Brotherhood of Maintenance of Way Employes Division
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NEWS CLIPS

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January 23, 2010

Most U.S. Union Members Are Working for the Government, New Data ShoWS

By STEVEN GREENHOUSE

For the first time in American history, a majority of union members are government workers rather than private-sector employees, the Bureau of Labor Statistics announced on Friday.

In its annual report on union membership, the bureau undercut the longstanding notion that union members are overwhelmingly blue-collar factory workers. It found that membership fell so fast in the private sector in 2009 that the 7.9 million unionized public-sector workers easily outnumbered those in the private sector, where labor's ranks shrank to 7.4 million, from 8.2 million in 2008.

"There has been steady growth among union members in the public sector, but I'm a little bit shocked to see that the lines have actually crossed," said Randel K. Johnson, senior vice president for labor at the United States Chamber of Commerce.

According to the labor bureau, 7.2 percent of private-sector workers were union members last year, down from 7.6 percent the previous year. That, labor historians said, was the lowest percentage of private-sector workers in unions since 1900.

Among government workers, union membership grew to 37.4 percent last year, from 36.8 percent in 2008.

Gerald W. McEntee, president of the American Federation of State, County and Municipal Employees, voiced dismay that government employees now represented a majority of union members.

"It's a very bad sign," he said. "We've been banged around some, but when you see what's been happening to the industrial base of this country, to the steelworkers, to the autoworkers, they're been hammered much more."

After rising the two previous years, overall union membership fell by 771,000 in 2009, to 15.3 million, largely because employment declined over all. But the rate of private-sector unionization fell because two sectors where unions are especially strong — manufacturing and construction — suffered especially large job losses. Construction lost more than 900,000 jobs last year, falling to 5.9 million, while 1.3 million factory jobs were lost, declining to 11.6 million.

The overall unionization rate edged lower, to 12.3 percent last year from 12.4 percent in 2008.

Damon A. Silvers, the A.F.L.-C.I.O.'s policy director, said the decline in private-sector unionization "tells us that good jobs are disappearing faster than bad jobs."

According to the labor bureau, median weekly earnings for full-time unionized workers were $908 last year, compared with $710 for workers not represented by unions. The bureau attributed this difference not just to unionization but also to variations by occupation, industry and company size.

Notwithstanding the recession, government employment grew last year, inching up 16,000, to 22,516,000, according to the bureau.

Fred Siegel, a visiting professor of history at St. Francis College in Brooklyn and a senior fellow at the Manhattan Institute, a conservative research organization, said, "There were enormous political ramifications" to the fact that public-sector workers are now the majority in organized labor.

"At the same time the country is being squeezed, public-sector unions are a rising political force in the Democratic Party," he said. "They depend on extra money for the public sector, and that puts the Democrats in a difficult position. In four big states — New York, New Jersey, Illinois and California — the public-sector unions have largely been untouched by the economic downturn. In those states, you have an impeding clash between the public-sector unions and the public at large."

Several labor officials and scholars said private-sector workers could regain their majority in a year or two because of potential large-scale layoffs of government workers in the face of the budget squeeze faced by so many cities and states.

Assessing the drop in private-sector unionization, Paula B. Voos, a labor relations professor at Rutgers, said, "It's a sad commentary on the ability of private-sector workers to unionize."

"Unions have less strength when they represent a lower percentage of workers," she said. "Nonetheless, unions have strength in those sectors of the economy where they are organized. Workers who are in the entertainment industry, workers who are on the docks of the Port of New York and New Jersey still have the strength of their labor organizations."

Noting that union members generally have higher earnings, Labor Secretary Hilda Solis said in a statement: “As workers across the country have seen their real and nominal wages decline as a result of the recession, these numbers show a need for Congress to pass legislation to level the playing field to enable more American workers to access the benefits of union membership. This report makes clear why the administration supports the Employee Free Choice Act,” a bill that would make it easier to unionize.”

But J. Justin Wilson, managing director of the Center for Union Facts, a corporate-backed group opposing that legislation, had a different response to the report.

“Labor union membership is an outdated concept for most working Americans,” he said. “It is a relic of Depression-era labor-management relations.”

Union Households Gave Boost to GOP's Brown

By MELANIE TROTTMAN

WASHINGTON—Republican Scott Brown's victory in the Massachusetts Senate race was lifted by strong support from union households, in a sign of trouble for President Barack Obama and Democrats who are counting on union support in the 2010 midterm elections.

A poll conducted on behalf of the AFL-CIO found that 49% of Massachusetts union households supported Mr. Brown in Tuesday's voting, while 46% supported Democrat Martha Coakley. The poll conducted by Hart Research Associates surveyed 810 voters.

The finding, disclosed during an AFL-CIO conference call about the poll, represents a fresh problem for Democrats, who count on union leaders and union members as a pillar of the party's base.

