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Railroad Quick Hits

- News updates and special reports are available online at Railfanning.org.
- *The Cross-Tie* is launching a new e-mail based subscription. To receive future issues of *The Cross-Tie*, drop a line to subscriptions@thecrosstie.com or log onto <http://www.thecrosstie.com/subscribe>. There is no cost to subscribe.
- According to research by Industrialinfo.com (Industrial Information Resources Inc.; Houston), the light rail industry has seen dramatic growth as a means of transportation in the United States. Currently, Industrialinfo.com is tracking 28 new or expansion projects in the light rail industry in North America, with an anticipated construction kickoff in 2005 valued at over \$19 billion. — *Business Wire*

RECORD SETTING AMTRAK CONTINUES TO SHOW PASSENGER GAINS



Todd DeFeo/The Cross-Tie

An Amtrak train breaks through the morning light to arrive in Gainesville, Ga., on Sept. 11, 2004. Amtrak again saw an increase in FY 2004 with more than 25 million people riding trains.

WASHINGTON — Again showing strong demand for passenger trains in 46 states, Amtrak announced today it has set a ridership record for Fiscal Year 2004: 25,053,564 passengers rode Amtrak trains in the period October 2003 through September 2004.

That figure is an increase of 4.3 percent and exceeds by more than one million passengers the previous record of 24,028,119 set in Fiscal Year 2003.

"We are very happy with our ridership numbers. The increases have been across all our services - corridor trains as well as long-distance trains," said David L. Gunn, Amtrak President and Chief Executive Officer. "The numbers show that people like

their trains, and our challenge over the near term is to keep our costs under control while improving the service for our passengers."

The ridership increases are especially noteworthy because they came during efforts to restore the fleet, bring Amtrak facilities back to a state of good repair and while several major service disruptions occurred.

The series of tropical storms and hurricanes across Florida and the southeast in August and September led to the cancellation of 147 trains, with another 178 trains truncated or operated short of their destinations. The four daily round-trips to Florida by the Silver Star, Silver Meteor,

(Continued on page 2)

CN OPENS SHANGHAI, BEIJING OFFICES

Business Wire

MONTREAL — Canadian National has opened offices in Shanghai and Beijing to grow the railway's share of rising traffic flows between China and North America.

"China's emergence as a global trading force also represents a big opportunity for the Canadian west coast ports that CN serves," said Paul Tonsager, who will head the Shanghai office. "We have a significant presence in Vancouver, and we believe the Port of Prince Rupert has great potential to become an important gateway for shipments coming from and destined for China because of its sailing time advantage between Asia and North America."

Tonsager has held a succession of increasingly responsible positions at CN, most recently as project director, truck diversion marketing and sales, and prior to that director, international business development.

He began his railroad career in 1996 as a national account manager with the Illinois Central.

"China's growing economy is fuelling strong demand for natural resources and commodities, many of which are located on CN's network," said James M. Foote, CN's executive vice-president, sales and marketing.

PASSENGER INCREASES CONTINUE

(Continued from page 1)

Auto Train and Palmetto represent more than a third of Amtrak's long-distance business.

In addition, the Silver Meteor was unable to operate in parts of April, May and June because part of the route it uses was taken out of service by CSX Transportation for scheduled track work.

A portion of the Los Angeles-Seattle Coast Starlight route owned by Union Pacific Railroad was out of service for nearly two weeks because of a tunnel problem. During that time, 19 trains were truncated. Also on the west coast, San Joaquin Service between Oakland and Bakersfield was disrupted for Burlington Northern Santa Fe Railway track work scheduled in January and for unscheduled repairs in June.

Political conventions in Boston and New York resulted in reduced ridership; train trips through New York City declined 27 percent during the days of the Republican National Convention.

Despite those issues and significant delays operating over many congested sections of freight railroads outside the Amtrak-owned northeast corridor, ridership rose by 4.4 percent on short distance services and increased by 3.3 percent on long distance trains.

The premium Boston-New York-Washington Acela Express showed a ridership gain of 8.7 percent.

"Through its participation in a number of challenging railway projects in China, Bombardier has earned an excellent reputation and has gained a great understanding of the specific needs of the Chinese railway market."

