

WEEKLY RAIL REVIEW

FOR THE WEEK ENDING SAT, FEBRUARY 4, 2006

BY DAVE MEARS

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

(MON) The California Air Resources Board voted to continue its agreement with BNSF and Union Pacific aimed at reducing air pollution at California rail yards. The agreement had been criticized by California's South Coast Air Quality Management District, which was considering tougher air pollution standards than are allowed by the CARB agreement. A CARB spokesman said that it had worked to negotiate an agreement with the railroads rather than adopt regulations or seek legislation which it said could at some point be tied up in court fights over whether the state has the authority to control railroad pollution. (ffd: Trains)

(MON) The Brotherhood of Locomotive Engineers and Trainmen and the United Transportation Union announced that they would work together to oppose single-person train crews. "During negotiations, the major rail carriers have attempted to use past differences between the BLET and the UTU as a wedge to reduce crew size, " said BLET National President Don Hahs and UTU International President Paul Thompson in a joint statement. A spokesman for the unions said that, as a show of good faith, the UTU would withdraw its single-craft representation election at Union Pacific Railroad and the BLET would refrain from attempting to organize UTU-represented railroads. (ffd: Progressive Railroading)

(MON) The consulting and forecasting firm Economic Planning Associates announced that it was increasing its previous forecasts of new rail freight car deliveries. An EPA spokesman said that it was now projecting that 73,787 new freight cars would be delivered in 2006, a total 8 percent higher than its previous forecast made 3 months ago. The spokesman added that EPA was further projecting deliveries of 69,750 cars in 2007, 62,750 in 2008, and 61,500 in 2009. (ffd: Railway Age)

(MON) Washington, DC's METRO subway system began testing 8-car trains on its Orange Line. A METRO spokesman said that it would use 114 subway cars to make up 6 8-car trains and 11 6-car trains for service on the line. 6-car trains have been the standard for METRO since its 1976 opening. A METRO spokesman said that similar testing would be undertaken on other subway lines later this year to "improve service reliability." (ffd: Progressive Railroading)

(TUE) A Union Pacific freight train derailed 37 cars near Timpson, TX, approximately 175 miles southeast of Dallas. A UP spokesman said that there were no injuries reported in the derailment, the cause of which was being investigated. (ffd: wire services)

(WED) Reuters news service reported that the Bush Administration would propose \$900 million in funding for Amtrak in Fiscal Year 2007. An Associated Press report, however, did not give a firm figure. Amtrak received approximately \$1.3 billion in funding from Congress for FY2006, although the Administration had proposed no funding without an accompanying package of reforms to Amtrak, most of which caused controversy and have not been enacted. (ffd: NARP)

(WED) New York City area commuter rail operator Metro North announced that, in 2005, it had set an annual ridership record of 74.5 million rides. A MNRR spokesman noted that ridership rose 3.8 percent compared with 2004 and has risen 56 percent since 1984. The spokesman added that MNRR also had a 97.5 percent on-time performance rating in 2005, its highest ever. (ffd: Progressive Railroading)

(WED) The Chicago Transit Authority announced that ridership on its elevated and subway systems totaled 186.6 million in 2005. A CTA spokesman said that the total was a 4.5 percent increase from 2004 and its highest annual count since 1985. The spokesman noted that CTA last year completed a \$482 million rehabilitation of the 54th Street-Cermack Branch of its Blue Line, including offering weekend service on the line for the first time since 1998 along with increased train speeds. (ffd: Progressive Railroading)

(WED) Boston commuter rail operator Massachusetts Bay Commuter Railroad activated a new internet-based customer service center. A spokesman for the MBTA's parent agency, the Massachusetts Bay Transportation Authority, said that the web-based customer service center will feature online customer feedback for concerns, complaints and questions; increased FAQ's about customer issues; and an expanded ability to download system maps and schedules, station and parking lot information, and fare information. The new service may be accessed at mbcr.net or mbta.com. (ffd: MBTA)

(THU) Kansas City Southern announced that it had purchased 4 passenger locomotives and 8 luxury passenger cars from St. Louis-based RailCruise America, which is cutting back operations. A RailCruise America spokesman said that "...continuing escalating costs...and increasing congestion on railroads that resulted in a certain unpredictability of departure and arrival times" was a factor in cutting back operations and selling the equipment. A KCSR spokesman said that the equipment would be added to its existing business car fleet and that the additional locomotives and cars would likely permit some of it to be based on its Kansas City Southern de Mexico subsidiary out of Monterrey, MX. (ffd: RailCruise America, Trains)

