REGIONAL ISSUES

NECR: BLE unseats UTU.*

GRS: Rensselaer County owed much money.*

CN: Overview of regional bulk facilities.*

Freight rail: Can help highway congestion.*

LNG: Next issue.*

Guilford: Pan Am cannot evaporate.

MAINE

GRS: PermaTreat moves here* Frontier Energy.

SLR: Grimmell auto fluff plant on hold.

Calais branch: Tilton says turn most into trail.

MASSACHUSETTS

CSXT: Possible new customer. Auto facility opening later.* GM parts facility not on rail.

GRS: Holt & Bugbee uses rail.*

GRS/CR: STB looks at Engelhard dispute.

New Bedford: No spoils transporter award yet.

NEW HAMPSHIRE

MBRX v GRS: GRS wins, STB slaps wrist twice.*

NEGS: New customer, update on others.

NHCR/TSRD: Gilman mill wants rail, NHCR ready to supply it, but TSRD in the way.*

Nashua commuter: Update on various aspects.

RHODE ISLAND

PW: Loses three of four customers on the Slate.*

VERMONT

Amtrak/NECR: NECR allays concern about Vermonter.*

GRS/VRS: Ease congestion by moving GMRC boxcars to assigned pool?

MARITIMES/QUÉBEC

CBNS/SCR: Combine Cape Breton line with SCR?* 

CN/MMA: Dispute about Sainte-Rosalie diamonds*

Saint John: Loss due to St.Anne-Nackawic closing.*

RAIL SHIPPERS/RECEIVERS

A cross-reference to companies mentioned here.

PEOPLE, POSITIONS, EVENTS

Don Stonehouse, Christopher Rekola.

FROM THE PUBLISHER

The long view

The closing of New Brunswick's St.Anne-Nackawic mill gives us yet another reminder of the steady loss of manufacturing jobs. But perhaps free trade and globalization, the causes of the loss will eventually benefit us.

As rest of the world catches up to the rich West, their costs of manufacturing will rise also. At some point, manufacturing in North America will again make sense.

The question: when? Fifty years? A century? Your thoughts are welcome.

See you at NEARS!

The best place to get info and meet your peers. This autumn’s meeting of the North East Association of Rail Shippers takes place 6-8 October, in Wakefield. All welcome for one or more days! Contact Executive Director Bill Donovan at 508-428-1224.

- Chop Hardenbergh

Next issue 15 October.

REGIONAL ISSUES

NEW ENGLAND CENTRAL

22 September. TRAIN AND ENGINE EMPLOYEES VOTED 20-17 IN FAVOR OF THE BLE over the United Transportation Union; the results were certified this day by the National Mediation Board.

The organizing victory for the Brotherhood of Locomotive Engineers marks the second time in the past three months that operating employees have voted in favor of the BLE over the UTU. {BLE press release; e-mail to ANR&P from UTU spokesperson Frank Wilner}

NECR comment
NECR interim General Manager Charlie Moore, regional vice-president for Rail America, wrote: ‘I look forward to working with the BLE and the NECR train and engine service employees to provide good-paying jobs, a safe environment, and a workplace that all the New England Central Railroad employees are proud of. I know the BLE places the same emphasis on safety of operations and employee accountability regarding safety that I do. I Look forward to fostering a working relationship that is good for the NECR and its employees.’ {e-mail to ANR&P}

GUILFORD - NEW YORK

21 September. GUILFORD HAS THE LARGEST TAX DEBT IN RENSSELAER COUNTY, according to a tax delinquency notice published here last week. Guilford division Boston & Maine Corporation owes the county more than $1,088,405 in total back taxes on 70 parcels in five towns and one school district. More than $400,000 of that is owed to the Town of Hoosick.

County Chief Financial Officer Michael Slawson said the county just started foreclosure proceedings against the company for one parcel in the town of Hoosick that has been in arrears since 2000. The amount owed on that parcel is $147,644. “They have been paying a little here and there but the last we heard they’ve been having cash flow problems.” Most of the delinquency dates back to either 2000 or 2001. “They have over the years tried to pay up but lately they have been falling increasingly behind,” Slawson said.

About 25 miles of track, still used to move freight and raw materials, runs through the county from a crossing of the Hudson River in Mechanicville, through the towns of Schaghticoke, Pittstown, Hoosick, and Petersburgh until the track crosses into Vermont. The tax parcels are either rights of way or larger parcels adjacent to the tracks. The taxes were originally owed to the towns and the section of the Mechanicville School District in the county but after a certain length of delinquency, the county takes over the collection of the funds, Slawson said. {Bob Gardinier in Troy NY Times Union 21.Sept.04}

No payment yet
An official at the Delinquent Tax Unit of the County said on 27 September that no payments had come through recently. {ANR&P discussion}

CN TRANSLOAD TERMINALS

15 July. CN HAS KEPT THE TRANSLOAD OPERATION UNDER ITS VICE-PRESIDENT OF LOGISTICS SOLUTIONS, HARVEY JOEL; reporting to Joel are Keith Reardon, assistant vice-president, CargoFlo and Transload, and Dan Bingeman, assistant vice-president, Supply Chain Logistics. CN announced Joel’s appointment on 23 June 2003, with the statement that ‘he will refine and expand CN services that deliver complete transportation solutions to traditional and non-traditional rail customers.’ {CN press release}

Not the bulk commodities
The transload operation is separate from CN’s bulk commodities unit, which handles grain, fertilizers, and coal. On 15 July 2004, CN announced that Ross Goldsworthy would become vice-president, bulk commodities, and that the U.S. and Canadian bulk commodities were consolidated into one. {CN press release}
MORE ABOUT CN CARGOFLO AND TRANSLOAD

For transload operations, CN has a three-tiered owner/operator structure: facilities which it owns and operates, facilities owned by CN or another party and operated under contract to CN, and facilities owned by another party offering its services direct to customers. This resembles the CSXT service, which offers its own bulk terminals under the name Transflo, and a series of transload networks organized around commodities [see 13 July issue].

**CN CargoFlo**

According to the CN website, ‘CN CargoFlo is a network of strategically-positioned, state of the art, bulk commodity transfer terminals designed to extend CN’s market reach by offering non-rail-served shippers and receivers [just-in-time] services with the cost-efficiency of rail.’ These are either owned and operated by CN, or owned by CN with an operator under contract to CN to provide specific services, though not exclusive to CN.

