GRS: Fink’s comments on reliability, car supply, storage in transit.*
PW: Coal movement with GRS ok now?*
PW/NECR: Two railroads looking at intermodal and auto traffic to Montreal.
Distribution facilities: A third non-rail user comes on line in New England.
High-speed rail: No decision on three-state study.
LNG: New England needs two terminals.* Fall River, Saint John, Strait of Canso, Cape Ann.
GRS: Albert Brothers could do more rail.
PW/New Haven: State still working on rail subsidy.

MAINE
Amtrak: NH not ready to fund Downeaster but does subsidize buses.
NS/GRS: Waterville intermodal ramp closed.*
GRS: Brewer paper mill not revived?*
SLR: Single-car grain receiver.*
Mack Point: State is marketing as niche container port, for shipment to middle of continent. Michon still thinks it could become major port. Congestion in New York.
Portland: City going ahead with Ocean Gateway.

MASSACHUSETTS
M-R Logistics: Planning waste facility in central Massachusetts.

BCLR: MBTA to rebid Millis Branch in 2005, wants BCLR to agree to license now.
Fall River: Contract for new pier building awarded to Cambridge Seven.
New Bedford/CSXT: Award of spoils contract not until November.

NEW HAMPSHIRE
GRS v NHDOT: Guilford withdraws federal suit, may refile in state court.
CCRR: Irving looking at rail-served expansion in West Lebanon.
NHCR/GRS/TSRD: GRS working with state on adverse abandonment.
NHN: Conway branch rehab could cost $18 million. No help from Spaulding Turnpike rehab.
GRS: Downeaster only option for further study as alternative to Spaulding Turnpike rehab.

RHODE ISLAND
PW-RI&W: Proponents of C&D facility in Pawtucket Yard withdraw STB filing, withdrew proposed zoning variance, but proceed on other fronts.

VERMONT
LVRC: A&K asks state to rebid track salvage contract.
TSRD: STB tells TSRD not to salvage track, pending resolution of which railroad owns it.

MARITIMES/QUÉBEC
CN: Sussex sub rail meets safety requirements.
NB: Proponents of C&D facility in Pawtucket Yard withdraw STB filing, withdrew proposed zoning variance, but proceed on other fronts.

RAIL SHIPPERS/RECEIVERS
A cross-reference to companies mentioned here.

PEOPLE, POSITIONS, EVENTS
Paige Kane.

EDITORIAL
Why does New Hampshire subsidize buses, but not the Downeaster?

FROM THE PUBLISHER

John Kerry for president
While I have many other reasons to support Kerry, here’s the professional one: Bush is unwilling to support transportation funding to the necessary level. Don Young, the Republican chair of the House Transportation committee, believes that we need at least $318 billion in authorized spending for the next six years (the renewal of TEA-21). Yet Bush proposed about $50 billion less, and has squandered far more than that in Iraq and on his tax cut. For that reason, transportation professionals should support John Kerry for president.

Valuable NEARS
The first week in October, I attended the semi-annual meeting of the North East Association of Rail Shippers. Profitable alike in meeting new faces and renewing acquaintance with old faces [except Frank Rogers, who stays forever young], it also provided several stories for the newsletter.

For those readers who have not attended, put the next one, sometime in April, possibly in Montreal, on your calendar. Very worthwhile.

- Chop Hardenbergh

REGIONAL ISSUES

GUILFORD
6 October, Wakefield MA. EXECUTIVE VICE-PRESIDENT DAVID FINK COMMENTED ON SOME ISSUES FACING THE RAILROAD, during a railroad panel at the North East Rail Shippers semi-annual meeting here.

Reliability. GRS has to be reliable for intermodal and other trains. “The utilities, if we do not provide reliable service, they will go elsewhere. We work with our customers every day on this.” He admitted the railroad does have problems.

Car supply. The railroad has a tight car supply at originating points in Maine. “Anything that rolls can be loaded.” Centerbeams and boxcars are almost loaded hot. “We purchased 300 plate F cars this year.” [See 13 May issue.] “We are also a member of TTX, and fought to have plate Fs put into the pool.”

286,000-pound cars. GRS strives to invest private capital where it will get the most return. For the past three years, it has worked on bridges. “There’s now only one bridge that blocks getting 286 to Ayer.”

Storage in transit. Fink said GRS offers SIT on the boxcar side in Maine, under the ‘tripartite agreement.’ Paper from a Maine mill is moved into a railcar for storage. “We work to move it as needed. We ship it to various factories... If the stuff sits, we are paying, the customer is paying, the business does not go to truck.”

Time to move cars to the Midwest
Roy Blanchard, who moderated the panel, read a question mailed to him by an attendee (only mailed questions were accepted). ‘In 2003, cars took nine to 10 days to get to the Midwest from Maine, with about 90% reliability. In 2004, the cars are taking 14 to 16 days with about 60% reliability.’

Fink admitted that “GRS did have problems this summer,” then described the inability to operate for four days in late July due to a bridge out in Kennebunk [see 17 September issue]. “We are working on problems and you will see improvements.” {ANR&P coverage}

PW - COAL MOVEMENT
6 October, Wakefield MA. THE COAL MOVE FROM PROVPORT TO NU UTILITIES HAS IMPROVED, said Frank Rogers, director of marketing and sales for PW. Some of the earlier car problems originated when the coal fleet was downsized, but nine ships came in [see 3 September issue]. Since then, additional cars have arrived and GRS and PW now
working well together, he noted at the NEARS meeting. \{ANR&P interview\}

**A different view**

Rail observers report the arrival of more than 50 additional cars. But, as one wag put it: “Before, there were 200 loaded coal cars on line, not moving. Now, there are 250+ loaded coal cars on line, not moving.” Another one reported: ‘Guilford finally picked up loaded coal cars at Gardner on [13 October] and headed east to Bow NH. P&W delivered the cars on Monday, and cars sat there for two days. Guilford is in no rush to deliver!’ \{Providence & Worcester e-list; ANR&P discussion 13.Oct.04\}

**PW - NEW ENGLAND CENTRAL**

22 September, Montpelier. *THE RAILROAD IS CONSIDERING INTERMODAL AND AUTOMOTIVE SERVICE VIA MONTREAL*, according to presentations to the Vermont Rail Council this day.

