

## WEEKLY RAIL REVIEW

FOR THE WEEK ENDING SAT, MAY 7, 2005

BY DAVE MEARS

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

(MON) Union Pacific suffered 2 notable train accidents in 2 days on its Overland Route main line linking Chicago, IL with the West. On Monday, one UP freight train rear-ended another approximately 15 miles west of Fremont, NE. The accident derailed a total of 2 locomotives and 6 cars between the 2 trains and injured 2 crewpersons on the colliding train, both of who were hospitalized with non-life threatening injuries. On Tuesday, a UP freight train derailed 31 cars near Galt, IL. The derailment also demolished UP's 140-foot-long, double track bridge over Elkhorn Creek in Galt, forcing UP to reroute many of its trains over neighboring lines of the BNSF, the Iowa, Chicago & Eastern and the Iowa Interstate. On Thursday, UP opened a temporary single bypass track across the creek. A UP spokesman said that the railroad may have 2 tracks open by the middle of next week. (ffd: Fremont Tribune, Trains)

(MON) New Jersey Transit announced the start of the second phase of its project to rehabilitate its Hoboken Terminal. An NJT spokesman said that the project would include rebuilding 5 of the 6 original ferry slips for Hudson River ferry boat service, which had been discontinued in 1967 but was resumed in 1989 and has experienced recent significant growth. The spokesman added that the building will continue to be restored to its original design, including erecting a replica of a clock tower that originally stood on top of the building. Hoboken Terminal is used by approximately 40,000 commuters each weekday arriving on NJT commuter trains, buses and light rail trains, on ferries and on PATH subway trains. (ffd: Trains)

(MON) Union Pacific announced a rewards program to further encourage its locomotive engineers to save fuel. Called "Fuel For Fuel," the program rewards fuel-saving engineers with \$50 fuel cards they can use toward their own vehicle's fuel costs. A UP spokesman said that engineer fuel conservation is determined by comparing monthly fuel consumption performance with fellow engineers in the same territory, grouping by pool or specific run to eliminate variances such as flat versus hilly terrain. Each month, engineers in the top 10 to 15 percent of each pool are awarded a fuel card. (ffd: UP Corp.)

(MON) The New York City Transit Authority said that they would reemploy token booth clerks as customer assistance agents at subway stations where token booths have been permanently closed. A NYCTA spokesman said that their duties would include giving directions, helping riders use MetroCard vending machines, distribute maps and helping disabled customers. The spokesman added that token booths have been closed at 164 subway stations, but that each of the system's 468 stations would continue to have at least 1 24-hour token booth. (ffd: New York Times)

(MON) Burlington Northern Santa Fe petitioned an Idaho state court to allow its new \$42 million mainline refueling facility in Rathdrum, ID to be reopened. The facility, which was originally opened last September, has been closed by court order since last February when it was found to have several in-ground fuel leaks above an aquifer that supplies water to approximately 400,000 in Idaho and Washington. A BNSF spokesman said that the facility has been repaired and that only several small leaks remain. The facility and its leaks inspired Spokane, WA musician Bill Kostelec to write and record a song entitled, "The Rathdrum Prairie Refueling Depot Disaster," which has been receiving local radio station airplay. (ffd: wire services)

(TUE) The U.S. Court of Appeals for the District of Columbia ruled that Washington, DC could not enforce its recently enacted ban on hazardous rail shipments within 2 miles of the U.S. Capitol while CSX moved forward with its lawsuit seeking to have the ordinance overturned. In their ruling, the judges agreed with CSX that regulating hazardous rail shipments is a matter of federal jurisdiction and that CSX is likely to prevail in its suit on this basis. A city spokesman said that they were "studying other options," which may include filing a further appeal to the U.S. Supreme Court. (ffd: Washington Times)

(WED) Salt Lake City, UT officials announced that the project to build and operate a commuter rail line serving the city and its neighboring communities had received final environmental approval from the Federal Transit Authority. A spokesman for the Utah Transit Authority said that construction of the line was expected to start later this year and that the first segment of the 44-mile line was expected to open in 2008. The spokesman added that the project's first phase was expected to cost approximately \$500 million, with the federal government providing one-half of that amount and the other half financed by a quarter-cent sales tax approved by Davis, Salt Lake and Weber County voters for this purpose. (ffd: Salt Lake Tribune)

(WED) A bill increasing regulation of railroads was introduced in the Senate. Entitled "The Railroad Competition Act of 2005," the proposed legislation is similar to a bill introduced in 2003 that died that session. The bill calls for provisions that include enforcing reasonable rail rates "in the absence of effective competition" and requiring railroads to maintain consistent and efficient rail service for shippers, including timely distribution of rail cars. The bill is opposed by the Association of American Railroads, which said that it would "let the federal government artificially lower freight rates for a limited class of rail shippers." (ffd: Progressive Railroading)

