*Article unchanged from e-bulletins.

**REGIONAL ISSUES**

**GRS/PW:** Negotiating new rates for coal.

**Feeder ship:** Clarke buys Shamrock, ending SPM feeder serve to Portland, Boston, Halifax. Swallow starts new service with new ship. Photo of new ship. Details on Clarke/Halterm relationship.

**Logistec:** Revenue up.*

**CPR/NS/CN:** New service starts 19 November.*

**Pan Am:** Routes transferred to Boston-Maine.*

**CONNECTICUT**

**CSXT/PW/GRS:** Update on C&D facilities.

**New Haven:** Port Authority discusses barge service.

**MAINE**

**GRS:** Two rail projects north of Madison: quarry and lumber shipper. Bakery product shipper in Portland.*

**MERR:** Status of Dragon project.*

**MMA:** New shipper in Fort Fairfield, three others possible.

**MASSACHUSETTS**

**EOTC:** Three possible rail freight studies.

**GRS:** Peabody wondering about HCl embargo.*

**Boston:** Record gate moves.*

**Boston/CSXT:** US Gypsum renews deal in harbor, opens new facility in Westwood.*

**New Bedford/CSXT:** Corps not awarded dredge contract yet.* Truck move winding down.*

**NEW HAMPSHIRE**

**GRS v MBRX:** Granite State and MBRX to appeal STB decision.*

**Nashua commuter:** More details.*

**Portsmouth:** Arain feeder service still coming.*

**RHODE ISLAND**

**PW:** FRIP may permit T to stop at Warwick.

**QPD:** Voters pass bond issue.*

**VERMONT**

**GRS v NECR:** Dispute about costs of derailment.*

**MARITIMES/QUÉBEC**

**CBNS:** Daily coal trains. Utilities and Review Board sets abandonment hearing for 15 December.

**Halifax:** Dredging, China trade.* Halterm income declined.*

**VIA:** Eastern services declined.*

See New Hampshire for Portsmouth service.

**RAIL SHIPPERS/RECEIVERS**

A cross-reference to companies mentioned here.

**PEOPLE, POSITIONS, EVENTS**

Charles Hunter, Patricia MacDonald, Dawn Terrill.

*Question for readers*

Do you like having the table of contents in the body of the e-mail? An enticement to open the attachment?

This issue has 14 pages (hardcopy), making up for the ten-page issue last time.

- Chop Hardenbergh

Next issue: 3 December.
REGIONAL ISSUES

GRS - PW - COAL TRAINS
12 November. **GRS WANTS 30% MORE TO MOVE THE NU COAL TRAINS** from Gardner to either Bow NH or Mt Tom MA, according to sources close to the stakeholders (PW, GRS, Northeast Utilities). [Some increase in fees makes sense given the rise in diesel prices, but only a single-digit percent increase in the overall fee. *Editor*]

**The coal move**
While no one was willing to speak on the record, officials who know about the coal move said:

*Coal by truck.* A considerable amount of coal already moves by trucks, which are loaded at the same spot as the railcars at Provport. About 40 trucks a day are loaded, or 1200 tons. The truck move actually costs less than the rail move.

*The price negotiations.* PW, GRS, and NU are negotiating the rates for next year. “As negotiations continue the price may fluctuate.”

Bow and locomotive use. The price for the rail move to Bow is currently too high. “I don’t think you will see rail moves to Bow after the first of the year,” said one. [That means the coal will land at NU’s Schilling Station in Portsmouth, which receives coal by ship, and be drayed to Bow; NU used this method until ??, when it began rail moves.]

PW offered GRS the use of its locomotives for the move from Provport to Bow, if the locomotives ran via Barber’s (the Worcester interchange between CSXT and GRS) and Ayer to Bow. Since the Bow cars use rotary dump, the train would have a quick turn-around. However, GRS turned down the use the locomotives. [officials’ e-mails and discussions with ANR&P 18.Nov.04]

**HALIFAX-PORTLAND-BOSTON**
The SPM feeder service among Halifax, Boston, and Portland stopped in July when the Shamrock was impounded. A new service will replace the former, using a different ship. The Shamrock will apparently go elsewhere.

12 November, Portland. **CLARK INC. WON THE BIDDING FOR THE SHAMROCK**, the 425-TEU container feeder vessel seized by the US Bankruptcy Court in July, with a bid of $11.05 million [see 17 September issue: *Maine*]. It remained in Portland harbor since then, ending the feeder ship service.

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Containership *Ossian*. Currently chartered by Eimskip under the name *Manafoss* (named after a waterfall in Iceland) and sailing along Iceland’s coast. Swallow (see accompanying article) will charter it for the Halifax-Portland-Boston route under the name *Ossian*, a name the German owner gave to it after its construction. Builder: Quingshan Shipyard Wuhan, People’s Republic of China. Year of build: 1999. Dimension: 5.537 DW, 100,60 x 18,80 x 6,65 meters draft. Port of registry: Monrovia, Liberia. 505TEUs. [Icelandic ship website]
The sale
Only two bidders, Clarke and creditor Fortis Bank, actually made offers during the brief auction in the courthouse. The bank could have simply bought the vessel back if it didn't get a satisfactory bid. “We would have loved to see more” bidders, said Peter Plumb, a Portland attorney who represented Fortis Bank, but the bank was relieved to have found a buyer willing to pay a fair price. The auction was uncertain because the ship was built specifically for the New England trade route and may not be suitable for other routes, Plumb said.

The federal judge in the foreclosure case is scheduled to approve the sale 19 November, as long as Clarke makes the necessary payments and no one involved in the case files a legitimate objection. Assuming the sale is approved, the court can then take up the issue of how to divide the $11 million. Some of those who are owed money, including the crew members and the city of Portland, are expected to be paid first. The city is owed about $11,000 in docking fees. {John Richardson, in Portland Press Herald 13.Nov.04}

The sale of the ship raises questions:

Fate of SPM Container Lines?
SPM Container operated the Shamrock as the feeder vessel, and used SPM Marine as its agent in Halifax. Roger Swallow of SPM Marine said he understood that the owner of SPM Container is looking to charter another vessel.

