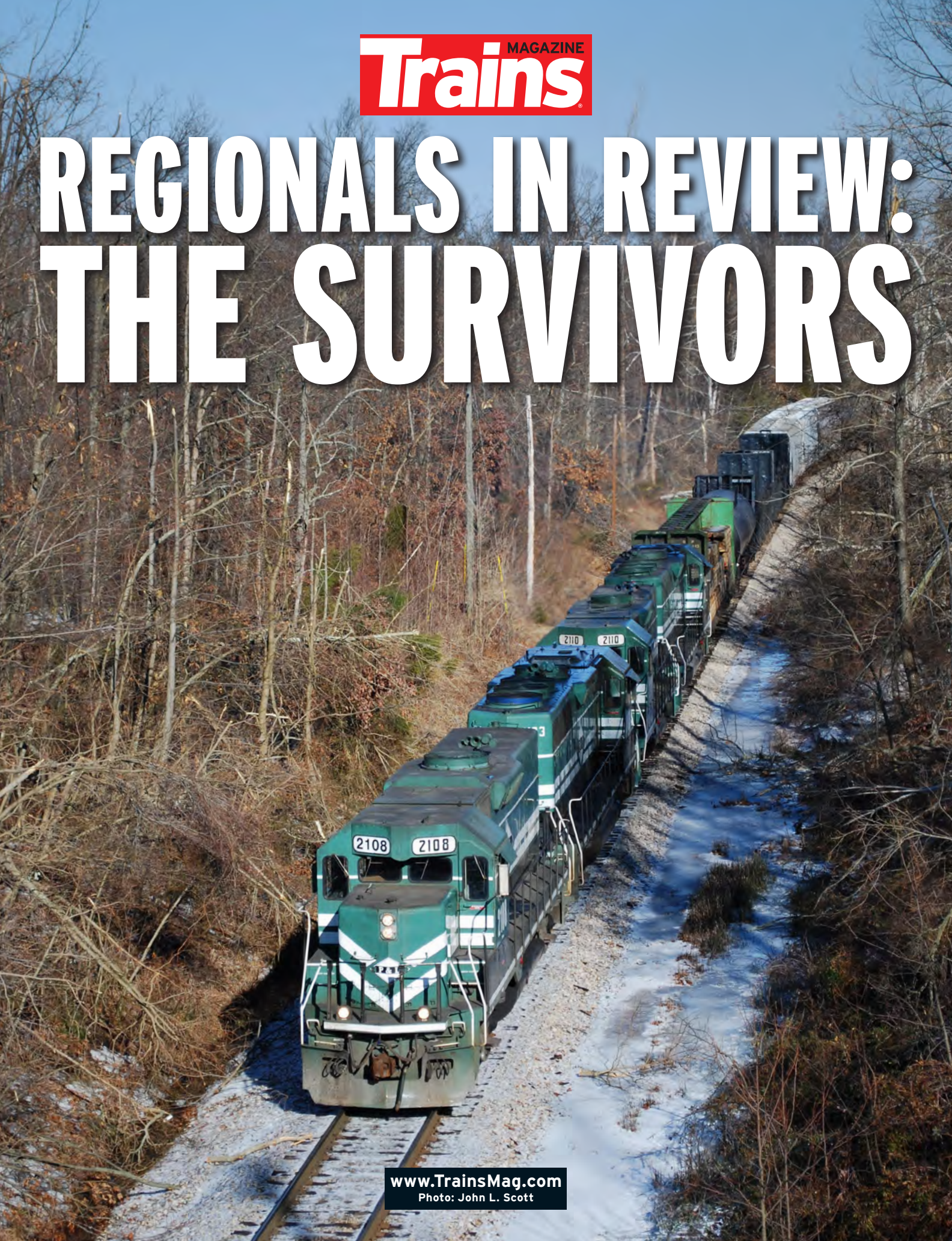
Trains MAGAZINE

REGIONALS IN REVIEW: THE SURVIVORS



www.TrainsMag.com

Photo: John L. Scott

The Paducah & Louisville

A heritage of coal, crushed stone, and HO scale

GARY W. DOLZALL AND JERRY MART

JESSUP, Ky., May 1, 1987. A raucous, early morning thunderstorm has just passed, leaving behind a tranquil, chilling rain. A rain that melds quietly into the nearby waters of Kentucky Lake. A rain that collects in puddles atop the bare soil surrounding the mammoth facilities of BRT Transfer Terminal, where during any given week 100,000 tons of southern Illinois and western Kentucky bituminous coal is dumped from black railroad hoppers into waiting brown river barges.

The sound of falling rain blends with the soft but steady murmur of idling diesel power plants, of a small river tug slowly positioning empty barges in BRT's inlet, of five EMD units embodied with a potential 13,350 horsepower ever so gently easing forward in the two-hour process of dumping 90-odd loads of coal.

At the head of the quintet of diesels on this spring day is a GP35 wearing numerals 2534, a 23-year veteran of Gulf, Mobile & Ohio and Illinois Central Gulf duty. But now she, like ex-ICG GP10 8300 behind her, wears the green and black colors of a new owner, of a railroad born to carry coal (and crushed stone and chemicals), born to link this rail-to-barge transloading dock with the outside world, born to make a profit from the 309½ miles of former Illinois Central rail lines that tie together its two namesake Kentucky cities: the Paducah & Louisville Railway.

HISTORY books will show that the Paducah & Louisville was christened in a scene much like the one which occurred at Jessup on the rainy morn of May 1, 1987. Little more than eight months previous, on August 27, 1986, GP35 2534, the first diesel in P&L's livery, led a string of borrowed ICG SD's and a unit train of Illinois coal the 20 miles from Paducah to Jessup for transloading at the BRT Transfer [page 12, November 1986 TRAINS]. It was P&L's first train—a train that culminated a $70 million transaction which took ICG one step closer in its reduction to a core

TRAINS: Gary W. Dolzall.

story

system, and gave a pair of western Kentucky entrepreneurs named Jim R. Smith and David W. Reed a railroad of their very own.

Jim Smith is a self-made millionaire, a flamboyant man who began his career as a bulldozer operator and parlayed that modest beginning into his own highway construction firm plus coal mine holdings in western Kentucky. David Reed assumed management of his family's quarry operation—at Jessup, adjacent to the BRT Transfer Terminal—upon his father's death in 1975, and he built Reed Crushed Stone Co. into one of the largest quarry operations in the country.

Smith and Reed co-own BRT Transfer Terminal, where coal is loaded into barges for movement over Kentucky Lake, which is formed from the Tennessee River and is part of the Tennessee-Tombigbee waterway. This joint ownership of the BRT is the reason why, in an uncommon manner, they became railroaders.

In truth, Smith and Reed became railroad owners grudgingly. During a trip through western Kentucky in 1985, Illinois Central Gulf President Harry Bruce had an evening open, and asked ICG Northern Division Manager James E. (Jim) Johnson to arrange a dinner meeting with two of the area's leading businessmen—Smith and Reed. During the evening, Bruce took up the subject of ICG's mileage reductions, and surprised Smith and Reed with a suggestion: the best way to protect their investments in western Kentucky was to buy ICG's Louisville-Paducah line.

At first, the two men were not interested. But soon, Smith and Reed began to consider the purchase necessary from a defensive standpoint. Both the BRT and Reed Crushed Stone—which ships about 10 million tons of stone per year by barge, plus 2 million tons by rail—would need a dependable rail connection to prosper. Eventually, Smith and Reed warmed to the idea. The line had significant traffic potential beyond Reed's quarry and the BRT. At Calvert City, east of Paducah (timetable north), the railroad served a giant, multi-company chemical complex. Near the BRT site, ICG was linked to another rail-barge transloading facility, the Kentucky Lake Dock Co.

The center portion of the railroad, with two separate routes between Dawson Springs and Central City (one via Nortonville and another via Madisonville), served numerous coal mines. On its north end, ICG served the Army's sprawling Fort Knox base, fed coal to a pair of Louisville Gas & Electric Co. power plants, and served Louisville-area industries, including several large chemical firms.

Since neither man had been involved in railroading, Smith and Reed's first step was to hire several consultants—among them Jim Johnson, who knew the railroad well and was planning his retirement from ICG.

By late 1985, the deal was progressing rapidly, and on February 26, 1986, came the announcement: ICG would sell its Paducah-Louisville trunk, two connecting branches (a 6-mile line from Cecilia to Elizabethtown and a 9-mile line from Paducah west to Kevil, Ky.), *and* its famous 110-acre Paducah Shop complex to CG&T Industries, a Smith and Reed holding company. Asking price: $54 million. The shop complex would be spun off as a subsidiary of CG&T Industries, to be called VMV Enterprises [page 29].

Originally, the new railroad itself was to be named the "CG&T." The initials have personal meaning for Smith and Reed: "C" stands for Corydon, Ind., the home of David Reed's late father, Clyde; "G" for Grand Rivers, Ky., near Jessup, where Clyde Reed and Jim Smith met 35 years ago; and "T" for Tiline, Ky. (Tie-leen), the home of Jim Smith's late father, Frank.

But soon, a conflict of railroad initials arose, involving the Canada & Gulf Terminal, a Mont Joli (Quebec) short line. What followed was an unusual man-bites-dog story. Aware of the impending birth of this Kentucky railroad, Louis Jaquith, a model railroader in Lexington, Ky., wrote Smith and Reed, offering them not only the name of his HO-scale model railroad—Paducah & Louisville—but also his paint scheme, green and black with an IC-inspired diamond logo. In April 1986, Jaquith met with Reed and Johnson at Paducah, and within two hours they reached an agreement. The HO scale railroad's name and livery would be adopted by the full-size regional railroad. Reporting marks would be PAL.

As summer 1986 came, Johnson, who had been hired as P&L president, was busy putting together the railroad's management team. Because he handpicked men he had worked with, virtually all came from the ICG. He hired Paul M. Seaton as P&L general manager. Seaton, a Kentucky native, began his career on the IC in 1960, when steam still breathed in the 32-stall Paducah roundhouse where he first had worked as a machinist's apprentice. In a quarter century of service, Seaton had risen to general superintendent of operating systems for ICG. P&L's director of marketing would be Anthony Reck, who hired on as an IC brakeman in 1969 and moved up to become ICG's director of international market development.

When the final terms of the ICG-CG&T Industries sale were reached, there had been several additions to the

deal, and the purchase price had gone up to $70 million. As part of the purchase, P&L would receive 63 operable and 34 bad-order ICG diesel units (including ex-GM&O GP30's and GP35's; ex-IC Paducah rebuilt GP8's, GP10's, and SW13's, plus one unrebuilt GP18 and SW9—see page 32), 30 cabooses, 114 83-ton hopper cars, 156 100-ton hoppers, 125 box cars, 30 gondolas, and one business car (former ICG No. 2). Paducah & Louisville would also take over ICG's 26-mile Paducah-Clayburn line (known as the Mayfield branch, for the major town it serves).

Perhaps it was fitting that the P&L, counted on by the Paducah community to give railroading new life in the area, would purchase the Mayfield branch. It was this property (which had gone on to Fulton until 1983) which, in 1854 as the New Orleans & Ohio, first brought rails to the city of Paducah. The Paducah-Louisville main line was constructed almost 20 years later, by the Elizabethtown & Paducah Railroad in 1872-1874, and became part of Illinois Central in 1893.

Beginning at 9 a.m., August 27, 1986, over 600 deeds filed in 21 Kentucky counties were transferred (with the aid of 33 attorneys) from ICG to P&L, and at 11 a.m. the new railroad became whole.

TRAINS: Gary W. Dolzall.

AT the Paducah enginehouse, SW13 and caboose display P&L's model-railroad paint scheme.

AT 1500 Kentucky Avenue, Paducah, within a minute's stroll of the grand old IC shop complex, stands the brick building that is Paducah & Louisville Railway headquarters. Inside, one can find a group of men and women unabashed in their enthusiasm for the regional railroad phenomenon. And perhaps none is more fervent than P&L General Manager (and Vice President) Paul Seaton: "Regional railroads can be competitive; we can serve large and small shippers. We've been able to eliminate any old excuses for bad service that were due to restrictive labor agreements with the flexibility we received from our unions. The union leaders who negotiated our agreements deserve a lot of credit."

The Paducah & Louisville is a unionized railroad, but before its start-up, P&L was able to negotiate what its management felt was favorable—and fair—terms with its unions. "We went to the unions, asked them to give us flexibility, and we told them that we wouldn't try to play games with them," says Seaton. "We said, 'Don't take advantage of us, and we won't take advantage of you.' "

The results? P&L road trains are operated by two-man crews who work up to a 12-hour day, but usually less, because the longest run on the railroad, 226 miles between Paducah and Louisville, usually takes no more than 9½ hours. P&L calls its Paducah-Louisville trains (one each way per day) "expresses," and express crews are limited by union agreement to three pickups or setouts per trip.

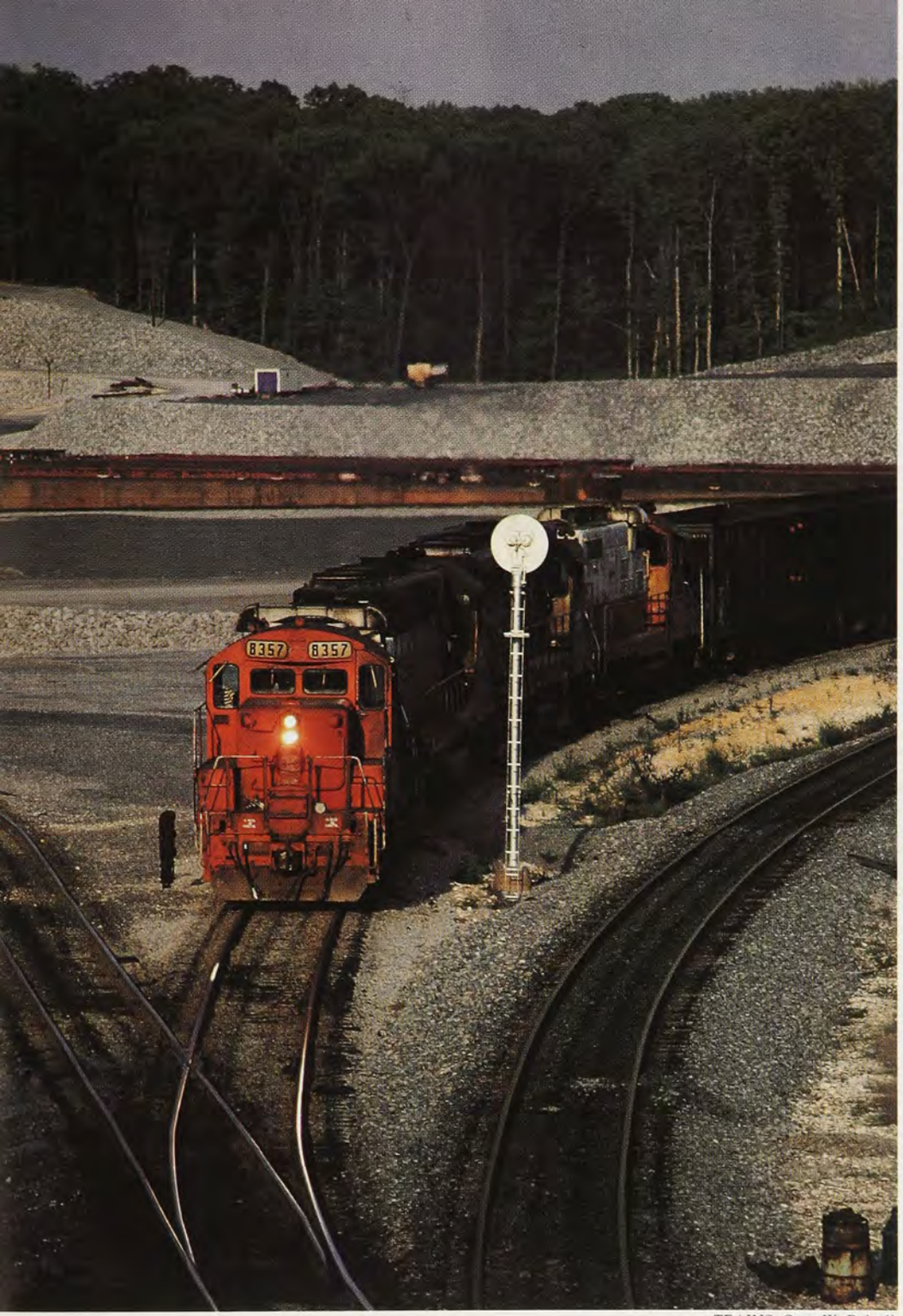
Otherwise, there are no restrictions. There are no crew districts (ICG had two, north and south of Central City) nor switching limits. Jobs with heavy switching requirements are staffed with three-man crews. The railroad also was able to negotiate less restrictive terms with craft unions that represent the electricians, carmen, and other workers who maintain P&L equipment.

P&L's reduced train crews have created one unexpected problem. Customers, sensing that P&L has significantly lower labor costs than did ICG, have been asking for rate reductions on their shipments. But Seaton counters: "For every man we took off the trains, we've added 1.1 for maintenance." And there is no doubt that P&L has placed emphasis on renovation. The company has spent $400,000 on cleanup alone, and $2 million on trackwork to eliminate slow orders.

Evidence of P&L track improvements can be found in the express trains' 9½-hour timings; ICG trains regularly took up to 14 hours. But despite track upgrading, P&L has posted a 35 mph speed limit on the entire main line. "ICG had a 45-mile an hour limit in spots, plus lots of 10-mile an hour slow orders," says Seaton. "We feel that 35 is fast enough. In case there is an accident, it reduces our exposure, and it also produces fuel savings." P&L has also upgraded from 10 mph to 25 mph its historic Mayfield branch, which provides carloadings of tires and clay. "The Mayfield line probably would have been abandoned by ICG in a few years," says Seaton. Marketing Director Reck succinctly summarizes P&L's track improvement program: "When you're hauling 100-ton

Four photos, P&L.

TOP MANAGEMENT on Paducah & Louisville (left to right): Owners Jim R. Smith and David W. Reed hired a team of ICG veterans to run their railroad, including President James E. Johnson, Vice President and General Manager Paul M. Seaton, and Marketing Director Anthony Reck. The company's headquarters are in Paducah.



TRAINS: Gary W. Dolzall.

MIX of Paducah rebuilds, ex-GM&O power eases coal train through BRT Transfer Terminal.

coal hoppers and jumbo chemical cars, you simply can't operate on a couple streaks of rust."

For a railroad its size, P&L also employs a sizable number of carmen (29) and locomotive maintenance people (30). But Seaton says they are needed. "The carmen can head off accidents and thus major claims, and they can nearly cover their expenses with AAR billings [repairs made to equipment of other roads]. The locomotives we received from ICG needed a lot of work. We had a high locomotive failure rate early on, but now our diesel availability is about 90 percent." Of the aging GP30's and GP35's inherited by P&L, Seaton says, "To be honest, I'm simply amazed at what our people have done with them. Those diesels are old, but they've gotten them to run pretty well."

Crew size, maintenance costs, and rate reduction arguments aside, Seaton and Reck agree that there's one way the road can offer its customers big savings. "The P&L's variety of connections is its biggest asset," says Reck. P&L interchanges with six Class 1's: the IC and Burlington Northern at Paducah; Conrail, Soo Line, and Norfolk Southern at Louisville; and CSX at Louisville and Nortonville; plus two short lines, at Princeton: Cadiz Railroad and Tradewater Railway. "We don't insist on the long-haul. We can originate traffic for our shippers and then put the long-haul up for bid among our Class 1 connections," says Reck. He proudly points out that P&L has saved the Army more than $1.2 million in costs for shipments between Fort Knox and Kansas City. "ICG demanded the long-haul to K.C., but we're willing to move the freight to either Paducah or Louisville and give it to the connection that offers the best rate. Regionals like P&L can keep shippers from being captive," says Reck. "We're kind of like a large switching road, really," adds Seaton.

