**REGIONAL ISSUES**

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**CONNECTICUT**

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New Haven: Rail to port in 2006.  
Maine  
Amtrak: draft business plan*, route to Brunswick.*  
GRS: Baileyville OSB plant shuttered.*  
SLR: Service to White Rock much better. New Auburn customer. Visit from USDOT.  
Portland: Merrill sells to Sprague.  
Massachusetts  
BCLR: Tresca Brothers resumed rail. Dartmouth Building Supplies new spur coming.  
CSXT: New auto facility, Westbrook closed.  
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Portsmouth: Update on salt, containers, ro-ro.  
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Maritimes/Québec  
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NBSR: Looking for alternative project for Transport Canada freight funding.*  
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SLQ: New customers in Richmond and Upton, Quebec.  
Rail Shippers/Receivers  
A cross-reference to companies mentioned here.  
People, Positions, Events  
Duke Tomlin, John Worth.  

*Article unchanged from e-bulletin.  

From the Publisher  
Far-sighted selfishness  
In the 1950s, my father coined this phrase to apply to short-term good deeds which redound to one’s benefit over the long term. John McClellan, Sprague chief, embodied that idea when he said: “The strength and vitality of the community is important to us,” said McClellan. “If there’s not a vibrant economy in Portland and the port, it becomes a lot tougher for us.”  
[See Maine.]  

As I read that, I wished railroads in the region would say the same: ‘The strength and vitality of the region is important to us. If there’s not a vibrant economy in New England and Atlantic Canada, it becomes a lot tougher for us.’  

So I am wishing for more: railroads which *act* on the concept that they need a strong and vital economy. Good service is part of that. Railroads which provide lousy service not only lose business for...
themselves. They also lose business for connecting railroads, drag down existing companies, dampen economic development, and in the end weaken the vibrant economy they need to exist.

I told you so
From the New York Times website for 26 October,

these headlines: ‘Retail Stores Feel the Pinch of Cargo Caught in Transit Limbo. Retailers gearing up for their annual sales push are being forced to wait - thanks to a backup of cargo ships, railroads and truck lines.’ How about using ports of the Atlantic Northeast? Capacity, we got.

- Chop Hardenbergh

Next issue 19 November.

REGIONAL ISSUES

NS/CPR DEAL:
ADIOS TO DELAWARE & HUDSON?

27 October, DC. THE SURFACE TRANSPORTATION BOARD (STB) SIDED WITH TWO CLASS I RAILROADS AGAINST LABOR UNIONS, who believe they are trying to keep the Delaware and Hudson Railway (D&H) in existence. One observer thinks the unions are wasting their time and money.

On 1 October, the Norfolk Southern Railway (NS) and the Canadian Pacific Railway (CPR) filed a series of transactions with the STB to help CPR’s subsidiary D&H survive while improving NS and CPR traffic flow [see 1July issue]. Under it, CPR discontinues the D&H overhead trackage rights over NS between Binghamton NY and Buffalo NY (the Southern Tier line); NS gives CPR trackage rights over short distances in Binghamton and Buffalo; and CPR gives NS trackage rights over the D&H line between Albany NY and Saratoga Springs NY.

In sum, the NS and CPR told the STB, the transactions ‘will create a substantially shorter route for CN-NS interline traffic moving between Quebec and the Maritimes provinces, on the one hand, and the eastern United States, on the other hand.’

Both the United Transportation Union (UTU) and the Brotherhood of Locomotive Engineers (BLE) are opposing the deal.

A shift in traffic
The actual effect of these transactions appears small. One NS train which formerly moved CN traffic via Buffalo to Montreal will now operate via Saratoga Springs (and from there be moved by the D&H). The number of trains moving over the D&H line to Montreal will increase from the current four each day now (two general freight each way, and two intermodal each way), to six. {e-mail to ANR&P from Walt Favro 25.Oct.04} NS said earlier the change involves about 50 cars a day.

Union suspicion
If the deal results in such a small advantage why go through all this trouble? queried Mike Twombly of the BLE, general chair whose territory includes the D&H. The unions don’t respect the management decisions at CPR, and are deeply suspicious of this one. Twombly noted that CPR sold the Soo Line in Wisconsin; the Wisconsin Central revived it; and CN ended up buying the Wisconsin Central. “CN is now making a bundle on a railroad CPR did not view as worthwhile.”

In New York, Twombly posited, CPR had the chance to buy Conrail or parts of it, but also walked away. “The CPR track record is terrible, they are so slow, they never complete deals worth anything.”

The unions believe that if the traffic and revenue from these transactions does not work out, CPR will still sell D&H to NS. “When the dust settles, it’s adios, amigos.”

He added that the unions “don’t have a lot of respect for Mr. Green,” executive vice-president for operations at the time and the force behind the deal with NS. The board of directors view Green differently: they voted on October 25 to elevate him to executive vice-president and chief operating officer. {ANR&P discussion 28.Oct.04; CPR press release}

The union arguments
The UTU (New York State chapter) initially won a stay until 27 October to review the transactions, arguing that the NS/CPR transactions would lead to possible loss of jobs of their members, and loss of rail competition in New York. Its petition argued: ‘The public presently has two active carriers on the route between Buffalo and Binghamton. There is a history, going
back to the bankruptcy of the Penn Central in support of rail competition across New York State [under which the D&H acquired the trackage rights to Buffalo]. The trade-off for eliminating that competition, by adding some additional competition between Binghamton and [Montreal], is of public concern. The STB should not foreclose the opportunity for an effective analysis of competition, by permitting [the trackage rights agreement] to become effective now.’

