

WEEKLY RAIL REVIEW

FOR THE WEEK ENDING FRIDAY, APRIL 2, 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 29, reporting about the week ending March 26.)

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

(SUN) Parade, the Sunday-supplement national magazine, ran a cover article entitled, "America's Greatest Train Rides." Authored by Stephen Fried, the article chronicled the writer's recent trip aboard Amtrak's "Southwest Chief." Mr. Fried also included the "Coast Starlight," "California Zephyr," and "Texas Eagle" as great American train trips.

(SUN) Two Toledo, OH teens phoned 9-1-1 advising that they could not safely get off a train they had hopped that was initially slow moving but that then accelerated to nearly 70mph. The 9-1-1 dispatcher contacted the railroad, which then arranged to stop all trains on the line. The two teens were later apprehended and charged with trespassing. (ffd: Sandusky Register)

(MON) Amtrak announced that it would begin operation of Metrolink commuter trains serving the Greater Los Angeles area starting June 26. Metrolink trains were most recently operated by Connex, whose operation of them has been criticized, especially since the 2008 Chatsworth, CA accident. Later in the week, Amtrak and the North Carolina Department of Transportation announced that it would operate a third daily train between Raleigh, NC and Charlotte starting June 5. (ffd: Amtrak, Charlotte Observer)

(TUE) Rep. John Thune (R-SD) was quoted in Journal of Commerce Magazine concerning the rail regulation bills now before Congress. Concerning the Senate bill, Mr. Thune noted that, "railroads have some concerns about the final product – or at least the product to date. But we continue to visit, to discuss with them and with the shipper community how best to resolve them." He added that rail executives "acknowledge that something is probably going to pass. And it may not be something they like entirely." (ffd: Journal of Commerce)

(TUE) Amtrak announced that the discounted Northeast Regional rail fares it began offering in February, 2009 and that were to be temporary would be extended indefinitely. The discounts, which are up to 25 percent, require at least a 14-day advance purchase. Amtrak said that it carried 492,000 passengers on Northeast Corridor trains in February, 2010, up from 474,000 the previous February. (ffd: Washington Business Journal)

(TUE) The New York Times reported that New Jersey Transit would "re-think their budget-cutting proposals, including a 25 percent fare hike, after listening to the public outcry at 12 lively hearings" the previous week. NJT has proposed a systemwide 25 percent increase to bus, light rail and commuter rail fares along with service reductions to address a projected \$300 million budget deficit forecast for Fiscal Year 2011. An NJT spokesman said that a final decision would be made on or about April 4 and that any fare increases or service reductions would become effective on or about May 1. (ffd: New York Times)

(TUE) Canadian National debuted a new online tool that it said can simultaneously secure a freight rate and calculate carbon emission information. CN said that the tool calculates carbon emission reductions based on the average shipment lading weight for a single rail car or container, while CN's "Get Carload Price" and "Get Intermodal Price" public pricing tools provide an estimated rate. (ffd: CN RR, Progressive Railroading)

(WED) Notably heavy rains brought flooding to several Northeastern states, especially Rhode Island. The cresting of the Pawtuxet River in Cranston, RI at 20.79 feet, nearly 12 feet above flood stage, resulted in the flooding there of Amtrak's Northeast Corridor

Line, which in turn compelled suspension of train service between New Haven, CT and Boston, MA through the remainder of the week. On Friday, Amtrak operated three trains between New York and Boston that detoured onto the inland route via Springfield, MA. (ffd: Amtrak, CNN)

(WED) Union Pacific unveiled a new locomotive commemorating the Boy Scouts of America. UP No. 2010 features the Boy Scouts of America logo, the BSA's 100th Anniversary logo, the words, "100 Years of Scouting," ten emblems representing stages of Scouting and an 11th emblem for the 2010 Boy Scout Jamboree. (ffd: Union Pacific RR)

(WED) The Federal Railroad Administration began accepting applications for \$115 million in planning and construction project funds for high-speed passenger rail projects. The FRA said that it would accept proposals for these funds through May 19 and would make selection announcements during Summer, 2010. (ffd: FRA)

(THU) San Francisco, CA commuter rail operator CalTrain, which only the previous week announced plans to eventually electrify its line at a projected cost of \$1.23 billion, announced that anticipated losses in funding may force it to limit service to rush-hour only. "This is not an April Fool's joke," said CalTrain CEO Mike Scanlon. "This is real. We're at a watershed moment where there's a possibility this railroad could go away." Mr. Scanlon said that, additional to the funding shortfall, decreases in ridership brought about by job losses have also contributed to the railroad's financial crisis. (ffd: San Francisco Chronicle, San Mateo County Times)

(THU) The American Public Transportation Association released a report, "Impacts of the Recession on Public Transportation Agencies." The report stated that public transportation systems are facing unprecedented funding challenges due to widespread declines in state and local revenues. The report said that 84 percent of public transportation systems have had to raise fares and/or cut service, and that 54 percent have transferred funds from capital use to operating use, which it said has "aggravated efforts to keep systems in a state of good repair." (ffd: APTA, RT&S)

(THU) Metro North announced that it had fully activated its new Train Time system. The system provides access to train schedules and on-time status, and individuals can use their smart phones or personal computers to determine whether a train is on time, late, canceled or delayed, including the number of minutes it is late. (ffd: RT&S)

