

WEEKLY RAIL REVIEW

FOR THE WEEK ENDING SAT, JANUARY 29, 2005

BY DAVE MEARS

(Editor's Note: The expression "ffd" at the end of a news item represents "for further details" and suggests a reference source for further related information.)

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

(SUN) A major snowstorm that had begun the previous day caused rail service disruptions in much of the Northeastern and Middle Atlantic U.S. Amtrak and also commuter railroads serving Washington, DC., Philadelphia, PA., New York, NY. and Boston, MA. curtailed some train services into Monday. Freight railroads serving the region issued service advisories to customers alerting them to possible pickup and delivery delays. Boston was particularly hard hit by blizzard-level snow and winds, which added to a January snow total there of 43.1 inches, the most recorded in Boston since recordkeeping began. (ffd: wire services)

(SUN) A fire possibly set by a homeless person destroyed a circuitry room in a tunnel near New York City's Chambers Street subway station in Lower Manhattan. The destroyed circuitry, much of which was of an older design and installation, controlled much of the operation of the subway's A and C Lines, causing the A Line to have to be operated on 18-minute headways instead of the normal 6 minutes and the C Line having to be suspended. Although subway officials said initially that the damage was so severe as to render the lines disrupted or out-of-service for up to several years, a subway spokesman said later in the week that the lines would instead be affected for 3 to 6 months. (ffd: New York Times)

(MON) The U.S. Department of Transportation announced that it had reached agreement to provide \$587 million in federal funding for construction of a light rail line serving Phoenix, AZ. A city spokesman said that the line would total approximately 20 miles in length, and would serve Phoenix and the neighboring communities of Tempe, Mesa and Glendale. The spokesman added that a starter segment of the line was now expected to be in service by December, 2008. (ffd: Railway Age, wire services)

(MON) Construction crews laid the first new rail for San Diego, CA.'s new Sprinter light rail line. A spokesman for the North County Transit District, the line's operator, said that the line will total 22 miles in length, running from Oceanside to Escondido through Vista and San Marcos. The spokesman added that Burlington Northern Santa Fe will continue to provide rail freight service over the line. (ffd: North County Times)

(MON) U.S. Senator Charles Schumer (R-NY.) said that he would introduce legislation to strengthen federal regulation of U.S. railroads. "The Federal Railroad Administration...right now has the power of a wet noodle," said Mr. Schumer. The senator made his comments while standing at a CSX rail-highway grade crossing in Pittsford, NY. near Rochester. A spokesman for the senator said that his proposed regulations would "bolster the FRA's power by toughening regulations, increasing its ability to fine railroads, and double the number of FRA inspectors." (ffd: Rochester Democrat & Chronicle)

(MON) Burlington Northern Santa Fe announced that it was renaming itself BNSF Railway. To publicize the name change, BNSF Chairman Matt Rose participated in events that included ringing the closing bell at the New York Stock Exchange. Concurrent with the name change, BNSF Railway will retire its current logo, with its design remnant of its predecessor Santa Fe Railway, replacing it with a new logo. (ffd: BNSF Corp., Fort Worth Star Telegram)

(MON) A survey commissioned by the Railway Association of Canada found that a majority of Canadian citizens believe that the country's highways would be safer and the environment cleaner if Canada relied more on freight rail and passenger rail. About 90 percent of the survey's respondents said that they believed rail was the safest and most environmentally friendly transportation mode. And more than 90 percent of respondents said that the Canadian government should invest in maintaining, upgrading and expanding rail infrastructure, and that they would support transportation policies and financial incentives to encourage greater use of rail. (ffd: Progressive Railroading, RAC)

(WED) Beginning a terrible chain of events, a Metrolink commuter train operating in push-mode struck a vehicle parked on a crossing in Glendale, CA. The commuter train then derailed, striking a ballast train with 2 Union Pacific locomotives parked on an adjacent siding and knocking one of the UP locomotives on its side, and then sideswiping another Metrolink commuter train coming in the opposite direction. The crashes killed a total of 11 persons and injured more than 180 others aboard both commuter trains. The vehicle belonged to one Juan Manuel Alvarez, Age 25, who was uninjured and who reportedly told investigators that he had parked his SUV on the crossing with the intention of committing suicide, but changed his mind at the last-minute and exited the vehicle, leaving it parked on the tracks. Among the 11 persons killed was Thomas Ormiston, Age 58, an Amtrak conductor on-duty aboard one of the Metrolink trains. (ffd: wire services)

(WED) Possibly overshadowed by events in nearby Glendale, Burlington Northern Santa Fe also suffered an on-duty employee fatality on Wednesday. Conce Campbell, Age 52, was fatally injured while switching cars at Terminal Island, which is near Torrance, CA. in Greater Los Angeles. (ffd: Torrance Daily Breeze)

(WED) The California High-Speed Rail Authority approved previously designated route alignments for the bulk of the state's proposed 700-mile high-speed passenger rail system. The approval directs staff to move forward to finalize the first round of environmental analysis. California Governor Schwarzenegger's proposed budget has earmarked \$1.7 million for this analysis and related work. The proposed system is years away from final approvals and from gaining a definitive source of funding for land acquisition, construction and operation. (ffd: Trains)

