

MRG, Inc. (Maine Rail Group)

*A non-profit group working to enhance rail service in Maine
P.O. Box 5494, Augusta, Maine 04332*

November / December 2009

Dear Members and Friends:

Membership

John Coughlin, MRG, Inc's Honorary Chair is a founding member who has supported and served our group steadily for over twenty years. John's health now limits his activities. We were pleased to see him at the October meeting and to award him a plaque recognizing his dedicated contributions and friendship for many years.

Bob Holland of Rockland, Maine joined the MRG, Inc. board at its October meeting. Bob is recently retired from Norfolk Southern Corp. He brings valuable insights and experience to the board from his career in transportation economics and as a licensed locomotive engineer.

The board accepted with regret the resignation of Bill Crosby of Plattsburgh, New York and South Thomaston, Maine. Bill feels that his time away from Maine limits his capacity to participate in guiding the group's affairs. We thank him for his service, his contributions and great photography. Bill remains a member of MRG, Inc. and we hope to see him at events whenever possible.

Thanks to Stan Koski and Central Maine Power Co. for use of CMP Co.'s Augusta conference facility when a scheduling conflict arose in October with our usual meeting site at the Hallowell City Hall..

Membership Renewals for 2010

This mailing is being sent to all members (including email recipients) with re-up cards and return envelopes for 2010. Annual membership dues remain \$25.

Please respond at your early convenience.

We encourage active MRG, Inc. membership and we seek board candidates with appreciation for railroads, together with the background, energy and hands-on willingness to help plan and conduct our activities. Equally welcome are members who may not be able to participate actively for whatever reason. Our membership count reflects your interest and strengthens our voice in support of rail.

59th Maine Transportation Conference

MRG, Inc. will exhibit again this year at the all-day Maine Transportation Conference at the Augusta Civic Center on Thursday, December 3rd.

2009 Wrap Up

During 2009 MRG, Inc. was represented at a variety of rail-related activities, including the following:

- Amherst Railway Society show Jan. 24/25
- Transportation Day at the State House, Apr.1
- Legislative Rail Caucus meetings
- Northeast Association of Rail Shippers meeting, Newport, RI, Apr.22-24
- TrainRiders Northeast Annual Meeting, May 5
- New England Railroad Club Expo, Worcester, MA, May 21
- MRG, Inc. Annual Meeting & Train Ride, May 30
- Meetings with Rt. 113 Corridor Committee re Mountain Division restoration
- Eastport rail redevelopment meeting, June 15
- Sierra Club Rail Forum, Rockland, June 17
- Sierra Club "Maine Rail Transit" meeting, Standish, June 30
- American Association of Railroad Superintendents Conference, Portland, July 17
- Maine State Rail Plan Technical Advisory Committee, Sept. 16 & Dec. 1 (scheduled)
- VTRAN meeting, Rutland, VT, Sept. 30
- Several Transportation Conference planning meetings
- Regular MRG, Inc. meetings (6)
- MRG, Inc. members were active with Downeast Scenic and Belfast & Moose Lake revival projects.
- MRG, Inc. representation on the board of Maine Better Transportation Association (MBTA). We will attend the New England Railroad Club meeting in Boston on Nov. 5 and man a booth at the Transportation Conference sponsored by MaineDOT, MBTA and Maine Chapter ASCE in Augusta on Dec. 3.

For the record, members' transportation and expenses to participate in most events are borne personally and not charged to MRG, Inc.

2010 Outlook

We anticipate a similar calendar of activities in 2010, with emphasis on promoting railroad education, advocacy for freight and passenger rail development, an updated edition of our New England Railroad map, the annual meeting (with train ride if possible), optimizing our new website, membership development, regional outreach, and support for like-minded 501(c)(3) qualified organizations.

New MRG, Inc. Website

Thanks to Dave Potter our new website: <http://mainerailgroup.org> will be up and running soon with Dave as webmaster. Please visit the site and forward your suggestions for improvement as it develops.

