

WEEKLY RAIL REVIEW

FOR THE WEEK ENDING FRIDAY, SEPTEMBER 25, 2009

BY DAVE MEARS

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

(SAT) The Associated Press reported that the U.S. Department of Homeland Security issued an alert to transit systems, recommending that they conduct random sweeps at terminals and stations, and that law enforcement personnel make random patrols on trains and buses. The alert follows the arrest of Najibullah Zazi, an airport shuttle driver in Denver, CO. Although arrested on other charges, Mr. Zazi is suspected of participating in a plan, now believed thwarted, to detonate backpack bombs on transit buses and subways in New York City. (ffd: wire services)

(MON) Severe rains and resultant flooding curtailed some train operations in the Southeast U.S. Rains and flooding caused Norfolk Southern to temporarily discontinue train operations on its line between Birmingham, AL and Atlanta, GA, and between Atlanta and Chattanooga, TN. Service on these lines was restored two days later. (ffd: NS RR)

(MON) CSX announced a new intermodal service linking Buffalo, NY and Port Newark/Port Elizabeth, NJ, and also Philadelphia, PA. A CSX spokesman said that the service qualifies shippers for a Port of New York & New Jersey incentive of \$25 for each container hauled by rail this year that exceeds a shipper's 2008 rail volume and \$25 per container for new intermodal on-dock services. (ffd: Progressive Railroading)

(TUE) The National Transportation Safety Board issue an urgent safety recommendation related to the Metro subway crash in Washington, DC last June 22. The NTSB said that it had determined that the subway's train control system had a design anomaly that may have caused the colliding train not to detect the stopped train ahead of it that it then rear-ended. The crash killed 9 persons and injured 52 others. The NTSB recommended that other transit agencies with like train control systems examine them, in cooperation with their manufacturer, to guard against further malfunctions. (ffd: NTSB, Washington Post)

(TUE) The Alaska Railroad announced the layoff of 127 employees. It said that this was the result of declined revenues due to a drop in both passenger and freight traffic. The latter included reduced production at the Flint Hills, AK refinery, which the railroad said customarily generates more than a third of its revenue. The railroad also canceled operations of its longtime ski train for next spring. (ffd: Anchorage Daily News, wire services)

(WED) BNSF suffered an on-duty employee fatality. Larry Craig Green, Age 54, was struck and killed by a train near Hereford, TX. Mr. Green was a BNSF maintenance-of-way employee. (ffd: KFDA TV)

(WED) CSX and Massachusetts announced that they had reached a multi-year transportation agreement. Under the agreement, Massachusetts will purchase CSX's line between Boston and Worcester to facilitate expanded commuter rail service provided by the Massachusetts Bay Transportation Authority, and will include MBTA taking over dispatching and maintenance responsibility for that line segment. Also under the agreement, CSX will help defray MBTA's liability insurance cost and pay the deductible on a liability insurance policy if an accident occurs; CSX and Massachusetts will work together to raise clearances on CSX's Boston & Albany Line to accommodate doublestack trains; Massachusetts will help CSX relocate its Beacon Park Yard in Cambridge to facilitate long-wanted redevelopment; and Massachusetts will purchase CSX's line between New Bedford and Fall River to facilitate future commuter rail service. (ffd: Boston Globe, Progressive Railroading, Railway Age)

(WED) Amtrak announced that members of its frequent traveler program, Amtrak Guest Rewards, can earn double points now through December 19. Amtrak said that the offer was good on every Amtrak route and that all classes of service were eligible. (ffd: Amtrak)

(THU) Officials of Washington, DC's Metro transit system voted to accept \$27.8 million in federal homeland security funding to acquire and install more surveillance cameras. A spokesman said that most of the cameras would be installed on buses, in subway ventilation shafts, at subway station entrances, and near the end of station platforms. (ffd: Washington Post)

(FRI) Total federal transportation improvement spending was reported to have reached \$3.145 billion through September 18. The amount comes from information on the federal government's stimulus-related website, <<http://www.recovery.gov>>www.recovery.gov. (ffd: Journal of Commerce)

