

WEEKLY RAIL REVIEW

FOR THE WEEK ENDING AUGUST 21, 2009

BY DAVE MEARS

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

(SUN) Union Pacific noted the 25th anniversary of its first coal train outbound of the Powder River Basin coal fields in Wyoming. That first train was operated by UP predecessor Chicago & North Western Railroad, which was absorbed into UP in 1995. Since 1984, UP and its predecessor C&NW have operated more than 200,000 coal trains out of the Powder River Basin. UP shares the line with BNSF, whose predecessor Burlington Northern built the line. (ffd: Progressive Railroading, UP Corp.)

(SUN) A VIA Rail Canada passenger train bound for Ottawa, ON had to be evacuated after a fire. A total of 334 passengers were evacuated off the train and, later in the week, several of them complained that evacuation instructions were given only in English, instead of both French and English. The complaints are disputed by VIA Rail and other passengers, and Canada's Commissioner of Language has launched an investigation into the incident. (ffd: Sun Media)

(MON) The U.S. Department of Transportation announced 50 new grants totaling more than \$1.2 billion in federal stimulus funding for state and local transit and commuter rail systems. A USDOT spokesman said that more than \$4.2 billion has been made available for transit improvements since the American Recovery & Reinvestment Act was signed into law on February 17. (ffd: USDOT)

(MON) The 12th Annual Transportation & Infrastructure Summit was held in Irving, TX. The meeting featured a panel discussion that included the CEOs of BNSF, Kansas City Southern, and Norfolk Southern. All three CEOs stressed that a resumption of pre-Staggers Act regulation, as has been encouraged by some rail shipper organizations seeking rate reductions, would be detrimental to the rail industry. The CEOs expressed their hope that lawmakers would move forward with a "rational regulation policy." (ffd: NRC)

(MON) Metrolink announced plans to construct a new operations center on North Garey Avenue in Pomona, CA. A Metrolink spokesman said that the new center will include Positive Train Control (PTC) management systems, a technology which Metrolink and its partner freight railroads have pledged to install by 2012 on lines over which Metrolink trains operate. (ffd: Inland Valley Bulletin)

(MON) Union Pacific announced that it would replace its mainframe computer systems with a distributed IT infrastructure utilizing blade servers running Linux. A UP spokesman said that the new IT infrastructure would cost approximately \$150 million and that it hoped to retire its last mainframe by 2014. (ffd: E Week)

(MON) Metro North Railroad was fined \$300,000 in punitive damages for allegedly retaliating against four employees who reported work-related injuries. OSHA cited MNRR for disciplining the employees for reporting their injuries, interfering with their medical treatment plans and reclassifying their injuries from occupational to non-occupational. Later in the week, MNRR was the subject of criticism for actions taken against a computer programmer who developed a downloadable iPhone application that references Metro North train schedules. MNRR had accused the developer of copyright violation and demanded from him licensing and other fees, despite the fact that the developer had entered the schedule data by referencing MNRR's public timetable. (ffd: OSHA, Stamford Advocate)

(WED) Amtrak's began operation of a second daily train serving Vancouver, BC. The new train operates between Portland, OR and Vancouver via Seattle, WA, and passengers are for the first time able to ride directly between Portland and Vancouver

without changing trains. Amtrak and Washington state officials noted that Vancouver will be the site of the Winter Olympic Games in early 2010. (ffd: The Columbian)

(WED) A retired and gutted Class F45 locomotive was moved from the Relco Locomotive contract shops in Albia, IA for Essex, MT. At Essex, the locomotive will be outfitted with lodging amenities and operated as a timeshare accommodation of the Izaak Walton Inn, which locates alongside the BNSF Chicago-Seattle main line. Although a former Santa Fe locomotive, the unit has been painted in the former Great Northern "Big Sky Blue" paint scheme. (ffd: Trains)

(THU) The Chicago Region Environmental and Transportation Efficiency Project (CREATE) announced that it had adjusted its master plan to reflect Canadian National's recent absorption of the Elgin, Joliet & Eastern Railway. The project has now eliminated the full Central Corridor between CN's Waukesha and Chicago subdivisions because CN no longer requires the route after acquiring an alternative corridor as a result of the EJ&E transaction. However, major portions of the Central Corridor's southern half will be retained to provide a new direct route – over Norfolk Southern's Chicago Line – for Amtrak trains traveling from New Orleans and Carbondale into Chicago Union Station. (ffd: Progressive Railroading)

(THU) Los Angeles Mayor Antonia Villaraigosa called for the construction of a new city subway line to be notably speeded up. The new line is planned to run from Los Angeles's downtown under Wilshire Boulevard to Westwood. Noting that the 56-year-old mayor would be 83 by the time construction is finished under the current plan in 2036, Mr. Villaraigosa said he wants to "make sure that it gets built before I'm 66." (ffd: Los Angeles Times)

(FRI) Amtrak announced that it would extend through December 16 its current 25 percent off fare promotion on Northeast Regional trains operating between Washington, New York and Boston. Amtrak said that the promotion would also be available through December 16 on service south of Washington to Newport News, on Amtrak's Vermonter train between Washington and Springfield, MA, and on Keystone trains between Philadelphia and New York. (ffd: Amtrak)