Belfast & Moosehead Lake Railroad

Joe Feero, President of the new B&ML organization participated in our October meeting to outline progress and plans for that railroad. Discussions with B&ML have begun about opportunities for a train ride next season.

Downeast Scenic Railroad

On Saturday, Sept. 19 DSRX had its first official run on the four miles of restored track between Washington Jct. and Ellsworth Falls, with former B&ML locomotive 54 and caboose in tow, picking up some enthusiastic train watchers along the way. With crossing work completed on this stretch of track and outside work winding down for the winter DSRX focus moves to passenger coach improvements in anticipation of starting revenue service next season.

Vermont Rail Action Network (VTRAN)

The writer attended VTRAN's annual meeting in Rutland, VT on Sept. 30 to learn more about this group that has interests similar to ours in Maine. VTRAN's mission statement:

"The Vermont Rail Action Network exists to:

PROMOTE

Together we are ambassadors for the cause of railroads and railroad service.

EDUCATE:

We inform our members, elected and State officials and the public about railroad issues in Vermont.

COORDINATE

Our voice is most powerful when it is unified and well-timed."

VTRAN Executive Director Christopher Parker presided at the enthusiastic supper gathering of members, public officials, railroad representatives and interested citizens. TrainRiders Northeast Chairman Wayne Davis addressed the group on TRNE's evolution and accomplishments. We thank Chris Parker for the opportunity to attend the meeting and to display our railroad maps. It opens for ongoing communication between our organizations on matters of mutual interest.

NSC's Carbon Calculator

Norfolk Southern Corp. posts a "Green Machine carbon footprint analyzer" www.nscorp.com/footprints to calculate and compare environmental impacts of moving freight by rail, truck or intermodal. User inputs are:

Step 1: tons of freight shipped and average truck weight

Step 2: length of haul

Step 3: (sliders) % changed from truckload to intermodal
% changed from truckload to rail

Outputs are:

- Current network: Carbon footprint (tons) for truck
- Green " " " " truck, rail, and intermodal
- Carbon offset values at selected prices per ton, or equivalent cars removed or trees planted.

A footnote states:

"Results:

The emission profiles give you the breakdown of your carbon footprint by mode for the current and green network. By choosing to show the impact of your decision to move to a greener network, they display the equivalent number of cars eliminated from the road or the number of trees that would need to be planted to match your carbon savings. The Carbon Offset costs show the savings based on Carbon offset prices (The default offset price is the 2008 average offset trade price).

NS suggests contacting the company directly or Modalgistics at www.modalgistics.com for a detailed analysis of specific applications. It will be interesting to apply this methodology to major truck and rail freight movements in Maine.

CMP Co. Moves Massive Transformer By Rail

A 267-ton auto-transformer for CMP Co's South Gorham Substation was moved by rail from Mexico to Westbrook by rail, and the last eight miles over the road to Straw Road in South Gorham. The transformer will step power down from transmission lines at 345 kV to 115 kV for local distribution in York and Cumberland Counties. According to CMP Co's Weekly Update, Oct. 1, 2009, the auto-transformer began its journey from Mexico to Maine on Sept. 6 aboard a 112-foot-long, 12 axle rail car, traveling through six states and two Canadian provinces before crossing back into the U.S. north of Island Pond, VT in late September. At Deering Jct., near Morrill's Corner in Portland crews shifted the load on the rail car to clear a bridge at Park Street. The car with transformer was then moved to Mountain Jct. and from there it was pushed to the Pike Industries property in Westbrook, then moved onto a 12-axle, self-propelled over the road transporter for the final eight miles to its permanent location.

Courtesy of Stan Koski

Note;

This is the second major transformer moved this year over segments of the Mountain Division railroad. The other for PSNH traveled from Whitefield to North Conway, NH on Conway Scenic Railroad early this summer, as detailed in this newsletter for July / August..

High Speed Trains

In the article entitled "Siemens Fills Russia's Need for High-Speed Train" in The New York Times business section on Sept. 24, Andrew E. Kramer quotes Angsar Brockmeyer, head of public transit business for Siemens as saying "The United States is a developing country in terms of rail ...we are seeing it as a huge opportunity".

