank car sprung a leak while parked over the Concord River in South Lowell, spilling 200 gallons of hydrochloric acid into the water below. Another release of hydrochloric acid occurred in April in Charlestown's Sullivan Square [see 13 May issue]. Neither incident injured humans, but Meehan said they “crystallized” his desire for the bill. (Lowell Sun 14 July 04)

OREIS requirements

According to an OREIS official, ‘Guilford would have to do some programming within their system to allow access. We have a recommended procedure that all the other railroads have used.’ If GRS used a modem connection, the railroad would have to do an estimated 40 hours of programming; an Internet connection would require about 80 hours. Either system would require testing in addition. ‘Once this is complete, [GRS will pay] no other cost, although we do encourage the railroads to include OREIS in their hazmat training classes that would cost them some instructor time.

‘No other regional or short line in New England’ currently participates. {e-mail to ANR&P 22 Jul 04}

Similar Markey bill

On 13 July US Representative Edward Markey (D, Framingham), introduced HR4824, which covered transportation of extremely hazardous materials with a broader brush than Meehan’s. Markey’s would require the Secretary of Homeland Security to issue regulations covering, among other things, ‘(4) the use of currently available technologies and systems to ensure effective and immediate communication between transporters of extremely hazardous materials, law enforcement authorities and first responders’. In his press release, Markey like Meehan referred to the hydrochloric acid leak in April. “The April 14 hydrochloric acid leak from a train near Sullivan Square station in downtown Boston should be a wake-up call to the Department of Homeland Security, and it should improve security for these dangerous shipments. The leak in Sullivan Square was an accident, but we must take special precautions to prevent the use of chemical tankers as a tool of terrorists.”{Markey website}

Guilford derailment, no hazmat

At about 7PM on 21 July, five cars in Orrington, Maine, enroute to Bucksport derailed and tipped over. The conductor and engineer left the train to report the accident to the dispatcher, but did not return for two hours. The first firefighter on the scene saw a cloud coming up out of one of the cars; with no crew members at the scene, authorities were afraid that the liquid and dust were hazardous. As a result, they evacuated an unknown number of residents within 1.5 miles of the accident. “If somebody had stayed at the scene, we never would have had to evacuate,” Orrington Fire Chief Michael Spencer, the incident commander, said on 22 July. “My question is: ‘Why didn’t one of them stay at the scene?’”

Later, the cars were discovered to contain clay slurry and dry clay. Residents were permitted to return, and the area was turned over to the railroad at 930PM. {Aimee Dolloff and Josh Keefe in Bangor Daily News 22 July 04; Nok-Noi Hauger 23 July 04}

MONTREAL, MAINE & ATLANTIC

27 July. **THE NS-CPR DEAL ON THE D&H WILL NOT HELP THE MMA**. The MMA had hoped that it could move the new NS traffic [see 13 July issue] over the MMA route from Quebec, through Maine, to the Maritimes. But Dan Mazur, NS assistant vice-president
of strategic planning, said: “CPR could quote rates to handle this traffic, but it would probably move via CPR from Harrisburg, PA or some other D&H/NS interchange point. This traffic would not move under the NS haulage agreement with CPR.”  {ANR&P discussion 29 Jul.04}

FEEDER SHIP SEIZURE

20 July.  THE CONTAINERSHIP SHAMROCK WAS SEIZED BY FOR NON-PAYMENT ON A LOAN.  By 30 July, it was scheduled to unload cargo.

The problem
The ship is owned by French company Copropriete du Navire Shamrock (Navire). Fortis Bank of The Netherlands loaned Navire around $10 million to finance the ship, which first called Portland in 2001. In its complaint filed in US District Court in Portland, Fortis stated that Navire stopped making payments on the loan in late 2001, and that $14.3 million, including interest, is now due. U.S. District Judge George Singal signed an arrest warrant for the vessel this month, and U.S. marshals formally seized the Shamrock when it arrived on the Portland waterfront on the 20th.

Portland charges the Shamrock docking fees and has not received a payment for about two months. The $11,000 outstanding bill is not unusual for the company, however, according to city officials. Only the Shamrock calls Portland; if the dispute is not settled soon, the city will have to work with container carrier companies to bring in a new vessel, said Jeff Monroe, head of Portland’s transportation department.

Nappi Distributors imports beer from Germany through the city's container port. It doesn't have any shipments on the Shamrock now, however, and could easily shift business to other container ships in Boston, said vice president Elmer Alcott. {John Richardson in Portland Press Herald 24 July.04}

White Rock Distilleries of Lewiston has a shipment of whiskey from Scotland sitting on board the ship. The delay had not caused any whiskey shortages as of 26 July, but the company is one of the local customers monitoring the situation closely, employees said. {John Richardson in Portland Press Herald 27 July.04}

HISTORY OF THE FEEDER SERVICE

Columbia Coastal will reprise its earlier role as a feeder service for Portland, noted Delaney. Hapag-Lloyd, the principal user of the SPM service, at first used its own ship to call Portland out of Halifax. Then from 1993 to 1995, the shipping line hired Columbia Coastal to move boxes over Portland via New York. In 1995, Hapag-Lloyd contracted with SPM to move boxes via Halifax. {ANR&P discussion 29 Jul.04}

More details on SPM and on the ship
SPM actually has two separate services. SPM Container Line operates a weekly feeder service among Halifax, Boston and Portland. SP Container Line operates the weekly feeder between Halifax and St.Pierre-Miquelon. Both use the Shamrock. An increase in business prompted the construction of the new ship, built in Romania.

