

## WEEKLY RAIL REVIEW

FOR THE WEEK ENDING FRIDAY, DECEMBER 11, 2009

BY DAVE MEARS

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

(MON) The Railway Association of Canada marked its 90th anniversary. The RAC represents 54 Canadian passenger and freight railroads, which an RAC spokesman said move 75 percent of Canada's surface freight and transport 72 million passengers annually. The RAC also has 40 associate members. (ffd: Progressive Railroading, RAC)

(MON) New York State's Metropolitan Transportation Authority announced that it may have to propose job and service cuts following its determination that revenues from a new payroll tax for public transportation will run about \$200 million short of expectations. The payroll tax is part of an MTA aid package approved by the state legislature last spring. In an email to its board members, MTA CFO Gary Dellaverson called the determination of the revenue shortfall "shocking." (ffd: New York Times, Railway Age)

(TUE) In testimony before Congress, Transportation Secretary Ray LaHood outlined a plan to give the Federal Transit Administration authority to set standards for and inspect the nation's subway, light rail and other urban transit systems. Saying that there were only voluntary standards in place, Mr. LaHood said that the Administration would propose eliminating a legal prohibition in place since 1965 that prevents the federal government from imposing rail transit safety standards. Mr. LaHood also announced the formation of an advisory committee to help develop new rail transit safety regulations. (ffd: wire services)

(TUE) President Obama said in a speech that he was considering "proposing a boost in investment in the nation's infrastructure, beyond what was included in the Recovery Act, to continue modernizing our transportation and communication networks." Mr. Obama added that "these are needed public works that engage private sector companies, spurring hiring across the country." A senior administration official was later quoted as saying that the Administration "is considering a package in the range of \$50 billion above and beyond the current levels of infrastructure spending." (ffd: Journal of Commerce)

(TUE) Norfolk Southern announced that it had joined the U.S. Green Building Council, a Washington-based nonprofit dedicated to promoting cost-efficient and energy-saving buildings. NS noted that it was the first Class 1 railroad to join USGBC. (ffd: Norfolk Virginian-Pilot, NS RR)

(WED) Amtrak announced that it had set a new record for ridership during the Thanksgiving holiday travel week. An Amtrak spokesman said that it carried 685,876 passengers during the week, a four percent increase over last year's 659,184 and surpassing the previous record of 666,716 passengers set in 2007. Commenting on this year's results, Amtrak President and CEO Joe Boardman said, "More and more people are choosing Amtrak for their traveling needs and the record number for Thanksgiving shows what this railroad is capable of achieving." (ffd: Amtrak)

(WED) The Transportation Safety Board of Canada called for national standards to prevent collisions at steep railway crossings. The report stems from a collision between a train and low-clearance truck at a crossing that was too steep for the truck to clear. The vehicle became impaled on the crossing and the resulting crash injured five persons aboard the train. (ffd: ffd: Canwest News Service)

(THU) The Los Angeles County Metropolitan Transportation Authority's board approved construction of a new light rail line that will eventually serve Los Angeles International Airport. The new line, to be funded largely by a new half-cent sales tax for transportation projects approved by Los Angeles County voters last year, will run from Exposition Boulevard to Imperial Highway,

then southwest through Inglewood and south to Aviation Boulevard to LAX. Officials said that they projected breaking ground for the project in 2012 and 2013, with completion targeted no later than 2018. (ffd: Los Angeles Times)

(THU) The National Association of Railroad Passengers reported that Amtrak's board has directed management to begin negotiations with Union Pacific aimed at creating a direct daily Chicago-San Antonio-Los Angeles train and a daily New Orleans-Houston-San Antonio train. Presently, the daily "Texas Eagle" train operates between Chicago and San Antonio, connecting cars to and from the thrice-weekly "Sunset Limited" train. (ffd: NARP)

(FRI) Austin, TX's Capital Metro announced that they had dismissed Veolia Transportation as the operator and maintainer of the soon-to-start commuter rail line operating between Austin and Leander, TX. Capital Metro said that Herzog Transit Services would replace Veolia. Watco Companies' Austin Western Railroad will continue to provide freight rail service over the line. (ffd: Austin News 8 TV)

