

WEEKLY RAIL REVIEW

FOR THE WEEK ENDING SAT, OCTOBER 30, 2004

BY DAVE MEARS

(NOTE: The expression "ffd" at the end of a news item represents "for further details" and suggests a reference source for further related information.)

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

(SUN) An earthquake derailed one of Japan's high-speed "bullet" passenger trains, reportedly for the first time ever. There were no injuries in the derailment. Japanese officials noted that there are trackside devices already in place to shut off power to trains if tremors preceding an earthquake are detected, but said that these detection systems would now likely need improvement. "This is a quake that we hadn't anticipated, [hitting] directly under the train with vertical shaking," said a spokesman for East Japan Railway. "How to deal with such a direct quake is the issue we have to tackle in the future." (ffd: wire services)

(MON) Washington, DC. Mayor Anthony Williams said that he would sign emergency legislation to ban rail shipments of especially hazardous materials through the city if the Bush Administration does not act in the next few weeks to prohibit such shipments. Mr. Williams's announcement follows publicized concerns that the sabotaged release of chemicals, such as ammonia and chlorine, that are moved on CSX's line skirting government and residential buildings in Southwest and Southeast Washington had the potential to kill or injure thousands. Both CSX and the Association of American Railroads said that they are continuing to work to safeguard such shipments. (ffd: Washington Post)

(TUE) The contractor rebuilding Philadelphia's SEPTA Market-Frankford elevated line between the line's 63rd St. station and its western terminus at 69th St. filed suit to be released from the project. In their filing, the contractor, PKF-Mark III, accused SEPTA of failing to make payments in accordance with the rebuilding contract and "persistently interfering with PKF's means and methods." In response, SEPTA Chairman Pat Deon faulted PKF for unsafe and low-quality construction, including steel beams that the agency rejected due to poor manufacture. The project is currently 2 years behind schedule and is now not expected to be complete until sometime in 2008. (ffd: Philadelphia Inquirer)

(WED) The New York City subway system marked its 100th anniversary of operation. To mark the occasion, New York City Mayor Michael Bloomberg and other officials boarded a special train of recently restored, decades-old subway cars, which then traveled from the now-closed City Hall Station up the IRT East Side Line to 42nd St., recreating the system's first ceremonial train trip over its first subway line on October 27, 1904. The system now serves 468 stations in 4 New York City boroughs and is used by approximately 4.5 million passengers each weekday. Earlier in the week, Caroline Sanchez-Bernat was crowned "Ms. Subways", reviving a famous subway promotion carried on from 1941 through 1976. (ffd: New York Times, wire services)

(WED) New York State officials announced that they were continuing to move forward with the project to convert Manhattan's Farley post office building into the new Moynihan rail station. The project had been in question since

Amtrak told officials earlier this year that they would not be able to participate in the project due to expense considerations and would instead continue using the existing and somewhat cramped station across the street from the Farley building that replaced the original Pennsylvania Station in the 1960s. In making their announcement, state officials said that both New Jersey Transit and the Long Island Rail Road have told them that they would use the new station. "We're going forward with this project," said Charles Gargano, project chairman. "It's basically fully funded for construction." The project to convert the Farley building, which was built at the same time and on the same scale as the original Pennsylvania Station, was conceived and structured in the 1990s by the late Senator Daniel Patrick Moynihan. (ffd: New York Times)

(WED) The membership of the Brotherhood of Maintenance of Way Employees ratified their proposed merger with the International Brotherhood of Teamsters. A BMWWE spokesman said that it would now become a division of the Teamsters Rail Conference, which was established in January when the Brotherhood of Locomotive Engineers merged with the Teamsters. The spokesman added that the conference now will represent approximately 70,000 rail workers, more than 42 percent of all unionized railroad employees. (ffd: Progressive Railroading, Railway Age)

