

WEEKLY RAIL REVIEW

FOR THE 7 DAYS ENDING FRIDAY, MAY 29, 2009

BY DAVE MEARS

(Note: Thanks very much to all of you who indicated interest in continuing to receive this. Many of you sent thoughtful messages, and it is my intention to reply to every one of them, as soon as opportunity allows.)

(Further Note: This week reported about included the Memorial Day weekend and holiday.)

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

(TUE) In an interview, former Massachusetts Governor Michael Dukakis said that the U.S. should work to revive its passenger rail and transit manufacturing industry. Encouraging new partnerships for this purpose with auto and bus manufacturers, Mr. Dukakis said, "It would be far more stimulative....I mean, if you can make a bus, why not a streetcar?" Mr. Dukakis, the 1988 Democratic presidential nominee, is a former Amtrak board member. (ffd: wire services)

(TUE) The American Association of State Highway and Transportation Officials (AASHTO) presented a plan for a "robust intercity passenger rail network." The plan – a white paper titled, "Achieving the Vision: Intercity Passenger Rail" – calls for a national rail plan and the creation of an intercity passenger rail account, the latter to be funded "at \$35 billion, over six years, from a diversified portfolio of new revenue sources." (ffd: NARP)

(WED) The Federal Railroad Administration released new railroad hours of service regulations for train crews and other operating employees. The regulations include limiting crews to 276 on duty hours per month and continuing the existing maximum of 12 consecutive hours on duty, but increases the minimum off duty period to 10 consecutive hours during the prior 24 hour period. The regulations, which become effective July 6, may be viewed in their entirety on the Federal Register at <<http://www.thefederalregister.com/d.p/2009-05-27-E9-12059>><<http://www.thefederalregister.com/d.p/2009-05-27-E9-12059>.

(THU) Sen. Jay Rockefeller (D-WV), who heads the Senate Commerce Committee, circulated a letter to other senators opposing the Railroad Antitrust Enforcement Act, recently approved out of the Senate Judiciary Committee. Mr. Rockefeller said that he and his committee supported strengthening the application of antitrust laws to the railroad industry, but also said that the Judiciary Committee bill "would likely undermine many of the reforms we are seeking." [Update: As this is being distributed, the Judiciary Committee bill has been withdrawn. A spokesman said that the two committees would work together on a new bill.] The previous day, Surface Transportation Board Chairman Charles Nottingham spoke out against the bill at the North American Rail Shippers annual meeting. Alluding to the bailouts of the financial, auto and other industries, Mr. Nottingham said, "It's worth noting the freight rail industry is not part of that story. It's pretty hard for me to understand the need for this [bill]." (ffd: Trains, wire services)

(THU) The National Transportation Safety Board said that it will begin posting all its accident investigation public dockets on the NTSB website. Starting June 1, the dockets may be viewed online by linking to <http://www.nts.gov/Info/foia_fri-dockets.htm><www.nts.gov/Info/foia_fri-dockets.htm. (ffd: NTSB)

(FRI) The Los Angeles County Metropolitan Transportation Authority adopted a \$3.9 billion budget for Fiscal Year 2010, which begins July 1, 2009. Among other major transportation initiatives being advanced by LACMTA will be the start of the Metro Gold Line Eastside Extension to East Los Angeles, continued construction of the Expo light rail line to Culver City, and construction of a four-mile extension of the Metro Orange Line busway to Chatsworth. The budget calls for no general fare increase through FY2010. (ffd: RT&S)

(FRI) Philadelphia, PA's Southeastern Pennsylvania Transit Authority approved a \$1.13 billion operating budget and a \$418 million capital budget. The capital budget will provide money for vehicles, equipment, and buildings, and also outlines spending on 23 projects, including plans for more hybrid buses and refurbished commuter rail stations. The budget calls for no fare increases or

service cuts for FY2010. (ffd: Philadelphia Inquirer, RT&S)

(FRI) Amtrak announced an agreement with Hospitality Partners to build and manage a boutique hotel on the three upper floors of Baltimore, MD's Penn Station. The 77-room, \$9 million hotel, to be called "The Inn at Penn Station," would be the first at a working Northeast Corridor rail station. Construction is expected to begin this year and be complete by 2010. (ffd: wire services)

STATS:

(Note: Canadian railroad traffic includes both the Canadian and the U.S. operations of Canadian National and Canadian Pacific Railway.)

