

## WEEKLY RAIL REVIEW

FOR THE WEEK ENDING SAT, JULY 15, 2006

BY DAVE MEARS

(NOTE: "ffd" indicates a reference "for further details.")

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

(MON) The American Short Line and Regional Railroad Association announced a special seminar on ethanol and its burgeoning involvement with the railroad industry. The seminar will be held in conjunction with the American Coalition for Ethanol's annual conference and trade show scheduled for August 7 through 10 in Kansas City, MO. Further details and registration, which includes entrance to both the seminar and the conference, are available at the ASLRRRA website, <<http://www.aslrra.org/>>www.aslrra.org. Ethanol is considered by industry analysts to have excellent market potential for railroads, as demand for it is rapidly escalating and its inputs, outputs and byproducts all lend themselves to movement by rail.

(TUE) A Chicago Transit Authority Blue Line subway train derailed near the city's Clark-Lake station. The derailment then sparked an electrical fire. Approximately 100 persons were injured in the accident, none seriously. A team from the National Transportation Safety Board was dispatched to the city to investigate the accident. CTA officials noted that the escape system in the tunnel worked as designed and that train passengers were able to follow tunnel lights and climb up an escape hatch to street level. (ffd: NARP, wire services)

(TUE) 8 bombs exploded aboard trains and stations in and near the Indian city of Mumbai. The explosions killed more than 180 persons and injured more than 700 persons. Initial reports indicated that terrorists associated with the disputed Kashmir region may be responsible for the bombings. In the U.S., Secretary of Homeland Security Michael Chertoff expressed concern, but said that there was no "specific or credible evidence suggesting there's an imminent threat" to the country or its transit systems. (ffd: NARP, Progressive Railroading)

(WED) The New York City Transit Authority was reported to have dropped imminent plans to expand one-person operation (OPTO) of city subway trains, including those on the system's "L" line, which was recently reengineered for such operation. Arbitrators recently ruled that OPTO violates provisions of the NYCTA's existing contract with the Transport Workers Union, although the contract does allow OPTO on some short-distance shuttle trains. "The arbitrator ruled that future expansion of OPTO takes negotiation with the union. And at this point, those negotiations are still on hold," said New York Metropolitan Transportation Authority President Lawrence Reuter. (ffd: NY1 News)

(THU) The Ottawa, ON city council approved construction of a north-south light rail line. The line, which is expected to cost upwards of C\$780 million to construct, will run from the University of Ottawa out to the town of Barrhaven. A city spokesman said that the line was expected to be operational by 2010. (ffd: Ottawa Citizen)

(THU) Amtrak announced that it had installed and activated wireless electronic credit card processing devices in the café cars of its Acela Express trains. The devices will allow cafe attendants to obtain instant authorizations from credit card companies for snacks and beverages purchased with any major credit card. An Amtrak spokesman said that the new devices would also be installed in the café cars of all Northeast Corridor regional trains by the end of October and in the dining cars of all long-distance train services by the end of next year. (ffd: Amtrak)

(FRI) New Mexico Rail Runner Express commuter trains began serving Albuquerque, NM. Trains began operating between Bernalillo, NM and Albuquerque, and state officials said that service would be extended to Belen, NM by September or October, at which time the line will total 46 route miles and 9 stations. A state spokesman said that rides will be free for the next three months, after which a \$2 flat fare will be charged through year's end, with a permanent fare structure in place on January 1, 2007. (ffd: Progressive Railroading, Railway Age)

(FRI) The Senate defeated an amendment to the 2007 Homeland Security Appropriations Bill that would have increased rail security funding by \$1 billion. The amendment, offered by Sen. Joseph Biden (D-DE), was defeated on a 50-50 tie vote. After the vote, Mr. Biden addressed the Senate, saying, "We're going to regret this." Supporters of the measure had called attention to the fact that the federal government spends \$9 per airline passenger on security, while spending only about one penny per transit passenger on security. (ffd: NARP)

(FRI) The Massachusetts Bay Transportation Authority announced that it would increase the frequency of commuter train service between Boston, MA and Providence, RI beginning Monday, July 24. An MBTA spokesman said that, effective that date, the number of weekday MBTA roundtrips between the two cities would increase from 11 to 15. The spokesman also said that, effective July 29, weekend MBTA train service between the two cities would begin, with 9 roundtrips on Saturdays and 7 roundtrips on Sundays. (ffd: Railway Age)

(FRI) FTR Associates, a transportation research firm, predicted that demand for rail services would continue at high levels for at least the next few years. A FTR spokesman said that railroads' total ton-miles were expected to rise 2.1 percent in 2006, 2.6 percent in 2007, and 2.1 percent in 2008. The spokesman added that, related to rail car construction, orders for cars would outpace deliveries, causing car buildings to increase car production. (ffd: Progressive Railroading)

(FRI) Contractors began drilling into a hillside in Richmond, VA's Jefferson Hill Park in an effort to possibly recover a steam locomotive entombed there. A spokesman for the city, which owns the property and has approved the drilling, said that the locomotive, Chesapeake & Ohio Railway No. 231, became trapped in the tunnel when it collapsed in 1925. The locomotive's engineer and two others were killed in the collapse and historians believe that at least one body is still inside the tunnel. The contractors are first lowering cameras into a hole and will then review the images and meet with city officials and consulting engineers before deciding whether the locomotive can be taken out. (ffd: Richmond Times-Dispatch, wire services)

(SAT) Officials of Laguna Niguel, CA announced the success of their 27th annual Moon Amtrak Day, which was held in the town the previous Saturday. The event, which has drawn national notoriety, saw approximately 5,000 participants, many of who lined up alongside the railroad tracks in front of the city's Mugs Away Saloon to expose their posteriors to passing Amtrak and Metrolink trains. A spokesman for the town advised that further information about the event, which is customarily held the second Saturday of July, may be found at

