

WEEKLY RAIL RECAP

For the week ending SAT, December 14, 2002

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) A railfan observing trains at Deshler, OH.'s Crossroads Park helped rescue a driver injured in a nearby highway-rail crossing crash. Bill Shaffer, Age 39, heard of the crash at the nearby crossing while listening on the railroad radio scanner he had with him. Mr. Shaffer, who was first at the crash scene, pulled the injured driver from her car just before it became totally consumed in flames. (ffd: Toledo Blade)

(MON) Norfolk Southern detailed its 2003 capital spending plans. An NS spokesman said that it would spend \$499 million for roadway maintenance and improvement projects and \$246 million for equipment. Including in the equipment spending is \$183 million to purchase \$100 6-axle locomotives and to continue upgrading multi-level freight cars. (ffd: NS Corp.)

(MON) Dallas, TX.'s Dallas Area Rapid Transit extended its light rail system several more miles to Plano, TX. The new extension follows an extension opened approximately 3 weeks ago to Garland, TX. (ffd: Plano Star Courier)

(MON) East Japan Railway opened an extension of its Shinkansen "bullet train" service, from Morioka to Hachinohe on Northern Honshu Island. The new segment extends Shinkansen service 59 more miles, totaling 348 miles from Tokyo north to Hachinohe. (ffd: wire services)

(TUE) Amtrak resumed serving Kansas City, MO. Union Station, which had recently undergone a \$250 million publicly funded renovation to become a municipal center and attraction. Amtrak had stopped using the station in 1985, shifting its operation to a small building beneath Kansas City's Main Street viaduct. A formal dedication of the new rail station component of the Union Station facility was scheduled for December 17. (ffd: wire services)

(TUE) A Cuban passenger train carrying more than 800 persons derailed and crashed at the Coliseo, Cuba station, approximately 75 miles southeast of Havana. The accident killed 14 persons and injured more than 70 others. The cause of the accident was still under investigation at press time. (ffd: wire services)

(WED) New Jersey Transit's Board of Directors approved purchase of 100 new bi-level rail cars. The new cars, which will be designed to fit through Amtrak's Hudson River tunnels and on all NJT lines, will cost \$250 million and begin being delivered in 2005. The cars will be built by Bombardier of Canada. (ffd: New York Times)

(WED) Trailer Train announced that it would double its previously announced 2003 rail car acquisitions. A TTX spokesman said that it would now also spend \$247 million to acquire flat cars and 60-foot, cushioned boxcars. TTX had previously announced that it would spend \$247 million to acquire 500 stand-alone, 53-foot, doublestack cars and 200 three-unit, articulated, 53-foot, doublestack cars in 2003. TTX is owned by North America's 9 largest railroads and operates a fleet totaling 127,000 freight cars. (ffd: TTX Corp.)

(WED) The U.S. Federal Railroad Administration announced grants of \$5.4 million for "grade crossing hazard elimination programs." The grants are to improve crossings in 5 federally-designated, high-speed passenger rail corridors in 10 U.S. states. (ffd: USDOT)

(WED) Amtrak announced that it was increasing its base group discount from 5 percent to 20 percent for groups of 20 or more traveling together. The discount is applicable to the lowest fare available at time of booking. In a related matter, an Amtrak spokesman also reminded that Amtrak now gives travel agents a 10 percent commission when they book passengers onto Amtrak's long-distance trains. (ffd: Amtrak)

(THU) Boston, MA.'s Massachusetts Bay Transportation Authority awarded the Mass Bay Commuter Railroad Company the franchise to operate MBTA commuter rail services beginning in Summer, 2003. The Mass Bay consortium consists of European passenger rail operator Connex, Canada's Bombardier Transportation and Boston-based Alternate Concepts, which employs a number of former MBTA officials. An MBTA spokesman said that the awarded contract, which totals \$1.1

billion and runs for 5 years, will save MBTA \$59 million and give them tighter control over commuter rail services. Mass Bay will take over from the current commuter rail operator, Amtrak, which declined to offer a new bid due to disagreement over contract stipulations. (ffd: Boston Herald)

(THU) Amtrak announced that it would no longer operate its Trains 43 and 44, the "Pennnsylvanian," west of Pittsburgh, PA, starting January 28, 2003. However, the trains will continue to operate daily between New York, NY., Philadelphia, PA. and Pittsburgh. Industry analysts noted that the train carried only a few passenger cars and had been scheduled primarily to include express boxcar traffic, which Amtrak has announced it will no longer carry. (ffd: NARP)