Fate of St.Pierre Ro/Ro
Each week when not on the Boston trip, St.Pierre Ro/Ro operated the Shamrock as the feeder vessel between Halifax and St.Pierre (a colony of France off Newfoundland). Swallow understood that since the impounding of the Shamrock, a St.Pierre company is using another vessel, the Asconia, to serve the colony. {ANR&P discussion 15.Nov.04}

New feeder service?
Jack Humeniuk, who manages Portland's container operations, doubted that Clarke's plans include a return to Portland. The company doesn't appear to have any local business agreements. “If you spent $11 million on a ship, wouldn't you have talked to somebody ahead of time? I don't think he's talked to anybody on this trade route. I just think that they probably have a deal someplace else for this ship.”

Humeniuk was confident that, whether Shamrock does business in Portland again or shipping companies have to find another vessel, the city's container terminal will be back in business before long. Ultimately “it's not the Shamrock that drives the service.”

Many Maine companies that import or export cargo hope for return of container service. Elmer Alcott, vice president of Nappi Distributors in Portland, said he hopes the sale means his company's imported beer will soon be coming to Portland's waterfront again. “It's great to use Portland. That's our home port.”

Fate of Shamrock
Vrege Armoyan, the bidder who represented Clarke at the auction and the brother of Clarke's CEO, said the ship may run between Halifax and Portland again, but that no definite trade route is set. “We have a bunch of alternatives. Nothing's finalized yet. It will be one of the options we have. We are seriously looking at that.” He also would not make any commitment about the future of the crew that has been living on the ship in the harbor for the past several months. “Of course, they're very familiar with the ship,” he said, hinting that they are likely to keep their jobs. {John Richardson in Portland Press Herald 13.Nov.04}

MORE ABOUT CLARKE, NCC, AND HALTERM
Headquartered in Etobicoke, Ontario, Clarke Inc. is one of Canada's leading providers of intermodal, highway and logistics services throughout North America. It has subsidiaries Clark Transport (trucking) and (formerly) Clarke Logistics, recently acquired by another Canadian company, PBB Global Logistics (which began as Peace Bridge Brokerage). Per the website, it does not own or operate any ships. {Clarke and PBB websites}

Clarke association with Halterm
Halterm, the containership terminal operation using the South End Terminal of the Halifax Port Authority, commenced operations in 1969 as a joint venture between Clarke Transport Canada, CN, and Halifax International Containers (Halicom), a partnership of the Province of Nova Scotia and the City of Halifax. The partners created the terminal to service the needs of Dart Container Line (Dart), a shipping consortium affiliated with the Clarke group of companies. At the time, Dart deployed three ships to carry containerized cargo between the United Kingdom, Europe and North America, using Halifax as its east coast Canadian port-of-call.

By 1971 a new 58-acre container terminal, Pier C, had been constructed and by 1972 the Terminal was operating with two ship-to-shore gantry cranes, two ship berths and the required support equipment. In 1974 a third ship-to-shore gantry crane was added.

In 1981, Clarke was acquired by Newfoundland Capital Corporation (NCC) which became the managing partner of the joint venture. By 1984, Halicom had terminated its participation.

The Terminal has undergone two significant capital expansions since its inception. In 1984 the operating system of the Terminal was renewed at a cost of approximately $10 million. This changed the handling system from a straddle carrier system to one which employed rubber-tire yard gantries, yard tractors and chassis.

In 1991, a fourth ship-to-shore gantry crane and related support equipment was added at a cost of approximately $15 million. In addition, the Terminal was expanded significantly with the addition of a new 12-acre working pier, Pier B. This expansion increased the total area of the Terminal to its present size of 70 acres and added a third deep-water berth.

In 1997, the Halterm partnership was sold to the public as the Halterm Income Fund. CN and NCC were hired to manage the terminal under a fifteen-year contract.
A NEW SHIP WILL BEGIN FEEDER SERVICE ON THIS ROUTE. The Halifax-based firm HALSHIP Inc. will charter the ship Manafoss [see photo for complete details] and, beginning in mid-December, use it to move containers among Boston, Portland, and Halifax, the same route handled by SPM Containershippers. ‘HALSHIP will offer a weekly, fixed-day service upon which New England area importers, exporters, and the Ocean Carriers that they patronize, have come to utilize as their principal link with all major venues across the Global Marketplace.’ Contact: Roger Swallow. [Halship press release]

According to sources, Hapag Lloyds, the carrier which provided the traffic for SPM to Portland, will sign a contract with Halship in the next few days. [ANR&P discussions]

More facts
Based on a discussion with Swallow:

More about HALSHIP. Swallow is president. He declined to state whether he had partners, or whether he created the firm to fill the void left by the loss of the Shamrock. [I assume that he did take the ball and run with it. Editor]

Swallow confirmed the statement in the announcement, that a new company HALSHIP Inc (HI) is created. HI will operate the vessel. HI is not to be confused with the shipping agent Halship, part of Seabridge (HS).

Service to St.Pierre. Shamrock did the southern loop, and also served St.Pierre. Swallow said he would start up on the southern loop but look for other lanes to serve as well.


What carriers will use the service. Like the Shamrock, Swallow’s service will call both Ceres and Halterm [4,000 containers annually in Halterm–see Quebec/Maritimes] in Halifax. He is talking to all carriers which used the Shamrock, and believing “they will all come back.”

Future of SPM Marine International. Swallow’s former agency, which served SPM Container Line in Halifax, is now “dormant.” [ANR&P discussion 18.Nov.04]

Regional - Logistec
4 November, Montreal. Logistec revenue grew despite problems in Saint John, ‘by $4.7 million to $50.8 million, compared with $46.1 million in the third quarter last year.....”These results are very encouraging because for a second consecutive quarter, Logistec is posting a solid financial performance. We benefitted from the contribution of Tertom, our Montreal (QC) container terminal, for a full first quarter since more than a year ago. Our Sanexen subsidiary posted strong growth not only in its PCB management and site remediation business, but also in the rehabilitation of underground water pipes using its Aqua-Pipe(R) technology,” said Madeleine Paquin, president and chief executive officer.

