

WEEKLY RAIL REVIEW

FOR THE WEEK ENDING SAT, APRIL 2, 2005

BY DAVE MEARS

(Editor's 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):

(TUE) Burlington Northern Santa Fe said that it would assess fuel surcharges on a mileage basis effective January 1, 2006. A BNSF spokesman said that the mileage-based fuel surcharge was the first of its kind in the railroad industry and would replace BNSF's current fuel surcharge, which is assessed as a percentage of a customer's freight bill. "In this era of tight transportation capacity...and fuel-price volatility, we believe a mileage-based fuel surcharge is the most direct and accurate method of reflecting the impact of fuel price changes," said BNSF EVP John Lanigan. (ffd: BNSF Corp.)

(TUE) The National Transportation Safety Board emphasized the importance of medical screening for vehicle operators who may have undiagnosed sleep disorders. An NTSB spokesman said that the remarks were made to mark National Sleep Awareness Week (March 28 through April 3.) The spokesman added that the NTSB has recommended education for vehicle operators and their physicians about sleep disorders, improved medical exams for vehicle operators that include questions on sleep problems, and restrictions on the use of medicines that may cause impairment during vehicle operation. (ffd: NTSB)

(WED) Secretary of Transportation Norman Mineta continued his tour promoting the Bush Administration's Amtrak reform plan, which does not currently include any federal funding for Amtrak for Fiscal Year 2006. In Northern California, Mr. Mineta rode a Caltrain commuter train and commented to reporters that "if anyone doubts that the President's and my intercity passenger rail reform plan can work, they should take a closer look at [Caltrain] Baby Bullet service." Caltrain is currently considering reducing its train services due to a projected \$13.6 million operating deficit. Prior to Mr. Mineta's train trip, U.S. Senator Barbara Boxer (D-CA.) held a news conference in San Francisco in which she called for Mr. Mineta's resignation. "I do wish Norm would consider resigning," said Ms. Boxer. "I don't understand why someone who has been an advocate for transportation for so many years can do this." (ffd: San Francisco Chronicle, San Mateo County Times)

(WED) The economic forecasting firm FTR Associates said that North American railroads will need to begin acquiring approximately 70,000 rail cars annually to meet demand. The report noted that the number of rail cars currently in service is at its highest level since 1998 and that half of the cars currently in service are more than 20 years old. "Demand in the marketplace would suggest the need for [new rail car] deliveries of 65,000 to 70,000 units over the next few years," said FTR President Eric Starks. (ffd: Progressive Railroading)

(WED) The American Public Transportation Association said that U.S. public transportation ridership totaled 9.6 billion trips in 2004, an increase of 2.1 percent over the previous year. An APTA spokesman said that light rail experienced

the greatest increase, 8.2 percent, due in part to the addition of several new systems and expansion of several existing systems. The spokesman added that heavy rail had the next highest increase at 3.0 percent, followed by commuter rail at 0.3 percent. (ffd: Railway Age)

(WED) Union Pacific announced that they would spend approximately \$1.3 billion on track and structure maintenance and improvements in 2005. A UP spokesman said that spending would include \$295 million to increase track capacity on its Sunset Route in Arizona and on its routes in the North Platte, NE. area. The spokesman added that \$220 million would be spent on commercial projects that include a serving yard for a new Toyota plant in San Antonio, TX. and additional track capacity at intermodal yards in Wilner, TX. and Salt Lake City, UT., and at ethanol plants in Iowa and Minnesota. (ffd: Railway Age, UP Corp.)

(WED) Minnesota's state legislature approved a capital spending plan that included \$37.5 million in low-interest bonding for Northstar Corridor commuter rail service. A state spokesman said that the funding commitment would allow the Northstar Corridor Development Authority to apply for Federal Transit Administration funding and to begin final design. The spokesman added that the Northstar Corridor is currently planned as a 40-mile commuter rail line between Minneapolis and Big Lake, with a later extension to St. Cloud. (ffd: Progressive Railroading)

(WED) VIA Rail Canada said that it would offer anyone who turns Age 50 in April, 2005 first-class travel on its "Canadian" passenger train between any 2 destinations for \$50 one-way and \$100 round-trip. A VIA spokesman said that special fare, which is good from April 1 through April 30 and subject to availability, is to mark the 50th anniversary of the start of the "Canadian" over the Canadian Pacific on April 24, 1955. The "Canadian" operates between Toronto, ON. and Vancouver, BC., and the spokesman noted that the train has been recognized by National Geographic Magazine as one of the world's top 5 rail journeys. (ffd: VIA Rail Canada)