(THU) Canadian Pacific Railway CEO Robert Ritchie said that CPR expected sales growth of between 3 and 4 percent in 2003. Mr. Ritchie also called for Canadian government help in expanding the rail corridor between Montreal, PQ. and Toronto, ON. Mr. Ritchie noted that it would cost approximately \$2 billion to add another rail line between the 2 cities, of which Mr. Ritchie said CPR would contribute \$100 million, versus \$10 billion to build new highway capacity. (ffd: The Canadian Press)

(FRI) The Pennsylvania local of the Brotherhood of Maintenance of Way Employees filed a class action suit against Norfolk Southern in federal court alleging that NS mismanagement had cost BMW participants in NS's 401K plan millions of dollars. In a prepared statement, Jed Dodd, General Chairman of the Pennsylvania Federation BMW, accused NS CEO David Goode of "attempting to bury bad business decisions in the employees' 401K plan." In response, an NS spokesman termed the lawsuit "surprising", adding that the BMW had not yet approached NS about this matter. (ffd: Philadelphia Inquirer, wire services)

(FRI) The Railway Supply Association and the Railway Progress Institute announced the formal approval of their proposed merger. The merged entity will now be called The Railway Supply Institute and begin existence on January 1, 2003. In a related matter, a spokesman announced that one of the new entity's first public undertakings will be to help sponsor "Railroad Day On The Hill," in which rail industry representatives "will meet with as many congressional offices that represent rail industry constituents as possible." The event is scheduled for February 26, 2003. (ffd: Railway Age)

STATS:

(THU) For the week ending December 7, U.S. carload rail traffic was down 0.4 percent from the comparable week last year, down 6.8 percent in the East, but up 4.8 percent in the West. This week this year versus this week last year, notable traffic increases included metallic ores up 53.5 percent, coke up 31.9 percent and chemicals up 10.8 percent; notable traffic decreases included crushed stone, sand and gravel down 15.9 percent, motor vehicles and equipment down 11.5 percent and primary forest products down 9.0 percent. Also for the week ending December 7, U.S. intermodal rail traffic was up 4.8 percent, Canadian carload rail traffic was down 3.4 percent, Canadian intermodal rail traffic was up 18.5 percent, Mexico's Transportacion Ferroviaria Mexicana's carload rail traffic was up 11.9 percent and TFM's intermodal rail traffic was up 37.4 percent, all when ranked with the comparable week last year.

For the period January 1 through December 7, U.S. carload rail traffic was down 0.9 percent, U.S. intermodal rail traffic was up 4.3 percent, Canadian carload rail traffic was down 2.7 percent, Canadian intermodal rail traffic was up 11.2 percent, TFM's carload rail traffic was up 3.7 percent and TFM's intermodal rail traffic was up 10.5 percent, all when ranked with the comparable period last year. (ffd: AAR)

ACQUISITIONS, ABANDONMENTS AND ALIKE:

(WED) Union Pacific announced that it had sold, to the Santa Clara Valley Transportation Authority, approximately 15 miles of former Western Pacific line between San Jose, CA. and Fremont, CA. The sale, for \$80 million, also gives the VTA a 1-year option to purchase an additional 3 miles of track immediately south of the 15 mile segment. (ffd: UP Corp.)

CHANGING PEOPLE AND PLACES:

(MON) CSX Chairman John Snow was nominated by President Bush to become the new U.S. Secretary of the Treasury. If confirmed by Congress, Mr. Snow will replace Paul O'Neill, who left that post the previous week. In expectation of confirmation, Mr. Snow announced his retirement from CSX on Tuesday. Industry analysts speculated that CSX President Michael Ward was the top candidate to replace Mr. Snow as CSX chairman. (ffd: wire services)

(WED) Philadelphia, PA. transit and commuter rail operator SEPTA appointed Susan Van Buren Assistant General Manager & Chief Human Resource Officer and Juan Torres Assistant General Manager for Public & Government Affairs. (ffd: SEPTA)

(FRI) Canadian National appointed Hunter Harrison President & CEO. Mr. Harrison, who has been CN's EVP & COO since 1998, replaces Paul Tellier, who resigned to become head of rail equipment manufacturer Bombardier. Mr. Tellier replaced Robert Brown, who resigned as CEO of Bombardier the previous week.

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Weekly Rail Recap 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 djmservices@aol.com to receive it, with my compliments.

HAVE A SAFE AND PROSPEROUS WEEK,
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