Helping to move rail and port traffic through New England, the Maritimes, & eastern Québec.
A weekly trade newsletter.

*Article unchanged from e-bulletin.

**REGIONAL ISSUES**

**VERMONT**

Vermont clearance: NECR excited about getting Phase I clearance.

Vermont General Assembly: Transportation funding bill progressing.

VRS: Tussle over use of St. Johnsbury yard.

**MARITIMES/QUÉBEC**

Saint John: Nackawic mill reopening in autumn?

Maritimes: A shortage of domestic containers and trailers, as well as international boxes.

**RAIL SHIPPERS/RECEIVERS**

A cross-reference to companies mentioned here.

**PEOPLE, POSITIONS, EVENTS**

Jimmy Decker, Bill Braman, Chris Worth, Peter Vuillemot, Dan Grabauskas, Rob Finley.

**FROM THE PUBLISHER**

New England Railroad Club Expo
One day of visiting with suppliers, listening to presentations (reported here), and meeting folks. A great time, thanks to the organizers.

MRG/Downeast Rail
One day on 2 April of presentations about Maine rail, and meeting folks. Also a great time, thanks to the organizers.

These two meetings, plus the North East Association of Rail Shippers this week, provide a sense of camaraderie and common purpose.

- Chop Hardenbergh Next issue: 6 May.

**Common abbreviations:**
REGIONAL ISSUES

RAILROAD SERVICE

30 March, Augusta. THE NORTHEAST RAIL CONSUMER ASSOCIATION HELD ITS FIRST MEETING here, with attendance from about 30 companies. Linda Lockhart, the attorney with Preti Flaherty who serves as one of the counsel to the group, described the attendees as wanting “to do whatever they can do immediately. They do not want to wait for legislation or data to come out, but get right on it.” While the majority are concerned about Guilford service, some expressed concern about the service of other railroads.

Next step
Attendees set up a subcommittee to work out the legal form of the entity, and a dues structure. They also received expressions of interest from companies outside of Maine which use rail. At a 12 April meeting, the group gave the financial commitment to go forward, and set up a smaller group to draft a work plan, and work more on the dues structure, which will depend on the number of carloads per year each shipper has. The attendees are looking for a firm financial commitment from members by 30 April. {ANR&P discussions 5 & 12.Apr.05}

A role for municipalities?
At the Maine Rail Group annual meeting in Bath, Maine, the Bath City Manager John Bubier was asked whether he saw any role for municipalities on lines connecting to GRS, in the current effort to improve rail service. [Bath is served by MERR, which interchanges with GRS in Brunswick. Editor] His response: “There are a number of associations which city managers belong to, and many communities in the same situation as Bath.” He and others are concerned about Guilford service: “We may form a subassociation.”

Whether Guilford’s problems stem from financial difficulties, or from the “need to decide if Guilford is a railroad or a real estate company,” Bubier questioned the role Guilford is playing recently. The railroad should either “play a different role” or “transfer its rights” to another player. {ANR&P coverage}

Guilford response
A privately-held company, Guilford controls about 27% of the road miles in New England, and handles an estimated 18% of the region’s carloads. Its traffic volume is estimated to be second only to CSX’s in New England.

Guilford officials expressed surprise that a large number of shippers would feel the need to organize over service issues. “We talk individually with [customers]. We do not understand where that drive is coming from,” Guilford corporate counsel Rob Culliford told Rail Business. “Feedback from shippers is good.” [See Sappi comment in 30 March issue.]

In addition, Culliford questioned the need for a new group because the Northeast Association of Rail Shippers has existed for many years to represent regional shippers.

The service complaints lobbied against Guilford mirror problems faced by some of the Class Is. As increased economic activity in the past year pushed higher traffic volumes onto the rails, carriers, including CSX and UP, struggled to marshal the crews and power needed to haul the freight.

Guilford has experienced capacity problems “just like any other railroad in the country,” Culliford said. “We meet regularly [with customers] to try to be more responsive to their needs on an individual basis,” he said. The railroad also has acquired additional boxcars to meet rising demand from paper shippers. The shortline now owns or controls 2,200 boxcars, he said. {Rail Business 11.Apr.05}

PW ANNUAL REPORT

28 March, Worcester. THE RAILROAD ANNOUNCED A HUGE INCREASE IN NET INCOME, for the second year in a row, from $688,000 to $1.038 million, though much of that consisted of the gain on a sale of part of the Southbridge Branch. ‘Operating Revenues increased $982,000, or 4.1%, to $24.9 million in 2004 from $24.0 million in 2003. This increase was the net result of a $910,000 (4.6%) increase in conventional freight revenues, a $109,000 (15.0%) increase in other freight related revenues and a $138,000 (28.4%) increase in other operating revenues partially offset by a $175,000 (5.9%) decrease in container freight revenues. [Compare to 2003 data in 04#04A.]
Carload traffic up again
‘The increase in conventional freight revenues results from a 4.1% increase in carloadings. The average revenue received per carloading increased by less than 1% between years. The Company's conventional carloadings increased by 1,296 to 33,244 in 2004 from 31,948 in 2003. The increase in carloadings was spread throughout the mix of commodities handled by the Company with no particular commodity experiencing a disproportionate increase or decrease in volume. The small increase in the average revenue per carloading reflects a slight shift in the mix of commodities from construction aggregates to higher rated commodities.’

Container traffic and revenue down
‘The decrease in container freight revenues results from a 1.0% decrease in traffic volume and a 4.9% decrease in the average revenue received per container. Intermodal containers handled decreased by 667 to 64,818 in 2004 from 65,485 in 2003. The decrease in the average revenue received per container results from contractual rate adjustments, as well as a shift in the mix of containers handled.’

