

WEEKLY RAIL REVIEW

FOR THE WEEK ENDING FRIDAY, APRIL 23, 2010

BY DAVE MEARS

(NOTE 1: Due to having to travel on business for an extended length of time, Weekly Rail Review will not be published next week. News for the weeks ending April 30 and May 7 will be published on or about May 10.)

(NOTE 2: In case it is helpful to anyone who may not have received the previous edition due to it possibly having been caught in or deleted by a spam filter, please know that it was sent April 19, reporting about the week ending April 16.)

(NOTE 3: As I always note at bottom, recipients of Weekly Rail Review are welcome to forward it on, but if you do, please let me know to whom you send it, so that I may note them in my total readership. Thanks to those of you who have already provided me with copies of their distribution lists, which I keep confidential and for tally purposes only.)

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

(MON) Newsweek Magazine noted the responsiveness of European passenger railroads when more than 95,000 flights across Europe were canceled due to the spread of ash from the active volcano in Iceland. The magazine noted that European railways had doubled their high-speed passenger rail network to almost 3,500 miles between 2000 and 2010, and that Germany's Deutsche Bahn handled a 30 percent increase in passenger traffic at the height of the flight cancellations. (ffd: Newsweek)

(MON) The Chicago Transit Authority began testing of its new 5000-series subway/elevated cars. The CTA ordered a total of 406 such cars at a total cost of \$603.6 million. The cars will replace those currently operating that are between 32 and 41 years old. (ffd: Progressive Railroading)

(TUE) At a Congressional field hearing in Chicago, IL, an Amtrak spokesman called for a "revolutionary, not evolutionary" new surface transportation bill that would provide reliable, multi-year funding for intercity passenger train services. Noting that previous incarnations of the bill mostly ignored passenger rail, Amtrak Vice-President Joe McHugh said, "Long-term, sustainable funding is the key and without it Amtrak and the whole system will continue to limp along, failing to live up to the promise of what we know rail can do for the nation." The House Transportation & Infrastructure Committee has proposed that \$50 billion be appropriated into the bill for passenger rail. (ffd: Journal of Commerce, NARP)

(TUE) Amtrak began testing a beef-based fuel in locomotives assigned to its "Heartland Flyer" passenger train, which operates between Fort Worth, TX and Oklahoma City, OK. Tallow from Texas cattle, which is fat often used in soap and animal feed, is supplying 20 percent of the fuel for the locomotives, with the remainder being standard diesel. The Federal Railroad Administration provided Amtrak with \$274,000 in funding to conduct the tests in partnership with Oklahoma transportation officials. (ffd: wire services)

(WED) A hearing of the Senate Commerce Committee noted potential shortcomings in the government's handling of rail security. Among the witnesses at the hearing were witnesses from the U.S. Transportation Security Administration, Amtrak, the U.S. Government Accountability Office, the American Public Transportation Association, and CSX. The latter's representative noted that, "given the information...received from federal intelligence sources, we believe that the greatest terrorist threat to CSX comes from the approximately 8 million passenger and commuter train miles that each year operate on CSX-owned lines." (ffd: NARP, Progressive Railroading)

(WED) The U.S. Surface Transportation Board called on Canadian National to explain discrepancies in its reports to the Board on

crossing delays, reports required by the terms of CN's earlier acquisition of the Elgin, Joliet & Eastern Railway. Although CN has reported only 14 crossing blockings of 10 minutes or longer in November and December, an independent review conducted by HDR Consulting found that there had been 1,457 instances of streets being blocked for 10 minutes or more during that time period. (ffd: Chicago Tribune, Gary Post-Tribune)

(WED) Reminiscent of Railroad YMCA's, MSI Hospitality Solutions opened a 70-room hotel in Lower Allen Township, PA, near Harrisburg, exclusively for Norfolk Southern employees laying over. The railroad-only hotel includes queen-size beds, flat-screen televisions, a workout room, and a 24-hour restaurant. (ffd: Harrisburg Patriot-News)

(WED) The University of Nebraska at Lincoln announced that, on May 15, it would conduct what it believed would be the first-ever "History Harvest for Railroad History." The History Harvest will allow persons to bring in their railroad-related documents of all sorts, which historians will discuss with their owners and then arrange for their being photographed, videotaped and documented. A university spokesman said that the project's goal was to digitize Nebraska rail history materials and make them available in a shared online repository. (ffd: Lincoln Journal Star)

