

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

(SAT) Hurricane Ike made landfall on the Texas Gulf Coast as a Category Two hurricane. The storm caused considerable damage to many Texas communities, especially Galveston and Port Arthur TX, and impacted rail operations through much of Southeastern Texas and Southern Louisiana. Large, medium and small railroads in the storm's path curtailed operations, secured equipment, and if possible moved cars and locomotives to higher ground. Union Pacific temporarily closed its regional dispatching facility in Houston, so that persons working there could evacuate with their families. Most railroads in the storm's wake suffered downed trees on tracks, track washouts, and damage to some signal and grade crossing systems, but most were able to resume operations within the next few days. As the storm moved up through the Midwest, it dissipated but nevertheless brought with it rainfall that swelled rivers and streams, which in turn threatened nearby rail lines. CSX and Norfolk Southern temporarily curtailed operations near Gary IN, and Amtrak canceled its "Capitol Limited," "Lake Shore Limited," and "Southwest Chief" trains on Sunday and canceled several Midwest Corridor trains at various other times through midweek. BNSF had to temporarily close its busy Chicago IL-Kansas City MO main line, but was able to reopen it about a day after closure. (ffd: NARP, Trains, Railway Age)

(MON) In an apparent final chapter to the CSX-TCI Group hedge fund proxy fight, CSX agreed to seat TCI Group's two additional nominees to the CSX board, CSX having earlier seated two other TCI Group nominees. CSX's action follows a U.S. Court of Appeals ruling upholding the decision of a lower federal court judge that he lacked legal authority to stop TCI Group from voting shares at CSX's annual meeting, even though TCI may have evaded disclosure obligations through the accumulation of equity swaps. The results of the annual meeting vote, which took place on June 25, showed that four TCI Group nominees had won seats on the 12-member CSX board. TCI Group has been advocating a series of controversial measures opposed by CSX management, including raising rates, cutting capital spending, and taking on more debt to finance stock buybacks, all with the goal of raising the price of CSX equity. (ffd: Bloomberg News, Progressive Railroading)

(MON) Further New York Governor David Paterson's call for action related to the much-delayed redevelopment of the Farley Post Office Building into Moynihan Rail Station, Mr. Paterson suggested that the New York-New Jersey Port Authority should take over the Moynihan project. He said that this project was so closely linked by nature to the effort to build two new passenger rail tunnels under the Hudson River between New York and New Jersey that it did not make sense to have two different entities separately managing them. Mr. Paterson added that the Moynihan project should add tracks and platforms to increase the number of trains that can use the station. (ffd: New York Times)

(MON) The Bayonne NJ Historical Society observed the 50th anniversary of the accident in which a Central of New Jersey passenger train plunged off a drawbridge and into Newark Bay. The accident, which occurred the morning of September 15, 1958, killed 48 persons, many of who drowned. Investigators noted that the train's engineer ran through three warning signals, didn't look out to see that the bridge had been raised for a passing boat, and didn't apply the brakes until the train was less than eight feet from the open draw. (ffd: Newark Star-Ledger)

(TUE) Federal, state and local authorities continued their investigation into the head-on collision between a Metrolink commuter train and a Union Pacific freight train in Chatsworth CA the previous Friday. The death toll in the accident increased to 26, with more than 130 injured. Media reports indicated that the engineer of the train, who perished in the accident, may have run past two warning signals and then through a switch just prior to the collision. They also reported that he may have been distracted by attending to a number of text messages sent from and received by his cell phone. On Tuesday, U.S. Senator Diane Feinstein (D-CA) introduced the "Rail Collision Prevention Act," which would require the implementation of positive train control (PTC) on passenger and selected other rail lines by 2014, a technology that Ms. Feinstein said might have prevented the accident had it been in use on the line through Chatsworth. The "Federal Rail Safety Improvement Act of 2007," which the House of Representatives passed last year, requires PTC implementation by the end of 2018. On Thursday, the California Public Utilities Commission issued a statewide order prohibiting the use of cell phones by train crews. (ffd: NARP, wire services)

(TUE) As reported in WRR last week, ABC's "Good Morning America" television program continued to broadcast from its special train consisting of Amtrak locomotives, Amtrak Superliner passenger cars, and two private cars. The train continued across various Northeastern and Middle Atlantic states through the week. On Tuesday, the program featured a 12 year-old train enthusiast, who founded the "Make A Difference Day Express" to raise funds for needy children to experience train travel on the Arcade & Attica Railroad. Made aware that the railroad's train was not accessible by all disabled persons, "GMA" arranged for the cast of another ABC show, "Extreme Makeover," to at a future date rebuild Arcade & Attica's passenger cars to make them fully accessible by disabled passengers. (ffd: NARP)