(FRI) New Jersey Transit announced that it would open 2 new stations on its Hudson-Bergen light rail line serving Northern New Jersey near New York City. The new stations, which will open on February 25, will be the Bergenline Avenue Station in Union City, NJ and the Tonnelles Avenue Station in North Bergen, NJ. An NJT spokesman said that February 25 will also mark the start of full service, 7 days a week, to the line's Port Imperial Station, which had opened for weekend-only service last October. (ffd: NJT, RT&S)

#### STATS – TRAFFIC:

(NOTE: The Canadian carload and intermodal rail traffic mentioned below includes both the Canadian and U.S. operations of Canadian National and Canadian Pacific Railway.)

(THU) For the week ending January 28, 2006, U.S. rail volume grand totaled 33.0 billion ton-miles, up 6.5 percent from the comparable week last year. Also for the week, U.S. carload rail traffic was up 5.0 percent (up 7.6 percent in the East and up 3.0 percent in the West), U.S. intermodal rail traffic was up 6.6 percent, Canadian carload rail traffic was up 1.5 percent, and Canadian intermodal rail traffic was up 4.5 percent.

For the month of January, 2006, U.S. rail volume grand totaled 129.4 billion ton-miles, up 5.9 percent from January, 2005. Also for the month, U.S. carload rail traffic was up 4.2 percent. Notable traffic increases for the month included crushed stone, sand and gravel up 9.1 percent, coal up 7.7 percent, and grain up 5.0 percent; notable traffic decreases included metallic ores down 22.2 percent, nonmetallic minerals down 15.1 percent, and chemicals down 2.3 percent. Also for the month, U.S. intermodal rail traffic was up 6.1 percent, Canadian carload rail traffic was up 2.5 percent, Canadian intermodal rail traffic was up 6.1 percent, Mexico's Kansas City Southern de Mexico's carload rail traffic was down 15.9 percent, and KCSM's intermodal rail traffic was down 14.1 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. Concurrent with but unrelated to these changes, Canadian National elected to no longer furnish these statistics.)

(WED) For the week ending January 27, 2006, average total cars on line was as follows: BNSF, 216,430 cars; Canadian Pacific, 81,062 cars; CSX, 224,332 cars; Kansas City Southern, 28,779 cars; Norfolk Southern, 207,275 cars; and Union Pacific, 324,656 cars. (Comparative totals from last year are not yet available.)

Also for the week ending January 27, 2006 and ranked with the comparable week last year, average train speed was as follows: BNSF, 23.5 mph versus 24.3 mph; Canadian Pacific, 25.9 mph versus 20.3 mph; CSX, 19.9 mph versus 18.9 mph; Kansas City Southern, 20.5 mph versus 24.5 mph; Norfolk Southern, 20.9 mph versus 21.2 mph; and Union Pacific, 20.9 mph versus 21.0 mph.

Finally for the week ending January 27, 2006 and ranked with the comparable week last year, average terminal dwell time was follows: BNSF, 25.4 hrs versus 24.3 hrs; Canadian Pacific, 20.4 hrs versus 32.6 hrs; CSX, 26.4 hrs (last year not available); Kansas City Southern, 27.4 hrs versus 23.8 hrs; Norfolk Southern, 24.0 hrs versus 25.9 hrs; and Union Pacific, 28.2 hrs versus 29.7 hrs. (ffd: AAR)

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

(TUE) For the 4th Qtr., 2005, Canadian Pacific Railway reported net income of C\$135.4 million, up from C\$129.3 million the previous fourth quarter. Revenues were C\$1.166 billion, up from C\$1.021 billion the previous fourth quarter. CPR's operating ratio was 74.1 percent, improved from 77.2 percent the previous fourth quarter. For the Full Year 2005, CPR reported net income of C\$542.9 million, up from C\$413.0 million in 2004. Revenues were C\$4.391 billion, up from C\$3.902 billion in 2004. CPR's 2005 operating ratio was 77.2 percent, improved from 79.8 percent in 2004. (ffd: BNSF Corp.)

