

WEEKLY RAIL REVIEW

FOR THE WEEK ENDING SEPT 4, 2009

BY DAVE MEARS

(Note: Apologies for the delay – work intruding, too many meetings! – but should be caught up by next week.)

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

(MON) The Federal Transit Administration announced that, since the enactment of the American Recovery and Reinvestment Act in February, it had provided grants totaling more than \$6.7 billion to about 600 transit providers nationwide for various system improvements. The FTA said that the grants are being used for purposes including purchasing new vehicles, increasing safety and security, and constructing, rehabilitating and maintaining transit systems. (ffd: Progressive Railroading)

(MON) New Jersey Transit opened a new entrance to its train concourse section of Penn Station in Manhattan. The new entrance, located at the corner of 7th Avenue and 31st Street, includes escalators, an elevator and stairs to the concourse. Its entrance features a barrel-vaulted ceiling and exposed trusses somewhat reminiscent of the original Penn Station. (ffd: Bloomberg, RT&S)

(MON) AAR subsidiary Railinc cutover to a new version of the Umler File, which is the rail industry's shared equipment data file. The new version greatly modernizes the former, which was first used nearly 40 years ago. A Railinc spokesman said that approximately 800,000 lines of computer code and approximately 2,000,000 data records were updated to effect the cutover. (ffd: Railinc)

(MON) Seminole Electric Cooperative said that it had filed documents with the Surface Transportation Board that it alleged showed that CSX had "severely overcharged" them for coal moves from mines in the Appalachian and Illinois Basins to its Palatka, FL power plant. The utility said that CSX's rates for these moves were 68 percent to 101 percent higher than the maximum levels allowed. A CSX spokesman declined comment. (ffd: Progressive Railroading, wire services)

(MON) The Metropolitan Transportation Authority said that it would not send out surveys this fall for each of its various rail, subway, bus and bridge and tunnel services, but would instead prepare a single survey for all its services. An MTA spokesman said, "Throughout the year, the MTA conducts a number of customer satisfaction surveys, which have historically used different rating scales, which made comparison difficult." The spokesman added that the new uniform survey would be ready by and distributed this spring. (ffd: Poughkeepsie Journal)

(TUE) The clock tower in Seattle's King Street rail station resumed operation for the first time in more than 10 years. Work on the clock was completed by a team of individuals that included volunteers from the National Association of Watch and Clock Collectors. The station, which is used by approximately 2.7 million intercity and commuter rail passengers annually, is currently undergoing a \$27 million renovation. (ffd: Seattle Post Intelligencer)

(WED) The Surface Transportation Board rejected several final petitions objecting to the Canadian National's absorption of the Elgin, Joliet & Eastern Railway. The STB said that the petitions, which were filed by suburbs through which the EJ&E runs, made no claim on the merits of actual trackage rights at issue. Concerning petitions by organized labor, the STB said that concerns should be covered in standard labor protection conditions. (ffd: Journal of Commerce)

(THU) Mirroring other transit agencies that have been forced to cut service due to declining funding sources, San Francisco's BART subway system said that it would reduce service during off-peak hours. A BART spokesman said that the service

reductions, which would include running off-peak subway trains at 20-minute instead of 15-minute intervals, will help address a projected four-year, \$310 million budget deficit. (ffd: Progressive Railroading)

(THU) General Electric said that it is bracing for a "very tough and bleak" market for new locomotives through 2010. "North American, from the standpoint of purchasing locomotives, is not moving," said a GE spokesman. The spokesman said that production at its Erie, PA facility would fall by 44 percent this year, to 485 locomotives. (ffd: wire services)

(FRI) Dow Jones reported that several Wall Street firms are predicting a "sector recovery" of rail traffic and urging investors to buy rail stocks. Dow Jones reported that these firms included BMO Capital Markets, which recently raised its rating of CSX and Norfolk Southern to "outperform." (ffd: wire services)

(FRI) Lionel released a new model train set to commemorate the 175th anniversary of the Long Island Rail Road. The new train set is a 1/48 scale, O gauge model of LIRR's Class M7 commuter rail cars. "We're delighted Lionel has honored the LIRR's 175 years of service," said LIRR President Helena Williams. "This is a great keepsake." (ffd: Newsday)