Karen Ackerman, the AFL-CIO's political action director, said the results of the Massachusetts poll indicate "what we call a working-class revolt" in which voters were responding to the fact that no one was addressing their needs or interests. But she played down the support among union household members for Mr. Brown.

"Union voters are like any other voters, and they respond to the environment around them" and who they think will be on their side and fight for them, Ms. Ackerman said. "What happened in Massachusetts is that working families did not see the Democratic candidate as being on their side."

She added that the AFL-CIO has "very good success" reaching out to union voters and did have a union program in Massachusetts in support of the Democratic candidate, state Attorney General Martha Coakley. Still, she said the group does have concerns about the midterm congressional elections in November.

"Clearly, we're taking a serious look at this [working-class revolt] because, frankly, we know that 2010 elections are going to be very difficult," she said, adding that the group plans to move forward with a "very progressive political program."

The poll showed Ms. Coakley drew more support among voters with a college education, by a five-point margin, while she lost by a 20-point margin among voters without a college degree.

Guy Molyneux, a pollster with Hart Research Associates, said the poll showed "pretty strong evidence" of voters who worried the health-care overhaul moving through Congress would tax their employer-provided benefits, even though Mr. Obama had agreed to a deal that exempted workers in collective bargaining agreements until 2018. Unions stepped up their campaign efforts for Ms. Coakley after that, but it wasn't enough to turn the tide.

The AFL-CIO's pollster also said the election was more about the two specific candidates than about being a referendum on Mr. Obama or the national Democratic Party's agenda.

By 61% to 33%, the voters polled said they were picking the best candidate for Massachusetts rather than sending a message to Washington. Nearly two-thirds of the voters who elected Mr. Brown said they wanted him to work with Democrats in Washington.

Brad Woodhouse, communications director for the Democratic National Committee, said "it would be foolhardy" to draw firm conclusions on this or other issues from a single special election that included circumstances particular to the candidates and campaigns in that race.

"The election in Massachusetts involved the same type of frustration and anger at Washington and the current state of the economy that swept President Obama into office in 2008," Mr. Woodhouse said.

Democrats must remind voters daily of their efforts to improve the economy and create jobs, and must ensure voters understand "Republicans—as they always have—continue to side with Wall Street and the special interests," he said.

Republican strategist Eric Fehrnstrom, a senior adviser on Mr. Brown's campaign, said there is a "huge disconnect" between union rank-and-file and their own leaders.

"Like everyone else, union members are concerned about higher taxes and increased spending, and they want a tougher approach in dealing with terrorists," he said. Mr. Fehrnstrom said Mr. Brown is a member of the Screen Actors Guild union.

Signs that unions can't deliver rank-and-file votes present another challenge for labor leaders trying to salvage their legislative priorities, including a bill that would make it easier for them to organize workers and win initial labor contracts from employers through arbitration. AFL-CIO lobbyist Bill Samuel said the union still holds out hope for the Employee Free Choice Act, which was stalled in the Senate before Mr. Brown's election.

"We don't see it being dead," he said. "We're obviously reallocating our strategy and the timing," he said.

Mr. Samuel still expects a vote on the bill to occur this year, he said. "That's our plan."

Class I rail jobs decline 14,464 in year
January 23, 2010

U.S. Class I railroads cut 14,464 jobs between December 2008 and December 2009, with total employment dropping from 161,189 to 146,725, a decline of 8.97%, according to the Surface Transportation Board.

The biggest employment category, train operating crews, lost 8,149 jobs during the 12-month period, a drop of 12.54%.

All employment categories posted lower December 2009 numbers compared with a year ago:

* Executives, officials, and staff assistants: 9,063,-10.72%.

* Professional and administrative: 13,294, -1.98%.

* Maintenance of way and structures: 32,646, -6.60%.

* Maintenance of equipment and stores: 28,344, -7.89%.

* Transportation (other than train and engine): 6,545,-2.81%.

* Transportation (train and engine): 56,833, -12.54%.

U.S. rail traffic still lags, but Canada, Mexico post gains
January 23, 2010

The Association of American Railroads says U.S. rail freight traffic remains down in comparison with last year, though Canadianand Mexican railroads are reporting strong gains.

For the week ending Jan. 16, U.S. rail carriers originated 264,030 carloads of traffic, down 0.8% from the same week in 2009 and down 18.5% from the comparable week in 2008.

U.S. intermodal traffic added up to 201,728 trailers andcontainers, up 1.3% from a year ago, but down 12.6% from 2008.

Twelve of the 19 carload commodity groups were up from the same week last year, with eight posting double-digit gains. Increases ranged from 0.3% for coke to 83.2% for motor vehicles and equipment. Declines ranged from 14.5% for coal to 1.3% for the category "all other carloads."

Total volume on U.S. railroads for the week ending Jan. 16 was estimated at 28.7 billion ton-miles, comparable with the same week last year and down 15.6% from 2008.