The 4,800-tonne, $33 million Shamrock, with a crew of 11, replaced the MV Lisbeth C, which sailed the feeder route since 1995. {Halifax Herald 29 Nov.01}

Cargo traffic going well
Apparently, the problem does not lie with the company chartering the ship, SPM Container Line, part of the Armement [armement in French equates roughly to outfitters-editor] Paturel-Dagort/SPM Group of St-Pierre-Miquelon (SPM). SPM Marine International is the ship’s agent in Halifax; the agent’s president, Roger Swallow said SPM is making regular payments of the chartering fee, and traffic is up [see 16 June issue, Halifax-Ayer rail feeder].

Traffic in 2000 came to about 10,000 containers a year on the southern leg, and about 26,000 to St.Pierre-Miquelon, the northern leg of its route out of Halifax. {Halifax Herald 29 Nov.01} Only at most 3,000 of those move through Portland, with the balance moving between Halifax and Boston. {ANR&P discussion with Portland Waterfront Office}

Two-part resolution in sight
John Hudson of the Atlantic Maritime Transit Agency, New England agent for SPM, said the Shamrock owners had made a couple of proposals to get the ship moving, but these were rebuffed by the Fortis attorney. Now, “the owners are putting the finishing details on new financing plan worked out at the end of the previous week.”
The new plan involves a new investor group stepping into the shoes of Fortis, Hudson said on 29 July. In addition, the parties involved have agreed that the ship may discharge cargo in Portland, even before the new investment situation is complete.

After discharge, the ship will proceed again to anchor. Once that deal is complete, Fortis will ask the court to release the ship, which will proceed to Boston if necessary.

Immediate discharge
As of 29 July, the P&O Ports stevedores were scheduled to off-load the containers the evening of the 30th, a Friday. Not only containers scheduled as Portland imports, but even the Boston boxes will get off here.

Columbia Coastal comes into view
The Boston boxes discharged in Portland will move to Boston via barge, as opposed to truck [Guilford has already voiced no interest in moving boxes by rail through Portland—see 1 July issue]. Per Tom Delaney, executive vice-president of Columbia Coastal, his barge which normally sails for Boston on Saturdays, arriving Monday, will depart New York for Portland on Friday, 30 July. It will arrive in Portland on Sunday, 1 August.

Delaney said the entire arrangement was commercial, between Columbia Coastal and the half dozen lines with containers aboard the *Shamrock*, including refrigerated containers (reefers). While all customers were concerned with the delay of at least 11 days, Delaney worried that some reefers had chilled contents, which could spoil.

Export traffic as well
Even if the legal situation was not settled enough to permit discharging the *Shamrock*’s cargo in Portland, Delaney has promised Hapag-Lloyd the barge would pick up its export containers, waiting at the International Marine Terminal, for furthering to New York and loading on an outbound container vessel.

“We have made a commitment to the lines, specifically to Hapag-Lloyd, to continue to call Portland, and hope that cargo supports the service.” While outbound boxes will readily move to export over Boston or New York rather than Halifax, “it will take a couple of weeks for imports to be rerouted via New York. We’ll go back to what we did ten years ago.” [See box.] {ANR&P discussions 29 Jul.04}

Traffic through Boston
Massport provided these figures about the boxes carried by the *Shamrock* to Boston.

<table>
<thead>
<tr>
<th>SPM Volumes</th>
<th>Import</th>
<th>Export</th>
<th>Empty</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>TEUs</td>
<td>TEUs</td>
<td>TEUs</td>
<td>TEUs</td>
</tr>
<tr>
<td>Jul-02 thru Jun-03</td>
<td>9,845</td>
<td>4,282</td>
<td>3,613</td>
<td>17,740</td>
</tr>
<tr>
<td>Jul-03 thru Jun-04</td>
<td>8,196</td>
<td>4,678</td>
<td>3,902</td>
<td>16,776</td>
</tr>
<tr>
<td>% Change</td>
<td>-17%</td>
<td>9%</td>
<td>8%</td>
<td>-5%</td>
</tr>
</tbody>
</table>

Breakout according to shipping line
For the period July 2003 through June 2004, compared to the 12-month period prior, NYK and PONL show volumes growing from zero to 2847 TEUs (PONL = 1496 TEUs, NYK = 1351 TEUs). NYK and PONL volumes started serious growth in March 04, and Hapag’s volumes have increased 19% in the past 12 months. [The rail feeder ended in early 2004—see 16 June issue.]

However, as the table shows, that growth has yet to make up the loss of Maersk which began a serious decline in mid-2003. In the most recent 12 months compared to the previous 12-month period, Maersk volumes dropped approximately 68%. [Maersk stopped one call to Halifax—see 12 March 2003 issue.]

