

WEEKLY RAIL REVIEW

FOR THE WEEK ENDING SAT, AUGUST 5, 2006

BY DAVE MEARS

(NOTE: This edition was prepared last Sunday, August 6, but AOL email went down that night into the next morning, after which I was traveling on business, which I did not return from until earlier today. I hope to be back on schedule shortly. Dave M.)

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

(MON) The Washington Metropolitan Area Transit Authority debuted 2 subway cars for its Metro subway system with redesigned interiors. One of the cars features the addition of handrails and the removal of 8 seats and 5 windscreens. The other car features more overhead and seatback-to-ceiling handrails, and fewer windscreens. Both cars also feature more bench-type seating and less row-type seating, which allows a higher number of standees and an overall higher number of passengers per car. (ffd: Progressive Railroading)

(MON) CSX announced that it was planning to expand its communications-based train management system (CBTM). A CSX spokesman said that CBTM uses global positioning and other inputs to determine a train's location and speed, and is designed to intervene if a train is traveling over its speed limit or is about to enter a segment of track without permission. Another spokesman said that CSX hoped to, over time, implement the system, first tested on a 120-mile line segment between Spartanburg, SC and Augusta, GA, on all its signaled track and all non-signaled track that has at least 5 million gross ton-miles of traffic a year. (ffd: Jacksonville Business Journal)

(MON) Florida East Coast, long headquartered in Saint Augustine, FL, announced that it would move its headquarters to a business park near FEC's Bowden Yard in Jacksonville, FL. A FEC spokesman said that its present headquarters, built in the 1920s, would be sold to Flager College. The spokesman added that the move was expected to be completed by early 2007. (ffd: FEC Corp.)

(MON) The Center for Railroad Photograph And Art announced that it would present an exhibit of famed rail photographer O. Winston Link's photographs at the Southeast Missouri Regional Museum in Cape Girardeau, MO. The exhibit will run through October 1, 2006. In a related story, a new film opened in Manhattan chronicling the last years of Mr. Link, who died in 2001. The film, entitled "The Photographer, His Wife, Her Lover," details the relationship between Mr. Link by his wife, who was later convicted of stealing 1,400 of his photographs. She served five years in prison for the thefts, but was arrested again in 2003 after a sting operation caught her trying to sell 31 missing photographs of his on eBay. (ffd: Trains)

(TUE) BNSF announced that it would lower rates charged for wheat shipments from Montana, North Dakota, South Dakota and Minnesota. A BNSF spokesman said that the rate for shipping wheat in 110-car unit grain trains would be \$100 less per car. The spokesman added that the change was an effort "aimed at encouraging the use of more efficient shuttle-car systems." (ffd: BNSF Corp., wire services)

(TUE) Union Pacific announced that any income generated by its logo licensing program would be allocated to support the railroad's heritage programs, which includes its steam locomotive excursion program, heritage locomotive and passenger fleet, and museum. UP charges for the use of its logo on model railroad and related rail items, and has come under fire for legal action taken against those who have not paid UP the licensing fee. A UP spokesman said that allocating this income in this manner was suggested by model railroaders and railroad historical societies. (ffd: Trains)

(TUE) Virginia Railway Express announced that it would purchase 50 new bi-level passenger cars for its commuter trains operating between Northern Virginia and Washington, DC. A VRE spokesman said that the new bi-levels would be in addition to 11 such cars ordered last May. The spokesman added that these new cars would replace older single-level cars in the VRE fleet. (ffd: VRE, Trains)

(WED) Amtrak announced that it was temporarily suspending operation of its "Sunset Limited" passenger train, which runs over the Union Pacific between New Orleans, LA and Los Angeles, CA, through the end of the week. An Amtrak spokesman said that the action was taken due to "flooding, severe weather conditions, and freight congestion on the UP at El Paso, TX and west to Tucson, AZ." Later in the week and to guard against possible heat kinks in rails brought on by extreme high temperatures in the eastern U.S., Amtrak temporarily restricted the maximum speed of passenger and freight trains operating on its Northeast Corridor line. Other Amtrak trains operating over CSX lines in the eastern U.S. were delayed by heat restrictions instituted by that railroad, also to guard against possible heat kinks. (ffd: Amtrak, Trains, wire services)

(WED) The Massachusetts Bay Transportation Authority and the Rhode Island Department of Transportation opened their new Pawtucket Layover Facility. The new yard, built at a cost of \$18.5 million, features 6 new tracks and related facilities for overnight storage of commuter trains operated by MBTA between Boston, MA and Providence, RI. (ffd: MBTA, Progressive Railroading)

(WED) Metro North Railroad announced that it had awarded contracts totaling \$292 million to rehabilitate its Harmon Shops, which were originally built by the New York Central Railroad approximately 100 years ago. A Metro North spokesman said that the project will include building new locomotive and passenger car repair facilities, as well as a new wheel-truing facility. (ffd: RT&S)