Railroad response
In its filing, CPR called the union contention “nonsense. The markets served by the Southern Tier line are intensely competitive…. As a result of the Conrail Control transaction, D&H faces direct competition from NS (which owns and operates the Southern Tier line) as well as CSXT (which operates the parallel former Conrail route between Buffalo and Albany. The territory served by the Southern Tier line also benefits from exclusive motor carrier competition…”

As for the fear of loss of jobs, the railroads responded that D&H will see an increase in traffic. ‘The new NS trackage rights will enable NS to move only NS-CN interline traffic that is not currently carried on the line between Saratoga Springs and Binghamton. When NS begins the exercise of those new trackage rights, D&H will also begin its haulage of the same traffic [north of] Saratoga Springs.’ The shorter route will benefit the public interest.

On 27 October, the Board sided with the railroads, saying ‘it appears that the transactions involved are routine operational agreements designed to improve the efficiency of the railroads’ operations.’ It declined to consolidate the trackage rights agreements with the discontinuance. It will decide the discontinuance case by 19 January. {STB Finance Docket Nos34561, 34562, AB 156 (Sub.No.25X)}

The unions and the Red Sox
One long-term rail observer looked at this as another quixotic effort by the unions. In the short term, no union member will lose his job. Because the transaction involves major railroads, “all adversely-affected employees are protected. Some may have to change runs or reporting points, but they have full six years’ income protection.”

In the long term, yes, the D&H may be taken over by NS, but at least the line will remain in existence and viable. “If it is not financially viable, it should not remain.” If the D&H went into bankruptcy, all workers could end up losing their jobs.

“There is nothing that is going to stop the STB from approving this transaction. Since 1982 [the passage of the Staggers Act for rail deregulation], labor has spent millions of dollars opposing these transactions and I don’t think there has been a single victory.”

Next step
The unions will continue to argue these cases until at least January, when the Board will render a decision on the discontinuance of D&H trackage rights over the Southern Tier. Perhaps they are hoping that, like the Boston Red Sox, their time has finally come.

According to Traffic World, NS and CN have not yet reached an agreement permitting the CN traffic to move off the Southern Tier and through Rouses Point.

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**CONNECTICUT**

**BRIDGEPORT**

29 October. THE BARGE FEEDER RFP SHOULD GO OUT WITHIN THE NEXT TWO WEEKS, said Joe Riccio, executive director of the Bridgeport Port Authority. He said he could not reimburse for expenses of drafting the RFP until the state gave the notice to proceed, which did not happen until 1 September [see 3 September issue].

Marty Toyen at Seaworthy Systems is crafting the RFP. {ANR&P discussion 29.Oct.04}

**NEW HAVEN**

September. CONNDOT PROJECTED A 2006 START DATE TO CONSTRUCT THE RAIL TO THE PORT. An unsigned letter to the City of New Haven on 20 August listed these dates for Project No. 92-541:
Final design plans (100% complete) 2 November 2005
Design completion date 14 December 2005
Advertising 11 January 2006

‘It is our understanding that the city is working towards the completion of the following items:

- Public involvement meeting, tentatively scheduled for this September.
- Coordination of design with Water Pollution Control Authority.
- Preparation of categorical exclusion determination—with assistance from the Department.

‘The completion of these items is necessary to conclude the preliminary design phase and start the right-of-way acquisition phase. Please confirm the City’s commitment to the project schedule.’ {text of letter presented to New Haven Port Authority at its September meeting}

**Maine**

**Amtrak Maine**

mid-October. **A DRAFT OF THE DOWNEASTER BUSINESS PLAN WAS PRESENTED TO GOVERNOR JOHN BALDACCI.** The governor supports the plan and will appoint a Rail Funding Task Force in the coming weeks to explore long-term financing mechanisms to sustain Maine's passenger rail service. {Downeaster Weekly Summary 19.Oct.04}

19 October. **WHAT ROUTE TO BRUNSWICK DOES TRAINRIDERS SUPPORT?** MDOT is still working on the environmental permitting for a new bridge over Back Cove so Amtrak can run on the SLR line to Yarmouth before turning right onto GRS to reach Brunswick. However, this summer the demonstration Downeaster run to Brunswick used the all-Guilford route [see 30 July issue], leading some to ask, why not make that the permanent route?

Bruce Sleeper, TrainRiders board member, wrote though that the organization ‘has not taken an official position on this, we want something that will work within a reasonable timeframe and for a reasonable cost. If this means using the GRS than the SLR route, so be it.’ {e-mail to ANR&P}

**GRS - OSB Plant**

22 October, Baileyville. **THE OSB PLANT HERE WILL AGAIN SHUT DOWN,** due to market conditions, on 8 November. Owner Louisiana Pacific had reopened the facility this year. {Bangor Daily News 23.Oct.04} [See 3 September issue.]

