

# WHEEL CLICKS

Pacific Railroad Society Inc.

MARCH 2012

## SAN GABRIEL ARCHAEOLOGY

One of the most important archaeological sites of the region sits just across the street from the San Gabriel Mission. The site, being dug in anticipation of construction of the Alameda Corridor East rail project, has already yielded Spanish coins, animal bones, beads and a bone fragment or two.

In anticipation of winding up the dig in March, rail project officials have been conducting unofficial tours of the site for schoolchildren in Alhambra and San Gabriel. On January 30 the San Gabriel Historical Association organized a community day for 100 residents to take a tour of their own. "We believe it could be one of the more important archaeological opportunities in the greater Los Angeles region," project spokesman Paul Hubler said.

Known officially as the San Gabriel Trench project, the excavation began in late December. The project is part of Alameda Corridor East's large-scale railroad improvement project that began in 1998. Ultimately ACE and San Gabriel officials hope to have rail crossings at critical intersections that are above or below grade to make auto traffic flow more smoothly.

ACE reached out to Alhambra and San Gabriel Unified School Districts, and many schools are scheduled to visit until the dig concludes in mid-March. "This was a huge community that would have encompassed a bunch of people," said archaeologist Ryan Glenn of SWCA Environmental Consultants, the group leading the dig. "We are standing right in the middle of their garden."

The site could also reveal information about the Gabrielino, a branch of the Tongva tribe that lived on the land before the mission was founded. "I think it will provide us with a little bit more knowledge with regard to how they lived, what things they had, how they survived," said San Gabriel Mayor David Gutierrez, who is of Gabrielino descent. Gutierrez is also the chairman of the ACE board of directors.

Community members also can take advantage of the opportunity by calling the ACE Construction Authority at 888-223-1426 to arrange a visit. Ace Construction Authority held a press conference on February 2 to discuss the historical artifacts it has discovered so far during the dig.

[Info. from *Pasadena Star-News*]

## BIG SAN FRANCISCO DIG UNEARTHES ARTIFACTS

The big dig for San Francisco's multi-billion-dollar transportation terminal has unearthed some artifacts from the city's heady Gold Rush days, including opium pipes from a Chinese laundry. The 70 artifacts have city archaeologists eager for more and local residents pondering the ground beneath their feet.

"It's not often that you get a chance to stop for a moment and have a window into what used to be," said James Allan, an

archaeologist with William Self Associates, the firm ensuring the items are unearthed and preserved.

The \$4 billion Transbay Transit Center under construction in the South of Market financial district is billed as the "Grand Central Station of the West." "I live and work in the neighborhood," said Tom Pagel. "The neighborhood has changed so much in a relatively short period of time. It's a big evolution and gives you a glimpse into how the world has changed in these years."

[Info. from *The Oregonian* via Caroline Hobson]

## CALTRAIN NEWS

by MIKE GONDON

A number of construction projects have been ongoing for many months now, and some are nearing completion. At the Santa Clara station, the pedestrian underpass is now open. The underpass is part of a project that also includes a center platform for northbound boarding and an extension of the southbound platform by 150 feet.

In addition, CP Franklin at the south end of Santa Clara, was reconstructed to allow for quicker train movement in and out of the station. When the project is complete, Altamont Commuter Express (ACE) trains will resume stopping at Santa Clara, and Capitol Corridor trains might also add the station as a scheduled stop.

The improvement project at San Jose Diridon station is also nearing completion. Two new platforms have been added to the west side of the station, which will provide needed operational flexibility for the current level of service, plus any additional service. Diridon Station is served by ACE, Capitol Corridor trains, and the Coast Starlight, in addition to Caltrain. The new platforms are expected to open in late February.

Caltrain recently awarded a \$138 million contract for construction of a sophisticated hi-tech signal system known as the Communications Based Overlay Signal System. The system is made up of equipment on board trains and alongside tracks and a dedicated communication network that interfaces with the dispatching center.

When complete, the system will allow Caltrain to operate more trains and reduce the time crossing gates are down, as well as improving safety for passengers and employees. The system will include Positive Train Control, a safety system that automatically stops trains that are exceeding authorized speed or are in danger of colliding.

A book covering the history of the Peninsula Commute Service, from its beginnings in 1864 to present day Caltrain operations will be released in late February. It is written by Bay Area historian and former Caltrain Marketing Manager Janet McGovern and is titled "Caltrain and the Peninsula Commute Service". The book is available for pre-order on amazon.com for \$21.95.