High-speed trains designed by Siemens adapted for Russian winters will run between St. Petersburg and Moscow starting in December, according to the article. The electrified train called the Sapsan, Russian for peregrine falcon, has rated top speed of 217 miles per hour (up to 255 mph in tests), and will make the 401 mile trip between downtowns of the two cities in 3-3/4 hours versus 5 hours for flying, including airport time and local travel. It will be limited to 150 mph initially, pending further track and overhead wire improvements. Each car of the train is individually powered and driven with motorized axles so no locomotive is needed.

Continuing, the article states that after high-speed trains between Paris and Lyons became established commercial flights all but disappeared, and in its first year of operation, a Madrid-to-Barcelona high-speed link cut the air travel market about 50 percent.

Siemens's new train is a candidate for the high-speed San Francisco – Los Angeles link that may open in 2020. Alstom, maker of French TGV trains, Bombardier and Hitachi are other contenders for that service.

Russia joins the high-speed rail club that now includes Japan, France, Germany, Italy, Britain, Spain, Taiwan, Korea and China.

Wall Street Journal's Paul Glader adds in an article on Oct. 21 titled "High-Speed Rail Keeps Train Makers on Track" that Bombardier recently reported a \$2 billion contract to send 80 Zefiro high-speed trains to China by 2014.

Glader further writes that Hitachi shipped six high-speed bullet trains to the U.K. this summer and plans to build rail cars there. General Electric Co.'s rail operation wants to sell Amtrak more engines that go as fast as 123 mph, but that trains that are even faster are further on the horizon because they require expensive track upgrades.

Amtrak Dropped in Virginia (?), Added in California

Oct. 19 TRAINS Magazine reports the Virginia Railway Express board recommends that Keolis Rail Services of America, an arm of a French company, take over operation of the VRE commuter train service operated by Amtrak for 17 years. If approved by the governing transportation commission it would be Keolis' first commuter train operating contract in the U.S. Amtrak is contesting this recommendation.

Oct. 28 Progressive Railroading Daily News notes a recently signed memorandum of understanding between Amtrak and the Southern California Regional Rail Authority for Amtrak to provide Metrolink train and engine crews on all seven of the agency's Los Angeles-area lines. Amtrak currently operates intercity trains over four of Metrolink's seven lines.

Waiting for Stimulus Responses

The closing months of 2009 are a time of waiting and uncertainty on several rail fronts pending federal decisions on stimulus grant proposals. Also, federal operational funding for the **Downeaster operations** under the SAFETEA-LU program has been extended from September 30 to December 18, but uncertainty remains beyond then. Federal response to Maine's stimulus proposal for **Downeaster extension to Brunswick** originally expected this fall will be delayed until early 2010, along with numerous other high-speed rail proposals, due to the overwhelming flood of requests for the \$8 billion available.

Also in the waiting mode and due for response from USDOT in January, 2010 are Maine's freight TIGER (Transportation Investment Generating Economic Recovery) grant proposals including **Eastport rail access, Mountain Division restoration** and **Montreal Maine & Atlantic rail preservation for northern Maine**.

As widely reported New Hampshire's plan to apply for \$300 million stimulus funds for the **NH Capital Corridor** proposal to restore passenger service between Boston's North Station and Concord via Nashua and Manchester was thwarted when the railroad's owner, Pan Am Railways, withdrew support for the project. New Hampshire officials are reportedly discussing with Amtrak alternative plans to operate passenger trains on this route. Beyond Concord the corridor extends to Lebanon, NH and White River Jct., VT although much of that track is missing. From WRJ to Montreal track is available and now used by Amtrak's **Vermont** as far north as St. Albans, VT. The entire route is federally identified as for future high-speed rail between Boston and Montreal.

In western Massachusetts the **Knowledge Corridor** project would return the **Vermont** to its original route between Springfield and East Northfield, MA. Farther northward on that line a **Vermont/NECR** improvement project is for track and bridge upgrades to FRA Class 4 speed for the New England Central Railroad between the Massachusetts border and St. Albans, VT. claimed to increase **Vermont** speeds to 79 mph and reduce trip times by 27 minutes.