**SLR - White Rock**

22 October, Lewiston. **WHITE ROCK DISTILLERIES HAS HAD A “DRAMATIC IMPROVEMENT” IN INTERMODAL** after April. Harold Jones, traffic manager for the company, told the North East Association of Rail Shippers in April [see 13 May issue] about intermodal difficulties, particularly with CN.

**Inbound**

CN and HUB Group, the third-party logistics provider, worked on the inbound service through mid-July, and since then “the service has become very dependable, well over 90% on time.” In fact, said Jones, at one point White Rock submitted an order late, but HUB got together with CN and “rushed the shipments through and kept us going.”
Outbound
Outbound, Jones said, intermodal is still erratic, though not because of CN or HUB. He still schedules intermodal shipments to the State of Washington Liquor Board for 12 days, knowing that the railroad almost always gets the box there sooner. “If we have to pay demurrage for a couple of days, we can accept that, it’s still far cheaper than truck.”

To Oregon, Jones has seen no problems. He recently began shipping to British Columbia via the SLR ramp and CN, and he will continue to use that route rather than the UP route he used earlier. {ANR&P discussion}

SLR NEW CUSTOMER
27 October, Auburn. SLR FINALLY BEGAN SERVING THE PAPER MILL ADJACENT TO ITS LINE HERE, this year. The Cascades Auburn Fiber facility is located on the SLR main line opposite the engine shop. Beginning in 2002, Foley said, the mill has shipped some boxcars of pulp to paper mills on the SLR, at Groveton and Berlin. {ANR&P discussion 26.Oct.04}

Craig Martin, sales manager, said the mill’s de-inked pulp goes to paper mills needing a post-consumer source clean enough to put into their product. Foley and he talked for five to six years about the use of rail, but rail was unable to compete against truck rates.

Finally, Foley’s local rail rates became competitive with truck, and Cascades was able to use the spur built in 1995. Shipments have increased in the last few months, according to Martin, to 25-50 cars a month. He is also using some intermodal via a third-party logistics provider for distant rail shipments, because intermodal rates are significantly lower than CN’s boxcar rates.

He has looked at shipping via boxcar to other points on the continent, but “as soon as we get off the SLR, the rates become cost-prohibitive. The fees become high on CN.” {ANR&P discussion 27.Oct.04}

HISTORY OF CASCADES AUBURN FIBER
The mill has an annual capacity of 75,000 metric tons and cost $70 million to construct in 1995, then known as the Stone & Webster Virgin Pulp Substitute (VPS). When the mill started up early in 1996, it was plagued with difficult market conditions for its finished product. In autumn 1996, the mill was running only 7 to 10 days per month.

As related by Craig Martin, sales manager, the mill’s builders originally intended its post-consumer pulp to replace hardwood pulp in the northeast. However, pricing of hardwood pulp never permitted that.

On 30 September 1996, Stone & Webster removed itself as an equity partner in the deinking mill. A subsidiary of AT&T Capital Corporation, one of the underwriters of the paper mill, took over ownership and operations of the facility, which is expected to use office fiber to make the deinked pulp finished product. Cascades Inc. of Kingsey Falls Quebec acquired the mill in 1998, then operating under the name Auburn Fiber. Cascades purchased the mill from AT&T Capital for an undisclosed amount. With this acquisition, the Cascades Group now has “nine ultra-modern de-inking units producing more than 375,000 metric tons of de-inked pulp annually,” according to the company. Cascades, said Martin, “has the right vision” in its approach to post-consumer pulp. {ANR&P discussion 27.Oct.04; Recycling Today website}

Ship to Richmond PQ?
Foley reported: ‘In the spring of 2004 we presented the option of using our proposed Richmond warehouse [see Quebec/Maritimes] to cut down on the number of backhaul trucks required by Cascades to get their product into Quebec. We started slow and have ramped up to several cars a week. ‘We have also developed for closer markets in connection with Guilford Rail and for additional opportunities in both railcar and intermodally with CN. It's been a real success for a local manufacturer in Auburn, I think they look at the marketplace differently now that we are in the mix. We just flat out deliver more options with the multitude of services we offer.’ {e-mail to ANR&P 27.Oct.04}

SLR USDOT VISIT
19 October, Auburn. U.S. ASSISTANT SECRETARY OF TRANSPORTATION EMIL FRANKEL TOURED A THREE-MILE STRETCH of the line here. He remarked: “Growing demand for transportation services is a bellwether of an improving economy. It signals that people and businesses are buying again - goods are moving via highway, railway, and waterway at record rates and shelves and warehouses are continuously being stocked and re-stocked.” {FRA press release}
Auburn volume

SLR volumes are rising: it expects to handle over 25,000 railcars of freight before the end of 2005, up over 50% percent since 1995, Frankel learned. This figure, per Robert Grossman, executive vice president for government & industry affairs at SLR’s parent Genesee & Wyoming Inc., covers US carloads only. According to the FY98 Annual Report, SLR handled 18,000 carloads in FY97, before Emons bought the SLQ in December 1998.