‘[A]s announced [see 1 October issue], the Saint John terminal will be affected by its largest customer’s closure in mid-September 2004: the pulp and paper mill in St. Anne-Nackawic (NB). On an annualized basis, the business generated by this customer at this terminal accounted for some 2.5% of Logistec’s total revenue.’ [Logistec press release]
attempt to break the union. “They continue to do exactly what the court said they couldn’t do under the Railway Labor Act.” Migliore said the terminated pilots were not given the option of flying for Boston-Maine and were told in a 14 October letter from Pan Am that they would be terminated 31 October.

Migliore accused the carrier of defying a ruling, handed down recently by Concord-based U.S. District Court Judge Joseph DiClerico. In his ruling, the judge said Guilford’s attempt to shift work from Pan Am to Boston-Maine is “a direct attempt to destroy a union.”

Hearing
“This is contrary to what the court ordered. That’s why we’re going back to court,” Migliore said. The court proceeding, to hear the unions’ argument, is scheduled in U.S. District Court, Concord, on 5 November.

Impact on Pease
David Mullen, the Pease Development Authority’s deputy director, said, to the best of his knowledge, Pan Am’s Pease-based maintenance, which also houses Guilford’s corporate headquarters and Boston-Maine, remains operational and that the parent company continues to honor its contract with the PDA. Guilford’s 20-year lease began 1 September 1998 and will end 31 August 2018.

Mullen acknowledged Pan Am, as an airline, is no longer flying from Pease. “We really weren’t brought into the picture,” concerning Guilford’s decision to end Pan Am as a commercial entity. The only information the PDA was given came as the result of a recent e-mail from John Nadolny, in which the Guilford attorney indicated Boston-Maine would continue to fly from Pease. Mullen said at this time the Boston-Maine flight schedule from Pease Airport is “somewhat limited.” {Jerry Miller in Manchester Union Leader 3 Nov.04}
He added that funds would also be needed to subsidize the New York barge operators for the first year or two. Fernandez suggested that the Port Authority could use its bonding power to acquire the equipment and lease it to the operators.

The importance of timing in continuing to pursue a feeder barge operation was discussed, with points being made for both initiating the effort in the near future and waiting until Bridgeport's program gets underway. Fernandez pointed out that Westchester Motors already does a lot of trucking business with the Port of New York.

Piscitelli distributed copies of the feeder barge study that had been drafted several years ago for New Haven's application for funding to the State. Chair Ian Solomon asked Russo to review the study.

Other matters
Solomon connected the survey results to the four goals the board has set for the Port Authority: to address issues regarding sufficient land, access, services, and community interest. Interviewees expressed concern about the lack of laydown area, as well as about harbor dredging, I-95 project coordination and port security. He asked that use of the Foreign Trade Zone be further researched and suggested that the Port Authority get more involved in coordinating the I-95 project with the port businesses. Fernandez pointed out that Commissioner Dick Miller, as director of the City Engineering Department, would be best suited to provide a role for the Port Authority in the I-95 project.

Fernandez added that the long term needs and interests of the Water Pollution Control Authority in the area should be considered. Commissioner Al Paolillo pointed out that he chairs the committee of the Board of Aldermen that deals with WPCA matters. He added that as regionalization of the WPCA progresses it will be important to determine the agency's needs in the port area. {minutes from city}

MAINE

GUILFORD RAIL SYSTEM
15 November, Anson. GUILFORD HAS TWO RAIL PROJECTS NORTH OF MADISON, according to Jim Batey, executive director and developer of the Somerset Economic Development Corporation.

Cousineau, North Anson
In April, MDOT awarded the Town of Anson $563,930 in IRAP funds [see 27 April issue] to rehab the track from Madison to North Anson for lumber shipper Cousineau [see 5 January 2004 issue]. Batey said the rest of the funding for the project is nearly in place, and he anticipates in spring 2005 rehabbing the track. Guilford will do the work. {ANR&P discussion 15.Nov.04}

Traprock quarry, Emden
In early 2004, citizens of Emden were introduced to a proposal by Guilford to open a quarry on a 100+ acre site Guilford owns. In March, the Town Meeting voted against creating a Pine Tree Development Zone which included the quarry.

The vote on 21 June. The Zone came up again at a special town meeting on 21 June. In the face of fierce opposition, a majority of the townspeople voted 38-33 to accept the Zone. Embden will become part of an 11-town regional application (which Batey said on 15 November the state has accepted). Guilford would receive tax incentives to rebuild its rail line, and subsequently begin a mining operation. A fish hatchery that burned in 2003 also is part of the town's Pine Tree Zone application.

At the meeting, David A. Fink, executive vice president with Guilford, and Batey supported the proposal. Batey pointed to the 9-10% unemployment rate in Somerset County; the quarry could employ between 20 and 100 people. “The [Zone] could very well stimulate business investment.”

Fink noted that his company must now prove that a quarry comes under the auspices of manufacturing as outlined in Pine Tree Zone guidelines. The quarried rock will be used to build the rail line. The Zone gives the company incentive to come to Maine and spend money instead of New Hampshire, where they don't have to pay a sales tax. [GRS purchased ballast from Pike Industries in New Hampshire this summer–see 20 August issue New Hampshire.] “We don't see anything that's insurmountable, that's going to cause environmental degradation, or a problem,” Fink said. “This is a process that could add some jobs. And it will take trucks off the road.”

Concerns about environmental degradation near the Kennebec River, noise pollution, and existing private use of the five railroad bridges all fed into the opposition. {Larry Grard in Central Maine Morning Sentinel 22.June.04}

Current work. Raymond Young, chair of the Board of Selectmen, said on 11 November that Guilford was in the process of clearing some of the land and drilling test bores. Its predecessor had purchased the land in 1918 or 1919. He is “thrilled” about the project because of the employment it could provide: “I am of the belief that there are enough regulations and constraints not to damage the environment, and that Guilford will leave it in safe and attractive manner.

