

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

January / February, 2011

Dear Members and Friends:

Membership

Welcome aboard to new members Brian Beeler, Judy Bierce, Susan Davis, Gayle Finkbeiner, Robert Gillam, Arthur Pew III and Jacob Small.

Thank you to every member who renewed his or her membership during November and December, and especially to those who added contributions.. We appreciate hearing from you and having this necessary chore largely behind us as we begin the new year.

To all who receive this letter, please keep us up to date with any change of your address or your preference to receive it by e-mail or post.

2010 in Review

Railroad developments seem to move more slowly than many of us would like, yet several significant milestones were reached or passed during 2010, including the following:

- Physical work began on track upgrades for Downeaster expansion from Portland to Brunswick, now scheduled for completion by 2012.
- Northern New England Passenger Rail Authority was awarded a \$600,000 federal grant to study how improvements can be made to the line to expand service, cut travel time and increase trip frequency.
- Maine was allocated an additional \$3.3 million from \$1.95 billion redirected away from Ohio and Wisconsin to 13 other states, due to promises by incoming governors of those states to kill high-speed rail projects in those states. California and Florida will receive the bulk of the redirected funds (\$624.0 million and \$342.3 million, respectively).
- Montreal Maine and Atlantic Railway announced plans to abandon 233 miles of track in Aroostook County, initiating state and private efforts to save these lines and improve services to rail-dependent industries in northern Maine .
- Pan Am Railways rebuilt the wye at the former Merrill Terminal in Portland, allowing complete Downeaster trains to be turned for maintenance reasons and leading to speculation of a future Portland passenger terminal on West Commercial Street,
- Sparked by the Route 113 Corridor Committee, interest in Maine's segment of the former MEC

Mountain Division between Portland and Fryeburg resulted in state bond funding to replace missing track between Westbrook and South Windham. This is the essential first step toward reopening the line for freight and possible passenger services.

- In June Maine voters approved bond funds to purchase the St. Lawrence & Atlantic Railway track between Yarmouth and Danville Junctions, and for improvements to the Lewiston-Auburn Railroad junction with the SLA.
- The rebuilt Danville Junction between PAR and SLA was in service by year end.
- Substantial tie replacement and track surfacing by PAR was observed along their freight main from the Waterville yard westward.
- Maine Rail Group's former dining car, now Conway Scenic Railroad's "Hattie Evans" entered service on their Crawford Notch trains during the summer.

2011 Amherst Railway Society Show

During the weekend of January 29 & 30 we'll once again man an exhibit at the Amherst Railway Society show at the Eastern States Exposition Grounds ("Big E"), 1305 Memorial Ave., West Springfield, MA 01089. Our location this year will be in the Young Building, Section 82, Tables A & N. The second table worked well for us last year and we're pleased to have the same arrangement again this January.

The show is open to the public from 9:00 AM Saturday and 10:00 AM Sunday, and closes at 5:00 PM both days. Daily admission is \$10.00, with children 15 and under free when accompanied by an adult. More information is available at www.AmherstRail.org.

We welcome this opportunity to visit with as many members and friends there as possible, to make new contacts and to offer for sale our New England Railroad maps and donated rail-related materials. Please contact us by mid-January if you have any books, magazines or other small items of rail interest that may be donated for sale at this show.

Maine Transportation Conference

The 60th annual Maine Transportation Conference sponsored by MaineDOT, Maine Better Transportation Association and Maine Section, American Society of Civil Engineers, was held at the Augusta Civic Center on December 2nd. Maine Rail Group exhibited again this year, with Dave Potter and Jack Sutton attending. A regular conference feature is the presentation of awards

to University of Maine engineering students recognizing outstanding papers on transportation topics. MRG, Inc. contributed to the MBTA/ASCE Transportation Conference Scholarship Fund again this year in hope of encouraging rail topics for inclusion by students in future competitions.

