

WEEKLY RAIL REVIEW

FOR THE WEEK ENDING SAT, APRIL 15, 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):

(MON) A top official of the Department of Homeland Security said that the agency plans to introduce a single identification card for transportation workers later this year. Elaine Dezenski, Acting Assistant Secretary for Border and Transportation Security Policy, said that the agency was “moving forward very, very aggressively” on its Transportation Worker Identity Card (TWIC). Ms. Dezenski said that the agency plans to publish a proposed rule “this spring” related to the TWIC and hopes to have a final rule out “by the end of the year.” (ffd: wire services)

(MON) A BNSF freight train derailed 38 loaded coal cars near Hemmingford, NE. A BNSF spokesman said that the derailment halted the BNSF line between Alliance, NE and Edgemont, SD for about 24 hours. The spokesman added that there were no injuries in the derailment, the cause of which is still under investigation. (ffd: wire services)

(MON) A spokesman for the Louisiana Department of Transportation confirmed that Amtrak operated a test passenger train the previous week between New Orleans and Baton Rouge. The spokesman said that the test was to determine the operational feasibility of commuter rail service along the route, which would serve individuals displaced by Hurricane Katrina who need to regularly travel to and from New Orleans. The spokesman added that the state was presently working to calculate how much of a subsidy the service would require. (ffd: wire services)

(MON) San Francisco, CA announced that it was launching a \$1.3 million study to determine the feasibility of charging motorists who drive downtown during business hours. The charge would be modeled on a similar program in place in London, England the last 3 years. A spokesman for Transport for London, Jamie O'Hara, said that, during that time, London has reduced downtown traffic congestion by about 30 percent and vehicle emissions by about 12 percent, and that the charge has provided approximately \$350 million in new revenue. “I think it's inevitable that there will be some kind of congestion charging in San Francisco and the top 20 cities [in the U.S.],” said Mr. O'Hara. (ffd: San Francisco Chronicle)

(MON) The Massachusetts Bay Transportation Authority announced that it would soon replace the existing Solari train information board in Boston's South Station with an electronic one. However, a MBTA spokesman said that the new board would also generate the “ticktickticktick” sound long familiar to passengers when the Solari board signs flipped to detail information. The spokesman added that the sound was being retained because it prompted passengers to look at the board for new or changing train information. He also said that similar new boards would later be installed in Boston's North Station and Back Bay Station. (ffd: Boston Globe)

(MON) New York City officials formally broke ground for the project to rehabilitate the former New York Central freight line in Manhattan as an elevated public park. The line, which has been abandoned since about 1981, runs along Manhattan's Lower West Side from approximately 34th Street to Gansevoort Street. Officials said that they have about \$130 million on hand for the project and hope to raise an additional \$40 million through public donations. A city spokesman said that the new park would open by 2008. (ffd: Newsday)

(TUE) New Jersey Governor Jon Corzine proposed a \$3.2 billion state transportation budget for FY2007. Under the budget, \$1.3 billion will go toward NJ Transit bus and rail projects. Concurrent with the budget announcement, NJT said that they would begin design work on a new concourse underneath 8th Avenue in Manhattan connecting Pennsylvania Station with the new Moynihan Station to be built out of the old Farley Post Office building, which NJT commuter trains will also use. Also, NJT CEO George Warrington said that it will look to establish new service between Atlantic City and either Trenton, Newark, or Hoboken once new rail cars free up existing rail cars over the next 18 months. (ffd: NJDOT, Trenton Times)

(TUE) Entergy Arkansas, Arkansas's largest provider of electricity and its largest consumer of coal, filed suit in state court against Union Pacific. Entergy's suit alleges that UP "in a conscious and deliberate practice, limited supplies of coal from the Powder River Basin in Wyoming in an effort to manipulated demand and ultimately maximize its profits." UP said that it would have no immediate comment on the suit, but earlier noted that problems that degraded the tracks it uses out of the PRB and that then required repair limited the amount of coal it shipped last year. The railroad ships more than 80 percent of the coal used by Entergy. (ffd: Pine Bluff Commercial)

(TUE) The Massachusetts Bay Transportation Authority announced that it had completed conversion of all South Shore Red Line "T" stations to electronic fare collection. A MBTA spokesman said that customers may now use the "CharlieTicket" farecard at these stations. (ffd: MBTA)

