

WEEKLY RAIL REVIEW

FOR THE WEEK ENDING FRIDAY, MARCH 26, 2010

BY DAVE MEARS

(In case it is helpful to anyone who may not have received the previous edition due to it possibly having been caught in or deleted by a spam filter, please know that it was sent March 24, reporting about the week ending March 19.)

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

(SAT) Union Pacific suffered an on-duty employee fatality. A 56-year-old UP employee was killed when the vehicle in which he was riding was struck by a Metrolink commuter train on a highway-rail grade crossing in Industry, CA. The name and length of railroad service of the deceased was being withheld pending notification. As he was operating a UP company vehicle, it is believed that he was involved with maintenance-of-way. (ffd: San Gabriel Valley Times, Los Angeles Times)

(SUN) The Philadelphia Inquirer ran a front page story on the success of Pennsylvania short line railroads hauling sand used in the drilling of the state's Marcellus Shale natural gas fields. The story included an interview with Tom Myles, who with his sons owns and operates the Wellsboro & Corning Railroad, which has seen its sand traffic nearly triple in the last year. Also participating in the sand-for-hydraulic-fracturing boom is the Reading & Northern Railroad, which was recently named the winner of an American Short Line & Regional Railroad Association marketing award for its commercial innovations. (ffd: Philadelphia Inquirer)

(MON) Austin, TX's CapMetro began commuter rail service. The line operates trains several times daily between Leander, TX and downtown Austin, a distance of 32 miles. Fares were to be free during startup week, but will be charged starting March 29. (ffd: Austin American-Statesman, NARP)

(MON) Amtrak announced that it was creating a High-Speed Rail Department, to be led by an as-yet-unnamed vice president reporting directly to Amtrak President Joe Boardman. Mr. Board said that the new department "will pursue partnerships with states and others in the passenger rail industry to develop federally-designated high-speed rail corridors, such as the new projects moving forward in California and Florida." (ffd: Amtrak)

(MON) The Federal Railroad Administration announced the startup of a new train simulator housed in the U.S. Department of Transportation's Volpe Center in Cambridge, MA. FRA said that the new \$1.6 million full-sized locomotive simulator will "accurately record crew behavior through the use of video, audio and eye-tracking capabilities at the control and button-pushing level." It added, "The simulator will be used to evaluate the safety and reliability of new locomotive technology systems, controls and displays prior to their wholesale adoption by the railroad industry." (ffd: FRA, USDOT)

(MON) The U.S. Senate passed an aviation bill that called for the Government Accountability Office to study how air and rail travel can be better coordinated. Speaking about the Federal Aviation Administration Air Transportation Modernization & Safety Improvement Act, U.S. Sen. Dick Durbin (D-IL), who authored the study amendment, noted that, "Today, code sharing is very common among airlines looking to sell travel to cities that it may not otherwise serve...Expanding this service to include passenger rail providers would increase the options available to take travelers to their destinations." The Senate bill must now be reconciled with a separate House bill before going to President Obama's desk for signature. (ffd: Trains)

(TUE) The New York Times reported that New York State had "all but concluded" its 18-month investigation of the fact that nearly all Long Island Rail Railroad retirees applied for and got disability payments soon after retirement, at a collective cost of hundreds of millions of dollars. The newspaper noted that, despite subpoenas of doctors, insurance companies, railroad executives and every worker who retired in 2009, the state attorney general's office brought forward just one criminal case, and that was dropped last month. Also involved in the investigation was the U.S. Government Accountability Office, which reported that, as of last April, LIRR retirees applied for disability at a rate 12 times of other railroads; that only three doctors handled most of the claims; and

that 64 of 66 claims were approved. (ffd: New York Times)

(TUE) In testimony before the House Appropriations Committee, Amtrak President Joe Boardman asked for \$446 million additional to the \$2.1 billion Amtrak has already requested for Fiscal Year 2011, so that the railroad may begin adding to and replacing its locomotive and car fleet. Mr. Boardman said that Amtrak is looking to acquire 334 new locomotives and 1,200 new cars over the next several years. In his testimony, Mr. Boardman noted that, "Between 2002 and 2008, Amtrak increased its ridership 32 percent without buying a single piece of new rolling stock...That's a remarkable accomplishment, but one that cannot be sustained indefinitely." (ffd: Amtrak, Jacksonville Examiner, wire services)

(TUE) Massachusetts held the first of a series of public hearings about the state's new Freight and Rail Plan. The plan calls for increased freight shipments to and from the state by rail and water to decrease truck traffic, which it said was a major contributor to increased pollution and highway congestion. Among the plan's recommendations is the improvement of clearances to better accommodate double-stack intermodal trains. (ffd: Massachusetts Republican [newspaper])

(THU) The Dakota, Missouri Valley & Western suffered an on-duty fatality. Jeff Heitzman, Age 46, was killed when the locomotive in which he was riding derailed. The accident occurred about two-and-one-half miles south of Washburn, ND, on the bank of Turtle Creek. (ffd: Bismarck Tribune)