Batey said on 15 November that the 10 miles of right of way from North Anson to the quarry site, through which the right of way runs, had no track, so GRS would need to relay it. He believed that quarrying could start next summer if GRS wanted to truck the stone to North Anson prior to completing the trackwork. “We will do what we can do assist them.” He had some things in mind, but declined to discuss them yet. {ANR&P discussion 15.Nov.04}

Benefits of zone. Ken Young, transportation planner at the Kennebec Valley Council of Governments, said on 15 November that businesses in the Zone are eligible for other benefits: employee-tax increment financing, which would allow GRS to recoup the withholding taxes paid to state for employees working there; and a rebate of sales tax on machinery and equipment used there. The town could also create a TIF (tax-increment financing zone) which would rebate some of the property taxes paid by Guilford, but has not yet done so. {ANR&P discussion 15.Nov.04}
**GRS - MAINE**

November, Portland. **GUILFORD HAS ADDED A BAKERY WASTE SHIPPER** here: Megquier Hill Farms. According to the manager of the operation, Dave Edwards, trucks bring imperfect bakery products from the surrounding area, “fresh from the oven...they’re pretty picky about what they sell.” At the facility, formerly used by Durastone, the products are loaded as is (not compacted) into railcars and into trucks for shipment to Megquier’s customer, Griffin Industries subsidiary Bakery Feeds. Edwards estimated since the facility opened two or three onths ago, he loads about three railcars a week; he evaluated Guilford service as “pretty good.”

Megquier began the bakery waste operation about eighteen months ago, and shifted to rail because Griffin wanted product by rail. {ANR&P discussion 10.Nov.04}

**The site**

The building sits on Milliken Street, off Riverside Industrial Parkway, west of the Freight Main but east of I-95 in the North Deering section of Portland. GRS installed a new switch (trailing point facing west, on the west side of the Main) at about Milepost 193, to an existing siding. (GRS has a passing siding on the east side of the Freight Main, from MP192 to MP194.) {NERAIL}

**MORE ABOUT GRIFFIN INDUSTRIES**

Griffin bought a bakery recycling outfind in 1993 and named it Bakery Feeds. This division of Griffin Industries ‘specializes in the recycling of inedible bakery waste such as bread, dough, pasta, crackers, cereal, bagels, sweet goods and snack chips. A total recycling process of drying, cleaning, mixing and milling operations transforms these by-products into a high energy feed ingredient known as Cookie Meal. Cookie Meal is the corn replacement of choice. Whether you represent an integrated poultry, swine or pet food operation, a feed mill or an ingredient known as Cookie Meal. Cookie Meal is the corn replacement of choice. Whether you represent an integrated poultry, swine or pet food operation, a feed mill or an

Griffin, with headquarters in Cold Spring, Kentucky, has plants in 19 states; the nearest Bakery Products facility lies in Honey Brook, Pennsylvania. {company website}

**MAINE EASTERN**

10 November, Thomaston. **THE STATUS OF THE RAIL PROJECT AT DRAGON** was discussed by Russ Spinney, head of MDOT’s multimodal project development; he oversees the administration of the IRAP (industrial rail access program) monies awarded to Dragon [see 27 April issue]. The $708,000 will fund only a part of the $50 million major overhaul of the Dragon plant completed in August [see 3 September issue], which required a $10 million doubling of the through-put capacity.

According to Terry Veysey, vice-president, cement operations, Dragon will do that via: the purchase of an additional 20 cars which hold cement at 30 pounds per square inch, the same as its existing cars; the addition of three more compressors at Atlantic Point to move the cement from the cars to barges; and the purchase of a second, 4,000-ton bulk barge. The compressors will then unload six cars simultaneously.

**Barge in Boston**

Because the bulk barge is not pressurized, Dragon needs a method to unload it when it reaches the Coastal Cement facility in Boston. It is acquiring a barge-based pneumatic unloader, capable of unloading 35,000-ton ships at 450 tons per hour. Its mobility provides flexibility, and gives Dragon the chance to unload larger vessels, or handle other products in the future. “We need that capacity,” Veysey concluded.

**Addition to plan: silo**

Dragon revamped the plan in order to include an 8,000-ton silo for loading railcars only, now under construction. This will separate out the truck loading facility from the railcar loading facility, and make both simpler. The company has hired T.B. Ibberson of Hopkins, Minnesota; Veysey said nearly all bids to build the silform silo came from Midwest contractors.

Spinney said MDOT is helping to fund the silo and tracks at the silo. The department needs to find additional funds to upgrade the half-mile of track leading to the silo.

**Track work**

Dragon is deciding this week between R.T.Ames and Maine Track Maintenance as to who will do the track work. MERR did not bid. Veysey said the railroad will continue to provide all switching for the loading and off-loading operation. “They’ve done a very good job for us.”

**Other products by ship and rail?**

Dragon receives coal for its kilns trucked from South Portland’s Sprague Terminal. The energy company Massey moves it by ship from Venezuela. The coal accounts for only 15% of what Dragon burns. The coal in the past has arrived by rail, and Dragon at this point is talking to MERR about resuming that. Dragon also burns petcoke (85% of the fuel), which arrives by ship at Searsport and is drayed to Thomaston.

Dragon formerly brought in by rail 15 to 20 carloads a year of iron oxide from a Connecticut source. [See issue 99#09.] However, Veysey noted, that now arrives by ship at Searsport and is trucked to Thomaston.

**Low production during the summer/Windsor supply**

The overhaul took longer than expected, Veysey said, and consequently the cement supply became tight. “Not as much in the Northeast as in other parts of country,” but Dragon did need to go to truck to supply its Windsor PQ facility. “Now, in October, we have gone back to rail” to supply Windsor.