(WED) Amtrak cooks and waiters rallied at Chicago, IL's Union Station in protest of recent cutbacks to Amtrak food service. Under the cutbacks, dining car meals are now served with plastic plates and utensils, and main courses are prepared and cooked offsite for reheating aboard trains. An Amtrak spokesman said that it was forced to lower meal standards because it is under a federal mandate to reduce its food and beverage costs or risk losing other federal funding. The spokesman added that all dining car service would be so converted by the end of May. Related to the change, the Wall Street Journal, whose editorial staff has long been among Amtrak's harshest critics, ran an article lamenting the end of Amtrak's prepared-on-board dining car meals. (ffd: Chicago Sun-Times, Wall Street Journal)

(WED) Toronto, ON commuter rail operator GO Transit announced that it would build a flyover bridge over Canadian National tracks on its Bradford Line between its York University and Rutherford stations. A GO Transit spokesman said that the current line crossing the CN tracks at grade "causes bottlenecks and prevents GO Transit from expanding service." The spokesman added that the new flyover is expected to be in service by the end of 2007. (ffd: Progressive Railroading)

(WED) CSX closed their main line just north of Selma, NC due to cracks found in the girders of a bridge on the line at that location. As a result, Amtrak turned its enroute New York-Florida trains back to their origin stations, and

canceled nearly all these trains on Wednesday and Thursday. CSX, which operates about 50 freight trains a day over the line, rerouted 10 of the trains and held nearly all others until the bridge was repaired. Repairs were completed and the line was reopened on Friday. (ffd: Amtrak, Trains)

(THU) Norfolk Southern announced that it would expand its "1 or 3" intermodal equipment storage program to all its intermodal terminals. Under the program, NS offers 1 day of free storage time (the day of notification and following business day) if the railroad grounds equipment no later than 3 hours after the published scheduled availability and 3 days of free time if it grounds a load more than 3 hours after the published scheduled availability. The program applies to domestic intermodal equipment and also to private trailers and containers. (ffd: Progressive Railroading)

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 April 8, 2006 and ranked with the comparable week last year, U.S. carload rail traffic grand totaled 33.0 billion ton-miles, up 1.2 percent from the comparable period last year. U.S. carload rail traffic was down 0.1 percent, up 0.1 percent in the East, but down 0.3 percent in the West. Notable traffic increases included grain up 8.4 percent, non-grain farm products up 6.4 percent, and metallic ores up 4.9 percent; notable traffic decreases included nonmetallic minerals down 27.1 percent and grain mill products down 8.3 percent. Also for the week, U.S. intermodal rail traffic was up 8.7 percent, Canadian carload rail traffic was down 1.5 percent, Canadian intermodal rail traffic was up 11.9 percent, Mexico's Kansas City Southern de Mexico's carload rail traffic was down 7.5 percent, and KCSM's intermodal rail traffic was down 22.7 percent.

For the period January 1 through April 8, 2006, U.S. carload rail traffic was up 1.8 percent, U.S. carload rail traffic was up 0.6 percent, U.S. intermodal rail traffic was up 5.8 percent,

Canadian carload rail traffic was down 2.1 percent, Canadian intermodal rail traffic was up 4.9 percent, KCSM's carload rail traffic was down 4.0 percent, and KCSM's intermodal rail traffic was down 2.8 percent. (ffd: AAR)

MORE STATS – OPERATING PERFORMANCE:

(These will not be reported this week, but will be reported again next week.)

EXPANSIONS, CONTRACTIONS AND ALIKE:

(MON) The Surface Transportation Board gave final approval to Kansas City Southern's and Norfolk Southern's joint venture to renovate KCS's Meridian Speedway Line between Meridian, MS and Shreveport, LA. The joint venture

involves the contribution of KCS's 320-mile line to the joint venture company and an NS investment of \$300 million in cash, substantially all of which will be used for capital improvements to increase capacity on the line. (ffd: STB, Trains)

(TUE) BNSF filed to modify the existing overhead trackage rights agreement under which Union Pacific operates over BNSF 412 miles between Fort Worth, TX and Dalhart, TX. The modification is to allow UP to also pick up and set off traffic at Wichita Falls, TX. (ffd: STB)