Other income
‘Other income increased by $886,000 to $1.5 million in 2004 from $661,000 in 2003. This increase is the result of a $948,000 gain realized on the disposal of a portion of a branch line which the Commonwealth of Massachusetts acquired by eminent domain during the year.’

Labor agreements, marketing, track conditions, South Quay, quarterly language
This language was mostly unchanged from the 2003 Annual Report. [See 04#04A.]

Customers
As in 2003, the railroad said that in 2004 it served ‘approximately 165 customers’ [a number which according to our Directory must include all facilities, even those owned by the same customer, as well as customers served through transloads–editor]. Tilcon ‘accounted for approximately 12.6%, 13.3% and 15.7% of its operating revenues in 2004, 2003, and 2002, respectively. The Company does not believe that this customer will cease to be a rail shipper or will significantly decrease its freight volume in the foreseeable future....No other customer accounted for 10% or more of its total operating revenues in 2004.’

Major developments
The Annual Report listed major developments which will favor the railroad:
Quonset Point/Davisville and the FRIP, ‘Construction of a freight rail improvement project to provide additional track capacity and double stack clearance on the Northeast Corridor between Quonset/Davisville and the connection of the Corridor to the Company's main line at Central Falls, RI commenced in 2002 at a cost in excess of $120 million to Rhode Island and the federal government and is scheduled to be completed by the end of 2005.’ [See photo in Rhode Island.]

Massachusetts Highway Improvement Program, ‘Work is continuing on a significant expansion of the Company's bulk transload and intermodal yards in Worcester in conjunction with the Massachusetts Highway Department's $250 million project creating a direct Worcester connection to the Massachusetts Turnpike. This project adds six acres and over 4,00 feet of track storage space to the Company's transload facilities and is expected to be completed in 2005.’

Port of New Haven, ‘The State of Connecticut has completed rebuilding the Tomlinson Bridge in New Haven, which provides rail access to the Port of New Haven. In conjunction with this project, the Company is working with the City of New Haven and area users of the rail systems to fund a design for the restoration of local street rail service directly to port properties. Completion of this project will provide the Company with improved access to customers at the Port of New Haven.’ [See 2 March issue.]

Middletown/Hartford Line, ‘With a planned industrial park along this line and a new connection to other carriers in Hartford, the Company believes restoration of this line presents opportunities for future revenue growth.’ [See 2 March issue.]

New London Interchange, ‘Through its New London interchange with the New England Central Railroad, P&W has been able to develop significant new business with the Canadian National Railway and the Canadian Pacific Railway. P&W has
worked aggressively to leverage its extensive bulk transload facilities in developing additional chemical and plastics traffic with CN and has developed a significant volume of steel traffic with CN that had previously moved via truck.’

**Port of Providence.** ‘The Port of Providence, in conjunction with the Company, has made investments in its infrastructure, including paving, lighting and "on dock" rail, to accommodate growth in the movement of imported coal to inland markets and to handle that product more efficiently. This is expected to be a growing source of revenue for the Company over the next few years. Nearly 400,000 tons of coal were handled through the Port of Providence in 2004.’ {text of 10-K from SEC website}

**Unmentioned**
The completion of the FRIP will permit autoracks to move to and from Quonset Point, via Worcester, Plainfield, Willimantic (when the track is revived), and the NECR to connections with CN and CPR and via CPR to NS. [See **Vermont.**]

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<td>Other, including coal*</td>
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<td><strong>Total</strong></td>
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*The 10-K did not report coal carloads, but President Orville Harrold said in May 2004 PW had moved...
HOW TO IMPROVE TRANSIT TIME

Note: Given the serious concern evinced by rail users in Maine over transit times and their consistency, and the desire to publish metrics about rail service, the discussion below is particularly appropriate.

1 March, Atlanta. **THE SUITE OF SERVICES OFFERED BY RMI CAN ASSIST RAILROADS AND SHIPPERS**, argued Paul Pascutti, vice-president marketing for Railcar Management (RMI). The company offers transportation, revenue, equipment, shipper freight and fleet management services under the name RailConnect; it currently processes approximately six million carloads annually for short line and regional railroads, rail shippers, and railcar owners. Users employ a web-based portal to the company’s integrated suite, running on IBM servers.

**Why customers like it**

Pascutti said that larger customers, such as the Elgin, Joliet, and Eastern Railroad in Illinois, justify the use of RailConnect by a direct return on investment, because they can reduce clerical and information technology staff. For smaller customers, who need to keep on the same number of people, the system offers improved customer service and, because the railroad can make certain components available to customers, visibility and easy communication with the railroad. For example, customers can make direct requests for car switches.

In addition, because RMI uses servers at two different locations, on different communication trunk lines, the public companies such as GWI can meet the SAS (Statement on Auditing Standards) 70 requirement, for service organization such as railroads, of business continuity and recovery in the event of a disaster.

**The cost**

Users of RailConnect pay for it per transaction. Pascutti said costs range according to the services purchased by the user, from $1.70 to $3.00 per car. The monthly fee is calculated from the number of revenue carloads handled by the railroad each month.

**Almost all railroads in the Atlantic Northeast**

Pascutti noted that about 500 railroads are using one or more RMI services, including: MMA, QCGR, VRS, NBSR, BCLR, MCER, PVRR, and Chemin de fer du Quebec. In addition, SAPPI uses the system and makes it available to its industrial switching operation in Hinckley, Maine, run by Randy Pike’s Cascades Transportation. Irving Paper tracks its cars via the NBSR portal.

That means only two of the larger regionals do not use it: PW and GRS, both of which have a homegrown system.