(THU) Union Pacific Railroad declined a public/private partnership proposed by the State of California. The project called for state funding to support the UP increasing its track capacity through the Donner Pass in the Sierra Nevada Mountains, in return for which UP which permit more passenger trains over the line. In a letter to California Governor Arnold Schwarzenegger, UP Chairman Jim Young stated that "Union Pacific has consistently maintained [that] the Donner Project must be exclusively a 'freight project'...therefore...it will develop and construct the project over time with its own resources." (ffd: Los Angeles Times)

(THU) Following its ceasing operations earlier this month, GrandLuxe Rail Journeys has now put up for sale its fleet of 20 fully operational and 11 other luxury rail cars. The train most recently operated as the GrandLuxe Express and earlier as the

American Orient Express. Later this month, the train will be available for viewing in Napa Valley, CA. (ffd: Progressive Railroading)

(FRI) The "Minnesota Zephyr" dinner train announced that it would shut down on December 31. The train had operated out of Stillwater MN for the past 23 years. Owner David Paradeau told local media that the train would become a stationary restaurant next to the Stillwater Depot, which currently houses the Paradeau Stillwater Grill Restaurant. (ffd: Trains)

STATS – CLASS 1 RAIL TRAFFIC

(EDITOR'S NOTE: Canadian traffic includes that on the U.S. operations of Canadian National and Canadian Pacific.)

(THU) For the week ending September 13, 2008, U.S. rail volume grand totaled 34.6 billion ton-miles, down 1.7 percent from the comparable week last year. U.S. carload rail traffic totaled 329,836 units, down 2.4 percent, representing a decline of 5.0 percent in the East and a decline of 0.6 percent in the West. Notable traffic increases included metallic ores up 20.1 percent and coal up 7.0 percent; notable traffic decreases included motor vehicles and equipment down 25.1 percent and lumber and wood products down 18.4 percent. U.S. intermodal rail traffic totaled 236,877 units, a decline of 6.1 percent. Also for the week, Canadian carload rail traffic was down 3.0 percent, Canadian intermodal rail traffic was up 4.6 percent, Mexico's Kansas City Southern de Mexico's carload rail traffic was down 12.3 percent, and KCSM's intermodal rail traffic was up 11.7 percent.

For the period January 1 through September 13, 2008, U.S. rail volume grand totaled 1.25 trillion ton-miles, up 1.2 percent from the comparable period last year. U.S. carload rail traffic totaled 12,035,176 units, an increase of 0.1 percent, and U.S. intermodal rail traffic totaled 8,266,065 units, a decline of 2.0 percent. Also for this period, Canadian carload rail traffic was down 4.0 percent, Canadian intermodal rail traffic was up 4.2 percent, KCSM's carload rail traffic was down 4.4 percent, and KCSM's intermodal rail traffic was up 8.5 percent. (ffd: AAR)

MORE STATS – CLASS 1 (EXCEPT CN) OPERATING PERFORMANCE:

Not reported this week.

EXPANSIONS, CONTRACTIONS AND ALIKE:

(MON) Canadian National-Illinois Central filed to abandon approximately 1 mile of line between Throop Street and Cermack Street in Chicago, IL. (ffd: STB)

(MON) CSX filed to abandon approximately 1 mile of its Southern Region, Huntington Division East, Logan Subdivision line, known as the Snap Creek Industrial Track, in and near Don, WV. (ffd: STB)

(MON) Union Pacific filed to abandon approximately 3 miles of its Litchfield Industrial Lead Track between Litchfield Jct. AZ and Litchfield Park AZ. (ffd: STB)

(MON) Wabtec announced that it would acquire Standard Car Truck for \$300 million in cash. Based in Park Ridge IL, Standard Car Truck manufactures engineered components for locomotives and freight cars, with about 550 employees and nine manufacturing facilities. (ffd: Railway Age, wire services)

(WED) A. Stucki Company announced that it had acquired Alco Spring Industries. Based in Chicago Heights IL, Alco Spring is a manufacturer and supplier of freight car, locomotive, transit, and industrial and commercial springs. (ffd: Railway Age)

(WED) Inversys Rail Group announced that it had acquired Quantum Engineering. Quantum specializes in the manufacture of onboard equipment, and various signaling and train-control products, including recorders, alerters, indicators, speed controllers and end-of-train telemetry. (ffd: Progressive Railroading, RT&S)

APPOINTMENTS, ACHIEVEMENTS AND MILESTONES:

(MON) The recent passing of two esteemed rail enthusiasts was noted. Dave Sweetland passed away at Age 71 and Bob Malinoski passed away at Age 84. Additional to being a well-regarded rail photographer, Mr. Sweetland was a master mechanic for the Pennsylvania Railroad, Penn Central and Conrail. Mr. Malinoski was also a well-regarded rail photographer and book author, whose book titles included "A Golden Decade of Trains: the 1950s" and "Trackside Around New York City: 1953-1968." (ffd: Train)

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Weekly Rail Review (WRR) 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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