(FRI) The city of Ames, IA noted the good efforts of Union Pacific locomotive engineer David Lahner. Mr. Lahner, a 37-year UP employee, spends his own time picking up litter and debris on the UP's right-of-way through Ames, and has railroad permission and protection to do so on the track. Mr. Lahner's has so far cleaned four miles of track and hopes to initiate similar efforts elsewhere on the UP system. "You've heard of Adopt-A-Highway? Well, I'm trying to get this called Adopt-A-Track," said Mr. Lahner. (ffd: Ames Tribune)

STATS – CLASS 1 RAIL TRAFFIC:

(THU) For the week ending March 27, 2010, U.S. rail volume grand totaled 31.7 billion ton-miles, up 17.4 percent from the comparable week last year. Indicative of possible economic recovery, U.S. carload rail traffic totaled 293,114 units, up 16.5 percent and the highest weekly carload count since November, 2008. Eighteen of nineteen carload commodity groups increased, led by metals and metal products up 63.0 percent, waste and scrap materials up 37.4 percent, and motor vehicles and equipment up 28.5 percent; the sole carload category decrease was pulp and paper products down 11.0 percent. Also for the week, U.S. intermodal rail traffic was up 12.0 percent, Canadian carload rail traffic was up 24.3 percent, Canadian intermodal rail traffic was up 10.3 percent, Mexican carload rail traffic was up 26.7 percent, and Mexican intermodal rail traffic was up 34.3 percent.

For the period January 1 through March 27, 2010, U.S. rail volume grand totaled 358.8 billion ton-miles, up 2.5 percent from the comparable period last year. Also for this period, U.S. carload rail traffic was up 1.5 percent, U.S. intermodal rail traffic was up 8.6 percent, Canadian carload rail traffic was up 15.9 percent, Canadian intermodal rail traffic was up 7.5 percent, Mexican carload rail traffic was up 21.3 percent, and Mexican intermodal rail traffic was up 40.6 percent. (ffd: AAR)

MORE STATS – NORTH AMERICAN TRADE:

(MON) The U.S. Department of Transportation's Bureau of Transportation Statistics reported that surface trade with Canada and Mexico decreased more in 2009 than in any other year of the 15-year history of the North American Free Trade Agreement (NAFTA). The bureau reported that trade between the U.S. and its NAFTA partners utilizing surface transportation fell 23.3 percent in 2009 compared with 2008. Trade with Canada totaled \$386 billion in 2009, a decrease of 28.1 percent, and trade with Mexico totaled \$251 billion in 2009, a decrease of 14.4 percent. (ffd: USBTS)

EXPANSIONS, CONTRACTIONS AND ALIKE:

(TUE) The Indiana Harbor Belt filed to discontinue its trackage rights over approximately two miles of the Canadian National's Elgin, Joliet & Eastern line in and near Hammond, IN. (ffd: STB)

(WED) Canadian National sold a portion of its line west of Toronto Union Station to Metrolinx, the public agency that operates GO Transit commuter rail service that serves the Greater Toronto area. The transaction gives Metrolinx ownership of a GO Transit corridor linking Toronto Union Station with GO Transit's Willowbrook maintenance facility. CN will continue to provide freight rail service over the line. (ff: CN RR)

(THU) BNSF filed to discontinue its trackage rights over approximately two miles of line owned by the Alameda Beltline Railroad in Alameda County, CA. (ffd: STB)

APPOINTMENTS, ACHIEVEMENTS AND MILESTONES:

(MON) Kansas City Southern appointed Warren Erdman its EVP-Administration & Corporate Affairs. Mr. Erdman, who has been with KCS since 1997, was most recently its EVP-Corporate Affairs. (ffd KCS RR)

(TUE) Reading & Northern appointed John Hamm its VP-Business Development. Mr. Hamm, who is no relation to the actor who portrays Don Draper on the television series "Mad Men," is recently retired from Proctor & Gamble. (ffd: R&N RR)

(TUE) The U.S. Department of Transportation appointed ten new individuals to its Advisory Council on Transportation Statistics (ACTS). "The new ACTS members will assist the department in coordinating data and statistics with our work on transportation systems for the future," said Secretary of Transportation Ray LaHood on the occasion of announcing the appointments. Included in the appointments is John Gray, a vice-president with the Association of American Railroads. (ffd: Progressive Railroading, USDOT)

(WED) Las Vegas Railway Express, which is assisting in the planning and advocacy for resumed passenger rail service between Los Angeles, CA and Las Vegas, NV, appointed John Marino its VP-Rail Operations. Mr. Marino will continue to serve as president of shortline holding company Patriot Rail. (ffd: wire services)

(WED) Shortline holding company OmniTRAX appointed Michael Peters its SVP & Chief Commercial Officer. Mr. Peters was most recently with the consulting firm Peakview Strategy Group LLC. (ffd: Progressive Railroading)

(FRI) John Fenton was appointed the chief executive officer of Metrolink. Mr. Fenton was earlier the president and CEO of

OmniTRAX, and also earlier worked for the Canadian National, Kansas City Southern, Santa Fe, and Union Pacific Railroads. (ffd: The Daily Breeze)

ADDENDA:

Further last week's mention of the Long Island Rail Road as the oldest railroad in the U.S. still operating under its original name and charter (established April 24, 1834), Reader Ed Mayover notes, from the Strasburg Rail Road's website, that, "[on June 9, 1832], the Strasburg Rail Road was incorporated by a special act of the Pennsylvania Legislature."

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Dave Mears

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