

WEEKLY RAIL REVIEW

FOR THE WEEK ENDING SAT, JULY 23, 2005

BY DAVE MEARS

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

(MON) New York State's Empire Development Corporation announced that it had selected The Related Companies and Vornado Realty Trust as developers of the project to convert the Farley Post Office Building into the Moynihan Rail Station. A spokesman for the project said that the design of the new station had also been revised to eliminate a 120-foot, glass-and-steel parabolic arch earlier planned to top the building and will instead have a grid of skylights that would recall the great interior space of the former Pennsylvania Station, which was demolished in 1963. The spokesman added that the principal tenant for the new station would be New Jersey Transit, and that most Amtrak and Long Island Rail Road trains would continue to use the existing Penn Station across the street. The spokesman said that reconstruction work is now set to begin next year and is targeted for completion by 2011. (ffd: Architectural Record, New York Times)

(MON) Surface Transportation Board Chairman Roger Nober said that track maintenance over one of the two lines accessing Wyoming's Powder River Basin coal fields and the resulting need to run fewer trains to accommodate that maintenance might possibly lead to electrical brownouts in some portions of the country. "There is the possibility, of course, that utilities who were low on [coal] stockpiles for whatever reason may find themselves short now," said Mr. Nober. He added that he was "cautiously optimistic that maintenance [to the line] is going quickly and that throughput is improving, and that carriers are adjusting." Back to back derailments last May revealed severely deteriorated track conditions on the joint BNSF-Union Pacific line out of the basin. (ffd: wire services)

(MON) In what one trade publication referred to as the continuation of "the annual [rail] re-regulation debate," Rep. Mark Green (R-WI) introduced The Railroad Antitrust and Competition Act of 2005. A spokesman for the congressman said that the bill (H.R. 3318) proposes to amend the Clayton Act to restore the application of antitrust laws to railroads. Two other rail re-regulation bills, The Railroad Competition Act of 2005 (S. 919) and The Railroad Competition Improvement and Reauthorization Act of 2005 (H.R. 2047), are also being debated by Congress. (ffd: Progressive Railroading, Railway Age)

(MON) Canadian Pacific announced that it had reached tentative agreement with the International Brotherhood of Electrical Workers to implement a new five-year contract. The IBEW represents approximately 450 workers who maintain CPR communications and signal systems. A CPR spokesman said, "With this settlement, CPR has successfully negotiated collective agreements with all of its unionized employees in Canada." (ffd: New Brunswick Telegraph-Journal)

(MON) Despite earlier announced plans to discontinue its railroad-managed trailers by the end of 2006, Norfolk Southern introduced a new program called the "Trailer Management Program," which it said was designed to increase trailer capacity for the fall peak-shipping season. Under the program, the railroad will supply a fleet of NS-controlled 48-foot trailers operating out of its Chicago, IL and Toledo, OH intermodal terminals. An NS spokesman said that customers may reserved these trailers from the available pool using NS's online reservation system. (ffd: JofC Online)

(MON) The Department of Energy said that it planned to ship spent nuclear fuel to the Yucca Mountain repository in dedicated trains, rather than in rail shipments in normal train service. A DOE spokesman said that planning is still underway to build a new rail line reaching Yucca Mountain, which is located in Nevada, but that related delays may forestall construction of the line and opening of the repository until 2012 or later. The spokesman added that DOE is targeting 3,500 initial shipments of spent nuclear fuel and high-level defense waste to the repository once it begins operation. (ffd: wire services)

(MON) Two revised rail websites went online. CSX debuted its redesigned website, which includes an animated home page "delivering" graphic, as well as reorganized functions for customers, suppliers, investors, employees, media, and the general public. The National Association of Railroad Passengers also debuted its redesigned website, which a NARP spokesman said "features a new look, improved navigation, an upgraded event calendar feature, and a NARP members-only section." The CSX website is at csx.com and the NARP website is at narprail.org. (ffd: CSX Corp., NARP)