**Intermodal**

Jack Dail, NECR manager of marketing and sales, noted that NECR could move CN intermodal traffic by direct interchange, and move CPR traffic via New York and VRS. NECR proposes to terminate the traffic at the PW terminals in Worcester.

[Editor] Dail later said this entails reviving the NECR-PW connection between Willimantic and Plainfield, but the presentation did not so state.

**Clearances**

Containers move in single-stack configuration, mixed doubles of one 9’6”-high container (domestic size) and one 8’6”-high container (international size) which require 19’6” clearance, or full doubles (two 9’6”-high containers) which require 20’6” clearance. Clearance refers to distance from top of rail to nearest obstacle overhead.

NECR has these clearance problems for 19’6”: a few wire lines (mostly in Massachusetts); Bethel, VT overhead bridge (in the process of being replaced); and the Bellows Falls Tunnel.

**Proposed program and traffic**

To clear the line for Phase I (19’6”) operation would cost $920,000.

Frank Rogers, PW director of marketing and sales, estimated southbound trucks in each direction to/from the Port of Montreal at 250 per week, northbound empties at 150 – 300 per week. Southbound loads trucked from CP/CN ramps in Montreal he put at 100 – 150 per week.

Development of intermodal in this lane will eliminate back haul pricing by truckers handling lumber and steel products into New England. Rogers believed that the railroads could divert 150 carloads per week.

**Automotive traffic**

Rogers also spoke about the opportunity for auto traffic by rail. One import manufacturer will move its Port of Entry for autos for the Canadian market from Halifax to Quonset Point/Davisville, RI. These autos will move by rail [once the FRIP is finished--see 17 September issue, *Rhode Island*] and by truck. More autos could move to Montreal by rail via Vermont.

Overall, PW envisions 8,000 railcars a year out of QPD to United States and Canadian points in the interior. \{PowerPoint presentation from NECR\}

**DISTRIBUTION FACILITIES sans RAIL**

11 October, Freetown MA. *THE THIRD LARGE DISTRIBUTION FACILITY SERVED SOLELY BY TRUCK* was opened here, at 136 South Main Street by the Stop & Shop Company. Located on 151 acres, the 1.3-millionSF center includes 75,000SF of office space, a 15,000SF maintenance building, 1,100 parking spaces, and trailer storage, loading areas, fuel islands and truck trailer wash bays. It replaces the Stop & Shop's distribution facility in Readville, which does have rail. About 200 trucks will have access to the center daily, transporting perishable and dry goods. \{New Bedford Standard-Times 10.Oct.04\}

The center could easily use rail, as CSXT’s line to Fall River runs near the site [see 3 July 2003 issue].

**Ford and General Motors**

Earlier, GM announced a non-rail-served parts distribution facility in Norwood, Massachusetts [see 1 October issue].

Ford on 4 October opened a parts distribution facility in Windsor Locks, Connecticut. The 227,000SF center, one of 19 similar facilities nationwide, will deliver auto parts to 350 dealerships throughout New England. \{AP in Hartford Courant 5.Oct.04\}

Located off Route 20 at Old County Road, next to FedEx, the site could have had rail as the state-owned line to Bradley
Field remains, though out of service. Editor

New parts cars
Just as the non-rail auto parts facilities appear, National Steel Car and the Norfolk Southern Railroad announced a car designed perfectly to serve such facilities. In the eastern United States, the lucrative auto parts business is dominated by trucks, which command 84% of the market.

The railroads use about 14,000 auto parts boxcars in service in the United States, ranging in size from aging 50- and 60-foot cars (many of them built prior to 1973) to 86-foot hi-cube models with a 12-foot, 9-inch inside height. Big, but not quite big enough to challenge the trucking industry and its Super Vans, which are difficult to compete with on a unit cost basis. NS embarked on a major equipment development effort two years ago to design a new boxcar that could grow business in this market.

The resulting prototype: the largest boxcar ever, built by National Steel Car, located in Hamilton, Ontario. Not yet officially named, it’s referred to as a “high-high” car. With the same clearance requirements as a Q2 autorack, the roof stands 19 feet, 1-1/4 inches above top-of-rail, creating total capacity of 11,053 cubic feet. The inside width of 100 inches is sized perfectly to accept the parts racks now riding exclusively in trucks. Racks 60 inches tall can be stacked three high -- a capacity increase of 50%. {William Vantuono in Railway Age 10.04}

HIGH-SPEED RAIL
15 October, Montpelier. NO DECISION ON THE FUTURE OF THE THREE-STATE STUDY will happen until November, according to VAOT’s Scott Bascom, who is coordinating it. {e-mail to ANR&P} [The NHDOT decision not to pay its share requires a re-assessment of the next step. See 17 September issue.]

LIQUID NATURAL GAS
early September, Boston. NEW ENGLAND NEEDS AT LEAST TWO LNG TERMINALS nearby, said Patrick H. Wood III, chair of the Federal Energy Regulatory Commission. LNG plants proposed in Nova Scotia, New Brunswick, and Quebec may meet much of the demand [see 20 August issue]. “If two of those get built, you should be in good shape. If we don't get any of those built, we'll be in trouble. Where the two are built has some importance, but frankly, getting the volume in here is the important thing.” Companies have proposed 500-million-cubic-foot terminals in Quebec City and Riviere du Loup.

Wood spoke during an energy conference sponsored in Boston by Independent System Operator New England, the regional power-grid operator. He stated that upgrades of existing pipelines or efforts to conserve gas will not be able to prevent the region from facing a gas-demand crunch.

The crunch
During a record cold snap 14 January, the region came close to exhausting gas pipeline capacity, and residents of dozens of homes at the extreme end of a KeySpan Energy Delivery pipe in Hull, Massachusetts, were evacuated when the utility determined it could not guarantee them adequate supplies.

