

## WEEKLY RAIL REVIEW

FOR THE 7 DAYS ENDING FRI, MARCH 28, 2008

BY DAVE MEARS

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

(MON) The U.S. Federal Railroad Administration released a demographic report on rail trespasser fatalities. The report also examined suicides, which are not normally included in FRA trespasser fatality counts, but which the report said accounted for 18 percent of total trespasser fatalities. The report summarized the average trespasser fatality to be a 38-year-old Caucasian male under the influence of alcohol or drugs, with a median household income of \$36,000, adding that more than 25 percent of them had not graduated from high school. The report included information gathered from coroners and medical examiners across the country. (ffd: FRA)

(MON) Two market inroads were noted by intercity passenger rail services in the Northeastern U.S. Amtrak announced that its share of the overall rail/air market for travel between Boston, MA and New York, NY had increased from 36 percent in Fiscal Year 2006 to 41 percent in Fiscal Year 2007. In a related story, Colgan Airlines announced that they would end service between Harrisburg, PA and New York's LaGuardia Airport. News reports of the air service cancellation noted that Amtrak's Keystone Service between the two cities, via Philadelphia, PA, was both time and price competitive, and further noted that Amtrak's ridership in this corridor is up 20 percent this fiscal year compared to last. (ffd: Railway Age, Trains)

(MON) The Port of New York and New Jersey reported that it had handled 32.8 million metric tons of cargo in 2007, compared with 31.2 million metric tons in 2006. PANYNJ also reported that the value of that cargo last year totaled \$166 billion, up 11 percent from 2006. In announcing the results, a port spokesman reminded of several forthcoming projects designed to improve service and capacity at the port, including adding 119 acres on the eastern end of the Port Jersey peninsula for new cargo container space; completion of its ExpressRail on-dock rail system by 2011; and deepening of the Port Jersey Channel by 2012. (ffd: Progressive Railroading, RT&S)

(MON) The former president of the Greenbrier Resort in White Sulphur Springs, WV filed suit against CSX, which owns the resort, for \$50 million. In his lawsuit, Paul Ratchford claims that he was wrongfully forced out of his position after less than a year's service after he tried to halt the railroad's senior executives from enjoying special privileges at the resort. These privileges are alleged to have included free rooms and meals, discounted merchandise, and free medical exams. The suit further alleges that these may have been improperly shielded from being taxed as fringe benefits. (ffd: wire services)

(TUE) Massachusetts state officials working with CSX to take over ownership of the line between Boston, MA and Worcester, MA announced that those negotiations were at an impasse due to CSX's want to be released from all related liability. Massachusetts wants to take over ownership and operation of the line in order for the state's Massachusetts Bay Commuter Railroad (MBCR) to dispatch and increase the number of commuter trains between the two cities, which would also continue to be used by CSX freight trains. In reply, a CSX spokesman said that the company was "not willing to take on additional risk. This has been our position since the beginning of negotiations." In a related story in Florida, where state officials there have been questioning a similar agreement for the state to take over 61 miles of CSX line in Central Florida for future commuter rail operations, a committee of the Florida legislature endorsed the hold-harmless provision as "fair to the citizens of Florida and fair to CSX." (ffd: Boston Globe, Tampa Tribune, Trains)

(TUE) Approximately 1,000 Canadian National supervisors filed suit in Canadian court for overtime pay. The suit alleges that they had earlier been promoted from union employees to management employees, but that their job responsibilities "did not materially change." The suit includes an estimated 400 current and 600 former CN supervisors. (ffd: Toronto Globe & Mail)

(WED) A freight car rolled out of a Canton, MA lumber yard, continued rolling for about three miles and then collided with an MBCR commuter train. The train's crew and approximately one-half of its 300-plus passengers were injured in the collision, mostly with minor injuries. Officials commended the train's engineer for halting his train and attempting to reverse its direction

prior to impact. Officials said that they were investigating why the car ran free. (ffd: Boston Herald, NARP)

