

## WEEKLY RAIL REVIEW

FOR THE WEEK ENDING SAT, APRIL 1, 2006

BY DAVE MEARS

(NOTE – to those of you working in rail or transit: If you are receiving Weekly Rail Review forwarded on from another and would like to receive it directly – which would also allow me to make your acquaintance – please contact me at <mailto:weeklyrailreview@aol.com>weeklyrailreview@aol.com and I will so arrange.)

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

(WED) Virginia state officials announced that they had signed a “memorandum of understanding” with the Metropolitan Washington Airports Authority to operate the Dulles Toll Road and to complete an extension of Washington, DC's Metro subway system to Dulles Airport and beyond to Loudoun County, VA. Plans call for the extension, totaling 23.1 miles, to be built in two phases. Phase 1 involves building from the Metro Orange Line's East Falls Church Station through Tysons Corner to Wiehle Avenue in Reston, a total of 11.6 miles with 5 new stations, with completion projected for 2011. Phase 2 involves building from Wiehle Avenue through Reston and Herndon to Washington Dulles International Airport and Route 772 in eastern Loudoun County, a total of 11.5 miles with 6 new stations, with completion projected for 2015. Officials said that they hoped to begin construction later this year, although arrangements for funding the project still need to be concluded. (ffd: RT&S)

(WED) The developer of the Trans-Texas Corridor proposed including 600 miles of new rail line in the project. A spokesman for the Spanish and American partnership developing the corridor, Cintra-Zachry, said that the line would run between the states's northern border with Oklahoma and its southern border with Mexico. Under the proposal, the company would spend about \$5 billion of its own money to build the line and then charge rail companies to use it. The Trans-Texas Corridor plan features a superhighway and utility right-of-way, roughly adjacent to Interstate 35, that is to be privately built by Cintra-Zachry, which will recoup its investment through user tolls. (ffd: wire services)

(WED) The National Mediation Board certified that 43 percent of eligible Union Pacific train dispatchers voted in favor of joining the American Train Dispatchers Association. However, an NMB spokesman said that the total was not enough for the union to become the workers' representative. The UP dispatchers are currently unrepresented. (ffd: Progressive Railroading)

(WED) China announced that it was starting to run its heaviest freight trains ever. A spokesman for the Chinese Ministry of Railways said that it was starting to run 204 cars trains loaded with 20,000 tons of coal and powered by 5 Chinese-made Shaoshan-class electric locomotives. The spokesman added that the trains make a 10-hour run between Hudong in Shanxi Province and the Port of Qinhuangdao in Hebei Province. (ffd: Xinhua News)

(THU) Amtrak announced that it would resume operating its “Southern Crescent” train Monday through Thursday between Atlanta, GA and New Orleans, LA effective April 3. The train had not operated Monday through Thursday

since March 6 due to NS trackwork on the line between Tuscaloosa, AL and Meridian, MS. (ffd: Amtrak)

(THU) The CEO of United Parcel Service, one of the world's largest movers of packaged goods, said that the U.S. was taking a chance with its future by neglecting its infrastructure. "What's shocking, quite frankly, is the inability of our transportation infrastructure to keep up with the normal day-to-day stresses imposed upon it," said UPS CEO Mike Eskew. "Our highways, waterways, railroads, and aviation are simply not keeping up with ordinary demands." Mr. Eskew added that any solution will require "lots of money" and urged funding to be targeted "using a holistic strategy...By holistic, I mean taking into account how all the air, ground and water-based systems work together, and increasing the integration of all these different modes of transport." (ffd: wire services)

(THU) BNSF announced that it had closed its 3,000th grade crossing since 2000. A BNSF spokesman said that, since that year, BNSF has had an ongoing program to close redundant and unnecessary at-grade crossings, adding that this had helped reduce BNSF's crossing accident rate by more than 30 percent. BNSF has approximately 27,500 at-grade crossings, including about 18,000 public crossings, 9,300 private crossings, and 200 pedestrian crossings. (ffd: BNSF Corp.)

(THU) Riders on Southern California commuter rail operator Metrolink's Riverside Line were treated to an early April Fool's prank in the form of an on-the-seat trackwork advisory flier. The official-looking flier described made-up problems of stresses to newly renovated tracks, explaining that the just-installed railroad ties would have to be outfitted with "poly-balatro resin" spikes. The flier then detailed elaborate route modifications that included boarding buses and reboarding other trains. The flier concluded with the words "Happy April Fools Day from Rider X" in small print at the bottom. (ffd: Los Angeles Times)

(THU) China opened the Washaoling Railway Tunnel in Gansu Province, located in the northwestern part of that country. A spokesman for the Chinese Ministry of Railways said that the tunnel is more than 15 miles long and more than a mile above sea level. The spokesman added that the tunnel's right tube was opened this date and that the left tube will be opened in October. (ffd: Xinhua News)