Canadian railroads reported 73,394 carloads for the latest week, up 24.1% from last year, and 44,268 trailers or containers, up 5.7%. Mexican railroads originated 13,210 carloads, up 21% from the same week last year, and 6,938 trailers or containers, up 41.7%.

Combined North American rail volume for the first two weeks of 2010 on 13 reporting U.S., Canadian, and Mexican railroads totaled 666,886 carloads, down 0.8% from last year, and 498,477 trailers and containers, up 0.3%.

1/25/2010 Presidential Appointees

President Obama nominates candidates for Amtrak's board, NTSB and NLRB

On Jan. 20, President Obama announced his nomination of Jeffrey Moreland as an Amtrak board member for a five-year term.

In 2007, Moreland retired from BNSF Railway Co. as executive vice president for public affairs. He previously served BNSF and its predecessor as vice president for law and general counsel. Moreland also was an attorney with the Securities and Exchange Commission for eight years.

Amtrak’s nine-member board currently has four vacancies. President Obama previously nominated Anthony Coscia and Bert DiClemente for board seats; their nominations, along with

Moreland’s, await Senate confirmation.

The president also nominated Earl Weener as a National Transportation Safety Board member to serve the remainder of Mark Rosenker’s term, which expires Dec. 31, 2010. Rosenker resigned from the board last year.

Weener, who retired from Boeing in 1999, is a fellow at the Flight Safety Foundation.

In addition, the president re-nominated Craig Becker as a National Labor Relations Board member for a five-year term. Obama had nominated Becker — currently associate general counsel for the Service Employees International Union and AFL-CIO — for the post last year.

CSXT's customer base continues to expand
January 26, 2010

CSX Transportation customers in 2009 committed to invest in 92 new or expanded facilities that will create nearly 1,400 new jobs and ultimately bring $138 million in new revenue to the railroad.

CSXT said the facilities will be built both on CSXT lines and on some of the more than 230 short lines and regional railroads that connect to CSXT.

The projects are situated in 18 states and across markets that include energy, consumer goods and manufacturing, said Fredrik Eliasson, vice president-emerging markets.

"These projects collectively represent more than $3.2 billion in customer investments in new and expanded businesses on our network," Eliasson said. "These outstanding results are a vote of confidence in CSX as a vital link in economic recovery and one of the most environmentally friendly transportation modes."

In addition, said CSXT, 73 customers who had committed to new or increased rail traffic in 2008 and prior years began moving goods and commodities that at full production will result in more than $210 million in revenue.

FRA taps El-Sibaie as deputy associate administrator
January 26, 2010

The Federal Railroad Administration has named Dr. Magdy El-Sibaie its new deputy associate administrator for safety, regulatory, and legislative affairs. He succeeds Grady Cothen, who announced late last year that he would retire, but will assist with the transition through March.

El-Sibaie (pictured at left) most recently was acting associate administrator for hazardous materials safety at DOT's Pipeline and Hazardous Materials Safety Administration. Until last October, he served as FRA's director of research and development. Prior to that, he served as the agency's chief of track research, where he managed the FRA's track inspection technology development program that created improved systems for measuring track geometry at high speeds.

He joined FRA in 1995 as a senior program manager in the Office of Research and Development, chairing a government-industry working group that formulated the first set of safety standards for U.S. high speed rail service. He also worked with rail suppliers and Amtrak to establish standards for Amtrak *Acela* service operating on the Northeast Corridor.

El-Sibaie earned a doctorate in engineering mechanics from the University of Delaware in 1986, and was recruited by the Association of American Railroads as a researcher at the industry's Chicago Technical Center, where he is credited with pioneering new methods of computer modeling to measure the dynamic behavior of track under varying loads, speeds, and conditions. For that work, the American Society of Mechanical Engineers honored him in in 1980 with its Rail Transportation Award.

As deputy associate administrator for safety, regulatory, and legislative affairs, El-Sibaie will lead FRA initiatives that develop and implement industry safety regulatory strategy. These efforts include leading the Rail Safety Advisory Committee (RSAC) in studying emerging safety issues, including the incorporation of new technology into the rail environment, as well as risk reduction strategies and close-call reporting.

Unions Can't Compete With Corporate Campaign Cash

BY JOHN NICHOLS ON 01/24/2010

Some union leaders think that the Supreme Court ruling in the case of Citizens United v. FEC -- which essentially takes the limits off campaign spending -- will give them the same flexibility and freedom to influence the process as it does corporations.

These are the same union leaders who imagined that electing Barack Obama and a Democratic Congress would lead to the rapid enactment of the Employee Free Choice Act and meaningful labor-law reform.

The AFL-CIO actually filed a brief in the Citizens United case that urged removal of reasonable restraints on campaign spending.

Indeed, an attorney who prepared the amicus brief for the AFL-CIO recently participated in a conference call talking up the merits of the corporate position, along with representatives of the conservative Heritage Foundation and Senate Minority Leader Mitch McConnell, R-Kentucky.

