

WEEKLY RAIL REVIEW
FOR THE 7 DAYS ENDING FRI, OCTOBER 3, 2008
BY DAVE MEARS

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

(SAT) The U.S. House of Representatives defeated a bill that would have imposed additional requirements for future railroad mergers. The bill, intended to some extent to try to impact Canadian National's proposed acquisition of the Elgin, Joliet & Eastern Railway, would have required the Surface Transportation Board to consider safety, environmental and passenger rail impacts when deciding whether a large railroad's acquisition of a smaller one served the public interest. Bill opponents argued that it could potentially discourage future industry investment and create additional litigation. (ffd: CQ Today)

(MON) Los Angeles commuter rail operator Metrolink said that it would begin adding a second engineer to some of its commuter trains. The move is in response to the crash between a Metrolink commuter train and a Union Pacific freight train on September 12 in which distractions to the Metrolink locomotive engineer may have been a contributing cause. "It's just an interim measure until we can find something permanent," said a Metrolink spokesman. "We're going to use [the second engineers] as much as we can, as another set of eyes." (ffd: Los Angeles Times)

(MON) The Federal Railroad Administration approved modifications to self-propelled passenger cars intended for use on Austin TX's new commuter rail line. The FRA had initially declined to approve the cars as not sufficiently crashworthy, but now says that it will approve them conditional to a steel cage being installed around the cars' fuel tanks. With the approval, officials of Austin's Capital Metro said that the new line, which will operate 32 miles between Austin and Leander TX, may be able to start service as early as next March. (ffd: Austin American Statesman)

(TUE) The engineer of a runaway Norfolk Southern freight train that derailed in June, 2006 near Gardeau PA pleaded guilty to charges of "causing a catastrophe and improperly disposing of hazardous waste." Toxicology tests given the engineer, Michael Seifert, following the accident indicated that he had pharmaceuticals in his system that made him fatigued and sleepy. Following his guilty plea, Mr. Seifert was sentenced to one to two years in jail plus 600 hours of community service. (ffd: Trains, wire services)

(TUE) Government officials from Mexico and New Mexico pledged to work together to seek expedited approval for a new international rail crossing. The new crossing, which would connect BNSF, Union Pacific and the Mexican railroad Ferromex, would locate just west of Santa Teresa, NM. Officials said that the project should be a public-private partnership and that they would push for federal approval and funding for the new link as soon as possible. (ffd: RT&S)

(TUE) Toronto ON's Metrolinx transportation planning agency released a draft plan that calls for spending C\$50 billion during the next 25 years to improve and expand public transportation in and around that city. Entitled "The Big Move: Transforming Transportation in the Greater Toronto and Hamilton Area," the plan calls for more than 700 miles of new rapid transit lines. Officials said that, if and when the plan is fully implemented, 75 percent of that region's residents would then live within a mile of transit versus today's 42 percent. (ffd: Progressive Railroading)

(TUE) The U.S. Department of Transportation released \$30 million to match local investment in 15 passenger rail improvement projects. The funding will support intercity and commuter improvements in a total of twelve states. In their announcement of the funding, USDOT noted that, largely owing to the increased cost of gasoline, Americans drove 3.6 percent less in July, 2008 than in July, 2007, representing 9.6 billion fewer miles. (ffd: USDOT)

(WED) The U.S. Senate passed the combined "Rail Safety Improvement Act" and "Passenger Rail Investment & Improvement Act." Both bills had earlier been passed by the House and, after Senate passage, were sent to the White House, where a spokesman for President Bush said that he would sign them into law. Included in the provisions of the rail safety act is the requirement that train conductors be certified; that by December 31, 2015, Positive Train Control (PTC) be installed on all rail lines where intercity passenger and commuter trains operate, and over which Toxic Inhalation Hazard (TIH) is transported; that train crews get at least 10 consecutive hours of rest following 12 hours on duty, and that their "limbo" time be limited; and that the number of FRA inspectors and support staff be increased by 200. Included in the provisions of the passenger rail bill is the formal reauthorization of Amtrak, the providing of seed money for development of new high-speed corridors, and the discretionary fining of host railroads that delay Amtrak trains. The passenger bill also authorizes \$13.1 billion in federal subsidy to Amtrak over a five-year period, leaving the actual appropriation of these funds to annual Congressional approval. (ffd: Railway Age, wire services)