**CN Break-bulk Transload**

CN also has created two networks: forest products and metals & minerals, of its own facilities or private facilities. The private vendors contract with CN to supply transload services for break-bulk products. CN deals direct with the customer, and provides the customer with one invoice for the entire package. The facility bills CN directly for the services it supplied to the CN customer.

**CargoFlo facilities in the Maritimes**


**CN CargoFlo**, Saint John New Brunswick (on CN, 40 Marsh Street, junction of Crown and Route One) These tracks now switched by NBSR. Operated by RST Industries. 16 car spots. Major shippers: Dow Chemicals and Pioneer Chemicals. Major commodities: plastics and caustic soda.


**CN CargoFlo**, Sydney, Nova Scotia (on CBNS, operated by local contractor). CN and CBNS have marketed this jointly. Three car spots. Soy beans. [To close? More in future issue.]

**CN Metals and minerals in the Maritimes**


**CN Forest products in the Maritimes**


**Facilities in New England**

CN has contracted with both bulk and break-bulk facilities located on its partner short lines: NECR and SLR (former CN lines). These “strategic partners” are very site-specific as to product, location, and customer. Mark Hallman, CN spokesperson, advises customers to visit the CN website for specific interests, as the partners change from year to year, and to contact the person listed there. {ANR&P discussion 8.Sep.04; CN PowerPoint presentation}

**FREIGHT RAIL**

SHIFTING 25% OF FREIGHT VOLUME FROM TRUCK TO INTERMODAL WILL HELP PROVIDENCE AND BOSTON, according to an annual study sponsored by the American Association of Railroads and done by Wendell Cox, national transportation expert. Among 49 cities, he noted:
Boston. By 2025, removing 44,000 trucks from each daily peak commuting period, Boston commuters would save 33 hours of commuting per year, $470, 177 gallons of gasoline, and 12,800 tons of air pollution.

Providence. For Providence-Pawtucket, removing 8,000 trucks from each daily peak commuting period, commuters would save 20.6 hours of commuting per year, $297, 114 gallons of gasoline, and 2,600 tons of air pollution. {study at AAR website}

PAN AM
30 September, Concord. PAN AM CANNOT ISSUE A NOTICE OF DISCONTINUANCE on 1 October, as it had planned to do. Pan Am wanted to shift all its routes to Boston-Maine Airways. Judge Joseph DiClerico, hearing the case of the Pan Am pilots against Pan Am (owned by Guilford Transportation Industries), enjoined Pan Am from issuing the notice.

On 20 September, he had endorsed the report of Magistrate James Muirhead on 20 September, and had ordered that workers and companies affiliated with Pan Am airline restore to the status quo pay rates and working conditions of pilots and flight crews and refrain from using a nonunion company to conduct business. [See 17 September issue.]

In a 17 September report, Magistrate James Muirhead found that failure to stop Pan Am from continuing to shift work to Boston-Maine Airways, a nonunion company, would cause “grave” harm to remaining Pan Am pilots. Pan Am, Guilford and Boston-Maine contend that the two airlines are completely separate, but Muirhead disagreed.

“The evidence shows that Pan Am and Boston-Maine operate a joint reservation system that may be accessed from either the Pan Am or Boston-Maine Web sites,” Muirhead wrote. “In addition, a route map on the Boston-Maine Web site shows both Pan Am and Boston-Maine service.”

Muirhead also noted testimony from Linda Toth, who trained Boston-Maine workers and was formerly employed by Pan Am as its southern regional manager. She testified this year that David Fink, the president of Boston-Maine Airways, said “it was going to be smooth sailing with Boston-Maine” after they got rid of “the union jackasses” and that within six months all the planes would be on the Boston-Maine certificate. {Court website}

CONNECTICUT

CONNECTICUT RAIL SUPPORT
18 September, New London. CONNECTICUT OFFICIALS SPOKE IN FAVOR OF EXPANDED RAIL SERVICE at the National Corridors Initiative meeting here. State Representative Steve Mikutel (D-Griswold) said he would prefer to take a train from Norwich to the capital so that he could rest or read during the commute. Molly McKay, transportation chair for the Sierra Club of Connecticut, said Metro-North Railroad service should be extended to Westerly, Providence, and Boston.

U.S. Senator Chris Dodd (D, Connecticut) said the nation has never experienced economic growth without first improving its infrastructure. He quoted Albert Einstein, who said insanity is doing the same thing over and over again and expecting a different result. Dodd said the nation keeps expanding road lanes with the hope of addressing traffic congestion. He proposed a National Center for Transportation in Connecticut to address transportation problems much in the same way the National Institutes of Health addresses health issues.

As to the question of whether people would take the train if it were available, State Senate President Pro Tem Donald E. Williams Jr. (D, Danielson) answered with an unequivocal yes. Williams described experimental excursions he had helped sponsor on the Providence & Worcester line in which he said he found “a big demand for it.” Another example, Williams said, is to be found in Fairfield County. “At the rail stations in Fairfield county the parking lots have waiting lists for parking spaces. They understand the importance of mass transit there.”

Subsidize freight rail, help ports
Williams continued: “We also need innovative ways to move freight off our highways and onto rail and deep water ports like New London. On an average day in just the little corridor of I-95 between New Haven and New York City, at any time there are about 17,000 tractor trailer trucks.” The state Department of Economic and Community Development needs to coordinate its efforts with those of the DOT, he argued. A Lowe's or Wal-Mart distribution center, for example, will bring some 900 trucks a day to local roads, he said.
If the state is providing funds in incentives and tax breaks to such a business, “why can’t we require the use of rail to get that truck traffic off the roads?” The state’s existing system of subsidies and incentives encourages sprawl. {Adam Bowles in Norwich Bulletin 19.Sep.04; Kenton Robinson in New London Day 19.Sep.04}

MAINE

GUILFORD -FRONTIER ENERGY
29 September, South China. FRONTIER ENERGY WILL INCREASE RAIL TRAFFIC NEXT YEAR, said Vice-president Joel Glatz. He brings in biodiesel in a tank car, one at a time; the latest arrived the previous week [see 5 March issue]. With the opening of a second public biodiesel pump on Commercial Street in Portland, and a third in Saco soon, Glatz is looking for a facility near Portland to transload the product.