All Dragon-owned cement cars (DPCX) stay on the Rockland Branch for the barge operation; Windsor cement uses CN railcars. {ANR&P discussion with Veysey 12.Nov.04; with Spinney 10.Nov.04}

**Tight cement supply**

The United States has long imported about 25% of its cement, said Ryan Puckett, spokesperson for the Portland Cement Association (PCA), a trade group that represents cement companies in the United States and Canada. Much of the cement comes from China, but with major Chinese construction
projects moving ahead, from rural dams to urban skyscrapers, a fourth of the world’s population is now using far more than it exports.

The worldwide shortage began to be felt across Asia first, then hit Florida last year. Since the U.S. construction season began last spring, shortages have been declared in 29 states. Even though 114 U.S.-based mills are running at 100% capacity seven days a week, they aren’t keeping pace with demand. For companies that use the cement to mix the concrete they sell to customers, that means scheduling problems, layoffs, fewer profits and concerns about the future. {Portland Press Herald 13.Oct.04}

Environmental award
On 5 November, Dragon Cement and Concrete received a Governor’s Award for Environmental Excellence for its efforts to reduce greenhouse gases. Joseph M. Koch, president of Dragon, said with the overhaul, “We’ve increased cement production, cut emissions to protect the environment, and also will be able to maintain employment levels at the plant now and well into the future.” Dragon lowered its greenhouse gases for each ton of cement produced by developing a three-part strategy involving its manufacturing process, raw material inputs and product promotion, according to Ann W. Thayer, Dragon’s environmental manager. {Dragon press release} [No mention of the company’s use of rail and barge, but that deserves note as well. Editor]

NIMBYs
On 15 November, a Dragon neighbor filed a lawsuit against the cement plant alleging that their health has been harmed. “We’re not seeking to close down Dragon,” David McConnell, attorney for the family, said, but to change its practices. The Darneys bought their 24 Old County Road home on 7 March 2002, according to a town office employee. {Leanne Robicheau in Bangor Daily News 16.Nov.04}  

[‘True’ Americans are rugged individuals, responsible for their own fate. Except when something goes wrong. Then someone else is responsible - ‘true’ Americans apparently never make a mistake. Whatever happened to caveat emptor? Editor]

MONTREAL, MAINE & ATLANTIC
29 October, Fort Fairfield. ONE NEW RAIL SHIPPER WILL OPEN BY DECEMBER in the 34-acre McShea Siding Industrial Park on the Presque Isle Road here, with the official groundbreaking this day. Until now, little was happening at the industrial park. In June, town officials asked for bids to rehab the long-abandoned rail line [see 1 July issue] between Fort Fairfield and Easton. Fort Fairfield will become the first municipality in Maine to restore rail service.

Tony Levesque, the director of economic development for Fort Fairfield, reported:

Fort Fairfield, Maine. New customers

New England Grain
New England Grain Company was formed two years ago by Paul Durepo, his son Chris Durepo, and two other partners. Paul Durepo said the company currently purchases grain grown locally as a rotation crop from potatoes and stores it in a facility at the Loring Commerce Center in Limestone. Durepo, also Fort Fairfield’s fire chief, said the rail siding brought the company to the industrial park. They plan a 300-by-100-foot grain storage building directly on a rail spur.

By 9 November, the company had purchased and placed a belt conveyor for loading the grain into rail cars for shipment to buyers elsewhere in the country. “We need rail service to ship grain efficiently,” Durepo said. “It’s first for Fort Fairfield.” Maine Potato Growers also offers the service at a Presque Isle facility.

Durepo estimated he would load 25 cars this winter by trucking grain from Limestone, and in the spring continue with the building plans. {ANR&P discussion 9.Nov.04; Beurmond Banville in Bangor Daily News 30.Oct.04}
Self-storage
Aroostook Self Storage LLC, owned by two friends, has two buildings already under construction. It will open within a month, Stev Rogeski, one of the owners said. Rogeski and his business partner, Jason Barnes, already have two cement slabs in place where their self-storage business will be going up on a seven-acre site in the industrial park. “It's a brand-new company,” Rogeski, who already is the owner of Suburban Electric, said. "It's Fort Fairfield's first self-storage facility. Next year we will build an even larger facility across the road for storage of large equipment and machinery."

Barnes said the $230,000 investment in the new facility is just the beginning. "We are pleased to be able to participate in Fort Fairfield's efforts to revitalize the rail line and the economic development activity that is occurring at McShea Siding. We saw there was a need, and it is a viable pursuit."

Levesque did not foresee the self-storage facility using rail. Its owners saw the potential of locating such a facility in the park, a gateway to town.

More rail shippers coming
“Fort Fairfield is still going, and it's growing,” Shawn Murchison, Fort Fairfield's economic development coordinator, said at the ceremonies. “People are interested in the McShea Industrial Park. People know rail is a great way to ship. They are coming here because it will have a rail spur.” [Beurmond Banville in Bangor Daily News 30.Oct.04]

Tony Levesque, on 9 November listed three potential rail users:

Aroostook Starch. This company, located at 145 Presque Isle Street, is considering using part of the former Atlantic and Pacific Tea Company building at 87 High Street to ship its product by rail. Aroostook Starch would dry its product to 87 High Street, now owned by Atlantic Custom Processing (ACP). ACP uses only the freezer part; the remainder of the building, with doors to three car spots and four truck docks, stands unused. Project funds are rehabbing the siding to the building, and that is almost complete.

Boralex. This company has a wood-burning power plant at Cheney Grove Road. Project funds are building a new siding to the plant, which may remain unfinished when winter sets in. [ANR&P discussion 9.Nov.04] [This will permit Boralex to bring in wood by rail, or more likely to ship out wood residue to other facilities farther south, particularly the one in Livermore Falls. See 21 August 2003 issue.]

Fairmont log shipping? Levesque noted that Fort Fairfield owns, and has repaired, the Fairmount siding, about 8.5 miles south of McShea Siding, east of Christina Reservoir and just after the point at which Fort Fairfield’s ownership begins.

Long logs were formerly shipped from this site. Levesque believes 50 cars a month could move out of here.

