

WEEKLY RAIL REVIEW

FOR THE 7 DAYS ENDING FRI, MARCH 21, 2008

BY DAVE MEARS

(NOTES: Apologies, again, for running a little late with this week's edition. Also, please note that last week included the Good Friday holiday.)

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

(SAT) A Montana Rail Link freight train derailed 25 cars in a canyon about five miles east of Bozeman, MT. There were no injuries in the accident, the cause of which is still being investigated. The derailment temporarily blocked MRL's line, which was reopened the next day. (ffd: Jackson Hole Star-Tribune)

(MON) The New York/New Jersey Chapter of the Transportation Research Forum announced a special celebration to mark TRF's 50th anniversary. Officials of the chapter, a leading professional organization for those working in the field of transportation, announced that a special luncheon event would be held at New York City's famed Tavern On The Green restaurant, located in Manhattan's Central Park at West 67th Street, on Thursday, May 15. Guest speakers at the event will include Jim McClellan, whose transportation career was the focal point of Rush Loving's acclaimed new book, "The Men Who Loved Trains," and Paul Banner, the former president of the Rock Island Railroad, both of whom have had notable TRF involvement. Information about the event, including registration, online ticketing, and sponsorship opportunities, may be found on the TRF website, <<http://www.trforum.org/chapters/newyork/anniversary/>><http://www.trforum.org/chapters/newyork/anniversary/>

(MON) CSX announced that it was taking further steps in its ongoing efforts challenging The Children's Investment Fund (TCI) hedge fund. CSX filed suit against TCI and another hedge fund, 3G Capital Partners, alleging that they have, among other actions, employed "swap agreements" to evade the filing requirements of the Securities Exchange Act of 1934. CSX also announced that they were delaying until June 25 their annual shareholders meeting in New Orleans LA, at which TCI and their allies have said that they will attempt to vote in a slate of five new directors for the company's board. A CSX spokesman said that the annual meeting was being rescheduled to "ensure that all of our shareholders receive complete and accurate information about [TCI's] holdings, agreements, plans and motivations." (ffd: Railway Age, wire services)

(MON) The Los Angeles County Metropolitan Transportation Authority released its latest "long range transportation plan." Among the public transportation projects proposed by the plan are extension of the Exposition light rail line to Santa Monica, extension of the city subway line to Westside, extension of the Gold light rail line to Montclair, and a "regional connector" linking the Expo, Gold and Blue lines in downtown Los Angeles. A LAMTA spokesman said that it projects the need to raise more than \$60 billion through 2030 to fund these and other public transportation projects and said that it would work to raise "public awareness" about these needed improvements. (ffd: Progressive Railroading)

(MON) Canadian National criticized public outcry for environmental remediation related to its proposed acquisition of the EJ&E Railway. "There appears to be no basis for many of the demands being made," said a CN spokesman. The spokesman added that these demands now include lowering a portion of the EJ&E line into a trench in Barrington, an entirely new line further outside Chicago, IL, and paying for the full cost of separation at numerous other EJ&E highway-rail grade crossings. The U.S. Surface Transportation Board is presently considering matters, including environmental impact, related to CN's proposed acquisition of the EJ&E. (ffd: Railway Age)

(MON) Rep. John Mica (R-FL) proposed a bill to further develop high-speed passenger rail service between Washington, DC and New York, NY. The bill proposed by Mr. Mica, who has been a critic of Amtrak, calls for a two-hour travel time for express high-speed rail trains running between the two cities. The bill also calls for the creation of a commission to evaluate service proposals and report on them to Congress. The bill does not include any provisions for funding for high-speed passenger rail service. (ffd: Trains)

(TUE) The U.S. National Transportation Safety Board released its report on the January 9, 2007 accident in which a Massachusetts Bay Commuter Railroad train ran into a maintenance-of-way gang in Woburn, MA. The report highlighted multiple safety failures, including a train dispatcher having failed to provide proper signaling and a work crew not using a device that would have provided additional signal protection to the track being repaired. The accident killed two track workers and seriously injured two others. The report also noted that one of the workers who was killed tested positive for marijuana use. (ffd: Boston Globe)

