

WEEKLY RAIL REVIEW

FOR THE WEEK ENDING FRIDAY, OCTOBER 16, 2009

BY DAVE MEARS

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

(SAT) In a notable derailment, 44 cars of a BNSF 100-car freight train derailed just south of Cleburne, TX. There were no injuries in the derailment, the cause of which was still under investigation at press time. The train was en route from Wyoming's Powder River Basin coal fields to the W.A. Parish Power Plant at Smithers Lake, TX. (ffd: Fort Worth Star-Telegram)

(MON) Metrolink began activating inward- and outward-facing video cameras in its locomotives, which it said made it "the nation's first railroad to install inward-facing cameras to record the control panels and human activities inside the locomotive cab." Metrolink said that it would also activate inward- and outward-facing cameras in 57 new especially-crash-resistant, control-cab passenger cars to be delivered next year. Also this week, Metrolink announced that it had spent \$30 million to settle most of the lawsuits arising from the January, 2005 accident in which a Metrolink train struck a gasoline-soaked vehicle deliberately parked on the tracks at a crossing in an aborted suicide attempt. The train then derailed, and its lead car collided into a freight train on the adjacent tracks, jackknifed and further collided with a Metrolink train traveling in the opposite direction, resulting in the deaths of 11 persons. (ffd: Los Angeles Times, Railway Age)

(MON) Kansas City, MO officials announced their support for the eventual construction of a proposed 144-mile commuter rail system to serve the greater Kansas City area. The system, which is as yet unfunded, would cost a total of \$1.03 billion. The proposed system would provide service to Kansas City International Airport, and to the communities of Blue Springs, Grandview, Liberty, Lee's Summit, Oak Grove, Kearney, Raytown and Independence. (ffd: Fox 4 Television)

(MON) In awareness of the increased competition of East Coast ports and also the intent of Panama to add a third set of locks to the Panama Canal to accommodate larger vessels, the ports of Long Beach, Los Angeles, Oakland, Portland, Seattle and Tacoma, along with BNSF and Union Pacific, announced that they would showcase the benefits of West Coast ports at the World Shipping Summit in Qingdao, China this coming November 11-13. The collective said that it would demonstrate at the summit the benefits of using West Coast ports to land goods in the U.S., which it said had greater advantage than all-water, East Coast port options. (ffd: Journal of Commerce)

(MON) U.S. Secretary of Energy Steven Chu said that technology to bury underground the greenhouse gas emissions produced from burning coal must be ready for global deployment by 2017-2019. Mr. Chu said that he was optimistic about the prospects for carbon capture and storage, and anticipated having 10 demonstration plants capable of this in operation in the U.S. by 2016. Coal is the world's single biggest source of carbon emissions, at 40 percent; coal-burning power plants provide 48 percent of U.S. electrical needs. (ffd: wire services)

(MON) Norfolk Southern said that it would now offer Railcar Event Alerts, which check the status of a customer's rail shipment ever hour and send a text message to the customer's mobile device, including cell phones, if the status has changed. Information provided through the alerts includes changes in ETA or ETI, bad order notification, when a shipment is received from another rail carrier, when a shipment is placed for a shipper's customers, and when a car in the shop has been repaired and is moving again. (ffd: NS RR)

(MON) The Port of New York and New Jersey debuted its upgraded website. The new website, which had been two years in development, is at <<http://www.panynj.info>>www.panynj.info. Also this week, New Jersey Transit debuted its upgraded website. It now includes a trip planner that integrates Google Maps, and also DepartureVision, which displays train departures boards for most NJT stations that include arrival times, track assignments, and train status. (ffd: RT&S, wire services)

(TUE) Amtrak announced that it had carried nearly 27.2 million passengers in Fiscal Year 2009 ending September 30, off approximately 5 percent from the previous fiscal year, but still the second highest annual total in the railroad's 38-year existence. Also this week, Amtrak announced that it would put its new national timetable into effect on October 26. The new national timetable again includes Empire Service and Keystone Service trains, but again does not include Acela Express and Northeast Regional trains; the latter will be updated in a separate timetable that will change more frequently due to continued trackwork improvement projects. (ffd: Amtrak)

(TUE) RailAmerica held a planned initial public offering of stock on the New York Stock Exchange. The offering sold 22 million shares, a million more than expected, although the share price went for \$15, slightly less than the expected share price of between \$16 and \$18. The IPO raised \$330 million. (ffd: New York Times)

(TUE) The Chicago Transit Authority announced that it was considering raising its subway base fare by one-third, to \$3, and cutting subway service by 9 percent, both to help reduce an expected \$300 million shortfall next year. "The recession has driven real estate taxes, one of the agency's funding sources, down 30 percent," said CTA President Richard Rodriguez. "Had the economy not crashed, we wouldn't be having this conversation." The Chicago Sun-Times commented that the agency has proposed similar fare increases and service cuts in years past, only to see the Illinois state legislature provide additional funding. However, with a severe state budget shortfall, the newspaper said that a state-funded rescue looked unlikely at this time. (ffd: Chicago Sun-Times, Trains)

(THU) The Surface Transportation Board announced that it had eliminated the vacant position of STB Secretary and removed related incorrect and/or obsolete references. It noted that most of the tasks and staff of the Secretary's Office have been reassigned to other Board offices in recent years. The changes will be effective November 16. (ffd: STB)