Why the visit

US DOT officials were visiting transportation companies around the country, Grossman wrote. ‘They contacted me and I thought the SL&A has a good story to fit their theme, ‘Transportation is moving the economy.’’ {e-mail to ANR&P 19.Oct.04}

PORTLAND

25 October. PD MERRILL WILL LEASE HIS TERMINAL TO SPRAGUE, he told employees at work this morning. Within the next couple of weeks, Sprague Energy will formally acquire Merrill Marine Terminal Services, Inc. and enter into a long-term lease of property from Merrill Industries in Portland.

P.D. Merrill, the principal, views this as a logical move to ensure the long-term operation of the site as a marine terminal, which will preserve Portland’s working waterfront and continue to serve Maine’s industry. Furthermore, Sprague is committed to the area, has the resources to continue to invest in the site, and is interested in acquiring the break-bulk handling expertise of the Merrill employees [most recently used to move pulp at Searsport—see 17 September issue].

Sprague President and CEO John McClellan and others from Sprague also met with the Merrill employees to help explain the transition. {e-mail to ANR&P from Merrill spokesperson Andrea Cianchette Maker}

Reasoning

Merrill noted that the company’s “ability to continue to leverage the operation was getting limited. [He did attempt to sell the underlying real estate to the City of Portland. See 9 August 2002 issue.] To continue to invest was getting more and more difficult. Our debt level remained very high, out of all proportion to the size of the business.” [Sprague has the ability to fund the next warehouse for the terminal, money which the Legislature did not make available this year. See 27 April issue. Sprague can finance warehouses out of its own pocket, as shown in Searsport. See 17 September issue.]

For example, Sprague obtained federal assistance to strengthen security at its terminals. Merrill Marine, on the other hand, spent $300,000 this year alone out of its own pocket to improve security. As Merrill noted, Sprague’s assumption of the operation “gives everyone here a comfort level and customers a comfort level.”

The informal handover occurred this day. Merrill handed the terminal’s mascot, Roger the Wharf Rat, to Sprague officials. {ANR&P discussion 26.Oct.04}

Sprague approach

Sprague is already planning to build an additional warehouse on the premises to increase efficiencies in operations. Sprague also plans to continue to use the Merrill Marine Terminal Services, Inc. name. “In the marine terminal world, the name Merrill Marine Terminal Services, Inc. has earned a valuable reputation. We plan to continue to build upon it,” added McClellan.

Sprague currently employs approximately 400 people, including 60 at its South Portland and Searsport facilities. Merrill currently employs 42 full-time employees, more than 25 part-time employees. McClellan noted, “It is our intention to expand the base of business and to grow the facility, which should result in increased employment levels.” {Sprague/Merrill press release}

McClellan said the deal could attract more industry to the state by increasing the volume of material Merrill Marine can handle. Having several terminals in Maine will also provide flexibility to both Merrill and Sprague clients. For instance, if there's a problem with a rail line between a terminal and a client, imports or exports could be shifted to another terminal, bypassing the problem.

Sprague hoped to promote its services as economic-development tools and plans to send an executive with a state trade mission to Italy and Germany. “We want to be another arrow in the quiver of the state to target industries,” said McClellan. Sprague planned to build up the Merrill business as an important part of the Portland economy. If the region does well, it can draw in more industry, which would use more of the fuel that Sprague handles. “The strength and vitality of the community is important to us,” said McClellan. “If there's not a vibrant economy in Portland and the port, it becomes a lot tougher for us.” {Matt Wickenheiser in Portland Press Herald 26.Oct.04}

Reaction

Tom Valleau, former director of transportation for Portland and a long-time associate of Merrill, said: “I give PD a lot of
credit for sticking with his operation through thick and thin, single-handedly making a success of it. Sprague is a large, substantial, well-handled operation. It’s certainly not going to be a step downward. The future looks good.”

Asked whether the civic-mindedness exhibited by Merrill would continue, Valleau said, “The city will find Sprague to be a good corporate neighbor. The Merrill family will continue to contribute to the civic community of Cumberland County as they always have.” {ANR&P discussion 29.Oct.04}

**MASSACHUSETTS**

**BAY COLONY RAILROAD**

7 October, Millis. *TRESCA BROTHERS HAS RESUMED USING THE RAILROAD*. Cars of flyash are unloaded on a spot on the line between Medfield Junction and Millis, and drayed to various Tresca ready-mix plants, according to Bernie Reagan, marketing honcho for BCLR.

The site is reached by dirt roads, one off Environmental Drive. Will Tresca have a siding, so that its cars do not block BCLR access to major customer GAF [see 5 January issue]? Reagan said the transloading on the line is a prelude to getting a siding.

Tresca headquarters itself is located on Route 109 in Millis. {ANR&P discussion 27.Oct.04}

**Charles River approach**

Chris Podgurski, who heads up the Charles River Railroad team bidding to operate the Millis line [see 5 January issue], wrote: ‘Our business plan provided for a double-ended siding installation as well as a second locomotive which we had to have anyway for backup. We had plugged in a three- or four-day/week crew to service Tresca and make the weekly trek to IVEX in Newton.

