

WEEKLY RAIL REVIEW  
FOR THE 7 DAYS ENDING FRI, OCTOBER 17, 2008  
BY DAVE MEARS

(Running a little late with this edition, but hope to be current in a day or so with the next.)

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

(TUE) CSX suffered an on-duty employee fatality. Gregory Johnson, Age 28, was killed when two CSX trains collided in Decatur AL. The accident derailed 5 cars and Mr. Johnson was fatally injured when he became pinned under their wreckage. (ffd: Decatur Daily)

(TUE) BNSF, CSX, Norfolk Southern and Union Pacific asked a federal judge to dismiss a lawsuit filed against them that claimed that they colluded with one another in establishing fuel surcharges. The lawsuit, filed by eight plaintiffs that include U.S. Magnesium, Ziniflex Taylor Chemicals and the Strates Shows Circus, claims that the railroads illegally colluded in 2003 when they agreed to a set of fuel surcharges based on overall transportation costs, rather than actual fuel costs. An attorney representing the railroads, Kent Gardiner, told the judge that the meeting constituted "lawful behavior" and that no restraint of trade was alleged, and that the suit should therefore be dismissed. The judge has not indicated when he will rule on the railroads' motion. (ffd: Bloomberg News)

(TUE) The U.S. Coast Guard, which is administering the Transportation Worker Identification Credential (TWIC) at U.S. ports, published a policy statement governing railroad workers' access to secure port areas. USCG said that all railroad employees who work in secure port areas should have a TWIC, or be watched by an escort. Rather than checking cards at gates, a railroad's local or regional office may provide TWIC information in advance of a train's arrival. The policy may be found online at <<http://homeport.uscg.mil>><http://homeport.uscg.mil/>.

(TUE) Amtrak announced that it would notably reroute two train services some dates this month due to track work on their normal route. Amtrak said that it would have its Empire Service trains serving New York State originate and terminate out of Grand Central Terminal instead of Pennsylvania Station. This will occur the weekends of October 18-19 and October 25-26. Amtrak said that it will operate a special shuttle bus for passengers between GCT and Penn Station. In California, Amtrak said that it would operate its "Coast Starlight" train over Union Pacific's inland route between Los Angeles and San Francisco, including through the famed Tehachapi Loop. This rerouting will occur on three dates, October 24, 26 and 29. (ffd: Amtrak)

(TUE) The University of Wisconsin announced that it would begin offering courses in railroad engineering. A university spokesman said that the courses will be for postgraduate engineering students. Two other universities, Michigan Technological University and the University of Illinois at Champaign-Urbana, both now offer undergraduate railroad engineering degrees. (ffd: Wisconsin Badger Herald, Trains)

(TUE) The Chicago Transit Authority introduced new means to keep its riders advised of service disruptions and emergencies. A CTA spokesman said that riders could now sign up on its website, <<http://www.transitchicago.com>>[www.transitchicago.com](http://www.transitchicago.com), to receive email alerts about routine service changes. They can also view a video of train emergency evacuation procedures on the website. The spokesman added that, early next year, CTA will be able to send service alerts as text messages to mobile phones or as emails to computers and BlackBerry-like devices. (ffd: Chicago Tribune)

(WED) San Francisco's Bay Area Rapid Transit subway system suffered an on-duty employee fatality. James Strickland, Age 44, was fatally injured by a subway train that approached and struck him from behind. Mr. Strickland was part of a two-man crew inspecting structures. His partner was about 1,500 feet away on the opposite track. The accident occurred between the Concord and Pleasant Hill stations. (ffd: San Francisco Chronicle)

(WED) The Federal Railroad Administration issued a final rule related to the standards and specifications of electronically controlled pneumatic (ECP) brakes. ECP braking systems are designed to simultaneously and gradually apply and release air brakes on all cars of a train, with attendant efficiencies. Because ECP brake systems can also perform electronic self-diagnosis, the rule permits trains to travel up to 3,500 miles before an enroute brake inspection is required. (ffd: FRA, Progressive Railroadng)

(THU) Railcar lessor GATX was reported to be dropping its bid to buy GE's railcar leasing division. The move appears related to the global credit crisis. Sources close to the deal reported that GATX had been offering more than \$3 billion for the GE subsidiary and was the leading bidder prior to opting out. (ffd: wire services)

