**Article unchanged from e-bulletin.**

**Blue type in article: changes from e-bulletin.**

### NS-ST DEAL

**NS v ST:** STB ok's Pan Am Southern, no conditions.

**NS-ST:** Mechanicville facility work could start in May.

### OTHER REGIONAL ISSUES

**US federal earmarks:** Omnibus funding for Maine, Massachusetts, New Hampshire, and Rhode Island.

**Logistec/SCR:** 4Q08 revenues up.

**Rail proponent:** Donovan works for transit village in Portland, passenger rail to Portland & Brunswick.

**PW/NECR:** 1st outbound autorack from Davisville.

**PW:** Receives grant for APU installation.

### CONNECTICUT

**Ports:** Coalition draft study delayed until July.

**New London:** Create ‘Port of the Thames River’?

**Governor:** Former SLR honcho Jacobson running.

**Bond:** Issue would aid freight rail and freight ports.

**MMA:** Katahdin #5 restarts, could boost MMA.

**ST/NBSR:** ST traffic between Northern Maine Junction and Mattawamkeag has increased.

**ST/Portland:** Old Town pulp mill reopening should restart rail and barge traffic.

**Searsport:** MDOT spending on marketing consultant, and possibly on dredging.

**Eastport/ST:** Domtar down in May, permanently?

### MASSACHUSETTS

**BCLR/MC:** BCLR says will cease ‘State Watuppa’.

**CSXT:** Waste move through Beacon Park?

**CSXT/ST:** Schnitzer begins new rail scale operation.

**CSXI/PW:** Service to California cut slightly.

**Massport:** Receives grant for shore power stations.

### NEW HAMPSHIRE

**New Hampshire General Court:** Leishman bill to study acquisition of all rail lines out of committee.

**PW/ST:** Bow may cease, ending the coal move.

### RHODE ISLAND

**Ports:** Three marine-related studies moving ahead.

**SVT:** Electric Boat not resuming rail to Davisville.

### VERMONT

**Amtrak Vermont:** NY may fund Mechanicville stop.

### MARITIMES/QUÉBEC

**CBNS/Sydney:** Emission rules affect coal burning?

**CN:** Dalhousie spur abandonment in 3-year plan.

**SCR:** Details on Logistec purchase—see Regional.

**Halifax/CN:** Ceres car shortage due to lack of notification, CN says.

**Halifax/CN:** Truckway through cut costs too much.

**Yarmouth NS:** Intermodal ferry to New England.

**Sydney:** Formal request for environmental assessment on dredging and container port.

### RAIL SHIPPERS/RECEIVERS

A cross-reference to companies mentioned here.

### PEOPLE, POSITIONS, EVENTS

Peter Valade, Carl Martland.
Large annotated issue
While these 22 pages contain no new stories, I have added detail to many—look for the blue type.
The record 32 stories came out of three weeks of reporting, rather than the usual two.

-Chop Hardenbergh

NS-ST DEAL

The Norfolk Southern Railway (NS) and the Pan Am Railways (ST) will create the Pan Am Southern Railway (PAS) to operate all of ST’s lines west of Ayer. This section covers that deal, just approved by the STB.

NS-ST: PAS APPROVED**
10 March, DC. THE STB ‘APPROVED THE JOINT CONTROL AND OWNERSHIP OF PAN AM SOUTHERN LLC, a new rail carrier, by Norfolk Southern Railway Company, Pan Am Railways, Inc., and two of its rail carrier subsidiaries, Boston and Maine Corporation and Springfield Terminal Railway Company.’ The Board approved it with only minor conditions and environmental restrictions.

Legal background
‘Because the proposed Transaction does not involve the merger or control of two or more Class I railroads, this Transaction is governed by 49 U.S.C. 11324(d), which directs us to approve the application unless we find that: (1) as a result of the transaction, there is likely to be substantial lessening of competition, creation of a monopoly, or restraint of trade in freight surface transportation in any region of the United States; and (2) the anticompetitive effects of the transaction outweigh the public interest in meeting significant transportation needs.
‘Based on the record here, we conclude that the Transaction is not likely to cause a substantial lessening of competition or to create a monopoly or a restraint of trade. The lines involved in the Transaction are end-to-end, with no parallel routes. This agency has long held that end-to-end transactions are unlikely to generate the types of competitive problems that often arise in parallel transactions. Applicants explain that no shipper on the line would have reduced competitive rail service options as a result of the Transaction. No party has identified any rail route or rail service option that would become unavailable to a shipper. Indeed, rather than adversely affecting competition, it appears that the Transaction would significantly increase competition between railroads by providing an upgraded east-west main line route to compete with a parallel main line route operated by CSXT.’

No conditions granted
States, railroads, and shippers uniformly supported the transaction, but requested conditions [see 08#08A]. The Board denied them all.
‘The requested conditions fall into three broad categories. The first broad category includes proposals to remedy perceived pre-existing problems, such as service failures, lack of investment, failure to pay bills, and failure to establish interchanges with other carriers or to route enough traffic through the interchanges that already exist. We will not impose any of these conditions because none are based on a competitive effect of the transaction or would even address any kind of effect caused by the transaction.
‘The second broad category of conditions includes proposals designed to ensure that the Transaction would not result in the future re-routing of interline traffic away from connecting short line carriers. We decline to impose any conditions in this category. The proponents of conditions in this category have not shown that they are necessary to remedy any potential anticompetitive effect. Nor has any party given us reason to conclude that any new
single-line movements created through the Transaction would lead the Applicants to vertically foreclose competition over efficient routes and refuse to cooperate with unaffiliated carriers.

‘The conditions in a third broad category were proposed to avoid service reductions over connecting Springfield Terminal lines that would not be transferred to PAS, such as reduced train service, maintenance, or investments on such lines. As described in greater detail below, we are not imposing any of those conditions here because none are based on competitive harm. However, we will hold Applicants to all representations made on the record in this proceeding.’

**Particular notes**
The Board did address comments of each railroad and shipper, though not granting any of the conditions requested.

**Committee to Improve Rail Service in Maine.** ‘CIRSM has given us no reason to believe that PARI would be less able to pay bills or would have less incentive to allocate resources to Maine after the Transaction than before. Indeed, the State of Maine argues that the Transaction would benefit that state by improving a corridor that is a major shipping route for many Maine rail shippers and by enabling PARI to focus on infrastructure and operations in that state.’

Montreal, Maine, and Atlantic Railway. ‘MMA has given us no reason to believe that Norfolk Southern would find it in its interest to route traffic over an allegedly less efficient route involving PAS. Applicants have indicated that they do not plan any substantial re-routing of traffic or changes to any existing interchanges (with one exception not relevant to MMA). See Application at 9. Moreover, Applicants have pledged to honor all existing interchange contracts with other carriers and state that the Transaction does not impose interchange restrictions. We are requiring Applicants to adhere to their representations made on the record in this proceeding.’

Providence and Worcester Railroad. ‘P&W connects with Springfield Terminal at Barbers and Gardner, MA, but the line segment at Barbers would not be transferred to PAS. Initially, P&W stated that it supported the Transaction conditioned upon Applicants’ representation that no competitive options would be eliminated. In a subsequent filing, P&W asked us to specifically condition approval of the Transaction upon maintenance of the Barbers interchange. ‘Applicants have indicated that the Barbers interchange will be maintained to permit Springfield Terminal to continue interchange with CSXT and that the Transaction should not affect the flow of interline traffic through Barbers. See Application at 37; see also Williams V.S. at 13 (explaining that the parties’ trackage rights agreement “will permit Pan Am to maintain its current interchanges with P&W at Barbers, MA”). P&W has not shown that relief from the Board is warranted.’ [Despite the Board’s general condition that the parties are bound by all representations made on the record, and the NS-ST statement that the Barbers interchange will be maintained for interchange with CSXT, the Board language apparently does not explicit bind ST to maintain its interchange with PW, at Barbers. {editor}]

**Next step**
The decision is effective on 9 April. After that date, the parties can proceed to a closing. {STB Financial Docket No. 35147} In an 11 March press release, the two railroads said ‘Pan Am Southern is expected to commence operation on or about May 1, 2009.’ {press release}

11 March, Pownal, Maine. **CIRSM WAS DISAPPOINTED IN THE BOARD DECISION**, said Tom Hall, the chair of the group. “Unfortunately, the Board continually ignored warnings from several parties that ST, as the operator of the new PAS, would:

(a) Fail to use the $50 million which it will receive from NS in exchange for the contribution of the track to improve operations on the rest of its system, and

(b) Divert its dwindling resources to operating PAS, worsening an already poor operation in Maine and New
Hampshire, thus decreasing the competition ST can offer to other railroads and to trucks.

