**Regional Issues**

Industrial switching: Highland Rail to provide.

Network efficiency:*12 of 15 NE railroads comply.

Abandonments: SLR seeks easier STB procedure.*

QCR: MMA possibly interested.*

High-speed rail: NH backs off.

Guilford: Pan Am pilots file suit.

**Connecticut**

C&D facilities: Municipal Road, Murphy Road, Mid-State Recovery.

PW: Sells Southbridge Branch to Commonwealth.

New Haven: Port Authority planning use of East Short Parkway. New advisory board. NE Shipping.

**Rhode Island**

PW: New waste facility/railroad proposed.

QPD: Review of track plans. Star Gas to move?

**Vermont**

TSDL: Files for abandonment; VAOT to buy?

MARITIMES/QUÉBEC

CN: Burnside Park still gets two shunts a day.

CBNS: Files to abandon Cape Breton. Superelevation issue.

NBSR: Wins environmental award from Transport

**Rail Shippers/Receivers**

A cross-reference to companies mentioned here.

**People, Positions, Events**

Kevin Laffey, Jim Christie.

**Editorial**

Congestion ain’t going away. Start planning for it.*

From the Publisher

Sprouting of waste facilities

After an hiatus, three potential new facilities make their appearance, while one fades away. Municipal Road in Connecticut, Pawtucket Transfer in Rhode Island, and New England Transfer in Massachusetts remain under consideration. We await news of Circle of Life in North Haven, under construction for what seems like a decade. But Champion City Phase II appears dead.

- Chop Hardenbergh

Next issue: 1 October

REGIONAL ISSUES

A NEW INDUSTRIAL SWITCHING OPERATION
7 September, Southington CT. **HIGHLAND RAIL SERVICES WILL BEGIN AN INDUSTRIAL SWITCHING OPERATION** ‘at a location in southern New England in the coming weeks,’ wrote Mike LaBouliere, one of three principals. He will make public the location at startup.

Locomotive purchase
‘We have acquired a General Electric 25-ton industrial locomotive to commence operations and will be upgrading later on,’ wrote LaBouliere. It was stored inside the abandoned coal shaker at the West Springfield Power Plant for the past ten years, unused. [ConEdison subsidiary ConEdison Development, which owns the plant, has converted it to use either gas or oil. It is used during peak power periods. {company website}] ConEd uses an operational 80-ton locomotive at the plant, but for in-plant moves only. {e-mail to ANR&P from Highland}

MORE ABOUT HIGHLAND RAIL SERVICES
Highland Rail Services, LLC was started in March of 2003 by Peter LaBouliere and his two sons, Mike and Brendon. It provides railroad construction and railroad equipment brokering, as well as the industrial switching. The company has done track work for Albert Brothers [our Directory 628–see 27 April issue].

Peter worked for the Missouri Pacific Railroad as assistant road master and assistant general foreman. He returned to Connecticut in the mid-1980s to work as a truckload dispatcher supervisor, as well as part-time for the Connecticut Central Railroad. Currently he works for the ConnDOT Office of Rail, having served in the Operations Unit, Maintenance-of-Way Management, and Rail Regulatory Unit. Peter only assists Highland Rail on nights and weekends. To avoid any conflict, Highland does not work on any ConnDOT-owned track.

Mike works as railroad equipment sales/purchasing consultant, while Brendon handles web searches for railroad equipment, spare parts, tools and supplies. Both work as laborers for Highland Rail, and are actively involved in the development of new business strategies. {e-mail to ANR&P from Highland}

NETWORK EFFICIENCY
8 September. **TWELVE OF 15 NEW ENGLAND SHORT LINES MEET THE 12-HOUR EVENT WINDOW REPORTING MANDATE**, according to a source associated with the effort. The Network Efficiency Management Committee of the Association of American Railroads is attempting to improve efficiency by getting all short lines to report a car event (placed ready for pickup, e.g.) within 12 hours of the occurrence. The ASLRRRA Views and News of 8 September reported that 136 short lines, approximately 1/5 of Class II and Class III railroads, fail to report in this 12-hour standard. In New England, only the very smallest railroads still do not. {ANR&P discussion}

EASIER ABANDONMENTS FOR CLASS II AND III RAILROADS?
31 August, DC. **SLR, WITH 64 OTHER RAILROADS, SOUGHT A CHANGE IN THE ABANDONMENT PROCESS**, at least for the regional and short line railroads. The Surface Transportation Board on this day took testimony on whether to initiate formal rule-making proceedings. The petitioning railroads argued that the lengthy abandonment time frame, administrative documentation, and historic and environmental reviews subject to varying agencies are burdensome for small carriers.

Small carriers saddled with poor-performing lines have to raise rates and defer maintenance in an attempt to break even, which erodes business over a period of years until service halts, then qualifying the carrier for an abandonment exemption, said petitioners’ representative Mark Sidman, an attorney with the Washington, D.C.-based firm Weiner, Brodsky, Sidman, Kidder.

Under the proposed exemption, the railroad would put the distressed line on the market and solicit offers of financial assistance. If no buyer comes forward to rescue the line, it would be deemed unviable, and the shortline would be free to
shift resources to more deserving lines, Sidman said.

The Board should decide in a few weeks whether to initiate the formal proceeding. {Rail Business 6.Sept.04}

**Involvement from New England**

Charlie Marshall, president of Genesee & Wyoming (GWI), parent of the SLR, wrote: ‘We have no lines that fit these rules at the moment, but we [GWI] have had some, now abandoned, in Pennsylvania that might have been able to use them. I think that the big benefit will be for very light density lines that some shipper may want to save before they get too rundown to save.’ {e-mail to ANR&P 7.Sep.04}

**QUEBEC CENTRAL RAILROAD**

26 August. **ARE CONNECTING LINES INTERESTED?** QCR, which its owner has put up for sale [see 3 September issue] interchanges with the SLQ, MMA, and CN. Ed Burkhardt, head of Rail World, the principal MMA owner, wrote on 3 September: ‘Yes, we are aware of this. M. Giguère is shopping QCR to all of its connecting lines, and we have asked for information. I think this is a long shot at best.’ {e-mail to ANR&P} GWI, parent of SLQ, declined to comment because of SEC rules governing disclosures by public companies. {e-mail to ANR&P from President Charlie Marshall}

**HIGH-SPEED RAIL**

31 August, Concord NH. **NHDOT APOLOGETICALLY DECLINED TO MOVE FORWARD WITH THE STUDY**, despite the fact that the General Court appropriated $85,000 to pay the state’s share of the Phase II study [see 1 July issue]. NHDOT Commissioner Carol Murray wrote to VAOT Secretary Patricia McDonald on this day:

In a different time I would readily respond in the positive, knowing that support from others would be there. The monetary cost, while surely not negligible, would be seen as a tolerable cost, appropriate for the value of insights to be made available for considering the opportunities that high speed rail could bring.