(WED) The organizing committee working to build the Golden Spike Tower and Visitors Center in North Platte, NE. said that building would be delayed due to appeals filed by individuals opposing construction. The center and 90-foot-high tower, estimated to cost \$4 million, are planned to overlook Union Pacific's Bailey Yard in North Platte. A spokesman for the committee said that they were uncertain how long building would be delayed, but that appeals might delay construction for a year or more. (ffd: North Platte Bulletin)

(THU) At a Chicago, IL. news conference, Chicago Transit Authority officials discussed several "core principles" aimed at winning state legislative approval of additional funding for its 2005 operations. Hoping to allay fears related to CTA, commuter rail operator METRA and suburban bus operator PACE possibly competing against each other for funding, the CTA officials stresses that no agency should gain a funding advantage at the expense of the other agencies. All 3 agencies face substantial service cuts at mid-year if no new state funding is approved. (ffd: Chicago Tribune)

(THU) The Port Authority of New York and New Jersey announced that it had approved a \$499 million contract with Kawasaki for 340 new cars for its PATH rail transit line, which operates between Newark, Hoboken and Manhattan. A Port Authority spokesman said that the cars will replace PATH's existing car fleet, which now averages 33 years old. The spokesman added that the cars will be built at a Kawasaki facility in Yonkers, NY., that the first batch will be put in service by late 2008 and that the entire fleet will be replaced by 2011. (ffd: New York Post)

(THU) A spokesman for Russia's Russian Rail Corporation reported the successful arrival of a new international freight train. The train departed March 1 from Hohhot, capital of China's Inner Mongolia Region, and arrived in Duisburg, Germany near Frankfurt, having traveled across 6 countries - China, Mongolia, Russia, Belarus, Poland and Germany -

a trip totaling over over 8,000 miles and taking approximately 15 days. The spokesman added that the train was equipped with 100 international standard containers and that this new service will operate twice monthly. (ffd: RIA Novosti, Xinhuanet)

(FRI) Rep. Kenny Marchant (R-TX.) announced that \$10 million in federal funding had been secured for a new transit complex near Carrollton, TX., which will become the first suburban transit hub in the Dallas-Fort Worth area. A spokesman for the congressman said that the hub will be an interchange point for light rail, commuter rail and bus services to downtown Dallas, to Denton to the north, to Dallas-Fort Worth International Airport and to suburbs to the east and west. (ffd: NARP)

(FRI) The Union Pacific Railroad Museum in Council Bluffs, IA. said that it would post up to 150 works of railroad art on eBay. A spokesman for the museum said that the items to be auctioned online included framed paintings, photographs and prints that were recently donated to the museum by Union Pacific and that were mainly duplicates of items already in the museum's collection. The spokesman added that the items would be posted on eBay starting April 1. (ffd: Council Bluffs Daily, Trains)

STATS – TRAFFIC:

(THU) For the week ending March 26, 2005, U.S. rail volume grand totaled 31.9 billion ton-miles, up 0.6 percent from the comparable week last year. Also for the week – which this year included the Good Friday holiday – U.S. carload rail traffic was down 0.2 percent, down 1.1 percent in the East and down 0.6 percent in the West. Notable traffic increases included coke up 25.0 percent, grain up 5.3 percent and coal up 2.7 percent; notable traffic decreases included waste and scrap materials down 16.5 percent and motor vehicles and equipment down 13.9 percent. Also for the week, U.S. intermodal rail traffic was up 1.2 percent, Canadian carload rail traffic was down 7.4 percent, Canadian intermodal rail traffic was down 1.7 percent, Mexico's Transportacion Ferroviaria Mexicana's carload rail traffic was down 20.4 percent and TFM's intermodal rail traffic was down 39.8 percent.

For the period January 1 through March 26, 2005, U.S. rail volume grand totaled 376.4 billion ton-miles, up 3.4 percent from the comparable period last year. Also for this period, U.S. carload rail traffic was up 2.6 percent, U.S. intermodal rail traffic was up 8.5 percent, Canadian carload rail traffic was up 1.6 percent, Canadian intermodal rail traffic was up 6.0 percent, TFM's carload rail traffic was up 3.6 percent and TFM's intermodal rail traffic was up 6.6 percent, all when ranked with the comparable period last year. (ffd: AAR)

MORE STATS – "BIG 6" OPERATING PERFORMANCE:

(FRI) For the week ending March 26, 2005 versus the comparable week last year, average train speed was as follows: BNSF, 23.8 mph versus 26.4 mph; Canadian National, 25.2 mph versus 24.4 mph; Canadian Pacific 23.9 mph versus 25.1 mph; CSX, 19.6 mph versus 20.1 mph; Norfolk Southern, 22.2 mph versus 23.2 mph; Union Pacific, 21.8 mph versus 21.5 mph.

