

WEEKLY RAIL REVIEW

FOR THE WEEK ENDING SAT, JANUARY 7, 2006

BY DAVE MEARS

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

(SUN) Union Pacific opened its new intermodal terminal in Salt Lake City, UT. The new 240-acre facility replaces the existing 30-acre UP facility there. The new terminal has a maximum capability to handle up to 2,300 trailers or containers daily. (ffd: JofC Online, Salt Lake Tribune)

(SUN) BNSF put into effect a mileage-based fuel surcharge program for unit coal train and agriculture product shipments. A BNSF spokesman said that the program, which it said was a "rail industry first," calculates fuel surcharge based on the rail distance between a shipment's billed origin and destination points. The spokesman added that the railroad will begin a similar program for intermodal, automotive and other carload shipments later this year. (ffd: Progressive Railroading)

(SUN) Legislation became effective in Wisconsin requiring the addition of motorist yield signs at crossings in the state that are otherwise identified only by crossbucks. A state spokesman said that Wisconsin is now the first state with this requirement in effect. Railroads have until July 1, 2007 to install the yield signs. (ffd: AAR)

(SUN) China announced that it would step up construction of railways over the next 5 years. The announcement was made by Chinese Vice Premier Huang Dung. The premier added that China will spend the equivalent of \$19.7 billion on railway construction in 2006. (ffd: Shanghai Daily)

(TUE) Officials formally marked the opening of the Reno Trench in Reno, NV. The 2.2-mile trench takes Union Pacific's main line through Reno's downtown below grade, eliminating 11 street-level crossings. The project begun in 2002, cost approximately \$282 million in mainly public funding to complete. The Tuesday event was largely ceremonial, as the trench has been in service since November 18, 2005. (ffd: wire services)

(TUE) A Federal Railroad Administration study released by Maryland state officials recommended separating passenger and freight rail operations through Baltimore, MD. The study, which was commissioned following a major fire in CSX's Howard Street tunnel in July, 2001, recommends two separate double-track main lines through the city, noting that Baltimore's railroads have strategic importance "far beyond the confines of their immediate region." The study went on to say that both the Amtrak line and the CSX line through Baltimore suffer from "too many sharp curves and too many steep grades...the grades, exacerbated by the curves, unduly hamper freight movements in particular." (ffd: Traffic World)

(TUE) The District of Columbia City Council approved permanent legislation requiring railroads and trucks to seek a

permit before routing hazardous materials near the U.S. Capitol. The new ordinance is similar to an emergency (90-day) act and a temporary (225-day) act signed by D.C. Mayor Anthony Williams last year, and requires carriers to gain a permit from the D.C. Department of Transportation before they can move hazmat shipments through a 2.2-mile exclusion zone. The earlier acts were forestalled on appeal and were remanded to a U.S. District Court, where they continue to be argued. (ffd: (Traffic World))

(WED) Union Pacific announced that it would appeal an Environmental Protection Agency order to clean up its railroad yard in East Omaha. The total cost of the cleanup has been estimated at between \$40 million and \$50 million. A UP spokesman called the order "completely unprecedented, grossly inequitable and illegal." In a 46-page letter to the EPA, UP asked the agency to reconsider its order and instead accept the railroad's counteroffer of \$15.2 million in cleanup work. (ffd: Omaha World-Herald)

(WED) New Jersey Transit announced that it was scrapping its proposed controls related to the taking of picture of NJ Transit trains, buses and structures. A NJ Transit spokesman said that it had concluded that the rules would be impractical. "Effective immediately, we will return to our historic practice, which enables hobbyists and other non-commercial photographers to take pictures in public areas throughout the NJ Transit system without obtaining permission or providing prior notice," said the spokesman. (ffd: Trains)

(WED) Railway Age released survey results indicating the extent of the North American passenger railcar market. The survey indicated that builders delivered 1,212 new or substantially rebuilt passenger railcars in 2005 for intercity rail, commuter rail, light rail or subway operations. The survey also indicated that, in 2005, building were working on an undelivered backlog of 3,002 cars and, in 2006, approximately 1,289 cars were expected to be purchased. The survey noted that the principal suppliers of North American passenger railcars were Alstom of France, Bombardier of Canada, AnsaldoBreda of Italy, CAF of Spain, Siemens of Germany, and the Japanese contractors Kawasaki, Kinkisharyo-Mitsui and Nippon Sharyo. (ffd: Railway Age)

