

WEEKLY RAIL REVIEW

FOR THE WEEK ENDING FRIDAY, MARCH 4, 2011

BY DAVE MEARS

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

(MON) The Washington State Department of Transportation, BNSF, and the Federal Railroad Administration announced an agreement that will allow Washington State to secure \$590 million in federal high-speed rail funding to improve Amtrak Cascade rail service between Seattle, WA and Portland, OR. The agreement will allow for the operation of up to six daily round-trips, additional to Amtrak's "Coast Starlight" train, and will also include the building of new bypass tracks, a ten-minute reduction in travel time, and reliability improvements of up to 88 percent. The project is targeted for completion by 2017. (ffd: AASHTO, NARP, USDOT)

(MON) Criticism mounted related to Massachusetts Bay Commuter Railroad train service. On Monday evening, a train operating from Boston to Worcester arrived three hours late, with riders noting the following day continued poor performance on the line. On Thursday, MBCR's parent organization, the Massachusetts Bay Transportation Authority, said that it was considering dismissing MBCR as MBTA's commuter rail operator. "We have leverage over the MBCR...to scare them to prove to us that they have credible customer service," said MBTA General Manager Richard Davey. (ffd: Trains)

(MON) New Jersey Transit Executive Director James Weinstein announced a new scorecard of accountability measures that will be established to keep the public informed of the agency's performance. A NJT spokesman said that the scorecard would report the agency's performance in customer satisfaction, safety and security, fiscal health, service accountability, and workforce engagement. (ffd: Progressive Railroading)

(TUE) Metro North put the first of 380 new Class M-8 commuter rail cars in service on its New Haven Line. The line has notably suffered equipment problems this winter, including 40 percent of its fleet being out of service at one point. On Friday, Metro North restored train service on its Waterbury Line, the stations of which had been served by buses for several weeks while its regular trainsets were diverted for use on the New Haven Line. (ffd: NYMTA)

(WED) House Transportation & Infrastructure Committee Chair John Mica (R-FL) said that his committee would begin work later this month on new six-year surface transportation legislation. He said that it would be a "multi-modal bill" because "we've got to improve all of the elements of infrastructure" and predicted that Congress "should be done with it" before the next federal budget year begins in October. (ffd: Journal of Commerce)

(THU) The Senate Judiciary Committee voted 14-to-1 to approve the Railroad Antitrust Enforcement Act of 2011 sponsored by Sen. Herb Kohl (D-WI). Among other anti-trust related changes, the bill would put rail anti-trust matters under the jurisdiction of the U.S. Department of Justice. The bill, a version of which was withdrawn by the previous Congress, now goes to the full Senate for debate. (ffd: Progressive Railroading, Railway Age)

(THU) The Federal Railroad Administration proposed new regulations related to emergencies situations at grade crossings. The proposed regulations would require railroads to post a toll-free number at each crossing to reach the railroad in an emergency and also the crossing's federal National Crossing Inventory identification number. Past a period for public comment and possible change, the proposed regulations are scheduled to go into effect later this year. (ffd: FRA, Progressive Railroading)

(THU) The U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration announced new regulations related to the transport of hazardous materials. Among other changes, the new regulations allow federal inspectors to investigate shipments of hazardous materials in transport and to take tougher enforcement action against companies shipping in an unsafe

manner. The new regulations are scheduled to take effect May 1. (ffd: OSHA, PHMSA)

(THU) Investors Business Daily noted a surge in international demand for U.S. coal. It cited analyst reports that predicted that U.S. steam coal exports will nearly double this year to 40 million tons, and that total U.S. coal exports this year may be from 92 to 94 million tons. It noted that, in late February, 18 to 20 coal-carrying ships were waiting to be loaded at Lamberts Point Piers in Norfolk, VA. (ffd: BB&T Capital, Investors Business Daily)

(FRI) The Federal Railroad Administration confirmed that it would support changes to the implementation of Positive Train Control (PTC), which is required to be installed on certain rail lines by 2015. The changes, which will be finalized in a public rulemaking process, are expected to include not requiring Class I railroads to install PTC on lines over which there will minimal or no transport of toxic-by-inhalation traffic by 2015. The changes settle a lawsuit filed by the Association of American Railroads that was to be argued in D.C. Circuit Court on March 7. (ffd: Trains, Wall Street Journal, wire services)

