

## WEEKLY RAIL REVIEW

FOR THE 7 DAYS ENDING FRI, FEBRUARY 22, 2008

BY DAVE MEARS

(NOTE: This week included the U.S. President's Day Holiday on Monday, February 18.)

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

(MON) A Michigan couple married aboard an Amtrak train while it was enroute. Lynn Kuczajda, Age 48, of Pontiac, MI married Robert Steil of Milwaukee, WI on an Amtrak train traveling from Pontiac, MI to Detroit, MI. Ms. Kuczajda said that she had "loved trains since she was a child." The ceremony was officiated over by the Mayor of Rochester, MI, Stuart Bikson, and was witnessed by approximately 40 friends and family members of the couple also on board. (ffd: Pontiac-Oakland Press, wire services)

(MON) In a notable act of railway vandalism, thieves in the Czech Republic stole a four-ton iron railway bridge. The single-track bridge located on an out-of-service rail line near the Western-Bohemian town of Cheb. Police said that the bridge had apparently been removed from the line sometime between mid-December and the present. The police also said that thefts of metal to be cut up and sold for scrap had notably increased of late in the Czech Republic, but that they hadn't seen anything "of this magnitude." (ffd: Earth Times, wire services)

(TUE) Amtrak debuted a new security initiative. The railroad began deploying new mobile security teams to patrol stations and trains and randomly inspect passenger baggage. An Amtrak spokesman said that the team's squads may consist of armed specialized Amtrak police, explosives-detecting K-9 units, and armed counter-terrorism special agents in tactical uniforms. The spokesman added that passengers have the right to refuse baggage inspection, but if they do, they will not be permitted to board their train and will be offered a refund. (ffd: Amtrak, wire services)

(TUE) Kansas City Southern announced its capital spending plans for this year. A KCSR spokesman said that it plans to spend approximately \$500 million for capital improvements, including buying 30 new locomotives for about \$65 million. The spokesman added that it expects "high-single digits" revenue growth from factors including price increases and new intermodal traffic originating at the port of Lazaro Cardenas in Mexico. (ffd: KCS Corp., RT&S)

(TUE) The U.S. Department of Transportation announced that, beginning March 18, states may apply for federal funding to support intercity passenger rail service under a new grant program. A USDOT spokesman said that the \$30 million capital grant program is designed to augment state efforts to improve intercity passenger rail service. The program requires a 50-50 funding match and will be administered by the Federal Railroad Administration. (ffd: NARP, RT&S)

(TUE) New York Governor Eliot Spitzer said his state remains committed to plans to refurbish Manhattan's old Farley Post Office Building into the new Moynihan Station. "We feel very comfortable that we are making real progress," Mr. Spitzer said. "What we will have at the end of this process will be a remarkable entry point to New York City." Final project plans, which originally called for the moving of passenger rail facilities from the existing Pennsylvania Station to the new Moynihan Station across the street, continue to evolve, with some plans including retaining and rebuilding Pennsylvania Station additional to Moynihan, and with a total redevelopment package exceeding \$14 billion. In a related story, Manhattan real estate developer Brookfield Properties announced that it will start work this June on a platform over railroad tracks near Ninth Avenue where it plans to build two new skyscrapers. The platform will cover the one square block of uncovered railroad tracks between the west end of the Farley Building and the east end of the Hudson River tunnels that has been open to the sky since the opening of the original Pennsylvania Station complex in 1910. (ffd: New York Times, wire services)

(TUE) An exhibit opened in the New York City Transit Museum annex in Manhattan's Grand Central Terminal dedicated to the 25th

anniversary of the Metro North Railroad. The exhibit reviews the 25 years since Metro North took over commuter rail operations north out of Grand Central from the former Conrail in 1983. (ffd: The Gothamist)

(WED) Further the emerging fight for control of CSX's board, billionaire investor Carl Icahn filed with appropriate federal agencies in preparation for possibly expanding his holdings in the company. In an interview, Mr. Icahn said that he now owns 12 million to 13 million shares of CSX, about 3 percent of those outstanding, and that he may seek to acquire additional shares totaling up to 8.5 percent of those outstanding. Mr. Icahn said that he may increase his CSX holdings in support of the actions of the British-based hedge fund TCI Fund Management, who are allied with 3G Capital Partners and who are together seeking five seats on the railroad's board. "We believe the dissidents [TCI and 3G] will enhance value," Mr. Icahn commented. "There's absolutely no downside in electing their slate." (ffd: wire services)

(WED) Amtrak submitted their Fiscal Year 2009 funding request. The railroad asked for a total of \$1.671 billion, almost twice that asked for by the Bush Administration, which has again asked for only \$900 million in Amtrak funding. The request includes \$525 million for operations, \$801 million for capital, and \$345 million for debt service. The request also shows a table which has a "below-the-line" \$114 million for back pay called for in Amtrak's January settlement with its unions. The text of the request said that the \$114 million "is not included in this FY2009 request, nor do we believe it will be covered by increased net revenues. While Amtrak does not have the means to pay the additional 60 percent [as was recommended by the earlier Presidential Emergency Board (PEB) to be paid in FY2009], the PEB made clear its belief that the decision to fund this amount lies with Congress." (ffd: NARP)

(WED) Chicago Mayor Richard Daley outlined areas of focus for the Chicago Transit Authority. Mr. Daley said that he looked for CTA to, among other needs, find creative ways to finance improvements, such as public-private partnerships; install more security cameras on trains and at stations; and improve maintenance practices. In a related story, CTA said that it would next month launch a \$200 million program to reduce slow orders by more than 68 percent. Scheduled to be completed by the first quarter of 2009, a CTA spokesman said that the project will enable trains to travel at least 65 mph on key portions of the system, which was last achieved by some CTA trains in 1963. (ffd: Progressive Railroading)