(THU) The National Mediation Board announced that they would not endorse the National Carriers' Conference Committee's request for release from mediation with rail unions represented by the Rail Labor Bargaining Coalition. The NCCC represents a majority of Class 1 and regional railroads in the U.S. in negotiations with rail labor unions. An NCCC spokesman said that they had earlier requested release from mediation due to "no discernible progress" in reaching agreements, but said that it now "welcomed the opportunity to continue negotiations." (ffd: wire services)

(THU) A Virginia Railway Express commuter train derailed 3 cars on CSX tracks near Quantico, VA. The derailment, which resulted in minor injuries to a handful of passengers, curtailed VRE services for the day and also resulted in 14 Amtrak trains being either terminated on route or canceled before their departure from their origination points. On Friday, another mudslide on BNSF tracks, this time on the line between Seattle, WA and Vancouver, BC, resulted in the cancellation of Amtrak Cascade train services between the two cities through Saturday evening, with bus service substituted. (ffd: Amtrak)

(THU) Union Pacific filed a lawsuit to stop MTH Electric Trains from using the Union Pacific logo on its model trains. MTH is the nation's second-largest model-train maker. A UP spokesman said that the purpose of its licensing program "is to ensure that our logo and brand is used accurately and appropriately." A spokesman for MTH noted that neither BNSF nor Norfolk Southern charge for use of their logos on model trains. (ffd: Bloomberg News)

(THU) The Alaska Railroad announced that it would hold a series of public hearings throughout Alaska related to expansion projects it is proposing. The proposals include an 80-mile extension between Eielson Air Force Base and Fort Greely, a 19-mile extension and realignment from the Fairbanks depot through Wainwright to just east of North Pole, and a realignment of tracks through Nenena. A railroad spokesman said that company project managers will be on hand at the hearings to describe and answer questions about the proposals. (ffd: Progressive Railroading)

(FRI) India and Pakistan announced that they have agreed to reopen a second rail corridor between their two countries. The line to be reopened runs between Munabao in Rajasthan and Khokrapar in Pakistan's southern Sindh province. The line has been closed since an India-Pakistan conflict more than 40 years ago. Spokesmen for the two countries said that the line is scheduled to reopen on or about February 1. (ffd: wire services)

STATS – TRAFFIC:

(THU) For the week ending December 31, 2005, U.S. rail volume grand totaled 29.0 billion ton-miles, up 3.9 percent from the comparable week last year. U.S. carload rail traffic was up 2.6 percent, up 0.7 percent in the East and up 4.0 percent in the West. U.S. intermodal rail traffic was up 8.6 percent, Canadian carload rail traffic was up 6.5 percent, and Canadian intermodal rail traffic was up 14.3 percent.

For the month of December, 2005, U.S. carload rail traffic was up 1.8 percent, U.S. intermodal rail traffic was up 9.6 percent, Canadian carload rail traffic was up 1.1 percent, Canadian intermodal rail traffic was up 12.0 percent, Mexico's Kansas City Southern de Mexico's carload rail traffic was down 18.4 percent, and KCSM's intermodal rail traffic was down 8.7 percent.

For the 4th Qtr., 2005, U.S. carload rail traffic was down 0.8 percent, U.S. intermodal rail traffic was up 6.6 percent, Canadian carload rail traffic was down 2.6 percent, and Canadian intermodal rail traffic was up 7.5 percent.

For the Full Year 2005, U.S. rail volume totaled 1.69 trillion ton-miles, a new annual record and up 2.4 percent from the Full Year 2004. U.S. carload rail traffic was up 0.9 percent. Notable traffic increases included crushed stone, sand and gravel up 7.8 percent and coal up 1.6 percent; notable traffic decreases included chemicals down 1.4 percent. U.S. intermodal rail traffic was up 6.4 percent and – at 10,993,662 units – set a new annual record. Canadian carload rail traffic was down 1.0 percent, Canadian intermodal rail traffic was up 4.0 percent, KCSM's carload rail traffic was down 5.8 percent, and KCSM's intermodal rail traffic was up 1.2 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. However, comparative data will not be available again until after the first of

the year. Concurrent with but unrelated to these changes, Canadian National elected to no longer furnish these statistics.)