The Saco facility, operated by his brother as a separate company, will boast an organic food store as well. {ANR&P discussion}

GUILFORD - PERMATREAT
20 September, Mattawamkeag-Bangor. THE GOVERNOR ON AN OFFICE CAR SPECIAL VISITED PLANT EXPANSION FACILITIES. Along for the ride: Jack Cashman, commissioner of the Department of Economic and Community Development, and other officials.

PermaTreat
The Guilford Rail subsidiary [Thus in press release. However, Perma Treat apparently is a separate corporation from GTI. Editor] plans to open a railroad tie treatment facility in Mattawamkeag and plans to employ up to 30 people, according to the executive vice-president of Guilford, David Fink. The governor said that PermaTreat would move its Durham Connecticut [see our Directory #618] treatment facility to this location, the former Forster mill which Guilford now owns. [Unclear whether that would increase rail traffic to Mattawamkeag, or whether the Durham facility would close entirely. Editor]

Walpole Woodworkers
Walpole Woodworkers Inc., based in Pittsfield, which makes fences and other products, also will open a plant in Mattawamkeag and will hire up to 25 people. Both Walpole and Perma Treat will be located at the former Foster manufacturing plant, which now is owned by Guilford. [According to an official at the Walpole’s Pittsfield facility, no facility in Maine currently uses rail. But the Mattawamkeag plant may use rail in the future. {ANR&P discussion 22.Sep.04}]

Walpole Woodworkers, headquartered in Massachusetts, has four locations in Maine, including Chester, Mattawamkeag, Detroit and Pittsfield. Since 1933, the company has been manufacturing high quality fencing, furniture and outdoor products such as lantern posts, mail posts, window boxes and arbors from northern white cedar grown in Maine. {Maine DECD press release}

Lincoln and Georgia-Pacific
In Lincoln, the governor met owners and workers at Lincoln Paper and Tissue Company. As he did on 18 September at a mill picnic, the governor congratulated the company for starting to earn a profit on its specialty tissue and other product lines.
During the third stop of the train tour, Baldacci met with more than 150 workers at Georgia-Pacific in Old Town. There, according to the governor, he was informed about new product lines the mill might manufacture, and he took a tour of the construction site of a new boiler plant.

**MORE ABOUT LINCOLN PAPER AND TISSUE**

Tony Stewart, who handles transportation for the mill, said it produces pulp, paper, and tissue. Inbound it receives chemicals and other raw materials. Outbound, it ships several railcars a week of pulp, and also drays trailers to the Waterville intermodal facility for loading onto flatcars. {ANR&P discussion 24.Sep.04}

**Milo expansion**

JSI Store Fixtures, the Maine Small Business Administration's business of the year, announced during the trip that it was adding 20 positions at its Milo facility, Baldacci said. {press materials from governor’s office; Deborah Turcotte in Bangor Daily News 21.Sept.04} An official at JSI said it does not use rail. {ANR&P discussion 22.Sep.04}

**Westward ho!**
The office car special was scheduled to continue across Massachusetts on 21 September. {NERAIL}

**Guilford service to Mattawamkeag**
The GRS service between BAngor and MAttawamkeag (BAMA, MABA) consists of three roundtrips a week. Monday BAMA (GRS puts them up in a hotel), Tuesday MABA and so forth, with Sunday off. {MMA-rail} {The distance between Northern Maine Junction and Mattawamkeag: 64 miles on the rails.}

**ST.LAWRENCE & ATLANTIC**

30 September, Auburn. **THE PROPOSED GRIMMELL AUTO FLUFF FACILITY IS ON HOLD**, said an official at Grimmell’s Rensselaer office. The deal to purchase the property Grimmell hoped to use fell through [see 16 June issue].

**The scrap transload**
The official also said that all scrap gathered at Grimmell’s Topsham yard is trucked to Portsmouth for outbound shipping [see 03#08B]. The transload track in Auburn is not currently used. {ANR&P discussion}

**CALAIS BRANCH**

9 September **THE SUNRISE ECONOMIC COUNCIL PROPOSED A ‘COMPROMISE’ ON THE LINE.** Diane Tilton, executive director, noted the issue: ‘If we turn a 127-mile rail line into a trail so we can grasp a near-term opportunity like tourism, do we give up the hope of a resurgence in our natural resource and manufacturing industries that may come if low-cost freight transportation is available?....But the fact is the Maine Department of Transportation owns this piece of real estate and is loath to advance either agenda without agreement from the region.’

The Council since its beginning in 1993 ‘has been firmly in the rail camp....the economic impact of the Port of Eastport on the region is potentially enormous, and having rail at the port is key.’ Tilton proposed transforming the line into a trail as far as Ayers Junction, and moving the trail off the right of way from that point to Calais, so as to provide rail access to Eastport.

‘Not only should the track be preserved between Calais and Ayers Junction, but the Maine DOT should commit to a process that would restore that track, and rebuild rail from Ayers Junction to the Port of Eastport, not following the old right of way, but by finding a new one. A new bridge would need to be built, adding the benefit of minimizing truck traffic through the Pleasant Point Reservation.’

The rest of the line, from Ellsworth to Ayers Junction, should be railbanked. ‘Remnants of the rail, such as switches and rail sidings should be left in place. Not only is the railroad identity kept in the public consciousness, the rail "theme" adds to the appeal of the trail.’

‘If the DOT and the Legislature embrace this idea, Washington County will have access to rail transportation, the port will ultimately have direct access to rail, and the region can benefit by expanding their network of tourist attractions and recreational opportunities. A win-win, that may in fact lead to the diversity Washington County needs.’ {text in Bangor Daily News}

**Response**

Peter Dearness, owner of the New England Southern Railroad and a long-time advocate of freight rail on the entire line [see
3 September issue], argued this was not a compromise. He and over twenty others are journeying to the Calais Branch this weekend for the annual work weekend on the rail line. {ANR&P discussion 1.Oct.04}

MDOT earlier proposed a trail for the section between Machias and Ayers Junction [see 3 May 2002 issue], which also brought significant adverse reaction.

