

WEEKLY RAIL REVIEW

FOR THE WEEK ENDING SAT, SEPTEMBER 16, 2006

BY DAVE MEARS

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

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

(SUN) The Alton & Southern Railroad suffered an on-duty employee fatality. Mardie Olden, Age 44 with approximately six months' service, was killed while performing switching duties. The accident occurred at A&S's yard in East St. Louis, IL. (ffd: Belleville News-Democrat)

(MON) Oakland, CA officials announced plans to convert the former Oakland Army Terminal into an intermodal rail facility. A spokesman said that the base was opened in the early days of World War II and deactivated in 1999. The converted facility will serve imports and exports routed via the Port of Oakland, which is the U.S.'s third busiest, after the ports of Los Angeles-Long Beach and New York-New Jersey. (ffd: CalTrade Report)

(MON) A report released by the Convergent Security Group predicted that U.S. ground transportation security spending will exceed \$300 million this year and \$1 billion during the next three years. The report, entitled "Beyond Aviation: The Emerging Ground Transportation Security Market," said that, in the five years since September 11, 2001, the U.S. government has allocated about \$20 billion for aviation security and only about \$400 million for ground transportation security. The report went on to suggest that most of the dollars spent will be for "intelligent" video surveillance systems, explosive detection equipment, and analytical software and systems to improve supply chain efficiency. (ffd: Progressive Railroading)

(TUE) Pennsylvania Governor Ed Rendell joined officials of Amtrak in announcing completion of the Keystone Corridor project. A spokesman for the governor noted that the project cost \$145 million and included laying approximately 200 miles of continuous welded rail, installing 216,000 concrete ties, and improving signaling and electrification systems. The spokesman added that the upgrades will allow the resumption, on or about October 30, of electrified service between Philadelphia, PA and Harrisburg, PA and the introduction of express service between these cities, the latter with a travel time of 90 minutes. (ffd: Railway Age)

(TUE) BNSF announced plans to construction a new intermodal terminal and logistics park near Gardner, KS, approximately eight miles southwest of Olathe. A BNSF spokesman said that the transportation center would encompass about 1,000 acres and cost about \$200 million to construct and equip. The spokesman added that, past final approvals, the center should be operational sometime in 2008. (ffd: Topeka Capital Journal)

(WED) Executives of the Class 1 railroads, the Association of American Railroads, and the American Short Line and

Regional Railroad Association gathered in St. Louis, MO for the 2006 North American Railroad Customer Forum. Those presenting laid out their railroads' plans and expectations for the forthcoming year, with all stating that there would likely not be congestion problems related to this year's fall peak shipping season. Keynoting the event was Norfolk Southern CEO and new AAR Chairman Wick Moorman, who noted that Class 1 railroads will invest \$8.3 billion in capital improvements this year, but who then cautioned that, should some re-regulation of railroads be achieved, it would force these companies to "take that money and do other things with it that our shareholders will want, instead of investing it in the rails." (ffd: wire services)

(WED) Amtrak and New Jersey Transit announced a new six-year agreement covering operation of NJT trains on Amtrak's Northeast Corridor Line. Under the agreement, NJT will pay Amtrak a fixed amount of \$34.4 million per year in Fiscal Years 2007-2009, which will be recalculated for Fiscal Years 2010-2012 based on actual Amtrak costs and usage factors. Additionally, NJT will pay Amtrak 31.5 percent of Amtrak's actual costs for all electric power consumed on the NEC between Washington, DC and New York, NY, totaling approximately \$22 million. The agreement also institutes a "no-fault" liability agreement in which Amtrak and NJT will each be responsible for claims against their respective property. Present at the agreement's announcement, New Jersey Governor Jon Corzine commented to reporters that a state takeover of New Jersey's section of the NEC from Amtrak was "worthy of deep exploration," however, state transportation officials have earlier spoken of this action as "unworkable and unaffordable." (ffd: Railway Age, wire services)

(WED) New Jersey Transit's Board of Directors approved extension of NJT's Hudson-Bergen light rail line to 8th Street in Bayonne. A NJT spokesman said that construction of the extension would begin in 2008 and be complete by 2009. NJT's board also approved \$1.3 million in signal and switch changes to NJT's River light rail line, which operates between Camden, NJ and Trenton, NJ. The spokesman said that these changes will allow Conrail-Shared Assets to switch a portion of the line during the day, which in turn will allow light rail operation between Camden and Pennsauken, NJ to continue until midnight. (ffd: NJ Transit, wire services)

(WED) The Chicago Transit Board approved \$94.1 million to construct connecting tunnels and tracks that will link the Chicago Transit Authority's Red and Blue subway lines, and also connect them to a planned North State Street station. A CTA spokesman said that construction would begin later this year and was expected to be complete by 2008. (ffd: Progressive Railroading, RT&S)

(THU) The U.S. Senate approved 98 to 0 a six-year security package costing more than \$5 billion. Although primarily aimed at port security improvements, the bill also includes language for mass transit and rail security programs, including random passenger and baggage screening at stations, and fire safety improvements for Amtrak tunnels on the Northeast Corridor. The Senate bill will now be reconciled with a House version. (ffd: New York Times, wire services)\