(TUE) Union Pacific suffered an on-duty employee fatality. Franklin Duncan, Age 60 with nearly 40 years' railroad service, was killed when the rail car he was riding was rammed by a truck. A spokesman for the United Transportation Union, which Mr. Duncan was represented by, said that he was riding a cut of cars while switching the Hunt-Wesson Foods plant in Memphis, TN, when a truck struck the car he was riding, crushing him upon impact. (ffd: Memphis Commercial Appeal)

(TUE) The Senate Appropriations Committee approved \$1.45 billion in Fiscal Year 2006 funding for Amtrak. The appropriation now goes to the full Senate for debate. If approved by the Senate, the amount would need to be reconciled with the House's FY2006 Amtrak appropriation of \$1.176 billion. Amtrak had originally requested \$1.8 billion in FY2006 funding, while Secretary of Transportation Norman Mineta had proposed zero funding coupled with a controversial reform plan. Following the committee's vote, its chairman, Sen. Christopher Bond (R-MO), said that he "just had a nice call from Mr. Mineta, who was pleased to inform me that funding Amtrak at this level without reform would find him recommending a veto." Earlier in the week, the USDOT Inspector General's office released a report stating that eliminating sleeper, diner, lounge, and checked baggage services would result in substantial savings for Amtrak. A spokesman for the National Association of Railroad Passengers called the IG's report "seriously flawed." (ffd: Baltimore Sun, NARP, New York Times, wire services)

(TUE) Congress again extended the Transportation Equity Act, now for the ninth time. The provisions of the act originally expired September 30, 2003. The latest extension is until July 21, which congressional observers noted would sustain transportation public works projects while the House and Senate worked to reconcile differences over TEA replacement legislation. (ffd: APTA, JofC Online)

(TUE) Union Pacific confirmed that it would operate special steam-powered excursion trains between Cheyenne, WY and Denver, CO during the forthcoming weekend. A UP spokesman said that the trains would be headed by its No. 3985 "Challenger" steam locomotive, which the spokesman said was now the world's largest steam locomotive still in operation. The spokesman added that a GPS transmitter had been installed on one of the rail cars that will travel with the locomotive, which will allow interested persons to monitor the train's position on the UP website, uprr.com. (ffd: Greeley Tribune)

(WED) The Federal Railroad Administration announced that it would study if the Sealed Rail Corridor concept is appropriate for California Metrolink's Antelope and Ventura County commuter rail lines. An FRA spokesman said that the study will include determining which grade crossings on the lines should receive safety improvements and which should be closed. The concept is modeled on the efforts of the North Carolina Department of Transportation to implement such a corridor on the rail line between Charlotte, NC and Raleigh, NC, which has resulted in 67 grade crossings and 64 other public and private crossings closed, with over 100 remaining crossings in varying stages of improvement. (ffd: FRA, Railway Age)

(THU) The London, England subway system experienced four more terrorist bombings. The latest explosions were much smaller in intensity than the bombings two weeks ago which killed 56 subway and bus passengers, with this time only one person initially reported injured. Relatedly and on Friday, New York City Police began random searches of subway passengers' belongings outside subway turnstiles. The Long Island Rail Road and New Jersey Transit also announced that they would begin random searches of passenger bags. (ffd: Newsday, New York Times, wire services)

(THU) The California Air Resources Board unanimously voted to review the recent voluntary agreement with BNSF and Union Pacific related to reducing diesel locomotive emissions in California rail yards. The agreement has been criticized by several public agencies and advocacy groups as having been constructed without sufficient public knowledge and input. However, a spokesman for the board cautioned that the forthcoming review was not meant to be critical of the specifics of the agreement and should not be taken as any signal that the agreement with the railroads will not be ratified. (ffd: Daily Breeze, wire services)

(FRI) The Railway Supply Institute reported on rail car orders and deliveries for the second quarter of this year. An RSI spokesman said that second quarter orders totaled 19,132 units, up 9 percent from the first quarter, and that second quarter deliveries totaled 17,914 units, up 13.5 percent from the first quarter. The spokesman added that the order backlog was at 60,544 units at the end of the second quarter, up from 59,416 units at the end of the first quarter. (ffd: JofC Online, RSI)

