

A VIEW FROM ACROSS THE POND

Rail freight is booming in the United States, where some of the biggest operators are looking at innovative ways of increasing capacity. Michael R Weinman reports on the latest developments. But first he remembers an unsung hero of the US passenger railway

Martha Tancil was one of the loyal soldiers in Amtrak's war on sliding customer service standards. Sometimes, it seemed like she was the only one on the front line, when budget cuts or changes in management philosophy or freight railroad congestion, conspired to make US train travel a less-than-stellar experience. As Amtrak's director of customer relations, essentially running the 'complaint department', the buck stopped at her desk, in what may have been the most difficult job in a most difficult environment.irate customers were defused, compensated, mollified, and above all, recorded, for the benefit of those in Amtrak who cared to learn from the experience. Disabled customers were treated with new-found respect and dignity. Martha's enthusiasm and professionalism grew not from a life-long or familial railroad background, but from a mid-life reassessment and transfer of her not-inconsiderable information technology skills. Regrettably, she worked through a number of managements and seemingly conflicting directives, as have so many at Amtrak over the years – which has been almost as burdensome as the very real operational and financial difficulties recorded in this and many other journals since 1971. Alas, this delightful and charming professional succumbed to cancer at an all-too-tender age in February.

A NEW approach to 'merger-without-merger' was recently crafted by the masters of innovation at Norfolk Southern and Kansas City Southern

railroads. The youthful career railwayman Wick Moorman recently took over as CEO from David Goode at NS. Former Santa Fe executive Mike Haverty, also a career railroader, heads KCS and has been busy consolidating acquisitions in Mexico (now called the Kansas City Southern de Mexico), and building capacity for the Mexico-to-Canada 'NAFTA' railroad. Both men have been focusing on a 313-mile route connecting Meridian, Mississippi with Shreveport, Louisiana, originally owned by Illinois Central (now Canadian National).

This route has become known as the Meridian Speedway, more because its relatively straight route between key traffic gateways is a short cut, than because of any actual speed achievements. It is vital because of the nature of freight traffic in the dynamic economy of the south-eastern US, part of the 'sun belt' (as opposed to the 'rust belt' of older, established north-eastern and Midwestern regions). The southeast is both a consuming and producing region, and connections at Shreveport lead to west

'After hearing of waning railroad interest in the Chicago CREATE project...it was refreshing to hear of major improvements planned for the New Orleans terminal.'

coast ports, south to Mexico and its dynamic production economy, and even to the chemical coast of Louisiana and eastern Texas. Without this route, traffic would have a considerable detour, or perhaps face the congestion – and occasionally hurricane-related blockages – of New Orleans. Prior to realisation of its potential, the line changed hands several times, and was essentially a debilitated single line railway, devoid of signals, but possessed of a critical bridge over the Mississippi near Vicksburg, Mississippi.

With the growth of intermodal traffic on speeded-up schedules, a saving of hundreds of miles and a relatively congestion-free route looked mighty appealing to the planners of NS and KCS. The route had been improved under KCS stewardship, but was by no means the super railroad implied by its nickname. In 2000, NS and KCS devised a haulage

agreement, with NS traffic being hauled in KCS intermodal trains on this route. In December 2005, NS and KCS concluded a unique agreement that will see NS invest some \$300m in capacity improvements on the line (new and extended passing loops, added signalling and traffic control, track improvements) over the next four years. For this investment, NS receives a 30 per cent stake in its ownership, but KCS continues to control, dispatch and maintain the line, and serve local industries. NS has the exclusive right to operate certain types of intermodal traffic on the line.

Although Amtrak had made some noise a few years ago about a Meridian – Dallas extension of its Southern Crescent passenger train (diverging from the main New Orleans section at Meridian, and using the Speedway), interest waned when mail and express haulage ceased to be of interest to Amtrak – and its former board chairman, the Mayor of Meridian, passed the torch. Still, Dallas is as big a draw as New Orleans, along with westward connections, and this plan may well resurface if the forces hoping to eliminate Amtrak's long-distance fleet do not put paid to the Southern Crescent and its ilk.