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### PRS NEWS — ARRIVALS & DEPARTURES

Mar. 2 PRS Board Meeting, 7:30 p.m.; Valencia Room,  
 Friday Joslyn Center, 210 N. Chapel Ave., Alhambra.  
 Mar. 3, 10, PRM open Saturday, 10:00 a.m. to 4:00 p.m.  
 17, 24, 31 210 W. Bonita Ave., San Dimas.  
 Mar. 3, 10, Rolling Stock repair day, open Saturday, 8:30 a.m.  
 17, 24, 31 to ?, Saunders Yard, Noakes St. & Herbert Ave.,  
 Commerce.  
 Mar. 5, 12, PRM open Monday, 12:00 a.m. to 5:00 p.m.  
 19, 26 210 W. Bonita Ave., San Dimas.  
 Mar. 7, 14, PRM open Wednesday, 12:00 a.m. to 5:00 p.m.  
 21, 28 210 W. Bonita Ave., San Dimas.  
 Mar. 9 PRS Membership Meeting, 7:30 p.m. Alhambra  
 Friday Room, Joslyn Center, 210 N. Chapel Ave.,  
 Alhambra.  
 Mar. 28 *Wheel Clicks* Mailing Party, Wednesday, 10:00  
 a.m., 1240 Dominion Ave., Pasadena.

### PROGRAMS

by RUSS DAVIES

March 9: On this evening we'll see a PowerPoint presentation, "Metrolink in Southern California" assembled by Bill Volkmer, and including many of his own images. There will be "opening day" historic scenes of the various lines, and many "then & now" scenes featuring the railroads that ran on the same right-of-ways **back in the day!** **Be there, and bring digital briefs!**

April 13: **Steam! Nothing but steam!** On this evening we'll see digital images of steam railroading from **nearly 20 different collections** in your **PRM archives**. The images have been scanned from a mixture of slides, prints, and negatives. Most of the images will be from **the 1950s and earlier, when steam was still in every day revenue service.** **Be there, and bring digital briefs!**

### THE WATERFRONT RED CAR LINE by BOB HENRY, Waterfront Red Car Line Project Manager

The history of the Waterfront Red Car line actually begins in 1995. At that time, the Board of Harbor Commissioners appointed the "Futures Commercial Task Force." This committee studied the waterfront and saw the attractions as a "string of pearls" stretching from the cruise terminal to 22nd Street. The committee recommended that a rail-based trolley line be constructed to connect the "pearls."

In 1998, the Pacific Corridor Citizens Advisory Committee, headed by Jim Hussey, also recommended that the port develop a rail-based trolley line. Executive Director Larry Keller agreed and told the committee that the port would study the feasibility of a rail-based trolley line., with rubber-tired connectors to downtown San Pedro, and Cabrillo Beach via 22nd Street.

In January 1999, Mr. Keller asked me to investigate the feasibility of a rail-based trolley line. I felt that it would only be viable if it were the Red Car line, not a generic trolley line. I had heard about the history of the Red Cars and the nostalgic affection long-time Angelenos had for them, and the Red Car line would attract not just cruise passengers, but also people from all over Los Angeles. We felt that if San Francisco could be known as the cable car town, San Pedro could be known as the Red Car town.

Early in our research we learned of the existence of Red Car 1058 in a warehouse in Vernon. Car 1058 belonged to San Pedro resident Lois Fellows, the widow of Richard Fellows. Mr. Fellows had restored 1058 to run on streets propelled by a Chrysler V-8 engine. After visiting the car, I wanted to buy it, but we did not have the railroad running gear. Our team was eventually able to acquire the necessary equipment and the port purchased the car for \$80,000.

It was to be converted to run on rails. In a bit of serendipity, the warehouse at Berth 155A is located across Pier A Street from the original San Pedro Pacific Electric main line, and the electrical rail bonds on the rails can still be seen today.

A dedicated group of skilled Harbor Department carpenters, electricians and machinists, assisted by some knowledgeable consultants, then completed the construction of cars 500 and 501. Parts from original PE 500 cars were brought from the Orange Empire Railway Museum in Perris so that they could be accurately replicated by port craftsmen.

The museum also supplied the original blueprints of the cars to ensure historical accuracy. Car 500 and 501 were painted in the original dark crimson color used by the PE in the early days, and car 1058 was painted in the lighter red used after 1940. The specialized paint was supplied by Llewellyn Supply Co. in Wilmington.

Each piece of mahogany in the cars and each piece of ash for the “walkover” (reversible) seats was hand selected to match. Also, the classic “Huntington Standard” curved glass corner windows were fabricated by the same company that fabricated the original PE windows: California Glass Bending in Wilmington. The historically accurate cars, along with the period car, card ads above the windows are meant to provide a feel for a Red Car ride in the 1920s.

The project presented some very unusual challenges due to the unique historical nature. Much work was done with the California Public Utilities Commission and the Federal Railroad Administration to secure their approvals. For example, getting the 85,000 pound Car 1058 loaded with 12,000 pounds of sandbags to stop within the CPUC guidelines was particularly interesting.

[From *Northwest Neighborhood Advocate* via John Whitmeyer]

#### LOCAL PORTS FACE PANAMA CHALLENGE

A major expansion of the Panama Canal is raising alarms in Southern California, where business, labor and public officials are warning that the project threatens to dent the region’s role in international trade. The \$5.25-billion project will make the canal wider and deeper, allowing huge freighters from Asia to bypass West Coast ports and head straight to terminals on the Gulf and East Coasts.

