

WEEKLY RAIL REVIEW

For The Week Ending SAT, September 4, 2004

By Dave Mears

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

(SUN) Union Pacific railroad police discovered 29 suspected illegal immigrants hiding in a boxcar in Santa Teresa, TX. The stowaways, all from Mexico, included 2 children. A U.S. Border Patrol spokesman said that all found were in good condition and would shortly be returned to Mexico. (ffd: KFOX TV)

(MON) A slow-moving remnant of Tropical Storm Gaston dropped nearly 12 inches of rain in 3 hours on Richmond, VA., flooding portions of the city and its surrounding areas. As a result of the flooding, Amtrak train service over CSX's line between Richmond and Newport News, VA. was suspended through Thursday. Norfolk Southern's line between Burkeville, VA. and West Point, VA. was also washed out, with service projected on that line projected to return by Friday. (ffd: NARP, NS Corp.)

(MON) Canadian Pacific Railway president Rob Ritchie said that CPR would likely expand its infrastructure in Western Canada provided it receives assurances from the Canadian government against open access. Mr. Ritchie referred to a "constant undertone" from the government favoring open access, which he said makes multimillion dollar infrastructure spending an unsafe investment. Noting that an increased demand for CPR rail freight services that has led to several system bottleneck, Mr. Ritchie said that the railroad could increase its capacity by as much as 25 percent by double tracking several hundred miles of its lines in Western Canada. (ffd: The Canadian Press)

(MON) Burlington Northern Santa Fe began using its new electronic FRA Blue Card. The Blue Card, which details a locomotive's inspection and maintenance information and was previously always manually filled out, will now be composed and completed electronically. A BNSF spokesman said that its electronic Blue Card could be printed at any time by any BNSF Mechanical Department location. (ffd: BNSF Corp.)

(MON) Rail IT supplier RMI debuted a new product, RailConnect Index. An RMI spokesman said that the product consists of data from approximately 40 percent of U.S. shortline and regional railroads and aggregates approximately 50 percent of all shortline carloads. The spokesman added that it would provide "a means of analyzing traffic trends in the industry."
(ffd: RMI Corp.)

(TUE) Via Rail employees represented by the Canadian Auto Workers ratified a new 3-year contract. The union represents approximately 90 percent of Via Rail's agreement employees. The new contract calls for a series of wage increases over a 3-year period and improved fringe benefits. (ffd: Railpace)

(TUE) The U.S. Surface Transportation Board approved a 10-year extension of TTX Corporation's (a.k.a. Trailer Train's) authority to pool cars. The previous authority was set to expire on October 1. In making its ruling, the STB rejected pleas by 11 other car leasing and related companies to limit TTX's pooling to intermodal flat cars only, stating that TTX's pooling "...results in improved asset utilization, largely because of TTX's understanding of railroad network operations, its extensive experience in fleet management and its direct relationship with its railroad members." (ffd: Railway Age)

(WED) The U.S. Federal Railroad Administration reported that rail-highway crossing crash deaths totaled 196 persons in the first half of 2004, an increase of 24.8 percent over the first half of 2003. In a related story, U.S. Department of Transportation Inspector General Kenneth Mead announced that his office would conduct a comprehensive investigation of the FRA's oversight of crossing safety. The effort follows a series of articles published several weeks ago in the New York Times, which alleged that railroads had failed to properly report accidents, the FRA had not properly investigated accidents and that railroads had sometimes destroyed or altered evidence relating to accidents. (ffd: New York Times, Railway Age)

(THU) Burlington Northern Santa Fe suffered an on-duty employee fatality. Glen York, a locomotive engineer, was killed while switching cars in BNSF's Clovis, NM. yard. A BNSF spokesman said that the root cause of the accident was still under investigation. (ffd: BofLE, wire services)

(THU) The Republican National Convention concluded in Madison Square Garden, above Pennsylvania Station, in New York, NY. Due to security concerns, all but 2 entrances to Penn Station were closed, Amtrak required reservations on nearly all its trains through the station, New Jersey Transit diverted its Midtown Direct trains to Hoboken Terminal and also prohibited the use of overhead luggage racks on its trains. Many commuters opted not to commute during the RNC, with NJT reporting ridership on the line into Penn Station down 60 percent and on the line into Hoboken Terminal down 50 percent on Thursday. (ffd: Amtrak, NJT, wire services)

(THU) Preparations were made for the Florida landfall of Hurricane Frances. CSX suspended rail operations south of Jacksonville, FL. as the storm approached. Amtrak canceled train services between New York, NY. and Miami, FL. and also its Auto Train and Sunset Limited trains out of Orlando, FL. Miami's Tri-Rail commuter rail service was also suspended for the duration of the storm. (ffd: Amtrak, CSX, wire services)

(THU) The Shellpot Bridge in Wilmington, DE. reopened after having been closed for 10 years. The bridge, which is on the former PRR freight bypass route around Wilmington and provides access to Norfolk Southern's Edgemoor Yard from the south, was rebuilt with funding from the State of Delaware and the Delaware Department of Transportation. Delaware will be reimbursed for the project's approximately \$14 million cost over a 20-year period from per car tolls collected from NS. An AEI reader has been installed to count freight cars crossing the bridge. (ffd: RT&S)