“In response to our warnings, the Board time after time stated that the parties, including CIRSM, who made these warnings ‘seek to remedy matters that pre-date the Transaction and would not be made worse by the Transaction.’ We would have hoped that the Board would have directly addressed the warnings, rather than ducking the issue. But the STB has a reputation for being the industry’s lap dog.

“If the warning is true, then the issue falls squarely into the Board’s purview in such cases. The relevant statute required the Board to examine whether there is ‘likely to be substantial lessening of competition, creation of a monopoly, or restraint of trade in freight surface transportation in any region of the United States.’

“Rather than the Board’s waving its hand about the allegations that indeed things would get worse and lessen competition, the Board should have at least shown why it believed that things will not get worse.

“Indeed, the Board makes statements which have no foundation on the record, in its comment on the conditions requested by VRS. ‘It is possible that the lines that are not slated for upgrading would also benefit from the attraction of new through traffic as a result of the Patriot Corridor upgrade, leading to better service over those lines.’ The Board seems perfectly willing to entertain the possibility of better service, but not worse service.

“It then states: ‘Because Norfolk Southern, and not Springfield Terminal, would be funding the proposed improvements, there is no reason to assume that upgrading would cause Springfield Terminal to reduce service levels over the remaining portions of its system.’ This bald statement ignores the substantial reasons given by CIRSM, MBRX, VRS, and US Clay Shippers that exactly such a reduction in service levels will occur.

“Most watching the New England railroad industry agree that the formation of Pan Am Southern will result in even worse rail service for the rest of the region. It's hard to believe, especially since Maine is already 48th in the nation in percentage of state commerce that is moved by rail, but it's going to get worse.” {ANR&P discussion 11.Mar.09}

**NS-ST: MECHANICVILLE FACILITY**

2 March, Halfmoon NY.  **THE TOWN WOULD LIKE THE RAILROADS TO PARTICIPATE IN ITS PLANNING PROCESS** before proceeding with construction of the Mechanicville logistics facility. Halfmoon pointed out to the STB that 90% of the proposed facility will lie in its town, while Mechanicville and Stillwater will host small parts.

Mindy Wormuth, town supervisor, said: “We are still trying to coordinate next steps. We reached out to the railroads and asked them to come in to participate in the planning process. They are on the record agreeing to go through local review,” in comments made to the town during meetings. Halfmoon is still examining the final decision from the STB’s Section on Environmental Analysis which lists many mitigation measures for the logistics facility [see 09#02A].

**The planning review**

Halfmoon, Stillwater, and Mechanicville have discussed among themselves the review they would undertake, called “State Environmental Quality Review” or SEQR. Halfmoon will become the lead agency, said Wormuth. State Senator Roy McDonald, who was elected to succeed retired senator Joe Bruno, will continue to play a role. Bruno had obtained a $3 million state grant for the facility [see 08#07A].

The towns have not yet seen site-specific plans, indicating for example lighting, fences, and utility infrastructure. “We’ve been shown general pictures but not site plans.”

The process will permit some community input, which Halfmoon had requested during the STB process [see 09#01A]. Wormuth said the SEQR process will not hold up construction. “We move pretty quick compared to most communities.” {ANR&P discussion}

**Where does the STB process stand?**

David Fink, president of Pan Am, said on 26 February he'd like to see construction work begin in April, assuming the STB decides soon. Work on the Mechanicville intermodal yard will take this year and part of next, he added.
Fink said he doesn't expect the current economic slowdown to have any impact on the project timetable. {Eric Anderson in Albany Times-Union 27.Feb.09}

---

**REGIONAL ISSUES**

---

**US FEDERAL EARMARKS***

11 March, DC. *EARMARKS INVOLVED IN THE OMNIBUS BUDGET BILL* passed by the US Congress give:

- **Connecticut**
  None for rail.

- **Maine**
  $190,000 for *Downeaster* rail relocation and rehab.

- **Massachusetts**
  $30 million for commuter rail improvements in Fitchburg.
  $950,000 for Advanced Freight Locomotive Safety and Monitoring Systems Implementation, Fitchburg.

- **New Hampshire**
  $1.9 million for commuter rail Lowell to Manchester.

- **Rhode Island**
  $1.345 million for South County Commuter Rail.

- **Vermont**
  None. {Taxpayers for Common Sense website}

---

**PW/NECR/VRS: OUTBOUND AUTOS**

8 March, Davisville. *THE FIRST OUTBOUND AUTORACKS MOVED THIS DAY*, when two carloads of Volkswagen left the North American Distribution (NORAD) facility on PW. They were scheduled to move via the Willimantic Branch from Plainfield to Willimantic for interchange to NECR. *They would then head north for interchange to VRS and then CP.* {e-mails to ANR&P from PW and from special correspondent Ron Chouinard}

---

**LOGISTEC/SCR: REVENUE UP***

5 March, Montreal. *THE COMPANY ANNOUNCED A RECORD NET INCOME FROM CONTINUING OPERATIONS*, for a third year in a row. This amounted to $13.9 million, up by $2.9 million over $11.0 million in 2007. The company attributed the record to ‘increased container volumes, sustained control over operating costs, a foreign exchange gain of $1.8 million, and strong activity in our environmental business....In 2008, the marine services segment recorded income from continuing operations of $18.9 million on revenue of $187.8 million ($17.0 million and $173.4 million in 2007).

  Even in 4Q08 [a weak quarter for many segments of the economy–editor], ‘revenue and net income from continuing operations both rose to new fourth-quarter highs as the Company enjoyed strong container volumes and an enhanced contribution by its environmental business.’

**SCR purchase**

‘On October 30, 2008, Logistec purchased [see 08#11A] from Quebec Railway Corporation Inc. ("QRC") 100% of the issued and outstanding shares of Sydney Coal Railway Inc. ("SCR") for cash consideration of $11 million and the issuance of a short-term note payable to QRC of $9 million. SCR operates a short-line railway and provides service for the transportation, storage, warehousing and delivery of coal shipments from Sydney (NS) to Cape Breton (NS). This acquisition fits well into our development strategy as it solidifies our relationship with an important customer and opens up other opportunities in the area.’ {Logistec press release}

[NSPI is the existing customer and the movement of Donkin coal a major opportunity. *Editor*]
REGION: RAIL PROONENT*

10 March, Portland. PORTLAND'S TONY DONOVAN BELIEVES IN THE ECONOMIC DEVELOPMENT VALUE OF RAIL, and is supporting at least three efforts:

Rehab of the Portsmouth Branch

Donovan has put together a team of people under his EBTAC, LLC company to support the effort to restore passenger service to Portsmouth. He began by meeting with NHDOT Commissioner George Campbell, bringing along the executive director of the New Hampshire Rail Authority Mike Izbicki, and Donovan’s transportation consultant Arthur Handeman. He received encouragement from Campbell and subsequently from the Rockingham County MPO.

On 6 March, Donovan presented the idea to the City of Portsmouth’s Economic Development Commission, saying: “A relatively small rail upgrade leverages a very substantial start toward fast, efficient rail connections between New Hampshire's major cities and into Boston, western Massachusetts, Maine, and beyond. The potential is there...and it's right in our back yard.”

On 10 March he added that the improved rail line would aid rail freight and the port. “There’s a great opportunity for freight” with the existing companies on the line, and “the port can use the improved rail line for marketing” including containers.

Donovan proposes to do a quick “snapshot” study of the situation for about $9000. He is lining up a mix of public and private dollars to pay for that. He then proposes to do an RFP for a major study costing “hundreds of thousands of dollars.”

Initial reaction from the EDC was favorable, even though the city's exact role in such a project remains unclear. “I think this is terrific,” said City Councilor Ken Smith, a member of the EDC. “This is something we’ve been talking about in the city for 15, 16 years.” {ANR&P discussion with Donovan 10.Mar.09; Adam Leech in Portsmouth Press Herald 7.Mar.09}

Thompson’s Point, Portland

Here Donovan’s real estate firm, Fishman Realty Group, is representing the estate of the owner of Thompson’s Point, the peninsula adjacent to the Downeaster station in Portland. The now-deceased owner had wanted to sell the entire 30-acre site to a developer for a transit-oriented mixed use development. Donovan believes Thompson's Point could support a $130 million project, a gateway to the city served by intercity bus, intercity rail, and city bus.

