

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

(MON) CSX argued in a U.S. appeals court against seating two board members nominated by The Children's Investment Fund and 3G Partners hedge funds, collectively known as the TCI Group. CSX argued that TCI Group violated federal securities laws and should therefore be penalized by "sterilizing" its 6.4 percent interest in CSX. This would mean that these shares owned by TCI Group would not be counted as voting shares for purposes of CSX's recent board election, which saw four TCI Group nominees elected to CSX board seats. CSX is not contesting the election of TCI Group's two other board nominees and has seated them. CSX had strongly opposed the board nominees proposed by TCI Group, which has promoted a platform of freight rate increases together with much reduced capital spending to help increase the price of CSX stock. (ffd: New York Times)

(MON) The U.S. Department of Transportation said that it would delay until November 1 implementation of controversial new rules for drug and alcohol testing. The new rules require partial disrobing and direct observation of urine production of individuals re-tested after having earlier failed a D&A test. USDOT had earlier said that the new rules were required due to an increase in prosthetic and related devices now available to help deceive such tests. The delay follows complaint filings in federal court by BNSF and eight labor unions in opposition to the new rules, although hearings on these complaints are still pending. (ffd: wire services)

(MON) Amtrak workers and passengers warmly greeted U.S. Senator Joe Biden (D-DE) at the Wilmington, DE train station. The senator was nominated as the Democratic vice-presidential candidate the previous week at the Party's Denver, CO convention. Mr. Biden has long been a daily commuter on Amtrak trains between Wilmington and Washington, DC, as well as a strong supporter of Amtrak. Mr. Biden's son Hunter is on Amtrak's Board of Directors. (ffd: wire services)

(MON) Grain shippers complained in various media forums of a shortage of rail cars and barges to get a bumper crop of grain to market. Grain elevator operators said that the shortage was forcing them to store grain outside of elevators, where it was subject to deterioration and infestation. In a related story, the U.S. Department of Agriculture said that the country was on track toward producing its second largest-ever corn crop and fourth largest-ever soybean crop this year. (ffd: Temple Daily Telegram, wire services)

(MON) The Washington Metropolitan Area Transit Authority said that it was continuing to work to develop an improved "straphanger" device to better handholds on cars of the city's subway system. A WMATA spokesman said that it has been testing three different styles of handholds, two made of nylon fabric and a third made of stainless steel. The spokesman added that it expects to install a preferred design on approximately 300 of its newer subway cars by year's end. (ffd: Progressive Railroading)

(TUE) California Governor Arnold Schwarzenegger signed legislation to refine and update the high-speed rail bond initiative, which will go on a future ballot. The initiative, now known as Proposition 1A, adds oversight provisions for the California High Speed Rail Authority and compels them to complete an updated business plan by October 1. It also defines the San Francisco-Los Angeles-Anaheim corridor as the priority segment for the high-speed passenger rail network to be funded by state construction bonds, should the initiative be passed by voters. (ffd: NARP)

(TUE) Luxury passenger train operator GrandLuxe ceased operations. The company, which additional to operating its own trains had planned to attached luxury cars to selected Amtrak trains, issued a statement which said that "all future trips will not operate." It added that it could not issue questions about passenger refunds at this time. Much of the company's fleet of wood-paneled sleepers, diners, and lounges was inherited from the former American European Express, which declared bankruptcy in 1991. (ffd: Trains)

(WED) Amtrak President Alex Kummant said that its Acela Express trains were now so popular that they were very nearly "out of capacity." He said that Amtrak would like to add additional coaches to Acela's standard five-car trainsets, but that it does not have money at present to pay for the cost of such cars. Amtrak presently has 32 weekday Acela departures protected by 20 trainsets, two of which are kept on standby. (ffd: Railway Age)

(WED) Chicago commuter rail operator Metra announced two measures to increase passenger seating on its ever-more-crowded commuter trains. Metra said that it would discontinue bar cars on its trains effective Friday, August 29. Metra had been running bar cars on ten trains of its Rock Island District and Milwaukee District West and North lines. Metra also said it would reduce the number of bathrooms available on its trains from being in two-thirds of a train's cars to being in one-half of train's cars. A Metra spokesman said that it would effect the bathroom change over the next four to five years. (ffd: Chicago Sun-Times, Chicago Tribune)

(THU) BNSF and CSX were among railroads recognizing truck drivers at its intermodal terminals this date. The occasion was observance of National Truck Driver Appreciation Week. Both railroads handed out refreshments and souvenir gifts to truckers driving in and out of its terminals. (ffd: BNSF Corp., CSX Corp.)