**Measuring transit time**

The RMI System uses events captured either automatically by AEI readers, or by manual-input, to know the location of cars. As Pascutti said, “Customers can measure the transit time, identify where the problems are, and work with the railroads for solutions to improve it.”

“We have found that if you measure the transit time, you can improve the transit time,” which in turn reduces the cycle time from origin to destination, improves reliability of arrival, and utilizes the fleet better. “This has been proven many times, but you need hard data, not anecdotes, about transit time.” {ANR&P discussion}

**HOW PIONEER VALLEY USES ITS RMI PACKAGE**

For the past 13 years, Debbie Gosselin has used a PC-based RMI package, in addition to the CSX website and EDI, to perform several tasks. The IRCS (integrated railroad control system) permits her to handle the cars while on the PVRR line, but not off the system.

**Incoming cars.** When CSXT receives the car from the originating customer or from another railroad, CSXT provides via EDI (electronic data interchange) the waybill for the car.

As a service to the PVRR customers, Gosselin accesses the CSXT website to get the location of inbound cars; she then provides the customers an estimated time of arrival.

When CSXT interchanges the cars to PVRR, CSXT provides via EDI a car list.
Cars on the PVRR. When the car arrives, PVRR already has data on the cars via EDI. RMI’s IRCS generates a notification letter which is faxed to the customer. IRCS also generates a received date, a placement date and time, a release date and time and a delivery date PVRR gave the car back to CSXT.

Outgoing cars. The customer notifies Gosselin by e-mail or fax that the car is empty [PVRR has no customer providing outbound loads-editor]. With IRCS, Gosselin releases the car from the siding, and puts it out to interchange. She must then notify CSXT via EDI about the car, but points out that she actually notifies a third party, Kleinschmidt, via EDI which in turn notifies CSXT.

Switch lists. Gosselin creates a list for each crew each day, describing which cars they should pick up, and which cars spot.

Billing. PVRR operates as a junction settlement carrier. Data on RMI permits Gosselin to create a demurrage work sheet, showing the time the customer actually or constructively received the car, and when it was released. “I can figure out demurrage from there.”

General comments. “I like it, it’s pretty easy to use,” said Gosselin. “Customer support is right there to help me out.” {ANR&P discussion 22.Mar.05}

Connection to RMI. Pascutti added: While working stand-alone much of the time, PC-based customers ‘sometimes connect to RMI to transmit data for car hire processing. They can do this with a dial-up modem connection, or once again, through the Internet where they can transmit data to RMI via FTP. These same PC customers will often also transmit data to the AAR for TRAIN II reporting, or to other value-added networks such as Kleinschmidt for EDI interchange with other railroads.’ {e-mail to ANR&P 7.Abs.05}

HOW MMA USES ITS RMI PACKAGE
President Bob Grindrod noted that the market does not offer smaller railroads many choices for information systems. Each Class I has each developed its own system, but the regional and short lines select among RMI, Railinc, or [IntelliTrans and Transcentric–editor]. Some of the short lines use the system of their Class I connection.

In contrast to PVRR, MMA uses RMI to manage its traffic not only on-line, but off-line as well. “Assuming the off-line railroad reports the event,” MMA can tell an on-line customer via RMI when its car has reached destination. “For example, a load going to a destination on Kansas City Southern. We can see a placement of a car, and the release when it’s empty.”

Grindrod noted that when predecessor Bangor & Aroostook Railroad began with RMI, it was the largest—in terms of track miles—client. “Over time, they have become more sophisticated, and added to the client base, and the size of railroads belonging to RMI has increased.”

For the MMA, the system “works fine.”

Connection to RMI. Also in contrast to PVRR, MMA has a direct connection to RMI. “Smaller railroads will use web-based access,” said Grindrod. MMA does not use EDI, except on occasion, “when we would want to get into the CPR or CSXT
system, for example, to do something special.”{ANR&P discussion 25.Mar.05}

Pascutti further explained: ‘Some larger railroads, like MMA, utilize a dedicated frame-relay circuit to connect to RailConnect. They do this because the need greater bandwidth than they can get with a standard commercially-available Internet connection including DSL. Smaller short lines, with fewer users and fewer terminals to support, can get away with a standard DSL-type Internet connection much the same as people use at home. It’s important to note however, that both types of users are connecting to the same system.’ {e-mail to ANR&P 7.Apr.05}

ECONOMIC DEVELOPMENT

2 April, Bath. A NORTHEAST REGIONAL COMMISSION COULD PROVIDE DOLLARS FOR RAIL DEVELOPMENT, according to its proponent, US Representative Mike Michaud (D, northern Maine). The Appalachian Commission, created in 1965, has provided $45 million a year to assist states with economic development in the Appalachias, Michaud observed. He is proposing that the Northeast Commission receive $40 million a year for economic development in the lower-income regions of Maine, New Hampshire, Vermont, and New York.

Speaking to the Maine Rail Group, a statewide non-profit holding its annual meeting here, he said: “There’s no reason the Northeast has been left out since 1965.” The commission would determine if projects such as rail upgrades meet criteria; the money would go through a government agency such as MDOT or a non-profit organization.

As a paper worker at Great Northern in East Millinocket (now Katahdin Paper), Michaud recognized how important rail is to the economy. “I hope Congress sees this.” {ANR&P coverage}

MAINE

MDOT-OWNED BRANCH LINES

2 April, Bath. AN UPDATE ON MAINE BRANCH LINE ACTIVITY was provided to the annual meeting of the Maine Rail Group here, by Nate Moulton, who handles rail policy for MDOT.

Rockland branch
He mentioned the rehab of the Carleton Bridge [see MERR] and the re-opening of the Rockland passenger station, in time for MERR’s excursion service in July. MDOT’s Multimodal division aims to put out a bid for the concomitant Rockland track work “shortly.”