(WED) Burlington Northern Santa Fe opened a new 8.3 mile section of third main track between Walker, WY. and Shawnee Jct., WY. on its Orin Line serving the Powder River Basin. A BNSF spokesman noted that the Orin Line is jointly operated by BNSF and Union Pacific, and that the 2 railroads had split the \$36 million cost of constructing the third track. The spokesman also noted that, between 1994 and 1999, the 2 railroads have added 38.7 miles of double track and 46 miles of triple track to the line, and plan to add another 5.8 miles of triple track to the line next year. (ffd: Progressive Railroading)

(THU) Florida Governor Jeb Bush campaigned for a state constitutional amendment on the November 2 ballot that would repeal an earlier amendment requiring the state to build a high-speed rail network. The earlier amendment was passed by Florida voters in 2000 and directed construction to begin in 2003, although only initial project planning has to date been completed. The project has since been scaled back from a \$51 billion, 1000-mile system to a \$25 billion, 500-mile system. "We can't afford a \$25 billion mistake," said Mr. Bush. (ffd: Tampa Tribune, wire services)

(THU) The Surface Transportation Board voted to formally conclude, as scheduled, its 5-year oversight of the Conrail takeover by CSX and Norfolk Southern. The STB also voted to terminate special reporting requirements, with the exception of operational monitoring of the Conrail remnant terminal company, Shared Assets. (ffd: AAR)

(THU) A 7-member team of Union Pacific employees was announced as the winner of the 2004 "Idea of the Year" award given annually by the Employee Involvement Association. The internationally recognized, nonprofit association honored the team for making revisions in a wheel impact detection system. Although the existing system determined defects, it did not give specific enough data to determine which cars had bad wheels. The team improved the system so that it could identify the specific cars and trains with bad wheels. (ffd: AAR)

(FRI) The Transportation Security Administration directed Amtrak to begin random checks of passengers' identification on its trains. The random checks will be based on a passenger's ticket number. Approximately 10 percent of passengers will be targeted for such checks. If the name of the passenger on the ticket and the passenger's identification do not match and a reasonable explanation is not provided, conductors will be required to alert Amtrak police. (ffd: NARP)

(FRI) Officials of the Port of San Diego said that they were beginning to dock and unload ships originally destined for the Port of Long Beach. A spokesman for San Diego said that ships were diverted due to a current average wait time of at least 7 days to dock and unload at Long Beach. A spokesman for Long Beach said that their delays were due both to a labor shortage and a higher-than-expected inbound volume at the port, which has seen its cargo volume grow 14 percent this year over last year, although growth of only 5 percent had originally been predicted. (ffd: San Diego Union-Tribune)

(FRI) The Association of American Railroads and the American Short Line and Regional Rail Road Association announced that they will jointly hold what is being billed as the "first-ever, industrywide safety conference." A spokesman for the 2 organizations said that it will combine AAR's Annual Safety Conference and ASLRRA's Operating and Maintenance Meeting. The event is scheduled for November 16 through 19 at the Renaissance Grand Hotel in St. Louis, MO. (ffd: AAR, ASLRRA)

STATS:

(THU) For the week ending October 23, U.S. carload rail traffic was up 2.2 percent from the comparable week last year, down 0.7 percent in the East, but up 4.6 percent in the West. This week this year versus this week last year, notable traffic increases included metallic ores up 26.4 percent, nonmetallic minerals up 9.1 percent and petroleum products up 8.4 percent; notable traffic decreases included primary forest products down 10.5 percent and grain down 3.6 percent. Also for the week ending October 23, U.S. intermodal rail traffic was up 10.5 percent from the comparable week last year – and totaled 231,829 units, a new U.S. weekly record. Finally for the week ending October 23, Canadian carload rail traffic was up 1.7 percent, Canadian intermodal rail traffic was down 0.3 percent, Mexico's Transportacion Ferroviaria Mexicana's carload rail traffic was up 4.7 percent and TFM's intermodal rail traffic was up 44.5 percent, all when ranked with the comparable week last year.