— Olof Persson, President, Mainline & Metros, Bombardier Transportation

BOMBARDIER, PARTNERS DELIVER TRAINS TO CHINA



Photo Courtesy Bombardier Transportation

Bombardier Transportation and its joint venture partners, Power Corporation of Canada and China South Locomotive and Rolling Stock Industry Corporation have received, through their joint venture Bombardier Sifang Power (Qingdao) Transportation Ltd. (BSP) an order from the Ministry of Railways of China (MOR) for the production and delivery of 20 eight-car high-speed trainsets.

Business Wire

MONTREAL — Along with its partners, Bombardier Transportation and has received an order from the Ministry of Railways of China (MOR) for the production and delivery of 20 eight-car high-speed trainsets.

The order is valued at approximately \$424 million and Bombardier's share is approximately \$263 million. Deliveries are scheduled to take place from July 2006 to July 2007.

The trains, which can reach a maximum speed of 200 kmh, will be designed by Bombardier in Vasteras, Sweden. Bombardier will manufacture the bogies in Siegen, Germany and will provide part of the propulsion from its site in Vasteras.

The carbody production and final assembly will be undertaken in China under the responsibility of Bombardier Sifang Power (Qingdao) Transportation Ltd.

"Through its participation in a number of challenging railway projects in China, Bombardier has earned an

excellent reputation and has gained a great understanding of the specific needs of the Chinese railway market," said Olof Persson, President, Mainline & Metros, Bombardier Transportation. "I am very pleased that we can now transfer our high speed train knowledge and expertise to the mainline network in China, which we will significantly contribute to modernize and upgrade."

Bombardier Transportation and its joint venture partners, Power Corporation of Canada and China South Locomotive and Rolling Stock Industry Corporation have received the order through BSP.

In addition to BSP, Bombardier participates in two other joint ventures in China: Changchun Bombardier Railway Vehicles Co. Ltd., dedicated to the production of metro vehicles, and Bombardier-CPC Propulsion Systems Co. Ltd., involved in propulsion equipment for rail vehicles.

Including its joint ventures, Bombardier currently employs 1,400 people in China.

GETTING HOOKED ON THE SMALL TRAINS



Photo Courtesy ARA Content

Outdoor model railroading is the fastest growing hobby in North America.

ARA Content

If you're looking for a hobby the entire family can enjoy, how about taking up garden railroading. According to the Garden Trains Association, it is the fastest-growing family hobby in North America.

"This is a fun hobby that gets the whole family hooked," says Michael Stephens, president of the association. "People love it. It's grown-up playtime but outside in the fresh air and sunshine."

Garden railroads are large G-scale model trains about 5 inches high and 25 inches long, but instead of running inside, the trains wind through backyard forests of dwarf conifers, over little man-made streams or around miniature mountain ranges.

The hobby began in Europe decades ago, but it recently caught on in the United States. The Garden

Trains Association says there are about 40,000 garden train enthusiasts and some 1,000 garden train clubs in North America.

All aboard for about \$200

It's easy to get started. All you need is a space about 5 feet square and about 4 feet of track. For as little as \$200, you can have Dad up and running in a weekend.

"Most people get into gardening on a small scale and build over time," notes Stephens. "It's more fun when the set develops over the years."

Outdoor railroading attracts men in their mid 50s. With an estimated half of the enthusiasts women, garden trains are a great outdoor activity for the whole family, with everyone involved in making decisions.

Do the locomotion

It's best to know a little bit about garden trains be-

fore getting started. There are annual outdoor train shows, conventions and displays across the country, the biggest being the Garden Railway Convention in Denver, August 12 to 15, 2004 (www.denvergrs.org). For a list of events in your area, visit www.trains.com/community/events.

Visiting the Garden Trains Association Web site at www.gardentrains.org can provide a wealth of beginner information. If you want to find a permanent garden-railroad display in your area, go to the site and click on the newsroom. You can find more information about the hobby in Garden Railway Magazine, which is full of how-tos, and offers a 20-minute video and 96-page book on basic garden railroading for beginners. Log on to www.gardenrailways.com or call (800) 533-6644 for info.

"This is a fun hobby that gets the whole family hooked," says Michael Stephens, president of the association. "People love it. It's grown-up playtime but outside in the fresh air and sunshine."

*— Michael Stephens,
president of the Garden
Trains Association*

CAMERAS MOUNTED ON LOCOS

"The project results will be used to develop more effective safety measures to better protect lives at grade crossings and prevent trespass incidents throughout the country."