(THU) Bombardier said that it was examining whether a new and different brake disc design for Amtrak's Acela trainsets could be produced, tested and approved for use more quickly than waiting for standard replacements, but that a shipment of standard replacements was still expected by June. The spokesman added that it was working with Amtrak and the Federal Railroad Administration concerning technical specifications and a testing regimen related to the new design. Cracks in Acela brake discs forced Amtrak to take all 20 of its Acela trainsets out of service, although Amtrak has said that it is hopeful of gradually restoring Acela Service beginning this summer. (ffd: Boston Globe, wire services)

(FRI) Washington, DC commuter rail operator Virginia Railway Express announced that it would increase fares an average of 2.75 percent. A VRE spokesman said that the money captured by the fare increase, along with higher local subsidies, would help cover higher fuel and insurance costs and rising fees owed to Amtrak for access to Washington Union Station. Also on Friday, Los Angeles, CA commuter rail operator Metrolink announced that it would raise fares between 4.5 percent and 9.5 percent effective July 1 to offset rising fuel costs. A Metrolink spokesman also said that it would begin restructuring its fare policy next year to base Metrolink fares on the driving distance between stations, replacing its current zone-based fare system. (ffd: WJLA TV, Progressive Railroading)

(FRI) The American Trucking Association released a report suggesting that intermodal rail revenue would double over the next 11 years, rising from \$8.6 billion in 2004 to approximately \$19 billion in 2016. The report also projected that annual rail tonnage would increase from 2.06 billion tons in 2004 to 2.56 billion tons in 2016, representing 13.6 percent of that year's total tonnage market. The report further projected that total truck tonnage would increase to 13 billion tons by 2016, representing 69.1 percent of that year's total tonnage market. (ffd: ATA, Progressive Railroading)

## STATS – TRAFFIC:

(THU) For the week ending April 30, 2005, U.S. rail volume grand totaled 33.3 billion ton-miles, up 2.8 percent from the comparable week last year. Also for the week, U.S. carload rail traffic was up 1.8 percent, up 1.2 percent in the East and up 2.3 percent in the West. Also for the week U.S. intermodal rail traffic was up 7.3 percent, Canadian carload rail traffic was down 1.7 percent and Canadian intermodal rail traffic was down 0.1 percent.

For the month of April, 2005, U.S. carload rail traffic was up 2.5 percent. Notable traffic increases included grain mill products up 12.1 percent, crushed stone, sand and gravel up 11.2 percent, coke up 10.9 percent and grain up 2.8 percent; notable traffic decreases included motor vehicles and equipment down 3.3 percent. Also for the month, U.S. intermodal rail traffic was up 6.4 percent, Canadian carload rail traffic was down 1.7 percent, Canadian intermodal rail traffic was up 1.0 percent, Mexico's Transportacion Ferroviaria Mexicana's carload rail traffic was up 3.2 percent and TFM's intermodal rail traffic was up 28.5 percent.

For the period January 1 through April 30, 2005, U.S. rail volume grand totaled 539.7 billion ton-miles, up 3.4 percent from the comparable period last year. Also for the period, U.S. carload rail traffic was up 2.5 percent, U.S. intermodal rail traffic was up 7.3 percent, Canadian carload rail traffic was up 0.8 percent, Canadian intermodal rail traffic was up 4.0 percent, TFM's carload rail traffic was up 3.5 percent and TFM's intermodal rail traffic was up 9.8 percent.  
(ffd: AAR)

## MORE STATS – "BIG 7" OPERATING PERFORMANCE:

(FRI) For the week ending April 30, 2005 versus the comparable week last year, average train speed was as follows: BNSF, 23.5 mph versus 25.5 mph; Canadian National, 26.3 mph versus 24.7 mph; Canadian Pacific, 25.0 mph versus 24.8 mph; CSX, 18.6 mph versus 20.5 mph; Kansas City Southern, 24.2 mph versus 26.6 mph; Norfolk Southern, 22.2 mph versus 22.8 mph; Union Pacific, 21.5 mph versus 21.5 mph.

Also for the week ending April 30, 2005 versus the comparable week last year, average terminal dwell time was as follows: BNSF, 9.9 hrs versus 9.6 hrs; Canadian National, 13.0 hrs versus 13.6 hrs; Canadian Pacific, 31.3 hrs versus 26.7 hrs; CSX, 31.3 hrs versus 27.5 hrs; Kansas City Southern, 23.3 hrs versus 27.6 hrs; Norfolk Southern, 23.4 hrs versus 21.8 hrs; Union Pacific, 27.2 hrs versus 31.4 hrs.

(Note: Concerning the above statistics, AAR comments that "one railroad's performance metrics cannot meaningfully be compared to another railroad's, due to differences in the carriers' calculation methodologies, operational strategies, network characteristics, terrain, traffic mix and volume, length of haul, extent of passenger operations, and other factors, such as weather.")

