

WEEKLY RAIL RECAP

For the week ending SAT, February 1, 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):

(MON) The Railway Supply Institute reported that North American car builders delivered 17,714 new freight cars in 2002, the lowest number in 15 years. The RSI further reported 28,457 new cars ordered in 2002. An RSI spokesman added that two-thirds of these new orders were in the second half of 2002, suggesting that the industry is beginning to recover. "We believe the worst is behind us," said RSI Executive Director-Washington Thomas Simpson. (ffd: Railway Age)

(MON) A survey of rail customers conducted by Traffic World Magazine indicated that rail freight service may have improved in the last year. The survey noted that both average car speed and terminal dwell time had improved and included positive comments from rail shippers. "Railroads are starting to reap the efficiencies they've been shooting for regarding streamlining operations," said Oxychem Rail Operations Manager Theo Freeman. (ffd: AAR)

(TUE) Amtrak and Acela Express trainset manufacturer Bombardier announced that they had settled on a plan to permanently repair the faulty yaw dampening brackets that had temporarily sidelined the trainsets last summer. Under the plan, the earlier brackets, which had received a temporary modification to allow the trainsets to return to service, will be replaced with ones of a more robust design and structure. However, Amtrak and Bombardier's lawsuits against each other over aspects of the trainsets' design, construction and delivery will continue. (ffd: Boston Globe)

(TUE) Jersey City, NJ. officials shut down the New York Cross Harbor's Greenville, NJ. facility citing illegally stored sludge, sewage and solid waste. Calling it a "nuisance," Jersey City Mayor Glenn Cunningham went to say that "Jersey City will not be a termination point for sludge from New York or any other public place." The following day, the facility was reopened after a federal judge declared the previous day's closure had not been legally carried out. (ffd: Jersey Journal)

(THU) Chicago, IL. commuter rail operator METRA announced that it would propose building an entirely new 55 mile commuter rail line called the "STAR Line." A METRA spokesman said that the proposed new line, which as yet has no funding basis, would be comprised of 2 segments: first, an "Outer Circumferential Segment" running from Joliet to Hoffman Estates/Prairie Stone via the EJ&E Railway right-of-way and, second, a "Northwest Corridor Segment", connecting the first segment to the I-90 corridor via a connection at Prairie Stone east to O'Hare Airport to the Des Plaines Oasis, then south to a connection with the Chicago Transit Authority at O'Hare's proposed new western terminal. (ffd: METRA)

(THU) The U.S. Department of Transportation's Bureau of Transportation Statistics announced release of its annual "Pocket Guide to Transportation" for 2003. Among stats included in the guide, which BTS's press release has said is free to the public, is the noting of domestic freight-ton miles for U.S. Class 1 railroads having increased 59.5 percent between 1980 and 2000. The guide may be ordered from the Bureau of Transportation Statistics, USDOT, Room 7412, 400 7th St. N.W., Washington, DC., 20590. (ffd: USDOT)

(THU) An Australian passenger train derailed, killing at least 9 persons and injuring scores of others. The accident occurred in rugged bushlands near Waterfall, approximately 25 miles south of Sydney. The cause of the accident was still under investigation at press time, but officials said that the train may have hit some kind of obstruction, causing it to derail. (ffd: wire services)

(THU) Britain's Strategic Rail Authority released its updated 10-year strategic plan for British rail services, which called for some cutbacks in several planned improvement projects. An SRA spokesman said that the cutbacks were the result of the total operational cost for rail services having increased 50 percent in the last 4 years to total approximately \$15 billion annually. The report also projected the total rail deficit for the year ending April, 2003 to total approximately \$2.2 billion, before taxes, capital improvement projects and financing costs. (ffd: wire services)

(FRI) New York Governor George Pataki signed into a law a bill lowering railroad property taxes in the state. The law, which had long been sought by railroads operating in New York, cuts state railroad property taxes by 45 percent and exempts infrastructure improvements from local taxation for 10 years. The state's railroad property taxes were believed to be the highest in the nation. (ffd: NARP)

(FRI) The U.S. Surface Transportation Board okayed increasing the maximum train speed on Amtrak's "Downeaster" line between Boston, MA. and Portland, ME. from 59mph to 79mph. Amtrak had earlier sought the STB's intervention following the refusal of Guilford Rail, owner of the line, to operate at the higher speed without further funded improvements to the line. (ffd: STB)

(FRI) The State of Vermont said that state budgetary problems would force it to discontinue the state's "Champlain Flyer" commuter rail service by March 1. The trains, which serves a 13 mile route between Burlington, VT. and Charlotte, VT., are believed to be the U.S.'s shortest commuter rail service. A state spokesman said that the trains were originally aimed at providing alternative transportation to commuters during the reconstruction of parallel Route 7, which has been delayed. (ffd: NARP, wire services)

