

WEEKLY RAIL REVIEW

FOR THE WEEK ENDING SAT, APRIL 29, 2006

BY DAVE MEARS

(NOTE: The expression "ffd" at the end of an item means "for further details" and indicates what website, etc. one may check for further information about that particular item.)

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

(SUN) The Williams Grove, PA Historical Steam Engine Association announced that it had successfully test-run its Pennsylvania Railroad steam engine, No. 643. An Association spokesman said that the locomotive, an 0-6-0 type originally built in 1901, is one of the few surviving PRR steam locomotives and the only one presently operable. The spokesman added that it plans to have the locomotive fully operational in time for the Association's annual steam show August 27 through September 4.

(MON) Amtrak debuted its new Spring/Summer timetable. A spokesman for the National Association of Railroad Passengers noted that the timetable contains no major changes, although three new Amtrak Thruway connecting bus services have been added to trains serving the Western U.S. Later in the week, Amtrak announced that it had activated a new route atlas feature on its website. The new feature allows users to search the Amtrak service map by station or route and also plot possible routes or itineraries, including seeing all the travel paths Amtrak offers between any two stations. (ffd: Amtrak, NARP)

(MON) Officials of Hasbro Company, makers of the famous Monopoly game, announced that the game's new "Here and Now" edition would replace the game's four railroad landings – Reading, Pennsylvania, B&O, and Short Line – with airports. The new edition will also replace Atlantic City locales with noted streets, neighborhoods, and national monuments nationwide. A Hasbro spokesman said that the original version of the game will continue to be produced and will include the railroads. (ffd: Trains, USA Today)

(WED) Officials of major U.S. railroads testified in favor of a proposed 25 percent tax credit for Class 1 railroad infrastructure improvement. Those testifying included BNSF CEO Matt Rose, who said that the credit would increase to \$4 billion the amount the industry invests annually for such projects. During the hearing, a national rail map was displayed and those covering the hearing noted that many in attendance were surprised that so much of the network is single tracked, including virtually everything outside of the Chicago-to-the-Northeast lines except for most of the BNSF's Chicago-Los Angeles line, Canadian Pacific's Chicago-Twin Cities line, and much of the Union Pacific's Chicago-Bay Area line. Commented Rep. Steve LaTourette (R-OH), "It's a little bit like having an interstate highway system that goes one way at a time." (ffd: Bloomberg News, NARP)

(WED) Union Pacific announced that it had established its own truck chassis co-op, which it said was the rail industry's "first inland cooperative truck chassis pool in the U.S." A UP spokesman said that the co-op will be comprised of 16 international customers in agreement to pool their truck chassis. The spokesman added that the

railroad plans to expand the co-op to a total of 12 facilities within the next two years to pool about 70,000 truck chassis. (ffd: Progressive Railroading)

(WED) Officials of the Massachusetts Bay Transportation Authority announced plans to more than double the concourse size of Boston, MA's North Station. An MBTA spokesman said that the 20,000-square-foot expansion would be financed entirely by the Delaware North Companies, which owns and operates the New Boston Garden arena that sits atop the station. The spokesman said the expansion should be completed by this November and will help relieve crowded station conditions. The station serves 5 former Boston & Maine commuter rail lines now operated by MBTA, as well as Amtrak's Downeaster service to New Hampshire and Maine. (ffd: Boston Globe)

(WED) Intermodal industry officials noted the 50th anniversary of the intermodal shipping container. The officials noted that it was 50 years ago this date that a converted tanker ship set sail from Newark, NJ to Houston, TX loaded with 58 converted truck bodies filled with cargo. Credited with prospering the intermodal container was Malcolm McLean, who eventually grew the converted tanker ship into Sea-Land Services, which later became part of Maersk Line. The officials further noted the profound effect of the intermodal container on global traffic, noting that the U.S. last year received 7.7 million containers loaded with over \$784.4 billion of imported cargo. (ffd: Virginian Pilot News)

(THU) The Long Island Rail Road announced that it had lost some personnel information on about 17,000 current and former LIRR employees. A LIRR spokesman said that a data services contractor used by the railroad to warehouse and secure this information at an undisclosed storage site discovered their loss on April 6. The spokesman added that LIRR had agreed to provide anyone at risk with a free one-year enrollment with a credit check and identify theft monitoring service. (ffd: wire services)

