

MRG, Inc. (Maine Rail Group)
A non-profit group working to enhance rail service in Maine
P.O. Box 5494, Augusta, Maine 04332

January / February, 2010

Dear Members and Friends:

Membership

A very happy and prosperous New Year to all!

Special thanks to the many members who renewed their memberships in late 2009, helping us move toward a uniform calendar-year dues cycle. We recognize that in doing so some members paid dues twice in 2009. We appreciate your understanding and cooperation. Thanks also to those who donated amounts beyond annual membership dues of \$25. These donations increased direct membership financial support by 10 % in 2009 vs 2008, although some of this increase is due to advance dues payments for 2010 late last year.

Welcome to new members Bowdoin College of Brunswick, Maine and Lance Erickson of Gilbert, Iowa who joined MRG, Inc. in December.

Transportation Conference – 2009

MRG, Inc's formal outreach activities for the past year ended with our booth at the 59th annual Transportation Conference sponsored by MaineDOT, Maine Better Transportation Association and Maine Chapter - Society of Civil Engineers at the Augusta Civic Center on December 3rd. Dave Potter, Russ Barber and Jack Sutton manned the booth where copies of our New England rail map were distributed to many interested contacts during a busy day.

Donations By MRG, Inc.

At its meeting on November 20th, the MRG, Inc. Board voted to award grants to TrainRiders Northeast, Downeast Scenic Railroad and the new Belfast & Moosehead Lake Railway c/o Brooks Historic Preservation Society, all non-profit organizations.

TRNE, under Wayne Davis' leadership, is a long-time champion for high quality scheduled passenger service in Maine. Their tenacious dedication to that goal has now given Maine five daily Downeaster round trips between Portland and Boston, with realistic prospects for extending scheduled passenger services northward from Portland in the future.

Downeast Scenic Rail, led by Tom Testa, shows remarkable progress toward restoration of excursion passenger service on the remaining Calais Branch segment between Brewer and Washington Jct. in

Ellsworth. Their team of dedicated volunteers has returned four miles of track and crossings westward from WJ to serviceable condition. Two operational diesel locomotives and several passenger and freight cars are on site. A temporary fabric-covered building is erected at WJ to facilitate all-weather restoration and maintenance work on rolling stock. Prospects are bright to begin excursion revenue service by summer 2010.

Brooks Historic Preservation Society, Joe Feero, President, brought the Belfast and Moosehead Lake Railroad back to life, starting with excursion trips from Brooks in 2009. The group seeks to regain operating rights to a point convenient to downtown Belfast (see separate letter this issue), and to maintain active interchange with Pan Am Railways at Burnham Jct. MRG, Inc. directors Russ Barber and Bob Holland are active with B&ML.

Recent sales of MRG, Inc's three passenger cars allow our group to extend financial help to these organizations, whose interests align closely with ours and whose efforts demonstrate serious purpose and tangible results. With MRG, Inc. no longer directly involved with rail car restoration we believe that our goals to preserve and restore passenger rail services will be advanced by supporting the work of like-minded non-profit groups that are engaged hands-on. With support of our membership, we hope to continue and expand such assistance to worthy Maine groups within our capacity to do so.

MRG, Inc. New England Rail Maps

The 2010 edition of our rail map is in final editing and our goal is to have it printed and laminated in time to offer at the Amherst Railway Society show in late January. An image of the map will be posted at our new website. Prices for individual and quantity purchases will be available when printing costs and USPS postal rates are confirmed..

CP RAIL's Holiday Train – Bill Crosby Reports;

Bill Crosby left the MRG, Inc. board late last year. We're fortunate that he remains a member and keeps in touch. Bill and Pat live in Plattsburgh, NY near the CP RAIL rail line there. He regularly reports on passage of the CP Holiday Train at Christmas time. This year he emailed the following, although his attached images are omitted since this b&w format does not do justice to the illuminated outlines of the passing cars.

The Canadian Pacific Holiday Train starts in Scranton, PA and then comes up the route of the (Amtrak) Adirondack to Montreal...(all this the former

D&H route)... a food shelf donation event...I usually go into Plattsburg to the station to see it..all the people...big event...a box car opens up as a stage for a mini holiday concert...plus Santa.

