

WEEKLY RAIL REVIEW

FOR THE 7 DAYS ENDING FRI, MARCH 14, 2008

BY DAVE MEARS

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

(SUN) The new Sprinter light rail service opened in Southern California. The line runs approximately 22 miles between Oceanside, CA and Escondido, CA, roughly paralleling the Interstate 78 corridor. Most of the line utilizes a rehabilitated freight rail line, but also includes approximately two miles of new line serving California State University at San Marcos, CA. The line is operated by California's North County Transit District. (ffd: San Diego Union-Tribune, RT&S)

(SUN) Union Pacific trains began using the new Wichita Flyover, which allows for BNSF's existing street-level line through Wichita, KS, on which UP has trackage rights, to be bypassed. BNSF began running some of its trains on the line last fall. A BNSF spokesman said that work will continue on the Flyover through February, 2009 and that the street level line will eventually be put out-of-service. (ffd: Trains)

(MON) Canadian Minister of Transport Lawrence Cannon released a report recommending over 50 changes to railroad oversight in Canada. Among the recommended changes are requiring railroads to obtain a rail operating certificate; subjecting railroads to baseline safety requirements prior to launching or continuing operations; including monetary penalties as an additional compliance tool; and mandating that railroads file annual environmental management plans with the Canadian Transportation Agency. Mr. Cannon said that he had already implemented one of the changes, which was to establish an Advisory Council on Railway Safety to address the direction of rail safety, rule making, regulation and policy. (ffd: Progressive Railroading)

(MON) The American Public Transit Association announced that Americans took 10.3 billion trips on public transportation last year, an increase of 2.1 percent from 2006 and the highest ridership in 50 years. Among transit modes, light rail had the highest ridership increase at 6.1 percent, followed by commuter rail at 5.5 percent, and subways at 3.1 percent. (ffd: APTA, Philadelphia Inquirer)

(TUE) The National Research Council released a report warning that climate change related to global warming could severely affect all modes of transportation, through such developments as rising sea levels, increased rainfall, and surges from more intense storms. The report cited five major threats: more heat waves, requiring load limits at hot-weather and high-altitude airports, and causing thermal expansion of bridge joints and rail track deformities; rising sea levels and storm surges flooding coastal highways, rail lines and tunnels, and eroding bridge bases; more rainstorms, delaying air and ground traffic; more frequent hurricanes, disrupting infrastructure and service; and rising arctic temperatures, thawing permafrost with resulting road, railway and airport runway subsidence and potential pipeline failures. Said one of the report's authors, "It's time to move from the debate about climate science to 'What are we going to do about it...how are we going to adapt to it?' " (ffd: wire services)

(WED) Fortress Investments, which had earlier acquired the RailAmerica shortline conglomerate and the Florida East Coast Railway, filed with the U.S. Surface Transportation Board to merge FE into RailAmerica. In its filing, Fortress said that the transaction "is within a corporate family and will not result in any adverse changes in service levels, significant operational changes, or a change in the competitive balance with carriers outside the corporate family." Later in the week, Fortress announced that, concurrent with the merger, it would relocate RailAmerica corporate offices from Boca Raton, FL to Jacksonville, FL, where FE maintains offices. (ffd: South Florida Business Journal, wire services)

(WED) The Speaker of the US House of Representatives, Nancy Pelosi (D-CA), held a forum on U.S. infrastructure. Ms. Pelosi there announced that she is interested in legislation that would create a national infrastructure bank that would provide funding for infrastructure rebuilding and expansion. After the hearing, House Financial Services Committee Chair Barney Frank (D-MA) said that he would draft a proposal to meet the Speaker's request when Congress reconvenes after its next recess. (ffd: NARP)

(WED) The Surface Transportation Board made notice of proposed rulemaking related to transportation contracts. The proposed rule would require railroads to include a disclosure statement "in any document they consider to be a rail transportation contract." The STB said that it would begin accepting public comment on the proposed rule, which it said was the result of its continuing concern "with the lack of any clear demarcation between common carriage rates and contract pricing arrangements, and the resulting ambiguity regarding the board's jurisdiction." (ffd: Railway Age, STB)

