

WEEKLY RAIL REVIEW

FOR THE WEEK ENDING SAT, JULY 30, 2005

BY DAVE MEARS

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

(MON) BNSF filed an \$18 million lawsuit against the companies that designed and built the railway's new main line refueling facility near Coeur D'Alene, ID. A BNSF spokesman said that the amount it is seeking represented \$6.7 million for costs related to when the depot was ordered closed by an Idaho judge for 74 days beginning last February, following the discovery that fuel was leaking from it and into the area's water supply aquifer, as well as \$7.5 million for corrective repairs and \$3.5 million for a related environmental hazard investigation. All of the involved parties said that they would decline further comment on the pending litigation. (ffd: Seattle Post-Intelligencer, Trains)

(MON) New York City Transit Authority officials said that additional police and related security personnel stationed in city subways following the London transit attacks have additionally resulted in a significant decline in subway crime. A NYCTA spokesman said that subway crime was down 23 percent compared with last July. "The criminals are staying away," said New York Metropolitan Transportation Authority Board Member Barry Feinstein. (ffd: New York Daily News)

(TUE) The Executive Board of the International Brotherhood of Teamsters, representing several rail unions including the Brotherhood of Locomotive Engineers and the Brotherhood of Maintenance of Way Employees, unanimously voted to withdraw from the American Federal of Labor-Congress of Industrial Organizations. "We must revitalize the labor movement and reverse the continuing decline in union membership," said Teamster General President James P. Hoffa. "Unfortunately, the Federation has refused to embrace the progressive measures that we believe are necessary to accomplish these goals." The Service Employees International Union, which represents 1.8 million members, also disaffiliated with the AFL-CIO. (ffd: Railway Age)

(TUE) The National Transportation Safety Board released its findings of the cause of the April 6, 2004 derailment of Amtrak's "City of New Orleans" train near Flora, MS. The NTSB found that track workers for Canadian National, over whose tracks the train operated, had replaced a section of rail at the accident site during the previous winter. Because of cold temperatures, the remaining rail contracted, and a 2-inch replacement piece of rail was then installed to bridge the gap. However, warmer temperatures around the time of the accident expanded and buckled all the rail, causing the derailment. One passenger was killed and several others were injured in the accident. (ffd: NTSB, Trains)

(WED) The State of New Jersey levied \$2.5 million in fines against the New York, Susquehanna & Western Railway for violations at 5 trash transfer facilities on its line. The fines, which were levied by the state's Department of Environmental Protection, were for a variety of violations that included failures to cover trash piles and to control insects, rodents, odor and dust. A spokesman for Acting Governor Richard Codey said that it would hold trash-handling railroads to state environmental standards. A spokesman for the NYS&W said that they intend to take the NJDEP up on their invitation to meet to discuss the fines. (ffd: Newark Star-Ledger)

(WED) The New York Metropolitan Transportation Authority said that it expected to realize an earlier unexpected surplus of \$833 million this fiscal year. The New York Times commented that the amount "represents a remarkable – but probably short-lived – reversal of fortunes for the Authority." A MTA spokesman said that the surplus was the result of soaring tax revenues and low interest rates. The spokesman added that the MTA still plans to raise fares and tolls under its jurisdiction in 2007 and 2009. (ffd: New York Times)

(THU) The Senate Committee on Commerce, Science and Transportation approved a new bill to aid Amtrak. The bill, entitled the "Passenger Rail Investment and Improvement Act of 2005," would formally reauthorize Amtrak and commit the federal government to financing its operations for 6 years beginning October 1. It includes provisions that would permit Amtrak and states served by Amtrak to issue bonds to pay for billions of dollars in equipment and infrastructure maintenance, allow Amtrak to refinance its long-term debt, and allow any interested freight railroads to take over operation of Amtrak long-distance train services. While Amtrak President David Gunn said that "it is heartening to see a truly inclusive and bipartisan approach to chart the future of passenger rail service in this country," Transportation Secretary Norman Mineta said that the bill "does not provide the fundamental changes Amtrak needs if it is to survive." The bill now goes to the full Senate for further debate. (ffd: Philadelphia Inquirer, Railway Age, USDOT)

