

WEEKLY RAIL REVIEW

FOR THE WEEK ENDING FRIDAY, DECEMBER 4, 2009

BY DAVE MEARS

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

(SUN) Canadian National locomotive engineers went out on strike. The striking workers are represented by the Canadian Teamsters Rail Conference. A CN spokesman said that it would attempt to continue Canadian train operations with qualified management personnel. Canadian National's U.S. operation were not affected by the strike. (ffd: New York Times, wire services)

(TUE) Raleigh, NC-based Progress Energy said that it would close 11 coal-fired power plants by 2017. The plants were built between the 1950s and the 1970s. A company spokesman said that it planned to replace them with gas-fired plants and also possibly nuclear plants. Industry analysts noted that the company's decision represented a belief that natural gas prices would stay acceptably low and that stricter rules would be forthcoming for carbon dioxide emissions. (ffd: New York Times)

(TUE) BNSF operated a special holiday passenger train for military personnel and their families. The train operated from Topeka, KS to the Flint Hills and return. BNSF also donated \$10,000 each to the Kansas National Guard Foundation and the Fort Riley Wounded Warrior organization. (ffd: Topeka Capital-Journal)

(TUE) A major renovation of Toronto Union Station began. The renovation will total approximately C\$640 million and take approximately five years to complete. The project will include the building of a new underground level. (ffd: Toronto Star)

(WED) Striking Canadian National locomotive engineers returned to work. Canadian National issued a statement this date saying that the strike would "end immediately as a result of an agreement to resolve the parties' contractual disagreements through further negotiation and, if necessary, binding arbitration." Concurrent with the agreement, CN said that it would roll back a monthly mileage cap for locomotive engineers to the previous 3,800 miles from a 4,300-mile cap instituted November 28, the day the strike started. (ffd: Canadian National RR, Progressive Railroading)

(WED) House Transportation & Infrastructure Committee Chair Jim Oberstar (D-MN) called for a second federal stimulus bill as would provide at least \$69 billion for highway, transit and rail projects. Mr. Oberstar said that approximately \$48 billion was secured for such projects by this year's American Recovery & Reinvestment Act (ARRA) stimulus package, and that that funding had directly sustained 21,000 job and supported an additional 130,000 indirectly. (ffd: APTA)

(WED) The American Short Line and Regional Railroad Association announced that it had achieved majority support in both the House and Senate for the extension and enhancement of the Short Line Tax Credit. The current credit, effective since 2005, provides a credit of 50 cents for every dollar a short line or regional railroad spends on track improvements. ASLRRA said that it was hopeful that the proposed extension and enhancement of the credit would be passed Congress and be signed into law before the end of the year. (ffd: ASLRRA)

(WED) The National Park Service announced that a model Amtrak train would encircle and operate around the National Christmas Tree. The tree locates annually during the holiday season on the Washington Ellipse, which is open park ground just south of the White House. An Amtrak spokesman said that the model train would be 1:22.5 in scale. (ffd: Amtrak)

(THU) The Florida state legislature began a special session to consider and possibly pass legislation that would facilitate SunRail

commuter rail service serving Greater Orlando. The legislature has twice in earlier sessions rejected such legislation due to concerns over cost and the apportionment of liability in the case of accident. (ffd: wire services)

(THU) Norfolk Southern launched a new version of the "Investors" section of its website, <<http://www.nscorp.com>>www.nscorp.com. A NS spokesman said that the new section "makes it easier to access news releases, earnings presentations, analyst coverage, transcripts, webcasts, podcasts, and other materials pertaining to the financial performance of Norfolk Southern. (ffd: NS RR)

(THU) The Railway Association of Canada announced the release of its latest "Railway Trends" fact book. An RAC spokesman said that among the fact in the book is that Canadian railways operate an average of 775 trains daily, but that they generate only 3 percent of the Canadian transport sector's greenhouse gas emissions. (ffd: Progressive Railroading)

(FRI) The Railroad Retirement Board released a study of the longevity of railroaders. It said that, on the average, a male railroader retiring at age 60 can be expected to live another 21.3 years and that a female railroader retiring at age 60 can be expected to live another 24.5 years. The entire longevity study is available on the RRB's website at <<http://www.rrb.gov>>www.rrb.gov. (Note: Splendidly skewing these averages is Montana's Walter Bruening, who retired from the Great Northern Railway in 1963, and is today – at Age 113 – the world's oldest man.)