Given the belt tightening currently upon us, I would be hard pressed to provide New Hampshire’s match even if it were available. I would instead argue, that while the study has merit, the condition of the rail corridor (at least in New Hampshire) and general lack of political will for such an ambitious rail project anytime soon, would be grounds for delaying further study until there is somewhat more promise that something productive would come of it.

As a Commissioner of Transportation, I fully appreciate the need to incorporate railroads into the transportation mix. In spite of the setbacks we have had here in New Hampshire, I remain hopeful that we can get rail service in Massachusetts extended 11 miles north to provide the first commuter rail service in New Hampshire since the 1960s. [See 13 July issue.]

We do need that toehold, and hopefully it can be successful and expanded upon, someday all the way to Montreal.

I don't know that this is the answer you were looking for. New Hampshire will be there eventually, but it will take some time. I trust you understand. {text from NHDOT}

**GUILFORD - PAN AM DISPUTE**

9-10 September, Concord NH. **PANAM PILOTS FILED SUIT AGAINST GUILFORD TRANSPORTATION INDUSTRIES UNDER THE RAILWAY LABOR ACT**. The suit, brought by the Air Line Pilots Association International and filed on 2 September, alleged that GTI and its subsidiary Pan American Airways Corporation has violated the Railway Labor Act by firing union officers, ignoring grievances filed, and trying to shift Pan Am operations to a nonunion company, Boston-Maine Airways. In particular, the union stated that Guilford has fired or demoted employees who take any active role in the union, creating ‘an environment of fear and intimidation that is so pervasive that Pan Am flight crew members are now unwilling to take on any ALPA leadership positions.’

On 9 and 10 September, a magistrate held a hearing on whether to issue a temporary restraining order. After receiving briefs, the magistrate is apparently making a decision. {Air Line Pilots Association International v. Guilford Transportation Industries} US District Court for New Hampshire, Civil Case 04-331-JD, court website}

Related case: **back pay**

On 13 August, the same magistrate upheld an arbitration award against Pan Am for back pay and other expenses. {Air Line Pilots Association International v. Guilford Transportation Industries}
CONNECCTICUT

CONNECTICUT C&D FACILITIES

8 September. MURPHY ROAD PURCHASED MID-STATE RECOVERY in August, a deal evidenced by the presence of 11 MRRX (Murphy Road) [our Directory #604] gondolas at Mid-State Recovery [our Directory #554]. Ted Vozzella, who handles rail transportation for both facilities, after the deal sent the smaller-cube MRRX cars to Mid-State in Portland on PW, and sent the larger-cube Mid-State cars to Murphy Road in Hartford. Vozzella has worked in this field for nearly ten years; he helped Western Recycling in Wilbraham before Waste Management [our Directory #369] bought it in autumn 2002.

Waterbury facility update
Vozzella also manages transportation for the existing transfer station in Waterbury on Municipal Road [see map in 5 June issue] and for the proposed C&D facility there [see 3 June issue]. He explained that three interrelated companies form the legal structure: USA Hauling and Recycling will provide the truck transportation (it already does for the existing station); Municipal Road LLC will own the property for the new C&D facility; and F&G Recycling will actually operate the C&D facility. The track to serve the facility will lie on ConnDOT property; GRS will provide the freight service.

[To serve customers south of Highland Junction to Derby Junction, GRS operates on ConnDOT-owned tracks. Metro-North operates up to just south of the Waterbury Republican-American in Waterbury, so GRS and Metro-North share the tracks south of that point. See 27 April issue.]

The C&D project is delayed by contamination which leaked from an adjacent site onto the rail right of way, so that while 75% of the track is laid, Vozzella cannot get it completed yet. He still hopes to start up in Waterbury by the end of the year.

Adequate supply?
Asked whether Connecticut had enough C&D to supply the new Waterbury facility as well as the existing and prospective transfer stations such as Circle of Life in North Haven, Vozzella pointed out that his stations are supplied by hauling operations associated with the stations. “We hope to grow the traffic through these stations to the amounts [stated in our permits].” {ANR&P discussion 8.Sep.04}

PROVIDENCE & WORCESTER

1 September, Southbridge. THE COMMONWEALTH PURCHASED THE SOUTHBRIDGE BRANCH FOR $1.3 MILLION, at least that part in Massachusetts. Long out of service, it will become a trail. State Senator Richard Moore (D, Uxbridge), called the price a bargain because an appraisal in the past two years priced the right-of-way at $1.8 million (including the track).

The Department of Conservation and Recreation will first request proposals to remove the track. {John Dignam in Worcester Telegram & Gazette 11.Sept.04}

The agreement should permit PW to consummate the abandonment, which it filed in 2003 [see 03#10B and 03#11B issues].

Connecticut portion
The state is aiming to acquire this portion. {ANR&P discussion with Leslie Lewis of Connecticut Department of Environmental Protection 16.Sep.04}
NEW HAVEN

5 August. THE PORT AUTHORITY IS MOVING INTO THE PLANNING AND LAND-USE TASKS FOR THE PORT DISTRICT, which comprises 366 acres, all on the eastern side of the Quinnipiac River estuary, south of I-95. According to the minutes, and a discussion with Mike Piscitelli of the city Plans Department:

East Shore Parkway
One of the tasks facing the Port Authority, even before it was created, was to deal with the East Shore Parkway property, essentially a city-owned strip of land running north-south down the center of the port district. Originally designated as a park, the city and Port Authority are constructing a legal framework which will permit port users to occupy the property, and provide income to the Authority.

