REGIONAL ISSUES

B&A: Wants Wells River branch.
NECR: Ditto. Hired second marketer.
Quality Distn: Description of terminals, etc.
CSO/PVRR: RR battalion moves.
FTR: NE rail plan, Atlantic Canada freight study.

CONNECTICUT
Transfer facilities: A listing.
NECR: Rail battalion to help museum.

MAINE
Amtrak: GRS supports new Brunswick route.
Portland service date announcement soon.
Calais branch: No luck with indirect funding.

MASSACHUSETTS
FAC: Report finally emerges.
Transfer facilities: Amendments.
GRS: Developments on Westover.
HRRC: EOTC offers $2.3 million for upgrade.
MBTA: Why not serve Worcester better?
FTR: Senate to take up bond bill.

NEW HAMPSHIRE
West Lebanon: CCRR wins bid.
FTR: SLR corridor dispute, four legislative bills, Nashua commuter, rail plan.

RHODE ISLAND
[No report.]

VERMONT
Wells River: GMRC repairing it.

MARITIMES/QUÉBEC
CBNS: Possible rescue of Sydney line. DEVO strike ends, sale progressing. Passenger rail effort slows. GP traffic study moving ahead. SYSCO deal collapses.
Gaspé: Possible subsidies.
WHRC: Gypsum expansion. Some want passenger service back.

ATLANTIC NORTHEAST PORTS
Halifax: Best year ever. Logistec, others interested in Halterm operation Scotia/CN dispute continues. MSC begins service.
Saint John: More on freight prospects.
Portsmouth: Possible futures for the port.
Quonset Point: RIEDC consultant looking at options.

FROM THE PUBLISHER

Errors, please
I appreciate the support and praise received for the content of ANR&P. I am therefore taken aback to find that no one called me to point out some errors and omissions in the list of transfer facilities in Massachusetts published in December [see Massachusetts]. Please, if you find any errors, give me a call, or e-mail, or fax, or even write a letter.

Missing an issue?
Again, I received back from the Postal Service a 17 December issue, with the address torn off. If anyone is missing that issue, let me know.

- Chop Hardenbergh
Next issue: 4 February.
REGIONAL ISSUES

B&A SYSTEM

12 January, Bangor. THE RAILROAD ARGUED ITS CASE FOR THE WELLS RIVER BRANCH in terms of an advantage to the entire Atlantic Northeast [see 10 January issue]. Dan Sabin, vice-president and chief operating officer, wrote a ‘position paper’ for the Vermont media which described the branch as a ‘natural extension of the BAR System’s trackage extending south from their east-west main line at Brookport....With a direct connection to New England Central (NECR) at White River Junction, a brand-new regional carrier route will connect northern New England, Québec, and the Atlantic Provinces with southern New England.’ Sabin made these points:

Carload traffic
The B&A’s network of nearly 1,000 miles of track will provide a feeder service to make the branch viable because of overhead traffic.

Container traffic
‘The Wells River gateway opens the door for truck-competitive service between southern New England and the Ports of Montréal and Saint John,’ as well as the new intermodal facility in Presque Isle. Approximately 30,000 containers a year move via truck to southern New England over I-89.

Sabin later explained that CP Ships and other shipping companies cannot serve many markets in the United States from Montréal because of the weight restrictions. Some containers too heavy for the interstate highway system could be railed to Palmer MA, then over state highways or tollways to destination. CP Ships could gain by ‘using us with a triangle service of Lykes containers trucked to the Boston/Providence/Springfield/Hartford area, loaded to Montréal then out the port. In some cases, the cube could be repositioned to Montréal and loaded to New York over D&H to Oak Island. There are many combinations available, including our use of the cube to the Midwest with paper and other loads to save them repositioning costs to get export loads from Chicago, St. Louis, Milwaukee, etc.’

Asked about the lack of doublestack due to the NECR tunnel at Bellows Falls, Sabin responded: ‘We have no problem with spine cars and single stacks. That is the primary approach we have on CDAC. The advantage of second-generation spine cars is the ability to load any type of trailer or container on the same car,’ providing more flexibility than a doublestack for mixed COFC and TOFC.
traffic.

A route to Gilman and the SLR
Sabin underscored the B&A’s willingness to serve the Gilman VT mill [see 3 December 1999 issue], and to go beyond to provide SLR with a gateway to southern New England.

He later explained the advantage of this route. ‘Any customer in our region has traffic that cannot reasonably be handled via existing connections, for whatever reason, such as rate, equipment requirements, over-all transit times, general service, etc. Any time a new gateway is opened, there is a greater chance of developing more market share. There are mills along SLR that use trucks for points east of the Hudson River because there is not a viable rail alternative. CN doesn't go there, they do not connect with NECR except via CN, and they do not have a direct connection to the D&H. We believe strongly that we can work closer with all of the New England short lines and regionals to help each other gain more market share from trucks.

SLR President Matt Jacobson, asked for a comment, said: ‘Since I haven't seen a proposal on rates and service, I cannot comment except to wish the BAR good luck.’

Service on the LVRC
The B&A would also like to restore service west of St.Johnsbury on the Lamoille Valley line. Sabin amplified that point: ‘Our interest in the LVRC is access to the granite and aggregates at Danville and the wood lot at West Hardwick, as well as inbound propane and other commodities. A portion of the LVRC could provide some new customer sites for other development as well.’

Amtrak service via St.Johnsbury to Montréal
Sabin extolled the possibility of passenger service on the route, connecting with Amtrak’s Vermonter in White River Junction. In addition, he saw the attraction of excursion and ski trains on this scenic route, and passenger service from Vermont to Maine to connect with the proposed service between Bangor and Bar Harbor.

Also, Amtrak or VIA might run passenger/express service over the B&A to White River Junction to Montréal.