Mountain Division

MaineDOT has contracted with Maine Track Service of South Portland to replace missing track between Westbrook and S. Windham starting this spring as working conditions permit. At a December meeting of the Route 113 Corridor Committee it was announced that a proposed biomass pellet plant requiring rail service is under serious consideration for an on-line Mountain Division site, and that a legislative bill is forthcoming to fund MD track rehabilitation to Fryeburg.

MMA Abandonment in Aroostook County

In late December the Surface Transportation Board announced their approval of the MMA's abandonment of 233 miles of track in northern Maine. This crucial step enables the announced sale of this track to the State of Maine to proceed, for the previously agreed price of \$20.1 million.

On December 15 MaineDOT posted its RFP for "Qualifications/Proposals for Maintenance and Operation of Madawaska Subdivision and Branch Lines in Aroostook and Penobscot Counties", with 2:00 P.M. January 19th, 2011 as the deadline for submission. Nate Moulton, MaineDOT railroad administrator reports significant interest in the RFP, as of December 29.

A dispute has publically arisen between MMA and Twin Rivers Paper Company (formerly Fraser Papers) of Madawaska regarding CN Railway direct access to that mill. CN and Twin Rivers contend that CN has right to serve the mill directly over MMA trackage under a previous agreement, while MMA holds that CN may only approach the TR plant as far as "mile post one".

At stake is potential CN exclusivity for TR's rail business versus sharing between CN and MMA. MMA reportedly indicated that losing TR business would cost about \$3.0 million in revenue annually, or about 10% of its traffic. Meanwhile, TR has temporarily adopted the practice of trucking their product to a transload siding on the CN mainline across the St. John River in nearby Edmundston, thus avoiding MMA entirely.

New Hampshire Capital Corridor Project

The New Hampshire Rail Transit Authority issued the following statement in late November:

"After years of effort, the NHRTA and NHDOT have brought the Granite State to an important juncture

regarding passenger rail in the central corridor. We have identified the essential questions that must now be asked relative to the restoration of passenger service from Concord to Boston, and we have procured grant funding sufficient to answer those questions in an informed, fact driven way. What remains is simply this: to determine if the government and citizens of New Hampshire are willing to proceed with the process of answering essential questions so that the ultimate inquiry, whether or not we should restore passenger rail to the central corridor, can be answered in a rational manner.

The questions are all those that thoughtful people have raised over the course of the past few years.

- *Will it work?*
- *What will it cost?*
- *How to meet the capital and maintenance costs?*
- *Are there better alternatives?*
- *How will it effect the economy?*
- *How will it integrate with existing transportation systems?*
- *How will it effect the environment?*

To answer these questions the State has access to grants from the FRA and the FTA which will total some \$4.1 million. A relatively minor State match will be required, but the funds to make the matches are available thanks to an appropriation in a prior budget. If the funds are the Capital Budget funds – that will require a legislative change. The grants, however, will provide sufficient resources to do a professional job analyzing the available material."

Operation Lifesaver Trading Cards

December 14, 2010

MAINE RAILROAD TRADING CARDS MIX FUN WITH SERIOUS MESSAGE

Trading cards, popular for decades featuring sports heroes, will delight Maine youngsters while carrying an important

safety message about the dangers of being on or around railroad tracks. Yje cards, featuring pictures of modern day Maine railroading, are distributed free to school children, aboard Maine passenger trains, and at community events statewide.

The colorful cards are the third edition issued through Maine Operation Lifesaver, a non-profit educational organization dedicated to promoting safety at rail crossings and along the state's nearly 1,200 miles of active rail lines. The 14 new pictures represent Maine's five freight railroads, two tourist lines, and Amtrak's popular Downeaster.

On the backs of the cards are safety messages to drive home the fact that trains are fun to watch from a distance, but trespassing on railroad property is dangerous and illegal. Reminders include warnings not to place objects on the tracks, to walk a bicycle over a railroad crossing, and to never climb under or over a railroad car. Also on the cards' flip sides are brief descriptions of the Maine railroad lines featured in the pictures.

The trading cars were funded in part by the Northern New England Passenger Rail Authority, which operates Maine's Downeaster, and by Operation Lifesaver, Inc. of Alexandria, Virginia.

