

WEEKLY RAIL REVIEW

FOR THE WEEK ENDING JUNE 19, 2009

BY DAVE MEARS

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

(MON) The American Public Transportation Association (APTA) reported that more than 80 percent of public transit systems are dealing with flat or decreasing funding from local, regional and state sources. This in turn has caused nine out of ten of these systems to raise fares or cut service. Despite the economic downturn, public transportation ridership remained relatively unchanged the first quarter this year compared with the first quarter last year. (ffd: APTA)

(MON) A bill, "The National Transportation Objective Act of 2009," was introduced in the U.S. House of Representatives by Rep. Rush Holt (D-NJ). Among other objectives, the bill seeks to increase freight transportation provided by rail and intermodal transportation by 20 percent by 2030 and to reduce vehicular miles by 16 percent. (ffd: Journal of Commerce, Progressive Railroading)

(MON) U.S. Secretary of Transportation Ray LaHood gave an in-depth interview to U.S. News and World Report Magazine. Referring to the large number of federal transportation initiatives underway or planned, Mr. LaHood spoke of the present as a "transformational time" for U.S. transportation. He went on to discuss a proposed national infrastructure bank. "You would allow the states – and you could even do it at the federal level – to sell bonds. Then you could [set aside money for] projects of a state or national significance.....It's been tried in some states, and it works, and you can generate a lot of money." (ffd: U.S. News & World Report)

(MON) BNSF CEO Matt Rose commented that an economic recovery may soon be at hand, but will likely be a slow one. "It appears that we've seen a leveling out," said Mr. Rose. "We're looking for recovery now, but everybody believes it's going to be a longer climb." Later in the week, in testimony before the Senate Commerce Committee, Mr. Rose suggested a national transportation policy "roadmap" that would include a national vision for freight transportation, balanced economic regulation, increased public-private partnerships, and performance-based transportation funds. (ffd: RT&S, wire services)

(MON) New York State Governor David Paterson announced the launch of a free statewide "5 1 1" phone service to provide traffic and transit information. The system detects a caller's location based upon the land line phone being used or the communications tower to which his or her cellular phone is connected. Callers are then routed to relevant traffic and transit information for their travel area. (ffd: Empire State News)

(MON) The Los Angeles County Metropolitan Transportation Authority announced the release of a "Metro developer beta" website. The site features route, schedule and stop information for all five LA light rail and subway lines. Web developers and other interested individuals can then use the information for new or existing Web-based transit planning computer applications. (ffd: LACMTA, Progressive Railroading)

(WED) The Federal Railroad Administration released guidelines for states and regions to apply for federal high-speed and intercity passenger rail funds as part of the American Recovery and Reinvestment Act (ARRA). The guidelines feature four funding "tracks" to address various application goals. Grants for both planning and construction will be offered, so that states and regions can apply for funds no matter what state of development their project may be in. The guidelines are available on the FRA website at <<http://www.fra.dot.gov/us/content/2243>>www.fra.dot.gov/us/content/2243.

(WED) Secretary of Transportation Ray LaHood announced his support for 18 months of interim funding for the expiring

SAFETEA-LU Act. He indicated that this interim effort would be for the purpose of covering a five to seven billion dollar shortfall in the Highway Trust Fund. However and calling a delay in new surface transportation legislation "unacceptable," U.S. House Transportation and Infrastructure Committee Chair James Oberstar (R-MN) the next day proposed a successor to SAFETEA-LU, the "Surface Transportation Act of 2009." The bill proposes \$500 billion in surface transportation funding over the next five years, including \$90 billion for high-speed rail development. (ffd: NARP)

(WED) Long Island Rail Road and Metro North Railroad increased ticket prices approximately 10 percent. The increases are part of a plan to cover a projected \$1.8 billion deficit for New York City public transportation services. Across-the-board fare hikes for city subways and buses will take effect on June 28. (ffd: Newsday)

(WED) Washington, DC's National Capital Region Transportation Board announced their endorsement of a 16-mile light rail line across Montgomery and Prince Georges Counties, connecting Bethesda, MD and New Carrollton. The Board also approved a long-proposed light rail line alongside a trail on the right-of-way of the old Baltimore & Ohio Railroad's Georgetown Branch, which was abandoned in the mid-1980s. If eventually funded, the Bethesda-New Carrollton "Purple Line" is expected to cost \$1.68 billion. (ffd: Railway Age)

(WED) The Surface Transportation Board reported that total Class 1 railroad employment declined in May; 1.8 percent from April of this year and 8.3 percent from May of last year. Of particular note within that total, train and engine employees declined 4 percent from April of this year and 18 percent from May of last year. (ffd: STB)

