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NEWSLETTER

Some Bid Results

Railroad Track, Leipsic, Ohio

- | | | |
|----|-----------------------|-----------|
| 1. | Balfour Beatty Rail | 3,123,000 |
| 2. | Delta Railroad Const. | 3,184,000 |
| 3. | Railworks | 3,416,000 |

Revised from last quarter, Lakeville, NY

- | | | |
|----|---------------------|-----------|
| 1. | Balfour Beatty Rail | 1,408,300 |
| 2. | Delta Railroad | 1,495,500 |
| 3. | GW Peoples | 1,588,500 |

Rail Extension, Olive Branch, MS

- | | | |
|----|---------------------|-----------|
| 1. | Balfour Beatty Rail | 2,012,000 |
| 2. | RJ Corman | 2,244,000 |
| 3. | Shelby RR Services | 2,285,000 |

Rehab, Umatilla, OR

- | | | |
|----|---------------------|-----------|
| 1. | H&H Engineering | 1,248,300 |
| 2. | Railworks | 1,324,700 |
| 3. | Balfour Beatty Rail | 1,365,400 |



Track Guy Consultants

We started our 4th year of being in business and are enjoying our work with the Rail Industry. It is truly good times and the outlook is extremely promising. Our work in Monterrey, Mexico has been completed and we are proud to have helped with the initial construction. There is talk about Mexico City possibilities. We are working on a few other projects that require hard use of the brain cells. Getting ready for our 2007 training tour is always a challenge and we have done 15 custom training programs so far this year. We started doing training seminars in the fall of 2005 and will soon be celebrating our 1,000th attendee, probably during this year's tour. Whoever that person is will get some nice free gifts and be announced in our Newsletter. So start registering for our seminars and be that 1,000th person. As always you can check out this year's schedule on our website under the Extravaganza 2007 link on the left side. We are having a grand time doing these training classes with 48% of our attendees being contractors, 27% owners, 13% suppliers and 11% designers. We have a wonderful diversity of people from Laborer to President. Michigan Tech invited us to speak to their Railroad Engineering class and it was glorious. There were 23 young, enthusiastic engineering students on hand listening intently to me speaking on Project Management. Oh, to be back in college, the memories are priceless.



Spotlight: Ridership Trends

Just about every industry publication talks about the growth of the Railroad and the challenges ahead to keep up with the pace. APTA publications say that ridership on Transit has increased by 30% since 1995. New York City in the 1980's bragged about moving 3 million people a day. They are now moving just under 6 million a day. Bill Millar, President of APTA says that the savings in gas would be equal to filling up gas cans and they would stack to the moon. 1.4 billion gallons of gas have been saved by people riding mass transit in 2006. They have made 10.1 billion trips last year, which is the highest in 49 years. Light Rail Transit has reported the highest percentage of change (5.6% since last year). Millar says that 10.1 billion trips is "more than the number of Americans who attended NFL games, Major League Baseball games, NBA games, NHL games, NASCAR races, went to the movies and ate a hamburgers from McDonald's and Wendy's combined". That is truly amazing. This year the government has authorized expenditures of \$8.9 billion in Transit funding, up 5.5% from 2006 and the 2008 budget has been set at \$9.7 billion. Bottom line is that the citizens are demanding alternate forms of transportation and cost efficient modes of transportation and the government is now putting out the money. Here is another scary fact: The US population is expected to reach 400 million by 2043. Traffic levels are expected to increase 135% and new highway capacity is projected to increase only 9% over the same period. Talk about National gridlock.



ALL construction is booming and a phrase has been called Global Build Out. We read about it all the time and Wall Street is talking about it. The investments are flying. Companies are getting bought, and big ones. When one of the biggest investors in the world buys 11% of the UP, something is going on.

We have talked a lot about this in our Newsletters and when we think it will level off, it goes to a higher plateau. So why are people riding public transit more? The answers are obvious when we talk about traffic congestion. Studies show that Americans waste \$57 billion just sitting in traffic each year. The savings to individual households is said to be \$6,200 per year in fuel alone. That ain't chump change. Al Gore has made global warming a real topic now and of course that is another reason to ride transit.