Sabin later noted that NECR’s Montréal route did have the Burlington/Montpelier market and a 23-mile distance advantage. ‘The justification for [our] service would be the express traffic that we would add to the train on our line from the Montréal area, northern Maine and northern Vermont. We would want a train over our route to enhance existing service, not replace it. In all likelihood, new train service would probably be based on scheduled express service with passenger equipment added for public convenience.’ (text of position paper; ANR&P e-mails from Sabin 18&19 Jan.00)
A DIRECT SLR/NVR CONNECTION?
Will the B&A would get enough traffic over a Groveton-St.Johnsbury link to justify operating the former Twin States Railroad (TSRD) and New Hampshire & Vermont Railroad (NHVT)? TSRD has 28 miles to Whitefield NH, and NHVT almost 40 miles, from Whitefield to Groveton. Railroads need of 125 carloads per mile per year to make a profit; the B&A would have to move 8125 carloads a year, on three railroads.

   Even if the SLR originated that kind of traffic destined for southern New England (which it probably does not), shipping via a two-railroad trip with GRS, CN, or CP (all of which happen seven days a week) would cost far less than covering the cost of improving the 65 miles of track. Using even half David Fink’s figure of $700,000 a mile [see Amtrak] means about $20 million. {ANR&P analysis}

NECR/CSO
17 January, St.Albans. THESE RAILROADS JUST HIRED A SECOND MARKETING PERSON. Mike Brigham, president, said Kevin Galizio, who earlier handled marketing for CSO, would now handle marketing for customers south of Bellows Falls. Jack Dodd, who was stretched from the coast of Connecticut to East Alburgh, will now handle business north of Bellows Falls and relations with CN.

The B&A proposal for Wells River
Asked about Sabin’s vision of interchange with NECR at White River Junction [see above], Brigham said NECR may well bid on the Wells River branch itself. In that case, NECR would interchange with the B&A at Wells River.

   Either way, the B&A would have the connection south it wanted to. Brigham pointed out that having a short line operate the White River-Wells River stretch might not negatively affect the cost to customers. “Sometimes having a neutral party helps.” {ANR&P discussion 20.Jan.00}

QUALITY DISTRIBUTION AND SUBSIDIARIES
19 January. TRANSPLASTICS AND QUALITY CARRIERS DO BULK TRANSLOADING in New England. Both are subsidiaries of Quality Distribution of Tampa, Florida. Through primary subsidiary Quality Carriers and affiliates, the company transports bulk chemical products mainly in the United States and Canada. With a network of almost 200 terminals and a fleet of thousands of trailers, the carrier serves clients such as Procter & Gamble, Union Carbide, Dow Chemical and DuPont. Quality Distribution also holds interests in tank cleaning and logistics businesses.

History
For two decades, Chemical Leaman Tank Lines operated liquid and dry bulk terminals and trucking. In January 1998, the Chemical Leaman Corporation, owner of the tank line company, spun off the dry bulk division to a wholly-owned corporation, TransPlastics, to give it an identity.

   In August 1999, Leon Black’s Apollo Investment Fund bought the Chemical Leaman Corporation (#1 chemical hauler in the United States) and Montgomery Tank Lines (#2 chemical hauler) and combined them into Quality Carriers, a subsidiary of the Quality Distribution Company. Apollo owns 86% of the company. In late 1999, Tom Finkbiner, then intermodal honcho for Norfolk Southern, was hired as Quality Distribution’s CEO. {Hoover’s website; Progressive Railroading 10.99}

   Quality Carriers is setting up Quality Terminals, which will handle liquids. Finkbiner said only one such facility now existed. {ANR&P discussion 19.Jan.00}

TRANSPLASTICS
TransPlastics operates five of its dry bulk transfer facilities in or near the Atlantic Northeast, and a fleet of pneumatic trucks for transfer and delivery of dry flowable materials, primarily plastics but also food grade products and minerals. Its headquarters are located in Exton, Pennsylvania.

   Saddle Brook, New Jersey [served by NYS&W], and three in the region: Palmer, Massachusetts and Belchertown, Massachusetts [both served by NECR - see 17 December 1999 issue] and North Haven, Connecticut [operated for CSX TransFlo in the Cedar Hill Yard - see 17 December 1999 issue].

QUALITY CARRIERS
Quality Carriers operates liquid bulk trucks and one transfer facility, in North Haven for TransFlo. According to Steve St.Jean, the New Haven manager, the dry bulk has 300-400 carloads a year, while liquid does about 50 carloads a year. The liquid is pumped directly into trucks; no holding tanks are used.

   Since he has turned down business because of the state of the facility [see 17 December 1999 issue], St.Jean expects to increase business following the upgrading which will include spill trays. It will become better than the Safe Handling operation in Auburn ME: “more spit and polish.”

   All trucks are run by owner-operators labelled as Quality Carriers transporters. St.Jean said he did major business with Safe Handling, as well as serving the Logistics Management Services facility in Bangor ME
CSO TO PVRR

14 January, Westfield. THE 1205th RAILWAY BATTALION WILL MOVE ITS TRAINING from CSO [see ] to PVRR once PVRR and the Army sign a contract. Locomotives 4601 and 4602 will go for storage, maintenance, and most of all, active training on the PVRR for Army Reserve Train Crews and MOW personnel.

Assistance to railroad museum

The 1205th, based at Middletown CT, has agreed to spend one weekend per month for the next two years at the Eastern Connecticut Railway Museum in Willimantic [see Connecticut].

New unit joining battalion

The only other rail unit in the armed forces the 226th Transportation Railway Operating Company will move from Granite City, Illinois, to the Westover Air Force Reserve Base in Chicopee MA this autumn, and will fall under the 1205th.

