

WEEKLY RAIL REVIEW

FOR THE WEEK ENDING FRIDAY, JUNE 3, 2011

BY DAVE MEARS

(NOTE: I am continuing to issue WRR until it is current. Thanks for the encouraging comments many of you have sent me as I catch up. Also I will make all requested email additions and changes once I am caught up.)

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

(MON) The House and Senate of the Texas state legislature were unable to resolve differences that would have changed the name of the Texas Railroad Commission to the Texas Oil and Gas Commission. The latter change was recommended by the state's Texas Sunset Advisory Commission in recognition of the Railroad Commission no longer being involved in railroad oversight. (ffd: wire services)

(WED) Union Pacific agreed to a \$25 million settlement with the U.S. Environmental Protection Agency related to lead contamination in the Omaha, NE area. The contamination came from a now-closed Asarco Corporation lead refinery, which was located on land originally leased from UP and then sold to Asarco in 1946. Asarco settled its claim with the EPA in 1999, agreeing to pay approximately \$200 million. (ffd: Omaha World-Herald)

(WED) Illinois transportation officials reminded that approximately 440,000 senior citizens will lose their free ride privilege on CTA, Metra and Pace beginning September 1. After that date, only low-income seniors who pass a financial means test will be able to ride for free. Other seniors will be entitled to a reduced fare. The change is expected to increase farebox revenues for the three financially-strapped agencies by a total of \$30 million annually. (ffd: Chicago Tribune)

(WED) Two notable rail track thefts were reported as having taken in the New England region over the Memorial Day weekend. In Taunton, MA, two eight-foot sections of track were removed by vandals from an industrial park, which in turn caused a CSX train serving the facility and unable to stop in time to derail. In Portsmouth, RI, two sections of the state-owned Newport Secondary Line were reported removed. Police said that both thefts were likely motivated by current record prices paid for scrap steel. (ffd: Taunton Daily Gazette)

(WED) The U.S. Department of Transportation's Bureau of Transportation Statistics reported that the value of cargo moved by all surface transportation modes between the U.S. and Canada and Mexico rose 15.6 percent in March, 2011 compared with March, 2010. BTS noted the March, 2011 value of these shipments as \$80.8 billion, the highest value since data collection began in 1994. Also in March, 2011, the value of U.S. rail imports from Canada increased 12.8 percent to \$5 billion and the value of U.S. rail exports to Canada increased 3.2 percent to \$2.6 billion. The value of U.S. rail imports from Mexico decreased 0.3 percent to \$2.6 billion, but U.S. rail exports to Mexico increased 26.9 percent to \$2.1 billion. (ffd: USBTS)

(WED) Illinois Governor Pat Quinn (D) announced the creation of a partnership between the Illinois Department of Transportation and the University of Illinois to perform a feasibility study for 220-mph passenger rail service between Chicago and Champaign, IL, with the possibility of an extension south to St. Louis, MO. The study will look at alignments, possible stations, construction costs, financing opportunities, economic benefits, and ridership projections. (ffd: NARP)

(WED) CSX launched a public service project that it said "infuses five days of management training for groups of newly hired or recently promoted managers." CSX said that up to 500 CSX managers will work an estimated 1,200 service hours to rehabilitate

The Sanctuary, a learning center for children from low-income, high-crime neighbors in CSX's headquarters city of Jacksonville, FL. (ffd: Progressive Railroading)

(THU) The National Carriers' Conference Committee announced a tentative labor agreement with the United Transportation Union covering approximately 38,000 UTU-represented rail employees. The agreement, which is retroactive to January 1, 2010 and runs through December 31, 2014, includes a 17 percent pay increase over this time period and retention of the \$200 monthly cap on health care cost sharing. Railroads represented by the NCCC include BNSF, CSX, Kansas City Southern, Union Pacific, and several short line and regional railroads. (ffd: NCCC, wire services)

(THU) A California court ruled that inward-facing cameras in the locomotives and control cabs of Metrolink trains do not violate privacy rights. The ruling came in a lawsuit filed by the Brotherhood of Locomotive Engineers and Trainmen, which opposed the presence of the cameras. Metrolink installed the cameras following the 2008 Chatsworth, CA head-on crash in which the engineer of the colliding Metrolink train was determined to have been texting with his cell phone. (ffd: Los Angeles Times)

(FRI) San Francisco area commuter rail operator Caltrain approved a new fiscal budget that it said would allow it to avoid significant service cuts. Caltrain earlier said that its budget crisis was so extreme that it might have to curtail all non-rush hour service. It said that it had financed a \$30.2 million budget gap by raising fares 25 cents and raising parking fees by \$1. (ffd: Trains)

(FRI) Metro North said that it would bill the driver of an automobile that crashed into one of their trains for damages to the train. Victoria Besse, Age 40, and her seven-year-old daughter survived the crash with injuries; no crew or passengers were injured aboard the train. The accident occurred at a private highway-rail grade crossing. "The train was where it was supposed to be and the car was not," said a Metro North spokesman. (ffd: Trains)

(FRI) BNSF announced the operation of its next series of special excursion trains for employees and special guests. BNSF said the trains will operate through the month of June out of 11 cities in Colorado, Kansas, New Mexico and Texas. Passengers will include more than 5,000 BNSF employees and their families, as well as an estimated 1,000 Boys & Girls Club members in three cities, BNSF customers, and state and local officials. (ffd: BNSF RR)

STATS – CLASS 1 RAIL TRAFFIC:

(THU) The Association of American Railroads reported that, for the week ending May 28, 2011 and ranked with the comparable week last year:

-U.S. carload rail traffic totaled 288,049 units, up 0.7 percent

-Notable U.S. carload traffic increases included metallic ores up 48.9 percent, grain up 18.5 percent, and lumber and wood products up 13.7 percent; notable decreases included primary forest products down 23.1 percent, non-grain farm products down 19.7 percent, and nonmetallic minerals down 15.4 percent.