The neighboring ports of Los Angeles and Long Beach, which together handle about 40 percent of the nation’s imported Asian goods, could lose as much as a quarter of their cargo business by some estimates after the Panama expansion is completed in 2014.

The ports, neighboring towns and railroads have launched improvement projects aimed at keeping them competitive. One proposed project, for instance, would speed the loading of cargo onto trains, others eliminate bottlenecks or increase capacity so that the ports remain alluring to importers. But a coalition of business, labor and government contends that these efforts are jeopardized by opposition from some residents, environmental groups and others.

Two members of the Long Beach City Council, for example, sought to block the construction of a new railroad freight complex near the ports, saying it would increase pollution and force small businesses to relocate.

The coalition, which calls itself the Jobs 1st Alliance, says the rail and other projects are crucial if Southern California hopes to keep its place as a center for international trade. Directly and indirectly, economists say cargo movement employs more than 500,000 people in the region.

The coalition has launched a campaign called Beat the Canal, using Facebook and a website (BeatTheCanal.com), and plans to act as an advocate for special projects, pushing for faster action and fighting against environmental and other reviews that become excessive, said Wally Baker, president of the alliance

and a former executive with the Los Angeles County Economic Development Corp., a jobs promotion group.

The Jobs 1st Alliance fears that the ports could lose as many as 100,000 jobs when the Panama Canal overhaul allows much larger ships to bypass California. The biggest ships that can squeeze through the Panama Canal now carry 4,400 to 5,000 containers. But modern cargo vessels routinely hold three times as many of the big metal boxes. So importers often use West Coast ports to land their products from Asia. Then the containers crammed with apparel, toys and other goods move from ships to trucks or trains and on to warehouses and retailer shelves throughout the U.S.

About 65 projects totaling about \$7.5 billion need to be expedited to keep Southern California on top, Baker said. Among those is BNSF Railway’s Southern California International Gateway Project, designed to speed rail movement and reduce truck traffic and diesel emissions. The project was proposed in 2005. But its 4,690-page draft environmental impact report wasn’t completed for six years, a measure of the difficulty answering the objections. And it’s still not adequate, said Long Beach City Council members Rae Gabellich and James Johnson, who introduced a memorandum in December opposing the location of the yard.

The council meeting drew a crowd of Jobs 1st Alliance representatives, mostly union workers, to argue against the memorandum. The council voted to request more information from the ports about other possible locations and how many businesses would need to relocate.

Opponents of some of the projects say they are concerned because port-side neighborhoods already bear an inordinate burden of air pollution and traffic. Community activist Jesse Marquez said that not enough had been done to assess health efforts of various projects.

The Natural Resources Defense Council contends “giving people an either-or, promoting jobs or promoting public health, is a false choice,” said Melissa Lin Perrella, a senior attorney at the council. “The environmental review processes are important and make sure that these projects provide good jobs and protect public health.”

Baker says his group isn’t promoting a full-speed-ahead agenda that would sacrifice public health. “We’re doing this to show people there is a threat to our regional economy and that we can do something about it,” Baker said. “Who’s the target? The target is anyone who doesn’t believe that we have to be more competitive.”

[Info. from *Los Angeles Times*]

#### A PCC STREETCAR IN DOWNTOWN SAN DIEGO

On August 27, 2011, a President’s Conference Committee (PCC) streetcar started weekend service on a clockwise loop called the Silver Line around downtown San Diego. It is using the San Diego Trolley light-rail tracks with a modern pantograph. The streetcar, No. 529, is an ex-Muni car (San Francisco Municipal Railway). It was built in 1946 and retired from San Diego in 1949. It was bought secondhand by Muni from St. Louis Public Service in 1957 and retired in 1982.

The team at San Diego Vintage Trolley has Harry Mathis as the driving force behind the project and Dave Slater as the

project manager. The team has five more PCCs awaiting restoration. They hope to increase the service as resources allow with the ultimate being service to Balboa Park, the most famous San Diego PCC destination.

{Info. from *Market Street Railway*}

### GREENBRIER COMPANIES IN LAKE OSWEGO

Shares in the Greenbrier Cos. jumped 8 percent on January 6 after the company said sales and earnings soared due to higher rail car deliveries in its first quarter. The Lake Oswego, Oregon rail car manufacturer has seen a resurgence in orders. The company delivered 3,300 new rail cars in the first quarter of its 2012 fiscal year, compared with 1,050 units in the first quarter of 2011. It received orders for 1,600 new rail cars during the first quarter, and an additional 2,400 units later.

Its manufacturing backlog as of Nov. 30 was 13,300 units with an estimated value of \$1.1 billion, compared with 8,100 units at the same point last year.

[Info. from *The Oregonian* via Caroline Hobson]

### DAN RICHARD IS NEW BOSS OF HIGH-SPEED RAIL

Dan Richard might have the toughest job in Sacramento. The new chairman of the California High-Speed Rail Authority finds himself at the controls of the most ambitious – and most maligned – public works endeavor in modern state history. Gov. Jerry Brown raised the stakes in mid-January when he highlighted high speed rail in his State of the State address. Those who want to slow, if not stop, high-speed rail include key legislators and a recent poll revealed, a majority of California voters. Richard's job? Assuage the naysayers, and fast.