Given the growth shown in the last 2 months (20%) by PONL and NYK and Hapag, and assuming a 5% growth in 04, volumes should return to 2001 levels (20,000 TEUs) by December. {Massport figures by Lynn Vikesland}

Other funds owing
Despite assurances that SPM is paying the owner of the ship, SPM’s subsidiaries owe funds in addition to the fees to Portland. Nova Scotia Business, Inc, has taken legal action against SP Container Line to collect $437,000 loaned to the former Nova Scotia Business Development Corporation. {Tom Peters in *Halifax Herald* 28 July.04}
PROVIDENCE & WORCESTER

28 July, Worcester. **PW ANNOUNCED A DIVIDEND OF $.04 PER SHARE** on the outstanding Common Stock of the Company, payable August 19 to shareholders of record on 5 August. [The same amount was declared for the second quarter in 2003. {2Q03 quarterly report}]

In addition, the Company announced that Craig M. Scott was elected as a common stock director to fill a vacancy on its Board of Directors. Mr. Scott, who focuses his legal practice on complex business litigation and intellectual property law, is the managing partner of the Providence-based law firm Duffy, Sweeney & Scott. {PW press release}

CONNECTICUT

HIGHWAY SALT

28 July, Newington. **CONNECTICUT SALT BIDS ARE DUE 19 AUGUST.** In 2003, the state renewed the contracts of those awarded in 2002, but this year it had to go out to bid. In 2003 the state estimated salt use at 197,000 tons [see 21 August 2003 issue]; ConnDOT alone historically has used 97,000 tons. Initially ConnDOT will purchase about 58,000 tons. {Department of Administrative services website, bid 04PSX0209}

HOUSATONIC RAILROAD

21 July, New Milford. **KIMBERLY-CLARK DECIDED TO CLOSE THE DIAPER DIVISION** at its plant here by the end of September, leaving only tissue production. The company [our Directory #673] cited low growth in the North American diaper market and productivity improvements as the reason behind the layoffs. “This was an extremely difficult decision because of our employees’ significant contributions to our diaper business over the years,” Kimberly-Clark Vice President Tom Melsen said. “It was necessary, however, to improve our cost-competitiveness and operating efficiency in an increasingly competitive marketplace for infant care products.” Four other company plants around the country will continue to produce diapers. {company press release cited by AP}

On 22 July Kimberly-Clark Corporation reported net sales in the second quarter of 2004 of nearly $3.8 billion, an increase of about 7% over the prior year. {company press release}

Rail impact
Ed Rodriguez, HRRC executive vice-president, said Kimberly-Clark was one of HRRC’s largest customers, using several hundred cars a year. He could not define the immediate impact, but noted that tissue production there is bigger than diapers. {ANR&P discussion 23 Jul.04}

BRIDGEPORT

26 July. **LOOK FOR THE RFP FOR THE BARGE SERVICE IN AUGUST.** An official at the Bridgeport Port Authority, who is working on the request for proposals (RFP) for a barge operator for the proposed service to New York [see 1 July issue], and an RFP for a terminal manager, said both could go out in early August, but more likely toward the end of the month. {ANR&P discussion}

MAINE

AMTRAK

24 July, Brunswick. **AN AMTRAK DEMONSTRATION TRAIN REACHED BRUNSWICK,** running over Guilford track from Portland with Governor John Baldacci aboard. In Brunswick, it met nose to nose with a Maine Eastern passenger train which had started from Rockland. The two trips gave a view of what could become regular passenger service between Portland and Rockland. {ANR&P coverage}
NEPW LOGISTICS

20 July, Waterville. NEPW LOGISTICS PURCHASED AN ADDITIONAL WAREHOUSE here, near the Oakland line, with a siding off the Guilford freight main. Drew Gilman, president of NEPW Logistics [formerly New England Public Warehouse—the name was changed in January 2003], said the additional building, the 45,000SF ex-Colonial Distributors warehouse, has “a spur and three rail doors; the switch was taken out years ago and Colonial hadn’t used rail for a while. We do not intend to re-start rail service right away, but are looking at our options in the future.”

The Waterville building will replace space NEPW was leasing in Lewiston at the Bates Mill. Most of the customers now using the Lewiston space “are up there,” Gilman noted, and the use of Waterville will save one large Maine mill a significant amount in annual transportation costs. NEPW is also adding a few new, but smaller, customers.

The other five warehouses

Mechanic Falls - expansion. This recently-constructed building also houses the NEPW offices. NEPW and SLR won IRAP funding to make the spur here double-ended, but Gilman is delayng the work [see 1 July issue]. He explained that the expansion of the spur accompanies the expansion of the warehouse, but with the price of steel high, he is holding off on the warehouse expansion. Once that is complete, Gilman will bring under one roof warehousing now spread out in 70,000SF in three rented buildings in South Paris, costing the company $12,000 a month in rent.

Gilman is looking for an increase in rail traffic to this facility of 15-25% with the expansion, because “we could convert some of our current truck-in truck-out business to rail in-truck out, plus we will go after more business that we can’t do now due to space constraints.”

Fairfield. This 42,000SF building is located on the Guilford freight main, and has active rail access which can handle three cars a day, and has switching available five days a week. However, “we have not done any rail business there for a year,” Gilman added. GRS does not like to switch the facility, because it has a “backward switch.”