What are the leaders of the labor federation thinking?

They imagine that, with spending limits removed, organized labor will be able to buy enough television time to reward their political friends and punish their political enemies.

It's a sweet fantasy. But the reality is that corporations will be buying so much more television time when it matters -- in the run-up to key elections -- that the voices of working Americans will drowned out with the same regularity that they are on Capitol Hill -- where, it should be noted, overwhelming Democratic majorities have yet to deliver on even the most basic demands of the labor movement.

To think otherwise is to neglect the reality that one corporation -- Goldman Sachs -- spends more annually to pay just its top employees than the combined assets of all the nation's major unions.

University of Wisconsin communications professor Lew Friedland points out that the nation's four largest banks would have to allocate a mere one-tenth of one percent of their assets--$6 billion--to counter a campaign in which the whole of the U.S. labor movement spent all of its assets.

The bottom line is that a union leader who supports the Citizens United ruling is like a steer who talks up a steak restaurant because they're both in the same business.

Organized labor ought to be siding clearly and unequivocally with the forces of democracy in the struggle to establish a political process in which all voices can be heard, and in which elections are about ideas and issues rather than fund raising and attacks ads.

A few unions "get it."

The California Nurses Association and National Nurses United, the nation's largest nurses union, have accurately identified the Citizens United decision as a "disastrous ruling for American workers and American democracy."

"The healthcare debate of the last year has provided a sobering reminder of the already pervasive influence of giant pharmaceutical and insurance corporations. The last thing our democracy and political system needs is even more spending and political sway by the wealthiest interests in this country," says Rose Ann DeMoro, executive director of National Nurses United, the 150,000-member labor organization.

The notion that the Citizens United ruling might somehow make it easier for organized labor to influence the political process is "ludicrous," says DeMoro.

"Equating what unions and working people could spend on campaigns would be like comparing a toy boat to an aircraft carrier," she explains. "Corporate influence peddling in politics already distorts and prevents our democracy and political system (from functioning)."

"Opening the floodgates to unlimited spending is a dangerous prescription for candidates who will be even more beholden to the biggest corporate spenders," argues DeMoro. "The likely result would be more dominance of healthcare policy by insurance and drug giants and less public oversight of our air, water, food, and workplaces that is needed to protect consumers and workers."

That is the message that all of organized labor should be delivering.

1/26/2010 Executive Action

CN unveils new leadership team

Claude Mongeau, who succeeded E. Hunter Harrison as CN's president and chief executive officer on Jan. 1, has installed his new senior team.

Yesterday, Mongeau announced the Class I has appointed Keith Creel, executive vice president and chief operating officer, and Jean-Jacques Ruest, EVP and chief marketing officer. Creel, most recently EVP of operations, and Ruest, most recently senior VP of marketing, will report to Mongeau.

In addition, CN named Luc Jobin EVP and chief financial officer; Sean Finn, EVP of corporate services and chief legal officer; Kim Madigan, VP of human resources; and Robert Noorigian, VP of investor relations.

The Class I also appointed Gordon Trafton — most recently SVP of strategic acquisitions and integration — as special advisor to the leadership team until he retires at 2010's end.

In other executive personnel moves, CN named Jeff Liepelt, currently VP-eastern region, SVP of the eastern region reporting to Creel; and Karen Phillips, currently VP of North American government affairs, VP of public and government affairs reporting to Finn.

CN fourth-quarter operating ratio increases
January 26, 2010

CN Tuesday reported that net income and diluted earnings per share for the final quarter of 2009 increased 2.0% from the year-earlier period to C$582 million and C$1.23, respectively. Fourth-quarter 2009 revenue declined 14% from a year earlier to C$1,882 million. The fourth-quarter operating ratio was 65.3%, compared with 62.7% for the same quarter of 2008.

CN said results included an after-tax gain of C$59 million(C$0.12 per diluted share) from a line sale to Metrolinx, greater Toronto's regional transit authority, and a deferred income tax recovery of C$99 million (C$0.21 per diluted share). Excluding these items, adjusted fourth-quarter net income was C$424 million,or C$0.90 per diluted share, compared with adjusted net income of C$531 million, or C$1.12 per diluted share, excluding a deferred income tax recovery, for the year-earlier period.

Free cash flow for full-year 2009 was C$790 million, compared with 2008's C$794 million. Net income for full-year 2009 decreased 2.0% from 2008 ,

Claude Mongeau, CN president and chief executive officer, said: "CN overcame a number of challenges during the fourth quarter, ranging from weather and operational disruptions in Western Canada to a five-day strike by locomotive engineers in Canada. In addition, the stronger Canadian dollar adversely affected our earnings. Despite these challenges, the final quarter of 2009 saw continued sequential improvement in CN's traffic levels and an easing in year-over-year volume comparisons. Carloadings were flat year-over-year, but up 4.0% versus the third quarter of 2009."

