

WEEKLY RAIL REVIEW

FOR THE WEEK ENDING SAT, APRIL 30, 2005

BY DAVE MEARS

(Note: I was a little under the weather the last few days, but am feeling better now thanks, and my apologies that this has delayed issuing this week's WRR.)

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

(MON) San Francisco, CA commuter rail operator Caltrain said that it would increase fares 17.5 percent effective July 1, 2005 and then 5.6 percent effective January 1, 2006. A Caltrain spokesman said that the increases will make up most of a projected \$13.6 million budget deficit and that Caltrain will seek increased subsidies from San Francisco, San Mateo and Santa Clara Counties to make up the remainder. Concurrent with the fare increases, Caltrain will increase service to 96 weekday trains, including 22 "Baby Bullet" skip-stop express trains, which a Caltrain spokesman said represented the highest number of scheduled daily passenger trains operated in the 141-year history of the line, which runs between San Francisco, San Jose and Gilroy. (ffd: San Francisco Business Times)

(MON) A spokesman for the State of Georgia said that the state had now secured \$106 million in mainly federal funding to start commuter rail service on the line between Atlanta and Macon. The state spokesman added that service would initially operate between Atlanta and Lovejoy and be extended to Griffin and Macon at later dates. A spokesman for Norfolk Southern, over whose tracks the service will operate, said that, although setup talks are still ongoing with the state, plans are on schedule to start service between Atlanta and Lovejoy in Fall, 2006. (ffd: Macon Telegraph)

(MON) Chicago Transit Authority President Frank Kruesi suggested that a civil rights lawsuit against Chicago commuter rail operator METRA and suburban bus operator PACE might result from CTA having to implement significant service cuts threatened by a projected \$55 million budget deficit. The lawsuit would be based on CTA ridership being of a much larger percentage of racial minorities in comparison to the heavily suburban ridership of METRA and PACE. CTA has said that it will be forced to implement the cuts July 17 unless the Illinois state legislature and the governor can close the \$55 million shortfall. (ffd: WBBM TV)

(MON) Los Angeles, CA commuter rail operator Metrolink began serving the new Palmdale Transportation Center. The station, which cost \$10.8 million, locates on Metrolink's Antelope Valley Line operating between Los Angeles Union Station and Lancaster. (ffd: Los Angeles Times)

(MON) The State of Alaska and Canada's Yukon Territories announced that they would jointly fund a \$5 million study to determine the feasibility of building a new railroad connecting Alaska with existing Canadian rail lines. The new railroad, which is at the conceptual stage and has no funding assurance as yet, would run through Alaska and Yukon, into British Columbia where it would link to existing rail lines running through Canada and down to the U.S. (ffd: Juneau Empire)

(MON) Washington, DC transit operator METRO said that it would continue funding its subway escalator and elevator rebuilding program through 2010. A METRO spokesman said that, by 2010, it expects to have completed rebuilding 413 of the subway system's 588 escalators, as well as 95 elevators. A METRO spokesman said that the rebuilding contracts cover additional labor costs so that renovation work may be done at night. Escalator breakdowns have been a continuing source of frustration for METRO subway riders ever since the system first opened in 1976. (ffd: Progressive Railroading)

(MON) A Japanese commuter train derailed and crashed into an adjacent apartment building in the city of Amagasaki, approximately 25 miles west of Tokyo. The crash killed 107 passengers aboard the train and injured 460 others. Investigators said that the train's operator may have been exceeding the line's speed limit at the time of the crash in order to make up time. The crash is Japan's worst rail accident since 1963. (ffd: wire services)

(TUE) New York's Metropolitan Transportation Authority approved a revised 5-year capital plan, which now proposes \$21.1 billion in funding instead of \$27.7 billion originally proposed. Although the new plan fully funds the extension of the No. 7 subway line to the Javits Convention Center and the planned New York Jets stadium on Manhattan's West Side, 3 other major projects – Long Island Rail Road East Side Access, the Second Avenue Subway and a new rail line from Lower Manhattan to JFK Airport – were cut from an earlier proposed total of \$7.9 billion to \$2.5 billion. The plan also includes \$495 million for improved security. (ffd: New York Times)

(WED) The United Transportation Union staged a 90-minute strike against BNSF. The strike was against freight operations on the former Burlington Northern side of the railroad and did not affect any passenger operations on that side. A UTU spokesman said that the job action was in protest of BNSF allowing locomotive engineers on the former BN side currently working in train service to remain in train service even though they could bump into an engine job. The strike ended shortly after a federal district court judge issued a preliminary injunction. (ffd: Railway Age, wire services)