South Paris. This location has its own building with rail access for the SLR, with 225,000 SF in a former tannery at 164 Pine Street. South Paris also has other rented buildings on rail, including one on the Norway Branch belonging to CN Brown.

Livermore Falls (no rail access). 65,000SF.

North Jay (no rail access). 55,000SF.

Existing and prospective customers

Gilman said nearly all current business involves pulp and paper. Although the US paper business itself is down, his company’s warehouses are full, much of it Canadian pulp enroute to the Maine paper mills, with the exception of Mead in Rumford and the mills north of Bangor. In addition to the Maine mills, NEPW has some other, smaller businesses which also handle paper.

Gilman’s predecessor, Don Warming, had considered expanding into commodities, but Gilman wants to “focus on what we are good at”, where returns are better than other products. He would “love to do commodities some day,” but will first complete the Mechanic Falls
expansion, then consolidate the paper business. After that, he will consider commodities.

**Total rail traffic**

According to Gilman, “year-to-date we are averaging 374 railcars per month” total at South Paris and Mechanic Falls, both inbound and outbound. “About 63% of the cars are South Paris, the other 37% Mechanic Falls. The total car count is up about 7% from last year.”

{ANR&P discussion 26.Jul.04}

**HIGHWAY SALT**


**GRS/MERR**

18 July. **EITHER OF THESE RAILROADS COULD GAIN A NEW CUSTOMER** which would build steel sandwich panels using laser welding. The laser technique, developed by Wicasset-based Technology Systems Inc and Sanford-based Applied Thermal Sciences, has drawn the interest and funding of the US Navy. The two companies want to create a facility served by both rail and marine; they are looking at the GRS-served Portland Naval Shipyard in Kittery, and the MERR-served former Maine Yankee site in Wiscasset [where Dragon Cement once considered a transload site—see 8 August 2003 issue]. [Matt Wickenheiser in Maine Sunday Telegram 18.July.04]

**GUILFORD RAIL SYSTEM**

23 July, Vancouver. **THE PROPOSED SAWMILL IN COSTIGAN IS DELAYED AGAIN**. Canfor, the forest products company headquartered in Vancouver, announced, at its conference call discussing second quarter results, it had suspended the plan for the sawmill.

**How did Canfor get involved?**

Daquaam initially announced the plan for the sawmill in 2001 [see 19 December 2001 issue], for a location where International Paper had closed a the GRS-served stud mill in Costigan, a village in the Town of Milford. In February 2003, Daquaam announced a financing package [see 26 February 2003 issue]. In April 2003, Canfor purchased Daquaam, headquartered in Sainte-Foy, Quebec, to give it a greater presence in eastern Canada and the US Northeast.

On 15 April 2004, MDOT announced an IRAP award to Daquaam for a new siding and yard track at the facility [see 27 April issue].

**Canfor rethinks the mill**

In April 2004, Canfor purchased Slocan Forest Products. Canfor CEO Jim Shepard told the analysts that the Slocan purchase is forcing a rethinking. “It’s an element of timing here. We need to get a lay of the land, and where these various opportunities are in this bigger company called Canfor.” {Vancouver Sun and National Post 24.July.04}

Lee Koonfer, Canfor spokesperson, said on 29 July that the company was thinking whether the Costigan facility now fit, “as far as distribution of assets.”

**West coast shipping lumber**

Canfor also announced that due to rail congestion, it was putting lumber on ships for passage through the Panama Canal to the US East coast for delivery. However, said Koonfer, this would not affect any lumber traffic moving by rail into the Atlantic Northeast. The ships would deliver into the southeast United States. {ANR&P discussion 29.Jul.04}

---

**MASSACHUSETTS**

**HIGHWAY SALT - BOSTON**

27 July, Boston. **THE COMMONWEALTH WILL NOT SEEK BIDS FOR SALT THIS YEAR**. Instead, said Ron Whitaker, procurement team leader of the operational services division (OSD) vehicles & related services for the Executive Office of Administration and Finance, he will, as in 2003, negotiate new prices. He decided this because of the high bids New Hampshire [see 13 July issue] and New York received. Massachusetts can do this again in 2005, but then must bid in 2006. He plans to look at whether to extend the contract in February or March 2005, and make a decision “right in June” 2005 whether to extend, or to go to bid that year.
**Potential prices**

Whitaker acknowledged that the salt companies, who gave the Commonwealth price reductions in 2003, had been hard hit by the increase in ocean transport costs. The contracts have a clause permitting the companies to notify the Commonwealth of potential price increases due to transportation costs. That could amount to $10 per ton. {ANR&P discussion}

**Use of Boston harbor facilities**

Deb Hadden, Massport Maritime deputy director property & transportation, said that the state Department of Environmental Protection had said earlier that it intended to resolve the ‘salt dispute’ prior to the coming winter. DEP, relying on a Massachusetts statute requiring covered facilities (too costly for seaside sites) [see 13 July issue], agreed to involve Massport and other stakeholders in the process.