Fourth-quarter year-over-year growth was in coal, automotive, grain and fertilizers, and petroleum and chemicals volumes as the economic recovery began taking hold. Intermodal volumes declined 3%, metals and mineral carloadings were down 2%, and forest products markets remain depressed.

Mongeau said: "Throughout the year, the CN team raised the bar on operational execution, tightly controlled costs, and generated solid free cash flow and increased shareholder value through the monetization of underutilized assets. As we go forward, we will build on the improvements in operating metrics we achieved in 2009, including train velocity, lower freight car dwell times in terminals, and improved locomotive fuel efficiency."

1/28/2010 4Q Financials

KCS boosts income, cuts costs and drives down its operating ratio

Similar to the other Class Is, Kansas City Southern took "positive business momentum" generated in the third quarter and carried it into and through the fourth quarter.

Today, KCS reported quarterly revenue of $406.8 million, down 4 percent vs. fourth-quarter 2008 but up 5 percent vs. third-quarter 2009. In addition, operating income rose 1 percent to $91.9 million, operating expenses dropped 5 percent to $314.9 million and KCS' operating ratio improved 1.1 points to 77.4. Volume slipped 1 percent year over year to 436,500 units, but increased 3 percent compared with third-quarter carloads.

"Particularly gratifying was the significant pick up of [Kansas City Southern de México S.A. de C.V.'s] traffic," said KCS Chairman Mike Haverty in a prepared statement. "Given its importance in terms of North American manufacturing, the business upswing in Mexico, which has continued into the early weeks of 2010, suggests that the economy is gradually gaining momentum."

Among the few downbeats in the quarter, compensation and benefit expenses rose from $78.6 million in the year-ago period to $88.3 million, and diluted earning per share fell from 40 cents to 33 cents. But analysts had expected earnings of 29 cents per share and revenue of $397.2 million, according to *Thomson Reuters*.

For the full year, revenue dropped 20 percent to $1.5 billion, carloads declined 11 percent to 1.6 million units, operating income fell 31 percent to $268.2 million, operating expenses decreased 17 percent to $1.2 billion and KCS' operating ratio rose 3 points to 81.9 compared with 2008 figures.

"KCS management is cautiously optimistic that the company will be able to maintain the positive volume and revenue growth momentum that it experienced in the second half of last year throughout 2010," said Haverty. "A continued strong pricing environment, new and renewed business contracts and the growth of our cross-border intermodal product, including the introduction of six-day service between central Mexico and Atlanta, will be important catalysts in KCS' rebound."

1/28/2010 Capex

Class Is set 2010 capital spending budgets

While the Class Is report their fourth-quarter financial results this month, they're also announcing their planned 2010 capital spending budgets.

Today, Canadian Pacific announced it plans to spend between $680 million and $730 million on capital programs, including $585 million to renew track infrastructure.

Yesterday, Norfolk Southern Corp. said it's budgeting $1.44 billion for capital expenditures this year vs. $1.30 billion in 2009 and $1.56 billion in 2008. The budget includes $706 million for roadway work, such as rail, tie and ballast programs, and bridge replacements; $221 million for communications and signal projects, maintenance-of-way equipment, grade separations and other work; $184 million for facilities and terminals, including intermodal terminals and mechanical shops; $140 million for technology, including $40 million for positive train control (PTC); $110 million for key infrastructure, such as MidAmerica Corridor and CREATE projects; and $81 million for rolling stock.

On Wednesday, CN said it plans to invest about $1.4 billion in capital programs this year. The capital expenditure "target" reflects a "slight increase over CN's 2009 capital spending," said spokesman Mark Hallman in an email. More than $1 billion will be spent on track infrastructure to "maintain a safe railway, and to improve network productivity and fluidity," he said.

Three other Class Is already announced their 2010 capex budgets earlier this month. CSX Corp. is budgeting $1.7 billion, about 70 percent of which will target infrastructure maintenance, with the remainder focused on the National Gateway intermodal corridor and equipment, as well as $200 million on regulatory requirements, including $170 million on PTC.

Union Pacific Railroad plans to spend $2.5 billion, the same amount as last year but down from

$3.1 billion in 2007. The Class I will spend $150 million to complete an intermodal terminal in Joliet, Ill., and $200 million on PTC.

And BNSF Railway Co. is budgeting $2.4 billion, about $240 million less than last year because the railroad plans to acquire fewer locomotives in 2010 (about 170 units costing $320 million). The Class I expects to spend about $2.1 billion on track, signal systems, structures, freight cars and technologies, including PTC.

Meanwhile, the three Mexican Class Is announced their 2010 capex budgets earlier this week at Asociacion Mexicana de Ferrocarriles A.C.'s RT2010 AMF event in Monterrey.

