

WEEKLY RAIL REVIEW

For the week ending SAT, October 25, 2003

By Dave Mears

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

(SUN) The Long Island Rail Road suffered an on-duty employee fatality. Joseph Boyd, a 17 year veteran of the LIRR, was struck and killed by an LIRR train near Copiague, NY. Mr. Boyd was a flagman with a maintenance-of-way gang preparing to do work on the line's third rail. (ffd: WNBC TV)

(MON) Canadian National announced that it would acquire railroad and related holdings of Great Lakes Transportation LLC. The acquisition includes the 212-mile Duluth, Missabe and Iron Range Railway, the 170-mile Bessemer & Lake Erie Railroad, the Pittsburgh & Conneaut Dock Company and the Great Lakes Fleet Company, the latter including 8 ships. A CN spokesman said that GLT had been acquired for approximately \$380 million. (ffd: CN Corp.)

(MON) Eurostar announced that passenger traffic on its trains between London, England and Paris, France had increased since the opening of the new high-speed rail line through County Kent in England. A Eurostar spokesman said that passenger traffic had increased 11.7 percent in the 3 weeks following the opening, which cut 20 minutes off Eurostar's existing London-Paris travel time. The remaining segment of high-speed line between County Kent and downtown London is still under construction. (ffd: London Evening Standard)

(TUE) Virginia Railway Express, commuter rail operator between Washington, DC. and Northern Virginia, announced that it had acquired 35 more cars for its largely secondhand commuter car fleet. A VRE spokesman said that the cars had been acquired from Chicago, IL. commuter rail operator METRA, and had been built in the 1970s and refurbished in the 1990s. The spokesman added that the cars had been bought from METRA for \$1 each because they had originally been acquired for Chicago service with federal funding and so cannot be resold to other railroads at a profit. (ffd: WRC4 TV)

(TUE) The U.S. announced that it would finance the \$30 million construction of a new railway line in southern Africa. The funding, to be administered by the U.S. Overseas Private Investment Corporation, will allow construction of a rail line linking the southern African nations of Zambia, Mozambique and Malawi. (ffd: South African Broadcasting Corp.)

(WED) A Port Authority Trans Hudson subway train was operated in a test run over the rebuilt PATH line at the former World Trade Center site in Lower Manhattan. The line, which extends to the WTC site from the PATH Exchange Place Station in Jersey City, NJ., had not operated since its WTC station was destroyed in the September 11, 2001 terrorist attacks. The line includes a temporary station at the WTC site, which will be replaced with a permanent station once the designs for all replacement structures at the site are finalized and approved. The line and its temporary station are expected to reopen sometime next month. (ffd: NY Times)

(THU) The U.S. Senate approved \$1.346 billion in federal funding for Amtrak. The National Association of Railroad Passengers reported that Amtrak President David Gunn had, in a recent letter to Congress, stated that although the amount was not the \$1.812 billion originally requested by Amtrak for FY2004, the \$1.346 billion would allow Amtrak "...to operate the existing system and hopefully not worsen the amount of deferred maintenance." The \$1.346 billion figure approved by the Senate now goes to a House-Senate Conference Committee for reconciliation, after which both chambers will engage in final debate and voting. (ffd: NARP)

(THU) The European Parliament voted to open freight rail access by 2006 and passenger rail access by 2008. The action of the assembly, which is composed of representatives of European Union member nations, was opposed by several EU governments who favored the postponing of open competition to protect the interest of state railway systems. The parliament's vote will now be considered by a committee of other representatives of EU governments, who will try to reach a compromise plan. (ffd: wire services)

STATS:

(THU) For the week ending October 18, U.S. carload rail traffic was up 1.5 percent from the comparable week last year, up 1.8 percent in the East and up 1.2 percent in the West. This week this year versus this week last year, notable traffic increases included non-grain farm products up 16.0 percent, chemicals up 5.9 percent and coke up 3.1 percent; notable traffic decreases included metallic ores down 10.5 percent and motor vehicles and equipment down 4.3 percent. Also for the week ending October 18, U.S. intermodal rail traffic was up 5.2 percent (at 211,237 units, a new U.S. weekly intermodal record), Canadian carload rail traffic was up 3.9 percent, Canadian intermodal rail traffic was down 2.0 percent, Mexico's Transportacion Ferroviaria Mexicana's carload rail traffic was down 7.0 percent and TFM's intermodal rail traffic was down 15.2 percent, all when ranked with the comparable week last year.

