

WEEKLY RAIL REVIEW

For The Week Ending SAT, May 1, 2004

By Dave Mears

(NOTE: The abbreviation "ffd" represents "for further details" and denotes a website or other news reference where further details of this news item may be found.)

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

(SUN) Canadian National suffered an on-duty employee fatality. Ronald Beck, a 30-year CN employee, was crushed to death between 2 rail cars. The accident happened while switching a car onto a siding at Sackville, Nova Scotia, Canada. (ffd: CBC)

(SUN) Amtrak's new system timetable went into effect. Changes in Amtrak services included 4 new Acela Express trips operating weekdays and weekends between Washington, DC. and New York, NY., replacing Metroliner trips. Also, the "International", which had operated through between Chicago, IL. and Toronto, ON., Canada, is replaced by the "Blue Water", which will operate between Chicago and Port Huron, MI., with connections to Via Rail Canada train service to Toronto. (ffd: Amtrak, wire services)

(MON) Canadian National announced that it was selling its CANAC subsidiary to Savage Companies of Salt Lake City, UT. Excluded from the transaction is CANAC's Remote Control Division, which produces BELTPACK and other locomotive remote control products. (ffd: CN Corp.)

(TUE) The Metropolitan Transportation Authority acted to seek proposals from firms to design and build the initial phase of New York City's planned Second Avenue subway line. The new line, small portions of which were completed several decades ago, will require 16 years to complete and run between 125th St. in Upper Manhattan to Hanover Square in Lower Manhattan. Decisions are expected in May related to the project's environmental impact and federal funding commitment. (ffd: The White Plains Journal)

(WED) 2 freight trains collided at slow speed near the top of Cajon Pass, on the outskirts of Hesperia, CA. One of the trains was that of the Burlington Northern Santa Fe and the other was Union Pacific's. No one was injured in the collision, which derailed 5 cars. The cause of the collision was still under investigation at press time. (ffd: The Los Angeles Times)

(WED) The New York City Police Department announced initial plans to search every train operating through Penn Station during the Republican Party Convention being held atop the station complex in Madison Square Garden August 30 through September 2. The search will include New York City subway trains, Amtrak intercity trains, and Long Island Railroad and New Jersey Transit commuter trains. "It's our goal to check every train, physically, with dogs

and with police officers, before it comes into Penn Station," said New York City Police Commissioner Ray Kelly. "I think we're going to be well prepared." (ffd: Newsday)

(THU) The Association of American Railroads reported that a surge of hiring for the rail industry is expected over the next several years. An AAR spokesman said that railroads expect to hire more than 80,000 workers during the next 6 years and about 140,000 total over the next 10 years. The spokesman said that most of the hiring results from expected industry retirements, with about 40 percent of the industry's current workforce eligible to retire within the next decade. (ffd: AAR, Progressive Railroading)

(FRI) The U.S. Congress again extended the current Transportation Equity Act, which was originally set to expire last September 30. The extension, the third since September 30, is to allow the U.S. House and Senate additional time to reconcile their differing versions of TEA replacement legislation. (ffd: Progressive Railroading)

(FRI) Chicago, IL. commuter rail operator Metra announced a pilot program to install thick thorn-bush hedges at locations where fencing has failed to keep individuals from cutting across railroad tracks. "It's just an idea," said Dennis Morgan, Metra's Director of Safety. "I read recently that thorn-bush hedges work as a deterrent and can be very aesthetically compatible with a community." Mr. Morgan added that such bushes are harder to cut through and grow back fast when damaged. (ffd: Chicago Daily Herald)

STATS:

(THU) For the week ending April 24, U.S. carload rail traffic was up 3.7 percent from the comparable week last year, up 5.2 percent in the East and up 2.4 percent in the West. Notable traffic increases included coke up 33.6 percent, grain up 20.9 percent and motor vehicles and equipment up 16.3 percent; notable traffic decreases included metallic ores down 21.0 percent and non-grain farm products down 9.0 percent. Also for the week ending April 24, U.S. intermodal rail traffic was up 13.6 percent – and at 213,104 units, a new weekly U.S. record. Further for the week ending April 24, Canadian carload rail traffic was up 10.2 percent, Canadian intermodal rail traffic was down 0.9 percent, Mexico's Transportacion Ferroviaria Mexicana's carload rail traffic was up 25.3 percent and TFM's intermodal rail traffic was down 28.9 percent, all when ranked with the comparable week last year.

For the period January 1 through April 24, U.S. carload rail traffic was up 3.2 percent, U.S. intermodal rail traffic was up 7.9 percent, Canadian carload rail traffic was up 6.9 percent, Canadian intermodal rail traffic was down 0.5 percent, TFM's carload rail traffic was down 5.4 percent and TFM's intermodal rail traffic was down 7.9 percent, all when ranked with the comparable period last year. (ffd: AAR)

STATS CONTINUED – 1ST QTR., 2004 RESULTS – PART 2:

(TUE) Burlington Northern Santa Fe reported net income of \$193 million for the first quarter this year, up from \$187 million in the first quarter last year. Revenues in the first quarter this year were \$2.45 billion, up from \$2.2 billion in the first quarter last year. BNSF's first quarter operating ratio improved to 83.3 percent, compared with 84.3

percent in the first quarter last year. (ffd: BNSF Corp.)