The Point first emerged as a business center in the 1820s when the Cumberland and Oxford Canal ended just upriver; canal boats and barges turned around in the adjacent basin. Today, the point is occupied by nearly two dozen small businesses, including companies involved with carpentry, electrical services, building restoration, waste disposal, metal fabrication, and distribution.

One kink in the vision for mixed use, per Donovan, is posed by NNEPRA’s plan to construct maintenance buildings to work on the Downeaster equipment.

City Councilor David Marshall said city officials are not aware of the rail authority's plans. He learned about it only after Donovan called him a week earlier, and he hasn't heard any talk in City Hall about it. Marshall worried that the rail authority is making far-reaching development decisions.

Patricia Quinn, NNEPRA executive director, said the authority in summer 2008 examined other sites for building a maintenance area, but quickly concluded Thompson's Point was by far the best. The turnaround time between train trips is so short that moving the train elsewhere for the maintenance work, to a site such as Rigby Yard in South Portland, would not give crews enough time to work on the trains.

Beside erecting a shelter for the trains, the authority plans to extend two side tracks to create double-ended spurs. The authority also plans to build a pit under the tracks so crews can work underneath the trains, and a maintenance building so crews can repair the trains in Portland rather than in Boston.

Quinn said the project is still in the conceptual stage and that the authority plans to bring it to the city for review. “We intend to follow the process, whatever the process is.”
What about freight at Thompson’s Point? Donovan acknowledged that Suburban Propane still has a distribution facility there [our Directory #7], which at one point used rail, but not currently. The company was approached about moving, but has evinced an interest to return to rail. \{ANR&P discussion with Donovan 10.Mar.09; Tom Bell in Portland Press Herald 9.Mar.09\}

A transload at the Point also at one point during the past decade used rail, but no longer. \{editor\}

**Downeaster extension to Brunswick**

Donovan also noted that he played a major role in getting the funding for the extension of the Downeaster to Brunswick passed by the Maine Legislature in 2008. Quinn said at a rail caucus meeting on 16 February that NNEPRA continues to work on getting a federal loan for the service extension, a loan to be paid off by the funding Donovan worked on: fees on car rentals and other items [see 08#12A]. \{ANR&P discussion with Donovan 10.Mar.09\}

**PW: GRANTS FOR APUs***

26 February, Boston. The US EPA WILL GRANT $535,250 TO PW FOR AUXILIARY POWER UNITS according to a broader announcement of more than $1.35 million in funding to help reduce pollution from diesel vehicles and equipment operating in New England. The grants were made available by EPA through the 2008 Northeast Diesel Collaborative (NEDC) Emissions Reduction Grant Program. The NESCAUM (Northeast States for Coordinated Air Use Management), in partnership with PW, will install auxiliary power units on 17 locomotives built between 1969 and 1988, to reduce unnecessary idling, which will lessen the amount of particulate matter and nitrogen oxides released into the air. Reducing fuel consumption will also reduce carbon dioxide emissions by approximately 1,700 tons per year. In addition, the railroad will continue to fuel its locomotives with ultra low sulfur diesel fuel ahead of the 2012 mandate.

“The Providence and Worcester Railroad is a significant regional freight rail line with operations in Massachusetts, Connecticut, Rhode Island and New York. As such, a diesel emissions reduction project involving P&W has long been a top priority for the Northeast Diesel Collaborative,” said Paul Miller, deputy director of NESCAUM. \{EPA press release\}

**NECR: CONTRACTS**

**Bridge deck timbers**

early March, St. Albans. Randy Pike proved the low bidder for a contract to replace 758 railroad bridge deck timbers on the NECR’s Palmer and Roxbury. Pike’s Maine Track Maintenance bid $337,375. E80 Plus Contractors of De Forest, Wisconsin bid $372,435; Osmose Railroad Services Inc of Madison, Wisconsin $446,816. \{Rail Project Guide\}

**Tie and rail replacement**

5 March, St. Albans. A significant track contract is ‘open to all who care to bid,’ said NECR General Manager Steve Coomes. The project consists of replacing about 15,000 ties, 54,000 linear feet of rail and one turnout. Bids were due 13 March. \{e-mail to ANR&P\}

**Bid packages and results**

Railworks Track Systems (unofficially lowest bidder)
ECI Rail Constructors, Inc. (unofficially second-lowest)
Delta Railroad Construction, Inc. (unofficially third-lowest)

CONNECTICUT

NEW LONDON: PORT AUTHORITY*
18 February. THE CONCEPT OF A PORT OF THE THAMES RIVER was discussed at the Connecticut Maritime Commission meeting this day. Ned Hammond of New London’s Office of Development and Planning provided a brief overview on the New London Port Authority and the New London waterfront and its facilities.

The Port Authority, established in 1996, consists of five members, said Hammond, but lacks revenue-generating property to manage, and a budget.

He also described to the Commission the Free Trade Zone in New London as well as the South Eastern Connecticut Enterprise Region (seCTer). The meeting discussed the idea/potential or a regional port authority for the ‘Port of the Thames River’. {minutes of Mtg. #09-02 18.Feb.09}

CONNECTICUT PORTS: STUDY*
11 March, Stonington. THE CONNECTICUT MARITIME COALITION STUDY DRAFT ‘HAS BEEN PUSHED TO JULY’, wrote Bill Gash, the director, from the projected date of March [see 08#12A]. Consultant Apex is examining the statewide impact of the port industry. {e-mail to ANR&P}

MAINE

MAINE GUBERNATORIAL RACE*
25 February, Augusta. FORMER SLR PRESIDENT MATT JACOBSON ANNOUNCED AN EXPLORATORY COMMITTEE FOR GOVERNOR on the Republican ticket. He would become the first railroader in a century to hold higher office in New England. [Maine State Representative Mike Shaw works as a conductor on the Downeaster, while MBRX President Peter Leishman serves in the New Hampshire General Court, but in the memory of several experienced railroad officials, no former railroad official has served as governor, US representative, or US senator since 1900. Editor]

After the SLR, Jacobson worked in various capacities at CN, while searching for a way to return to Maine. In 2006, he became president of Maine & Company, a privately-funded outfit which attracts business to Maine. Though he has helped to bring in companies to every corner of the state, he has “has not been able to leverage Maine’s railroads or ports” to attract business. “The question is [for ports and railroads], do we have an environment which will support industrial development, what sites are available on railroads, what towns are willing to host large manufacturing industries?”

The Auburn experience
Jacobson argued that railroads can play “a significant role and present an untapped opportunity.” The SLR presents an example of cooperation between a good railroad and a municipality willing to participate. Auburn was able to drive freight and business via the rail mode.

He sees “lots of opportunity in Montreal, with three-plus million people and two railroads [SLR and MMA] which go directly there, to pursue passenger traffic aggressively, which can only help freight traffic and improve tourism.”

Helping railroads
The candidate argued that paper mills, the mainstay of Maine rail traffic, “are not done, there’s more we can do to help paper mills.” Asked whether better service on ST, which serves most of the mills, would help, he replied: “There’s no question that the better service to the market, the better the customer will do, but the customer must be
willing to pay for that service.”

At the SLR, “we bid a lot of those deals, and we lived up to what we told the customers, and we extracted the value we were creating.” The question for ST is, “Are we giving them the opportunity to do better?”

By “loading up railroads with more shippers and opportunities, we create a bigger business and a volume business.”

Economic development for Maine
Rather than broad efforts at economic development, such as “funding ports because ports are nice,” Jacobson argued, “we need a specific goal. We need to decide which niche we as Maine fit in...where we have a competitive advantage.” He asserts that given the energy crisis, “we have to get good at alternative energy and energy efficiency.” Maine could lead the world in R&D on efficiency and winterizing, we can recruit companies” to commercialize alternative energy, with a ready-made base in Brunswick [the naval air station soon to close]. “Kansas and Shanghai should wake up saying, ‘What is Maine up to?’”

Once the state has decided on its niche, it can then ask “what kind of rail infrastructure” will best serve that niche.

