

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

(SAT) The last day of National Transportation Week was observed. Continuing a longstanding tradition, President Obama declared May 10 through 16 as National Transportation Week and May 15 as National Defense Transportation Day. The previous Saturday, May 9, National Train Day was observed, which included notable celebrations by Amtrak at several of its larger stations. (ffd: BNSF)

(MON) Introduction of a new transportation bill in Congress was noted and publicized. The bill, "The Federal Surface Transportation Policy and Planning Act of 2009," was introduced the previous Friday by Sen. Jay Rockefeller (D-WV) and Sen. Frank Lautenberg (D-NJ). Among the bill's proposals are to increase the total usage of public transportation, intercity passenger rail services, and non-motorized transportation on an annual basis; and increase the proportion of national freight transportation provided by non-highway or multimodal services by 10 percent by 2020. Two days later, Rep. Jerrold Nadler (D-NY) introduced in Congress the "Freight Rail Development Act of 2009." The bill would provide for capital grants for freight rail economic development projects around the country, especially in areas hard hit by the current economic downturn. Both bills were referred to appropriate committees for initial consideration. (ffd: Progressive Railroading, Railway Track & Structures)

(MON) In an interview, Union Pacific CEO Jim Young said that he expects Congress to pass new regulations over what railroads can charge so-called captive shippers. "We will have new legislation, new regulations on us, I believe probably within the next year," said Mr. Young. He added that legislation could be written to protect shippers from price gouging while allowing railroads to invest in their businesses, but "...if they get this wrong..." UP and other railroads would be forced to cut back capital investment. In a related story the next day, AAR President Ed Hamberger testified before a House subcommittee concerning the proposed "Railroad Antitrust Enforcement Act of 2009." Mr. Hamberger said that, in considering this legislation, "...Congress should take a step back and consider the harmful impacts this measure would have not only for railroads, but also for our customers and consumers." (ffd: Omaha World-Herald, Progressive Railroading)

(MON) A U.S. Court of Appeals denied further court delay of new U.S. Department of Transportation direct-observation drug testing rules. The delay had been sought by BNSF Railway and nine rail labor unions. The controversial rules require partial disrobing and direct observation of urine specimen production for workers who earlier failed a drug test and are returning to work after completing a substance abuse treatment program. The court did not set an effective date for the new rules. (ffd: wire services)

(MON) U.S. Secretary of Transportation Ray LaHood suggested that Midwest states seeking high-speed passenger rail corridor development select a joint "high-speed rail czar" to maximize their chances of gaining federal funding. A joint program administrator, said Mr. LaHood, "is the way you really can coordinate all the states, someone who gets up every morning and all they think about is how to get high-speed rail." In a related story two days later, the Federal Railroad Administration held the first in a series of high-speed rail workshops which an FRA spokesman said, "will be instrumental in developing the interim guidance report the FRA is required to issue before \$8 billion in [federal] grant funds can be distributed." The workshops, seven in total, continue at various U.S. locations through June 2. (ffd: Chicago Daily Observer, FRA)

(MON) The Massachusetts Bay Transportation Authority announced that four unions representing over 500 MBTA workers had agreed to defer, for one year, 4 percent raises that were granted by an arbitrator last year. An MBTA spokesman said that the deferment would help close a projected \$160 million Fiscal Year 2010 deficit. The spokesman noted that 273 MBTA non-union employees will defer raises for the fourth year in a row. (ffd: MBTA)

(MON) Union Pacific said that it was continuing to provide fringe benefits and partial pay to many of its furloughed employees so that they will be ready for recall to work when economic conditions improve. UP CEO Jim Young said that the company will spend \$50 million a year for furloughed employees on their "reserve board." Under the program, furloughed employees perform eight days' duty per month to stay qualified. (ffd: Trains, Wall Street Journal)

