

WEEKLY RAIL REVIEW

FOR THE WEEK ENDING SAT, JANUARY 21, 2006

BY DAVE MEARS

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

(SUN) Fire destroyed a 780-foot wooden trestle on Union Pacific's Sunset Route. The trestle bridged the Fortuna Wash gully near Yuma, AZ. A UP spokesman said that a temporary "shoofly" track was being built that would allow service on the line to be restored by Tuesday and that a replacement bridge would likely be completed by the end of the week. The spokesman added that UP freight trains were being held or detoured, and that Amtrak's "Sunset Limited" passenger train was being turned at Tucson, AZ. (ffd: Trains)

(MON) Canadian National announced that it was withdrawing as a participant in the Chicago CREATE project. Alluding to only \$100 million in federal funding for the project being provided by the new SAFETEA-LU Act, a CN spokesman commented that "we were a unique partner in that an entire corridor had to be built before we started getting benefits from it...That left us in the uncomfortable position of having to provide funds for something we weren't getting any benefits from." The CREATE project includes plans to consolidate several existing rail routes through Chicago into 5 rail corridors, including eliminating several rail chokepoints and numerous city grade crossings. (ffd: Progressive Railroading)

(MON) A CSX freight train detouring on Norfolk Southern derailed 25 cars near Cuba, AL. An NS spokesman said that service on the line, which is NS's main line between Birmingham, AL and Meridian, MS, would likely be halted through Thursday. Later in the week, on Wednesday, one NS freight train rear-ended another near Lincoln, AL. The accident caused several hazmat cars to ignite, which necessitated the evacuation through Thursday of approximately 500 area residents. A NS spokesman said that the first freight train appeared to have entered but did not clear a siding and that the second train struck the cars still fouling the main. The accident resulted in 3 crewpersons on the second train being taken to the hospital with non life-threatening injuries. (ffd: Columbus Ledger-Enquirer, Trains)

(MON) Kansas City Southern announced that they had completed a test run of a double-stack train between Laredo, TX and Port of Lazaro Cardenas, Mexico. A KCS spokesman said that the test represented "the first international, in-bond, double-stack train" operated between KCS and its Kansas City Southern de Mexico subsidiary railroad. The spokesman added that the train's container shipments, which originated in China, arrived at their final destination 2 days faster than their customary routing through the Ports of Los Angeles and Long Beach. (ffd: KCS Corp.)

(MON) Canadian Pacific Railway declined comment on reports in Canadian newspapers that it would seek to abolish another 400 managerial and administrative positions later this year. The reports said that the reductions would be accomplished through buyouts and early retirements. At the end of 2005, CPR completed a 30-month program that resulted in 820 agreement and non-agreement positions being abolished. (ffd: The Canadian Press, wire services)

(TUE) The village of Bourbonnais, IL closed the McKnight Road crossing. The crossing is where, in 1999, Amtrak's "City of New Orleans" passenger train struck a truck, resulting in the 11 deaths and over 100 injuries to passengers

aboard the train. A village spokesman said that the crossing was closed as a result of improvements to another crossing nearby that allowed vehicular traffic to be rerouted. (ffd: NARP, wire services)

(TUE) The New York City subway system began operating 2 subway trains in Automatic Train Protection-Manual mode on its "L" line between the East New York and Canarsie areas of Brooklyn. A NYCTA spokesman said that operating in ATP-mode means that the motorman is manually operating the train, but is adhering to speed commands on a cab display. The spokesman added that ATP-mode is an interim step to operating in Automatic Train Operation-mode, in which the train is operated automatically, although with a motorman still on board for emergencies. (ffd: Railway Age)

(WED) CSX announced that it had completed sufficient repairs to its Gulf Coast line to allow resumption of local freight service. A CSX spokesman said that through freight service on the line would likely resume in early February, after which Amtrak will likely resume operating its "Sunset Limited" passenger train between New Orleans, LA and Orlando, FL. The line was severely damaged by Hurricane Katrina in September, 2005, with total damages estimated at approximately \$250 million. (ffd: CSX Corp., Progressive Railroading)

(WED) A committee of the California state legislature called for an end to push-pull operation of passenger trains in the state without locomotives on both ends of a train. "There is no doubt in my mind that push operations are a killer and should be made illegal," said California Assembly Majority Leader Dario Frommer, who went on to cite the 2005 grade crossing crash near Glendale, CA, which resulted in 11 deaths and 180 injuries. A spokesman for Southern California commuter rail operator Metrolink denied that push operation with cab cars was unsafe. (ffd: Los Angeles Times)

(WED) The American Public Transportation Association reported that there were 3.3 percent more trips on public transportation in July through September, 2005 than there were in the comparable period a year earlier. The report cited this summer's spike in gasoline prices as a possible cause. The report also noted that Washington, DC's and Los Angeles's transit system saw a 9 percent growth in use during this period. (ffd: wire services)