WHATEVER label is applied to the Paducah & Louisville, chances are it will be only partially accurate. Because the P&L, which stretches little more than 300 route-miles across a single state, is a property of remarkable diversity—of traffic and density, of topography, and of mood.

Despite Louisville's status as the larger of P&L's two end-point cities (362,000 population vs. 30,000 for Paducah), there is no doubt that the west-end headquarters city is the soul of the P&L. From an operating man's standpoint, the heart of the railroad rests at Paducah's North Yard (which, despite its name, is due south of the company's headquarters and the VMV complex).

North Yard stands amid a maze of trackage that links P&L's various lines to each other, and to its western neighbors. Coming from the east, the main line from Louisville swings into the yard's north end, near where spurs leading to the shops and downtown Paducah also radiate. One of the spurs toward downtown carries the P&L to the Paducah Riverport (on the Tennessee River), where local and state authorities have cooperated with P&L to rehabilitate old tracks and build new tracks, allowing the railroad to serve Pillsbury and Ingram Materials facilities.

To the south of North Yard, the rails of P&L's Mayfield branch head southeast. Along this line is the old South Yard, now used primarily for storage.

Located between North and South yards, on the west side of the railroad, is Paducah & Louisville's diesel shop, where servicing, running repairs, and even painting, are performed. Indeed, only the most major of mechanical ills will send a P&L diesel to sister VMV's shops.

Carried right over P&L's yard complex by means of trestle and bridge, then looping around to a connection into the north end of North Yard, is the Paducah & Illinois Railroad. Owned jointly by IC, BN (ex-CB&Q), and CSX (ex-L&N, whose former NC&StL line served Paducah until 1982), P&I owns the Ohio River bridge at Metropolis,

TRAINS: Gary W. Dolzall.

GOATS work Paducah's North Yard (above), "heart of the railroad." Once-a-week coal delivery for Martin Marietta uranium plant (below) rolls through Maxon, Ky., on Kevil branch.

Greg C. Sieren.

Ill., which carries IC's Edgewood Cutoff (Bluford District) and trains off BN's southern Illinois line into Kentucky. P&I's line from Chiles Junction (just south of the Ohio River bridge) into Paducah's North Yard is used by IC and BN to interchange with P&L. Paducah & Louisville does not have running rights on Paducah & Illinois.

In Paducah, P&L runs four switch jobs (it prefers to call them "road-switchers," because they may roam as necessary without any restriction). Two work the day trick, one during the evening, and one at night. These "city" jobs, which use switch engines, work the yard, switch customers around Paducah, and prepare blocks for delivery to IC. A regular at this toil is P&L SW9 1236 (ex-ICG 236), a unit resurrected from the bad-order batch of units P&L got from ICG, repaired, repainted (it was the first switcher in green and black), and enlisted to "show the flag" in P&L's hometown.

South and west of Paducah, P&L operates six days a week on the hill-and-dale Mayfield branch and once or twice a week on the flat, 10-mph Kevil branch, which serves Martin Marietta's uranium enrichment plant near the Ohio River. Because the Kevil branch begins on the P&I at CR Junction (2 miles west of North Yard), IC crews handle it to CR, where P&L workers take over.

On both the Mayfield and Kevil branches, P&L takes on much of the appearance of an old, traditional, southern short line—a Geep or two, even an EMD switcher, wandering down a rural steel path with a modest string of freight cars. But on the main line east of Paducah, P&L transforms itself into a heavy tonnage, double-track, CTC-controlled property.

"We usually get about 10 Old Ben trains a week," says Transportation Superintendent Don Sill, another ICG veteran. "Old Bens," in P&L parlance, are unit coal trains that come from IC-served Old Ben coal mines in southern Illinois, swing off the Edgewood Cutoff at Chiles Junction, and move onto the P&L at Paducah. The trains are all destined for one location—BRT Transfer Terminal. There the coal is transloaded for shipment by barge down the Tennessee River to power plants in Georgia, and the empty unit trains are returned to the IC.

Paducah & Louisville train crews operate the Old Bens while on the P&L, but it's common for IC locomotives—usually three SD40-2's—to run through. P&L has an agreement with IC that it will make the 20-mile run from Paducah to the BRT, unload the trains, and return the diesels and empties within eight hours. Usually, it takes about five hours, but if heavy traffic or other reasons dictate, P&L will turn the IC power back and use its own power on the Old Bens, or occasionally use a mix of IC and P&L power. Old Bens normally arrive on the P&L on weekdays; sometimes as many as three hit the property within hours

TRAINS: Gary W. Dolzall.

AN Old Ben hustles empties along 17-mile section of double track.

Jerry Mart.

VMV-OWNED SD45 hasn't changed P&L's four-motor philosophy.

New life in Paducah's hallowed halls

THE FIRST SPADE of dirt was turned for the construction of Illinois Central's Paducah (Ky.) Shop 63 years ago, on March 21, 1925, and in the six decades since, the shop has loomed larger—in history, in accomplishment, in glory—than even its immense size (110 acres, 21 of them under roof, and 13 miles of track) might suggest.

Paducah: To students of railroading, the name takes its place—no apologies necessary—with Altoona, Huntington, Sacramento, West Burlington, and others. From its official opening on September 1, 1927, Paducah Shop and the skilled workers who daily walked into its brick caverns performed the remarkable, the uncommon.

In the steam season, it was Paducah that rebuilt aging IC Lima 2-10-2's into workhorse 4-8-2's, mammoth 2-8-2's, and Super 2-10-2's ("Central" types to their proud owner). It was Paducah and its 1400 workers that, in the war years of 1942-1943, gave birth to IC's score of 424,000-pound, 2600-class Mountains. It was Paducah that repaired and pampered and upgraded steam, until March 12, 1958, when 2-10-2 2741 became the last steam locomotive to be outshopped from the old brick bastion. Alas, it was Paducah—after IC dropped the fires of its steam in January 1962—that put to scrap so many of the creatures it had once so caringly tended.

What died with the steam era was reborn in diesel terms. In 1963, Paducah was recast to perform diesel engine and locomotive repairs, and in 1967, the shop became home to a diesel remanufacturing program that would endure as Illinois Central became Illinois Central Gulf and beyond—for nearly two decades. From rebuilt IC SW7 200, released on March 12, 1967, to ICG SD20 2041, remade from Chessie SD35 7437 at the end of 1982 as the remanufacturing program wound down, more than 1000 units—for IC and ICG, for companies as diverse as Amtrak and the Alaska Railroad—were reborn at Paducah. Employment at the shops rivaled the days of steam, exceeding 1000 as late as 1982, and IC/ICG invested more than $11 million in new, advanced shop equipment during the life of its diesel program.

The mid-1980's, though, brought only despair to Paducah. A combination of ICG's troubled condition and an oversupply of locomotives across the continent nearly silenced the shop forever. In August 1985, with ICG poised to begin the dismemberment covered on pages 34-37, shop employment stood at only 50, and ICG announced the shops would be closed unless a buyer was found.

A buyer, of course, did appear. As part of its purchase of ICG's Paducah-Louisville line to form the Paducah & Louisville Railway, parent company CG&T also purchased the shop, making the operation a separate subsidiary, VMV Enterprises.

What does VMV see in the future that made purchase of the shop attractive? There is no single answer, and a part of the shop's future will be unrelated to railroads. VMV plans to become a remanufacturer of diesel power plants and components used in river tugs, construction equipment, and offshore oil drilling units. And VMV may sublet parts of the shop complex to other manufacturers.

But railroading most certainly stands in the future, as well as the past, of Paducah Shop. VMV has a two-year contract with IC for locomotive component remanufacturing, and in early 1987 ran some ex-Conrail GP40's owned by Helm Leasing through the shop for repairs. VMV expects to see a slow but steady return in the demand for leased and remanufactured diesels in the U.S., and the company is already involved in locomotive leasing. VMV has purchased 20 ex-MoPac SD40's, 3 ex-Burlington Northern SD45's, and 31 high-nose SD45's from Norfolk Southern.* At least five of the MoPacs (3034, 3042, 3045, 3050, 3053), the three BN's, and six or more ex-N&W SD45's have seen service on the P&L at one time or another, although as of late 1987 all the ex-BN and N&W SD45's were leased to the National of Mexico (NdeM). In early 1987, VMV leased 15 of the MP SD40's to Cotton Belt. Although these six-axle units are owned by VMV, the company has been known to place P&L heralds on their cabsides.

Perhaps most vital to VMV's success is the company's vision of a growing market for remanufactured diesels across foreign borders. VMV's first major contract was for the rebuilding (beginning in August 1987) of 15 ex-Milwaukee Road SD40-2's destined for the NdeM. The first of these units was released from Paducah last fall—and raised more than a few eyebrows when it made a test run over the P&L wearing NdeM's new blue scheme. VMV also secured a contract to remanufacture 13 EMD diesel power plants for NdeM.

The true scope of VMV's aspirations? They are best revealed by an event in May 1987, when a government delegation from the Peoples Republic of China visited Paducah to tour the shop complex (P&L also rolled out the carpet by running a Paducah-Princeton inspection train for the Chinese, because the railroad hopes to promote export sales of on-line coal). VMV hopes that, in time, it can tap into the enormous Chinese locomotive market by remanufacturing diesels (such as SD40's) for sale to mainland China. And if it does so, the glory of Paducah Shop will once more grow.—G.W.D.

*MP 3034-3038, 3040-3053, 3057; BN 6405, 6420, 6683; N&W 1704, 1706, 1708, 1716, 1723, 1725, 1730-1732, 1734, 1736, 1739, 1741, 1747, 1757, 1759, 1762-1764; SR 3123-3124, 3140, 3143, 3155-3157, 3160, 3162, 3168-3169.

of each other, giving P&L a chance to put to good use its 17 miles of Paducah-Gilbertsville Junction double track, and its CTC east of there. P&L uses CTC from Gilbertsville Junction to Dawson Springs, and on to Central City on its Madisonville segment. East of Dawson Springs on the Nortonville line, and east of Central City all the way to Louisville, the main is protected by automatic block signals.

If the Old Bens are the heavyweights of the P&L, then the express freights are the bantamweights—light and quick. Carrying IC-style train designations (LP-3 southbound; PL-4 northbound), P&L's expresses depart the end cities in the evening, usually between 6:30 and 8:30 p.m. The trains meet midway, usually at Beaver Dam, and their crews swap trains and return home.

More than 95 percent of P&L's tonnage either originates or terminates on line, so there's virtually no bridge traffic on these trains, which average 60 to 70 cars and are assigned three or four units. Rather, LP-3 and PL-4 deliver loads born on the P&L to its Class 1 connections, or bring in empties for loading. A sizable part of the express trains' traffic is chemical tank cars moving into and out of the Calvert City complex. Some of these cars actually shuttle between Calvert City and the chemical firms served by P&L around Louisville.

P&L stations two switchers at Calvert City, to work two daytime and one nighttime job, and also runs a turn six nights a week from Calvert to Paducah to deliver chemical cars to North Yard for forwarding. P&L's web of industrial trackage at Calvert City serves plants of Goodrich, GAF, Pennwalt, Air Products, Airco Carbide, SKW Alloys, and North Star Steel. Together with the tonnage drawn from the chemical facilities near Louisville (including plants of Du Pont, Goodrich, Borden Chemical, and American Synthetic Rubber), Calvert's chemical business represents 16 percent of P&L's loads. Only king coal, which accounts for 62 of every 100 loads that P&L totes, is more important to the railroad. However, because the revenue per chemical load is high and

Jerry Mart.

COAL hoppers bound for Kentucky Lake dock make slow pass through giant Cimarron Mine, where P&L goes head to head with CSX.

coal rates are low, P&L's income from hauling chemicals almost matches its coal revenue.

The final ingredient in P&L's tonnage mix on the west end (south end to railroaders) is stone from Reed Crushed Stone at Jessup. Up to 100 cars a day are handled by two daily turns out of North Yard that work the Reed quarry on their way to or from Princeton, 43 miles east of Paducah.

PRINCETON, Ky., population 6000, is a three-railroad town where Paducah & Louisville encounters the former IC Evansville District, which has given birth to two short lines in this area. From Princeton south to Gracey, 22 miles, the ex-IC branch is now part of the Cadiz Railroad (KAY-dizz), which took it over in 1984 to preserve the only connection for its original 10-mile Gracey-Cadiz line ["The Cadiz—All 10.3 Miles and 9 Lives," pages 57-61, November 1981 TRAINS]. To the north of Princeton, the ex-IC line to Waverly, 69 miles, is part of the Tradewater Railway, which took over in 1982.

Of the two short lines, only the Cadiz provides P&L with much business—loaded box cars from Hoover-Universal (the short line's owner) at Cadiz. The Tradewater, which is owned by Pyro Energy Corp., lugs coal out of mines north of the P&L but turns most of its tonnage over to CSX (ex-L&N) at Providence, Ky.

But for the P&L, Princeton means more than two short-line connections, more than the diminutive office and yard (South Yard) tucked at the edge of town. On a northbound journey across the Paducah & Louisville, Princeton represents a gate, a swinging door from the P&L's west end into a center district that wears a much different face.

Between Paducah and Princeton, the P&L is a relatively flat railroad, with only a handful of 2- and 3-degree curves to dare its frequent trains. Amid gently rolling hills, the railroad coexists with waterways, crossing Kentucky Lake (Tennessee River) just to the west of Jessup, Barkley Lake (Cumberland River) 3 miles farther east. (Construction of both of these lakes necessitated IC line relocations, at partial government expense, from bridge crossings to usage of the dams' causeways. Kentucky Lake was formed in 1944, Barkley Lake in 1965).

But north of Princeton, the territory turns more rugged, and the hills are scarred by past diggings of giant mechanical shovels. P&L's center section is, simply put, home to millions of tons of western Kentucky coal.

Only three miles east of Princeton, P&L trains bound for Louisville reach Cedar Bluff, where a grade exceeding 1 percent rises from the farmlands and takes the railroad on a roller-coaster ride that doesn't really end until near Louisville.

Just west of Dawson Springs, 14 miles from Princeton, is the P&L's only tunnel, a brief 502-foot plunge through darkness. "The Springs" also marks the beginning of P&L's dual lines to Central City—the 38-mile route via Nortonville (called the "old line" because it dates to the main line's construction in the 1870's), and the 2-mile-longer "new line" via Madisonville (built in the ear-

Jerry Mart.

SOUTHBOUND Princeton local takes "new line" at JK Junction; "old line" veers at train's left.

ly 1900's). ICG used the old line as its through route; P&L prefers the slightly longer new line since it is in better condition, has fewer grades, and is CTC-signaled. But both routes are busy, because both are home to coal mines.

On the old line, there are four mines. On the new line, there are six, four of which are what Reck calls "super mines": Warrior Coal's Cardinal No. 9, Andalex's Cimarron Mine, and Peabody Coal's twin giants, River Queen and Star Mine. P&L must compete for the loadings from each of the supers; the two Peabody mines also are served by barges on the Green River, and the other two are tapped by CSX's ex-L&N branches from Madisonville.

To lug coal hoppers to and from its on-line mines, P&L calls upon crews and locomotives from Princeton and Central City. From Princeton, up to three regular jobs (plus extra calls) work mines on both the old and new lines as necessary. Princeton jobs also work the CSX interchange at Nortonville, and will haul coal loads west, to the Kentucky Lake Dock and BRT Terminal. Mines that supply coal to KLDC or BRT for barge transloading include Charolais on the old line, and Cimarron, Colonial, Meadows, and Cardinal on the new line. Cimarron provides one or two unit trains a week to the BRT; Colonial sends 100 cars a week to Kentucky Lake Dock. Perhaps 200 carloads per week also move from P&L mines all the way to Paducah, where they are turned over to IC for delivery to Tennessee Valley Authority's Shawnee Steam Plant near Chiles [diesel fans note: Shawnee is worked by TVA's Fairbanks-Morse H12-44].

Meanwhile, it is the major task of the Central City south local to spot empties and pull and gather loads for the 8 to 10 weekly 70-car unit coal trains bound for Louisville Gas & Electric. From Central City to and from Louisville, these LG&E trains are handled by Louisville-based crews. Most of the coal for LG&E comes from Peabody's Star Mine, but Peabody's River Queen and Roberts Brothers' Meadows Mine also contribute.

The Central City south local also handles the one major noncoal shipper in the area, Reed Minerals (no connection with David Reed). Located near Greenville on a spur informally known as the Pond Creek branch, the company processes coal-mine slag, which is finely ground for sandblasting and roof shingles, and ships up to 9000 tons per month in covered hoppers.

Central City is perhaps a shadow of its old self, when IC called it a crew change point and 20-plus black, coal-toting diesels lounged in the terminal. But the aging town, tucked amid coal-laden hills, still is a place of fascination, a place to find diesels awaiting call. The reason? When an LG&E unit coal train is ready to move to Louisville, P&L will summon six (or occasionally more) Geeps to accomplish the task—which tells you something about the nature of the P&L north of Central City.

Jerry Mart.

SIX Geeps worth 11,500 horses lug northbound Louisville Gas & Electric train up Rosine Hill.

