

WEEKLY RAIL REVIEW

FOR THE WEEK ENDING SAT, MARCH 12, 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):

(MON) Top executives of one of the U.S.'s largest trucking companies, J.B. Hunt, advocated more and better intermodal transportation. Said Hunt President Kirk Thompson, "If we could get more consistent and reliable rail service, there is no end to the amount of freight that could be moved by [intermodal] rail." Hunt SVP-Sales Terry Matthews said that government investment or backing is needed to build more intermodal terminals, suggesting that 20 to 30 new terminals are needed at various locations throughout the country. Both executives added that it is becoming increasingly difficult to recruit drivers for long-distance trucking. (ffd: Springdale Morning News, wire services)

(MON) The Surface Transportation Board filed an opinion supporting CSX's efforts to overturn the new Washington, DC. city ordinance banning hazardous material shipments within 2 miles of the U.S. Capitol. The STB commented that the city's ban, scheduled to take effect April 11, is pre-empted by federal law. CSX has filed in federal court to overturn the ban and a court hearing is set for March 23. (ffd: wire services)

(MON) A leading Republican on the House Transportation and Appropriations Committees, Rep. John Sweeney (R-NY.), predicted a "brutal, hard fight" to gain Fiscal Year 2006 funding for Amtrak. Mr. Sweeney said that he needs to attract support from party moderates by reframing the debate over Amtrak, which the Bush Administration has proposed receive no FY2006 funding, to show that passenger rail is both a homeland and economic security issue. Later in the week, Mr. Sweeney said, "The Social Security debate is raging, but I have to tell you that Amtrak is the bigger issue as it relates to my constituents." (ffd: Albany Times-Union, NARP)

(MON) Canadian Pacific announced that it would convert up to 35 switching locomotives to "Green Goat" hybrid locomotives. The conversions are being accomplished in partnership with Rail Power Technologies of Vancouver, BC. The hybrid locomotives run on electricity from onboard battery banks, which are continuously recharged by a small diesel-powered generator. A CPR spokesman said that recent tests have shown the hybrid locomotives to have "fuel, emissions, and operational benefits." (ffd: CPR Corp., Railway Age)

(MON) Portland, OR. marked the first weekday service over its newly extended light rail line. The new half-mile segment brings the line's total length to over 3 miles and extends service from near Portland State University to the city's River Place neighborhood. (ffd: KGW-TV)

(TUE) The United Transportation Union asked a federal court in Illinois to bar railroads from demanding that the union

collectively bargain on 2 carrier demands in national contract negotiations. One demand would change current agreements to include a provision that "crew size shall be based on operational need as determined by the railroads" and the other "seeking jointly from Congress legislation eliminating the Federal Employers Liability Act (FELA)." On Wednesday, Robert Allen, head of the National Carriers' Conference, which is bargaining with the UTU on behalf of major railroads, criticized the union "for misusing the legal process to raise issues that properly should be addressed at the bargaining table." On Thursday, UTU President Paul Thompson said that "national negotiations have completely broken down over the Section 6 notice...demanding the right to consolidate all train and engine service positions." (ffd: AAR, Railway Age, UTU)

(TUE) Canadian National and the Teamsters Canada Rail Conference extended until May 12 the date either party can issue a 72-hour strike or lock-out notice. CN President and CEO Hunter Harrison said, "We remain optimistic that further face-to-face negotiations...[will] successfully resolve issues still on the bargaining table." TCRC President Gilles Halle said, "This additional period will give the parties time to schedule meaningful negotiations aimed at reaching an agreement." (ffd: Progressive Railroading, RT&S)

(TUE) New York Metropolitan Transportation Authority officials said that their proposed ban on subway photography was "in limbo." An MTA spokesman said that the delay was the result of an outpouring of criticism about the move, which would exempt credentialed photojournalists, but give police wide latitude in limiting all other picture-takers. The MTA first proposed the ban in May, 2004, for security reasons. (ffd: Newsday)

(TUE) The National Transportation Safety Board marked 30 years as an independent federal agency. The NTSB was established April 1, 1967 as part of the Department of Transportation, but became independent of USDOT in 1975. To mark the anniversary, NTSB has made available via its website a new publication, "NTSB: Lessons Learned and Lives Saved," that includes safety measures inspired by NTSB recommendations. "We firmly believe that, out of tragedy, good must come," said NTSB Chairman Ellen Engleman Connors. (ffd: NTSB)

(WED) The Senate defeated an amendment to add \$1.04 billion in federal funding for Amtrak to the Bush Administration's proposed FY2006 budget. The amendment, which was proposed by Sen. Robert Byrd (D.-WV.), was defeated 52 to 46. The \$1.04 billion would have been added to the \$360 million budgeted for sustaining Northeast Corridor operations should Amtrak cease operations. Senate Amtrak supporters said that they would continue to fight for Amtrak FY2006 funding. Said Sen. Trent Lott (R.-MS.), "I am committed to trying to find a way to find a reliable stream of funds for Amtrak so that its future can be certain and does not have to depend on annual appropriations." Shortly after the vote, Secretary of Transportation Norman Mineta issued a statement saying that the defeat "signaled that [the Senate] is reading to begin an earnest discussion on the best way to undertake desperately needed reforms to put intercity passenger rail on a stable footing for the future." (ffd: Chicago Tribune, USDOT, wire services)

