

WEEKLY RAIL REVIEW

FOR THE WEEK ENDING SAT, JANUARY 28, 2006

BY DAVE MEARS

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

(MON) Chicago area commuter rail operator METRA extended service on its Union Pacific West Line to Elburn, IL. The new extension, 9 miles beyond the line's earlier end at Geneva, IL, includes a new stop at La Fox, IL. METRA is scheduled to also expand service on its North Central and SouthWest Service lines starting January 30. (ffd: Trains)

(MON) The State of Connecticut announced that it would include cars for snack and beverage service on the next fleet of cars being ordered for Metro North's New Haven Line. The line is one of the few U.S. commuter rail services still offering "bar cars," which are not available on Metro North's Hudson or Harlem Lines. A state spokesman said, "We viewed a possible elimination of the cars as a reduction in service, and we didn't want to do that." A Metro North official said that the cars generate \$5 million in annual sales and \$658,000 in annual profits. (ffd: Stamford Advocate)

(TUE) CSX suffered a wire theft from a signal box near Garrison, KY, which in turn caused service to be temporarily halted on CSX lines within a 300-mile radius of the installation. Authorities later arrested 2 suspects in the theft. The incident inspired a notable headline that circulated on the Internet: "Creeps Cop Copper, Crippling CSX." (ffd: The Ledger Independent)

(TUE) A passenger train plunged off a ravine in the eastern European nation of Serbia-Montenegro. The accident killed at least 44 persons and injured at least 198 others. Officials said that the it appeared that the train's engineer had stepped of the train to check a situation on the tracks ahead of him and may not have properly set the brakes. (ffd: wire services)

(WED) The U.S. Department of Transportation announced a new initiative to the department's National Rail Safety Action Plan. Under the initiative, Federal Railroad Administration inspectors will be deployed to safety "hot spots" beginning in March of this year. A USDOT spokesman said that FRA accident data will be used to identify rail safety problems specific to railroads and states, and that inspectors will then focus their efforts where safety issues are most likely to arise, so that they might be corrected before a serious accident occurs. (ffd: USDOT)

(THU) BNSF announced that it would spend \$2.4 billion on capital improvements in 2006, a 10 percent increase compared with 2005. A BNSF spokesman said that capital spending would include \$1.4 billion for infrastructure improvements and \$550 million to acquire 310 new locomotives. Among the planned infrastructure improvements are double- and triple-tracking another 40 miles of its southern Transcon Line; starting construction of a second mainline track across Abo Canyon, with work there scheduled for completion in 2007; and double- and triple-tracking about 50 miles of its Power River Basin Joint Line. (ffd: Progressive Railroading, BNSF Corp.)

(THU) The Toronto Transit Commission announced that it would work with the Internet search engine Google to improve its website. "The [TTC's] website needs work," said TTC Commissioner Adam Giambrone. "It's pretty bad. It's useless." A TTC spokesman said that it planned to participate in a new Google site, Google Transit, to accomplish improvements. (ffd: Toronto Globe and Mail)

(FRI) New Jersey Transit announced that it would allow college students to ride free next week. From January 30 through February 5, college and post-secondary students can ride NJT trains, buses and light rail lines for free by presenting their student ID and a free ride coupon, which can be obtained at njtransit.com. "By giving them an opportunity to ride our buses, trains and light rail lines for free, we are cultivating new customers during their college years and beyond," commented an NJT spokesman. (ffd: The Jersey Journal)

(FRI) Dunkin Donuts debuted a new commercial with a railroad theme. The commercial shows a railroader at work, with an accompanying voiceover saying, "I'm a train engineer. I log 14-hour shifts." Industry observers noted that the line contrasts with the U.S. "hours of service" law for on-duty train and engine personnel, which limits a consecutive shift to 12 hours. Efforts to reach Dunkin Donuts for comment were still underway at press time.