Calais branch
In addition to evaluating the Testa project [see Calais branch], the agency will continue its custodial work on the branch this spring.

Mountain division
MDOT continues to study freight on the line. Gravel could provide significant traffic. A fuel dealer in Conway might take product by rail. Nestle (Poland Spring) moves water from Fryeburg to its bottling plant in Hollis and would not use rail at this time. If Nestle bottled water in Fryeburg in the future it may use plastic pellets by rail. Nestle now transloads plastic pellets in Auburn for its plant in Hollis. There is some potential for traffic to machine shops and Green Thumb farms in Fryeburg as well.

In 2004 the department did minor work, including brushing out a fifty-foot wide corridor from Cornish to the New Hampshire line. This year the department will brush out the rest of the line it owns.

Belfast & Moosehead Lake
If Belfast goes out of service [see 30 March issue], the railroad will have a hard time continuing by operating its excursions service only out of Unity. {ANR&P coverage}

[Paul Hallett, former BML general manager, reported at the meeting that the railroad had given up its freight certificate when the last freight customer, Crowe Rope, stopped using the line. Hence any abandonment of the line would not need to go through the STB. {ANR&P discussion}]
Maine Yankee waste moves from Wiscasset to disposition point in covered gondolas like this Joseph Transportation car in the Brunswick yard [see MERR story]. {courtesy Dan Nelson}

Lewiston Lower Road
Shipper interest [from Grimmell and Knight-Celotext, see 03#12B] continues, but re-installing freight service on the line continues to face “legal and funding issues. We would really like to do something there.” {ANR&P coverage}

CALAIS BRANCH
2 April, Bath. MORE ABOUT EXCURSION SERVICE OUT OF ELLSWORTH was presented by Tom Testa of Bar Harbor, the head of the non-profit Downeast Rail Heritage Trust, to the Maine Rail Group annual meeting in Bath. Doug Ellison of Stone Consulting will now do a detailed survey of the rail line, and explore whether the first run should go west as far as Green Lake. Later phases would provide service east to Tunk Lake, and then an all-day run to Machias and back. Long-term, Testa would like to revive the entire branch. He stressed that running excursion service now can revive interest in the line for freight.

Funding
Testa is covering the start-up funding for the Trust. For the actual operation, he is proposing federal and state grants as well as private funding to get the line in shape and obtain equipment.

MDOT response
Testa and consultant Doug Ellison, who brings many years of experience revitalizing New York State’s Adirondack Scenic Railroad, spoke on 1 April with MDOT Commissioner David Cole and other state officials. The department has expressed skepticism about excursion service on the line [see 04#08B], but the first-class presentation put together by Testa, Ellison, and Crystal Pace of Gary Friedman and Associates of Bar Harbor meant that MDOT took them seriously. It promises a response in about a week. {ANR&P coverage by correspondent Fred Hirsch}

AMTRAK - MAINE
2 April, Bath. EXTENDING AMTRAK TO BRUNSWICK “IS NOT HIGH ON MY RADAR SCREEN,” said Bath City Manager John Bubier, a member of the board of the Northern New England Passenger Rail Authority. Speaking at the Maine Rail Group annual meeting, he was responding to whether he would now favor an all-Guilford Amtrak route north from Portland as demonstrated aboard a VIP excursion last summer [see 04#07B] rather than a more expensive route requiring new trackage and a trestle via the SLR.

He is now focused on preserving the current Portland-Boston service which is “absolutely crucial to solidify.” {ANR&P coverage by correspondent Fred Hirsch}

GRS/NBSR - LP MILL
7 April, Baileyville. LOUISIANA PACIFIC ANNOUNCED THE PERMANENT CLOSING OF ITS OSB PLANT HERE [see 04#10B]. The facility, purchased from Georgia-Pacific in 2002, had not operated since November. In the more than two years L-P owned it, the facility ran only part of the time. L-P cited needed upgrades, maintenance and compliance expenses that would make the facility too costly to run.

“L-P looked long and hard at options to keep this mill operating before making this difficult decision,” said Jeff Wagner, L-P’s vice president and general manager of OSB, in a prepared release. “Unfortunately, it is not economically feasible to continue operation of the mill. It would require considerable investment to address the age and design of the production equipment.” {Diane Graettinger in Bangor Daily News 8.Apr.05}

MAINE EASTERN RAILROAD
2 April, Bath. MAINE EASTERN IS EYEING SOME CUSTOMERS IN BRUNSWICK on a team track, said Gordon Fuller, chief operating officer of Maine Eastern Railroad, at the annual meeting of the Maine Rail Group. One, Lowe’s (the
big-box home improvement company), would bring in forest products; the other would handle scrap. (Fuller declined to equate the scrap operation with Grimmell Industries in Topsham).

He also hoped to serve Fisher Engineering, a snowplow manufacturer in Rockland, delivering steel to a team track and storing it. And MERR is talking to FMC Biopolymer, which makes carrageenan, a food ingredient, in Rockland. [FMC currently receives seaweed via container–see 99#20–but has never used rail direct to Rockland.]

In Wiscasset, the railroad may serve Point East, the marina developer who intends to use the Mason Station site [see 03#09B], with a rail shuttle move.

**Existing customers**
Traffic for the line’s biggest customer, Dragon Cement, will double, said Fuller, including the Quebec rail move and the shuttle to the pier in Rockland. But radioactive waste from decommissioning the Maine Yankee plant in Wiscasset will end [see 2 March issue].