These (images) were taken out behind our home...we are about six hundred feet from the tracks on a ridge looking down on a hayfield out to the tracks...where we run our dog...and I went out last night in hazy moonlight to the tracks to just get the blur...an engine and some 15 cars...some freight and four or five passenger cars...which will continue on to the West Coast in the coming weeks...I think one section goes through Canada but another drops down to the US once they pass the Great Lakes...Lots of good PR.

Oh yes...the single track behind us is the mainline from Montreal to Albany and on to NYC. We get many freights both ways each day plus one Amtrak train a day both ways...the Adirondack! This is CP RAIL now but Norfolk Southern runs freight trains here too...and we have sometimes seen CN trains...plus locos from all major roads, so you look to see what engines are on each freight. The American Orient Express once came here for a few years in the fall...plus other excursions...always interesting.

Good to know about the Belfast and Moosehead Lake. I would think it would be a real asset to Belfast downtown.

Bill

Bill's email address is: crobillpat@westelcom.com

MRG, Inc. Website

Webmaster Dave Potter is putting the finishing touches on our new website, <http://mainerrailgroup.org>. He expects it will be on line later in January.

Amherst Railway Society Show

The annual ARS show takes place at the "Big E" fairgrounds in West Springfield, Massachusetts on the weekend of January 30 / 31. For the 10th year running, MRG, Inc. is signed-up for space in the Young Building. Finally this year we'll have two tables instead of our usual one to offer New England railroad maps, donated railroad books and memorabilia, and informational literature on Maine's Downeaster service and other Maine railroad groups. Dave Potter, Russ Barber and Jack Sutton will tend the display, where we look forward to meeting old and new friends and responding to questions about Maine railroad issues. See you there!

MRG, Inc. 2010 Annual Meeting

Please reserve Saturday, May 15 for our 2010 Annual Meeting. We have tentatively settled on returning to Rockland, with meeting and lunch at a local facility followed by a ride on Maine Eastern Railroad with a side trip to the Rockland waterfront on the Wharf Branch.

Program and sign-up information will be available shortly.

Kindly let us know if you and guests plan to participate, and if you're interested in special lodging rates in the Rockland area (should they be offered). Your early input will help us plan.

Dining Car at Conway Scenic Railroad

Paul Hallett of CSRR confirms that work on our former dining car #492 is resuming as their crew becomes available after close of the 2009 operating season. We look forward to organizing an event with CSRR for our members to enjoy use of the restored car when it re-enters service – hopefully during 2010.

No Stimulus Funds for North East Corridor

The Boston Globe (12-17-09) reports that the NEC will not receive stimulus funds to improve high-speed capability during the current round of grants. The Federal Railroad Administration previously ruled that improvements needed to raise speeds significantly within the corridor will require environmental study by FRA, which are expected to take several years, removing them from stimulus consideration now. That conclusion may be challenged in legislation for future federal railroad funding.

Maine TIGER Grant and Stimulus Railroad Proposals

MaineDOT now advises that FRA's response to TIGER grant proposals is expected in February. Maine's TIGER proposals for freight rail include funds for the following:

- Rehabilitate certain MMA tracks in northern Maine to remove threatened abandonment of rail service to that region.
- Rehabilitate idle state-owned track between Rt. 1 in Calais and Ayers Junction in Pembroke; restore missing track on the former Eastport Branch alignment from Ayers Jct. to Rt. 1 in Perry; upgrade in-service track and its connection to state-owned track at Rt. 1 between the international crossing in Calais and Woodland (except for that segment in Canada lying north of the St. Croix River). This project would provide rail service within economic drayage distance from the Port of Eastport and upgrade rail access to Woodland to support industrial retention and development there.
- The Port of Eastport also seeks funds to provide bulk loading facilities, including a conveyor system, for products such as pelletized wood fuel and wood chips.
- Rehabilitate idle state-owned track on the former Maine Central Mountain Division between Westbrook and Fryeburg.
- Rebuild the bridge between Kittery and Portsmouth to keep rail service to the

Portsmouth Naval Shipyard.