Westchester Motors has occupied a portion of the Parkway for several years [see map 01#02A]. In the past year and a half, several users have licensed parts of the Parkway for dry storage.

In deciding how to use the Parkway, the board members must also define currently undefined road access easements for PSEG, which owns and operates the Harbor Station generating facility, and for United Illuminating (UI), which has a buildings and a distribution facility next to Harbor Station. UI is the deliverer of electricity for the region. [In 1999 UI sold Harbor Station to WisVest; in 2002 PSEG bought from WisVest. It burns oil or natural gas. {Connecticut Department of Environmental Protection website, operating permits}] 

Buckeye Pipeline
The Buckeye Pipeline carries refined petroleum products from several terminals in New Haven (Gateway Terminal, Gulf Oil L.P., New Haven Terminal Inc., Northeast Petroleum Co., Williams Energy) to customers in Hartford and Springfield. {Buckeye website} Buckeye needs to replace some of the pipe; the city and Port Authority have convinced Buckeye to move portions off the Parkway, away from the future rail line, to become less intrusive.

Other Port Authority tasks
The board members are drafting a work program, and conducting a survey of businesses within the Port district. {minutes of meeting; ANR&P discussion 15.Sep.04}

13 September. THE PORT AUTHORITY NOW HAS AN ADVISORY BOARD, composed of Tom Dubno, Gateway Terminal; Bob Schaefer, Motiva Terminal; Mike Weiner, Colony Hardware; Michael Vasaturo, Logistec; David Pohorylo, New England Shipping; and Ralph Gogliettino, Sea Support. {e-mail to ANR&P from Piscitelli}

MORE ABOUT NEW ENGLAND SHIPPING
David Pohorylo, who serves on the New Haven Port Authority Advisory Board, co-founded the steamship agency New England Shipping in 1991. It serves all ports of the Northeast: Fairless, Rensselaer, Albany, Cementon, Port Elizabeth, Newark, Staten Island, New York, Brooklyn, Bridgeport, New Haven, New London, Groton, Davisville, Newport, Providence, Fall River, New Bedford, Boston, Sandwich, Newington, Portsmouth, and Portland. {company website}

MAINE

AMTRAK

13 September. A RECAP OF SEVERAL ISSUES:

Shut-down/79 miles per hour
During the July shut-down for the Democratic National Convention in Boston [see 30 July issue], Guilford workers upgraded track to permit 79 miles-per-hour operation. On 5 August, the first regularly-scheduled Downeaster reached that speed on
3.8 miles of track.

**Bridge collapse**
Also during the shut-down, a bridge over the track collapsed while workers were fixing a soft spot in Kennebunk. Permitted speed over that soft spot (between milepost 220 and milepost 222) has increased after the work, to 40 miles per hour.

**Additional work**
Efforts to improve track to lower travel time continue. These include rail grinding and MBTA capital work underway between Plaistow and Wilmington Junction. {e-mail to ANR&P from John Englert, NNEPRA executive director, 13.Sep.04 }

**Ridership**
Before the shut-down, ridership was dropping significantly between Portland and Boston, while increasing elsewhere, but not enough to offset the Portland drop. In May, ridership decreased 8.7%, and in June 12.3%. {NNEPRA website, materials for August board meeting}

**GUILFORD - TRAFFIC**
8 September. **TRAFFIC ON THE FREIGHT MAIN WAS SUBSTANTIAL** this day, according to an eyewitness report:

**WARJ** (Waterville-Rotterdam Junction, CSXT interchange). WARJ had four locomotives hauling about 4500 feet of train with nine trailers/containers on the head-end, an assortment of paper loads, empty caustic and chlorate cars, and empty kaolin (dry and slurry) cars. WARJ passed PONM (Portland-Northern Maine Junction) at Rumford Junction (Lewiston). [The next night, WARJ had 15 trailers/containers on the head end, 65 cars of paper loads from SAPPI-Hinckley and Madison Paper plus empty kaolin slurry, limestone slurry, and latex cars.]

**PORI** (Portland-Rileys, Jay) passed WARJ at Riverside Street in Portland. It had two locomotives and about 20-25 cars for the SLR at Danville Junction and a total of about 80 cars.

**POMO** (Portland-Mohawk Yard, D&H interchange). Two locomotives were pulling about 60 cars, many paper loads and kaolin and limestone slurry empties. One locomotive died in Wells due to crankshaft problems and lack of water. {NERAIL} [Note: this lists just the trains spotted on the Freight Main this morning. GRS runs several more trains on the Freight Main each day.]

**PORTLAND**
14 September. **CONTAINER CARGO IS STILL MOVING BY TRUCK** rather than barge or feeder ship.

**The feeder ship Shamrock**
She remains impounded in Portland harbor [see 20 August issue]. On 13 September, US District Court Judge George Singal set an auction to sell the ship on 12 November. Fortis Bank, the creditor to ship owner Copropriete du Navire Shamrock, wants to collect the outstanding debt of $14 million plus interest. However, “We're hoping [for a settlement before that day],” said Michael Kaplan, a Portland attorney for Copropriete du Navire Shamrock. “If we can settle the case with Fortis and the other creditors, it'll be back running the way it did before.” He described the dispute as a complex legal matter that should be decided in a French court, and that Shamrock's owner may countersue Fortis Bank for repossessing the ship too soon. {John Richardson in Portland Press Herald 14.Sep.04}

**The barge service**
Tom Delaney, executive vice-president of Columbia Coastal, which ran a few barge trips in early August [see 20 August issue], said he still wants to run the barge. “But Hapag Lloyd [the liner service serving Portland via the Shamrock] has not asked us to.”
Future service
Columbia Coastal has made an offer to the Grand Alliance (the liner consortium of Hapag Lloyd, P&O, NYK, and OOCL) to provide feeder service out of Halifax with a ship. He expected to hear this day. {ANR&P discussion 14.Sep.04}

SEARSPORT
3 June. THE FIRST BREAK-BULK SHIPMENT TO THE NEW PIER arrived, in the form of 3,000 tonnes of bagged tapioca. Merrill’s Marine Terminal had handled this business since 1985 [see 20 August issue] for National Starch, and still handles some intermodally. PD Merrill explained that transferring the discharging point from Portland to Searsport put the bags 120 miles closer to their destination: the Island Falls National Starch plant.

