

WEEKLY RAIL REVIEW

FOR THE WEEK ENDING SAT, MAY 27, 2006

BY DAVE MEARS

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

(SUN) A Union Pacific freight train derailed 40 cars near Montpelier, ID. No injuries were reported in the accident. The train was enroute from East St. Louis, IL to Seattle, WA when it derailed. UP cleared the derailment and reopened the line the following day. (ffd: wire services)

(MON) Traffic World reported that Secretary of Transportation Norman Mineta has ruled out raising truck weight limits due to the standards to which U.S. roads and bridges have been engineered. An increasing number of shippers and the trade associations that represent them have been calling for an increase in weight limits as part of a solution to high fuel costs and mounting congestion. However, Mr. Mineta left open the possibility of raising truck length limits on tolled truck-only highway lanes. "It may be that triple-trailers in truck-only lanes may be okay," said Mr. Mineta. "We haven't come to a conclusion on that." (ffd: Traffic World)

(MON) New Mexico Department of Transportation officials announced that New Mexico Rail Runner commuter rail service serving Albuquerque would begin July 14. The service will operate between Albuquerque and Bernalillo, NM over a former BNSF line now owned by the state. A NMDOT spokesman said that the service, to be operated under contract by Herzog Services, will be extended to Los Lunas and Belen, which are south of Albuquerque, once stations are finished in those cities. (ffd: AAR, wire services)

(MON) New Jersey officials dedicated a new \$44 million ferry terminal in Weehawken, NJ. The terminal, which connects with the Hudson-Bergen light rail line's Port Imperial station and New Jersey Transit bus services, is expected to serve approximately 4,000 riders daily who use ferry services that cross the Hudson River to and from Manhattan. (ffd: Trains)

(MON) The New York City Transit Authority confirmed that it had drafted changes to its strict no-pets policy to allow New Yorkers to board subway trains and buses with their pets if an emergency evacuation of the city is ordered. The draft comes at the request of the city's Office of Emergency Management, which released a statement that it "is concerned that without the ability to transport these animals, people may ignore evacuation orders." However, the drafted changes state that "no exotic or illegal pets will be permitted." (ffd: New York Daily News)

(TUE) New York's Metropolitan Transportation Authority announced a \$25 million program to replace New York City subway car windows that graffiti artists have defaced with blades or acids. A MTA spokesman said that the newest subway cars have windows coated with a layer of polyester called Mylar that can be easily removed and replaced if defaced, and the spokesman said that a similar protective coating is planned for all subway car windows. (ffd: Railway Age)

(THU) Thursday became a notably challenging day for Amtrak. At approximately 4:00AM, its "Capitol Limited" passenger train was rear-ended by freight train as it stood in the Pittsburgh, PA station. The colliding train was the Allegheny Valley Railroad's, which has trackage rights over Norfolk Southern through the station. The Amtrak train did not derail and a few of its 183 passengers were treated for minor injuries. Then at approximately 8:00AM, a power outage stopped all Amtrak, NJ Transit, and SEPTA trains operating on the Northeast Corridor line. The outage resulted in some trains having to be evacuated, and some trains in the Hudson River and Baltimore tunnels having to be towed out by diesel locomotives. Power was restored later in the morning and train service returned to normal by later in the day. Trains Magazine reported that substations in Chester, PA, Queens, NY and Jericho Park, MD had tripped off due to extreme power swings, although Amtrak officials said later in the week that they were still searching for the root cause of the outage. And then later in the afternoon, the House Appropriations Subcommittee with jurisdiction over Amtrak voted it only \$900 million in Fiscal Year 2007 funding, matching the Bush Administration request and down from the \$1.3 billion in federal funding Amtrak will receive in the current fiscal year. The appropriation amount now goes to the full House Appropriations Committee and then the full House for debate and possible increase, after which it will go through similar considerations in the Senate. (ffd: NARP, Trains)

(THU) Countering the remarks of some coal industry officials made earlier this month, the Federal Energy Regulatory Commission reported that electric utilities are prepared for an upswing in demand during the upcoming summer months and have adequate coal stockpiles that are continuing to grow. The FERC report stated that "coal stockpiles are well above last year's levels" and "while worth watching [the FERC's] staff view is that coal stockpiles are likely to continue building." The report further noted that some utilities have stopped buying coal on the spot market, due to strong inventory and a drop in natural gas prices. (ffd: AAR, FERC)

#### 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 20, 2006, U.S. rail volume grand totaled 34.4 billion ton-miles, up 10.3 percent from the comparable week last year, which was the week in 2005 when derailments occurred that interrupted the flow of coal traffic out of the Powder River Basin. U.S. carload rail traffic was up 8.4 percent, down 1.5 percent in the East, but up 17.9 percent in the West. Notable traffic increases included coal up 28.1 percent, metals up 7.5 percent, crushed stone, sand and gravel up 5.8 percent, and petroleum products up 5.6 percent; notable traffic decreases included primary forest products down 19.4 percent, nonmetallic minerals down 13.3 percent, and coke down 9.9 percent. Also for the week, U.S. intermodal rail traffic was up 8.4 percent, Canadian carload rail traffic was down 5.0 percent, Canadian intermodal rail traffic was up 5.4 percent, Mexico's Kansas City Southern de Mexico's carload rail traffic was down 14.2 percent, and KCSM's intermodal rail traffic was down 9.1 percent.