Next step
Jacobson expected to have a structure in place to accept donations by the following week, and to formally declare his candidacy at the end of March. ANR&P discussion

SEARSPORT: MARKET, DREDGE*
3 March, Augusta. MDOT WILL SPEND UP TO $100,000 TO MARKET SEARS ISLAND, by hiring a professional consultant to create a package to attract developers for the proposed container terminal. “This is probably the only container port we are going to be developing for a while so we want to make sure we have somebody who understands the market,” David Cole, Maine’s transportation commissioner, said this day.

He told Transportation Committee members that the department and the Maine Port Authority plan to begin advertising for a consultant by 13 March with a selection made by late April.

The consultant will create a marketing strategy for the port, identify potential developers as well as draft and distribute a detailed prospectus of the project. That prospectus will include: market opportunities, regional port capacity, transportation infrastructure that will be connected to the port, and descriptions of the permitting process. Money for the consultant already is included in the state’s budget, officials said.

Cole said afterward that the state wants to ensure that any marketing plan that goes out to potential developers encompasses all of the regional assets, such as existing rail infrastructure and Bangor International Airport’s status as a Free Trade Zone to encourage imports.

The consultant would also be expected to help the DOT and the Port Authority choose a developer but would be prohibited from working on behalf of the developer that eventually is selected. “We want somebody who works with ports around the world to help us,” Rob Elder, director of DOT’s Office of Freight Transportation, told the lawmakers.

Still environmental resistance
Harlan McLaughlin, a member of the group Fair Play for Sears Island, said he was surprised to hear about the consultant. He has accused the Baldacci administration of “engineering the outcome” of the working group which divided the island [see 09#01B], and has filed one of three lawsuits challenging the legality of the compromise to divide the island.

But Cole told the Committee that the state’s attorneys believe the lawsuits are without merit and that they plan to “take appropriate action to get them dismissed.” {Kevin Miller in Bangor Daily News 4.Mar.09}
MAINE BONDS PORT AND RAIL*

4 March, Augusta. **GOVERNOR BALDACCI ANNOUNCED AN ‘INVESTMENT STRATEGY’ INVOLVING A BOND ISSUE.** Transportation items listed not only highway and bridge projects, but also:

‘Governor’s Freight Initiative - Railroad’
- Industrial Rail Access Program $2.0 million
- State Rail Track Capital Improvements - (300 miles state owned): $1.5 million
- Lewiston Lower Extension (to Lisbon Industrial Park): $0.5 million
- Critical Rails Corridors Program: $16 million

‘Governor's Freight Initiative - Ports’
- Eastport - Transload Facility (Calais): $1.5m
- Small Harbor Improvement Fund (SHIP): $1.0m
- Searsport - Army Corps of Engineers (Channel Dredge): $4.5m
- Portland International Marine Terminal (Pier and Land Upgrades): $3.5m

‘Governor's Freight Initiative - St Lawrence & Atlantic’
- Final acquisition $2 million.

**Transit, Intermodal, Park and Ride** Among others,
- $500,000 for Rockland Branch facilities. {spreadsheet from governor’s office}

**MMA: GOOD NEWS**

9 March, East Millinocket. **MMA SHOULD GET A BOOST TO ITS REVENUE** as nearly 140 workers returned at Katahdin Paper’s mill here, revving up the No. 5 paper machine that had been shut down for more than a month due to a decline in orders [see 09#02A]. {Bangor Daily News]

Impact to the railroad
Just days earlier, Bob Grindrod, MMA president, said the railroad loses $300,000 a month when one machine is down at East Millinocket. Because of the shutdown and other market factors, Grindrod's had to lay off 100 people between June and now. His employee numbers now stand at 215. “We lost money last year as a corporation. We're hoping we can get our costs in balance with the demand for our service so that our goal is to break even for the year.” {Kara Matuszewski in WCSH6 television 5.Mar.09}

**ST: TRAFFIC GROWTH**

3 March, Orono. **ST TRAINS BETWEEN MATTAWAMKEAG AND NORTHERN MAINE JUNCTION HAVE GROWN** over the past few months, according to counters of traffic. One of them, Charles Hastings, reports that car counts have increased from 10-15 to 35-45 cars each day each way; ST operates a daily MANM and NMMA to interchange with NBSR in Mattawamkeag [see 09#02A].

Reasons for increase
Observers report these sources of increased traffic: refrigerated cars of Moosehead product, CO2 cars, intermodal traffic, and centerbeam cars with wallboard [which originate at Atlantic Wallboard in Saint John and terminate in Ayer at Kenco, which handles the product for USG–see 08#12A]. {ANR&P discussion}

**EASTPORT/ST: DOMTAR TO STOP**

5 March, Baileyville. **DOMTAR WILL SHUT THE PLANT IN MAY** according to an announcement this morning. “With no immediate recovery in sight, we must temporarily reduce our pulp manufacturing capacity,” said John Williams, Domtar's president and CEO. About 330 workers will lose their jobs.
The Baileyville mill has an annual hardwood pulp production capacity of 398,000 metric tons. Domtar is the largest integrated manufacturer and marketer of uncoated freesheet paper in North America and the second largest in the world based on production capacity. It reported revenues of $6.4 billion in 2008, of which approximately 81% was from its pulp and paper operation.

Effect on the port
Chris Gardner, executive director of the Eastport Port Authority, said up to 100 people at the port could be affected by this closure, including longshoremen and independent truckers. But Gardner said the closure wouldn’t close the port. “We're not done. We're just going to have to revamp, retool and rethink. And we've been in the process of doing that for some time.” {Carol Coultas and Whit Richardson in Mainebiz 5.Mar.09}

Skip Rogers, head of Federal Marine Terminals which operates the Eastport commercial pier for the Eastport Port Authority, said while the company was calling the closing temporary, some of the workers at Domtar “were hearing less encouraging news. New mills are coming on line all over the world, near eucalyptus plantations” with a tree-growing cycle of three years. “Even when the [pulp] market comes back, it may not be worth competing. Life as we once knew it may not return.”

Rogers is still angling for pellet and woodchip moves, though he will need a conveyor system to load ships. The Port Authority could benefit from the $1.5 million in state bonds for the rail-served transload in Baileyville [see MDOT].

Storage until May
Domtar is still producing pulp, but not finding much of a market. The next ship won’t load pulp until mid-April. So Eastport is searching for pulp storage. The Port Authority buildings, said Rogers, are “full up. We are working with the Passamaquoddy Tribe” to lease space in the former Gates Fiber building which the Tribe bought after Gates left, but stands empty. After that, Eastport has no more space. “We’ll kick the ball back to Domtar.”

One thought: lease ships, whose rates have sunk to nearly nothing, as floating warehouses. “It may be cheaper” than land-based space, mused Rogers.

How not to spend state money
Rogers commented that the MDOT $100,000 to hire a consultant to market the future Sears Island container terminal [see other article] could be better used. “Give me the $100,000 and I can probably turn it round” soon, with for example pellets or wood chip traffic. He acknowledged that the conveyor needed for those cargoes might cost more than $100,000 though.

More generally, Rogers argued that spending money to dredge for Searsport made little sense [see above]. The $4.5 million requested for the state share would translate into $17 million of total funding, with the state share equal to 35%. Searsport will then require continued maintenance dredging. Eastport needs no dredging now; the tides naturally scour the harbor basin. Rather than dredge for a new Sears Island terminal, the state should invest in the existing terminal in Eastport. “Use that money to get rail to Eastport,” he said. {ANR&P discussion 5.Mar.09}

ST/PORTLAND: MILL RE-OPENING*
3 March, Portland. RESTART OF PULP PRODUCTION IN OLD TOWN MEANS TRAFFIC FOR PORTLAND, said Jack Humeniuk, who heads the stevedores’ union here and manages the International Marine Terminal for PortsAmerica. Central National-Gottesman (CNG), a pulp broker, set up the Old Town pulp output move in 2007 [see 07#10A]. The product was railed to the Sprague Terminal in Portland. Sprague stuffed the pulp into containers and drayed it to PortsAmerica, which loaded it onto a Columbia Coastal barge which carried it to New Jersey for loading onto container ships, which in turn delivered the pulp to overseas customers.

CNG has contacted PortsAmerica to find out whether the terminal rates have changed since the previous move, leading Humeniuk to conclude that CNG will handle the new production in Old Town. If the barge resumes calling, then other Maine shippers may well resume using the barge too. “It depends on whether they have the same markets,” he concluded. {ANR&P discussion}
Announcement of restart
The new company to operate the former Georgia Pacific paper mill will have the name ‘Old Town Fuel & Fiber,’ and be owned by investment group Patriarch Partners, which bought the plant after former owner Red Shield went into bankruptcy [see 09#02A].