Three-port cooperation
To discharge the ship and move the product into the warehouse, workers from Federal Marine (Eastport stevedores), Merrill’s operation in Portland, and local Mack Point Sprague employees cooperated, under Sprague’s overall supervision.

P.D. Merrill commented in August: “It’s one of the best stories to come off the waterfront. This confirms the state’s three- port strategy. We are supporting each other for the benefit of the customer. This is such a specialized business, and competing with each other is so counterproductive.” {ANR&P discussion 17.Aug.04}

MACK POINT WAREHOUSES
The initial and second warehouse
Sprague is operating the first new warehouse at Mack Point, of 30,000SF [see 17 December 2003 issue]. It holds the tapioca which is trucked as needed to Island Falls.

The state had planned to build the second warehouse, said Bruce Atkins, who handles Sprague’s marketing. Marketing of the new pier and state planning for the second warehouse went forward simultaneously. When Sprague began bidding to handle pulp for Katahdin Paper in Millinocket, the state realized it could not complete the final engineering, bidding, and construction in time to grab that contract. Because the federal funding requirements dictated certain procedural steps, the state estimated its warehouse–possibly 90,000SF–would not be ready until the middle of 2005, according to Atkins.

Sprague again stepped up with its own funding, promising to Katahdin Paper that it would complete its own second, 60,000SF warehouse in time to handle the pulp. Katahdin then awarded the pulp contract to Sprague at the end of July.

Atkins related that Sprague had completed all the planning for the building, and had engaged Rubb to build it. Due to steel shortages, Rubb had to lengthen its normal construction time of three months to four and a half, so the second warehouse will be ready in mid-December.

Rail access
MMA has rebuilt the F-track, which runs seaward of the new pier [see map in 19 February 1998 issue] with two sidings for the first warehouse. It will build sidings for the second warehouse, as well. {ANR&P discussion 14.Sep.04}

Third warehouse?
The Maine Port Authority still has federal grant money available for a warehouse, said Brian Nutter, executive director. “We are looking at additional warehouse space,” whether by adding to an existing building or building a new one.

Atkins projects more traffic through Searsport. “Activity begets activity.” {ANR&P discussions 14.Sep.04}

The future
“It is important to understand that while Mack Point is located in Searsport, it provides the connection to international markets for all of central and northern Maine,” said Brian Nutter, executive director of the Maine Port Authority. “And with our inland transportation infrastructure we can reach markets in the US Midwest and central Canada. As we continue to market the port this will bring more jobs to Maine and provide new opportunities to stabilize the economy of the entire state.” {Sprague press release about pulp}
6 September. **THE FIRST MARKET PULP ARRIVED HERE**, destined for Katahdin Paper in Millinocket. As with tapioca [see above], workers from Eastport, Portland, and Searsport cooperated to put it into the warehouse. ‘The planned amount of pulp to be delivered will measure between 4,000 to 6,000 metric tons and will require approximately 16,000 to 25,000 square feet of storage space. The pulp will then be shipped as needed to the Katahdin Mill. In the future regular monthly shipments will be nearly twice as large following completion of a new warehouse facility at Mack Point,’ said a 1 September Sprague press release.

**Source of pulp**
Fraser has entered into an 11-year lease of the Port Cartier facility on the St. Lawrence River, which will be the source of the dried pulp. Bruce Atkins of Sprague said on 14 September that the amount of pulp arriving via Searsport will double when the second warehouse is done [see box].

**Destination of pulp**
In 2003, Fraser was looking for the lowest-cost source of market pulp while planning for a new pulp mill in Millinocket [see 5 January 2004 issue]. In June 2004, Katahdin opened the #11 machine in Millinocket, fired up the Port Cartier pulp mill, and examined how to move the pulp to Millinocket [see 16 June issue]. [Port-Cartier lies on the far north shore of the St.Lawrence River, without any rail connection to the North American network. The choice lay among trucking to a rail-head, shipping to a rail-head on the St.Lawrence, or shipping to a closer rail-head. Editor]

MMA will rail the pulp to Millinocket. {Sprague press release 3.Sept.04; ANR&P discussion 14.Sep.04}

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**MORE ABOUT FRASER PAPER**
Confused about Brascan, Fraser, Nexfor, and Katahdin? Brascan owns Nexfor, which in turn owned Fraser, which in turn owns Katahdin. This year, Nexfor distributed, to Nexfor shareholders, shares representing ownership of Fraser. On 1 July 2004, Fraser Papers, formerly a wholly-owned subsidiary of Nexfor Inc., became a separate publicly-traded company listed on the Toronto Stock Exchange. Brascan owns approximately 43% of Fraser Papers following its distribution to shareholders of Nexfor.

Fraser Papers Inc. is a leading manufacturer of specialized printing, publishing and converting papers. Fraser is one of North America's largest producers of specialized paper products, operating 17 paper machines at mills in Maine, New Hampshire, Wisconsin, Quebec, and New Brunswick. A highly integrated paper company, Fraser manages more than two million acres of forest (50% of which is Fraser-owned), operates a tree nursery, sawmills, and virgin and de-ink pulping facilities. {Brascan website}

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**MASSACHUSETTS**

**CSXT - CHAMPION**
8 September, Brockton. **THE DEPARTMENT OF ENVIRONMENTAL PROTECTION DENIED CHAMPION CITY’S REQUEST FOR RECONSIDERATION.** It stated that Champion City Recovery [our Directory #313] ‘failed to demonstrate to the department's satisfaction that the site in question was the site of previous solid waste management activities; or the site cannot reasonably be located outside the Zone II of the town of Avon wells; or that the site is 'grandfathered' and therefore already site assigned.’