Searsport

Prospects for developing a portion of Sears Island as a rail-served container port were set back in late 2009 by lack of positive response to any of MaineDOT's requests to 50 potential bidders for proposals to develop the property. MaineDOT explains that this result is due to the deep economic recession and indicates that the long-range goals for this project will be pursued.

Pollutant Tests Negative for Locos at Rockland

Some neighbors near the Maine Eastern Railroad station in Rockland have complained about noise and health risk from locomotives idling in that location. The City of Rockland engaged GEI Consultants, Inc. of Falmouth to study the railroad's environmental impacts. The first of two air monitoring events were reported to the City by GEI project manager Todd Coffin on December 10.

Data was gathered in late October from three monitoring sites surrounding an idling engine. According to Coffin, there was no detection of formaldehyde, nitrogen dioxide or diesel particulate above laboratory reporting limits. The exhaust was observed to disperse before reaching the three monitoring stations. A second test will be done on a warm day in late spring or early summer. The City appropriated \$35,000 for the study. (Condensed from The Herald Gazette, by Stephen Betts Dec. 16, 2009, via Knox.villagesoup.com/news.)

Passenger Service Portland Northward

While we anxiously await federal response to Maine's stimulus proposal to extend Downeaster service to Brunswick, State Rail Plan outreach highlights western Maine interest for passenger and freight rail services. It's natural for competitive interests to arise and to place highest priority on local opportunities.

The Portland-Brunswick project has the advantages of existing terminal facilities at both ends, connection by in-service track, the opportunity to use an existing operator (Amtrak) and available rolling stock more effectively, and it serves Freeport with its high density passenger potential. Brunswick is the focal point for service to Rockland and Augusta or beyond.

Conversely, passenger service to Lewiston-Auburn requires resolution of several open questions to reach an actionable proposal. These include terminal locations in Portland and in the L-A area, specific route selection with service extension potential, prospective operator and equipment decisions, refined estimates of capital and operating costs and revenue sources, non-fare-box funding sources and expected regional economic benefits.

A comprehensive proposal that resolves these issues, coupled with broad public support offers the most effective way to present the case for passenger service for Lewiston – Auburn and beyond. .

Maine State Rail Plan

A second meeting of the Technical Advisory Committee for the State Rail Plan was held on December 1. Since then further public outreach meetings were held in December at Portland, Bangor, Lewiston and Presque Isle. It's now expected that the draft plan will be presented by the consultant for MaineDOT review early in 2010.

Finally Lewiston – Lower Branch Freight

Remember our annual meeting excursion with Maine Eastern Railroad in 2007, including the run on the Lewiston – Lower branch from Brunswick to Lisbon Falls? Well, freight movements finally returned to that line last December. Pan Am Railways has already delivered three 10-car strings of open-top cars for loading out-bound scrap to the Grimmel facility at Pejepscot in Topsham Scrap metal movements are expected to continue from there, according to MaineDOT's Nate Moulton. He is optimistic that other rail freight prospects exist further northward on the Lewiston-Lower branch and they are being explored.

This success helps to underscore the value of state rail investments under the Industrial Rail Access Program (IRAP), aimed at industrial retention and economic development based on rail . (Ed)

NH Bill Would Limit Passenger Rail Funding

New Hampshire House Bill#1521 introduced to the 2010 legislative session would prohibit the NH Rail Transit Authority from proceeding with any commitment for passenger rail service until the treasurer certifies that no state-funded subsidy will be needed for at least 10 years after the expiration of any federal or other subsidy which the state may receive..

This apparent anti-rail legislation ignores the massive governmental support and subsidies upon which the public road and highway system now depends. Those include legally mandated tolls, fuel taxes, excise taxes, registration fees, police services, bonding and general fund appropriations backed by property taxes. Two fundamental trends, coupled with political abhorrence of tax increases, clearly forecast that user-based fuel taxes can no longer keep pace with escalating costs to maintain roads to acceptable standards of safety and use.

First, increasing fuel efficiency standards and foreseeable conversions to electric powered vehicles place downward pressure on fuel tax collections. Second, the per-mile expense to build and maintain roads and bridges is being driven upward by material

and labor cost escalation, plus deterioration from age and deferred maintenance that cannot not be fully offset by technical advances and operating efficiencies.