(TUE) The Surface Transportation Board approved the sale of Canadian Pacific-Soo Line's Latta Subdivision Line to the Indiana Rail Road. The line runs 93 miles between Fayette, IN and Bedford, IN. (ffd: Railway Age, STB)

(TUE) Canadian National-Illinois Central filed to abandon approximately 2 miles of branch line in Canton, MS. (ffd: STB)

(TUE) Canadian National-Illinois Central filed to abandon approximately 4 miles of branch line between Silver Creek, MS and Ferguson, MS. (ffd: STB)

(TUE) Rail and rail products manufacturer Steel Dynamics announced that it would expand production at its Columbia City, IN facility. A company spokesman said that the expansion would add capacity of about 600,000 tons per year, bringing the facility's finished steel production capacity to about 1.6 million tons per year. (ffd: RT&S)

(TUE) Union Pacific confirmed that it had discontinued service over its branch line between Kohler, WI and Sheboygan Falls, WI. effective March 31. A UP spokesman said that the volume of business on the line had declined to approximately one rail car per day. (ffd: Sheboygan Press)

(TUE) Wyoming and Colorado Railroad filed to abandon approximately 24 miles of line between Walcott, WY and Saratoga, WY. (ffd: STB)

(WED) Related to the merger of Alcatel Corporation and Lucent Technologies, the former will sell its Transport Systems Division to the Thales Group, a global electronics company. The Transport Systems Division is a supplier of railway signaling systems. (ffd: Progressive Railroading)

(THU) North Central Railway filed to abandon approximately 11 miles of line between Ackley, IA and Steamboat Rock, IA. (ffd: STB)

(THU) Pittsburgh-based Portec Rail Products announced that it would acquire Britain's Coronet Rail Limited for \$5.2 million. Both companies are suppliers of insulated rail joints and track fasteners. (ffd: Railway Age)

(FRI) BNSF filed to abandon approximately 1 mile of branch line in and near Camp Ripley, MN. (ffd: STB)

(FRI) BNSF filed to abandon approximately 1 mile of branch line in Olympia, WA. (ffd: STB)

(FRI) Dallas Area Rapid Transit and the Dallas, Garland and Northeastern Railroad jointly filed to abandon approximately 9 miles of line between Plano, TX and Allen, TX. (ffd: STB)

(FRI) Union Pacific filed to abandon approximately 3 miles of line in Salt Lake City, UT. The proposed abandonment is conditional on "substantial completion of improvements" to an alternate UP line through Salt Lake City via Grant Tower, which runs a short distance north. (ffd: STB)

APPOINTMENTS, ACHIEVEMENTS AND ALIKE:

(WED) BNSF appointed Doug Langston AVP-Intermodal Equipment. Mr. Langston succeeds ED Zajac, who recently announced his retirement from BNSF after 31 years' railroad service. (ffd: BNSF Corp.)

(WED) Kansas City Southern de Mexico appointed William Nolen Director of Transportation. Mr. Nolen is a 32-year railroader and was most recently a KCSR senior trainmaster. (ffd: KCSR Corp.)

(THU) Ian Sinclair passed away at Age 92. Mr. Sinclair was the CEO of Canadian Pacific between 1969 and 1981. During Mr. Sinclair's tenure, Canadian Pacific was split into a two-tiered operation comprising Canadian Pacific Railway and Canadian Pacific Enterprises, the latter controlling the corporation's other interests, which included telecommunications, real estate, hotels and an airline. (ffd: Progressive Railroad)

(FRI) Arthur Winston passed away in Los Angeles, CA. Prior to his retirement at Age 100 last month, Mr. Winston was the U.S.'s oldest and possibly longest serving public transportation employee. Mr. Winston, who most recently supervised the cleaning and refueling of Los Angeles Metropolitan Transportation Authority buses, started with MTA predecessor Pacific Electric in 1924. He left the company in 1928, but returned 6 years later and continued with them and successor companies until his retirement last month. Mr. Winston was reported to have had only one unscheduled absence during that time, which was to attend his wife's funeral in 1988. "Arthur Winston's life of service will stand as an unparalleled example of dedication to principles, commitment to excellence and pride in the American work ethic," said John Catoe, MTA Deputy CEO. (ffd: wire services)

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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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