

WEEKLY RAIL REVIEW

FOR THE WEEK ENDING FRIDAY, JULY 6, 2012

BY DAVE MEARS

(NOTE: 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 July 5 for the week ending June 29.)

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

(MON) Union Pacific Railroad marked its 150th anniversary. The railroad was created 150 years ago the previous day, July 1, 1862, by legislation signed by President Abraham Lincoln. Observances were held at several locations on the UP system. UP principals also rang the closing bell on the New York Stock Exchange. (Ref: wire services)

(MON) The Federal Railroad Administration proposed new regulations concerning passenger train safety. The proposed regulations, comment on which is being taken through August 27, include requirements that railroad personnel who communicate and coordinate with first responders during emergency situations receive initial and periodic training and are subject to operational efficiency tests and inspections. Also this date, the FRA debuted a new "NEC Future" webpage, that it said would serve to further "...a comprehensive planning effort to define, evaluate and prioritize future investments in the Northeast Corridor (NEC)....". (Ref: FRA, Progressive Railroading, Railway Age)

(MON) Reuters news service reported that two other short line holding companies, as well as several infrastructure funds and Canadian pension funds active in infrastructure investments, are considering purchase of short line holding company RailAmerica, which has been announced for possible sale by the Fortress Investment Group. The report also said that interested parties had submitted initial bids several weeks ago and the sale process is well into the second round. (Ref: Reuters)

(MON) Norfolk Southern released an upgrade to its smartphone mobile app. The upgrade gives users the ability to see where NS's "heritage" fleet of locomotives painted in predecessor railroad paint schemes have been spotted and to report and post photographs of new sightings. The upgrade also features a "protect NS" feature that enables users to report safety issues on NS lines with the option of directly contacting NS railroad police. (Ref: NS RR)

(WED) Approximately 4,000 people attended what was billed as possibly a once-in-a-lifetime gathering of all 20 of NS's "heritage" locomotive fleet. The event took place at the North Carolina Transportation Museum in Spencer, NC. Visitors observed the locomotives from a grassy slope as the locomotives were each run by and from an elevated platform near a roundhouse turntable that each was rotated on. (Ref: Trains)

(THU) The Loudoun County, VA Board of Supervisors voted their approval to fund the second and final phase of the Metro subway system's new Silver Line. The funding provides for the completion of the line from Reston, VA to Dulles International Airport. The approval was the last needed from the project's four partners – the Metropolitan Washington Airports Authority, the State of Virginia, Fairfax County, and Loudoun County – for the project to be funded to completion. Metro subway service to Dulles is expected to be operational by 2016. (Ref: RT&S)

(THU) The Port of Long Beach, which together with the Port of Los Angeles is the nation's busiest port complex, voted to provide an incentive payment to ocean carriers in hopes of attracting more intermodal rail traffic to the port. Starting August 1 of this year and continuing through July 31 of next year, ocean carriers will receive \$10 for every additional container that they move by rail

through the port above the number that they moved during the previous twelve-month period. Also and to encourage larger vessels to use the port, it said that it would cap its daily dockage fees at \$8,641 for ships longer than 1,132 feet. (Ref: Journal of Commerce)

(THU) A Union Pacific freight train derailed on and collapsed a bridge near border of the towns of Glenview and Northbrook IL. Notably in the accident, two persons in a vehicle beneath the collapsing debris were killed by the crush of debris. The cause of the derailment, which totaled 28 cars, was still under investigation at this writing. (Ref: Chicago Tribune)

(THU) Iowa Pacific Holdings announced a new subsidiary, the Pullman Sleeping Car Company (PSCC). The new company will attach its own passenger cars to Amtrak trains, saying in a prepared statement that they will "...deliver on the promise of the original Pullman Company...with high standards of quality, craftsmanship, comfort and service...". It said that it would start service from Chicago to New Orleans on October 5 and from Chicago to New York on November 1. (Ref: Iowa Pacific Corp.)

(THU) The California state legislature approved \$2.6 billion to start construction of the first segment of the state's new high-speed rail network. California Governor Jerry Brown has been a strong proponent of high-speed rail and has pushed for state and federal funding for it. The entire network is expected to cost tens of billions of dollars and take multiple decades to complete. (Ref: The Hill)

(FRI) The four largest U.S. railroads appealed a U.S. district court judge's decision of about two weeks ago that granted class action status to lawsuits against them alleging that they conspired to fix fuel surcharges and prices from mid-2003 until 2008. Attorneys for the railroads – BNSF, CSX, Norfolk Southern and Union Pacific – have denied the allegations. (Ref: Zacks Equity Research)

STATS – CLASS 1 RAIL TRAFFIC:

(THU) The Association of American Railroads reported that, for the week ending June 30, 2012 and ranked with the comparable week last year:

-U.S. carload rail traffic totaled 278,634 units, down 2.5 percent

-Notable U.S. carload traffic increases included petroleum products up 51.8 percent, motor vehicles and equipment up 18.5 percent and lumber and wood products up 11.9 percent; notable traffic decreases included grain down 16.6 percent and non-grain farm products down 16.8 percent

-U.S. intermodal rail traffic totaled 253,497 units, up 7.0 percent

-Canadian carload rail traffic totaled 77,899 units, up 4.7 percent

-Canadian intermodal rail traffic totaled 54,604 units, up 14.5 percent

-Mexican carload rail traffic totaled 15,163 units, up 7.1 percent

-Mexican intermodal rail traffic totaled 10,414 units, up 13.3 percent

For the period January 1 through June 30, 2012 and ranked with the comparable period last year:

-U.S. carload rail traffic totaled 7,324,818 units, down 2.9 percent

- U.S. intermodal rail traffic totaled 6,049,730 units, up 3.3 percent
- Canadian carload rail traffic totaled 1,994,697 units, up 3.4 percent
- Canadian intermodal rail traffic totaled 1,308,833 units, up 7.4 percent
- Mexican carload rail traffic totaled 364,069 units, down 2.2 percent
- Mexican intermodal rail traffic totaled 240,379 units, up 19.1 percent

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

EXPANSIONS, CONTRACTIONS AND ALIKE:

(FRI) Pan Am Railways filed with the Surface Transportation Board to abandon approximate one-half miles of its Heywood Branch in Gardner, MA. (Ref: STB)

APPOINTMENTS, ACHIEVEMENTS AND MILESTONES:

(THU) Cynthia Chandler was elected National President of the National Association of Railway Business Women (NARBW), a rail industry professional organization. Ms. Chandler is a Manager of Labor Relations for the Union Pacific Railroad. (Ref: Progressive Railroading)

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Have a Railroad Safe Day,

Dave Mears