DEP suggested that Massport conduct a salinity study at its potential road salt marine terminals to determine, from a scientific standpoint, whether or not they are located in an estuary and therefore subject to the statute. “This study is underway and we expect to have results in about one month. I believe that Eastern Minerals is conducting a salinity study as well, although their scope and focus appears to be slightly different that ours.” {e-mail to ANR&P 28.July.04}

**BAY COLONY RAILROAD**

16 July.  **THE MBTA DECIDED TO CANCEL THE BID PROCESS FOR THE MILLIS BRANCH**, after an eighteen-month ordeal. Working through its agency Transit Realty Associates (TRA), the Massachusetts Bay Transit Authority (better known as the MBTA, or the T), issued the RFP on 24 December 2003 following a months-long effort to work out the scope of the bid beginning in early 2003 [see 8 April 2003 issue]. After extending the deadline, requesting additional information, and then asking a local law firm to review the bid process [see earlier issues of 2004, ending with 16 June issue], TRA ‘determined it is in the MBTA’s best interest to reject all bids and cancel the bid process.’ It will start all over again. {ANR&P discussion with Lorna Moritz of TRA}

**Comment from current operator**

Bernie Reagan, vice-president of marketing for the BCLR and one of the two bidders, noted: ‘Because the process aborted at the stage of determination of bidders qualified to operate, it is apparent they did not feel able to make that determination. Consequently the financial bids which were to be considered only for qualified bidders were returned unopened. The Bay Colony Railroad has operated to Newton since 1982 and Millis since 1987 and would obviously seem qualified to continue. Naturally we are disappointed with the outcome because we had hoped to obtain recognition for this obvious qualification and enter into a long-term arrangement which would allow us to implement a desperately-needed prudent and privately-funded capital improvement program for the line. We are still hopeful that we can find a way to accomplish this.’ {e-mail to ANR&P 20.July.04}

**Comment from other bidder**

Chris Podgurski, president of the Charles River Railroad, the other bidder, wrote: ‘Myself and the balance of the Charles River Railroad team were quite disappointed to learn of the MBTA's decision to exercise the "right to refuse any and all proposals" clause to both parties. There are many issues that are afloat in their decision-making process as I have learned, specifically with the seeking of Freight Operators. This is something that the MBTA and its consultant TRA, are entirely unfamiliar with. To our knowledge, this is the first Invitation to Bid that has been offered in some time, if ever. The existing operator has been there since 1996 with no actual agreement. The MBTA is compelled under MGL CH 161 A, s.5 (c) to seek the best for the Commonwealth. That did not happen here. We are looking forward to responding to the "new" RFP when it is advertised. Hopefully the issues that "derailed" the first one are dealt with in an expert and proficient manner.

‘In addition, we are actively seeking any other Shortline opportunities that lie in this region.’ {e-mail to ANR&P 20.July.04}

**CSX TRANSPORTATION**

21 July, Boston.  **THE MASSACHUSETTS LEGISLATURE OVERRODE THE VETO OF THE CHAMPION CITY AMENDMENT**, apparently barring the company [our Directory #313] from constructing a municipal waste facility [see 1 July issue]. The Senate voted 32-6, the House overwhelmingly to override, mostly along party lines. The new law, which was an outside amendment [see 1 July issue for text] to the state budget, went into effect immediately and is retroactive to 1 July. “For all intents and purposes, this project is dead,” said state Senator Brian A. Joyce (D-Milton).

**Project still alive?**

"It's just another tool in our basket to siting that there," state Senator Robert Creedon (D-Brockton) said. Creedon said Champion City Recovery has several legal options. It could take its case to court to get the proposed trash transfer station built or file legislation to get the law repealed. "We live in a world of two, four, six, eight, everybody litigate. The courts are open to everybody."
Jack Walsh, president and chief executive officer of Champion City Recovery, said the law is flawed and therefore does not apply to his company's project. “Our project is still very much alive. This legislation does not stop our intent to cleaning up an historically-polluted site. We have been told by a number of people at the DEP that this legislation does not impact our project and they will continue to review our submittals.”

Walsh said the legislation is flawed because the language references a site assignment by the DEP. A local board of health is actually that issuing authority, not the DEP. {Jennifer Kovalich in Brockton Enterprise 22.July.04}

But state Representative Geraldine Creedon (D-Brockton) [the two are the only husband and wife to ever serve in the General Court together–editor] said that the language referencing a site assignment by the DEP [“by the department of environmental protection”] was struck from the amendment before the governor vetoed it. {ANR&P discussion 29.Jul.04}

DEP position
According to David Ellis, chief of DEP's Solid Waste Management section, department attorneys are reviewing the situation, and probably won't have a decision for several weeks. {ANR&P discussion 29.Jul.04}

GUlfORD RAIL

21 July, West Cambridge. GUILFORD IS STILL SERVING NEWLY WEDS FOOD from the West Cambridge Yard, though the other customer served from there, Coop Reserve, departed [see 13 July issue]. Dave Curran, Newly Weds [our Directory #210] traffic manager, said airslide cars still arrive into his building, but only once a week, “at best, we used to get service twice a week.” Unlike Coop Reserve, “we are looking to stay, and asking Guilford to service us better than they currently are.” The price of service has increased but that cost is paid by the suppliers.