(FRI) The Association of American Railroads announced the release of the 2009 edition of its annual "Railroad Facts" reference booklet. An AAR spokesman said that the booklet contains more than 80 pages of facts and statistics up through 2008. Single copies are available to non-AAR members for \$20 and may be ordered through the AAR website. (ffd: AAR)

#### STATS:

(THU) For the week ending December 5, 2009, U.S. rail volume grand totaled 31.8 billion ton-miles, down 4.8 percent from the comparable period last year. U.S. carload rail traffic totaled 5.4 percent, down 4.1 percent in the East and down 6.2 percent in the West. Nine of nineteen carload commodity groups increased this year over last year, including nonmetallic minerals up 25.0 percent, metals and metal products up 17.1 percent, and grain up 14.1 percent. Also for the week, U.S. intermodal rail traffic was down 4.2 percent, Canadian carload rail traffic was down 12.4 percent, Canadian intermodal rail traffic was down 13.5 percent, Mexican carload rail traffic was down 4.8 percent, and Mexican intermodal rail traffic was up 0.8 percent.

For the period January 1 through December 5, 2009, U.S. rail volume grand totaled 1.38 trillion ton-miles, down 15.9 percent from the comparable period last year. Also for this period, U.S. carload rail traffic was down 16.9 percent, U.S. intermodal rail traffic was down 15.3 percent, Canadian carload rail traffic was down 19.5 percent, Canadian intermodal rail traffic was down 15.2 percent, Mexican carload rail traffic was down 11.0 percent and Mexican intermodal rail traffic was down 14.9 percent. (ffd: AAR)

#### EXPANSIONS, CONTRACTIONS AND ALIKE:

(MON) East Tennessee Railway filed to abandon approximately 10 miles of line between Johnson City, TN and Elizabethton, TN. (ffd: STB)

(MON) KM Railways filed to acquire, from Old Augusta Railway, and operate approximately three miles of line between New Augusta, MS and Augusta, MS. (ffd: STB)

(MON) Reading & Northern Railroad filed to acquire and operate approximately five miles of line between Monroeton, PA and Towanda, PA. (ffd: STB)

(THU) Progress Rail Services announced that it would acquire the locomotive and rail car repair and rebuilding facility in Tacoma, WA formerly operated by Coast Engine & Equipment Corporation. Progress Rail said that it planned to reopen the facility, which was closed by Coast Engine & Equipment last July. (ffd: NRCMA)

(FRI) A&R Terminal Railroad filed to lease and operate A&R Logistics's Morris Transload Facility and approximately six miles of track located in the transload facility, which is in Morris, IL. (ffd: STB)

(FRI) New Jersey Seashore Lines filed to operate approximately 13 miles of line, owned by Clayton Sand Company, between Lakehurst, NJ and Woodmansie, NJ. (ffd: STB)

(FRI) Rusk County Rural Rail District filed to acquire from Union Pacific approximately 16 miles of line between Overton, TX and Henderson, TX. Concurrently, Blacklands Railroad filed to lease, from the Rusk County Rural Rail District, and operate this line. (ffd: STB)

#### APPOINTMENTS, ACHIEVEMENTS AND MILESTONES:

(THU) Union Pacific appointed Dennis Duffy its Vice Chairman-Operations; Mr. Duffy was previously EVP-Operations. UP also appointed Lance Fritz its VP-Operations; Mr. Fritz was previously VP-Labor Relations. Finally, UP appointed Rick Turner its VP-Labor Relations, succeeding Mr. Fritz, and also appointed Bob Grimaila its VP-Safety, Security & Environment. (ffd: UP Corp.)

(FRI) David Solow resigned as CEO of Southern California commuter rail operator Metrolink. A Metrolink spokesman said that another position was being created for Mr. Solow. The spokesman added that Eric Haley would serve as Acting CEO while a search was conducted for a successor to Mr. Solow. (ffd: wire services)

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Dave Mears

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