(WED) The House Transportation and Infrastructure Committee approved H.R. 1630, which reauthorizes Amtrak and calls for \$2 billion in annual funding for Fiscal Years 2006 through 2008, and H.R. 1631, which calls for \$60 billion for high-speed rail and rail infrastructure projects over a multi-year period. Commenting on H.R. 1630, Committee Chairman Don Young (R-AK) said, "Although serious disagreements still exist about Amtrak's long-term management strategy and structure, there is a common understanding of the need for near-term funding." The bills must still be considered by the full House and must be tied in with related appropriations legislation still being constructed and debated. (ffd: BofLE, NARP)

(WED) The National Transportation Safety Board held special hearings related to Union Pacific's June 28, 2004 collision near Macdona, TX, which killed the train's conductor and 2 persons living alongside the collision site. NTSB investigators said that they were paying special attention to the role fatigue may have played in the crash, noting that the engineer, although legally rested, had worked and been taken to and from work before the accident as follows: 5:50AM Friday to 4:15PM Friday, 2:00AM Saturday to 3:30PM Saturday, 11:30PM Saturday to 12:30PM Sunday, and 2:45AM Monday until the time of the accident. The engineer, Arturo Cadena, survived the crash, but was in a coma for 10 days afterward and remembered little about the accident. (ffd: wire services)

(WED) The Port of New York and New Jersey said that it would appropriate \$141 million in funding to speed up completion of its on-dock ExpressRail rail terminal at its Port Newark-Port Elizabeth marine terminals. A PANYNJ

spokesman said that the work, which will now be completed 2 years sooner than previously projected, included final design and construction of a second lead track to ExpressRail Elizabeth; completion of the on-dock rail terminal, which will ultimately total 18 tracks; and construction of a rail support facility at nearby Corbin Street to provide capacity to assemble, arrive and depart 2-mile-long trains and classify rail traffic from the on-dock facilities. The spokesman added that completion of this work will allow approximately 1 million containers per year to be handled by rail through these facilities. (ffd: JofC Online)

(WED) A Canadian investment services firm released results of its survey of hundreds of shippers concerning current rail service. The survey, undertaken by UBS Securities Canada, ranked Norfolk Southern first for reliability, prices, ease of doing business and value, followed by BNSF and Canadian National, which tied for second place. The survey also found that shippers were seeing trucks becoming a "less attractive" alternative, but added that the majority of shippers don't expect railroads to recapture market share from trucks "because on-time consistency remains railroads biggest weakness." (ffd: Progressive Railroading)

(WED) RELCO announced that they had completed a new locomotive rebuilding and servicing facility in Albia, IA. A RELCO spokesman said that the new facility includes a 90,000-square-foot main locomotive shop, self-contained blast and paint shop, office space and more than 10,000 feet of track. RELCO also has a smaller locomotive rebuilding and servicing facility in Minooka, IL. (ffd: Progressive Railroading)

(WED) Philadelphia, PA.'s SEPTA celebrated the 20th anniversary of service over its R1 Airport Line. The line provides a one-seat ride aboard a SEPTA commuter train from Center City, Philadelphia to each of Philadelphia International Airport's air terminals. A SEPTA spokesman said that, to mark the anniversary, the single trip fare would be reduced from \$5.50 to \$1.00 during the week of May 1 through 7. (ffd: SEPTA)

(THU) Los Angeles, CA's Metropolitan Transportation Authority approved \$640 million in funding to construct a new light rail line serving suburban Culver City. An LAMTA spokesman said that the line will operate from downtown Los Angeles over the same tracks as the existing Metro Blue Line before splitting off to operate along Exposition Boulevard to the intersection of National and Washington Boulevards, with a possible future expansion to Santa Monica. The spokesman added that the new line will total approximately 9.6 miles with 8 stations, and that construction is planned to start in 2006. (ffd: Progressive Railroading, RT&S)

(THU) A BNSF freight train derailed 30 cars near Austin, MT, approximately 10 miles west of Helena. The derailment blocked BNSF's line through Friday. Also on Thursday, a Norfolk Southern work train rear-ended an NS freight train near Shepherdstown, WV just south of the Potomac River. The accident derailed the locomotive on the colliding train. A police spokesman added that 1 crewperson was taken to a local hospital with non-life-threatening injuries. (ffd: Charlestown Herald-Mail, WHAG-TV)

