

WEEKLY RAIL REVIEW

For the week ending SAT, January 24, 2004

By Dave Mears

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

(MON) Burlington Northern Santa Fe announced that it had closed its 2,000th rail-highway grade crossing in the 4-year period between January, 2000 and December, 2003. A BNSF spokesman said that the closings were the result of continuing initiatives to close little-used or redundant crossings. The spokesman added that the closings represent 6 percent of the approximately 30,000 crossings on BNSF. (ffd: BNSF Corp.)

(MON) Norfolk Southern intermodal subsidiary Triple Crown Services announced that it would double the capacity of its Ft. Wayne, IN. terminal and maintenance center. A Triple Crown spokesman said that the increase would allow it to do more Roadrailer and related maintenance in-house instead of subcontracting it out. The spokesman added that Triple Crown also plans to shortly start service to the Minneapolis, MN. area. (ffd: Triple Crown Services)

(TUE) Norfolk Southern suffered an on-duty employee fatality. Donald Gunn, Age 56, was fatally injured when he fell from a ladder he was climbing and struck his head on the ground. The accident occurred at NS's Corning, NY. switching yard. (ffd: Railpace)

(WED) Canadian National and CSX announced that they had jointly developed an electronic tool offering customers "instantaneous interline pricing" for carload shipments moving between their railroads. Called "A + B Pricing," the new system allows railroad account managers to retrieve and combine CN's and CSXT's respective revenue requirements to quote an interline price for any origin, destination and carload commodity. A spokesman for the 2 railroads said that they expected to make it available on their respective web sites for customers to directly access later this year. (ffd: CN Corp.)

(WED) Cleveland, OH's Regional Transit Authority announced that 2003 saw a 1.5 percent increase in ridership, the first such increase since 1997. Referring to the numbers, RTA CEO & GM Joe Calabrese said, "We spent the last 3 years...improving methods of customer feedback, replacing more than half our aging bus fleet with new vehicles, and putting increased emphasis on customer service...we believe we have turned the corner, and expect even more riders in 2004." (ffd: RTA)

(THU) New York City officials debuted final design plans for a permanent transit hub at the former World Trade Center site. The design includes a station bathed in sunlight, with a dome that can be opened skyward in commemoration of the September 11 terrorist attacks that killed nearly 3,000 persons at the site. The station will link 14 subway lines with Port Authority Trans Hudson subway service to New Jersey, and also ferry services across the Hudson River to New Jersey. Officials said that they hoped to complete the hub by 2009, concurrent with the completion of the 1,776 foot tall Freedom Tower also planned for the site. (ffd: wire services)

(FRI) The Association of American Railroads announced the release of the 20th annual edition of its "Railroad Ten-Year Trends" publication. The publication includes comparative railroad data for the years 1993 through 2002. The publication, \$100 for non-AAR member railroads and \$50 for AAR member railroads, may be order by writing or phoning the AAR, or through the AAR website, www.aar.org. (ffd: AAR)

STATS:

(THU) For the week ending January 17, U.S. carload rail traffic was up 5.0 percent, up 5.0 percent in the East and up 4.7 percent in the West. This week this year versus this week last year, notable traffic increases included nonmetallic minerals up 28.0 percent, coke up 20.1 percent and waste and scrap material up 16.2 percent; notable traffic decreases included non-grain farm products down 19.6 percent and motor vehicles and equipment down 6.7 percent. Also for the week ending January 17, U.S. intermodal rail traffic was up 6.9 percent, Canadian carload rail traffic was up 5.8 percent, Canadian intermodal rail traffic was up 4.3 percent, Mexico's Transportacion Ferroviaria Mexicana's carload rail traffic was down 6.4 percent and TFM's intermodal rail traffic was down 18.1 percent, all when ranked with the comparable week last year.

For the period January 1 through January 17, U.S. carload rail traffic was up 0.9 percent, U.S. intermodal rail traffic was up 4.0 percent, Canadian carload rail traffic was up 4.1 percent, Canadian intermodal rail traffic was up 0.4 percent, TFM's carload rail traffic was down 9.6 percent and TFM's intermodal rail traffic was down 22.7 percent, all when ranked with the comparable period last year. (ffd: AAR)

STATS CONTINUED - 4TH QTR., 2003 RESULTS - PART 1:

(THU) Union Pacific reported 4th Qtr., 2003 net income of \$551 million, up from \$378 million in 4th Qtr., 2002. A Union Pacific spokesman noted that UP realized a gain on the sale of its Overnight trucking subsidiary during the quarter. UP operating income was \$333 million fourth quarter this year, down from \$368 million fourth quarter last year. The UP spokesman added that the company planned to hire as many as 3,200 new employees in 2004, mainly t&e personnel, up from 2,400 new employees hired in 2003. (ffd: UP Corp., wire services)

ACQUISITIONS, ABANDONMENTS AND ALIKE:

(TUE) Continuing its earlier announced intent to divest itself of some non-North American rail operations, shortline and regional conglomerate RailAmerica announced that it had entered into an agreement to sell its interest in Chilean Railroad Ferronor for \$18.1 million. The sale is to an affiliate of RailAmerica's Chilean partner, Andres Pirazzoli y Cia., Ltda. (ffd: RailAmerica Corp.)

(TUE) Union Pacific agreed to grant temporary overhead trackage rights to Burlington Northern Santa Fe over approximately 31 miles of UP's Dallas Subdivision between Dallas, TX. and Ft. Worth, TX. The purpose of the rights is to allow BNSF to bridges its train service while it performs maintenance on its on line between these points. (ffd: STB)

(THU) The Buffalo & Pittsburgh Railroad filed to merge the Allegheny & Eastern Railroad, the Pittsburg & Shawmut Railroad and the Bradford Industrial Railroad into the Buffalo & Pittsburgh Railroad, with the B&P as the surviving entity. (ffd: STB)

(FRI) International Steel, which earlier absorbed the assets of Bethlehem Steel, announced the sale of the Philadelphia, Bethlehem & New England Railroad to a consortium of investors, which includes former Bethlehem Steel executives. The new company will be known as Lehigh Valley Rail. A spokesman for the consortium said that their plans include the building of a new rail-to-truck distribution terminal on Bethlehem, PA.'s South Side. (ffd: The Morning Call)

(FRI) The Lamoille Valley Railroad filed to abandon approximately 97 miles of various lines in Caledonia, Washington, Orleans, Lamoille and Franklin Counties in VT. (ffd: STB)

(FRI) RailAmerica announced that it had completed its acquisition of the Central Michigan Railway. The Central Michigan operates approximately 100 miles of line between Midland, MI. and Durand, MI. (ffd: RailAmerica Corp.)

PERSONNEL CHANGES:

(TUE) RailAmerica announced the following appointments: Michael Howe as SVP & CFO; Matthew Devine as SVP-Corporate Development; and Daniel Hershman as VP-Litigation Counsel. (ffd: RailAmerica Corp.)

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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 weeklyrailreview@aol.com to receive it, with my compliments.

HAVE A SAFE AND PROSPEROUS WEEK,
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