MUCH like Princeton, 52 miles distant, Central City represents a change of character for the P&L, a passageway to a north end which is different from the west, and different from the railroad's center. While two smaller coal mines are located just east of Central City, P&L's coal district effectively ends there. North of Central City, the railroad becomes even more rugged, more remote. It is a territory of tight curves, wicked grades, and occasional tall steel trestles (120-foot-high Pike Trestle near

All-EMD: P&L's horses and hulks

Road No.	Model	Built	Heritage, service status, remarks
506	GP30	1963	Ex-GM&O 506; (S)
508	GP30	1963	Ex-GM&O 508; (B/O)
509	GP30	1963	Ex-GM&O 509; (S)
510	GP30	1963	Ex-GM&O 510; (S)
511	GP30	1963	Ex-GM&O 511; (B/O)
512	GP30	1963	Ex-GM&O 512; scrapped at Paducah, 1987
520	GP30	1963	Ex-GM&O 520; received serviceable, now bad-order
524	GP30	1963	Ex-GM&O 524; (B/O)
528	GP30	1963	Ex-GM&O 528; (B/O)
530	GP30	1963	Ex-GM&O 530; (S)
601	GP35	1964	Ex-GM&O 601; received bad-order, now in service
603	GP35	1964	Ex-GM&O 603; (S)
607	GP35	1964	Ex-GM&O 607; scrapped at Paducah, 1987
610	GP35	1964	Ex-GM&O 610; received serviceable, now bad-order
611	GP35	1964	Ex-GM&O 611; (B/O)
620	GP35	1964	Ex-GM&O 620; (S)
623	GP35	1964	Ex-GM&O 623; (B/O)
627	GP35	1965	Ex-GM&O 627; (S)
628	GP35	1965	Ex-GM&O 628; (B/O)
630	GP35	1965	Ex-GM&O 630; (B/O)
632	GP35	1965	Ex-GM&O 632; scrapped at Paducah, 1987
633	GP35	1965	Ex-GM&O 633; received bad-order, now in service
634	GP35	1965	Ex-GM&O 634; (S)
635	GP35	1965	Ex-GM&O 635; received serviceable, now bad-order
637	GP35	1965	Ex-GM&O 637; scrapped at Paducah, 1987
638	GP35	1965	Ex-GM&O 638; (S)
640	GP35	1965	Ex-GM&O 640; (B/O)
1236	SW9R	1951	Ex-IC 236; nee Louisiana Midland 10; rebuilt 1967; received bad-order from ICG, now in service
1302	SW13	1940	Rebuilt 1972 from IC TR-A 1027A, nee IC 9204A; (S)
1303	SW13	1950	Rebuilt 1972 from IC SW7 415, nee IC 9415; (S)
1304	SW13	1951	Rebuilt 1972 from IC SW9 454, nee IC 9454; (S)
1305	SW13	1950	Rebuilt 1972 from IC SW7 410, nee IC 9410; (S)
1306	SW13	1945	Rebuilt 1973 from IC NW2 1003, nee IC 9153; (S)
1308	SW13	1950	Rebuilt 1973 from IC SW7 417, nee IC 9417; (S)
1309	SW13	1950	Rebuilt 1973 from IC SW7 429, nee IC 9429; received serviceable, now bad-order
1311	SW13	1945	Rebuilt 1975 from IC NW2 1008, nee IC 9158; (S)
1425	SW14	1951	Rebuilt 1980 from IC SW9 431, nee IC 9431; (S)
2251	GP30	1963	Ex-GM&O 501; (B/O)
2253	GP30	1963	Ex-GM&O 503; (B/O)
2254	GP30	1963	Ex-GM&O 504; received serviceable, now bad-order
2257	GP30	1963	Ex-GM&O 507; (S)
2265	GP30	1963	Ex-GM&O 515; (S)
2267	GP30	1963	Ex-GM&O 517; (S)
2272	GP30	1963	Ex-GM&O 521; received serviceable, now bad-order
2274	GP30	1963	Ex-GM&O 525; (B/O)
2276	GP30	1963	Ex-GM&O 527; (S)
2278	GP30	1963	Ex-GM&O 529; received serviceable, now bad-order
2501	GP35	1964	Ex-GM&O 602; (S)
2504	GP35	1964	Ex-GM&O 604; (B/O)
2505	GP35	1964	Ex-GM&O 606; scrapped at Paducah, 1987
2508	GP35	1964	Ex-GM&O 609; (S)
2511	GP35	1964	Ex-GM&O 612; (B/O)
2512	GP35	1964	Ex-GM&O 613; received serviceable, now bad-order
2514	GP35	1964	Ex-GM&O 615; (B/O)
2515	GP35	1964	Ex-GM&O 616; (B/O)
2516	GP35	1964	Ex-GM&O 618; (S)
2517	GP35	1964	Ex-GM&O 619; (B/O)
2519	GP35	1964	Ex-GM&O 621; (S)
2522	GP35	1964	Ex-GM&O 624; (S)
2523	GP35	1964	Ex-GM&O 625; (B/O)
2524	GP35	1964	Ex-GM&O 626; received serviceable, now bad-order
2527	GP35	1965	Ex-GM&O 629; (B/O)
2529	GP35	1965	Ex-GM&O 631; received bad-order, now in service
2534	GP35	1965	Ex-GM&O 636; (S)
2537	GP35	1965	Ex-GM&O 639; (S)
2539	GP35	1965	Ex-GM&O 641; (S)
2541	GP35	1965	Ex-GM&O 645; (B/O)
2543	GP35	1965	Ex-GM&O 647; (B/O)
7733	GP8	1952	Rebuilt 1975 from SLSF GP7 606; acquired from ICG in August 1987
7735	GP8	1950	Rebuilt 1975 from SLSF GP7 525; acquired from ICG in August 1987
7909	GP8	1953	Rebuilt 1971 from IC GP7 8909; (B/O)
7916	GP8	1953	Rebuilt 1978 from IC GP7 8965; acquired from ICG in August 1987
7955	GP8	1952	Rebuilt 1970 from IC GP7 8955; received bad-order, now in service
7978	GP8	1953	Rebuilt 1971 from IC GP7 8978; received bad-order, now in service
8008	GP10	1954	Rebuilt 1974 from IC GP9 9008; (S)
8017	GP10	1954	Rebuilt 1973 from IC GP9 9017; (S)
8020	GP10	1954	Rebuilt 1973 from IC GP9 9020; (S)
8024	GP10	1954	Rebuilt 1975 from IC GP9 9024; acquired from ICG in August 1987
8040	GP10	1954	Rebuilt 1970 from IC GP9 9040; (S)
8075	GP10	1955	Rebuilt 1970 from IC GP9 9075; received bad-order, now in service
8103	GP10	1955	Rebuilt 1975 from IC GP9 9103; acquired from ICG in August 1987
8123	GP10	1955	Rebuilt 1975 from IC GP9 9123; acquired from ICG in August 1987
8141	GP10	1956	Rebuilt 1973 from IC GP9 9141; acquired from ICG in August 1987, sold to MidSouth Rail
8154	GP10	1956	Rebuilt 1974 from IC GP9 9154; (S)
8162	GP10	1956	Rebuilt 1972 from IC GP9 9162; (S)
8183	GP10	1956	Rebuilt 1972 from IC GP9 9183; (S)
8209	GP10	1957	Rebuilt 1973 from IC GP9 9209; (S)
8213	GP10	1957	Rebuilt 1973 from IC GP9 9213; (S)
8229	GP10	1957	Rebuilt 1972 from IC GP9 9229; (S)
8237	GP10	1957	Rebuilt 1974 from IC GP9 9237; (S)
8271	GP10	1957	Rebuilt 1972 from FEC GP9 671; (S)
8277	GP10	1955	Rebuilt 1972 from QNS&L GP9 141; (S)
8278	GP10	1956	Rebuilt 1972 from QNS&L GP9 154; (S)
8279	GP10	1954	Rebuilt 1972 from QNS&L GP9 131; (S)
8286	GP10	1955	Rebuilt 1973 from C&O GP9 6005; (S)
8287	GP10	1956	Rebuilt 1973 from C&O GP9 6164; (S)
8300	GP10	1957	Rebuilt 1973 from IC GP9 9300; (S)
8302	GP10	1956	Ex-ICG 8189; rebuilt 1972 from IC GP9 9189; (S)
8303	GP10	1957	Rebuilt 1973 from IC GP9 9303; (S)
8307	GP10	1957	Rebuilt 1974 from IC GP9 9307; sold to MidSouth Rail in June 1987
8351	GP10	1958	Rebuilt 1977 from IC GP9 9351; (S)
8357	GP10	1958	Rebuilt 1972 from IC GP9 9357; (S)
8390	GP10	1960	Rebuilt 1972 from GTW GP18 4705; (S)
9403	GP18	1960	Ex-IC 9403; scrapped at Paducah, 1987

Notes

All units built by Electro-Motive Division, General Motors (except QNS&L units, built by GM of Canada); all units B-B wheel arrangement

Key to current serviceability: (S), in service or serviceable; (B/O), bad-order, out of service

Total PAL units, by model and serviceability: GP8 (6): 5 serviceable, 1 bad-order. GP10 (29): 27 serviceable, 2 sold. GP18 (1): 1 scrapped. GP30 (20): 8 serviceable, 11 bad-order, 1 scrapped. GP35 (38): 16 serviceable, 18 bad-order, 4 scrapped. Switchers (11): 10 serviceable, 1 bad-order

Locomotives owned by VMV Enterprises (some of which wear P&L emblems) not included on roster (see story on page 29)

All PAL units except 1236 and 8189 carried same road numbers on ICG. Rebuildings were performed by IC/ICG at Paducah (Ky.) shop. PAL eventually may renumber GP10's to consecutive 8200-series.

Key to initials: C&O, Chesapeake & Ohio; FEC, Florida East Coast; GM&O, Gulf, Mobile & Ohio; GTW, Grand Trunk Western; IC, Illinois Central; ICG, Illinois Central Gulf; QNS&L, Quebec North Shore & Labrador.

Roster compiled by Gary W. Dolzall and Stephen F. Dolzall. Information sources: Paducah & Louisville Railway; Illinois Central Gulf Railroad; Jerry Mart, *Extra 2200 South*. Roster accurate as of November 1987

Fort Knox is most famous). In short, a tough, demanding property.

Sixty-six feet to the mile—that's the all-important factor on the P&L's north end. In other words, gradients, en masse, of 1.25 percent. Old hoggers on the P&L like to say that the railroad from Central City is "uphill all the way to Louisville, and all the way back." And that's pretty close to the truth.

Central City stands at an elevation of 439 feet; Oak Street Yard in Louisville, 126 miles distant, rests at 456 feet. Between is a hill-and-valley railroad, a property as rippled as a stormy sea, with three major obstacles to conquer: Rosine, Summit, and Muldraugh.

Leaving Central City northward, P&L's trains first slide down a 1.25 percent grade to the drawbridge over the Green River at Rockport, elevation 399 feet. But just north of Horton, 24 miles east of Central City, rock-strewn Rosine Hill stands in defiance. Northbound, P&L climbs nearly 3 miles of a cruel, unforgiving 1.25 percent that's laced with curves of up to 6 degrees. At elevation 605 feet, burrowed in a deep rock cut that was another tunnel until daylighted by IC in 1967, P&L attains the top of Rosine, only to plunge over the other side, down another 1.25 percent grade to reach Horse Branch at elevation 430 feet.

Then it all begins again. P&L's northbounds labor to reach 665 feet at Millwood, 746 at Big Clifty, and 850 feet, highest point on the railroad, just east of Summit. Imagine the task of drawing 7000 tons of coal stretched out behind 11,000-plus diesel horses over this unfriendly property . . . and you'll likely grow to appreciate the skills of P&L's engineers.

Muldraugh Hill, which lies between West Point and Fort Knox, is toughest on its north slope, where 5 miles of 1.25 percent and 5- and 6-degree curves make life miserable for southward trains.

Besides the LG&E coal trains and daily expresses that ply P&L's north end, the railroad works a local north out of Central City to Louisville on Mondays, Wednesdays, and Fridays, returning on Tuesdays, Thursdays, and Saturdays. This train primarily serves Fort Knox, but also wanders down the Elizabethtown branch, for which P&L hopes to obtain state aid for track rehabilitation. Three regular city jobs work at Louisville, switching Oak Street (southwest of Louisville Union Station, between Oak and Kentucky Streets), tending P&L customers, and making city transfer runs to P&L's Class 1 connections.

"It takes about 55 units to operate this railroad." Speaking is Chief Traffic Coordinator Russ Burzynski, a man

TRAINS: Gary W. Dolzall.

FIRST switcher in P&L colors, 36-year-old SW9R, works North Yard.

George W. Hamlin.

POWER at Louisville's Oak Street Yard includes a VMV unit.

charged each day with solving the giant jigsaw puzzle of keeping P&L's trains at the right place at the right time. On many roads he would be called a chief dispatcher, but on the P&L he and Transportation Superintendent Don Sill have the added responsibilities of monitoring the positioning of the railroad's diesel units, hopper-car fleet, cabooses, and rear-end telemetry devices (P&L uses its cabooses on trains where it's useful to have a rear brakeman, and employs telemetry devices on cabooseless trains).

P&L is kept fluid by dispatchers in the train coordinator's office at the road's Paducah headquarters. Inside, the dispatchers monitor the progress of P&L trains on its double-track and CTC sections, and control movements on the ABS segments by issuing track permits on the P&L's radio frequency: 160.740 (Old Ben trains using IC power use IC's channel, 161.190).

The railroad has invested heavily in communications and computers and is developing a fully integrated computer/communications system to track freight cars for P&L's customers and monitor all consists and units on the railroad to assist its dispatchers.

WHAT does the future hold for Paducah & Louisville? One big question has involved motive power. While the EMD switchers have found useful work at Paducah and Calvert City, and the Paducah-rebuilt Geeps remain popular with managers and operating personnel alike (P&L added six more ex-ICG Paducah Geeps, plus an SW14 rebuild, to its roster in summer 1987), there has been concern about the old GP30's and GP35's, GM&O veterans from the early 1960's. Says Seaton: "Fuel is a higher expense for us than labor ever will be. A typical unit coal train on the P&L can burn 6000 gallons of fuel. Overall, we use an average of 20,000 gallons of diesel fuel a day." P&L records fuel usage by unit at its Paducah servicing facility, keeps tabs on the fuel consumption of its diesels, and uses fuel-saving methods whenever possible. Examples: Units that will not be used within a few hours are shut down. LG&E unit trains, which demand six units northbound, only require the power of three units on the empty southbound journey, so half the consist is isolated and simply goes along for the ride back to Central City to keep P&L's motive power positioned properly. But nonetheless, the old turbocharged 30's and 35's have proven alarmingly fuel-hungry.

The solution? Beginning in January 1988, P&L launched a program that eventually will push all its active GP30's and GP35's through VMV's Paducah shop complex. The Geeps will be deturbocharged, outfitted with state-of-the-art electronics, and, in effect, be converted internally to 2000-horsepower GP38-2's. P&L was the first ICG spinoff to take ex-GM&O locomotives, and one advantage to its continued use of them is a ready supply of components off the bad-order units P&L received in the sale. Gazing at the storage tracks behind Paducah Shops that hold the "hulks" (as ICG, and P&L, call them), Seaton eyes a line of bad-order GP30's and GP35's: "Well, we do have quite a supply of spare parts," he says.

Considering the rugged, coal-hauling nature of the P&L, do six-motor units look attractive to the railroad? Yes and no. Yes because P&L already employs six-axle units. There are the IC SD's that come through on the Old Ben coal trains, of course. And, for leasing purposes, VMV owns an armada of former MoPac SD40's, BN SD45's, and N&W and Southern SD45's [page 29], and examples of each have worked on the P&L.

But P&L itself really isn't too keen on six-motor units. "Actually, we think the Paducah Geeps are just about perfect for us. They can do anything, go anywhere [the C-C's are restricted from a few mine leads]. They're efficient and reliable. If possible, I'd like to have more Paducahs," says Seaton.

NOW, a year-and-half into its life, is Paducah & Louisville on the right track? P&L's initial goal was to solidify relationships with existing customers and establish credibility. That meant providing responsive service. "We want to make our customers' transportation purchases a simple choice," says Reck.

P&L's next goals are to regain business from smaller on-line shippers, which it feels ICG lost to trucks, to promote new on-line industry, and to make the most of its wealth of Class 1 connections. Toward that end, P&L is planning to build a new connection with CSX at Madisonville. Don't look for piggyback to become a major program on the railroad, however; P&L considers it marginally profitable, at best.

The prognosis for the Paducah & Louisville Railway appears to be good. "We're on our original business plan," explains Seaton, adding, "the P&L has the potential to make a profit, and invest in improving its property, every day." Without doubt, there are few railroads, regional or Class 1, that wouldn't be satisfied with that. I

GARY W. DOLZALL, who researched and wrote the P&L text, and JERRY MART, who helped with the research, also collaborated on the Cadiz Railroad story in November 1981 TRAINS. *Gary, who serves as* TRAINS' *marketing director/magazines, grew up in Bedford, Ind., 167 miles northeast of Paducah. His latest book,* "Monon—The Hoosier Line," *co-authored with his brother, Stephen F. Dolzall, was published in November 1987 by Interurban Press. Jerry, of Hopkinsville, Ky., has three other* TRAINS *bylines (dating from 1979) to his credit, on L&N, Crab Orchard & Egyptian, and ICG activity at Fulton, Ky.*

ICG's garage sale

From 9568 miles to 2981

J. DAVID INGLES

"*TRUE it is, sooner or later Illinois Central Gulf will be folded into a larger railroad, and when that day comes we will lose the identity of an unusual carrier. Unusual because of a predominantly north-south Lake Michigan-Gulf main . . . Unusual because in recent years its fortunes have run in inverse ratio to those of same-size Seaboard Coast Line. Unusual because ICG is the largest railroad in the land on the auction block of its own volition, as parent IC Industries nears its goal of getting out of railroading.*"—David P. Morgan, in September 1983 TRAINS "News and Editorial Comment" (page 8).

Today's "truth" can be tomorrow's change. For truth is, ICG—unusual as it may have been—was not folded into a larger road but instead pruned its tree of all except the trunk. Created in the August 10, 1972, merger of 6760-mile Illinois Central and 2704-mile Gulf, Mobile & Ohio, ICG shed virtually all the mileage that had appended "Gulf" to the title of its majority ancestor, as well as the east-west appendages that first sprouted when IC reached west across Iowa in the 1860's. As 1987 waned, ICG had been whittled down to 2981 miles, with almost the same amount—3030 miles—sold off in eight major transactions (below) and another 997 dealt to short lines (maps on pages 36-37). ICG had reached a zenith of 9568 miles in 1974, then declined steadily by branch-line attrition to 8598 miles in 1980, before the sell-offs gathered steam.

Even the name Illinois Central Gulf is being pruned. As the carrier prepared to close on its last planned major line sale—the 202-mile former *Seminole* route from Fulton, Ky., to Birmingham, Ala., to Norfolk Southern, expected to occur in early 1988—it also was to change its name back to Illinois Central. As the ICRR, it is to be spun off as a separate entity to shareholders of parent IC Industries, allowing the conglomerate to exit the railroad business as it set out to do almost a decade ago.

Illinois Central Gulf enters the history books as a relatively short-lived railroad name . . . just over 15 years, uncannily almost the same lifespan of its easterly north-south neighbor Seaboard Coast Line (15½ years, July 1967-December 1982). SCL successor Seaboard System lasted just 3½ years, Penn Central only 8.

Unable to find a buyer for the entire ICG, IC Industries said in 1981 it would unload its railroad piecemeal. Bingo! When interest perked in the web of former GM&O lines in eastern Mississippi, the pantry that would supply the current regional railroad movement was unlocked. ICG was the unquestioned trendsetter, with Chairmen William Johnson and successor Harry J. Bruce presiding over the process. Said Bruce in 1985, when ICG was down to 5500 miles: "We are not selling the railroad in pieces; we are selling pieces of the railroad." He told *Traffic World* in 1986: "What we're doing is franchising the transportation we used to provide. We're granting someone else the rights to function as a railroad where we can't."

That Mississippi trackage, which had been mostly the main lines of Gulf, Mobile & Northern and Mobile & Ohio (merged to form GM&O in 1940), was sold in July 1985 to a new entity, the 715-mile Gulf & Mississippi. Included: 30 diesels and rights to the old GM&O wing emblem and red-and-white locomotive colors. G&M was the first—and longest in mileage—of five big sales of ICG routes. Gulf & Mississippi's price of $22½ million ($31,000 per mile) reflected its branch-line nature. ICG had let maintenance slide, and G&M, with lean traffic and heavy debt, was headed for a takeover by MidSouth (below), a neighbor [page 11, February 1988 TRAINS].

Also in 1985, ICG sold the eastern end of the GM&O Montgomery (Ala.) line, to Southern (42 miles) and Seaboard System (10), for $8½ million. Next, in December 1985, came the most famous regional sale, the 681-mile Iowa Division for $75 million to the Chicago, Central & Pacific ["Jack Haley and His Chicago Central Crew," pages 20-24, August 1986 TRAINS]. Despite the recent financial flap with creditor General Electric Credit Corp. and the subsequent resignation of Haley, Chicago Central is profitable and appears to be destined to be with us for awhile. Adorning its ex-IC and Milwaukee diesels is the latter-day IC green-diamond emblem, with the words CHICAGO CENTRAL. The sale computed to $110,000 a mile, including 30 locomotives, 30 cabooses, and 900 freight cars.