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**MASSACHUSETTS**

**CSXT - NEW CUSTOMER?**

16 September, Westwood. *CSXT MAY HAVE A NEW CUSTOMER ON THE UNIVERSITY AVENUE SPUR* here. Officials declined to say more than that a trial movement is occurring. Observers spotted two cars with wallboard behind the building at 265 University Avenue. {e-mails to ANR&P}

**CSXT AND GENERAL MOTORS**

29 September, Westwood. *GENERAL MOTORS WILL MOVE ITS PARTS OPERATION* out of Westwood to a giant new facility in Norwood. While the current Westwood facility has some rail service, all inbound, the Norwood facility will serve seven states with neither inbound nor outbound rail service.

**Why no rail service in Norwood**

According to Nina Price, spokesperson for the General Motors Service and Parts Operation (SPO), ‘GM investigated all rail and truck service available and found no suitable rail service land available. Therefore, the Norton facility will service all of our customers via truck. With our improved distribution process, we are now able to utilize trucks for both inbound and outbound service in the Norton facility. Also, in the current facility, all outbound shipping/service to our customers is via truck.’ {e-mail to ANR&P}

**More on the Norton facility**

This new 404,000 square foot facility will handle automotive replacement part shipments to more than 400 dealerships in seven states. DUKE, a nationally recognized developer, will construct the new PDC that is scheduled to open in September 2005.

Several factors influenced the decision to relocate the new facility in Norton, off South Washington Street with easy access to I-495 via Industrial Park Road in Taunton. “The cooperative work between the leadership of UAW Local 422 and the Boston PDC management helped develop GM's business case with local, state and federal agencies,” Charlie Hyndman, SPO director of Warehousing and Distribution for U.S. Operations said. “We're also very sensitive to the impact on employees, their families and the community whenever we implement new business strategies to improve service to GM dealers.”

Ray Culbert, GM SPO Operations Engineering manager, said GM was impressed with the town of Norton. “In making our decision, we factored in a highly qualified labor market, quality of life issues and transportation capabilities. In the end, the town of Norton provided us with an economic environment that exceeded our expectations.

Culbert also applauded the support received from Governor Mitt Romney and the Massachusetts Department of Business Development.

GM SPO has opened 16 new PDCs in cities around the country since 1999, including Chicago, Philadelphia, Fort Worth, Cincinnati, Columbus, Los Angeles, and Memphis. {GM press release}

Norton will apply for a Public Works Economic Development grant that could bring in nearly $1 million for roadway improvements near the new parts distribution warehouse.

**Does New England have rail-served space left?**

General Motors’ contention that no ‘suitable rail-served land is available’ does not hold water. Mike Rennicke, PVRR general manager, wrote: ‘In our area there were several parcels that could have been rail served. Target just announced a 1.6 million
SF distribution center that is not directly on rail but could easily be reached. Likewise the recently announced Campanelli Industrial Park could accommodate this size plant and is only 2500 feet from our main and very accessible.’ {e-mail to ANR&P 29.Sep.04}

[Moreover, the Norton location is close to rail spurs in Taunton, which could extend to reach the new GM facility. The Commonwealth is offering financial incentives to GM; it should insist on rail service in return. Editor]

**CSXT - NEW AUTO FACILITY**

20 September, East Brookfield. **THE AUTO FACILITY WILL OPEN TOWARD THE END OF OCTOBER**, not the 1 October date earlier published [see 17 September issue]. The letters at its gate, SMRA, reflect the name of the company owning the real estate, Seven Mile River Associates [see 3 June issue]. {ANR&P discussion with manager George Bell}

**GUILFORD - EXISTING CUSTOMER**

21 September, Tewksbury. **HOLT & BUGBEE CONTINUES TO USE THE RAILROAD.** Bill Collins of the company’s Tewksbury facility said it receives or sends out six to twelve railcars a year. “We have one inbound from West Virginia right now.” {ANR&P discussion 21.Sep.04}

**ENGELHARD v.CONRAIL&GRS**

25 September, DC. **THE STB ADVISED A FEDERAL COURT IN THIS DISPUTE.**

Dispute about car hire between Selkirk and Barber’s

Engelhard supplies kaolin clay mined in Georgia to customers engaged in paper manufacturing at facilities located in the northeastern United States. Engelhard’s customers arrange for the transportation of the kaolin with Conrail and Springfield Terminal. Engelhard, however, provides Conrail and Springfield Terminal with private equipment, including tank, hopper and sparger cars, which it owns or leases. Conrail and Springfield Terminal compensate Engelhard for the use of its equipment in accordance with private car mileage allowances published in Freight Tariff 6007.

The dispute currently before the district court involves the alleged non-payment of car mileage allowances generated by the movement of privately-owned tank cars over a 155-mile line of railroad (the line segment) between Selkirk, NY, and Barber, MA. Barber Station, MA, is the interchange point between Conrail and Springfield Terminal. The line segment is owned by Conrail and operations over it are governed by an Agreement Dated as of March 31, 1990 between Consolidated Rail Corporation and The Boston and Maine Corporation and The Springfield Terminal Railway Company (Haulage Agreement). According to Engelhard, Conrail has paid, or approved for payment all required mileage allowances on the shipments in question over all segments of its line up to but not beyond Selkirk, and Springfield Terminal has also paid, or approved for payment, all required mileage allowances on the shipments in question over all segments of its lines from Barber Station to destinations in New England. While citing the terms of the Haulage Agreement, Conrail has refused all payment for mileage allowances on the 155-mile segment from Selkirk to Barber Station. Springfield Terminal, however, has paid mileage allowances over the line segment for certain shipments in accordance with its interpretation of the Haulage Agreement.

On May 15, 2001, Engelhard filed its original complaint in the United States District Court for the District of Massachusetts and on November 14, 2001, Engelhard filed an amended complaint. Conrail and Springfield Terminal filed a motion to dismiss mileage claims they viewed as time-barred and those based on state law. By decision issued on April 2, 2002, United States District Judge Richard G. Stearns dismissed the state law based claims of the amended complaint as preempted by the Interstate Commerce Act and held that the two-year statute of limitations applied. Additionally, the decision invoked the primary jurisdiction doctrine and found that the involved issues should be referred to the Board for determination. The referral order directed Engelhard to take the action necessary to institute a declaratory order proceeding before the Board.