Richard, a former elected BART director and vice president of public policy and governmental affairs at Pacific Gas and Electric Co., is a politically savvy straight-shooter who has never flinched at tough questions or big challenges.

Reclamation of high-speed rail's image is a daunting mission even for someone of Richard's listening and consensus-building skills. The plan to begin the project with a \$6 billion, lower-speed, 130-mile stretch from Fresno to Bakersfield has been derided as a "Train to Nowhere." What was sold to voters as a \$45 billion route between San Francisco and San Diego has become a \$98.5 billion project from San Francisco to Anaheim. Every independent study to date has questioned its feasibility.

Against this backdrop, the California Legislature must decide in the next few months whether to authorize the first \$2.7 billion in state bonds to allow construction of the first phase in the Central Valley. These state dollars would be matched by \$3.5 billion in federal stimulus funds, which, under the feds' guidelines, could only be applied to the Central Valley stretch and only if groundbreaking happens this year.

Sen. Joe Simitian, D-Palo Alto, has been pressing the authority for a more detailed, plausible and comprehensive plan. Simitian was encouraged when the high-speed rail authority recently agreed to develop a "blended system" with Caltrain instead of building a separate set of tracks between San Jose and San Francisco – an idea that had generated enormous opposition along the Peninsula. Simitian described the high-speed rail authority's first three years as nothing less than a "debacle."

Richard's overriding goal is to find ways to build the system

"faster, better, cheaper" – and to make those course corrections quickly enough that the Legislature can feel confident in approving the bond money this year. "All of those things are going to be corrected," Richard said. "We're not afraid to make changes."

The next few months will be critical in determining whether a plan Brown calls "a strenuous undertaking" is sunk by the naysayers or elevated by the visionaries and problem solvers of this era.

[Info. by John Diaz of the *San Francisco Chronicle*]

### PASSENGER TRAIN UPDATES by CHARLES VARNES AMTRAK

#### Management Staff Reductions

At the end of October 2011, Amtrak announced to employees that it would be offering buyouts to employees not covered by labor agreements. In a special employee advisory, Amtrak said starting the following week it would be offering non-agreement employees a Voluntary Separation Incentive Payment in order "to better allocate its resources and align the structure of the company in accordance with its Strategic Plan and within the financial realities it faces."

Employees not covered by labor contracts and with at least one year of service were eligible to participate in the plan, starting Nov. 7 and lasting through Nov. 25. If cost reduction and organizational expectations were not achieved, Amtrak said it would implement an involuntary reduction in the number of employees beginning in January 2012.

More than 160 managers accepted buyouts, including a number of experienced managers whom Amtrak wanted to keep.

On Jan. 20, a report stated, "Today's dismissals involved about 40 people. Particularly hard hit were Human Capital, Finance, and Government Affairs. The Diversity department was wiped out entirely. A senior and particularly respected Northeastern Government Affairs official and a Vice-President who came from the Southern Region were notable dismissals."

The author's perception of conditions within Amtrak is best described by the title of Don Phillips commentary in the *Trains* magazine March 2012 issue, "Is Amtrak a Company at War With Itself?"

#### National Train Day

Amtrak will present the 5th Annual National Train Day on Saturday, May 12, 2012, from 11:00 a.m. to 4:00 p.m. at Los Angeles Union Station, and stations in New York City, Philadelphia, and Chicago, as well as other communities throughout the nation.

National Train Day events are planned at the following locations in Southern California in addition to the event at Los Angeles Union Station.

Travel Town Museum, 5200 Zoo Drive, Griffith Park, Los Angeles. 10:30 a.m.-3:00 p.m.

Oceanside Transit Center, 205 S. Tremont St., Oceanside. 9:00 a.m.-1:00 p.m.

Santa Susana Depot, 6503 Katherine Road, Simi Valley. 1:00 p.m.-4:00 p.m.

A complete listing of National Train Day Events in California is available at <http://www.nationaltrainday.com/events/other/?st=CA>.

## LONG DISTANCE TRAINS

## Sunset Limited

The *Sunset Limited* (Train 1 February 6) experienced a more than 35 hour delay when 20 or more cars of Union Pacific freight train QWEC-06 [Quality Manifest. Englewood, TX. West Colton, CA. - originating February 6] derailed early in the morning of Feb. 7 near MP 362 on the UP Del Rio Subdivision. The derailment site is near Amanda, Tex., approximately 15 miles east of Del Rio, Tex. and 153 miles west of San Antonio.

The *Sunset*, which departed from San Antonio at 5:43 a.m., that morning was moved back to San Antonio to await the opening of the line. It departed on Feb. 8, about 33 hours late.

The train finally arrived in Los Angeles on Feb. 9 at 7:57 p.m., 33 hours and 27 minutes late.