(WED) Several Amtrak train services on the East Coast were temporarily affected by service disruptions. On Wednesday, an electrical power fluctuation at midday on the Northeast Corridor Line resulted in normal voltage levels being dropped by one-quarter, which resulted in some Amtrak, NJ Transit and SEPTA trains operating on the line being temporarily delayed. On Thursday, a freight train derailment on CSX's main line north of Richmond resulted in the curtailment that day of some Amtrak train services operating between New York and Florida. (ffd: Baltimore Sun, NARP, Trains)

(WED) Archer-Daniels-Midland, one of the largest domestic food production, processing and distribution companies, filed suit in federal court alleging price fixing by the five U.S.-based Class 1 railroads. According to ADM's lawsuit, the railroads colluded through their membership in the Association of American Railroads and agreed to fix fuel surcharges designed to help railroads recover fuel cost increases. Decatur, IL-based ADM said that it had paid the railroads more than \$250 million in fuel surcharges since 2003, and is seeking triple damages from them in the antitrust lawsuit. (ffd: Railway Age)

(WED) Lawmakers of the California state legislature announced that they had agreed to the state's proposed new high-speed rail network being a public-private partnership. The lawmakers said that this represented a compromise with the position of California Governor Arnold Schwarzenegger on this issue, which they added might eventually allow the proposal to be put on the state's November proposition ballot. The proposed network would be constructed over a multi-decade period at a cost upwards of \$42 billion. (ffd: Sacramento Bee, Trains)

(THU) BNSF suffered an on-duty employee fatality. Salvador Vega, Age 62, was struck and killed by a BNSF freight train approximately two miles west of Emporia, KS. First reports indicated that Mr. Vega had been working on the tracks at or near where he was struck. (ffd: Emporia Gazette)

(THU) The owners of New York City's Madison Square Garden announced that they would renovate the current arena, which sits atop Pennsylvania Station, rather than relocate it as part of the planned conversion of the Farley Post Office Building across the street. News reports indicated that the decision of the Garden's owners could threaten long-standing plans to redevelop Farley into the planned Moynihan Station serving Amtrak, Long Island Rail Road, and NJ Transit trains. However, the head of the redevelopment project called the news "not irrevocable" and all parties urged a resumption of negotiations to relocate the Garden to Farley, which they said would help facilitate expansion of station capacity and also provide revenues to help defray project costs. (ffd: Bloomberg News, NARP)

(THU) The U.S. Surface Transportation Board announced that it would hear a case related to so-called "paper barriers," in which a short line railroad is contractually bound to interchange traffic with a particular Class 1 railroad. An STB spokesman said that it would hear a complaint by Entergy Arkansas and Entergy Services alleging that a lease between Union Pacific and the Missouri & Northern Arkansas Railroad "unlawfully" prevents the short line from interchanging Entergy's traffic with connecting carriers other than UP. The spokesman added that the hearing will begin on April 28. (ffd: Railway Age, STB)

(THU) Washington, DC's Washington Metropolitan Transportation Authority announced that it required \$489 million in additional capital funding to bring its rail, bus, and paratransit services to a state of good repair. A WMATA spokesman said that the funding, which is not included in the agency's current capital improvement program, is needed mainly for Metrorail subway projects. The spokesman said that these projects include repairing water damage at subway stations, station platform and bridge repairs, station parking lot repaving, and upgrading electrical power systems to improve reliability and allow Metro to run more eight-car subway trains. (ffd: Progressive Railroading, Railway Age)

(THU) The Illinois Commerce Commission approved plans to spend more than \$139 million over the next five years to improve safety at more than 3,800 highway-rail crossings in the state. A Commission spokesman said that crossing safety improvements to be made range from installing reflective warning signage to complete grade separations. (ffd: RT&S)

(FRI) Updating a news report of two weeks ago, officials at the Port of Galveston, TX now say that they will unearth the railroad

tank car recently discovered buried at the port and filled with a now-degraded form of the banned pesticide DDT. Although port officials had earlier said that they would not exhume the car, they now say that it would be nearly impossible for them to test soil underneath the car for possible contamination without first removing the car. Officials have not yet determined how the car came to be buried, but believe that it may have been done as far back as the 1970s or even earlier. (ffd: Trains, wire services)