(THU) Swiss engineers linked the north and south borings of the 21-mile Loetschberg rail tunnel being constructed beneath the Swiss Alps. When completed in 2007, the tunnel will become the world's third-longest rail tunnel, behind Japan's 33.5-mile Seikan Tunnel and the 31.3-mile tunnel underneath the English Channel. A government spokesman said that the tunnel will be used by both passenger and freight trains and will shorten high-speed passenger rail services through Switzerland and between Germany and Italy by as much as 1-1/2 hours. (ffd: New York Times)

(FRI) A Canadian consortium announced that they would construct a new intermodal terminal at the Port of Prince Rupert, British Columbia. The consortium includes Canadian federal and provincial authorities, Canadian National Railway, Maher Terminals and the Prince Rupert Port Authority, altogether providing \$60 million in funding. A consortium spokesman said that the new terminal, which furthers efforts by Canadian ports to capture more Pacific Rim shipping into North America, was expected to be ready for operation by early 2007 and would initially have capacity of 500,000 TEU (20-foot-equivalent containers) per year. (ffd: CN Corp., wire services)

STATS – TRAFFIC:

(THU) For the week ending April 23, 2005, U.S. rail volume grand totaled 32.3 billion ton-miles, up 1.6 percent from the comparable week last year. Also for the week, U.S. carload rail traffic was up 0.8 percent, up 0.6 percent in the East and up 0.9 percent in the West. Notable traffic increases included non-grain farm products up 13.5 percent, crushed stone, sand and gravel up 11.5 percent, metallic ores up 10.2 percent and grain up 7.4 percent; notable traffic decreases included primary forest products down 11.4 percent and motor vehicles and equipment down 11.2 percent. Also for the week, U.S. intermodal rail traffic was up 5.7 percent, Canadian carload rail traffic was down 4.8 percent, Canadian intermodal rail traffic was up 4.5 percent, Mexico's Transportacion Ferroviaria Mexicana's carload rail traffic was down 2.9 percent and TFM's intermodal rail traffic was up 15.2 percent.

For the period January 1 through April 23, 2005, U.S. rail volume grand totaled 506.3 billion ton-miles, up 3.5 percent from the comparable period last year. Also for the week, U.S. carload rail traffic was up 2.6 percent, U.S. intermodal rail traffic was up 7.3 percent, Canadian carload rail traffic was up 0.9 percent, Canadian intermodal rail traffic was up 4.2 percent, TFM's carload rail traffic was 3.8 percent and TFM's intermodal rail traffic was up 9.4 percent. (ffd: AAR)

MORE STATS – "BIG 7" OPERATING PERFORMANCE:

(FRI) For the week ending April 23, 2005 versus the comparable week last year, average train speed was as follows: BNSF, 24.2 mph versus 25.6 mph; Canadian National, 25.6 mph versus 25.2 mph; Canadian Pacific, 24.7 mph versus 24.9 mph; CSX, 19.3 mph versus 20.5 mph; Kansas City Southern, 24.4 mph versus 26.6 mph; Norfolk Southern, 22.4 mph versus 23.1 mph; and Union Pacific, 21.5 mph versus 21.4 mph.

Also for the week ending April 23, 2005 versus the comparable week last year, average terminal dwell time was as follows: BNSF, 9.9 hrs versus 9.4 hrs; Canadian National, 12.2 hrs versus 13.6 hrs; Canadian Pacific, 32.2 hrs versus 25.1 hrs; CSX, 30.2 hrs versus 27.4 hrs; Kansas City Southern, 27.2 hrs versus 28.5 hrs; Norfolk Southern, 23.7 hrs versus 21.7 hrs; and Union Pacific, 27.4 hrs versus 30.4 hrs. (ffd: AAR)

(Note: Concerning the above statistics, AAR comments that "one railroad's performance metrics cannot meaningfully be compared to another railroad's, due to differences in the carriers' calculation methodologies, operational strategies, network characteristics, terrain, traffic mix and volume, length of haul, extent of passenger operations, and other factors, such as weather.")

STILL MORE STATS – FIRST QUARTER, 2005 RESULTS:

(WED) Norfolk Southern reported net income of \$194 million, up from \$158 million the previous first quarter. Revenues were \$1.96 billion, up from \$1.7 billion the previous first quarter. NS's operating ratio improved to 79.4 percent, compared with 79.6 percent the previous first quarter. Discussing first quarter results, NS CEO David Goode noted that the operating ratio had improved despite \$35 million in additional expenses related to the January 6 derailment and hazmat release in Graniteville, SC. that resulted in 11 fatalities and extended evacuations. An NS spokesman added that NS would likely incur approximately \$6 million in additional expenses related to that derailment, as well as higher insurance expenses. (ffd: NS Corp.)