For the period January 1 through October 18, U.S. carload rail traffic was down 0.2 percent, U.S. intermodal rail traffic was up 6.6 percent, Canadian carload rail traffic was down 0.7 percent, Canadian intermodal rail traffic was up 6.9 percent, TFM's carload rail traffic was down 1.5 percent and TFM's intermodal rail traffic was up 16.0 percent, all when ranked with the comparable period last year. (ffd: AAR)

STATS CONTINUED - 3RD QTR., 2003 RESULTS - PART 1:

(TUE) Burlington Northern Santa Fe reported third quarter net income of \$203 million, up from \$192 million in the third quarter last year. Third quarter revenues were \$2.37 billion, up from \$2.28 billion in the third quarter last year. BNSF's third quarter operating ratio worsened slightly to 81.8 percent, compared with 81.6 percent in the third quarter last year. (ffd: BNSF Corp.)

(TUE) Canadian National reported third quarter net income of \$294 million, up from \$268 million in the third quarter last year. Third quarter revenues were \$1.413 billion, down from \$1.503 billion in the third quarter last year. CN's third quarter operating ratio worsened slightly to 67.9 percent, compared with 67.8 percent in the third quarter last year. (ffd: CN Corp.)

(WED) CSX reported a third quarter net loss of \$103 million, down from \$127 million in net income in the third quarter last year. A CSX spokesman said that the results included two special charges, one for \$145 million related to a change in CSX's estimate for forthcoming occupational and personal injury claims and a second for \$67 million related to the settlement of disputes arising from its 1999 sale of its Sealand subsidiary. Without these charges, CSX said that it would have reported third quarter net income of \$109 million. Third quarter revenues were \$1.88 billion, down from \$2.06 billion in the third quarter last year. (ffd: CSX Corp.)

(THU) Union Pacific reported third quarter net income of \$317 million, down from \$437 million in the third quarter last year. Third quarter revenues were \$2.96 billion, up 3 percent from those in the third quarter last year. (ffd: UP Corp.)

ACQUISITIONS, ABANDONMENTS AND ALIKE:

(MON) New Orleans & Gulf Coast Railway filed to lease, from Union Pacific, and operate approximately 7 miles of line between Goldsboro, LA. and Westwego, LA. and, also, approximately 5 miles of line in Harvey, LA. (ffd: STB)

(MON) Norfolk Southern filed to abandon approximately 5 miles of line between Gastonia, NC and Dallas/Gebo, NC. (ffd: STB)

(TUE) Burlington Junction Railway filed to lease, from Burlington Northern Santa Fe, and operate approximately 5 miles of BNSF's Marblehead Line between Quincy, IL. and Marblehead, IL. and, also, approximately 1 mile of BNSF's Moorman Lead Line in Quincy, IL. (ffd: STB)

(TUE) Elgin, Joliet & Eastern granted trackage rights to Burlington Northern Santa Fe over approximately 20 miles of EJE line between Joliet, IL. and Eola, IL. (ffd: STB)

(THU) The Morrystown & Erie Railway, doing business as the Maine Eastern Railroad, filed to lease, from the State of Maine, and operate the following lines: 1) the Brunswick to August Branch 2) the Brunswick to Rockland Branch 3) the Atlantic Branch Line. The 3 lines total approximately 86 miles. The lease is subject to existing freight operating rights held by Maine Central Railroad and Springfield Terminal Railway over portions of these lines. (ffd: STB)

CHANGING PEOPLE AND PLACES:

(FRI) New York Regional Rail, a New York Harbor terminal railroad, appointed Gordon Kuhn its chairman. Mr. Kuhn was previously a SVP of the former Conrail. (ffd: Progressive Railroading)

* * *

(CORRECTION: In last week's WRR and related to the memorial service held October 18 for the late L. Stanley Crane, I referred to Mr. Crane as having earlier been chairman of the Norfolk Southern Railway. Mr. Crane had been chairman of the Southern Railway, but retired from Southern and became chairman of the former Conrail prior to its 1982 merger with Norfolk & Western. Thanks to WRR Readers Joe Folk and Rudy Mayrhofer for their correction here.)

* * *

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,
Dave Mears
Cherry Hill, New Jersey, USA