(WED) Amtrak reminded that the second phase of its fare increases for multi-ride Northeast Corridor tickets would begin on February 16. The increases include the raising of unlimited monthly tickets between Philadelphia, PA and Washington, DC and between Philadelphia, PA and New York, NY to approximately \$1,000. Amtrak has been harshly criticized for the fare increases, which are an approximately 50 percent hike over previous prices, as well as for first backing off the increases due to public outcry and then almost immediately reinstating them. (ffd: Amtrak, wire services)

(WED) Seattle, WA's Sound Transit began boring 2 mile-long tunnels through its Beacon Hill area. The tunnels are part of a \$2.4 billion, 14-mile extension of its Central Link light rail line, which will operate downtown Seattle and Tukwila, WA, serving 12 stations along the route. Service on the line is expected to start by July, 2009. (ffd: Progressive Railroading)

(THU) The Port of Los Angeles and Long Beach reported another record year in 2005. Volume at the port reached 14.2 million containers, up 8 percent from the record 2004 count of 13.1 million trailers. A port spokesman noted that traffic moved much more smoothly through the port than it did in 2004, when at one point 94 ships were waiting in the harbor to be unloaded. (ffd: Los Angeles)

(FRI) New York City transit workers rejected a new contract proposed following settlement of an illegal 3-day strike in December. The contract was rejected by only 7 votes, with 11,234 against and 11,227 in favor. New York City Mayor Michael Bloomberg called the contract rejection "disappointing" and urged both sides in the dispute to return to the bargaining table. A union official who opposed the new contract said that most who voted against it were upset by a provision that would have required workers to contribute part of their salaries toward health care premiums, but also said, "I would not advocate going back on strike." (ffd: wire services)

#### STATS – TRAFFIC:

(THU) For the week ending January 14, 2006, U.S. rail volume grand totaled 33.1 billion ton-miles, up 6.4 percent from the comparable week last year. U.S. carload rail traffic was up 4.4 percent, up 2.1 percent in the East and up 6.4 percent in the West. Notable traffic increases included food and food products up 12.0 percent, grain mill products up 11.8 percent, and grain up 9.1 percent; notable traffic decreases included metallic ores down 27.7 percent and non-grain farm products down 25.9 percent. Also for the week ending January 14, U.S. intermodal rail traffic was up 12.3 percent, Canadian carload rail traffic was up 8.2 percent, Canadian intermodal rail traffic was up 11.0 percent, Mexico's Kansas City Southern de Mexico's carload rail traffic was up 5.2 percent, and KCSM's intermodal rail traffic was up 5.3 percent.

For the period January through January 14, 2006, U.S. rail volume grand totaled 63.3 billion ton-miles, up 3.1 percent. Also for this period, U.S. carload rail traffic was up 1.3 percent, U.S. intermodal rail traffic was up 3.0 percent, Canadian carload rail traffic was up 0.7 percent, Canadian intermodal rail traffic was up 3.7 percent, KCSM's carload rail traffic was down 3.5 percent, and KCSM's intermodal rail traffic was down 2.8 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 January 13, 2006, average total cars on line was as follows: BNSF, 216,360 cars; Canadian Pacific, 82,565 cars; CSX, 225,604 cars; Kansas City Southern, 26,142 cars; Norfolk Southern, 207,138 cars; and Union Pacific, 322,421 cars. (Comparative totals from last year are not yet available.)

Also for the week ending January 13, 2006 and ranked with the comparable week last year, average train speed was as follows: BNSF, 23.3 mph versus 23.9 mph; Canadian Pacific, 26.9 mph versus 22.8 mph; CSX, 20.7 mph versus 20.2 mph; Kansas City Southern, 23.9 mph versus 25.2 mph; Norfolk Southern, 21.6 mph versus 22.1 mph; and Union Pacific 21.7 mph versus 20.3 mph.

Finally for the week ending January 13, 2006 and ranked with the comparable week last year, average terminal dwell time was follows: BNSF, 23.9 hrs versus 23.2 hrs; Canadian Pacific, 20.8 hrs versus 29.9 hrs; CSX, 25.4 hrs (last year not available); Kansas City Southern, 25.3 hrs versus 22.9 hrs; Norfolk Southern, 22.5 hrs versus 22.6 hrs; and Union Pacific, 27.4 hrs versus 29.8 hrs. (ffd: AAR)

#### STILL MORE STATS – 4th QTR., 2005 AND FULL YEAR 2005 RESULTS:

(THU) Union Pacific became the first Class 1 railroad to report Fourth Quarter and Full Year 2005 results. UP reported net income of \$296 million, compared with \$79 million the previous fourth quarter. Revenues were \$3.62 billion, compared with \$3.22 billion the previous fourth quarter. UP's operating ratio was 85.3 percent, improved from 93.7 percent the previous fourth quarter.

