

WEEKLY RAIL REVIEW

FOR THE WEEK ENDING FRIDAY, MAY 27, 2011

BY DAVE MEARS

(NOTE: My personal computing capability now resumed, I am continuing to issue WRR until it is current. Thanks for the kind comments many of you have sent me as I catch up.)

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

(MON) Surface Transportation Board Commissioner Frank Mulvey and Federal Railroad Administration Chief Administrator Joe Szabo, along with rail industry consultants Jim McClellan and Bill Rennie, participated in an email discussion about railroading conducted by the Wall Street Journal. During the discussion, Mr. Rennie noted that, "if the traffic-level trajectories are correct...ton-mile growth could be in the 80 percent range by 2035 to 2040...on this basis, industry prospects are bright...rail activity could possibly even double by the midpoint of this century." He further noted that "the possible dark cloud could be changes in a regulatory structure that has fueled industry growth and profitability." (ffd: Wall Street Journal)

(MON) 32 cars of a Union Pacific freight train derailed near Moran, KS. Several cars of liquefied flammable gas caught fire, which resulted in the temporary closure of nearby U.S. Route 59 while the fire was put out. There were no injuries in the derailment. (ffd: Wichita Eagle)

(MON) Alex Trebek, host for the last 27 years of the television game show, "Jeopardy," helped run the steam locomotive powering an excursion train of the Western Maryland Scenic Railway out of Cumberland, MD. Mr. Trebek said of his experience that it was the fulfillment of a "longtime wish." Film clips of Mr. Trebek helping run the locomotive will be used during "Jeopardy" questions to be televised sometime in the fall. (ffd: Cumberland Times-News)

(TUE) CSX suffered two on-duty employee fatalities. Both crewmembers of a CSX freight train were killed when it rear-ended a stopped CSX freight train near Mineral Springs, NC. The accident, which occurred at approximately 3:45AM this date, is being investigated by CSX and appropriate federal and state agencies. (ffd: STB)

(WED) Rejecting the recommendations of a recent state report, U.S. Department of Transportation officials said that California will need to start construction of the first portion of the state's high-speed rail network by a 2012 deadline. The officials noted that the 2012 start is required by federal legislation that provided about \$3.1 billion in funding the project's first leg. The total cost of the state's new high-speed rail network is project to be \$43 billion. (ffd: Los Angeles Times)

(WED) High waters of the Mississippi River surging southward continued to render Canadian National lines near the river temporarily out of service. A CN spokesman said that the railroad was detouring trains over its Hammond Subdivision to Baton Rouge, LA and then over a Kansas City Southern line. Also, Amtrak originated and terminated its "City of New Orleans" train at Hammond, LA, busing passengers between there and New Orleans. (ffd: Amtrak, Trains)

(WED) Amtrak began the first in a series of web video clips as part of a new "Ask The Experts" initiative. In the first such clips, Amtrak VP-High-Speed Rail Al Engel answered questions about high-speed rail submitted to Amtrak via Facebook and Twitter. Mr. Engel's video responses were put on Amtrak's YouTube channel. (ffd: Amtrak)

(WED) A new organization, the American Crisis in Transportation Coalition (ACT), was announced. The coalition said that it was

seeking to expand the national understanding of a “serious deterioration of American’s transportation system” and to educate the public and political leaders on that system’s funding needs. One of ACT’s founders is former Wisconsin Secretary of Transportation Frank Busalacchi, who served as a member of the earlier National Surface Transportation Policy and Revenue Study Commission. (ffd: Progressive Railroading)

(THU) House Transportation & Infrastructure Committee Chair John Mica (R-FL) and House Railroad Subcommittee Chair Bill Shuster (R-PA) called for legislation that would separate the Northeast Corridor from Amtrak’s operations so that a public-private partnership could design, build, operate and maintain new high-speed rail service. They said that Amtrak’s proposed \$117 billion plan to develop improved high-speed rail between Washington and Boston over a 30-year period is too costly and would take too long. However and at the same time in the Senate, Sen. Frank Lautenberg (D-NJ) held hearings at which he spoke in defense of Amtrak. Sen. Lautenberg noted that “Amtrak has received less federal money in its [entire] history than highways get in a single year.” (ffd: Progressive Railroading, The Hill)

(THU) Also at the U.S. Capitol this date, several congressional and federal transportation principals held the inaugural meeting of the Congressional Bicameral High-Speed and Intercity Passenger Rail Caucus. The caucus announced as its purpose the advancement of “the construction of a high-speed and intercity passenger rail network across the United States by working in conjunction with the U.S. Department of Transportation, state and local governments, Amtrak, freight railroads and rail associations.” (ffd: NARP)

