

WEEKLY RAIL REVIEW

FOR THE WEEK ENDING SAT, NOVEMBER 27, 2004

BY DAVE MEARS

(Editor's Note: The expression "ffd" at the end of a news item represents "for further details" and suggests a reference source for further related information.)

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

(MON) The U.S. Department of Transportation Inspector General issued his annual report on the state of Amtrak. In his report, Inspector General Kenneth Mead noted the railroad's deferring of maintenance, stating that "the existing system is not sustainable at current funding levels...the total funding Amtrak receives from all sources is not sufficient to maintain the current system in a state of good repair." The report went on to suggest discontinuing especially unprofitable long-distance trains to focus instead on shorter-distance corridor services, a strategy which industry analysts have viewed as politically tenuous. (ffd: NARP, New York Times, wire services)

(MON) The Pennsylvania state legislature adjourned without providing additional transit funding. As a result, Philadelphia's SEPTA issued 1,400 initial layoff notices and said that it would have to increase fares up to 25 percent and curtail weekend services by late January. Pittsburgh's PAT announced plans to cut 500 employees, increase its base fare from \$1.75 to \$2.50, curtail one-third of its bus routes and end all Saturday, Sunday and holiday service. Pennsylvania Governor Ed Rendell, formerly the mayor of Philadelphia, was reported to be considering new solutions to provide additional funding prior to the planned service reductions being implemented. (ffd: Philadelphia Inquirer, Pittsburgh Post-Gazette)

(MON) The Federal Railroad Administration announced that it would again delay publishing its final ruling related to "quiet zone" highway-rail crossings. An FRA spokesman said that the delay was to allow additional time to consider the many public comments received related to the new rule, which would allow the blowing of locomotive horns to be banned by communities only at crossings equipped with certain warning and protection devices. The spokesman added that the new rule would now be issued in January and become effective April 1. (ffd: FRA)

(MON) A Norfolk Southern freight train derailed 30 cars near Elko, GA. The train, principally carrying automobiles on multilevel cars, had been operating on the NS main line between Macon, GA. and Valdosta, GA. An NS spokesman said that no one was injured in the derailment and that there were no hazardous material problems. (ffd: Macon Telegraph)

(MON) A European railway conference was held in Berlin, Germany. The conference was attended by over 200 representatives of European railroads, infrastructure companies and related industries. Conference business included presentations on strengthening European railroads to help create a sustainable transport system attendant with plans to enlarge the European Union. Commented Philippe Roumequere, CEO of the International Union of Railways, "It is clear that there is a global need for ambitious action plans and decisions related to railways." (ffd: Progressive Railroading)

(TUE) General Motors was reported to be close to selling its Electro-Motive Division. Under the reported sale terms, EMD would be jointly purchased by Greenbriar Equity Group, a \$700 million equity fund, and Boston-based Berkshire Partners, a \$3.5 billion buyout fund. The sale is reportedly contingent on the favorable conclusion of a new contract for employees represented by the United Auto Workers at EMD's LaGrange, IL. plant. EMD, which GM has owned since the 1930s, is the world's largest manufacturer of diesel-electric locomotives, employing approximately 3,000 workers and with principal operations at LaGrange and London, ON. (ffd: Reuters, Railpace)

(TUE) Passenger rail operator Connex North America was awarded a 5-year contract to operate Southern California's Metrolink commuter rail services. The award was made by the Southern California Regional Rail Authority, which oversees and funds Metrolink. Metrolink operates 7 commuter rail routes serving greater Los Angeles, carrying approximately 40,000 passengers daily. Amtrak, which was eliminated from the contract bidding last month, will continue as operator until Connex takes over on July 1, 2005. (ffd: Metro Magazine)

(TUE) The U.S. Department of Transportation reported that railroad police were appropriately enforcing employee-related policies. A USDOT spokesman said that, out of 136,808 railroad police cases last year, employees were the subject of less than 1 percent, with two-thirds of those related to trespassing. The USDOT report had been requested by the U.S. Senate Commerce Committee in response to allegations by rail labor unions of improper use of railroad police to enforce personnel policies. (ffd: AAR)

(TUE) A Union Pacific freight derailed 3 locomotives and 25 cars near Notus, ID. A UP spokesman said that the train, principally made up of empty auto carriers and refrigerated boxcars, was enroute from North Platte, NE. to Hermiston, OR. when it derailed. The spokesman added that there were no injuries and no hazardous material problems. (ffd: Idaho Press-Tribune)