Rail traffic has dropped
The company uses around 85 million pounds of flour a year. Due to service issues, Curran said, the number of carloads he receives has dropped from a peak of 299 cars in 1997. “We could do 330 a year.” In 2002 he received 283, and in 2003 212. “We have to make up the difference in trucking...a pretty expensive proposition.” [Assuming 120 tons per car, and 300 cars a year, rail would supply 72 million pounds. Editor]

General problem
Newly Weds lies in Watertown, the only customer on a long spur out of the West Cambridge Yard; the spur formed part of a branch to Waltham, which was severed. Later Americold [our Directory #220] left and the west end (Bemis Branch) was abandoned [see 1 December 2000 issue]. GRS formerly served the West Cambridge Yard by running down from Ayer on the T’s Fitchburg line; now that only Newly Weds remains, GRS will either run down from Ayer or bring cars to West Cambridge out of Boston.

Despite the difficulty of service, Curran did not think that moving to another location would help. According to connections he has with other customers, “the entire customer base is suffering” from Guilford’s lack of equipment and lack of manpower.

He knows of one customer right next to the yard in Ayer which cannot get adequate service. {ANR&P discussion}

6 July. SECURITY CONCERNS FORCED GUILFORD TO REQUIRE PERMITS FOR ALL INBOUND FREIGHT to metropolitan Boston destinations. On this day it issued the following embargo.

Embargo Effective Date: 07/06/2004 23:59
Commodity: all commodities - by permit only

Destination Gateway or Territory:

To, From or Via the following station(s)/FSAC Number(s), State(s) : Boston, MA 70, Boston, MA 588, Boston, MA 90, Somerville, MA 586, East Cambridge, MA 93, Edgeworth, MA 185, Melrose, MA 420, Danvers, MA 144, Wakefield, MA 705, Everett, MA 753, Malden, MA 401, Saugus, MA 605, East Saugus, MA 178, Chelsea, MA 109, Revere, MA 570, Lynn, MA 384, Salem, MA 597, Peabody, MA 521, Danversport, MA 145, Somerville, MA 585, Cambridge, MA 96,

Cause: Due to heightened security concerns surrounding the Democratic National Convention

Exception: Traffic will be allowed on a permit basis only. Contact Jeff Miller, Director Stations, 978-663-1080, fax 978-663-1237, rmiller@guilfordrail.com between the hours of 8AM and 5PM Eastern Time. {Embargo Notices for: 07/06/2004 Consecutive Sheet:113, Embargo Number: 2-04}

Cancellation
GRS apparently cancelled the embargo on 23 July. {Embargo Notices for: 07/23/2004 Consecutive Sheet:125, Embargo Number: 2-04}

HOUSATONIC RAILROAD

23 July, Old Lyme CT. **HRRC IS LOOKING AT FUTURE TRAFFIC GROWTH**, despite losing hundreds of carloads as Kimberly-Clark shuts diaper production at New Milford [see Connecticut]. Ed Rodriguez, executive vice-president, said the proposed waste facility in Pittsfield, Massachusetts is almost through most of permitting, but would not come on line before the end of the year [see 5 January issue].

He is also actively working with Unistress to develop rail business into that facility, at the end of the Coltsville spur north of Pittsfield [see 26 February 2003 and 6 May 2003 issues]. HRRC is also pursuing several other possibilities, which he declined to describe at this point. {ANR&P discussion}

FALL RIVER

21 July. **APPLICATIONS TO DO THE FINAL DESIGN FOR THE NEW FALL RIVER STATE PIER** [our Directory #289] were due this day [see 20 January issue]. According to the request, issued by the Commonwealth Department of Capital Asset Management:

**General scope of work**
Completion of a certifiable building study for the redevelopment of the Fall River State Pier for a state-of-the-art multi-use maritime facility. The Fall River State Pier is a state-owned Designated Port Area (DPA) facility controlled by the Waterways Division of the Department of Conservation and Recreation Management (DCR) in the heart of Fall River’s harbor district.

**Existing Use**
The Fall River State Pier is located at the eastern shore of the Taunton River at the foot of the Charles S. Braga Bridge (I-195). The Pier occupies approximately 374,000 square feet bordered by Water Street to the east, Battleship Cove complex to the north and two primary berthing areas to the west and south. The Pier is
composed of a concrete retaining wall, asphalt surfaced, solid fill, with timber pile, and a concrete deck extension along the south berth (600 linear feet) and a portion of the west berth (390 linear feet). The Pier houses a 96,000 square foot cargo transit shed to the south with a loading platform on the north side of the shed and a small parking area. Three CSX rail spurs are present on the property running into the site from the east. Two active rails are north of the transit shed and one less active rail is south of the transit shed. They are used for rail-to-truck transfer of steel and other cargo. Battleship Cove, a 70,000 square foot complex serving as the permanent home for the USS Massachusetts, submarine Lionfish, and six smaller buildings (totaling 18,700 square feet), is located along the northern end of the Pier. Three large bridge supports visually and physically dominate the site. The remainder of the site is paved open area. Due to the history of the site, it is anticipated that the presence and remediation of hazardous materials will be an important factor in planning and implementation of the project.

Proposed Use
In 2003, a comprehensive cost benefit analysis was performed presenting the economic feasibility of transforming the State Pier into a two-level state-of-the-art cargo/cruise/public access facility. The analysis provided a conceptual design of a 60,000 square foot, two-story structure. The first floor concept depicted a highly developed cargo facility to meet the needs of current and future coastal shipping technology. The second floor concept considered cruise operations and supporting uses as allowable under Chapter 91 such as office, restaurant, and exhibition space as well as a small performing arts area.