(FRI) The New York City Transit Authority said that it would continue to install new train control technologies such as will allow the elimination of train conductor positions on four more city subway lines over the next two years. The lines now targeted for conductor phase-out are the No. 7, N, J and M Lines. A NYCTA spokesman said that motormen will continue to operate the trains, but past conductor phase-out, will also operate the train doors and make announcements. (ffd: New York Times)

(FRI) BNSF's Kansas Division reported that a new program that allows safety concerns to be anonymously reported has dramatically improved safety on the division's bridge and building gangs. A BNSF spokesman said that the program, known as "Error Elimination Program," allows an employee who observes unsafe behavior by another employee and other unsafe conditions to anonymously report it using a pre-paid postal card. Once received, the data is used to aid and correct unsafe behavior and any unsafe environment. (ffd: BNSF Corp.)

STATS – TRAFFIC:

(THU) For the week ending July 23, 2005, U.S. rail volume grand totaled 32.0 billion ton-miles, up 0.3 percent from the comparable week last year. U.S. carload rail traffic was down 1.2 percent, down 7.1 percent in the East, but up 3.7 percent in the West. Notable traffic increases included grain mill products up 11.4 percent, coke up 9.0 percent, and crushed stone, sand and gravel up 5.0 percent; notable traffic decreases included metals down 16.6 percent, nonmetallic minerals down 12.5 percent, and primary forest products down 11.1 percent. Also for the week, U.S. intermodal rail was up 4.9 percent, Canadian carload rail traffic was down 4.1 percent, Canadian intermodal rail traffic was up 2.8 percent, Mexico's Transportacion Ferroviaria Mexicana's carload rail traffic was down 8.2 percent, and TFM's intermodal rail traffic was down 12.9 percent.

For the period January 1 through July 23, 2005, U.S. rail volume grand totaled 916.9 billion ton-miles, up 2.3 percent from the comparable period last year. Also for this period, U.S. carload rail traffic was up 1.5 percent, U.S. intermodal rail traffic was up 6.1 percent, Canadian carload rail traffic was down 0.5 percent, Canadian intermodal rail traffic was up 2.2 percent, TFM's carload rail traffic was up 0.3 percent, and TFM's intermodal rail traffic was up 6.5 percent. (ffd: AAR)

MORE STATS – “BIG 7” OPERATING PERFORMANCE:

(WED) For the week ending July 23, 2005 and versus the comparable week last year, average train speed was as follows: BNSF, 22.8 mph versus 24.0 mph; Canadian National, 26.8 mph versus 25.2 mph; Canadian Pacific, 23.7 mph versus 25.0 mph; CSX, 20.1 mph versus 20.6 mph; Kansas City Southern, 22.1 mph versus 25.0 mph; Norfolk Southern, 22.3 mph versus 23.2 mph; and Union Pacific, 21.6 mph versus 22.0 mph.

Also for the week ending July 23, 2005 and versus the comparable week last year, average terminal dwell time was as follows: BNSF, 9.9 hrs versus 10.2 hrs; Canadian National, 12.9 hrs versus 14.7 hrs; Canadian Pacific, 23.0 hrs versus 27.0 hrs; CSX, 28.7 hrs versus 26.8 hrs; Kansas City Southern, 23.9 hrs versus 22.6 hrs; Norfolk Southern, 22.2 hrs versus 21.2 hrs; and Union Pacific, 28.9 hrs versus 30.4 hrs.

(Note: Concerning the above statistics, AAR comments that “one railroad’s performance metrics cannot meaningfully be compared to another railroad’s, due to differences in the carriers’ calculation methodologies, operational strategies, network characteristics, terrain, traffic mix and volume, length of haul, extent of passenger operations, and other factors, such as weather.”)

STILL MORE STATS – SECOND QUARTER, 2005 RESULTS:

(TUE) For the Second Quarter, 2005, BNSF reported net income of \$366 million, up from \$249 million in the second quarter last year. Revenues were \$3.04 billion, a new quarterly record for BNSF, up from \$2.64 billion in the second quarter last year. BNSF’s operating ratio improved to 76.7 percent, compared with 80.7 percent in the second quarter last year. (ffd: BNSF Corp.)