**Relations with Guilford**
MERR has a service package with Guilford which includes regular interchange three times a week. The winter affected that, said Fuller, and he looks for improvement come spring. “All customers like to have two rail outlets” while MERR has only the one at this point. Fuller is talking about this with Guilford and with the state.

MERR is exploring another relation with Guilford, resuming the service to the GRS East Augusta customers which ended when an earlier operator, Maine Coast, ran into problems [see 02#07A].

**Connection to the SLR**
Asked about his connection to the SLR, via which he sends cement to Quebec, Fuller downplayed a possible build-in via the Lewiston Lower Road. First, it did not exist. Second, the Lewiston Lower itself needed work. Third, if connecting with the SLR, he is better off going to Yarmouth because his other cars move to Rigby Yard in South Portland anyway.

**Excursion rail**
On the passenger side, MERR will operate four days weekly beginning in early July. In 2006, the railroad is aiming at five days a week. Fuller praised MDOT for helping work out a schedule for this year to coordinate with work on the Carleton Bridge over the Kennebec. He also said he will inspect the Lower Road this year and hopes to run a passenger demonstration train along that route.{ANR&P coverage by correspondent Fred Hirsch}

**PORLAND**
6 April. THE CITY SEVERED ITS DEAL WITH THE SCOTIA PRINCE, after the operator of the ferry service announced it had cancelled the service for 2005. Mark Hudson of Scotia Prince Cruises said the city failed to properly remediate the mold problem that sickened workers at the city-owned International Marine Terminal. He also said nothing has been done to stop leaks which allowed toxic mold to grow.

**Another operator?**
Portland City Manager Joel Gray, unhappy because of the assurance the company had given earlier [see 16 January issue], said the city would seek out another ferry operator to use the International Marine Terminal, which was built in 1909 and is due to be replaced by a new Ocean Gateway terminal serving both ferries and visiting cruise ships. In the past, Bay Ferries Limited, which operates The Cat high-speed ferry between Bar Harbor and Nova Scotia, had expressed an interest in expanding service to Portland but it was barred from doing so by Portland’s decades-old deal with Scotia Prince. Gray said the city would consider proposals from any company, including Bay Ferries, that wanted to resume ferry service to Nova Scotia. {David Sharp of AP 6.Apr.05}

**MASSACHUSETTS**

**EOT - RAIL STUDIES**
4 April, Boston. AN UPDATE ON PENDING RAIL STUDIES was provided by Maeve Vallely Bartlett, manager of rail at EOT.
Allston Landing
HNTB wants a signed contract to do the Allston Landing study [see 17 March issue], but that is held up by the need to create a special vehicle to funnel funds from Harvard to EOT to HNTB. Vallely Bartlett expects completion of the first phase by December; the study will include an examination of the double-stack clearance access to Beacon Park.

Boston MPO freight study
The Central Transportation Planning Staff (CTPS) is conducting a study of all freight modes for the Boston MPO. CTPS has issued a scope of work.

State-wide rail study
Existing contractor Clare Conley of Boston-based Asset Performance Management is creating a database of rail lines, ownership, clearances, and so forth. Vallely Bartlett hopes that the database will have a means to coordinate with MassHighway, so that when the latter rebuilds bridges it can address the clearance issue. She wants this database part complete by 1 July.

In a second step, EOT will seek proposals to handle outreach to stakeholders in the rail system, asking what they would like in a state rail program. Vallely Bartlett already sees a need for legislative change if the state undertakes “true public/private partnerships.” At this point, the state has a hard time giving funds to private parties for rail programs.

The rail plan will also address “what we need to buy, and what we will need to sell.” That question arose in particular because of the difficulty of avoiding situations like MCER [where the state owns the main line but not the short bits of track leading to the main customer]. “We do not want to be held hostage.” EOT and MCER have still not reached agreement on an operating agreement for the state-owned Ware River Secondary.

Chapter 40 54A database
Vallely Bartlett is coordinating an in-house effort to create an interactive map of abandoned rail lines, to enforce the state statute requiring an EOT permit to build on former rail property [see 17 March issue]. EOT and the permit-seeker could find out from the map the location of the proposed construction and what around the site is already abandoned or built upon. {ANR&P discussion}

SPRINGFIELD PLANNING
31 March, Worcester. THREE RAIL STUDIES HAVE REACHED VARIOUS STAGES with the participation of the Pioneer Valley Planning Commission, located in West Springfield. Tim Doherty, transportation planner, described them to a panel held by the New England Railroad Club at its annual Expo.

New Haven-Hartford-Springfield
PVPC is participating in this ConnDOT study of commuter rail along the Connecticut River corridor, the final report of which should emerge this month [see 30 March issue].

Springfield to White River Junction
PVPC is examining the concept of extending the NHHS study north another 142 miles, to White River Junction. Doherty said the US Representative for that area, John Olver, is very interested in the idea. The agency “has just gotten started; this is probably the first you have heard of the idea.”

Asked about working with Guilford, which owns the line from Springfield to East Northfield, Massachusetts, Doherty responded: “It’s been done, so it can be done.”