At San Antonio, Amtrak offered passengers bus transportation from there to points west. Approximately 30 passengers chose to remain aboard the *Sunset* with coach passengers being upgraded to sleeping car accommodations.

## MICHIGAN SERVICES

## Wolverine Service and Blue Water Trains

On Feb. 7, 2012 Amtrak *Wolverine Service* (Trains 350/351/352/353/354/355) and *Blue Water* (Trains 364/365) trains began operating at 110 mph over portions of their routes on Amtrak-owned track between Kalamazoo, Mich., and Porter, Ind.

Amtrak began raising speeds on this corridor from 79 mph in 2001 to 90 mph in 2002 and to 95 mph in 2005. Sustained operations at 110 mph will shave 10 minutes from the 95 mph schedules and about 20 minutes from the 2001 schedules on the Amtrak-owned segment of the corridor

Incremental Train Control System (ITCS) installed on the Amtrak-owned Michigan Line between Kalamazoo and Porter has been developed by General Electric Transportation Systems with assistance from Amtrak, MDOT and the U.S. Federal Railroad Administration (FRA). Last year, Amtrak extended ITCS coverage to the western and eastern ends of the line between New Buffalo and Porter and between Oshtemo and Kalamazoo, completing the system across 97 miles of track and permitting the higher speeds on about 80 miles of the route, 64 miles in Michigan and 16 in Indiana.

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[Info. from Bob Johnson, Ken Ruben, Ed Von Nordeck]

## UNION PACIFIC REPORTS RECORD FOURTH QUARTER AND FULL YEAR

Union Pacific Corporation (NYSE: UNP) on January 19, 2012, reported 2011 fourth quarter net income of \$964 million, or \$1.99 per diluted share, compared to \$775 million, or \$1.56 per diluted share, in the fourth quarter 2010.

"The dedicated efforts of our employees, combined with the

strength of our diverse railroad franchise, drove record fourth quarter results," said Jim Young, Union Pacific chairman and chief executive officer. "In 2011, we achieved best-ever marks in customer satisfaction and employee safety, invested a record \$3.2 billion in capital, and generated record free cash flow of \$1.9 billion. 2011 was the most profitable year in Union Pacific's history, allowing us to reward shareholders with increased financial returns."

## Fourth Quarter Summary

Fourth quarter business volumes, as measured by total revenue carloads, grew 3 percent versus 2010. Four of Union Pacific's six business groups – chemical, automotive, energy and industrial products – reported strong volume increases. Quarterly operating revenue increased 16 percent in the fourth quarter 2011 to a record \$5.1 billion versus \$4.4 billion in the fourth quarter 2010. In addition:

Each of UP's six business groups reported freight revenue growth in the fourth quarter driven by increased fuel cost recoveries and core pricing gains. Volume growth was also a contributing factor in four of the six business groups.

Union Pacific's operating ratio of 68.3 percent was a fourth quarter best, 1.9 points better than the previous fourth quarter record set in 2010. Pricing gains, volume growth and improved operating efficiency contributed to this record performance, more than offsetting the negative impact of higher diesel fuel prices compared to 2010.

Average quarterly diesel fuel prices increased 28 percent to \$3.16 per gallon in the fourth quarter 2011 from \$2.46 per gallon in the fourth quarter 2010.

The Customer Satisfaction Index of 92 tied a quarterly best and was two points better than the fourth quarter 2010.

Quarterly train speed, as reported to the Association of American Railroads, was 25.6 mph, decreasing 3 percent compared to the fourth quarter 2010.

The Company repurchased nearly 3.9 million shares in the fourth quarter 2011 at an average share price of \$98.16, and an aggregate cost of \$381 million.

## Summary of Fourth Quarter Freight Revenues

Automotive up 26 percent  
Industrial Products up 24 percent  
Energy up 21 percent  
Chemicals up 18 percent  
Intermodal up 13 percent  
Agricultural up 2 percent

## 2011 Full Year Summary

For the full year 2011, Union Pacific reported net income of \$3.3 billion or \$6.72 per diluted share. This compares to \$2.8 billion or \$5.53 per diluted share in 2010, 18 and 22 percent increases, respectively. Operating revenue totaled a record \$19.6 billion versus \$17.0 billion in 2010. Operating income increased 15 percent to \$5.7 billion, up from \$5.0 billion in 2010.

All six business groups reported freight revenue growth and five of the six business groups reported volume growth in 2011. Carloadings increased 3 percent versus 2010 and freight revenue grew 15 percent to \$18.5 billion. This compares to freight revenue of \$16.1 billion in 2010.

UP's operating ratio in 2011 was 70.7 percent, one-tenth of

a point higher than the previous annual record of 70.6 percent set in 2010. Higher fuel prices negatively impacted the operating ratio by 1.7 points compared to 2010.

Average diesel fuel prices increased 36 percent to \$3.12 per gallon in 2011 from \$2.29 per gallon in 2010.

The Company increased the quarterly dividend per share twice during 2011, for a total increase of 58 percent for the year.