Virtually all of the new power plants that have gone into service here in the last four years, increasing electric generating capacity by 23%, burn natural gas. Projections cited by Wood show annual gas demand for electric generation increasing from 246 billion cubic feet last year to 324 billion cubic feet by 2008, even as residential and commercial heating and industrial demand continue to rise more gradually. {Peter Howe in Boston Globe 14.Sept.04}

Fall River
Hess LNG hopes to build an LNG import terminal at the former Shell Oil Site on North Main Street, just 1,200 feet away from the closest homes. The US Army Corps of Engineers filed a comment about the Hess plans. Specifically, Ted Lento, a Regulatory Division Project Manager for the corps, wrote that the agency was concerned about Hess LNG’s plan to dredge nonstop for three years to complete the project by 2007. ‘We understand that the Massachusetts Highway Department has announced the Brightman Street Bridge removal may not be completed until the 2009-2010 time frame. In this event, several additional years would be available to complete the dredging with upland disposal and therefore time of year restrictions on in-water work may be practicable.’ {Daniel Fowler in Fall River Herald News18.Sept.04}

Saint John
Irving Oil and Repsol announced on 24 September that they will work together to develop the LNG receiving terminal at
Irving Canaport, in Saint John, New Brunswick. [See 20 August issue.] {Irving press release}

Strait of Canso
In early October, work began on the Point Tupper site for an LNG terminal. The province has approved the industrial permit required to start construction of a plant worth $400 million US. Site preparation is going ahead, even though a senior vice-president of Anadarko Petroleum, Bob Daniels, says the company has not finished talks with Qatar and Algeria to secure supplies of natural gas. About 45 permanent full-time jobs will be created if the Cape Breton LNG plant opens in 2007.

Anadarko has been working in the Middle East for years. It also has a business distributing natural gas in the United States. Now that it has an approved site in Nova Scotia to land surplus gas from Algeria and Qatar, Daniels says he hopes these countries will become investors in a gas project totalling $5 billion. “We’re in discussions with Qatar about the Bear Head terminal, about Anadarko’s growth strategy, and how we could leverage that into a partnership to bring gas from Qatar into North America.”

Port Hawkesbury Mayor Billy Joe MacLean said, “The 45 jobs is the tip of the iceberg of what this company is going to deliver. It’s a wonderful thing for Cape Breton.” MacLean says having a new source of energy will attract new industry and help lower unemployment in Cape Breton. {CBC webposted 8.Oct.04}

Cape Ann
Texas-based Excelerate Energy LLC is proposing a submerged buoy system in about 250 feet of water off the Cape Ann coast. There, two gas tankers could dock and unload their cargo at the same time. The facility should not be visible from shore. Specially-constructed natural gas tankers would dock at two floating buoys. Once the tankers are safely moored, they would begin a process that converts natural gas from its liquid state to a gas, onboard the ship. The gas would then be delivered through the buoy. The gas would travel down to a 24-inch wide, 8-mile long pipeline buried about 3 feet under the ocean floor. It would connect to the existing underwater, offshore Hubline gas pipeline and eventually to land.

US Representative John Tierney said his committee in the House is laying out for the Department of Energy the research that needs to be done before approving more liquefied natural gas facilities. He questioned Wood’s assessment [see above]. “No decisions will be made until that is done,” Tierney said.

But others argue that there is no time to wait. “The U.S. absolutely needs liquefied natural gas to be introduced into its energy policy,” said Eric Dawicki, president of the Fairhaven-based Northeast Maritime Institute. He noted that fossil fuels are disappearing and the idea that the United States needs to be dependent on the Organization of the Petroleum Exporting Countries and Saudi Arabia is unnecessary when enough natural gas exists in the United States to provide 80% of the energy supply. {Kristin Olson and Sean Corcoran in Gloucester Daily News}
AMTRAK MAINE

12 October. NEW HAMPSHIRE POSTPONED A DECISION ON HELPING FUND THE DOWNEASTER. A recent meeting of the Governor’s Advisory Council on Intermodal Transportation (GACIT) decided to ask for more information from MDOT Commissioner David Cole.

Kit Morgan of NHDOT said GACIT is composed of the five executive councillors plus the NHDOT commissioner. Ron Roy, head of MDOT’s Office of Passenger Transportation, said Cole wanted time to meet with council members and other New Hampshire people about the service, before GACIT considered it again. {ANR&P discussion}

Ridership rebound

Some 20,557 passengers rode the Downeaster in September 2004, an increase of 7% over September 2003. {Downeaster Weekly Summary 12.Oct.04}

NH subsidizes bus service

NHDOT wants to increase the number of buses between Manchester and Boston during the upcoming widening of I-93. The state already owns four buses used by Concord Trailways to shuttle commuters into Boston; C&J Trailways similarly uses some for its service from Portsmouth into Boston.

Both companies fill the buses, but because they sit idle between the morning and the evening peak, the private companies have a hard time breaking even on the service. By buying the buses, which can cost up to $450,000 each, NHDOT helps each company turn a small profit.

“All the cost of providing one trip in the morning and one at night is high and fixed,” said Harry Blunt, president of Concord Trailways. More buses will “provide more commuter opportunities in southern New Hampshire. We’re not meeting that demand. We as a private sector business can’t meet that demand because it won’t pay the cost.”

The state plans to spend $10 million to start the bus service; 80% federal and 20% state match. About $6 million will go toward buying the buses; the rest will subsidize the business. For the first three years the state will subsidize daily operations and provide marketing and commuter incentives to attract riders.

“After that three-year period, we hope the service will be self-supporting.”

Exit Five on I-93 will get the first new park-and-ride lot plus a new bus terminal, which will cost about $4 million. The state will install the remaining two lots later. The widening and the bus service will begin in 2006. {Meg Heckman in Concord Monitor 25.June.04}

GUILFORD/NORFOLK SOUTHERN

7 October, Waterville. NORFOLK SOUTHERN AND GRS CLOSED THE WATERVILLE INTERMODAL RAMP at the end of September, without any notice to customers. Ed Elkins, who spoke at a panel on intermodal issues at the North East Association of Rail Shippers in Wakefield MA this day, said the railroads decided to act “due to operational issues and tactical issues in Ayer. It was triage, we had to be sure the host patient lives first, that is Ayer.”