In addition to producing wood pulp for the papermaking industry, the plant will work closely with researchers at the University of Maine to develop new technologies for converting pulp-processing waste into a renewable biofuel. Company President Dick Arnold said UMaine researchers already have identified a process for turning the manufacturing waste into gasoline additives and other “high-value chemicals.” {Meg Haskell in Bangor Daily News 26.Feb.09}

MASSACHUSETTS

BCLR/MC: WATUPPA*
20 February, DC. BCLR GAVE NOTICE THAT IT WOULD CEASE SERVICE ON THE ‘STATE WATUPPA LINE’. It had operated this section of track for many years under an agreement with EOT, and since April 2008 under an agreement with MC [see 08#04B] which won the right to operate the track in bidding against BCLR. [BCLR would continue to operate the part of the Watuppa over which it owns freight rights. Editor]

Description of Watuppa aka Dartmouth Industrial Track
The Watuppa begins in New Bedford at MP 0.08; from there to MP 6.0 in Dartmouth, CSXT called it the Dartmouth Industrial Track and still owns the right of way but in 2003 sold the freight operating rights to BCLR [see 03#12B] which serves two customers: Dartmouth Building Supply [our Directory #296] and Colonial Beverage [#295]. EOT owns the line, the ‘State Watuppa Line’, from MP 6.0 to the end of track at MP 12.1 in Westport, where lies Mid-City Scrap [our Directory #298].

Reason for termination
BCLR said in its filing to the STB this day that BCLR and MC ‘have discussed the possibility of extending or modifying the 2008 Agreement, but they have been unable to reach an understanding [see 09#02A]. Consequently, the 60-day notice required by 49 CFR 1150.24 was not given in order to permit BCLR to terminate its service as of April 16, 2009, as provided in the 2008 Agreement. If, however, MC is able to initiate service on the State Watuppa Line and if the Commonwealth of Massachusetts consents to such initiation of service as of April 16, 2009, BCLR intends to permit MC to provide such service, recognizing that this Notice will not enable BCLR to terminate service until April 20, 2009.’ {STB filings page Finance Docket No. 29963}

CSXT: FUTURE OF WASTE*
12 February, Boston. REPUBLIC SERVICES WAS NOT THE LOW BIDDER FOR MUNICIPAL WASTE for any of four districts up for renewal. [Republic purchased Allied Waste Services–see 09#02A.] The city’s Public Works Department received the following results, for the period from 1 July 2009 to 30 June 2014:

<table>
<thead>
<tr>
<th>Bidder</th>
<th>PWD District</th>
<th>Price per ton</th>
<th>Facility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheelabrator Saugus</td>
<td>2+4</td>
<td>$71</td>
<td>Wheelabrator Saugus</td>
</tr>
<tr>
<td>TransRiver Marketing</td>
<td>2+4</td>
<td>$71.50</td>
<td>Lynn Transfer</td>
</tr>
<tr>
<td>TransRiver Marketing</td>
<td>2+4</td>
<td>$78</td>
<td>Braintree</td>
</tr>
<tr>
<td>Casella Waste Management</td>
<td>2+4</td>
<td>$79</td>
<td>Maine Energy Dedham Transfer</td>
</tr>
<tr>
<td>Allied Waste Services</td>
<td>2+4</td>
<td>$84</td>
<td>Roxbury Transfer*</td>
</tr>
<tr>
<td>-----------------------</td>
<td>-------</td>
<td>------</td>
<td>-------------------</td>
</tr>
<tr>
<td>Wheelabrator</td>
<td>3+7</td>
<td>$71</td>
<td>Wheelabrator Saugus</td>
</tr>
<tr>
<td>TransRiver Marketing</td>
<td>3+7</td>
<td>$76.50</td>
<td>Lynn Transfer</td>
</tr>
<tr>
<td>TransRiver Marketing</td>
<td>3+7</td>
<td>$78</td>
<td>Braintree</td>
</tr>
<tr>
<td>Allied Waste Services</td>
<td>3+7</td>
<td>$85</td>
<td>Peabody Transfer*</td>
</tr>
</tbody>
</table>

*Allied transfer stations*

Allied owns the Roxbury facility, named the Howard Transfer Station at 66 Norfolk Avenue, with an annual capacity of 300,225 tons. It also owns the Peabody facility, d/b/a Vining Disposal Service at 300 Forest Street, with an annual capacity of 214,800 tons.

**Price not only consideration**

The terms of the bid require the city to award the contracts within 90 days of 12 February. But the City ‘must also consider the costs of collecting and hauling to facilities in order to effectively control the City’s overall solid waste management costs. The City intends to use the results of a subsequent competitive bidding process for collection and hauling to all of the responsive and responsible bidders’ disposal facilities as the measure of this collection and hauling cost, and will therefore make awards to the disposal bidders whose bids result in the lowest cost to the City when considered in conjunction with the resulting cost for collection and hauling service.’ *Emphasis added.*

**Tonnage**

Based on the previous five years, the Department estimated the tonnage for Districts 2+4 at 37,423 tons per year, and Districts 3+7 at 68,028 tons per year. {bid documents and bid results from Public Works}

3 March, Phoenix. *REPUBLIC WILL CONTINUE TO PROVIDE A COMPETITIVE PRICE* for collecting and disposing of Boston waste, said Will Flower, executive vice-president of communications. However, “the cost of collection is up dramatically” in three areas: fuel, equipment, and labor. He acknowledged that diesel has dropped recently, but noted that Republic and other waste handlers with fixed long-term contracts lost money in 2008 during the peak in diesel prices. Furthermore, the inertia of high oil prices is carrying forward in higher prices in tires, lubricants, plastic liners for landfills, and carts.

The national effort to reduce diesel pollutants is requiring new diesel engines costing $10,000 to $12,000 per engines. And while labor wages may remain level, the price of health insurance continues to increase well above the consumer price index.

**Republic will bid**

Addressing the collection bids still to come for Boston waste districts, Flower said Republic will bid on the collection contracts, and believes it can win the contracts. {ANR&P discussion}

**CSXT/ST: RAIL SCALE**

9 March, Everett. *SCHNITZER STEEL OPERATED ITS NEW RAIL SCALE FOR THE FIRST TIME* this day. David Atwood, logistics manager of Schnitzer Northeast, said that it was tested on 5 March.

**CSXT attitude**

The Class I formerly did the testing of rail scales on connecting short lines. However, some time ago CSXT ended that work, and asked scale owners to obtain their own testing. Rail Scale, Inc, of St. Augustine, Florida built the scale for Schnitzer [see 09#01B *Regional*] and then arranged testing.

Jack Payne, president of Rail Scale, explained that the US Department of Commerce, National Institute of Standards and Technology, NIST Handbook 44, “Specifications, Tolerances, and Other Technical Requirements
for Weighing and Measuring Devices,” specifies the accuracy of such scales to 0.1% accuracy. The federal government requires an annual certification of compliance of the scale, plus calibration any time significant repairs are done. The accuracy must be shown at 100,000 pounds, though the scale can weigh cars up to 400,000 pounds.

Testing
Normally Rail Scale uses a trailer equipped with weights and a crane to test scales by loading weights on a second trailer. But that equipment was not available, so Rail Scale arranged for the use of the CSXT scale car out of Selkirk, New York.

Atwood said the car was run over the two parts of the scale, and showed it was off only by 150 pounds, a discrepancy eliminated by “tweaking.” The test took only twenty minutes. On 9 March Schnitzer began using the scale.

Traffic
While normally March marks the beginning of a busy season for Schnitzer, this March is “unusually slow.” Scrap outbound from the facility travels “overwhelming by ship, ferrous to Mediterranean countries, nonferrous to the Far East.” Atwood said “we are starting to buy more by rail” because only by moving the scrap by rail can Schnitzer reach more distant origin points economically. {ANR&P discussions 9.Mar.09}

**PW/CSXI: INTERMODAL CHANGE**

16 February, Worcester. ON THIS DAY CSXI REDUCED SLIGHTLY THE WEST COAST INTERMODAL SERVICE for the two PW terminals operated by Intransit Container [our Directory #s 443 & 447]. From ‘Stackbridge’ (the CSXI tag for the two terminals) to the ICTF terminal in Long Beach, departures will happen on Tuesdays and Thursdays, instead of Mondays-Wednesdays-Fridays. The return will still happen seven days a week. {CSXI bulletin} [For reductions in New York service, see 09#02B.]

