

**MRG, Inc. (Maine Rail Group)**  
**P.O. Box 5494, Augusta, Maine 04332**

<http://mainerailgroup.org>

*A non-profit group working to enhance rail service in Maine*

**March / April 2020**

**Membership**

With Dave Potter's move to Massachusetts, MRG, Inc. directors Ed Hanscom and Stan Koski are sharing his duties to check the Augusta PO box, respond to correspondence and banking. Dave continues to represent the group with other shows and events when possible. He will transfer his website duties to a successor when chosen.

**MRG, Inc. Website Manager needed**

Volunteer duties include design and updating with professional help and coaching from within. Please contact via our mailing address or email [info@mainerailgroup.org](mailto:info@mainerailgroup.org).

**Joint Meeting with MIT Club Postponed**

This year's annual meeting had been planned as a short part of a joint meeting with the MIT Club of Maine at MIT in Cambridge, MA. We anticipated chartered coaches on *Downeaster* trains between Brunswick and Boston, including all Maine stops. MIT Club President Bill Bisson was arranging with MIT for local transportation from Boston's North Station, meeting facilities, food and a guest speaker on a topic of current railroad interest.

This event is now postponed to a less uncertain time, given reports that the covid-19 epidemic is now active in the U.S., with its accompanying risk factors for group gatherings and for older adults. An MRG, Inc. annual meeting in June at Boothbay Railway Village remains an option.

Information about MRG, Inc.'s 2020 annual meeting will be distributed following the directors' meeting scheduled for March 18<sup>th</sup>.

Meanwhile, please tell us your interests.

**Class I operating ratios reach new lows In 2019**

**CSX leads with figure of 58.4 percent**

*TRAINS.COM, by Bill Stephens, Feb. 28,2020 (italics)*

*The operating ratio at every Class I railroad fell below 65% for the first time in 2019 as the industry average improved to an all-time low of 61.9%.The increased profitability came as overall industry revenue was down 2.3% with four of the seven Class I systems reporting lower revenue.*

*CSX Transportation, at 58.4%, won the operating ratio crown for the second year in a row and became the first U.S. railroad to post an operating ratio below 60%. The operating ratio measures the percentage of revenue*

*that's consumed by operating expenses. The industry average operating ratio improved 3 points in the past five years and 9.7 points over the past decade, according to Trains News Wire analysis.*

*Independent railroad analyst Anthony B. Hatch, who coined the term "Cult of the Operating Ratio" for Wall Street's hyperfocus on the efficiency metric, says Precision Scheduled Railroading (PSR) has made the industry far more productive. The six railroads using the late E. Hunter Harrison's PSR operating model are moving tonnage in fewer but longer trains, meaning they don't need as many crews, locomotives and freight cars – or as many mechanical forces to maintain smaller equipment fleets. Class I railroad employment in the U.S. reached record low levels in 2019 due to the combination of a traffic slump and PSR operational changes. Overall, Class I rail employment fell 11% last year, according to railroads' regulatory filings with the U.S. Surface Transportation Board.*

*The continued decline of coal traffic, along with a freight recession tied to trade and political uncertainty, posed a "confidence check" in the industry last year, Hatch says. "And yet the railroads are in really good financial condition," he says. The lower operating ratios put railroads in a better position to make investments in technology in an effort to catch up to the trucking industry, Hatch says. And the increased profitability also means railroads should be able to make investments that can help make continued improvements, he says. But there is a danger in pushing operating ratios too low. "We're beginning to think that an operating ratio of 60 or slightly below is optimal," Hatch says. Go much lower, Hatch says, and a railroad may become so efficient that it does not have the capacity for growth and could wind up chasing away business – all while raising the risk of regulatory intervention from an increasingly active Surface Transportation Board.*

*Canadian Pacific's operating ratio was 59.9% last year and Union Pacific is on track to join the sub-60% operating ratio club this year. Its operating ratio was below 60% for the final nine months of 2019 and stood at 60.6% for the year. UP has a long-term operating ratio goal of 55%.*

*A better measure of a railroad's financial success, Hatch contends, is return on invested capital, or ROIC. UP and Canadian National reported ROIC in the 15% range last year. CP's was nearly 17% while growing its intermodal*

*business in Canada. Intermodal has a relatively low profit margin compared to carload and bulk freight – which can be a drag on the operating ratio. But it makes a positive contribution to ROIC, Hatch says.*

### **Northeast Freight Train Schedules Scrambled**

Atlantic Northeast Rails & Ports (ANRP), Feb. 23 reports freight rail disruptions and re-routes caused by the twin events of PAS' Hoosac tunnel collapse and Canada's First Nation blockades of critical CN and CP routes in western and eastern Canada.