(WED) The National Transportation Safety Board announced that their ongoing investigation into the September 12 train crash in Chatsworth CA had determined that the engineer of the Metrolink train had sent a text message on his cell phone 22 seconds before his train collided head-on with a Union Pacific freight train. An NTSB spokesman said that this added to evidence that the engineer was distracted and may have ignored approach and stop signals in front of him. In a related story, the Federal Railroad Administration later that day issued an emergency order prohibiting the use of personal electronic devices, including cell phones, by railroad employees while operating trains and in certain other work settings. (ffd: FRA, NTSB)

(WED) Oregon's TriMet Authority announced that it would start commuter rail service, Oregon's first, on February 2, 2009. The new commuter line, to be known as the Westside Express Service, will operate over a 15-mile run serving the cities of Beaverton, Tigard, Tualatin and Wilsonville. The trains, which will initially run weekday rush hours only, will operate on the tracks of the

Portland & Western Railroad. (ffd: Progressive Railroading)

(WED) The Virginia Department of Rail and Public Transportation announced that it will delay the release of its "Statewide Rail Resource Allocation Plan," due to the worsening economic outlook. The state's forecasting staff is currently reviewing and revising the plan to reflect recommendations recently made by its Advisory Committee on Revenue Estimates. A state spokesman said that the plan will serve as the funding and scheduling blueprint for passenger rail and freight rail projects in the state in coming years. (ffd: Progressive Railroading)

(WED) Norfolk Southern released its first-ever "sustainability" report. Available off the NS website, the 56-page report, which the railroad said it plans to issue annually, includes narrative, metrics, and profiles of employees who are making a "green" difference. "Our goal is to achieve industry leadership in fuel conservation, emissions reduction, efficient energy use, recycling, use of renewable materials, and environmental partnerships," said NS Chairman and CEO Wick Moorman. (ffd: NS Corp.)

(THU) Massachusetts announced that it had agreed to purchase the 23-mile, former Boston & Albany line between Framingham and Worcester from CSX. The state already owns the 20-mile segment of that line between Boston and Framingham. Although the deal may take up to four years to complete, five MBTA commuter trains that originate or terminate in Framingham will be extended to Worcester effective October 27. The deal also provides for the state to purchase the CSX line between New Bedford and Fall River, which is planned for future commuter service, as well as the eventual relocation of CSX's locomotive servicing facility out of Boston's Beacon Park Yard. CSX has said that it hopes to exit all operations on its valuable real estate in Beacon Park, which locates across the Charles River from Harvard University. (ffd: NARP, Worcester Telegram & Gazette)

(THU) Metro North said that it would add bike racks to some of its New Haven Line trains this fall as part of a pilot program. Passengers are presently restricted from bringing bikes on the line's trains during peak hours and conductors may bar them from off-peak hour trains that are crowded. A MNRR spokesman said that a study was underway to determine how the number of bikes on trains may be increased without reducing seats. (ffd: Hartford Courant)

(FRI) Congress passed a fiscal markets stabilization bill that include extension of the tax credit for short line and regional railroads. The bill was signed into law by President Bush approximately 90 minutes after passage. The bill extends the tax credit through December 31, 2009, and qualified expenditures made during 2008 may still earn credits. The bill also fixes a longstanding need so that it may still be used by railroads that must pay an Alternate Minimum Tax (AMT). The tax credit, which has been particularly helpful to short line and regional railroads working to rebuild their infrastructure, allows a 50 percent credit of up to \$3,500 per track mile. (ffd: wire services)