(WED) A federal judge issued a temporary restraining order against a strike threatened by Long Island Rail Road locomotive engineers. The engineers' dispute relates to the lease of Arch Street Yard in Long Island City, NY., which will be used for warranty work by Bombardier, who is manufacturing the LIRR's new M-7 commuter rail cars and who will use their own personnel to switch the cars at the warranty facility. A spokesman for the union representing the engineers, the Brotherhood of Locomotive Engineers and Trainmen, said that they had received letters from the LIRR stating that they will not negotiate the dispute and that the railroad has violated "neither the contract nor the law and has acted in good faith." (ffd: New York Newsday, Trains)

(WED) The U.S. Department of Transportation said that it will host public meetings on April 12 and 19, where senior USDOT officials will listen to public opinion on past, present and future regulations. "Making regulations simpler, more

effective and less burdensome is a challenge that can only be met if the public participates," said Transportation Secretary Norman Mineta. Mr. Mineta added that, in addition to the public meetings, USDOT will accept related comments in writing through April 29. (ffd: JofC Online, USDOT)

(WED) Ticketing personnel struck France's state railway system. The strike was in sympathy of a female ticket collector who was sexually assaulted aboard a train in Southwestern France. A railway spokesman said that the strike had disrupted services on nearly all France's rail lines. Wednesday's strike follows a work stoppage by French rail workers the previous week that protested work conditions, cutbacks and planned reforms. (ffd: wire services)

(WED) Israel announced plans to build a 100-kilometer rail line connecting the West Bank and the Gaza Strip. An Israeli government spokesman said that passenger services on the new line would provide "safer travel without the security threat of Palestinians in Israeli territories." The spokesman added that the line would also serve Israel's Ashdod Seaport. (ffd: Anadolu News Agency)

(THU) The Association of American Railroads said that it and its member railroads have offered to assemble a team of experts to travel to South Asia to help rebuild critical rail lines that were destroyed by the tsunami that hit that region on December 26. In a letter to U.S. Secretary of Transportation Norman Mineta, AAR President Edward Hamberger said that "recognizing the importance of [those countries' rail infrastructures] in delivering aid to tsunami victims, America's railroads want to assist in this effort to rebuild." Mr. Hamberger went on to state that the railroad industry "is prepared to recruit and support a multidisciplinary team of experts." (ffd: AAR)

(THU) Canadian National locomotives engineers approved a strike mandate. However, any strike action is on hold until the Canadian Industrial Relations Board issues essential service levels for the railroad in the event of a strike. A spokesman for the union representing the engineers said that they were still at odds with CN over several issues, adding that they have been without a contract since the end of 2003. The dispute does not involve CN engineers operating in the U.S. (ffd: wire services)

(THU) Houston, TX.'s transit agency repealed its ban on the carrying of concealed handguns on its system. A spokesman for the Metropolitan Transit Authority of Harris County said that the repeal responds to a 2003 Texas state law that says that Texas cities cannot bar licensed gun owners from carrying concealed weapons in public buildings. Pro-gun organizations then sued the agency, contending that the law also applies to public transit. Authority Chairman David Wolff called the change a "nonevent." (ffd: Seattle Post-Intelligencer, wire services)

#### STATS:

(THU) For the week ending January 22, U.S. rail traffic totaled 29.3 billion-ton miles, down 3.9 percent from the comparable week last year, due at least in part to weather-related problems across the country. U.S. carload rail traffic was down 4.3 percent, down 2.3 percent in the East and down 5.8 percent in the West. Notable traffic increases included metallic ores up 16.2 percent and coke up 4.1 percent; notable traffic decreases included non-grain farm products down 43.3 percent, food and food products down 11.3 percent and grain down 8.8 percent. Also for the week ending January 22, U.S. intermodal rail traffic was up 5.1 percent, Canadian carload rail traffic was down 7.0 percent, Canadian intermodal rail traffic was down 4.7 percent, Mexico's Transportacion Ferroviaria Mexicana's carload rail traffic was up 9.9 percent and TFM's intermodal rail traffic was up 35.2 percent.

For the period January 1 through January 22, U.S. rail traffic totaled 89.3 billion ton-miles, down 1.1 percent from the comparable period last year. U.S. carload rail traffic was down 1.7 percent, U.S. intermodal rail traffic was up 7.2 percent, Canadian carload rail traffic was down 3.5 percent, Canadian intermodal rail traffic was down 2.1 percent, TFM's carload rail traffic was up 2.4 percent and TFM's intermodal rail traffic was up 18.3 percent. (ffd: AAR)

MORE STATS – 4TH QTR., 2004 AND FULL YEAR 2004 RESULTS:

(MON) For the Fourth Quarter 2004, Union Pacific reported net income of \$79 million compared with \$551 million the previous fourth quarter, revenues of \$3.22 billion compared with \$2.97 billion the previous fourth quarter, and an operating ratio of 93.7 percent, compared with 80.1 percent the previous fourth quarter. In reporting their fourth quarter results, a UP spokesman noted the effect of higher fuel prices, increasing operating costs and a special charge for covering asbestos claims. For the Full Year 2004, UP reported net income of \$604 million compared with \$1.59 billion the previous year, revenues of \$12.22 billion compared with \$11.55 billion the previous year, and an operating ratio of 89.4 percent compared with 81.5 percent the previous year. (ffd: UP Corp.)

