

WEEKLY RAIL REVIEW

FOR THE WEEK ENDING SAT, APRIL 22, 2006

BY DAVE MEARS

(NOTE: My apologies for my delay in sending this edition, but I was attending the American Short Line and Regional Railroad Association's annual meeting in Orlando, FL. What a great event it was! Make sure to attend next year's gathering. Dave M.)

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

(MON) 6 persons were killed in a highway-rail crossing crash in Colorado. The accident occurred during daylight at a BNSF crossing in Granada, CO marked with crossbucks. Officials said that they were working to determine whether or not the 15-year-old driver, who survived the crash, had a valid learners' permit. (ffd: wire services)

(WED) The Federal Railroad Administration issued its "Final Report on the Safety of Remote Control Locomotive (RCL) Operations" to Congress. In his cover letter to the report, FRA Chief Administrator Joe Boardman stated that RCL technology may be used safely in switching yards, but added that "the FRA strongly believes that remote control technology should not be expanded beyond yard switching operations, with limited exceptions that involve short distances, limited tonnage and grades." Mr. Boardman further stated that an enhanced study methodology used in developing the report determined that "when comparing all railroads, RCL operations result in more train accidents than conventional operations," which he said were results differing from the FRA's preliminary findings concerning RCL. (ffd: Railway Age)

(WED) Canadian National debuted its new "Customs Clearance Service." The new program allows CN to arrange to have shipments destined for Canada cleared electronically through Canadian customs. A CN spokesman said that the service includes obtaining the release of imported goods, obtaining, preparing, presenting and transmitting necessary documents or data, and maintaining records and responding to any Canadian Border Services Agency issues. (ffd: Trains)

(THU) Union Pacific announced that it would pilot Wabtec's Electronic Train Management System (ETMS) between North Platte, NE and South Morrill, NE and between Spokane, WA and Eastport, ID. A UP spokesman described ETMS as a "lower-cost, non-vital overlay technology for dark or signaled territory." ETMS features include transmitting train movement-related information, including authority limits, speed limits, signal aspects, and work zones, to a computer screen inside the locomotive cab. An onboard computer will then automatically initiate enforcement braking if the engineer fails to respond appropriately to movement and speed limit information. ETMS is already being piloted by BNSF on its Beardstown, IL Subdivision. Later in the week, Chicago commuter rail operator Metra announced that it would pilot ETMS on its Rock Island service line. (ffd: Railway Age, Trains)

(THU) The State of Washington's Port of Seattle Commission approved an extension of Sound Transit's light rail system. The approval authorizes the extension the agency's Central Link service line 1.7 miles to the

Seattle-Tacoma International Airport. A Commission spokesman said that construction of the extension would begin this summer and was scheduled for completion by 2010. (ffd: Tacoma Daily News)

(FRI) Canadian National announced that it had reopened its main line between Montreal, PQ and Toronto, ON following it being blocked by Mohawks of the Bay of Quinte First Nation. The protesters blocked the line in sympathy of fellow tribespeople who had barricaded themselves in a dispute over a housing development in Caledonia, ON, which they said sits on tribal lands. The line was blocked for much of the day. The incident occurred near Marysville in eastern Ontario. (ffd: CN Corp., Trains)

STATS – TRAFFIC:

(NOTE: The Canadian carload and intermodal rail traffic mentioned below includes both the Canadian and U.S. operations of Canadian National and Canadian Pacific Railway.)

(THU) For the week ending April 15, 2006 – which this year included the Good Friday Holiday, but last year did not – U.S. rail volume grand totaled 33.0 billion ton-miles, down 2.1 percent. U.S. carload rail traffic was down 2.7 percent, down 0.4 percent in the East and down 5.5 percent in the West. Notable traffic increases included metals up 5.8 percent, grain up 2.4 percent, and coal up 1.1 percent; notable traffic decreases included nonmetallic minerals down 26.3 percent, primary forest products down 15.3 percent, and pulp, paper and allied products down 10.3 percent. Also for the week, U.S. intermodal rail traffic was up 5.4 percent, Canadian carload rail traffic was down 6.8 percent, Canadian intermodal rail traffic was up 1.3 percent, Mexico's Kansas City Southern de Mexico's carload rail traffic was down 17.1 percent, and KCSM's intermodal rail traffic was down 36.8 percent.

For the period January 1 through April 15, 2006 and ranked with the comparable period last year, U.S. rail volume grand totaled 495.5 billion ton-miles, up 1.6 percent. Also for this period, U.S. carload rail traffic was up 0.4 percent, U.S. intermodal rail traffic was up 5.8 percent, Canadian carload rail traffic was down 2.4 percent, Canadian intermodal rail traffic was up 4.6 percent, KCSM's carload rail traffic was down 5.0 percent, and KCSM's intermodal rail traffic was down 5.5 percent. (ffd: AAR)

MORE STATS – OPERATING PERFORMANCE:

(NOTE: These statistics will not be published this week, but will again be reported in next week's edition.)