The Company repurchased nearly 14.8 million shares in 2011 at an average share price of \$95.94, and an aggregate cost of \$1.4 billion.

#### 2012 Outlook

“Looking ahead, we expect continued slow but steady economic growth in 2012,” Young said. “The diversity of our unique railroad franchise will continue to provide growth opportunities in various markets. As we move into the 150th year of Union Pacific, our prospects have never looked better. We remain focused on providing excellent service to our customers, investing for the future, and generating increased financial returns for our shareholders.”

In its year-end and fourth quarter results Union Pacific highlighted the following.

#### All-Time Quarterly Records

Diluted earnings per share of \$1.99 improved 28 percent.

Operating revenue grew to \$5.1 billion, up 16 percent.

Operating income totaled \$1.6 billion, up 23 percent.

#### 2011 Full Year Records

Diluted earnings per share of \$6.72 improved 22 percent.

Operating revenue grew to \$19.6 billion, up 15 percent.

Operating income totaled \$5.7 billion, up 15 percent.

Return on invested capital of 12.4 percent improved 1.6 points.

Customer satisfaction index reached 92, up 3 points.

[Info from Union Pacific via Charles Varnes]

### URBAN RAIL TRANSIT by DICK FINLEY LOS ANGELES METRO RAIL RIDERSHIP

October 2011	Red Line	Blue Line	Green Line	Gold Line
Weekday Ave.	145,737	77,738	42,810	36,784
Saturday Ave.	86,230	56,637	22,256	23,688
Sunday Ave.	74,723	45,345	17,523	21,833
Monthly Total	3,865,234	2,142,398	1,097,915	1,000,060

#### RIDERSHIP

November 2011	Red Line	Blue Line	Green Line	Gold Line
Weekday Ave.	140,363	75,250	40,669	37,843
Saturday Ave.	77,255	56,212	19,223	20,697
Sunday Ave.	60,157	38,171	14,328	13,936
Monthly Total	3,557,437	1,995,955	1,002,584	947,166

#### RIDERSHIP

December 2011	Red Line	Blue Line	Green Line	Gold Line
Weekday Ave.	141,680	73,825	38,917	39,660
Saturday Ave.	75,326	53,007	19,346	20,130
Sunday Ave.	66,774	42,566	16,153	15,703
Monthly Total	3,685,781	2,028,185	994,763	1,012,028

[Info. From Metro via Ken Ruben]

### GOLD LINE FOOTHILL EXTENSION

The I-210 Gold Line Bridge is the first part of the planned extension to move from final design to construction. The \$18.6-million bridge is being built by contractor Skanska USA and has

been in the design and pre-construction phases since August 2010.

Completion of the bridge has been timed to coincide with the laying of the tracks, said Habib Balian, CEO for the Metro Gold Line Foothill Extension Construction Authority. That work will be done by a separate contractor responsible for building all of the other elements needed for a light rail line. Roughly \$500 million in transit funds will be awarded for three design and building contracts to complete the 11.5-mile, Construction Authority officials said. Artist Andrew Leicester was chosen to function as the project's Design Concept Advisor after an international competitive search. The bridge features two prominent “basket” columns.

The bridge also features infrastructure to withstand major earthquakes, officials said. Its foundation will run 110-feet deep into the ground with reinforcing steel cages, while “smart column” technology installed by Skanska USA will be used to help officials locate and repair any damage to the bridge after a tremor.

Motorists eastbound on the 210 Freeway can expect up to 20 nights of complete closures in February and March as crews move to the next construction stage. A temporary structure will go up across the freeway to support work on the 584-foot bridge.

Construction Authority officials are urging motorists and truckers to use alternate routes at night in the coming months to avoid delays. Upcoming closures of all eastbound lanes will generally take place from midnight to 5 a.m. on weekdays and some Saturdays. During the shutdowns, traffic will be detoured at Baldwin along Foothill Boulevard to Santa Anita.

### ALAMEDA CORRIDOR-EAST

Commencing in 2012, the Alameda Corridor-East Construction Authority expects to create roughly 11,000 new jobs during several years of construction of rail-highway grade separation projects, said Tim Spohn, chairman of the board of directors for the Alameda Corridor East Construction Authority.

The agency is tasked with building grade separations, where the road goes over or under the railroad, at crossings throughout the San Gabriel Valley to alleviate traffic congestion and improve safety. “The ACE projects will create jobs, particularly in the hard-hit construction sector,” Spohn said.

The Baldwin Avenue roadway underpass between Rose Avenue and Gidley Street in El Monte is expected to create 1,370 jobs over two years of construction. The Nogales Street underpass in Industry between Gale Avenue and San Jose Avenue is expected to bring in 1,480 new jobs.

Finally 8,900 jobs will be created over four years of construction of the San Gabriel railroad trench grade separation project, with bridges built at Ramona Street, Mission Road, Del Mar Avenue, and San Gabriel Boulevard in the city of San Gabriel, Spohn said.

Spohn said ACE expects in 2012 to complete engineering and environmental documents for grade separation projects at Puente Avenue and at Fairway Drive, both located in the city of Industry and Los Angeles County.

