

WEEKLY RAIL REVIEW

FOR THE WEEK ENDING SAT, DECEMBER 31, 2005

BY DAVE MEARS

(NOTE: One of the reasons that Weekly Rail Review is free is that I periodically "fall off the wagon" – that is, a surge of personal circumstances and commitments cause me to have to suddenly suspend its publication. That happened again in mid-September – but all things in that world are again settled and, accordingly, I am resuming its publication. The issue for the week ending December 31 follows – and in a little while, I hope to have a "catch up" issue out. I thank all of you for your emails of interest and enthusiasm during this time. September marked the 6th year of Weekly Rail Review – my way of keeping up with the news of rail and transit and in touch with my acquaintances in it. Dave M.)

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

(SUN) A severe mudslide blocked the BNSF main line between Nisqually, WA and Pioneer, WA. Although BNSF cleared the line and resume freight train operations later in the day, it suspended Amtrak passenger train operations over the line for 48 hours to make sure that no other slides would occur. Passenger operation over the line was resumed on Tuesday. (ffd: Seattle Post-Intelligencer)

(TUE) Officials of the Transport Workers Union in New York City approved a new 37-month contract. The agreement, which is tentative pending ratification by union membership, follows a three-day strike the previous week that idled all New York City bus and subway service. The agreement scraps the New York City Transit Authority's earlier demand that future workers pay more into their pension plan, but in return, all workers will now contribute 1.5 percent of their wages toward their health benefit premiums. The agreement also provides for wage increases of 10.9 percent over a 3-year period. (ffd: wire services)

(TUE) Canadian National announced a C\$1.5 billion capital program for 2006. The program includes C\$800 million for infrastructure improvements and C\$325 million for car and locomotive improvements. The program also includes C\$250 million for what the company refers to as "network productivity initiatives and strategic projects," which includes extending sidings in Western Canada and rebuilding Johnston Yard in Memphis, TN. CN CEO Hunter Harrison commented: "At close to 20 percent of revenues, CN's capital spending plan for the next year represents a significant commitment to maintain a solid rail infrastructure." (ffd: CN Corp.)

(TUE) Boston, MA's Massachusetts Bay Transportation Authority placed 4 new double-decker coaches in commuter rail service. An MBTA spokesman said that 19 of the new coaches will be in service by the end of the week and 14 more will be put in service next month. The spokesman added that the new cars have a seating capacity of 180 and are equipped with bathrooms. (ffd: MBTA)

(TUE) BNSF announced that they planned to ask the railfan community to become a part of BNSF's On Guard rail security program. In a prepared statement, BNSF said that it "recognizes that there are many railroad enthusiasts throughout the system who can be helpful in reporting security violations and suspicious activities. Next year, BNSF

will launch a new program similar to On Guard to gain railfan support as another layer in rail transportation security." Launched in 2003, the On Guard program encourages the reporting of suspicious behavior, security violations, trespassers and crimes in progress on BNSF property. (ffd: BNSF Corp.)

(TUE) Pittsburgh, PA's Port Authority of Allegheny County announced that it would proceed with construction of its North Shore Connector project, but will defer until a future date a planned extension to the David L. Lawrence Convention Center. The North Shore Connector will extend light rail service 1.2 miles via tunnels under the Allegheny River to Pittsburgh's North Shore, including to Heinz Field and PNC Park. A Port Authority spokesman said that the extension to the Convention Center is still planned, as is an extension to Pittsburgh International Airport. (ffd: Progressive Railroading)

(TUE) The U.S. Surface Transportation Board announced the release of its report of the Board's activities during the fiscal years 2002 through 2004. An STB spokesman said that the report contains digests that include the Board's history, functional responsibilities, rail rate and service matters, rail oversight activity, and various informational and statistical appendices. The report is available for viewing and downloading via the agency's website, <<http://www.stb.dot.gov/>>www.stb.dot.gov. (ffd: STB)

(THU) Canadian Pacific Railway announced a capital program of between C\$810 million and C\$825 million in 2006. A CPR spokesman said that the program includes C\$570 million for infrastructure improvements, C\$160 million for locomotive improvements, C\$50 million for information technology improvements, and C\$25 million to expand capacity in intermodal terminals. The spokesman added that the 2006 program declines slightly from the C\$920 million 2005 program, during which CPR carried out its largest capacity expansion program in 2 decades. (ffd: CPR Corp.)