(FRI) A sex discrimination suit case involving BNSF will be argued before the U.S. Supreme Court. At issue in the case, Sheila White vs. BNSF, is what constitutes retaliation under antidiscrimination laws. Ms. White, who worked in Memphis, TN, alleged in 1997 that BNSF retaliated against her when it changed her job to track laborer, and then fired her after she filed a sexual harassment charge against a supervisor. A federal jury awarded Ms. White \$43,000 in damages for pay lost during her termination, but disregarded her sexual harassment charges. The case went to the U.S. Court of Appeals, which ruled that White's termination and job transfer were forms of retaliation. (ffd: Boston Globe)

(FRI) The Federal Highway Administration said that the traditional crossbuck signs installed at 60 percent of at-grade crossings in the U.S. are inadequate and should be augmented with "Stop" or "Yield" signs. A spokesman for the Association of American Railroads said that the AAR two years ago asked the FHA to issue "immediate guidance" allowing states to install "Stop" or "Yield" signs at crossings. The spokesman said that the AAR is now urging FHW to go one step further and make installation of these signs mandatory. (ffd: Railway Age)

(FRI) Officials in St. Louis, MO broke ground for the city's new Gateway Transportation Center. The center, which is expected to be complete in about 15 months, will provide an integrated terminal for Amtrak, local bus, intercity bus, and light rail services. St. Louis had a prefabricated, Amshack-style train station from the time it moved out of St. Louis Union Station in 1975 until 2005, when an interim replacement station was opened. That facility will become the crew base building when the new complex is completed. (ffd: NARP)

(FRI) Officials in New Orleans, LA announced that streetcar service to all of Canal Street would resume on Sunday, April 2. The line and its streetcars were extensively damaged by flooding that accompanied Hurricane Katrina in early September. Service was partially resumed on the line in mid-December between its terminus near the Mississippi River and Crozat Street. A [New Orleans] Regional Transit Authority spokesman said that streetcar rides would be free for the immediate future to encourage a return to use. (ffd: Times-Picayune)

(FRI) Norfolk Southern announced that, effective April 1, it would establish the Delmarva Business Unit, headquartered in Wilmington, DE. An NS spokesman said that the unit, which has marketing and operating responsibilities, would "improve customer service, increase operating efficiency, and develop new business." NS operates 191 miles of line in the region, including between Newark, DE and Edgemoor Yard in Wilmington, DE, between Wilmington, DE and Pocomoke City, MD, and between Harrington, DE and Frankford, DE. (ffd: NS Corp.)

(FRI) Union Pacific announced that it had commissioned historian author Maury Klein to write his third installment of the history of the UP, this time covering the period from 1970 through the 1990s. Mr. Klein has published two previous books on the UP: "Union Pacific: Birth of a Railroad, 1862-1893" in 1987 and "Union Pacific: The Rebirth, 1894-1969" in 1990. Both books have recently been reprinted. (ffd: UP Corp.)

(FRI) The Chicago Transit Authority announced that it had chosen pink as the identity color of its recently rehabilitated and rerouted subway-elevated line running from the 54th Street-Cermack Branch of its Blue Line to the Loop. The line uses the old Paulina connector to run trains between the Blue Line and the Green Line. The winning color was chosen based on a competition among Chicago public school students, who submitted more than 500 essays. (ffd: Chicago Tribune)

#### 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 March 25, 2006, U.S. rail volume grand totaled 34.0 billion ton-miles, up 3.7 percent from the comparable week last year. U.S. carload rail traffic was up 2.5 percent, up 2.6 percent in the East and up 2.3 percent in the West. Notable traffic increases included food and food products up 10.0 percent, motor vehicles and equipment up 6.8 percent, and coal up 5.6 percent; notable traffic decreases included nonmetallic minerals down 28.6 percent, pulp, paper and allied products down 10.6 percent, and coke down 10.0 percent. Also for the week, U.S. intermodal rail traffic was up 10.9 percent, Canadian carload rail traffic was down 0.7 percent, Canadian intermodal rail traffic was up 6.2 percent, Mexico's Kansas City Southern de Mexico's carload rail traffic was up 11.5 percent, and KCSM's intermodal rail traffic was up 44.3 percent.

For the period January 1 through March 25, 2006, U.S. rail volume grand totaled 395.5 billion ton-miles, up 1.9 percent from the comparable period last year. Also for this period, U.S. carload rail traffic was up 0.7 percent, U.S. intermodal rail traffic was up 5.2 percent, Canadian carload rail traffic was down 2.2 percent, Canadian intermodal rail traffic was up 4.1 percent, KCSM's carload rail traffic was down 4.4 percent, and KCSM's intermodal rail traffic was down 3.4 percent. (ffd: AAR)

#### MORE STATS – OPERATING PERFORMANCE:

(NOTE: Effective October 1, 2005, railroads that had been furnishing 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 March 24, 2006, average total cars on line was as follows: BNSF, 224,794 cars versus 223,092 last week; Canadian Pacific, 80,721 cars versus 80,700 last week; CSX, 222,881 cars versus 223,600 last week; Kansas City Southern, 25,152 cars versus 25,083 last week; Norfolk Southern, 205,320 cars versus 205,253 last week; and Union Pacific, 331,405 cars versus 330,140 last week. (Comparative totals from last year are not yet available.)