(THU) Amtrak announced that it would use approximately \$25 million in received federal stimulus funding to replace outdated transformers at 40 electrical substations that provide power to its Northeast Corridor Line between New York and Washington, DC. The transformers, several of which have been in service for more than 75 years, lower voltage from commercially available 138,000AC to the 11,000AC used on the line. Also this week, Amtrak announced that it had engaged Jacobs Engineering to provide program management and construction services for more than 100 infrastructure improvement projects. The projects, which are scheduled or ongoing at more than 360 Amtrak locations, total more than \$560 million. (ffd: Amtrak, Railway Age)

STATS:

(THU) For the week ending October 10, 2009, U.S. carload rail traffic grand totaled 30.8 billion ton-miles, down 16.1 percent from the comparable week last year. U.S. carload rail traffic was down 17.2 percent, down 19.7 percent in the East and down 15.4 percent in the West. Notable traffic increases included nonmetallic minerals up 6.0 percent and grain mill products up 1.4 percent; notable traffic decreases included grain down 3.1 percent and metallic ores down 70.4 percent. Also for the week, U.S. intermodal rail traffic was down 11.0 percent, but totaled 208,941 units, the highest weekly total in 2009. Finally for the week, Canadian carload rail traffic was down 13.6 percent, Canadian intermodal rail traffic was down 9.5 percent, Mexican intermodal rail traffic was down 4.8 percent, and Mexican intermodal rail traffic was down 10.8 percent.

For the period January 1 through October 10, 2009,. U.S. carload rail traffic grand totaled 1.14 trillion ton-miles, down 17.2 percent from the comparable period last year. Also for this period, U.S. carload rail traffic was down 18.1 percent, U.S. intermodal rail traffic was down 16.6 percent, Canadian carload rail traffic was down 22.0 percent, Canadian intermodal rail traffic was down 16. percent, Mexican carload rail traffic was down 13.4 percent, and Mexican intermodal rail traffic was down 18.0 percent. (ffd: AAR)

(NOTE: Canadian traffic totals include those of the U.S. operations of Canadian Pacific Railway and Canadian National.)

STATS CONTINUED – THIRD QUARTER, 2009 RESULTS:

(TUE) CSX became the first Class 1 railroad to report this year's third quarter results. For the 3rd Qtr., 2009 and compared with the 3rd Qtr., 2008, CSX revenues were \$2.289 billion, compared with \$2.961 billion earlier. Operating income was \$598 million, compared with \$733 million earlier. Net income was \$293 million, compared with \$382 million earlier. CSX's third quarter operating ratio was 73.9 percent, compared with 75.2 percent earlier. (ffd: CSX RR)

EXPANSIONS, CONTRACTIONS AND ALIKE:

(TUE) BNSF announced that it would soon open its newly expanded intermodal terminal in Memphis, TN. The terminal, the rebuilding of which began in 2005 at an approximately total cost of \$200 million, will when fully functional have the capability of handling up to 1,000,000 million intermodal units annually. (ffd: Memphis Daily News)

(WED) The San Francisco Bay Railroad filed to operate approximately eight miles of line in and near Vallejo, CA. It will also connect there with the California Northern Railroad. (ffd: STB)

(THU) The Last Mountain Railway commenced operation. The railroad operates over the former Canadian National line between Regina, SK and Davidson, SK, totaling approximately 84 miles. (ffd: STB)

(THU) Passenger cars and diesel-powered locomotives belonging to the Steam Railroad Museum of Minerva, OH were auctioned. The equipment was earlier used to run excursion trains, but these haven't operated since 2006 due to rising insurance costs. The museum's president, Emerson Roth, said that the museum building will be converted for private use and will no longer be a museum. (ffd: Canton Repository, Trains)

APPOINTMENTS, ACHIEVEMENTS AND MILESTONES:

(TUE) Edward Rodzicz, the national president of the Brotherhood of Locomotive Engineers and Trainmen, was arrested on the charge of soliciting and accepting \$20,000 in bribes from a lawyer who wanted to remain on BLET's list of attorneys approved to handle injury cases for union members. The lawyer was to be removed from that list to alleged ethical violations. A BLET spokesman said that Mr. Rodzicz was placed on a leave of absence and that BLET First Vice President Paul Sorrow will serve as Acting President. (ffd: wire services)

(THU) Watco Companies appointed Chad Jasmin the GM of its Yellowstone Valley Railroad. Mr. Jasmin was most recently BNSF Railway's Superintendent-Operations in Fargo, ND. (ffd: Progressive Railroading)

(FRI) Kansas City Southern appointed Donald Emery its AVP-Labor Relations. Mr. Emery was recently a KCSR senior director of labor relations. (ffd: KCSR RR)

CORRECTIONS:

In WRR's edition for the week ending October 2, and related to the dedication of Iowa Northern Railway's new bridge across the Cedar River, I reported the bridge as being at Cedar Rapids, Iowa. It is in fact at Waterloo, near Cedar Falls. Thanks to Reader Eliot Keller for this update.

Also in the edition for the week ending October 2, and related to the beginning of weekend service out of Bay Street Station in Montclair on NJT's Montclair-Boonton Line, this service will not start until Sunday, November 8. Thanks to Reader Randy Glucksman for this update.

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Dave Mears

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