The addition of the new unit will open up more than 75 jobs, full-time or part-time. For more information, see 1205th Transportation Railway Operating Battalion Web Site <http://www.angelfire.com/ct/1205thtrobo/index.html>; {ANR&P discussion with PVRR chief Jon Lasko 18.Jan.00; {Willimantic Chronicle in Trains newswire 7.Jan.00, thanks to Jonathan Webster; Railpace website 14.Jan.00, thanks to Mike Clements}

FOR THE RECORD: REGION

A NE REGIONAL RAIL PLAN remains a concept [see 3 December 1999 issue]. Some hoped that the Coalition of Northeast Governors would pick up the ball. Ann Stubbs, executive director of the organization, said she is coordinating an effort to get the states together. She noted that some states are talking to each other about the best way to do this. {ANR&P discussion 18.Jan.00}

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THE ATLANTIC CANADA FREIGHT STUDY [see 15 October] is not emerging as quickly as thought, according to Peter Hood of Transport Canada, who is coordinating it. Consultant Coles and Associates had difficulty getting a coherent set of data from each of the four provinces involved. “We’re hoping to see a second – but not final – draft by the end of January,” said Hood.

A similar study is nearing completion in Québec. {ANR&P discussion 18.Jan.00}

PUBLIC TRANSFER FACILITIES IN CONNECTICUT

In the 17 December issue, I listed known rail-truck transfer facilities in Massachusetts. This section covers those in Connecticut.

<table>
<thead>
<tr>
<th>Railroad</th>
<th>Site</th>
<th>Operator</th>
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<tbody>
<tr>
<td>CSO</td>
<td>Hartford</td>
<td>Delta Bulk*</td>
</tr>
<tr>
<td>CSXT</td>
<td>North Haven</td>
<td>TransPlastics</td>
</tr>
<tr>
<td>GRS</td>
<td>None known</td>
<td>Quality Carriers [See Regional]</td>
</tr>
<tr>
<td>HRRC</td>
<td>Hawleyville Canaan</td>
<td>HRRC (lumber) one team track with dock</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4-car team track w/o dock (roundwood)</td>
</tr>
<tr>
<td>NECR</td>
<td>None</td>
<td>{ANR&amp;P discussion with Mike Brigham 3.Jan.00}</td>
</tr>
<tr>
<td>PW</td>
<td>Plainfield</td>
<td>Delta Bulk (primarily soda ash)*</td>
</tr>
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</table>

*See 17 December 1999 issue for article on Delta Bulk.

NECR - CONNECTICUT

19 January, Willimantic. THE RAILWAY BATTALION WILL ASSIST A RAIL MUSEUM HERE. The 1205th, headquartered in Middletown CT [see Regional], will over the next two years build two miles of track within the site of the Eastern Connecticut Rail Museum, just off the NECR main line at the junction of Routes 32 and 66. The Army Reserve soldiers will also make a connection to the NECR for the museum, which involves laying about 450 feet of track and one switch. {1205th website; ANR&P e-mail from Bill Jeske, national director of the museum 19.Jan.00}
AMTRAK
17 January, Portland. **GRS SUPPORTED RUNNING AMTRAK TO BRUNSWICK VIA THE SLR**, according to GRS Executive Vice-president David Fink [see 10 January issue]. In a press conference here, he made these points:

Union branch
This once connected to the Grand Trunk, but the last train to connect ran in 1931. The last train on the branch, to scrap metal yards in Bayside, ran five years ago. GRS has commissioned an appraisal of the branch, which includes about six acres of former rail yard, in order to sell the branch “with the least amount of delay.” He put the cost in the “millions of dollars.”

Over the past year, GRS has talked with the Maine Narrow Gauge Railroad about its interest in getting to the Seadogs baseball stadium, and with the city about its interest in the branch. Fink said GRS will continue to do so, ‘to ensure that all of the rail interests in the Branch are accounted for in the Governor’s proposal’.

Jeff Monroe, the city’s transportation director, said it would not run any light rail for at least ten years, and even then would probably not use the Union branch corridor.

Getting from Yarmouth to Brunswick
GRS also supports passenger service from Yarmouth Junction. Fink said the railroad has begun ‘a review of the work necessary to allow for the safe operation of passenger service to Brunswick and points farther north, in keeping with the Governor’s strategic plan to develop passenger service throughout the state. Given the level of success experienced during the rehabilitation of Guilford’s lines as part of the Boston to Portland passenger service project, we are ready to move forward on this project as well and can envision passenger service to Brunswick as soon as 2001.’

Status of Plaistow-Portland
Fink was enthusiastic about the performance of GRS crews, upgrading the track at a cost of $700,000 per mile, which compared favorably with other railroads’ efforts costing upwards of $1 million a mile. Following more meetings with NNEPRA, an announcement about the expected completion date should come by the end of January.

Brunswick to Bangor?
MDOT Commissioner John Melrose, in a 10 January letter to Fink distributed at the press conference, offered to purchase GRS track from Yarmouth Junction to Brunswick. Fink said GRS did not want to sell that section, because of its connection to the Maine Coast to Augusta, and to GRS track from Augusta to Waterville and to Bangor.

“We’ll run trains to Bangor if the state would like,” as long as two conditions are met: GRS is completely indemnified, and maintenance costs are covered. GRS is not concerned about interference with its freight trains, Fink said. “There will be no problem with freight if the line has adequate capacity.”

Sister company Pan Am is considering flying out of Bangor, said Fink, and GRS may have an announcement about that in the next few weeks. {ANR&P coverage}

Trains to Bangor, part 2
On 13 January, two Maine DOT Regional Transportation Advisory Committees (RTACs), formed a decade ago when Maine approved its Sensible Transportation Act, agreed to form a Northern Maine Rail Passenger Corridor Committee to promote interest north of Augusta. David Rudolph, chair of RTAC 3 representing Penobscot and Piscataquis counties, saw the need for the committee after noticing MDOT’s 20-year transportation plan included several passenger rail routes, but none connecting Augusta with Bangor. Several members of Rudolph’s RTAC will join with several selected from RTAC 4 in the Augusta area.