STATS – TRAFFIC:

(THU) For the week ending January 21, 2006, U.S. rail volume grand totaled 33.0 billion ton-miles, up 10.0 percent from the comparable week last year, a week in which there were notable winter storms. U.S. carload rail traffic was up 8.4 percent, up 7.0 percent in the East and up 9.5 percent in the West. Notable traffic increases included non-grain food products up 25.5 percent; crushed stone, sand and gravel up 22.5 percent, and coal up 12.3 percent; notable traffic decreases included metallic ores down 23.7 percent, nonmetallic minerals down 16.9 percent, and primary forest products down 10.3 percent. Also for the week, U.S. intermodal rail traffic was up 11.9 percent, Canadian carload rail traffic was up 7.2 percent, Canadian intermodal rail traffic was up 12.8 percent, Mexico's Kansas City Southern de Mexico's carload rail traffic was down 18.7 percent, and KCSM's intermodal rail traffic was down 20.0 percent.

For the period January 1 through January 21, 2006, U.S. rail volume grand totaled 94.4 billion ton-miles, up 5.7 percent from the comparable period last year. Also for this period, U.S. carload rail traffic was up 3.9 percent, U.S. intermodal rail traffic was up 5.9 percent, Canadian carload rail traffic was up 2.6 percent, Canadian intermodal rail traffic was up 6.6 percent, KCSM's carload rail traffic was down 8.8 percent, and KCSM's intermodal rail traffic was down 9.9 percent. (ffd: AAR)

MORE STATS – OPERATING PERFORMANCE:

(NOTE: Effective October 1, 2005, railroads that had been furnishing 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 20, 2006, average total cars on line was as follows: BNSF, 217,935 cars; Canadian Pacific, 81,832 cars; CSX, 225,030 cars; Kansas City Southern, 27,680 cars; Norfolk Southern, 205,957 cars; and Union Pacific, 323,971 cars. (Comparative totals from last year are not yet available.)

Also for the week ending January 20, 2006 and ranked with the comparable week last year, average train speed was as follows: BNSF, 23.5 mph versus 23.6 mph; Canadian Pacific, 25.7 mph versus 20.9 mph; CSX, 19.8 mph versus 19.6 mph; Kansas City Southern, 21.2 mph versus 25.1 mph; Norfolk Southern, 20.9 mph versus 21.7 mph; and Union Pacific, 21.3 mph versus 20.7 mph.

Finally for the week ending January 20, 2006 and ranked with the comparable week last year, average terminal dwell time was follows: BNSF, 25.0 hrs versus 25.2 hrs; Canadian Pacific, 21.3 hrs versus 31.3 hrs; CSX, 26.7 hrs (last year not available); Kansas City Southern, 25.5 hrs versus 22.9 hrs; Norfolk Southern, 23.8 hrs versus 24.3 hrs; and Union Pacific, 28.3 hrs versus 31.4 hrs. (ffd: AAR)

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

(TUE) BNSF reported net income of \$430 million, up from \$347 million the previous fourth quarter. Revenues were \$3.55 billion, up from \$2.978 billion the previous fourth quarter. BNSF's operating ratio was 76.8 percent, improved from 77.1 percent the previous fourth quarter. For the Full Year 2005, BNSF reported net income of \$1.531 billion, up from \$791 million in 2004. Revenues were \$12.987 billion, up from \$10.946 billion in 2004. BNSF's 2005 operating ratio was 76.8 percent, improved from 84.3 percent in 2004. (ffd: BNSF Corp.)

(TUE) CSX reported net income of \$237 million, up from \$66 million the previous fourth quarter. Revenues were \$2.219 billion, up from \$2.180 billion the previous fourth quarter. CSX's operating ratio was 81.3 percent, improved from 85.6 percent the previous fourth quarter. For the Full Year 2005, CSX reported net income of \$1.145 billion, up from \$339 million in 2004. Revenues were \$8.618 billion, up from \$8.040 billion in 2004. CSX's 2005 operating ratio was 82.0 percent, improved from 87.6 percent in 2004. (ffd: CSX Corp.)

(TUE) Norfolk Southern reported net income of \$362 million, up from \$264 million the previous fourth quarter. Revenues were \$2.257 billion, up from \$1.949 billion the previous fourth quarter. NS's operating ratio was 73.7 percent, improved from 76.3 percent the previous fourth quarter. For the Full Year 2005, NS reported net income of \$1.281 billion, up from \$923 million in 2004. Revenues were \$8.527 billion, up from \$7.312 billion in 2004. NS's 2005 operating ratio was 75.2 percent, improved from 76.7 percent in 2004. (ffd: CSX Corp.)

