

WEEKLY RAIL REVIEW

FOR THE WEEK ENDING FRIDAY, JUNE 8, 2012

BY DAVE MEARS

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

(MON) A California newspaper reported that the administration of Governor Jerry Brown was working to protect the state's high-speed passenger rail project from environmental lawsuits. The report said that legislation was being prepared that would allow construction to proceed while any "environmental flaws" were being resolved, except in the most serious cases of potential environmental harm. The governor, a strong advocate of the project, is seeking legislative approval this summer to use \$2.6 billion in state rail funds and \$3.3 billion in federal funds to begin the project's construction. (Ref: Sacramento Bee, Trains)

(MON) Despite the absence of further congressional appropriations, Federal Railroad Administrator Joe Szabo said that the Obama Administration's support for high-speed passenger rail "...remains as strong as ever." Mr. Szabo made his remarks at the annual meeting of the American Public Transportation Association in Dallas, TX. Mr. Szabo noted that, "This year alone, 44 projects in 16 states, representing close to \$3 billion in federal funding, are underway or set to break ground." (Ref: The Hill)

(MON) Officials of Florida East Coast Industries reminded in media reports of their want to initiate privately operated passenger rail service in Florida. FEC Industries, which is owned by the Fortress investment fund, which also owns the Florida East Coast Railway, has proposed operating passenger trains between Orlando and Miami, FL, including building 40 miles of new line between near Cocoa Beach and Orlando. If and when finalized, the project is estimated to total approximately \$1 billion in cost. (Ref: Florida Times Union)

(TUE) Norfolk Southern CEO Wick Moorman noted that the railroad's coal traffic is "...down and down substantially due to the warm weather in the winter [and] cheap natural gas...". However, he predicted that NS coal traffic would recover, adding that, "Our metallurgical coal business in the U.S. is very good...and we think there's going to be a bigger and bigger export market for U.S. steam coal and metallurgical coal." Later in the day, Mr. Moorman and other NS principals rang the closing bell of the New York Stock Exchange to commemorate the 30th anniversary of NS stock being traded on the NYSE. (Ref: NS RR, wire services)

(WED) Chicago commuter rail operator Metra said that Chicago's hosting of the NATO Summit last month had cost it approximately \$800,000 in lost revenue and additional expenses. A Metra spokesman noted that, additional to extra security, Metra ridership was approximately half its normal level from Friday, May 18 through Monday, May 21 and, also, that its Electric District and South Shore Lines were compelled to close stations and that the lines had many of their Monday afternoon trains canceled. (Ref: Chicago Tribune)

(WED) The Massachusetts Bay Transportation Authority started a 90-day pilot on its Silver Bus Rapid Transit Line of providing free rides from Logan Airport, including free transfers to the subway system at South Station. An MBTA spokesman said that the initiative made Logan the first major U.S. airport to provide free public transportation for persons destined to a city's downtown. (Ref: Boston Globe)

(THU) A civilian railroad maintenance vehicle operator was killed in work related to railroad operations and maintenance at Fort Leonard Wood, MO. Three co-workers of the deceased, identified as Louis Stallings, Age 45, were also seriously injured in the accident. A spokesman for the base said that accident was under investigation by appropriate authorities. (Ref: Waynesville Daily, wire services)

(FRI) The National Association of Railroad Passengers reported that compromise was potentially unlikely related to conferences to

settle on a successor federal transportation bill. It reported that House Speaker John Boehner may move for a six-month extension of the current SAFETEA-LU Act, which would then be the tenth, to "...push talks beyond the elections when the atmosphere is less charged." It added that the main source of disagreement between the parties was the inclusion in the bill of the proposed Keystone XL oil pipeline. (Ref: NARP)

(FRI) The consortium proposing to build and operate a new high-speed passenger rail line between Southern California and Las Vegas, NV said that it had renamed the service from "DesertXpress" to "XpressWest". It also said that it has secured a Memorandum of Understanding from the Los Angeles County Metropolitan Transportation Authority "...to define what would be necessary to deliver high-speed rail service...between Victorville and Palmdale to connect with existing rail service." The consortium, which has said that it has completed all its permitting requirements, has applied for a \$4 billion Railroad Rehabilitation & Improvement Financing (RRIF) loan to finance the project. (Ref: wire services)