(WED) The House passed a budget resolution proposing \$1.2 billion in FY2006 funding for Amtrak. The House resolution set transportation funding at "the President's recommended level, as re-estimated by the Congressional Budget Office, with the following adjustment: the starting level was increased to accommodate for continued funding of passenger rail services." Reviewing the defeat of the Senate amendment and the passage of the House budget resolution, a spokesman for the National Association of Railroad Passengers commented that the House's action and Rep. Sweeney's statements (see above) were "the high points of an otherwise dismal week for rail passenger supporters." (ffd: NARP, New London Day)

(WED) The National Carriers' Conference filed for mediation with the Rail Labor Bargaining Coalition organized by the

International Brotherhood of Teamsters. The RLBC, which represents 7 rail unions including the Brotherhood of Locomotive Engineers and the Brotherhood of Maintenance of Way Employees, had proposed 8 process-oriented ground rules for negotiations, which the NCC said in their filing were "needless" and "inappropriate." The filing blocks any possible strikes or related job actions. Spokesmen for the NCC and the RLBC said that no further negotiations toward a new national contract have been scheduled. (ffd: National Railway Labor Conference, Railway Age)

(WED) In testimony before the Senate Finance Committee, New York City officials urged Congress to extend \$2 billion in tax credits so that they can build a new rail transit line linking Lower Manhattan with Long Island and JFK Airport. The tax credits were part of \$20 billion aid package for Lower Manhattan recovery initiatives that was voted by Congress and signed by the President following the September 11, 2001 terrorist attacks. "This is the single most important project to bring New York back," said Daniel Doctoroff, NYC Deputy Mayor for Economic Development and Rebuilding. The tax credits are currently set to expire at the end of this year. (ffd: Newsday)

(THU) The Surface Transportation Board announced that it was rescheduling its hearing on rail rate challenges under stand-alone cost methodology. An STB spokesman said that the hearing, which was originally set for March 24, has been postponed until April 26. An STB spokesman said that the hearing is "for railroads, shippers and other interested parties...to express views and offer suggestions" related to stand-alone cost methodology and that no pending rail rate cases will be discussed. (ffd: AAR, STB)

(THU) European rail leaders signed an agreement to develop and install a uniform traffic control system. A spokesman for the European Union, whose member nation rail networks are party to the agreement, said that the new system will use track sensors to transmit track speed and track occupancy information to onboard train operating systems. The spokesman added that the standardized system will replace 20 separate systems currently in use and will be phased in over a 10 to 12 year period. "We cannot create a European rail system without an overarching instrument to link the national rail systems together," said EU Rail Chief Jacques Barrot. (ffd: Eurosource, Journal of Commerce)

(FRI) Union Pacific and the State of Texas announced that they had agreed, over the long-term, to work toward relocating rail lines away from state urban areas. A spokesman for Texas Governor Rick Perry said that the effort would ultimately reduce rail freight chokepoints, lessen crossing accidents and keep hazardous materials out of major Texas cities. UP CEO Dick Davidson said that the agreement was "a blueprint for an expensive and probably long-term process." The Texas Department of Transportation has made rail planning a major initiative and is looking to establish public-private partnerships to build new highway and rail corridors through the state. (ffd: Dallas Morning News, wire services)

(FRI) The Federal Railroad Administration announced that it had again postponed the effective date for its new rule related to locomotive horn use at grade crossings. The new rule, which will allow "quiet zones" where horns may not be blown, but only at crossings that have certain minimum protective devices, was originally to be effective April 1, but will now be effective June 24. An FRA spokesman said that the postponement "will give public authorities additional time within which to establish the necessary conditions that will permit them to continue or establish 'quiet zones'." (ffd: AAR, USDOT)

(FRI) Washington, DC.'s Metro subway system announced that it would spend \$800,000 to purchase an additional 250 to 300 bomb-resistant trash receptacles for use in subway stations. A Metro spokesman said that the new receptacles would add to the 400 bomb-resistant receptacles installed in stations since 2002. For security reasons, Metro removed ordinary trash cans from subway stations following the September 11, 2001 terrorist attacks. (ffd:

Progressive Railroading)

(FRI) China announced that it would reduce its railway bureaucracy. A spokesman for China's Ministry of Railways said that its current 15 railway administrations would be reduced to 10, and that a total of 41 railway sub-administrations had been eliminated. The ministry spokesman said that "the reforms will not cause many layoffs," but added that "long-term, redundancy in China's railway network management is a reality," noting that, for every 1 kilometer of track, China's railways have 24 employees, compared with 7 in Germany, 5 in Japan, and less than 1 in the U.S. (ffd: China Daily)

STATS – TRAFFIC:

(THU) For the week ending March 12, 2005, U.S. carload rail traffic grand totaled 32.2 billion ton-miles, up 4.2 percent from the comparable week last year. Also for the week, U.S. carload rail traffic was up 3.7 percent, up 1.2 percent in the East and up 5.7 percent in the West. Notable traffic increases included non-grain farm products up 12.8 percent, coal up 8.6 percent and metals up 8.4 percent; notable traffic decreases included waste and scrap materials down 7.0 percent, motor vehicles and equipment down 5.6 percent and primary forest products down 5.1 percent. Also for the week, U.S. intermodal rail traffic was up 3.1 percent, Canadian carload rail traffic was down 2.6 percent, Canadian intermodal rail traffic was up 9.8 percent, Mexico's Transportacion Ferroviaria Mexicana's carload rail traffic was down 5.0 percent and TFM's intermodal rail traffic was down 1.6 percent.