(THU) Trains Magazine reported that Union Pacific would begin re-routing its double-stack trains from its former Western Pacific Feather River Canyon route to its former Southern Pacific Donner Pass route. The move will occur over the next 18 months, as tunnel clearance work on the Donner Pass route is completed. Union Pacific was reported to have no plans to close any routes as a result of the shift. (ffd: Plumas County News, Trains)

(THU) Canada amended its "Transportation of Dangerous Goods Act." The amendment requires railroads and other modes to develop and maintain approved emergency response assistance plans for hazardous material shipments. The amendment also mandates security plans and training, and requires that "dangerous goods" be tracked during transport. (ffd: Progressive Railroading)

(FRI) In a notable accident, a Canadian National freight train derailed 18 cars in Rockford, IL, and 12 of those cars carrying ethanol exploded and burned. The derailment killed a motorist and severely injured three others, all of whom were waiting at a crossing for the train to pass when it derailed. Authorities let the fire burn out and launched an investigation as to the cause of the accident. (ffd: wire services)

(FRI) Canadian National asked the Canadian Government to appoint a "conciliator" to help it reach agreement with 1,700 CN locomotive engineers working in Canada. The Teamsters Canada Rail Conference's previous contract with CN expired on December 31, 2008. (ffd: Toronto Globe & Mail)

(FRI) Replicating recent efforts of other railroads, BNSF debuted an online carbon estimator tool on its website, which it said would help customers determine the real "carbon advantage" of shipping by rail. Using the calculator, BNSF customers can input shipping data and then receive a customized report comparing carbon emissions using rail with those of trucks. (ffd: BNSF Corp., Progressive Railroading)

STATS:

(THU) For the week ending June 13, 2009, U.S. rail volume grand totaled 27.7 billion ton-miles, down 17.8 percent from the comparable week last year. U.S. carload rail traffic was up 0.6 percent from the previous week this year, but down 19.0 percent from the comparable week last year, and U.S. intermodal rail traffic was up 0.4 percent from the previous week this year, but down 17.0 percent from the comparable week last year. Also for the week, Canadian carload rail traffic was down 26.6 percent, Canadian intermodal rail traffic was down 18.8 percent, Mexican carload rail traffic was down 14.4 percent, and Mexican intermodal rail traffic was down 29.0 percent.

For the period January 1 through June 13, 2009, U.S. rail volume grand totaled 643.3 billion ton-miles, down 16.9 percent from the comparable period last year. Also for this period, U.S. carload rail traffic was down 19.5 percent, U.S. intermodal rail traffic was down 16.9 percent, Canadian carload rail traffic was down 24.1 percent, Canadian intermodal rail traffic was down 15.2 percent, Mexican carload rail traffic as down 14.5 percent, and Mexican intermodal rail traffic was down 21.0 percent. (ffd: AAR)

EXPANSIONS, CONTRACTIONS AND ALIKE:

(MON) Columbus, OH-based American Railcar announced that it had acquired rights to build diesel-multiple-unit (DMU) rail cars based on the designs of Colorado Railcar. Fort Lupton, CO-based Colorado Railcar went out of business last December 31. (ffd: Railway Age)

(MON) The Surface Transportation Board approved Arizona Eastern Railway's earlier application to build a 12.1-mile line in and near Safford, AZ. When constructed, the new line, which will include a 500-foot bridge over the Gila River, will serve the Phelps Dodge Mine in Safford. (ffd: Railway Age, STB)

(MON) Genesee & Wyoming announced that its Huron Central Railway would discontinue operations due to substantial traffic declines. A G&W spokesman said that HCRY would cease operations between McKerrow, ON and Sault Ste. Marie on August 15, and cease operations from Sudbury to McKerrow and Espanola on October 31. (ffd: G&W Corp.)

(MON) Union Pacific announced that it would file to abandon approximately 16 miles of its Henderson Industrial Lead between Overton, TX and Henderson. (ffd: STB)

(WED) The Surface Transportation Board approved Union Pacific's earlier request to abandon approximately 20 miles of line between Essex, MO and Miner. (ffd: STB)

APPOINTMENTS, ACHIEVEMENTS AND MILESTONES:

(TUE) Amtrak announced that its longtime inspector general, Fred Weiderhold, was retiring. A spokesman said that Mr. Weiderhold's functions would be performed, on an interim basis, by VP-Human Resources Lorraine Green. (ffd: Amtrak)

(THU) The Louisiana & North West Railroad appointed Johnnie Rabb its general manager. (ffd: Progressive Railroading)

(THU) The Terminal Railway serving the Alabama State Docks appointed Mike Russell its general manager. (ffd: Progressive Railroading)

(THU) Veolia Transportation, a provider of contracted passenger rail services, appointed Tom Downs the chairman of its rail division. Mr. Downs was president of Amtrak in the mid-1990s. (ffd: Progressive Railroading)

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Dave Mears

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