Availability and use of rail corridors for passenger rail services attracts large numbers of people from private cars to public transportation. It relieves pressure on the public road system, encourages economic development throughout rail-served regions and leads to improved freight rail services where freight and passenger trains operate on the same improved lines. Modern passenger rail services, coupled with intermodal facilities with adequate parking and transit connections for efficient door-to-door travel represents sound public investment in transportation efficiency and for regional economic development. (Ed.)

Belfast & Moosehead Lakes Railway

(Condensed from a letter to Bangor Daily News and Republican Journal editors by Russ Barber, MRG, Inc. Director and B&ML Railwayactivist)

"The Brooks Preservation Society (BPS) is proposing that the Belfast & Moosehead Lake Railway return to downtown Belfast. The BPS has leased the rail bed between the Penobscot McCrum property and Burnham and will present its case for space on the Belfast waterfront to the City Council on January 5th. I urge the public to support their efforts."

"Re-establishing this historic railway from downtown to the rest of the national rail system could be one of the most important decisions we make for the long-term health of our city. We are not wise enough to know how important that connection may be 10 to 40 years from now. Global warming, a crumbling highway system and changing economic patterns may find us in a world that looks quite different from where we are now."

"Tourist railways attract a lot of visitors and a non-profit operation such as BPS proposes will attract private donations. Cross-connections between cruise ships, tour boats and tour buses will strengthen each other and grow. Business will become stronger and provide jobs".

"Reconnecting the railroad to Belfast is important to Waldo County. This county is especially poor and Belfast is its hub. It is possible that the economic factors that kept the B&ML running for 130 years into the 1990's will resurface, to the benefit of all. Should we fail to reconnect our downtown to the railway corridor while our downtown is in flux we may lose any option to reconnect it in the future. The ripple effect of failure now may be abandonment of three miles of railway within our city, which could result in return of the right-of-way to abutting landowners or very expensive

legal efforts to retain this r-o-w for the city's future. A healthy railroad will avoid that possibility."

"There is little risk or downside to returning the railroad to downtown and great potential for a better city if we succeed. As we consider this opportunity, I urge our elected officials to focus not on the few obstacles standing in the way of a rejuvenated railroad but to look ahead. The days of railway decline are over in America. The Obama Administration is funding rail expansion and Warren Buffet has bought the second largest railway in North America. The ripple effects are yet to be felt in our snug city by the bay, but railroads' time is returning. Let us not miss the opportunity to secure the option for our future."

Railex Featured in TRAINS Magazine, Feb. 2010

Two years ago this month this newsletter included an article on Railex's partnership with UP and CSX to move fresh produce from Washington State to a climate controlled warehouse in Rotterdam, NY in dedicated trains of modern 64 ft./7,000 cu. ft. mechanical refrigerator cars operating on rigid schedules. The February, '10 issue of TRAINS magazine, in "Taking on Trucks", features how this service has expanded to four weekly trains, each making two round trips per month, and carrying a variety of products from potatoes to apples to wine in sections from Wallula, WA and Delano, CA, combined at Green River, WY.

How about a mini-version of this service between Presque Isle, ME and Rotterdam to recapture some of Maine's potato and broccoli business? (Ed.)

Mark Your Calendars

- **MRG, Inc. meeting dates for 2010;**
Friday, Jan. 22
" Mar. 26
- **Saturday, May 15 Annual Meeting and Train Ride, Rockland, ME Meeting location and schedule TBD.**
Friday, July 30
" Sep. 24
" Nov. 19 (location change pending)

Except for the Annual Meeting, these meetings are scheduled for the Hallowell City Hall. Those planning to attend should check in advance for any changes.

- ARS Show – Jan. 30/31, "Big E", W. Springfield, MA
- New England Railroad Club Expo and meeting – Mar. 23, Worcester, MA

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MRG, Inc. is a non-profit corporation dedicated to railroad education and to enhanced rail services in Maine and New England. Membership is open to everyone who shares our goals and interests. Annual dues are \$25. Regular meetings are bi-monthly. Inquiries are welcome.