Tom Reese, NS intermodal account manager, said the railroads were having a hard time repositioning the necessary equipment to Waterville. {ANR&P coverage}

GUILFORD - BREWER PAPER MILL

14 October, Brewer. TWO PROPOSALS OF MULTI-USE DEVELOPMENT FOR THE FORMER EASTERN FINE PAPER MILL have emerged. Neither would revive the paper mill, meaning Guilford will lose a customer here [see 16 June issue]. {Maine Public Radio}

ST.LAWRENCE & ATLANTIC

7 October, Danville. THE SLR PROVIDES ONE CARLOAD A YEAR TO A LOCAL FARMER. This year, it spotted a CN grain car here on a trestle, from which the grain poured into a truck for delivery to a pig farm, according to SLR’s Ed Foley, vice-president of marketing. {e-mail to ANR&P 12.Oct.04} [The short line at its best: carload service which in turn helps
Maine keep its farms and open spaces, and at the same time reduces wear and tear on the highways. Editor]

**MACK POINT & CONTAINERS**

8 October. THE MAINE PORT AUTHORITY IS MARKETING MACK POINT AS A CONTAINER FACILITY, according to Brian Nutter, executive director of the Authority. He wrote:

‘The keys to having a successful container port include more than just deep water and modern handling equipment. A terminal must have adequate landside storage area for containers awaiting shipment and/or distribution, and most important is having efficient access to large population centers that provide the consumer markets for the goods inside the containers.

‘The Maine Port Authority is very aware of the increasing need for facilities to handle container shipments. We see great potential for Mack Point as a service point for cargo destined to/from the US Midwest and Central Canada. This could possibly come as direct calls using vessels laden with cargo dedicated to these inland consumer markets. In fact with the MM&A’s ability to offer double stack service, in cooperation with the CPR, from Mack Point to Vancouver, BC, it is possible that Mack Point could even be considered as a land-bridge operation for cargo between Europe and the Far East.

‘The Port Authority, along with its partners at Mack Point, Sprague Energy, and the MM&A Railway are pursuing these opportunities with various shipping lines. However, this is a lengthy and complicated market concept. Such a development will require substantial investments from all parties so it is necessary to make sure we put together a program that meets everyone's needs.’ {e-mail to ANR&P}

**Another opinion on lack of capacity**

‘Container shipping faces at least three more years of massive newbuilding deliveries as the 2007 orderbook catches up with the record-breaking level of deliveries scheduled for 2006. Cellular capacity is set to burst decisively through the 10 million TEU mark by the end of 2007 after another round of ordering activity over the summer....But the unprecedented size of the orderbook and the potential over-supply is not the most serious problem the industry faces.

‘In the opinion of London-based Braemar Container Shipping & Chartering, “the biggest threat to the container trade at present is the lack of port capacity in Europe and the United States which potentially could cause a logjam on an epic scale, given the increasing delivery schedule.”’ {Janet Port in Lloyd’s List 5.Oct.04} [See Editorial 17 September issue.]

**The Michon proposal of ten years ago**

Ted Michon, the first president of the B&A System after Iron Road Railways put it together, served from March [see 12 May 1995 issue] to December [see 22 December 1995 issue] of 1995. In 1995, Michon visited eight ocean carriers at their offices in New York, to analyze whether Searsport would do well as a container port. MDOT supported the effort to create a new facility on Sears Island; Brian Nutter served as project manager [see 8 December 1995 issue].

Doubt emerged about the project [see 15 October 1995 issue], but Michon provided considerable information to a hearing before the US Army Corps of Engineers in September. While three of the ocean carriers would not move 92,600 containers through the port per annum.

At the time, Michon said the port would fare well even in competition with Saint John and Halifax, which lie closer to Europe, because of costs, and because he could provide quicker service to the Midwest. [See 15 September 1995 issue, which has considerably more detail.]

Nine years later, on 14 October 2004, Michon still believed in the efficacy of a container facility at Searsport. “Then-Governor Angus King backed it all the way, including a $70 million bond issue to finance construction. But later he realized that the BAR’s future was in question, and the whole thing collapsed.”

**Can Mack Point handle this?**

Michon continues to believe that Maine should think big, and go after the largest container ships, even if that means using still-undeveloped Sears Island. But Nutter said he is not seeking to compete with, e.g., New York and Hampton Roads, which will soon handle the new, larger ships of 6,000-10,000TEUs. These cannot fit on the new Mack Point pier. MDOT is looking at 2,000 to 3,000TEU ships, which will become available as the larger ships begin crossing the Atlantic. {ANR&P discussion s 14 & 15.Oct.04}
Future of Sears Island
On 29 September, a committee formed by the Town of Searsport to investigate alternative uses for Sears Island agreed not to fight the state Department of Transportation on its claim to 300 acres of the site. The state bought the largely undeveloped, 941-acre island in 1997 after DOT dropped its decades-long bid to site a cargo port on the northwest corner. The 300 acres lies on the northwest corner of the island, with deep water access and a jetty built as part of the cargo port effort. MDOT has no plans to develop that portion of the island, but the state wants to keep its options open. {Tom Groening in Bangor Daily News 30.Sept.04}

More congestion
For those who think that congestion infects only West coast ports, this notice crossed my desk on 15 October:

*Congestion at Elizabeth Marine Terminal and Port Newark Container Terminal (PNCT) cause suspension of certain service.*

**Elizabeth Marine Terminal.** Effective 10/22/04, CSXI will suspend service for eastbound empty containers into Elizabeth Marine Terminal from all locations (except Stackbridge origin) until further notice. CSXI expects to lift the suspension once terminal congestion subsides. A large number of empty containers are at the terminal awaiting vessel departure and are causing significant delays to loaded containers. Please ensure that all empties are removed from Elizabeth Marine terminal as soon as possible. Empty containers with billing and physically in a CSXI terminal as of 10/22/04 will be moved, however no empty containers for Elizabeth Marine Terminal will be in-gated until further notice after that time.

