

WEEKLY RAIL REVIEW

FOR THE WEEK ENDING SAT, FEBRUARY 11, 2006

BY DAVE MEARS

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

(MON) Secretary of Transportation Norman Mineta released a proposed federal transportation budget for Fiscal Year 2007 totaling \$65.6 billion. Included in the budget is a \$900 million appropriation for Amtrak, with \$500 million designated for capital improvements and \$400 million for what the budget terms "efficiency incentive grants to encourage reform," which presumably could be denied if Amtrak fails to enact certain requirements and does not "better manage all its resources, including federal and state contributions, ticket revenue, and other sources." Amtrak received \$1.31 billion in federal funding for Fiscal Year 2006. The budget also proposes elimination of the Railroad Rehabilitation and Improvement Finance (RRIF) loan guarantee program for shortline and regional railroads, even though last year's SAFETEA-LU Act enlarged RRIF from \$3.5 billion annually to \$35 billion and made changes making it simpler for railroads to be approved for loans. The budget now goes to congressional committees for initial consideration. (ffd: Railway Age, USDOT)

(MON) In an interview, Canadian Pacific CEO Rob Ritchie commented that he was aware of "rumblings" related to a new round of rail mergers, such as Canadian National again attempting to combine with BNSF or another combination involving CN. However, Mr. Ritchie said that he personally opposes large mergers in the rail industry, and emphasized he isn't aware of any deals on the horizon. "It depends on if there is a first mover and how they go about it," said Mr. Ritchie. "Every responsible company has a defensive plan, and a strategy that is offensive." (ffd: Toronto Globe and Mail)

(MON) In an interview, Union Pacific CEO James Young said that construction of a fourth main track accessing Wyoming's Powder River Basin could begin as early as next year, depending on the outcome of a related study now being performed by the consulting firm CANAC. Mr. Young said that the study will help identify how rail capacity out of the Basin may be increased from 500 million tons to 600 million tons of coal per year. Mr. Young added that the 102-mile joint BNSF-UP line between the Southern Powder River Basin and near Gillette, WY is now very nearly all triple tracked, with 18 more miles of third main track being added this year. (ffd: Omaha World-Herald)

(MON) The administration of California Governor Arnold Schwarzenegger has proposed investing \$290 million into rail lines used by freight and passenger trains in the Los Angeles Basin to relieve congestion and eliminate grade crossings. The funding is contained in the governor's proposal to issue \$222 billion in bonds to finance infrastructure improvements throughout the state. The rail plan includes 2 track extensions south of Los Angeles Union Station, a new connection to the BNSF main line on the west side of the Los Angeles River, and triple-tracking an 8-mile stretch of line north of La Mirada, CA. (ffd: Railway Age)

(MON) The Surface Transportation Board announced that Class 1 railroad employment increased 3.59 percent to 164,877 in the 12 months ended mid-December, 2005. The increases included executives, officials and staff assistants up 6.39 percent to 9,540; maintainers of way and structures up 4.69 percent to 34,337; and train and engine personnel up 4.21 percent to 69,658. (ffd: Railway Age, STB)

(MON) Metro North convened a focus group to review designs for its new fleet of commuter rail cars. 5 riders from Connecticut and Westchester County inspected an existing car and then viewed artists' renderings of new car designs. Related to existing cars, the group complained about the color schemes, the size of the bathrooms, and seats that lack head rests. A Metro North spokesman said that the new designs drew favorable comments from the group, who also contributed additional design ideas. (ffd: Trains)

(TUE) The Transportation Security Administration launched a transit screening pilot project for PATH subway trains between New Jersey and New York. Manhattan-bound commuters passed through metal detectors and shoved their briefcases and knapsacks through x-ray machines. Officials said that the testing, which is scheduled for the next 30 days, will stagger hours of inspection to focus on various traffic flows. Officials added that they hoped the screening process won't take more than a minute per passenger. (ffd: NARP, Washington Post)

(TUE) The Long Island Rail Road announced that it had reached agreement with Amtrak related to New York City's East Side Access project, which will route some LIRR trains in and out of a new station beneath Grand Central Terminal. An Amtrak spokesman announced that it has agreed to allow LIRR to tunnel under the Amtrak-owned Sunnyside yard and that Amtrak and LIRR have also agreed on a new configuration of Harold Interlocking to route trains to and from both Penn Station and Grand Central. Commenting on the agreement, Acting Amtrak President David Hughes said, "You build something like this every 100 years. If you don't get it right, you have to live with it a long time." Full funding for the project, now estimated at \$7 billion, is still being sought. (ffd: NARP, Trains)

(WED) BNSF suffered an on-duty employee fatality. A BNSF spokesman said that the worker was killed while working to re-rail a derailed car in BNSF's rail yard in Tacoma, WA. No further details were immediately available concerning the fatally injured employee's name, age or length of railroad service. (ffd: Tacoma News Tribune)