#### STATS – TRAFFIC:

(THU) For the week ending July 16, 2005, U.S. rail volume grand totaled 32.6 billion ton-miles, up 1.9 percent from the comparable week last year. U.S. carload rail traffic was up 1.2 percent, down 1.9 percent in the East, but up 3.6 percent in the West. Notable traffic increases included non-grain farm products up 26.8 percent, grain mill products up 15.8 percent, and grain up 10.1 percent; notable traffic decreases included coke down 19.0 percent, nonmetallic minerals down 18.3 percent, and primary forest products down 11.2 percent. Also for the week, U.S. intermodal rail traffic was up 5.0 percent, Canadian carload rail traffic was down 3.8 percent, Canadian intermodal rail traffic was down 0.9 percent, Mexico's Transportacion Ferroviaria Mexicana's carload rail traffic was down 4.9 percent, and TFM's intermodal rail traffic was down 9.5 percent.

For the period January 1 through July 16, 2005, U.S. rail volume grand totaled 884.9 billion ton-miles, up 2.4 percent from the comparable period last year. Also for this period, U.S. carload rail traffic was up 1.6 percent, U.S. intermodal rail traffic was up 6.1 percent, Canadian carload rail traffic was down 0.4 percent, Canadian intermodal rail traffic was up 2.1 percent, TFM's carload rail traffic was up 0.6 percent, and TFM's intermodal rail traffic was up 6.3 percent. (ffd: AAR)

#### MORE STATS – “BIG 7” OPERATING PERFORMANCE:

For the week ending July 16, 2005 versus the comparable week last year, average train speed was as follows: BNSF, 23.2 mph versus 24.3 mph; Canadian National, 26.3 mph versus 25.0 mph; Canadian Pacific, 25.3 mph versus 25.1 mph; CSX, 20.7 mph versus 19.9 mph; Kansas City Southern, 21.4 mph versus 25.5 mph; Norfolk Southern, 22.4 mph versus 23.6 mph; and Union Pacific, 21.7 mph versus 21.8 mph.

Also for the week ending July 16, 2005 versus the comparable week last year, average terminal dwell time was as follows: BNSF, 9.6 hrs versus 9.9 hrs; Canadian National, 12.6 hrs versus 14.2 hrs; Canadian Pacific, 22.4 hrs versus 25.9 hrs; CSX, 29.4 hrs versus 29.0 hrs; Kansas City Southern, 24.9 hrs versus 22.2 hrs; Norfolk Southern, 22.4 hrs versus 21.7 hrs; and Union Pacific, 27.7 hrs versus 29.6 hrs.

(Note: Concerning the above statistics, AAR comments that “one railroad’s performance metrics cannot meaningfully be compared to another railroad’s, due to differences in the carriers’ calculation methodologies, operational strategies, network characteristics, terrain, traffic mix and volume, length of haul, extent of passenger operations, and other factors, such as weather.”)

#### STILL MORE STATS – SECOND QUARTER, 2005 RESULTS:

(WED) For the Second Quarter, 2005, Canadian National reported net income of C\$416 million, up from C\$326 million in the second quarter last year. Revenues were C\$1.84 billion, up from C\$1.67 billion in the second quarter last year. CN’s operating ratio improved to 61.2 percent, compared with 62.2 percent in the second quarter last year. (ffd: CN Corp., Canadian Press)

(THU) For the Second Quarter, 2005, Union Pacific reported net income of \$233 million, up from \$158 million in the second quarter last year. Revenues were \$3.3 billion – a quarterly record for the UP – compared with \$3.0 billion in the second quarter last year. UP’s operating ratio improved to 86.0 percent, compared with 88.1 percent in the second quarter last year. In reporting results, UP CEO Dick Davidson commented, “Today, our company has more business demand that we are able to fulfill, a situation that I haven’t seen during my 45-year career.” He added, “This is our first year-over-year operating income growth in six quarters...while we still have a lot of work to do, our progress is encouraging.” (ffd: UP Corp., Progressive Railroading)

