

WEEKLY RAIL REVIEW

FOR THE WEEK ENDING FRIDAY, JUNE 1, 2012

BY DAVE MEARS

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

(MON) Canadian Pacific Railway suffered an on-duty employee fatality. Robert Glasgow, Age 38, was fatally injured while switching cars in Kenmare, ND. CPR and the Federal Railroad Administration are investigating the accident. (Ref: wire services)

(MON) Further the ongoing criminal investigation as to why in the last several years so many Long Island Rail Road employees retired and claimed disability benefits, the U.S. attorney in charge of the investigation offered amnesty from prosecution for any retiree who comes forward voluntarily and admits having made false or misleading statements when applying for disability benefits. U.S. Attorney Preet Bharara said that the amnesty program includes two deadlines, July 6 and August 10, as will be explained in follow-up documentation to amnesty requests. Mr. Bharara said that 1,500 retired LIRR employees are presently under investigation for conspiracy to commit health care fraud, with seven charged so far and more to be charged shortly. (Ref: USDOJ, wire services)

(TUE) The New York Metropolitan Transportation Authority said that the cost of installing Positive Train Control on its Metro North Railroad and Long Island Rail Road is presently estimated at \$750 million and may ultimately total over \$1 billion. It said that this requirement, as mandated by the Rail Safety Improvement Act of 2008, would delay numerous other improvement projects, including needed upgrades to electrical substations. MNRRT President Howard Permut commented, "All the railroads in the Northeast simultaneously are having to do the same thing in a very small industry, so there's clearly going to be a lack of competition [related to pricing.]" (Ref: New York Post)

(WED) VIA Rail Canada President Marc Laliberte said that his primary challenge is to "...transform VIA into a financially sustainable service..." after a decrease in passenger miles of 3.9 percent and revenues of 2.8 percent in Fiscal Year 2012, compared with FY2011. Mr. Laliberte made his remarks at VIA's annual public meeting. Later in the week, the Global News media service reported that some decrease in the number of VIA trains operated was being considered, including a possible reduction in the frequency of operation of Canadian and Ocean corridor services. (Ref: NARP, Trains)

(WED) The first of New Jersey Transit's new Class ALP45DP locomotives made its first revenue run. They are dual-mode, able to operate as a conventional diesel-electric locomotive in non-electrified territory or as an electric locomotive drawing from catenary wires. NJT has 35 of the locomotives on order, which are being built by Bombardier. (Ref: Trains)

(WED) GE Transportation said that it would move its world headquarters to Chicago, IL. It said that the offices for its locomotive line of business, as well as the key manufacturing and engineering facilities for that business, would remain in Erie, PA. (Ref: GE Corp.)

(THU) The Canadian Parliament approved legislation directing striking Canadian Pacific Railway employees back to work. The Teamsters Canada Rail Conference, whose labor agreement with CPR expired earlier this year, initiated the work stoppage against CPR's Canadian rail operations the previous week. (Ref: wire services)

(THU) A U.S. district court judge dismissed a lawsuit filed last year by the Association of American Railroads related to the Passenger Rail Investment and Improvement Act of 2008 (PRIIA). The AAR had filed suit over PRIIA saying that the law gave excessive regulatory power to Amtrak related to establishing performance standards for its trains operating over host railroads. The judge's ruling indicated that the Amtrak and the Federal Railroad Administration have the "...authority to promulgate binding

rules governing the conduct of its contractual partners, the freight railroads.” (Ref: Courthouse New Service)

(THU) The U.S. National Transportation Safety Board released its final report on the derailment on the Canadian National at Cherry Valley, IL three years ago. The report noted that the derailment was caused by a washout, and that it resulted in the death of a driver stopped at a crossing where the train derailed and the precautionary evacuation of 600 nearby homes. The report was preceded by several safety improvement recommendations issued by the NTSB earlier this year. (Ref: NTSB, Trains)

(THU) A New York State spokesman said that it would likely sell its four Rohr Turboliner trainsets for scrap. The trainsets, which were originally built in the 1970s, were the subject of an initial \$70 million refurbishment by the state about a dozen years ago, but were taken out of service as a result of operating and related problems in 2004 not long after they returned to service. The trainsets have been for sale for several years. (Ref: New York Times)

(FRI) Norfolk Southern noted its 30th anniversary. The railroad was created June 1, 1982 from the former Norfolk & Western and Southern Railways. It acquired 58 percent of the former Conrail in 1999. (Ref: NS RR)