Also for the week ending March 26, 2005 versus the comparable week last year, average terminal dwell time was as

follows: BNSF, 10.0 hrs versus 9.5 hrs; Canadian National, 13.7 hrs versus 13.7 hrs; Canadian Pacific, 33.5 hrs versus 28.1 hrs; CSX, 28.7 hrs versus 27.3 hrs; Norfolk Southern, 23.8 hrs versus 22.3 hrs; Union Pacific, 28.5 hrs versus 30.5 hrs.

(Note: Concerning the above statistics, AAR comments that "one railroad's performance metrics cannot meaningfully be compared to another railroad's, due to differences in the carriers' calculation methodologies, operational strategies, network characteristics, terrain, traffic mix and volume, length of haul, extent of passenger operations, and other factors, such as weather.")

EXPANSIONS, CONTRACTIONS AND ALIKE:

(MON) Canadian National and Norfolk Southern announced a "structured routing protocol" for traffic interchanged between them. Under the new agreement, 1) traffic between the Louisiana Gulf Coast and the Northeastern U.S. will be interchanged at New Orleans, LA. or Memphis, TN. and 2) traffic between Western Canada and the South-central U.S. will be interchanged at Memphis. CN and NS also said that they would expand the use of the Rouses Point, NY. gateway to further handle traffic between Eastern Canada and the Southeastern U.S. (ffd: CN Corp., NS Corp.)

(TUE) BNSF agreed to grant temporary overhead trackage rights to Keokuk Junction Railway over approximately 4 miles of line between Blair Jct., IL. and Bushnell, IL. The purpose of the temporary trackage rights is to allow KJRY to bridge its trains until the diamond crossings at Bushnell are restored. (ffd: STB)

(THU) Guilford Rail's Springfield Terminal Railway filed to discontinue service over approximately 2 miles of the Mystic Wharf Branch in Suffolk County, MA. (ffd: STB)

(THU) Kansas City Southern agreed to grant temporary overhead trackage rights to BNSF over approximately 201 miles of line between Jefferson, TX. and Metro, TX. The purpose of the temporary trackage rights is to allow BNSF to bridge its trains while it performs track maintenance on its own near lines. (ffd: STB)

(THU) Watco Companies's Mississippi Southern Railway announced that it would lease, from Kansas City Southern, and operate approximately 27 miles of line between Newton, MS. and Bay Springs, MS. (ffd: Progressive Railroading)

(FRI) Kansas City Southern formally took controlling interest of the Transportacion Ferroviaria Mexicana Railway. The acquisition increases KCS's ownership of TFM from 37 percent to 80 percent and increases the KCS system to over 6,000 miles of line stretching across the Central U.S. and into Mexico. (ffd: Wichita Eagle)

(FRI) OmniTrax announced that it would acquire and operate 3 shortlines from North American RailNet. These shortlines are 1) Georgia & Florida RailNet, with approximately 297 miles of line extending between Northwestern Florida and the Gulf of Mexico, 2) Illinois RailNet, with approximately 113 miles of line in Northern Illinois, and 3) Nebraska, Kansas & Colorado RailNet, with approximately 559 miles of line in Nebraska, Kansas and Colorado. An

OmniTrax spokesman said that the acquisition was expected to be complete by May, 2005. (ffd: OmniTrax, RT&S)

(FRI) The Surface Transportation Board approved Union Pacific's acquisition of approximately 4 miles of line from the Denver Terminal Railroad (a.k.a. Denver Rock Island Railroad) between Sandown, CO. and Belt Jct., CO. (ffd: STB)

APPOINTMENTS, ACHIEVEMENTS AND ALIKE:

(FRI) Burlington Northern Santa Fe appointed Chuck Potempa, Director-Port Operations, Los Angeles Division. Mr. Potempa will be responsible for rail transportation at the Ports of Los Angeles and Long Beach, and at Watson and the Alameda Corridor. BNSF also appointed Bob Gomez to be the terminal superintendent at Los Angeles's Hobart Yard, who will report to Mr. Potempa. (ffd: BNSF 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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