(WED) Flooding, caused by rainfall that in some areas totaled more than nine inches, hampered rail operations in parts of Illinois and Missouri. BNSF reported that flooding resulted in the temporary closing of its Thayer and River Subdivisions. Flooding also resulted in numerous washouts of Canadian National's former Illinois Central main line and, also, Union Pacific's North-South Corridor line. Responding to the temporary line closures, Amtrak made service adjustments to several train services, including its "Texas Eagle" train. (ffd: Amtrak, Trains)

(WED) Canadian National announced that it will spend over C\$1 billion in capital improvements this year. Key capital projects include upgrades to MacMillan Yard north of Toronto, ON, a C\$100 million expansion of Johnston Yard in Memphis, TN, and upgrades to its line serving Prince Rupert, BC. A CN spokesman said that, additional to infrastructure upgrades, its plans to spend C\$140 million to buy new locomotives and improve its existing fleet. (ffd: CN Corp.)

(THU) Indicative of the economic slowdown, the California ports of Los Angeles and Long Beach, the U.S.'s busiest, reported a significant drop of inbound container traffic. The ports reported that inbound container volume dropped 8.8 percent in both January and February. A spokesman for the ports said that imports from Asia are expected to increase less than 2 percent in 2008, compared with growth of about 10 percent annually for many years prior to 2007. (ffd: Wall Street Journal)

#### 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 15, 2008, U.S. rail volume grand totaled 34.0 billion ton-miles, up 0.9 percent from the comparable week last year. U.S. carload rail traffic was down 0.2 percent, down 5.8 percent in the East and up 4.2 percent in the West. Notable traffic increases included non-grain farm products up 17.7 percent and grain up 15.9 percent; notable traffic decreases included lumber and wood products down 21.7 percent, stone, clay and glass products down 16.6 percent, and nonmetallic minerals down 9.1 percent. Also for the week, U.S. intermodal rail traffic was up 1.4 percent, Canadian carload rail traffic was down 7.2 percent, Canadian intermodal rail traffic was up 0.3 percent, Mexico's Kansas City Southern de Mexico's carload rail traffic was down 7.4 percent, and KCSM's intermodal rail traffic was up 4.8 percent.

For the period January 1 through March 15, 2008, U.S. rail volume grand totaled 363.6 billion ton-miles, up 2.3 percent from the comparable week last year. U.S. carload rail traffic was up 1.2 percent, U.S. intermodal rail traffic was down 4.1 percent, Canadian carload rail traffic was down 1.7 percent, Canadian intermodal rail traffic was up 6.1 percent, KCSM's carload rail traffic was down 1.6 percent, and KCSM's intermodal rail traffic was up 13.1 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 14, 2008 versus the comparable week last year, average total cars on line was as follows: BNSF, 225,598 cars versus 225,594 cars; Canadian Pacific, 82,734 cars versus 82,570 cars; CSX, 225,318 cars versus 227,355 cars; Kansas City Southern, 28,364 cars versus 27,845 cars; Norfolk Southern, 201,196 cars versus 207,568 cars; and Union Pacific, 306,364 cars versus 308,072 cars.

Also for the week ending March 14, 2008 versus the comparable week last year, average train speed was as follows: BNSF, 24.1 mph versus 23.2 mph; Canadian Pacific Railway, 22.4 mph versus 21.9 mph; CSX, 20.1 mph versus 19.5 mph; Kansas City Southern, 24.0 mph versus 23.8 mph; Norfolk Southern, 21.0 mph versus 20.4 mph; and Union Pacific, 21.5 mph versus 22.1 mph.