Also for the week ending March 25, 2006 and versus the comparable week last year, average train speed was as follows: BNSF, 22.4 mph versus 23.8 mph; Canadian Pacific Railway, 24.2 mph versus 20.6 mph; CSX, 19.8 mph versus 19.6 mph; Kansas City Southern, 23.7 mph versus 24.3 mph; Norfolk Southern, 21.2 mph versus 22.2 mph; and Union Pacific, 21.4 mph versus 21.8 mph.

Finally for the week ending March 25, 2006 and versus the comparable week last year, average terminal dwell time was as follows: BNSF, 25.3 hrs versus 23.6 hrs; Canadian Pacific Railway, 21.5 hrs versus 30.2 hrs; CSX, 25.6 hrs versus 28.1 hrs; Kansas City Southern, 23.6 hrs versus 23.4 hrs; Norfolk Southern, 23.0 hrs versus 23.8 hrs; and Union Pacific, 30.0 hrs versus 28.5 hrs. (ffd: AAR)

#### EXPANSIONS, CONTRACTIONS AND ALIKE:

(MON) Rail freight car manufacturer American Railcar Industries announced that it would purchase Custom Steel Incorporated from Steel Technologies Incorporated for \$18 million. Custom Steel is a component manufacturer whose facility locates next to American Railcar Industries in Kennett, MO. (ffd: Railway Age)

(WED) Union Pacific filed to abandon its Durand Industrial Lead, approximately 2 miles of line near Yates Center, KS. (ffd: AAR)

(WED) Union Pacific filed to abandon its Ellsworth Industrial Lead, totaling approximately 3 miles of line between Jewell, IA and Ellsworth, IA. (ffd: AAR)

(FRI) Railroad Development Corporation's Iowa Interstate Railroad announced that it had reached agreement to purchase Omni Trax's Great Western Railway of Iowa. The Great Western operates 30 miles of yard and industrial tracks in and around Council Bluffs, IA, and also provides rail car storage and repair services. (ffd: Progressive Railroading)

#### APPOINTMENTS, ACHIEVEMENTS AND ALIKE:

(MON) The Railway Association of Canada appointed Cliff Mackay its new president and CEO. Mr. Mackay is the former president of the Air Transport Association of Canada. (ffd: RAC)

(WED) The Bush Administration nominated Harry Hoglander and Peter Tredick as members of the National Mediation Board. Mr. Hoglander is a current board member, who if approved would then serve the remainder of a three-year term expiring July 1, 2008. Mr. Tredick, who is intended to succeed Edward Fitzmaurice whose term is expiring, would if approved serve until July 1, 2007. The NMB mediates management-labor disputes in the railroad and airline industries. (ffd: Progressive Railroading)

(WED) Norfolk Southern announced the following appointments: James Squires as SVP-Financial Planning, reporting to Vice Chairman and CFO Henry Wolf, and William Galanko as VP-Law, reporting to James Hixon, EVP-Law and Corporate Relations. (ffd: NS Corp.)

(THU) Canadian Pacific Railway announced the resignation of Michael Waites as CFO effective April 14. Mr. Waites's position will be covered by Comptroller Brian Grassby until a permanent CFO is named. (ffd: CPR Corp.)

(THU) Shortline and regional railroad conglomerate Genesee & Wyoming announced the appointment of Christopher Liucci as Chief Accounting Officer and Global Controller. Mr. Liucci was most recently Director-Global Financial Planning & Reporting for Genencor International. (ffd: G&W Corp.)

(THU) Union Pacific announced the following appointments: Byron Schroder as Superintendent-Network Operations; Greg Garrison as General Superintendent-Harriman Dispatching Center-West to succeed Mr. Schroder; Rod Richardson General Superintendent-Harriman Dispatching Center-Central to succeed Mr. Garrison; Lance Hardisty, Superintendent-St. Paul MN to succeed Mr. Richardson; Monty Whatley as General Superintendent-Transportation Services-North Little Rock AR to succeed Jeff Crandall, who has left the railroad; Marc Syring as Superintendent-Transportation Services-Livonia to succeed Mr. Whatley; Dave Connell as AVP-Construction to succeed Darrel Deterding, who has recently retired; Bill Roe as Chief Engineer-Central Region to succeed Mr. Connell;

and Brennan Banion as General Director-Engineering Technology to succeed Mr. Roe. (ffd: UP Corp.)

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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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