(FRI) A report by the research firm Economic Planning Associates reported a significant increase in freight car orders in the first quarter this year. A report by the firm stated that first quarter orders increased to 35,991 cars from 25,569 cars ordered in the fourth quarter last year. The report also stated that the backlog of cars on order increased to 86,900. The report also projected approximately 76,000 freight cars would be delivered by the end of 2006 and approximately 73,000 freight cars would be delivered by the end of 2007. (ffd: Progressive Railroading)

(FRI) The Federal Transit Administration approved a \$700 million Full Funding Grant Agreement for Dallas Area Rapid Transit's planned \$2.4 billion expansion of its light rail system. A DART spokesman said that the grant will enable DART to begin construction of two line extensions: a southeast extension linking downtown Dallas, Fair Park, South Dallas and Pleasant Grove and a northwest extension linking Dallas's medical and market centers, Dallas Love Field Airport, Farmers Branch, and Carrollton. The spokesman said that DART hopes to increase its light rail network to a total of 90 miles of line by 2013. (ffd: Progressive Railroading)

(FRI) Canadian Transport Minister Lawrence Cannon approved the affixing of reflecting material to all railroad cars owned by Canadian railroads and private car owners. A ministerial spokesman said that these companies will have a total of 7 years to complete the project. (ffd: Canadian Press)

(FRI) A new design, the fourth, was unveiled for Manhattan's new Moynihan Station, which is to be built out of the

existing Farley Post Office Building, which locates across 8th Avenue from Pennsylvania Station. The new design includes a barrel-vaulted glass skylight built over the building's central court, which would then serve as the main train hall. The new station will primarily serve NJ Transit trains. A spokesman for the Moynihan Station Development Corporation noted that the project's cost is now expected to total \$818 million. (ffd: New York Times)

(FRI) Noted tour train operator American Orient Express announced that it had changed its name to GrandLuxe Rail Journeys. A company spokesman said that the change was designed to better describe its product and distinguish itself from the U.K.-based Venice-Simplon-Orient-Express train. The company operates its own train of luxury rail cars to various North American destinations, using Amtrak and host freight railroads for motive power and route access. (ffd: Trains)

(FRI) Miller Brewing announced that it would operate a specially outfitted passenger train to promote the Miller Lite brand. The train, dubbed the Miller Lite "Taste Revolution Express," will start in Los Angeles, CA May 18 and make stops in 9 cities before arriving in Milwaukee, WI in early June. A Miller spokesman said that winners of a national sweepstakes will be allowed to ride the train for a portion of the trip. (ffd: Miller Brewing Co.)

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 April 22, 2006 and ranked with the comparable week last year, U.S. rail volume grand totaled 33.5 billion ton-miles, up 2.1 percent. U.S. carload rail traffic was up 1.3 percent, down 4.0 percent in the East, but up 5.8 percent in the West. Notable traffic increases included metals up 11.1 percent, coal up 7.0 percent, and metallic ores up 5.8 percent; notable traffic decreases included nonmetallic minerals down 22.6 percent, primary forest products down 12.5 percent, and motor vehicles and equipment down 10.9 percent. Also for the week, U.S. intermodal rail traffic was up 3.8 percent, Canadian carload rail traffic was up 1.8 percent, Canadian intermodal rail traffic was up 8.0 percent, Mexico's Kansas City Southern de Mexico's carload rail traffic was down 18.4 percent, and KCSM's intermodal rail traffic was down 24.1 percent.

For the period January 1 through April 22, 2006 and ranked with the comparable period last year, U.S. rail volume grand totaled 529.0 billion ton-miles, up 1.6 percent. Also for this period, U.S. carload rail traffic was up 0.4 percent, U.S. intermodal rail traffic was up 5.7 percent, Canadian carload rail traffic was down 2.1 percent, Canadian intermodal rail traffic was down 4.8 percent, KCSM's carload rail traffic was down 5.9 percent, and KCSM's intermodal rail traffic was down 6.8 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 April 21, 2006 and versus the previous week, average total cars on line was as follows: BNSF, 224,082 cars versus 223,915 cars; Canadian Pacific, 81,995 cars versus 80,316 cars; CSX, 223,190 cars versus 223,530 cars; Kansas City Southern, 26,096 cars versus 25,531 cars; Norfolk Southern, 205,004 cars versus 206,950 cars; and Union Pacific, 327,915 cars versus 330,309 cars. (Comparative totals from last year are not yet available.)