(WED) The Federal Railroad Administration released two new resource guides on the types of safety devices available to prevent grade crossing collisions. One is "The Compilation of Pedestrian Safety Devices in Use at Grade Crossings," which focuses on pedestrian safety. The other is "Guidance on the Use of Traffic Channelizing Devices at Highway-Rail Grade Crossings," which outlines several types of traffic-separating devices designed to keep motorists from driving around lowered gates. (ffd: FRA)

(THU) The financial firm Bear Stearns released a report on railroad pricing. The report suggested that railroads will continue to see better-than-historical pricing as a result of increased demand, tighter supply and a more mature competitive environment. "We also expect the rails to take [more market] share from highways over the next decade, driven by Asian manufacturing, better fuel efficiency, and increased highway congestion," the report added. (ffd: Bear Stearns, Purchasing.Com)

(THU) Boston's Massachusetts Bay Transportation Authority took delivery of the first of 94 new rail cars for its Blue subway line, which operates between Wonderland Station in Revere, MA and Boston's Government Center. An MBTA spokesman said that the new cars will be phased in over the next 18 months until all 94 are in service, entirely replacing the line's current fleet of 70 cars. The new cars feature a redesigned passenger compartment and operator cab, wider seating for passengers, and automated audio and visual display of station announcements. (ffd: Boston Daily Item)

(THU) Canadian National sent a letter to U.S. Senator Dick Durbin (D-IL) assuring that, should CN's proposed merger with the Elgin, Joliet & Eastern Railway be approved, Amtrak trains to and from downstate Illinois could continue to use the more direct St. Charles Air Line routing in and out of Chicago. Amtrak and other parties had voiced concern that CN post-merger traffic routings would bypass the St. Charles routing, make it a candidate for abandonment, and force Amtrak onto more lengthy alternate routings for these trains. In its letter, CN President Hunter Harrison said that, "With our commitment to Amtrak that it may remain on the Air Line, any concern on Amtrak's part that it will somehow be compelled by CN to reroute its trains in a way unacceptable to it should be dispelled entirely." (ffd: Salem Times-Commoner)

(FRI) Two new museum exhibits were announced that will highlight the history of railroads. In Kansas City, MO, the

Nelson-Atkins Museum of Art announced the exhibit, "Art in the Age of Steam," featuring photographs, paintings, prints, and drawings of steam-powered trains around the world. The exhibit at the Nelson-Atkins runs through January 18, 2009. In Tacoma, WA, the Washington State History Museum will host "The West the Railroads Made" exhibit, offering what it said would be a "fresh look" at what the railroads created as they moved westward in the 19th Century. The exhibit at the History Museum runs through January 24, 2009. (ffd: Trains)

#### STATS – TRAFFIC:

Not reported out of the AAR this week!

#### MORE STATS – OPERATING PERFORMANCE:

(NOTE: Effective October 1, 2005, railroads that had been furnishing 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 15, 2008 versus the comparable week last year, average total cars on line was as follows: BNSF, 229,681 cars versus 225,170 cars; Canadian Pacific, 82,734 cars versus 79,775 cars; CSX, 218,674 cars versus 225,389 cars; Kansas City Southern, 28,174 cars versus 29,095 cars; Norfolk Southern, 197,480 cars versus 207,407 cars; and Union Pacific, 308,754 cars versus 308,291 cars.

Also for the week ending February 15, 2008 versus the comparable week last year, average train speed was as follows: BNSF, 23.5 mph versus 23.1 mph; Canadian Pacific Railway, 22.7 mph versus 23.1 mph; CSX, 20.7 mph versus 19.1 mph; Kansas City Southern, 25.0 mph versus 23.0 mph; Norfolk Southern, 21.6 mph versus 19.9 mph; and Union Pacific, 21.7 mph versus 22.1 mph.

Finally for the week ending February 15, 2008 versus the comparable week last year, average terminal dwell time was as follows: BNSF, 27.4 hrs versus 25.8 hrs; Canadian Pacific Railway, 25.8 hrs versus 25.9 hrs; CSX, 22.5 hrs versus 25.8 hrs; Kansas City Southern, 20.9 hrs versus 25.9 hrs; Norfolk Southern, 22.1 hrs versus 24.2 hrs; and Union Pacific, 25.9 hrs versus 25.5 hrs. (ffd: AAR)

#### EXPANSIONS, CONTRACTIONS AND ALIKE:

(FRI) Rail industry systems provider Railcar Management Incorporated (RMI) announced that it had acquired Optimization Alternatives (OA). OA, which RMI will control as a wholly owned subsidiary, is especially noted for their OASIS control system, which is used at more than 120 North American intermodal terminals. OA will continue to be based in Austin, TX. (ffd: Progressive Railroad)

(FRI) Unitrac Railroad Materials Incorporated announced that it had acquired Donovan EDH and Trackwork Solutions, which makes an explosive depth hardening process. A Healey Railroad Corporation subsidiary, Unitrac Railroad Materials supplies new and relay rail, and also supplies specialty trackwork, including switch material, turnouts, transition rails and track panels. (ffd: Progressive Railroad)

#### APPOINTMENTS, ACHIEVEMENTS AND MILESTONES:

(WED) Norfolk Southern appointed Newell Baker its AVP-Industrial Development. Mr. Baker, a 34-year veteran of NS and predecessor railroads, will succeed Larry Collingwood, who will retire March 1 after a 36-year railroad career. (ffd: NS 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 [weeklyrailreview@aol.com](mailto:weeklyrailreview@aol.com) to [weeklyrailreview@aol.com](mailto:weeklyrailreview@aol.com) receive it, with my compliments.

BE SAFE AND PROSPER,

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