

WEEKLY RAIL RECAP

For the week ending SAT, July 20, 2002

By Dave Mears

(NOTE: The expression "ffd" at the end of a news item means "for further details" and usually represents what I believe to be the most helpful news resource if a reader wants more information on a particular item.)

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

(MON) A Canadian National freight train enroute from Winnipeg, MB. to Chicago, IL. derailed 34 cars near Addison, WI. Several of the derailed cars caught fire, although none carrying hazmat were involved, and the fire was quickly brought under control. The cause of the derailment was still under investigation at press time. (ffd: Milwaukee Journal Sentinel)

(MON) Borrowing its name from the Boy Scouts, CSX launched a 4 day "Toledo Subdivision Jamboree" to maintain and upgrade its line between Trent, OH. and New River Jct., OH., the latter near Cincinnati. The work, which concluded later in the week, involved more than 500 CSX maintenance-of-way employees and included replacing 115,000 crossties, re-decking an 800 foot long bridge and resurfacing 168 miles of track. CSX GM-Network Operations Jim Newell noted that the 4 day effort would have otherwise taken 8 weeks had it been performed under normal m-of-w curfews on the line. (ffd: Railway Track and Structures)

(MON) Chicago, IL. commuter rail operator METRA restored service to its Illinois Central Electric line. Service had been interrupted since the previous Thursday, when an empty commuter train enroute to layover derailed and damaged trackside electrical and signaling equipment. (ffd: Chicago Tribune)

(TUE) The U.S. Railroad Retirement Board filed its annual report with the U.S. Congress. While the report included the cautionary note that "actual levels of railroad employment and investment over the coming years will largely determine whether corrective action [to the fund] is necessary," it stated that it foresaw no entitlement problems "for at least 19 years" barring "a sudden, unanticipated, large decrease in railroad employment or substantial investment losses." The report totaled the railroad retirement trust fund at \$19.8 billion and railroad unemployment insurance fund at \$40.1 million. (ffd: RRB)

(TUE) U.S. Senate Commerce Committee Chairman Ernest Hollings warned the Bush Administration that he would resist attempts to link major operating reforms at Amtrak to another year of federal subsidies. In a letter to U.S. Secretary of Transportation Norman Mineta, Sen. Hollings urged the administration to drop its tentative Amtrak reforms plans and instead work with him on a passenger rail bill already approved by his committee. The bill would provide Amtrak and Amtrak state partners \$4.6 billion annually over the next 5 years to support current passenger rail service and develop new high-rail speed corridors, and provide an additional \$1.3 billion for rail security upgrades. (ffd: wire services)

(WED) The Reno, NV. city council voted to spend \$170.7 million to design and build a 2.1 mile trench for the railroad tracks currently at grade through its downtown. The project, which had been debated by the city for nearly 6 years, will total \$264 million and is expected to be complete and operational by 2005. (ffd: Reno Gazette Journal)

(WED) Norfolk Southern confirmed that it would begin shifting some trains from its ex-PRR line between Buffalo, NY. and Harrisburg, PA. to a routing utilizing new NS trackage rights over the Reading, Blue Mountain & Northern's Lehigh Line. An NS spokesman said the new routing, over NS's Southern Tier Line and then onto the RB&N to its Allentown, PA. connection, has efficiencies over NS's Buffalo-Harrisburg Line due the latter's 25mph speed limit over much of it and its steep grade across Keating Summit. (ffd: Hornell Evening Tribune)

(THU) The U.S. Congress voted to approve a \$205 million, "no strings attached" grant to Amtrak, which will allow it to continue operating through the end of the current fiscal year. The funding was part of a \$28.9 billion defense related bill that President Bush has said he would sign. (ffd: UTU, wire services)

(THU) The New York-New Jersey Port Authority announced that its new \$1.9 billion elevated light rail system serving JFK Airport would begin operation in the fourth quarter of this year. A Port Authority spokesman said that the first segment of the system, known as Air Train JFK and which will eventually total 8.1 miles in length, will connect the Howard Beach subway station with JFK's central terminal and parking areas. An extension to the LIRR's Jamaica Station will open in the

second quarter next year. (ffd: NYNJPA)

(THU) Legislation relating to U.S. Federal Railroad Administration safety enforcement activities continued before Congress. The legislation would levy users fees, last imposed on the railroad industry in 1995, totaling over \$100 million annually to help fund FRA work. The legislation would also allow FRA investigators to monitor radio communications for accident investigation and prevention purposes. The Association of American Railroads issued a statement opposing the legislation as it is currently proposed. (ffd: AAR)

(THU) Continuing current rail industry initiatives to capture more perishable traffic, Canadian National announced that it would acquire 150 new 53-foot refrigerated containers. A CN spokesman noted that this traffic moves principally between central and western Canada aboard its "Need For Speed" series intermodal trains, and that recent reductions in both pricing and transit times have made these trains "fully truck competitive." (ffd: CN Corp.)