Also for the week ending April 21, 2006 and versus the comparable week last year, average train speed was as follows: BNSF, 22.6 mph versus 24.2 mph; Canadian Pacific Railway, 25.2 mph versus 21.6 mph; CSX, 19.8 mph versus 19.3 mph; Kansas City Southern, 25.1 mph versus 24.4 mph; Norfolk Southern, 21.6 mph versus 22.4 mph; and Union Pacific, 21.7 mph versus 21.5 mph.

Finally for the week ending April 21, 2006 and versus the comparable week last year, average terminal dwell time was as follows: BNSF, 24.8 hrs versus 23.1 hrs; Canadian Pacific Railway, 20.3 hrs versus 29.7 hrs; CSX, 25.0 hrs versus 29.5 hrs; Kansas City Southern, 21.2 hrs versus 23.4 hrs; Norfolk Southern, 22.3 hrs versus 23.7 hrs; and Union Pacific, 28.6 hrs versus 27.4 hrs. (ffd: AAR)

STILL MORE STATS – 1ST QTR., 2006 FINANCIAL RESULTS:

(TUE) BNSF reported net income of \$410 million, up from \$321 million the previous first quarter. Revenues were \$3.463 billion, compared with \$2.982 billion the previous first quarter. BNSF's first quarter operating ratio was 76.5 percent, improved from 78.1 percent the previous first quarter. (ffd: BNSF Corp.)

(TUE) Canadian Pacific Railway reported net income of C\$111 million, up from C\$81 million the previous first quarter. Revenues were C\$1.111 billion, up from C1.014 billion the previous first quarter. CPR's first quarter operating ratio was 79.4 percent, improved from 82.4 percent the previous first quarter. (NOTE: In comparing CPR's operating ratio with U.S.-based railroads, please note that CPR, by and large, does not pay health benefits for its Canadian employees, due to Canada's national health care program. CPR does pay health benefits for its U.S. employees.)

(WED) Norfolk Southern reported net income of \$305 million, up from \$194 million the previous first quarter. Revenues were \$2.303 billion, up from \$1.961 billion the previous first quarter. NS's first quarter operating ratio was 76.1 percent, improved from 79.4 percent the previous first quarter. (ffd: NS Corp.)

(THU) Shortline and regional railroad conglomerate RailAmerica reported net income of \$15.0 million, up from \$6.2 million the previous first quarter. Revenues were \$115.0 million, up from \$101.7 million the previous first quarter. RailAmerica's North American operating ratio was 87.6 percent, improved from 90.3 percent the previous first quarter. (ffd: RailAmerica Corp.)

EXPANSIONS, CONTRACTIONS AND ALIKE:

(WED) CSX filed to abandon approximately 13 miles of its Cumberland Valley Subdivision between near Cumberland, KY and near Scotia, KY. (ffd: CSX Corp.)

APPOINTMENTS, ACHIEVEMENTS AND ALIKE:

(TUE) Dwight West was recognized as the 2006 Safety Person of the Year by the American Short Line and Regional Railroad Association. An employee of the Alaska Railroad, Mr. West was recognized for achievements including an overhaul of the railroad's safety book and development of a work "safe zone" around machinery. Mr. West was presented the award at the ASLRRRA's annual meeting in Orlando, FL. (ffd: wire services)

(WED) The Association of American Railroads presented the annual John Chafee Award for Environmental Excellence to Wayne Kennedy. Mr. Kennedy is the General Director for Fuel Consumption of the Union Pacific Railroad. Mr. Kennedy was recognized for his development of UP's Fuel Masters Program, under which locomotive engineers' fuel consumption is compared with fellow engineers in the same territory. Engineers in the top 15 to 20 percent in each territory receive \$100 awards for personal fuel use. (ffd: Progressive Railroading)

(FRI) BNSF appointed Donald Karls to the newly created position of Manager-Agricultural Products Marketing Support. In this role, Mr. Karls will address grain service concerns of grain producers, processors and shippers in Montana and eastern Washington State. BNSF has a similar ombudsman position handling such concerns for North and South Dakota. (ffd: Progressive Railroading)

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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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