For the Full Year 2005, UP reported net income of \$1.026 billion, compared with \$604 million for 2004. Revenues were \$13.58 billion, compared with \$12.22 billion in 2004. UP's operating ratio was 86.8 percent, improved from 89.4 percent the previous fourth quarter. (ffd: UP Corp.)

#### EXPANSIONS, CONTRACTIONS AND ALIKE:

(SUN) R.J. Corman announced that they had begun operating 36.6 miles of industrial track in the Memphis, TN and Olive Branch, MS areas. The track is being leased from BNSF. (ffd: R.J. Corman Co.)

(SUN) Watco Companies marked the first full week of their operation of the Vicksburg Southern Railroad. The VSOR operates 21 miles of track between Redwood, MS and Cedars, MS leased from Kansas City Southern. A Watco spokesman said that the company now operates 17 shortlines. (ffd: Progressive Railroad)

(MON) The City of Richmond, BC announced that they had reached agreement with Canadian Pacific Railway to purchase the west leg of CP's Van Horne Spur Line. Richmond's mayor, Malcolm Brodie, said that the acquisition would "allow us to build the next link in critically-needed new road works to service our city centre." (ffd: City of Richmond, BC)

(WED) The Western, New York & Pennsylvania filed to lease, from Norfolk Southern Railway, and operate approximately 46 miles of line between Meadville, PA and Rouseville, PA. (ffd: STB)

(THU) BNSF and Canadian National announced that they had entered into a new operating agreement that they said would "increase capacity and dispatching efficiencies in Vancouver, BC and Chicago, IL, and between Memphis, TN and Centralia, IL." Under the agreement, CN will obtain operational, dispatching, and maintenance control of 12 miles of joint track between the Fraser River Bridge in New Westminster, BC and ocean terminals on the south shore of Burrard Inlet near downtown Vancouver; BNSF will obtain control of CN's Corwith, IL interlocking, as well as trackage rights on CN for 30 miles between Corwith and Joliet, IL, and on 2 miles of CN's 49th Street line; and BNSF will gain trackage rights on CN's line between Memphis and Centralia. (ffd: BNSF Corp., CN Corp.)

(THU) RailAmerica announced that it had sold 3 of its Alberta, Canada shortlines to Canadian National: the 21-mile Central Western; the 120-mile Lakeland & Waterways; and the 600-mile Mackenzie Northern. A RailAmerica spokesman said that the company's remaining Canadian holdings include the Goderich-Exeter, the Ottawa Valley, and the Southern Ontario Railways. (ffd: Progressive Railroading)

(THU) The Yakima Interurban Lines Association filed to abandon approximately 12 miles of its Naches Branch, between Yakma, WA and Naches, WA. (ffd: STB)

(FRI) The New Amsterdam & Seneca Railroad filed to lease, from Sunny Farms Landfill Corporation, and operate approximately 2 miles of line near Fostoria, OH. (ffd: STB)

#### APPOINTMENTS, ACHIEVEMENTS AND ALIKE:

(MON) General Electric appointed Eric LaBat Chief Marketing Officer of its Rail Services Unit. Mr. LaBat was previously a VP-Sales with GE Rail Services, and was earlier with CSX and Union Pacific. (ffd: GE Corp.)

(TUE) BNSF announced the following appointments: Paul Anderson as VP-Marketing Support, which is the new name of BNSF's former Business Development Department; Fritz Draper as VP-Business Unit Operations & Support; and Dennis Johnson as VP & Chief Sourcing Officer. (ffd: BNSF Corp.)

(TUE) The Bush Administration nominated James Simpson as Chief Administrator of the Federal Transit Administration. Mr. Simpson, who is the CEO of Victory Worldwide Transportation, a moving and storage company, has been on the board of New York's Metropolitan Transportation Authority for the last 10 years. (ffd: New York Times)

(THU) Kansas City Southern announced the following appointments: Larry Lawrence as SVP & Assistant to the Chairman-Strategies & Staff Studies; Warren Erdman as SVP-Corporate Affairs; Jay Nadlman as VP & Corporate Secretary; and Brian Banks as Assistant Secretary & Associate General Counsel. (ffd: KCS Corp.)

(FRI) Rail supplier Wabtec announced that Albert Neupaver would become the company's president & CEO effective February 1. Mr. Neupaver succeeds William Kassling, who will continue as chairman of the company's board. (ffd: AAR)

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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.

HAVE A SAFE AND PROSPEROUS WEEK,

Dave Mears

Cherry Hill, New Jersey, USA