#### EXPANSIONS, CONTRACTIONS AND ALIKE:

(MON) The Mid-Michigan Railroad filed to discontinue service over approximately 2 miles of its East-West Line in Kent County, MI. (ffd: STB)

(MON) New Jersey Transit announced that it had reached agreement with key municipalities on its Pascack Valley Line

to build several new passing tracks. The new tracks are part of a series of improvements to the line that will include building a spur to serve the Meadowlands sports and entertainment complex and will also allow the line to begin off-peak and weekend service. An NJT spokesman said that Meadowlands and off-peak service are projected to start by late 2007. (ffd: Progressive Railroading)

(MON) Seattle, WA's Sound Transit approved extending its Central Link light rail line to the Sea-Tac International Airport. A Sound Transit spokesman noted that the 14-mile Central Link was already under construction between Seattle and Tukwila, WA. The spokesman added that the line, including service to the airport, was scheduled for completion by December, 2009, in time for the 2010 Winter Olympics in nearby Vancouver, BC. (ffd: Progressive Railroading)

(TUE) BNSF granted Kansas City Southern temporary overhead trackage rights between Neosho, MO and Kansas City, MO, totaling approximately 229 miles. The purpose of the trackage rights is to allow KCS to bridge its trains while its nearby lines are out of service for scheduled maintenance. (ffd: STB)

(WED) Norfolk Southern filed to abandon approximately 2 miles of line in and near Spartansburg, SC. (ffd: STB)

(WED) Norfolk Southern filed to abandon approximately 3 miles of line in and near Winston-Salem, NC. (ffd: STB)

(WED) Watco Companies filed to lease, from Kansas City Southern, and operate the following line segments: the Waldron Branch between Heavener, OK and Waldron, AR; the Nashville Branch between Ashdown, AR and Nashville, AR; the Hodge Subdivision between Gibsland, LA and Pineville Junction, LA; the Miden Branch between Springhill, LA and Sibley, LA; and the Tuscaloosa Branch between Columbus, MS and Brookwood, AL. A Watco spokesman said that the lines would be operated by Watco's Arkansas Southern and Alabama Southern Railroads, except the lines in Louisiana, which would be operated by the new Louisiana Southern Railroad. (ffd: KCS Corp., Progressive Railroading)

(THU) Pennsylvania Governor Ed Rendell formally reopened service on the Buffalo and Pittsburgh Railroad's 16-mile line between Indiana, PA and Homer City, PA. "My administration, the federal government and the Buffalo and Pittsburgh Railroad joined in making this improvement possible," said Mr. Rendell. The line, which was out of service for approximately 12 years, was rebuilt at a cost of \$9.6 million to deliver coal to the Homer City Generating Station. (ffd: Pennsylvania Office of the Governor, Progressive Railroading)

(THU) New York Governor George Pataki and New York City Mayor Michael Bloomberg broke ground for the new ExpressRail Staten Island intermodal terminal. The new terminal will be built on a 39-acre site that was formerly a Proctor and Gamble plant and will connect with the Staten Island Railroad, which is currently being rebuilt. A spokesman for the project said that the terminal would be able to handle approximately 100,000 units annually and would be completed in the first quarter of 2006. (ffd: J of C Online, RT&S)

(FRI) BNSF granted Union Pacific permanent overhead trackage rights over approximately 375 miles of BNSF line between Tower 55 in Fort Worth, TX and Wichita, KS. (ffd: STB)

(FRI) Norfolk Southern announced that it would break ground for its new Columbus, OH intermodal terminal on Monday, July 25. An NS spokesman said that the new terminal will be located on 300 acres of the former Rickenbacker Strategic Air Command Base, which was closed in 1980 and has since been converted for civilian uses. The spokesman added that the new terminal will cost approximately \$65 million to complete and was expected to be operational by late 2006. (ffd: Trains, Progressive Railroading)

APPOINTMENTS, ACHIEVEMENTS AND ALIKE:

None of note this week.

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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 receive it, with my compliments.

HAVE A SAFE AND PROSPEROUS WEEK,

Dave Mears

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