A snapshot of all the new trading cards and more information about a free railroad safety presentation can be viewed at Maine Operation Lifesaver's website (www.MaineOL.org).

Contact: Fred Hirsch 827-7367 or maineol@roadrunner.com.

Finger Lakes Railway Suspends Excursions

December 7, 2010 Trains Magazine News Wire
GENEVA, N.Y. – The Finger Lakes Railway will run its last excursion passenger train Dec. 19. The company will not resume booking passenger excursions in May 2011, but is looking for another party to manage and operate its passenger services, the *Finger Lakes Times* reported.

The railroad plans to retain its passenger equipment and locomotives. "We want someone to come in and manage the passenger services so we can concentrate on our main focus, which is freight," said Deb Najarro, the railroad's director of government and community relations. Najarro said there is at least one interested party, and she's hopeful an arrangement can be made so the new operator can resume excursions next spring.

"We're looking for a qualified, interested party to handle promotions, marketing, ticket sales and to staff and run the actual train trips, including entertainment. We will provide the crews, the coaches, and track time," Najarro said.

Finger Lakes Railway began operation July 23, 1995, when investors purchased 118 miles of track known as the Geneva Cluster from Conrail. In 2007, the company acquired 14 miles of track from the Ontario Central, bringing the total track miles to 132. Passenger service began in 2000.

Many MRG, Inc. members will recall that Finger Lakes Railway now owns the two former N&W coaches we

restored in Maine. They were purchased by FGLK in 2007 for their excursion operations. (Ed)

Enacted tax relief bill extends short-line tax credit, two transit tax provisions

Edited from December 20, 2010 Progressive Railroading Daily News

On Friday, President Obama signed the Middle Class Tax Relief Act of 2010, which extends the short-line tax credit for two years as well as two public transportation tax provisions.

The measure extends short lines' Section 45G tax credit for tax years 2010 and 2011. The [American Short Line and Regional Railroad Association \(ASLRRA\)](#) has lobbied Congress throughout 2010 to extend the tax credit, which expired on Dec. 31, 2009, after lobbying hard for extension last year. Section 45G enables regionals and short lines to claim a credit of 50 cents for every dollar spent on infrastructure improvements, up to a cap of \$3,500 per mile of owned or leased track. "This marks a long and arduous struggle to extend the 45G tax credit," said ASLRRA President Richard Timmons in an announcement on the bill's passage. ...

The enacted bill also extends the transit commuter benefit level established under the American Recovery and Reinvestment Act through Jan. 1, 2012, according to APTA. The transit commuter pre-tax benefit was raised from \$120 to \$230 per month. If the measure hadn't passed, the transit commuter benefit would have reverted back to \$120 per month on Jan.1, "effectively raising taxes on employers and transit riders," officials said in a prepared statement.

News from Northeastern New York State

Member Bill Crosby of Plattsburgh, NY passes along this article, which is edited from the local Press-Republican newspaper, regarding plans for the Upper Hudson River Railroad that runs northward from Saratoga Springs to North Creek.

Illinois company looking to buy regional rail line.

North River – Newcomb railroad could make return.

By Lohr McKinstry Staff Writer

Newcomb – The old National Lead Industries railroad between Tahawus and North Creek could be running again, if an Illinois company gets possession of it. Iowa Pacific Holdings of Chicago wants to buy the 28 mile railroad line that goes from North Creek to the National Lead titanium mines in Newcomb's Tahawas hamlet.

Iowa Pacific intends to operate the short line as part of the Upper Hudson River Railroad, which runs from North Creek to Canadian Pacific Railway tracks in Saratoga County. Iowa Pacific Holdings President Ed Ellis said the

company wants to buy the Tahawas line if it gets the contract to operate Upper Hudson, so it can move freight trains the additional five miles to Batron Mines in North River. Upper Hudson would then be able to transport garnet from Barton Mines to market. ...

Iowa Pacific Holdings was formed in March 2001 to acquire railroads and create rail-related businesses. The company operates six railroads so far: in Texas, New Mexico, Colorado, Arizona, Illinois and Oregon.