Besides seeing that the state plan connects the northern and southern parts of Maine with passenger service, another charge includes determining “the connectibility with other rail passenger efforts that will ultimately provide seamless statewide services.” The group would also like to secure and monitor feasibility studies for the connection and other potential passenger rail service. The committee has yet to hold its initial meeting. {ANR&P coverage by correspondent Fred Hirsch}

[See also Region: B&A.]

CALAIS BRANCH
18 January, Augusta. **EFFORTS TO PROVIDE MORE FUNDING** for the branch derailed when the Legislature’s Joint Committee on Business and Economic Development declined to include funding as part of an economic development package. According to MDOT’s Rob Elder, committee members heeded the plea of MDOT
Commissioner John Melrose to let the Transportation Committee handle the funding as a transportation matter.

Still hope
According to Elder, Melrose told the Committee that restoring the line would be a ten-year project. MDOT would like to appropriate $500,000 for further maintenance on the line, but keep $2.6 million from last November’s bond issue on ice until the former can be used to match a further $10 million in federal funds.

Melrose is willing to support allocation of some of an expected 2000 bond issue for business and economic development, if proponents of the line can show that a more rapid renovation will generate substantial rail traffic. {ANR&P discussion 21.Jan..00}

MASSACHUSETTS RRs

FREIGHT ADVISORY COUNCIL
21 January. THE FREIGHT ADVISORY COUNCIL WILL NEXT MEET in April, after gathering feedback from its report, Identification of Massachusetts Freight Issues and Priorities. Published in November 1999 and finally released, after more than a year of massaging [see 17 December 1999 issue], it contains a ranking of issues important to the freight community. These were devised via outreach sessions and meetings of the Council itself. Results, with respect to railroads and ports:

Issues ranked with high importance
Doublestack rail clearance throughout the state.

Medium importance
Freight use of MBTA trackage.
Railroad bridge upgrades.
Ayer intermodal terminal access (two-lane road now).

Low importance
Housatonic line upgrade
Palmer intermodal terminal connector
New intermodal terminal (junction of I-495 and I-90).
Port of Boston versus New York and Montréal

Further comments
From the meeting of the Massachusetts Rail Association, 7 October 1997:

Representatives of QBT, PVRR, BCLR, MCER, NECR, PW, GRS, Conrail, HRRC, and government agencies in attendance saw no need for further relocation or consolidation of terminals in Worcester. They said the state should spend money from West to East, as the area is already functioning as a distribution center for Massachusetts and New England.

Reebie forecasts show a decrease in outbound goods movement. Rail business is turned away because of municipal land use policies which favor commercial rather than industrial development, which in turn favors truck transport rather than rail transport.

Participants believed that Amtrak’s carrying freight may set a precedent contrary to its charter. Amtrak’s charges for installing switches is unreasonable.

A meeting with Western regional planners 24 October 1997
The group would like to upgrade North-South rail connections. Brian Piascik of the Pioneer Valley Planning Commission believed that the rail line through the spine of Springfield [GRS’ ConnRiver Line] was in horrible shape, which impacted Conrail activities.

Southeast planners 27 October 1997
Virtually all freight is transported by truck. The use of rail depends on whether the MBTA will upgrade rail connections, thus allowing rail freight to piggy-back on the improvements. Ports (mainly New Bedford) are doing well. Fish is brought in by rail (none by truck) from Canada, Alaska, and South America.

Intermodal terminal operators 7 January 1998
Representatives of Intransit, UPS, Conrail, PW, and Kellaway attended. Bill Goetz of Conrail said making all of Massachusetts full doublestack would take ten years, but the 9’6” container will become the industry standard between 2000 and 2005. Only 20-25% of containers are now 8’6”, and no one is manufacturing them.

Conrail’s Massachusetts business is 72% inbound consumer goods, versus overall average of 34% consumer goods and 8% finished vehicles. The state should conduct long-term planning for a large-scale intermodal facility in the eastern part of the state. If Conrail’s intermodal volume continues to grow at double-digit rates, it would rise above the railroad’s terminal capacity in five years.

Seaborne Freight Forwarders 20 January 1998
The group discussed what improvements to the Port of Boston would bring additional shipping. Some believed a
rail connection would help; others believed a rail connection will never happen. The main problem with Boston: cost. Boston costs roughly $30,000 per hour, while New York costs $25,000 an hour. [text of report] [This difference has since decreased.]

PUBLIC TRANSFER FACILITIES

_In the 17 December issue, I listed known rail-truck transfer facilities in Massachusetts. Herewith some amendments to that list:_

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<tbody>
<tr>
<td>HRRC</td>
<td>Sheffield</td>
<td>HRRC: liquid or dry bulk (mostly plastic)</td>
</tr>
<tr>
<td></td>
<td>Pittsfield</td>
<td>HRRC: woodpulp</td>
</tr>
</tbody>
</table>

GUILFORD - WESTOVER

19 January, Chicopee. _LITTLE PROGRESS HAS OCCURRED_ on resolving how to pay for a track upgrade on the Westover Industrial Track [see 10 January issue], said Bob Pyers, marketing director for the Westover Metropolitan Development Corporation (WMDC). Both Pyers and others had no knowledge of a meeting with EOTC, which GRS sought.

Other developments

The US Army wants to station a railway company at the Reserve Base in Westover [see Region]. The effect of this on the need for track could not be ascertained at this point, but Pyers pointed out that if the company wanted to train, the base itself still has about five miles of track to work on.

Of that five miles, WMDC at one point had an easement on the rail line to reach Airpark North. However, it leased the easement to a power company, which subsequently (and without notice to WMDC) abandoned the easement. When later WMDC had a customer in the Airpark interested in rail, it discovered the abandonment.

WMDC is also discussing with the Air Force using some of the base area for a wye to turn engines which serve the industrial park. The lack of a wye had resulted in the use of Trackmobile for switching the park. [ANR&P discussion 19.Jan.00]

MBTA

January, Worcester _HOW THE CITY SHOULD FUNCTION AS A TRANSPORTATION CENTER_ has become a bone of contention between it and the T.