(THU) BNSF reported net income of \$321 million, up from \$193 million from the previous first quarter. Revenues were \$2.90 billion, up from \$2.45 billion the previous first quarter. BNSF's operating ratio improved to 78.1 percent, compared with 83.3 percent the previous first quarter. Discussing first quarter results, a BNSF spokesman also noted that, in March, monthly revenues exceeded \$1 billion for the first time in company history. (ffd: BNSF Corp.)

(THU) Canadian Pacific reported net income of C\$80.5 million, up from C\$23.5 million the previous first quarter. Revenues were C\$1.01 billion, up from C\$886.6 million the previous first quarter. CPR's operating ratio improved to 82.4 percent, compared with 86.9 percent the previous first quarter. Discussing first quarter results, CPR COO Fred Green commented, "I don't think I could declare today that we will be sold out after the 2006 season for sure, but I can tell you the demand continues to be very strong and it's conceivable that there's enough demand available to us, although not under contracted terms yet, to sell out the whole thing." (ffd: CPR Corp., The Canadian Press)

(THU) CSX reported net income of \$579 million, up from \$30 million the previous first quarter. Revenues were \$2.1 billion, up from \$1.9 billion the previous first quarter. CSX's operating ratio improved to 83.3 percent, up from 89.4 percent the previous first quarter. Discussing first quarter results, a CSX spokesman noted the effect of CSX's sale of its International Terminals subsidiary on earnings, which result in after-tax income of approximately \$425 million. (ffd: CSX Corp.)

(THU) Regional and shortline conglomerate RailAmerica reported net income of \$6.21 million, up from \$1.28 million the previous first quarter. Revenues were \$110.1 million, up from \$95.9 million the previous first quarter. RailAmerica's operating ratio worsened slightly to 89.4 percent, compared with 83.5 percent the previous first quarter. Discussing first quarter results, a RailAmerica spokesman noted the effect of "higher fuel and casualty expenses as well as higher operating costs related to the recently acquired Midland Subdivision" on this first quarter's operating ratio. (ffd: RailAmerica Corp.)

EXPANSIONS, CONTRACTIONS AND ALIKE:

(MON) Anacostia & Pacific's Northern Lines Railway announced that it had leased, from BNSF, and would operate approximately 22 miles of line in and around St. Cloud, MN. (ffd: BNSF Corp.)

(MON) First Coast Railroad filed to lease, from CSX, and operate CSX's Kingsland Subdivision between Yulee, FL and

Seals, FL and CSX's Fernandina Subdivision between Yulee, FL and Fernandina, FL, altogether totaling approximately 32 miles of line. (ffd: STB)

(FRI) BNSF announced that it had reached agreement with the State of South Dakota to purchase, for \$41.6 million, approximately 368 miles of line owned by the state. The agreement counters efforts the previous week by South Dakota's State Railroad Board to grant trackage rights over several of these lines to the Dakota, Minnesota & Eastern Railway. The purchase exercises an option allowed by a 1986 agreement between the State and BNSF predecessor Burlington Northern related to these "core" lines. (ffd: Railway Age, RT&S)

(FRI) Dakota, Missouri Valley & Western Railroad filed to abandon approximately 33 miles of its McKenzie-Linton Line between Moffitt, ND and Linton, ND. (ffd: STB)

(FRI) Norfolk Southern's Tennessee Railway subsidiary filed to abandon approximately 27 miles of line between Nick's Creek, TN and Oneida, TN. (ffd: STB)

APPOINTMENTS, ACHIEVEMENTS AND ALIKE:

(MON) Kansas City Southern appointed Kayden Howard Associate General Counsel. Ms. Howard was earlier with the Office of the Solicitor of the U.S. Department of Labor. (ffd: KCS Corp.)

(THU) Joseph Boardman was confirmed by the Senate as the new permanent Federal Railroad Administration Chief Administrator. Mr. Boardman was most recently New York State's Transportation Commissioner. Mr. Boardman replaces Robert Jamison, who had been serving as Acting FRA Chief Administrator since earlier this year. (ffd: AAR)

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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. (Note: If you work in rail or transit and are usually receiving Weekly Rail Review forwarded on from a colleague, let me know if you would like me to email it to you directly. This would ensure your receiving it in a timely manner in case your colleague is ever out of the office for an extended period and also allow me the pleasure of making your acquaintance.)

HAVE A SAFE AND PROSPEROUS WEEK,

Dave Mears

Cherry Hill, New Jersey, USA