The DEP's decision followed its initial denial on 19 May of Champion’s effort to add a municipal waste transfer facility to its existing construction and demolition debris facility [see 1 July issue] and a legislative override of a veto of the governor [see 30 July issue]. The decision may spark a difficult legal battle for the company. “As far as we know no one has ever successfully contested a negative site suitability determination issued by the department,” said David Johnston, DEP southeast
regional deputy director in Lakeville. {Jennifer Kovalich in Brockton Enterprise 8.Sept.04}

CSXT - AUTO FACILITY
13 September, East Brookfield-Spencer. **THE NEW AUTO FACILITY WILL OPEN 1 OCTOBER.** The East Brookfield & Spencer Railroad, the industrial switching operation [see 3 June issue], has a former RailTex switcher which should start operating there this week, with another switcher due to arrive by the end of September, according to George Bell, EBS manager. General Motors will become the main user. {e-mail to ANR&P 13.Sep.04}

Ballast arriving
On 12 October CSXT locomotives were seen in the new yard [see map 13 July issue], moving ballast cars which were dropping ballast. Once empty, the train headed back to Westfield to get another load [presumably from Lane’s Quarry, see 27 April issue]. {CSXTSightings e-list 13-Sep.04}

GRAFTON & UPTON
11 September, Grafton/Upton/Milford. **RAILROAD MANAGEMENT IS WORKING WITH TOWN GOVERNMENTS** in Grafton and Upton very actively and cooperatively on all future development possibilities. According to John LaPoint, a member of the Town of Grafton Economic Development Commission, GU is involved with:

**West Upton residential development**
Developers Ron Roux of Hopkinton and Bob Henderson of Upton have proposed a large mixed-use village type residential project on a 32-acre brownfield site adjacent to the GU yard here. Most was owned by the Upton Fuel and Construction company [a former GU customer which received salt and distributed it to surrounding towns—see Atlantic Northeast Rail & Marine Transport Review 1999]; the balance is a former landfill not related to the railroad.

**North Grafton Yard**
This yard has a capacity above 100 cars. The MBTA is considering it, as well as other sites, for storing the additional train sets needed for expanded commuter service to Worcester.

**West Upton Yard: for lease**
On 10 September, the railroad began offering this yard for lease on www.railswap.com. Text of advertisement: ‘Yard for lease will hold 30 cars road accessible around yard. Hopper in same yard to unload hopper cars can unload 100 tons in 30 minutes. Good price on yard.’ A GU official confirmed the yard is for lease. {ANR&P discussion 15.Sep.04}

In early 2004, GU successfully conducted two separate track tests with its Alco engine to the West Upton yard.

**Large tract of land in Upton**
A large tract of privately-owned land in Upton is available with railroad access for industrial development. This property has been openly discussed at recent master plan sessions in Upton, where the railroad ownership actively participated.

**Grafton Center**
GU owns a four-acre property in Grafton Center. Town officials meet with railroad ownership on a continuing basis to discuss this and other railroad-owned property in Grafton. {e-mail to ANR&P from LaPoint}

**Milford yard**
GU would like Boston Railway Terminal, now in South Boston, to move to this yard. In August, the Surface Transportation Board decided that the Terminal fell under town and state regulation. Townsfolk had early reacted with dismay about the possible development of the GU yard here. [See 20 August issue.]
GUILFORD RAIL SYSTEM

September. **PARTIES OPPOSED TO THE WILMINGTON & WOBURN TERMINAL RAILROAD** were given an extension until 17 September ‘to submit comments to the Board’s environmental assessment in this proceeding.’ [See 20 August issue]. [STB Docket No. FD 34391 0]

MASSPORT

9 September. **VOLUMES INCREASED 10% OVER THE PREVIOUS YEAR** during the first seven months. The Port of Boston handles approximately 1.3 million tons of containerized cargo valued at more than $5 billion annually. Cargo increases in Boston are largely attributable to expanded ocean carrier service, including a direct ocean carrier service to the Far East established in 2002 and a second European/Mediterranean service added last year. [Massport press release]

NEW HAMPSHIRE

NEW HAMPSHIRE CENTRAL

2 August, Gilman VT. **THE PAPER MILL HERE RE-OPENED** [see 16 June issue]. No word on resumption of rail service [see Vermont]. [Matt Rines in The 470 9.04]

RHODE ISLAND

PROVIDENCE & WORCESTER

1 September, Pawtucket. **THE ZONING BOARD WILL HEAR AN APPLICATION FOR A RAIL-SERVED WASTE TRANSFER STATION** at 280 Pine Street. Zoning Board Chair Raymond Gannon said that hearing, originally set for 7 September, was rescheduled for 28 September because an expert scheduled to testify before the board could not attend Tuesday night.

New railroad coming?

Pawtucket Transfer Operations, LLC and the Providence and Worcester Railroad will present information to the Zoning Board.

Pawtucket Transfer Operations, LLC filed with the state on 5 February 2003 as a new entity, listing Daniel and David Poggi of 99 Taber Avenue, Providence. [Joel Furfari in Pawtucket Times 2. Sept.04; RI Secretary of State Corporations website]

Some local reaction

Text of message from Pawtucket Arts Collaborative: Newsletter 4 September: ‘For everyone in the Pawtucket area - your help is needed! We the Pawtucket community, have an environmental threat to address that puts at risk all our hard-won gains in ’re-imagining’ Pawtucket over recent years. A group known as Pawtucket Transfer Operations LLC (PTO), is seeking to construct and operate a waste transfer facility in an area off Pine Street, adjacent to both Downtown Pawtucket and the Woodlawn Neighborhood.

‘The City of Pawtucket Planning Office has denied the use permit on the basis that a private operation of this nature is not allowed under current zoning. The applicant has appealed, and will go before the Board of Appeals in Pawtucket City Council Chambers, Pawtucket City Hall on Tuesday, September 28 at 6:30pm, 137 Roosevelt Avenue, Pawtucket.

‘We are asking as many people to attend this meeting to show the community's feelings on this issue and strong opposition. If this appeal is allowed, the Woodlawn area would become the epicenter of the largest such facility in our state, larger in scale (2,000 tons per day or 10-14,000 tons per week) than even the Central Landfill in Johnston, (handling 3,500
tons per week). The Planning and Redevelopment Office estimates an additional impact of up to 400 trucks per day, entering and exiting the site from Interstate 95, up to 16 hours per day - each day. Please mark this date on your calendar! Your attendance is important! For further questions on this issue, please contact Rich Davis, Executive Director, The Pawtucket Foundation at #725-4400.’