The STB findings

The amount in dispute comes to more than half a million dollars. The Board opened this proceeding in April 2003. It found
on this day:

- ‘We conclude that, based on Tariff 6007, a claim accrues, for purposes of the statute of limitations, when the private car owner is informed that it will not receive compensation for its car movements or 4 months from the date the claim was submitted (or resubmitted as explained above), whichever occurs first....
- ‘The court may determine that the course of dealing between Engelhard and the Defendants was such that Engelhard should be allowed to pursue mileage allowance claims despite the lack of literal adherence to the requirements of Tariff 6007 Item 180 in some instances.’ {STB Docket No.42075}

NEW BEDFORD

23 September. **THE CORPS OF ENGINEERS WON’T MAKE AN AWARD UNTIL AT LEAST OCTOBER**, said Sheila Winston-Vincuilla, who is working on the award of the contract to remove (probably by rail) and dispose of dredge spoils. [See 13 May issue] {ANR&P discussion } Temporarily, the material is moving by truck [see 20 August issue].

NEW HAMPSHIRE

MILFORD-BENNINGTON v GRS

24 September, DC. **THE STB DISMISSED THE MBRX PETITION, BUT SLAPPED GUILFORD’S WRIST**, in Granite State Concrete Co., Inc. and Milford-Bennington Railroad Company, Inc. (M-B) v Boston and Maine Corporation and Springfield Terminal Railway Company (BM/ST).

‘M-B has authority to operate over BM/ST’s rail line below Wilton for a distance of about 2 miles pursuant to a 1992 trackage rights agreement. These trackage rights enable M-B to reach and serve Granite State’s processing plant near Milford, NH, which is located on BM/ST’s line. M-B transports stone, crushed stone, sand and gravel from Granite State’s quarry and excavation site located on M-B’s track a few miles north of Wilton to Granite State’s processing plant located on BM/ST’s track near Milford.

The issue

‘For many years, the operations were conducted without any reported problems. But on April 7, 2003, the Wilton Scenic Railroad (Wilton Scenic) commenced operations over the M-B track.’ A contretemps about a derail ensued. ‘Additionally, citing concerns that M-B allowed an unqualified engineer to operate a train on the BM/ST track and that M-B performed unauthorized work on that track, on June 20, 2003, BM/ST placed restrictions on M-B’s hours of operation under the trackage rights agreement, limiting M-B’s use of the BM/ST track to a 7-hour window between 1:00 a.m. and 8:00 a.m.

‘On July 14, 2003, Granite State and M-B filed a complaint about this unprecedented time restraint and the derail device. They requested that the Board issue an emergency service order under 49 U.S.C. 11123 and 49 CFR part 1146.

In a decision served September 15, 2003, the Board denied the request for an emergency service order but concluded that the complaint alleging unreasonable interference with M-B’s ability to provide adequate service to Granite State should be allowed to go forward.

All hourly restrictions lifted

‘[O]n July 15, 2003, BM/ST modified and expanded the window for M-B’s operations under the trackage rights, going from a 7-hour (1:00 a.m. to 8:00 a.m.) window to a 9-hour (4:00 a.m. to 1:00 p.m.) window; and on November 10, 2003, BM/ST removed all hourly restrictions on M-B’s service to Granite State and instead imposed a rule that only one carrier may be present on the BM/ST track at any one time (the “dual occupancy restriction”).’

1 Furthermore, as of November 2003, BM/ST

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1 Prior to this restriction, BM/ST dispatchers had the discretion to allow M-B train crews to enter the line even when a BM/ST train or maintenance crew was operating elsewhere on the track. Since the
had performed additional maintenance on the line, which, according to the carrier, permitted removal of a 5 m.p.h. speed restriction, so that M-B can now operate over the line at 10 m.p.h.

‘Notwithstanding these developments, M-B and Granite State have continued to pursue their complaint maintaining that BM/ST’s previous restrictions on M-B’s operations, along with its previous and current levels of track maintenance, have unreasonably interfered with M-B’s ability to carry out its common carrier obligation to serve Granite State. They also argue that BM/ST’s current practices — restricting dual occupancy and keeping the derailment device on the BM/ST track just beyond the interchange — are unreasonable....[The pertinent statute, 49 USC 10702(c) reads: ‘A rail carrier providing transportation or service subject to the jurisdiction of the Board under this part shall establish reasonable...(2) rules and practices on matters related to that transportation or service.’]

**GRS actions not unreasonable**

‘At its core, the question before us is whether actions taken by BM/ST were unreasonable. The Board has reviewed the evidence and arguments that the parties have filed, and the complainants have not shown that the measures taken by BM/ST to address its concerns were necessarily unreasonable....Similarly, we cannot find on this record that BM/ST unreasonably interfered with M-B’s ability to carry out its common carrier obligation to serve Granite State. Rather, the record shows that, as the shipper’s needs became better known to it, BM/ST took steps to accommodate the shipper and M-B.

**The wrist-slap**

‘We believe that BM/ST could have moved more quickly to be responsive and work out arrangements that would meet Granite State’s needs while adequately protecting BM/ST’s interests. It should not have waited until there was litigation to take into account the interests of parties other than itself. But the severe operating window was in place for only a short time, and while some of BM/ST’s actions made it more difficult for M-B to provide service, its actions did not preclude rail service. In short, M-B and Granite State have not shown that BM/ST’s actions were so egregious as to warrant a finding that they violated the statute.’

**The exemption from regulation for gravel/another slap**

The Board agreed to continue the revocation of the exemption from regulation for stone. It reiterated the point it made in 2003 [see 30 September 2003 issue], that the Board’s general exemption was made because truck provided a reasonable alternative. ‘The record makes clear that Granite State’s truck service options are severely restricted.

