

## WEEKLY RAIL REVIEW

For The Week Ending SAT, April 24, 2004

By Dave Mears

(NOTE: The abbreviation "ffd" represents "for further details" and denotes a website or other news reference where further details of this news item may be found.)

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

(MON) New Jersey Transit announced that it would not resume passenger service to 3 stations on its Lower Boonton Line that have been closed since the completion of the Montclair Connection in 2002. An NJT spokesman noted that resumption of service would require \$26 million in immediate track and structure improvements and cost \$3 million to operate annually, while taking in only \$108,000 annually in fares. The spokesman added that New Jersey Transit Executive Director George Warrington will appoint a panel to consider improved bus services in the area of the 3 closed stations. (ffd: The Burlington County Times)

(TUE) The U.S. District Court of Appeals dismissed a suit brought by Guilford Rail against the U.S. Surface Transportation Board relating to the operation of Amtrak's Downeaster trains between Boston, MA. and Portland ME. The suit alleged that the STB could not rule that the trains are safe to operate on Guilford tracks at speeds up to 79mph; Guilford has maintained that the trains must operate at speeds of up to only 59mph until further track improvements were made. With the 79mph maximum speed already approved by the U.S. Federal Railroad Administration, the ruling appears to clear the way for the trains to operate to the higher speed. (ffd: NARP, wire services)

(TUE) A Burlington Northern Santa Fe freight train derailed 29 cars near Essex, MT. The cars were part of a 110 car train of mainly corn enroute from Sioux City, IA. to Pasco, WA. The derailment blocked BNSF's main line through Essex, but the line was reopened the following day. (ffd: The Billings Gazette)

(THU) A spokesman for New York State Governor George Pataki announced that the Port Authority of New York and New Jersey would provide an additional \$32 million toward resumption of rail freight service to and from New York City's borough of Staten Island. The funding will go toward rehabilitation of the freight line running along the northern coast of Staten Island, which last saw service in the 1990s. The spokesman added that New York City had earlier obtained federal funding toward resuming service on the line and that the Port Authority is also constructing a new connection between the line and the Conrail-Shared Assets's Chemical Coast freight line in New Jersey. (ffd: State of New York)

(THU) Metro North Railroad announced that it would purchase 120 additional Class M-7 electric commuter rail cars from Bombardier for approximately \$260 million. The order adds to the 300 M-7's purchased by MNRR and the 678 M-7's purchased by Long Island Rail Road since 1999. New York City Mayor Michael Bloomberg had earlier protested the additional purchase to MNRR's and LIRR's parent, the New York Metropolitan Transportation Authority, claiming

that the order would deprive New York City Transit of its due share of capital funding. (ffd: Railway Age)

(THU) A freight train believed to be carrying explosives blew up near the city of Ryongchon in North Korea. The explosion was believed to have killed approximately 154 persons and injured approximately 1,300 others. Details of the explosion were sketchy due to news restrictions imposed by North Korea's hard-line communist government, but relief workers back from the site said that the explosion appeared to have destroyed approximately 129 nearby buildings and damaged approximately 120 others. (ffd: wire services)

#### STATS:

(THU) For the week ending April 17, U.S. carload rail traffic was up 6.2 percent from the comparable week last year, up 3.9 percent in the East and up 8.1 percent in the West. This week this year versus this week last year, notable traffic increases included petroleum products up 20.5 percent, nonmetallic minerals up 17.8 percent and metals up 15.8 percent; notable traffic decreases included primary forest products down 4.6 percent. Also for the week ending April 17, U.S. intermodal rail traffic was up 12.1 percent, Canadian carload rail traffic was up 13.3 percent, Canadian intermodal rail traffic was up 13.1 percent, Mexico's Transportacion Ferroviaria Mexicana's carload rail traffic was up 7.6 percent and TFM's intermodal rail traffic was up 24.1 percent, all when ranked with the comparable period last year.

For the period January 1 through April 17, U.S. carload rail traffic was up 3.2 percent, U.S. intermodal rail traffic was up 7.6 percent, Canadian carload rail traffic was up 6.7 percent, Canadian intermodal rail traffic was down 0.5 percent, TFM's carload rail traffic was down 7.0 percent and TFM's intermodal rail traffic was down 6.7 percent, all when ranked with the comparable period last year. (ffd: AAR)

#### STATS CONTINUED – 1ST QTR., 2004 RESULTS:

(WED) Norfolk Southern reported net income of \$158 million for the first quarter this year, down from \$209 million in the first quarter last year. An NS spokesman noted that income in the first quarter last year also included gains from a required accounting change related to removing railroad crossties and from discontinued operations resulting from the sale of a motor carrier subsidiary. Revenues in the first quarter this year were \$1.7 billion, up from \$1.56 billion in the first quarter last year. NS's operating ratio improved to 79.6 percent in the first quarter this year, compared with 85.2 percent in the first quarter last year. (ffd: NS Corp.)

(FRI) Canadian National reported operating income of \$290 million for the first quarter this year, up from \$274 million in the first quarter last year. Revenues in the first quarter this year were \$1.056 billion, down from \$1.098 billion in the first quarter last year. CN's operating ratio improved to 72.5 percent in the first quarter this year, compared with 75.0 percent in the first quarter last year. (ffd: CN Corp.)

#### ACQUISITIONS, ABANDONMENTS AND ALIKE:

(WED) Burlington Northern Santa Fe granted overhead trackage rights to Stillwater Central Railroad between Tulsa, OK. and Sapulpa, OK., totaling approximately 11 miles. The purpose of the trackage rights is to allow SCRR to interchange with the South Kansas & Oklahoma Railroad at BNSF's Cherokee Yard. (ffd: STB)

(THU) Riverport Railroad filed to acquire, from the Carrol County Local Redevelopment Authority, approximately 50 miles of line located at the former Savanna Army Ammo Depot near Savanna, IL. Riverport had previously been leasing these lines. (ffd: STB)

(FRI) Florida West Coast Railroad filed to abandon approximately 13 miles of line between Trenton, FL. and Newberry, FL. (ffd: STB)

(FRI) Canadian Pacific/Soo Line agreed to renew local trackage rights to Union Pacific between Comus, MN. and Rosemount, MN., totaling approximately 27 miles. Trackage rights were originally granted in 1901, but had expired in 2001 and were temporarily extended pending formal agreement on renewal. (ffd: STB)

#### PERSONNEL CHANGES:

(TUE) Houston, TX. area bus and light-rail transit operator Houston METRO appointed Frank Wilson President and Chief Executive Officer. Mr. Wilson was most recently a consultant with AECOM Enterprises and was earlier transportation commissioner for the State of New Jersey. (ffd: Progressive Railroading)

(WED) Mac Fleming retired as President of the Brotherhood of Maintenance of Way Employees. Mr. Fleming had served as BMWWE's president for 14 years. (ffd: Progressive Railroading)

(THU) Union Pacific appointed Scott Moore General Manager-Public/Private Partnerships, a new position. Mr. Moore was most recently UP's Director-Government Affairs. (ffd: Railway Age)

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

HAVE A SAFE AND PROSPEROUS WEEK,  
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