(FRI) The Florida Supreme Court turned down a lawsuit filed by two Florida state senators that argued that Republican Governor Rick Scott exceeding his constitutional authority in renouncing \$2.4 billion in federal funding for development of high-speed passenger rail service between Orlando and Tampa. News reports declared Florida high-speed rail "officially dead." Later on Friday, U.S. Transportation Secretary Ray LaHood announced that he would reallocate the \$2.4 billion to one or more states that requested it for further development of their high-speed rail projects. (ffd: NARP, Orlando Sentinel, Trains)

(FRI) President Obama signed into law a measure that extends until September 30 federal funding of surface transportation programs under the SAFETEA-LU Act. The act, which expired on September 30, 2009, has now been extended seven times. As noted above, the House Transportation & Infrastructure Committee expects to start work on successor legislation later this month. (ffd: AASHTO)

(FRI) The U.S. Government Accountability Office issued a report stating that the U.S. Department of Transportation suffered from a "fragmented approach" to carrying out its mission that must be addressed to better improve the agency's capabilities and its solutions to complex challenges. The report, entitled "Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue," examines various federal programs at USDOT and other government departments. (ffd: AASHTO, GAO)

(FRI) The Surface Transportation Board ruled that BNSF's attempt to mitigate coal dust problems were not reasonable. An electric utility company had asked the STB to prevent BNSF from using a wayside emission monitoring system to measure coal dust blowing from the tops of coal cars because, if a specified emission standard was exceeded, the utility would have been subject to enforcement measures. The STB ruled that BNSF can require shippers to take "reasonable measures" to address coal dust problems, but the provisions of its related tariff aren't reasonable given the "level of uncertainty" and available dust control methods. (ffd: Progressive Railroading, STB)

(FRI) Fortune Magazine named Union Pacific the most admired company among trucking, transportation and logistics companies. UP ranked No. 1 in seven of nine reputation attributes: people management, use of corporate assets, social responsibility, quality of management, financial soundness, long-term investment, and quality of services. Norfolk Southern was No. 3 on the list and CSX was No. 6. (ffd: CNN, RT&S)

STATS – CLASS 1 RAIL TRAFFIC:

(THU) The Association of American Railroads reported that, for the week ending February 26, 2011 and ranked with the comparable week last year:

- U.S. carload rail traffic totaled 296,252 units, up 2.4 percent
- Notable U.S. carload traffic increases metallic ores up 78.2 percent, nonmetallic minerals up 12.4 percent, and stone, clay and glass products, up 10.4 percent; notable decreases included waste and nonferrous scrap down 17.2 percent, grain mill products down 16 percent, and non-grain farm products down 15.4 percent
- U.S. intermodal rail traffic totaled 220,589 units, up 7.2 percent
- Canadian carload rail traffic totaled 71,262 units, down 0.1 percent
- Canadian intermodal rail traffic totaled 46,661 units, up 7.7 percent
- Mexican carload rail traffic totaled 14,828 units, up 5.6 percent
- Mexican intermodal rail traffic totaled 7,773 units, up 13.1 percent

For the period January 1 through February 26, 2011:

- U.S. carload rail traffic totaled 2,277,689 units, up 6.1 percent
- U.S. intermodal rail traffic totaled 1,744,929 units, up 8.9 percent
- Canadian carload rail traffic 559,549 units, down 0.8 percent
- Canadian intermodal rail traffic totaled 363,649 units, up 4.8 percent
- Mexican carload rail traffic totaled 114,193 units, up 5.4 percent
- Mexican intermodal rail traffic totaled 58,171 units, up 13.8 percent

NOTE: Canadian counts include traffic from the U.S. operations of the two Canadian-based Class I railroads, Canadian National and Canadian Pacific Railway.

