

WEEKLY RAIL REVIEW

FOR THE WEEK ENDING FRIDAY, JUNE 15, 2012

BY DAVE MEARS

(NOTE: 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 14 for the week ending June 8.)

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

(MON) The House appropriations subcommittee responsible for legislation to fund the U.S. Department of Transportation and related federal programs voted \$350 million for Amtrak operating and \$1.452 billion for Amtrak capital funding for Fiscal Year 2013. The subcommittee also voted not to fund high-speed rail nor a Transportation Investment Generating Economic Recovery (TIGER) program for the fiscal year. The related House bill, which differs notably from the Senate bill, will be further debated by the Congress. (Ref: NARP)

(MON) Indicative of demand for tank cars to move new North American oil sources by rail, Phillips 66 announced that it was ordering 2,000 new tank cars to move oil from North Dakota oil fields to Phillips 66 refineries on the Atlantic and Pacific coasts. Phillip 66's order bring to several thousand the number of rail tank cars presently on order. (Ref: Railway Age)

(MON) Southern California commuter rail operator Metrolink confirmed that it will increase fares 7 percent systemwide starting July 1. Concurrent with the fare increase, Metrolink announced selected service increases, including on the Inland Empire-Orange County Line and on the Orange County Line. (Ref: Los Angeles Times)

(MON) New Jersey Transit announced that riders would now be permitted to bring their bicycles aboard NJT trains on all rail lines and at all train stations, with some exceptions during heavy travel periods. Previously, riders could only take bikes on or off trains at stations with high-level platforms. NJT said that it would also allow train crews to use discretion when allowing bicycles on board trains if they have concerns about safety. (Ref: Jersey Journal)

(TUE) The Federal Railroad Administration announced regulations requiring railroads to set up emergency notification systems for highway-rail and pathway crossings. The regulations, which root in the Railway Safety Improvement (RSIA) of 2008, specifically require railroads to install signs at crossings with toll-free numbers so that they public can report unsafe situations and, also, for railroads to respond to malfunctioning warning signals, vehicles stalled on the tracks or other emergency situations. (Ref: USDOT, wire services)

(TUE) After an engineer was suspended after being caught on a cell phone video running a Metro North train while reading a newspaper, other Metro North engineers were reported by news media to be covering up the windows that look from the passenger area into the operator compartment of control cab commuter rail cars. A Metro North official commented that the railroad "...does not have a policy that either prohibits or encourages train crew members from papering over or otherwise obscuring interior car windows." (Ref: New York Post, NBC 4 New York, Trains)

(TUE) The Washington Metropolitan Area Transit Authority, which operates public transit services for the Greater Washington, DC area, unveiled a new customer service action plan that calls for better signage, easier customer payment options, and customer service training for frontline employees. In earlier surveys, WMATA bus and subway riders complained of inconsistencies of service and, also, about the availability of escalators and elevators, the quality of temperature control, low lighting and fare

payment systems. (Ref: Progressive Railroad)

(TUE) Norfolk Southern and the North Carolina Transportation Museum in Spencer, NC reminded that all 20 of their locomotives recently repainted in paint schemes of their predecessor railroads would be on display at the museum on July 3 and 4. The locomotives will be exhibited, including in "family" groups, on the museum's turntable and also in a night photo session. (Ref: NS RR)

(THU) The Council of Supply Chain Management Professionals released a report suggesting that railroad may have gained market share in 2011, much of which was in intermodal. The report noted that trucking firms are increasing their use of intermodal rail to offset the impacts of driver shortages and the costs of acquiring and maintaining new equipment, and that, overall, intermodal traffic has recovered 84 percent of its 2006 volume. (Ref: CSCMP, Progressive Railroad)

(THU) Union Pacific debuted the first of five new mobile classrooms. A UP spokesman said that the mobile classrooms will provide for many employee training needs, including simulating locomotive operation, teaching improved fuel efficiency, and federal regulatory training. (Ref: Progressive Railroad, UP RR)