The goals of the ACE projects include relieving traffic chokepoints and reducing vehicle emissions caused by idling cars waiting for trains to go by at crossings, Spohn said. The projects also help increase safety by eliminating the intersections

between cars and pedestrians and passing trains, he said.

Another goal is to provide a boon to the U.S. economy by increasing the reliability of freight train service and supporting rail capacity increases to help sustain the growth in goods movement expected as imports and exports through the San Pedro Bay ports rebound, Spohn said.

[Gold Line and ACE info. from *San Gabriel Newsgroup*]

#### BAY AREA RAPID TRANSIT

##### Next Stage of Transbay Tube Retrofit

BART is continuing its work of earthquake safety strengthening of the Transbay Tube, which was not damaged in the 1989 Loma Prieta earthquake but remains BART's top Earthquake Safety priority. The Board of Directors on Jan. 26 authorized the General Manager to award a contract of \$7,735,000 to California Engineering Contractors of Pleasanton to install steel plating inside the 3.6 mile long Transbay Tube. The work will be part of the 10-year Earthquake Safety Program to protect BART's core system against a major earthquake.

The contract approved by the Board requires the contractor to bolt 2.5 inch steel plates on the concrete wall of the Transbay Tube. The work is expected to begin this Spring and be completed about two years later.

BART's Earthquake Safety Program has been underway since 2001 and significant work to strengthen the Transbay Tube is already complete.

Overall, BART's Earthquake Safety Program will strengthen not only the Transbay Tube but also 34 stations, 22 miles of elevated track (including 1,918 support columns) and parking structures and other facilities. The program is 85% complete, ahead of schedule and on budget.

Strengthening the Transbay Tube is a major priority of the project. The Transbay Tube, connecting San Francisco to Oakland, carries about half of BART's 365,000 daily weekday riders and, during the peak transbay commute hours, BART riders equal the number of Bay Bridge drivers – 50,000 – reducing bridge congestion by half.

#### Earthquake Safety Construction

##### Inside El Cerrito Plaza Station

In January 2012, construction crews started earthquake strengthening work inside the El Cerrito Plaza Station.

The work will include constructing temporary enclosures, demolishing concrete structures, adding steel and concrete to foundations, wrapping columns with reinforcement, and protecting utilities and equipment

It is estimated that the project will be completed by late 2012.

#### Powell Street Station Modernization

##### Continues Through September 2012

BART is continuing asbestos removal work within the Powell Street BART Station.

BART has been removing existing fireproofing material that was applied to the steel beams installed when the station was built nearly 40 years ago. The common fireproofing material from that time contains traces of asbestos. BART is taking great care as they remove these materials. BART advised their customers, "Be assured this work is in no way hazardous to our customers, employees or to the contractor doing the work. All of this work is contained and closely monitored for the safety of all who work in, or are passing through, the area. Protective

enclosures are being constructed of plywood and plastic sheeting to isolate the work from the public. The entire enclosure is under negative pressure from a HEPA filter. In the event of a puncture to the plastic sheeting or loose blue tape, the negative pressure inside the enclosure will pull outside air in, maintaining containment until the opening can be repaired."

The station air is monitored 24 hours a day by an independent firm to verify compliance with all applicable codes. The firm doing the work is licensed and certified to do hazardous material abatement. The work is expected to last until September 2012. [Info. from Charles Varnes]

A freight car is "in storage" if it has had a loaded revenue move since 2005, but not in the past 60 days. Rail cars are stored when they are not needed due to lack of demand; they come out of storage when demand improves. Figures are for the entire North American rail freight car fleet and include rail cars owned by railroads, leasing companies, shippers, and others. The total freight car fleet changes from month to month as new cars are added and old cars are scrapped.

There is a great deal of complexity in freight car usage patterns. For example, increases in demand for rail service for a particular commodity relative to another mean that some car types might be in very short supply at the same time that others are plentiful; a freight car might go through cycles where it is stored for a few months and then returned to service for a few months; and changes in scrap metal prices might make scrapping cars more attractive at one time than another.

In its monthly report the AAR stated, "We note above that a number of factors affect freight car usage patterns. One such factor is seasonality. (For example, intermodal volumes are typically lower in the December-February time frame than in the August-October time frame, so fewer flat cars to transport containers and trailers will be needed.) Thus, it's not surprising that movements of cars into and out of storage at the end and beginning of a year are usually quite different from other months of the year. Available car storage data are not sufficiently precise to determine how much of the 9,846 increase in cars in storage this past month is related to seasonality issues and how much to other issues, but it's likely that seasonality played at least some role."