(FRI) In a letter to the U.S. Federal Railroad Administration, Union Pacific said that it had reduced stop signal violations by 50 percent since 2000. UP credited the reduction to initiatives that included a joint management-labor stop signal violation/prevention committee, a new efficiency testing program emphasizing education and coaching instead of initial discipline, and a new engineer quality management system that tabulates rules test scores and operating officer observation results into a scorecard for each engineer. Relatedly and in late June, FRA directed railroads to increase their efficiency testing and monitoring of operating rule compliance following several train collisions between April 23 and mid-June that killed 3 persons and injured others. (ffd: trains.com)

(FRI) Deutsche Bahn, Germany's state railway system, announced that it would open its new high-speed rail line between Frankfurt and Cologne on August 1. The new line, along with 54 new high-speed trainsets also being put in service, will reduce the current 2 hour and 14 minute travel time between the 2 cities to approximately 1 hour and will include stops at Frankfurt Airport, Siegburg/Bonn, Montabur and Limburg-Sud. Service frequency will be hourly between 6AM and 8PM. A Deutsche Bahn spokesman said that the new line cost approximately \$6 billion and took 6 years to complete. (ffd: Rail Europe Co.)

STATS:

(THU) For the week ending July 13, U.S. carload rail traffic was up 3.9 percent from the comparable week last year, up 2.8 percent in the East and up 4.7 percent in the West. This week this year versus this week last year, notable traffic increases included metallic ores up 39.3 percent, non-grain farm products up 30.5 percent, nonmetallic minerals up 19.2 percent and motor vehicles and equipment up 10.1 percent; notable traffic decreases included forest products down 8.2 percent and stone, sand and gravel down 7.2 percent. Also for the week ending July 13, U.S. intermodal rail traffic was up 8.3 percent, Canadian carload rail traffic was down 6.5 percent, Canadian intermodal rail traffic was up 18.5 percent, Mexico's Transportacion Ferroviaria Mexicana's carload rail traffic was up 0.7 percent and TFM's intermodal rail traffic was up 22.8 percent, all when ranked with the comparable week last year.

For the period January 1 through July 13, U.S. carload rail traffic was down 1.9 percent, U.S. intermodal rail traffic was up 4.3 percent, Canadian carload rail traffic was down 3.3 percent, Canadian intermodal rail traffic was up 7.6 percent, TFM's carload rail traffic was down 1.9 percent and TFM's intermodal rail traffic was up 6.4 percent, all when ranked with the comparable week last year. (ffd: AAR)

STATS CONT. - 2nd QTR., 2002 RESULTS - PART 1:

(THU) First this time among the Class 1 railroads in stating second quarter results, Union Pacific reported net income of \$304 million, up from \$300 million net income in the second quarter last year. UP also reported second quarter revenue of \$3.15 billion, up from \$3.0 billion revenue in the second quarter last year. (ffd: UP Corp.)

ACQUISITIONS, ABANDONMENTS AND ALIKE:

(WED) The West Texas & Lubbock Railroad filed to abandon approximately 1 mile of in the City of Lubbock, TX. (ffd: STB)

(FRI) CSX filed to abandon their line between Jarrolds Valley Jct., WV. And Clear Creek, WV., totaling approximately 15 miles. (ffd: STB)

CHANGING PEOPLE AND PLACES:

(TUE) Amtrak appointed Jonathan Klein its Chief Mechanical Officer. Most recently a consultant, Mr. Klein was earlier Philadelphia, PA.'s SEPTA's Chief Mechanical Officer from 1980 through 1985 and later its Deputy Treasurer from 1989 through 1992. (ffd: Progressive Railroadng)

(THU) Roger Nober was nominated to the U.S. Surface Transportation Board to fill the seat of William Clyburn, whose term expired at the end of 2001. Mr. Nober is most recently counsel at the U.S. Department of Transportation to Deputy Transportation Secretary Michael Jackson. (ffd: STB)

(FRI) John Magaw resigned as Under Secretary of Transportation for Security. Mr. Magaw, who had been on the job since January 28, will be replaced by retired U.S. Coast Guard Admiral James Loy, the TSA's current second in command and chief operating officer. (ffd: Progressive Railroadng)

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Thanks to Charles Lee for relaying information related to Monday's Wisconsin derailment.

Weekly Rail Recap 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 djmservices@aol.com to receive it, with my compliments.

HAVE A SAFE AND PROSPEROUS WEEK,
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