**Port Newark Container Terminal.** Effective 10/22/04, CSXI will suspend service for all types of traffic (eastbound/westbound) between PNCT and Kansas City MO, East St. Louis, IL, Indianapolis, IN, Evansville, IN, and Nashville, TN only. {CSXI notice to customers}

**PORTLAND**
8 October. **THE CITY WILL SEEK BIDS ON CONSTRUCTING THE NEW OCEAN TERMINAL** at the east end of the waterfront, on 27 October [see map in 28 November 2002 issue]. It will accept bids a month later, then select a builder and break ground, according to City Port Director Jeff Monroe.

Container cargo traffic is at a standstill, cruise ship visits are slumping and the city's 34-year-old ferry service to Nova Scotia has experienced a significant slump in passenger count and may not operate in 2005. Yet city officials and others, on the other hand, say now is exactly the right time to invest and prepare for new opportunities. “If you've got good facilities - good docks and deep water - we'll always find business. We've got to be ready,” said Monroe.

Originally proposed as a $40 million cruise ship and ferry terminal, the design is now more streamlined and adaptable, leaving room for industrial opportunities such as the construction of more offshore oil rigs or tankers. Ocean Gateway plans now call for redeveloping the eastern pier, or Pier Two, for passenger ships, reserving the Maine State Pier for industrial projects.

Ocean Gateway is still in the best interest of the city, said Jack Humeniuk, who manages the container operation for P&O Ports. But, he said, the difficulties on the working waterfront need more attention. “Usually one segment (of the working waterfront) is down when the others are up. Right now, all of the segments are in a down direction. I think the (City) Council should be concerned with that.” {John Richardson in Portland Press Herald 8.Oct.04; Maine Sunday Telegram 17.Oct.04}

**MASSACHUSETTS**

**M-R LOGISTICS**
7 October, Wakefield MA. **A NEW WASTE FACILITY WILL OPEN SOON IN CENTRAL MASSACHUSETTS,** according to Clyde Ames of M-R Logistics, which is setting up the operation. He appeared on a panel on rail-served waste facilities at the autumn meeting here of the North East Association of Rail Shippers. After the meeting, he amplified his comment that he was planning facilities in the Northeast, noting he expected the facility to open by the end of the year. But
he declined to specify which railroad would serve it. {ANR&P interview}

MORE ABOUT M-R LOGISTICS

Ames began his railroad career with the PW, working on intermodal. After a stint with HUB in its carload division, he worked for a PW customer, MHF Logistics Solutions [in Worcester, our Directory #442, and in Palmer, our Directory 358-1] for two years. At the end of 2000, he set up his own company Modal Resources. In 2003, he began working with Ken Foley to create an asset-based company, M-R Logistics. Foley owns Pond View Recycling in East Providence [our Directory #473]. M-R Logistics sought unsuccessfully to create a facility in Walpole [see 8 April 2003 issue].

Ames’ company has contracts in the mid-Atlantic region, which has a larger population than New England (39 million versus 13 million). Several are located on the New York, Susquehanna, & Western Railroad. {ANR&P coverage}

BAY COLONY RAILROAD

14 October, Millis. THE MBTA PLANS ANOTHER INVITATION TO BID ON THE MILLIS BRANCH EARLY IN 2005, said Mark Boyle, director of real estate development, after the first process stalled [see 30 July issue]. Lorna Moritz of Transit Realty Associates (TRA), which handled the first and will do the second, explained:

BCLR license
TRA is now negotiating a short-term license with BCLR for the Millis Branch. “We believe this is in the best interests of MBTA; it’s not a good idea not to have an agreement.” Part of the negotiation includes understanding the lease between BCLR and CSXT for the last mile of the Millis Branch [see map in 20 August issue].

ITB
Because TRA has so many contracts (non-rail) to rebid before the end of the year, it will not have time to handle the Millis branch rebid before early 2005. {ANR&P discussions 13 & 14.Oct.04}

FALL RIVER

14 October. THE CONTRACT FOR A STUDY ON THE NEW FALL RIVER MULTI-USE BUILDING was awarded to Cambridge Seven [see 30 July issue]. The contract will be signed 22 October. {ANR&P discussion with Kristen Decas of the Massachusetts Seaport Advisory Council}

NEW BEDFORD/CSXT

14 October. “CALL IN THREE WEEKS” ABOUT THE US ARMY CORPS AWARD OF THE SPOILS TRANSPORTATION CONTRACT. Spokesperson Sheila Winston-Vincuilla said no change since the last report. [See 1 October issue.] {ANR&P discussion}

NEW HAMPSHIRE

GUILFORD v. NHDOT

13 October, Concord. THE LAWSUIT GUILFORD FILED AGAINST THE STATE in US District Court was dismissed without prejudice this day. [Meaning either party may refile the suit at any time. Editor]

GRS contested the constitutionality of the right to first refusal [see 1 July issue–the suit resulted from the state’s unwillingness to follow through on the agreement to buy part of the Manchester-Lawrence Branch in Salem]. {NH District Court website}

Craig Donais, assistant attorney general, said that the federal judge had asked Guilford for briefs on its position by 15 October. Guilford’s attorney had then requested that the state assent to a voluntary dismissal in the federal court, with an indication that it may refile the case in state court. {ANR&P discussion 15.Oct.04}
**CLAREMONT & CONCORD**

13 October, West Lebanon.  **TWIN STATE AND IRVING ARE DISCUSSING AN EXPANSION OF THE IRVING FACILITY HERE,** in an industrial park Twin State Sand & Gravel would like to create. Bud Ames, one of two Twin State principals, said he has talked with the City of Lebanon Planning Board about creating a master plan for a two-acre park. [At Twin State’s urging, Lebanon created an ‘industrial rail-access’ zone. Twin State in 2001 was working on a master plan for approval. See 16 January 2002 issue.] Within that park, Twin State could sell Irving space for an expansion of its existing facility.