(THU) After approving plans earlier this month to electrify its commuter rail line between San Francisco and San Jose, CA, only to then announce that budget problems might compel a reduction in service to rush-hour only, Caltrain officials explained that electrification was a partial solution to the line's financial problems. The officials said that electrification would allow the expansion of commuter service such that 49 percent more money could be collected, while expense could be kept relatively flat. "I'm not ready to say electrify or bust," said Caltrain CEO Mike Scanlon. "But I sure as hell won't be very proud of what we'd be able to put out." (ffd: San Mateo Times)

(THU) Southern California's Metrolink commuter rail agency said that it has come to an agreement with its new operator, Amtrak, concerning the use of personality tests that rail labor unions had threatened to boycott. It said that all employees hired by Amtrak that had worked for Connex, the previous operator, would have to take personality tests, but that adverse test results would not automatically disqualify them from running Metrolink trains. It added that the test results will instead be used to identify personnel who could benefit from additional training. (ffd: wire services)

(THU) The Association of American Railroad announced that freight rail fuel efficiency had increased in 2009 such that railroads averaged 480 ton-miles to the gallon in moving one ton of freight, up from the previous 436 ton-miles to the gallon. The AAR further noted that rail fuel efficiency is up 104 percent since 1980 and that, in 2009, railroads generated 667 percent more ton-miles than in 1980, while using 18 percent less fuel. (ffd: AAR)

(THU) The mayor of the District of Columbia and the governors of Maryland and Virginia announced agreement on action plans to jointly address safety concerns of the Metro subway system serving Washington, DC and its suburbs. The three agreed that their respective jurisdictions would establish a short-term safety plan and, over the longer term, would establish either their own safety oversight body or ask the federal government to oversee the system's safety. The following day, Friday, the Washington Metropolitan Area Transit Authority, Metro's parent agency, proposed a plan for closing a projected \$189 million gap for Fiscal Year 2011. The proposal includes hiking the off-peak base fare from \$1.65 to \$1.90 and adding a 10-cent surcharge to peak hours fares. (ffd: Progressive Railroading)

(THU) In response to a New York Times article earlier in the week that suggested that rush hour bar car service on Metro North's New Haven Line commuter trains would soon be discontinued, Trains Magazine ran an article stating that this was not the case. The magazine interviewed representatives of commuter advocacy groups who noted that a number of bar cars were recently overhauled and that a new commuter car order may also include new bar cars. Bar car service has been a popular feature of New Haven Line rush hour trains for decades, where it yields an annual operating profit. (ffd: New York Times, Trains)

(THU) Northern California's Transbay Joint Power Authority board approved the final design for a new transit center and park in San Francisco. The design includes a glass-and-steel structure that will serve 12 transit systems, including Caltrain and the future California high-speed rail system. The center and rooftop park are expected to cost \$1.6 billion. The authority said that it hopes to begin demolishing the existing terminal in mid-August and hopes to open the new terminal in 2017. (ffd: Progressive Railroading)

(FRI) CSX suffered an on-duty employee fatality. Melinda Carter, Age 37, was killed while switching cars at a CSX yard near 134th and Ashland Avenue in Chicago, IL. Initial reports suggested that Ms. Carter may have been struck or run over by the train she was switching. (ffd: Chicago Tribune)

(FRI) Amtrak noted that the third annual National Train Day would be celebrated on Saturday, May 8. Amtrak and other railroads said that they are planning celebratory events open to the public at locations across the country, including major passenger train stations. A full listing of events is available on the nationaltrainday.org website. (ffd: Amtrak, wire services)

STATS – CLASS 1 RAIL TRAFFIC:

(THU) For the week ending April 17, 2010, U.S. carload rail traffic was up 16.1 percent from the comparable week last year and – at 296,599 carloads – was the highest weekly total since December 6, 2008. Notable traffic increases included metallic ores up 177.5 percent, metals and metal products up 68.8 percent, motor vehicles and equipment up 49.0 percent, nonmetallic minerals up 46.4 percent, and primary forest products up 34.5 percent. Also for the week, U.S. intermodal rail traffic was up 14.6 percent, Canadian carload rail traffic was up 24.3 percent, Canadian intermodal rail traffic was up 14.8 percent, Mexican carload rail traffic was up 27.8 percent, and Mexican intermodal rail traffic was up 42.3 percent.