(THU) Canadian National and the Brotherhood of Locomotive Engineers and Trainmen announced that they had ratified a new 5-year contract covering the approximately 400 CN locomotive engineers operating over the former Illinois Central. A CN spokesman said that the agreement continues the hourly-rate system of compensation for locomotive engineers "that CN pioneered on its U.S. properties in 2002." (ffd: BLET, CN Corp.)

(FRI) The New York and New Jersey Port Authority announced a \$5 billion budget for 2006. A PANYNJ spokesman said that the budget includes \$2.3 billion for operating expenses, \$1.88 billion for capital improvements, and \$779 million for debt service. The spokesman added that the major capital improvements will be construction of the World Trade Center Transportation Hub, which will include a permanent PATH Terminal; construction of a new Terminal 5 at JFK Airport; redevelopment of Terminal B at Newark Airport; procurement of 340 new PATH subway cars; continued rehabilitation of the Goethals Bridge; and construction of an expanded ExpressRail intermodal facility at the Port Elizabeth. (ffd: PANYNJ)

(SAT) The Amtrak "Silver Meteor" passenger train that left Florida on Thursday finally arrived in New York, 29 hours late. The train had been blocked by a CSX freight train derailment in Savannah, GA. Officials said that the train had been delayed in Jacksonville, FL for half a day, then proceeded north, then stopped again in rural Georgia waiting for the route to be reopened. Passengers aboard the train, whose problems were highlighted on national news programs, complained on arrival in New York of overflowing toilets, an absence of toilet paper, a scarcity of food and water, insufficient information and action on the part of Amtrak personnel, and said that many persons on board had become angry or scared, or both. An Amtrak spokesman said that they regretted the problems, but later told NBC

News that they had no immediate plans to offer restitution. (ffd: NBC, wire services)

STATS – TRAFFIC:

For the week ending December 24, 2005 – which, in the comparable week last year, included Christmas – U.S. rail volume grand totaled 32.5 billion ton-miles, up 17.8 percent. Also for the week, U.S. carload rail traffic was up 17.1 percent, up 20.5 percent in the East and up 14.5 percent in the West. Also for the week, U.S. intermodal rail traffic was up 32.1 percent, Canadian carload rail traffic was up 13.5 percent, and Canadian intermodal rail traffic was up 34.0 percent.

In Mexico, carload rail traffic on the Kansas City Southern de Mexico, the former Transportacion Ferroviaria Mexicana, was down 14.2 percent. KCSM's intermodal rail traffic was up 3.1 percent.

For the period January 1 through December 24, 2005, U.S. rail volume grand totaled 1.66 trillion ton-miles, up 2.4 percent from the comparable period last year. Also for the period, U.S. carload rail traffic was up 0.9 percent, U.S. intermodal rail traffic was up 6.3 percent, Canadian carload rail traffic was down 1.1 percent, Canadian intermodal rail traffic was up 3.9 percent, KCSM's carload rail traffic was down 5.9 percent, and KCSM's intermodal rail traffic was up 0.9 percent. (ffd: AAR)

MORE STATS – OPERATING PERFORMANCE:

(NOTE: Effective October 1, 2005, railroads that had been furnished operating performance statistics to the Association of American Railroads began applying a new standardized definitional framework, aimed at eliminating differences in calculation methodology. However, comparative data will not be available again until after the first of the year. Concurrent with but unrelated to these changes, Canadian National elected to no longer furnish these statistics.)