For the period January 1 through October 23, U.S. carload rail traffic was up 2.9 percent, U.S. intermodal rail traffic was up 9.6 percent, Canadian carload rail traffic was up 7.8 percent, Canadian intermodal rail traffic was up 0.2 percent, TFM's carload rail traffic was up 2.9 percent and TFM's intermodal rail traffic was up 6.5 percent, all when ranked with the comparable period last year. (ffd: AAR)

STATS CONTINUED – 3RD QTR., 2004 RESULTS – PART 2:

(TUE) Burlington Northern Santa Fe reported third quarter net income of \$2 million, compared with \$203 million in the third quarter last year. In announcing their results, a BNSF spokesman noted the effect of a special charge of several hundred million dollars relating to the company's most recent estimate of its asbestos and environmental liabilities. Third quarter revenues were \$2.79 billion, compared with \$2.4 billion in the third quarter last year. BNSF's third quarter operating ratio was 96.3 percent, which was noted at 17 points higher than what it would have been without the special charge, compared with 81.8 percent in the third quarter last year. (ffd: BNSF Corp., Railway Age, wire services)

(WED) Canadian National reported third quarter net income of C\$346 million, compared with C\$294 million in the third quarter last year. Third quarter revenues were C\$1.709 billion, compared with C\$1.413 billion in the third quarter

last year. CN's third quarter operating ratio was 65.4 percent, compared with 67.9 percent in the third quarter last year. (ffd: CN Corp., wire services)

(WED) Canadian Pacific reported third quarter net income of C\$177 million, compared with C\$91 million in the third quarter last year. Third quarter revenues were C\$990 million, compared with C\$905 million in the third quarter last year. Canadian Pacific's third quarter operating ratio was 77.9 percent, compared with 77.5 percent in the third quarter last year. (ffd: CPR Corp., Railway Age)

(THU) CSX reported third quarter net income of \$123 million, compared with a \$103 million net loss in the third quarter last year. Revenues were \$1.94 billion, which a CSX spokesman noted included a noncash gain related to the recent Conrail remnant terminal company financial reorganization, compared with \$1.82 billion in the third quarter last year. CSX's third quarter operating ratio was 87.1 percent, compared with 86.4 percent in the third quarter last year. (ffd: CSX Corp., Progressive Railroading, Railway Age, wire services)

(THU) Kansas City Southern Railway reported third quarter net income of \$11.1 million, a 158 percent improvement compared with the third quarter last year. Revenues were \$162.1 million, a 11.9 percent improvement compared with the third quarter last year. KCSR's third quarter operating ratio was 84.8 percent, compared with 87.5 percent in the third quarter last year. (ffd: Progressive Railroading, Railway Age)

(THU) RailAmerica reported a third quarter net loss of \$33.1 million, compared with net income of \$4.2 million in the third quarter last year. A RailAmerica spokesman noted the effect of refinancing costs and, also, an "impairment charge" for its E&N Railway related to RailAmerica's third quarter results. Third quarter revenues were \$100 million, compared with \$89.9 million in the third quarter last year. RailAmerica's North American Rail Group's third quarter operating ratio was 82.4 percent, which was noted as the result of "higher fuel prices, casualty expenses and congestion and service issues with our Class I interchange partners," compared with a 75.2 percent operating ratio in the third quarter last year. (ffd: RailAmerica Corp.)

ACQUISITIONS, ABANDONMENTS AND ALIKE:

(MON) The Surface Transportation Board approved Union Pacific's earlier request to abandon its Perry Subdivision between Waukee, IA. and Perry, IA. and Dawson, IA., totaling approximately 29 miles. (ffd: STB)

(TUE) OmniTrax announced that it had leased, from CSX, and would operate CSX's Fulco Branch Line near Atlanta, GA. The line, which serves the Fulton Industrial District, will be operated as the Fulton County Railway. (ffd: OmniTrax Corp.)

(FRI) Progressive Rail filed to lease, from Union Pacific, and operate UP's Cameron Line between Cameron, WI. And Norma, WI., totaling approximately 39 miles. (ffd: STB)

PERSONNEL CHANGES AND ALIKE:

(WED) Canadian Pacific Railway appointed Fred Green EVP and COO. Mr. Green has been employed with CPR since 1978 and has previously held senior positions in its operations and marketing departments. (ffd: CPR Corp.)

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Weekly Rail Review is edited from public news sources and published weekly to those working in, or interested in, the entities of 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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