(FRI) Traffic World Magazine reported that rail labor was threatening for the first time to break rank with rail management and support efforts by so-called captive shippers to bring about re-regulation of railroads. A spokesman for the United Transportation Union said that the strategy is in response to what the union has called "underhanded tactics by management to subvert the collective bargaining process over the issue of one-man train crews." Earlier this year, the UTU challenged the legality of the railroads' national bargaining proposal on proposed crew size changes. A federal court ruled March 10 that the union was not legally obligated to bargain nationally on that proposal. However, a spokesman for the National Carriers' Conference Committee, representing rail management, said that the court agreed with the NCCC that the UTU would have to bargain nationally over the railroads' alternative proposal that wages be reduced to compensate for resulting higher crew sizes. (ffd: Traffic World)

(FRI) The Surface Transportation Board said that it would seek public comment on proposed new rules related to railroad fuel surcharges. Further public hearings on this subject held several weeks ago, the STB said that it was seeking comment on rules that would require railroads to develop a fuel surcharge computation more closely linked to increased diesel fuel costs attributable to movement; that would prohibit railroads from "double-dipping" by assessing a fuel surcharge and a rate escalator based on an index without first subtracting any fuel-cost component from the index; that would require railroads to use a single, uniform index to measure fuel cost increases; and require each Class 1 railroad to submit a monthly report to the STB showing total fuel costs, diesel consumption and fuel surcharge revenue, and how much of the revenue was shared with connecting regional and shortline railroads. (ffd: Progressive Railroading)

(FRI) Philadelphia, PA commuter rail operator SEPTA said that its commuter rail services gained a 6 percent ridership increase for its fiscal year ended June 30, 2006 and compared with its previous fiscal year. A SEPTA spokesman said that the line that posted the highest increase was its R1 line serving Philadelphia International Airport, which saw a 21 percent increase. Regional analysts speculated that was due to the increasing difficulty of finding a parking space at the airport's parking lots. (ffd: Progressive Railroading)

STATS – TRAFFIC:

(THU) For the week ending July 29, 2006, U.S. rail volume grand totaled 34.2 billion ton-miles, up 0.9 percent from the comparable week last year. Also for the week, U.S. carload rail traffic was down 0.9 percent, down 3.1 percent in the East, but up 0.9 percent in the West; U.S. intermodal traffic was up 7.1 percent and, at 250,966 units, marked a new weekly record; Canadian carload rail traffic was down 1.4 percent; and Canadian intermodal rail traffic was up 4.8 percent.

For the month of July, 2006 and compared with July, 2005, U.S. carload rail traffic was up 2.0 percent. Notable traffic increases included metals and metal products up 16.9 percent, grain up 7.6 percent, and coal up 4.5 percent; notable traffic decreases included lumber and wood products down 11.0 percent, motor vehicles and equipment down 6.8 percent, and metallic ores down 5.6 percent. Also for the month, U.S. intermodal rail traffic was up 6.7 percent, Canadian carload rail traffic was up 0.3 percent, Canadian intermodal rail traffic was up 7.1 percent, Mexico's Kansas City Southern de Mexico's carload rail traffic was down 6.1 percent, and KCSM's intermodal rail traffic was down 7.8 percent.

For the first 7 months of 2006 and compared with the first 7 months of 2005, U.S. rail volume grand totaled 996.9 billion ton-miles, up 2.8 percent. U.S. carload rail traffic was up 1.5 percent, U.S. intermodal rail traffic was up 6.5 percent, Canadian carload rail traffic was down 1.6 percent, Canadian intermodal rail traffic was up 6.1 percent, KCSM's carload rail traffic was down 5.4 percent, and KCSM's intermodal rail traffic was down 6.8 percent. (ffd: AAR)

MORE STATS – OPERATING PERFORMANCE:

(NOTE: Effective October 1, 2005, railroads that had been furnished operating performance statistics to the Association of American Railroads began applying a new standardized definitional framework, aimed at eliminating

differences in calculation methodology. Concurrent with but unrelated to these changes, Canadian National elected to no longer furnish these statistics.)

(WED) For the week ending July 28, 2006 and versus the previous week, average total cars on line was as follows: BNSF, 225,136 cars versus 224,265 cars; Canadian Pacific, 79,831 cars versus 80,071 cars; CSX, 226,534 cars versus 227,182 cars; Kansas City Southern, 26,751 cars versus 26,723 cars; Norfolk Southern, 201,299 cars versus 202,343 cars; and Union Pacific 318,460 cars versus 318,033 cars.

Also for the week ending July 28, 2006 and versus the comparable week last year, average train speed was as follows: BNSF, 22.5 mph versus 22.7 mph; Canadian Pacific Railway, 24.8 mph versus 20.8 mph; CSX, 19.1 mph versus 19.8 mph; Kansas City Southern, 23.8 mph versus 22.1 mph; Norfolk Southern, 21.9 mph versus 22.6 mph; and Union Pacific, 21.4 mph versus 21.5 mph.

