

## WEEKLY RAIL REVIEW

For The Week Ending SAT, October 23, 2004

By Dave Mears

(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):

(MON) The American Railway Car Institute announced that orders were placed for 20,315 new freight cars in the third quarter this year. An ARCI spokesman said that this brought orders so far this year to 58,382 cars, with an undelivered backlog of 61,052 cars. The spokesman added that deliveries have been constrained by a very tight supply of castings. (ffd: Railway Age)

(MON) The head of Chicago, IL. commuter rail operator Metra said that the Chicago Transit Authority's campaign to increase transit funding was appearing more and more to be an effort to take funding away from Metra. Metra Chairman Jeffrey Ladd said that his agency would no longer work with the CTA to gain increased funding from the Illinois state legislature and would instead focus on making "sure that what we have isn't taken away." The CTA has asked the legislature to restructure the 21-year-old funding formula that disburses funding to it, Metra and suburban bus operate Pace. The CTA has noted that it provides 81 percent of mass transit trips in the region, while Metra and Pace have noted that they provide 50 percent of mass transit service when measured in terms of passenger miles. (ffd: Chicago Tribune)

(MON) A Burlington Northern Santa Fe freight train derailed 25 cars near Collins, MT. A BNSF spokesman said that no injuries were reported in the accident and that no hazardous materials were aboard. The train, a BNSF unit grain train, was enroute from Mellete, SD. to Seattle, WA. and totaled 107 cars in length. (ffd: wire services)

(TUE) The Federal Railroad Administration announced a \$482,000 grant to study video captured by forward-facing cameras on locomotives in North Carolina. The cameras were earlier put on the North Carolina Department of Transportation's locomotives used for the state's Piedmont Service passenger trains, which are operated by Amtrak between Charlotte, NC. and Raleigh, NC. An FRA spokesman said that the data would be used to analyze trespasser and highway-rail grade crossing accidents and near-misses. (ffd: USDOT)

(TUE) Canadian National and Canadian Pacific Railway announced a series of cooperative agreements aimed at improving rail service to and from the Port of Vancouver, BC. The specifics of the agreement include improved access for CPR to Fraser Surrey Docks via the CN line, reciprocal access to the port's North Shore and South Shore locations and additional reciprocal access to CN's Thornton Yard and CPR's Coquitlam Yard. A spokesman for the two railroads noted that Vancouver was Canada's largest and busiest port. (ffd: CN Corp., CPR Corp.)

(WED) The Federal Railroad Administration announced that it would delay release of a new rule related to whistle bans at highway-rail grade crossings. The new rule, which was originally to be published about October 28, will allow whistle ban at crossings only where specific crossing protection devices and related measures have been put in place. An FRA spokesman said that a new rule is now expected to be released sometime in January and that the delay is the result of over 1,400 related public comments having been received and the agency needing more time to review them all. (ffd: wire services)

(WED) New Jersey Transit opened its new Montclair State University Station in Little Falls, NJ. The station features a coffee and pastry shop, 4 elevators, a climate-controlled pedestrian overpass connecting to a center island platform and a 1,500-space parking deck. The station locates on NJT's Montclair-Boonton commuter rail line. (ffd: Progressive Railroading)

(FRI) President Bush signed into law a corporate tax bill passed last week following legislative reconciliation by the U.S. House and Senate. Included in the bill is the gradual elimination of the 4.3 cents per gallon tax on diesel fuel, with total elimination by January, 2007. Also included is a program of federal tax credits for short line infrastructure upgrades and maintenance. Under the program and for every dollar spent on qualified investments, a Class 2 or Class 3 railroad will earn 50 cents in tax credits. These credits will then accumulate to a cap determined by multiplying the number of miles of track owned or leased by the railroad by \$3,500. (ffd: Railway Track and Structures)

#### STATS:

(THU) For the week ending October 16, U.S. carload rail traffic was up 2.0 percent from the comparable week last year, up 2.2 percent in the East, but down 1.8 percent in the West. This week this year versus this week last year, notable traffic increases included metallic ores up 17.4 percent, crushed stone, sand and gravel up 8.2 percent and grain products up 8.0 percent; notable traffic increases included motor vehicles and equipment down 5.7 percent and grain down 4.2 percent. Also for the week ending October 16, U.S. intermodal rail traffic was up 9.5 percent, Canadian carload rail traffic was up 2.9 percent, Canadian intermodal rail traffic was up 5.1 percent, Mexico's Transportacion Ferroviaria Mexicana's carload rail traffic was up 14.1 percent, and TFM's intermodal rail traffic was up 23.2 percent, all when ranked with the comparable period last year.

