

WEEKLY RAIL REVIEW

FOR THE WEEK ENDING SAT, JUNE 10, 2006

BY DAVE MEARS

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

(SUN) Officials investigating a possible bomb on CSX tracks near Newberry, FL later determined it to be a religious offering. The Alachua County Sheriff's Bomb Disposal Team determined the two bundles left on the tracks to contain vegetables, meat and coins. A CSX spokesman believed it to be an offering to Ogun, a deity worshipped by some Afro-Caribbean religions; Ogun is their god of war and iron and, therefore, is associated with steel railroad tracks. The CSX spokesman said that these offerings had been placed on their tracks before and commented, "Our concern is certainly the litter, but also that people are trespassing on our railroad and creating a potential hazard to themselves." (ffd: Gainesville Sun)

(MON) Officials in North Platte, NE announced that the long-planned Golden Spike Tower and Visitors Center had cleared its last legal challenges and that its board of directors had voted to accept bids for construction. A board spokesman said that the tower and center will "promote the city's railroad heritage" and provide a panoramic view of Union Pacific's Bailey Yard, one of the world's largest rail car classification yards. The spokesman added that an earlier tower design in the shape of a spike had been discarded due to high costs. (ffd: wire services)

(MON) New Jersey Transit announced that it had begun reconstruction of the original clock tower at its Hoboken Terminal. An NJT spokesman said that the clock tower had been removed in 1950 and replaced with a radio tower. The spokesman added that the project was scheduled for completion next summer. The reconstruction of the clock tower is part of a \$53.9 million renovation of Hoboken Terminal that will return it to its original design, including restoration of five of the original six water ferry slips. (ffd: NJ Transit)

(TUE) House and Senate conferees reached agreement on a \$95.4 billion bill to fund costs continuing from the Iraq War and for post-Katrina rebuilding. Dropped from the reconciled bill was \$700 million in funding for the acquisition and rerouting of CSX's rail line hugging the Gulf Coast. Proponents of the funding had wanted to replace CSX's right-of-way with coastal redevelopment and an evacuation highway. (ffd: Railway Age, NARP)

(TUE) The Surface Transportation Board announced that it would hold a public hearing July 27 on paper barriers, which relate to interchange between Class 1 railroads and regional and short line railroads. The hearing is in response to a plea by the Western Coal Traffic League. In a prepared statement, the STB stated that "WCTL has requested that the STB adopt rules limiting the extent to which agreements for the sale or lease of railroad lines, by larger railroads to existing or newly created short line railroads, may contain paper barriers restricting the incentive or ability of a purchaser or tenant to interchange traffic with connecting railroads that could compete with the seller or landlord railroad." (ffd: Railway Age)

(TUE) The full House Appropriations Committee approved its Fiscal Year 2007 transportation appropriations bill. The

bill includes the Bush Administration's request for \$900 million in FY2007 funding for Amtrak, an amount much less than its actual funding of approximately \$1.3 billion for FY2006 and its proposed funding of approximately \$1.6 billion for FY2007. A spokesman for the National Association of Railroad Passengers referred to the \$900 million as a "shutdown" amount. The bill now goes to the full House for debate and possible increase, after which it will be considered by the Senate. (ffd: NARP, Progressive Railroading)

(WED) In an announcement trumpeted by rail enthusiasts across the Internet, BNSF announced that it would enlist the railfan community to help keep its trains and property safe. "Keeping America's rail transportation network safer from crime and terrorist activity is a high priority for the rail industry," said William Heileman, BNSF General Director-Police and Protective Solutions. "Every day across the country, railfans photograph and watch trains as they pass through communities. It seems natural to harness their interest to help keep America's rail system safe." BNSF said that interested persons should first register on the Citizens United For Rail Security website at newdomino.bsnf.com. (ffd: BNSF Corp.)

(WED) A survey conducted by the National Retail Federation reported that major U.S. ports were operating smoothly. "The ramp-up into peak season is now underway, with monthly container volume building through October," said Paul Bingham of Global Insight, which co-authored the survey. "There is no congestion at the ports now, and the truck and rail systems are operating fluidly....The bottom line is that we expect the industry to get through the 2006 peak season without serious port congestion." (ffd: JofC Online)

(WED) The Environmental Policy Alert newsletter reported that waste industry officials and House lawmakers are "pressuring" the Surface Transportation Board to determine whether rail waste transfer facilities are exempt from state and local environmental regulations. The effort comes as House lawmakers from New Jersey and New York have introduced legislation that would limit the STB's authority over these waste facilities. Some companies owning and using them have claimed that they are not subject to state and local laws because they are preempted by the federal Interstate Commerce Commission Termination Act of 1995. (ffd: Environmental Policy Alert, wire services)