### **Hoosac Tunnel**

In summary, the Hoosac tunnel is now expected to stay closed to rail traffic well into March. A detour route is operating between connecting railroads in Massachusetts, Rutland, VT and Hoosick Jct. NY for PAS traffic, except auto carriers due to height limitation at Greenfield, MA, and intermodal traffic west of Ayer, MA. Pending an alternate route, intermodal containers were drayed between Ayer and PAS' intermodal terminal at Mechanic Falls, NY.

The Hoosac tunnel was opened in 1875 through the south end of the Green Mountains after nearly 20 years of construction. It cost the lives of nearly 200 men and \$20 million in then-current dollars. The tunnel was acquired in 1900 by Boston & Maine Railroad and electrified in 1911 for 45 years to combat ventilation problems. It was de-electrified after more powerful diesel locomotives were introduced in the mid-1940's. The straight-bore, 4-3/4 mile long tunnel was changed from double to single track and its floor lowered in 1957 to improve clearances. The last scheduled passenger train, the *Minute Man*, passed through it in 1958. Its original base level has been undercut and a ten-foot wide strip of tunnel ceiling ground in 1997 for further clearance opening. Soft, wet and wet crumbly rock near the tunnel's west end plagued its construction and maintenance, where some 20 million bricks were required for containment and arching.

### **First Nation Blockades**

Blockades by indigenous peoples in the Provinces of Ontario and Quebec have affected CN and CP rail services in eastern Canada, the Maritimes, New York State and New England.

Background: Politico, 2020/02/21 reports (italics):

*It's been 16 days since protesters set up a blockade along a rail line in southern Ontario that has stopped passenger and freight trains across the country, in solidarity with Indigenous leaders from the Wet'suwet'en Nation in B.C. who opposed construction of a natural gas pipeline. Rail blockades have appeared in other provinces as well, including Quebec. The rail shutdown has stranded hundreds of millions of dollars in goods,*

*caused hundreds of temporary layoffs and disrupted trade with the U.S. as Canadian trains that move oil, grain and forestry shipments across the border remain stalled.*

*This is the latest crisis to face the Canadian prime minister at the start of his second term, and Trudeau is taking heat from all sides for not doing more to fix it. After spending days calling for talks and making clear he didn't want the police to dismantle the blockades by force, Trudeau's tone hardened during a Friday press conference. "Every attempt at dialogue has been made, but discussions have not been productive," he said. "The barriers must come down."*

### **Another view on Canadian Railroad Blockades**

RailwayAge.com, February 26, 2020, via Sierra Club and Kenyon Karl (italics)

### ***Off the Rails: Bitumen Trains Hold No Hope For Alberta Tar Sands***

*As Canadian First Nations protesters disrupted the flow of freight and passengers across Canada, global mining giant Teck Resources jettisoned a C\$20 billion project to squeeze more low-grade crude oil from the vast tar sands of Northern Alberta.*

*The mining giant-Canada's biggest rail shipper-noted in its cancellation statement Feb. 23 that there is simply no prospect for mining and moving more bitumen from Alberta's tar sands: "It is now evident that there is no constructive path forward for the project."*

*True, the rush of global investment bankers to shun new coal and oil development would have starved all new tar sands project no matter what. But the absence of any viable way to get additional bitumen to market blows up the spreadsheets before they can even come under the climate-spooked gaze of investment bankers.*

*First, the federal government reluctantly crippled the country's rail network with emergency slow orders to mute a staccato of winter-related oil-train derailments. Then, a tiny alliance of anti-pipeline First Nations people and climate activists managed to shut down CN's transcontinental main line with a few shipping pallets and a burning tire.*

*Perhaps the federal government (while quietly encouraging CN and Canadian Pacific to route trains through detours on each other's tracks) were expecting "ordinary" Canadians to rise up against the blockades. Instead, public sympathy remained stubbornly on the side of the natives and climate activists. Even rail customers were muted in their lamentations, fearing they would become social media targets should they side with the very petroleum shippers who were wrecking the normal movement of grain and containers.*

*In the meantime, Teck's dispatches of metallurgical coal from the mines atop the continental divide separating Alberta and British Columbia were being strangled by*

