

WEEKLY RAIL REVIEW

FOR THE 7 DAYS ENDING FRI, FEBRUARY 29, 2008

BY DAVE MEARS

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

(MON) The Port of New York and New Jersey's Port Authority Trans Hudson subway line gave free rides to passengers this date to mark its 100th anniversary. Service on the line, which was built by the former Pennsylvania Railroad as part of their New York Terminal Project of the early 1900s, started February 25, 1908 when then-President Theodore Roosevelt pressed a button that turned on the electricity in the line's tunnels. The line, which operates between Newark, NJ, Hoboken, NJ, Lower Manhattan and Midtown Manhattan, was taken over by the PANYNJ in 1962. (ffd: Newark Star-Ledger, New York Times)

(MON) The American Short Line and Regional Railroad Association reminded shortline and regional railroaders to come to Washington, DC to participate in its annual Railroad Day On The Hill event on March 13. An ASLRRRA spokesman noted the importance of the event, in which railroaders come to Washington to participate in the time-honored custom of meeting with their congressional representatives and their staffs to alert them of legislative needs, which this year includes the renewal of the shortline investment tax credit, which has helped spur rebuilding of shortline railroad infrastructure, but which expired at the end of last year. Further details about the event, as well as registration and related assistance, may be found on the ASLRRRA website, <<http://www.aslrra.org>>www.aslrra.org.

(MON) BNSF CEO Matt Rose visited Southern California to promote plans for a new \$300-million rail yard and intermodal terminal BNSF has proposed building to serve the ports of Los Angeles and Long Beach. The proposed yard and terminal, to be called the Southern California International Gateway Facility, would be located four miles from the ports. During his visit, Mr. Rose stressed the importance of an environmentally friendly facility. "It is BNSF's commitment to build the cleanest and greenest facility in North America," Mr. Rose said in his remarks. (ffd: Los Angeles Times)

(MON) Amtrak held a ceremony in Washington, DC's Union Station to honor the legacy of Pullman porters. Three retired veterans of Pullman car service were Amtrak's guests at the ceremony. An Amtrak spokesman noted that the Brotherhood of Sleeping Car Porters was the first labor union led by African-Americans to receive a charter in the American Federal of Labor (AFL). The spokesman added that Amtrak will hold similar ceremonies in Chicago, IL this May and in San Francisco, CA this August. (ffd: Amtrak)

(MON) The U.S. Surface Transportation Board announced that it would hold a public hearing to review railroads' common carrier obligation. An STB spokesman said that the hearing "will highlight the importance of and provide a better understanding of the obligation – railroads' duty to provide transportation upon reasonable request – and help the board with its monitoring and compliance work." The spokesman added that the hearing will be on April 24 in Washington, DC and that notice of intent to participate in it should be received by the STB by March 25. (ffd: Progressive Railroading, STB)

(TUE) The head of the Association of American Railroads testified before Congress that chemical companies should pursue the manufacture of safe substitutes to reduce the danger of transporting existing chemicals. In testimony before the House Homeland Security Committee, AAR President Ed Hamberger said that it was "time for the nation's big chemical companies to stop making the dangerous chemicals that can be replaced by safer substitutes and new technologies." Mr. Hamberger made his remarks related to the proposed Chemical Facility Anti-Terrorism Act of 2008, which the Homeland Security Committee is now considering. (ffd: AAR, Railway Age)

(TUE) The Mexican railroad Ferromex established an ownership stake in Trailer Train, now known as TTX Corporation. A TTX spokesman noted that Ferromex's stake makes it the first new TTX owner in 43 years and that it will extend "the benefits of TTX's time-tested business model to an important and growing participant in the North American rail marketplace." Ferromex is Mexico's largest railroad, operating more than 5,000 miles of track and handling 40 percent of all Mexican rail freight. (ffd: Progressive Railroading, TTX Corp.)