Scope of Work
The study will review and define the scope of the proposed program and construction budget and develop a final program, budget, and scope of work for design and construction. The study will be structured in phases of informational gathering, analysis and conceptual options. The work will be accomplished in progressive stages to be determined by DCAM. The study process will require particular attention to the Seaport Advisory Council and a community steering committee selected by the Seaport Advisory Council to ensure close cooperation with the City of Fall River and other stakeholders through attendance/presentation at advisory meetings. Attention and understanding of waterway traffic, homeland security, and waterfront development will be essential. The Designer shall work collaboratively with DCAM and the Massachusetts Seaport Advisory Council. Workshops will be conducted at key points in the process to present and review information, generate ideas, solicit feedback and expedite decision-making. {Department of Capital Asset Management website}

Selection of designer
The request stated that the Designer Selection Board of the Commonwealth will make the selection. Rick Armstrong, executive director of the Seaport Advisory Council, expected the selection, or the creation of a short list, at the next monthly meeting of the Board on 8 September.

Funding
Armstrong said the Board had okayed $200,000 for the design thus far, and will decide next week on an additional $300,000, which should get the process up to, but not include, preparation of engineering drawings and bid documents for the construction. That $500,000, plus at least $16 million toward the expected construction cost of $20-$25 million, will come from the Seaport Bond Bill. Additional funding may come from Massachusetts Development Agency bonds. The Seaport bonds are general obligation, paid from general revenues; the Development Agency bonds will be repaid by pier revenues. {ANR&P discussion 28 Jul.04}

NEW BEDFORD
29 July. **FUNDING TO DREDGE TO THE NORTH TERMINAL** should be approved by the Seaport Advisory Council [see 20 January issue] at its 5 August meeting, according to Rick Armstrong [see Fall River]. The $5 million work, to occur this autumn, will open the North Terminal north of the Route 6 bridge. The contaminated dredge spoils will pass through the EPA dewatering facility [see 1 July issue and map in 13 May issue].

Without the dredging, New Bedford could not accept salt ships, and herring ships were leaving for other ports. The Fairhaven Shipyard and DN Kelly, both maintenance yards, saw a work slowdown because the larger ships could not reach the piers in Fair Haven.

The Fairhaven business community contributed $200,000 toward this effort as a local match. {ANR&P discussion}

NEW HAMPSHIRE

HIGHWAY SALT
For the New Hampshire districts [two and four–see 13 July issue] it won, Cargill’s handler, Barrett Trucking, has superb covered storage facilities for salt at White River Jct VT and Rockingham VT, both just across the Connecticut River from New Hampshire. {e-mail to
ANR&P from Cargill’s Ken Ellen 22.July.04

VERMONT

HIGHWAY SALT
29 July, Montpelier. **VERMONT POSTED A REQUEST FOR BIDS FOR FIVE DISTRICTS** on its website, which are due 20 August: 1, 2, 3, 8, and 9. Judy Jamieson, who is handling the bidding, said she had negotiated about prices with all 2003 suppliers. She ended up extending four districts: 4, 5, 6, and 7. The price adjustment for the extension ranges from 2.6% to 5% increases for the extended districts. In the other five districts, the offers to extend were too high, so she put them out to bid. {ANR&P discussion 30.Jul.04}

NEW ENGLAND CENTRAL
29 July, Hartland. **NECR IS GETTING READY TO INCREASE SPEED THROUGH THE DERAILMENT SITE** here. On 3 July GRS train apparently derailed one car at Evart’s Crossing, dragging it south for 4.5 miles to the north switch of the Hartland siding (no customers here). At the switch, seven cars ended up on the ground just north of the lumberyard. The dragged car damaged the track enough to halt all rail traffic for two days. {Eric Francis in Rutland Herald 3.July.04}

As of this day, the stretch still has a slow order to 10 miles per hour, but that should increase next week following additional track work, said Charlie Moore, regional vice-president, RailAmerica’s Atlantic lines (of which NECR is one).

General manager position
Moore said he is interviewing candidates for the NECR general manager position, vacant since the departure of Jim Anders in May. {ANR&P discussion}

QUEBEC/MARITIMES

CAPE BRETON & CENTRAL NS
22-27 July, Cape Breton. **STAKEHOLDERS DISCUSSED WHETHER THE LINE ON THE ISLAND WOULD SURVIVE**. Prior to a planned meeting on 27 July, CBNS General Manager Peter Touesnard told customers and employees in a 21 July letter that the railway hasn't found enough business to sustain the 98-mile portion of its rail service in Cape Breton and is once again considering an application to discontinue service. The application to the Nova Scotia Utility and Review Board would take about eight months and in the meantime, the railway will make every effort to sustain the Cape Breton part of its service.

The company initiated abandonment in 2002 [see 3 May 2002 issue] only to withdraw the application when coal traffic from Sydney to Trenton for the Nova Scotia Power (NSP) generating station there appeared [see 26 March 2003 issue]. The agreement to move coal covered only one year beginning in January 2004. NSP announced in October 2003 that it would build a coal terminal at the Strait of Canso which would begin operation in March 2005 [see 31 October 2003 issue]. The company would then not need to haul coal from Sydney by rail.