(SAT) St. Louis, MO.'s Bi-State Development Agency changed its name to Metro. The agency operates the 34 mile light rail system serving the St. Louis metropolitan area. (ffd: RT&S)

STATS:

(THU) For the week ending January 25, U.S. carload rail traffic was down 5.5 percent from the comparable week last year, down 6.0 percent in the East and down 5.1 percent in the West. This week this year versus this week last year, notable traffic increases included metallic ores up 20.3 percent and coke up 13.0 percent; notable traffic decreases included crushed stone, sand and gravel down 13.7 percent and coal down 12.3 percent. Also for the week ending January 25, U.S. intermodal rail was up 10.4 percent, Canadian carload rail was down 1.9 percent, Canadian intermodal rail was up 13.4 percent, Mexico's Transportacion Ferroviaria Mexicana's carload rail traffic was up 13.3 percent and TFM's intermodal rail traffic was up 59.0 percent, all when ranked with the comparable week last year.

For the period January 1 through January 25, U.S. carload rail traffic was unchanged, U.S. intermodal rail traffic was up 10.5 percent, Canadian carload rail traffic was down 2.2 percent, Canadian intermodal rail traffic was up 16.8 percent, TFM's carload rail traffic was up 16.2 percent and TFM's intermodal rail traffic was up 41.2 percent, all when ranked with the comparable period last year. (ffd: AAR)

STATS CONTINUED - 4TH QTR., 2002 RESULTS - PART 2:

(MON) (Note: Figures for CPR are in Canadian dollars.) Canadian Pacific Railway reported fourth quarter net income of \$126 million, compared with net income of \$98 million in 4th Qtr., 2001. CPR further reported fourth quarter revenues of \$950 million, compared with revenues of the same amount in 4th Qtr., 2001. CPR's fourth quarter operating ratio was 75.0 percent, slightly worsened from its 72.5 percent operating ratio in 4th Qtr., 2001. (ffd: CPR Corp.)

(WED) Norfolk Southern reported fourth quarter net income of \$129 million, compared with net income of \$115 million in 4th Qtr., 2001. NS further reported fourth quarter revenues of \$1.58 billion, compared with revenues of \$1.53 billion in 4th Qtr., 2001. NS's fourth quarter operating ratio was 81.8 percent, slightly bettered from its 82.0 percent operating ratio in 4th Qtr., 2001. (ffd: NS Corp.)

(THU) CSX reported fourth quarter net income of \$137 million, compared with \$65 million in 4th Qtr., 2001. CSX further reported fourth quarter revenues of \$2.06 billion, compared with \$2.01 billion in 4th Qtr., 2001. CSX's fourth quarter operating ratio was 84.5 percent, slightly bettered from its 86.0 percent operating ratio in 4th Qtr., 2001. (ffd: CSX Corp.)

(THU) Kansas City Southern reported fourth quarter net income of \$17.4 million, compared with \$11.1 million in 4th Qtr., 2001. KCS further reported fourth quarter revenues of \$144.2 million, compared with \$146.9 million in 4th Qtr., 2001. KCS's fourth quarter operating ratio was 88.6 percent, slightly worsened with 84.8 percent in the 4th Qtr., 2001. (ffd: KCS Corp.)

ACQUISITIONS, ABANDONMENTS AND ALIKE:

(MON) Central Midland Railway filed to lease, from Union Pacific, and operate approximately 9 miles of the UP's Lackland Subdivision between Rock Island Jct., MO. and Vigus, MO. (ffd: STB)

(TUE) Burlington Northern Santa Fe filed to abandon approximately 1 mile of line in McMillan, WA. (ffd: STB)

(WED) RailAmerica announced that it would sell its interests in its Chilean operations: the 1,400 mile Ferronor and the 57 mile Potrerillos Railway. "We are pursuing a strategic plan to reduce debt and focus on growing our core North American and Australian rail businesses," said RailAmerica CEO Gary Marino. (ffd: Progressive Railroading)

(WED) The Mid-Michigan Railroad filed to abandon to abandon approximately 11 miles of line between Denison, TX. and Sherman, TX. (ffd: STB)

CHANGING PEOPLE AND PLACES:

(TUE) Norfolk Southern appointed Wick Moorman SVP-Corporate Services. Mr. Moorman was most recently president of NS's Thoroughbred Technology and Telecommunications subsidiary and was earlier NS's VP-Information Technology. (ffd:

NS Corp.)

(THU) CSX appointed Michael Ward Chairman and CEO. Mr. Ward was most recently CSX's president and replaces John Snow, who resigned from CSX following his appointment as U.S. Secretary of the Treasury. (ffd: CSX Corp.)

(THU) Rail supplier RailWorks appointed Ken Bauer Chief Financial Officer. Mr. Bauer recently retired as President of the Long Island Rail Road. (ffd: RailWorks Corp.)

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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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