For the period January 1 through April 17, 2010, U.S. rail volume grand totaled 455.4 billion ton-miles, up 4.9 percent from the comparable period last year. Also for this period, U.S. carload rail traffic was up 4.0 percent, U.S. intermodal rail traffic was up 9.2 percent, Canadian carload rail traffic was up 17.3 percent, Canadian intermodal rail traffic was up 8.6 percent, Mexican carload rail traffic was up 23.1 percent, and Mexican intermodal rail traffic was up 39.7 percent. (ffd: AAR)

STATS CONTINUED – 1ST QTR., 2010 RESULTS:

(TUE) Union Pacific reported the following results for the First Quarter 2010 versus the First Quarter 2009: Revenues of \$3.965 billion versus \$3.415 billion earlier, an increase of 16 percent; operating income of \$988 million versus \$671 million earlier, an increase of 47 percent; net income of \$516 million versus \$362 million earlier, an increase of 43 percent; and an operating ratio of 75.1 percent versus 80.4 percent earlier, an improvement of 5.3 percentage points. (ffd: CSX RR)

EXPANSIONS, CONTRACTIONS AND ALIKE:

(MON) The Port of Coos Bay announced that they had concluded an agreement this week to take control of the rail line between North Spit and Coquille, OR. The Port last year acquired control of the line between Eugene, OR and North Spit from the Central Oregon & Pacific Railroad and this agreement will extend their operation 22 more miles to Coquille. (ffd: World Link)

(MON) The Richmond, MO-based Williams Group announced that they were in the process of purchasing the St. Maries River Railroad from Potlatch Corporation. The St. Maries River runs 91 miles between Bovill and Plummer, ID, where it connects with Union Pacific. (ffd: Couer D'Alene Press)

(TUE) Norfolk Southern said that it anticipated breaking ground later this year for a new intermodal terminal in Greencastle, PA, southwest of Harrisburg, PA near the Maryland-Pennsylvania border. The new terminal is expected to cost approximately \$95 million. (ffd: Public Opinion Online)

(WED) BNSF held grand opening ceremonies for its new intermodal terminal near Memphis, TN. Costing approximately \$200 million,

the terminal spans 185 acres and will have the capacity to handle 1 million intermodal lifts per year when fully operational. (ffd: BNSF RR, Progressive Railroad)

(WED) Union Pacific filed to abandon approximately one mile of its Brea Industrial Lead in Brea, CA. (ffd: STB)

(FRI) CSX said it would relocate its Northern Division headquarters from Chicago, IL to North Baltimore, OH. The relocation will be concurrent with CSX's construction of a new \$175 million intermodal terminal in North Baltimore. (ffd: Progressive Railroad)

APPOINTMENTS, ACHIEVEMENTS AND MILESTONES:

(MON) Ann Purdue resigned as New York State's Manager-High-Speed Rail. Newspaper reports suggested that Ms. Purdue, who had been negotiating an agreement with CSX to allow passenger train speeds of up to 90mph on the CSX line between Albany and Buffalo, NY, was in serious disagreement with New York Governor David Patterson over the latter's new intention to demand speeds of up to 110mph. (ffd: Albany Times-Union, NARP, New York Post)

(TUE) Greater Portland, Oregon transit operator TriMet appointed Shelly Lomax its Executive Director-Operations. Ms. Lomax joined TriMet in 1987 as a bus driver. (ffd: Progressive Railroad)

(WED) The Association of American Railroads named Charles Keltner, a senior manager of corporate facilities for BNSF, the winner of this year's John H. Chafee Environmental Excellence Award. The AAR also named U.S. Senator Frank Lautenberg (D-NJ) this year's winner of the Congressional Chafee Award, which "each year goes to a member of Congress who demonstrates dedication to the environment." (ffd: AAR, Progressive Railroad)

(THU) Shortline holding company Patriot Rail appointed Dan Kisner to the newly-created position of Director-Fleet Management & Mechanical. Mr. Kisner was most recently VP-Motive Power Leasing at CIT Rail. (ffd: Earth Times News, Patriot Rail)

CORRECTION:

In the Weekly Rail Review for the week ending Friday, April 9, I referred to the Indiana Southern Railroad having been contracted by Ohio's Perry County Port Authority. This was correctly Indiana's Perry County Port Authority. Thanks to WRR Reader Sheldon Lustig for this correction.

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BE SAFE AND PROSPER,

Dave Mears

Cherry Hill, New Jersey, USA

