

WEEKLY RAIL REVIEW

For The Week Ending SAT, April 10, 2004

By Dave Mears

(NOTE: The abbreviation "ffd" represents "for further details" and denotes a website or other news reference where further details of this news item may be found.)

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

(MON) The federal government announced a preference for using rail to deliver to the new Yucca Mountain, NV. national radioactive waste storage facility. A government spokesman said that, under the proposed plan, a new line would be constructed from Yucca Mountain approximately 75 miles to a rail head near Caliente, NV. The spokesman added that the new line, which must still be designed, approved and funded, would cost approximately \$880 million and take approximately 4 years to build. (ffd: wire services)

(MON) Union Pacific acknowledged that it was experiencing increased service delivery problems. A UP spokesman said that this was due to causes that included increased traffic congestion due to an upturn in business, as well as systemwide crew shortages. The spokesman added that the railroad was working on several short-term solutions, which included diverting some United Parcel Service intermodal rail traffic to all-truck transport with UP picking up the additional trucking expense, and several long-term solutions, which included plans to hire approximately 4,000 new employees, mainly for train and engine service. (ffd: UP Corp.)

(MON) Pennsylvania state officials announced that the Erie Railroad's Kinzua Viaduct near Mt. Jewett, PA. would not be rebuilt. The bridge, which was abandoned by the Erie in 1959, was toppled by a July 21, 2003 tornado. A Pennsylvania state spokesman said that the state could not presently fund the approximately \$45 million cost to the repair the bridge. The bridge, which is of iron and steel construction and approximately one-half mile long, is listed on the National Register of Historic Civil Engineering Landmarks and the National Register of Historic Places. (ffd: The Bradford Era)

(MON) Arrangements were finalized to preserve Britain's famed "Flying Scotsman" steam locomotive. A national appeal had been conducted to keep the locomotive in Britain and significant contributions were received from donors that included Britain's National Lottery and Sir Richard Branson of Virgin Airways. A spokesman said that the locomotive would be kept at the National Railway Museum at York and would be maintained in operating condition for future excursion train service.

(TUE) Kansas City Southern and Grupo TMM, the parent company of the Mexican railroad Transportacion Ferroviaria Mexicana, announced that they were tabling further action on the sale of TMM's ownership stake in TFM to KCS. A TMM spokesman said that the companies had agreed to "free themselves in good faith from the obligations of the contract of sale" and a KCS spokesman said that two companies would "discharge in good faith all of the obligations of the acquisition agreement." TMM had initially agreed to sell its stake in TFM in April, 2003, however, its shareholders later rejected the sale. KCS continued to pursue the sale, but both companies eventually agreed to arbitration. (ffd: wire services, KCS Corp., Grupo TMM)

(TUE) Amtrak's "City of New Orleans" passenger train derailed near Yazoo City, MS. The accident, which derailed all cars onto their sides, killed 1 person and injured approximately 65 others. Later in the week, a National Transportation Safety Board spokesman investigating the accident said that the train's engineer had reported seeing "misalignment in the rail" shortly before the derailment, but stressed that the cause of the accident was still under investigation. (ffd: wire services)

(TUE) Burlington Northern Santa Fe announced a new program designed to solicit business leads from union-represented personnel. The program, known as "Hot Leads," encourages personnel to report sales opportunities to a BNSF internal sales team for follow up. A \$100 award is given to any employee whose tip results in revenue growth. "Our employees...are in an ideal position to spot an opportunity in shipping and help BNSF capitalize on them," said BNSF General Director Larry Ruple. (ffd: BNSF Corp., Progressive Railroading)

(THU) The U.S. Senate Commerce Committee approved legislation providing more than \$1 billion in funding to further protect railroads and mass transit systems from terrorist attacks. Provisions of the bill require the Department of Homeland Security to develop a plan within 180 days to improve rail security. The bill now goes to the full Senate for debate. Also on Thursday, the Bush Administration announced that it would support a proposal by Sen. Jeff Sessions (R-AL) to increase penalties for rail and mass transit attacks. (ffd: wire services)

STATS:

(NOTE: This week, the AAR released only summary statistics for the month of March.)

(THU) For the month of March, 2004, U.S. carload rail traffic was up 3.7 percent, compared with March, 2003. Notable traffic increases included crushed stone, sand and gravel up 12.8 percent, grain up 11.1 percent and coal up 2.7 percent; notable traffic decreases included motor vehicles and equipment down 3.3 percent. Also for March, 2004, U.S. intermodal rail traffic was up 9.3 percent, compared with March, 2003. (ffd: AAR)

ACQUISITIONS, ABANDONMENTS AND ALIKE:

(WED) Progressive Rail, Inc. filed to lease, from Union Pacific, and operate approximately 17 miles of line in Dakota and Scott Counties, MN. (ffd: STB)

(FRI) The U.S. Surface Transportation Board approved the acquisition, by Canadian National, of the Duluth, Missabe & Iron Range Railway, the Bessemer & Lake Erie Railroad and the Pittsburgh & Conneaut Dock Co. (ffd: STB)

(FRI) Burlington Northern Santa Fe granted overhead trackage rights to Kansas City Southern over approximately 93 miles of BNSF line between Metro Jct., TX. and Davis, OK. The purpose of the trackage rights is to allow KCS to handle its own ballast trains to and from a quarry near Davis, OK. (ffd: STB)

(FRI) The U.S. Surface Transportation Board granted CSX's earlier request to abandon approximately 15 miles of line between Rowlesburg, WV. and Albright, WV. (ffd: STB)

(FRI) The U.S. Surface Transportation Board granted Norfolk Southern's request to abandon 2 miles of its "Old R" Line in Charlotte, NC. (ffd: STB)

PERSONNEL CHANGES:

(TUE) Richard Marceau was elected Assistant President of the United Transportation Union. Mr. Marceau was previously UTU's International Vice President. (ffd: UTU)

(THU) RailAmerica announced the impending retirement of its President and CEO, Gary Marino. Mr. Marino had been RailAmerica's Chairman of the Board since the company's formation in 1992, its CEO since 1994 and its President since 1996. (ffd: STB)

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Special thanks to WRR Reader Iain Frew for relaying on a news item this week.

Weekly Rail Review is edited from public news sources and published weekly, usually on Sunday or Monday, to the rail and transit industries and those interested in them. Send an e-mail to <<mailto:weeklyrailreview@aol.com>>weeklyrailreview@aol.com to receive it, with my compliments.

HAVE A SAFE AND PROSPEROUS WEEK,
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