(FRI) The National Carriers Conference Committee, which represents railroads in national labor bargaining, announced that all 13 railroad unions have now ratified new contracts with the carriers. A NCCC spokesman said that the current round of bargaining came to a close with the ratification of a new agreement by 7,000 members of the International Association of Machinist and Aerospace Workers. The new contacts cover approximately 145,000 rail workers. (ffd: Railway Age)

(FRI) Metro North announced that it would hold its annual open house at its Croton-Harmon shops on Saturday, October 11. Among the attractions at the open house will be tours of the shops, which were originally constructed by the former New York Central Railroad and remain MNRR's largest single maintenance facility. Also featured, in the words of a MNRR spokesman, will be the opportunity to "operate a track switch with the click of a computer mouse and watch it move into position...then get onboard a diesel train for a 50-minute fall foliage train trip through the majestic Hudson Highlands." (ffd: MTA)

STATS – "BIG 7" RAIL TRAFFIC:

(EDITOR'S NOTE: Canadian traffic includes that on the U.S. operations of Canadian National and Canadian Pacific.)

(THU) For the week ending September 27, 2008, U.S. rail volume grand totaled 34.6 billion ton-miles, down 3.6 percent from the comparable week last year. U.S. carload rail traffic was down 4.7 percent, down 4.6 percent in the East and down 4.7 percent in the West. Also for the week, U.S. intermodal rail traffic was down 2.7 percent, Canadian carload rail traffic was down 6.2 percent, and Canadian intermodal rail traffic was up 7.6 percent.

For the month of September, 2008 and compared with September, 2007, U.S. carload rail traffic was down 4.6 percent, U.S. intermodal rail traffic was down 4.7 percent, Canadian carload rail traffic was down 6.6 percent, Canadian intermodal rail traffic was up 4.6 percent, Mexico's Kansas City Southern de Mexico's carload rail traffic was down 18.1 percent, and KCSM's intermodal rail traffic was up 9.5 percent.

For the 3rd Qtr., 2008 and compared with the 3rd Qtr., 2007, U.S. carload rail traffic was down 1.2 percent. Notable traffic increases included metallic ores up 16.2 percent, waste and scrap material up 5.2 percent, and coal up 4.1 percent; notable traffic decreases included coke down 32.3 percent, motor vehicles and equipment down 26.7 percent, and crushed stone and gravel down 9.1 per cent. Also for the quarter, U.S. intermodal rail traffic was down 2.8 percent, Canadian carload rail traffic was down 4.9 percent, and Canadian intermodal rail traffic was up 4.0 percent.

For the first nine months of 2008 and compared with the first nine months of 2007, U.S. rail volume grand totaled 1.32 trillion ton-miles, up 0.9 percent, U.S. carload rail traffic was down 0.2 percent, U.S. intermodal rail traffic was down 3.1 percent, Canadian carload rail traffic was down 4.3 percent, Canadian intermodal rail traffic was up 4.2 percent, KCSM's carload rail traffic was down 5.4 percent, and KCSM's intermodal rail traffic was up 13.8 percent. (ffd: AAR)

MORE STATS – “BIG 7” (EXCEPT CN) OPERATING PERFORMANCE:

NOTE: Earlier this year, Kansas City Southern combined operating performance data for its domestic (Kansas City Southern) and Mexican (Kansas City Southern de Mexico) operations. As a result, correct comparative data for KCS for last year is not available at this time.)

(WED) For the week ending September 26, 2008 versus the comparable week last year (except for KCS), average total cars on line was as follows: BNSF, 229,654 cars versus 235,395 cars; Canadian Pacific, 83,630 cars versus 82,821 cars; CSX, 227,458 cars versus 220,101 cars; Kansas City Southern, 47,361 cars; Norfolk Southern, 199,697 cars versus 199,969 cars; and Union Pacific, 302,392 cars versus 309,906 cars.