STATS:

(THU) For the week ending November 28, 2009, which included the Thanksgiving Holiday, U.S. rail volume grand totaled 27.6 billion ton-miles, down 3.8 percent from the comparable week last year, which also included the Thanksgiving Holiday. 9 of 19 commodity groups increased, including nonmetallic minerals up 38.1 percent, grain up 21.3 percent, and motor vehicles and equipment up 15.0 percent. Also for the week, U.S. intermodal rail traffic was down 6.4 percent, Canadian carload rail traffic was down 3.8 percent, Canadian intermodal rail traffic was down 7.5 percent, Mexican carload rail traffic was down 1.7 percent, and Mexican intermodal rail traffic was up 24.1 percent.

For the period January 1 through November 28, 2009, U.S. rail volume grand totaled 1.35 trillion ton-miles, down 16.2 percent from the comparable period last year. Also for this period, U.S. carload rail traffic was down 17.1 percent, U.S. intermodal rail traffic was down 15.5 percent, Canadian carload rail traffic was down 19.6 percent, Canadian intermodal rail traffic was down 15.2 percent, Mexican carload rail traffic was down 11.2 percent, and Mexican intermodal rail traffic was down 15.2 percent. (ffd: AAR)

MORE STATS – SAFETY:

(TUE) The Federal Railroad Administration released preliminary railroad safety statistics for the first nine months of 2009. Compared with the first nine months of 2008, all accidents/incidents reported to the FRA totaled 7,938, down 18.1 percent. Also, train accidents totaled 5,539, down 18.0 percent; highway-rail grade crossing fatalities totaled 181, down 18.8 percent; trespasser fatalities totaled 339, down 5.0 percent; and employee on-duty fatalities totaled 13, down 35.0 percent. (ffd: FRA)

EXPANSIONS, CONTRACTIONS AND ALIKE:

(TUE) CSX officially opened its new Central Alabama Intermodal Container Transfer Facility in Bessemer, AL. The facility was

initially opened in September. The \$6 million facility has capacity for more than 40,000 containers annually. (ffd: RT&S)

(THU) Lassen Valley Railway filed to acquire, from Union Pacific, and operate approximately 23 miles of line as follows: the Flanigan Industrial Lead, between Flanigan, NV and Wendel, CA, and the Susanville Industrial Lead, near Wendel, CA. (ffd: STB)

APPOINTMENTS, ACHIEVEMENTS AND MILESTONES:

(MON) Railway Age Magazine named BNSF CEO Matt Rose its 2010 Railroader of the Year. In announcing its selection, Railway Age Editor Bill Vantuono said, "In an industry where strong, focused leadership counts for a whole lot, Matt Rose has led BNSF Railway to new heights." (ffd: Railway Age)

(TUE) The Capitol Corridor Joint Powers Authority, which oversees and helps fund Amtrak California's Capitol Corridor services, appointed David Kutrosky as managing director. Mr. Kutrosky succeeds Gene Skoropowski, who has announced his retirement from CCJPA, but will continue to work in the industry as a consultant. (ffd: Progressive Railroading, Trains)

(TUE) CSX announced that its EVP and Chief Operating Officer, Tony Ingram, will retire at year's end. Succeeding Mr. Ingram as EVP and COO will be David Brown, currently CSX's VP and Chief Transportation Officer. Succeeding Mr. Brown as Chief Transportation Officer will be Cindy Sanborn, currently CSX's VP-Northern Region. (ffd: CSX RR)

(TUE) The Texas Department of Transportation appointed William Glavin to head its new rail division. The new division will consolidate Texas DOT's major rail responsibilities, such as planning, inspection, grade crossings, management of the South Orient Railroad, and railroad safety oversight. (ffd: NARP)

(TUE) Watco Companies appointed Neil Jacobs the general manager of its Kansas & Oklahoma Railroad. Mr. Jacobs was most recently the chief engineer of Watco's Central Region. (ffd: Progressive Railroading)

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BE SAFE AND PROSPER,

Dave Mears

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