*anti-pipeline blockades at the Pacific Coast. Mainstream-media reports (made all the more credible by Alberta government denials) are that Teck feared further engagement in the tar sands would make its coal operations the next target of climate activists. With a succession of U.S. Presidential Administrations either unwilling (Obama) or unable (Trump) to force the Canadian Keystone XL pipeline upon resistant Native Americans and farmers, it became apparent to Teck (and anyone other than Alberta's oil-addled premier Jason Kenney) that there is simply no bankable way to ship additional bitumen across the border.*

*Kenney is now promising to legislate against any disruption of rail traffic – pointless bravado when it is already criminal to block trains, and when exactly none of the blockades were in Alberta anyway.*

*Crude-by-rail has been a huge problem for Canadian railways, which by regulatory law must continue to shunt suspect trains across the border for their U.S.*

*counterparts to deal with. After two CP trains of brand-new tank cars derailed and caught fire in Saskatchewan this winter (and a CN train breached but did not burn in Ontario), it is now evident that the old DOT-111 tank car most likely wasn't the culprit in the succession of oil train wrecks and explosive fires that started at Lac-Megantic in 2013. Nor is the DOT-117-J (new) or R (upgraded from the CPC 1232 standard) – the sort of solution that regulators have touted.*

*The expensive tank car replacement was a pointless distraction for the U.S. and Canadian governments lacking sufficient political cojones to correct the real reason trains and people were being incinerated. Despite their convenient vilification, not even DOT-111 tank cars “explode” on their own, and recent incidents demonstrate beyond question that an extra one-sixteenth-inch of steel cannot contain the chain-reaction violence of a derailing oil train. To paraphrase James Carville, “It's the contents, stupid.”*

*The root cause of bitumen train explosive fires is manifestly obvious: The intentional spiking of the barely flammable tar into a highly explosive concoction thin enough to transport. The bitumen is infused under pressure with naphtha to make “dilbit” – a sludge just thin enough to flow into and out of tank cars. Once bitumen trains are under way, unavoidable jostling separates the naphtha from the tar, creating a headspace of pure naphtha gas. It is the naphtha that ignites explosively upon exposure to sparking metal, even at 25 degrees below zero.*

*In Canada, at least public and regulator tolerance of crude-by-rail is at an end. Government slow orders a public outrage over oil train wrecks and infernos have*

*cancelled any residual social or economic license to add yet more CBR to Canadian rails.*

*Should the next Alberta oil train crash and ignite a conflagration in the U.S., there should be zero surprise should American resisters blockade a few critical border crossings – now they know that a hand-painted sheet can stop trains in their tracks.*

**'Lochmere Limited' Winnepesaukee Scenic Railroad**  
Massachusetts Bay Railroad Enthusiasts announce the following:

**Saturday, May 16, 2020 – One Day Only!**

*“Mass Bay RRE's train excursion program continues with a return to the rails of the Winnepesaukee Scenic Railroad (Boston)-Meredith, NH—Lakeport-Laconia-Lochmere-Meredith.*

*Join us for this special round-trip excursion over the former Boston & Maine “White Mountains Division” from Meredith south to Lakeport, Laconia and Lochmere, the southern limit of the Winnepesaukee Scenic's operating authority.*

*Our trip will originate at 10:00 AM in Meredith, NH at the headquarters of the Winnepesaukee Scenic Railroad. We'll follow a “water level route” through the heart of Weir's Beach and New Hampshire's scenic Lakes Region to Lakeport, where we'll stop to tour the Lakeport Freight House Museum. Then we'll cross the Lakeport drawbridge and continue southward to Laconia, where we'll stop to tour the historic Laconia B&M station, one of the only 19<sup>th</sup>-century stations of this scale and architectural sophistication to survive in the state. Our journey then continues, skirting the shores of Lake Winnesquam, to Silver Lake Road in the town of Belmont, NH. There we'll have two photo runbys before returning to Meredith around 4:30 PM.*

**THE BOSTON CONNECTION PACKAGE**

*Our connecting motor coach package offers a guaranteed connection with our train at Meredith. Our rest-room equipped motorcoach will leave Boston's South Station at 7:00 AM, Anderson RTC in Woburn at 7:20 AM and Methuen Park & Ride (Pelham St., at I-93 Exit 47) at 7:40 AM. The motor coach connection is scheduled to arrive back in the Boston area around 7:00PM.*