Air and road

The Massachusetts Highway Department, and the Massachusetts Port Authority, which now operates Worcester Regional Airport, feel strongly enough about Worcester prospects as a regional transportation center that they want to build an access road to the airport from Interstate 290.

MBTA service

But many in Worcester are bothered by MBTA’s intend not to expand its service to Worcester until four other stations – Grafton, Westboro, Southport and Ashland – are up and running. They maintain ridership figures for Worcester alone – around one thousand a day – warrant expanded service.

But the T argues that it does not have sufficient funds to purchase additional rail coaches and engines. Rail supporters say the governor might want to think about taking some of the money intended for the airport access road (unpopular in the neighborhoods it would bulldoze through) and use it for the more popular commuter rail service. [Nick Kotsopoulos in Worcester Telegram & Gazette 16.Jan.00]

The state first announced a 23-mile, $77 million extension of commuter rail service from Framingham to Worcester in 1991. In 1993, the T general manager said “it's almost a certainty” that intermediate stations won't ever be built. In 1994, interim service began connecting Framingham to Worcester. From 1994 to January 2000, the T waffled on intermediate stations. This month, the T said full service for Worcester, originally slated for end of 1995, will have to wait until intermediate stations are proposed to provide $2.3 million, some $1 million more than the state initially said it had to spend, according to Jim Howard, the attorney of the Berkshire Scenic Railroad: “We’re happy to hear that.”

Impact on excursion trips

The Berkshire Scenic, currently limited to trips measured in feet in a former yard of the New Haven Railroad at Lennox Dale, would, if HRRC accepted the proposal, receive a passenger easement. Howard called the 16.5 miles “more than enough.” [ANR&P discussion 19.Jan.00]

[See Connecticut for transload facilities.]
completed in 2001. {Chris Sinacola in Worcester Telegram & Gazette 10.Jan.00}

FOR THE RECORD:
MASSACHUSETTS
THE TRANSPORTATION BOND BILL should get to debate in the Senate by mid-February [see 10 January issue.]

NH RAILROADS

WEST LEBANON
22 January, Concord. **NH DOT SELECTED CCRR** to operate the newly-purchased branch. Kit Morgan, the department’s rail coordinator, said the selection committee, meeting on 11 January, had found two of the three applicants (GMRC and Peter Dearnness and David Nash were the other two) very close. The members, from different perspectives, had recommended the men’s West Lebanon Partnership to handle the work. Assistant Commissioner Carole Murray then approved the recommendation.

Next step
Morgan will negotiate with CCRR on the terms of a contract. {ANR&P discussion}

FOR THE RECORD:
NEW HAMPSHIRE
OWNERSHIP OF THE SLR CORRIDOR should be settled within a month, said Assistant Attorney General Nick Cort [see 3 December 1999 issue]. He said a settlement is “99.9% complete” and he awaits a draft agreement put together by SLR attorneys. {ANR&P 19.Jan.00}

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THE LEGISLATURE’s Transportation Committee appeared likely to approve the four rail bills in front it, said Morgan: Kittery-Newburyport (task force), Northern, Manchester-Lawrence (study committee), and rail safety. 

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NASHUA COMMUTER SERVICE will take another step forward, as NH DOT asks the FTA for permission to move into the preliminary engineering phase [see 12 November 1999 issue]. The department has received several inquiries from consultants about the work.

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A CONSULTANT TO DO THE STATE RAIL PLAN was recommended by the selection committee [see 15 October 1999 issue] to Murray. {ANR&P discussion 19.Jan.00}

VERMONT RAILROADS

NECR
Readers last had mention of Clyde River Transport in the March 1996 issue, when it planned to move to Charlestown NH. A lot of changes since then:

19 January, Windsor VT. **THE TRANSFER FACILITY HERE IS “ON ITS WAY BACK”** to its traffic level of 1996 [see 11 April 1996 issue]. President Neil Richardson said in that year he had fully intended to move to Charlestown NH, but in December 1996, just weeks before inking the agreement, a major customer moved its traffic from Windsor to a warehouse in Massachusetts. Because the customer, whom Richardson declined to name, accounted for almost half his business, he decided not to move. Instead, he opened up another facility in Massachusetts, on PVRR in Westfield [see 10 January issue].

The company
With a background in trucking, Richardson started the company in 1988, to work with railroads to reach customers not on rail sidings. He approached Central Vermont with the idea. “They were wonderful;” CV helped find the location in Windsor, and supported his application for ICC trucking authority. He developed a good relationship with CN which remains to this day.

NECR, the successor to CV, Richardson ranks as “operationally not too bad.” But the marketing is not as supportive as with CV, basically because NECR and CSO have only one marketing person [changed, see Regional].

The work
Clyde River Enterprises consists of Clyde River Transport (the original trucking company), Windsor Distribution (the operation of the warehouse in Windsor, five cars a day, 50,000SF), and Westfield Distribution (the operation of the warehouse in Westfield, 4 railcar doors, 40,000SF). The company for the most part stores and moves wood pulp in rolls or bales for nearby paper mills.

Pulp from the South arrives at the Westfield facility via CSXT and PVRR, whence company trucks move it to destinations all over New England and into New York.

Pulp from Canada goes to the Windsor facility via CN and NECR, whence company trucks move it also all over New England and into New York.

Clyde River also handles paper in rolls, bagged and palletized product, and plywood/panel products. The two facilities together handle about 500 railcars a year; product
also arrives by truck, but Richardson pegged that at only 20% of his traffic.

Don’t paper mills have sidings?
Yes, said Richardson, the larger mills have rail sidings right into the plants and therefore use much less transload. But the smaller and medium-sized ones often don’t deal in carload lots, but rather in truckload lots, so using rail can be awkward.

The rail access
Trains reach the Clyde River warehouse on River Street via a long private siding. Richardson explained that he leases the facility from the Connecticut River Development Corporation, which also owns the private siding.