(FRI) Union Pacific and model train maker Lionel announced that they had reached an agreement over the use of Union Pacific logos on Lionel trains. The railroad had earlier filed suit against Lionel, now in bankruptcy, for allegedly infringing on UP and family railroad trademarks and for failing to follow UP's product licensing program. The agreement, which must be approved by Lionel's bankruptcy court, calls for a licensing arrangement in which Lionel would pay UP a royalty based on sales. (ffd: Trains, wire services)

(FRI) Published reports noted the initiative of a railroader assisting the industry in recruiting new hires. Commenting

on the success of his book, "How to Get A Railroad Job And Make Up To \$75,000 Per Year," Sean Martin said, "I thought about speaking...but the amount of people I could reach that way would be very limited...so I decided to write an e-book instead, and get it out to as many job seekers as possible...[the Internet] is where most job seekers go these days for information." Mr. Martin, a train conductor for a major western railroad, said that he's heard feedback from dozens of readers that the techniques he's shared have helped them land railroad jobs. Mr. Martin's book may be obtained via his website at <<http://www.getarailroadjob.com/>>www.getarailroadjob.com. (ffd: wire services)

STATS – TRAFFIC:

(THU) For the week ending September 9, 2006, U.S. rail volume grand totaled 32.6 billion ton-miles, up 0.9 percent from the comparable week last year. U.S. carload rail traffic was down 0.8 percent, down 4.0 in the East, but up 1.7 percent in the West. Notable traffic increases included grain up 17.0 percent, metals and metal products up 11.5 percent, and coal up 3.7 percent; notable traffic decreases included non-grain farm products down 22.7 percent, nonmetallic minerals down 22.0 percent, and primary forest products down 18.5 percent. Also for the week, U.S. intermodal rail traffic was up 5.3 percent, Canadian carload rail traffic was down 3.0 percent, Canadian intermodal rail traffic was up 4.0 percent, Mexico's Kansas City Southern de Mexico's carload rail traffic was up 6.9 percent, and KCSM's intermodal rail traffic was up 17.1 percent.

For the period January 1 through September 9, 2006, U.S. rail volume grand totaled 1.20 trillion ton-miles, up 2.7 percent from the comparable period last year. Also for this period, U.S. carload rail traffic was up 1.4 percent, U.S. intermodal rail traffic was up 6.4 percent, Canadian carload rail traffic was down 1.1 percent, Canadian intermodal rail traffic was up 5.9 percent, KCSM's carload rail traffic was down 4.4 percent, and KCSM's intermodal rail traffic was down 4.8 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 September 8, 2006 and versus the previous week, average total cars on line was as follows: BNSF, 223,530 cars versus 225,037 cars; Canadian Pacific, 78,716 cars versus 78,532 cars; CSX, 223,412 cars versus 224,785 cars; Kansas City Southern, 26,794 cars versus 26,963 cars; Norfolk Southern, 202,927 cars versus 204,028 cars; and Union Pacific 320,080 cars versus 320,590 cars.

Also for the week ending September 8, 2006 and versus the comparable week last year, average train speed was as follows: BNSF, 23.9 mph versus 23.5 mph; Canadian Pacific Railway, 25.6 mph versus 25.1 mph; CSX, 20.8 mph versus 20.1 mph; Kansas City Southern, 24.4 mph versus 24.3 mph; Norfolk Southern, 22.8 mph versus 23.0 mph; and Union Pacific, 21.2 mph versus 21.9 mph.

Finally for the week ending September 8, 2006 and versus the comparable week last year, average terminal dwell time was as follows: BNSF, 23.6 hrs versus 24.9 hrs; Canadian Pacific Railway, 19.9 hrs versus 20.4 hrs; CSX, 24.6 hrs versus 28.3 hrs; Kansas City Southern, 23.5 hrs versus 21.8 hrs; Norfolk Southern, 21.6 hrs versus 21.8 hrs this week last year; and Union Pacific, 26.5 hrs versus 28.0 hrs. (ffd: AAR)

EXPANSIONS, CONTRACTIONS AND ALIKE:

(MON) Rail car manufacturer, maintainer and lessor Greenbrier Companies announced that it purchased Rail Car America for approximately \$34 million in cash. Rail Car America is a provider of intermodal and conventional railcar repair services, operating four repair facilities in the U.S. The purchase includes Rail Car America, its American Hydraulics Division, and its wholly-owned subsidiary, Brandon Corporation. (ffd: Greenbrier Corp.)

(TUE) The Surface Transportation Board authorized Seaside Holdings Incorporated to acquire approximately 80 miles of line from the McCloud Railway located in Siskiyou and Shasta Counties, CA. (ffd: STB)

(THU) CSX filed to abandon approximately 8 miles of its Southern Region-Nashville Division-CE&D Subdivision-Riley Spur Line between Terre Haute, IN and Riley, IN. (ffd: STB)

APPOINTMENTS, ACHIEVEMENTS AND MILESTONES:

(WED) New Jersey Transit renamed its headquarters building the Louis J. Gambaccini Building in honor of the NJT's first head, who also helped bring NJT into being. The building houses approximately 1,200 NJT employees and locates at One Penn Plaza East in Newark, NJ, overlooking Newark Penn Station. (ffd: NJ Transit)

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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.

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