Merrick freight study
The first phase, under PVPC leadership, is finished [see 04#03B], looking at improvements to the situation around the CSXT rail yard in West Springfield. The city is now working on implementation, seeking a public works economic development grant to fund a new intermodal connector between the yard and turnpike. This would serve manufacturers and four truck terminals in the neighborhood, as well as the CSXI intermodal terminal. Doherty said it would mitigate the impact of trucks in the neighborhood, and help trucks get in and out of the yard. The studies indicate that as a result, the use of the yard would expand, and that it would create the opportunity to do distribution and logistics in the area. {ANR&P coverage; full report on the Merrick study on PVPC website}
CSXT - NEW BEDFORD

30 March. THE US ARMY CORPS OF ENGINEERS AWARDED THE T & D CONTRACT TO CHARTER ENVIRONMENTAL of Wilmington, Massachusetts [see 04#08]. On 11 April, Charter President Bob Delhome, when asked whether the transportation part of the contract would use rail, said the Corps had requested each bidder to provide a multitude of transportation options for the ten-year contract, which Charter did. He promised more details of how Charter will move the dredge spoils from the EPA dewatering facility in New Bedford to disposition out of New England, after his company goes through a debriefing with the Corps, which he hoped would occur in April. {ANR&P discussion}

Other comment
An official at EQ Northeast, which had handled the startup dewatered sludge [see 04#08A] and had bid on the New Bedford project, was told by the Corps that the Charter bid “represented the best value for the government.” His company has not resumed shipping sludge. {ANR&P discussion 12.Apr.05}

The EPA said more of the dewatered sludge would not be ready to ship until August or September. {e-mail to ANR&P}

NE TRANSRAIL/WWTR

17 March, DC. THE TOWN OF WILMINGTON HAS FOUND SIGNIFICANT ALLIES IN FIGHTING THE TRANSLOAD proposed here by New England Transrail, which would do business as the Wilmington Woburn Terminal Railroad [see 15 February issue].

The White House
State Representative Jim Miceli has a connection with former State Representative Andrew Card, now a special assistant to Bush. Miceli wrote to his former colleague back in September 2004 to enlist his assistance. A couple of weeks ago, Miceli called his old colleagues' office and received a response from the Special Assistant to the President, James Kelly. “The gentleman from the White House asked how they could help,” said Miceli, who told Kelly he wanted a local hearing or meeting in order to give the residents an opportunity to express their concerns. Kelly promised that he would do everything possible to accommodate his requests. {Franklin Tucker in Wilmington Advocate 17.Mar.05}

The National Solid Wastes Management Association
This association and others who oppose NET in their filing on 16 February feared the competitive threat offered by NET. If the Board agreed that NET’s activities were pre-empted from state regulation, that would ‘penalize responsible solid waste operators who have invested hundreds of millions of dollars in creating safe and efficient waste management and disposal facilities and recycling facilities. These operators compete against each other on a level playing field where all businesses are subject to the same important and comprehensive requirements....

‘If the Board proceeds to apply its exclusive jurisdiction to solid waste management facilities that choose a location near a railroad, this will precipitate a “race to the bottom” as new bare bones facilities are constructed to manage waste streams at far lower cost than the current environmentally protective facilities that exist. The new solid waste “rail facilities” will be far less costly to develop because they will be exempt from the comprehensive siting and permitting processes in state and local law in Massachusetts, far less costly to construct under state environmental regulations, and far less costly to operate under state and local operating requirements.’ {page 7 of filing from STB website, Docket # FD No.34391}

11 April, Teaneck NJ. NEW ENGLAND TRANSRAIL DOES NOT NEED C&D TO OPERATE PROFITABLY, though margins would be extraordinarily thin, said Ron Klempner, principal of New England Transrail (NET) which will do business as the Wilmington and Woburn Terminal Railroad.

In his filings to the STB, Klempner has indicated that construction and demolition debris (C&D), the cargo about which local people and the waste industry are incensed, will constitute less than half of his total traffic. “The majority is other general bulk, such as stone and plastics. We’ve had inquiries about soda ash, coal, wood chips, mulch, as well as sand and gravel.”

Grinding and baling of waste
In a letter to the Section of Environmental Analysis (SEA) of the STB on 29 September 2004, NET ‘indicated that it now intends not only to transload containers and bales of cargo from trucks, but also to load loose solid waste onto railcars as well as to grind and bale [C&D] prior to loading onto rail cars.’ {Massachusetts Department of Environmental Protection (DEP) response, filed 22 February 2005, STB Finance Docket No.34391} DEP argued that these activities did not constitute
transportation by a rail carrier, and fall outside the Board’s regulatory jurisdiction, and the Board’s Exemption [effectively permission to start operation of a new railroad-editor] should not extend to such activities.

On 9 March, NET responded {filing from STB website docket # FD No.34391} by citing the Borough of Riverdale - Petition for Declaratory Order - The New York Susquehanna and Western Railway Corporation, FD 33466 9 September 1999, where ‘the Board stated that a facility which heated cars of corn syrup to facilitate moving it from the rail car to trucks would be integral to rail transportation where the goal is to transload the product between modes. The bailing and grinding of waste simply to make the handling of the commodity more efficient is the same type of function as the heating of cars referenced in Riverdale....

‘....Even extensive handling services rendered prior to shipment by the railway and its agents are part of interstate commerce covered by federal law [which requires the publication of tariffs]...fully addressed in United States v. Union Stock Yard and Terminal Company, 226 US 304-305 (1912).’ Here the United States Supreme Court held that the railway-operated stockyard with the attendant services of sorting, feeding, and watering was included under federal law.

No lumber retail business/no municipal solid waste
Klempner said that a lumber retailer inquired, but Klempner turned him down, principally because lumber retail requires a large amount of space, and the NET facility could not spare it. Furthermore, Klempner did believe that a retail lumber yard would not fit under the federal pre-emption. [The DEP in its filing (see above) cited a case involving such a situation, Florida East Coast Railway v. City of West Palm Beach, 266. F.3rd 1324 (11th Circuit, 2001). There, FEC leased a yard to one customer, an aggregate distributor. The city complained that the former rail yard was not zoned for that use. The Court of Appeals found that, since FEC did not operate the aggregate distribution facility, federal law was not pre-empted and the city could apply zoning. Editor]

Though the waste industry associations opposed to NET included significant representation from facilities which burn or otherwise dispose of municipal solid waste (MSW), Klempner noted at this time he had no MSW customers.