(WED) The congressional newsletter The Hill reported that 21 Republican congressmen who had written Rep. Ernest Istook (R-OK.) in support of full funding for Amtrak had transportation funding for their district deleted by Mr. Istook from the recent omnibus appropriations bill. The newsletter reported that the deletion took the 21 congressmen by surprise, especially Rep. John McHugh (R-NY.), who reportedly "came close to physical blows" with Mr. Istook as a result. Mr. Istook, an Amtrak critic, is chairman of the House Subcommittee on Transportation, Treasury and Independent Agencies. (ffd: The Hill)

(FRI) Indian Railways announced that it would work to restore the Rajasthan-Sindh rail link between India and Pakistan, which has been out of service since 1965. A railways spokesman said that restoration of service would include conversion of the line to a common gauge and that service was expected to start by October, 2005. Despite their respective countries being close to conflict in recent years related to territorial disputes over the Kashmir region, Indian and Pakistani railway officials have continued to work together to restore rail links at several points of crossing between the 2 nations. (ffd: Press Trust of India)

STATS:

(THU) For the week ending November 20, U.S. carload rail traffic was up 2.5 percent from the comparable week last year, up 3.5 percent in the East and up 1.6 percent in the West. Volume totaled 33.2 billion ton-miles, a new weekly

U.S. record. Notable traffic increases included metallic ores up 14.4 percent, lumber and wood products up 11.0 percent and coal up 6.4 percent; notable traffic decreases included motor vehicles and equipment down 11.1 percent, grain down 6.7 percent and non-grain farm products down 17.9 percent. Also for the week ending November 20, U.S. intermodal rail traffic was up 13.1 percent – and at 238,961 units, a new weekly U.S. record – Canadian carload rail traffic was down 2.6 percent, Canadian intermodal rail traffic was up 0.9 percent, Mexico’s Transportacion Ferroviaria Mexicana’s carload rail traffic was down 4.2 percent and TFM’s intermodal rail traffic was up 24.1 percent.

For the period January 1 through November 20, U.S. carload rail traffic was up 2.8 percent, U.S. intermodal rail traffic was up 9.8 percent, Canadian carload rail traffic was up 7.1 percent, Canadian intermodal rail traffic was up 0.2 percent, TFM’s carload rail traffic was up 3.5 percent and TFM’s intermodal rail traffic was up 8.1 percent. (ffd: AAR)

ACQUISITIONS, ABANDONMENTS AND ALIKE:

(TUE) The Nebraska, Kansas & Colorado Railroad filed to acquire, from Burlington Northern Santa Fe, and operate BNSF’s former Imperial Subdivision Line between Culbertson, NE. and Imperial, NE. and, also, BNSF’s former Wymore Subdivision Line between Franklin, NE. and Oxford Jct., NE., all totaling approximately 89 miles of line. (ffd: STB)

(WED) Canadian National and Union Pacific announced a series of “routing protocols,” including the following: traffic moving between Western Canadian and Texas will be blocked for interchange at Superior, WI.; traffic moving between Wisconsin, Arkansas and Texas will be blocked for interchange at Salem, IL.; and traffic moving between Eastern Canadian and the South-Central U.S. will be blocked for interchange at Memphis, TN. A spokesman for the 2 railroads said that changes will improve transit times for this traffic by bypassing the Chicago gateway. (ffd: CN Corp., UP Corp.)

(WED) Rio Valley Railroad filed to lease, from Union Pacific, and operate approximately 18 miles of line in and around Harlingen, TX. (ffd: STB)

(FRI) The Surface Transportation Board approved Union Pacific’s earlier filing to abandon approximately 4 miles of its San Jose Industrial Lead in Santa Clara County, CA. (ffd: STB)

PERSONNEL CHANGES AND ALIKE:

(MON) GE Equipment and Rail Services appointed Tamme Thompson to head its new intermodal rail car services group. A GE spokesman said that Ms. Thompson would be responsible for initiatives including expanding GE’s presence in the Mexican intermodal market. (ffd: GE Corp., Progressive Railroading)

(WED) Amtrak appointed David Smith Chief Financial Officer. Mr. Smith was most recently CFO of the Tennessee Valley

Authority. (ffd: Amtrak, Railpace)

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(Editor's Further Note: As noted in earlier issues, I am continuing my effort to contact readers for the purpose of updating and validating Weekly Rail Review's subscription list. Contacting you for this purpose allows me to catch up on what you're doing now and also validate your interest in continuing to receive WRR, which in turn allows me to substantiate to my email services provider that my mass mailing is not spamming. Contact information is kept for my mailing purposes only and is not shared. I thank you in advance for your assistance with this matter and for your continued interest in WRR.)

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Weekly Rail Review is edited from public news sources and published weekly to those working in, or interested in, the entities of rail and transit. Send an e-mail to <<mailto:weeklyrailreview@aol.com>>weeklyrailreview@aol.com to receive it, with my compliments.

HAVE A SAFE AND PROSPEROUS WEEK,

Dave Mears

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