A group of railroad buffs has operated the Upper Hudson River Railroad since 1999 as a tourist line. It ran scenic trips south from North Creek Depot. The tourist excursions are expected to continue, and Ellis said they'd also consider using the Tahawas section for scenic trips.

Warren County had sought proposals for operating the Upper Hudson River Railroad because its contract with the present operator expires Dec.31. The Warren County Public Works Committee has voted to endorse the offer from Iowa Pacific Holdings.

The use of the railroad bed from North River to Tahawas had also been proposed for a multi-use trail by a group called Friends of the Upper Hudson Rail Trail. That usage would have required removing the tracks so it could never be used as a railroad again. ...

Miracle on 33rd Street

Over the Thanksgiving holiday Kati and Jack Sutton took a three-day trip by train to visit with relatives in New York City. We traveled by Downeaster from Portland to Boston and by Amtrak Acela between Boston and New York. As expected, the trains were full, but comfortable and nearly on-time. Our Acela trains ran to and from Washington, D.C., stopping briefly at Penn Station in NYC. Navigation of neophytes through Penn Station on one of the year's busiest travel days is exhilarating.

Penn Station is entering a period of major renovation and re-Christening as Moynihan Station. Coincidentally, the New York Times, November 22, 2010 ran an Opinion Page article by Tom Scocca and Choire Sicha titled "Miracle on 33rd Street", which reflects our experience and follows here, heavily edited:

"Mayor Michael Bloomberg and other dignitaries took up ceremonial sledge hammers and knocked over a ceremonial wall of blocks. This was last month, across Eighth Avenue from Pennsylvania Station, and the little drama was meant to symbolize the beginning of its end. Behind them were the wide stairs and Corinthian

colonnade of the Farley Post Office, the intended home of Moynihan Station, a scheme that the mayor said "reflects the splendor and majesty of the city." Representative Jerrold Nadler called the future station "a space worthy of New York." Secretary of Transportation Ray LaHood was there to oversee this ridiculous impeachment as well. "Another step out of history's shadow," he said. ...

Oh yes, the Old Penn Station! One hundred years ago this week, its "architectural, mechanical and other wonders" were formally opened to 100,000 travelers and rubberneckers, this paper wrote ...

Then, in the '60's, this splendid paradise was decapitated by its floundering original owner, the Pennsylvania Railroad, and surrounded by ugly office buildings that were a last, desperate gasp for profitability. The lamentations began before the bulldozers, and have continued for half a century.

What has been forgotten in this hysterical nostalgia is that our current Penn Station is also a miracle; pitiless and comically jury-rigged, sure, but miraculous. Three railroads and two subway lines deliver more than half a million people each day directly to almost anywhere except Grand Central. It is one of the great achievements of New York.

Don't stop to contemplate, if you're there – you'll be trampled. This holiday season, the quicker you shove your fellow passengers, the quicker you can shove off from Aunt Gladys's. Find an exit – there are plenty of exits, which is one of the many underappreciated features of this completely unappreciated anti-landmark – and get out fast. There.

Where are you? You are in New York"....

Mark Your Calendars

Jan. 24, 7 pm MRG, Inc. mtg. Hallowell City Hall

Jan 27, 5:30 pm New England Railroad Club Meeting – Mechanical & Purchasing Night, Wick Moorman, Chairman and CEO, Norfolk Southern Corporation, speaker, Copley Plaza, Boston

Jan. 29/30, Amherst Railway Society Show, "Big E", W. Springfield, MA.

MRG, Inc. 2011 Annual Meeting

May 21 (Saturday) Our annual meeting tentatively scheduled in Ellsworth, May, followed by a special pre-season trip on the Downeast Scenic Railroad. The Belfast & Moosehead Lake Railroad may be operating from Brooks Sunday, May 22 for those interested in a full weekend of railroad activity. **Please hold those dates!**
Best New Years Wishes.

Jack Sutton

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 and inquiries are welcome.