[Info. from AAR Rail Time Indicators]

#### CRENSHAW LIGHT RAIL PLAN

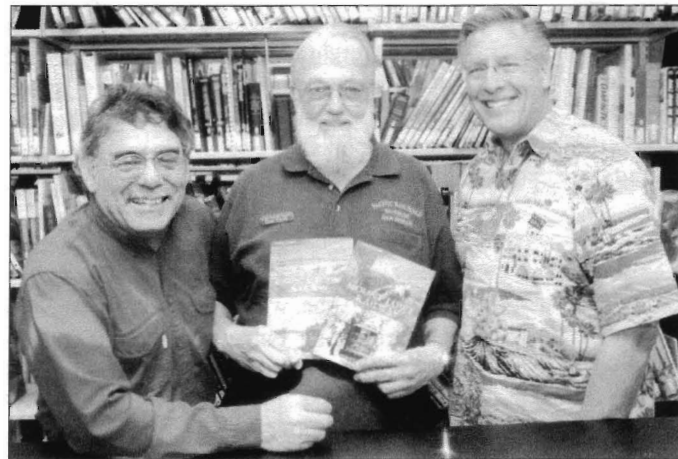
The Federal Transit Administration has issued its final approval of plans for a \$1.72 billion transit line along Crenshaw Boulevard, running from the Green Line near Los Angeles International Airport to the Expo Line. The FTA's Record of Decision gives the Los Angeles County Metropolitan Transportation Authority the green light to acquire property, purchase rail cars and move utilities to build the light rail.

The 8.5-mile Crenshaw/LAX line will be the first to connect a major population center of South Los Angeles to the rest of Metro's rail network. The line will serve passengers near Leimert Park and in Inglewood, Hawthorne and El Segundo. It is still unclear whether the line will include an underground stop at Leimert Park Village, an economic and cultural hub of the black community in South Los Angeles.



*Tennessee Valley Railroad Museum 1829 is pulling a chartered dinner train in the late afternoon of Nov. 7, 2011.*

Photo by Charles Varnes

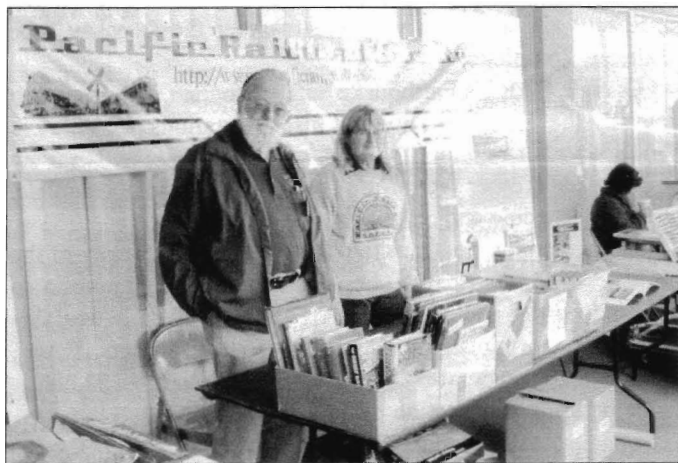


*Shown with David Housh, Pacific Railroad Museum Curator, in January, Steve Crise (L) and Michael Patris are presenting copies of their books, Pacific Electric Railway Then & Now and Mount Lowe Railway Then & Now to the Museum library. Many of Ralph Melching's photographs from the museum's archives appeared in both books.*



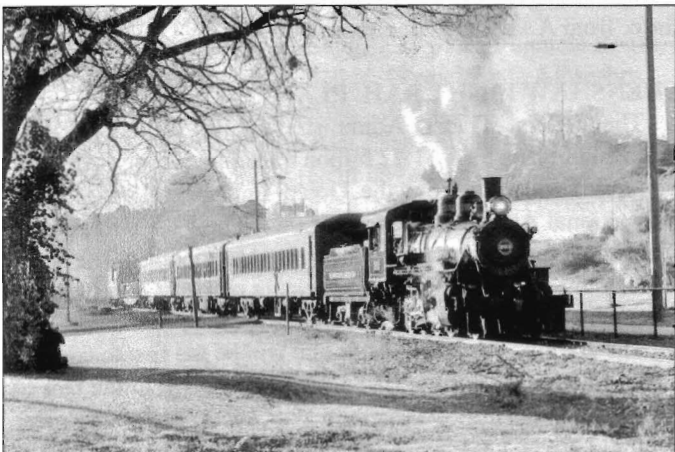
*Steam drifts from the cylinders of ex-Southern Railway 630 as it awaits departure pulling a train of Norfolk Southern business cars from Chattanooga, Tennessee to Knoxville, Kentucky on Nov. 8, 2011.*

Photo by Charles Varnes



*Pacific Railroad Museum Curator, David Housh, and PRS president, Marti Ann Draper, staffed the PRS table at Winterail 2011, selling books donated to, but not needed by, the Pacific Railroad Museum library.*

Photo by Charles Varnes



*Knoxville & Holston River 203 is seen pulling an excursion train in this photograph taken on Nov. 10, 2011.*

Photo by Charles Varnes



*The former Southern Pacific Stockton, California, depot is deserted on Sunday morning March 13, 2011, the day after Winterail 2011. The station is served Monday through Friday by ACE commuter trains and a daily Amtrak San Joaquin train.*

Photo by Charles Varnes