

WEEKLY RAIL REVIEW

For the week ending SAT, October 4, 2003

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):

(SUN) The Sacramento California Rapid Transit District concluded the first weekend of operation of its new South light rail line. The new line operates from downtown Sacramento to suburban Meadowview Road, a total of approximately 7 miles. (ffd: NARP)

(MON) The U.S. Congressional Budget Office issued a report on Amtrak's effort to achieve self-sufficiency from 1997 through last year, when that goal was reckoned unobtainable. The report criticized the previous Amtrak president, George Warrington, noted that he "continued until February, 2002 to assure Congress that Amtrak was steadily moving toward self-sufficiency, [although] the company was covering its costs through increased debt. By 2002, Amtrak had exhausted its ability to borrow." The report concluded on an ambivalent note, stating that "if policy makers cannot reach agreement about passenger rail issues, then Amtrak is likely to limp along as it has for the past 33 years: not quite satisfying anyone, nor providing the most valued rail service per dollar, but not costing very much relative to the size of the economy and the federal budget." (ffd: Washington Post, CBO)

(TUE) The U.S. Department of Transportation released an update to its strategic plan for the fiscal years 2003 through 2008. The plan continued the department's four previous strategic objectives related to safety, mobility, environmental stewardship and security, but added a fifth strategic objective related to "global connectivity," which it said in a prepared statement "highlights the importance of using transportation systems to move goods and people around the world." "We continue to work toward a safer, simpler and smarter transportation system for the benefit of all Americans," said Transportation Secretary Norman Mineta. (ffd: Progressive Railroading, USDOT)

(TUE) CSX rolled out a new e-business application, "ShipCSX Service Schedules," allowing registered users to obtain local carload schedules between all points on the railroad's network. The web-based ShipCSX application now includes the following tools: "Plan," to organize logistics before ordering service; "Ship," to complete and submit shipping instructions; "Trace," to track orders and shipments; and "Pay," to electronically view and pay freight bills. (ffd: CSX Corp., Progressive Railroading)

(TUE) A magistrate in Portsmouth, England banned an individual from ever again using a British passenger train or station. According to British Transport Police, who had sought the ban, Raymond Brain, Age 21, would "almost on a daily basis travel without buying tickets and be abusive to staff and other people using the rail network." In issuing the ruling, believed to be the first of its kind, the magistrate warned Mr. Brain that he risked years in prison if he ignored the order, called him "a complete and thorough nuisance to the community and people on the railways." (ffd: BBC News)

(WED) Mexico's Transportacion Ferroviaria Mexicana bought back 51 percent of Mexrail, Inc. from Kansas City Southern, which it had sold to KCS in May, 2003. Under the terms of the earlier sale, TFM retained the right to buy back Mexrail stock for \$32.68 million, the amount paid by KCS for it. KCS and TFM's parent, Group TMM, have lately been in a dispute over TFM's future, with Group TMM in August having called off a deal to sell its stake in TFM to KCS for \$412 million and KCS most recently having filed a motion in U.S. court seeking an injunction against Group TFM for pulling out of the deal. (ffd: JofC Online)

(WED) New York commuter rail operator Metro North announced that it would hold its Harmon, NY. Shop annual open house on Saturday, October 18. The open house, which features tours of shop facilities and numerous pieces of train equipment, will be held from 10AM through 3PM that date. A Metro North spokesman said that the event would be free of charge and for all ages. (ffd: NERails)

(THU) Amtrak announced that it had averted a planned strike by its rail unions set for Friday, October 3. The previous Monday, Amtrak filed an injunction in U.S. District Court against the strike. Union leaders, who had called for the strike to protest Amtrak's underfunding, agreed to take no action until the court further ruled. "I think the main reason for strike was to call attention to the need for appropriate funding for Amtrak," said John Bentley, a spokesman for the Brotherhood of Locomotive Engineers. "If we've done that, even though the strike never got off the ground, then we've been successful in part." (ffd: Washington Times, wire services)

(THU) A U.S. Court of Appeals directed the U.S. Surface Transportation Board to take "a second look" at the STB's earlier approval of the Dakota, Minnesota & Eastern's planned \$2 billion expansion to reach the Powder River Basin coal fields. Although overturning the STB's decision, the court called for only a few additional considerations, commenting that "on the whole, the Board did a highly commendable and professional job in evaluating an enormously complex proposal." The DM&E is seeking to build approximately 280 miles of new line and rehabilitate approximately 600 miles of existing line to reach the fields. (ffd: wire services)

