

## WEEKLY RAIL REVIEW

FOR THE WEEK ENDING SAT, APRIL 8, 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):

(SUN) The Lake Superior and Ishpeming Railroad suffered an on-duty employee fatality. Kim Nicholls, Age 51, was killed when he fell off the rear of the train he was switching and was then run over. Mr. Nicholls, who was from Marquette, MI, was a 12-year rail employee and had been in train service the last 2 years. (ffd: wire services)

(MON) The Chicago Transit Authority announced that it waive until June 1 the \$5 fee for purchasing its multi-use Chicago Card farecard. A CTA spokesman said that it was waiving the fee to encourage motorists to switch from driving the Dan Ryan Expressway, which will soon see 8 of its 14 lanes temporarily closed for a \$600 million reconstruction project, the largest lane capacity reduction ever on a major Chicago highway. The spokesman added that Chicago Card users pay \$1.75 to ride a bus or subway-elevated train and can transfer for a quarter. (ffd: Chicago Tribune)

(MON) Filings at the U.S. Securities and Exchange Commission indicate that Microsoft Chairman Bill Gates, possibly the world's richest person, is now also the largest single stockholder of Canadian National. Mr. Gates and also his Bill and Melinda Gates Foundation own a total of 35.33 million shares of CN stock, worth approximately \$1.87 billion. This equates to approximately 6.6 percent of CN's approximate market value of \$28.37 billion. A spokesman for the Railway Association of Canada noted that the value of CN stock has quadrupled since 2000, while in the same time period the worth of Mr. Gates's 980 million shares of Microsoft has fallen by more than half from its earlier peak. (ffd: Toronto Globe and Mail)

(MON) The Transportation Security Administration and the Maryland Transit Administration announced that they would operate a Mobile Security Checkpoint test at the Dorsey Road station on MARC's Camden commuter rail line. A spokesman said that the test is "to determine the operational feasibility, effectiveness, and cost of a commercially available screening technology installed in a mobile container." The spokesman added that the test would be conducted at the station April 4 through 28 and that it would cause passengers to be delayed approximately 5 to 10 minutes. (ffd: TSA, Railway Age)

(WED) The Senate Appropriations Committee was reported to have approved \$700 million to acquire the CSX main line across Southern Mississippi. The line was heavily damaged by Hurricane Katrina and was only recently restored to service by CSX at a cost of approximately \$250 million. The line hugs the Mississippi coastline and has long been eyed for coastal development. In a related story, CSX said later in the week that it had resumed handling eastbound

intermodal traffic from California to its intermodal terminal in New Orleans, LA, which was heavily flooded by Katrina, but which reopened for service last month. (ffd: NARP, Progressive Railroading, Trains)

(WED) The East Japan Railway debuted its latest generation Bullet train. A railway spokesman said that the new trains, called "Fastech 360Z," would be capable of reaching speeds of up to 224 miles per hour. The spokesman added that the trains would be tested on weekends for about two years before being put into commercial service. (ffd: international wire services)

(THU) The American Public Transportation Association said that U.S. public transportation systems counted more than 9.7 billion passenger trips in 2005. An APTA spokesman said that the 2005 total represented more than 100 million additional passenger trips than in 2004 and that ridership has increased by 25.1 percent since 1995. The spokesman added that light rail ridership, aided by new line openings and extensions last year, increased at a greater rate than heavy rail ridership. (ffd: Progressive Railroading)

(THU) Guilford Rail System announced that it was changing its name to Pan Am Railways and that its parent company, Guilford Transportation, was changing its name to Pan Am Systems. A company spokesman said that the parent company had bought the Pan Am name in 1998 for a brief venture into commercial air service and had recently begun repainting its boxcars blue with the famous Pan Am globe logo. Pan Am Airways originally operated from the beginnings of commercial aviation until it filed for bankruptcy in 1991. (ffd: Trains)

(FRI) BNSF announced that it would soon open an office in China, becoming the first U.S. railroad to do so. A BNSF spokesman said that the office would be located in Shanghai. Both Canadian National and Canadian Pacific Railway already have offices in China. BNSF also has another office in Asia, located in Tokyo, Japan. (ffd: Dallas Morning News)

(FRI) The City of Rochelle, IL announced that it would close the gift shop at the Rochelle Railroad Park effective May 5. A city spokesman said that the park and the trains.com internet webcam would remain open. The spokesman added that the city hopes to have "some form of a gift shop in the future and later may add a railroad museum or a model train layout." The park locates at the diamond crossing of Union Pacific's main line between Chicago, IL and Omaha, NE and BNSF's main line between Chicago and Minneapolis, MN. About 100 trains a day pass by the park. (ffd: Trains)

#### 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 1, 2006, U.S. rail volume grand totaled 34.0 billion ton-miles, up 1.5 percent from the comparable week last year. U.S. carload rail traffic was up 0.6 percent, up 3.9 percent in the East, but down 2.0 percent in the West. Also for the week, U.S. intermodal rail traffic was up 11.0 percent, Canadian carload rail traffic was down 1.8 percent, and Canadian intermodal rail traffic was up 7.8 percent.

For the month of March, 2006, U.S. carload rail traffic was up 0.1 percent compared with March, 2005. Notable traffic increases included crushed stone, sand and gravel up 9.4 percent, motor vehicles and equipment up 4.9 percent, and metals and metal products up 4.3 percent; notable traffic decreases included chemicals down 3.9 percent and coal down 0.4 percent. Also for the month, U.S. intermodal rail traffic was up 7.8 percent, Canadian carload rail traffic was down 2.9 percent, Canadian intermodal rail traffic was up 4.7 percent, Mexico's Kansas City Southern de Mexico's carload rail traffic was up 0.4 percent, and KCSM's intermodal rail traffic was up 15.4 percent.