(WED) The Association of American Railroads announced that railroads were working with biofuel producers to keep up with the escalating demand for ethanol. In a statement issued jointly with the Renewable Fuels Association, the AAR noted that ethanol rail traffic had increased from about 32,000 carloads in 1995 to more than 145,000 carloads in 2006. Due to the degrading effect of pipeline moisture and other contaminants affecting ethanol, most domestic ethanol transport is by rail or truck. (ffd: AAR, Ethanol Markets)

(WED) New Jersey Transit announced a new trip planning partnership with Google, the Internet search engine. An NJT spokesman said that commuter rail and light rail travelers will now be able to use Google Transit to get trip times and transfers between NJT's 164 rail stations and 60 light rail stations. The spokesman added that NJT bus information will be added later this year. More than 30 commuter rail or transit agencies around the country now offer Google trip planning. (ffd: NJ Transit, wire services)

(THU) A rail contractor was killed and two Amtrak employees were injured while inspecting track on Amtrak's Northeast Corridor Line near Providence, RI. The three were struck in the early afternoon by an Amtrak Acela Express train traveling north. The contractor was identified as Gary Graves, who retired from Amtrak last year. Officials of the Federal Railroad Administration and the National Transportation Safety Board announced that they had begun investigating of the accident. (ffd: Boston Globe, wire services)

(THU) The rail industry held its annual "Railroad Day On Capitol Hill." The event, organized by the American Short Line and Regional Railroad Association, the Association of American Railroads and others, saw more than 300 rail and rail-related industry representatives come to Washington to meet with federal legislators to encourage actions in support of the rail industry, including renewal of the Short Line Tax Credit, which expired at the end of last year. The day's activities concluded with a gala dinner later that evening. (ffd: AAR)

(FRI) The U.S. Environmental Protection Agency announced new regulations that it said would cut emissions from diesel locomotives and also cut allowable sulfur levels in diesel fuel 99 percent. An EPA spokesman said that the regulations finalize caps on Tier 3 emission standards, which go into effect in 2009, and Tier 4 standards, which go into effect in 2015. The rules apply to newly built and remanufactured locomotives, and also to marine diesels. Details of the regulations may be found on the EPA website at <<http://www.epa.gov>>www.epa.gov. (ffd: Trains)

(FRI) Railway Age Magazine named its annual Regional Railroad of the Year and Short Line Railroad of the Year. The recognized regional was the South Kansas & Oklahoma and the recognized short line was the Twin Cities & Western. The magazine said that it was recognizing the SK&O for its notable emergency reopening and repair plan, following much of its line having been damaged by floodwaters, and that it was recognizing the TC&W for initiatives including the creation of new intermodal services, including with Class 1 railroad partner Canadian Pacific. (ffd: Railway Age)

(FRI) USA Today's headline story this date reported on the controversy related to routing rail shipments of toxic chemicals in or around major cities. The report quoted a spokesman for the Federal Railroad Administration who endorsed leeway for railroads in routing shipments, commenting, "We're not interested in just shifting the risk from a big city to a medium-sized city," and also a spokesman for the Transportation Security Administration, who noted that the nation's rail lines "were built in the 19th Century, and many towns and cities were built up around them, [so] in many cases, it's not feasible" to reroute trains. The story included a photograph of an unrelated train derailment at the top of the page. (ffd: USA Today)

STATS – "BIG 7" TRAFFIC

(NOTE: Canadian traffic includes that on the U.S. operations of Canadian National and Canadian Pacific.)

(THU) For the week ending March 8, 2008, U.S. rail volume grand totaled 33.5 billion ton-miles, down 0.9 percent from the comparable week last year. U.S. carload rail traffic was down 2.3 percent, down 8.6 percent in the East, but up 2.7 percent in the West. Notable traffic increases included metallic ores up 134.0 percent, non-grain farm products up 36.7 percent, and grain up 7.5 percent; notable traffic decreases included lumber and wood products down 19.5 percent, primary forest products down 18.0 percent, and crushed stone, sand and gravel down 17.2 percent. Also for the week, U.S. intermodal rail traffic was down 15.1 percent, Canadian carload rail traffic was down 10.9 percent, Canadian intermodal rail traffic was down 6.6 percent, Mexico's Kansas City Southern de Mexico's carload rail traffic was up 0.7 percent, and KCSM's intermodal rail traffic was up 10.2 percent.

