

WEEKLY RAIL REVIEW

FOR THE WEEK ENDING SAT, MAY 20, 2006

BY DAVE MEARS

(NOTE: This edition a little late, but I should be caught up by next week's edition.)

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

(TUE) Secretary of Transportation Norman Mineta announced what he described as "a new national initiative to tackle freight and passenger congestion." A USDOT spokesman said that the initiative, formally known as the National Strategy to Reduce Congestion on America's Transportation Network, will seek urban partnership agreements with communities "willing to demonstrate new congestion relief strategies." The spokesman added that the initiative will also encourage "more widespread deployment of new operational technologies and practices that end traffic tie-ups, designate new interstate corridors, target port and border congestion, and expand aviation capacity." (ffd: JofC Online)

(TUE) The California state legislature's Transportation and Housing Committee voted to postpone putting on the ballot a state proposition that would appropriate \$9.95 billion toward a California high-speed rail system. Lawmakers originally put it on the November, 2004 ballot, but later pushed it back to November, 2006; now, the measure may not go before the public until November, 2008. If approved, the proposition would fund approximately one-half of the system, which proposes new high-speed rail service between San Diego, Los Angeles, Fresno, Sacramento, and San Francisco. (ffd: Trains)

(TUE) A spokesman for the New York City Transit Authority said that weekday subway ridership hit a record high in March, 2006. The spokesman said that the 4.9 million passengers who rode the subway each weekday in March represented the largest average weekday ridership since NYCTA began keeping records in 1970. "A continued strong economy and major investments in our transit system are paying significant dividends," said New York Metropolitan Transportation Authority Chairman Peter Kalikow. (ffd: New York Post)

(TUE) A meeting of the Virginians for High Speed Rail coalition was held in Newport News, VA. Speakers at the meeting warned that the U.S. likely faces escalating transportation problems. Speakers included former Amtrak President David Gunn, who commented that the public may see "wild variations" in travel times, whether by road, rail or air. "These swings already happen occasionally, but if they become untenable...then I think you'll see the public put pressure on federal lawmakers [for transportation alternatives.]" Also speaking was retired Norfolk Southern SVP Jim McClellan, who said that gas hitting \$6 a gallon would likely spawn substantial demand for such alternatives. (ffd: Trains)

(TUE) Illinois Governor Ray Blagojevich signed into law a bill allowing local governments to use cameras at rail-highway grade crossings to photograph motorists who drive around lowered gates. The law, which will take effect January 1, 2007, gives the Illinois Department of Transportation the authority to work with counties and municipalities to establish automated enforcement systems at crossings, including cameras. A state spokesman said that the law

carries at \$250 fine or 25 hours of community service for a first offense and a \$500 fine and-or six-month vehicle registration suspension for a second offense. (ffd: Progressive Railroading)

(WED) A chapter of the American Society of Civil Engineers designated Long Island Rail Road's recently completed renovation of its Jamaica, NY station "project of the year." An ASCE spokesman said that the award for the \$220 million project recognized the complexity of the station's design and the LIRR's ability to complete the five-year project without interrupting train service to it. The renovations to the station, which was built in 1913, including replacing and linking five platforms, and incorporating AirTrain service to Kennedy Airport. (ffd: Newsday)

(FRI) The Dakota, Minnesota & Eastern filed with the Surface Transportation Board to revise earlier conditions forbidding the railroad to route coal traffic onto the Iowa, Chicago & Eastern Railroad. The STB imposed the restriction as a condition of its approving DM&E's purchase of the IC&E in 2002. In its filing, DM&E states that the restriction has now impeded the railroad's ability to attract private financing for its proposed \$2.5 billion project to build 260 miles of new line to reach Wyoming's Powder River Basin coal fields. (ffd: Rochester Post-Bulletin)

#### 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 May 13, 2006, U.S. rail volume grand totaled 33.9 billion ton-miles, up 5.3 percent from the comparable week last year. U.S. carload rail traffic was up 3.9 percent, up 1.0 percent in the East and up 6.4 percent in the West. Notable traffic increases included metals up 12.0 percent, coal up 11.1 percent, and grain up 3.5 percent; notable traffic decreases included nonmetallic minerals down 18.2 percent, primary forest products down 12.3 percent, and pulp, paper and allied products down 10.0 percent. Also for the week, U.S. intermodal rail traffic was up 8.2 percent, Canadian carload rail traffic was down 2.9 percent, Canadian intermodal rail traffic was up 3.8 percent, Mexico's Kansas City Southern de Mexico was down 4.0 percent, and KCSM's intermodal rail traffic was down 2.6 percent.