The terminals served on the West coast
From Stackbridge, boxes can move to ICTF, Los Angeles Harbor APM Terminal, Los Angeles, West Basin in San Pedro, Yusan (NYK) in Oakland, Oakland, Seattle, and Tacoma (Blair, SIM, PCT).

CSXI does not serve any domestic terminals from Stackbridge. {CSXI website}

**MASSPORT: SHORE POWER**

26 February, Boston. THE US EPA WILL GRANT $400,000 TO MASSPORT FOR DOCKSIDE ELECTRIC POWER as part of a broader program [see above]. ‘The Massachusetts Port Authority (Massport) will receive $400,000 through the NEDC Emission Reduction Grant Program to install dock-side power at the Boston Fish Pier. Currently, shore power is available to only four vessels when docked at the Fish Pier. More than a dozen vessels regularly dock there, and need to run their diesel generators many hours per day to supply power for off-loading, maintenance and essential on-board systems. The project is expected to reduce diesel generator idling by 95%. In addition, the fuel and cost-savings data yielded by this project will be important in helping other fishing ports in the Northeast decide whether and how to undertake similar improvements.’ {EPA press release}

**NEW HAMPSHIRE**

**GENERAL COURT: BUY RAIL LINES**

3 March, Concord. ST PRESENTED THE ONLY OPPOSITION TO HB613, A BILL TO STUDY THE PURCHASE OF STATE RAIL LINES at the House Transportation Committee this day. “There's been talk for years about whether it makes sense for the state to own these corridors. It seems like a good time to really study the issue,” State Representative Peter Leishman D-Peterborough testified.
“The disadvantage is from a cost standpoint that, as the owner, the state would have to maintain the lines and carry all operating costs,” said Leishman whose MBRX operates from Milford to Bennington in part on state-owned trackage. “That's no small disadvantage because it would mean more public money. The big advantage would be if the lines were publicly owned that gives the state more flexibility in how it could use money and also could help the state get additional funding.”

Rob Culliford, ST general counsel, testified against the bill: “I think we are progressing forward during the negotiations and feel we can get an agreement [on the Lowell-Concord commuter service–see 09#02A] if we can get the details worked out. A study committee could have a chilling effect on those negotiations.”

Culliford argued the government can't simply acquire rail lines like private property through eminent domain but has to have a willing seller. “In 95% of circumstances, consent of the railroad owner is required.”

[Some think that state purchase of the rights-of-way, without disturbing the operation of the railroad, would not impinge on federal pre-emption. \{ANR&P discussion 5.Mar.09\}]

Other Nashua area legislators

Representative Michael O'Brien, D-Nashua, is one of several area lawmakers co-authoring the measure, HB 613. “We are going to be investing substantial amounts of money on rails that we don't own,” O'Brien said, if the commuter service begins. Former state Senator Barbara Pressly of Nashua said the study is a logical next step for lawmakers to take. “This is a small piece of the puzzle.”

Liability still an issue

In the negotiations, ST officials continue to assert they should be exempt from accident damage costs except where that owner is guilty of gross negligence. Leishman called that position “a bit extreme” and asserted rail line ownership would resolve that issue and others [see 09#01B]. \{Kevin Landrigan in Nashua Telegraph 4.Mar.09; e-mail to ANR&P from Leishman 4.Mar.09\}

Status

Leishman reported that his bill was passed by the Committee 16-0 and now moves to the full House. \{e-mail to ANR&P 15.Mar.09\}

PW/ST: COAL MOVE THREATENED**

15 March, Concord. THE GENERAL COURT ENTERTAINED TWO BILLS WHICH COULD CLOSE THE BOW POWER PLANT. PSNH is installing a scrubber using limestone to reduce mercury and sulfur dioxide emissions at the 433MW Merrimack Station, but, note critics, the company is not reducing the 3.4 million tons of carbon dioxide produced annually. Some impetus behind the bills also comes from the near-doubling of the cost of the scrubber; the cost was estimated at $250 million in 2006, but has since climbed to $457 million.

The bills

Bill SB152, introduced by Senator Harold Janeway, D-Webster, requires the state Public Utilities Commission to determine within 90 days: (a) the full ratepayer cost to keep the Merrimack coal plant running for another 20 plus years; and, (b) whether clean energy alternatives make better sense for PSNH customers. A group of business power users, headed by Gary Hirshberg of Stony Field Farms which uses $2 million of electricity per year, supports the bill.

The House Science, Energy and Technology Committee heard testimony in March on a different bill, HB 496, which caps spending for the scrubbers at $250 million. Representative Tara Sad, who sponsored the bill with Representative Christine Hamm, said the $250 million figure was considered a wild top end figure when the General Court approved the project in 2006. “We don't think this is a very good idea, one, because it's doubled in cost and, two, it is an old facility whose life is nearing its end,” Sad said. “Do we want to sink that much money into that, instead of alternate energy and renewable forms of energy?”

In a memo PSNH sent to major customers urging them to fight the bill, the utility wrote that if the SB152
succeeds, ‘Merrimack Station will close,’ forcing PSNH to replace its output with power that's more expensive and which ‘could come from sources less environmentally friendly than the enhanced Merrimack Station.’ PSNH ‘will probably sell off all of its power plants’ if the bill goes through because of its financial repercussions.

The regulatory scheme, and controls
The General Court mandated in 2006 that PSNH, the plant owner, install the wet scrubber to cut down on mercury emissions by the year 2013, a cost for which the ratepayers will eventually pay. The New Hampshire Public Utilities Commission questioned the necessity of the project given the price increase, but on 19 September 2008 concluded it did not have jurisdiction because the General Court’s bill in 2006 had already decided the scrubber was in the public interest. Hirshberg’s group has appealed the PUC decision to the state Supreme Court, but a decision there is months away.¹

Using limestone to clean the emissions will reduce mercury to 20% of its current level, and as a side benefit sulfur dioxide to 10%. At the time of the NHPUC decision, spokesperson Martin Murray said PSNH wanted to complete the scrubber, equal in size to the existing plant, ahead of the 1 July 2013 deadline to qualify for potential incentives that could alleviate some of the cost.

By February 2009, PSNH had more than 60 workers constructing the facility, roughly half-done. Another 250 workers will be added to the project in the coming months. The utility, said Martin, has spent or has signed contracts for about $230 million.

Closing the plant?
PSNH President Gary Long, a member of Governor John Lynch’s energy task force, said he is generally supportive of coal power alternatives such as wind and solar. But he argued that technology is “decades” off and plants like Merrimack Station are needed to bridge that gap. Furthermore “if we stopped now, we’d have to shut the plant down ... customers would be paying half for something and not getting anything (in return).”

Long pointed out the company is already involved in two “sizable” renewable projects: the 50MW Northern Wood Power Project at Schiller Station in Portsmouth ² and a dozen-turbine wind farm in Lempster.³ He added PSNH is always interested in small-scale renewable projects when opportunities arise.

State Senator Ted Gatsas, representing Bow in the General Court, has said closing Merrimack Station would be a detriment to the town of Bow and to PSNH ratepayers, who would see their rates increase even more drastically the longer the project was put off or if the plant were closed.

Using Appalachian coal?
PSNH spokesperson Martin Murray said on 3 March that currently the plant burns 1.2 million tons of coal each year to power two steam turbines; about 60% is railed from Appalachia, and 40% arrives by ship from Venezuela (half of that is moved by truck from PSNH’s Schiller Station in Portsmouth, half by PW and ST after arriving in Providence). The offshore coal has a lower sulfur content which lowers Merrimack emissions as much as possible. To meet current SO2 requirements, PSNH also buys SO2 allowances from the market.

Merrimack Station also has two combustion turbines powered by aviation fuel (truck-delivered) which fire up

---

¹ On 23 January 2009 the Supreme Court accepted the case and asked NHPUC to filed a certified copy of the record by 24 March. (NHSCt Order in Case No. 2008-0897) Carmelle Druchniak, Stonyfield spokesperson, wrote: ‘[T]he Commercial Ratepayers Group is NOT opposed to the plant operation. It merely wants a second look at the scrubber project, its costs and whether this is a logical upgrade, given the impact on ratepayers.’ (e-mail to ANR&P 3.Mar.09)

² PSNH had to fight ST for the right to build a pipe over ST’s Newington branch to move the chips. See 05#07A. Schiller also has two coal-fired boilers and turbines which each produce another 50MW. The coal for Schiller all comes from overseas.