During the week ending October 16, 2 new rail traffic records were set: total U.S. rail volume for the week was a record 33.1 billion ton-miles and U.S. intermodal rail traffic was a record 231,255 units.

For the period January 1 through October 16, U.S. carload rail traffic was up 3.0 percent, U.S. intermodal rail traffic was up 9.5 percent, Canadian carload rail traffic was up 7.9 percent, Canadian intermodal rail traffic was up 0.2 percent, TFM's carload rail traffic was up 2.8 percent and TFM's intermodal rail traffic was up 5.7 percent, all when ranked with the comparable period last year. (ffd: AAR)

#### STATS CONTINUED – 3RD QTR., 2004 RESULTS – PART 1:

(WED) Norfolk Southern was the first of the major North American railroads to publish their quarterly results. NS

reported net income of \$235 million, up 72 percent from the third quarter last year; this amount excluded a noncash gain of \$53 million relating to the recent Conrail remnant terminal company financial reorganization. NS revenues were \$1.9 billion, up 16 percent from the third quarter last year. NS's operating ratio was 74.7 percent, 5.8 points better than the 80.5 percent in third quarter last year. (ffd: NS Corp.)

(THU) Union Pacific reported net income of \$202 million, down from \$317 million in the third quarter last year. UP revenues were \$3.08 billion, up from \$2.96 billion in the third quarter last year. A UP spokesman noted "unprecedented fuel prices and high operating costs resulting from our service inefficiencies" related to third quarter results. UP's operating ratio was 86.4 percent, 6.4 points worse than the 80.0 percent in the third quarter last year. Related to UP's efforts to hire more personnel to replace retiring workers, UP reported its average employee count to be 49,021 in the third quarter this year versus 46,369 in the third quarter last year. (ffd: UP Corp.)

#### ACQUISITIONS, ABANDONMENTS AND ALIKE:

(MON) RailAmerica confirmed that its Indiana & Ohio Railroad had completed its purchase of 107 miles of CSX line between Cincinnati, OH. and Columbus, OH. (ffd: RailAmerica Corp.)

(MON) Stockton Terminal and Eastern Railroad filed to abandon approximately 1 mile of line in Linden, CA. (ffd: STB)

(TUE) CSX filed to abandon approximately 10 miles of line between Franco, WV. and Saunders, WV. (ffd: STB)

(WED) Norfolk Southern filed to abandon approximately 34 miles of line between Burkeville, VA. and Pamplin City, VA. (ffd: STB)

(FRI) Burlington Northern Santa Fe filed to abandon approximately 7 miles of line between Hanna Jct., ND. and McCanna, ND. (ffd: STB)

(FRI) Canadian Pacific/Soo Line filed to abandon approximately 29 miles of line between Devils Lake, ND. and Harlow, ND. (ffd: STB)

#### PERSONNEL CHANGES AND ALIKE:

(MON) Burlington Northern Santa Fe announced a reorganization of its Northern California and Southern California Divisions. Rob Reilly will head the new Los Angeles Division, which will include the Alameda Corridor and Harbor Subdivisions, and the San Bernardino Subdivision west of Bandini, CA. Michael Shircliff will head the new California Division, which will include the former Northern California and Southern California Divisions not included in the new Los Angeles Division. BNSF also announced the retirement of Northern California Division General Manager Steve

Weatherby effective November 1. (ffd: BNSF Corp.)

(THU) The Association of American Railroads appointed Bill Thompson as Railroad Program Manager to the Chicago Region Environmental and Transportation Efficiency program, also known as CREATE. The program was created by the State of Illinois and the City of Chicago to identify and arrange critically needed improvements to Chicago area rail and highway transportation infrastructure. An AAR spokesman said that Mr. Thompson would be responsible for all engineering and construction aspects of the railroad industry's involvement in CREATE. (ffd: AAR)

(FRI) Burlington Northern Santa Fe appointed Charles Shewmake AVP-State Government Affairs. Mr. Shewmake has been with BNSF since 1988. (ffd: BNSF Corp.)

CORRECTION (ADDITONAL):

Further concerning the October 4 Norfolk Southern on-duty employee fatality: James Southworth, the National Transportation Safety Board's investigator in charge, has written me to advise that this accident occurred in Harrisburg Yard, as originally reported. Thank you, James.

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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 INDUSTRIOUS WEEK,  
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