(THU) Members of both parties on the U.S. Senate Commerce, Science and Transportation Committee criticized the Bush Administration's Amtrak reform plan. Speaking at a committee hearing to consider the plan, Sen. Byron Dorgan (D-ND) said "It's a serious proposal [only] if you want the message to be 'shut down the rail service on the long-haul routes and continue the rail service on the eastern corridor'" and Sen. Kay Bailey Hutchison (R-TX) commented that the plan would result in "the end of

Amtrak as a national system." Under the plan, states would be required to pay the operating subsidy for routes within their borders and half of any capital improvements and infrastructure maintenance, with these costs split proportionally for routes that go through more than one state. The plan would take place over a 6 year phase-in period, with states taking on these costs in the final 3 years. (ffd: Bond Buyer, NARP)

(FRI) A spokesman for RailAmerica said that the company was dropping out of the bidding to operate BC Rail, which is being privatized by the Canadian province of British Columbia. The action leaves 3 companies - Canadian Pacific, Canadian National and OmniTRAX - still in the bidding. The RailAmerica spokesman, Wayne August, commented that RailAmerica had withdrawn because CP and CN would receive tax benefits in taking over the operations that RailAmerica would not and said further that "both CP and CN had far more synergies with BC Rail than did RailAmerica." (ffd: Prince George BC Free Press)

(FRI) The Association of American Railroads reminded that the 2003 edition of their Railroad Equipment Report is now available. The annual publication features detailed freight car and locomotive information of railroads operating in the U.S., Canada and Mexico. Copies are available to the general public for \$60 each and to AAR member railroads for \$30 each, and may be purchased by mail or via the AAR website. (ffd: AAR)

STATS:

(THU) For the week ending September 27, U.S. carload rail traffic was down 1.0 percent from the comparable week last year, down 1.0 percent in the East and down 0.9 percent in the West. Also for the week ending September 27, U.S. intermodal rail traffic was up 6.8 percent, Canadian carload rail traffic was up 3.7 percent and Canadian intermodal rail traffic was up 1.7 percent.

For the month of September, 2003, U.S. carload rail traffic was down 0.1 percent from September, 2002. This month this year versus this month last year, notable traffic increases included coke up 46.4 percent; grain up 13.1 percent and stone, clay and glass products up 8.0 percent; notable traffic decreases included metallic ores down 20.3 percent, primary metal products down 7.3 percent and coal down 2.5 percent. Also for the month of September, 2003, U.S. intermodal rail traffic was up 2.5 percent, Canadian carload rail traffic was up 1.7 percent, Canadian intermodal rail traffic was down 0.5 percent, Mexico's Transportacion Mexicana Ferroviaria's carload rail traffic was down 12.6 percent, and TFM's intermodal rail traffic was down 8.3 percent, all when ranked with September, 2002.

For the period January 1 through September 27, 2003, U.S. carload rail traffic was down 0.3 percent, U.S. intermodal rail traffic was up 5.1 percent, Canadian carload rail traffic was down 1.2 percent, Canadian intermodal rail traffic was up 7.3 percent, TFM's carload rail traffic was up 1.1 percent and TFM's intermodal rail traffic was up 18.7 percent, all when ranked with the comparable period last year. (ffd: STB)

ACQUISITIONS, ABANDONMENTS AND ALIKE:

(MON) A&R Lines and Toledo, Peoria & Western Railway jointly filed to abandon approximately 16 miles of line between Kenneth, IN. and Winamac, IN. (ffd: STB)

(MON) J.K. Lines and Toledo, Peoria & Western Railway jointly filed to abandon approximately 17 miles of line between North Judson, IN. and Monterey, IN. (ffd: STB)

(FRI) Allegheny & Eastern Railroad filed to abandon approximately 19 miles of line between St. Marys, PA. and Emporium, PA. (ffd: STB)

(FRI) CSX filed to abandon approximately 2 miles its KD Subdivision, Second Creek Spur, in Knoxville, TN. (ffd: STB)

CHANGING PEOPLE AND PLACES:

(MON) CSX appointed Jim Fallon SVP-Transportation. Mr. Fallon, who is one of only a few former upper level Conrail executives still with CSX, replaces AL Crown in this position, who recently retired. (ffd: CRTS)

(TUE) George Dixon III was elected chairman of the American Public Transportation Association. Mr. Dixon will also continue his responsibilities as president of the Greater Cleveland Regional Transit Authority. (ffd: wire services)

(FRI) Pete Sklannik resigned as the head of Northern Virginia commuter rail operator Virginia Railway Express. Mr. Sklannik had been on administrative leave from his position since last August. (ffd: Washington Post)

* * *

Weekly Rail Review 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 weeklyrailreview@aol.com to receive it, with my compliments.

HAVE A SAFE AND PROSPEROUS WEEK,
Dave Mears
Cherry Hill, New Jersey, USA