STILL MORE STATS – 1ST QTR., 2006 FINANCIAL RESULTS:

(TUE) CSX reported net income of \$245 million, up from \$154 million the previous first quarter (1st Qtr., 2005 net income here excludes net gain from the sale of CSX's International Terminals subsidiary.) Revenues were \$2.331 billion, compared with \$2.108 billion the previous first quarter. CSX's first quarter operating ratio was 79.1

percent, improved from 83.3 percent the previous first quarter. (ffd: CSX Corp.)

(THU) Canadian National reported net income of C\$362 million, up from C\$299 million the previous first quarter. Revenues were C\$1.847 billion, up from C\$1.706 billion the previous first quarter. CN's operating ratio was 66.2 percent, improved from 69.2 percent the previous first quarter. (NOTE: In comparing CN's operating ratio with U.S.-based railroads, please note that CN, by and large, does not pay health benefits for its Canadian employees, due to Canada's national health care program. CN does pay health benefits for its U.S. employees.)

(THU) Union Pacific reported net income of \$311 million, up from \$128 million the previous first quarter. Revenues were \$3.7 billion, up from \$3.2 billion the previous first quarter. UP's operating ratio was 83.7 percent, improved from 90.1 percent the previous first quarter. (ffd: UP Corp.)

EXPANSIONS, CONTRACTIONS AND ALIKE:

(MON) Norfolk Southern filed to discontinue service over approximately 2 miles of line between near Park Avenue and near Tidewater Jct. in Norfolk, VA. (ffd: STB)

(MON) BNSF and Union Pacific granted Kansas City Southern temporary trackage rights over approximately 30 miles of BNSF line and 354 miles of UP line, in Louisiana and Texas. The purpose of the temporary trackage rights is to provide KCSR a connection between Mexico, the Texas Mexican Railway and the rest of KCSR while UP's Glidden Subdivision is out of service for program track maintenance. (ffd: STB)

(TUE) Palladon Ventures announced that the Albany and Eastern Railroad would operate its 14-mile line between the Comstock-Mountain Lion iron mine and Iron Springs, UT. (ffd: RT&S)

(TUE) Union Pacific granted BNSF temporary trackage rights over UP's Chester Subdivision between Rockview Jct., MO and Valley Jct., IL, totaling approximately 132 miles. The purpose of the temporary trackage rights is to allow BSNF to bridge its train service while its nearby line is out of service for program track maintenance. (ffd: STB)

(THU) CSX announced that Watco Companies was in negotiation to turn over operation of the Appalachian & Ohio Railroad to Four Rivers Transportation. Four Rivers is a holding company jointly owned by CSX and the management of the Paducah & Louisville Railway. The A&O operates approximately 117 miles of line between Grafton, WV and Cowen, WV. (ffd: Trains)

(THU) BNSF granted the Red River Valley & Western Railroad permanent trackage rights over BNSF's line between Jamestown, ND and Casselton, ND, totaling approximately 74 miles. The purpose of the trackage rights is to provide RRVW an alternate route to other lines in its system. (ffd: STB)

(THU) Lucas Rail Lines filed to acquire, from BPM Rail, the Louisville, New Albany & Corydon Railroad. The LRL operates between Corydon and Corydon Jct., IN. (ffd: STB)

(THU) Norfolk Southern granted the Nittany & Bald Eagle Railroad temporary trackage rights over NS's line between Driftwood, PA and Lock Haven, PA, totaling approximately 55 miles. The purpose of the temporary trackage rights is to "allow N&BE adequate bridge train service for temporary, seasonal traffic originating on the N&BE for delivery to an offline destination." (ffd: STB)

(FRI) The Southern California Regional Rail Authority, the parent agency of Southern California commuter rail operator Metrolink, granted Union Pacific temporary overhead trackage rights between Los Angeles, CA and City of Industry, CA, totaling approximately 14 miles. The purpose of the temporary trackage rights is to allow UP to bridge its train service while its nearby line is out of service for program track maintenance. (ffd: STB)

APPOINTMENTS, ACHIEVEMENTS AND ALIKE:

(WED) Kansas City Southern appointed Jose Zozaya President and Executive Representative of its Kansas City Southern de Mexico subsidiary. Mr. Zozaya was recently the legal and government relations director for ExxonMobil Mexico. (ffd: KCS Corp.)

(FRI) The noted track consultant John Zuspan announced the 2006 schedule for his "Trackwork 101" course. The daylong course, which provides a comprehensive overview of railway track engineering history and fundamentals, is scheduled for Orlando, FL on September 28, Atlanta, GA on October 2, St. Louis, MO on October 6, Houston, TX on October 10, Los Angeles, CA on October 19, Portland, OR on October 27, Denver, CO on November 3 and Pittsburgh, PA on November 15. Further details may be found at his trackguy.com website.

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Weekly Rail Review is edited from public news sources and published weekly to those working in, or interested in, rail and transit. Send an e-mail to <<mailto:weeklyrailreview@aol.com>>weeklyrailreview@aol.com to receive it, with my compliments.

HAVE A SAFE AND PROSPEROUS WEEK,

Dave Mears

Cherry Hill, New Jersey, USA