15 September, DC. **THE RHODE ISLAND AND WESTERN RAILROAD LLC FILED A LEASE AND OPERATION EXEMPTION** for the Pawtucket Transfer Operations LLC. According to the filing, the RIWR would lease and operate 1.43 miles of track on about 7.4 acres in the PW-owned ‘former Pawtucket Yard’ now leased by Pawtucket Transfer. Myles Tobin, attorney with Fletcher & Sippel in Chicago, is listed as the contact person. James Newell is listed as president and chief operating officer of RIWR.

RIWR ‘anticipates it will transport a variety of commodities, including aggregates, sand, gravel, stone, construction debris, non-hazardous solid waste, liquid and dry chemicals, lumber, plastics, steel, scrap, recycled paper and plastic, paper products, clay, and brick.’ [STB Docket No. FD_34548_0]

The Pawtucket Yard lies south of Amtrak’s Northeast Corridor, between Conant Street and Dexter Street in Pawtucket. Since the FRIP lies north of the Corridor, PW will traverse the Amtrak tracks to interchange with RIWR. [FRIP map]

[By creating a railroad and letting it run the operation, Pawtucket Transfer may escape regulation by the city and state, under the federal pre-emption doctrine. Editor]

**QUONSET POINT/DAVISVILLE BOND**

9 September. **BOND PROCEEDS WILL NOT PAY FOR A COMPLETE TRACK REBUILD**, said Geoff Grout, managing director of the Quonset Point Davisville Port and Commerce Park (QPD). In December 2003 [see 5 January 2004 issue], he had hoped to rehab both main lines. But this summer, park managers told Bruce Hamilton, head of the park’s industrial railroad, that even with the $48 million, QPD cannot afford to improve all the track simultaneously. QPD proposed to break the work into three parts: from the Northeast Corridor to the Post Road (Route One) junction, from the Post Road junction to the port in West Davisville (Davisville main), and from the junction to the Quonset port (Quonset main). [e-mail to ANR&P]

Hamilton said he preferred to start with the Davisville main. RIDOT has set end of 2005 as a completion date for the Freight Rail Improvement Project [see 14 November 2003 issue]. If Seaview wants to be ready to move autos out of Davisville to PW for hauling over the FRIP—which will have clearance for tri-level auto carriers—the track needs significant work, Hamilton told ANR&P on 8 September. The track took a pounding when pipe was moved over it.

“It’s going to be next summer before the [bond] money becomes available,” said Hamilton. To prepare, he’s already “putting ties in there every spare minute”. [ANR&P discussion]

**The bond issue**

In 2002, Rhode Island voters turned down an $11 million bond for improvements at QPD, but may have done so fearing the work would support a container port [see 17 December 2003 issue]. In autumn 2003, the Rhode Island General Assembly passed a bill for referendum this November:

Question 14: Approval of this question will authorize the State of Rhode Island to issue general obligation bonds, refunding bonds, and temporary notes in an amount not to exceed $48,000,000 for road and utility infrastructure, building demolition, site preparation, and pier rehabilitation at the Quonset Point/Davisville Industrial Park. [RI Secretary of State website]

**Rationalizing track in the Park**

Grout said the Park management would like to move Star Gas [our Directory #504], now at the end of a long spur, closer to the Seaview Transportation engine house, and has had one conversation with the company about it. Its ‘current use does not conform to current land uses in the Land Use Master Plan or Development District Master Plans because neither existed when current location was selected.’ Also, ‘the removal of the rail spur to the current location will increase the overall value and opportunity for a taxpayer-owned asset at no loss of, and more likely increased, value and utility to Star Gas.’

Some bond issue proceeds will be used to improve the Park’s overall rail network. Spur removal and spur rebuild, not
just at Star Gas, is a key part of the improvement program. The Park has no plans to move New England Stone.

‘A cross-dock facility could be a very important part of our rail service improvement project. Identifying a credible well-capitalized developer/operator/owner is the likely next step.’ {e-mail to ANR&P from Grout}

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VERMONT

TWIN STATE RAILROAD

17 August, DC. **THE RAILROAD SUBMITTED A NOTICE OF EXEMPTION TO ABANDON ITS VERMONT TRACKAGE** and discontinue service, from St.Johnsbury to Gilman, about 20 miles. Since no traffic has moved on the line for more than two years, TSRD need not go through the formal abandonment process.

**History**

The filing noted the recent abandonment of the LVRC [see 5 March issue]. ‘The LVRC and the TSRD were created to address the anti-competitive effects of the acquisition by Guilford Transportation Industries’ of the Boston and Maine, the Delaware & Hudson, and the Maine Central. CSF (Clyde S. Forbes) Acquisitions owns the Northern Vermont Company, which in turn owns the LVRC and TSRD. TSRD has operated the line since 1984 under an agreement with Maine Central, which was required by a settlement in 1984. TSRD made a one-time, upfront payment of $200,000 to cover the entire lease period including ten-year extensions. MEC agreed to pay TSRD $300/loaded car, adjusted by the Rail Cost Recovery Index.

The current lease period began on 1 January 1999 and will end 31 December 2008. The lease provides that Maine Central ‘is exclusively responsible for marketing rail service on the Line’ and has the ‘exclusive right to deal directly with shippers and receivers...MEC has failed miserably in that marketing effort.’

Since TSRD has operated the line, it has had only one customer, the paper mill at Gilman [see New Hampshire]. Before its closure in 1999, traffic came to about 800 carloads a year. In 2002, MEC sold the New Hampshire portion of the line, plus enough track to serve the Gilman mill, to the state of New Hampshire, ‘indicating an obvious and deliberate attempt by MEC and the State of New Hampshire to block rail access to the mill at Gilman from Vermont.

‘MEC has also had substantive and numerous discussions with the State of Vermont about a possible sale of the Subject Line, presumably for snowmobile purposes....

In addition to the initial lease payment, TSRD has invested in the Line by operations, maintenance, administration, and insurance. ‘The only opportunity that remains today to recoup that substantial investment by TSRD is through the abandonment and discontinuance of service over the Subject Line, and through the sale of the rails, ties, and other track materials on the subject line.

**Terms of lease: who owns track?**

The lease terms support TSRD’s contention, above. In addition, section VII permits TSRD to terminate the agreement if carloadings fall below 1100 carloads a year.