#### STATS – CLASS 1 RAIL TRAFFIC:

(THU) The Association of American Railroads reported that, for the week ending June 2, 2012 and ranked with the comparable week last year:

-U.S. carload rail traffic totaled 265,207 units, down 3.1 percent

-Notable U.S. carload traffic increases included petroleum products up 48.8 percent, motor vehicles and equipment up 18.7 percent, and scrap up 16.2 percent; notable decreases included coal down 11.2 percent and non-grain farm products down 9.5 percent

-U.S. intermodal rail traffic totaled 213,911 units, up 4.1 percent

-Canadian carload rail traffic totaled 69,408 units, down 7.5 percent

-Canadian intermodal rail traffic totaled 44,633 units, down 6.6 percent

-Mexican carload rail traffic totaled 15,795 units, up 8.8 percent

-Mexican intermodal rail traffic totaled 10,131 units, up 13.7 percent

For the period January 1 through June 2, 2012 and ranked with the comparable period last year:

-U.S. carload rail traffic totaled 6,184,587 units, down 3.1 percent

-U.S. intermodal rail traffic totaled 5,053,708 units, up 2.9 percent

-Canadian carload rail traffic totaled 1,683,062 units, up 3.5 percent

-Canadian intermodal rail traffic totaled 1,090,036 units, up 6.4 percent

-Mexican carload rail traffic totaled 303,001 units, down 3.1 percent

-Mexican intermodal rail traffic totaled 199,309 units, up 20.5 percent

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

MORE STATS – 1ST QTR., 2012 PUBLIC TRANSPORTATION RIDERSHIP:

(MON) The American Public Transportation Association announced 1st Qtr., 2012 public transportation ridership counts. Total ridership was up 5.0 percent from the first quarter of last year. Of this total and again comparing with the first quarter of last year, light rail ridership was up 6.7 percent, with 25 of 27 systems reporting increases; subway ridership was up 5.5 percent, with 14 of 15 systems reporting increases; and commuter rail ridership was up 3.9 percent, with 22 of 27 systems reporting increases. (Ref: APTA, Railway Age)

STILL MORE STATS – 1ST QTR., 2012 SAFETY:

(THU) The Federal Railroad Administration released preliminary U.S. railroad safety statistics for the 1st Qtr., 2012. Compared with the first quarter of last year, totals included the following:

- FRA reportable accidents totaled 396, a decrease of 21.9 percent from the 507 earlier
- Highway-rail grade crossing fatalities totaled 62, down 6.1 percent from the 66 earlier
- Trespasser fatalities totaled 106, up 49.3 percent from the 71 earlier
- Employee on-duty fatalities totaled 3, down 25 percent from the 4 earlier
- Employee on-duty, non-fatal injuries totaled 892, down 12.4 percent from the 1,018 earlier

EXPANSIONS, CONTRACTIONS AND ALIKE:

(WED) Southwest Pennsylvania Railroad filed with the Surface Transportation Board to acquire approximately one mile of the former Redstone Branch in Uniontown, PA. (Ref: STB)

(WED) Woodland Rail LLC filed to acquire and operate approximately 12 miles of the Calais Industrial Track, approximately seven miles of which is in Maine and the remaining five of which is in New Brunswick, Canada. (Ref: STB)

(FRI) The Surface Transportation Board approved 'BNSF's earlier request to abandon approximately six miles of line between Shenandoah and Farragut, IA. In its earlier filing, BNSF said that approximately two miles of the line would be sold to a shipper. (Ref: STB)

APPOINTMENTS, ACHIEVEMENTS AND MILESTONES:

(TUE) Further last month's seating of seven directors endorsed by Pershing Square Capital Management, an investment firm that owns 20.6 million shares of CPR stock, Paul Haggis was named board chair. Mr. Haggis succeeds Madeleine Paquin, who served as board chair on an interim basis. (Ref: Railway Age)

(THU) The North Carolina Department of Transportation appointed Anthony Fuller as the new director of its Rail Division. Mr. Fuller was most recently a transportation manager for Amtrak in Los Angeles, CA. (Ref: NARP)

(FRI) Shortline conglomerate Genesee & Wyoming appointed David Brown its chief operating officer. Mr. Brown, who resigned as the senior vice president of operations of CSX last year, will succeed Jim Benz as G&W's COO, the latter having announced his intention to retire in the first quarter of next year. (Ref: G&W RRs)

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Have a Railroad Safe Day,

Dave Mears