‘Given that circumstance and all that has transpired recently between complainants and BM/ST, we will not reinstate the exemption at this time. Indeed, while BM/ST’s conduct toward complainants has not risen to the level of violating our statute, the record of this conduct shows that Granite State does merit immediate access to the Board’s processes to protect the shipper from the risk of market power abuse. In particular, complainants should be able to seek prompt relief if BM/ST were to impose unworkable restrictions. Thus, we will not reinstate the exemption at this time.’ [Given the Board’s molasses-like alacrity in 2003, one wonders what ‘prompt relief’ means to Nober et al. *Editor*] {STB Docket No. 42083, decided in public voting conference 24.Sept.04}

**NEW ENGLAND SOUTHERN**

28 September, Concord. **SAXONVILLE USA HAS BECOME A NEW CUSTOMER**, moving into a building vacated by Steenbeke Lumber [see 01#04B, with map] and leased to Saxonville. The company already has three other rail-served distribution centers in New England [see issues 02#11A, 11B, and 12A]. Sam Sapp, who handles rail transportation for Saxonville parent North Pacific Group in Portland Oregon, said the additional facility expands his company’s service to customers in the region. {ANR&P discussion 1.Oct.04}

**What happened to Steenbeke?**

Steenbeke & Sons, one of New Hampshire's leading distributors of building products to the professional builder, in August...
sold the company's building materials and truss manufacturing business to Ben Thibault and Hank Martineau of Lumber One, LLC, which continues to do business under the Steenbeke & Sons name. Distinctive Kitchens, a kitchen design and remodeling division of Steenbeke & Sons, will continue to be owned by James Steenbeke, III.

The new owners will continue to operate the building materials distribution centers in Manchester, Gilford and Boscawen under the Steenbeke name. {Steenbeke press release}

According to Dearness, he is now serving Steenbeke via the team tracks north of Route 3 in Concord, along with several other customers.

Coastal Forest Products
Dearness explained that this company treats and paints construction lumber at a facility in Bow. Currently it unloads lumber on the team tracks. Because of expansion at the Bow facility, NEGS may serve Coastal via a siding in Bow.

All States Asphalt
This company in Boscawen also continues to use the team tracks [see 17 May 2002 issue].

Summit Packaging
This company has moved into the former Sweetheart Plastics facility and will use GRS for inbound plastic pellets. Summit had considered a plant in Concord [see 17 May 2002 issue]. {ANR&P discussion 29.Sep.04}

Transformer Service Inc
A company official said her facility used the railroad for the first time this month, to move a tank car of transformer fluid to Ohio. Dearness said the tank car was loaded on the team track. {ANR&P discussion 30.Sep.04}

NH CENTRAL/TWIN STATE
21 September, Gilman VT. THE MILL HERE WOULD REALLY LIKE RAIL SERVICE, said honcho of the Dirigo Paper Company Peter Hanson on 17 September. And Ed Jeffrey, NHCR honcho, said this day he’s ready to provide the rail service. The problem? TSRD still has the operating rights over the track between Whitefield and Gilman. Though Clyde Forbes’ railroad perhaps is willing [see 20 May 2003 issue] to provide rail service, that is not happening. {ANR&P discussions}

Guilford has not filed the adverse discontinuance of service in New Hampshire it is supposed to, even though it would get additional money for doing so [see 17 March issue].

Requests for service
Guilford, as required under the lease of the line to TSRD [see 17 September issue: Vermont], in 2004 forwarded to TSRD requests for rates for the Gilman mill (1) to move 10 cars of pulpwood from Jonquiere, Quebec, and (2) to move 25 cars of pulp from the Georgia-Pacific Old Town mill.

In 2003, citing Atlantic Northeast Rails & Ports, GRS noted that Dirigo wanted to restart production at the mill. Dick Willey, senior vice-president marketing and sales, asked Forbes how long he would require to put the line back into operating shape. Leonard Singer, an attorney at Craighead Glick in Boston, responded for Forbes in March 2003: ‘We regard it as all but certain that any such work will be performed long before there is any need for any operation on the line.’

GRS submitted photos showing that the extensive deterioration on the line, and the need for extensive repairs. {GRS response 21 September to TSRD Notice of Exemption STB Docket No. AB-862X}

NASHUA COMMUTER RAIL
29 September, Nashua. SOME $4 MILLION IN FEDERAL FUNDS WILL EXPIRE, BUT “WE’RE NOT PARTICULARLY CONCERNED, said Stephen Williams, executive director of the Nashua Regional Planning Commission. He is working with NHDOT, the City of Nashua, and others, to put together commuter rail service from Boston to Nashua [see 13 July issue].

US Representative Charlie Bass (R) has stated that “as soon as we get a full proposal published, and an agreement on who will take the lead, he will be with us, and he will get federal funds to get the project done. If we can come up with a
good project, that's the key.”

**Public-private development scheme**

Williams described the project as structured like a redevelopment project, not a railroad project. Dow Chemical is closing Hampshire Chemical [see 13 May issue], and the site on East Spit Brook Road will become the passenger station for the city. The developer for the site will create a mixed use project, and the commuter rail service will “catalyze” it. The project will become large enough to pay, in property taxes, the whole local match required by the federal government, about $14 million.

“There are a lot of models of this elsewhere,” said Williams, naming *inter alia* the New London deal to re-use Union Station. At this point the Planning Commission is negotiating with Dow and developers, building political support on the city side, and negotiating with DOT. The lead will be taken by a combination of the city and NHDOT. The Planning Commission will get the preliminary studies done. Eventually a Regional Transit Authority would operate the New Hampshire part of the service, composed of the Planning Commission, the city, and NHDOT.

**Next steps**

The Board of Alderman, in the next month or two, will examine the proposal. Williams still expects initial operation in 2007. {ANR&P discussion 29.Sep.04}

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**RHODE ISLAND**

**PW: SLATE CUSTOMERS**

23 September, Slatersville, RI. *THE ‘SLATE’ SPUR WILL LOSE THREE OF FOUR CUSTOMERS*. The Slatersville Running Track, from Woonsocket to Slatersville, once formed a part of the Charles River Railroad; the MBTA is now attempting to bid out the operation of the only other two parts left, running off Medfield Junction [see 30 July issue]. {Ronald Dale Karr, *The Rail Lines of Southern New England*, 1995}

**Homestead Nitrogen**

This company [our Directory #459], according to an official in Slatersville, is now closed; it brought in fertilizer by railcar. The company founder also invented a product called oligomer sulfate. Although the fertilizer business is doing well, legal entanglements (nothing to do with regulation), have brought a halt to the company.