**Call 978-470-2066 to order by phone**

*The route of this trip includes track along lake waterfront that trail interests now seek to convert. Passenger rail advocates cite the economic value of keeping the active rail connection through Laconia to Lincoln, NH. (Ed).*

**Conway Scenic Railroad**

**Crawford Notch Excursion – Sat. October 17,2020**

*The 470 Railroad Club is again running a special excursion train the length of the CSRR's Crawford Notch line on Saturday, Oct. 17, 2020. The train will depart*

from CSRR's North Conway station at 9:00 AM for the ride to Fabyans and return. Photo stops and runbys will be made as conditions allow. A stop is also planned at the site of the Crawford House Hotel. The train will also visit the Redstone Branch between Intervale and the end of CSRR territory at the Saco River Bridge near Center Conway. It will return to the starting point about 5: PM, allowing time for passengers to dine at the restaurant of their choice or begin their homeward journey.

Adult fares for the trip are:

Coach \$66.00; First Class \$76.00; Dome Class \$88.00

You may bring your own lunch if you wish.

Box lunches are \$15.00 each. Choices are Turkey, Ham & Veggie. Limited snack service will be available on the train, consisting of coffee, soda, hot dogs, chips and cookies.

Lunch in the Hattie Evans Dining Car: \$31 adults, \$19 children.

**ALL RESERVATIONS ARE MADE DIRECTLY WITH CONWAY SCENIC RAILROAD**

**P.O. BOX 1947**

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#### **Amtrak Downeaster gets \$16.8 million for upgrades**

Portland Press Herald (2/27/20) Dennis Hoey Staff Writer (edited / italics)

#### **Federal agency grants Downeaster \$17 million for upgrades**

*The money will be spent on improvements to the passenger rail service in Wells, North Berwick and Brunswick. It was granted to the Northern New England Passenger Rail Authority, the Downeaster's operator, by the U.S. Department of Transportation's Federal Railroad Administration.*

*The authority will use the funds to build a six-mile long rail extension on the Pan Am Railway's freight line in Wells. The extension will be added to an existing two-mile long siding.*

*In addition to the rail extension, funds will go toward building a new passenger platform and pedestrian bridge at the Wells Transportation Center. The improvements will add capacity to meet projected increases in passenger and freight demand, and should also reduce delays that arise when freight and passenger trains must pass each other on otherwise single track.*

#### **Amtrak Downeaster set new ridership record in 2019**

*The federal funds will also allow the rail authority to add a sixth daily round trip between Brunswick and Wells, according, to a news release issued Thursday by U.S.*

*Senator Susan M. Collins, R-Maine, who chairs the Transportation Appropriations Subcommittee.*

*"In recent years, the Downeaster has set new records for both ridership and ticket revenue. It is an economic engine for Maine, providing good jobs, supporting Maine vendors of goods and services, and strengthening our tourism industry," Collins said in a statement. "With this funding, the Northern New England Passenger Rail Authority will be able to make important improvements to this rail line in southern and midcoast Maine, increasing the corridor's capacity and improving safety, efficiency and reliability for hundreds of thousands of passengers who use this service each year."*

*The rail authority, which is based in Portland on West Commercial Street, was created in 1995 by the Maine Legislature to develop and provide passenger rail service between points within Maine and Boston. The Downeaster established a new ridership record in 2019, with a total of 574,404 passengers. That represents an increase of 7.8 percent from 2018, and breaks the previous ridership record of 546,056 set in 2017. The Rail Authority said that August 2019 was the highest ridership month in the Downeaster's history, with 60,944 people riding the train, the first time ridership surpassed 60,000 in a month.*

*"NNEPRA attributes the ridership surge to increased frequency to Freeport and Brunswick, improved reliability, as well as more repeat riders," the rail authority said in a news release last month. "When compared to Amtrak services throughout the country, passengers rank the Downeaster among the top services for friendliness, overall satisfaction, and quality of onboard food service."*

**MRG, Inc. meets 6:pm at the Augusta City Hall unless otherwise advised. Please check in advance for changes if you plan to attend.**

#### **Mark Your Calendars**

- MRG, Inc. meeting, Mar. 18
- **MRG, Inc. Annual Meeting – May 9 See above**
- MRG, Inc. meeting, May 27
- MRG, Inc. meeting, July 22
- MRG, Inc. meeting, Sept. 16
- MRG, Inc. meeting, Nov. 11

For the MRG, Inc. board,  
Jack Sutton

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