(THU) The State of Delaware announced that it had purchased four Class Silverliner V commuter rail cars for use on the SEPTA R2 line, which serves Wilmington DE. The purchase is a first for Delaware and will replace older cars in service on the line. The Silverliner V's have digital destination signs, among many new features, and also include regenerative braking capability. In a related story, SEPTA planners announced that they were anticipating a 25 percent growth in ridership on its regional rail network by the Year 2035. (ffd: Philadelphia Intelligencer, wire services)

(FRI) The Wisconsin & Southern Railroad debuted a 52-foot, double-plug-door boxcar repainted in honor the 75th anniversary of Model Railroader Magazine. Both Model Railroader's parent company and the WS are based in Milwaukee. The car, WS No. 503175, was painted blue with a 75th anniversary commemorative insignia. The painting was done at WS's Horicon WI shop. (ffd:

Trains)

STATS – “BIG 7” AND SELECTED MEXICAN RAIL TRAFFIC:

(EDITOR’S NOTE: Canadian traffic includes that on the U.S. operations of Canadian National and Canadian Pacific.)

(THU) For the week ending October 11, 2008, U.S. rail volume grand totaled 35.2 billion ton-miles, down 0.6 percent from the comparable week last year. U.S. carload rail traffic was up 0.7 percent in the East, down 2.9 percent in the West, and down 1.4 percent altogether to total 331,402 units. Notable traffic increases included metallic ores up 32.4 percent and coal up 6.2 percent; notable traffic decreases included lumber and wood products down 22.5 percent and grain down 15.9 percent. Also for the week, U.S. intermodal rail traffic was down 3.3 percent to total 234,732 units, Canadian carload rail traffic was down 2.1 percent, Canadian intermodal rail traffic was up 11.6 percent, Mexico’s Ferromex carload rail traffic was up 23.0 percent and its intermodal rail traffic was up 48.0 percent, and Kansas City Southern de Mexico’s carload rail traffic was down 4.1 percent and its intermodal rail traffic was up 4.8 percent.

For the period January 1 through October 11, 2008 and ranked with the comparable period last year, U.S. rail volume grand totaled 1.39 trillion ton-miles, up 0.8 percent from the comparable period last year. Also for this period, U.S. carloads rail traffic was down 0.3 percent to total 13,344,744 units, U.S. intermodal rail traffic was down 3.0 percent to total 9,226,191 units, Canadian carload rail traffic was down 4.3 percent, Canadian intermodal rail traffic was up 4.2 percent, Ferromex’s carload rail traffic was up 1.5 percent, Ferromex’s intermodal rail traffic was down 0.1 percent, KCSM’s carload rail traffic was down 5.6 percent, and KCSM’s intermodal rail traffic was up 8.1 percent. (ffd: AAR)

MORE STATS – “BIG 7” (EXCEPT CN) OPERATING PERFORMANCE:

Not reported this week.

STILL MORE STATS - THIRD QUARTER, 2008 EARNINGS RESULTS:

(TUE) CSX reported net income of \$382 million, down from \$407 million in the third quarter last year. Revenues were \$2.96 billion, up from \$2.501 billion in the third quarter last year. CSX’s operating ratio was 75.2 percent, improved from 77.7 percent the third quarter last year.

For the first nine months of 2008, CSX’s reported net income of \$1.118 billion, up from \$971 billion the first nine months of last year. Revenues were \$8.581 billion, up from \$7.453 billion the first nine months of last year. CSX’s operating ratio was 75.8 percent, improved from 77.8 percent the first nine months of last year. (ffd: CSX Corp.)

EXPANSIONS, CONTRACTIONS AND ALIKE:

(MON) The Pennsylvania Northeast Regional Railroad Authority filed to purchase, from Norfolk Southern, approximately 11 miles of line in Monroe County and Northampton County. The line is currently operated by Delaware-Lackawanna Railroad, which will continue this operation. (ffd: Progressive Railroading)

APPOINTMENTS, ACHIEVEMENTS AND MILESTONES:

(FRI) Kansas City Southern appointed Patrick Ottensmeyer its EVP-Sales & Marketing. Mr. Ottensmeyer was most recently KCS’s EVP & CFO. Succeeding Mr. Ottensmeyer is Michael Upchurch, who was most recently SVP-Financial Management & Purchasing. In making these appointments, which some Progressive Railroading called “a succession-planning move,” KCS Chair & CEO Mike Haverly said that they would “ensure future leadership continuing while developing and retaining internal intellectual capital.” (ffd: Progressive Railroading)

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Weekly Rail Review (WRR) 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.

BE SAFE AND PROSPER,  
Dave Mears  
Cherry Hill, New Jersey, USA