(WED) The New York State Metropolitan Transportation Authority proposed a \$29.5-billion capital plan for the five year period 2009 through 2013. The plan anticipates \$4.5 billion in revenue from New York Mayor Michael Bloomberg's controversial congestion pricing plan, which would charge motorists up to \$8 and truckers up to \$21 to drive below 60th Street in Manhattan during peak hours. The plan also proposes delaying the start of Long Island Rail Road East Side Access until mid-2014 and delaying completion of the first phase of Manhattan's Second Avenue Subway until mid-2015, both delays in order to allow MTA to save money by signing smaller contracts for this work. (ffd: Newsday)

(WED) A consultant released a report critical of the Virginia Museum of Transportation in Roanoke, VA. The consultant, who was hired through a grant from Norfolk Southern, said in his report that the museum "lacks focus, community awareness, and has a board of directors that hasn't fulfilled its responsibilities." The consultant recommended improvements including that the museum construct more interactive exhibits, lower its admission price, and undertake major renovations to its building, which they estimated would altogether cost about \$25 million. (ffd: Trains)

(THU) A notable gathering of business executives in Chicago, IL repeated the call for investment in the renewal of America's infrastructure, including roads, railways, ports and electrical grids. Among the executives in attendance at the Reuters Manufacturing Summit was Norfolk Southern CEO Wick Moorman, who alluded to the highway bridge collapse in Minneapolis, MN last year when he commented, "You would have thought that that bridge collapsing would have been a wakeup call...[but] it doesn't seem to have done anything." Other executives noted the problem of gaining collective national interest in the infrastructure subject during a presidential election year. (ffd: wire services)

(FRI) John McCain, the presumed Republican presidential nominee, made a campaign stop in Austin, TX. At a town hall meeting on the Dell Computer campus in Austin, Mr. McCain was asked if he would support subsidizing passenger rail systems to help relieve the burden of gas prices. Mr. McCain replied, "I don't mind subsidies for startups, but when you've got an Amtrak route that goes from Miami to California and you're subsidizing it for \$200 a passenger, I'm not going to do that anymore." Mr. McCain has been a critic of Amtrak long-distance services during his tenure as U.S. senator from Arizona. (ffd: KXAN TV News)

(FRI) The B&O Railroad Museum in Baltimore, MD announced the opening of a new exhibit highlighting the contributions of women to the railroad industry. A museum spokesman said that exhibit would include focus on how women filled traditionally male-dominated jobs on the Baltimore & Ohio Railroad during both World Wars. The exhibits starts March 1. (ffd: B&O Railroad Museum)

STATS – TRAFFIC

(NOTE: AAR this week posted on their website traffic stats for the week ending February 16.)

(THU) For the week ending February 16, 2008, U.S. rail volume grand totaled 32.2 billion ton-miles, up 6.4 percent from the comparable week last year. U.S. carload rail traffic was up 4.6 percent, up 1.2 percent in the East and up 7.2 percent in the West. Notable traffic increases included grain up 16.4 percent; metallic ores up 11.2 percent; and coal up 9.7 percent; notable traffic decreases included lumber and wood products down 21.2 percent; pulp and paper products down 10.6 percent; and crushed stone, sand and gravel down 8.2 percent. Also for the week, U.S. intermodal rail traffic was down 1.5 percent, Canadian carload rail traffic was up 9.3 percent, Canadian intermodal rail traffic was up 7.3 percent, Mexico's Kansas City Southern de Mexico's carload rail traffic was up 4.4 percent, and KCSM's intermodal rail traffic was up 17.1 percent.

For the period January 1 through February 16, 2008, U.S. rail volume grand totaled 227.8 billion ton-miles, up 2.7 percent from the comparable period last year. Also for this period, U.S. carload rail traffic was up 1.5 percent, U.S. intermodal rail traffic was down 3.1 percent, Canadian carload rail traffic was down 0.9 percent, Canadian intermodal rail traffic was up 8.0 percent, KCSM's carload rail traffic was up 4.4 percent, and KCSM's intermodal rail traffic was up 11.5 percent. (ffd: AAR)

MORE STATS – OPERATING PERFORMANCE:

(NOTE: Effective October 1, 2005, railroads that had been furnishing 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 22, 2008 versus the comparable week last year, average total cars on line was as follows: BNSF, 227,644 cars versus 223,289 cars; Canadian Pacific, 83,109 cars versus 79,412 cars; CSX, 218,148 cars versus 227,214 cars; Kansas City Southern, 28,358 cars versus 28,892 cars; Norfolk Southern, 197,472 cars versus 209,347 cars; and Union Pacific, 307,226 cars versus 308,216 cars.

