

WEEKLY RAIL REVIEW

FOR THE WEEK ENDING FRIDAY, MAY 20, 2011

BY DAVE MEARS

(NOTE: My personal computing capability now resumed, I am continuing to issue WRR until it is current. Thanks for the kind comments many of you have sent me as I catch up.)

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

(MON) The U.S. Supreme Court let stand a federal appeals court ruling that upheld a 2009 Surface Transportation Board order requiring BNSF to pay more than \$300 million in reparations to Basin Electric Power Cooperative and Western Fuels Association for what the STB said were unreasonable transportation costs. The STB's action is believed to be the largest monetary fine ever ordered by the Board. (ffd: wire services)

(MON) In relation to coal as the commodity most carried by railroads after intermodal, the U.S. Environmental Protection Agency announced that it would indefinitely delay implementation of proposed new regulations limiting emission from industrial power plants. Approximately 13,600 industrial power plants would have been affected by the regulations, many of which use coal as an energy source. (ffd: Miami Herald)

(MON) U.S. Senator Patty Murray (D-WA) introduced legislation to provide additional federal funding for the Transportation Investment Generating Economic Recovery (TIGER) grant program. The bill would authorize the U.S. Department of Transportation to provide grants, direct loans and loan guarantees to states, local governments and transit agencies to help fund transportation projects. The bill was referred to a Senate committee for initial consideration. (ffd: Progressive Railroading)

(MON) Officials of the Massachusetts Bay Transportation Authority said that they were in the process of reviewing the agency's contract with its commuter rail operator, the Massachusetts Bay Commuter Railroad, to evaluate whether to eventually re-bid the contract or to possibly insource commuter train operation. The MBTA's considerations follow media reports that contract penalty provisions had been changed without the knowledge of the MBTA board and to the effect that MBTA was saved from paying \$32.6 million for poor on-time train performance. (ffd: Boston Globe)

(MON) Chicago commuter rail operator Metra announced that it would extend its quiet car program to all 11 of its commuter rail lines. The decision follows what Metra said was a successful three-month test of quiet cars on its Rock Island Line. Metra said that a survey of its riders indicated that 84 percent were strongly or somewhat in favor of the quiet car concept. (ffd: RT&S)

(TUE) A committee of the U.S. senate held hearings on the Obama Administration's proposal to place Amtrak under an executive agency budget instead of being reliant on direct appropriation from Congress. The proposal is seen by industry analysts as a way to potentially stabilize Amtrak federal funding. Among those testifying at the hearing was Amtrak President Joe Boardman, who noted that, "Amtrak is already the most cost-efficient passenger railroad in America, generating 76 percent of its operating needs out of [fares] and covering more than 85 percent of its total operating costs from revenues." (ffd: The Hill)

(TUE) The Railway Association of Canada launched a new corporate brand including a new logo, tag line, visual identity and website. The RAC also announced a "Rail 2030" initiative, which it said is aimed at "unlocking the potential of Canada's freight and passenger rail for a better economy and society" in the future. (ffd: Progressive Railroading, RAC)

(TUE) In a speech to the World Travel & Tourism Council's summit conference in Las Vegas, NV, U.S. Transportation Secretary Ray LaHood said that the administration's passenger rail initiatives were still on track despite rejection of federal funding for high-speed rail projects by three Republican state governors. Commenting on these actions, Mr. LaHood said, "There is only one person in each of these states who didn't want the money...their constituents, the citizens in these states, want high-speed rail." (ffd: the Hill)

(WED) The annual Harriman Safety Awards were presented in Washington, DC. Norfolk Southern received the gold award in the Group A category for the 22nd year in a row and Kansas City Southern received the gold award in the Group B category for the fifth year in a row. The Buffalo & Pittsburgh Railroad received the gold award in the Group C category for the third year in a row and the Gary Railway received the gold award in the Switching & Terminal category. (ffd: AAR)

(WED) CSX announced that it would invest more than \$160 million over the next several years to raise the clearances of its Virginia Avenue tunnel on its line through Washington, DC. CSX said that the work, part of its multi-year National Gateway public-private partnership, would eventually allow double-stack intermodal trains to operate through tunnel. (ffd: RT&S)

(THU) Amtrak announced that it was encouraging private investment interest for its proposal to build a next-generation high-speed rail corridor between Washington and Boston. Amtrak's proposal calls for a business and financial plan in which Amtrak is the key developer and operator of a new high-speed line that would allow train speeds of up to 220 mph. As currently envisioned, the project would take 25 years to complete and cost approximately \$117 billion. (ffd: Bloomberg News, Progressive Railroading)