**Irving facility**

Irving has a facility in West Lebanon [see map in 26 May 2000 issue and on our website] which could receive a rail spur. In 2002, CCRR was discussing Irving as a possible customer [see 16 January 2002 issue]. Ames said Irving has talked to Twin State about purchasing land within the Twin State zone, and installing a rail siding. Irving does have tanks on its existing facility and could accept rail, but has no room for expansion. Ames doubted that Irving would create a new facility by this winter.

According to Michelle Firmbach, Irving spokesperson, Irving uses three different ports to supply West Lebanon and other inland terminals: Searsport, Portland, and Portsmouth.

**Gravel move from Hartland Vermont**

As planned, Twin State did appeal the constriction of its rail and truck use imposed by the local Act 250 Commission [see 1 July issue]. Ames said the full Vermont Environmental Board will hear the matter on 3 November. *ANR&P discussions 13 & 15.Oct.04*

**NHCR/GRS/TSRD**

12 October.  **NHDOT IS WORKING WITH GRS ON AN ADVERSE ABANDONMENT FILING,** which would permit another carrier [presumably the New Hampshire Central - editor] to take over the trackage between Whitefield and Gilman Vermont, to serve Dirigo Paper. Although Commissioner Carole Murray declined to pay $85,000 to continue the high-speed rail study [see 17 September issue], Kit Morgan pointed out that paying to establish the service and rehab the track (he estimated perhaps $500,000) would provide service to an actual customer, a much more tangible result. However, the department’s Special Railroad Fund does not have that much money. On 21 September, Morgan said, “We'll do whatever we can to restore rail service if it's needed.” *ANR&P discussion 21.Sept.04 & 12.Oct.04*

**NHN - CONWAY BRANCH**

October.  **THE NHDOT STUDY ON REVIVING THE CONWAY BRANCH ESTIMATED THE COST** at $18 million, in three stages. The study was released at the end of June [see 5 March issue], and discussed recently by State Senator Joseph Kenney (R, Wakefield), chair of the Senate Transportation Committee. Kenney sponsored the legislation requesting the study. {Manchester Union Leader}

In the first phase, costing $6.2 million, work would enable operation. In the second phase, costing $1.3 million, the work would enable operation for five years. The third, costing $11 million, is needed if heavy freight operation will continue for five to ten years.

**Private track ownership**

The costs do not include rehabbing the 2.5 miles of track owned by New Hampshire Northcoast; the NHN told NHDOT it would do that work itself. The costs do include rehabbing the track owned by the Conway Scenic Railway.

**Freight possibilities**

According to the study, ‘The use of rail service by freight shippers depends on a number of factors, and the feasibility cannot be determined with any degree of certainty without extensive discussions between the freight railroad and potential shippers.

Some potential freight uses of the Conway Branch can be identified, however. The Pinetree Power plant off Route 41
in Tamworth is located on the rail line. Bulk commodities in large volumes such as wood chips represent a good candidate for shipping by rail.

‘Other property along the rail line in that area could likewise provide rail activity. The Madison Lumber mill on Route 41 is located across the highway, but would be worth exploring as a potential rail freight shipper.

‘Lumber or wood products could be shipped by rail to or from the Conway area as well. Another commodity with good rail potential is propane to the North Conway area. Several oil transfer facilities have been built in New Hampshire and Vermont in recent years; these allow rail shipment of oil, propane, diesel and gasoline to tank farms, providing stability in local supplies and prices to distributors and consumers.’

**GRS rights**

‘It should be noted that the Boston and Maine Corporation retained rights to transport rail freight to or from distant points, known as “bridge traffic,” when it sold the corridor to the state [see 3 July 2001 issue]. The potential for such traffic is somewhat remote, however, given the constraints of operating over the lines that connect with the Conway Branch to the north. The New Hampshire Northcoast would be free to develop freight business along the corridor, however, in cooperation with the Department of Transportation.’

**Passenger travel**

‘Given the history of passenger service on the Conway Branch, there has been considerable public interest in reviving passenger rail service. The heavy traffic volumes on Route 16 also lead to interest in passenger rail. Passenger rail may take the form of scheduled intercity service (provided nationally by Amtrak), of tourist excursion trains such as the Conway Scenic Railroad, or of an alternative type of service such as weekend trains during peak tourist seasons connecting Dover with Conway. This type of travel could not compete with the highway in terms of travel time, but might present a special opportunity in the tourist market.

‘The high traffic volumes on Route 16, together with the tourist nature of many of the highway users, would create some demand for passenger rail service. It is difficult to predict how successful such a service would be and what it would require in financial support, however. The Amtrak Downeaster operates four daily round trips to Portland, has been successful in generating public interest, and met its ridership projections at startup. The Route 16 corridor is not comparable to I-95, however, in its volume of traffic, and the Downeaster serves a much larger market that also supports extensive intercity bus service. Initiation of Amtrak service requires a sponsoring state to negotiate the payment of the cost of the service to Amtrak. It would likely also require the state to purchase equipment (locomotive and passenger coaches) for use in the service, at a substantial additional cost. Other issues to be considered with initiating passenger service include the provision of terminal facilities with sufficient parking (not currently available at the North Conway station). If it provides an alternative to driving on Route 16, the service could be considered a success. A source of funds for financial support would have to be identified, however.’ {text of study}

**Spaulding Turnpike study look at rail**

The project will not help the Conway branch [see below].

**GRS - SPAULDING TURNPIKE**

23 June, Dover. THE ADVISORY TASK FORCE RECOMMENDED LOOKING AT ONLY ONE RAIL OPTION for helping traffic on the Spaulding Turnpike. Earlier in June, Vanasse Hangen Brustlin released some transportation options to improving the Spaulding Turnpike [see 1 July issue]. These include rehabbing the line to Conway for passenger service, which would also benefit freight.

On 23 June, an Advisory Task Force on the project recommended pursuing the three bus options (cost together $16 million) [not described in 1 July issue], and one rail option: enhancing Downeaster service.