<<http://www.moonamtrak.org/>>www.moonamtrak.org. (ffd: Orange County Register)

#### 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 July 8, 2006, U.S. rail volume grand totaled 29.6 billion ton-miles, up 6.1 percent from the comparable week last year. U.S. carload rail traffic was up 4.9 percent, up 1.5 percent in the East and up 7.1 percent in the West. Notable traffic increases included metals up 30.2 percent, grain up 14.6 percent, and coal up 9.0 percent. Also for the week, U.S. intermodal rail traffic was up 3.8 percent, Canadian carload rail traffic was down 1.5 percent, Canadian intermodal rail traffic was up 5.1 percent, Mexico's Kansas City Southern de Mexico's carload rail traffic was up 1.9 percent, and KCSM's intermodal rail traffic was unchanged.

For the period January 1 through July 8, 2006, U.S. rail volume grand totaled 896.6 billion ton-miles, up 2.8 percent from the comparable period last year. Also for this period, U.S. carload rail traffic was up 1.6 percent, U.S. intermodal rail traffic was up 6.3 percent, Canadian carload rail traffic was down 1.8 percent, Canadian intermodal rail traffic was up 5.9 percent, KCSM's carload rail traffic was down 5.0 percent, and KCSM's intermodal rail traffic was down 6.4 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 July 7, 2006 and versus the previous week, average total cars on line was as follows: BNSF, 223,676 cars versus 223,715 cars; Canadian Pacific, 81,213 cars versus 81,835 cars; CSX, 227,160 cars versus 227,257 cars; Kansas City Southern, 26,224 cars versus 27,265 cars; Norfolk Southern, 203,474 cars versus 203,491 cars; and Union Pacific 322,185 cars versus 322,606 cars.

Also for the week ending July 7, 2006 and versus the comparable week last year, average train speed was as follows: BNSF, 23.6 mph versus 23.5 mph; Canadian Pacific Railway, 25.7 mph versus 23.1 mph; CSX, 19.0 mph versus 19.9 mph; Kansas City Southern, 24.5 mph versus 22.3 mph; Norfolk Southern, 21.2 mph versus 22.5 mph; and Union Pacific, 21.3 mph versus 21.2 mph.

Finally for the week ending July 7, 2006 and versus the comparable week last year, average terminal dwell time was

as follows: BNSF, 24.5 hrs versus 24.5 hrs; Canadian Pacific Railway, 20.1 hrs versus 22.6 hrs; CSX, 27.6 hrs versus 30.4 hrs; Kansas City Southern, 21.3 hrs versus 25.3 hrs; Norfolk Southern, 24.6 hrs versus 24.2 hrs; and Union Pacific, 28.0 hrs versus 29.5 hrs. (ffd: AAR)

#### EXPANSIONS, CONTRACTIONS AND ALIKE:

(TUE) The Iowa Interstate Railroad announced that it had completed the purchase of OmniTRAX's Great Western Railway of Iowa, a terminal switching railroad in Council Bluffs, IA, and would absorb it into the IAIS system. (ffd: RDC Corp.)

(THU) The Kettle Falls International Railway filed to abandon approximately 24 miles of line between Danville, WA and San Poil, WA. (ffd: STB)

(THU) The Lackawaxen-Honesdale Shippers Association filed to acquire, from the Pennsylvania DOT, approximately 25 miles of line between Lackawaxen, PA and Honesdale, PA. (ffd: STB)

(THU) Shortline and regional railroad conglomerate Watco Companies announced that they had reached agreement to acquire, from Boise Cascade, and operate the Minnesota, Dakota & Western Railway. The MD&W operates 4 miles of main track and 20 miles of yard track out of the Boise mill in International Falls, MN. (ffd: Watco Companies)

(FRI) BNSF filed to abandon approximately 12 miles of line between Bottineau, ND and Souris, ND. (ffd: STB)

(FRI) The Federal Railroad Administration issued a directive ordering BNSF to restore the block signal system over 142 miles of track between Sapulpa, OK and Mill Creek, OK. The order followed FRA monitoring of traffic over the line, concluding that "the continuation of the proposed signal system discontinuance is not in the public interest and not consistent with railroad safety." BNSF has until September 30, 2007 to restore the block signaling. (ffd: FRA)

#### APPOINTMENTS, ACHIEVEMENTS AND MILESTONES:

(TUE) Norman Mineta, who resigned as Secretary of Transportation effective July 7, announced that he had accepted a position at Hill & Knowlton, a communications consultancy. Mr. Mineta will serve as vice chairman and will be based in Washington, DC. (ffd: Railway Age)

(TUE) The Transportation Security Administration appointed John Sammon as Assistant Administrator of TSA's recently created office of Transportation Sector Network Management. Mr. Sammon was a longtime marketing executive for the former Conrail and was briefly with CSX after Conrail's 1999 absorption by CSX and NS. (ffd:

USDHS)

(THU) BNSF appointed Lettie Haynes AVP-Applications Development for its marketing, finance, and human resources needs. Ms. Haynes succeeds Dave Sturgeon, who has announced that he will retire in September. (ffd: Progressive Railroading)

(FRI) The Bush Administration nominated Calvin Scovel to be Inspector General of the Department of Transportation. If confirmed, Mr. Scovel will succeed Kenneth Mead, who resigned as USDOT IG earlier this year. Mr. Scovel is currently the senior judge of the U.S. Navy and Marine Corps Court of Criminal Appeals. (ffd: wire services)

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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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