‘A limiting factor in allowing an increase in traffic is lack of space and an awkward arrangement at Medfield Junction, as well as CSXT difficulty in providing regular interchange.’ {e-mail to ANR&P 13.Oct.04}

18 October, Dartmouth. *THE TOWN OF DARTMOUTH APPROVED A TAX PACKAGE FOR EXPANSION OF DARTMOUTH BUILDING SUPPLY*. The 10-year 40% tax-increment-financing package will help finance DBS in building the 50,000SF. {New Bedford Standard Times 18.Oct.04}

Reagan said the rail spur to serve the facility is currently under discussion. {ANR&P discussion 26.Oct.04} [See 3 June issue.]

**CSXT - AUTO FACILITY**

18 October, East Brookfield. *THE NEW AUTO FACILITY OPENED HERE*, under the sobriquet New England Automotive Gateway Facility, leading to a juggling of the customers at three of the Commonwealth’s four auto unloading facilities.

**Westborough - closed**

Jane Covington, CSXT spokesperson, said this closed at the same time the new facility opened. CSX subsidiary TDSI (Total Distribution Services) had contracted with Diversified Automotive to operate this facility [our Directory #347], which had six tracks and 48 car spots. Diversified Automotive and Allied Systems provided drayage. Two inbound trains a day brought Chrysler, Honda, Mazda, Ford BB (buy-back, that is, trade-ins), and Subaru cars. Two outbound trains a day took Suzuki, Isuzu, and Ford BB. {CSXT website}

Most Westborough customers moved to East Brookfield, but Honda moved to Framingham.

**Framingham - remaining open**

This facility [our Directory #323] is operated directly by CSXT [see 26 March 2003 issue]. Swift Transportation and Leaseway Transportation provide drayage. Two inbound trains bring General Motors, Toyota, Nissan, Mercedes Benz, and now Honda vehicles. {CSXT website}

**East Brookfield - opened**

Northeast Vehicle Services (NEVS) operates the facility; railroad East Brookfield & Spencer Railroad (EBSR) will switches the facility. George Bell, principal in both operations, said, “For a startup, this is going very well. [EBSR] is getting the
switching in synch with the off-loading.” Ty Slinkard is EBSR operations superintendent; terminal manager for NEVS is Jay Wildfeuer, who ran the former terminal at Westboro.

CSXT runs one train in, and one train out a day, bringing GM, Chrysler, Mitsubishi, Subaru, and Mercedes Benz vehicles. The manufacturers save a day, on average, over the Westboro operation because EBSR switches the train into the facility immediately after it arrives, said Bell. {ANR&P discussion 27.Oct.04}

Ayer facility
Covington noted that the customers using the Ayer automotive facility [our Directory #115], located on GRS, would not, at this point, move to East Brookfield. {ANR&P discussion}  Ayer has only one user, Ford both inbound and outbound. {CSXT website}

The proposed addition to the auto facility [which GRS fought for in courts, and Ayer citizens continue to oppose–see 5 March issue] has not yet happened. Half a decade ago, GRS had looked at lengthening all five tracks in the existing facility and adding two to increase the capacity from 25 rail cars to 70. Some expansion occurred, but only a 37-car capacity. Some conductors using a bit of artistic license can spot as many as 41 for unloading. {NERAIL 26.Oct.04}

21 October, DC.  **THE UTU FILED TO REVOKE THE EXEMPTION FOR EBSR** filed in May [see 3 June issue], in a brief petition. ‘Rather than negotiate under the Railway Labor Act for contracting out the CSXT operations to EBSR, CSXT has entered into a series of complex arrangements with EBSR to perform work for CSXT.’

The land and buildings of the Facility were sold back to CSXT subsidiary Holston Land Company, and then leased to George Bell and his partner.

UTU argued that the Notice of Exemption should be revoked as it does not fall within the class exemption, national rail policy requires regulation of the transactions, and the original notice contained false or misleading information.

‘Petitioner has made a discovery request pursuant to 49 CFR §1121, and will supplement this Petition to Revoke in accordance with the STB’s procedure.’ {STB Finance Docket No. 34505}

**GUILFORD RAIL**
15 October, Salem.  **THE CITY COUNCIL BANDED IDLING LOCOMOTIVES**, in a new draft ordinance. It was prompted by an incident this past spring when a locomotive sat idling at the Flint Street crossing for more than an hour, Ward 6 Councilor Michael Bencal said. As the train idled, the crossing lights continued to flash and the warning bells rang the entire time, frustrating neighbors. Councilors also were prompted to take action after reading a government report that raised health concerns related to the fumes generated by idling trains, Bencal said.

The ordinance would be enforced by Salem police and carry a fine of up to $300 for each incident. Exceptions would be made for locomotives involved in an emergency situation.

Rob Culliford, chief counsel for Guilford Rail, which owns and maintains the freight tracks, argued against the initiative last month during a Public Health, Safety and Environment Committee meeting. His position: the ordinance would make it difficult for the company to repair its tracks if vehicles were not allowed to idle at repair sites.

But at the same meeting, a Federal Railroad Administration official said similar idling ordinances exist in other Commonwealth communities and have survived legal challenges.