For the 1st Qtr., 2006, U.S. rail volume grand totaled 429.5 billion ton-miles, up 1.9 percent from the 1st Qtr., 2005. Also for the quarter, U.S. carload rail traffic was up 0.7 percent, U.S. intermodal rail traffic was up 5.6 percent, Canadian carload rail traffic was down 2.1 percent, Canadian intermodal rail traffic was up 4.4 percent, KCSM's carload rail traffic was down 3.8 percent, and KCSM's intermodal rail traffic was down 1.0 percent. (ffd: AAR)

#### MORE STATS – OPERATING PERFORMANCE:

(NOTE: Effective October 1, 2005, railroads that had been furnished 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 31, 2006 and versus the previous week, average total cars on line was as follows: BNSF, 224,769 cars versus 224,794 cars; Canadian Pacific, 79,712 cars versus 80,721 cars; CSX, 221,974 cars versus 222,881 cars; Kansas City Southern, 24,096 cars versus 25,152 cars; Norfolk Southern, 207,128 cars versus 205,320 cars; and Union Pacific, 330,635 cars versus 331,405 cars. (Comparative totals from last year are not yet available.)

Also for the week ending March 31, 2006 and versus the comparable week last year, average train speed was as follows: BNSF, 22.3 mph versus 23.4 mph; Canadian Pacific Railway, 25.9 mph versus 22.2 mph; CSX, 20.4 mph versus 18.6 mph; Kansas City Southern, 23.3 mph versus 23.1 mph; Norfolk Southern, 20.9 mph versus 22.6 mph; and Union Pacific, 21.3 mph versus 22.1 mph.

Finally for the week ending March 31, 2006 and versus the comparable week last year, average terminal dwell time was as follows: BNSF, 24.1 hrs versus 23.6 hrs; Canadian Pacific Railway, 20.6 hrs versus 30.2 hrs; CSX, 24.8 hrs versus 28.5 hrs; Kansas City Southern, 22.2 hrs versus 22.4 hrs; Norfolk Southern, 22.3 hrs versus 23.5 hrs; and Union Pacific, 29.4 hrs versus 27.6 hrs. (ffd: AAR)

#### EXPANSIONS, CONTRACTIONS AND ALIKE:

(WED) BNSF filed to abandon 1 mile of line in Glake, IA. (ffd: STB)

(WED) Gerdau Ameristeel, the second largest mini-mill steel producer in North America, announced that it would acquire all outstanding shares of Sheffield Steel of Sand Springs, OK. Sheffield Steel is a mini-mill producer of SBQ and MBQ hot-rolled bar products, concrete reinforcing bar and fabricated products, including fabricated rebar, steel fence posts and railroad track spikes. Sheffield also owns the Sand Springs Railway, which connects Sand Springs with Tulsa, OK. (ffd: RT&S)

(THU) Max and Thelma Biegert announced that they were “pursing strategic business options” related to their Grand Canyon Railway. Those options include sale of the railway, which the Biegerts purchased 20 years ago and restored passenger service on in 1989. The former Santa Fe line runs between the BNSF at Williams Jct., AZ and the Grand Canyon Rim. (ffd: Progressive Railroad)

(THU) South Korea-based railcar building Rotem announced that it would open a new railcar assembly facility at the former Philadelphia Navy Yard in Philadelphia, PA. Rotem is a subsidiary of Hyundai Automotive Group. A company spokesman said that the new facility would begin work in the third quarter this year on a 32-car order for North Carolina’s Triangle Transit Authority. The spokesman added that it has also recently secured orders for 87 cars for Los Angeles area commuter rail operator Metrolink and for 104 cars for Philadelphia commuter rail operator SEPTA. (ffd: Railway Age)

(FRI) Union Pacific announced that it had granted temporary trackage rights for BNSF eastbound trains over approximately 542 miles of line and for BNSF westbound trains over approximately 526 miles of line, both between near Fort Worth, TX and near Memphis, TN. The purpose of the trackage rights is to allow BNSF to bridge its trains while its neighboring line is temporarily out of service for track maintenance. (ffd: STB)

(FRI) BNSF granted Union Pacific temporary trackage rights over approximately 6 miles of line between Lake Yard, OR and North Portland Jct., OR. The purpose of the trackage rights is to allow UP to bridge its trains while its neighboring line is temporarily out of service for track maintenance. (ffd: STB)

#### APPOINTMENTS, ACHIEVEMENTS AND ALIKE:

(MON) Norfolk Southern appointed Donald Seale EVP and Chief Marketing Officer effective with the April 1 retirement of NS Vice Chairman and Chief Marketing Officer L.I. “Ike” Prillaman. Mr. Seale was most recently NS’s EVP of Sales and Marketing and has held a number of sales and marketing positions since joining NS and its predecessor railroads in 1976. (ffd: NS Corp.)

(THU) BNSF appointed Dennis Merrell AVP-Labor Relations for Maintenance and Support Crafts. Mr. Merrell, who has been with BNSF and its predecessor railroads since he started at Northtown Yard in Minneapolis, MN in 1969, succeeds Dan Kozak, who passed away March 20. (ffd: BNSF Corp.)

(FRI) Amtrak appointed Tom Schmidt AVP-Transportation. Mr. Schmidt recently retired from CSX, where he was lastly their VP-Engineering, having worked for it and its predecessor railroads for 35 years. Mr. Schmidt will report to Amtrak VP-Customer Service Emmett Fremaux. Mr. Fremaux, who rejoined Amtrak last fall, had earlier been the company's AVP-Customer Relationships and Revenue, but left in 2001 to work for a consortium involved with improving electronic voting systems. (ffd: Amtrak)

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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

Cherry Hill, New Jersey, USA