ASK THE TRACK



THIS IS WHERE YOU, THE READER GET TO ASK QUESTIONS ABOUT RAILROAD TRACK ENGINEERING, DESIGN, CONSTRUCTION, MAINTENANCE OR ANYTHING TO DO WITH TRACKWORK. SIMPLY WRITE OR E-MAIL A QUESTION AND WE WILL ANSWER IN A TIMELY MANNER. SOME QUESTIONS

How are the Safety Videos Going?

Those of you who don't know, we were asked by the NRC (National Railroad Construction and Maintenance Association) to manage the making of Safety Videos for members of the NRC (www.nrcma.org). The funding comes from the proceeds of donated



equipment from our annual auction in April. This has been fun and very challenging, since I have to work the left side of my brain (creativity?). Last year just before the video shoot in the shop: our actor came to me and asked what color shirt to wear. I told him that I did not know what color went with Pettibone. We are solely dependent on the local Railroad Contractors and Railroads to help us out with people and equipment. We also need permission from the Railroads to enter their property. Last year we were unable to cross the legal hurdle but this year the Alleghany and Ohio Railroad allowed us on their property. This year is coming along very nicely with some video shoots on Atlas RR and Balfour Beatty projects. Our next shoot will be with Delta Railroad and CR Construction. We will be producing 2 DVD's per year until we run out of money or topics. The DVD's are in High Definition and the quality is unbelievable. If you are an NRC member contact Chuck Baker for your free set of videos.



John, what's happening in your world?

Well, I am glad you asked (actually I asked this one). I have been married to the same wife, Lynne for 23 years and we both forget our anniversary. We just downsized from a very large 5 bedroom house on 2 acres to a 3 bedroom townhouse with about 3 square feet of land. No more mowing grass, shoveling snow or anything for that matter. My oldest daughter, Michelle is 30 and lives in Killeen, Texas. After serving in the Army she liked the area and settled down. She just gave birth on June 12th to our second granddaughter Katelynn. Our next daughter Annie lives in the area and enjoys saying she is independent, but you guys that have daughters know better. She works hard and has a 2 year old daughter named Amy. Our 3rd daughter Jill is in College at Alleghany College (a great school) majoring in Psychology and doing very well. If you haven't noticed, all girls.



We have a female dog also and I was raised with 4 younger sisters and no brothers. My wife's name, my daughters and my granddaughters names are all tattooed on my left arm and it's getting full. I am truly blessed and grateful for everything, as we all should be grateful. There are always people that have it much worse. Remember that there is always a silver lining; you just need to look for it.



How much does it cost to build track?

WOW, this is a loaded and complicated question. There are so very many factors that come into play. You will not find anything in the Means Book on this. If you do, chances are it is very outdated. I will attempt to offer some ideas about this. If you



use these numbers and leave 4 million on the table, don't come after me. All kinds of disclaimers come with this write up. Some of the factors that need to be looked at are the means and methods of construction, what part of the country, union or non-union, material pricing, access, experience of personnel including management, who the owner is, type of track, availability of equipment and innovations. During my days in New York City, I had to bid the work and then do it, so I was fortunate that I at least knew who the manager would be. Most estimators do not even know that. So here goes with some numbers. An industrial type track with jointed rail, wood ties and standard tie plates with cut spikes in Mid America could be in the range of \$120 to \$150 per foot of track. If you took this same track and put it in Brooklyn it could be double that. By the way these numbers have no overhead or profit. Now let's take



some Direct Fixation track. The price per foot of track could be \$250 to \$350. I will tell you that I have bid \$2,200 per foot of track and been low bidder. The ranges can be outrageous. The only reason I offer these numbers is to bring an awareness that building

track cannot be generic and using a million per mile does not work all the time. We have done a number of check estimates for owners, contractors and yes, even designers. The reaction is usually the same: Holy *^#@!%. So give us a call for a review of your project. It could save you time and money.