— Betty Monro, acting
FRA administrator

WASHINGTON — The Federal Railroad Administration will partner with the North Carolina Department of Transportation and Norfolk Southern Railway in a \$482,000 federally funded research project using locomotive mounted digital video cameras to capture real-time data of actual highway-rail grade crossing collisions and trespass incidents.

"The project results will be used to develop more effective safety measures to better protect lives at grade crossings and prevent trespass incidents throughout the country," said Acting FRA Administrator Betty Monro.

The project will collect video of thousands of miles of railroad operations and analyze both accidents and near misses. This type of data has never before been available for research purposes. The grant funding announced today will be used for examination and analysis of the data collected.

North Carolina DOT has installed video cameras on its

Piedmont passenger train that operates daily between Raleigh and Charlotte. Norfolk Southern has video cameras on about 850 freight locomotives that operate in 22 states, the District of Columbia, and Ontario, Canada.

The study will determine what human factors are involved in grade crossing collisions and trespass incidents. It also will evaluate the performance and effectiveness of current safety improvements made as part of North Carolina's Sealed Corridor Initiative, an aggressive effort to eliminate grade crossing hazards along a proposed future high-speed passenger rail route.

FRA data shows that about 96 percent of all rail-related fatalities each year are due to vehicle-train collisions or railroad trespass incidents.

"Norfolk Southern has been the rail industry leader in the development and implementation of locomotive video technology," said Dr. John M. Samuels, Norfolk Southern's senior vice presi-

dent Operations Planning and Support. "RailView technology has tremendous public safety benefits, and the Federal Railroad Administration and the North Carolina Department of Transportation should be commended for their participation and support."

Monro also announced a \$795,000 grant to support the design and construction of a pedestrian underpass in the town of Clayton located southeast of Raleigh. It will provide a path for pedestrians from a residential neighborhood to reach the downtown.

"North Carolina has long emphasized improvements in railroad safety," said North Carolina Department of Transportation Deputy Secretary David King. "Through pro-active initiatives such as our Sealed Corridor program and partnerships with communities across the state to close or consolidate crossings, we have significantly reduced the number of deaths and injuries in the past decade."

FED GRANT AWARDED FOR NEW TECH

WASHINGTON — A demonstration project of self-propelled passenger rail cars between Miami and West Palm Beach will continue with a \$4.9 million grant from the Federal Railroad Administration (FRA) to the Florida Department of Transportation and the South Florida Regional Transportation Authority.

The technology represents the next generation of what is known as Diesel Multiple Units (DMU). Rather than being powered by a separate locomotive, a DMU uses

more fuel-efficient diesel truck-sized engines located in the same rail car as the cab compartment and passenger seating.

Testing has demonstrated that in a typical commuter round trip of 60 miles, a DMU will use only one-half gallon of fuel per mile while a locomotive will consume two to three gallons per mile.

In addition, a DMU generates less noise and produces fewer emissions than a locomotive.

The grant provides funds

to purchase a new train set that will be added to the one currently being tested. It also will evaluate the use of DMU equipment in regularly scheduled revenue service, document compliance with FRA passenger rail equipment safety standards, and assess its service reliability and maintainability of the equipment.

Florida DOT is matching the federal funds dollar for dollar.

The demonstration project is scheduled to continue for 24 months.



NEWS FROM THE

RAILS

QUICK HITS FROM AROUND
THE RAILROAD INDUSTRY
Bombardier will Deliver 70 Additional Double-Deck Cars to the Belgian National Railways

MONTREAL — Bombardier Transportation, in consortium with Alstom Transport, received from SNCB (Belgian National Railways) an order for the production of 70 additional double-deck passenger cars and the adaptation of 19 type T27 electrical locomotives to enable push-pull operation.

This order is a follow-up order to a contract for 210 double-deck cars awarded in 1999, all of which have already been delivered. The total value of the additional coaches is approximately \$222 million, Bombardier's share amounting to some \$138 million.

Deliveries are scheduled to take place between October 2006 and February 2008.

"This order testifies to our excellent relationship with SNCB," said Olof Persson, President, Mainline and Metros, Bombardier Transportation. "This additional order of 70 coaches clearly shows the trust of our customer in Bombardier and his appreciation of our trains. I am therefore very proud that these highly comfortable trains will further contribute to the extension of the offered seating capacity in Belgium."