Clyde River does its own switching with a heavy tractor, for two reasons. First, the building only has one rail door, and workers often handle six railcars a day, so considerable switching is needed. Second, the track condition prevents a locomotive from approaching the facility; repair of the track would “cost a fortune.”.

The promise of better track was one factor in attracting Richardson to Charlestown in 1996. {ANR&P discussion 19.Jan.00}

WELLS RIVER BRANCH
19 January, White River Junction. GMRC HAS BEGUN RE-OPENING THE LINE. Dick Bowen, rail projects manager, said he understood the railroad would try to reach Wells River by the second week of February. Winter weather will make that difficult; GMRC is estimating the cost to fill in the washouts, put some of the track back, unclogged paved-over crossings, and so forth. VAOT has agreed to reimburse the railroad for the cost of the work. The funds will come from redirecting other budget items.

Who is interested?
Bowen said the RFP for a permanent operator has not yet gone out. But the B&A and NECR have both expressed interest [see Regional]. {ANR&P discussion}

Coal over the International Pier
The Lingan plant (9,000 tonnes of coal a week) and the Point Aconi plant (40,000 tonnes a week) produce half of the province’s electricity. With the Phalen mine closed, Lingan has received both overseas coal via DEVCO’s International Pier in Sydney, and from the Prince mine. But the mining protest has closed the International Pier as well as the mines. {Tera Camus in Halifax Herald 14.Jan.00}

Plans to sell the operation
The federal government and DEVCO are proceeding, with the assistance of financial advisor Nesbitt Burns, to assess bids to buy the facility. Brad Hardie, who has the file for Nesbitt Burns, said after receiving 11 responses, they had come up with a short list of four potential buyers. All would like to do what the current owners want: purchase the entire operation, to wit the port, the mines, the Victoria mixing and washing facilities, and the railway.

While he had no fixed deadline, Hardie said the owners would like to get the bidders to do their due diligence, wrap up the bids, and get into final negotiations by the end of March. The strike slowed the work, but he thought that timetable still achievable. {ANR&P discussion 18.Jan.00}
18 January, Sydney. **THE EFFORT TO RE-START PASSENGER RAIL TO HALIFAX** has slowed, said Greg Macleod, head of BCA Holdings. Proponents, organized as the Silver Dart Railway Society, need to get through two obstacles. First, because VIA controls the rail diesel cars which Silver Dart wants, and VIA is itself planning to start an upscale service between Sydney and Halifax [see 15 October 1999 issue], it may not readily part with the vehicles.

Second, said Macleod, he’s looking for some business people in the community to put the package together for the service. He has always required some business involvement in his community development efforts. “We will get the investors, we always do.” {ANR&P discussion}

20 January, Melford. **GEORGIA PACIFIC’S CONSULTANT WILL PROVIDE A SECOND DRAFT** of both its traffic study and its rail alternative study, describing its plan to transport gypsum from Melford Cape Breton to the Strait of Canso [see 10 January issue].

Bob Carroll, who is coordinating NSDOT’s response to the studies, said the first draft of the rail study “felt as though it has just been thrown together to fulfill the requirement of the permit. It looked as though Georgia Pacific had no interest in actually using rail.”

By the end of January, he anticipated getting another version of the railroad study.

**CBNS interest**

Peter Touesnard, who handles marketing for the Canadian properties of RailTex, said his company had done a “very preliminary” study of using rail, and had provided that preliminary proposal to Georgia Pacific. {ANR&P discussion}

20 January. **THE DEAL TO SELL SYSCO COLLAPSED**, according to an announcement by the Nova Scotia provincial government. [See 10 January issue.] {CBC news on-line}

**Still, other growth points**

Touesnard said he had a few interesting things happening which would see traffic volumes increase. He will describe them after the merger of RailTex and RailAmerica takes place. Stockholders are scheduled to vote in mid-February. {ANR&P discussion}

**GASPÉ RAILWAY**

16 January, Gaspé. **FEDERAL AND PROVINCIAL GOVERNMENTS ARE OPEN TO SUBSIDY REQUESTS** to continue this line, said Serge Belzile, president of the CFQ System, last week. Chemin de fer Baie des Chaleurs, the part of CFQ which operates the Gaspé, would like $25,000 per month to cover its losses.

Cynthia Patterson, MP and a veteran of maintain-the-train campaigns, now sits on the executive committee of the Chemin de fer de la Gaspésie. She told SPEC that at its annual general meeting, held 14 December, the members decided to enlist the help of municipal governments and other organizations to ensure the railway is subsidized by the federal and/or provincial governments.

"The plan is to have the municipalities and the Chambers of Commerce pressure the governments to come through," Ms Patterson explained. She said she expects most towns will be passing resolutions this week. "Things do look positive in Ottawa. The members of the Chemin de fer de la Gaspésie are optimistic that the governments won't let this important infrastructure disappear."

The region’s economic leadership believe that the disappearance of the railway would destroy the area’s potential for any meaningful industrial or manufacturing development. Besides the closure of Gaspésia [see 12 November 1999 issue], the abandonment of mining at Mines Gaspé has also had an impact on the railway, although that is mostly a question of future traffic. "The copper anodes are still rolling, for now," explained Patterson, "The question is, for how long?"

**Traffic increasing**

As of November, two freights per week have been leaving Gaspé instead of one. And four trains per week, mostly filled with linerboard and wood, travel between New Richmond and Matapedia. {Cynthia Dow & Gilles Gagne in Gaspé Spec 16.Jan.00}

**WINDSOR AND HANTSPORT**

11 January, Windsor. **THE US GYPSUM COMPANY BOUGHT A NEW MACHINE** for its mine in Miller’s Creek, the largest of the company’s mines, producing 1.7 million tonnes each year to supply five wallboard plants in the United States. US Gypsum is the largest such company in North America.