(FRI) Communications consultant Steve Lubetkin has posted a podcast on his website of the final revenue trip of the final operating GG-1 locomotive. Mr. Lubetkin took his portable tape recorder aboard the GG-1 during this last trip, which was held on New Jersey Transit out of Matawan, NJ on October 29, 1983. Link to his website at <<http://www.lubetkin.net/>>www.lubetkin.net. (ffd: Trains)

STATS:

(THU) For the week ending August 29, 2009, U.S. rail volume grand totaled 309.5 billion ton-miles, down 15.5 percent from the comparable week last year. Although U.S. carload rail volume was down 16.2 percent from that comparable week, carloadings total 285,580, the highest weekly number since the week ending December 13, 2008. Carload commodity declines ranged from non-grain farm products down 8.7 percent to metals and metal products down 42.1 percent. Also for the week, U.S. intermodal rail traffic was down 15.6 percent, Canadian carload rail traffic was down 17.9 percent, Canadian intermodal rail traffic was down 17.2 percent, Mexican carload rail traffic was down 18.2 percent, and Mexican intermodal rail traffic was down 11.0 percent.

For the period January 1 through August 29, 2009, U.S. rail volume grand totaled 958.1 billion ton-miles, down 17.8 percent from the comparable period last year. Also for this period, U.S. carload rail traffic was down 18.7 percent, U.S. intermodal rail traffic was down 17.1 percent, Canadian carload rail traffic was down 23.4 percent, Canadian intermodal rail traffic was down 16.5 percent, Mexican carload rail traffic was down 14.1 percent, and Mexican intermodal rail traffic was down 19.8 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.)

EXPANSIONS, CONTRACTIONS AND ALIKE:

(MON) Minnesota officials announced the start of Northstar commuter rail service starting November 16. Northstar trains will provide service over 40 miles of BNSF line between downtown Minneapolis and Big Lake. Officials said that a kickoff celebration will be held November 14, with a ceremonial train running that day, tickets for which will be distributed via a lottery. (ffd: Trains)

(TUE) Portland, OR officials said that the city's newest light rail line, the MAX Green Line, would start service September 13. The new line will run between Clackamas Town Center and Portland City Center, covering that distance in 39 minutes. Officials said that they would hold an opening day celebration September 12 with free rides that day on the line. (ffd: Progressive Railroading,

wire services)

(WED) Construction work started on a new six-mile segment of Salt Lake City's TRAX light rail system. The new line will connect downtown with Salt Lake City International Airport. The line is expected to be complete and operational by late 2012 or early 2013. (ffd: Deseret News)

(THU) CSX granted Indiana Rail Road overhead trackage rights on a number of its subdivision lines in the areas of Cincinnati, OH and Indianapolis, IN. In its filing with the STB, CSX said that the purpose of the trackage rights included allowing INRD to handle haulage traffic over these lines. (ffd: STB)

(THU) Union Pacific started construction of a new intermodal terminal in Joliet, IL. The new \$370 million facility, located in Joliet's CenterPoint Intermodal Center, will have the capacity to handle about 500,000 intermodal units annually and is scheduled for completion in June, 2010. (ffd: Progressive Railroading, UP RR)

(FRI) The New York, Susquehanna & Western filed to abandon approximately one-half mile of its Fay Street Branch in Utica, NY. (ffd: STB)

(FRI) Norfolk Southern filed to abandon approximately 2 miles of line in Latrobe, PA. (ffd: STB)

APPOINTMENTS, ACHIEVEMENTS AND MILESTONES:

(WED) BNSF designated Walter Station, located at the junction of its Laurel Subdivision and its new Broadview Subdivision, a 36-mile line serving the Signal Peak mine. The station is named in honor of Walter Breuning, now the world's oldest man. Mr. Bruening, who has been the subject of much media coverage of late, worked for the Great Northern Railway, a BNSF predecessor, from 1913 to 1963. (ffd: BNSF RR, KFBB TV)

(THU) BNSF announced that BNSF's VP & Chief Sourcing Officer, Dennis Johnson, had left to pursue other interests. Succeeding Mr. Johnson will be Paul Bischler, who was most recently BNSF's VP & Controller. Succeeding Mr. Bischler is Julie Piggott, who was most recently BNSF's VP of planning and studies. (ffd: Progressive Railroading)

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BE SAFE AND PROSPER,

Dave Mears

Cherry Hill, NJ