The third big transaction was IC's east-west line across Mississippi and Louisiana, to MidSouth Rail Corporation, completed March 31, 1986. At $123½ million, this was the most lucrative of the five big freight-line sales for ICG, and its 403 miles the most expensive ($306,000 a mile, including 58 locomotives, 15 cabooses, and 25 freight cars). MidSouth is generally given high marks for its operation. Its Meridian-Shreveport trunk, under consideration as an Amtrak route [page 10, December 1987 TRAINS], originally was the Alabama & Vicksburg and Vicksburg, Shreveport & Pacific, leased in 1926 by IC's Yazoo & Mississippi Valley. MidSouth also bought a separate IC line, from Hattiesburg, Miss., south to Gulfport; this had been the Gulf & Ship Island. Alone among the five big ICG spinoffs, MidSouth (which uses no corporate emblem) has made the effort to repaint all its diesels (ex-IC Geeps, plus Santa Fe CF7's) into its own colors: gray with green stripe and white lettering.

Paducah & Louisville [pages 24-33] was the fourth big sale to close, in August 1986. The transaction—$70 million for a 309-mile railroad, or $230,000 a mile—included the Paducah shop complex and 97 locomotives, more than needed to run the railroad but counting three dozen unserviceable shop queens. PAL's emblem is the older IC diamond, with initials P&L.

The fifth and final appendage sold was in May 1987, when Chicago, Missouri & Western bought 631 miles, most of which comprised what was left of the old Alton Railroad, earlier the Chicago & Alton, the Chicago-St. Louis-Kansas City triangle that GM&O acquired in 1947. CM&W's $81 million price computes to $128,000 a mile, ranking it third of the big five. Alone among them, CM&W acquired not only an Amtrak route (Chicago-St. Louis), but responsibility for an entire big-city terminal operation. ICG kept trackage rights from Springfield to East St. Louis, Ill. (currently utilized only by a piggyback run), and access into East St. Louis from the southeast, but gave up its hump yard and all terminal trackage ownership. CM&W owns stub remnants of GM&O and IC main lines south and north, respectively, of East St. Louis, and out the old IC toward Belleville, Ill., as far as Church. Conversely, at Mobile, Ala., Gulf & Mississippi ownership toward the city ends at outlying Whistler, Ala., in the traditional "city limit syndrome" established in Conrail castoffs in the 1970's.

ICG held the fort around Chicago, too. Chicago Central ownership ends just east of Hawthorne Yard in Cicero, Ill., but CC&P enjoys trackage rights into Chicago and south to Markham Yard on the old IC main for all its freights, and from Bridgeport Junction out the old GM&O to Plaines power station south of Joliet, for unit coal trains. Chicago, Missouri & Western ownership ends north of the Joliet passenger station, but it has rights into Chicago over the former GM&O and out the IC to Kensington (115th Street) to reach the Chicago South Shore & South Bend, sister road of CM&W owner Venango River Corporation. Some observers are skeptical that CM&W can make a long-term go of it saddled with the traffic-weak, undermaintained Kansas City line, but CM&W hasn't been around long enough time to allow informed prognostication.

TRAINS: J. David Ingles.

LONE ex-ICG diesel (GP38AC 9512) on Chicago, Missouri & Western—the last of five big ICG regional sales—poses with ex-WP GP40's at Bloomington, Ill., October 18, 1987.

The sixth major transaction, also in May 1987, was the $28 million sale of the 41-mile ex-IC electric Chicago suburban operation to the regional governmental unit which operates commuter rail lines under the name Metra (Metropolitan Rail). Metra paid $683,000 per mile of railroad for the mostly double-track system (one of its two branches is single track), a 51-station, 1100-trains-a-week, 43,000-daily-rider railroad.

The eight sales alone—the five big regionals, the Chicago electric lines, and the Montgomery and Birmingham routes—will have netted IC Industries $446½ million for those 3030 miles of steel, or $147,360 a mile.

RAILROAD corporate history ebbs and flows. Over the last century-plus, hundreds of short lines contributed to what was to become Illinois Central Gulf. Indeed, middle-age observers will recall IC's acquisition of Tremont & Gulf (Louisiana) as late as 1959, Peabody Short Line (Illinois) in 1960, Mississippi Central and Louisiana Midland in 1967 (the latter regained independence in 1974, and—long dormant—was just sold at foreclosure in 1987), and the west end of Tennessee Central in 1968 [September and October 1987 TRAINS]. As ICG mileage stopped increasing and began to decline, the high-profile large regional sales overshadowed the other two aspects of ICG's reduction—short-line sales and abandonment.

Notable among the missing lines between the 1972/1987 maps on the following pages is the "Charter Line," or "Gruber," through central Illinois, from which the railroad took its name. Illinois Central was the first federal land-grant railroad, chartered in 1851 to build from the river port of Cairo, at Illinois' foot, to Galena, then a mining center, in the northwestern corner. Also granted: a branch from Centralia (named for the railroad—actually, a timetable point called Branch Junction) to Chicago. The line was opened in 1856.

Their roles were reversed long ago. The Chicago Branch evolved into a multitrack speedway, with 100 mph permissable on some portions. The Charter Line declined to a branch symbolic of ICG's (and everyone else's) rural light-density lines. North of Branch Junction, only two parts are still under IC operation: a segment south of Decatur serving as part of the Mattoon-Peoria route, and a spur from Clinton north to Heyworth, Ill. At Vandalia, tiny Vandalia Railroad restored service over 2½ miles abandoned by ICG in 1981. South of Decatur, 18 miles to Assumption were purchased by local shipper interests, and the operation was contracted to Indiana Hi-Rail. (Other Illinois shippers have bought short branches elsewhere, and IC continues to provide the service; for clarity, these are shown as IC on the 1987 map.) From Decatur 13 miles north, the Charter Line is in place because Norfolk & Western has trackage rights to reach its ex-Pennsy branch, now rarely used, which came with N&W's purchase of Illinois Terminal. Short-line sales south of Freeport, Ill., fell through, and ICG quit in 1985.

When ICG was created, three Mississippi short lines were included: Bonhomie & Hattiesburg Southern; Fernwood, Columbia & Gulf; and Columbus & Greenville. B&HS's 27-mile Hattiesburg-Beaumont line was upgraded and now is a part of IC's route to Mobile; 44-mile sister FC&G has been abandoned. The Columbus & Greenville (reporting marks CAGY), which operated 168 miles across the Magnolia State between its namesake cities, went into ICG on September 29, 1972, but suffered under early ICG ownership and was spun back to local interests and reverted to independent status July 4, 1975 ["The Railroad That Came Home to the People," pages 25-33, October 1982 TRAINS]. C&G has since expanded to 242 miles by acquiring ICG branches in the Greenville area. On the Columbus end, the Tombigbee Waterway project necessitated some line relocation, and CAGY now runs on Gulf & Mississippi trackage rights from Columbus to Artesia to West Point, complete with a little government-provided CTC installation.

Are you puzzled by the initials WLO, for Waterloo, in north central Mississippi on the page 37 map? The name descends from the Waterloo, Cedar Falls & Northern, an Iowa interurban purchased by IC and Rock Island in 1956 and renamed the Waterloo Railroad. IC bought RI's half in 1968, and the road dwindled to an 8-mile terminal property in Waterloo. The trackage was included in the Chicago Central sale, but ICG needed a railroad as home for 1586 box cars with WLO reporting marks and so designated the 11-mile line in Mississippi as the Waterloo Railway. The branch, a remnant of IC's earliest Chicago-New Orleans main line (built as the 5-foot-gauge Mississippi Central Railway between Canton, Miss., and Jackson, Tenn., in 1860), now serves solely as the outside connection for the Mississippi & Skuna Valley, an established short line connecting at Bruce Junction. Farther north on this original main (the Canton-Water Valley run was that of Casey Jones), a 55-mile segment was purchased locally and in 1982 began operating, under Kyle Railways auspices, as the Natchez Trace Railroad.

Crab Orchard & Egyptian was the first post-1972 ICG short line. Incorporated in 1971, CO&E began steam tourist trains on ex-IC trackage rights in 1973, and acquired the line—and started (steam) freight service—in October 1977 ["Pig Hogger and the Canadian," September 1980 TRAINS]. In 1987, CO&E added a separate operation, on city trackage in Herrin, Ill., when ICG pulled out.

A little-noticed transaction in Mississippi in 1979 began the series of branch-line to short-line sales that would gather steam in the 1980's. ICG sold 32 miles of ex-Y&MV trackage north of Greenville to a local port commission, which established the Great River Railroad. Two years later and 625 miles north, ICG exited Wisconsin as a short line took over the 59-mile Freeport (Ill.)-Madison (Wis.) branch, reincarnating the Chicago, Madison & Northern name of IC's 1880's ancestor. The modern CM&N failed and was succeeded by Central Wisconsin, which also succumbed, and the line is now part of the 270-mile operation of Wisconsin & Calumet. Also in 1981, ICG pulled out of its former Tennessee Central operation to Nashville ["Stability, Turmoil, Resale," October 1987 TRAINS].

In 1982, 84-mile Tradewater Railway (Kentucky) and 29-mile Columbia & Silver Creek (Mississippi) took over ex-IC lines. C&SC later added a second operation nearby, 10 miles between Taylorsville and Soso, Miss., to serve grain elevators at Soso. New names on ICG lines in 1983 included Cairo Terminal in Illinois, on 18 miles of ex-GM&O mainline trackage, and Tennken on 52 miles of an ex-IC branch crossing the state border for which the new road is named. Tennken's managers started up the 43-mile West Tennessee, on the former GM&O main, in 1984, the same year Jack Haley—in a prelude to Chicago Central—took over IC's last remaining entry into Minnesota as the 108-mile Cedar Valley Railroad. It extends from the Waterloo (Ia.) area to Albert Lea, Minn., with trackage rights on North Western's ex-Rock Island Spine Line the last 7 miles from Glenville. Also in 1984, the established Cadiz expanded on former IC from Gracey to Princeton, Ky.

In 1985, service was restored on the Bloomer Line, the ex-IC branch that wandered from Otto, Ill., south of Kankakee, to Bloomington (hence the nickname). ICG had created a local uproar during abandonment proceedings, suspending service in 1981, but a local shipper group resuscitated the route. Bloomer Line began running on 36 miles in the middle of the 63-mile property. Also in 1985, the Monticello Railway Museum bought 7 miles of ex-IC to connect its trackage to N&W in Monticello, Ill. At the end of the year, 58-mile Mississippi Delta began service in the Clarksdale (Miss.) area. The 28-mile portion connecting the headquarters town with ICG's main at Swan Lake is leased from ICG.

In March 1986, the IC Indianapolis route, which began as a 3-foot-gauge line in 1880 and had been in IC's camp since the turn of the century, became the property (east of Sullivan, Ind.) of 101-mile Indiana Rail Road. Also in that month, Indiana Hi-Rail (IHRC), which had started in 1981 in Connersville, Ind., on an ex-Conrail (NYC) line, added its fourth operation: the IC Evansville line. Indiana Hi-Rail labels this its Wabash Division, for the river. The 70-mile route, which includes trackage rights across CSX's (L&N) Ohio River bridge at Evansville, runs from Browns, Ill., to Henderson, Ky. IHRC's operations all are physically separate from one another. Another 1986 startup was Gloster Southern, a Georgia Pacific operation on the 35-mile IC line from Gloster, Miss., to Slaughter, La.

As Illinois Central re-emerges, it is reviving its traditional image, at least on locomotives. Back on the big EMD's is the conservative black of the Wayne Johnston era, complete with I.C.R.R. initials from steam (and first diesel) days. What, no green diamond? Alas, there was no choice—the two most recent diamonds had, of course, been passed along to CC&P and P&L. If you, like many, find it difficult to focus on the particulars of Illinois Central Gulf's recent garage sale, we commend to you the comparative maps overleaf, of ICG at birth, and as IC Industries applies euthanasia. ■

High times on the Hi-Dry

The Indiana Rail Road: plain but profitable

GARY W. DOLZALL AND STEPHEN F. DOLZALL

ON the Indiana Rail Road, business and the bottom line come first. The business is running a railroad—toting coal (and lumber and fertilizer and televisions). And the bottom line has shown the two-year-old company to be in the black every month of its life save one. Perhaps that explains why the Indiana Rail Road (INRD),* which owns 117 miles of former Illinois Central trackage between Indianapolis and Sullivan, Ind., hasn't been too concerned with pomp and ceremony, why the railroad hasn't been much noticed outside the Hoosier State.

The railroad instituted service on March 18, 1986, with no special events, and it operated for more than a year and a half before it repainted any of its 11 ex-Santa Fe CF7 locomotives from AT&SF blue and yellow into a new, Monon-like red-gray-and-white scheme.

Rather, Indiana Rail Road President Thomas G. Hoback saw to it that every available dollar, every available ounce of his employees' energy, was put into right-of-way and equipment maintenance, into providing reliable service to the young railroad's customers. Says Hoback: "Our first priority is to existing customers, and then we need to expand our on-line business."

In its most distilled form, Tom Hoback's plan for the Indiana Rail Road appears simple enough, but what it translates into is an interesting mixture of running a traditional railroad *and* establishing INRD as a company that not only transports bulk commodities, but also serves as a storage, break-bulk, and distribution center.

FIRST, the traditional: The lifeblood of the Indiana Rail Road is bituminous coal, dug from mines in southwestern Indiana and transported by rail to Indianapolis Power & Light's massive E. E. Stout power plant on the south side of Indianapolis. It was this coal business that kept the line alive during its troubled final days as an Illinois Central Gulf property, and it is this coal business that provides over 75 percent of the Indiana Rail Road's tonnage.

Today's INRD was, for three quarters of a century, part of Illinois Central's line linking Indiana's capital city with the IC's north-south main line at Effingham, Ill. The south end of the line, from Effingham to Switz City, Ind., was spun together between 1874 and 1880 by a group of narrow-gauge railroads. The northern part, Switz City to Indianapolis, was constructed by the standard-gauge Indianapolis Southern Railway in 1903-1906. In 1911, the entire 177 miles were brought into the IC. In addition, a 9-mile branch, known as the Bloomington Southern, was built south from Bloomington to Victor to tap limestone quarries and mills.

As part of the IC (and successor ICG), the Indianapolis line for decades hosted the likes of Ten-Wheelers and Mikados in the steam era, then IC black Geeps, and finally, ICG orange-and-white Paducah rebuilds and GP-38's. Stretching across seven counties of rolling, often rugged southern Indiana, the line was a scenic but tough piece of railroad whose ridge-running style earned it the nickname "Hi-Dry."

The line crosses 140 bridges, culverts, and trestles, including some big ones. At Riverton, the railroad steps across the Wabash River, and near Elliston it bridges the White River. East of Bloomfield, the magnificent 157-foot-high, 2295-foot-long Tulip trestle carries the line over the valley of Richland Creek. East of Bloomington, trains are challenged by a 500-foot-long tunnel, the 75-foot-high Shuffle Creek viaduct, curves of up to 6 degrees, and grades of 1 percent.

In the mid-1970's, however, the picturesque line began to unravel amid ICG's quest to pare itself to a core system. During 1977-1978, the Interstate Commerce Commission denied ICG's request to abandon the line from Indianapolis south to Switz City, 89 miles. By this time the line was a struggling, mostly 10-mph railroad, on which ICG ran one scheduled train each way (IM-1, Indianapolis-Memphis, and MI-2, Memphis-Indianapolis), plus coal trains bound for Indianapolis Power & Light and occasional unit grain trains from Indianapolis headed to Gulf of Mexico ports.

Even that changed for the worse in late 1978, when the line was embargoed north of Bloomington after Federal Railroad Administration inspectors discovered more than 800 safety defects in a 13-mile stretch of track. It looked like the end might be at hand, but during 1979-1981, ICG was able to obtain over $3 million in state and federal funds, allowing the line to be reopened and upgraded to FRA Class 2 standards (25 mph maximum for freight). By 1983, though, ICG again wanted out and was looking for a buyer.

At the same time, Thomas Glenn Hoback was looking for a railroad.

REGIONALS IN REVIEW

TRAINS: Gary W. Dolzall

VIEW is grand from CF7 200 heading south across Shuffle Creek (left), or offering vantage point (above) for Tom Hoback.

THE man who today is president of the Indiana Rail Road traces his ties to railroading to his father, who worked as a train dispatcher for the Santa Fe at Chillicothe, Ill., where the Hoback family home was adjacent to the Rock Island. But Tom Hoback developed his theories of railroad management from his own job experiences.

After graduating from Golden Gate University in San Francisco in 1969, Hoback knew he wanted a career in the railroad industry and soon went to work for Alfred E. Perlman's Western Pacific. Hoback worked in pricing and marketing under Harry J. Bruce (now chairman and chief executive officer of Illinois Central Gulf, which this year was to revert to its original name Illinois Central). While at WP, Hoback became interested in finding a small or medium-size railroad to purchase.

During the late 1970's, ICG's Indianapolis line came to Hoback's attention. Hoback looked at scores of other lines as potential independent railroads, but he liked the Hi-Dry because of its coal traffic base and multiple connections with Class 1's. INRD links with Conrail (through the old Indianapolis Union),

*Like the Long Island Rail Road, the Indiana spells Rail Road as two words, not one, so it's Indiana Rail Road, *not* Indiana Railroad . . . because of a conflict with a corporate remnant of the old interurban Indiana Railroad. Similarly, Indiana Rail Road chose INRD, while perhaps a bit awkward, as the best reporting mark not already claimed.

TRAINS: Gary W. Dolzall.

SOUTHBOUND tonnage at Morgantown passes tamper as it rolls on refurbished INRD track.

CSX (ex-B&O), and Norfolk Southern (N&W, ex-Nickel Plate) at Indianapolis; CSX (ex-L&N/Monon) at Bloomington; Soo Line (ex-Milwaukee) at Linton; and, of course, IC at Sullivan (see map below). Hoback began discussions with ICG and made progress into 1978, but ICG ended the negotiations when the federal and state aid became available for the line.