Status of construction
Levesque believed that weather may permit the completion of the line only to New England Grain. Maine Track Maintenance, the company doing the trackwork, will finish the rest of the track, to Boralex and Aroostook Starch, in the spring if not this year. [ANR&P discussion]
Boston MPO ‘is finally working on establishing a freight study for the Boston Metro area. Key for rail, in his opinion: the Framingham sub, CSX Boston Cluster, Rail to Conley and the Boston Marine Industrial Park, preservation of freight access on the Fairmount Line (access to South Boston from Readville), and outcomes of the Allston Beacon Yard study.’ Valley-Bartlett said the MPO study would combine rail and truck. {ANR&P discussion 18.Nov.04; Frank Demasi e-mail 5.Oct.04}

GRS - MASSACHUSETTS

28 October, Peabody. THE CITY COUNCIL QUESTIONED THE GRS EMBARGO ON HYDROCHLORIC ACID. Spurred by the accidental acid spill in Somerville in April [see 13 May issue], GRS placed an embargo on rail shipments of hydrochloric acid shipments to Eastman Gelatine [our Directory #201]. Councilor Barry Osborne told his colleagues the embargo will result in 1,200-1,400 additional truck deliveries a year to Eastman Gelatine [see 16 June issue], using city streets.

At his urging, the Council voted to write to the New England administrator of the Federal Railroad Administration, asking if the company embargo was legal. Osborne said he was in touch with Eastman Gelatine and has been told there is no legal basis for the embargo.

Rail customer position

Eastman Gelatine Services Manager Paul Carter, the executive to whom Osborne spoke, said later: “We are working with Guilford, some emergency-response folks, and our suppliers to come up with a delivery plan and get the embargo lifted. We are a few weeks away from ironing out the details, but we should be able to get together on this. The company's plan is, if we arrive at a plan we will notify the cities of Salem and Peabody before we ship acid by rail.” {Jack Butterworth in Lynn Daily Item 2.Nov.04}

BOSTON

9 November. MASSPORT ANNOUNCED RECORD GATE MOVES during the week of 18-22 October at 753/day, breaking the old record set in 1998 of 740. Turn-around time averaged under 50 minutes.

Container volume up

From January through September 2004, overall cargo volumes rose 16% to 1,001,516 tons rose 15% to 101,869 TEUs from 87,892 in the same period in From January through September 2004, overall cargo volumes rose 16% to 1,001,516 tons rose 15% to 101,869 TEUs from 87,892 in the same period in

Boston Harbor facility

The plant on the harbor, which receives gypsum from Canada and makes Sheetrock, has exercised its option to lease adjacent parcels (Mystic Piers 48, 49 & 50) for another six months {see 13 July issue}, until July 2005. Williams said the company is still evaluating whether to use the parcels to expand its Sheetrock production.

Westwood facility: new CSXT customer

US Gypsum has begun using a vacant building in the University Avenue industrial area [see map 6 December 2002 or on website], at 265 University Avenue across from Dartmouth Street. Carloads of wallboard arrive there and are stored in the building, then trucked to nearby distributors.

This transload operation, according to Williams, supplements the production from the Boston plant. The wallboard is railed from a US Gypsum plant in Aliquippa, Pennsylvania. {ANR&P discussion}

NEW BEDFORD/CSXT

8 November. THE US ARMY CORPS OF ENGINEERS HAS NOT AWARDED THE DREDGE SPOILS CONTRACT. [See 20 August issue]. Sheila Winston-Vincuilla said I should call again in a couple of weeks. {ANR&P discussion}

The existing dredge spoil treatment program is winding down as the money dwindles; it moves the spoils to Worcester by truck for railing from there. {ANR&P discussion with source close to project}

NEW HAMPSHIRE

GRS v. MBRX

12 November, Milford. MBRX AND GRANITE STATE CONCRETE WILL APPEAL the STB decision finding that Guilford did not act unreasonably in its treatment of the railroad and its customer [see 1 October issue]. Peter Leishman, MBRX owner, said the appeal will be filed with the DC Circuit Court of Appeals before the deadline of mid-November.

Basis of appeal/offer to purchase

Leishman contended that the Board apparently decided based on a recitation of facts which were “just not true” even according to depositions of Guilford employees, as though none of the record was reviewed. The Board did not even address the contention of Granite State that it had lost hundreds of thousands of dollars in business.

To clear up the situation entirely, Leishman again offered to buy the 3.36 miles of Guilford track which MBRX runs on, and to give GRS unrestricted rights to serve its only customers on those miles, Suburban Propane and Hendrix Wire and Cable. [Hendrix only receives one or two cars a week, Suburban Propane apparently not even that many. Our Directory, forthcoming version.] To serve those customers the GRS train must run 10 miles from its customers in Nashua on the Hillsboro Running Track. Leishman would purchase from the interchange
How’s business?
Traffic is good, Leishman said. The passenger train operated for the final time last weekend, but the freight will continue to run until weather forces a stop to the quarrying and processing.

Despite the increase in fuel costs, he has not had to raise the rates he charges Granite State. He has no fuel escalator clause, in fact he does not have a contract, but does business on a handshake. He has not had to raise rates, despite the increase in fuel costs. \{ANR&P discussion\}

NASHUA COMMUTER RAIL
3 November, Nashua. MORE ON THE CITY PROPOSAL TO MATCH FEDERAL RAIL MONIES with a local development bond, to be repaid from increased property taxes. [See 1 October issue.] Expanding commuter rail service from Lowell to Nashua will cost $70 million. The Federal Highway Administration will cover all but $14 million of the project.

Katherine Hersh, director of the city’s community development division, said dense development of the commuter rail site with shops, offices, a parking garage, and residences could generate $1 million in tax revenue a year. Once the bond is paid off, then the tax revenue would go into the city’s general fund—a boon for the city, she said. “You would not have that high level of tax revenue generated on the site if you don’t have transit there.”

Planners wondered whether the city could raise tax revenue for a project that goes beyond the city’s borders. Much of the project is in Massachusetts, where an old railroad bed would need to be upgraded and a second rail track would need to be added so trains could run freely in both directions. But Hersh said the city has received assurances from federal highway officials that the city could use the money it raises for the portion of the project within its borders, and federal money could be used exclusively for the portion of the project that is out of state.