(WED) The Federal Railroad Administration released rail safety statistics for the first 11 months of 2005. In spite of the aforementioned fatality, the statistics reflect that the industry employee casualty rate for this period was 2.26 per 200,000 employee hours, the lowest ever, with the "overwhelmingly most common cause of casualties," at 15.1 percent, due to overexertion. Also for the first 11 months of 2005 versus the first 11 months of 2004, the train accident rate dropped 10.3 percent, the yard accident rate dropped 14.8 percent, the number of highway-rail incidents dropped 8.42 percent, and the number of trespasser incidents dropped 4.81 percent. (ffd: AAR, Railway Age)

(WED) Results of a new Harris Poll were released showing that most Americans view railroads as the preferred mode for moving freight and passengers. The poll revealed that freight railroads, at 63 percent, come far ahead of all other modes that adults would like to see have an increasing share of freight transportation. Air freight and trucks followed at a distant second and third. Those polled also indicated that they would like to see rail providing an increased share of passenger transportation. 68 percent of poll participants felt that providing for a good national transportation system should be the responsibility of the federal government. (ffd: Harris Interactive, Railway Age)

(WED) The Toronto, ON City Council approved plans for \$100 million in improvements to Toronto Union Station. City officials said that improvements would include a mix of restaurants, retail and office space, as well as provision for a future rail link from the station to Toronto's airport. Officials added that the rebuilding project would take approximately 6 years to complete. The station is used by approximately 100,000 commuter and intercity rail passenger daily. (ffd: Toronto Star)

(THU) The Association of American Railroads took issue with a report published jointly by the State and Territorial Air Pollution Program Administrators and the Association of Local Air Pollution Control Officials. AAR said that the report, entitled "Danger in Motion: It's Time to Clean Up Trains and Boats," incorrectly states that locomotive and marine diesel engines today are legally permitted to emit pollutants at a much higher rates than trucks, buses or non-road diesel engines. The AAR said that the report "failed to include EPA data which shows that locomotives contribute less than 2 percent of fine particulate matter pollution, while industrial plants, agriculture, utility plants, and other stationary sources produce a whopping 72 percent." (ffd: AAR, NARP)

(THU) Continuing its efforts to reduce diesel emissions in California, Union Pacific announced that it would acquire 60 low-emission diesel locomotives for use in its Los Angeles Basin rail yards. A UP spokesman said that the new 2,100-horsepower locomotives will reduce emissions of both nitrous oxides and particulate matter by up to 80 percent, while using as much as 40 percent less fuel compared to current low-horsepower locomotives. The spokesman added that 30 of the new locomotives would be received later in 2006, with the remainder received in 2007. (ffd: UP Corp.)

(THU) A report issued by the National Academy of Sciences concluded that planned shipments of highly radioactive nuclear waste could be conducted safely in the future. Such shipments are planned to Yucca Mountain, Nevada, the site of a new national repository for nuclear waste. The Department of Energy plans 4,300 such shipments to Yucca Mountain over the next 24 years, with about one-quarter coming via highway and the remaining three-quarters coming via a new rail line planned to reach Yucca Mountain from the nearest existing rail line near Caliente, NV. (ffd: wire services)

(FRI) Shortages of good order passenger cars forced Amtrak to cancel its "Silver Meteor" passenger train operating between New York and Florida for the fifth day in a row. To help meet remaining passenger demand, Amtrak put an additional sleeper and coach on its "Silver Star" train. Amtrak service through the Carolinas had already been diminished by the temporary cancellation of the "Palmetto" train between New York and Savannah, GA 4 days a week due to planned CSX trackwork. (ffd: NARP)

(FRI) Officials of the New York City subway system announced that, despite a 3-day strike in December, subway ridership in 2005 was the highest it had been in more than 50 years. A subway spokesman said that ridership last year hit 1.45 billion passengers, an increase of more than 23 million passengers over 2004. The spokesman noted that more than \$48 billion had been invested in subway improvements since the 1980s. Commented Gene Russianoff of the "Straphangers" subway consumer group, "Billions of dollars later, the trains are reliable and you get discounts the more you use the system. The lesson of all this is, if you invest in transit, the riders will come." (ffd: New York Daily News)

STATS – TRAFFIC:

(NOTE: The Canadian carload and intermodal rail traffic mentioned below includes both the Canadian and U.S. operations of Canadian National and Canadian Pacific Railway.)