The final assembly of the intermediate coaches — 19 first class and 19 multi-functional cars — as well as the complete production of 32

cab cars will take place in Bombardier Transportation's plant in Bruges, Belgium. The installation of an automatic coupler on the type T27 locomotives will also be done in Bruges.

— *Business Wire*

CN and CPR Announce Co-Production Agreements to Improve Service to the Port of Vancouver

VANCOUVER, British Columbia — Canadian National and Canadian Pacific Railway have announced a series of co-production agreements to make rail operations more efficient for Port of Vancouver freight traffic.

The agreements jointly increase capacity on key sections of track in the Vancouver area to improve the fluidity of rail operations over existing infrastructure. They will improve service to shippers using Canada's largest, busiest and most diversified port.

The co-production agreements provide the railroads improved access for CPR to intermodal facilities at Fraser Surrey Docks using a shorter route over CN's main line; reciprocal access to the North and South shores, with CPR potash trains having direct access to Neptune Terminals and CN sulphur trains having direct access to Pacific Coast Terminals; the option for CPR to operate longer, heavier trains to Vancou-

ver's North Shore under existing access agreements; a reciprocal interchange at CN's Thornton Yard and CPR's Coquitlam Yard that replaces a less efficient interchange arrangement; and further interchange enhancements for North Shore freight traffic that include BC Rail traffic.

"This is a remarkable example of two highly competitive railways cooperating to solve a pressing demand for more efficient rail operations for shippers brought about by a rapid expansion in North American trade," said Jim Foote, CN's executive vice-president, sales and marketing, said.

"These agreements demonstrate the commitment by CPR and CN to provide the level of service and efficiency that will help shippers take advantage of the significant growth in trade with Pacific Rim nations, strengthen Canada's vital import-export economy, and bolster the competitiveness of our key British Columbia port," said Fred Green, CPR's executive vice-president, operations and marketing.

"By working cooperatively to make rail service more efficient, we will also improve network and equipment utilization and increase productivity on existing infrastructure."

— *Business Wire*

"This is a remarkable example of two highly competitive railways cooperating to solve a pressing demand for more efficient rail operations for shippers brought about by a rapid expansion in North American trade."

— *Jim Foote, CN's executive vice-president, sales and marketing*

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concerns, fears, trepidations?

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NS REPORTS RECORD REVENUES

PRNewswire-FirstCall

NORFOLK, Va. — For the third-quarter of 2004, Norfolk Southern Corporation reported record revenues of \$1.9 billion, up 16 percent compared with the same period last year, and record third-quarter income from railway operations of \$469 million, up 51 percent compared with the third-quarter in 2003.

Third-quarter reported net income was \$288 million, or \$0.72 per diluted share, which included a non-cash gain of \$53 million, or \$0.13 per diluted share, from the Conrail corporate reorganization. Excluding the gain, net income was \$235 million, or \$0.59 per diluted share, an increase of 72 percent, compared with \$137 million, or \$0.35 per diluted share, in the same period last year.

The railway operating ratio

for the third quarter improved 5.8 percentage points to 74.7 percent compared with 80.5 percent in the same period of 2003.

"By any measure, this was an extremely strong quarter for our company," said David R. Goode, chairman and chief executive officer. "We demonstrated uniform strength in the face of a robust peak traffic season, and our people and network performed well."

For the first nine months, reported net income was \$659 million, or \$1.66 per diluted share, which included the \$53 million, or \$0.13 per diluted share, gain on the Conrail reorganization.

Excluding the gain, net income was \$606 million, or \$1.53 per diluted share, an increase of 25 percent, compared with \$483 million, or

\$1.24 per diluted share, for the same period of last year.

Net income for the first nine months of 2003 included a \$114 million, or \$0.29 per diluted share, gain due to a required industry-wide accounting change to account for the cost of removing railroad crossties, and a gain of \$10 million, or \$0.03 per diluted share, from discontinued motor carrier operations.

Railway operating revenues for the first nine months of 2004 increased 12 percent to a record \$5.4 billion compared with \$4.8 billion for the same period a year earlier.

The railway operating ratio for the first nine months improved 5.6 percentage points to 76.9 percent compared with 82.5 percent in the same period of 2003.