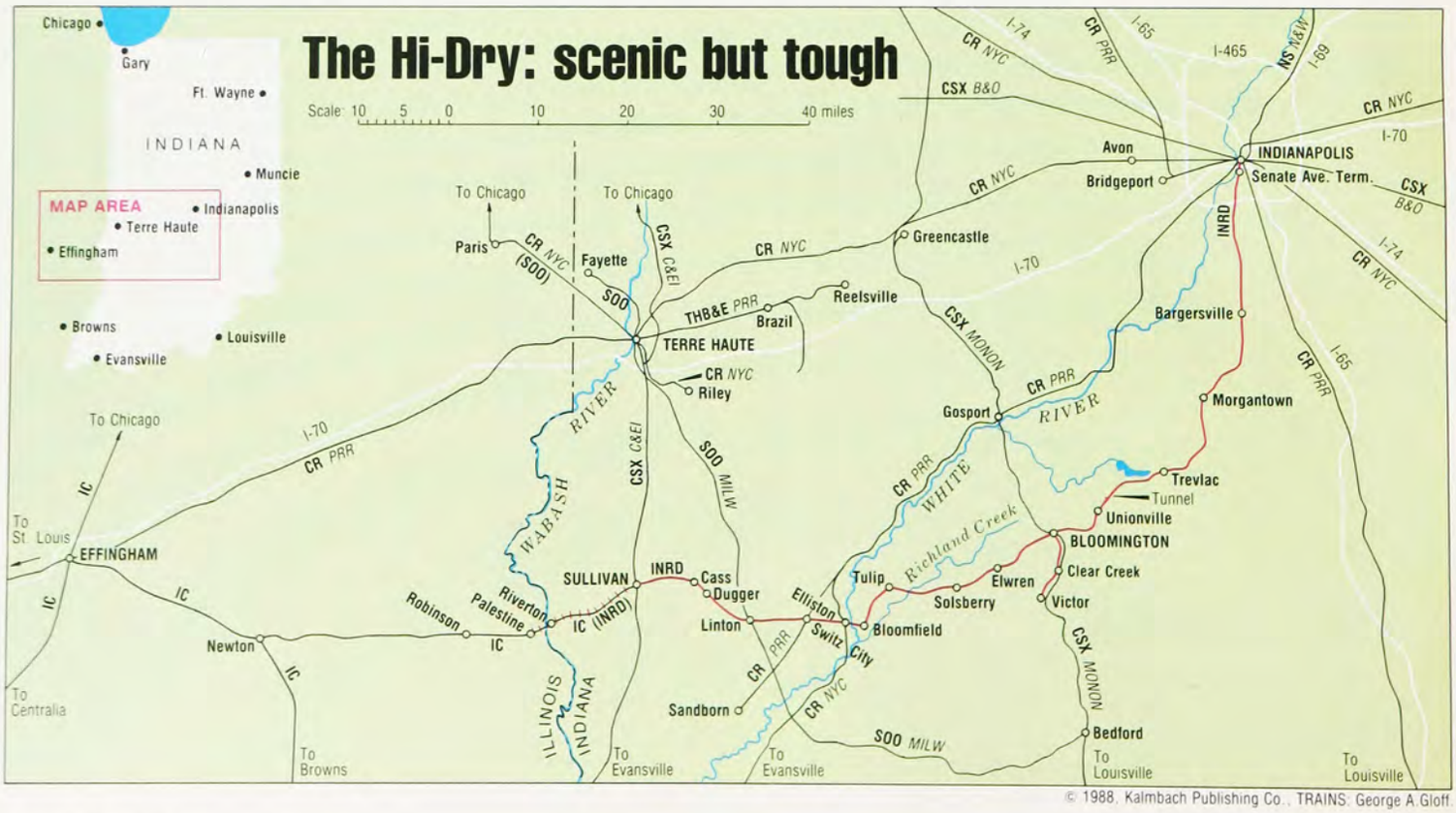
After Bruce joined ICG, Hoback soon followed. He got a job in ICG's marketing department and became director of coal marketing in 1980. But Hoback kept his eye on the Indianapolis line, and when it again became available, he left ICG and went to work for a Florida utility company (to prevent a conflict of interest) while he once more negotiated for the line's purchase, beginning in 1984. Hoback also began to establish a good relationship with Indianapolis Power & Light; without the support of the line's majority shipper, no new operator could hope to survive.

Although another private entrepreneur and the Soo Line also were interested in the Indianapolis line, in December 1985 Hoback reached a sale agreement with the ICG. Together with five other investors, Hoback formed Indianapolis Terminal Corp., a holding company for the Indiana Rail Road. Price for the line: $5.3 million ($48,624 a mile).

THE next step was to put the new railroad together. While INRD would own the property from Indianapolis to Sullivan, 109 miles (plus the Bloomington Southern branch), it would secure trackage rights over ICG from Sullivan on to Palestine, Ill. (13 miles), where most of its ICG interchange would be conducted since Sullivan lacks a good interchange location. INRD, incidentally, cannot interchange with CSX at Sullivan, for INRD ownership ends just east of the crossing with the former Chicago & Eastern Illinois Chicago-Evansville line. ICG wanted to retain the line west of Sullivan because it served a large, coal-fed Hoosier Energy power plant (ICG's contract to serve this plant has since been canceled).

INRD operating headquarters were established at the former ICG Senate Avenue Terminal on the south side of Indianapolis, and the yard office there was remodeled into the railroad's general offices.

Although the condition of the line the Indiana Rail Road was buying was only fair, "we knew what we were getting into," says Hoback. While much of the railroad was good for 25 mph after the rehabilitation of the early 1980's, there were stretches of 10-mph slow orders and clusters of very bad crossties. Most of the rail was 90-lb., and was quite worn. In its first year, INRD invested more than $1 million in track work, including placing 7 miles of new rail and 13,000 ties and dumping 400



cars of ballast. The major trestles and bridges were in good condition, but for safety's sake Hoback placed a 10-mph speed limit across the large structures. "Speed is not a major concern of ours, as long as we can move a train across our railroad overnight."

There was one portion of the new INRD in very poor condition: the south end of the old Bloomington Southern branch. This line wanders through the west side of Bloomington, serves a construction company and an RCA television plant, and connects with CSX next to the old Monon McDoel Yard. It then proceeds south to Clear Creek and into the stone quarry and mill district at Victor. INRD planned to continue working the north end of the branch, but it wasn't interested in going beyond Clear Creek, where small trees were growing between the rails—ICG hadn't hauled stone for several years. Asked if INRD hopes to ever haul stone from the south end of this branch, which includes one huge wooden trestle, Hoback laughs and says, "We'd like to think not."

The Indiana Rail Road began with 17 workers. Most of the trainmen Hoback hired were furloughed Conrail employees, and they averaged 12 years of railroad service. All trains operate with two-man crews. Road crews work up to the federal maximum 12 hours, yard crews 8 hours per day. The company is nonunion.

Hoback hired Tom Quigley, who had 15 years' experience on the Minneapolis, Northfield & Southern, as superintendent and chief mechanical officer, and Marvin Wisemore, previously with the South Shore and Amtrak, as controller. Hoback is in charge of the railroad's marketing.

Since Indianapolis Power & Light (IPALCO) supplies its own coal hopper cars, and INRD relies upon other roads' cars for carrying general freight, rolling stock was not a major concern. But locomotives were. "We were looking for versatile and compatible power," says Hoback. "CSX, Conrail, and BN all had good power for sale, but we felt the Santa Fe CF7's were the best value, and Santa Fe was extremely cooperative." Why not buy Paducah Geeps, as several other ICG spinoffs did? Hoback: "ICG offered us power, but we said, 'No thanks.' We felt that all of ICG's decent surplus power was already committed [to other roads]."

As for the other end of INRD's trains, the railroad did acquire two cabooses from ICG, but soon found they weren't needed and began using rear-end protection devices instead.

FROM its start-up, INRD's major task has been to move IPALCO's hoppers. The Stout power plant, which burns as much as 1.4 million tons of coal a year, is served by an INRD spur south of Senate Avenue yard. Coal comes from two main sources: AMAX Coal's Minnehaha Mine near Dugger, Ind., and Black Beauty Coal Co., near Switz City. The AMAX mine, while

Both photos, TRAINS: Gary W. Dolzall.

WHY they call it the Hi-Dry: fall colors of October 1975 included orange and white of Paducah rebuilds and GP38's on Tulip trestle (above), basic black of GP9's at Shuffle Creek (below).

Both photos, C. L. Kay.

SOO GP38-2's deliver Minnehaha Mine loads at Linton, where INRD CF7's pick them up for Indianapolis power plant.

TRAINS: Gary W. Dolzall.

FRESH "Monon" paint job on lead unit combines with long string of southbound empties to make impressive sight at Bargersville.

near INRD's line, actually is served by Soo Line, which turns the loads over to the Indiana Rail Road at the Linton interchange. Coal from Black Beauty is trucked from the mine to a loading facility on INRD at Switz City, where it is transloaded into hopper cars.

The Indiana Rail Road's operations hinge upon the needs of the Stout plant, and the railroad normally handles from three to five coal trains a week for IPALCO. Because the mines load during the day, and IPALCO unloads during the day, INRD's trains generally move at night. Normal operation finds an INRD Indianapolis switch crew building a train of empties in the afternoon, in time for a 5 p.m. road crew call. The two-man road crew, using four or five CF7's, next makes an overnight run to Linton, dropping off empties at Switz City on the way. The crew rests at Linton during the day, and returns with loads the next night, arriving at IPALCO by dawn. Train lengths vary from 55 to 70 cars.

The coal trains also handle other tonnage and do necessary intermediate switching. INRD also keeps two CF7's at Linton for switching, and these units make a night turn to Palestine to interchange with Illinois Central.

In addition to the Stout power plant, the Indiana Rail Road also handles some coal business for another IPALCO operation, the Perry K steam plant in downtown Indianapolis. This plant, which is much smaller than Stout (it burns only 400,000 tons of coal a year), is on the Conrail main line just west of Union Station. Perry K receives most of its coal from southern Indiana mines on Conrail's Indianapolis-Evansville branch, but it does get some from INRD, which turns the cars over to Conrail for delivery.

Although much of its business already is tied to coal, INRD won't stand pat on that front. Hoback feels that the low-sulphur coal mined in southwestern Indiana—that is, low-sulphur by Midwest standards—promises his railroad much more future tonnage. Foremost, Hoback wants to get the business of another on-line power plant—the steam plant operated by Indiana University in Bloomington. Illinois Central Gulf once brought coal to I.U., but the school switched to trucks. Coal for I.U. comes from Peabody Coal's Hawthorn Mine, served by Conrail's Evansville line and also Soo, which has trackage rights over CR into the mine. Hoback hopes to convince the university that delivery by rail is a better bet, and to work a deal with Soo to deliver the coal at Linton, from where INRD would lug it to Bloomington. This could mean 1000 more loads a year for INRD.

For the long term, Hoback hopes to turn INRD into a coal source for Indianapolis industry. "This area has a large industrial need for coal. We'd like to stockpile coal from rail deliveries here, then have it delivered by truck to industries. A lot of these companies have no stockpile capacity themselves, so we can do it for them. We think it's a good market opportunity for us—we'd eventually like to get 25 to 30 percent of the local industrial coal market."

TRANSPORT by rail and stockpile for later distribution is a service-oriented plan in which Hoback places much of INRD's future, not only for coal movements, but for lumber, fertilizer, sugar, salt, and other bulk commodities.

It is a plan born not only of opportunity, but also of necessity. As inherited from ICG, the railroad had only a handful of noncoal customers. Aside from three scrap-metal dealers in Indianapolis, about the only major on-line shipper was the RCA plant on the Bloomington Southern. But ICG had

lost RCA's business because it demanded the long-haul to Kansas City on shipments headed for the West Coast, and ICG was taking 10 days just to move the shipments off-line at Kansas City—too long for RCA. Indiana Rail Road has recaptured some of RCA's business by moving box-car loads of televisions to Indianapolis and turning them over to Conrail, which then gives them to Cotton Belt at St. Louis. This business provides INRD with up to 10 carloads a week.

"A break-bulk operation has long-term opportunity for us," says Hoback, and, in fact, the railroad is already putting such an operation together. At Senate Avenue, INRD has constructed a lumber storage facility. INRD receives Canadian lumber from the Soo at Linton and lumber originated on the Gulf & Mississippi from IC at Palestine, moves it to Indianapolis by rail, then unloads it and offers 30-day storage to area retail lumber outlets. When the lumber is needed, the customers pick it up with trucks. Already, INRD is moving about 500 loads of lumber per year with this operation. The railroad serves another lumber company—Hall & House—in a more traditional manner, delivering about 15 loads a month to a siding south of Indianapolis.

More evidence of INRD's break-bulk operation is a line of tank cars stationed permanently at Senate Avenue, which serve as a fertilizer storage facility for Arcadian Corp. Jumbo tank cars filled with liquid fertilizer from Louisiana and Nebraska are turned over to the INRD by the IC at Palestine, and are unloaded upon arrival at Indianapolis into older, nonrevenue tank cars, which hold the liquid fertilizer for later transloading to trucks.

INRD is also establishing similar storage systems for sugar and salt, and the railroad works with an on-line public warehouse to which it has delivered paper, beer, canned goods, cheese, and plywood. Hoback feels there's no end to the potential: "We have 60 acres of land here [Senate Avenue] that we don't need for rail operations. We can develop a rail-to-truck distribution center here that will have terrific transportation access [Indianapolis' nearby I-465 belt line connects with Interstate highways 65, 69, 70, and 74]."

Santa Fe heritage, Monon colors

INRD No.	Built	Rebuilt	From		ATSF No.
200	1951	1974	F7A	327L	2527
201	1949	1973	F7A	221C	2539
2485	1956	1975	F9A	289C	2485
2506	1949	1974	F7A	203L	2506
2515	1956	1974	F9A	287L	2515
2528	1950	1974	F7A	239L	2528
2532	1951	1974	F7A	266C	2532
2543	1949	1973	F7A	300C	2543
2546	1950	1973	F7A	229L	2546
2551	1953	1973	F7A	336L	2551
2617	1948	1972	F3A	31L	2617

All units built by EMD, rebuilt by Santa Fe at Cleburne, Tex., classified as CF7. Indiana 200-201 repainted and renumbered in October 1987; others to be renumbered into 200 series as repainted. CF7 2617 retired and used for parts supply only. Sources: Indiana Rail Road, *Santa Fe Motive Power* by Joe McMillan [McMillan Publications, 1985].—G.W.D. and S.F.D.

HOW does the total puzzle, the marriage of maintenance and operation and marketing, fit together for the Indiana Rail Road? So far, pretty well. In its first year, INRD lugged 13,986 loads, 2000 more than its business plan called for, and almost 3000 more than Hoback estimates ICG hauled in its final year operating the line. Gross revenues exceeded $5 million. "We're profitable," says Hoback. Indeed, the only month in INRD's history that has been otherwise was March 1987, when a broken rail near Bargersville caused a derailment of three CF7's, more than a dozen loaded hoppers, and some cars of lumber. The cleanup put the railroad in the red for the month.

Hoback plans to keep clear of a couple of traffic areas which he feels won't help the bottom line—piggyback and grain—because rates are too low. Hoback says the railroad had a chance to move 20 unit grain trains from Indianapolis to the IC, but turned it down. "The rate split wasn't good—for us it was a break-even or small profit at best, with substantial risk." The risk in moving heavy grain trains over a less-than-perfect right-of-way is very real, and ICG more than once dumped the grain trains it moved over the Indianapolis line during its final years of ownership.

Expansion might be in the offing for Indiana Rail Road. "If lines become available that would enhance our situation, we'd certainly have to look at it," says Hoback. Purchase of the remaining 54-mile segment of IC's Indianapolis line, from Sullivan west to the IC main line at Effingham, is a move that INRD will almost certainly, someday, have to make. Hoback would also like eventually to improve the railroad's direct access to southwestern Indiana's coal mines.

And what about all those CF7's still lettered SANTA FE, still dressed in fading blue and yellow? As of March 1988, INRD had painted two of them—INRD 200 and 201, ex-ATSF 2527 and 2539—in its red-gray-and-white livery which, like the old Monon passenger scheme it closely resembles, is meant to honor on-line Indiana University. The new INRD scheme, developed by graphic designer Roger Rasor (an Erie Lackawanna fan—there is EL similarity to the livery as well as Monon), will gradually be applied to the remaining operable units [see roster] over the next couple of years. INRD does its locomotive work in a two-stall enginehouse it constructed at Senate Avenue.

Tom Hoback can be both an optimist and a hard-nosed realist. His own summary of the INRD: "We believe the railroad business can be a good business to be in. Our employees have good attitudes, and they know the customer is number one. We are pleased with where we are with the Indiana Rail Road . . . but we know we have a way to go." T

BROTHERS Gary W. Dolzall, 34, and Stephen F. Dolzall, 43, are co-authors of two books: Diesels From Eddystone: The Story of Baldwin Diesel Locomotives *[Kalmbach Publishing Co., 1984], and* Monon: The Hoosier Line *[Interurban Press, 1987]. Gary's writing appears frequently in* TRAINS, *for which he serves as Marketing Director/Magazines. This is the Dolzall brothers' second joint* TRAINS *byline, after "Concerning Jersey Central Lines 2000 and Kin" in the March 1984 issue.*

TRAINS: Gary W. Dolzall

STORAGE tank cars at Senate Avenue yard help keep INRD in the black.

IOWA INTERSTATE

Humility, and profits, in the heartland

Success for the regional "that started pure"

GARY W. DOLZALL

IOWA CITY is the place to go. The place, that is, to witness the Iowa Interstate do what it does best—run a railroad in a service-oriented, no-nonsense, yet almost humble style. And it is a style that, so far, seems to be working. In four years, the 590-mile regional has virtually doubled its gross revenues—from $11.7 million in 1985 to about $25 million in 1988—and from that, managed to pull a reasonable profit in operating the remnants of the former Rock Island main line between Chicago and Council Bluffs, Ia.

From a two-story office building near its diminutive Iowa City yard and the adjacent two-track diesel shop, Iowa Interstate (reporting marks IAIS) orchestrates its day-to-day operations. Inside this operating headquarters, you'll find a group of experienced railroaders—men like Executive Vice President and Chief Operation Officer Paul M. Victor and Chief Mechanical Officer Fred D. Cheney—mixing their skills with younger clerks and dispatchers. On an average day, Iowa City will see a half dozen or more Iowa Interstate trains. Doesn't sound so service-intensive? That's part of Iowa Interstate's style—to make the most of what trains

TRAINS: Gary W. Dolzall.

Robert R. Harmen.

Scott Muskopf.

EXEMPLIFYING the specialized service a regional can provide, Iowa Interstate's Wilton Turn out of Iowa City approaches West Liberty (left) on April 8, 1988, bound for the North Star Steel plant at Wilton. Pathfinder Dinner Train out of Council Bluffs (top) is one of two such operations that IAIS hosts; another one now runs out of Rock Island, Ill. On July 16, 1987 (above), a westbound with three units was at the noted Rock Island junction of Bureau, Ill.

it does run, thus controlling its costs and keeping its rates low. As Victor says, "Our mission is really to provide reasonable and dependable rail service at competitive rate levels."

Three times a week at Iowa City, the railroad's key operating personnel gather by Victor's speaker phone and settle in for a sometimes long conference call with the other half of Iowa Interstate's management team, in the corporate office at Evanston, Ill., north of Chicago. There, Iowa Interstate Chairman Dr. Paul H. Banner, Vice President-Marketing Dennis Shaffer, and other staff members compare notes with the Iowa City team on diverse matters—from problems with mechanical reefers running out of fuel oil en route from Council Bluffs to Chicago, to how best to handle potential lumber business from Texas, to the cause (diesel failure) of a train delay the prior night. On the Iowa Interstate, if a shipment is seriously delayed, chances are good that the chairman himself will hear about it. This suggests there is, indeed, credence to the theory that a key to regional railroad success is in manageable size and responsive management.

THE events that gave form to the Iowa Interstate began with the demise of the Chicago, Rock Island & Pacific. When the Rock ceased operation on March 31, 1980, after having been operated from September 1979 by the Kansas City Terminal and 14 other roads under Interstate Commerce Commission direction, the Chicago-Council Bluffs main line and its connecting branches were splintered into disjointed segments, some alive, some silent ["Whatever Happened to the Rock Island," pages 31-36, March 1983 TRAINS]. Let's review those portions germaine to the eventual birth of the Iowa Interstate, heading from east to west.

The 40 miles from La Salle Street Station, Chicago, to Joliet, Ill., was purchased by the Regional Transportation

Authority through its subsidiary, the Northeast Illinois Railroad Corporation (NIRC), to retain the Rock's commuter operations. Today, this property remains a major player in the suburban passenger services of RTA's rail operating entity, Metropolitan Rail (Metra).

Most of the Rock Island's Chicagoland freight duties were, meanwhile, assumed by an Illinois short line, Carus Corporation's La Salle & Bureau County, which named its newly acquired property Chicago Rail Link. In late 1988, CRL was purchased from Carus by Chicago West Pullman Transportation, owner of other short lines.

West of Joliet, a game of railroad musical chairs began. Immediately following the Rock shutdown, the Elgin, Joliet & Eastern operated the main line from Joliet west to Bureau, Ill., plus the Peoria branch from Bureau. With the main line in this area dotted with shippers, and the Peoria branch offering a link to other carriers through the Peoria & Pekin Union at its south end, as well as a major shipper (B. F. Goodrich, near Henry), the property held potential. But the EJ&E could not reach a long-term agreement with the Rock Island's liquidators and stepped away on May 31, 1980.