(FRI) A "Port Tracker" report was released that predicted that import cargo volume at the nation's major container ports was projected to total 12.3 million units by year's end, representing an 18.8 percent drop from 2008's volume and the lowest level in seven years. The report was prepared by the National Retail Federation and HIS Global Insight. An NRF spokesman added that, "the good news is that we're expecting to move from double-digit declines into single digits [declines] by the end of the year." (ffd: Port Tracker, Progressive Railroading)

(FRI) In a column for the Trains Magazine website, Kiplinger Editor Fred Frailey noted six of the seven Class 1 railroads had experienced "almost sequential increases in traffic" since the week ending July 18. Mr. Frailey noted that, from the week ending July 18 through the week ending August 15, rail traffic increased as follows: BNSF up 1 percent; Canadian National up 8 percent; Canadian Pacific up 3 percent; CSX up 5 percent; Norfolk Southern up 2 percent; and Union Pacific up 5 percent. (ffd: Trains)

(FRI) It was announced that the former railroad bridge over the Hudson River at Poughkeepsie, NY would open as a pedestrian walkway on October 4. The bridge, over which freight train operation was discontinued following a 1974 fire, rises 200-feet above the river. A 5-kilometer race will also be run October 4 over the bridge, which will now be known as the "Walkway Over The Hudson." (ffd: Poughkeepsie Journal)

STATS:

(THU) For the week ending August 15, 2009, U.S. rail volume grand totaled 29.5 billion ton-miles, down 16.7 percent from the comparable week last year. U.S. carload rail traffic was down 17.1 percent – down 17.8 percent in the East and down 16.6 percent in the West – and notable traffic decreases ranged from non-grain farm products down 0.9 percent to metals and metal products down 51.0 percent. Also for the week, U.S. intermodal rail traffic was down 18.4 percent, Canadian carload rail traffic was down 21.7 percent, Canadian intermodal rail traffic was down 16.7 percent, Mexican carload rail traffic was down 10.6

percent, and Mexican intermodal rail traffic was down 15.0 percent.

For the period January 1 through August 15, 2009, U.S. rail volume totaled 897.8 billion ton-miles, down 18.0 percent from the comparable period last year. Also for this period, U.S. carload rail traffic was down 18.9 percent, U.S. intermodal rail traffic was down 17.2 percent, Canadian carload rail traffic was down 23.8 percent, Canadian intermodal rail traffic was down 16.3 percent, Mexican carload rail traffic was down 15.2 percent, and Mexican intermodal rail traffic was down 21.2 percent. (ffd: AAR)

(NOTE: Related to the above, and as has been the case, Canadian traffic totals include those of the U.S. operations of Canadian Pacific Railway and Canadian National, the latter now including EJE.)

EXPANSIONS, CONTRACTIONS AND ALIKE:

(MON) Groundbreaking was held for the start of construction of a new seven-mile loop track for BNSF trains at the Port of Vancouver, WA's Port Terminal No. 5. The new loop track will accommodate entire unit trains and reduce the waiting time from 5 to 15 minutes for trains crossing the BNSF main line. (ffd: BNSF Corp.)

(MON) Vancouver, BC opened the third route of its Skytrain elevated transit line. The new route, which is 12 miles in length and links Vancouver with nearby Richmond, includes a 2.5-mile spur linking downtown Vancouver with its international airport, which city officials said made it the first Canadian city with a rail rapid transit link to its airport. (ffd: Railway Age, Vancouver Sun)

(TUE) Shortline conglomerate Watco Companies announced the Alabama Warrior Railway as its 21st railroad. The railroad operates 15 miles of line and mainly delivers coal to the Walter Coke Company in Birmingham. The railroad was earlier known as the Jefferson Warrior Railway. (ffd: Journal of Commerce, Watco Companies)

(WED) Birmingham Southern Railroad granted overhead trackage rights to CSX over approximately three miles of BS line between Woodward, AL and Bessemer, AL. The purpose of the trackage rights is to enable CSX to "improve direct intermodal container access to and from the Mercedes Benz plant in Bessemer, AL." (ffd: STB)

(WED) Lake County, OR filed for an adverse discontinuance of the operating authority of Modoc Railway and Modoc Northern Railroad. The filing related to 56 miles of line between Alturas, CA and Lakeview, OR. The county's filing states that it terminated these railroads' lease of the line on May 7 and that Lake Railway has been providing provisional rail service on the line. (ffd: STB)

(FRI) Patriot Rail announced the launch of its sixth short line, the Temple & Central Texas Railway. The railway includes 10 miles of line serving the Central Pointe Rail Park in Temple, TX. (ffd: Progressive Railroading)

APPOINTMENTS, ACHIEVEMENTS AND MILESTONES:

(MON) The National Mediation Board announced the appointment of Denise Hedges as its Senior Mediator. Ms. Hedges succeeds Linda Puchala, who is now a member of the NMB board. (ffd: National Mediation Board)

(FRI) The Obama Administration announced the appointment of Cynthia Quarterman as chief administrator of the U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration. PHMSA is the federal agency that governs the transportation of hazardous materials via rail, pipeline and truck. (ffd: Progressive Railroading)

CORRECTION:

In last week's edition, I referred to the first name of the former general manager of the Massachusetts Bay Transportation Authority as William. Mr. Grabauskas's correct first name is Daniel. Thanks to the sharp eye of Reader Robert Peskin of AECOM Transportation for this update.

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Dave Mears

Cherry Hill, NJ