

WEEKLY RAIL REVIEW

FOR THE WEEK ENDING FRIDAY, FEBRUARY 11, 2011

BY DAVE MEARS

(NOTE: In case it is helpful to anyone who may not have received the last edition sent due to it possibly having been caught in or deleted by a spam filter, please know that it was sent February 14 for the week ending February 4.)

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

(MON) New Jersey's U.S. Senators Lautenberg and Menendez joined Amtrak President Joseph Boardman in announcing the "Trans-Hudson Gateway Tunnel Project." The project attempts to resurrect the effort to build two new rail tunnels under the Hudson River between New Jersey and New York. A separate effort to construct the tunnels was shut down last year by New Jersey Governor Chris Christie, who said that he did not want the state to be liable for that project's cost overruns. The new project, which includes a connection to the Pennsylvania Station-Moynihan Station complex that the earlier effort bypassed, is estimated to cost \$13.5 billion, which will be sought from various government bodies, and possibly also from private investors. (ffd: AASHTO, Crain's Business, U.S. Senate)

(MON) BNSF announced a \$3.5 billion capital program for 2011. BNSF says that spending will include \$2 billion for "BNSF core network and related assets," \$450 million to acquire 227 locomotives, and approximately \$350 million for freight car and other equipment acquisitions. BNSF said that they will also need to spend \$300 million for Positive Train Control (PTC)-related projects. (ffd: BNSF RR)

(TUE) Norfolk Southern suffered an on-duty employee fatality. Stanley Watts, Age 43 with five years' service, was killed while switching cars in Kankakee, IL. Media reports indicate that Mr. Watts may have been crushed between a car he was riding and another car. The accident is the first on-duty employee fatality on U.S. railroads in 2011. (ffd: wire services)

(TUE) Following up President Obama's call in his recent State of the Union address, Vice President Biden announced a national plan to develop a U.S. high-speed passenger rail network. Mr. Biden said that the goal of the plan will be to give 80 percent of Americans access to high-speed rail within 25 years. He added that the proposal "would place high-speed rail on equal footing with other surface transportation programs and revitalize America's domestic rail manufacturing industry by dedicating \$53 billion over six years to...the network." (ffd: AASHTO, wire services)

(TUE) Sen. Kay Bailey Hutchinson (R-TX) introduced a bill to modify slightly the requirements of the federal Railway Safety Improvement Act of 2008 related to Positive Train Control. The bill would change the requirement that PTC be installed on Class I rail lines over which Toxic-By-Inhalation commodities are routed as of the Year 2015 instead of as of the Year 2008. The change would save PTC from having to be installed on approximately 10,000 Class I route miles. (ffd: AAR, wire services)

(TUE) The American Public Transportation Association announced what they called "the 10 best [U.S.] cities for public transportation." Leading the list was Portland, OR, followed by Salt Lake City, UT, and New York, NY. APTA said that the rankings were based on per capita spending on public transportation, the number of safety incidents per million trips, and the number of trips taken per capita. (ffd: APTA, U.S. News and World Report)

(WED) The Republican-lead House Appropriations Committee proposed spending cuts totaling \$74 billion to the President's Fiscal Year 2011 budget. The proposed cuts include lowering Amtrak funding to \$1.413 billion, representing \$142 million less than the

2010 level at which Amtrak had been spending, and also eliminate all high-speed rail grants to states. The proposals, announced by the committee's chair, Hal Rogers (R-KY), must still be considered by the full committee and the full Congress. (ffd: AASHTO, NARP)

(WED) Canadian National announced a C\$1.7 billion capital program for 2011. A CN spokesman said that the program "includes replacement of rail, ties and other track materials and bridge improvements, as well as rail line improvements on the Elgin, Joliet & Eastern Railway that CN acquired in 2009." (ffd: CN RR)

(THU) The Surface Transportation Board said that it would "open a rulemaking proceeding" to determine whether Positive Train Control should be separately reported in the R-1 summary report that the STB requires each Class I railroad to annually prepare and submit. The STB said that the proceeding respond to a request by Union Pacific "to segregate such data to make it separately identifiable." (ffd: STB)