## STILL MORE STATS – FIRST QUARTER, 2005 RESULTS:

(WED) Kansas City Southern reported net income of \$8.1 million, up from \$3.4 million the previous first quarter. Revenues were \$198.2 million, up from \$147.8 million the previous first quarter. KCS's operating ratio improved to 83.4 percent, compared with 84.0 percent the previous first quarter. (ffd: KCS Corp., Railway Age)

#### EXPANSIONS, CONTRACTIONS AND ALIKE:

(MON) Canadian Pacific Railway announced that it was putting its Latta Subdivision up for sale. The line runs between Fayette, IN and Bedford, IN, totaling approximately 93 miles. (ffd: CPR Corp.)

(MON) The Surface Transportation Board endorsed the abandonment of Railroad Switching Service of Missouri's line between its connection with Norfolk Southern and the St. Louis Post-Dispatch printing plant, totaling approximately 2 miles of line in St. Louis, MO. (ffd: STB)

(MON) Union Pacific granted Carrizo Gorge Railway trackage rights over approximately 11 miles of UP line between Plaster City, CA and Seeley, CA. The purpose of the trackage rights is to make "interchange between CZRY and UP more efficient." (ffd: STB)

(MON) Union Pacific and the Wisconsin & Southern jointly filed to abandon approximately 5 miles of line between Madison, WI. and Fitchburg, WI. (ffd: STB)

(TUE) Union Pacific filed to discontinue service over approximately 3 miles of line, owned by the Utah Transit Authority, between Roper, UT and Sugar House, UT. (ffd: STB)

(WED) Pennsylvania's Kiski Junction Railroad announced that it would not operate its tourist passenger trains this year. The railroad will continue to operate freight service between Schenley, PA and its connection with the Norfolk Southern at Kiski Jct., PA. (ffd: Trains)

(WED) Mittal Steel filed to acquire control of 3 railroads earlier owned by International Steel Group, which it recently merged with to create the world's largest steel producer. The 3 railroads are the ISG Railway, the ISG South Chicago & Indiana Harbor Railway and the ISG Cleveland Works Railway. The 3 railways were formed in 2003 after ISG had obtained the assets of Keystone Railroad LLC from the former Bethlehem Steel. (ffd: Progressive Railroading)

(WED) Union Pacific filed to abandon approximately 1 mile of its Kearney Industrial Lead in and near Kearney, NE. (ffd: STB)

(WED) Union Pacific filed to abandon approximately 10 miles of its Westville Industrial Lead between Villa Grove, IL and Broadlands, IL. (ffd: STB)

(THU) Stockton Terminal & Eastern filed to acquire, from Union Pacific, approximately 1 mile of UP's former Oakdale Branch in and near Stockton, CA. (ffd: STB)

(FRI) East Penn Railways filed to acquire and operate the following lines: from ISG Railways, approximately 17 miles of line between Modena, PA and the Delaware/Pennsylvania State Line; from the Southeastern Pennsylvania Transportation Authority, approximately 28 miles of line between Chadds Ford Jct., PA and the Maryland/Pennsylvania State Line; and from the Wilmington & Northern Railroad, approximately 11 miles of line between Elsmere Jct., DE and the Delaware/Pennsylvania State Line. (ffd: STB)

#### APPOINTMENTS, ACHIEVEMENTS AND ALIKE:

(MON) Genesee & Wyoming appointed James Benz its Chief Operating Officer. Mr. Benz was most recently president of Genesee & Wyoming subsidiary Rail Link. Rail Link also announced the following appointments: Billy Eason as VP-Operations, David Rohal as VP-Atlantic Short Lines and Charles McBride as VP-Gulf Central Short Lines. (ffd: Business Journal of Jacksonville)

(WED) Union Pacific appointed Rich Castagna Superintendent-Transportation Services-Pocatello Service Unit. Mr. Castagna was most recently Director-Transportation Services for UP in Kansas City. UP also appointed John Rourke Superintendent-Transportation Services-Council Bluffs Service Unit. Mr. Rourke was most recently Superintendent-Coal Operations for UP in South Merrill, NE. (ffd: Progressive Railroading)

(THU) Massachusetts Bay Transportation Authority appointed Daniel Grabauskas its General Manager. Mr. Grabauskas, who was earlier the Commonwealth of Massachusetts's Transportation Secretary, will replace Michael Mulhern, who announced his retirement effective May 16. (ffd: MBTA)

(FRI) The Bush Administration nominated Edmund "Kip" Hawley to be the new head of the Department of Homeland Security's Transportation Security Administration. If approved by the Senate, Mr. Hawley will replace David Stone, who announced last month that he would leave the TSA in June. Mr. Hawley was earlier VP-Transportation Services for Union Pacific. (ffd: wire services)

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HAVE A SAFE AND PROSPEROUS WEEK,

Dave Mears

Cherry Hill, New Jersey, USA