For the week ending May 23, 2009, U.S. rail volume grand totaled 27.4 billion ton-miles, down 20.3 percent from the comparable week last year. Also for the week, U.S. carload rail traffic was down 21.5 percent, down 28.0 percent in the East and down 16.4 percent in the West. All 19 carload commodity groups were down from last year, ranging from 4.8 for non-grain farm products to 59.7 percent for metallic ores. Also for the week, U.S. intermodal rail traffic was down 19.1 percent, Canadian carload rail traffic was down 33.5 percent, Canadian intermodal rail traffic was down 18.9 percent, Mexican carload rail traffic was unchanged, and Mexican carload rail traffic was down 18.8 percent.

For the period January 1 through May 23, 2009, U.S. rail volume grand totaled 562.0 billion ton-miles, down 18.2 percent from the comparable period last year. Also for this period, U.S. carload rail traffic was down 19.3 percent, U.S. intermodal rail traffic was down 16.8 percent, Canadian carload rail traffic was down 23.4 percent, Canadian intermodal rail traffic was down 14.5 percent, Mexican carload rail traffic was down 12.3 percent, and Mexican intermodal rail traffic was down 19.8 percent. (ffd: AAR)

EXPANSIONS, CONTRACTIONS AND ALIKE:

(THU) The Kyle Railroad has announced that it will purchase, from the Mid-States Rail Authority, the Kansas and Colorado tracks over which it operates. The Authority's predecessor bought the tracks in 1984 out of the Rock Island Railroad bankruptcy. The agreement allowed Kyle until June 1, 2009 to purchase the tracks for a nominal fee. (ffd: Trains, wire services)

(FRI) Cleveland Commercial Railroad filed with the Surface Transportation Board to lease, from Norfolk Southern, and operate approximately 26 miles of former Erie Railroad line between Cleveland, OH and Aurora. (ffd: STB, Trains)

APPOINTMENTS, ACHIEVEMENTS AND MILESTONES:

(TUE) The U.S. Senate confirmed Peter Rogoff as Chief Administrator of the Federal Transit Administration. Also confirmed by the Senate was John Pocari as Deputy Secretary of the U.S. Department of Transportation. (ffd: wire services)

(TUE) AAR's Transportation Technology Center appointed John Tunna as head of its new Passenger Rail Business Unit. Mr. Tunna earlier managed TTCI transit improvement projects in Australia, Britain, and South America. (ffd: Progressive Railroading)

(FRI) The Obama Administration nominated Polly Trottenberg as the U.S. Department of Transportation's Assistant Secretary For Policy. Ms. Trottenberg is currently executive director of Building America's Future, a bipartisan coalition of elected officials that calls for increased intermodalism as part of the national transportation system. (ffd: NARP)

CORRECTION:

In last week's edition, concerning Union Pacific's announcement of the dispatch of its 200,000th coal train out of Wyoming's Powder River Basin coal fields since 1984, I referred to the line as having been constructed by BNSF predecessor Burlington Northern and UP predecessor Chicago & North Western. Larry Kaufman, who additional to his excellent industry commentaries is also the author of a superb book about BNSF, "Leaders Count," wrote to remind me that "...CNW did not jointly build the line with BN. BN built the line and funded it all by itself. The ICC ordered that CNW pay for and own half the line...CNW couldn't come up with the money, about \$50 million in the late 1970s, which led CNW to go to UP for the money. In exchange, CNW agreed to route its coal trains to UP at South Morrill, NE...BNSF still manages dispatching and maintenance of the line, with UP paying 50 percent of all costs."

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