(MON) BNSF noted the recent re-opening of its Stampede Subdivision in the Pacific Northwest. Damage from flooding earlier this year resulted in the line being closed for repairs for more than three months. In a related story, Canadian National and Canadian Pacific noted that they had recently repaired and reopened certain of their lines in southern Manitoba and northern Minnesota. Service had been disrupted by the Red River's flooding earlier this year. (ffd: BNSF, wire services)

(MON) Amtrak broke ground for a new \$10.5 million station in Sanford, FL, the southern terminus of its Auto Train. News reports indicated that the existing station has a cramped waiting area and uses tents for passenger overflow. At the groundbreaking ceremony, U.S. Rep. John Mica (R-FL) said that he would work to expand Auto Train service to other parts of the country. (ffd: Orlando Sentinel)

(TUE) West Virginia officials announced that agreement had been reached for new ownership of the Greenbrier Resort in White Sulphur Springs, WV, which had been owned for over 100 years by CSX and predecessor railroads. Under the agreement, the Justice Family Foundation based in West Virginia will own the resort, with the Marriott hotel chain participating in its marketing. Marriott had earlier reached tentative agreement to buy the Greenbrier from CSX, but Justice purchased it in the interim. (ffd: Beckley Register-Herald, Trains)

(TUE) The final design for the World Trade Center Transportation Hub was unveiled. The hub station will locate beneath the rebuilt World Trade Center site and link ten rail transit lines running through or near the site. The new design will feature an operable skylight which, on warm spring and summer days and also on September 11, will be opened to the sky. (ffd: Progressive Railroading)

(TUE) Union Pacific announced that they had moved their 200,000th loaded coal train out of Wyoming's Powder River Basin since the line accessing the coal fields opened in 1984. The line was jointly constructed by BNSF predecessor Burlington Northern and UP predecessor Chicago & North Western, and BNSF and UP continue to share access. (ffd: UP)

(WED) The Harriman Memorial Institute and the Association of American Railroads awarded the Harriman safety awards for the best safety records of 2008. The Group A gold winner was Norfolk Southern, which has now won the gold in that category for 20 years in a row. The Group B gold winner was Kansas City Southern, the Group C gold winner was Genesee & Wyoming's Willamette & Pacific, and the Switching & Terminal Group gold winner was the Terminal Railroad of St. Louis. The Harold Hammond Award was presented to a BNSF Safety Department employee, Robert Johnson. (ffd: AAR, Progressive Railroading)

(WED) Colorado Governor Bill Ritter signed legislation that establishes a new Transit and Rail Division within the Colorado Department of Transportation. A state spokesman said that the Division's purpose will be to "advance mass transit and other rail opportunities....to create an integrated and multi-modal transportation system for the future." (ffd: The Coloradoan)

(THU) The Illinois Legislature approved \$300 million for the Chicago Region Environmental & Transportation Efficiency (CREATE) project. If signed into law by Governor Pat Quinn, it would be the state's first capital investment bill in ten years. Interest in CREATE, which proposes to modernize Chicago rail infrastructure, had earlier declined, but has recently rejuvenated concurrent with the election of President Obama, who was previously a U.S. senator from Illinois, and the appointment of Chicago area notables to key U.S. Department of Transportation posts. (ffd: NARP)

(THU) Metro North opened a new Yankee Stadium station on its Hudson Line. The stadium will be a regular stop on the line and can accommodate up to 10,000 persons on game days. The stadium was built in conjunction with the construction and opening this season of the new Yankee Stadium adjacent to the old one. (ffd: Railway Track & Structures)

(THU) A special train was debuted in Los Angeles to promote a new 3D movie version of Charles Dickens's "A Christmas Carol". The train will make a 16,000-mile, 36-state, 40-city tour in support of the movie, which is being produced by Walt Disney Studios and stars Jim Carrey, and is scheduled to be released in early November. Two cars in the train's consist were earlier used in the now-defunct Art Train. (ffd: Trains)