(TUE) For the Fourth Quarter 2004, CSX reported net income of \$66 million compared with \$123 million the previous fourth quarter, revenues of \$2.17 billion compared with \$1.90 billion the previous fourth quarter, and an operating ratio of 85.5 percent compared with 87.4 percent the previous fourth quarter. For the Full Year 2004, CSX reported net income of \$339 million compared with \$246 million the previous year, revenues of \$8.02 billion compared with \$7.44 billion the previous year, and an operating ratio of 87.6 percent compared with 91.2 percent the previous year. (ffd: CSX Corp.)

(TUE) For the Fourth Quarter 2004, Burlington Northern Santa Fe reported net income of \$347 million compared with \$226 million the previous fourth quarter, revenues of \$2.92 billion up 19 percent from the previous fourth quarter, and an operating ratio of 77.1 percent compared with 80.6 percent the previous fourth quarter. For the Full Year 2004, BNSF reported net income of \$791 million compared with \$816 million the previous year and revenues of \$10.95 billion compared with \$9.41 billion the previous year. (ffd: Railway Age, wire services)

(WED) For the Fourth Quarter 2004, Canadian National reported net income of C\$376 million compared with C\$224 million the previous fourth quarter, revenues of C\$1.74 billion compared with C\$1.51 billion the previous fourth quarter, and an operating ratio of 65.0 percent compared with 66.1 percent the previous fourth quarter. For the Full Year 2004, CN reported net income of C\$1.26 billion compared with C\$1.01 billion the previous year, revenues of C\$6.55 billion compared with C\$5.88 billion the previous year, and an operating ratio of 66.9 percent compared with 69.8 percent the previous year. (ffd: CN Corp.)

(WED) For the Fourth Quarter 2004, Norfolk Southern reported net income of \$264 million compared with \$52 million the previous fourth quarter, revenues of \$1.95 billion compared with \$1.68 billion the previous fourth quarter, and an operating ratio of 76.3 percent compared with 80.3 percent the previous fourth quarter. For the Full Year 2004, Norfolk Southern reported net income of \$923 million compared with \$535 million the previous year, \$7.31 billion compared with \$6.47 billion the previous year, and an operating ratio of 76.7 percent compared with 81.9 percent the previous year. In reporting comparative previous fourth quarter and previous year results, an NS spokesman noted that a special charge related to NS's employee voluntary separation program has been excluded. (ffd: NS Corp.)

(THU) For the Fourth Quarter 2004, Canadian Pacific Railway reported net income of C\$129 million compared with C\$174 million the previous fourth quarter, revenues of C\$1.02 billion compared with C\$963 million the previous fourth quarter, and an operating ratio of 77.2 percent compared with 76.9 percent the previous fourth quarter. For the Full Year 2004, CPR reported net income of C\$413 million compared with C\$401 million the previous year, revenues of C\$3.90 billion compared with C\$3.66 billion the previous year, and an operating ratio of 79.8 percent compared with 80.1 percent the previous year. In reported 2004 results, a CPR spokesman noted the effect of foreign exchange gains on long-term debt and other specified items. (ffd: CPR Corp.)

#### ACQUISITIONS, ABANDONMENTS AND ALIKE:

(MON) Burlington Northern Santa Fe filed to abandon approximately 8 miles of line between Sanborn, ND. and Rogers, ND. (ffd: STB)

#### PERSONNEL CHANGES AND ALIKE:

(MON) The U.S. Department of Homeland Security announced the resignation of Asa Hutchinson, who had been its Under Secretary for Border and Transportation Security. Concurrent with the resignation, the Bush Administration announced its intention to nominate former U.S. Deputy Transportation Secretary Michael Jackson as Mr. Hutchinson's replacement. (ffd: JofC Online)

(TUE) The U.S. Department of Transportation's Volpe Transportation Systems Center announced the appointment of Curtis Tompkins as its General Director. Dr. Tompkins was previously the Center's director in charge of management improvement initiatives. (ffd: USDOT)

(WED) Norfolk Southern announced the following appointments: Michael McClellan as VP-Automotive & Intermodal Marketing; David Julian in charge of Automotive & Supply Chain Services; David Lawson as VP-Industrial Products; David Brown as VP-Strategic Planning; and Bob Bartle as GM-Northern Region. (ffd: NS Corp.)

(THU) Union Pacific announced that Ike Evans would retire as UP's Vice Chairman effective February 28. Mr. Evans had been with UP since 1998 and was previous SVP of Emerson Electric and, prior to that, was with General Motors. (ffd: UP Corp.)

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Weekly Rail Review is edited from public news sources and published weekly to those working in, or interested in, the entities of 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