Frank O’Callaghan of VHB told the Task Force that adding stops to the Downeaster to accommodate commuters would cost $11.5 to $12 million if the existing track can handle additional trains. If not, the cost would balloon to $100 million or more.
“Some of these single-occupancy vehicles could be served by busses at the fraction of the cost to do rail service.”
{Michael Goot in Foster’s Daily Democrat 24.June.04}

RHODE ISLAND

PW - RHODE ISLAND & WESTERN

22 September, DC. RHODE ISLAND AND WESTERN WITHDREW ITS NOTICE OF EXEMPTION THIS DAY, to operate PW’s Pawtucket Yard [see 17 September issue]. The STB announced on 8 October: ‘RI&W states that certain lease and operating issues are currently in the process of being resolved and it desires to resolve those issues prior to the notice becoming effective. RI&W also states that it anticipates re-filing of the notice of exemption shortly, if the issues are resolved. RI&W’s request for withdrawal will be granted and the proceeding will be dismissed.’ {STB Finance Docket No. 34548}

Connection to PTO
Pawtucket Transfer Operations LLC (PTO) has leased the former Pawtucket Yard from PW.

28 September, Pawtucket. ANOTHER ZONING HEARING WAS HELD ON THE PROPOSED C&D FACILITY in this city [see 17 September issue]. PTO was seeking a zoning variance for its proposed facility.

The principals
Daniel Poggi Jr., of New Bedford, a PTO principal, presented facts at the hearing. David Stoller, South Orange NJ resident and former corporate attorney and environmental engineer also serves; he owns Trans Load America, a Delaware corporation set up about two years ago, which operates a C&D facility in Newark NJ, about half the size of the one proposed for Pawtucket.

Poggi also named William Finalowski, Henry Szostek and Richard Nicholson, all from out of state, as participants in the private venture. Stoller said PTO is getting help from top executives with CSX Railroad. He estimated as “highly likely” that PTO would pay a host fee to Pawtucket, though no such talks with the city have been held. {Douglas Hadden in Pawtucket Times 29.Sept.04}

Legal position
PTO was proceeding on three fronts:

- The zoning issue at the Zoning Board of Appeals. City records show the building inspector at the time, Todd Olbrych, issued two certificates of compliance for the proposed waste transfer station. The first, on 25 September 2002, went to Pawtucket Railway Hauling LLC. The second was issued on 27 February 2003, after the company was reorganized as Pawtucket Transfer Operations LLC.

The city later changed its position, arguing that the private transfer station does not fit under the zoning rules. PTO maintains the change is incorrect, but also responded by filing a request for a zoning variance, and this request generated the hearing before the Zoning Board of Appeals.

- Environmental permitting at the state Department of Environmental Management (DEM). Michael Cassidy, the city planner, told the Pawtucket Board of Appeals that PTO’s related DEM application is under further review after DEM found 53 deficiencies in the application.

- Operating the Rhode Island and Western Railroad, which may circumvent local zoning and state permitting [see above].
Opposition and the Pawtucket Foundation
Mayor James E. Doyle and the City Council, in a unanimous vote, have all registered opposition to the plan, citing its negative effects on the reviving downtown.

Opposition to the transfer facility also came from a group which has a different view of the city. The Pawtucket Foundation represents the private and not-for-profit sector in advocating for downtown, riverfront, and gateway improvements within Pawtucket. ‘[T]he mere proposed use of the property as a transfer station has already begun to have a negative impact on sale, rehabilitation, and re-use of properties in the area. The proposed use variance would result in down-scaling of uses, and consequent decline in surrounding property values, rather than the up-scaling of uses and values now underway.’ {letter to Board of Appeals from Pawtucket Foundation 24.Aug.04}

Proposed operation
Poggi said the facility would accept materials such as lumber, wood products, masonry, metal, glass, and paper. “Our primary business is to serve people with 100-yard containers,” transported on tractor trailers with 20-ton capacity. Roughly 100 20-ton trailers would be coming to the site every day, with operating hours 6AM to 10PM, Monday to Saturday.

About three-fourths of the debris would come in from Massachusetts, Poggi said. Items trucked in would then be loaded onto open railroad cars 16 to 18 feet high, destined for recyclers as far away as the Midwest. {Douglas Hadden in Pawtucket Times 29.Sept.04}

13 October. **PTO WITHDREW ITS REQUEST FOR A ZONING VARIANCE** recently, said Poggi. It will act using the existing certificate of compliance. “We are not asking for anything unusual, trying to be open.”

He alone did not decide to make the other withdrawal, from the STB filing [see above]. “It was a corporate decision” involving all the partners. {ANR&P discussion 12.Oct.04}

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**VERMONT**

**LAMOILLE VALLEY**

14 October, Montpelier. **A&K RAILROAD MATERIALS IS ASKING VAOT TO REBID THE TRACK SALVAGE CONTRACT** on the former Lamoille Valley Railroad. The state bid the project in two phases. First, remove 95 miles of railroad track and ties from St. Johnsbury to St. Albans, in which the contractor will pay the state the value of the salvaged materials. Here A&K bid $1.502 million, the winner Engineers Construction $1.524 million. [See 3 September 2004 issue.] Second, repair roadways where the track crosses highways; here A&K outbid Engineers by $339,000. A&K wants to combine the two contracts.

“We were the second-place bidder on this project. We lost the bid,” said Michael Van Wagenen, vice-president and general counsel for A&K, said at a Montpelier news conference. “But this isn't sour grapes or a disgruntled bidder. We feel there are some flaws in the bid documents that are really going to cost the state some money.”

Increases in the value of scrap metal in the past few weeks could save the state another $300,000, he said. “It seems like such an obvious situation here where we could be saving some money for the state and taken together we would have won the bid.” {Wilson Ring in AP in Burlington Free Press 15.Oct.04}

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TWIN STATE RAILROAD

21 September, DC. **GRS OBJECTED TO TWIN STATE’S CLAIM OF OWNERSHIP OF THE LINE** [see 17 September issue], in a filing in TSRD’s notice of exemption for abandonment of the track from St. Johnsbury to Gilman. ‘[T]he Lease itself makes it clear that it was the intent of both parties that MEC retain its ownership interest and common carrier rights and obligations in the Line, as evidenced by several sections of the Lease.’