Ferrocarril Mexicano S.A. de C.V. plans to spend $121.6 million. The budget primarily focuses on infrastructure improvements and the construction of a new yard in Rio Escondido, Coahuila, near Piedras Negras, said Ferromex spokesperson Leonor Torres Dueñas in an email.

Ferrosur S.A. de C.V. plans to spend $37.3 million for new AC locomotives, infrastructure work and "urban programs with several states," said Dueñas.

Finally, Kansas City Southern de México S.A. de C.V. is budgeting $121 million, including $80 million for infrastructure upgrades.

— Jeff Stagl

President, Vice President announce $8 billion for high-speed rail projects
January 28, 2010

President Barack Obama and Vice President Joe Biden announced that the U.S. Department of Transportation is awarding $8 billion to states across the country to develop America's first nationwide program of high-speed intercity passenger rail service. Funded by the American Recovery and Reinvestment Act, these dollars represent an historic investment in the country's transportation infrastructure, which will help create jobs and transform travel in America. The award went to:

California.

Awardees: California Department of Transportation, California High-Speed Rail Authority. Total Approximate Funding (all corridors): $2,344,000,000. Miles of Track: New - 800 miles. Upgraded - 880 miles. Planned - 275 miles (est.)

Total: Approx. 1,955 miles.

Funding from the ARRA will go toward the construction of a new, electrically powered high-speed rail system of 800 miles serving major population centers from San Francisco and

Sacramento to Los Angeles and San Diego with over 300 trains per day.

Charlotte - Raleigh - Richmond - Washington, D.C.

Awardees: North Carolina Department of Transportation, Virginia Department of Transportation. Total Approximate Funding (entire corridor): $620,000,000. Miles of Track: Upgraded - 480 miles

The Southeast Corridor connects Charlotte, Raleigh, Richmond, and Washington, D.C. The long-term goal for this corridor is top speeds of up to 110mph, reducing trip time by one-third from Washington, D.C. to Richmond, and to four and one-half hours between Richmond and Charlotte. Eventually, the Southeast Corridor is expected to use Atlanta as a regional hub, with connections from Atlanta east to Charlotte, south to Macon and Jacksonville, north to Chattanooga, and west to Birmingham.

Chicago - St. Louis - Kansas City.

Awardees: Illinois Department of Transportation, Missouri Department of Transportation. Total Approximate Funding (entire corridor): $1,133,000,000. Miles of Track: Upgraded - 570 miles.

The corridor connects Chicago to St. Louis and Kansas City, Mo. Ultimately, the long-term vision for the corridor is to reach speeds of 110 mph from Chicago to St. Louis to Kansas City, with up to eight daily round trips between Chicago and St. Louis.

Detroit/Pontiac - Chicago.

Awardees: Michigan Department of Transportation, Indiana Department of Transportation, Illinois Department of Transportation. Total Approximate Funding (entire corridor): $244,000,000. Miles of Track: Upgraded - 300 miles.

The corridor connects Chicago and Detroit, two of the largest cities in the Midwest, and also provides a link between neighboring states. Altogether, the system serves communities in Indiana and Michigan, connecting them to the Chicago Hub with six round trips per day. The long-term vision for this corridor includes doubling the number of daily round trips between Detroit and Chicago and increasing speeds to 110mph.

Eugene - Portland - Seattle - Vancouver, B.C.

Awardees: Washington State Department of Transportation, Oregon Department of Transportation. Total Approximate Funding (entire corridor): $598,000,000. Miles of Track: Upgraded - 437 miles: Planned - 30 miles. Total - 467 miles.

The 467-mile long corridor connecting Eugene, Portland, Seattle and Vancouver, Canada is the backbone of intercity passenger rail in the Pacific Northwest. The long-term vision for the corridor is to have a dedicated high-speed track, where trains will operate at up to 150mph, with 13 daily round trips between Seattle and Portland.

Florida: Tampa - Orlando - Miami

Awardees: Florida Department of Transportation. Total Approximate Funding (entire corridor): $1,250,000,000. Miles of Track: New - 84 miles. Planned - 240 miles. Total - 324 miles.

Grants from the American Recovery and Reinvestment Act (ARRA) will go toward the creation of a new high-speed rail corridor that connects Tampa Bay, Orlando, Miami and other communities in central and south Florida.

Minneapolis/St. Paul - Madison - Milwaukee - Chicago.

Awardees: Wisconsin Department of Transportation, Minnesota Department of Transportation. Total Approximate Funding (entire corridor): $823,000,000. Miles of Track: Upgraded - 144 miles. New - 32 miles. Planned - 275 miles (est.). Total - Approx. 441 miles.

Intercity passenger rail service will be established between Milwaukee and Madison with stops in Brookfield, Oconomowoc, and Watertown at speeds of up to 110 mph. Service is expected by 2013. Improvements between Chicago and Milwaukee will ultimately reduce travel time by more than 30 percent and increase maximum speeds from 79 mph to 110 mph. Eventually, passengers will be able to travel from Chicago to the Twin Cities at a top speed of 110 mph, saving time and energy compared to driving.

