

WEEKLY RAIL RECAP

For the week ending SAT, October 12, 2002

By Dave Mears

(NOTE: The expression "ffd" at the end of a news item means "for further details" and usually represents what I believe to be the most helpful news resource if a reader wants more information on a particular item.)

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

(MON) Following public outcry, the Alaska Railroad opted not to cancel its "Hurricane Turn," its mainly flag stop passenger trains. Residents contended that the train was the only practical way through the dense wilderness between Talkeetna, AK, and Hurricane, AK. Alaska Railroad officials had earlier looked to discontinue the train to help make up a budget shortfall following the railroad's recent loss of a \$4 million annual coal hauling contract. (ffd: wire services)

(MON) Burlington Northern Santa Fe began offering what it said was the railroad industry's first full money-back guarantee for carload rail service. Under the offer, shippers will have the option to purchase, for a premium, a guarantee for on-time carload rail service in selected lanes. A BNSF spokesman said that, initially, the guarantee would be for carload traffic moving in selected lanes between the U.S. Pacific Northwest and the Midwest or Texas, but that BNSF is also looking to offer the guarantee from northern or southern California origins in the near future. (ffd: BNSF Corp.)

(TUE) U.S. West Coast ports resumed operation, following President Bush's use of the Taft-Hartley Act to order an 80 day cooling-off period. The ports had been shutdown in a lockout due to management and labor unable to reach terms related mainly to new work rules. A spokesman for CSX said that they, like other Class I railroads, were bracing for a surge of traffic and that CSX expected to recover 80 to 90 percent of their estimated \$1 million daily revenue shortfalls resulting from the shutdown, as held traffic was delivered. (ffd: CSX, wire services)

(TUE) New York State officials announced that they had finally reached formal agreement to acquire the Farley Post Office Building in Manhattan from the U.S. Postal Service for \$230 million, so that it may be converted into the new Pennsylvania Station. Under the plan, USPS would retain some space in the building for mail handling and postal customer services, mainly on the 9th Avenue side. The Farley Building was completed by the same architects, at the same time and on the same scale as the original Pennsylvania Station, which was demolished in the mid-1960's. Conversion of the building into a rail station and retail complex, which is already funded, is expected to be complete in 5 to 6 years. (ffd: Newsday, wire services)

(TUE) An Ohio state senator introduced a bill in the Ohio Legislature to ban remote controlled locomotives from being operated over public railroad crossings. In offering the bill, State Sen. Bob Hagan, who also has locomotive engineer qualifications, said that "my issue is one of safety, more than anything." Both CSX and NS are testing remote controlled use of switcher locomotives at several rail yards in Ohio. (ffd: Toledo Blade)

(WED) New York State's Metropolitan Transportation Authority announce that it would restructure, merging its Long Island Rail Road and Metro North Railroad into a single entity called MTA Rail Road. Also under the restructuring plan, New York City Transit subway service and Staten Island Rapid Transit would merge into MTA Subway and bus services would be unified into MTA Bus. Also created in the restructuring would be MTA Bridges and Tunnels and MTA Capital, the latter to handle major renovation and expansion initiatives. An MTA spokesman said that the restructuring, which was expected to be completed by January 1, 2004, was in response to a directive from the New York Governor's office charging state agencies and authorities to devise ways to operate at less expense. The following day and in response to public outcry over the possible end of the Long Island Rail Road name and possible lessened focus on Long Island rail transportation needs, another MTA spokesman said that "it is possible that the railroad names in some form would remain." (ffd: NARP, Newsday)

(THU) 2 Norfolk Southern freight trains collided in a slow-speed head-on collision near Reddick, IL. on NS's Kankakee Belt Line. The accident injured all 4 crewpersons of the 2 trains and derailed several locomotives and cars. The cause of the collision was still being investigated at press time. (ffd: CRTS, WGN Radio)

(THU) The Transportation Communications Union and the National Carriers Conference Committee announced that they had agreed to submit their dispute over a new labor agreement to binding arbitration. An NCCC spokesman said that the agreement meant that they had brought to conclusion negotiations with unions representing approximately two-thirds of

Class I railroad labor personnel. (ffd: AAR)

(FRI) Amtrak announced that they would discontinue their unconditional "Satisfaction Guaranteed" program effective November 1. An Amtrak spokesman said that the program had become increasingly unworkable due to delays caused by rail freight congestion and equipment problems caused by decreased maintenance funding. The spokesman added "customer satisfaction would remain an absolute priority" and that transportation vouchers and refunds would still be available at Amtrak's discretion to dissatisfied customers. (ffd: NARP)

(FRI) The Timken Company announced that it had developed and was testing a new bearing apparatus equipped with self-powered sensors. A Timken spokesman said that the new technology was capable of automatically transmitting bearing and related wheel speed, temperature and vibration data to a receiver either on board the train or along the right-of-way. (ffd: Timken Corp.)