For the period January 1 through March 8, 2008, U.S. rail volume grand totaled 329.6 billion ton-miles, up 2.5 percent from the comparable period last year. Also for this period, U.S. carload rail traffic was up 1.3 percent, U.S. intermodal rail traffic was down 4.6 percent, Canadian carload rail traffic was down 1.1 percent, Canadian intermodal rail traffic was up 6.7 percent, KCSM's carload rail traffic was down 1.0 percent, and KCSM's intermodal rail traffic was up 14.0 percent. (ffd: AAR)

MORE STATS – "BIG 7" (EXCEPT CN) 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 March 7, 2008 versus the comparable week last year, average total cars on line was as follows: BNSF, 226,878 cars versus 223,404 cars; Canadian Pacific, 82,838 cars versus 82,224 cars; CSX, 220,873 cars versus 226,932 cars; Kansas City Southern, 27,578 cars versus 28,329 cars; Norfolk Southern, 200,123 cars versus 209,739 cars; and Union Pacific, 308,522 cars versus 308,577 cars.

Also for the week ending March 7, 2008 versus the comparable week last year, average train speed was as follows: BNSF, 23.9 mph versus 23.8 mph; Canadian Pacific Railway, 21.8 mph versus 22.0 mph; CSX, 20.2 mph versus 19.8 mph; Kansas City Southern, 25.4 mph versus 23.7 mph; Norfolk Southern, 21.7 mph versus 20.1 mph; and Union Pacific, 22.1 mph versus 21.5 mph.

Finally for the week ending March 7, 2008 versus the comparable week last year, average terminal dwell time was as follows: BNSF, 25.2 hrs versus 24.3 hrs; Canadian Pacific Railway, 24.7 hrs versus 25.9 hrs; CSX, 22.2 hrs versus 25.0 hrs; Kansas City Southern, 21.9 hrs versus 24.2 hrs; Norfolk Southern, 22.0 hrs versus 24.1 hrs; and Union Pacific, 25.6 hrs versus 25.2 hrs. (ffd: AAR)

STILL MORE STATS – U.S. CLASS 1 RAILROAD EMPLOYMENT:

(MON) The U.S. Surface Transportation Board reported U.S. Class 1 railroad employment at the end of 2007. Total employment was 162,252 persons, down 1.9 percent from the end of 2006. By job category, employment counts and percentage change from the previous year were as follows: transportation-train & engine at 66,056, down 5.23 percent; transportation-not train & engine at 6,835, down 5.35 percent; executives, officials & staff assistants at 10,123, down 0.25 percent; other professional and administrative at 13,784, down 0.44 percent; maintenance of way and structures at 34,730, up 2.15 percent; and maintenance of equipment and stores at 30,724, up 0.64 percent. (ffd: STB, Railway Age)

EXPANSIONS, CONTRACTIONS AND ALIKE:

(MON) The Mid-Michigan Railroad filed to abandon approximately 25 miles of line between Lowell, MI and Greenville, MI. (ffd: STB)

(MON) San Joaquin Valley Railroad filed to abandon approximately 31 miles of its South Exeter Branch between Strathmore, CA and Jovista, CA. (ffd: STB)

(FRI) Kansas City Southern announced that its new Center Point-KCS Intermodal Terminal would open to traffic on March 17. The new terminal locates at the former Richard Gebaur Air Base in Kansas City and replaces and an existing KCS intermodal facility in the northeast industrial area of Kansas City. (ffd: KCS Corp., Railway Age)

APPOINTMENTS, ACHIEVEMENTS AND MILESTONES:

(TUE) The Ohio Department of Transportation announced the appointment of Jolene Molitoris as its new assistant director. Ms. Molitoris was most recently the chair of the Ohio Rail Development Commission and was earlier an FRA Chief Administrator during the Clinton Administration. (ffd: STB)

(FRI) The Mexican railroad Ferromex announced the following appointments: Alfredo Casar as Executive President; Rogelio Velez as General Director; Terry McDermott as VP-Sales & Marketing; and Fernando Lopez Guerra as Director of Grain, Automotive & Intermodal Sales. (ffd: Progressive Railroading)

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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.

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Dave Mears

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