

WEEKLY RAIL REVIEW

FOR THE WEEK ENDING SAT, FEBRUARY 18, 2006

BY DAVE MEARS

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

(SUN) A notable winter storm blanketed the Eastern Seaboard from North Carolina to Maine. In New York City, the storm dropped 26.9 inches at the measuring station in Central Park, the city's highest single snowfall amount since it began keeping records in 1869. Railroads in the region curtailed some operations during the storm, including Amtrak, which canceled approximately one-third of its Northeast Corridor trains mid-Sunday into mid-Monday. Most impacted was probably the Long Island Rail Road, which terminated trains from the east at Jamaica Station due to snow covering the third rail. Those LIRR trains still operated incurred significant delays, with one train delayed over 5 hours. (ffd: Trains, wire services)

(MON) The Federal Railroad Administration fined CSX \$227,000 for the 2005 failure of a crossing warning system in Fonda, NY. While switching there, a train conductor used the device's manual control to lift the gates and allow highway traffic to cross, but the FRA said that the control was improperly used and that the warning system subsequently failed to activate, which resulted in a CSX train striking and killing a motorist without warning. On Wednesday, CSX and the City of Baltimore, MD announced a \$2 million settlement related to the 2001 derailment and fire in the Howard Street tunnel. The accident caused the temporary evacuation of neighborhoods above and near the tunnel for several days. The Baltimore city solicitor said that the settlement "recovered substantially all the city's expenses incurred as a result of the derailment and fire." The city had originally sued CSX for \$10 million. (ffd: Baltimore Sun, wire services)

(TUE) Union Pacific opened its new bypass around Marysville, KS. The bypass is part of a \$50 million overpass, flood control and railroad relocation project. UP is still constructing yard trackage and a crew change facility on the bypass. A UP spokesman said that a formal "ribbon-cutting" is planned once the project is complete. (ffd: Kansas newspapers)

(TUE) Rhode Island state transportation officials said that they would begin construction this spring on the first of 2 new commuter rail stations that will extend commuter train service south of Providence. A state spokesman said that the first station will be built near Providence's T.F. Green Airport in Warwick, followed by a second station in North Kingstown. The spokesman added that the cost of the project will total \$225 million and that rail service to both stations is scheduled to start by 2008. (ffd: RT&S)

(TUE) The Association of American Railroads announced that it is establishing an Associates Advisory Board and voting seats on several industry operating committees for the Board. An AAR spokesman said that the changes are intended to better recognize AAR associate members who are suppliers. The spokesman noted that the changes respond to "a more formal and channeled structure for suppliers to voice issues and concerns, and to more formally participate in the technical workings of the AAR." (ffd: AAR, Railway Age)

(TUE) Union Pacific sued a noted rail photographer for using the UP trademark without permission. The suit alleges that

photographer Nils Huxtable violated UP's exclusive right to use its trademark by producing and selling a Union Pacific calendar, which Mr. Huxtable has done annually since 1994. A website associated with Mr. Huxtable, HelpSteamScenes.com, has established a legal defense fund on his behalf, and has issued a response to the suit stating that "the artistic rights of railroad photographers are under attack." (ffd: Trains, Vancouver Sun)

(WED) BNSF announced that its Customer Support Center had become the first in the railroad industry to receive recognition from Purdue University's Center of Excellent Certification. A BNSF spokesman said that the recognition was the result of its Customer Support Center placing in the top 10 percent of all customer service centers in the Purdue University database of call center performance information, the world's largest such database. The spokesman added that more than 55 metrics were utilized in Purdue's assessment, including customer and agent satisfaction and hold time. (ffd: BNSF Corp.)

(THU) Canadian Pacific Railway celebrated the 125th birthday of its incorporation. A CPR spokesman said that, in honor of this event, the company's charter was being put on display at Calgary's Glenbow Museum. Commented CPR President Fred Green, "[The charter] is a multi-page document that allowed Canada to physically link east and west...It reminds us how, 125 years later, CPR remains a key transportation force for moving Canada's commerce." (ffd: CPR Corp.)

(THU) Norfolk Southern announced that it expected to complete its "daylighting" project that will allow its double-stack intermodal trains to operate between the Midwest and Hampton Roads, VA by 2009. An NS spokesman said that the improvements will allow a reduction of a day and a half in transit time between Chicago and the Hampton Roads-Norfolk ports, compared with the current and longer route via Harrisburg, PA. The project will cost \$311 million to complete, \$140.4 million of which will come from SAFETEA-LU federal funding and \$22.3 million of which will come from Virginia state funding. The project includes relocating the line through Portsmouth, VA and Chesapeake, VA to the median of Interstate Route 664 and Virginia Route 164. (ffd: RT&S)

(THU) The Port of Los Angeles, CA announced that it had made more than 1 million on-dock rail lifts in 2005. A port spokesman said that the number represented nearly one-quarter of all containers handled through the port and was an increase of more than 23 percent since 2004. The spokesman added that "10 to 12 trains [are dispatched out of the] port every day, taking the equivalent of 2,500 trucks off the roads." (ffd: AAR)