(FRI) The Surface Transportation Board reported that it had determined that the rail industry's pre-tax cost of capital for 2008 was 11.75 percent, slightly higher than the previous year's 11.53 percent. The STB noted that only two U.S. railroads had a return on investment that exceeded the cost of capital: Norfolk Southern with 10.33 percent and Canadian Pacific's Soo Line with 12.09 percent. In announcing their determination, the STB noted that it uses the figure "in evaluating the adequacy of individual railroads' revenues each year" and in "determining the reasonableness of a challenged rail rate, considering a proposal to abandon a rail line, or valuing a particular railroad operation." (ffd: Railway Age, STB)

(FRI) Virginia Railway Express announced that its riders would now be able to carry firearms aboard its commuter trains. VRE's oversight board announced the change to match Virginia's code, which allows persons without a criminal record to carry weapons in plain view and those with a permit to carry concealed weapons. (ffd: Washington Post)

STATS:

(THU) For the week ending September 19, 2009, which last year was impacted somewhat by the landfall of Hurricane Ike, U.S. rail volume grand totaled 30.2 billion ton-miles, down 8.5 percent from the comparable period last year. U.S. carload rail traffic was down 9.6 percent – down 15.8 percent in the East and down 4.8 percent in the West – and U.S. intermodal rail traffic was down 12.4 percent, Canadian carload rail traffic was down 10.7 percent, Canadian intermodal rail traffic was down 11.4 percent, Mexican carload rail traffic was down 0.8 percent, and Mexican intermodal rail traffic was down 7.8 percent.

For the period January 1 through September 19, 2009, U.S. rail volume grand totaled 1.05 trillion ton-miles, down 17.3 percent from the comparable period last year. Also for this period, U.S. carload rail traffic was down 18.2 percent, U.S. intermodal rail traffic was down 16.8 percent, Canadian carload rail traffic was down 22.8 percent, Canadian intermodal rail traffic was down 16.3 percent, Mexican carload rail traffic was down 14.1 percent, and Mexican intermodal rail traffic was down 19.1 percent. (ffd: AAR)

(NOTE: Canadian traffic totals include those of the U.S. operations of Canadian Pacific Railway and Canadian National.)

MORE STATS – FIRST HALF, 2009 MASS TRANSIT RIDERSHIP:

(FRI) The American Public Transportation Association reported U.S. mass transit ridership for the first half of 2009. During the first six months of this year, mass transit trips totaled 5.2 billion, down 2.6 percent from the first six months of last year. APTA attributed the decline to factors including a rising unemployment rate, higher transit fares resulting from lessened government subsidies, and lower gas prices. Also for the first half of this year versus the first half of last year, light rail ridership rose 0.6 percent, subway ridership declined 2.3 percent, and commuter ridership declined 2.8 percent. (ffd: APTA)

EXPANSIONS, CONTRACTIONS AND ALIKE:

(TUE) The Surface Transportation Board approved Meridian Southern's earlier request to build an approximately one-half mile connection to reach and interchange with the Norfolk Southern Railway. The Meridian Southern presently only connects with Kansas City Southern. (ffd: STB)

(FRI) Canadian National re-dedicated the former Illinois Central's Johnston Yard in Memphis, TN, following a three-year, \$100 million rebuilding. The yard was renamed Harrison Yard in honor of outgoing CN CEO Hunter Harrison, a Memphis native. (ffd: CN RR, Memphis Daily News)

(FRI) Shortline conglomerate Pinsky Company filed to obtain control of the Prescott & Northwestern Railroad through the purchase of all of PNW's stock from Potlatch Land & Lumber LLC. (ffd: STB)

APPOINTMENTS, ACHIEVEMENTS AND MILESTONES:

(FRI) Washington, DC's Washington Metropolitan Area Transit Authority announced that it had extended the contract of John Catoe to be its general manager for three more years. Mr. Catoe has been WMATA GM since January, 2007. Under Mr. Catoe's new contract, he will receive a \$315,000 annually salary and a \$5,000 monthly housing allowance. (ffd: Progressive Railroading)

///

Weekly Rail Review (WRR) is edited from public news sources and distributed weekly to those working in, or interested in, rail and transit. **Recipients are welcome to forward it on, but if you do, please let me know to whom, so that I may note them in my total readership.** Anyone not already on my distribution list may send me an email to directly receive Weekly Rail Review, with my compliments.

BE SAFE AND PROSPER,

Dave Mears

Cherry Hill, NJ