Northeast Region

Awardees: Northern New England Passenger Rail Authority, Vermont Agency of Transportation, Massachusetts Department of Transportation, Rhode Island Department of Transportation, Connecticut Department of Transportation, State of New York Department of Transportation, New Jersey Transit, Pennsylvania Department of Transportation, Delaware Department of Transportation, Maryland Department of Transportation, District Department of Transportation (Washington, D.C.). Total Approximate Funding (all corridors): $485,000,000 (ARRA High-Speed Rail Grants)$706,000,000 (ARRA Amtrak Grants)TOTAL - $1,191,000,000. Miles of Track: New - 84 miles. Upgraded - 1,542 miles. Planned - 727 miles

The Northeast region currently has the most integrated passenger rail network in the country. The vision for these seven rail corridors is to invest in projects that will boost speeds, cut trip times and strengthen the system as a real alternative to air and car travel.

Ohio: Cleveland - Columbus - Dayton - Cincinnati

Awardees: Ohio Department of Transportation. Total Approximate Funding (entire corridor): $400,000,000. Miles of Track: New - 250 miles.

This new corridor connects four major metropolitan areas in Ohio: Cleveland, Columbus, Dayton and Cincinnati. This significant route, named the "3C Corridor," has a length of 250 miles and will serve communities near Lake Erie, in Central Ohio, and the Tri-State region around Cincinnati. The 3C Corridor is expected to be the first phase of a long-term vision for an extensive network of passenger rail corridors connecting the cities of Ohio and neighboring states. Subsequent phases are expected to increase speeds, cut trip times and boost available round trips.

KCS cuts operating ratio, beats Street
January 28, 2010

In last year's fourth quarter, Kansas City Southern earned $32.0 million, or 33 cents a share, on $406.8 million in revenues. While earnings declined 17.5% from the prior-year quarter, they exceeded the 29 cents that was the consensus estimate of analysts.

"KCS management is cautiously optimistic that the company will be able to maintain the positive volume and revenue growth momentum that it experienced in the second half of last year throughout 2010," Chairman and CEO Michael R. Haverty said.

KCS reported fourth quarter 2009 revenues of $406.8 million, a 4% decrease from the same quarter in 2008; on operating income of $91.9 million, an increase of 1%; and an operating ratio of 77.4%, compared with 78.5% in 2008.

"Operating expenses for the fourth quarter 2009 were $314.9 million, a decrease of 5% year-over-year< said KCS. "Decreases were achieved in each category with the exception of compensation and benefits. Year-over-year fourth quarter compensation and benefits expense increased as a result of non-cash foreign exchange rate impacts on the Mexico statutory profit sharing obligation, and lower capitalized labor due to the reduced capital program in 2009. Offsetting these compensation increases were lower salary and wage expenses resulting from reduced employee levels. Purchased services fell 17% as a result of reduced locomotive repair expenses and savings from the opening of the Victoria-Rosenberg line. Fuel expense for the quarter was down 14% on decreased average fuel prices and the efficiency of the fleet.

Operating income for the fourth quarter was $91.9 million compared with $91.2 million last year, a 1% increase. The fourth quarter 2009 operating ratio was 77.4% compared with 78.5% a year ago."

1/29/2010 Traffic

AAR weekly report: U.S. roads score more carloads for first time in 2010

It took three weeks, but U.S. railroads have registered their first year-over-year carload gain of 2010. During the week ending Jan. 23, they originated 277,420 carloads, up 3.9 percent, and 200,807 intermodal loads, up 2.9 percent compared with traffic from the same week last year, according to the Association of American Railroads (AAR). Total volume rose 4.9 percent to an estimated at 30.2 billion ton-miles.

“Coal remains the exception to positive year-over-year volumes. While initial production schedules call for slightly negative year-over-year production in 2010 as stockpiles are worked down, continued colder-than-normal weather, improved steel/industrial production and elevated natural gas prices should bring stockpiles returning to normal levels by mid-year," said Robert W. Baird & Co. Inc. analysts in their weekly "Rail Flash" report. "Looking ahead, traffic comparisons will ease through the second quarter, and we expect volumes to remain stable to improving."

Meanwhile Canadian and Mexican railroads continued to boost traffic in 2010. During the week ending Jan. 23, Canadian roads' carloads jumped 13.5 percent to 73,354 units and intermodal volume increased 7.4 percent to 44,295 units; Mexican roads' carloads surged 29.8 percent to 14,867 units and intermodal volume skyrocketed 41.6 percent to 6,960 units.

1/29/2010 4Q Financials

CP: Encouraging quarterly results cap off year on 'positive note'

Canadian Pacific was the last Class I to conduct a fourth-quarter earnings presentation, but the railroad's financial results weren't last-place material. Yesterday, CP reported quarterly net income of $182 million, up 3 percent, and an operating ratio of 76, down 1.2 points compared with fourth-quarter 2008 figures. In addition, operating expenses fell 17 percent to $800 million.