-U.S. intermodal rail traffic totaled 234,668 units, up 4.2 percent

-Canadian carload rail traffic totaled 75,412 units, up 6.5 percent

-Canadian intermodal rail traffic totaled 46,472 units, down 0.1 percent

-Mexican carload rail traffic totaled 13,665 units, down 10.7 percent

-Mexican intermodal rail traffic totaled 8,944 units, up 29.4 percent

For the period January 1 through May 28, 2011 and ranked with the comparable period last year:

- U.S. carload rail traffic totaled 6,110,554 units, up 3.2 percent
- U.S. intermodal rail traffic totaled 4,703,701 units, up 8.5 percent
- Canadian carload rail traffic totaled 1,546,726 units, up 1.5 percent
- Canadian intermodal rail traffic totaled 973,296 units, up 3.3 percent
- Mexican carload rail traffic totaled 301,250 units, up 5.7 percent
- Mexican intermodal rail traffic totaled 153,887 units, up 13.1 percent

Note: Canadian traffic totals include that traffic on U.S. operations of the Canadian National and Canadian Pacific Railways.

STATS CONTINUED – 1ST QTR., 2011 SAFETY RESULTS:

The Federal Railroad Administration reports that, for the first three months of 2011 and compared with the first three months of the previous year:

- Reportable train accidents totaled 481, a 5.3 percent decrease
- Hazmat releases totaled 6, a 100 percent increase
- Work-related employee fatalities totaled 4, a 20 percent decrease
- Work-related employee injuries and illnesses totaled 975, a 10 percent decrease
- Highway-rail grade crossing fatalities totaled 72, a 12.5 percent increase
- Trespasser fatalities totaled 83, a 2.5 percent increase

EXPANSIONS, CONTRACTIONS AND ALIKE:

(TUE) Ground was broken for the new location of the Museum of the American Railroad. The museum is relocating from Fair Park in Dallas, TX to 12.34 acres just east of the Frisco Discovery Center in Frisco, TX. The museum's collection is expected to move to the new location later this year. (ffd: Dallas Morning News)

(TUE) Kinder Morgan Corporation has announced that it will expand the capacity of two of its coal exports facilities served by CSX, one in Fairless Hills, PA and the other in Charleston, SC. CSX is also reconfiguring its trackage through Charleston to improve its ability to serve the port. (ffd: Trains)

(WED) The Saratoga & North Creek Railway filed to acquire, from Canadian Pacific's Delaware & Hudson U.S. subsidiary,

approximately 17 miles of line between Saratoga Springs and Corinth, NY. The Saratoga & North Creek also filed to operate approximately 39 miles of line owned by Warren County, NY between Corinth and North Creek, NY. (ffd: STB)

(WED) Related to the start of operation by the Maine Northern Railway of 233 miles of line recently acquired from the Montreal, Maine & Atlantic Railway, the MM&A granted overhead trackage rights to MNRC between Madawaska, ME and St. Leonard, NB, so that the MNRC may interchange with Canadian National to the north. (ffd: STB)

APPOINTMENTS, ACHIEVEMENTS AND MILESTONES:

(THU) BNSF announced the following appointments: Rollin Bredenberg as VP-Capacity Planning & Operations Research; Bob Lease as VP-Service Design & Performance, succeeding Mr. Bredenberg; and Rob Reilly as Regional VP-South Region, succeeding Mr. Lease. (ffd: STB)

(THU) Tom Shedd passed away, Age 93. Additional to earlier service with the Association of American Railroads, Mr. Shedd was the editor of Modern Railroads Magazine from 1959 through 1983. He continued as editorial director of Modern Railroads until 1991, when the magazine was merged into Railway Age. (ffd: Railway Age)

(FRI) Laurie Knight was appointed SVP-Government Affairs by the Association of American Railroads. Ms. Knight, who was formerly with the National Association of Broadcasters, succeeds Obie O'Bannon, who has announced his retirement effective July 25. (ffd: AAR)

EDITOR'S NOTES:

-In case it is helpful to anyone who may not have received the last edition sent due to it possibly having been caught in or deleted by a spam filter, please know that it was sent June 29 For the week ending May 27.

-The expression "ffd" stands for "for further details" and denotes a news periodical, website, etc. that may have more information.

-I always appreciate any readers who send on Weekly Rail Review to let me know to whom they forward it, so that I may learn more about my total readership. Thank you to those of you who have so advised! All names, email addresses, etc. sent me are kept confidential and are never used for any other purpose.

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BE SAFE AND PROSPER,

Dave Mears

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