

WEEKLY RAIL REVIEW

FOR THE WEEK ENDING FRIDAY, NOVEMBER 13, 2009

BY DAVE MEARS

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

(SAT) A Boston, MA subway train operator and inspector were commended for their quick action in saving the life of an intoxicated woman who had fallen off the platform at the subway's North Station stop. Inspector Jacqueline Osorio was commended for notifying the subway train to slow down and Operator Charice Lewis was commended for stopping the train before it struck the woman. The incident, which was captured on a station video camera, was covered by several national news media. (ffd: CNN, wire services)

(MON) The Association of American Railroads countered the pro-shipper Consumers United for Rail Equity's suggestions that Warren Buffett's planned purchase of all outstanding BNSF stock would result in BNSF charging higher rates. The AAR noted that "average inflation-adjusted rail rates have dropped by nearly half since the Staggers Act partially deregulated the rail industry in 1980." Also on Monday concerning the BNSF purchase, Mr. Buffett's Berkshire Hathaway Company announced that it would shortly divest itself of the 9.5 million Union Pacific shares and the 1.9 million Norfolk Southern shares it owns. (ffd: Journal of Commerce, Lincoln Journal-Star)

(MON) Pittsburgh, PA officials noted that the new twin rail tunnels under the Allegheny River are nearly complete. The tunnels will extend light rail service to PNC Park, where the Pittsburgh Pirates play baseball, and to Heinz Field, where the Pittsburgh Steelers play football. Service to the two stadiums, for which a new light rail station is being built, is expected to start sometime between December, 2011 and March, 2012. (ffd: Pittsburgh Post Gazette)

(MON) Kansas City Southern announced the schedule of its special holiday train, the KCS Holiday Express. Now in its ninth year, the train will stop in 22 communities in eight states through which KCS operates. At each stop, the KCS Charitable Fund will make a donation of Walmart gift cards to the local Salvation Army chapter to purchase new clothing for children in need. (ffd: KCSR RR)

(TUE) The U.S. Department of Transportation noted that, since February, it had "jump-started" more than 10,041 transportation projects nationwide through federal stimulus funding. A USDOT spokesman noted that, of \$48.1 billion available in American Recovery and Reinvestment Act (ARRA) funding for highway, road, rail, transit, bridge and airport projects, the department has obligated \$30.6 billion for 10,041 projects in 53 states and territories, and that 6,547 of these projects are currently underway. (ffd: Progressive Railroading, USDOT)

(TUE) Norfolk Southern announced that it had recently been recognized by Inbound Logistics Magazine as one of 25 green supply chain partners. A spokesman said that NS had been so recognized for its "Green Machine" carbon footprint analyzer that allows businesses to estimate their emissions savings by using rail transportation, as well as for ongoing efforts to upgrade its locomotive fleet to meet federal emission standards. (ffd: NS Corp.)

(WED) The Journal of Commerce quoted a Republican senator on the Senate Surface Transportation Subcommittee as suggesting that a rail reform bill being worked on by the subcommittee would not change the limited antitrust immunity for railroads. "I would be surprised if it does," said Sen. John Thune (R-SD), the ranking minority member of the subcommittee. Antitrust review of railroad acquisitions and mergers is currently handled by the Surface Transportation Board. (ffd: Journal of Commerce)

(WED) RailAmerica CEO John Giles suggested that the short line holding company might possibly acquire more small railroads in coming months due to "attractive opportunities." "We believe there are numerous railroads out there that are not run to their

potential," said Mr. Giles. Mr. Giles made these comments on the occasion of RailAmerica releasing its third quarter earnings. (ffd: Trains)

(THU) Union Pacific announced a "land swap" with the State of New Mexico. The railroad had wanted 2,219 acres of New Mexico state trust lands for a future intermodal facility, and the state was agreeable to taking ownership of UP's 60,000-acre Lucy Ranch lands in return. However, UP noted that it would not build the new facility until an economic recovery was more underway. (ffd: El Paso Times)

(FRI) VIA Rail Canada announced that, until further notice, it would waive change fees for passengers directly affected by the H1N1 flu virus. VIA said that passengers could delay their travel for up to six months without incurring change fees. It said that the policy applies to anyone who is affected by H1N1 and is scheduled to travel within a 14-day window. (ffd: VIA Rail Canada)