For the period January 1 through March 12, 2005, U.S. rail volume grand totaled 312.2 billion ton-miles, up 3.7 percent from the comparable period last year. Also for this period, U.S. carload rail traffic was up 2.8 percent, U.S. intermodal rail traffic was up 9.5 percent, Canadian carload rail traffic was up 2.6 percent, Canadian intermodal rail traffic was up 6.4 percent, TFM's carload rail traffic was up 6.4 percent and TFM's intermodal rail traffic was up 14.0 percent. (ffd: AAR)

MORE STATS – "BIG 6" OPERATING PERFORMANCE:

(FRI) For the week ending March 12, 2005 versus the comparable week last year, average train speed was as follows: 24.3 mph versus 25.6 mph for BNSF, 24.0 mph versus 23.6 mph for Canadian National, 24.6 mph versus 24.3 mph for Canadian Pacific, 19.1 mph versus 20.7 mph for CSX, 21.9 mph versus 23.7 mph for Norfolk Southern, and 21.1 mph versus 21.5 mph for Union Pacific.

Also for the week ending March 12, 2005 versus the comparable week last year, average terminal dwell time was as follows: 9.7 hrs versus 10.0 hrs for BNSF, 14.4 hrs versus 14.4 hrs for Canadian National, 34.2 hrs versus 31.5 hrs for Canadian Pacific, 30.0 hrs versus 26.8 hrs for CSX, 24.4 hrs versus 22.3 hrs for Norfolk Southern, and 28.5 hrs versus 30.8 hrs for Union Pacific. (ffd: AAR)

(Note: Concerning the above statistics, AAR comments that "one railroad's performance metrics cannot meaningfully be compared to another railroad's, due to differences in the carriers' calculation methodologies, operational strategies, network characteristics, terrain, traffic mix and volume, length of haul, extent of passenger operations, and other

factors, such as weather.")

EXPANSIONS, CONTRACTIONS AND ALIKE:

(TUE) The South Orient Railroad announced that it had successfully operated a test train, the first on its lines in more than 6 years. The South Orient, which totals 382 miles of line, connects with the Fort Worth & Western Railroad at San Angelo Jct., TX. and Mexico's Ferromex at Presidio at the Texas-Mexico border. (ffd: Dallas Morning News, RT&S)

(THU) Union Pacific granted BNSF a total of 527 miles of temporary overhead trackage rights, as follows: Fort Worth, TX. to Longview, TX.; Longview, TX. to North Little Rock, AR.; North Little Rock, AR. to Bald Knob, AR.; and Bald Knob AR. to Memphis, TN. The purpose of the trackage rights is to allow BNSF to bridge its train while its near lines are out of service to due track maintenance. (ffd: STB)

(FRI) The Tennessee Railway filed to abandon approximately 27 miles of line between Oneida, TN. and Nicks Creek, TN. (ffd: STB)

APPOINTMENTS, ACHIEVEMENTS AND ALIKE:

(MON) VIA Rail Canada appointed Paul Cote President and CEO. Mr. Cote, who has been with VIA since 1978, has been the company's Acting President/CEO since February, 2004. (ffd: Transport Canada)

(TUE) Norfolk Southern Chairman, President and CEO David Goode was presented with Railway Age's Railroader of the Year 2004 Award. In his acceptance speech, Mr. Goode referred to 2004 as "the year that changed our transportation world...We saw a basic demand shift to rail." Mr. Goode added, "Suddenly, rail is on everyone's lips, and public policy is even recognizing that investing in rail is good policy and good politics...What a change...". (ffd: Railway Age)

(TUE) Joel Ettinger was appointed Executive Director of the New York Metropolitan Transportation Council. Mr. Ettinger was previously the Federal Transit Administration's Chief Regional Administrator in Chicago, IL. (ffd: New York Times)

(TUE) Montreal, Maine & Atlantic Railway appointed Robert Lane Chief Engineer-Communications and Signals. Mr. Lane was previously with Union Pacific. (ffd: Progressive Railroading)

(THU) The Bush Administration announced that it would nominate Joseph Boardman to be the permanent Chief Administrator of the Federal Railroad Administration. Mr. Boardman was most recently Transportation Commissioner for the State of New York. Commenting on the nomination, U.S. Senator Charles Schumer (D-NY.) said that Mr.

Boardman had told him that "two of his top priorities would be saving Amtrak and strengthening our weak rail safety and security system." (ffd: New York Times)

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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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