(FRI) Southern Florida commuter rail operator Tri-Rail announced that it will add 10 trains to its daily schedule March 27. A Tri-Rail spokesman said that the increase was the result of now having completed double-tracking of nearly all its line, with the exception of a new, 55-foot-tall bridge over Fort Lauderdale's New River which is expected to be complete by early 2007. The line operates between its northernmost stop in Mangonia Park and its southernmost stop at Miami International Airport. (ffd: Miami Sun-Sentinel)

(FRI) The New York City Transit Authority announced that it had created the new position of "subway platform conductor." A NYCTA spokesman said that the new conductors will perform duties including directing riders in case of an emergency and notifying train operators when it is safe to depart, signaling to them that all passengers are on board or are standing away from the platform's edge. The spokesman added that 96 of the new conductors will be deployed to the system's 20 busiest stations. (ffd: New York Daily News, wire services)

(FRI) A photography exhibition focusing on railroad work entitled "Many Hands: Representations of Railroad Workers" debuted at New York City's Grand Central Terminal. The exhibition includes the works of such noted photographers including Hal Fullerton, Lewis Hine, Gordon Parks, and Frank English. The exhibition, which continues through July 9, is displayed at the New York City Transit Museum's Grand Central Gallery Annex, which locates in the Shuttle Passage next to the GCT Stationmaster's office. (ffd: Trains)

STATS – TRAFFIC:

(NOTE: The Canadian carload and intermodal rail traffic mentioned below includes both the Canadian and U.S. operations of Canadian National and Canadian Pacific Railway.)

(THU) For the week ending February 11, 2006, U.S. rail volume grand totaled 32.3 billion ton-miles, down 0.3 percent from the comparable week last year. Also for the week, U.S. carload rail traffic was down 1.2 percent, down 4.3 percent in the East, but up 1.4 percent in the West. Notable traffic increases included food and food products up 6.8 percent and crushed stone, sand and gravel up 4.0 percent; notable traffic decreases included nonmetallic minerals down 37.6 percent and primary forest products down 14.4 percent. Also for the week, U.S. intermodal rail traffic was up 3.6 percent, Canadian carload rail traffic was down 6.2 percent, Canadian intermodal rail traffic was up 0.3 percent, Mexico's Kansas City Southern de Mexico's carload rail traffic was down 39.0 percent, and KCSM's intermodal rail traffic was down 19.3 percent.

For the period January 1 through February 11, 2006, U.S. rail volume grand totaled 195.3 billion ton-miles, up 4.7 percent from the comparable period last year. Also for this period, U.S. carload rail traffic was up 3.2 percent, U.S. intermodal rail traffic was up 6.2 percent, Canadian carload rail traffic was up 0.1 percent, Canadian intermodal rail traffic was up 4.2 percent, KCSM's carload rail traffic was down 16.7 percent, and KCSM's intermodal rail traffic was down 12.2 percent. (ffd: AAR)

MORE STATS – OPERATING PERFORMANCE:

(NOTE: Effective October 1, 2005, railroads that had been furnished operating performance statistics to the Association of American Railroads began applying a new standardized definitional framework, aimed at eliminating differences in calculation methodology. Concurrent with but unrelated to these changes, Canadian National elected to no longer furnish these statistics.)

(WED) For the week ending February 10, 2006, average total cars on line was as follows: BNSF, 220,342 cars; Canadian Pacific, 79,848 cars; CSX, 225,047 cars; Kansas City Southern, 28,762 cars; Norfolk Southern, 205,700 cars; and Union Pacific, 328,507 cars. (Comparative totals from last year are not yet available.)

Also for the week ending February 10, 2006 and ranked with the comparable week last year, average train speed was as follows: BNSF, 22.1 mph versus 24.3 mph; Canadian Pacific, 25.5 mph versus 21.6 mph; CSX, 19.9 mph versus 19.0 mph; Kansas City Southern, 20.5 mph versus 23.9 mph; Norfolk Southern, 21.1 mph versus 22.4 mph; and Union Pacific, 20.7 mph versus 21.3 mph.

Finally for the week ending February 10, 2006 and ranked with the comparable week last year, average terminal dwell time was follows: BNSF, 24.6 hrs versus 25.1 hrs; Canadian Pacific, 21.1 hrs versus 32.6 hrs; CSX, 26.5 hrs versus 30.1 hrs; Kansas City Southern, 28.1 hrs versus 23.3 hrs; Norfolk Southern, 24.6 hrs versus 23.7 hrs; and Union Pacific, 28.6 hrs versus 30.3 hrs. (ffd: AAR)

STILL MORE STATS – 4TH QTR., 2005 AND FULL YEAR 2005 RESULTS:

(TUE) For the 4th Qtr., 2005, shortline and regional railroad conglomerate Genesee & Wyoming reported net income of \$10.8 million versus \$7.2 million the previous fourth quarter. Revenues were \$103.3 million versus \$80.1 million the previous fourth quarter. Genesee & Wyoming's operating ratio for its North American operations was 84.0 percent, improved from 85.4 percent the previous fourth quarter. For the Full Year 2005, Genesee & Wyoming reported net income of \$50.1 million versus \$37.6 million the previous year. Revenues were \$385.4 million versus \$303.8 million the previous year. Genesee & Wyoming's operating ratio for the Full Year 2005 was not available. (ffd: G&W Corp.)