The Miller’s Creek and Wentworth mines [see 24 September 1999 issue] employ 160 people, including 85 at Miller’s Creek. The company also operates a mine in Little Narrows, Cape Breton, and a wallboard plant in Point Tupper. {Nova Scotia Department of Natural Resources press release in Halifax Herald 12.Jan.00}

The mine expansion will help WHRC, which gets about 90% of its carloadings from the mines. {ANR&P}
16 January, Annapolis Valley. **CALLS FOR THE RETURN OF PASSENGER SERVICE** here came out of two more Highway 101 accidents. For years Valley residents have urged a twinning of the highway, and now rail voices are growing stronger. Although no detailed study has been done on the cost of bringing 32 kilometres of track between Windsor and Wolfville up to high-speed commuter rail standards, estimates range from "several million" for the whole stretch to as high as $625,000 a kilometre. Provincial estimates peg roadbuilding costs at a million dollars a kilometre to twin Highway 101.

Halifax regional councillor Peter Kelly is advocating a commuter rail system from Beaverbank-Windsor Junction to downtown Halifax. He said the system would ease damage to roads, greenhouse gases and driver fatigue. Nova Scotia mayors discussed commuter trains for Truro and Wolfville in 1994. Kelly said Halifax's system could be a launching pad to Wolfville. "We have to prove that it works here before it can expand," said Kelly. He said commuter rail should be implemented in concert with, not instead of, twinning.

Jim Taylor, WHRC general manager, would welcome the track being used for commuters if new rails brought it up to standard. "It's utilizing the line to its full potential - why wouldn't we?" he said.

Rebecca O'Brien, co-ordinator of the Ecology Action Centre's TRAX program, said the key to ensuring drivers used a commuter railway would be to make sure it was cheaper and easier to use than their car when going to work. "If people felt they could get on a train for half an hour, read a book, and relax ... then I think it would work well," she said. {David Redwood in *Halifax Daily News* 16.Jan.00}

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**ATLANTIC NORTHEAST PORTS**

**HALIFAX**

11 January. **THE PORT HAD ITS BEST YEAR EVER**, said President David Bellefontaine, racking up an estimated 461,000 TEUs, topping the 1997 record of 459,176. To the Midwest, containers increased from 65,000 to 73,000. The port is projecting a $3 million profit on revenues of about $15.2 million. {Tom Peters in *Halifax Herald* 12.Jan.00}

18 January. **LOGISTEC HAS FORMALLY EXPRESSED INTEREST** in operating the container terminal should Halterm and the Halifax Port Authority not come to terms. Madeline Paquin, Logistec president, said: "How could I not do so when I spoke so openly about wanting to partner in operating a Halifax container terminal [see 24 September 1999 issue].

**Empire Stevedoring will not**

Matty Gordon, the secretary-treasurer of the organization [see 22 November issue], said Empire would not bid. “That’s a little too big for us. Logistec, as a publicly-held company, can raise the mega-millions needed.” He questioned whether HPA was serious, or just asking for bids as a bargaining tactic.

Gordon also agreed with Halterm’s argument that instituting a price hike “all at once” would put Halterm in a non-competitive position, as it would have to raise rates significantly.

Halterm itself noted in its pleading to the CTA: ‘Financial viability in the container business depends on sustaining high volumes of traffic at low margins of return. At present, 90% of Halterm’s container volume is derived from only four shipping lines. The loss of a single customer due to uncompetitive rates can result in serious financial consequences.’

**Who else is interested?**

In a 21 December newspaper advertisement, HPA stated ‘already, six of the world’s largest operators have indicated they are very interested in coming to Halifax.’ On 20 January, David Bellefontaine, HPA president, declined through a spokesperson to comment on what kind of response the requests had found, noting that HPA and Halterm were engaged in litigation [see 17 December 1999 issue]. {ANR&P discussions; *Halifax Herald* 21.Dec.99}

**Legal proceedings with Halterm**

On 14 January, a Nova Scotia provincial judge said the Federal Court should hear the dispute between Halterm and HPA. A hearing is expected in February. {*Halifax Herald* 15.Jan.00}

19 January. **AN UPDATE ON THE DISPUTE BETWEEN CN AND SCOTIA TERMINALS** [see 15 October 1999 issue]. According to Bernard Provost of Scotia Terminals, ‘after many delays by CN they now have until 21 January to reply to the CTA. Thereafter we have 10 days to offer further comments.’

**Press release on BN/CN merger**

On this day Scotia Terminals called the BN/CN merger into question, noting that the Canadian Industrial Transportation League saw a real possibility that CN will have diminished capacity to serve its Canadian customers.

‘One Halifax business is already feeling the brunt of
that policy....Scotia Terminals Limited, a subsidiary of I.H. Mathers & Son Ltd. of Halifax is not getting the rail service it needs to conduct business in the Port of Halifax.

In what could be a taste of things to come, CN is providing service to all other piers in the port except the Scotia Terminals-operated Pier 9A....

‘In what could become a major new customer, Scotia Terminals Limited is currently handling over 50,000 tonnes of nickel sulphide a year from Cuba. Pier 9A was to become the hub of a 10,000-kilometre trade route from Cuba to Alberta – the start of a new phase in Canada-Cuba trade with the Port of Halifax as the focal point. This was a real opportunity to centralize the Cuban trade from Canada at the Port of Halifax,” said Mr. Prévost. “CN has put all that in jeopardy.” {text from Scotia Terminals}

20 January. MEDITERRANEAN SHIPPING COMPANY WILL BEGIN A DIRECT WEEKLY SERVICE to the Port of Halifax this day. The Geneva (Switzerland)-based MSC will rotate four ships through Halifax on its North America/North Europe service. Halifax will be the last North American port of call on the eastbound voyage [formerly Boston, see 22 November 1999 issue], with a six-day transit time to Antwerp. Other ports of call include Bremerhaven, Felixstowe and LaHavre. Liverpool and Gothenburg will still be called through their existing service with ACL. For additional information contact Furncan Marine at (902) 423-6111. {Tips and Topics 1.00}

SAINT JOHN

17 January. MORE ON FREIGHT PROSPECTS. Captain Soppitt [see 10 January issue] said port has two prospects for dry cargo. If those come to fruition and expand, that would precipitate a look at construction of a dry cargo terminal other than Barracks Point.