"Canadian Pacific finished 2009 on a positive note," said President and Chief Executive Officer Fred Green during yesterday's Webcast and teleconference. "We managed effectively in a difficult economic environment."

Difficult enough to reduce revenue 16 percent to $1 billion, operating income 12 percent to $252 million and diluted earnings per share to 88 cents. However, CP beat *Thomson Reuters*-polled analysts' earnings expectation of 83 cents per share.

"We're satisfied we're making meaningful progress," said Green.

The Class I is making headway in the traffic department. Although fourth-quarter volume fell 7 percent to 619,800 units, carloads increased 3 percent vs. third-quarter volume and continue to show "sequential improvement," said Group Vice President of Sales Ray Foot. Gains in grain and coal traffic helped offset weak potash volume, he said.

CP posted progress with cost control, too. Fuel expenses plummeted 36 percent, compensation and benefit expenses dropped 11 percent, and purchased services/rent expenses fell 11 percent. During the quarter, headcount declined 10 percent vs. a 6 percent drop in workload, a "great example of the productivity improvements we are sustaining," said Executive VP and Chief Financial Officer Kathryn McQuade.

For the full year, CP's revenue declined 18 percent to $4 billion, operating income fell 20 percent to $844 million, diluted earnings per share tumbled 31 percent to $2.59, operating expenses decreased 17 percent to $3.2 billion and operating ratio rose 0.7 points to 79.1 compared with 2008 figures.

Senior execs are projecting moderate growth in 2010 because coal and fertilizer volumes will increase, some merchandise segments will rebound, grain volumes will be as good or slightly below 2009’s level and intermodal volume could rise slightly as restocking activity picks up through the first half.

Although many markets “remain uncertain,” CP plans to continue to drive efficiency while delivering reliable service, said Green.

“We are well-positioned to realize operating leverages as volumes recover, particularly for intermodal and merchandise trains,” he said. "We’re going to keep a rein on cost and will be ready to respond to any sustained increase in demand as clearly there’s some potential for volume growth, particularly in the bulk business. But the economic signals on the general economy remain weak and volatile.”

Unions call Toyota 'danger to America'

David Shepardson / Detroit News Washington Bureau

Washington -- The United Auto Workers and the International Brotherhood of Teamsters protested Toyota Motor Corp. for a second straight day in Washington, calling the embattled automaker "a danger to America."

Teamsters General President James P. Hoffa and United Auto Workers Vice President Bob King demonstrated outside the Japanese Embassy and called on the Japanese government "to hold Toyota accountable for waging an attack on thousands of good-paying jobs in the United States."
The leaders are complaining about the decision to close the New United Motors Manufacturing Inc. assembly plant in Fremont, Calif., in March -- originally a joint venture between General Motors Corp. and Toyota.

The labor leaders also called Toyota "a danger" because of two massive recalls linked to accelerator pedals. On Tuesday, Toyota halted sale of eight popular models because it said it didn't have a fix in place.

Toyota spokesman Mike Goss said the unions protest was "misdirected," since GM had opted to not continue NUMMI -- and it was "just not feasible for us to run it separately." While Toyota is working to help with a smooth transition, the new GM and the old company "have made clear they will do nothing." A spokesman for the Japanese embassy, Satoshi Miura, said he was aware of the protest, but had no comment.

The plant closing decision announced in August was momentous for Toyota, a Japanese automaker proud of never having closed an auto plant since its founding in 1937.

But Toyota signaled last year it might quit the venture after its partner at NUMMI for 25 years, General Motors Corp., said in June it would withdraw as part of its bankruptcy. "We deeply regret having to take this action," Toyota's Executive Vice President Atsushi Niimi told reporters. He said Toyota had learned much from the joint venture with GM, calling NUMMI a "groundbreaking model of U.S.-Japanese collaboration."
This week, UAW workers protested outside the Washington auto show.

The labor leaders delivered a letter from UAW Vice President Jimmy Settles and Hoffa to Japan's Prime Minister Yukio Hatoyama following the speaking program.

"It's outrageous that the No. 1-selling car in cash for clunkers was the Corolla, the car that is manufactured in the NUMMI plant," King said.
"After receiving more money in this bailout program than any other company, Toyota is turning its back on American workers and American taxpayers by closing the plant in the state where they sell the most cars in the U.S., shipping these jobs to Japan, and then importing the cars back to the United States for sale."

Hoffa also criticized the decision.

"Toyota management is seeking to move work from auto transport companies that have delivered their new cars and trucks for decades," Hoffa said.

"The loss of this work could lead to the destruction of the largest auto transport companies in the country and the loss of thousands of good, middle class jobs. Toyota promised to support American communities, they're instead threatening the very types of good jobs that our communities need in this time of economic crisis."