The official said the company had sought buyers, including Agrium of Nebraska [which has ‘Homestead Nitrogen operations’ on its website—*editor*], but did not succeed. {ANR&P discussion 23.Sep.04}

**Pliant**

Pliant [our Directory #461] receives 50-75 carloads of plastic pellets a year, and makes plastic film. An official at the plant in Harrisville confirmed that the plant is closing this month. Calls to company headquarters to understand the reason are not yet returned. {ANR&P discussion 27.Sep.04}

**Denman & Davis**

This company [our Directory #460] brings in steel plate by rail direct from the mill, and distributes it in New England. The company also has a service center in Albany NY and Clifton NJ. An official at the plant said it receives 20-30 carloads a year: “We would bring in more, except for reliability problems.” Getting the cars delivered can take two to three weeks. {ANR&P discussion 23.Sep.04}

**Northeast Environmental**

This company [not yet in our Directory] uses a spur on the Slate [see 31 October 2003 issue] to ship out remanufactured anti-freeze. Bob St.Jean, the sales manager, said the company had just ordered another two cars, but has done no other rail business recently.
The plant will soon move into a new location in Cumberland RI, where it intends to resume using rail to the Midwest, Colorado and Louisiana. But the site, in the Cumberland Industrial Plaza, needs a spur. \{ANR&P discussion 23.Sep.04\}

## VERMONT

### AMTRAK - NECR

24 September, DC. **THE RAILROAD “DOES A GOOD JOB” FOR AMTRAK, BUT** Amtrak has concerns about it, per spokesperson Cliff Black. In the Amtrak Strategic Plan FY05-FY09, of 29 June 2004, NECR and nine other freight lines used by Amtrak are listed as ‘at risk due to infrastructure condition, potential downgrade, and/or abandonment.’

“The NECR is a short line, largely dark [unsignalled territory]; [as a result] speed is limited to 59 by federal law. This works fine for us under the current schedule,” commented Black. “This is not to criticize the railroad, it works hard to get out train over their railroad...but it is a light-density line with limited resources.”

Black quickly pointed out, “We have trouble maintaining our own Northeast Corridor.” The strategic plan does propose a federal pilot project under which federal funds would assist track in eight different freight segments (none in New England), with a 20% local match. “Both freight and passenger service would benefit.”

“This recommendation is a work-in-progress that deserves further study,” said Amtrak President David Gunn. “However, it is clear that if the railroads are having trouble carrying the business they have today, their ability to met the growth they are projecting is totally unrealistic. Unless the railroads can earn their cost of capital, they are going to squeeze the rail network and it will break. Meanwhile, we are pouring billions of public money into highways and other transportation modes, yet highways are increasingly congested as well. It doesn’t make sense. We need some balance in our priorities and in our investments, and federal leadership to make that happen. The problem is flying below the radar right now, and if we don’t act soon we risk losing a significant portion of the rail network.” \{Strategic Plan page A-31 (found on Amtrak website); ANR&P discussion 24.Sep.04; Amtrak press release 29.June.04\}

### NECR comment

On 24 September, NECR interim General Manager Charlie Moore, regional vice-president for Rail America, met with Amtrak officials in St. Albans, and discussed several items including Black’s comments concerning Amtrak’s Strategic Plan and of course, the on-time percentage (OTP) for the Vermonter. ‘The Guilford derailment on our mainline at Hartland, VT, which created a five-mile section of track being slow-ordered, resulted in the loss of our Amtrak OTP \{see 30 July issue\}. Amtrak OTP so far this month has greatly improved. Amtrak is one of our major customers on the NECR and we are proud to host them on our line and work very hard to maintain our goal of a 96% OTP even under adverse conditions.’ \{e-mail to ANR&P 24.Sep.04\}

### GUILFORD/VRS - CONGESTION

26 September, Bellows Falls. **A GUILFORD TRAIN MOVED 115 CARS** to Maine from Bellows Falls, its interchange with VRS. Destined for Maine paper mills on BFPO (Bellows Falls-Portland) were 34 loaded limestone slurry cars from OMYA in Florenceville and a large number of empty GMRC (part of the Vermont Rail System) boxcars. \{NERAIL\}

### Returning boxcars

Guilford moves a large number of boxcars out of Maine for the paper mills, but not via the Green Mountain Gateway \{see 17 September issue: Maine\}, many with GMRC reporting marks. Dave Wulfson, head of the Vermont Rail System, explained that the GMRC cars move under free-running rules, which means that without a load at the company which receives the paper, the receiving railroad is obligated to return the empty car to the owning railroad “by the shortest possible route.”

Even though GMRC does not want empty boxcars, they accumulate on GMRC until GRS collects them and takes them to the Maine paper mills \{see below for destinations\}.

Wulfson and others are working to correct this situation by putting the boxcars into an assigned boxcar pool, in this case assigned to Guilford. Then the receiving company would waybill the car directly back to Guilford, for direct delivery to the
mills rather than detour them through Vermont. {ANR&P discussion 28.Sep.04}

**Omya tank cars**
The OMYA cars originate at the Florence VT plant of OMYA. In Portland’s Rigby Yard, they are distributed at least among PORI (PORtland-Rlleys for International Paper in Jay and MeadWestvaco in Rumford), POSD (PORtland-SD Warren in Westbrook for SAPP), and PONM (PORtland-Northern Maine Junction, for International Paper in Bucksport). **Editor**

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**QUEBEC/MARITIMES**

**CBNS/SYDNEY COAL RAILWAY**
15 September, Sydney. **THE TWO RAILWAYS SHOULD BE COMBINED**, said John Morgan, mayor of Cape Breton Regional Municipality. Logistec operates the Sydney Coal Railway, hauling coal from the International Pier to the Lingan power plant. That line is very profitable, noted the mayor.

“We have argued to merge the two operations so the line (St. Peter's Junction/Sydney) wouldn't be put in jeopardy....The federal government allowed it to happen [split the two, many years ago], and the provincial government continued the error. . . . But in essence what you need is somebody in government to understand two things: First, the railway is vital to our region and secondly, we ought to try and unite those rail systems so that the segment of line from Sydney to St. Peter's Junction stays in operation.”