(TUE) For the Second Quarter, 2005, Canadian Pacific Railway reported net income of C\$123 million, up from C\$84 million in the second quarter last year. Revenues were C\$1.11 billion, up from approximately C\$1.01 billion in the second quarter last year. CPR’s operating ratio improved to 75.5 percent, compared with 78.0 percent in the second quarter last year. (ffd: CPR Corp.)

(WED) For the Second Quarter, 2005, CSX reported net income of \$165 million, up from \$119 million in the second quarter last year. Revenues were \$2.166 billion, compared with \$1.997 billion in the second quarter last year. CSX’s operating ratio improved to 80.5 percent, compared with 86.0 percent in the second quarter last year. (ffd: CSX Corp.)

(WED) For the Second Quarter, 2005, Norfolk Southern reported net income of \$424 million, up from \$213 million in the second quarter last year. Revenues were \$2.15 billion, compared with \$1.81 billion in the second quarter last year. NS’s operating ratio improved to 72.5 percent, compared with 76.6 percent in the second quarter last year. (ffd: NS Corp.)

EXPANSIONS, CONTRACTIONS AND ALIKE:

(TUE) Blacklands Railroad filed to lease, from Union Pacific, and operate approximately 8 miles of UP's Commerce Branch, from Mt. Pleasant, TX to Winfield, TX. (ffd: STB)

(THU) BNSF completed double tracking 100 miles of its Panhandle Subdivision, between Waynoka, OK and Heman, OK. The project is part of BNSF's ongoing effort to completely double track its Transcon Line between Chicago, IL and Los Angeles, CA. The Waynoka to Heman double track project was begun in 2003. A BNSF spokesman said that approximately 75 trains per day operate over this line segment. (ffd: BNSF Corp.)

(THU) Citing "long-term structural changes in the grain handling industry," Canadian Pacific Railway announced that it would post the following line segments in Manitoba, Saskatchewan and Alberta for discontinuance: 31 miles of the La Riveire Subdivision between Morden and La Riviere; 49 miles of the Napinka Subdivision between La Riviere and Killarney; 70 miles of the Radville Subdivision between Weyburn and Bengough; 25 miles of the Outlook Subdivision between Loreburn and Broderick; 52 miles of the Kerrobert Subdivision between Conquest and Herschel; 55 miles of the Bulyea Subdivision between Neudorf and Cupar; 42 miles of the Bromhead Subdivision between Estevan and Tribune; 37 miles of the Irricana Subdivision between Bassano and Standard; 8 miles of the Cardston Subdivision between Stirling and Raymond; and 46 miles of the Stirling Subdivision between Foremost and Stirling. Under Canadian law, CPR must first offer these lines to third parties and then to governments before they can be discontinued or abandoned. (ffd: Railway Age)

(FRI) BNSF granted Canadian Pacific-Soo Line temporary overhead trackage rights over approximately 85 miles of BNSF line between Ardoch, ND and Erskine, ND. (ffd: STB)

APPOINTMENTS, ACHIEVEMENTS AND ALIKE:

(THU) Rail car manufacturer Greenbrier Companies appointed John Nussrallah President of its European operations. Mr. Nussrallah had been President of Trinity Industries's rail car division from 1996 through 2001 and was earlier with the Mechanical Department of Conrail and its predecessor railroads. (ffd: Progressive Railroading)

(FRI) Union Pacific appointed John Bromley, its longtime public affairs spokesperson, to the newly created position of Director-Historic Projects. Another UP spokesman said that Mr. Bromley will be based at the Union Pacific Museum in Council Bluffs, IA. A former newspaper reporter, Mr. Bromley is a lifelong rail enthusiast and a noted painter of rail scenes. (ffd: Progressive Railroading)

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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 receive it, with my compliments.

HAVE A SAFE AND PROSPEROUS WEEK,

Dave Mears

Cherry Hill, New Jersey, USA