Enter Burlington Northern. Following the "J's" exit, BN moved in to operate the Peoria branch as far north as the Goodrich plant as an extension of its Galesburg-Peoria line. Also, the Winchester & Western, a Virginia shortline owned by Unimin Corp., began working the old Rock main between Ottawa and La Salle, primarily to haul silica sand out of Utica for its owner. But both the big BN and the little W&W were about as short-lived on this segment as EJ&E.

Beginning in August 1980, Chessie System's Baltimore & Ohio moved to return a measure of stability to this productive segment. Chessie (now CSX Transportation) signed a 50-year lease with Chicago Pacific Corp., holder of RI's real estate, for the trackage over the 74 mainline miles between Joliet and Bureau, plus 14 miles of the Peoria branch south from Bureau to Henry. To route traffic in and out of its Chicago terminal, Barr Yard in suburban Riverdale, Chessie also arranged for trackage rights over RTA's piece of the Rock between Joliet and a connection in Blue Island with the Baltimore & Ohio Chicago Terminal (B&OCT).

West of Bureau on the Rock Island main line, the situation was far different. Following the demise of the RI, the portion from Bureau to Silvis, Ill., just east of the Quad Cities, sat virtually dormant until mid-1982 when a new company assumed operation (more on which shortly). The Rock's big Silvis shop complex was sold in 1980 to Varlen Corp., for use by subsidiary Chrome Crankshaft (now Chrome Locomotive), a diesel rebuilding and leasing firm.

Operation of the Rock in the Quad Cities area, including its 6-mile Milan (Ill.) branch and the main line west to Iowa City, was assumed by the Davenport, Rock Island & Northwestern, a joint subsidiary of Milwaukee Road and Burlington Northern commonly known as the "Dri Line." Soon, the DRI&NW passed operation of the Davenport-Iowa City main to parent Milwaukee Road. This segment was an important one—along with the industries in the Quad Cities, it tapped a busy North Star Steel plant at Wilton, Ia., and interchanged at Iowa City with the 52-mile Cedar Rapids & Iowa City ("Crandic").

West from Iowa City, 86 miles to Newton, Ia., stood another portion of the main that fell silent after the Rock shutdown. But Newton, home to a huge Maytag appliance plant, did retain service from the west. Chicago & North Western, which permanently took over the Rock's Kansas City-Des Moines-Twin Cities main ["Spine Line Strategy," page 9, September 1984 TRAINS], also assumed operation of fingers of the east-west main line out of Des Moines. C&NW operated east to Newton (35 miles) and west to Dexter (another 35 miles), and also for a time worked the 36-mile Altoona-Pella branch. C&NW eventually purchased 14 miles of east-west trackage between East and West Des Moines, including the Rock's old eastside freight yard, known as Short Line Yard.

AFTER the Rock Island's demise, the west end of the main line to Council Bluffs, nearly 100 miles of pure granger territory, sparked the birth of a new company, the Iowa Railroad Company (IRRC). Based at little Atlantic (population 7789), IRRC began operations in November 1981 with the rental of 48 miles of track from its home west to Council Bluffs, then quickly expanded east 49 miles to Dexter. The Iowa Railroad also assumed operation of two branches, from Atlantic to Audubon (20 miles) and Hancock Junction to Oakland (5 miles).

In June 1982, the IRRC expanded again, this time dramatically, attempting to establish itself as a regional linking Chessie's operation at Bureau with Union Pacific at Council Bluffs. With the Iowa Railroad's arrival, C&NW retreated to its East Des Moines-West Des Moines environs and the new company began serving Maytag at Newton and the Pella branch (home of major rail shipper Rolscreen Co., producer of Pella brand wood-framed windows).

Iowa Railroad also regained some of the ex-RI Quad Cities traffic from the Dri Line, but the Milwaukee Road was able to retain its operation between the Quad Cities and Iowa City and with it, rights to tonnage originating or terminating at Wilton and Iowa City. IRRC and MILW shared the Davenport-Iowa City trackage in a most uncommon fashion: Milwaukee held operating rights from 8 a.m. to 8 p.m., and IRRC could operate there only during the nocturnal hours.

At best, the Iowa Railroad was a tenuous creation, and the railroad's biggest difficulty was its east-end terminus—Bureau. As a condition of the long-term lease by Chicago Pacific to Chessie, any buyer of the main line west of Bureau could obtain trackage rights on B&O from Bureau toward Chicago. But because IRRC was a renter rather than a buyer, it did not gain such rights. And for shipments moving

Iowa Interstate.

MANAGEMENT team includes (from left) Paul M. Victor, executive vice president/chief operation officer; Dennis Shaffer, vice president-marketing; and Dr. Paul H. Banner, chairman.

TRAINS: Gary W. Dolzall.

DIESEL shop at Iowa City is one of two ex-RI facilities on IAIS; the other is at Council Bluffs.

between Iowa and Chicago (and beyond), Bureau represented a serious bottleneck. Eastbound shipments would move via IRRC to Bureau, only to sit awaiting Chessie pick-up, then move to Barr Yard and sit again awaiting Chicago interchange.

Using a colorful and exotic, if rather motley, gathering of leased secondhand diesels that ranged from ex-BN EMD SD7's to Illinois Central Gulf GE U30B's to Louisville & Nashville Alco C420's (leased from Chrome), the Iowa Railroad carried on through most of 1984 while its organizers tried, unsuccessfully, to raise the capital necessary to turn its lease of the old Rock into a purchase.

With only the uncertainty of Iowa Railroad's operation staving off abandonment of much of the Rock's east-west main across the Hawkeye State, the line's major shippers and the Iowa Department of Transportation became involved. Maytag, through chief counsel Don Byers and traffic planner Al Roberts, took a lead role. Along with Pella Rolscreen, the Crandic Railway, and several large grain shippers, Maytag in 1983 helped form a new company, the Heartland Corp., with the intent to purchase the railroad. (In an unrelated irony, Maytag would later acquire Chicago Pacific Corp.!) Heartland raised $7.6 million in capital from its member organizations, and with the assistance of Les Holland, Iowa DOT director of rail and water transportation, arranged for a $15 million low-interest loan from the state. But Heartland needed another investor, and—with limited knowledge of the nuances of railroading—an operator. Enter Iowa Interstate.

IAIS was formed as the operating entity for Heartland by three men with long careers in railroading, two of them with close ties to the property they were about to tend. Iowa Interstate's chairman, Dr. Banner (he earned a Ph.D in economics from Harvard in 1954), had served as Rock Island's executive vice president 1975-1980. Before that, he had worked for Southern Railway since 1963, climbing to assistant vice president—market research. After leaving the Rock, Banner had done railroad consulting, but tiring of the long hours and travel, was considering retirement. As he recalls, "I thought this [IAIS] would be more fun than retirement, and I thought it would have better hours than consulting. But I was wrong about the hours . . . we eat, sleep, and dream this railroad."

Joining Banner as Iowa Interstate founders were Harry S. Meislahn and Paul Victor. Meislahn, also a Harvard graduate, had worked in the railroad industry since 1965, serving Milwaukee Road, Santa Fe, and ICG. Before leaving to become president of Iowa Interstate (he has since left IAIS to pursue independent consulting), he was ICG's assistant vice president-planning and analysis. Victor, who would become Iowa Interstate's operating V.P., was Brooklyn-born and an urban planner by trade, but his railroad credentials included stints with Erie Lackawanna, Brooklyn Eastern District Terminal, Rock Island, and ICG. Speaking about the trio who founded Iowa Interstate and joined forces with Heartland, Victor says, "What we brought to this venture was the know-how to run a railroad."

In truth, though, Iowa Interstate brought more to the start-up than just expertise. Heartland wanted its operator also to be a contributor of capital. IAIS thus secured a $12.3 million loan —"a struggle for financing," according to Banner. IAIS's contribution was split to help finance the line's purchase and to provide working capital. In turn, Iowa Interstate became a nonvoting stockholder of Heartland. In October 1984, at a price of $31 million paid to Chicago Pacific, Heartland purchased the Rock Island main line all the way between Council Bluffs and Bureau except for C&NW's Des Moines portion, plus the adjoining active branches (except Bureau-Peoria). Included: trackage rights on B&O toward Chicago. Iowa Interstate prepared to go to work.

THE birth of Iowa Interstate in the final months of 1984, even to the men who made it happen, today seems like something of a miracle. "We started off with a blank piece of paper. We had no infrastructure, no traffic contracts, no existing customer relationships," says Victor. His words are echoed by Banner. "For a regional, I think we're unique. We were not a spinoff. We didn't inherit traffic, locomotives, or cars. We started pure."

For its start-up, IAIS selected Evanston as site of its corporate office because the Chicago area offered a pool of experienced railroad managers. Iowa City, on the other hand, was selected as operating HQ because of its central location on the railroad, and for its yard and enginehouse. In fact, with C&NW controlling Des Moines, and Silvis Yard torn up or the property of others, Iowa City's yard would be, for all intents and purposes, the only active intermediate yard on the railroad.

Iowa Interstate hired 95 employees, 91 of whom had worked for the Rock Island. Original motive power, on the other hand, was all of Illinois Central heritage. In October 1984, IAIS acquired 14 Paducah-rebuilt Geeps (11 GP10's and 3 GP8's), and in early 1985 seven more GP8's (see roster on page 54). For cars, IAIS turned to leasing to build a pool of roughly 500, a balanced mix of 50-foot box cars, covered hoppers, gondolas, and flats.

"One of the great amazements to me yet is that we said we'd start . . . and we did," recalls Banner. Start, yes, but not without problems. IAIS intended to begin operation during the second week of October 1984, but found that its new property was occupied—and was still being operated—by the Iowa Railroad and the Milwaukee Road, both of which refused to retreat. Iowa Interstate had to go to court and get the ICC to clear its line, and the struggle took three weeks. Meanwhile, as IAIS marketing vice president Shaffer says, "The clock was ticking. All our pieces had to be in place, because we thought we were ready to go. The delay cost us a huge amount of money."

In the aftermath of the dispute, Iowa Interstate received a settlement from the Iowa Railroad (IRRC has since entered bankruptcy and liquidation),

Robert R. Harmen.

DOUBLE-STACKS trail ex-Milwaukee units in tow behind three Geeps (one leased from Chrome) arriving Council Bluffs September 18, 1987.

As of early 1989, a $4 million suit brought by IAIS against Chicago Milwaukee Corp., parent of the Milwaukee Road prior to the railroad's sale to Soo Line in February 1985, was still in litigation.

Iowa Interstate finally began operation November 2, 1984. But even then, the railroad was not quite whole. While trackage rights agreements with the North Western (for movements through Des Moines) and RTA (Joliet-Blue Island) were settled, snags in working out details of the trackage rights agreement with Chessie kept IAIS off B&O between Bureau and Joliet. For a few months IAIS instead had to rely upon a car-haulage agreement with Chessie, but on April 29, 1985, at last, IAIS sent a train all the way to Chicagoland.

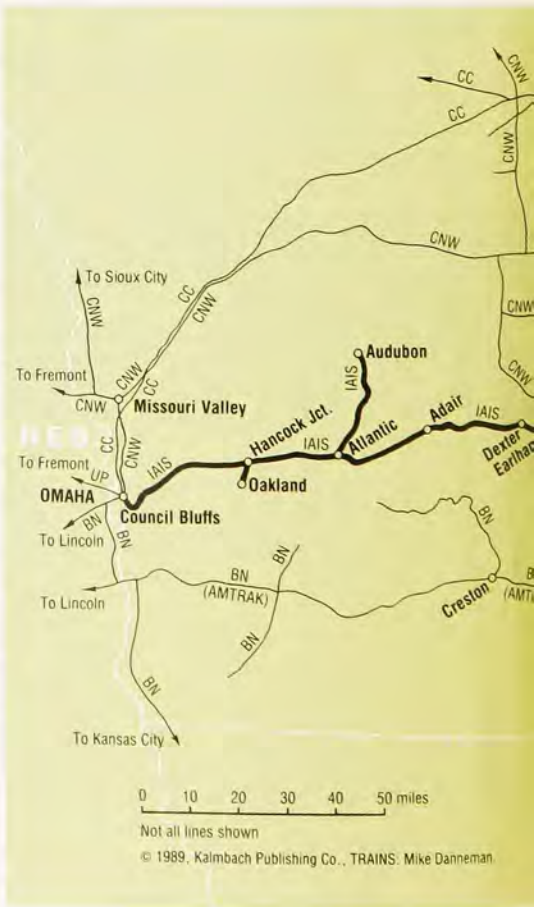
In the Windy City suburb of Blue Island, Iowa Interstate acquired four tracks of the Rock's silent Burr Oak yard, and—more of interest—also purchased a 37-acre tract from Evans Manufacturing, a bankrupt freight-car firm. Once used for carbuilding, the old Evans facility—snuggled just southwest of the busy Blue Island overhead crossing of NIRC and the Indiana Harbor Belt, B&OCT, and Grand Trunk Western—became IAIS's primary Chicago terminal. Along with storage tracks, the Evans plant area included a loop track around its perimeter and several large industrial buildings, which Iowa Interstate planned to turn into a commodity break-bulk and distribution center.

On the other end of its property, at Council Bluffs, IAIS leased out most of the Rock's old yard trackage for freight-car storage, retaining only a few tracks and a second small shop building. IAIS began operating into Union Pacific's Council Bluffs "pool" yard to interchange traffic.

The condition of the property IAIS inherited was something of a paradox. Parts of the railroad were in excellent condition, others not so. Victor: "Because of the importance of this line to the Rock Island, it received a disproportionate share of the railroad's maintenance attention. There's lots of heavy [136-lb.] welded rail on the main line, and the physical plant was in generally decent condition." Indeed, portions of the main line were good for 70-mph running. But there would be no such speeds on the new regional. One problem was IAIS's terminal and city trackage. While the Rock had pumped money into its rural main line where fast running was possible, it had apparently reasoned that trains would be moving slowly, regardless, in terminals and cities, and thus track maintenance there could be deferred. As one step toward rehabilitating portions that needed help, IAIS obtained a $6.2 million Federal Railroad Administration loan, mainly used for new ties and ballast.

Beyond track conditions, another more permanent deterrent to the return of fast running was signaling—or rather, lack of it. After the Rock's demise, the signal system on the main line was so badly vandalized (theft of copper wiring, etc.) that reactivating the system was economically impossible. With the exception of seven railroad interlockings and river bridges, IAIS would be a "dark" railroad, operating on train-order or block authority. Chessie also operates without signals west of Joliet. Full signaling does remain in service on Metra's trackage from Chicago to Joliet. The federal limit for unsignaled trackage is 49 mph; IAIS has chosen to make its mainline speed limit 40.

Iowa Interstate also had to deal with a different kind of trackage problem, overcapacity. The once-busy Rock was primarily a double-track railroad from Chicago as far as West Liberty, Ia., and then single iron. IAIS (and Chessie) simply had no need for the two-track capacity—and high maintenance expense—and began the process of tearing up the second main. Rather



than saving either the north or south mains in total, Iowa Interstate instead chose sections of whichever track was in the best condition and wove them together. As a result, IAIS's single main line occasionally jogs from one side of the right-of-way to the other. Passing sidings, most in the range of 4000 to 6000 feet, were also refashioned from the unneeded mains.

Even as Iowa Interstate was able to establish and iron out its operating details and begin to put its physical plant in proper form, the early struggle for survival was not over. As Victor recalls, "For Iowa, 1985 was a close second to the 1930's. It was probably the worst year here since the depression due to the collapse of the grain market. We had our baptism of fire during that year, trying to provide a reasonable service level to keep our shippers content. We ran our operating pattern . . . even if it meant one-car trains." Besides its low tonnage levels, IAIS, like the railroad industry in general, also was hit with spiraling liability insurance costs that year. "We had a real tight period in 1985, but we survived," says Banner.

With the survival stage behind it, IAIS began to thrive. From its $11.7 million gross in 1985, IAIS's revenues climbed nearly 17 per cent to $16 million in 1986, then another 30 percent in 1987 to $21.9 million. Carloadings in 1987 reached 47,000 . . . and IAIS could claim its first annual profit, covering operating expenses and reducing its debt. Employment, meanwhile, rose from the original 95 people to nearly 250. In 1988, carloadings hit 56,400, despite the staggering Midwest drought, and revenues reached $25 million.

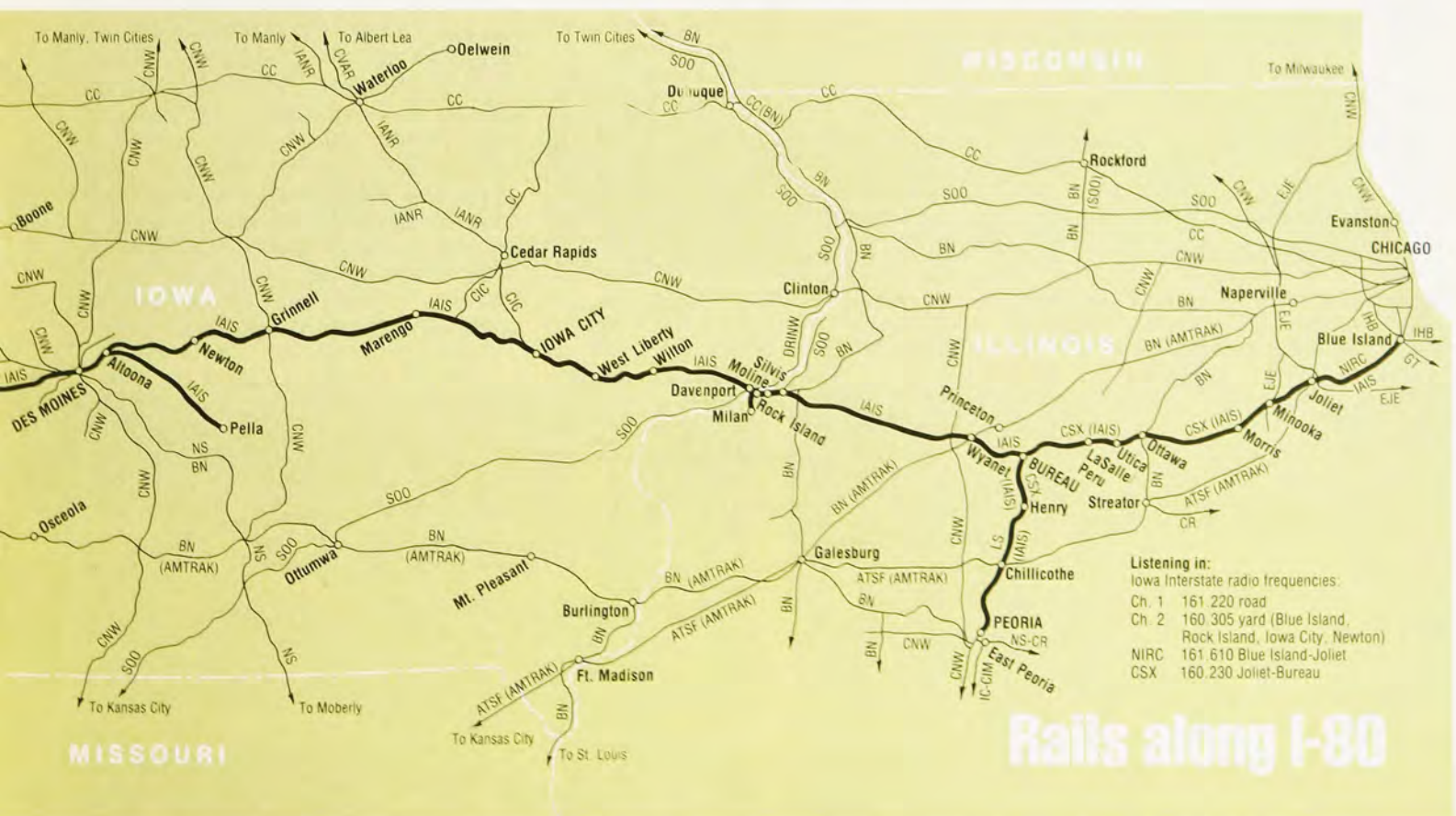
No small reason for IAIS's overall prosperity today is the road's diversity of traffic. Iowa Interstate is no grain-only granger Shaffer: "No one customer of ours represents more than 15 percent of our total business. And yes, grain is big, but again, it represents less than 15 percent of our total."