(FRI) A study released by the Urban Land Institute suggested that Boston's "T" subway system will be overwhelmed by ridership demand within a decade. The report noted that average weekday ridership is now 1.3 million and that, if growth trends continue, it will rise to between 1.4 and 1.7 million trips by 2021. The report said that "...ensuring sufficient capacity to meet ridership demand without unacceptable levels of congestion will require both better planning and more investment." (Ref: NARP)

(FRI) Canadian officials unveiled the silver "last spike" prepared for the November 7, 1885 ceremony that marked the completion of the building of the transcontinental line of the Canadian Pacific Railway. The spike, which had been lost for many years in what media reports referred to as "one of Canadian history's most enduring mysteries," was revealed to have been in the possession of the descendants of CPR's principal builder, William Van Horne. Those descendants have agreed, after two years of discreet discussions, to donate the spike to the Canadian Museum of Civilization in Gatineau, Quebec, which locates across the Ottawa River from Parliament Hill, the seat of Canadian government in Ottawa, Ontario. (Ref: Post Media)

STATS – CLASS 1 RAIL TRAFFIC:

(THU) The Association of American Railroads reported that, for the week ending June 9, 2012 and ranked with the comparable week last year:

-U.S. carload rail traffic totaled 285,413 units, down 1.7 percent

-Notable U.S. carload traffic increases included petroleum products up 50.4 percent, motor vehicles and equipment up 29.6 percent, and lumber and wood products up 10.7 percent; notable decreases included iron and steel scrap down 21.2 percent, coke down 12.7 percent, and grain down 11.1 percent

-U.S. intermodal rail traffic totaled 246,422 units, up 3.8 percent

-Canadian carload rail traffic totaled 81,597 units, up 5.5 percent

-Canadian intermodal rail traffic totaled 55,678 units, up 12.0 percent

-Mexican carload rail traffic totaled 15,006 units, up 2.3 percent

-Mexican intermodal rail traffic totaled 9,920 units, up 12.6 percent

For the period January 1 through June 9, 2012 and ranked with the comparable period last year:

- U.S. carload rail traffic totaled 6,469,960 units, down 3.1 percent
- U.S. intermodal rail traffic totaled 5,300,130 units, up 3.0 percent
- Canadian carload rail traffic totaled 1,764,659 units, up 3.6 percent
- Canadian intermodal rail traffic totaled 1,145,714 units, up 6.7 percent
- Mexican carload rail traffic totaled 318,007 units, down 2.9 percent
- Mexican intermodal rail traffic totaled 209,229 units, up 20.1 percent

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

EXPANSIONS, CONTRACTIONS AND ALIKE:

(MON) Canadian National filed with the Surface Transportation Board to abandon approximately seven miles of former Wisconsin Central line between Newton and Cleveland, WI. (Ref: STB)

(TUE) Canadian National filed with the Surface Transportation Board to abandon the U.S. portion of its Grimsby Subdivision, totaling approximately one-fifth of one mile of line, in Niagara Falls, NY. (Ref: STB)

(WED) North Shore Railroads announced the sale of its company following a multi-year negotiation. Richard Robey, who had owned the company since 1984, sold it to 12 of NSHR's management team. The NSHR includes five railroads owned by Pennsylvania's SEDA-COG Joint Rail Authority. (Ref: NSHR RR, Progressive Railroading)

(FRI) Wabtec announced its acquisition of the Moors Smitt Holdings for approximately \$88 million. Moors Smitt is a manufacturer of electronic relays, measurement devices, and controls for railroad rolling stock and signaling. (Ref: Trains)

(FRI) San Antonio Central Railroad filed with the Surface Transportation Board to lease and operate approximately four miles of line owned by the Port of San Antonio in San Antonio, TX. (Ref: STB)

APPOINTMENTS, ACHIEVEMENTS AND MILESTONES:

None of note this week.

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Have a Railroad Safe Day,

Dave Mears