Section 1.03 reads: ‘TSRD may request MEC to retire any property on, or portion of, the Line which may no longer be required for the performance of the duties of TSRD under this Agreement, and MEC shall not unreasonably withhold approval of such requests. TSRD may retain for its own account any property recovered or proceeds received incidental to such retirement, but retirement accounting shall be performed by MEC.’

[TSRD appears to rely on this clause to permit it to salvage the track on the entire line. I strongly doubt the language would cover the ‘retirement’ of the entire line, but interpretation of the clause may ultimately be decided by a state court. The STB does not appear to have jurisdiction once the discontinuance or abandonment is consummated.

Which leaves the question: abandonment or discontinuance of service? Since TSRD does not own the line, unless MEC agreed it could retire the entire line—a fact if true not mentioned in the filing, it may only discontinue service. **Editor**]

**Objection**

The environmental review presented by the Board’s Section of Environmental Assessment on 7 September noted:
‘The Northeastern Vermont Development Association (NVDA) expressed opposition to the proposed abandonment. NVDA stated that it believes all regional rail lines and their operators are essential assets to the region’s future development.’

The Office also recommended this restriction: ‘3. During salvaging activities, the railroad shall remove all ties and rails from the right-of-way for proper disposal, reuse, or recycling.’ [VAOT had not planned to remove all ties and rails–see 16 June issue].

Offer to purchase
In autumn 2003, when TSRD counsel David Anderson was preparing the abandonment filing, VAOT responded that it had a history of acquiring rail corridors threatened with abandonment. {text of letter in TSRD notice filing}

VAOT on 3 September filed an Offer of Financial Assistance about purchasing the entire line. In its notice to STB to do so, it asked for certain data which under STB rules TSRD is required to provide: Minimum purchase price, most recent report on condition of the line; traffic, revenue, and other data used to establish net liquidation value.

Submission of the OFA stays the date of the Notice of Exemption for 40 days.

Notice of Exemption
The STB published the Notice of Exemption 3 September. {STB Docket No. AB-862X}

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QUEBEC/MARITIMES

CANADIAN NATIONAL

14 September, Dartmouth. **CN IS CONTINUING TO PROVIDE SHUNTS TWICE A DAY TO SOME CUSTOMERS IN BURNSIDE PARK** [see 16 June issue], said Bruce Rogers, who had assisted Cantrax in getting the increased service. When it began in early June, CN had said it would test the level of traffic for three months.

However, Cantrax’s major customer, AV Cel, is overcoming production problems meaning it is not shipping enough to Cantrax to need two shunts a day now. But production will resume soon, Rogers said. {ANR&P discussion}

Univar Canada

Art Frizzell, resident manager of the Univar facility at 32 Mosher Drive in the Park, said he has had no problems with CN at all. But, he receives between five and 30 carloads a year on his spur, which can hold only one car at a time. {ANR&P discussion 16.Sep.04; observation by Steve Boyko}

Univar Canada is the leading chemical distributor in Canada, providing more chemicals and related chemical distribution services than any other company in the marketplace. The company has only the Dartmouth location in the Maritimes, but does have a distribution facility in Salem, Massachusetts [our Directory #197] and in Providence [our Directory #494].

Seaboard

This company, located on Vidito Drive, serves as a CN-affiliated terminal (using a team track in the Park); it belongs to CN’s metals/minerals network [see future issue]. It operates CN’s Basin Yard lumber reload facility in Halifax as well. The company declined to provide further information.

Seaboard Transport Group provides specialty contract trucking in the mining/petroleum industries in Atlantic Canada. It transports liquid/food grade products and dry bulk commodities, as well as providing extensive materials handling services.

Seaboard recently acquired Harmac, a prominent Ontario-based company which services the bulk liquid chemical/petroleum industry, with an extensive fleet of tank trailers to serve the North American marketplace. {Harmac website}
CAPE BRETON & CNS - ABANDON

13 September. **THE RAILWAY AGAIN APPLIED TO ABANDON MOST OF ITS CAPE BRETON LINE.** An application from CBNS General Manager Peter Touesnard, received by the Nova Scotia Utilities and Review Board, stated that the railway wanted to discontinue service, and abandon, the section from MacIntyre Lake to Sydney, or Milepost 19.175 to Milepost 113.9 of the Sydney Subdivision. [In the first application, CBNS requested MP 17.02 to MP 113.9. See 3 May 2002 issue.]

Touesnard noted that the coal traffic from Provincial Energy Ventures would cease in December 2004; thereafter he expected only 1,000 carloads annually. To minimize losses, CBNS would discontinue service on 31 March 2005, and abandon the line on 30 April.

Paul Allen, administrator of the Board, said it would later decide about a hearing on the application. {ANR&P discussion 14.Sep.04}

**More on railway position**

“In our situation, without an anchor customer on that end of our rail line, we know we are going to be in a loss position,” Touesnard said on 14 September. “So given the length of time the Nova Scotia Utility and Review Board process takes, we thought the prudent thing to do was to apply for abandonment now.”

New business possibilities for the railway are tied to potential development of a strip mine and the possible opening of the Donkin mine “but [Nova Scotia Power] are in no position to put together a contract at this point....We have probably operated from 1998 to 2004 in a loss position and those losses kind of grew on a monthly basis over a period of time and we are very nervous we could find ourselves in the same position.”

**Reaction**

Energy Minister Cecil Clarke, MLA for Cape Breton North and economic development minister when the railway first applied for abandonment, said on 14 September he is determined to build a case for the railway. “I'm committed to one railway for Nova Scotia and not a watered down . . . railway.” He is convinced there is a long-term business case for the railway but that there are a lot of variables involved. “There is a plan I'm working on and it is a matter of continuing it now.”