(THU) The Delaware River Port Authority announced that it would soon reopen the Franklin Square station on its PATCO rail transit line. A DRPA spokesman said that the station, which has been opened and closed at various times since being constructed in 1936 as part of the Philadelphia-Camden subway, was being reopened in response to new building and development in the area around it. (ffd: Philadelphia Inquirer)

(FRI) In the face of a slight ridership drop on its Northeast Corridor services, Amtrak said that it will introduce reduced fares on the line, including 25 percent off the lowest published coach fare for NEC Regional trains. Amtrak will also extend lower fares introduced in February for Acela Express trains. The lower fares must be reserved at least 14 days in advance. (ffd: Amtrak, NARP)

#### STATS - RAIL TRAFFIC:

(THU) For the week ending May 16, 2009, U.S. rail volume grand totaled 26.2 billion ton-miles, down 24.3 percent from the comparable week last year. U.S. carload rail traffic was down 25.3 percent, down 30.9 percent in the East and down 21.2 percent in the West, and every carload commodity group declined. Also for the week, U.S. intermodal rail traffic was down 19.4 percent, Canadian carload rail traffic was down 32.0 percent, Canadian intermodal rail traffic was down 17.4 percent, Mexican carload rail traffic was down 9.2 percent, and Mexican intermodal rail traffic was down 11.3 percent.

For the period January 1 through May 16, 2009, U.S. carload rail volume grand totaled 534.6 billion ton-miles, down 18.1 percent from the comparable period last year. Also for this period, U.S. carload rail traffic was down 19.2 percent, U.S. intermodal rail traffic was down 16.6 percent, Canadian carload rail traffic was down 22.9 percent, Canadian intermodal rail traffic was down 14.3 percent, Mexican carload rail traffic was down 13.0 percent, and Mexican intermodal rail traffic was down 19.9 percent. (ffd: AAR)

(EDITOR'S NOTE: Canadian traffic includes that on the U.S. operations of Canadian National and Canadian Pacific.)

#### EXPANSIONS, CONTRACTIONS AND ALIKE:

(MON) Canadian National announced that it would sell three Mississippi line segments to Grenada Railway and Natchez Railway, both affiliates of A&K Railroad Materials and V&S Railway, which currently operates short lines in Kansas and Colorado. The deal transfers the lines between the Tennessee-Mississippi border and Canton, MS; between Water Valley Junction, MS and Coffeerville; and between Brookhaven, MS and Natchez. (ffd: CN, Progressive Railroading, Railway Track & Structure)

(TUE) The U.S. Surface Transportation Board approved the Puget Sound & Pacific Railroad's earlier request to abandon approximately two miles of line in Grays Harbor County, WA. (ffd: STB)

(THU) CSX filed to abandon approximately 7 miles of its Athens Branch between Englewood, TN and Athens, TN. (ffd: STB)

#### APPOINTMENTS, ACHIEVEMENTS AND MILESTONES:

(MON) Former Norfolk Southern CEO Arnold McKinnon passed away in Bethesda, MD at Age 81. Mr. McKinnon joined NS predecessor Southern Railway in 1951, was NS chairman, president and CEO from 1987 to 1992, and served on its board of directors until 2000. NS's Norfolk Southern headquarters building in Norfolk, VA is named for Mr. McKinnon. (ffd: Norfolk Virginian-Pilot)

(THU) BNSF said that it would reorganize its mechanical field operations into two operating regions, Mechanical North Operations and Mechanical South Operations. Brandon Mabry will lead Mechanical North Operations and B.J. Ryan will lead Mechanical South Operations. (ffd: BNSF)

(THU) Long Island Rail Road President Helena Williams was appointed the interim head of the New York State Metropolitan Transportation Authority. She succeeds Elliot Sander, who resigned as MTA head last month. Ms. Williams will continue serving as LIRR president. (ffd: Progressive Railroading)

(THU) Union Pacific appointed Bernardo Ayala its VP-Mexican Markets. UP also appointed John Newman AVP of its newly formed Network and Industrial Development Group. (ffd: UP)

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Weekly Rail Review (WRR) 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.

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