Also for the week ending February 22, 2008 versus the comparable week last year, average train speed was as follows: BNSF, 24.6 mph versus 23.8 mph; Canadian Pacific Railway, 23.4 mph versus 23.7 mph; CSX, 21.1 mph versus 19.1 mph; Kansas City Southern, 24.6 mph versus 23.4 mph; Norfolk Southern, 21.8 mph versus 19.9 mph; and Union Pacific, 21.8 mph versus 22.4 mph.

Finally for the week ending February 22, 2008 versus the comparable week last year, average terminal dwell time was as follows: BNSF, 26.1 hrs versus 24.3 hrs; Canadian Pacific Railway, 25.0 hrs versus 23.6 hrs; CSX, 21.2 hrs versus 26.5 hrs; Kansas City Southern, 22.0 hrs versus 27.6 hrs; Norfolk Southern, 21.0 hrs versus 24.5 hrs; and Union Pacific, 25.2 hrs versus 25.4 hrs. (ffd: AAR)

EXPANSIONS, CONTRACTIONS AND ALIKE:

(MON) The Surface Transportation Board provided notice of request for public review and comment of a proposed 12-mile extension of the Arizona Eastern Railway in Arizona. AZER's proposed new line would run from the Phelps Dodge Dos Pobres Mine to a connection with the AZEAR near Safford, AZ (ffd: STB)

(MON) Union Railroad filed to abandon, and Norfolk Southern concurrently filed to discontinue trackage rights over, approximately 2 miles of line between South Duquesne, PA and McKeesport, PA. (ffd: STB)

(TUE) APM Terminals announced the opening of its new \$450-million, 230-acre intermodal complex in Portsmouth, VA. An APM spokesman noted that the complex is served by the Commonwealth Railway, and that Commonwealth's line was being relocated into the median of Virginia Route 164 and Interstate Route 664, a project that is to be completed by Summer, 2009 and that will greatly reduce the number of grade crossings on the line. Both CSX and Norfolk Southern connect to the Commonwealth Railway in nearby Suffolk, VA. (ffd: RT&S)

(FRI) Norfolk Southern announced that it would open its new Rickenbacker intermodal terminal in Columbus, OH on March 3. An NS spokesman said that the new terminal locates in Columbus's Rickenbacker Global Logistics Park. The spokesman added that the new facility totals 250 acres and is considered the first new intermodal facility to open related to NS's Heartland Corridor project. (ffd: NS Corp., Progressive Railroading)

APPOINTMENTS, ACHIEVEMENTS AND MILESTONES:

(SUN) John Tucker passed away at Age 57. Mr. Tucker was an esteemed rail and transit administrator, having been an Assistant GM at Philadelphia, PA's SEPTA, the head of planning at the New York City Transit Authority, and chief planning officer at

Amtrak, the latter two positions when David Gunn headed those organizations. Obituaries lauded Mr. Tucker as “an incredible repository of train and transit information.” Mr. Tucker, who was also a reader of this publication, reportedly passed away following a heart attack, although he had also battled cancer in recent years. (ffd: NARP, Philadelphia Inquirer)

(MON) BNSF put into service a new controlled point on its line through the Cajon Pass in California named for the late Chard Walker. Mr. Walker was famed as the operator at the former Santa Fe train order station at Summit on the Pass, who beautifully photographed many trains on the Pass during his 16 years of service at the station. Mr. Walker passed away last September. The station locates at MP 60.2 on BNSF’s line through the Pass, which Union Pacific also has trackage rights on. (ffd: Trains)

(TUE) Sacramento, CA’s Regional Transit District appointed Michael Wiley its general manager and chief executive officer. Mr. Wiley had held these positions on an interim basis since October, 2007, when former SCRTD head Beverly Scott left the agency to join the Metropolitan Atlanta [Georgia] Rapid Transit Authority. (ffd: Progressive Railroading)

(FRI) Union Pacific appointed the following appointments: Lance Fritz as VP-Labor Relations, succeeding John Merchant, who will retire in June; Gregory Workman as VP-Southern Region, succeeding Mr. Fritz; Daniel Shudak as AVP-Operations-Southern Region, succeeding Mr. Workman; and Brian McGavock as GM-Houston Service Unit, succeeding Mr. Shudak. (ffd: UP Corp.)

* * *

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

BE SAFE AND PROSPER,

Dave Mears

Cherry Hill, New Jersey, USA