Finally for the week ending March 14, 2008 versus the comparable week last year, average terminal dwell time was as follows: BNSF, 25.8 hrs versus 24.1 hrs; Canadian Pacific Railway, 25.0 hrs versus 27.1 hrs; CSX, 24.5 hrs versus 24.4 hrs; Kansas City Southern, 24.7 hrs versus 24.2 hrs; Norfolk Southern, 22.9 hrs versus 23.6 hrs; and Union Pacific, 25.5 hrs versus 24.7 hrs. (ffd: AAR)

#### EXPANSIONS, CONTRACTIONS AND ALIKE:

(TUE) American Railcar, in partnership with Amsted Industries, announced construction of a new plant near Paragould, AR to produce railcar axles. The new \$75 million facility is expected to begin production by the third quarter of this year. (ffd: wire services)

(TUE) Norfolk Southern filed to abandon approximately 1 mile of line in East Whiteland Township, PA, which includes the former station of Cedar Hollow. (ffd: STB)

(WED) The San Joaquin Valley Railroad filed to abandon approximately 10 miles of its South Exeter Branch between Exeter, CA and Strathmore, CA. (ffd: STB)

(THU) Patriot Rail's Butte, Anaconda & Pacific Railroad announced an agreement with The Andersons, which manages a fleet of 23,000 railcars. Under the agreement, The Andersons will use BAP's roundhouse and other facilities in Anaconda, MT to perform railcar maintenance and repair services. A spokesman for both companies said that they may seek to expand this to other locations in the future. (ffd: Railway Age)

#### APPOINTMENTS, ACHIEVEMENTS AND MILESTONES:

(SUN) John Reed, the esteemed former chairman of the Santa Fe Railway, passed away at his home in suburban Chicago, IL at Age 90. Obituaries mentioned that Mr. Reed had, since Age 4, expressed a desire to be a locomotive engineer, but that following his graduation from Yale University, he was rejected for that position by a railroad hiring manager who reportedly told him, "I don't believe a Yale man could shovel enough coal to get a train to its destination." Mr. Reed nevertheless went to work for the Testing Department of the Santa Fe after World War II, rising through the ranks to become Santa Fe president in 1967, a position he held until his 1983 retirement, and then again between 1987 and 1989. (ffd: Railway Age, Trains)

(MON) Canadian National announced the retirement of its SVP-People, Les Dakens, effective May 1. No successor was immediately named. Mr. Dakens joined CN in 2001 following several years' service as head of the Human Resources Department of Heinz North America. (ffd: Progressive Railroading)

(WED) Fortress Investment's Florida East Coast Railway announced the appointment of Steve Truitt as VP for transportation,

mechanical engineering, and intermodal operations. Mr. Truitt was most recently Union Pacific's Superintendent for its Wichita Service Unit. FECR also announced the appointment of Reginald Thompson as its VP-Industrial Development. Mr. Thompson was most recently FECR's VP-Carload Marketing & Sales. (ffd: FEC Corp., wire services)

(WED) TTX, the former Trailer Train, appointed Patrick Loftus its SVP-Law & Administration. Mr. Loftus was most recently TTX's VP-Law & Government Affairs. TTX also announced the appointment of Brian Powers as its VP-Human Resources & Labor Relations and the retirement of Michele Pomeroy, who was most recently its VP-Human Resources & Administrative Services. (ffd: TTX Corp.)

(THU) BNSF appointed Gary Grissum its AVP-Telecommunications. Mr. Grissum succeeds Jo-Ann Olsosky, who will become VP & CIO effective March 31, 2008, as previously announced. Mr. Grissum was most recently in charge of Sprint Nextel's Network Management Center. (ffd: BNSF Corp.)

(FRI) Amtrak reported that one Chris Guenzler will shortly become the first individual to have documented one million miles of Amtrak train travel, which includes over all routes of the Amtrak system. Mr. Guenzler will reach the million-mile mark when he steps off Amtrak Train No. 4 in LaPlata, MO on Monday, April 7, 2008. A brief welcome is planned for Mr. Guenzler in LaPlata, to be followed by festivities at the newly opened Silver Rails Event Center there, which will include the opportunity to tour an Amtrak history exhibit, recently assembled in two former Amtrak mail and express cars by the Amtrak Historical Society. (ffd: Amtrak, wire services)

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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](mailto:weeklyrailreview@aol.com) to <<mailto:weeklyrailreview@aol.com>>receive it, with my compliments.

BE SAFE AND PROSPER,

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