(THU) The United Transportation Union reported that Sheet Metal Workers International Association President Mike Sullivan had sent a letter to railroads and UTU officials declaring the SMWIA to be in control of the UTU and that all UTU member dues must be remitted to SMWIA. The SMWIA had earlier arranged a merger with the UTU, which the UTU later disputed and ultimately abandoned. Replicating the reply of the U.S. Army commander to German demands for surrender during World War II's Battle of the Bulge, UTU President Mike Futhy said that he had replied "Nuts!" to Mr. Sullivan's "demands that [he] surrender the keys to the UTU and its treasury." (ffd: UTU)

(THU) In an interview in USA Today, Warren Buffet commented about his and Berkshire Hathaway's recent purchase of BNSF Railway. Related his optimism for the future of railroads, Mr. Buffett commented, "They don't need the government to build them new highways and airports...They've already invested heavily in their infrastructure and technology, and they plan to invest more to keep up with the growing demand." He added, "They're the only mode of freight transportation that can handle growth. What's not to like about that?" (ffd: USA Today)

(THU) The oversight board of Caltrain, which operates commuter rail service south from San Francisco to San Jose and Gilroy, CA, approved electrification of the line. The work, which is planned to be completed over the next five years, is expected to cost \$1.23 billion and will allow Caltrain to expand to 114 trains from the 90 presently operated each weekday. A Caltrain spokesman said that the approval will allow Caltrain to draw from two high-speed rail funding sources: the \$9.95 billion California Proposition 1A bond and \$2.25 billion in federal stimulus grants. (ffd: San Mateo County Times)

(FRI) A Norfolk Southern coal train derailed 38 cars east on the NS main line east of Elkhart, IN. The accident caused the detouring of some freight and passenger trains and also the temporary cancellation of Amtrak's "Capitol Limited" train. The cause of the derailment is under investigation. (ffd: WGN News, wire services)

STATS – CLASS 1 RAIL TRAFFIC:

(THU) For the week ending March 20, 2010, U.S. rail volume grand totaled 31.3 billion ton-miles, up 5.4 percent from the comparable week last year. U.S. carload rail traffic was 4.3 percent, up 2.1 percent in the East and up 5.9 percent in the West. Notable traffic increases included metals and metal products up 69.2 percent and waste and scrap materials up 33.1 percent; notable traffic decreases included coal down 6.4 percent and pulp and paper products down 6.1 percent. Also for the week, U.S. intermodal rail traffic was up 9.5 percent, Canadian carload rail traffic was up 21.1 percent, Canadian intermodal rail traffic was up 12.8 percent, Mexican carload rail traffic was up 18.4 percent, and Mexican intermodal rail traffic was up 45.3 percent.

For the period January 1 through March 20, 2010, U.S. rail volume grand totaled 327.1 billion ton-miles, up 1.2 percent from the comparable period last year. Also for this period, U.S. carload rail traffic was up 0.3 percent, U.S. intermodal rail traffic was up 8.3 percent, Canadian carload rail traffic was up 15.2 percent, Canadian intermodal rail traffic was up 7.3 percent, Mexican carload rail traffic was up 20.8 percent, and Mexican intermodal rail traffic was up 41.2 percent. (ffd: AAR)

MORE STATS – PUBLIC TRANSPORTATION RIDERSHIP:

(MON) The American Public Transportation Association (APTA) said that trips on U.S. public transportation systems declined 3.8 percent in 2009 compared with 2008, which it said was the result of several factors, including the severe economic recession, lower gas prices, and service cutbacks resulting from lower state and local funding. However with all trips totaling 10.2 billion, it noted that this was still the fourth year in a row that all trips totaled over 10 billion annually. Again comparing 2009 with 2008, light rail ridership was down one-half of one percent, heavy rail (subway and elevated train) ridership was down 2.6 percent, and commuter rail ridership was down 5.0 percent. (ffd: APTA)

EXPANSIONS, CONTRACTIONS AND ALIKE:

(MON) Trains Magazine reported that Montana will lease the Otter Creek coal tracts to Arch Coal, which it said will clear the way for construction of the 106-mile Tongue River Railroad over the next several years. The Surface Transportation Board gave approval in 2007 for construction of the railroad, the cost of which is expected total approximately \$550 million. BNSF will operate its trains over the line. (ffd:Trains)

(TUE) The Missouri & Valley Park Railroad filed to discontinue service over approximately four miles of line, owned by BNSF, in and near West Valley Park, MO. (ffd: STB)

(FRI) The Surface Transportation Board granted Indiana Railroad's earlier request to abandon approximately 23 miles of line comprised of its route between Crane, IN and Bedford, IN and also the Bedford Industrial Track. (ffd: STB)

APPOINTMENTS, ACHIEVEMENTS AND MILESTONES:

(MON) Richard Davey was nominated by Massachusetts Governor Deval Patrick to head the Massachusetts Bay Transportation Authority, which operates bus, subway and commuter rail services serving the Greater Boston area. Mr. Davey, Age 36, has been the general manager of the MBTA's Massachusetts Bay Commuter Railroad. (ffd: Boston Globe)

(THU) The Alaska Railroad appointed its chief financial officer, Bill O'Leary, its acting president. Mr. O'Leary is serving in the position as a result of the recent resignation of Pat Gamble, who now heads Alaska's state university system. (ffd: Anchorage Daily News)

(THU) Amtrak appointed Patrick Merrill its AVP-Policy & Development-West. Mr. Merrill was most recently with the California Department of Transportation's intercity passenger rail program. (ffd: Amtrak, Progressive Railroading)

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Dave Mears

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