#### 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 22, 2008, U.S. rail volume grand totaled 33.5 billion ton-miles, down 2.3 percent from the comparable week last year. U.S. carload rail traffic was down 3.3 percent, down 5.4 percent in the East and down 1.6 percent in the West. In reporting results, the Association of American Railroads noted the effect of “severe weather and flooding in some parts of the country.” Notable traffic increases included metallic ores up 70.2 percent, grain up 10.7 percent, and coal up 1.6 percent; notable traffic decreases included motor vehicles and equipment down 23.3 percent, lumber and wood products down 20.6 percent, and crushed stone, sand and gravel down 18.6 percent. Also for the week, U.S. intermodal rail traffic was down 5.2 percent, Canadian carload rail traffic was down 6.7 percent, Canadian intermodal rail traffic was down 7.1 percent, Mexico’s Kansas City Southern de Mexico’s carload rail traffic was down 19.9 percent, and KCSM’s intermodal rail traffic was down 6.8 percent.

For the period January 1 through March 22, 2008, U.S. rail volume grand totaled 397.1 billion ton-miles, up 1.9 percent from the comparable period last year. Also for this period, U.S. carload rail traffic was up 0.8 percent, U.S. intermodal rail traffic was down 4.2 percent, Canadian carload rail traffic was down 2.2 percent, Canadian intermodal rail traffic was up 4.9 percent, KCSM’s carload rail traffic was down 3.2 percent, and KCSM’s intermodal rail traffic was down 11.5 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 21, 2008 versus the comparable week last year, average total cars on line was as follows: BNSF, 228,406 cars versus 224,134 cars; Canadian Pacific, 83,437 cars versus 82,261 cars; CSX, 223,276 cars versus 229,333 cars; Kansas City Southern, 28,364 cars versus 27,878 cars; Norfolk Southern, 199,726 cars versus 208,739 cars; and Union Pacific, 306,300 cars versus 307,205 cars.

Also for the week ending March 21, 2008 versus the comparable week last year, average train speed was as follows: BNSF, 24.0 mph versus 23.5 mph; Canadian Pacific Railway, 23.8 mph versus 22.1 mph; CSX, 20.3 mph versus 19.1 mph; Kansas City Southern, 24.0 mph versus 24.5 mph; Norfolk Southern, 21.5 mph versus 20.7 mph; and Union Pacific, 22.1 mph versus 22.5 mph.

Finally for the week ending March 21, 2008 versus the comparable week last year, average terminal dwell time was as follows: BNSF, 25.6 hrs versus 23.7 hrs; Canadian Pacific Railway, 24.8 hrs versus 26.6 hrs; CSX, 23.0 hrs versus 25.5 hrs; Kansas City Southern, 24.7 hrs versus 23.2 hrs; Norfolk Southern, 21.8 hrs versus 23.3 hrs; and Union Pacific, 25.1 hrs versus 25.4 hrs. (ffd: AAR)

#### EXPANSIONS, CONTRACTIONS AND ALIKE:

(THU) The Dakota, Minnesota & Eastern filed with the Surface Transportation Board to acquire approximately 4 miles of line from BNSF in and near Yale, SD. The sale would allow DM&E to serve a grain elevator at Yale that BNSF can no longer serve due to a washout last fall. (ffd: Trains)

APPOINTMENTS, ACHIEVEMENTS AND MILESTONES:

(MON) Don Hahs was formally removed as president of the Brotherhood of Locomotive Engineers & Trainmen. An investigative panel of the BLEET determined that Mr. Hahs "had violated his fiduciary duties related to the use and control of Cleveland Cavaliers basketball tickets purchased with union funds, travel expenses for his wife, and other personal expenses." Following Mr. Hahs removal, Ed Rodzicz, BLEET's first vice-president, assumed the duties of president. (ffd: Railway Age)

(WED) Shortline holding company Patriot Rail appointed Robert Schellig its VP-Law. Mr. Schellig was most recently an attorney with Canadian National. Patriot Rail also appointed Matt McGrath its Director-Operations Integration. Mr. McGrath was most recently with Patriot Rail's Utah Central Railway subsidiary. (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](mailto:weeklyrailreview@aol.com) to <<mailto:weeklyrailreview@aol.com>>receive it, with my compliments.

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