(FRI) The Chicago Transit Authority approved a \$1.27-billion budget for 2010. However and thanks to an agreement brokered by Illinois Governor Quinn, a proposed fare increase was removed from the budget. To replace the \$83 million in revenue that was anticipated from the fare increase, the Illinois Regional Transportation Authority, CTA's parent agency, will issue bonds in 2010 and 2011 that will enable the CTA to use eligible capital funds to support operations. (ffd: RT&S)

(FRI) A new commuter rail line and a new light rail line prepared to start regular operation. In Minneapolis, MN, a grand opening ceremony was held for the Northstar commuter rail line, which will operate between Big Lake, MN and Minneapolis, with revenue service starting on Monday, November 16. In Southern California, the Gold Line light rail line prepared to start revenue service on Sunday, November 15. The new light rail line operates between Pasadena and East Los Angeles, where it connects with an existing light rail line. (ffd: Minneapolis Star, RT&S)

STATS:

(THU) For the week ending November 7, 2009, U.S. rail volume grand totaled 31.0 billion ton-miles, down 11.5 percent from the comparable week last year. U.S. carload rail traffic was down 12.2 percent, down 11.9 percent in the East and down 12.5 percent in the West. Notable traffic increases were grain up 10.0 percent (likely reflective of the late harvest) and nonmetallic minerals up 2.8 percent; notable traffic decreases included non-grain farm products down 1.5 percent and lumber and wood products down 34.2 percent. Also for the week, U.S. intermodal rail traffic was down 9.5 percent, Canadian carload rail traffic was down 3.6 percent, Canadian intermodal rail traffic was down 10.0 percent, Mexican carload rail traffic was down 10.1 percent, and Mexican intermodal rail traffic was down 2.5 percent.

For the period January 1 through November 7, 2009, U.S. rail volume grand totaled 1.26 trillion ton-miles, down 16.8 percent. Also for this period, U.S. carload rail traffic was down 17.8 percent, U.S. intermodal rail traffic was down 16.1 percent, Canadian carload rail traffic was down 20.7 percent, Canadian intermodal rail traffic was down 15.7 percent, Mexican carload rail traffic was down 11.9 percent, and Mexican intermodal rail traffic was down 16.9 percent. (ffd: AAR)

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

EXPANSIONS, CONTRACTIONS AND ALIKE:

(TUE) For purposes of improved operating efficiency, the Duluth, Winnipeg & Pacific Railway amended and extended Duluth, Missabe & Iron Range Railway trackage rights covering 95 miles of DWP line between Shelton, MN and Rainier, MN. Also, DMIR

amended and extended DWP trackage rights covering 6 miles of DMIR line

Between Nopeming, MN and Shelton, MN. (ffd: STB)

(THU) Bulkmatic opened a new and expanded bulk transfer facility near Williamsport, PA. This new facility locates in Newberry Yard on the North Shore Railroads' Lycoming Valley Railroad. (ffd: Williamsport Sun-Gazette)

(FRI) The Charleston, Blue Creek & Sanderson Railway filed to lease, from Norfolk Southern, and operate approximately 27 miles of line between Charleston, WV and Morris Fork, WV and, also, approximately 4 miles of line between Falling Rock, WV and Blue Creek, WV. (ffd: STB)

(FRI) Railmark announced that it had sold its Michigan Air-Line Railway to Browner Turnout Company. Terms of the sale were not disclosed. The Michigan Air-Line totals 9 miles of line operating between West Bloomfield, Commerce, Walled Lake and Wixom, MI. (ffd: Progressive Railroading)

APPOINTMENTS, ACHIEVEMENTS AND MILESTONES:

(WED) Federal Railroad Administration Senior Program Manager Michael Coplen was named this year's winner of the American Evaluation Association's Myrdal Government Award. Mr. Coplen, who is an adviser to the FRA's Switching Operations Fatality Analysis (SOFA) Committee, was recognized for his efforts in developing projects that promoted rail safety, several of which the FRA notified "were an essential component in developing the FRA's risk reduction program." (ffd: FRA, Progressive Railroading)

(WED) South Central Florida Express Railroad appointed Todd Biscan its vice-president. Mr. Biscan succeeds Sally Cochran, who recently retired. (ffd: Progressive Railroading)

///

Weekly Rail Review (WRR) is edited from public news sources and distributed weekly to those working in, or interested in, rail and transit. **Recipients are welcome to forward it on, but if you do, please let me know to whom, so that I may note them in my total readership.** Anyone not already on my distribution list may send me an email to directly receive Weekly Rail Review, with my compliments.

BE SAFE AND PROSPER,

Dave Mears

Cherry Hill, NJ