(THU) In furtherance of President Obama’s January, 2011 executive order directing federal regulatory review, the U.S. Department of Transportation released a report identifying 70 transportation-related federal regulations as being “out-of-date, unnecessary, excessively burdensome, or in conflict with other rules.” Among these are railroad Positive Train Control requirements arising out of 2008’s Rail Safety Improvement Act, which the report said could be revised in a way that would “significantly reduce [rail] industry burdens without adversely affecting rail safety.” USDOT will now work to update the 70 regulations through appropriate new rulemaking proceedings. (ffd: Bloomberg News, USDOT)

(THU) Two regional transportation agencies adopted Fiscal Year 2012 budgets. Philadelphia area commuter rail and transit operator SEPTA approved a \$1.22 billion operating budget and a \$311 million capital budget, which it said “does not increase fares and maintains current service levels.” In Southern California, the Los Angeles County Metropolitan Transportation Authority adopted a \$4 billion budget. The budget calls for “trimming unproductive bus lines,” but also provides for startup funding for the nearly-complete Expo light rail line running from downtown Los Angeles to Culver City, CA, the start date for which is expected to be announced shortly. (ffd: Progressive Railroading, SEPTA)

(FRI) Orders for new freight cars for the North American rail network were reported as being at their highest level in 13 years and seven times the level of a year ago. Car builders were reported to have received orders for 36,903 cars in 2011’s first quarter, approximately one-third of which were placed by GATX. (ffd: Bloomberg News, Railway Supply Institute)

STATS – CLASS 1 RAIL TRAFFIC:

(THU) The Association of American Railroads reported that, for the week ending May 21, 2011 and ranked with the comparable week last year:

-U.S. carload rail traffic totaled 295,148 units, up 2.3 percent

-Notable U.S. carload traffic increases included grain up 12.9 percent and metallic ores up 11.5 percent; notable traffic decreases included waste and nonferrous scrap down 17.2 percent and primary forest products down 10.1 percent

-U.S. intermodal rail traffic totaled 234,235 units, up 8.7 percent

-Canadian carload rail traffic totaled 75,182 units, up 5.2 percent

- Canadian intermodal rail traffic totaled 48,830 units, down 1.2 percent
- Mexican carload rail traffic totaled 14,385 units, down 2.2 percent
- Mexican intermodal rail traffic totaled 8,681 units, down 22.4 percent

For the period January 1 through May 21, 2011 and ranked with the comparable period last year:

- U.S. carload rail traffic totaled 5,822,505 units, up 3.3 percent
- U.S. intermodal rail traffic totaled 4,469,033 units, up 8.8 percent
- Canadian carload rail traffic totaled 1,471,314 units, up 1.3 percent
- Canadian intermodal rail traffic totaled 926,824 units, up 3.4 percent
- Mexican carload rail traffic totaled 287,585 units, up 6.6 percent
- Mexican intermodal rail traffic totaled 144,943 units, up 12.3 percent

Note: Canadian traffic totals include that traffic on U.S. operations of the Canadian National and Canadian Pacific Railways.

EXPANSIONS, CONTRACTIONS AND ALIKE:

(THU) Iowa Northern Railway announced that it would expand its network to operate approximately 30 miles of former Union Pacific line between Forest City and Belmond, IA. The railroad will reach the line via approximately 79 miles of overhead trackage rights newly granted by Canadian Pacific Railway. In an STB filing, Iowa Northern stated that it expected to begin operation of the line on or about June 9, 2011. (ffd: STB, Trains)

(FRI) CSX filed to abandon approximately one-half mile of its Erie Running Track in Buffalo, NY. (ffd: STB)

(FRI) Nuclear waste processor Energy Solutions announced that it had completed the acquisition of approximately 12 miles of line serving the Oak Ridge, TN nuclear materials facility. The line will continue to be operated by the Walden Ridge Railway. (ffd: Knoxville News Sentinel)

(FRI) Maine Northern Railway granted overhead trackage rights to the Montreal, Maine & Atlantic Railway over approximately 151 miles of line owned by the State of Maine between Millinocket and Madawaska, ME. The purpose of the trackage rights is to connect the MM&A lines south of Millinocket and the MM&A line between Madawaska, which will enable the MM&A to provide through services between St. Leonard, NB, Canada and a Canadian National interchange. (ffd: STB)

APPOINTMENTS, ACHIEVEMENTS AND MILESTONES:

(MON) The Women's Transportation Seminar organization named Karen Rae its "Woman Of The Year." Ms. Rae is the Deputy

Administrator, a.k.a. second in command, of the Federal Railroad Administration. (ffd: WTS)

EDITOR'S NOTES:

-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 June 28 for the week ending May 20.

-The expression "ffd" stands for "for further details" and denotes a news periodical, website, etc. that may have more information.

-I always appreciate any readers who send on Weekly Rail Review to let me know to whom they forward it, so that I may learn more about my total readership. Thank you to those of you who have so advised! All names, email addresses, etc. sent me are kept confidential and are never used for any other purpose.

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BE SAFE AND PROSPER,

Dave Mears

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