For the period January 1 through May 20, 2006, U.S. rail volume grand totaled 664.7 billion ton-miles, up 2.1 percent from the comparable period last year. Also for this period, U.S. carload rail traffic was up 0.9 percent, U.S. intermodal rail traffic was up 6.1 percent, Canadian carload rail traffic was down 2.3 percent, Canadian intermodal rail traffic was up 5.0 percent, KCSM's carload rail traffic was down 6.3 percent, and KCSM's intermodal rail traffic was down 7.3 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 May 19, 2006 and versus the previous week, average total cars on line was as follows: BNSF, 223,621 cars versus 224,260 cars; Canadian Pacific, 83,754 cars versus 82,829 cars; CSX, 222,107 cars versus 223,919 cars; Kansas City Southern, 26,932 cars versus 26,390 cars; Norfolk Southern, 202,745 cars versus 204,044 cars; and Union Pacific, 323,757 cars versus 325,000 cars. (Comparative totals from last year are not yet available.)

Also for the week ending May 19, 2006 and versus the comparable week last year, average train speed was as follows: BNSF, 22.9 mph versus 23.6 mph; Canadian Pacific Railway, 24.9 mph versus 21.8 mph; CSX, 20.0 mph versus 18.2 mph; Kansas City Southern, 25.4 mph versus 21.0 mph; Norfolk Southern, 22.0 mph versus 22.4 mph; and Union Pacific, 21.3 mph versus 21.7 mph.

Finally for the week ending May 19, 2006 and versus the comparable week last year, average terminal dwell time was as follows: BNSF, 24.2 hrs versus 24.0 hrs; Canadian Pacific Railway, 21.2 hrs versus 27.2 hrs; CSX, 24.9 hrs versus 30.4 hrs; Kansas City Southern, 21.4 hrs versus 24.0 hrs; Norfolk Southern, 21.1 hrs versus 22.4 hrs; and Union Pacific, 27.0 hrs versus 27.7 hrs. (ffd: AAR)

#### EXPANSIONS, CONTRACTIONS AND ALIKE:

(TUE) Pursuant to their earlier agreement, Four Rivers Transportation filed with the Surface Transportation Board to purchase, from Watco Corporation, the Appalachian & Ohio Railroad. (ffd: STB)

(WED) Hutchinson Ports announced that it would build a new container terminal at the Port of Lazara Cardenas in Mexico. A Hutchinson spokesman said that the new terminal will be able to handle 450,000 containers annually after the completion of the first phase of construction next year and that it will eventually be able to handle up to 1.7 million containers annually. The spokesman added that the project will cost approximately \$200 million. (ffd: Progressive Railroading)

(THU) Toronto, ON commuter rail operator GO Transit started construction of a junction separation in Markham, ON. A GO Transit spokesman said that the project, which will cost \$42.5 million, will grade separate GO's line between Toronto and Stouffville, ON and an intersecting Canadian National Line. The spokesman said that the project was targeted for completion at the end of 2007. (ffd: Progressive Railroading)

(FRI) Union Pacific filed to grant BNSF temporary trackage rights over UP's line between Round Rock, TX and Ajax, TX,

totaling approximately 49 miles. The purpose of the trackage rights is to "relieve congestion on UP's rail system in the San Antonio, TX areas." The trackage rights are intended to expire on July 15, 2006. (ffd: STB)

(FRI) Canadian Pacific announced that it had closed the sale, to the Indiana Rail Road, of its former Latta Subdivision line between Fayette, IN and Bedford, IN. the line totals approximately 93 miles. (ffd: RT&S)

(FRI) The Keewatin Railway announced that it had reached agreement with VIA Rail Canada to take over operation of twice-weekly passenger train service between The Pas, MB and Pukatawagan, MN. The agreement includes lease of 4 VIA passenger cars to the Keewatin Railway. The Canadian government is also providing up to \$3.2 million to sustain and improve passenger service on the line. (ffd: Progressive Railroading)

(FRI) Lucas Oil Products announced that they had purchased the Louisville, New Albany & Corydon Railroad. The railroad, which will be operated by a subsidiary company, Lucas Oil Rail, runs between the Lucas Oil production facility in Corydon, IN and a connection with the Norfolk Southern at Corydon Jct., IN. (ffd: RT&S)

#### APPOINTMENTS, ACHIEVEMENTS AND ALIKE:

(FRI) The Red River Valley & Western Railway appointed Andrew Thompson SVP & General Manager. Mr. Thompson was most recently VP-Packaged Commodities for BNSF. (ffd: UTU)

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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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