(FRI) CSX announced that it planned to reduce its greenhouse gas emissions six to eight percent over 2011 levels by 2020. In making their announcement, CSX noted that it had decreased such emissions by eight percent over 2006 levels by 2010. It also said that, thanks largely to technology, it had increased fuel efficiency by 90 percent from the 1980 levels of its predecessor railroads. (Ref: CSX RR)

(FRI) The Los Angeles County Metropolitan Transportation Authority approved turnstile locking gates for all 85 miles of its subway and light rail networks, in substitution of its earlier honor system with fare checkers. An LACMTA board member commented, “The honor system hasn’t worked...Some people [weren’t paying] maliciously, some people just thoughtlessly.” LACMTA had earlier estimated that up to 20 percent of its riders were “fare-beaters.” (Ref: NARP)

(FRI) The Chicago Transit Authority issued requests for proposals seeking naming rights and sponsorships for 11 of its “L” stations. In addition to obtaining the naming rights, the chosen sponsor would have their name and logo on CTA system maps and gain exclusive advertising within the station and other collateral materials, such as the CTA’s downtown tourist guides. “This unique opportunity is the first full-scale naming rights program at multiple stations offered by any transit system in the U.S.,” said CTA President Forrest Claypool. (Ref: Progressive Railroading)

(FRI) The Massachusetts Bay Transportation Authority said that it would send out requests for proposals to qualified bidders to operate its commuter rail network. The present operator is the Massachusetts Bay Commuter Railroad, a consortium comprised of Veolia, Bombardier and Alternate Concepts Corporations. MBCR has operated the commuter rail network since 2003, and its contract due to expire in 2008 was extended until 2013. (Ref: Boston Herald)

(FRI) Bombardier Corporation announced a new technology for electrically powering light rail vehicles, buses and cars. Called PRIMOVE, the technology captures inductive power from cables laid beneath rails or beneath the ground, enabling vehicles to be recharged either in motion or at rest and eliminating the need for overhead wires. Bombardier said that it is presently testing a pilot project for the new technology in Augsburg, Germany. (Ref: Trains)

STATS – CLASS 1 RAIL TRAFFIC:

(THU) The Association of American Railroads reported that, for the week ending May 26, 2012 and ranked with the comparable week last year:

-U.S. carload rail traffic totaled 291,381 units, up 1.3 percent

-Notable U.S. carload traffic increases included petroleum products up 51.6 percent, motor vehicles and equipment up 29.2 percent, and grain mill products up 10.4 percent; notable decreases included grain down 10.0 percent and coal down 6.3 percent

-U.S. intermodal rail traffic totaled 244,726 units, up 4.3 percent

-Canadian carload rail traffic totaled 67,435 units, down 10.8 percent

-Canadian intermodal rail traffic totaled 41,043 units, down 11.5 percent

-Mexican carload rail traffic totaled 14,349 units, up 4.0 percent

-Mexican intermodal rail traffic totaled 9,994 units, up 9.8 percent

For the period January 1 through May 26, 2012 and ranked with the comparable period last year:

-U.S. carload rail traffic totaled 5,919,340 units, down 3.1 percent

-U.S. intermodal rail traffic totaled 4,839,797 units, up 2.9 percent

-Canadian carload rail traffic totaled 1,613,654 units, up 4.1 percent

-Canadian intermodal rail traffic totaled 1,045,403 units, up 7.0 percent

-Mexican carload rail traffic totaled 287,206 units, up 3.7 percent

-Mexican intermodal rail traffic totaled 189,178 units, up 20.9 percent

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

EXPANSIONS, CONTRACTIONS AND ALIKE:

(WED) The Surface Transportation Board approved the Georgia Department of Transportation's earlier request to abandon approximately three miles of line, known as the L&N Belt, in Atlanta, GA. The STB's filing noted that the line was originally acquired from CSX in 2001 for a possible southeast/southwest freight rail bypass around downtown Atlanta, but that GDOT has now indicated that the bypass "...is no longer feasible." (Ref: STB)

(FRI) The Jackson, Gordonville & Delta Railroad filed to abandon approximately 13 miles of line between Delta and near Gordonville, MO. (Ref: STB)

APPOINTMENTS, ACHIEVEMENTS AND MILESTONES:

(TUE) The California High-Speed Rail Authority appointed Jeff Morales its CEO. Mr. Morales, who was most recently the Authority's lead consultant, was earlier the head of Caltrans, the California Department of Transportation. Mr. Morales succeeds Roelof van Ark, who resigned from the Authority in January. (Ref: San Jose Mercury News)

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Have a Railroad Safe Day,

Dave Mears