³ According to PSNH spokesperson Martin Murray, Lempster is owned by Iberdrola, a Spanish firm. The utility partnered with Iberdrola by building a connection to the electricity grid, and has since agreed to purchase the output. Nominally, the turbines can produce 24MW, but operate at 30-35% efficiency translating to an effective 9MW, roughly.
in an instant to meet spikes in demand.

After installation of the scrubber, Merrimack will burn much more Appalachian coal and much less Venezuelan coal, but the total amount of coal will remain the same. PSNH has installed a new turbine at Bow which will produce the same amount of electricity as the old ones, with less coal. Martin said that the legislature okayed the production of more power using coal, “as long as the net gain is used to power the scrubber.”

**Rail impact with and without Bow**

If Bow continues to operate, ST can expect more rail traffic than the current thousand carloads because the trucking of offshore coal from Schiller will drop substantially. PW, which has railed coal out of Providence for Mt. Tom as well as Bow [see 06#03A], will lose the coal move over Providence.

Martin said the limestone would arrive by rail from a source not yet determined. “We imagine one or two deliveries per month [two to four cars a month total], depending on size of the car sets.” If Bow ceases to function, said Murray, some local Chambers of Commerce believe that ST would cease to serve New Hampshire. That move would not only damage other rail shippers, but could affect the future commuter rail service as well. {ANR&P discussion with Martin Murray 3.Mar.09; Long and Murray at separate meetings of the editorial board cited by Jason Claffey in *Foster’s Daily Democrat* 11.Feb.09; Jenn McDowell in *Bow News* 9.08; Farrell Seiler, president of the New Hampshire Wind Energy Association in *Concord Monitor* 11.Feb.09; editorial of *Concord Monitor* 25.Jan.09; Tom Fahey in Manchester *Union Leader* 1.Mar.09; David Brooks in *Nashua Telegraph* 22.Feb.09}

**Bill status**

The bill to limit cost reimbursement to $250 million, HB496, remains in the House Science and Technology Committee.

The bill to study the full cost, SB152, remains in the Senate Energy, Environment, and Economic Development Committee. {legislative website}

**NHDOT on rail**

NHDOT Commissioner Campbell wrote in response to a query about recent meetings with ST President David Fink that ‘NS and PanAm came to talk about the Patriot Corridor and the coal movement. Craig Lewis of NS [vice-president of corporate affairs—editor] accompanied Mr. Fink. No real discussion of commuter. I want NH to understand the value of the interest from a railroad like NS.’ {e-mail to ANR&P 4.Mar.09}

Kit Morgan, the department’s rail administrator, said that NHDOT Commissioner Campbell “is well aware of the importance of freight on the line” which would carry the proposed commuter service. “There’s definitely a connection between viable freight and passenger operations.” Campbell has as “a top priority moving more freight to rail, and taking coal away would be going in the opposite direction.” {ANR&P discussion 4.Mar.09}

**RHODE ISLAND**

### SVT: NO RAIL FOR ELECTRIC BOAT*

10 February, Davisville. **ELECTRIC BOAT WILL LEASE A WAREHOUSE FOR STORAGE OF MATERIALS.**

The board of directors of the Quonset Development Corporation approved leasing the 125,000SF building on the Davisville waterfront to the company for at least the next five years. Under the agreement, Electric Boat will pay $418,000 a year for the warehouse, which was most recently occupied by PODS, a company that supplies storage containers for moving. As a result of the deal, the Town of North Kingstown will receive $63,000 annually in payments in lieu of taxes. {Quonset News}

**But no rail**

Bruce Hamilton, president of Seaview Transportation, the industrial railroad serving the park,, wrote on 5 March: ‘The track to Building 319 [the one EB is leasing] in Davisville was removed two or three years ago and I have no
reason to believe that it will be re-installed. And I have heard nothing to indicate that EB would want rail service there anyway.”

Hamilton explained that EB last used rail in 1997, when it received four cars. ‘At one time they were our largest customer, revenue-wise. They have made several inquiries about rail service since then for various projects but nothing ever resulted from them. Just before they abandoned rail service they upgraded their track between their gate and the plate yard, most of which ran through a paved area. When they stopped using rail they tore the rails out of the plate yard.

‘At the time they changed over to truck, EB was getting their plate from Lukens in Coatsville, Pennsylvania. They used a Travelift with magnets to unload cars and trucks. Some of the plate would not fit flat on a car so it was loaded on edge, at about a 45-degree angle. This was hard, and, potentially at least, dangerous to unload. One problem was that the track under Lonsdale Avenue in Pawtucket was too close to a retaining wall to clear anything over about 11 feet wide. That was corrected during the Freight Rail Project, I believe.

‘Another reason might be that, since the Navy cut orders for submarines, [EB] didn't want to buy in large quantities. Their plate yard took up quite a bit of space. And, of course, they might just have wanted to go "Just In Time".’

**Praise for QDC management**

Hamilton continued: ‘Our business, like most others these days, is suffering. Our volume, and revenues, are, at this time, down something like 50%. But I have reasons to believe [he declined to elaborate--editor] that we will end up with a pretty good year. One reason for hope is the current QDC management. In my opinion they (Steve King and Evan Matthews, among others) are running the most business-friendly operation I have seen in the 20 years I've been here.’ {e-mail to ANR&P 5.Mar.09}

**RHODE ISLAND PORT STUDIES**

2 March, Providence. WHAT’S THE STATUS OF THE LEGISLATIVE COMMISSION ON THE FUTURE OF THE STATE’S PORTS?  In January, the General Assembly requested the study, created the commission, and appointed senators and representatives [see 09#01A].

State Representative Peter Kilmartin, the House chair, wrote on 12 March: ‘We are having an organizational meeting on March 19. We will set a date to tour the ports then, hopefully within a week or two of that. No set schedule for hearing dates, they will be posted at least 24 hrs in advance.

‘We have not decided yet on [whether to hire] a full time consultant,’ but he expected to decide ‘very soon.’ {e-mail to ANR&P 13.Mar.09}

Chris Hunter, spokesperson for the Providence Working Waterfront Alliance, mentioned two other studies:

**Marketing study on the role of ProvPort**

The state Coastal Resources Management Council (CRMC) has a draft chapter as of April 2008 of the Metro Bay Special Area Management Plan entitled ‘Working Waterfront, the Port, and Water-Dependent Uses.’ It states in part:

‘More research is necessary in order to answer questions about the role of the port in the context of other much larger East coast and will be handled, what facilities are needed, and how must port business by conducted in order for the port to become competitive? What other new markets could the Port of Providence serve? What new uses will require access to the deep-water channel for this period? What is the relationship between ProvPort, the petroleum facilities in East Providence, Quonset/Davisville and other marine facilities in Narragansett Bay?’

**Marine inventory**

The University of Rhode Island Coastal Resources Center and the Rhode Island Statewide Planning Program are conducting a study entitled ‘Rhode Island's Ports and Commercial Harbors: A GIS Inventory of Current Uses and Infrastructure and Recommendations for Future Enhancement.’ {ANR&P discussion}
VERMONT

AMTRAK: NEW YORK PLANS*
10 March, Albany. THE NEW YORK STATE RAIL PLAN PROPOSES CONSTRUCTING AN AMTRAK STATION IN MECHANICVILLE to serve the ‘rerouted Ethan Allen Vermont-subsidized Amtrak service in Pan Am Southern Railways territory.’ Cost is estimated at $8 million, coming from federal, state, and Amtrak funds. {text of State Rail Plan issued 10 March, Appendix B}

QUEBEC/MARITIMES

HALIFAX: CN SHORT*
3 March. CERES HAS ENOUGH IMPORT BOXES FOR THREE TRAINS BUT THE BOXES CANNOT MOVE. A lack of railcars at the Port of Halifax is attributed to growing backlogs. A CIFFA (Canadian International Freight Forwarders Association) Member has provided the following update:

“This morning Ceres Terminal is reporting a worsening rail car shortage in Halifax. Today (March 3), Ceres Terminal is planning to load import containers (from all lines) to the 4,000 Ft of rail cars that are available. Even after this work is accomplished, a deficit of 17,000 Ft of rail cars (the equivalent of almost 3 trains) remains, and will be required to move the import traffic grounded at Halifax.” {CIFFA Bulletin 4.Mar.09}

CN RESPONSE
4 March. UNFORECAST DEMAND LED TO THE LACK OF EQUIPMENT IN CERES, wrote CN spokesperson Mark Hallman. ‘The issue raised in the CIFFA bulletin is one of unforecasted demand, not a CN one. CN service to the port remains good and unchanged and car supply is adequate for demand. In fact, there is a surplus of cars at Halterm.