(TUE) For the 4th Qtr., 2005, Kansas City Southern reported a net loss of \$4.1 million, compared with a loss of \$1.4 million the previous fourth quarter. Revenues were \$388.2 million, compared with \$174.6 million the previous fourth quarter. In announcing results, a KCS spokesman noted the effect on net income of infrastructure damage and lost revenue associated with Hurricanes Katrina and Rita and, also, the effect on revenues of KCSR becoming the sole owner of Kansas City Southern de Mexico and the Texas Mexican Railway. For the Full Year 2005, KCSR reported net income of \$84.9 million, up from \$15.7 million in 2004. Revenues were \$1.352 billion, up from \$639.5 million in 2004. KCSR operating ratio information for the 4th Qtr., 2005 and the Full Year 2005 was unavailable. (ffd: KCS Corp.)

#### EXPANSIONS, CONTRACTIONS AND ALIKE:

(MON) CN and CSX announced agreement on a series of changes related to their Ontario, Canada operations. Under the agreement: CN will move CSXT traffic to and from Sarnia, ON, and to and from CSXT connections at Buffalo, NY and Toledo, OH; CN will move CSXT through traffic for CPR and interchange it to CPR at London, ON instead of Chatham, ON; and CSXT will sell to CN approximately 13 miles of line between Chatham and Blenheim, ON, enabling CN to gain control of trackage connecting it to the Windsor, ON yards and the Detroit-Windsor rail tunnel. Related to the agreement, CSXT will retain its tracks in Sarnia, continue to serve customers in the city, and continue operating approximately 27 miles of line between Sarnia and Wallaceburg, ON. However, CSXT will file to abandon its line between Wallaceburg and Chatham. (ffd: CN Corp., CSX Corp., Progressive Railroading)

(TUE) The Nebkota Railway filed to abandon approximately 43 miles of line between Rushville, NE and Merriman, NE. (ffd: STB)

(WED) The Newsday newspaper reported that Bombardier would likely soon close its plant in Auburn, NY that assembles rail car trucks, absorbing that work at other Bombardier plants. The Auburn plant once produced diesel locomotive engines for Alco Products. (ffd: Newsday, Trains)

(THU) BNSF filed to abandon approximately 500 feet of line in Cody, WY. (ffd: STB)

(THU) The Memphis Commercial Appeal newspaper announced that Canadian National would rebuild and expand the former Illinois Central's Johnston Yard there. The planned project is estimated to cost \$100 million. CN last year moved its transloading and intermodal terminals out of Johnston to a new \$35 million facility at Memphis's Pidgeon Industrial Park. The move freed up 70 acres at Johnston for rebuilding and expansion. (ffd: Memphis Commercial Appeal, Trains)

(THU) Norfolk Southern filed to abandon approximately 6 miles of line between Fort McClellan, AL and Anniston, AL. (ffd: STB)

(FRI) Kansas City Southern filed to grant Norfolk Southern overhead trackage rights over its Meridian Speedway line. The filing follows up a planned joint upgrading of the line announced last year. The line runs approximately 320 miles between Meridian, MS, Jackson, MS and Shreveport, LA. KCSR has transferred the line to a wholly owned subsidiary, Meridian Speedway LLC, to facilitate the sharing and joint upgrading of the line. (ffd: STB)

(FRI) R. J. Corman's Tennessee Terminal filed to lease, from BNSF, and operate approximately 47 miles of line as follows: the Olive Branch Metro Industrial Park tracks in DeSoto County, MS; the Airport Industrial Park tracks in Shelby County, TN; and the Tennessee Yard tracks in Shelby County, TN. (ffd: STB)

(FRI) The Surface Transportation Board granted the San Pedro Railroad's earlier request to abandon approximately 77 miles of line as follows: the Bisbee Branch between Bisbee Jct., AZ and Bisbee, AZ; the Douglas Branch between Paul Spur, AZ and Douglas, AZ, between Charleston, AZ and Paul Spur, and between Charleston and Curtiss, AZ. (ffd: STB)

APPOINTMENTS, ACHIEVEMENTS AND ALIKE:

(THU) New York's Metropolitan Transportation Authority appointed Lewis Schiliro to the new position of Director-Interagency Preparedness. Mr. Schiliro was earlier a 25-year veteran of the Federal Bureau of Investigation. (ffd: Progressive Railroading)

(THU) Shortline conglomerate Watco Companies appointed Allan Roach SVP-Marketing. Mr. Roach succeeds in this position Kirk Hawley, who Watco recently appointed SVP-Service Assurance. (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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