

WEEKLY RAIL RECAP

For the week ending SAT, October 26, 2002

By Dave Mears

(NOTE: The expression "ffd" at the end of a news item means "for further details" and usually represents what I believe to be the most helpful news resource if a reader wants more information on a particular item.)

THE WEEK'S TOP NEWS (in chronological order):

(MON) China's Minister of Railways, Fu Zhihuan, reported that China's national railway system would total approximately 47,000 route miles by 2005. Mr. Zhihuan also reported that this would include approximately 15,700 miles of double track lines and approximately 12,500 miles of electrified lines. (ffd: Xinhua News Agency)

(WED) Canadian National announced that it had become the first North American railroad to gain membership in the U.S. Customs Service's Customs-Trade Partnership Against Terrorism (C-TPAT.) A CN spokesman said that T-CTPAT is a joint public-private initiative "designed to build cooperative relationships that strengthen overall supply chain and border security." (ffd: CN Corp.)

(THU) Amtrak announced that it had accepted delivery of its 19th Acela Express trainset and expected to take delivery of its 20th and final one shortly. An Amtrak spokesman said that Amtrak and the trainset manufacturer, Bombardier, had agreed to a schedule whereby the trainsets will be rotated out of service for repairs and necessary equipment modifications. The trainsets have encountered various operational problems since Acela Express service began on Amtrak more than a year ago. (ffd: wire services)

(FRI) The Association of American Railroads announced that U.S. freight and passenger railroads would be on a heightened state of alert in response to recent reports of possible terrorist activity against them. In a prepared statement, AAR President Edward Hamberger said that "the nation's railroads will not be a soft target for terrorists." Wire services reported that U.S. military and intelligence forces had recently found photographs of U.S. railroad locomotives, cars and crossings at former al-Qaida locations. (ffd: AAR, wire services)

(FRI) The Indiana Rail Road marked completion of its \$1.5 million Linton, IN. bypass project. The project, made possible by IRR's acquisition and rehabilitation of 6 miles of abandoned track, will allow IRR to interchange with Canadian Pacific Railway at Jasonville, IN. Previously, IRR has had to interchange with CPR in central Linton, with necessary switching often taking several hours and blocking many crossings in the town. (ffd: Progressive Railroadng)

STATS:

(THU) For the week ending October 19, U.S. carload rail traffic was down 0.1 percent from the comparable week last year, up 0.1 percent in the East, but down 0.3 percent in the West. This week this year versus this week last year, notable traffic increases included metals and metal products up 14.2 percent, waste and scrap materials up 9.2 percent and motor vehicles and equipment up 8.4 percent; notable traffic decreases included primary forest products down 13.4 percent, petroleum products down 12.5 percent and grain down 8.6 percent. Also for the week ending October 19, U.S. intermodal rail traffic was up 7.4 percent, Canadian carload rail traffic was down 4.0 percent, Canadian intermodal rail traffic was up 2.2 percent, Mexico's Transportacion Ferroviaria Mexicana's carload rail traffic was up 15.4 percent and TFM's intermodal rail traffic was up 14.4 percent, all when ranked with the comparable week last year.

For the period January 1 through October 19, U.S. carload rail traffic was down 0.9 percent, U.S. intermodal rail traffic was up 3.9 percent, Canadian carload rail traffic was down 2.7 percent, Canadian intermodal rail traffic was up 10.0 percent, TFM's carload rail traffic was up 2.2 percent and TFM's intermodal rail traffic was up 8.1 percent, all when ranked with the comparable period last year. (ffd: AAR)

STATS CONTINUED - 3RD QTR., 2002 RESULTS:

(MON) Canadian Pacific Railway reported net income of \$65 million, down from \$114 million in the third quarter last year, on revenues of \$917 million, up from \$898 million in the third quarter last year. In a prepared statement, CPR attributed the drop in net income mainly to a \$47 million foreign exchange rate loss. CPR also reported their 3rd Qtr., 2002 operating ratio to be 75.6 percent, worsening slightly from 75.3 percent in the third quarter last year. (ffd: CPR Corp.)

(TUE) Canadian National reported net income of \$268 million, up from \$252 million in the third quarter last year, on revenues

of \$1.503 billion, up from \$1.325 billion in the third quarter last year. CN also reported their 3rd Qtr., 2002 operating ratio to be 67.8 percent, worsening slightly from 67.5 percent in the third quarter last year. (ffd: CN Corp.)

(WED) Burlington Northern Santa Fe reported net income of \$192 million, down from \$225 million in the third quarter last year, on revenues of \$2.31 billion, down from \$2.34 billion in the third quarter last year. In a prepared statement, BNSF attributed the drop in net income and revenue mainly to the West Coast port shutdown and also slack agricultural shipments. BNSF also reported their 3rd Qtr., 2002 operating ratio to be 81.6 percent, worsening slightly from 78.3 percent in the third quarter last year. (ffd: BNSF Corp.)

(THU) CSX reported operating income for its rail and intermodal business units of \$227 million, down from \$237 million in the third quarter last year. CSX revenues were for the third quarter were \$1.79 billion, virtually unchanged from the third quarter last year. (ffd: CSX Corp.)

(THU) Union Pacific reported net income of \$437 million, up from \$267 million in the third quarter last year, on revenues of \$3.2 billion, up from \$3.0 billion in the third quarter last year. In a prepared statement, UP reported that the increase in net income included one-time gains from its sale of right-of-way for possible future commuter rail services to the Utah Transit Authority and also to a tax settlement. (ffd: UP Corp.)

(FRI) Norfolk Southern reported net income of \$126 million, up from \$79 million in the third quarter last year, on revenues of \$1.598 billion, up from \$1.508 billion in the third quarter last year. NS also reported their 3rd Qtr., 2002 operating ratio to be 80.5 percent, an improvement from 83.8 percent in the third quarter last year. (ffd: NS Corp.)

ACQUISITIONS, ABANDONMENTS AND ALIKE:

(MON) CSX filed to abandon approximately 1 mile of line in Cloverdale, IN. (ffd: STB)

(THU) Regional and shortline conglomerate Genesee & Wyoming announced that it had concluded an agreement with Burlington Northern Santa Fe to lease and operate approximately 76 miles of line between Salem, OR. and Eugene, OR. The line is contiguous with G&W's Portland & Western Railroad and increases the size of G&W's Oregon Region to 523 miles. (ffd: G&W Corp.)

CHANGING PEOPLE AND PLACES:

None of note this week.

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Weekly Rail Recap is edited from public news sources and published weekly, usually on Sunday or Monday, to the rail and transit industries and those interested in them. Send an e-mail to djmservices@aol.com to receive it, with my compliments.

HAVE A SAFE AND PROSPEROUS WEEK,
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