Mayor Stanley Usovicz still must sign the ordinance for it to go into effect. Yesterday, the mayor said he had just received the legislation and had not made a decision. {Sean Corcoran in Salem Evening News 19.Oct.04}

15 October, Bradford.  **THE TOWN OF HaverHILL WANTS GRS’ OUT-OF-SERVICE RIGHT OF WAY** in its Bradford section, along the Merrimack River. The former Georgetown branch splits from the MBTA line coming north into Haverhill, continuing parallel to the river through Groveland, and then away from the river through Georgetown into Newburyport. Mayor Fiorentini proposes to develop the Bradford riverfront: “I think we could spark a boom in that area if that right of way didn't exist.”

David Fink, executive vice president of Guilford Rail, said he is unfamiliar with Fiorentini’s proposal, but he would be willing to discuss the idea with the mayor. “We buy and sell land all the time,” but federal guidelines and complex ownership questions surround railroad rights of way. {Charlie Russo in Lawrence Eagle Tribune 17.Oct.04}

**BOSTON**
26 October.  **THE BOSTON REDEVELOPMENT AUTHORITY APPROVED A $45 MILLION FREIGHT CONTAINER HANDLING FACILITY** in the Boston Marine Industrial Park in South Boston. Entitled the ‘International Cargo Center of New England’, and consisting of a two-building, 314,000-square-foot complex, it would open in about two years, and
provide employment for about 500 people.

Boston Freight Terminals (BFT), a 24-year-old company that moved off Fargo Street to make way for the new Boston Convention & Exhibition Center, is developing the new freight site along Northern Avenue jointly with Cargo Ventures LLC of New York. BFT takes the contents of shipping containers from multiple companies, separates the goods, and sends them on by ship, airplane, or truck. It processed more than 110 million pounds of imported cargo and 50 million pounds of exported cargo last year.

Neil F. Fitzpatrick, BFT president and owner, plans to increase his company to about 60 employees from 40 and lease the rest of the space in the new facility to other companies that need to be near US Customs Service officials and other shipping services. “It will bring a lot of the different segments of one industry under one roof.”

“It's a rather tremendous move,” said Arthur Lane, president of Peabody & Lane Corporation, a shipping agent for bulk cargo in Boston, who has lamented the deindustrialization of the Port of Boston. “I don't see how anyone could oppose something of that size, given the jobs.”

The BRA board approved negotiations for a 65-year lease on the land. Two buildings on the site, between Northern and Drydock avenues and near the FleetBoston Pavilion tent, would be demolished, and two new larger buildings, with 28-foot-high ceilings, would be built starting in mid-2005.

Vivien Li, executive director of the Boston Harbor Association, where Fitzpatrick serves on the board, said this is a good use of the land. “This is not more music tents. This is providing actual storage space for cargo coming off ships and helps to reinforce the Port of Boston.”

The Marine Industrial Park comprises 191 acres on the east side of the South Boston Waterfront. Only about 40 acres remain undeveloped. [See map and discussion of Track 61, which would reach this new facility, in 03#03A. The new buildings sit roughly where the words ‘Marine Industrial’ are printed.] {BRA press release; Thomas C. Palmer in Boston Globe 27.Oct.04}

**FALL RIVER**

22 October. **THE PORT NOW HAS TWO INNOVATIVE PROJECTS UNDERWAY**, according to Rick Armstrong, executive director of the Massachusetts Seaport Advisory Council:

**New building**

Later this month, the Commonwealth Department of Capital Asset Management and design firm Cambridge Seven will sign a contract for final design of the new port building [see 30 July issue]. Cambridge Seven will complete the final design of the building, but will not do the engineering drawings and bid documents in this phase.

**Short Sea partnership**

Armstrong was attending the North Atlantic Ports Association (NAPA) traffic board in Baltimore on 20 October. He had a chance to meet with counterparts from the South Atlantic Ports Association, and discuss a partnership between Port Canaveral, Florida, and Fall River. He wrote: ‘We are anticipating a grant of $15,000 from MARAD to do our part of the local origin/destination study around the Fall River area (we’ll pony up if not MARAD). Port Canaveral has already completed such a study and has offered the model and software to us.’ The origin/destination studies should show cargoes which a Short Sea operation (short distances via ship) could serve. [See 26 June 2003 issue.]

‘A delegation from the South Atlantic and Caribbean Ports Association, led incidentally by the recent head of Port Canaveral, will be presenting and be part of an action planning session at the NAPA meeting in DC early December...Fall River/Canaveral will be the poster child for the port pairing concept and maybe the first recognized on the east coast as Short...
MARAD held its third yearly conference on short sea shipping in New York last week, but some who attended were impatient with the slow pace of MARAD’s leadership in this area. The agency does not seem able to make progress on its short sea ambitions. [North Atlantic Ports Association meeting minutes]

NEW HAMPSHIRE

PORTSMOUTH

13 October. **AN UPDATE ON SOME CUSTOMERS** was provided by Geno Marconi, director of the Division of Ports and Harbors and overseer of the Market Street Terminal here.

**Salt operations**
The International Salt Company remains a customer, with a lease on the pier lasting until 1 July 2005.