(THU) MapQuest, the personal mapping website, announced a new rail transit option. The new option features a pedestrian mode that incorporates public rail transportation routings for Boston, Chicago, New York, Philadelphia, San Francisco, and Washington, DC. A MapQuest spokesman added that the option "provides departure and arrival information, helpful hints to alert train passengers, and station search information [for the] designated cities." (ffd: RT&S)

STATS – CLASS 1 RAIL TRAFFIC:

(THU) The Association of American Railroads reported that, for the week ending February 5, 2011 and ranked with the comparable week last year:

- U.S. carload rail traffic totaled 267,682 units, unchanged
- U.S. intermodal rail traffic totaled 198,249 units, down 1.5 percent
- Canadian carload rail traffic totaled 67,536, down 2.6 percent
- Canadian intermodal rail traffic totaled 44,322 units, up 1.7 percent
- Mexican carload rail traffic totaled 13,248 units, up 18.9 percent
- Mexican intermodal rail traffic totaled 7,581 units, up 46.2 percent

In announcing these results, the AAR noted the impact of severe winter storms in the Midwest and parts of the Northeast.

For the period January 1 through February 5, 2011:

- U.S. carload rail traffic totaled 1,409,975 units, up 6.4 percent
- U.S. intermodal rail traffic totaled 1,061,348 units, up 5.7 percent
- Canadian carload rail traffic totaled 345,678 units, down 1.8 percent
- Canadian intermodal rail traffic totaled 222,918 units, up 2.4 percent
- Mexican carload rail traffic totaled 71,704 units, up 9.1 percent

-Mexican intermodal rail traffic totaled 34,803 units, up 11.6 percent

NOTE: Canadian counts include traffic from the U.S. operations of the two Canadian-based Class I railroads, Canadian National and Canadian Pacific Railway.

EXPANSIONS, CONTRACTIONS AND ALIKE:

(WED) Fulton County Railroad agreed to grant local trackage rights to the Elkhart & Western Railroad between Argos and Rochester, IN, totaling approximately 12 miles. The purpose of the transaction is to allow the Elkhart & Western to provide continued rail service to Fulton County customers and to allow direct interchange of Fulton County customers' traffic with Norfolk Southern at Argos. (ffd: STB)

(WED) The Port of Indiana-Burns Harbor announced that it had accepted the bid of Norfolk Southern to provide rail switching services to the port's customers. (ffd: Norfolk Southern RR)

(THU) California Northern Railroad agreed to grant overhead trackage rights to Union Pacific between Tracy and Lyoth, CA, totaling approximately two miles. The purpose of the trackage rights is to enable UP to move trains between its Oakland, CA Subdivision and its Tracy Industrial Lead. (ffd: STB)

(THU) The City of Temple, TX filed to acquire, from Georgetown Railroad, approximately six miles of line between Belton and Smith, TX. In its filing, the city said that there had been no traffic on the line for many years. (ffd: STB)

(FRI) The Surface Transportation Board granted Arkansas Midland Railroad's earlier filing to provide emergency rail service on three miles of line in and near Gurdon, AR now owned by Caddo Valley Railroad. In the filing, the Arkansas Midland noted that the Caddo Valley "has ceased operations, has no serviceable locomotives, and is not in a financial position to obtain a locomotive or to resume service." (ffd: STB)

(FRI) The Tri City & Olympia Railroad, doing business as Mare Island Rail Services, announced that it has entered into an agreement to provide rail service to Mare Island, CA. Service was earlier provided by the San Francisco Bay Railroad, which withdrew as rail service provider last year in a dispute over access. (ffd: Vallejo Times Herald, RT&S)

APPOINTMENTS, ACHIEVEMENTS AND MILESTONES:

(WED) New Jersey Transit announced the formal appointment of Kevin O'Connor as its vice president and general manager of rail operations. Mr. O'Connor has been the acting VP and GM since July, 2010. He joined NJT in 2002. (ffd: NJ Transit)

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BE SAFE AND PROSPER,

Dave Mears