(FRI) Two Union Pacific crewmembers were killed when their train collided with a tanker truck at a crossing near Medford, OK. The impact resulted in a notable explosion, as the tanker was filled with liquid propane. The driver of the truck was critically

injured with third-degree burns over at least 50 percent of his body. Initial reports indicate that the truck may have become stalled on the tracks, as the train was in emergency when it collided with the truck. (ffd: wire services)

(FRI) Norfolk Southern took the notable step of challenging a U.S. National Transportation Safety Board report on the derailment of an NS freight train in New Brighton, PA on October 20, 2006. The NTSB report laid blame for the derailment on "an inadequate rail inspection and maintenance program." However, NS said that it had provided "irrefutable proof that the derailment was caused by a defect that could not have been detected by the advanced technologies used during an inspection of the track" several weeks prior to the derailment. The accident derailed 23 cars, including several containing ethanol that caught fire. NS asked the NTSB to reconsider its report, filing a formal Petition for Reconsideration and Modification. (ffd: NS Corp.)

(FRI) Noted railway engineer John Zuspan reminded of the fall schedule for his acclaimed "Trackwork 101" overview course and "Trackwork 105: Build & Manage Track Projects" course. The course will be held in Chicago IL October 1 and 2, in Minneapolis MN October 7 and 8, in Seattle WA October 16 and 17, in San Francisco CA October 27 and 28, in Albuquerque NM November 5 and 6, and in Dallas TX November 12 and 13. For further details, link to Mr. Zuspan's website at <<http://www.trackguy.com/>>www.trackguy.com.

STATS – "BIG 7" TRAFFIC

(EDITOR'S NOTE: Canadian traffic includes that on the U.S. operations of Canadian National and Canadian Pacific.)

(THU) For the week ending August 23, 2008, U.S. rail volume grand totaled 35.1 billion ton-miles, up 0.3 percent from the comparable week last year. U.S. carload rail traffic totaled 334,821 units, down 0.6 percent altogether, down 3.3 percent, but up 1.3 percent in the West. Notable traffic increases included metallic ores up 47.9 percent and waste and scrap materials up 12.1 percent; notable traffic decreases included coke down 34.2 percent and motor vehicles and equipment down 31.4 percent. U.S. intermodal rail traffic totaled 230,437 units, down 3.1 percent. Also for the week, Canadian carload rail traffic was down 5.9 percent, Canadian intermodal rail traffic was up 4.7 percent, Mexico's Kansas City Southern de Mexico's carload rail traffic was down 8.9 percent, and KCSM's intermodal rail traffic was up 5.6 percent.

For the period January 1 through August 16, 2008, U.S. rail volume grand totaled 1.146 trillion ton-miles, up 1.5 percent from the comparable period last year. U.S. carload rail traffic totaled 11,056,960 units, up 0.3 percent, and U.S. intermodal rail traffic totaled 7,588,231 units, down 2.9 percent. Also for this period, Canadian carload rail traffic was down 4.2 percent, Canadian intermodal rail traffic was up 4.1 percent, KCSM's carload rail traffic was down 3.6 percent, and KCSM's intermodal rail traffic was up 8.4 percent. (ffd: AAR)

MORE STATS – "BIG 7" (EXCEPT CN) OPERATING PERFORMANCE:

Not reported this week.

EXPANSIONS, CONTRACTIONS AND ALIKE:

(MON) TKDA, an engineering, architecture and planning firm, acquired ECMC Services of Tampa, FL. ECMC Services is a designer of transportation fueling systems. (ffd: RT&S)

(WED) Bentley Systems acquired Struc-Soft, based in Montreal, QB. The acquisition includes the Struc-Soft structural group, which focuses on software for buildings and plants, and its plant group, which provides products and services for oil and gas, pulp and paper, mining and metals, and other industries. (ffd: RT&S)

(THU) Racine Federated (RFI) acquired Premier Control Technologies (PCT). PCT has been RFI's European distributor for the last ten years. (ffd: RT&S)

(FRI) BNSF filed to abandon approximately 13 miles of line between Wilburton and Woodinville, WA. (ffd: STB)

(FRI) Following up earlier newspaper reports, New York, Susquehanna & Western Railway formally filed a notice to discontinue service over approximately 41 miles of line between Chenango Forks and Sherburne, NY. This line segment has been out of service since 2006 due to flooding. (ffd: STB)

APPOINTMENTS, ACHIEVEMENTS AND MILESTONES:

None of note this week.

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Weekly Rail Review (WRR) is edited from public news sources and published weekly to those working in, or interested in, rail and transit. Send an e-mail to <<mailto:weeklyrailreview@aol.com>>weeklyrailreview@aol.com to receive it, with my compliments.

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