(WED) Canadian National reported net income of C\$430 million, up from C\$376 million the previous fourth quarter. Revenues were C\$1.886 billion, up from C\$1.736 billion the previous fourth quarter. CN's operating ratio was 61.8 percent, improved from 65.0 percent the previous fourth quarter. For the Full Year 2005, CN reported net income of C\$1.556 billion, compared with C\$1.258 billion in 2004. Revenues were C\$7.240 billion, up from \$6.548 billion in 2004. CN's 2005 operating ratio was 63.8 percent, improved from 66.9 percent in 2004. (NOTE: In comparing CN's operating ratio with U.S.-based railroads, please note that CN, by and large, does not pay health care benefits for its Canadian employees, due to Canada's nationalized health care. CN does pay health care benefits for its U.S. employees.)

EXPANSIONS, CONTRACTIONS AND ALIKE:

(THU) BNSF filed to abandon approximately 8 miles of line between Grafton, ND and Voss, ND. (ffd: STB)

(THU) Canadian National and Canadian Pacific Railway reached a new series of operating agreements, including new directional-running arrangements, which they said would "make rail operations more fluid in the Lower Mainland." Under the new agreements: CPR will handle all trains of both railways from Boston Bar, BC to Vancouver, BC's South Shore; CN will handle all trains of both railways from Boston Bar to Burrard Inlet North Shore in Vancouver; and CPR will handle coal trains of both railways from Boston Bar to the Roberts Bank coal port. (ffd: CN Corp., CPR Corp.)

(THU) Rail car builder and lessor Greenbrier announced that it had acquired YSD Industries' (formerly Youngstown Steel Door) boxcar sliding door, plug door, and roofing product lines and related inventory and equipment. Greenbrier also announced that it would start to build what it said was the largest single order for freight cars in its history: 13,000 new units, approximately half of which are articulated doublestack cars, with the remainder consisting of covered hoppers and centerbeam flat cars. (ffd: Railway Age)

(THU) Rail supplier L.B. Foster announced that it would start a new concrete tie manufacturing facility in Tucson, AZ. The new facility, which a company spokesman said would help "meet the growing demand for concrete ties throughout North America," adds to L.B. Foster's 2 other concrete tie manufacturing plants, located in Grand Island, NE. and Spokane, WA. (ffd: Railway Age)

(FRI) The Dakota Northern Railroad filed to lease, from BNSF, and operate 1) BNSF's entire Walhalla Subdivision, between Grafton, ND and Walhalla, ND, and 2) a portion of BNSF's Glasston Subdivision, between Grafton, ND and Glasston, ND. Both line segments together total approximately 70 miles. (ffd: STB)

APPOINTMENTS, ACHIEVEMENTS AND ALIKE:

(MON) U.S. Department of Transportation Inspector General Ken Mead announced that he would resign effective February 11, 2006. Mr. Mead has held the USDOT IG position since 1997. (ffd: USDOT)

(TUE) Norfolk Southern formally appointed Charles "Wick" Moorman to succeed David Goode as NS chairman, effective February 1. Mr. Moorman will continue to serve as NS president and CEO. (ffd: NS Corp.)

(TUE) Union Pacific appointed James Barnes as Director-Media Information. Mr. Barnes was previously a senior public relations manager with Hewlett-Packard. (ffd: UP Corp.)

(WED) BNSF announced the following appointments: Julie Piggott as AVP-Financial Planning & Strategic Studies and Nick Murray as AVP-Measurement, Cost & Decision Support. (ffd: BNSF Corp.)

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(ADDENDA: Further mention in last week's WRR that Canadian National had withdrawn from the CREATE Chicago rail improvement project, the Association of American Railroads issued a statement on Thursday stating that, "While it is true that CN has not signed a new memorandum of understanding on the CREATE project, it is also true that CN continues to support the overall project and its objectives.")

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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

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