For the week ending December 23, 2005, average total cars on line was as follows: BNSF, 218,244 cars; Canadian Pacific, 81,247 cars; CSX, 230,951 cars; Kansas City Southern, 27,423 cars; Norfolk Southern, 205,642 cars; and Union Pacific, 325,133 cars.

Also for the week ending December 23, 2005, average train speed was as follows: BNSF, 22.6 mph; Canadian Pacific, 23.7 mph; CSX, 18.5 mph; Norfolk Southern, 20.4 mph; and Union Pacific 20.8 mph (information for Kansas City Southern was not available.)

Finally for the week ending December 23, 2005, average terminal dwell time was follows: BNSF, 26.3 hrs; Canadian Pacific, 22.3 hrs; CSX, 30.2 hrs; Norfolk Southern, 25.2 hrs; and Union Pacific, 30.4 hrs (information for Kansas City Southern was not available.)

EXPANSIONS, CONTRACTIONS AND ALIKE:

(TUE) BNSF filed to abandon and the Iowa, Chicago & Eastern Railroad filed to discontinue service over approximately 5 miles of line near Albany, IL. (ffd: STB)

(TUE) The Columbus & Greenville Railway filed to abandon approximately 1 mile of line in Greenwood, MS. (ffd: STB)

(TUE) RailAmerica announced that it had completed the sale of its San Luis and Rio Grande Railroad to Permian Basin Railways, the latter a subsidiary of Iowa Pacific Holdings, for \$7.0 million. The SLRG operates between Walsenburg, CO and Derrick, CO, and from Alamosa, CO to Antonito, CO, totaling 154 miles. (ffd: RT&S)

(WED) Koch Forest Products Co. filed to acquire direct control of the Gloster Southern Railroad and the Blue Rapids Railway. (ffd: STB)

(THU) The Town of Corinth, NY announced that it had purchased 15 miles of line between Saratoga Springs, NY and North Creek, NY for \$2 million. A town spokesperson said it had obtained federal and state funding to buy the line and was hopefully of running tourist trains over it to serve the Gore Mountain ski area. (ffd: wire services)

(THU) Global Railway Industries, a railway products manufacturer, announced that it would relocate its corporate offices from Calgary, Canada to Berwick, PA. The relocation will be to the G & B Specialties complex, a Global wholly-owned subsidiary. (ffd: AAR)

(THU) Northern Plains Railroad filed to operate approximately 70 miles of line, owned by Mohall Central Railroad, between Sarles, ND and Lakota, ND. (ffd: STB)

(THU) The Reading Blue Mountain & Northern Railroad filed to operate approximately 5 miles of line, owned by the Locust Valley Coal Company, between Laurel Jct., PA and Newton Jct., PA. (ffd: STB)

(FRI) The V&S Railway filed to acquire, from the Colorado, Kansas & Pacific Railway, approximately 122 miles of line between Towner, CO and NA Jct., CO. (ffd: STB)

APPOINTMENTS, ACHIEVEMENTS AND ALIKE:

(WED) A&K Railroad Materials announced that President Morris Kulmer had divested his interest in the company after owning the firm with Kern Schumacher for the past 38 years. A&K will remain a privately held corporation with Mr. Schumacher as majority stockholder. (ffd: Progressive Railroading)

(THU) The Association of American Railroads announced that Norfolk Southern CEO Wick Moorman had been elected AAR chairman for 2006. Mr. Moorman succeeds Michael Ward, the CEO of CSX. (ffd: AAR)

(THU) Union Pacific appointed David Barnes AVP-Operations-Chicago. Mr. Barnes was most recently UP's General Superintendent-Transportation Services-Chicago. (ffd: UP Corp.)

(THU) VIA Rail Canada announced that it had again released Jean Pelletier as its chairman. Mr. Pelletier had previously been released, but a Canadian federal court overturned the decision in November, 2005. A VIA spokesman said that Don Pettit would serve as acting chairman until Transport Canada appointed a permanent replacement. (ffd: Progressive Railroading)

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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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