Connecticut seeks \$109 million of the \$1.5 billion available nationally for TIGER grants to rehabilitate 10 lines operated by seven railroads:

- Central New England's Hartford – Windsor line
- CNE's S. Windsor – Longmeadow Armory Branch
- Housatonic Railroad's 83 miles in western CT
- Providence & Worcester Railroad's 238 miles in CT
- Branford Steam Railroad from Tilcon's quarry to the Branford barge terminal
- Valley Railroad's 10-miles Old Saybrook to Haddam
- Naugatuck Railroad's Torrington-Waterbury route
- RailAmerica's 80 miles operated by New England Central and Connecticut Southern lines

Searsport

Maine Port Authority has issued **Request for Expressions of Interest** for parties qualified to develop and operate a container / cargo terminal at Searsport. Responses are due by Nov. 25. Detailed information is available at <http://www.maineports.com> (11.2 MB).

RailTrends Conference

The RailTrends conference was held in New York City on Oct. 6-7. Tony Hatch, independent transportation industry analyst and consultant and RailTrends program consultant, summarized the conference proceedings in an article published by *Progressive Railroading Daily News email*, Oct. 19, highlights of which are quoted here:

- "Wal-Mart Stores, Inc. logistics plans reinforce the opportunity – and the challenge of extremely high service standards – for pure domestic intermodal."
- "As for Empire Link short liners: They're showing that local entrepreneurship can reap growth, particularly when a Class 1 partner is a class act, partnership wise ('I credit Norfolk Southern for providing real support,' said Finger Lakes Railway's President Mike Smith. 'These guys are making it happen. And it can be done all over the country.')
- "Mexico looks like it can be a big winner in the 'new normal', and Kansas City Southern EVP of Sales and Marketing Pat Ottensmeyer gave the NAFTA Railway's best presentation yet on the opportunities there.
- "Five of the challenges that framed this year's event are particularly worth noting:

1. "Domestic intermodal business is hard – the service levels are intense, as is the competition. The

combination of better rail service (keeping the velocity gains from the recession into the recovery, for example), higher fuel prices, congested roads (someday again) and increased attention to lower carbon footprints all create opportunity, but it won't be easy ..."

2. The reregulation issue now before the Senate Commerce Committee may be approaching a conclusion. It has huge downside risk for railroads if done wrong and upside potential if the result is balanced legislation that removes a present cloud over the investment horizon.

3. "PTC (Positive Train Control) is a much bigger topic of fear to rails than Wall Street realizes. ... to rail CEOs the possible \$10 billion "unfunded mandate" is issue No.1, or at least No. 1A"

4. "'Climate change' looks more daunting than many of us had thought – from new natural gas technologies to a concerted effort to attack coal. High utility coal inventories will hurt intermediate-term coal results, as well. ...This is the other edge of the double-edged "green" sword for rails: Will domestic intermodal (and carload) gains compensate for coal declines?"

5. "Capital expense remains high, but meaningful government help (partnerships) are no guarantee. Beyond the normal capital intensity (rails have averaged spending about 17 cents on the revenue dollar on capex), there looms PTC, as well as locomotive emissions controls – the latter of which will add a stunning 25 percent to the cost of new locomotives."

"The test will be to hold off the D.C. threats while embracing the D.C. opportunities (railways as saviors), to hold or improve service metrics and system velocity (and, thus, asset turns) in the recovery. If railroads do that, productivity (and earnings) growth will be explosive, and market share opportunities in formerly medium and short lengths of haul, will be dramatic."

Mark Your Calendars

- MRG, Inc. mtg.–Nov. 20,7 pm Hallowell City Hall
- Transportation Conference – Dec. 3, all day Augusta Civic Center

Seasons Greetings !

With this last newsletter of 2009 the MRG, Inc. board sends Holiday Greetings and Best Wishes to all members and friends.

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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.