Finally for the week ending July 28, 2006 and versus the comparable week last year, average terminal dwell time was as follows: BNSF, 24.7 hrs versus 24.4 hrs; Canadian Pacific Railway, 18.9 hrs versus 21.9 hrs; CSX, 25.3 hrs versus 27.5 hrs; Kansas City Southern, 20.8 hrs versus 24.0 hrs; Norfolk Southern, 21.3 hrs versus 21.9 hrs; and Union Pacific, 26.0 hrs versus 28.3 hrs. (ffd: AAR)

STILL MORE STATS – 2nd QTR., 2006 RESULTS:

(TUE) Regional and shortline railroad parent company Genesee & Wyoming reported net income of \$117.7 million, up from \$11.4 million the previous second quarter. In reporting second quarter results, a G&W spokesman noted the effect of the sale of its Western Australia operations. G&W revenues were \$113.6 million, up from \$92.7 million the previous second quarter. (G&W Corp., Rochester Business Journal)

(WED) Kansas City Southern Railway reported net income of \$19.2 million, up from a loss of \$27.3 million the previous second quarter, which was impacted by special charges related to KCSR's Mexican operations. Revenues were \$413.1 million, up from \$381.1 million the previous second quarter. G&W's operating ratio was 81.2 percent, improved from 84.2 percent the previous second quarter. (ffd: KCS Corp., Railway Age)

EXPANSIONS, CONTRACTIONS AND ALIKE:

(MON) The Belfast & Moosehead Lake Railroad resumed its tourist train operations. A B&ML spokesman said that trains will run Thursday through Saturday through the first week in October from Unit, ME to Burnham Jct., ME and return. B&ML tourist train operations had been suspended since 2004. (ffd: Trains)

(MON) Railcar manufacturer and supplier Trinity Industries announced that it would sell its European operations to Romania-based International Railway Systems. A Trinity spokesman said that the sale would allow Trinity to

"dedicate more of our resources and assets to the opportunities in North America." Terms of the sale, which will close later this month, were not disclosed. (ffd: Railway Age)

(WED) CSX announced that it had reached agreement with the State of Florida to transfer operational control of the 81-mile line between West Palm Beach, FL and Miami, FL. The agreement transfers control of maintenance and dispatch of passenger and freight trains to the South Florida Regional Transportation Authority, whose Tri-Rail commuter trains operate over the line between West Palm Beach and Miami. CSX also announced that the state would purchase 61 miles of its "A" line between DeLand, FL and Poinciana, FL, through Orlando, FL. The purchase facilitates the startup of commuter rail service serving Orlando, which is projected to start by 2009. (ffd: CSX Corp., NARP)

(WED) The Durbin & Greenbrier Valley Railroad filed to operate, pursuant to a three-year agreement entered into with the Greater Shenandoah Valley Development Authority, approximately 22 miles of line between Pleasant Valley, VA and Saunton, VA. The line was formerly operated by the Eastern Shore Railroad. (ffd: STB)

(THU) Siemens Transportation announced that it had opened the newly expanded portion of its light rail vehicle manufacturing facility in Sacramento, CA. A Siemens spokesman said that the expansion will house its carshell production, which the spokesman said will now be done in house. (ffd: Railway Age)

(FRI) BNSF filed to abandon approximately 1 mile of line in Farmington, IL and, also, approximately 5 miles of line between Yates City, IL and Farmington, IL. (ffd: STB)

(FRI) Norfolk Southern announced that it would run the first train over its new Shelocta Secondary line on August 7. The line reaches the Keystone Generating Station in Shelocta, PA. An NS spokesman said that the line, which involved building 5 miles of new track and rehabilitating 11 miles of existing but out-of-service track, will replace a circuitous and limited-capacity routing 51 miles longer than the new route. (ffd: NS Corp., Trains)

(FRI) The Wallowa Union Railroad Authority filed to acquire, from Union Pacific, 1 mile of line in Elgin, OR. (ffd: STB)

APPOINTMENTS, ACHIEVEMENTS AND MILESTONES:

(MON) Announcement was made of the July 25 passing of George Beischer, Age 90, in Baltimore, MD. Mr. Beischer began his railroad career in 1941 and later became Amtrak's first Chief Mechanical Officer. (ffd: Baltimore Sun, Trains)

(THU) The State of Virginia appointed Kevin Page director of rail transportation. Mr. Page will work in the state's Department of Rail and Public Transportation. (ffd: Richmond Times-Dispatch)

(FRI) Railinc, the information technology subsidiary of the Association of American Railroads, appointed Allen West its president. Mr. West, who had recently served as president in an acting capacity, joined Railinc in 1999. (ffd: Railinc Corp.)

(FRI) The Senate approved the nomination of Charles Nottingham as chairman of the Surface Transportation Board. Mr. Nottingham fills the vacancy left earlier this year by the resignation of Roger Nober. (ffd: NARP)

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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 <<mailto:weeklyrailreview@aol.com>>weeklyrailreview@aol.com to receive it, with my compliments.

BE SAFE AND PROSPER,

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