(WED) Amtrak announced the launch of Amtrak Mobile, which enables passengers to use any Web-accessing mobile device, such as a cell phone or PDA, to connect with train reservations and information systems available through the Amtrak website. An Amtrak spokesman said that, once logged on, customers may check the status of any train, make or cancel a reservation, or log into their personal profiles. The spokesman added that customers do not need to preregister for Amtrak Mobile and that there are no special downloads required. (ffd: Amtrak, Trains)

(WED) Kansas City Southern announced that it would offer new international service between Lazaro Cardenas, San Luis Potosi, and Monterrey, MX, to the southeastern U.S. markets via Jackson, MS, with continuing service to Atlanta, GA. A KCS spokesman said that service would start the week of June 18. The spokesman added that the service will operate daily from the Port of Lazaro Cardenas with delivery on the sixth day to Jackson and on the seventh day to Atlanta. (ffd: KCS Corp., Railway Age)

(THU) Amtrak announced that it will begin stationing a rescue locomotive near the entrance to the Hudson River rail tunnels to pull out trains that may be stranded in the tunnels due to a power failure, as happened when the Northeast Corridor line lost power the morning of May 25. The locomotive will be equipped with couplers compatible with both Amtrak and NJT passenger cars. Amtrak also said that it was still working to pinpoint the exact cause of the May 25 disruption, but said that the problem may root in a "load-sharing failure" involving power conversion stations in

Chester, PA and at Port Richmond in Philadelphia, PA. (ffd: Newark Star-Ledger, New York Times, wire services)

(THU) Los Angeles, CA commuter rail operator Metrolink announced that its monthly ridership exceeded one million riders for the first time in March, 2006. A Metrolink spokesman noted the effect of California gas prices, which he said "are now hovering around \$3.40 per gallon." The spokesman added that Metrolink's 8.2 percent ridership increase between May, 2005 and May, 2006 was the agency's largest-ever gain in a one-year period. (ffd: Progressive Railroading)

(FRI) The American Public Transportation Association named the Los Angeles County Metropolitan Transportation Authority its "Outstanding Public Transportation System" for 2006. An APTA spokesman said that the award was for achievements that included extensions to its light rail lines, expanded bus services, and a recent survey showing rider satisfaction at an all-time-high of 84 percent. The spokesman added that this was the first time that the LA MTA had received this award. (ffd: Progressive Railroading)

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 June 3, 2006, U.S. rail volume grand totaled 38.1 billion ton-miles, up 4.3 percent from the comparable week last year. U.S. carload rail traffic was up 3.4 percent, unchanged in the East, but up 6.1 percent in the West. Also for the week, U.S. intermodal rail traffic was up 6.3 percent, Canadian carload rail traffic was up 0.4 percent, and Canadian intermodal rail traffic was up 11.2 percent.

For the month of May, 2006, U.S. carload rail traffic was up 3.9 percent. An AAR spokesman noted that, in May, "average weekly coal carloadings were higher than in any month in recorded history." Also for the month, U.S. intermodal rail traffic was up 7.3 percent, Canadian carload rail traffic was down 3.2 percent, Canadian intermodal rail traffic was up 6.0 percent, Mexico's Kansas City Southern de Mexico's carload rail traffic was down 5.6 percent, and KCSM's intermodal rail traffic was down 7.2 percent.

For the period January 1 through May 31, 2006, U.S. rail volume grand totaled 731.0 billion ton-miles, up 2.3 percent from the comparable period last year. U.S. carload rail traffic was up 1.1 percent. Notable traffic increases included crushed stone, sand and gravel up 6.3 percent and coal up 3.5 percent; notable traffic decreases included nonmetallic minerals down 23.3 percent and chemicals down 2.4 percent. Also for this period, U.S. intermodal rail traffic was up 6.2 percent, Canadian carload rail traffic was down 2.4 percent, Canadian intermodal rail traffic was up 5.2 percent, KCSM's carload rail traffic was down 5.8 percent, and KCSM's intermodal rail traffic was down 7.1 percent. (ffd: AAR)

MORE STATS – OPERATING PERFORMANCE:

(NOTE: Effective October 1, 2005, railroads that had been furnished 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 June 2, 2006 and versus the previous week, average total cars on line was as follows: BNSF, 220,605 cars versus 222,390 cars; Canadian Pacific, 83,659 cars versus 84,047 cars; CSX, 220,938 cars versus 222,104 cars; Kansas City Southern, 26,846 cars versus 26,703 cars; Norfolk Southern, 202,186 cars versus 201,370 cars; and Union Pacific 321,244 cars versus 323,706 cars. (Comparative totals from last year are not yet available.)