Cape Breton South MLA Manning MacDonald (Liberal) said Mr. Clarke should demonstrate leadership by signing a deal to keep the line operating “instead of making vague, unsubstantiated claims that business is on its way...[he has] “a responsibility to ensure that one of the island's key industrial infrastructures is not abandoned.” Cape Breton Centre MLA Frank Corbett (New Democratic Party) said Ottawa and the province are responsible if the line is abandoned. {Tom Peters in Halifax Herald 14.Sep.04}

Touesnard said the NDP effort to bar abandonment of part of a line if the whole is making money [see 3 September issue] made no sense. Unprofitable parts could then drag down the entire line. {ANR&P discussion 15.Sep.04}

CAPE BRETON & CNS - BANKING

14 September. **SUPERELEVATION CAUSED THE APRIL DERAILITY**, according to a preliminary conclusion by the Transportation Safety Board. Six of the 10 derailed cars contained potentially explosive propane and butane when they tumbled off the track in the middle of the night on April 18. The board's lead investigator on the case confirmed this week that one side of the curving embankment at Sutherlands River, in rural Pictou County, was too high. “What we found in the area where the derailment occurred was the curves ... were banked steeper than they were required to be,” said Don Ross. {Michael Tutton in Canadian Press}

**Railroad response**

Peter Touesnard, CBNS general manager, said that in many parts of the Hopewell subdivision [from Havre Boucher to Truro] the curves have too much superelevation. The outside rail lies 4.5 inches above the inside rail, while 2.5 inches would function better at the speeds the freights operate at. Although 4.5 inches is within the permitted height of Transport Canada, due to soft conditions the lower rail had sunk to more than five inches below the outside rail.

While CBNS was dealing with the superelevation in the late 1990s [see issue 99#16], that program focussed replacing the lower rail “as we saw wear on the lower rail, and adjusting the superelevation at that time.”
Going forward, CBNS will attack the superelevation first. “We are reasonably capitalized by Rail America; we have prioritized the locations into” immediate attention, attention next year, and then the following two years. Touesnard expected to spend $500,000 over the next three years on the problem. {ANR&P discussion 15.Sep.04}

Release of report
Officials at the Transportation Safety Board in Ottawa said the draft report was just going to the Board. Normally the report is not released for about a year after the incident. {ANR&P discussions}

NEW BRUNSWICK SOUTHERN
20 May. TRANSPORT CANADA ANNOUNCED AN AWARD TO THE RAILROAD’S INTERMODAL SERVICE between Saint John and Farnham: ‘NBSR has been awarded $60,000 to demonstrate the economic feasibility of an express intermodal train service. In cooperation with Sunbury Transport Limited, an option for transporting freight between Saint John, NB and Farnham, QC will be created. Intermodal railcars will be equipped to handle loaded tri-axle trailers up to 80,000 pounds. The trailers will be ramped onto/off the railcars using a tractor and secured in place using collapsible hitch technology. Fuel consumption and system effectiveness will be monitored and compared with moving the same quantity of freight by truck.’ {Transport Canada website}

In August, Helen Leslie of Transport Canada said actually signing a contribution agreement would take several months; she suggested calling back at the beginning of October. She was uncertain about how the monitoring would occur, or when it would begin. {ANR&P discussion}

In September, NBSR chief Dale Thibodeau declined to provide further details, such as when NBSR applied, how it will use the funds, and how it will measure 'system effectiveness'. {e-mail to ANR&P} [The service started in November 2003, well before the award. See 03#12B.]

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.

Cantrax (CN, Nova Scotia), Champion City (CSXT, Massachusetts #313), Dirigo Paper (NHCR, New Hampshire; TSRD, Vermont), General Motors (CSXT, Massachusetts), Mid-State Recovery (PW, Connecticut #554), Municipal Road (GRS, Connecticut), Murphy Road (CSO, Connecticut #604), Pawtucket Transfer (PW, Rhode Island), Seaboard (CN, Nova Scotia), Sprague warehouse (Searsport, Maine), Star Gas (QPD, Rhode Island #504), Univar (CN, Nova Scotia), Wilmington & Woburn (GRS, Massachusetts)

New to the region? This helps:

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PEOPLE

The Massachusetts Port Authority (Massport) has named Kevin Laffey to its Maritime Division as manager of freight sales. He will manage the maritime sales team, and report to Massport’s Director of Maritime Sales and Marketing Nick Billows. He most recently worked at Expeditors International, and before that for Maersk Line and United States Lines. {Massport press release}
Jim Christie, who formerly handled rail logistics for Champion City Recovery in Brockton and Mid-State Recovery in Portland, Connecticut, is now working for P&K Rail out of Pittsburgh. He markets resale of rail cars and transportation services. He also has his own consulting practice under the name Fleetson Logistics. He is offering logistics and start-up planning, predominantly to rail facilities in the waste industry.

**EDITORIAL**

**OPPORTUNITY IN CONGESTION**

Periodicals in Canada and the United States are noting with alarm the increasing gridlock in the United States and in Canada. I say, “Get used to it; it ain't gonna change for ten years.”

One Canadian publication, the eBulletin of the Canadian Importers and Freight Forwarders Association, wrote: ‘By late 2005 carriers will add more than 80 Post-Panamax vessels of 5,000 to 9,200-TEU capacity into their global fleets. And whilst many of those will go into the Asia - Europe trade (duh!), capacity in the Pacific is projected to increase again by at least another 10%. Will we be able to cope?’

The clear answer to this question: NO, neither Canada nor the United States will be able to keep up with the traffic growth. The summer congestion of 2004 is not a fluke; with a projected tripling or even quadrupling of traffic by 2025, congestion will become the norm.

Railroads and ports cannot possibly build enough capacity to keep up. New terminals, new rail lines, and the people to work them cannot be created fast enough. Railroads, and perhaps ports, will increase prices enough to shrink the demand to what they can handle through the current system.

This will have several impacts. First, ports and rail systems not now congested will find traffic flowing to them. Churchill, Prince Rupert, and Maine’s three ports will look increasingly attractive. Second, we will pay more for the global goods which can get aboard the pricier transportation system. Third, the flow of goods from overseas will have to slow, and domestic producers will find a chance to start producing again to fill that gap. And, fourth and the consequence I like the best, consumers may rethink their need to have that third computer or fourth television.

And now the advice

My advice to those elsewhere on the continent: accept the congestion, and start planning how you will price your services and move goods in a constantly-congested environment. My advice to those in the Atlantic Northeast: start marketing like mad to those suffering congestion. We have ports with capacity, and rail lines with significant capacity. This is our chance!