**Could the line haul coal from the Strait to Sydney?**
According to Don Macleod, secretary of the advocacy group Transport 2000, ‘The largest colliers afloat can easily enter the Strait of Canso and safely berth there. This is a big advantage over Sydney where a ship’s draft is limited to around 35 feet which would be colliers in the 50,000-ton range. The advantages of a new terminal at Point Tupper and the economy of ships offloading in excess of 300,000 tons each trip may make it very attractive for NSP to use Point Tupper exclusively for all their coal imports.’ {e-mail to ANR&P 27.Jul.04}

Though NSP spokesperson Margaret Murphy mentioned that possibility in October 2003, coal moving that way would not happen initially. When Logistec and CFQ purchased the rail line delivering coal to NSP’s Lingan generating station, and leased the International Pier where the coal lands, NSP gave Logistec and CFQ a ten-year agreement to handle coal and petcoke for both Lingan and the Point Aconi stations (coal is trucked to Point Aconi). [See 27 January 2003 issue.]

Abandonment discussed again
On 22 July, Touesnard said, “There are some things we are trying to work on but we haven't been able to secure anything definite. So we
are once again at that state where we are contemplating an application to the (Nova Scotia) utility and review board.” As in 2002, CBNS would apply for discontinuance and abandonment of service on that section of rail line. The board would then determine a time line; it does not have authority to refuse an abandonment. The rail line needs approximately 5,000 carloads a year on that section of rail to keep it viable.

“So we are looking beyond the coal and certainly what we see today there are opportunities but nothing concrete. So given the long lead time, that is why we are considering seriously starting that process (application to abandon) again. We have been talking to Nova Scotia Power and the province and they are aware we are getting close to a decision but the bottom line is we don't have anything (major contract) on paper,” Touesnard said.

Don Rowe, chair of the transportation committee for the Sydney and Area Chamber of Commerce, said on 24 July he is not hopeful for the service to continue. “As far as I'm concerned, it is going to be gone. The local people are working their guts out to try and keep it here, but it doesn't look like they are going to be moving any coal.” {Tom Peters in Halifax Herald 24.July.04}

Not so fast, says government

Nova Scotia Minister of Energy, Cecil Clarke, MLA for Cape Breton North and the minister who fought hard to save the line in 2002 and 2003, was reported as very upset with what he called a premature announcement by Touesnard.

On 27 July, Clarke met with CBNS customers. He said later the users looked at the current situation and the potential business volume for the line. “As the letter from Rail America indicates, there is nothing at this time that indicates a lack of opportunity.” The process of gaining business will require “scoping out the Cape Breton County component in terms of the local user group and their business analysis.”

Clarke was confident the rail service would survive beyond the one-year plan he brokered in March 2003. “I staked my name and reputation on it before and I will do the same again: on continuing rail service here on this island. There are more opportunities than impediments to rail service on the Cape Breton portion of the line.”

New opportunities, Clarke said, may arise as a result of reclamation mining or potential development of the Donkin mine site, the tar ponds cleanup, the Sysco site redevelopment, CN transshipments through the Port of North Sydney and the use of the track by Via Rail. Via operated the tourist train Bras D’Or once a week from Halifax to Sydney in 2004, and planned to increase that use to twice a week in 2005.

Although NSP said it has made no decision on the renewing the contract with CBNS, Clarke said “what I have received from Nova Scotia Power is an ongoing interest for access to rail as a transportation means for the supply of coal to its facilities.”

Clarke plans to meet Touesnard on a date not yet set, to talk about potential customers, including Nova Scotia Power, and to get the railway thinking in terms of a five-year plan and 10-year forecast rather than the kind of one-year deal brokered in 2003. {New Glasgow Evening News 27.July.04; Chris Hayes in Cape Breton Post 28.July.04; Tom Peters in Halifax Herald 28.July.04, courtesy of T-2000}
INDUSTRIAL TRACK SERVICE CORPORATION

“Experienced and Professional”

RAILROAD CONTRACTORS

- Maintenance and Repair
- Track Inspection
- New Construction
- Engineering and Design
- Frog and Switch
- Point Welding

P.O. Box 488
Stoneham, MA 02180
itsrrcorp@aol.com
781-933-0407

FREE track inspection and analysis

ATLANTIC NORTHEAST RAILS & PORTS

162 Main Street
Vox (207) 846-3549
Yarmouth, Maine 04096
Fax (775) 854-2476
www.atlanticnortheast.com

Chalmers (Chop) Hardenbergh, publisher and editor
C_Hardenbergh@juno.com

Frequency and the e-bulletin

ANR&P appears at least four times a month. We send a formal issue twice a month, via post or e-mail. Between the issues, we send out the e-bulletin, only by e-mail. All information in the e-bulletin is included in the issue.

Pricing

Subscriptions cost $375 for professionals, $105 per year for students, young and old. Introductory prices available. The e-bulletin, sent by e-mail as needed between issues, is free of charge to all subscribers.

Advertising

Subscribers may purchase half-page ads for $50 per issue. Non-subscribers, $100.

E-ISSUE