Reaction
Some rail advocates, while praising Nashua’s plan, also questioned a funding approach for commuter rail expansion that relies on cities and towns raising the money, rather than the state. They fear the approach will only lengthen the time it takes to bring rail service to southern New Hampshire. “The state overall is in a horrible situation, where the DOT is only funded for the construction of roads,” said Peter Griffin, president of the New Hampshire Railroad Revitalization Association. “I think it will be very hard to keep the momentum of commuter rail going beyond Nashua unless the state identifies we need a transportation system that is more than a network of roads.” [James Vaznis in Boston Globe 4.Nov.04]

How the situation stands
On 4 November, Arain participated in a seminar titled ‘Introduction to Exporting’ at the State of New Hampshire International Trade Resource Center in Portsmouth. He discussed his project with a reporter:

- Arain, head of Amer Transport Services LLC, expects to have a firm commitment from an unnamed shipping company within three weeks.
- Amer Transport has use of 1.5 acres at the port’s Market Street Terminal complex [see 29 October issue], at no cost for six months. After that, the PDA would charge a fee, much as it does other companies that use the port.
- Citizens Bank has stepped forward to provide 80% of the dollars needed, with the remainder coming from him and business partners.
- Arain said nothing about a specific date for service startup, except “pretty soon.” He expects one ship every five days.
- Amer Transport must bear the costs of installing and leasing security cameras at the terminal, a cost he estimated at $3,500 per month.
- Arain must charter a ship, at a cost of $6,000 per day, up significantly from the $3,800 per day cost of a few years ago. Arain insisted he would make money: “My costs are lower than the trucking and rail costs to Halifax.” The feeder service will save as much as two days getting product to Halifax versus using other ports, and would also save money on trucking charges. The main competition will come from trucking companies, who already offer service to Halifax.
- The Portsmouth feeder forms part of a national effort, known as ‘Waterway 95’, which seeks to have ships carry goods from Maine through Florida to northern ports, rather than along Interstate 95. {Jerry Miller in Manchester Union Leader 5.Nov.04}
Project [see 14 November 2003 issue], for no additional expense. Revisions could be made now at significantly less cost to provide for the station, by lowering the FRIP track bed one foot, eight inches to accommodate overhead electric lines, and put the station platform on the Jefferson Boulevard side of the tracks.

Status of station and airport access
The Rhode Island Airport Corporation has not finalized agreements with rental car agencies over use of the facility, critical to the financing of the project as well as the construction of an elevated people mover to the Bruce Sundlun Terminal. Without the garage and its consolidation of rental car agencies, the station alone would not justify the construction of the people mover.

Mayor Scott Avedisian remains an advocate of the station, although opposed to the extension of Green Airport runways. Contrary to viewing the station and its airport connection as creating greater demand for an expanded airport, he sees the facility as a means of providing airport access to Massachusetts residents, thereby relieving local traffic and congestion. “We know we have all these people coming here. We should be looking at ways to make it more efficient.”

Capaldi said initial MBTA service to Warwick and further south to Wickford Junction calls for eight round trips daily.

Status of FRIP
The first T train may not arrive in Warwick until 2007 or 2008. {John Howell in Warwick Beacon 17.Nov.04} In March, David Fish, Rhode Island Department of Transportation’s managing engineering of bridge design, expected the tracks for the FRIP to be laid in late 2005. {ANR&P discussion}

CBNS CAPE BRETON
1 November, Sydney. COAL TRAINS BEGAN MOVING DAILY. General Manager Peter Touesnard said traffic averages 21 cars per day, with the volume changing according to car supply. It is driven by the needs of customer Nova Scotia Power’s Trenton power plant. (e-mail to ANR&P 10.Nov.04) The average is 21 cars per day - volume changes depending on car supply.

16 November THE UTILITY AND REVIEW BOARD SET THE ABANDONMENT PUBLIC HEARING for Wednesday, 15 December 2004, 9:00 a.m. at Days Inn, 480 Kings Road, Sydney. To comment, contact the Board. Per the notice:

CBNS has made concurrent applications to the Board for

(a) approval of a discontinuance plan in relation to service on its railway line running east from MacIntyre Lake, Nova Scotia to Sydney, Nova Scotia and identified by CBNS as Sydney Subdivision, m.p. 19.75 to m.p. 113.9, pursuant to s. 41(1)(b) and (2) of the Act and the Regulations;

(b) approval of the length of notice required pursuant to s. 41 (1)(a), (2) and (3) of the Act and the Regulations;

(c) approval of an abandonment plan in relation to the section of its railway line running east from MacIntyre Lake, Nova Scotia to Sydney, Nova Scotia and identified by CBNS as Sydney Subdivision, m.p. 19.75 to m.p. 113.9, pursuant to s. 42 (1)(b) and (2) of the Act and the Regulations;
Halifax - Dredging
27 October. The Port Can Attract Suez Traffic, said Karen Oldfield, president of the Halifax Port Authority, in her annual report to the Chamber of Commerce. "With shipping lines now looking closely at the Suez, all of a sudden, Halifax is now very much in play, but only if we're ready to be part of the shipping routes that include the Suez....Chinese traffic is coming here now but not in the volumes you see on the West Coast."

To prepare for the ever-larger container ships, the port is dredging the harbour to a depth of 17 metres at its two container piers. "The work has begun at Fairview Cove container terminal and will continue into 2005. To be sure, we will use this to our advantage making sure that customers, whether in Taipei or Illinois, know that Halifax is the North American gateway for the biggest ships." When shipping lines start looking at which routes they plan to assign larger vessels to, Halifax could start seeing increased benefits as early as 2006.

CN Chinese offices
CN recently opened two offices in China (Shanghai and Beijing), which Oldfield said could also benefit Halifax. She is leaving 29 October for the Far East and will visit the CN offices in Shanghai. She also plans joint visits to a number of Asian shipping lines. CN believes establishing a strong presence in China will make its North American network better able to grab a share of growing China-North America trade via the major ports, including Halifax.