(TUE) Canadian Pacific Railway reported net income of C\$24 million in the first quarter this year, down from C\$102 million in the first quarter last year. A CPR spokesman noted the effect of a worst-in-eight-years avalanche and a loss in foreign exchange on first quarter results. Revenues in the first quarter were C\$887 million, up from C\$879 million in the first quarter last year. CP's first quarter operating ratio worsened slightly to 86.9 percent, compared with 86.6 percent in the first quarter last year. (ffd: CP Corp.)

(WED) CSX reported net income of \$30 million in the first quarter this year, down from \$99 million in the first quarter last year. Revenues were \$1.96 billion in the first quarter this year, compared with \$2.02 billion in the first quarter last year. CSX's operating ratio comparisons were not immediately available. (ffd: CSX Corp.)

(THU) Kansas City Southern reported net income of \$3.4 million in the first quarter this year, down from \$13.6 million in the first quarter last year. A KCS spokesman noted the effect of lower equity earnings off of KCS's stake in Grupo TFM, debt retirement costs and higher tax expense on first quarter results. Revenues in the first quarter this year versus the first quarter last year increased \$8.2 million or 5.9 percent. KCS's first quarter operating ratio improved to 84.0 percent, compared with 93.3 percent in the first quarter last year. (ffd: KCS Corp.)

(THU) RailAmerica reported net income of \$1.3 million in the first quarter this year, down from \$4.3 million in the first quarter last year. A RailAmerica spokesman noted the effect of a charge related to the sale of Chilean railroad Ferronor on first quarter results. Revenues were \$97.0 million in the first quarter this year, compared with \$86.5 million in the first quarter last year. RailAmerica's first quarter operating ratio worsened slightly to 80.8 percent, compared with 77.9 percent in the first quarter last year. (ffd: RailAmerica Corp.)

(THU) Union Pacific reported net income of \$165 million in the first quarter this year, down from \$429 million in the first quarter last year. A UP spokesman noted the effect on first quarter results of systemwide train crew shortages and, also, a single \$35.8 million judgment against it in a crossing accident injury verdict recently upheld by the Arkansas Supreme Court. Revenues were \$2.89 billion in the first quarter this year, compared with \$2.73 billion in the first quarter last year. UP's first quarter operating ratio worsened slightly to 89.1 percent, compared with 86.5 percent in the first quarter last year. (ffd: UP Corp.)

ACQUISITIONS, ABANDONMENTS AND ALIKE:

(MON) Burlington Northern Santa Fe filed to abandon approximately 5 miles of line between Hoxie, AR. and Walport, AR. (ffd: STB)

(MON) Burlington Northern Santa Fe filed to abandon its Walnut Ridge Industrial Spur in Lawrence County, KS., totaling approximately 3 miles of line. (ffd: STB)

(MON) Burlington Northern Santa Fe filed to abandon approximately 6 miles of line between Quadlock, WA. and Olympia, WA. (ffd: STB)

(TUE) Mississippi Tennessee Railroad filed to abandon approximately 44 miles of line between New Albany, MS. and Houston, MS. (ffd: STB)

(TUE) Norfolk Southern filed to abandon approximately 8 miles of line between Mackeys, NC. and Plymouth, NC. (ffd: STB)

(WED) Burlington Northern Santa Fe filed to abandon approximately 40 miles of line between Superior, NE. and Reynolds, NE. (ffd: STB)

(WED) Kansas City Southern filed to abandon its Second Street track in Kansas City, MO., totaling approximately 2 miles of line. (ffd: STB)

(THU) MVC Transportation filed to acquire, from P&LE Properties, the track facilities of the former Pittsburgh & Lake Erie Railroad's McKees Rock Yard, totaling approximately 15 miles of track. (ffd: STB)

(FRI) CSX filed to abandon approximately 2 miles of line in Pinnelas County, FL. (ffd: STB)

PERSONNEL CHANGES:

(WED) Shortline conglomerate OmniTrax appointed Darcy Breed EVP-Rail Operations. Mr. Breed, formerly GM of OmniTrax's Hudson Bay Railway, succeeds Robert Park, who was named OmniTrax's COO last February. OmniTrax also announced the following additional appointments: Greg Sullivan as GM-Hudson Bay Railway; Kevin Woods as GM-Okanagan Valley Railway; and Dennis Sawchuk as GM of the Okanagan Valley Railway. (ffd: OmniTrax Corp.)

(WED) Allan Rutter, Chief Administrator of the U.S. Federal Railroad Administration announced his intention to leave the FRA in June, 2004. Mr. Rutter, who will become Executive Director of the North Texas Tollway Authority, cited family reasons for his decision to return to Texas. (ffd: wire services)

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Weekly Rail Review is edited from public news sources and published weekly, usually on Sunday or Monday (a little later lately!), to the rail and transit industries and those interested in them. Send an e-mail to <mailto:weeklyrailreview@aol.com>weeklyrailreview@aol.com to receive it, with my compliments.

HAVE A SAFE AND PROSPEROUS WEEK,
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