**Container facility**
The area under contract to the company headed by Fiaz Arain [see 1 July issue] is now fenced off with a gate. Marconi has in effect said: “This is your box, you are responsible for everything inside the box, security, customs, coast guard, if approved by us and compliant with overall plan for facility.”

Horizon Line Logistics out of Dallas Texas has been retained to book, track, and provide manifests for the traffic. [ANR&P discussion]

**Ro-ro from Shelburne NS**
Ralph Belfiore is still working on a roll-on, roll-off operation, or a ferry, between Portsmouth and Shelburne [see 16 June issue]. Possible traffic includes passengers for a new resort in Nova Scotia, fish shipments, and quartz. [ANR&P discussion 28.Oct.04]

RHODE ISLAND

SEAVIEW/QPD

28 October, Davisville. **SENESCO HAS BECOME A RAIL CUSTOMER**, some two years after expressing dissatisfaction with rail [see 30 September 2002 issue]. Will Durfee, vice-president of (formerly Southeast New England Shipbuilding Company) SENESCO Marine, said the company had “in general worked out some issues we had in past with using rail. At this point we are planning to use it pretty much exclusively for big incoming freight deliveries.” [ANR&P discussion]

QUEBEC/MARITIMES

NOVA SCOTIA SMALL PORTS

**PORTS OF SYDNEY, PICTOU, PARRSBORO, SHEET HARBOUR, SHELBURNE, AND YARMOUTH WILL FORM A NEW SMALL PORTS ASSOCIATION.** The group's first concern is getting federal funding for port security. Money was promised in May, but has yet to be delivered. The ports want to make sure larger ports don’t eat up available funding. “The last consultation we had with Transport Canada, it was becoming apparent that money was going to be earmarked for the larger ports,” said Dave Whiting, port manager for Yarmouth. “I pointed out to [Transport Canada] they don't know what's going on in small ports. Small ports are completely different.”

Whiting said Yarmouth has spent $80,000 on security barriers and other measures to comply with new international port security codes. It's still waiting to be reimbursed for 75% of those expenses. A Transport Canada spokesperson says each port security funding request will be considered on its own merit, without preference for larger ports. Applications will be available later this fall. [CBC webposted 22.Oct.04]
NEW BRUNSWICK SOUTHERN
22 October, Ottawa. **NBSR IS LOOKING FOR AN ALTERNATIVE PROJECT** for the $60,000 it received as an award for its intermodal service [see 17 September issue]. Transport Canada spokesperson Helen Leslie said: “Because of the completion stage of the original project, NBSR is exploring a potential complimentary project which can be undertaken with the FSDP (Freight Sustainability Demonstration Program)- approved funding. The FSDP and Transport Canada have been in regular communication with NBSR over the past few months. However, no contribution agreement has been signed yet, because [NBSR] has not presented a revised project description to Transport Canada.” {ANR&P discussion 22.Oct.04}

[Translation: With the intermodal service already underway not using the FSDP money, FSDP is willing to award it to another NBSR project, but NBSR has not yet found such a project. *Editor*]

CAPE BRETON & CENTRAL NS
21 October, Moncton. **THE FEDERAL GOVERNMENT DID HELP FUND A GRAIN ELEVATOR IN STEPHENVILLE NF** which obviated the need for some of the grain transloading in North Sydney, according to Shur-Gain spokesperson Peter Peacock.

History
Up to 1995, the federal government had subsidized the shipment of grains from the western provinces to export ports, under the Western Grain Transportation Act (preceded by the Crow’s Nest Pass Agreement). The government repealed the WGTA in 1995 as part of the Budget Implementation Act. Termination of transportation subsidies for grains and oilseeds in western Canada allowed a reduction in the budget burden, saving the federal government an estimated C$561 million and helping to fulfill the WTO commitment on export subsidy reduction. Repeal of the WGTA also allowed railways to charge higher rates (although still subject to legislated freight rate caps) and some of the additional funds could be channeled toward improvement in the rail system. The end of the WGTA program resulted in elimination of the Feed Freight Assistance Program (FFA) for feed-deficit provinces.

The FFA, created in 1941, helped lower feed costs for livestock producers in Atlantic Canada, British Columbia, eastern Quebec, northern Ontario, the Northwest Territories, and Yukon. The FFA ceased to operate as a transportation subsidy on October 1, 1995, and FFA funds—about C$72.7 million—were available to aid feed-deficit livestock producers during an adjustment period. {US Department of Agriculture, *Agricultural Outlook*, 5.01}

Peacock said the Western Newfoundland Grain Society, an organization of farmers, had an elevator built in 2003 with the adjustment funds. [The existence of this elevator meant that railing corn to North Sydney for drayage to Newfoundland no longer was price-competitive–see 18 October issue.]

Possible future for North Sydney?
Peacock pointed out that railing the remaining grain from Moncton to Sydney costs much less than trucking it, so that Shur-Gain would like to continue to use rail. The company has asked CN whether it saw any opportunity to offset costs. {ANR&P discussion 21.Oct.04}

SLQ NEW CUSTOMERS
26 October, Upton and Richmond PQ. **SLQ HAS TWO NEW CUSTOMERS ON ITS LINE**, according to Ed Foley, SLR vice-president of marketing and sales.

