

WEEKLY RAIL REVIEW

FOR THE WEEK ENDING SAT, SEPTEMBER 23, 2006

BY DAVE MEARS

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

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

(MON) The two modern Chinese steam locomotives recently imported to the U.S. by Rail Development Corporation were operated together in freight service. The Type 2-10-2 locomotives headed Iowa Interstate symbol freight RINT from Rock Island, IL to Iowa City, IA. RDC Chairman Henry Posner, who arranged the locomotives being brought from China, said that he believed that this "was the first double-headed steam revenue freight train in the Americas in the 21st Century."

(MON) Federal and state officials announced a new \$330 million funding agreement for the Chicago Region Environmental and Transportation Efficiency (CREATE) project. The agreement includes \$100 million from last year's federal transportation bill, \$100 million collectively from Class 1 railroads, \$100 million from the State of Illinois, and \$30 million from the City of Chicago. The project hopes to make \$1.5 billion in improvements to rail lines in Chicago over the next several years, including grade separating 25 city crossings and created five primary rail corridors, including one for passenger trains. Industry analysts commented that the new funding is intended to try to jump-start the project following Canadian National's withdrawal last year after Congress approved only \$100 million in federal funding for it, \$500 million less than anticipated. (ffd: Progressive Railroading, Railway Age)

(MON) U.S. federal and state transportation agencies were criticized for remaining "locked in obsolete policy structures that don't address intermodal transportation." The criticisms were made by former Federal Railroad Administration official Gil Carmichael, who now chairs the University of Denver's Intermodal Transportation Institute. Mr. Carmichael went on to suggest that federal and state transportation agencies be reorganized "to address the new intermodal age," including employing individuals who have a "working knowledge of intermodal transportation." (ffd: Private Fleet Owner)

(MON) The Long Island Rail Road Commuters' Council published the results of its first-ever survey of rude behavior aboard the railroad's passenger trains. The survey noted that cell phone use is by far the greatest irritant to passengers, followed by feet on seats, littering, loud conversations, loud games, headphones leaking sound, and occupying multiple seats. A spokesman for the LIRR said that they had received the report and would be working with the council on developing a "courtesy awareness poster campaign." (ffd: Newsday)

(WED) Harrisburg, PA area officials announced that they had now secured half the funding necessary to construct the long-delayed Harrisburg International Airport rail station. A spokesman said that the state has now earmarked \$8.7 million for the station, with \$2.2 million coming from the federal government and \$4.6 million from local agencies. Approximately \$33 million will be required to construct the station, which will locate along Amtrak's

Philadelphia-Harrisburg line. (ffd: Harrisburg Patriot-News, NARP)

(WED) The History Channel televised a show of its "Modern Marvels" series featuring freight trains. The show featured BNSF at length and used animation to help explain new railroad technologies and operating systems. The program may be purchased through the History Channel website at <<http://www.history.com/>>[www.history.com](http://www.history.com/).

(WED) The Washington Metropolitan Area Transit Authority opened its new elevator and escalator training facility in Landover, MD. A WMATA spokesman said that the \$1.5 million facility will support WMATA's escalator and elevator apprenticeship program, and serve as an ongoing training center for escalator and elevator mechanics. Faulty escalators have long been a problem at WMATA Metro subway stations, where they are frequently out of service. (ffd: Progressive Railroading)

(THU) Norfolk Southern's former Pennsylvania Railroad main line was blocked by a massive landslide near Emsworth, PA. A NS spokesman said that it had embargoed shipments routed to, from and via nearby Conway, PA while it worked to open the line. The landslide also blocked portions of an adjoining highway. Later in the week, NS advised that they had opened one track on the line, but that the embargo would remain in force until another track could be opened. (ffd: NS Corp.)

(THU) Canadian Pacific Railway CEO Fred Green said that the efficiency gap between it and competitor Canadian National was too large and must be narrowed. "Clearly there is a different between the two franchises," said Mr. Green. "We must strive and will strive to close that gap." CPR reported an operating ratio of 75.1 percent in the second quarter of this year, while CN reported a second quarter operating ratio of 58.6 percent. (ffd: wire services)

(FRI) Washington State's Sound Transit began construction of a 1.7-mile light rail line to Seattle-Tacoma International Airport. A spokesman said that the link to the airport should open by December, 2009, several months after a 13.9-mile light rail line running between Downtown Seattle and Tukwila, WA opens in Summer, 2009. (ffd: Trains)

(FRI) The American Public Transportation Association reported continued increases in U.S. mass transit use in the first half of 2006. Comparing with the first half of 2005, an APTA spokesman said that that light rail services posted the highest ridership growth at 9.4 percent. The spokesman added that commuter rail ridership rose 3.4 percent and heavy rail ridership, such as on subways, increased 2.6 percent. The spokesman attributed some of this increase to additional mass transit services being opened. (ffd: Progressive Railroading)

(FRI) A Transrapid magnetic levitation train crashed into a maintenance vehicle on an elevated test track near Lathen, Germany. Authorities said that at least 23 persons aboard the train and participating in testing were killed, with an additional 10 persons injured. The train was reportedly traveling at nearly 125 mph at the time of the accident. (ffd: Railway Age, wire services)

STATS – TRAFFIC:

(THU) For the week ending September 16, 2006, U.S. rail volume grand totaled 34.8 billion ton-miles, up 0.3 percent from the comparable week last year. U.S. carload rail traffic was up 1.2 percent, down 5.2 percent in the East, but up 2.1 percent in the West. Notable traffic increases included metallic ores up 11.4 percent, metals and metal products up 6.1 percent, and coal up 5.0 percent; notable traffic decreases included primary forest products down 16.9 percent, lumber down 16.7 percent, and motor vehicles and equipment down 15.3 percent. Also for the week, U.S. intermodal rail traffic was up 5.2 percent and, at 257,526 loaded units, established a new weekly record. Finally for the week, Canadian carload rail traffic was down 1.7 percent, Canadian intermodal rail traffic was up 2.6 percent, Mexico's Kansas City Southern de Mexico's carload rail traffic was up 4.5 percent, and KCSM's intermodal rail traffic was up 21.9 percent.

For the period January 1 through September 16, 2006, U.S. rail volume grand totaled 1.24 trillion ton-miles, up 2.6 percent from the comparable period last year. Also for this period, U.S. carload rail traffic was up 1.3 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 5.8 percent, KCSM's carload rail traffic was down 4.2 percent, and KCSM's intermodal rail traffic was down 4.2 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 15, 2006 and versus the previous week, average total cars on line was as follows: BNSF, 221,688 cars versus 223,530 cars; Canadian Pacific, 78,490 cars versus 78,716 cars; CSX, 224,325 cars versus 223,412 cars; Kansas City Southern, 26,324 cars versus 26,794 cars; Norfolk Southern, 203,841 cars versus 202,927 cars; and Union Pacific 320,191 versus 320,080 cars.

Also for the week ending September 15, 2006 and versus the comparable week last year, average train speed was as follows: BNSF, 23.5 mph versus 23.3 mph; Canadian Pacific Railway, 24.9 mph versus 21.9 mph; CSX, 20.8 mph versus 19.6 mph; Kansas City Southern, 25.0 mph versus 21.2 mph; Norfolk Southern, 22.2 mph versus 22.1 mph; and Union Pacific, 21.3 mph versus 22.2 mph.

Finally for the week ending September 15, 2006 and versus the comparable week last year, average terminal dwell time was as follows: BNSF, 22.0 hrs versus 24.3 hrs; Canadian Pacific Railway, 19.9 hrs versus 22.7 hrs; CSX, 23.7 hrs versus 27.3 hrs; Kansas City Southern, 21.0 hrs versus 27.1 hrs; Norfolk Southern, 20.7 hrs versus 21.2 hrs this week last year; and Union Pacific, 25.1 hrs versus 26.7 hrs. (ffd: AAR)

#### STILL MORE STATS – CLASS 1 RATES OF RETURN:

(MON) The Surface Transportation Board reported that Class 1 railroads collectively earned a 9.11 percent rate of return on net investment for the 12 months ending June 30, 2006, up 2.71 percent from the same period last year. Norfolk Southern posted the highest ROI at 13.35 percent, with BNSF at 10.50 percent, CSX at 7.18 percent, and Union Pacific at 7.08 percent. Kansas City Southern was the only Class 1 railroad to see its rate of return fall, to 6.61 percent this year versus 8.28 last year. (ffd: STB)

#### EXPANSIONS, CONTRACTIONS AND ALIKE:

(MON) Norfolk Southern filed to abandon approximately 2 miles of line near Sheffield, OH. (ffd: STB)

(WED) The Central Railroad of Indiana filed to discontinue service over approximately 3 miles of line near Greensburg, IN. (ffd: STB)

(WED) Union Pacific opened a new intermodal terminal in Salt Lake City, UT. A UP spokesman said that the facility is designed to handle 250,000 intermodal units annually and thus triples the railroad's earlier intermodal capacity in the area. The spokesman added that the facility covers approximately 260 acres and cost approximately \$83 million to construct. (ffd: Progressive Railroading)

#### APPOINTMENTS, ACHIEVEMENTS AND MILESTONES:

(MON) Amtrak's new president, Alex Kummant, announced that David Hughes would be leaving Amtrak after serving as its acting president for nearly a year. Mr. Hughes was earlier the railroad's chief engineer. (ffd: Wall Street Journal, wire services)

(MON) Canadian Pacific Railway announced the following appointments: Neal Foot as EVP-Operations, Brock Winter as SVP-Operations, and Judy Harrower as AVP-Bulk. Mr. Foot was most recently SVP-Operations, Mr. Winter was most recently VP-Operations, and Ms. Harrower was most recently AVP-Agri-Business. (ffd: CPR Corp., Progressive Railroading)

(TUE) The League of Railway Industry Women presented its "Outstanding Woman of the Year Awards" to Jalene Forbis. Ms. Forbis is Director-Government Affairs for the McCloud Railway, VP-Advertising & Guest Services for the Shasta Sunset Dinner Train, and Executive Director of the California Short Line Railroad Association. The award was presented in Chicago, IL on the occasion of the LIRW's ninth annual luncheon. (ffd: Progressive Railroading)

(WED) Rail products manufacturer and supplier Portec Rail Products appointed Richard Jarosinski as president and CEO and Kostas Papazoglou as EVP and COO. (ffd: Portec Corp., wire services)

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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.

BE SAFE AND PROSPER,

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