(FRI) Amtrak announced that it would stop hauling mail and express traffic on or about October 1. "Mail and express no longer makes business sense for Amtrak and has negatively impacted the quality of our passenger service, so the decision has been made to exit the business," said Amtrak President David Gunn. Amtrak also announced forthcoming service changes related to the decision, including operating its Palmetto train between New York, NY. and Savannah, GA. only and, also, combining its Three Rivers and Pennsylvanian trains and ending the Three Rivers run west of Pittsburgh, PA. An Amtrak spokesman said that its Silver Star train would be rerouted to provide service to Tampa, FL. and that service between Pittsburgh, PA. and Chicago, IL. would continue to be provided by its Capitol Limited train. (ffd: Amtrak, NARP)

STATS:

For the week ending August 28, U.S. carload rail traffic was up 1.0 percent from the comparable week last year, up 2.3 percent in the East, but down 0.1 percent in the West. Also for the week ending August 28, U.S. intermodal rail traffic was up 11.4 percent -- at 226,074 units, a new U.S. record -- Canadian carload rail traffic was up 5.5 percent and Canadian intermodal rail traffic was down 2.1 percent, all when ranked with the comparable week last year.

For the month of August, U.S. carload rail traffic was up 1.5 percent, U.S. intermodal rail traffic was up 10.8 percent, Canadian carload rail traffic was up 9.9 percent, Canadian intermodal rail traffic was up 0.9 percent, Mexico's Transportacion Ferroviaria Mexicana's carload rail traffic was up 11.6 percent and TFM's intermodal rail traffic was up 24.5 percent, all when ranked with August, 2003.

For the period January 1 through August 31, U.S. carload rail traffic was up 3.3 percent from the same period last year. The first 8 months of this year versus the first 8 months of last year, notable traffic increases include grain up 7.5 percent, chemicals up 5.2 percent and coal up 3.1 percent; notable traffic decreases included food products down 3.3 percent and motor vehicles and equipment down 2.2 percent. Also for the period January 1 through August 31, U.S. intermodal rail traffic was up 9.5 percent, Canadian carload rail traffic was up 8.8 percent, Canadian intermodal rail traffic was down 0.1 percent, TFM's carload rail traffic was up 0.5 percent and TFM's intermodal rail traffic was up 2.2 percent, all when ranked with the comparable period last year. (ffd: AAR)

ACQUISITIONS, ABANDONMENTS AND ALIKE:

(MON) Shortline conglomerate Genesee & Wyoming announced that it had leased the assets of the Peoria and Pekin Union Railway, totaling approximately 20 miles of line in Tazewell and Peoria Counties, IL. The line will be operated as the Tazewell & Peoria Railway. (ffd: G&W Corp.)

(MON) Shortline conglomerate Genesee & Wyoming announced that it had purchased the CSX's former Savannah Wharf Branch, totaling approximately 7 miles of line in and around Savannah, GA. The line will be operated as part of G&W's Golden Isles Terminal Railroad. (ffd: G&W Corp.)

(MON) Union Pacific filed to abandon its San Jose Industrial Lead, totaling approximately 4 miles of line in San Jose, CA. (ffd: STB)

(TUE) Pursuant to a request by Kansas City Southern, the U.S. Surface Transportation Board voted to reconsider KCS's acquisition of Mexrail and its Texas Mexican Railway subsidiary. KCS recently reached agreement with Mexico's Group TMM to acquire its 51 percent ownership stake in Mexrail for \$32.7 million. (ffd: Progressive Railroading)

(TUE) Shortline conglomerate RailAmerica announced that it had completed the sale of its Australian railroad, Freight Australia, to the Pacific National consortium. A RailAmerica spokesman said that they would use the \$204 million proceeds from the sale to reduce company debt. (ffd: RailAmerica Corp.)

(THU) KWT Railway filed to acquire, from CSX, and operate approximately 13 miles of line between McKenzie, TN. and Dresden, TN. (ffd: STB)

(THU) Riceboro Southern Railway filed to acquire, from CSX, and operate approximately 19 miles of line between Ogeechee, GA. and Riceboro, GA. (ffd: STB)

(FRI) Canadian National announced the selection of Great Canadian Railtour Company to operate former BC Rail tourist train services out of Whistler, AB. BC Rail, formerly owned by the British Columbia government, was absorbed into Canadian National earlier this summer. (ffd: CN Corp.)

(FRI) Twin State Railroad filed to abandon approximately 20 miles of line between St. Johnsbury, VT. and Lunenburg, VT. (ffd: STB)

(FRI) Union Pacific filed to abandon approximately 29 miles of line between Perry, IA. and Dawson, IA. (ffd: STB)

PERSONNEL CHANGES:

(MON) The Railway Association of Canada announced Bruce Burrows as its acting president. Mr. Burrows, who was previously RAC's VP-Public Affairs & Government Relations, will serve until a permanent successor is found for Bill Rowat, who retired as RAC president last July. (ffd: AAR)

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Weekly Rail Review is edited from public news sources and published weekly, usually on Sunday or Monday, to the rail and transit industries and those interested in them. Send an e-mail to <<mailto:weeklyrailreview@aol.com>>weeklyrailreview@aol.com to receive it, with my compliments.

HAVE A SAFE AND PROSPEROUS WEEK,
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