Costs
Responding to the concerns raised by the waste industry that his facility will operate more cheaply than theirs [see above], Klempner argued that any competitive advantage will come from using rail transportation. Because WWTR’s workers will fall under the railroad retirement system, it must pay railroad retirement benefits, and “have labor costs higher than anyone else” so he would have no cost advantage in facility operations.

“WWTR will meet all appropriately-applied health and safety regulations regarding waste handling activities,” so the railroad would not enjoy lower operating costs. “We are required to abide by all health and safety regulations. We will be federally regulated, and the feds can find a way to ensure we are abiding by health and safety requirements, either by delegating their authority to the state, or by our voluntarily agreeing to state oversight.” {ANR&P discussion 11.Apr.05}

NEW HAMPSHIRE

NASHUA COMMUTER

30 March, Nashua. GOVERNOR JOHN LYNCH STRONGLY SUPPORTED PASSENGER RAIL at an appearance here to give his State of the State address. Responding to a question from Nashua Ward 8 Alderman David McLaughlin, Lynch said he supports Boston to Nashua commuter rail. “It's environmentally friendly, it cuts down on congestion, and I think it's the right thing to do,” Lynch said, adding that federal funds are available. He has talked to Mayor Bernie Streeter about a commuter rail, and hopes they can move forward with it quickly. “I said, 'Let's find a way to get it done. Let's just do it.'” {Karen Spiller in Nashua Telegraph 31.Mar.05}

How long would that be?
Kit Morgan, rail administrator for NHDOT, wrote: ‘I think three to four years is the time frame we are looking at. It is feasible to implement the project in that time frame, if the federal funds can be obtained and we can get through the FTA New Starts rating process. No one can predict how long that will take, so it's hard to project any specific timetable.’ {e-mail to ANR&P 12.Apr.05}
Rhode Island

FRIP under construction, look south. The third track (for freight only, under the FRIP or Freight Rail Improvement Project) will cross the Patuxent River here. (photo by Matt Mello)

Vermont

Vermont Clearance

31 March, Worcester. *NECR is Moving Ahead on a Project to Obtain 19’6” Clearance* on its line through Vermont this year. Charlie Moore, RailAmerica vice-president Atlantic lines, described the obstacles:

**Bellows Falls tunnel**

In an unannounced test in 2004, NECR obtained a 19’1” rack car from CPR, and ran it through to Willimantic. To run tri-level auto racks consistently and safely, NECR needs 19’6” clearance. [An announced test did occur, according to observer Scott Whitney, on 2 June, with a bi-level enclosed auto rack. Whitney, a long-time VRS worker, said ‘I personally brought enclosed bi-level and open tri-level cars through the bore back in the mid-1980s, when they were being sent up over the CPR through St.Johnsbury and Newport.’]({ BLHS Bulletin 7.04}]

**Funding for Bellows Falls**

In H523 [see below], the Vermont House Appropriations committee added $500,000 unrequested by the governor, stating: ‘(b) Spending authority for the Bellows Falls railroad tunnel project is added as follows. In the event federal earmark funds are secured for the project, any state funds not required to match the federal funds and any state funds expended on the project which are reimbursable from the federal funds shall be so reimbursed, and the total funds shall be transferred to the central garage fund and allocated to the transportation equipment replacement account. To the extent funds are so transferred, the transferred funds are authorized and appropriated from the equipment replacement account to the central garage for the purchase of equipment as authorized in 19 V.S.A. § 13(b) in fiscal year 2006.’

The entire amount comes from the state. [Vermont General Assembly website] The amendment was made to the governor’s submitted budget by the House Transportation Committee, per VAOT’s Charlie Miller.

Miller added: ‘The governor's budget includes an authorization for the Bellows Falls Tunnel project in anticipation of a federal earmark to do the project. That is still the agency position on this. If funding is found that we can support moving from another area, it most likely would be included in the Senate language.’ [e-mail to ANR&P 7.Apr.05]
Other spots on the line
Moore said eight other points on the line needed work, some need undercutting. He is getting estimates for the cost to handle the eight points. To fund the project, said Moore, the Congressional delegation has said that federal monies are available.

The result
Moore is excited about the project, which will enable PW and NECR to move autoracks and mixed doublestacked containers between Quonset Point/Davisville and CN, CPR, and NS. But PW needs to open the FRIP and to reopen the line between Plainfield and Willimantic [see PW Annual Report in Regional]. [ANR&P interview]

Presentation September 2004 Vermont Rail Council
At this meeting, Jack Dail, marketing manager for NECR briefed the Council on NECR operations and business opportunities to help Vermont shippers. NECR can provide railroad connections with Class 1s: CN (in St.Albans), CPR (via GMRC in Bellows Falls), NS (via GRS or CPR), and CSXT (in Palmer). If clearance issues were resolved, double-stack cars could be used.

The Council discussed the Phase 1 (19’6” clearance) proposal estimated to cost $919,000 (not a finalized total at this point) as submitted by Engineers Construction Inc (ECI), total project cost of $5.5 million. Members discussed the thickness of the existing tunnel walls and a plan to complete undercutting in a 48-hour ‘blitz’. It was noted that Phase 1 was sufficient for economic development to occur.

Ken Pidgeon, ECI, gave a breakdown of the $919,000 project (undercutting cost is $300,000 and bridge work is $70,000), which includes upgrading the tunnel retaining walls and moving the grade crossing at the south side of the tunnel to match the grade. Additional obstacles include two buildings, one with historic preservation designation, located along the tracks. The existing bridge over the canal is approximately four feet above the canal water and will have to be replaced.