Also for the week ending June 2, 2006 and versus the comparable week last year, average train speed was as follows: BNSF, 23.3 mph versus 24.1 mph; Canadian Pacific Railway, 24.4 mph versus 22.4 mph; CSX, 19.7 mph versus 19.6 mph; Kansas City Southern, 24.8 mph versus 23.4 mph; Norfolk Southern, 21.3 mph versus 22.8 mph; and Union Pacific, 21.1 mph versus 21.5 mph.

Finally for the week ending June 2, 2006 and versus the comparable week last year, average terminal dwell time was as follows: BNSF, 23.0 hrs versus 23.0 hrs; Canadian Pacific Railway, 20.2 hrs versus 26.4 hrs; CSX, 25.8 hrs versus 29.9 hrs; Kansas City Southern, 20.5 hrs versus 23.5 hrs; Norfolk Southern, 22.8 versus 22.6 hrs; and Union Pacific, 27.7 hrs versus 27.5 hrs. (ffd: AAR)

EXPANSIONS, CONTRACTIONS AND ALIKE:

(MON) Kansas City Southern filed to abandon approximately 1 mile of line between near Turnbull Drive and near Causeway Boulevard in Jefferson Parish, LA. (ffd: STB)

(MON) California's North Coast Railroad Authority announced that it had selected NWP Inc. to operate the 316-mile line between Eureka, CA and Novato, CA. The line was originally operated by the Northwestern Pacific, a former Southern Pacific subsidiary. NWP Inc. is a consortium of three California-based companies: Woodside Consulting Group, Evergreen Natural Resources and Berg Holdings. (ffd: Trains)

(MON) Railmark Holdings announced that it had purchased the Coe Rail and Train Travel companies from Mr. Laurence Coe. Coe Rail operates approximately 9 miles over a former Grand Trunk Western line between Wixom, MI and Walled Lake, MI, and also operates the Michigan Star Clipper Dinner Train, the nation's oldest, continuously running dinner train. (ffd: wire services)

(MON) Trimaran Capital announced that it had acquired Standard Steel, a manufacturer of wheels and axles for passenger and freight cars and locomotives. Standard Steel is headquartered in Pittsburgh, PA and has a

manufacturing facility in Burnham, PA. (ffd: Railway Age)

(WED) Pennsylvania's Monroe County Railroad Authority and its Lackawanna County Railroad Authority filed to merge. The MCRA was established in 1980 and controls approximately 29 miles of line and the LCRA was established in 1985 and controls approximately 65 miles of line. (ffd: STB)

(THU) Norfolk Southern filed to abandon approximately 4 miles of line near Marion, NC. (ffd: STB)

APPOINTMENTS, ACHIEVEMENTS AND MILESTONES:

(MON) International intermodal transportation provider Pacer International appointed Tom Shurstad as its president and Tom Finkbiner as president of its Pacer Stacktrain Group. Mr. Shurstad was most recently Pacer Stacktrain Group's president. Mr. Finkbiner was most recently on Pacer's board of directors and was earlier VP-Intermodal for Norfolk Southern. (ffd: business wire services)

(MON) The State of Virginia most recently appointed Matthew Tucker Director of the state's Department of Rail and Public Transportation. Mr. Tucker was most recently COO of California's Santa Clara Valley Transportation Authority. (ffd: Trains)

(MON) Edward Moyers passed away in Naples, FL at Age 77. Mr. Moyers was earlier president of MidSouth Rail Corporation from 1985 to 1988, president of Illinois Central from 1989 to 1992, and president of Southern Pacific from 1993 to 1995. (ffd: Chicago Tribune)

(TUE) DTE Services appointed Mark Jarrett as Division Manager of its rail car repair and maintenance facility in Clinton, IN. Mr. Jarrett was previous Chief Administrator of Amtrak's Beech Grove, IN passenger car shops. (ffd: Trains)

(TUE) Rail contractor Railworks announced the following appointments: Ronald Smith as President-National Transit Group; Joseph Spirito as VP-Risk Management; and Bill Field as Director-Safety. Mr. Field was earlier with the Safety Department of the former Conrail. (ffd: Railway Age)

(THU) Kansas City Southern appointed Michael Borrows AVP-Financial Reporting & Tax and Bradley Cornelsen Director-Joint Venture Accounting. Mr. Borrows was most recently BNSF's General Director-Finance. Mr. Cornelsen was most recently with SPX Cooling Technologies. (ffd: KCS Corp.)

(THU) Chicago, IL commuter rail operator Metra announced the forthcoming retirement of its chairman, Jeffrey Ladd.

Mr. Ladd has been the chairman of Metra since its 1984 creation. (ffd: Railway Age)

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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

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