A final note on the Meridian Speedway: Rail StockWatch reported that, at a meeting on 2 February with financial analysts, KCS's Mike Haverty reported discussions that may impact on the rail freight operator's westward connections to the Speedway, between Shreveport and Dallas. Any major improvements here could put KCS in a highly favourable position with a major east-west route, in addition to its historic and now international north-south orientation.

WITH YEAR-END reports now in from the major ports, some impressive gains have come to light. The Port of Los Angeles reported that it dispatched between 10 and 12 intermodal trains a day last year, carrying some 2,500 boxes eastward. This represented fully 25 per cent of the port traffic. It should be remembered that the Port of Los Angeles is about half the harbour capacity, with next-door neighbour, the Port of Long Beach, equally impressive.

On the other side of the continent, the Port Authority of New York and New Jersey reported a seven per cent gain in 2005, handling a record 4.8 million 20 foot (TEU) equivalent units. This



Chris Randall

Norfolk Southern and Kansas City Southern have signed an agreement to improve the 'Meridian Speedway' route between Mississippi and Louisiana. A KCS loco rolls off the production line at Electro Motive's plant in Canada.

increase was attributed largely to Far East traffic. The Port Authority also reported handling more than 300,000 containers at its Express Rail ship-to-rail terminals in northern New Jersey, also a seven per cent increase over 2004.

THE RECENT American Association of Railroad Superintendents winter meeting in Charleston, South Carolina, featured a coach tour of the two major port facilities. I was privileged to take the tour in the company of Bob VanderClute, senior vice president – safety and operations of the Association of American Railroads. After seeing the huge container facility, we were simply incredulous that not a track was to be found in the terminal. One hundred per cent of containers are moved to and from the port by road, as the neighbours didn't seem to want a railway nearby when the facility was built. The second, smaller and older facility, near downtown Charleston, handles auto traffic, largely export, brought in by rail, but the volumes pale by comparison to the container port.

At this conference, a bold new initiative to speed traffic through the congested – and largely underinvested – New Orleans area was discussed by representatives of the Norfolk Southern and the New Orleans Public Belt, a major publicly-owned switching

and terminal company, which owns and operates the massive Huey P Long bridge. This five mile road-and-rail bridge over the Mississippi River permits movements from New Orleans and east to the Union Pacific and Burlington Northern Santa Fe Sunset route to Texas and west. After hearing of waning railroad interest in the Chicago CREATE project to implement new congestion mitigation routes and improvements, due to lukewarm federal funding response, it was refreshing to hear of major improvements planned for the New Orleans terminal. Both freight and passenger traffic would be assisted by the New Orleans Gateway Infrastructure Improvement Project, which has at its heart a 29 mile, two track sealed corridor (12 highway crossings would be closed) connecting the Huey P Long bridge with eastern connections. The \$400m project would be supplemented by \$40m improvements to the 70-year-old bridge, and its approaches, including adding a ballast deck to replace the open deck, to ease maintenance headaches.

A summary of public-private investment projects in the US railway network was provided, but when placed in perspective, looks a very slim list. Besides the CREATE and New Orleans projects, both in the planning stage, a series of flyovers to replace flat crossings in Kansas City,

the Alameda Corridor route from the Ports to eastern connections in Los Angeles, and the Reno Trench, a major grade-crossing elimination in gambling center Reno, Nevada are about the only major completions in recent memory. Others may be on the back burner – or in the very-slow-cook oven in the AGA – and the legacy of strictly public improvements to commuter railways is strong. However, it has only been in the last decade that the privately-owned freight railway industry has overcome its reticence to accept public investment, and has campaigned for these vital improvements. They undoubtedly benefit both the public and private sectors, and many stakeholders well beyond their immediate scope of operation, including customers and shippers separated by thousands of miles from the site of many planned improvements.

On a final note, all major U.S. and Canadian railways came in with quite positive year-end results, many reporting double-digit increases in key indicators, and even returns on investment which are meeting or exceeding the US Surface Transportation Board definitions of revenue-adequacy, often for the first time.

Michael R Weinman is head of PTSI Transportation, USA, a railway management consultancy. He is a former officer of New York Central, Penn Central and Amtrak.