(THU) For the week ending February 4, 2006, U.S. rail volume grand totaled 33.6 billion ton-miles, up 5.3 percent from the comparable week last year. Also for the week, U.S. carload rail traffic was up 4.1 percent, up 3.7 percent in the East and up 4.5 percent in the West. Notable traffic increases included crushed stone, sand and gravel up 17.5 percent; non-grain farm products up 10.3 percent, and coal up 9.3 percent; notable traffic decreases included coke down 17.5 percent, nonmetallic minerals down 11.3 percent, and motor vehicles and equipment down 10.6 percent. Also for the week, U.S. intermodal rail traffic was up 6.7 percent, Canadian carload rail traffic was down 2.5 percent, Canadian intermodal rail traffic was up 1.6 percent, Mexico's Kansas City Southern de Mexico's carload rail traffic was up 2.0 percent, and KCSM's intermodal rail traffic was up 1.3 percent.

For the period January 1 through February 4, 2006, U.S. rail volume grand totaled 163.0 billion ton-miles, up 5.8 percent. Also for this period, U.S. carload rail traffic was up 4.1 percent, U.S. intermodal rail traffic was up 6.2 percent, Canadian carload rail traffic was up 1.4 percent, Canadian intermodal rail traffic was up 5.1 percent, KCSM's carload rail traffic was down 12.1 percent, and KCSM's intermodal rail traffic was down 10.7 percent. (ffd: AAR)

MORE STATS – OPERATING PERFORMANCE:

(NOTE: Effective October 1, 2005, railroads that had been furnished operating performance statistics to the Association of American Railroads began applying a new standardized definitional framework, aimed at eliminating differences in calculation methodology. Concurrent with but unrelated to these changes, Canadian National elected to no longer furnish these statistics.)

(WED) For the week ending February 3, 2006, average total cars on line was as follows: BNSF, 219,585 cars; Canadian Pacific, 79,716 cars; CSX, 223,971 cars; Kansas City Southern, 29,303 cars; Norfolk Southern, 207,263 cars; and Union Pacific, 327,964 cars. (Comparative totals from last year are not yet available.)

Also for the week ending February 3, 2006 and ranked with the comparable week last year, average train speed was as follows: BNSF, 22.6 mph versus 24.5 mph; Canadian Pacific, 25.7 mph versus 22.1 mph; CSX, 20.3 mph versus 18.7 mph; Kansas City Southern, 20.0 mph versus 24.0 mph; Norfolk Southern, 21.3 mph versus 20.7 mph; and Union Pacific, 20.9 mph versus 21.4 mph.

Finally for the week ending February 3, 2006 and ranked with the comparable week last year, average terminal dwell time was follows: BNSF, 25.0 hrs versus 24.1 hrs; Canadian Pacific, 21.1 hrs versus 32.8 hrs; CSX, 26.0 hrs (last year not yet available); Kansas City Southern, 29.8 hrs versus 23.6 hrs; Norfolk Southern, 24.3 hrs versus 26.3 hrs; and Union Pacific, 28.4 hrs versus 30.0 hrs. (ffd: AAR)

EXPANSIONS, CONTRACTIONS AND ALIKE:

(SUN) The Iowa Interstate Railroad commenced lease, from CSX, and operation of 32 miles of line between Utica, IL and Henry, IL. (ffd: STB)

(MON) The Bay Coast Railroad filed to lease, from Canonic Atlantic Co. acting on behalf of the Accomack-Northampton Transportation District Commission, and operate approximately 69 miles of line as follows: between Pocomoke City, MD and Cape Charles, VA; between Virginia Beach, VA and Norfolk, VA; and between North Jct., VA and St. Julian, VA. (ffd: STB)

(MON) The Bay Coast Railroad filed to operate approximately 21 miles of the Shenandoah Railroad's line between Pleasant Valley, VA and Staunton, VA. (ffd: STB)

(THU) Canadian National's Grand Trunk Western Railroad filed to abandon approximately 2 miles of line between Flint Old Main, MI and Flint, MI. (ffd: STB)

(FRI) Norfolk Southern filed to discontinue freight service over approximately 13 miles of line between Baltimore, MD and Cockeysville, MD. The line is owned by the Maryland Department of Transportation, which plans to continue to use the line for Maryland Transit Administration light rail service. (ffd: STB)

APPOINTMENTS, ACHIEVEMENTS AND ALIKE:

(SUN) Thomas Rice passed away in Richmond, VA at the age of 93. Mr. Rice, an esteemed railroader, began his railroad career in 1934. He became president of the Richmond, Fredericksburg & Potomac in 1955, of the Atlantic Coast Line in 1957, and of the Seaboard Coast Line in 1967. He later became chairman of Family Lines, the merged Louisville & Nashville and Seaboard Coast Line, and went on to help create today's CSX. (ffd: CSX Corp.)

(MON) Kansas City Southern de Mexico announced that it had restructured its Engineering Department into a North Division and a South Division, appointing Benjamin Campero to head the former and Francisco Vazquez Patino to head the latter. (ffd: KCS Corp.)

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Weekly Rail Review 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.

HAVE A SAFE AND PROSPEROUS WEEK,

Dave Mears

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