STATS CONTINUED – 2010 SAFETY RESULTS:

The FRA released preliminary safety results for the full year 2010. Compared with the full year 2009, they included the following:

- Train accidents totaled 1,830, compared with 1,895 earlier, a decrease of 3.5 percent
- Train accidents causes were 33.22 percent due to human factors, compared with 34.30 percent earlier; 35.25 percent due to track defects, compared with 34.88 percent earlier; 13.39 percent due to equipment defects, compared with 14.04 percent earlier; 3.66 percent due to signal defects, compared with 2.64 percent earlier; and 14.48 percent due miscellaneous causes, compared with 14.41 percent earlier
- Highway-rail crossing fatalities totaled 261, compared with 247 earlier, an increase of 5.7 percent
- Trespasser fatalities totaled 451, compared with 417 earlier, an increase of 8.2 percent
- On-duty employee fatalities totaled 20, compared with 14 earlier, an increase of 42.9 percent
- On-duty non-fatal employee injuries totaled 4,272, compared with 4,319 earlier, a decrease of 1.1 percent

EXPANSIONS, CONTRACTIONS AND ALIKE:

(MON) CSX announced that it had acquired land in Worcester, MA that will allow the expansion of its intermodal terminal there. The expansion facilitates the eventual closing of CSX's Beacon Park intermodal terminal in Boston. (ffd: Trains)

(FRI) Canadian National filed to abandon approximately one mile of former Wisconsin Central line in Weston, WI. (ffd: STB)

(FRI) The Massachusetts Bay Transportation Authority announced that it had acquired trackage rights and land such as will allow its Green Line Extension Project to move forward. MBTA also announced that, for possible future commuter rail service, it had acquired trackage rights over the Pan Am Railway line between Worcester and Ayer, MA, and also over Pan Am Railway lines in New Hampshire serving Nashua, Manchester, and Concord, NH. (ffd: R&R Magazine)

APPOINTMENTS, ACHIEVEMENTS AND MILESTONES:

(TUE) Kansas City Southern announced the following appointments: David Ebbrecht as executive vice president of operations for U.S. operations; John Jacobsen as senior vice president and chief engineer for U.S. operations; and Oscar Del Cueto as senior vice president of operations. (ffd: KCS RR)

(TUE) William Schafer retired from Norfolk Southern. Mr. Schafer had been with NS and its predecessor Southern since 1971 and was most recently its Director-Corporate Affairs. (Note: We congratulate Mr. Schafer, a longtime WRR reader, on his retirement.)

(TUE) The Surface Transportation Board announced that Charles "Chip" Nottingham will resign as its vice-chairman effective March 18. The Obama Administration in December nominated Ann Begeman, the Republican staff director of the Senate Commerce Committee, to succeed Mr. Nottingham. (ffd: Journal of Commerce, STB)

(WED) Canadian Pacific announced the retirement of Ed Harris, its executive vice president of operations. Succeeding Mr. Harris will be Mike Franczak, who has been with CPR since 1987. (ffd: CPR RR, wire services)

(WED) RailAmerica announced the appointment of Harold Tynes as president of its Atlas Railroad Construction subsidiary. Mr. Tynes has been with RailAmerica since 2007, and was most recently its vice president and controller. (ffd: Progressive Railroading, RailAmerica Corp.)

(THU) Gordon Davids retired from the Federal Railroad Administration. Mr. Davids was most recently FRA's chief engineer of structures and started his railroad career with the former Delaware & Hudson in the late 1950s.

(THU) Kansas City Southern announced the following appointments: Larry Haskell as assistant vice president of information technology operations and transportation systems. Mr. Haskell was most recently with ActioNet Corp. KCS also appointed Michelle Kelly as its assistance vice president of compensation. Ms. Kelly has been with KCS since 2008. (ffd: KCS RR)

(THU) The Railroad Retirement Board announced the appointment of George Govan as its chief financial officer. Mr. Govan was most recently a lieutenant colonel in the U.S. Air Force, where he served as the comptroller of the 88th Comptroller Squadron. (ffd:

RRB)

EDITOR'S NOTES:

-In case it is helpful to anyone who may not have received the last edition sent due to it possibly having been caught in or deleted by a spam filter, please know that it was sent March 1 for the week ending February 25.

-The expression "ffd" stands for "for further details" and denotes a news periodical, website, etc. that may have more information.

-I always appreciate any readers who send on Weekly Rail Review to let me know to whom they forward it, so that I may learn more about my total readership. All names, email addresses, etc. sent me are kept confidential and are never used for any other purpose.

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BE SAFE AND PROSPER,

Dave Mears

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