There is, however, one common bond to most of IAIS's traffic—it is homegrown ("Around 90 per cent of our traffic is local to us or to the Crandic," says Shaffer). Overhead traffic simply isn't a major part of IAIS's concept for success. Banner: "We do not place any great emphasis on bridge traffic. We regard ourselves as a regional railroad to serve our area. Of course, where shippers we serve also have bridge traffic, we do hope to get some of that." With an obvious eye to its neighbor to the north—Chicago, Central & Pacific, a regional that put emphasis on bridge traffic under founder Jack E. Haley—Shaffer adds, "We feel that when a regional tries to go up against Class 1's [for bridge traffic] in a deregulated market, it's a high risk."

Diversity of traffic notwithstanding, IAIS does have a select handful of customers that, when combined, account for a majority of its tonnage. Not surprisingly, most are among the members of the Heartland Corp. Maytag at Newton is IAIS's biggest single traffic source, providing inbound business of coiled steel and other raw materials and outbound shipments of home appliances. Rolscreen at Pella, North Star Steel at Wilton, several large on-line grain elevators, and shippers located on the Crandic are other major IAIS tonnage providers.

Considering Crandic's membership in Heartland, it comes as little surprise that the former interurban has a special relationship with Iowa Interstate. In fact, Crandic has a haulage agreement with IAIS, meaning that Crandic can market traffic moving over the two roads under a single agreement and IAIS will take the traffic at a fixed rate. Much of the Crandic-IAIS traffic is grain and grain products moving out of Iowa both east and west and coal coming in to the Cedar Rapids power plant of Crandic's owner, Iowa Electric Light & Power Co. This coal originates in southern Illinois on Illinois Central's Bluford District, moves to Rock Island, Ill., on Burlington Northern, and then on IAIS to Iowa City, where it is turned over to Crandic for the final leg to Cedar Rapids.

The total traffic base that IAIS has been able to capture and hold is all the more notable considering the potential tonnage the road lost access to before its birth. Chicago-area freight remains in the hands of Chicago Rail Link; originating traffic between Joliet and Bureau (an area rich in tonnage including silica sand from the Illinois River bed)



is held by CSX; the Quad Cities simply isn't the tonnage producer (farm machinery was big) it once was, and Milwaukee (Soo) gained access to several of the biggest remaining shippers there; and C&NW was able to cherry-pick several CRI&P customers in the Des Moines area.

One big former Rock shipper that IAIS has been able to reclaim is B. F. Goodrich, whose chemical complex on the north side of Henry, Ill., on the Peoria branch is probably the only reason that line even still exists. After the EJ&E and BN attempts of the early 1980's until mid-1987, only CSX operated here. The line from Henry south to Peoria sat dead, rails rusting and weeds slowly devouring its path. Goodrich, however, wanted the Peoria link reopened because much of its chemical traffic out of Henry moves south. So, the shipper created a subsidiary, the Lincoln & Southern Railroad, which acquired the Henry-Peoria track ("Lincoln" comes from Lincoln Street in Henry, the CSX-L&S ownership border). Goodrich selected Iowa Interstate as operator. IAIS obtained operating rights over CSX between Bureau and the Goodrich plant and began service June 22, 1987. Although CSX still switches the plant, IAIS immediately began handling the majority of the plant's traffic, and the opening of the line also gave Iowa Interstate new options for moving grain from Iowa toward the central U.S. and Gulf of Mexico ports.

Another tactic Iowa Interstate has used to boost traffic has been to make itself a customer. One example is Interstate Reloads, a wholly owned subsidiary. In much the same manner as the Indiana Rail Road did with its excess land at Indianapolis [pages 24-29, June 1988 TRAINS], IAIS's Interstate Reloads has recast the former Evans plant at Blue Island into a break-bulk and distribution center. Like the Indiana, Interstate Reloads mostly deals with lumber and plywood, but it is capable of handling just about anything, from frozen vegetables to liquid fertilizer to steel. Says Shaffer, "We're generating business for our railroad, helping to support our railroad. We have tremendous growth potential there."

Do you recall the Iowa Interstate's "mini" stack train [page 17, August 1987 TRAINS]? That is traffic generated by Interdom, Inc., in which IAIS has a minority interest, a firm which operates two dozen double-stack container cars between Chicago and the ports at Los Angeles and Seattle over IAIS and Union Pacific. This containerized traffic is largely westbound movements of domestic-origin traffic, and a major customer is Maytag at Newton, which receives materials (mostly from the east) and ships finished appliances (mostly to the west, many for destinations across the Pacific Ocean).

Unlike some regionals, Iowa Interstate views the development of on-line intermodal business as potentially profitable. Because of the Interdom stacktrain business at Newton, IAIS must maintain a container lift crane there and so is trying to make Newton an intermodal hub for central Iowa. IAIS also loads piggyback trailers at Newton using a PC-90 Piggypacker. Says Banner: "We'd like to capture a greater share of the less-than-500-mile intermodal business. There's really no major intermodal hub in central Iowa; trucks have to go to Omaha, Galesburg, or Chicago. For example, we know CSX serves Des Moines by rubbering [moving by highway] between there and Chicago. For us, Des Moines-Chicago would be a long haul."

Through Banner, IAIS is involved in the development and testing of Trailer Railer, a new lightweight, four-wheel, skeleton-flat intermodal car designed to be versatile enough for short-haul use. As a single unit, Trailer Railer can carry a container, or in pairs it can carry truck trailers of any length. Banner, who helped develop the concept, is a partner in Trailer Rail, Inc., as is IAIS's Paul Victor. A two-unit prototype was completed by Thrall Car Manufacturing Co., in early 1988 and—carrying reporting marks IAIS 50000 and 51000—began testing on the railroad. Sums up Shaffer, "We see real growth in intermodal, in pursuing a total transportation approach."

ALTHOUGH the likes of Interdom's double-stacks, Trailer Railer, and—most importantly—IAIS's own financial success have brought the regional carrier some overdue attention in the railroad industry, such publicity almost seems to go against the railroad's nature. Perhaps it is because IAIS is simply a reflection of the character of the men who run it—workmanlike, low-key, arguably humble. Banner: "We feel young businesses should be somewhat reticent. When we started we were frankly scared, and we didn't think we'd get much traffic by simply making a lot of speeches. We feel that if our theories work, then Iowa Interstate can contin-

Iowa Interstate.

LIGHTWEIGHT Trailer Railer (above) is a Paul Banner intermodal innovation. Diesels unique to roster (below) include ex-North Louisiana & Gulf GP38, still in NL&G colors, and SW1200 250, ex-MoPac and so far Iowa Interstate's only switcher, usually assigned to Blue Island.

Arnie Burchardt.

Iowa Interstate: Fred D. Cheney.

Iowa Interstate

UNIQUE yard at old Evans plant in Blue Island would make ideal model layout. View looks northeast; ex-Rock main is at right, IHB across top.

ue to grow. We are a regional carrier, and we must concentrate on service."

How do IAIS's theories of running a railroad translate into day-to-day operations, into the unrelenting, unforgiving grind of moving its customers' shipments across America's heartland?

The anchors in Iowa Interstate's operating plan are the daily trains which cover the length of the railroad's 472-mile Blue Island-Council Bluffs main line. In a timetable, this service looks like twins—train 1 westbound and train 2 eastbound. But the trains really represent more of a single big loop operation that begins and ends in Iowa City, utilizing and sharing a variety of crews and serving several functions along the way.

Each afternoon at the small enginehouse in Iowa City, the men who tend IAIS's motive power lash together a consist of Geeps, most often three or four of them, and prepare the aging diesels to depart on a three-day journey of nearly 1000 miles. The EMD's are run down toward the depot to await the evening arrival of train 2 from Council Bluffs. When the eastbound arrives, usually around 7 p.m., its inbound power is cut off and the train is switched. The set of waiting diesels is coupled on, and a new Iowa City-based crew takes its place in the lead cab. The mainline "loop" from Iowa City has begun.

When No. 2 departs Iowa City, around 9 p.m., chances are good its train will have a mixture of UP interchange from Council Bluffs; merchandise, U.S. mail, and intermodal loads from Des Moines and Newton; local tonnage from Iowa City; and Crandic car-haulage traffic. The fresh crew—an engineer and conductor—will take the train the 197 miles to Joliet, arriving there about 6 the next morning.

At Joliet, a new crew begins its day. Often, No. 2 must wait out the morning rush of Metra trains before proceeding east onto NIRC trackage and across the Santa Fe and Chicago, Missouri & Western diamonds at Joliet Union Station. After proceeding the final 24 miles to Blue Island, IAIS 2 slips onto a connecting track, which drops off the north side of the elevated main line and curls into the southeast side of the former Evans facility.

With No. 2's arrival at Blue Island, usually around 8:30 a.m., there are several tasks to be done, and a Chicago-based IAIS crew and switch engine (often the railroad's only switcher-type unit, SW1200 250) will be there waiting to help No. 2's crew (either crew may do either job). Any terminating business (mostly intermodal) will be dropped at the old Evans site, then—with IAIS's only caboose added—the road power and train will scissor onto the Indiana Harbor Belt main line at the Blue Island crossing and make a backward transfer run (hence the caboose) to IHB's nearby Blue Island Yard. At the IHB, this transfer will drop off interchange traffic (mostly for Conrail, plus some Norfolk Southern), pick up tonnage bound for Iowa Interstate, and return to the Evans yard. Iowa Interstate also has a direct connection at Blue Island with GTW's yard, and a transfer agreement with CSX. In alternating four-month-long stints, CSX and IAIS handle transfer runs between Blue Island and the nearby Barr Yard of CSX's B&OCT.

Because the Evans plant is becoming too crowded for IAIS's growing business, the railroad intends in the summer of 1989 to also begin using the four tracks it acquired at the Rock's old Burr Oak yard for intermodal traffic. This will necessitate an additional short run over the NIRC main line to Vermont Street in Blue Island.

While the transfer work is being done, the other crew uses the yard engine to shuffle cars for Interstate Reloads and to begin building westbound

TRAINS: Gary W. Dolzall.

IOWA CITY action: Rock Island Turn arrives April 8, 1988 (above), with coal off BN for interchange to Crandic. Leased Grand Trunk GP38 passes ex-RI depot on September 20, 1987.

Allan Hunt.

train 1. When the road power returns with its transfer cut and drops off the caboose, the work begins in earnest. Train 1 is put together on the circular perimeter track, and when it is ready to depart, the same Joliet-based crew that brought in No. 2 that morning takes the throttle of the same road power. Meanwhile, the Chicago crew runs the yard switcher and carefully helps pull No. 1's train backward around the loop until its power is positioned to head up the steep connector track to the NIRC main line. The yard switcher's help is necessary to keep long intermodal cars from bunching slack and derailing on the tight curves. It's a show that would, perhaps, defy belief even on a model railroad, but it's a necessary, and daily, evil on Iowa Interstate.

Train 1 departs Blue Island most often at 2:30 p.m., shortly after the passing of a westbound Metra train. There's little choice, really, at least on weekdays, because No. 1 must be beyond Joliet before the afternoon suburban-train rush begins. There is seldom a problem. Banner: "Our relationship with Metra has been extremely good. I have only praise for them." Shaffer: "Metra trusts us enough to intermingle us with commuter trains, although we are blanked out for the rushes. Our people know the importance of getting in and out of Blue Island without delay." On Thursdays and Fridays, when intermodal traffic is heavier, loading time requirements often make it necessary for No. 1 to depart after the Metra rush, usually about 6:30 p.m. Occasionally, two sections of No. 1 are operated—with a 2:30 p.m. regular departure and a 6:30 p.m. intermodal section.

On most days, when No. 1 gets out of Chicago at 2:30, the train arrives in Joliet about 3 p.m., and the crew which began its day there some 9 hours earlier calls it a day. Meanwhile, the Iowa City crew that brought that morning's No. 2 into Joliet is rested, and so climbs aboard to take No. 1 back home. Their evening run to Iowa City takes until about 1 a.m., with a stop enroute at Rock Island for switching and to fuel the Geeps.

Westbound at Iowa City, the road power stays on but a new crew takes over and works west to Newton, 86 miles. This crew is Newton-based; it works east on No. 2 in the afternoon, departing about 4 p.m., and taking a short rest at Iowa City before returning home on No. 1. This crew also performs switching work at Newton.

Train 1 arrives Newton around 4 a.m. After substantial switching and with a new crew aboard, it usually gets out of Newton about 6 o'clock. Des Moines is its first call. Until summer 1988, Iowa Interstate used a mixture of C&NW trackage rights and the Des Moines Union Railway to pass through Iowa's capital. DMU was a joint Norfolk & Western (Wabash)/Milwaukee Road terminal operation that, in mid-1988, came under single ownership when MILW's real-estate successor Chicago Milwaukee Corp. sold its share to the N&W. Iowa Interstate trains frequently were delayed while on DMU, but in the summer of 1988, Iowa Interstate purchased 5 miles of the old Rock Island main line—from Short Line Yard to the west side of Des Moines—from C&NW and rebuilt it, allowing the regional to avoid Des Moines Union trackage entirely. Depending upon how quickly No. 1 works through Des Moines, it reaches

Atlantic, at Milepost 440, about midday, then attains Council Bluffs around 6 p.m. (Until IAIS's passage through Des Moines was improved, Atlantic had to be a crew-change point.) The deadline for No. 1 to deliver intermodal traffic to UP to connect with westward hotshots is 8:30 p.m.

Before leaving Council Bluffs eastward with a new No. 2, the IAIS road power is once again fueled. If a unit is scheduled for work or needs repairs, it can be set out at Iowa Interstate's other diesel shop (Rock Island's former Council Bluffs facility), but otherwise the power consist will continue intact. If all goes well, No. 2, its Newton-based crew rested, will depart Council Bluffs between 1 and 3 a.m., pass Atlantic in early morning, get through Des Moines without difficulty, and reach Newton by mid-morning. When No. 2 arrives in Iowa City that evening, the motive power that began its 976-mile "loop" 72 hours earlier is home, and the units are sent to the diesel house for care and feeding. Some of the Iowa Interstate's Geeps run up 5000 miles a month making this loop and, of course, handling other trains.

Roger D. Kujawa

FIRST work train on Peoria line (Lincoln & Southern) passes Chillicothe depot June 9, 1987.

BACKING up trains 1-2 in Iowa Interstate's operating scheme are an army of locals, turns, and switch jobs. Naturally, the tonnage-heavy portion of the railroad, between Newton and Bureau, sees the majority of the action, with Iowa City, of course, the focal point. Keeping track of all the trains is the responsibility of IAIS's dispatchers, who work out of the operating HQ at Iowa City. (Originally, Iowa Interstate's operating headquarters was the former Rock Island depot in Iowa City, but having outgrown it, IAIS moved to the new office nearby and now leases out the depot building.) They govern traffic by issuing track warrants via train radio and telephone; CSX dispatches its Joliet-Bureau section from Barr Yard, and train movements on the signaled main line east of Joliet are handled by NIRC tower operators.

Running nightly out of Iowa City, departing sometime after No. 2 (usually 11 p.m. to midnight), is a train that runs east to Rock Island and, frequently, on to Bureau. If it goes only to Rock Island, it returns to Iowa City by next morning with the same crew. More often, especially in winter when grain traffic is heavy, the train goes on to Bureau, arriving in the early morning. While the Iowa City crew lays over to rest, another crew takes the power down the Peoria branch during the day. The rested crew then heads back from Bureau to Iowa City in the evening. These Iowa City-Bureau trains are grain haulers, but they also tote local tonnage (including stone) and several times a week handle the coal off BN at Rock Island bound for the Crandic at Iowa City, usually in blocks of 30-odd cars.

This coal traffic moves in spring, summer, and fall; no loads are moved in winter due to problems with the coal freezing in the hopper cars. In the late fall, about the time the coal stops, the grain picks up. Grain comes mostly from IAIS's west end and from the Crandic, which also gets some grain originated on the Iowa Northern (Cedar Rapids-Manly). The primary grain destination on Iowa Interstate is a huge terminal on the Illinois River near Bureau. Presently, grain has to be trucked the final couple miles from IAIS to the barge terminal, but the railroad hopes to attain direct access. Because the Illinois, unlike the upper Mississippi, does not freeze in winter, it is a remarkably big winter traffic generator for Iowa Interstate. In fact, when grain traffic is at its peak, IAIS often calls extra trains beyond the nightly runs out of Iowa City. Mostly, this means grain trains running between Newton and Bureau. Grain also moves via Bureau and down the Peoria branch for connections to the Gulf of Mexico. Except in winter when the upper Mississippi is closed to navigation, IAIS also delivers grain to Rock Island for transloading.

Along with the train to Rock Island or Bureau, Iowa City is also home base for a pair of road-switchers. They're more or less yard jobs that—thanks to no yard-limit restrictions—can, and usually do, venture onto the main line as well. The Monday-Saturday morning job works Iowa City's yard and local customers, handles the interchange left by Crandic the night before, and goes east 29 miles to Wilton to work North Star Steel. IAIS delivers scrap to North Star, which the plant turns into construction reinforcing bar. The Crandic comes to Iowa City six or seven evenings a week, trading 700 to 1200 cars each month with IAIS.

The evening Iowa City road-switcher, a daily job, works the yard, handles No. 2, makes up the Rock Island/Bureau train, and runs west 30 miles to Marengo to serve a printing plant there. Turnarounds operating from Iowa City all the way to Newton and back also are common, especially to move grain.

East of Iowa City, IAIS regularly operates at least four other jobs. Besides the one or two daily switch jobs at Blue Island, six or seven days a week IAIS operates a turnaround from Bureau to Peoria, primarily for Goodrich traffic and grain. Most of this business goes to interchange at Peoria & Pekin Union's East Peoria yard, which serves N&W, Conrail, IC, C&NW, and Chicago & Illinois Midland. IAIS also runs a Rock Island-based road-switcher two shifts, six days a week to serve local shippers and the 10-mph Milan branch.

West of Iowa City, Newton (pop. 15,292) is another Iowa Interstate hotspot. A morning job works weekdays spotting intermodal cars and switching the Maytag plant, and usually daily except Sunday, a train leaves Newton around 10 a.m. for a run to Des Moines and back. On Monday, Wednesday, and Friday, this train will interrupt its mainline routine at Altoona (Milepost 347) to make a round trip down the Pella branch. IAIS carries lumber to Rolscreen Co. and sawdust and some finished framed windows out, and the branch also produces some grain, fertilizer, and coal traffic. On the days the train serves Pella, the job often requires two crews. Traffic from the Pella branch and Des Moines is switched on or off trains 1 and 2 at Newton.