(THU) Maryland Governor Martin O'Malley signed into legislation a bill that requires any company seeking government rail contracts to detail any involvement they or their related companies may have with the genocide against Europe's Jewish population during the Second World War. The legislation targets Keolis, a subsidiary of the French national railway SNCF, which has been accused of complicity in the transport by rail of 77,000 Jews and other Holocaust victims to their deaths in Nazi concentration camps. (ffd: Washington Post)

(FRI) Seattle's Union Station celebrated its 100th anniversary. The station, which was restored approximately 10 years ago, serves as the headquarters for Sound Transit and locates next to Seattle's King Street rail station. (ffd: Seattle Times)

#### STATS – CLASS 1 RAIL TRAFFIC:

(THU) The Association of American Railroads reported that, for the week ending May 14, 2011 and ranked with the comparable week last year:

-U.S. carload rail traffic totaled 294,271 units, up 1.6 percent

-Notable U.S. carload traffic increases included 231,875 units, up 6.3 percent

-U.S. intermodal rail traffic totaled metallic ores up 17.5 percent, metals and metal products up 17.2 percent, and grain up 14.2 percent; notable decreases included waste and nonferrous scrap down 16.9 percent, primary forest products down 13.6 percent, and non-grain farm products down 13 percent.

-Canadian carload rail traffic totaled 76,167 units, up 4.5 percent

-Canadian intermodal rail traffic totaled 49,021 units, up 1.1 percent

-Mexican carload rail traffic totaled 13,770 units, unchanged

-Mexican intermodal rail traffic totaled 8,201 units, up 22.1 percent

For the period January 1 through May 14, 2011 and ranked with the comparable period last year:

- U.S. carload rail traffic totaled 5,527,357 units, up 3.3 percent
- U.S. intermodal rail traffic totaled 4,234,798 units, up 8.8 percent
- Canadian carload rail traffic totaled 1,396,132 units, up 1.1 percent
- Canadian intermodal rail traffic totaled 877,994 units, up 3.7 percent
- Mexican carload rail traffic totaled 273,200 units, up 7.1 percent
- Mexican intermodal rail traffic totaled 136,262 units, up 11.7 percent

Note: Canadian traffic totals include that traffic on U.S. operations of the Canadian National and Canadian Pacific Railways.

#### EXPANSIONS, CONTRACTIONS AND ALIKE:

(TUE) Canadian National announced that it would expand its Brampton intermodal terminal near Toronto, ON. CN said that this expansion would provide for a 15 percent increase in track capacity, a 25 percent increase in ground capacity, and a 10 percent increase in the terminal workforce. (ffd: CN RR)

(WED) The Surface Transportation Board denied Michigan Air-Line Railway's petition to abandon approximately six miles of line in Oakland County, MI. STB said that it was denying the abandonment because MAL had not provided the Board with sufficient information about the revenues and costs associated with the line. (ffd: STB)

(THU) BNSF filed to discontinue service on, but not abandon, approximately 46 miles of its Lead Line between Cuba and Buick, MO. (ffd: STB)

(THU) The Surface Transportation Board approved the Lake Providence Port Commission's acquisition from the Delta Southern Railroad of approximately 24 miles of line between McGehee and Lake Village, AR. The STB also approved the North Louisiana & Arkansas Railroad as the new operator of the line. (ffd: STB)

(THU) Union Pacific opened its new Black Fork Yard. The yard, the construction of which cost approximately \$24 million, locates about 20 miles west of Green River, WY. (ffd: Progressive Railroading)

(FRI) The STB approved the application of BNSF and the Northern Lines Railway for the latter to discontinue service over, and for the former to abandon, approximately seven miles of line between Rockville and Cold Spring, MN. (ffd: STB)

#### APPOINTMENTS, ACHIEVEMENTS AND MILESTONES:

(WED) The Harold Hammond Award was presented to John Kirwan at the annual Harriman Safety Awards in Washington, DC. Mr. Kirwan, a machinist with the Union Pacific, was honored for his safety achievements at the UP's Hinkle, OR shops. (ffd: AAR, UP RR)

EDITOR'S NOTES:

-In case it is helpful to anyone who may not have received the last edition sent due to it possibly having been caught in or deleted by a spam filter, please know that it was sent June 16 for the week ending May 13.

-The expression "ffd" stands for "for further details" and denotes a news periodical, website, etc. that may have more information.

-I always appreciate any readers who send on Weekly Rail Review to let me know to whom they forward it, so that I may learn more about my total readership. Thank you to those of you who have so advised! All names, email addresses, etc. sent me are kept confidential and are never used for any other purpose.

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BE SAFE AND PROSPER,

Dave Mears

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