(WED) For the 4th Qtr., 2005, shortline and regional railroad conglomerate RailAmerica reported net income of \$7.7 million versus \$4.3 million the previous fourth quarter. Revenues were \$112.1 million versus \$96.8 million the previous fourth quarter. RailAmerica's operating ratio was 87.5 percent, improved from 87.7 percent the previous fourth quarter. For the Full Year 2005, RailAmerica reported net income of \$30.8 million versus a loss of \$25.9 million the previous year. Revenues were \$423.7 million versus \$369.4 million the previous year. RailAmerica's operating ratio for the Full Year 2005 was 87.9 percent, compared with 84.3 percent the previous year. (ffd: RailAmerica Corp.)

EXPANSIONS, CONTRACTIONS AND ALIKE:

(MON) The Western Carolina Service Corporation filed a motion with the Surface Transportation Board to purchase approximately 12 miles of line between Greenville, SC and Travelers Rest, SC. The line owner, the Greenville County Economic Development Corporation, has previously obtained STB approval to abandon the line. (ffd: Progressive Railroading)

(TUE) Genesee & Wyoming announced that it and Wesfarmers Ltd. would sell their Western Australia rail operations to Queensland Rail and Babcock & Brown Ltd. for \$956 million. Concurrent with the sale, Genesee & Wyoming will purchase Wesfarmers' 50 percent stake of Australian Rail Group's Adelaide-based South Australian rail operations. The latter will be renamed Genesee & Wyoming Australia Pty. Ltd. and be 100 percent owned by G&W. (ffd: G&W Corp., Railway Age)

(WED) Canadian Pacific Railway announced that it would close its Thunder Bay, ON intermodal terminal effective April 28. A CPR spokesman said that the closing was due to declining pulp and paper business in the area, such that in 2005 the facility handled a daily average of fewer than 10 containers. The spokesman noted that CPR will continue to operate 19 other intermodal terminals throughout its system. (ffd: CPR Corp., Progressive Railroading)

(WED) The Surface Transportation Board granted final approval to Dakota, Minnesota & Eastern's plans to serve Wyoming's Powder River Basin coal fields. DM&E's plans including building 263 miles of new line through western South Dakota and eastern Wyoming, and upgrading 600 miles of existing line in South Dakota and Minnesota. The STB initially approved DM&E's plans in 2002, but project opponent appealed the decision. A U.S. appeals court ruling required the STB to re-review the plans' environmental, noise and vibration impacts, which it has now done. A DM&E spokesman said that it would now await the Federal Railroad Administration's decision on the railroad's application to obtain a \$2.5 billion Railroad Rehabilitation and Improvement Financing (RRIF) program loan to finance the project and other trackwork. (ffd: Progressive Railroading)

(FRI) Hulcher Services, famed for assisting railroads in clearing derailed and wrecked trains, announced that it had completed its acquisition of North American Recovery Services, which provides emergency and non-emergency transfer, salvage recovery and load adjustment services. Terms of the acquisition were not disclosed. (ffd: Progressive Railroading)

APPOINTMENTS, ACHIEVEMENTS AND ALIKE:

(TUE) Kansas City Southern announced the passing of Regina Reynolds, its AVP-Business Solutions Delivery. KCS CEO Mike Haverty said that Ms. Reynolds, who died of cancer, "was a true star, who could be seen as a role model to anyone in the company." (ffd: KCS Corp.)

(WED) Electro-Motive Diesel, the locomotive builder spun off from General Motors a few years' back, announced the appointment of Albert Enste as VP-International Sales and Service. Mr. Enste had most recently been responsible for worldwide locomotive sales at Bombardier. (ffd: Trains)

(WED) Kansas City Southern appointed C. Doniele Kane AVP-Corporate Communications & Community Affairs. Ms. Kane is a fourth generation KCS employee. (ffd: KCS Corp.)

(FRI) The Washington Metropolitan Area Transit Authority, which operates Washington, DC's METRO bus and subway services, appointed Dan Tangherlini as interim general manager. Mr. Tangherlini, who most recently served as director of the District of Columbia Department of Transportation, will serve in an interim capacity, following the resignation last month of longtime WMATA GM Richard White. (ffd: Progressive Railroading)

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Weekly Rail Review is edited from public news sources and published weekly to those working in, or interested in, 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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