‘As I said, the issue is one of unforecasted demand. A vessel for Ceres which was forecasted last Friday at 12,000 feet came in this past weekend with 14,600 feet of container traffic for CN, while another vessel forecasted at 3000 feet came in with 4500 feet of container traffic.

‘To handle this unforecasted demand, as well as regular demand, CN taking several initiatives, including moving surplus cars to Ceres from Halterm, as well as taking some cars out of storage and putting them into service. CN expects ground counts at Ceres to be addressed shortly.’

‘CN takes its service commitments to the Port of Halifax very seriously and is working continual with the port to draw new business to it.’ {e-mail to ANR&P}

HALIFAX/CN: NO TRUCKS IN CUT*
4 March, Halifax. A REPORT EXAMINING THE FEASIBILITY OF DEVELOPING A ROADWAY INTO THE CN RAIL CORRIDOR TO CONSOLIDATE TRUCK AND RAIL SHIPPING said costs are too high from a Gateway perspective. The report estimated the project would cost more than $220 million.

“Using the existing corridor for commercial vehicles and public transit has been studied at a high level, but this was the first detailed study that looked at all aspects and provided a full costing of the project,” said Brooke Taylor, Minister of Transportation and Infrastructure Renewal on behalf of Angus MacIsaac, Minister responsible for the Atlantic Gateway. “This report gave us the valuable information needed to make the right decision about this proposal. We will continue to identify opportunities to improve the competitiveness of our province's assets with Nova Scotia's Gateway partners.” {NSDOT press release}

The report, leaked earlier [see 09#02B], came from McCormick Rankin Corporation, in association with Canmac Economics Limited and O’Halloran Campbell Consultants Limited. It is available on the web. {integratedcorridor.com}
CN: ABANDON DALHOUSIE SPUR*
19 January, Montreal. **THE RAILWAY LISTED, IN ITS THREE-YEAR PLAN, THE DALHOUSIE SPUR** as “discontinue.” The line has no more traffic.

Also, it anticipates abandoning the Saint-Malo spur, on the former QGRY, a length of 1.5 miles in Montreal. {CN website}

YARMOUTH NS*
2 March, Yarmouth NS. **THE PORT AGAIN SUGGESTS STATIONING US BORDER CLEARANCE** capability in Yarmouth [see 08#06B], a recommendation from a comprehensive study released this day. The study envisions Yarmouth as an international gateway to Nova Scotia.

The border clearance would aid the creation of an intermodal corridor in which year-round ferry service would transport truck traffic between New England and Nova Scotia. {Ed Morin in Maine Public Radio}

SYDNEY*
9 March, Halifax. **LAURENTIAN ENERGY CORPORATION REGISTERED THE SYDNEY HARBOUR ACCESS CHANNEL DEEPENING AND SYDPORT CONTAINER TERMINAL DEVELOPMENT PROJECT** for environmental assessment [see 09#02B], in accordance with Part IV of the Environment Act.

‘The purpose of the proposed undertaking is to dredge a navigation channel in Sydney Harbour and develop a marine container terminal facility in the Sydport Industrial Park, located in the Cape Breton Regional Municipality, Nova Scotia. Dredging is expected to take three months to complete and is tentatively scheduled for Q4 2009/Q1 2010. The Terminal is expected to be operational by the end of 2010.’ {text from Nova Scotia Environment}

CBNS/SYDNEY: LIMITS ON COAL*
26 February, Halifax. **THE PROVINCIAL GOVERNMENT PROPOSED NEW LIMITS ON EMISSIONS FOR NSPI**, in a discussion paper it released this day. Environment Minister David Morse is asking for Nova Scotians' comments on government's proposed regulatory framework. The Environmental Goals and Sustainable Prosperity Act commits the province to reduce greenhouse-gas emissions to at least 10% below 1990 levels by 2020. It also calls for significant air pollutant reductions. The province's approach to achieve these emissions reductions includes absolute caps on emissions from electricity producers.

In keeping with its climate change action plan, the government is proposing regulations that will require Nova Scotia Power Inc. to cap greenhouse-gas and air-pollutant emissions at 9.7 million tonnes in 2010, at 8.8 million tonnes in 2015, and 7.5 million tonnes in 2020. That is a total reduction of 2.5 million tonnes, down from about 10 million tonnes produced by NSPI in 2007. Since the electricity sector represents about 50% of Nova Scotia's greenhouse-gas emissions, NSPI's reductions should be about half of the provincial reduction target. These caps will ensure that happens. {text of government announcement}

Impact on coal burning
Joshua Bernstein, senior policy advisor for climate change at Nova Scotia Environment, said on 27 February that comments on the framework were due on 31 March, and would become publicly available in mid-April.

“This does not mean there is no future for coal.” Future technology such as carbon capture, not yet proven, could permit the four NSPI coal plants (Point Aconi, Lingan, Point Tupper, and Trenton) to burn coal and still meet the proposed requirements. Dalhousie University in Halifax is doing research on that. But the government does intend that the province “start to diversify to cleaner and more renewable forms of energy.” {ANR&P discussion}

Effect on railway and port
The provincial government is subsidizing rail service to Sydney in part banking on the revival of coal mining in Donkin and its move by rail. Moreover, the government just announced a $2 million grant to advance dredging of Sydney harbor [see 09#02B], which
will assist the importing of coal for NSPI plants. Should the regulations take effect and NSPI not come up with a means to burn clean coal, CBNS would not be moving Donkin coal to Point Tupper or Trenton, nor would Sydney be welcoming large ships bearing coal. {Editor}

RAIL FREIGHT FACILITIES

Described in this issue.
Our Directory of Rail Freight Facilities in New England has more information on the companies denoted with their directory number.

Allied Waste (CSXT Massachusetts #225) Loss of waste?
Ceres (CN, Nova Scotia) Not enough equipment.
Domtar (ST, Maine #850) Closed indefinitely.
Intransit Container (PW, Massachusetts) Service cut.
Katahdin Paper (MMA, Maine #790) No. 5 back on line.
Mechanicville auto/intermodal (ST, New York) coming.
PSNH Bow (ST, New Hampshire #91) Calls to close.
Schnitzer (ST/CSXT, Massachusetts #194, 213) New scale.

PEOPLE

Peter Valade, who at RailAmerica had responsibility for the strategic planning and growth of CSO, NECR, and CBNS among other railroads, has completed a two-year stint at Canadian Pacific. He is now looking for another position in the rail industry.

Carl Martland, former professor of logistics at the Massachusetts Institute of Technology, after his retirement in June 2007, ‘is undertaking some writing (working on a textbook on project evaluation aimed primarily at engineering sophomores) and consulting (most recently regarding the operating benefits for the CN/EJE proposed merger, for CM2020, a business/transport advocate for Chicago).’
Frequency and the e-bulletin

*ANR&P* appears at least four times a month. We send a formal issue twice a month, via post or e-mail. Between the issues, we send out the *e-bulletin*, only by e-mail. All information in the *e-bulletin* is included, and often updated, in the issue.

Stories not updated for the issue are noted with an asterisk. I urge readers to look at the issue’s updated stories (those without an asterisk).

Readers building a personal archive of the newsletter should discard the e-bulletins. All subscribers have access to the newsletter archive on the web, via password, at [www.atlanticnortheast.com](http://www.atlanticnortheast.com). If you do not have a password, merely request one from me.

Pricing

Subscriptions cost $395 for professionals, $115 per year for students, young and old. (Subtract $30/year for e-mail). Introductory prices available. The *e-bulletin*, sent by e-mail at least weekly between issues, is free of charge to all subscribers.

Advertising

Subscribers may purchase half-page ads for $100 per issue. Non-subscribers, $200.

Copyright notice

PLEASE DO NOT COPY THIS NEWSLETTER, or forward it in e-mail format, in whole or in part. You receive it as a paying subscriber, or a potential subscriber. Passing it on without explicit permission of the editor violates copyright law, and diminishes the likelihood of our staying in business.

**HOWEVER,** anyone may quote bits of articles, with attribution, under the fair use doctrine.

Purpose

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

E-ISSUE