**Government responsibility**
Morgan also argued that the provincial government allowed Nova Scotia Power to bypass the railway in moving coal from the Port of Sydney to its power plant in Trenton by not intervening in NSP's construction of a Strait of Canso marine coal terminal.

The loss of the coal business led CBNS to file to abandon its line on Cape Breton [see 17 September issue]. “When (the province) spoke of creating a viable business case, the interim solution was to have Nova Scotia Power use the rail line,” Morgan said.

**Amend the Railways Act?**
The mayor asked the province to amend the Railways Act, as suggested by the NDP [see 3 September issue] so the railway can't abandon a section if the whole Truro-to-Sydney line were profitable. But in a letter to the mayor, Premier John Hamm said, ‘Legislation alone cannot accomplish a long-term solution without a sound economic basis.’

Peter Touesnard, the railway's general manager, said changing legislation is an old-style approach to the problem. {Tom Peters in *Halifax Herald* 16.Sept.04}

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**CANADIAN NATIONAL/MMA**
24 September. **THE TWO RAILWAYS ARE STILL ACTIVELY NEGOTIATING ABOUT THE DIAMONDS IN SAINTE-ROSALIE**, according to an official at the MMA. The problem arose in 2000, when CN halted traffic of the B&A System (MMA predecessor) across the CN main line because of deterioration of two diamonds [see issue 01#01B, which has map too]. As an interim measure, MMA is operating through the CN yard to reach its customers north of the CN line.

The Canadian Transportation Agency remains seized of the matter since CPR (as owner of the track before MMA bought it in 2003) brought it before the agency in 2000. But the railways are attempting to resolve it between them, and hence have sought, and received, a series of stays in the CTA procedure. According to CTA spokesperson Marc Comeau, ‘The latest stay was granted on July 6, 2004 and expires on September 30, 2004. Agency proceedings will not resume on this matter until the stay expires, and the parties also have the option of requesting a further stay beyond Sept. 30.’

The railways have already agreed to a further stay to 30 June 2005. {submission of MMA to CTA in matter LET-R-127-2003, O/File No R 8110/639 (TD 146) (00-02589); {e-mail to ANR&P}
SAINT JOHN

17 September. **LOGISTEC ANNOUNCED ITS TERMINAL HERE IS AFFECTED BY THE CLOSING OF ST. ANNE-NACKAWIC PULP MILL.** The mill, located in Nackawic, New Brunswick, has been using Logistec's services in Saint John to load their woodpulp to ocean-going vessels. Although revenues represent only 2.5% of Logistec's consolidated revenues, this will have a significant impact on the operations at this facility.

“We were obviously very disappointed to hear of the closure of the mill. We will monitor closely this account while realigning our costs and intensify our efforts in our search for new business for this facility,” commented Madeleine Paquin, president and chief executive officer of Logistec Corporation. {Logistec press release}

Bankruptcy filing
When it applied for bankruptcy last week, the St. Anne-Nackawic Pulp Company owed the province $15 million. All together, the company's debts total $102 million. The sum includes $35 million owed to St. Anne Industries, a company owned by St. Anne-Nackawic's parent firm, Parsons and Whittemore. As the company's only secured creditors, St. Anne Industries and the provincial government will be first in line for funds if the company's $53 million in assets are sold. Chief among the assets are unsold inventory, woodlands and accounts receivable. The company's unsecured creditors include its employees, who are owed $31.8 million in vacation pay, post-retirement benefits, pension benefits and other compensation. Green Jain Wedlake, a Halifax firm, is serving as trustee, and will be holding a meeting of creditors 1 October in Fredericton. {Saint John Telegraph-Journal}

MORE ABOUT THE ST.ANNE-NACKAWIC

‘Since it began operations in 1970, St. Anne has proven itself a world leader in the development of specialty hardwood pulps. As a major supplier of pulp used in photographic-based papers, St. Anne is highly responsible to the stringent requirements that these quality papers demand. The mill is designed to produce approximately 720 metric tonnes per day of a variety of bleached kraft hardwood pulps, 95 percent of which is sold into foreign markets.’ {Mactaquac Country Chamber of Commerce website}

Parent company Parsons & Whittemore is one of the world's largest producers of market pulp, the raw material used in papermaking. It is also a supplier of bleached kraft pulp, which is used to make paper bags, butcher wrap, newsprint, strong bond and ledger paper, and tissue. Parsons & Whittemore has pulp mills in Alabama and in Canada. It also produces newsprint through its Alabama River Newsprint joint venture with Canada's Abitibi-Consolidated, the world's largest newsprint maker. Chairman George Landegger and his family own the company. Landegger's father, Karl, came to the United States from Austria in 1938 and bought Parsons & Whittemore, then a small pulp-trading firm founded in 1909. {Yahoo business website}

22 September. **THE PORT FEARS LOSING TWO MAJOR CALLS** because of the closure of St.Anne-Nackawic: Wallenius Wilhelmsen and Star Shipping. “It's a huge blow to the port. The major shipping lines may cease calling in Saint John, because 90% of what they lifted here was St. Anne product,” said Port Authority President Captain Al Soppitt.

The mill manufactured high-quality photo paper and pulp. Almost all of the product was shipped through the Port of Saint John, and the loss of that business could amount to millions of dollars. Longshoreman's union representative Pat Riley says the mill's last pulp shipment arrived by rail two weeks ago, and no more cargo is coming. “This is just devastating news for us. And we're still reeling from the impact of it.” Riley says pulp from the St. Anne mill formed the backbone of forestry shipments from Saint John and says 250 workers could see a $2 million loss in wages. {CBC webposted 22.Sept.04}

More on vessel calls and volume
Soppitt later wrote that, the two lines provide nearly one million dollars in revenue to the Port Authority and related cargo fees.

The ‘Daily Vessel Report’ on the Port Authority website notes that between 29 September and 14 October, no ships were calling to pick up pulp or any other forest products. However, Soppitt said that the Port Authority is meeting with both lines in the coming weeks, and is actively pursuing cargo opportunities to maintain the presence of the two shipping lines.

‘Ideally, we hope that a buyer will be found for the Mill in the next few weeks.’
In 2003, forest products declined by 7%, with paperboard and newsprint hardest hit [see 20 January issue]. {e-mail to ANR&P 1.Oct.04}