Three years ago the port came very close to building such a facility, but Empire Stevedoring backed away from making the significant investment necessary [see Halifax].

Competition with Belledune

Soppitt reported that the federal government three years ago wrote off a major 20-year debt of the then Saint John Port Corporation, on which the port was paying $2 million a year in interest. In return, the port took on the costs of dredging.

Due to silting from the Saint John River, the port must dredge every year, to the tune of $2 million, so that the port gained nothing from the debt write-off.

Belledune received a major loan of $30 million for its new forest products terminal which it wants written off, Soppitt noted [see Atlantic RailWatch 98#21]. This competes with Saint John’s (“the best forest products shed on the East coast) in which Logistec and the port have invested. By taking the forest products of the north shore of New Brunswick, Belledune has watered down Saint John’s cargo base.

What about that name?

When Saint John renamed itself Port New Brunswick, “that was a marketing boo-boo,” said Soppitt. The international community did not recognize the new name, so when the Saint John Port Authority assumed ownership and operation of the port in May 1999, the name reverted to Port Saint John. {ANR&P discussion}

A connection to Palmer MA?

The vision of the B&A of serving the intermodal facility in Palmer MA [see Region] could include bringing in overseas containers from Saint John, in a move similar to that offered by CN and GRS from Halifax to Ayer MA. The move would also give Palmer, currently without a steamship customer [see 15 October issue], access to a new port.

The B&A’s Dan Sabin said he had not yet broached the possibility, but “it will come.”

Imported autos

Sabin also said the B&A is in “ongoing” discussions with Saint John about the possibility of backhaul with imported vehicles. {ANR&P e-mail 19.Jan.00}

PORTSMOUTH

12 January. VHB CONDUCTED A DISCUSSION OF POSSIBLE FUTURES FOR THE PORT with interested parties, as part of its five-year master plan study. Following a presentation of the physical port configurations and the traffic opportunities, the roughly 30 attendees broke into two groups to look at four options:

Full port. This would reflect plans of the late 1980s and early 1990s to add 5-7 acres of new land and a new pier, at a cost of perhaps $20-$30 million. This option found little support.

Gateway Park. This would abandon any cargo port usage and transform the site into a green area with selective commercial development. It would complement plans to upgrade the area currently leased by the Isles of Shoals Steamship Authority. This option also found little support.

Strategic land exchange. If Granite State Minerals moved
its dry bulk facility upriver to the Port Authority site, that would free up its site for tourist/excursion boat development. Many supported this option, even though it would preclude much development of the cargo traffic.

The option also hinged on Granite State’s willingness to handle the current cargoes of the Port Authority: wire cable and other project cargo.

Some [including your editor] advocated for a variation of this option: use some of the site for a tourist welcome center, from which historic tours, both by water and by land, could jump off. Reconstruct the historic former state house here. Don’t aim to increase the cargo traffic, but keep what now exists, since the Port Authority is showing a modest profit.

**Flexible use.** This option would forego the exchange, keep the existing use of the Port Authority site, but expand the facilities to handle tourists.

Craig Seymour of RKG Associates reported on examination of possible future cargoes: salt, woodchips, gypsum, perlite, coal, and tires. Breakbulk could include paper, cable, logs, and steel coils. The port could do containers via a small feeder ship. Despite the fact that Bulkloader has sought unsuccessfully for such cargoes for nearly three years, both Seymour and VHB project manager David Spillane believed: “This port in its current configuration can be successful, given the right service and price, and making it so depends on the capability of the marketers of the port.” \{ANR&P coverage\}

The presentation of a full draft plan will occur in about a month.

**Management change**

With the resignation of Tom Orfe, executive director of the New Hampshire State Port Authority, the governor appointed of Geno Marconi to handle his duties in the interim.

**RIEDC scandal**

On 19 January, officials of the agency appeared before a committee of the Rhode Island Senate to discuss the scandals which had enveloped the agency in the past nine weeks, including a revelation that the general counsel ("the ethics officer," noted Martin) had used agency funds to take his son to Disney World.

These troubles have drawn attention and some resources away from the port effort. However, the new, interim executive director, Paul Sams, has pledged to provide a status report on the port to the governor within 60 days.

**What’s coming**

Martin emphasized that the agency was not prompting its consultant to finish on any particular deadline. “It’s more important to get it right.” Preliminary results indicate a potential port could work in Quonset Point, avoiding filling the environmentally sensitive Fry’s Cove but filling "industrial waters” just off the existing bulkhead.

R.K.Johns will also address whether investors could cover the entire cost of port development, as the governor wanted, or whether the effort will require some public funds, perhaps to cover the permitting process.

**Dispute with Quonset Point Partners**

QPP, the developers whose plan was turned down last year are seeking some compensation for their efforts. Martin said the contract provided for conflict resolution meetings, and then an arbitration decision. “The lawyers will meet later this month” to begin to resolve the conflict. “Since the parties are not immediately calling for the arbitrator, ” they may resolve the money question themselves. \{ANR&P discussion\}

**QUONSET POINT**

20 January. **RIEDC AWAIT A REPORT FROM A CONSULTANT**, R.K.Johns, who is re-examining the question of a port here [see 10 September issue] John Martin, spokesperson for the Rhode Island Economic Development Corporation, said R.K.Johns is looking at the size and scope of a “do-able” port, along with ways to configure and equip it. The consultant, hired last autumn, is also looking at the market for such a port, and will provide a recommendation on whether or not, and Martin emphasized the “not”, RIEDC should go forward.

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**Fax issue**