Distribution Upton
Located in Upton, east of Sainte-Rosalie, this grain mill in 1998 (when SLR bought SLQ) was formerly owned by Willie Dorais. It closed in November 2002, and since then SLQ has worked to bring it back on line. JLT (Jean Lavalle Transport) purchased the facility in March 2003 and spent $850,000 to upgrade it. Some $40,000 of that went to upgrade the tracks, with the work done by Entretien des voies ferres Coyle of Delson [the company which did the trackwork in Richmond, as well–see 5 March 2004]. MTQ did not fund this project; it was entirely supported by JLT.

Distribution Upton brings in feed grains from western Canada and the United States. Foley estimated a substantial traffic growth in 2005, in the hundreds of cars.

Reaching and switching the facility. Distribution Upton lies on SLQ-owned track, but coming from Montreal CN runs by it to reach the interchange in Richmond. From 1998 to 2002, SLQ ran a switcher west out of Richmond (MP 71) to Upton
(MP 100), and it is doing that again.

According to Foley, the switcher runs twice a week, as needed, bringing grain cars in 15, 25 or 40-car blocks. Distribution Upton hired CANAC to train seven of its workers on a trackmobile, and will use that to move cars around at the facility.

### Richmond Logistics

Located in Richmond, this 40,000SF warehouse operated by Richmond Logistics opened in August [see 5 March issue]. Foley said the carloads exceed expectations (100% over forecast, in the hundreds of cars), and he anticipates substantial traffic in 2005.

**Reaching and switching the facility.** Richmond Logistics lies at the end of a 2.3-kilometer spur constructed during 2003-2004, over an abandoned right-of-way. The cost of constructing the spur is a risk shared by the federal government, the city of Richmond, and the railroad. The railroad is paying its share under a long-term agreement, which does not depend on the amount of traffic moving over the spur.

SLQ switches the facility five days a week. It has a four-car indoor spot and six trucking bays.

**Customers.** Richmond Logistics is primarily serving the forest products industry now, storing paper, pulp, and linerboard. The warehouse is currently targeting other commodities. Some paper inbound by rail to the Richmond Logistics warehouse is trucked to several regional customers, where it is made into finished paper. [SLQ formerly served Cascades Kingsey Falls via a through-boxcar system. See photo and description in 21 August 2003 issue.]

Foley said that the warehouse is not now serving the customers on QCR, such as the Cascades mill in East Angus.

**Future freight intermodal transportation center.** Foley reiterated the SLR goal of replicating the Auburn Maine model here. “It's taken a lot of hard work; the key was the public-private partnership,” with the city and MTQ helping with the funding package. “It's a start, but the job is not done. We have the ability to enhance our service for manufacturing, distribution, cross-dock, reload, and bulk distribution operations, as in Auburn.

“Richmond has been great to work with, it has 100+ acres to develop for rail users who want the link to CN. The entire project would have never been a success without the support of CN and the marketing team.”

Foley further explained that “we have identified potential new business that was moving through Massachusetts and Pennsylvania warehouses and entering the Province of Quebec by truck. By working with CN Forest Products & CN's Eastern Region Sales and Marketing groups to identify how to convert these opportunities, we have found Richmond as a benefit to CN, SLQ and the local customers that we serve.” {ANR&P discussion 26.Oct.04}

### RAIL SHIPPERS

Ayer Auto (GRS, Massachusetts #115), Cascades Auburn Fiber (SLR, Maine), Dartmouth Building Supply (BCLR, Massachusetts #296), Distribution Upton (SLQ, Quebec), Fall River Pier (CSXT, Massachusetts #289), Framingham Auto (CSXT, Massachusetts #323), Louisiana Pacific (GRS, Maine), Merrill Marine Terminal (GRS, Maine), New England Automotive (CSXT, Massachusetts), Richmond Logistics (SLQ, Quebec), SENESCO, (Seaview, Rhode Island), Tresca Brothers (BCLR, Massachusetts #232), Westboro Auto (CSXT, Massachusetts #347), White Rock (SLR, Maine)

*Our Directory of Rail Shippers & Receivers in Southern New England has more information on the companies denoted with their directory number.*
New Richmond Logistics warehouse, at lower left in blue. Note track to indoor spots. Re-laid 2,3 kilometer spur with bike path to the left running north (up) to Richmond Yard along the river. {Photo courtesy Dany Julien, SLQ directeur des ventes / sales manager and agent, développement industriel / industrial development}

PEOPLE

Late report: Duke Tomlin in January 2003 bought his partner John Worth out of Maineport Towboats, leaving Tomlin the sole owner. The two bought the operation, based in Belfast, from Arthur Fournier in 1989. Worth is now teaching at Maine Maritime Academy.

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Atlantic Northeast Rails & Ports, née Maine RailWatch (1994-1997) and later Atlantic RailWatch (1998-1999), is dedicated to the preservation and extension of the regional rail network. The editor believes that publishing news on railroads and ports spotlights needed action to preserve the rail network. The publication also imbues the region with a sense of an interdependent community, employing the network to move rail and port traffic. ‘No railroad is an island, entire onto itself.’

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