CN service: port point of view
Oldfield said CN intermodal service for the port is getting better, but there is room for improvement. For many years, containers were transferred directly from ships to rail cars. Two years ago, CN reduced the number of rail cars throughout its Canadian system and began grounding more containers. As a result of this other factors, including harsh winter weather, containers sat on docks for up to 21 days. Oldfield said that period has been reduced to between three and seven days.

"The most important thing for us is to move cargo through the port as quickly as we possibly can. That is our No. 1 goal, so we continue to work with CN and the terminal operators and the shipping lines," she said. "Until that co-ordination of efforts is perfected, the parties will not "solve the problem simply by adding more rail cars." {Tom Peters in Halifax Herald 28 Oct. 04}

CN service: CN point of view
Mark Hallman, CN spokesperson, wrote on 5 November: 'Most containers landing at Halifax move out quickly but some may take between three and seven days to leave.' {e-mail to ANR&P}

Halifax - Halterm
4 November. Halterm Income Declined, Not Due to the Loss of Maersk and ACL, which happened in second quarter 2003 [see 20 August issue]. For 3Q04, 'on volume of 26,873 containers, the Company generated $1.5 million in earnings before depreciation and taxes (EBDT). This compares to $1.7 million in EBDT on substantially higher volume of 37,925 containers during the same quarter in 2003. The effects of lower 3Q volume were offset by improved productivity and reduced operating costs....

Details
'The terminal handled 26,873 containers for the quarter, a decrease of 20% from the second quarter and a reduction of 23% from last year's comparable third quarter volume of 34,677 containers. The volume decline includes the impact of eight missed customer vessel sailings in the quarter: six related to vessel dry dock and repair programs and two related to labour disruptions and hurricane weather in other ports-of-call. The volume of Canadian import/export cargo at Halterm was also adversely affected during the quarter by vessel space constraints created by increased demand for U.S. East coast cargo.

SPM effect
'In addition, the New England feeder service operated by SPM Container Line (SPM), which previously called at Halterm, ceased operation in July as a result of a mortgage foreclosure on the vessel chartered to the service. SPM accounted for approximately 4,000 container moves on an annual basis at Halterm. The discontinuation of the service resulted in a $46,000 loss on accounts receivable in the quarter. Efforts to revive the service continue but, to date, have not borne fruit.' [See Regional.]

"With these disruptions to customer vessel schedules behind us, we look forward to a full slate of vessel calls and improved volume in the fourth quarter," said Doug Rose, President of Halterm Limited. "We remain encouraged by continued improvements in operating efficiency."

What about the dispute with Newfoundland Capital?
'In connection with the original acquisition of the terminal assets by Halterm in 1997 [see Regional], Newfoundland Capital Corporation Limited ("NCC") agreed that if there was a material increase in the base rental fee payable during the renewal term of Halterm's lease with the Halifax Port Corporation (now the Halifax Port Authority ("HPA")), which results in a decrease in Halterm’s distributable cash below a base level calculated in accordance with the indemnity, NCC will indemnify Halterm for the amount of such decrease.

‘Distributable cash in 2003 totaled $3.6 million. This represented a decrease of $4.2 million below the base level of distributable cash of $7.8 million calculated in accordance with the indemnity. An amount of $1.8 million of this decrease in distributable cash is a direct result of an increase in the annual base rental fee payable to the HPA. In April, Halterm submitted a Notice of Claim in the amount of $1.8 million pursuant to the indemnity. NCC has since advised that it has rejected the claim. Halterm is pursuing its legal options in this matter.}' {Halterm report and press release}

See also Regional about new feeder ship to call Halterm.
VIA RAIL

VIA PASSENGER COUNTS DECREASED, AND DID NOT REACH BUDGET. For Eastern Services (east of Montreal) through July, VIA got 110,128 passengers, 10.6% below the same period in 2003 and 15.7% below budget. Revenue also fell short, and on-time performance came to only 62%, versus a target of 77%.

Steve Del Bosco, vice-president marketing, attributed the loss to airline competition, a decrease in government-related travel, and the threat of a strike. {Vialogue autumn.04}

RAIL SHIPPERS

Described in this issue.

Our Directory of Rail Shippers & Receivers in Southern New England has more information on the companies denoted with their directory number. Aroostook Starch (MMA, Maine), Boralex (MMA, Maine), Bow (GRS, New Hampshire), Circle of Life (CSXT Massachusetts #647), Cousineau (GRS, Maine), Dragon (MERR, Maine), Eastman Gelatine (GRS Massachusetts #201), Gateway (PW Connecticut #544), Granite State Concrete (MBRX, New Hampshire), Megquier Hill Farms (GRS, Maine), Mt.Tom (GRS Massachusetts #166), New England Grain (MMA, Maine), Nova Scotia Power (CBNS, Nova Scotia), Provport (PW Regional #490), US Gypsum (CSXT, Massachusetts)

PEOPLE

Charles Hunter, previously assistant general manager of Connecticut Southern Railroad, will become general manager of CSO and New England Central Railroad. He will report to Charlie Moore, Rail America’s regional vice-president-Atlantic Region. {RailAmerica press release}

Patricia MacDonald, secretary of the Vermont Agency of Transportation, is resigning to head the Vermont Department of Employment and Training, and lead Governor James Douglas’ effort to merge Employment and Training with the Department of Labor. Douglas did not answer when asked whether MacDonald had received a demotion.

Dawn Terrill, currently deputy secretary of the Commerce and Community Affairs Agency, was appointed by Douglas to take McDonald’s place. Terrill, 36, was appointed deputy commerce secretary after serving as chief executive officer of Hill Associates, a Colchester firm that provides training in the telecommunications industry.

Douglas said his new transportation secretary is “a proven manager who understands that maintaining and improving our transportation infrastructure is critical to our job creation strategy.” {David Gram of AP in Rutland Herald 12.Nov.04}

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