For the period January 1 through May 13, 2006, U.S. rail volume grand totaled 630.3 billion ton-miles, up 1.7 percent. Also for this period, U.S. carload rail traffic was up 0.5 percent, U.S. intermodal rail traffic was up 6.0 percent, Canadian carload rail traffic was down 2.1 percent, Canadian intermodal rail traffic was up 5.0 percent, KCSM's carload rail traffic was down 5.9 percent, and KCSM's intermodal rail traffic was down 7.1 percent. (ffd: AAR)

#### MORE STATS – OPERATING PERFORMANCE:

(NOTE: These stats for the week ending May 13, 2006 are not available at this writing. However, stats for the week ending May 20, 2006 will be included in next week's edition.)

#### EXPANSIONS, CONTRACTIONS AND ALIKE:

(MON) Norfolk Southern filed to discontinue service over approximately 12 miles of line between Halls Ferry Jct., NC and Badin, NC. In the same filing, the Winston-Salem Southbound Railway, which is owned equally by NS and CSX, filed to discontinue service over approximately 6 miles of line between Badin, NC and Whitney, NC. (ffd: STB)

(TUE) Caterpillar Corporation announced that it had reached agreement to acquire Progress Rail Services for \$1.0 billion in cash, stock and assumption of debt. Progress Rail provides remanufactured locomotive and railcar products and services, with about 3,700 employees and about 90 facilities in North America. (ffd: Caterpillar Corp.)

(THU) CSX filed to abandon approximately 12 miles of its Southern Region-Florence Division-Belton Subdivision line between Belton, SC and Pelzer, SC. (ffd: STB)

#### APPOINTMENTS, ACHIEVEMENTS AND ALIKE:

(TUE) BNSF m-of-w safety assistant Robert Coronado was named winner of the Harold F. Hammond Safety Award for 2005. A spokesman for the AAR, which administers the award, said that Mr. Coronado was recognized for achievements including developing an on-track safety training module and a track awareness training video for BNSF. The award, first presented in 1986, recognizes an individual railroad employee for outstanding safety achievement.

Mr. Coronado received his award at the annual Harriman Memorial Safety Awards ceremony in Washington, DC. Also at this event, Norfolk Southern was awarded the gold medal for railroads working more than 15 million man-hours annually, the 17th consecutive year it has won the gold in this category. Canadian Pacific Railway was awarded the gold for railroads working between 4 million and 15 million man-hours, Florida East Coast Railway was awarded the gold for railroads working less than 4 million man-hours, and the Terminal Railroad Association of St. Louis was awarded the gold in the category of switching and terminal companies. (ffd: Progressive Railroad)

(TUE) CSX appointed David Brown VP and Chief Transportation Officer. Mr. Brown, who will report to CSX SVP-Operations Tony Ingram, was most recently Norfolk Southern's VP-Strategic Planning and was, like Mr. Ingram, a longtime NS employee. Reporting to Mr. Brown will be Tony Tucheck, VP-Northern Region; Mike Pendergrass, VP-Southern Region; Jim Snyder, VP-Network Operations; Tim Male, AVP-Crew Management; and Mike Munley, AVP-Plan Compliance. (ffd: CSX Corp.)

(TUE) The Bush Administration nominated R. Hunter Biden and Donna McLean to fill long vacant seats on the Amtrak Board of Directors. Mr. Biden is a founding partner of Oldaker, Biden & Belair, a Washington, DC. law firm, and is the son of Senator Joseph Biden (D-DE), a longtime Amtrak supporter. Ms. McLean, now a consultant, was earlier a financial officer at the Department of Transportation from 2001 through 2004. (ffd: NARP)

(WED) BNSF announced the following appointments in its Washington, DC government affairs office: Michael Smythers,

AVP-Federal Government Affairs; Zak Andersen, Director-Federal Government Relations; and Lindsay Duncan, Budget & Legislative Affairs Analyst. All three will report to Amy Hawkins, BNSF's VP-Federal Government Affairs. (ffd: BNSF Corp.)

(CORRECTION: In last week's edition, I listed Folkston, GA as "Folkestone." My thanks to WRR Readers Alexander Mitchell and Dave Staplin for their good catch here.)

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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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