(FRI) The U.S. Department of Transportation debuted an online information resource describing significant transportation rulemakings currently under development and recently completed. For each rulemaking, the information will include basic particulars, a summary and the anticipated effects of the regulation. The online information may be accessed via the USDOT website at regs.dot.gov. (ffd: USDOT)

(FRI) Southern California commuter rail operator Metrolink marked its 10th anniversary. Metrolink spokesman Steve Brown said that the system now serves 6 counties and 33,000 weekday riders, adding that fares cover nearly 50 percent of its operating costs. "As fast as we open stations and lines, ridership fills them right away," added Mr. Brown. (ffd: Orange County Register)

STATS:

(THU) For the week ending October 5, U.S. carload rail traffic was down 1.9 percent from the comparable week last year, down 1.8 percent in the East and down 2.0 percent in the West. This week this year versus this week last year, notable traffic increases included non-grain farm products up 33.6 percent, waste and scrap materials up 12.7 percent and metals and metal products up 8.7 percent; notable traffic decreases included grain down 12.5 percent, primary forest products down 11.5 percent and petroleum products down 10.1 percent. Also for the week ending October 5, U.S. intermodal rail traffic was down 29.0 percent, most of that decrease related to the shutdown that week of U.S. West Coast ports. Also for the week ending October 5, Canadian carload rail traffic was down 0.5 percent, Canadian intermodal rail traffic was up 15.9 percent, Mexico's Transportacion Ferroviaria Mexicana's carload rail traffic was down 1.2 percent and TFM's intermodal rail traffic was up 7.8 percent, all when ranked with the comparable week last year.

For the period January 1 through October 5, U.S. carload rail traffic was down 1.0 percent, U.S. intermodal rail traffic was up 4.4 percent, Canadian carload rail traffic was down 2.8 percent, Canadian intermodal rail traffic was up 9.9 percent, TFM's carload rail traffic was up 1.6 percent and TFM's intermodal rail traffic was up 7.4 percent, all when ranked with the comparable period last year. (ffd: AAR)

ACQUISITIONS, ABANDONMENTS AND ALIKE:

(TUE) A U.S. bankruptcy court approved the sale of the Bangor & Aroostook System to 2 subsidiary railroads belonging to the consortium headed by Chicago, IL.-based Rail World. One of these subsidiary railroads, the Montreal, Maine & Atlantic, will operate the U.S. portion of former B&A family railroads, while the other, the Montreal, Maine & Atlantic of Canada, will operate the Canadian portion. (ffd: The Maine Deal)

(FRI) CSX filed to abandon approximately 6 miles of line between Holland, MI. and Hamilton, MI. (ffd: STB)

(FRI) Montana Rail Link filed to abandon approximately 4 miles of line in and near Polson, MT. (ffd: STB)

CHANGING PEOPLE AND PLACES:

(MON) The U.S. Surface Transportation Board announced the selection of new appointees to serve on the STB's Railroad-Shipper Transportation Advisory Board. Railroaders on the advisory board are Bob Bailey, VP and COO of the Port Jersey Railroad; James Foote, EVP-Sales & Marketing, Canadian National; James Howarth, VP-Merchandise Marketing, CSX; Charles Marshall, President and COO, Genesee & Wyoming; Gary Spiegel, EVP and COO, RailAmerica; Peter Gilbertson, Chairman, Chicago, South Shore & South Bend; and Steve Bobb, Group VP, Burlington Northern Santa Fe. Also appointed to the advisory board is James Brunkenhoefer, U.S. National Legislative Director, UTU, as well as 7 shipper representatives. (ffd: STB)

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Weekly Rail Recap is edited from public news sources and published weekly, usually on Sunday or Monday, to the rail and transit industries and those interested in them. Send an e-mail to djmservices@aol.com to receive it, with my compliments.

HAVE A SAFE AND PROSPEROUS WEEK,

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