Guilford also argued that the lack of traffic on the line stems from TSRD’s inaction, including a failure to respond to requests for rate quotes to the mill in Gilman [see 1 October issue, *New Hampshire*]. The failure to maintain the line ‘has precluded either MEC or the State of New Hampshire from being able to effectively market a rail transportation alternative to the mill at Gilman from either direction.’ {text of filing from STB website, STB Docket No. AB-862X}

12 October. **THE STB ADMITTED IT WAS TREATING THE TWIN STATE PROCEEDING AS AN ABANDONMENT**, despite GRS’ argument that TSRD did not have the ownership interest necessary to file the notice of exemption to abandon.

‘MEC’s filing raises a question (not resolved in this decision) about whether TSRD has the legal right, pursuant to its 1984 agreement with MEC, to abandon and salvage the line. TSRD has sought abandonment authority in this proceeding, the Board has processed TSRD’s filing as one for authority to abandon the line, and SEA has recommended conditions covering possible abandonment and salvage of the line.

**TSRD cannot take track materials**

‘At the same time, in light of the uncertainty regarding TSRS’s right to abandon and salvage the line, the condition requested by MEC that would require TSRD to leave the line, track, ties and other track materials intact and undisturbed, will also be imposed. This condition, imposed in an abundance of caution, may be removed, if appropriate, if TSRD and MEC resolve their apparent disagreement concerning their respective legal rights to the line at issue.’ {STB Docket No. AB-862X}

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QUEBEC/MARITIMES

CN SUSSEX SUB

12 October, Salisbury NB. **CN TRACKS THROUGH THIS VILLAGE ARE AS SAFE AS ANY CN TRACKS**, according to CN Atlantic zone superintendent Derrick Colasimone. He spoke during a meeting of the Salisbury Council in late September, held to air resident concerns about the condition of the track. Track supervisor Bill Porter noted that his staff inspects the entire length of track from Amherst to Chipman twice a week, and carried out regular maintenance.

**Resident concerns**

Residents and councilors expressed concern at the state of the tracks running through the centre of the village, and the speed that trains carrying hazardous materials are travelling. One resident passed around pictures showing examples of worn rail ties and improperly fastened rails along the stretch of track that passes through the village.

Councillor Alan Ayles, who has lived in the village his entire life, said he has never seen the tracks in such poor condition. “I don't feel comfortable about what's going on right now with the conditions of the track and the bed. It is just not up to the standards that it used to be.” {Joe Behar in Moncton *Times and Transcript* 30.Sept.04}

**Transport Canada evaluation**

Maurice Landry, spokesperson for the agency, said Transport Canada (TC) based the frequency of inspections on a risk assessment. Officials consider the condition of track from last inspection, frequency and speed of traffic, and type of cargo. For the Sussex subdivision, TC conducted yearly inspections in the past. But during the 2003 inspection, rail safety inspector identified issues with the quality of fastening of rail, and asked CN to address this immediately. In 2004, TC conducted two inspections on the Sussex subdivision, identifying issues with the quality of joint ties. TC then reduced the permitted speed on the eastern 54 kilometers, which includes Salisbury, from class 3 to class 2, meaning freight train top speed dropped from 40 miles per hour to 25. That section has 39-foot stick rail. Until CN upgrades the joint ties, it will remain as class 2.
Landry noted that further inspections are planned for this year. Frequency of inspection in the future depends on the finding of future inspections. He stressed that the level of safety of the track remained the same. {ANR&P discussion 12.Oct.04}

CAPE BRETON & CENTRAL NS

1 October, North Sydney. **THE OPERATOR OF THE CARGOFLO FACILITY HERE HAS GIVEN NOTICE.** Darryl Rogers explained the history, beginning with CN moving grains to Moncton by covered hopper more than seven years ago. The grain, destined for Shur-Gain in Newfoundland, was transloaded into containers which were railed to North Sydney. There, Rogers’ trucking company would put the containers on chassis and use the ferry to move them to Newfoundland. Difficulty unloading the containers in Newfoundland later threatened to close the whole operation.

Rogers proposed bringing the covered hoppers to North Sydney; CN awarded him the contract to handle them, and the facility received the ‘Cargoflo’ appellation. He supplied a grain augur and a scale, and began transloading soy and corn, about fifty carloads a year, into his own trucks for ferrying to Newfoundland.

In 2003, Shur-Gain decided to ship the corn directly to Newfoundland, so Rogers’ traffic dropped to about 12 cars a year. CN promised other traffic, but nothing has emerged. Because he needs to maintain equipment to handle the soybeans, operating the transload became too onerous, and Rogers has given notice to discontinue his operation.

He did not know the fate of the traffic; “it will probably go to truck.” {ANR&P discussion 1.Oct.04}

RAIL SHIPPERS

Described in this issue.

*Our Directory of Rail Shippers & Receivers in Southern New England* has more information on the companies denoted with their directory number.

Albert Brothers [GRS Connecticut #628], Irving [CCRR New Hampshire], Northeast Utilities [GRS, Regional], Pawtucket Transfer Operations [PW Rhode Island], Shur-Gain [CBNS, Nova Scotia].

PEOPLE

Paige Kane, regional vice president state relations, New England for CSX Transportation, in mid-September took a senior level position with the City Year organization, based in Boston. Jane Covington, CSXT spokesperson, said the company is seeking a successor, which may involve reshuffling some responsibilities.

EDITORIAL

New Hampshire transportation priorities
Some of you may have known this secret (I did not): New Hampshire subsidizes bus transportation [see the article in Maine about Amtrak]. I applaud this subsidy, but I don’t understand the reluctance of the state’s executive councillors to subsidize the Downeaster for the same reasons they will subsidize the buses: getting New Hampshire residents to Boston.
I hope Maine officials point out this inconsistency, and that the NH Governor’s Advisory Council on Intermodal Transportation will agree to help the Downeaster. After all, a substantial number of the trains passengers board or disembark at the New Hampshire train stations.

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E-ISSUE