Frank Rogers, PW’s head of marketing, gave a brief background of PW services and business connections with NECR. Enhancement clearance projects have upgraded tracks to 19’6” capability in Massachusetts. By next year, some sections will reach Phase II clearance at 20’6”. PW has developed a Port of Montreal business running mixed doubles [which fit under the Phase I clearance-editor].

Regarding improvements at Willimantic, Rogers explained that clearance is done in phases and track upgrades to 115-pound minimum. Running time from Worcester to Willimantic is 2.5 hours, through to Montreal is 12 hours on NECR/CN (run through with GMRC is second day). Rogers confirmed that single-stack intermodal trains would lose money. {minutes of 22 September 2004 Council meeting from VAOT website}

VERMONT GENERAL ASSEMBLY
30 March, Montpelier. THE VERMONT HOUSE APPROPRIATIONS COMMITTEE PASSED THE TRANSPORTATION BILL, H523. It contained five items under section 12, the rail program:

Amtrak. $2.7 million, a cut by the House Transportation Committee of $300,000.

Bellows Falls tunnel. [See above.]

Construction. $2.5M including the tunnel project.

Project engineering. $775,384 including the tunnel project.

Other. $6,996,458, including the Amtrak subsidy.

VRS ST JOHNSBURY
6 April, St.Johnsbury. TOWN OFFICIALS WOULD LIKE TO MAKE USE OF THE RAIL YARD, according to statements at a meeting of the Bay Street Development Committee. The committee is working on its section of Town Plan 2006, ‘Avenue To The Future’, which includes a concept plan developed by town officials which would bring in an anchor store and put shops and eateries on the first floor of the former Ralston Purina building. Auto access would use a new grade crossing at the foot of Eastern Avenue.

Railroad response
VRS via subsidiary WACR leases the line from White River Junction to Newport. It receives a subsidy for operation. Jerry Hebda, VRS vice-president, told committee and town officials the rail yard is a very important part of the railroad's future;
WACR still uses the turntable, near where the town plans call for a park. His superiors would not immediately agree to the grade crossing. Hebda asked why the railroad was not included in the initial planning.

**Existing traffic**
Hebda reported that when WACR began in January 2003, the line had no traffic. Now, it moves about 100 carloads a month. The first car of Napa Valley wine from California in 25 years has been brought into St. Johnsbury. He wants to see the railroad continue to grow.

**Accommodation**
Town Manager Mike Welch said town and railroad officials have talked five times about starting dialogue. Eventually, both sides agreed to talk. The town will send a revised set of plans outlining what town officials want to do in the Bay Street area to Hebda. Talks among railroad, town and state officials will then start. {Gary Lindsley in *Caledonian Record* 7.Apr.05}

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### QUEBEC/MARITIMES

#### SAINT JOHN
1 April, Fredericton. **THE NACKAWIC MILL WILL RESUME PRODUCTION THIS AUTUMN**, according to the plans of the two buyers of the mill. Tembec, based in Quebec, and the Birla Group of India, still have some details to work out, but they’re confident the mill, based in St.Anne, will be going back into production [see 17 March issue].

Business New Brunswick Minister Peter Mesheau explained the mill will no longer be making the coated, photographic paper that was its main product before the closure. Instead it will produce a new kind of pulp, which will be shipped to India and used to make Rayon clothing.

Government officials said the addition of Birla as a partner lessened Tembec's concern about the size of the investment required to refit the mill, given the unstable market conditions in the forest industry. {CBC News webposted 1.Apr.05}

#### MARITIMES SHORTAGE
31 March, Dieppe. **THE MARITIMES HAS A SHORTAGE OF DOMESTIC CONTAINERS AND TRAILERS AS WELL** as the shortage of international containers [see 30 March issue]. Peter Vuillemot, who works at the Atlantic Institute of Logistics and Transportation in Dieppe, wrote: ‘Although no one is accurately tracking the shortage, shippers in this region are telling me that they were experiencing a shortfall of between 17% and 23% in the 4th quarter of 2004 for trucking and intermodal units. Their expectation is that the situation will get worse this year. This will be an issue to watch.’ {e-mail to ANR&P}

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### RAIL SHIPPERS

Described in this issue.

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

- Charter Environmental (CSXT, Massachusetts)
- Dragon Cement (MERR, Maine)
- Fisher Engineering (MERR, Maine)
- FMC Biopolymer (MERR, Maine)
- Louisiana Pacific (GRS, Maine)
- Lowe’s (MERR, Maine)
- New England Transrail (GRS, Massachusetts)

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**New England Rail Directories**

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CSX recently replaced Jimmy Decker as Albany division manager, **CSX Transportation**, located in Selkirk NY, with **Bill Braman**, who began with C&O as a switchman in 1971. Recently Braman held various management positions in Jacksonville, including automotive operations and service design. CSXT also brought in a new terminal superintendent, **Chris Worth**, from Willard Ohio where he held the same position.

At the **Atlantic Institute of Logistics and Transportation** in Dieppe, New Brunswick, **Peter Vuillemot** is helping to get it up and running. He is also maintaining his consulting practice.

**Dan Grabauskas** resigned as secretary of transportation for Massachusetts, to apply for the general manager's job at the **Massachusetts Bay Transportation Authority**. The T job pays $225,000 a year; Grabauskas' salary is $130,000. The transportation authority's current chief, Michael Mulhern, is leaving for a job in the private sector on 1 June.

**Rob Finley** is working as chief financial officer for two railroads, **Housatonic** and **Iowa Pacific Holdings**, which owns three railroads in the Midwest. He also offers consulting services through **Charles River Associates**.

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