Also for the week ending September 26, 2008 versus the comparable week last year (except for KCS), average train speed was as follows: BNSF, 24.4 mph versus 23.1 mph; Canadian Pacific Railway, 23.6 mph versus 22.1 mph; CSX, 20.0 mph versus 21.6 mph; Kansas City Southern, 25.8 mph; Norfolk Southern, 21.4 mph versus 22.0 mph; and Union Pacific, 23.4 mph versus 21.9 mph.

Finally for the week ending September 26, 2008 versus the comparable week last year (except for KCS), average terminal dwell time was as follows: BNSF, 22.8 hrs versus 25.3 hrs; Canadian Pacific Railway, 20.2 hrs versus 21.1 hrs; CSX, 24.3 hrs versus 22.1 hrs; Kansas City Southern, 17.3 hrs; Norfolk Southern, 21.4 hrs versus 21.3 hrs; and Union Pacific, 24.5 hrs versus 24.9 hrs. (ffd: AAR)

STILL MORE STATS – SAFETY:

(WED) The Federal Railroad Administration released safety statistics for the first seven months of 2008. During this period and comparing with the first seven months of last year, there were 1,424 reportable train accidents, down 7.9 percent; 162 grade crossing crash fatalities, down 14.3 percent; and 271 trespasser fatalities, up 6.2 percent. Notably, there were 14 on-duty employee fatalities, a 100 percent increase, and there have been four more since July 31. (ffd: FRA, wire services)

EXPANSIONS, CONTRACTIONS AND ALIKE:

(TUE) The Surface Transportation Board issued a decision endorsing Canadian Pacific Railway's acquisition of the Dakota, Minnesota & Eastern and Iowa, Chicago & Eastern Railroads. The two railroads add approximately 2,500 route miles to the CPR's 14,358 route miles. Addressing the possibility that CPR would continue DM&E's long-pursued goal of building a new line to access Wyoming's Powder River Basin coal fields, the STB said in its decision that CPR and its holdings can't transport any coal over a new PRB line until the board prepares a new Environmental Impact Statement and issues a final decision allowing operations to begin on that line. (ffd: STB, wire services)

(WED) Shortline conglomerate Genesee & Wyoming announced that it had acquired the Georgia Southwestern Railroad. The purchase price was \$16.5 million of cash consideration and the assumption of \$5.4 million in debt. The Georgia Southwestern operates approximately 220 miles of line in Alabama and Georgia. (ffd: Progressive Railroading, wire services)

(FRI) CSX file to abandon approximately one mile of its Arlington Industrial Track in Marion County IN. (ffd: STB)

(FRI) Pacific Sun Railroad filed to lease, and operate, approximately 22 miles of BNSF line between Oceanside Jct. CA and Escondido CA. As part of this agreement, BNSF will also grant PSRR trackage rights to provide local freight service over approximately 46 miles of BNSF line between San Diego CA and the San Diego County-Orange County border. (ffd: STB)

APPOINTMENTS, ACHIEVEMENTS AND MILESTONES:

(MON) Phil Yeager passed away at Age 80. Mr. Yeager, a former Pennsylvania Railroad employee, started Hub City Terminals in 1971 and grew the intermodal freight forwarder into a company with \$1.6 billion in annual sales. Mr. Yeager never retired, and at the time of his death was chairman of the company, now known as Hub Group. (ffd: Railway Age, Trains)

(MON) Kansas City Southern appointed Gil Niesen its AVP-Sales Operations & Administration-Intermodal & Automotive Business Unit. Mr. Niesen was most recently with Schneider National. (ffd: Progressive Railroading)

(FRI) Union Pacific appointed James Houton its AVP-External Relations in Washington DC. Mr. Houton was earlier Director-Government Relations for Microsoft. (ffd: Progressive Railroading, UP Corp.)

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Weekly Rail Review (WRR) is edited from public news sources and published weekly to those working in, or interested in, rail and transit. Send an e-mail to <<mailto:weeklyrailreview@aol.com>>weeklyrailreview@aol.com to receive it, with my compliments.

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