For the week ending December 30, 2005, average total cars on line was as follows: BNSF, 215,689 cars; Canadian Pacific, 81,878 cars; CSX, 232,541 cars; Kansas City Southern, 27,000 cars; Norfolk Southern, 207,309 cars; and Union Pacific, 323,557 cars.

Also for the week ending December 30, 2005, average train speed was as follows: BNSF, 22.7 mph; Canadian Pacific, 22.8 mph; CSX, 17.9 mph; Kansas City Southern, 22.7 mph; Norfolk Southern, 20.2 mph; and Union Pacific 21.1 mph.

Finally for the week ending December 30, 2005, average terminal dwell time was follows: BNSF, 28.6 hrs; Canadian Pacific, 30.9 hrs; CSX, 36.4 hrs; Norfolk Southern, 29.7 hrs; Kansas City Southern, 33.9 hrs; and Union Pacific, 36.4 hrs.

STILL MORE STATS:

(THU) A report released by Statistics Canada noted that Canadian railway revenues grew in 2004 at their fastest pace in 5 years. The country's passenger and freight rail carriers recorded revenues of nearly C\$8.9 billion, up 6.9 percent from 2003 and more than 5 times the rate of growth in revenues from the year before. Canadian National's revenues represented 48 percent of the total, Canadian Pacific Railway 37 percent, VIA Rail Canada 5 percent, and Canadian shortline and regional railways the remaining 10 percent. Coal was the commodity principally carried, followed by grain. (ffd: Canadian Press, Statistics Canada)

EXPANSIONS, CONTRACTIONS AND ALIKE:

(TUE) The Surface Transportation Board released its final supplemental environmental impact statement for the Dakota Minnesota & Eastern's proposed expansion to the Powder River Basin. The final EIS added only one new condition, that the railroad do community liaison work to help towns along the route establish crossing quiet zones if they want. "We got the best decision that was possible," said DM&E CEO Kevin Schieffer. The DM&E is seeking to build more than 200 miles of new line and rehabilitate several hundred more miles of existing line to reach the Basin. (ffd: Sioux Falls Argus Leader)

(TUE) The STB approved BNSF's earlier application to abandon BNSF's Lewistown Subdivision between Lewistown, MT and Moore, MT, totaling approximately 21 miles of line. (ffd: Billings Gazette)

(TUE) Norfolk Southern filed to abandon its freight operating rights and rail services over approximately 13 miles of line between Baltimore, MD and Cockeysville, MD. The line is owned by the Maryland Department of Transportation,

whose Maryland Transportation Authority operates light rail service over a portion of the line. (ffd: STB)

(WED) The Central Washington Railroad and the Columbia Basin Railroad filed to operate over approximately 21 miles of line between Toppenish, WA and White Swan WA. (ffd: STB)

(FRI) Union Pacific granted BNSF temporary overhead trackage rights over approximately 132 miles of line between Rockview Junction, MO and Valley Junction, IL. The purpose of the temporary rights is to allow BNSF to bridge its trains while its nearby line is out of service for programmed maintenance. (ffd: STB)

(FRI) Mercer Management, the transportation consulting firm, announced that it would acquire MultiModal Applied Systems. Founded in 1992, MultiModal Applied Systems designs transportation software and also provides transportation analytical services. (ffd: Progressive Railroading)

APPOINTMENTS, ACHIEVEMENTS AND ALIKE:

(WED) President Bush reappointed Floyd Hall and Enrique Sosa to the Amtrak Board of Directors. The reappointments were made without U.S. Senate confirmation, as is allowed when the Senate is in recess. Mr. Hall was first appointed to the Board in July, 2004 and Mr. Sosa the following month during an earlier Senate recess. (ffd: Railway Age)

(FRI) Ed Walker resigned as Amtrak's VP-Transportation. Amtrak SVP-Operations William Crosbie appointed Jon Tainow to fill the position in an acting capacity. Mr. Tainow was most recently in charge of Amtrak's National Operations Center in Wilmington, DE. (ffd: Amtrak)

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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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