West of Newton, Iowa Interstate operates one regular road-switcher, one pure yard job, and frequent extras. The road-switcher, based in Atlantic, is nicknamed the "Rover." Depending upon the needs of the grain shippers ("Every town out there has a little elevator," says Victor), daily except Sunday the Rover will wander either east to Earlham (MP 387), west to Hancock Junction (MP 459), or north up the 25-mile Audubon branch. Often, the Rover will meet road trains en route to swap cars.

IAIS operates grain extras between Iowa City and Council Bluffs on an almost daily basis in the fall and winter season. And about once or twice a week on average, when UP connecting trains from the west miss the departure of No. 2, IAIS operates a Council Bluffs-Newton extra to hustle Interdom and other intermodal traffic east. This extra usually catches up with No. 2 at Newton and turns its loads over to the regular train there. The Council Bluffs yard job works seven days a week, starting at 4 p.m. pulling together the UP interchange for the evening comings and goings of trains 1 and 2.

To keep its trains moving, Iowa Interstate has increased its motive-power roster more than twofold. From the original 14 Illinois Central Paducah-rebuilt Geeps of 1984, IAIS's fleet has multiplied to 34 (as of February 1989), units whose collective colors reflect a varied heritage. While IAIS is making progress in painting its diesels into its black, yellow, and red scheme, the liveries have offered recollections of companies as diverse as giant Union Pacific, little North Louisiana & Gulf, and dealer Precision National. IAIS's colors honor Iowa's two big state universities, at Iowa City (Iowa, black and gold) and Ames (Iowa State, crimson and gold).

Adding to its diesel rainbow, IAIS has met its seasonal power needs by leasing diesels from various sources including (on-line) Chrome Locomotive and Grand Trunk Western (GP38's borrowed for the 1987 grain season). So far, though, regardless of source or color scheme, Iowa Interstate motive power has—with one diversion—remained pure Electro-Motive, pure four-motor, and pure non-turbocharged, thank you.

With the exception of the SW1200, which is well suited to the tight confines of the Evans Blue Island yard, IAIS-owned units are all road-switchers, and the roster probably will remain so. At present business levels, IAIS feels it needs about 35 units full-time, and ownership is roughly at that figure now, although IAIS lost two units—Geeps 406 and 470—in the tragic July 30, 1988, head-on collision at Altoona, Ia. [page 9, October 1988 TRAINS]. The older, unrebuilt Geeps will probably be replaced within a few years, by either more rebuilt first-generation Geeps or some second-generation EMD's (the first one of which—GP38 600—IAIS acquired in February 1988).

Of course, all this discounts that gleam in the eyes of IAIS Chief Mechanical Officer Fred D. Cheney when talk turns to Alco diesels. He served on the Delaware & Hudson before joining IAIS in 1987, and he's an Alco true believer. Given the chance to trade motive power with, say, the Arkansas & Missouri, he might just jump. Says Cheney, "When I got here and found out that some of our mechanical people had experience maintaining Rock Island's old GE's . . . well, I figured if they could keep those darned things running they'd have no trouble at all with good Alcos." And Cheney was not to be denied. In October 1988, Iowa Interstate purchased an old friend of Cheney's—Delaware & Hudson RS36 5015, which will probably be utilized at Council Bluffs or Iowa City.

Cheney is also a realist, however, and given the availability of second-hand Geeps and an ample supply of replacement parts for them, he concedes that EMD's are probably on the Iowa Interstate to stay. Because IAIS's trains are generally not high tonnage and the railroad itself is not too physically demanding (there are a handful of 1 percent grades, most of 2 or 3 miles in length), the Geeps are indeed well suited to the road's immediate needs.

WHAT'S next for Iowa Interstate? Is there more rail traffic to be found in this part of America's heartland? Banner sees tough challenges *and* growth.

While it's commonly held that one strength of regional railroads is that they are far less labor intensive than Class 1's, Banner doesn't necessarily agree. "When CSX or C&NW runs a 200-car train with four men, it's actually less labor intensive than us with a 50-car train and two men. We are labor intensive rather than capital intensive

IAIS diesels: Geeps galore, and Fred's favorite

No.	Model	H.P.	Year	Heritage, Remarks
250	SW1200	1200	1966	MP 1299, acquired 6/87
300	GP9	1750	1954	UP 300 (2nd), WP 725, acquired 8/86
303	GP9	1750	1956	PNC 1703, C&O 6075, acquired 6/86
304	GP9	1750	1955	UP 304 (2nd), WP 729, acquired 9/86; retired 10/87
306	GP9	1750	1955	UP 306 (2nd), WP 731, acquired 8/86
308	GP9	1750	1955	UP 308 (2nd), WP 732, acquired 10/86; damaged, to be retired
309	GP7	1500	1953	PNC 1509, N&W 3479, WAB 479, acquired 6/86
325	GP7	1500	1953	PNC 125, UP 125, acquired 6/86
400	GP7M	1500	1952	CIC 97, RI 4424 *John W. Barriger III*, acquired 1/88; rebuilt from chop-nosed GP7 1275 at Silvis, 1976
401	GP10	1800	1954	IC 8001, acquired 10/84; rebuilt from GP9 9001 at Paducah, 1969
402	GP10	1800	1957	IC 8243, acquired 5/88; rebuilt from GP9 9243 at Paducah, 1972
403	GP10	1800	1957	IC 8326, acquired 5/88; rebuilt from GP9 9326 at Paducah, 1972
404	GP10	1800	1954	IC 8004, acquired 10/84; rebuilt from GP9 9004 at Paducah, 1968
405	GP8	1600	1950	BN 1415, acquired 4/88; rebuilt from GP7 1515, 1975; nee GN 615
406	GP10	1800	1957	ICG 8257, acquired 4/88; rebuilt from IC GP9 9257 at Paducah, 1972; stored, to be retired
413	GP10	1800	1955	IC 8113, acquired 10/84; rebuilt from GP9 9113 at Paducah, 1969
414	GP10	1800	1954	IC 8014, acquired 10/84; rebuilt from GP9 9024 at Paducah, 1969
430	GP10	1800	1954	IC 8030, acquired 10/84; rebuilt from GP9 9030 at Paducah, 1969
431	GP10	1800	1954	IC 8031, acquired 10/84; rebuilt from GP9 9031 at Paducah, 1969
436	GP10	1800	1954	IC 8036, acquired 10/84; rebuilt from GP9 9036 at Paducah, 1969
451	GP8	1600	1951	IC 7851, acquired 2/85; rebuilt from GP7 8851 at Paducah, 1969
457	GP8	1600	1952	IAIS 57, IC 7957, acquired 2/85; rebuilt from GP7 8957 at Paducah, 1969
464	GP8	1600	1953	IC 7964, acquired 1/85; rebuilt from GP7 8964 at Paducah, 1968
466	GP8	1600	1953	IC 7966, acquired 10/84; rebuilt from GP7 8966 at Paducah, 1972
468	GP8	1600	1953	IC 7968, acquired 1/85; rebuilt from GP7 8968 at Paducah, 1969
469	GP8	1600	1953	ICG 7969, acquired 2/85; rebuilt from IC GP7 8969 at Paducah, 1972
470	GP10	1800	1955	IC 8070, acquired 10/84; rebuilt from GP9 9070 at Paducah, 1969; stored, to be retired
471	GP8	1600	1953	IAIS 71, IC 7971, acquired 10/84; rebuilt from GP7 8971 at Paducah, 1968
473	GP10	1800	1955	IC 8073, acquired 10/84; rebuilt from GP9 9073 at Paducah, 1969
476	GP8	1600	1953	IC 7976, acquired 1/85; rebuilt from GP7 8976 at Paducah, 1969
479	GP8	1600	1953	IC 7979, acquired 1/85; rebuilt from GP7 8979 at Paducah, 1969
481	GP8	1600	1953	IC 7981, acquired 10/84; rebuilt from GP7 8981 at Paducah, 1968
483	GP10	1800	1955	IC 8083, acquired 10/84; rebuilt from GP9 9083 at Paducah, 1969
484	GP10	1800	1955	IC 8084, acquired 10/84; rebuilt from GP9 9084 at Paducah, 1969
600	GP38	2000	1967	NL&G 46, CR 7660, PRSL 2000, acquired 2/88
900	RS36	1800	1963	D&H 5015, acquired 10/88, in service 2/89

Notes:

All units B-B; all units built by Electro-Motive Division, General Motors, except No. 900, built by Alco.

Illinois Central became Illinois Central Gulf in August 1972, but the Paducah GP7/GP9 capital rebuild program proceeded uninterrupted; most Paducah-rebuilt units were not repainted again after their painting at the conclusion of the rebuild, and so are listed by the "IC" or "ICG" identification they still carried when IAIS acquired them.

Key to initials: BN, Burlington Northern; C&O, Chesapeake & Ohio; CIC, Cedar Rapids & Iowa City; CR, Conrail; D&H, Delaware & Hudson; GN, Great Northern; IC, Illinois Central; ICG, Illinois Central Gulf; MP, Missouri Pacific; N&W, Norfolk & Western; NL&G, North Louisiana & Gulf; PNC, Precision National Corp.; PRSL, Pennsylvania-Reading Seashore Line; RI, Rock Island; UP, Union Pacific; WAB, Wabash; WP, Western Pacific.

Short-term lease units operated by IAIS not shown. Units painted in IAIS scheme as of February 1989: 250, 400, 401, 402, 403, 405, 406, 436, 457, 468, 471, 479, 483, 484.

Head-on collision at Altoona, Ia., July 30, 1988, involved IAIS 309, 401, 406, 470, and 471; 406 and 470 are unrepairable; other three units restored to service, 401 after rebuild by Chrome at Silvis. IAIS 308 to be retired because of damage from a derailment at Wolcott, Ia., August 7, 1988.

Roster accurate as of February 15, 1989, compiled by Fred Cheney, Gary W. Dolzall, and Stephen F. Dolzall. Information sources: IAIS, ICG, *Extra 2200 South*.

Allan Hunt

RARE consist of three repainted Geeps (only half of the 26 400's are done) heads west at Oxford, Ia., August 29, 1988, on a Newton Turn.

. . . because we simply don't have the money to be capital intensive. Small regionals don't have access to capital to bring needed innovation. We can't, for example, go to a builder and ask for an ideal regional locomotive designed to haul 25 cars."

While secondhand Geeps may be good for the immediate future, IAIS doesn't feel they're the total long-term answer, and the railroad has even toyed with the idea of putting flanged wheels and couplers on highway truck tractors to haul some of its smaller trains.

Banner also worries about the fate of the Class 1's with which his regional must connect. "Our biggest frustration is having service fall apart when our traffic reaches a Class 1 classification yard. We feel many of the problems of Class 1's are also our problems, and we hope they can get solved." Banner is, nonetheless, sympathetic to the Class 1's situation. "We [IAIS management] have all worked for Class 1's, and we know the present problems come from institutional factors. The cost of an employee, even on our railroad, is $6000 to $8000 per year more than a motor-carrier employee. We both [Class 1's and regionals] inherited something from the past, but we [regionals] have less of that baggage. Our great advantage is we're of manageable size, and we're a little more flexible—I hope we are. If the railroad industry is to regain market share, it will have to offer flexible, responsive service."

What about Iowa Interstate specifically? "This was a high-density line on Rock Island, and we are nowhere near what Rock once carried. Our growth has to continue to come from traffic originating on-line, but we see no reason to believe we've reached the ceiling. I hope we can continue to grow at 10 percent or better per year."

Iowa Interstate's plans for continued growth lie in much the same theories that have carried it this far—to tap on-line customers that haven't recently used rail (Example: "One of our biggest grain elevator customers hadn't used rail for years," notes Dennis Shaffer); promote intermodal growth from its Newton hub; and further develop its own break-bulk and distribution operation at Blue Island and other on-line locations. IAIS opened a second reload center at Council Bluffs in fall 1988 and plans to open more.

Frequent excursion passenger service may also become a staple of Iowa Interstate operations, although the road looks at it more as a public service than as a real profit-maker. After operating several shipper and employee specials in its first couple years, IAIS began public excursions with a Rock Island-Des Moines special to the Iowa State Fair in August 1988 and has subsequently run several more excursions. IAIS also provides motive power and operating crews for two dinner trains. One runs from Council Bluffs eastward on its main line, usually as far east as Peter (MP 475) before turning back; the other operates out of Rock Island.

Expansion? "Nothing at the present time," says Banner, "but we are always looking at opportunities. Any section of track that provides complementary business would interest us. It has to fit with our concept, but wouldn't necessarily have to be contiguous to our present system." Certainly it would be to IAIS's long-term advantage to gain full access to shippers between Joliet and Bureau, and IAIS's operating practice certainly would be a contrast to CSX's style on the line. CSX serves the line with one huge train, often 200-plus cars, each weekday, plus a gaggle of local or road-switcher jobs, operated almost exclusively with 1500 h.p. EMD GP15T's.

What is Banner's summary of Iowa Interstate's future? It's uncomplicated . . . and optimistic. "We're just a small part of this market. We have ample room to expand." I

GARY W. DOLZALL, 35, who is Marketing Director/Magazines for Kalmbach Publishing Co., is a frequent TRAINS *contributor. This is his third report in our "Regionals in Review" series, following Paducah & Louisville (March 1988) and Indiana Rail Road (June 1988). Gary lives with wife Donnette and their two children, ages 6 and 4, in Waukesha, Wis. He and* TRAINS' *Assistant Art Director Mike Danneman are producing an all-color, hardcover photo book on contemporary U.S. railroading, "Steel Rails Across America," due for release by Kalmbach Books in fall 1989.*

RRV&W: 667 miles, 10 diesels, mostly wheat

The most mellifluous name in railroading

KEN C. BROVALD
AND
WILLIAM E. THOMS

REGIONALS IN REVIEW

I RED RIVER VALLEY & WESTERN sounds like a name Cecil B. DeMille would put on the tender of a Sierra Railroad steamer for a horse opera. Romantic and musical, it conjures up images of wood-burning locomotives and wooden coaches, endless plains and lonely cowboys.

Actually, the company of that name answering to RRVW reporting marks is North Dakota's newest common carrier, a 667-mile railroad. At that length, the Red River Valley & Western is longer than such other newcomers as Chicago, Missouri & Western (631 miles) and Iowa Interstate (552), as well as established carriers such as Class 1 Florida East Coast (541) and Bangor & Aroostook (436) in Maine. RRV&W prefers to describe itself as a regional railroad, and despite operating with only 10 locomotives, it is more of a heavy-duty line-haul railroad than a one-interchange short line.

The RRV&W story began in 1986,

when a Minneapolis-based consortium of four investors was looking for a viable railroad with good connections. Burlington Northern, meantime, wanted to slim down after its growth orgy of the 1970's. A deal was reached, and the four Minnesotans bought a group of branch lines in southeastern North Dakota.

The purchase price was not disclosed but is believed to be about $30 million. Locomotives and equipment were not part of the sale; included were track and right-of-way, maintenance equipment, and buildings, but not the land, which BN still owns. The 667 miles of RRV&W represents about one-third of BN's 2000 miles of branch lines in North Dakota and one-fifth of its 3150 total track-miles there at the time of sale. Maintenance of track and locomotive repair is contracted out by RRV&W.

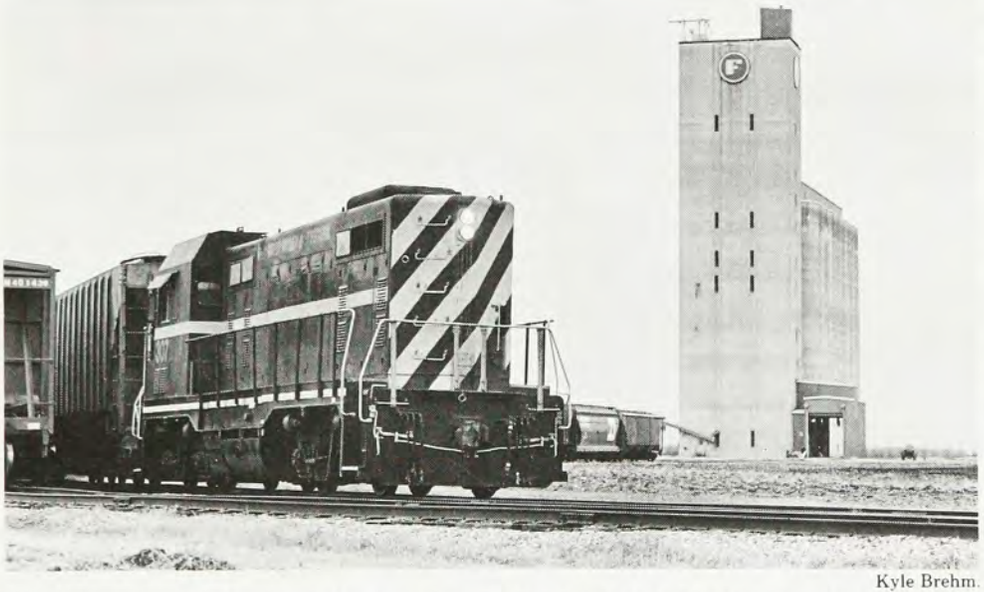
With this sale and others west of Minneapolis totaling about 1800 miles, BN has retreated to roughly the configuration of the old Great Northern. The other spinoffs include the 940-mile Montana Rail Link, comprised of the ex-Northern Pacific main line across Montana plus branches, and the 177-mile Otter Tail Valley in Minnesota, GN's old secondary line between St. Cloud and Moorhead (across from Fargo, N.Dak.).

Although unwanted by BN, all the lines sold to the Red River Valley & Western showed a profit in 1986, and BN also threw in access to a sugar beet plant north of Wahpeton. Because of BN's fast exit work, North Dakotans viewed the coming of the new railroad with skepticism, thinking it to be either a stalking horse for BN or a foreteller of abandonment. It has been neither; RRV&W is moving grain in 26-car unit trains and hustling for more business. RRV&W started out as a profitable railroad, and managment intends to keep it so. Predictably, labor costs are considerably less than BN's, although locomotive operating costs are slightly higher.

Three of the four principals who formed the RRV&W had railroad backgrounds. Chairman Kent Shoemaker was a transportation consultant who had been an assistant vice president at

IN the fading light of sunset on March 24, 1988, Kyle Brehm caught the Chaffee turn returning east at Lynchburg, N. Dak.

Robert W. Johnston.



Kyle Brehm.

HUB: Scenes in Breckenridge / Wapheton, top to bottom: Half of RRV&W's fleet of 10 CF7's gathers just east of the shop / operating headquarters building three months after startup; No. 307 switches the Froedtert Malt plant north of Wapheton on BN's main line to Moorhead; and a BN grain train leaves for Moorhead, to be followed shortly by RRV&W's Marion turn.

Robert W. Johnston.

Soo Line, and before that president of the Delaware & Hudson and the Detroit, Toledo & Ironton. Douglas Head, formerly Minnesota's attorney general, was named RRV&W secretary-treasurer. Vice Chairman Charles Clay practices law with Head in the firm of Head & Truhn, following a 32-year career with Soo Line, for which he served as executive vice president, manager of pricing and marketing, and general attorney. Thomas G. Kotnour, who served as RRV&W's first president from its inception until February 1989, came with 40 years of railroad experience, 36 with BN and Great Northern (most recently as chief mechanical officer-locomotive field maintenance at St. Paul) and later in executive positions with National Railway Equipment and the Washington Central Railroad. Early in his career, Kotnour was a locomotive engineer for GN, operating trains into Breckenridge, Minn.

Said Kotnour at the time of the RRV&W startup: "Usually, short lines are formed from rails not wanted any more. That's not the case here; these lines are good, viable, operable lines. We can do things that the BN couldn't dream of doing because we're smaller. We can respond to the need and get out and get it done."

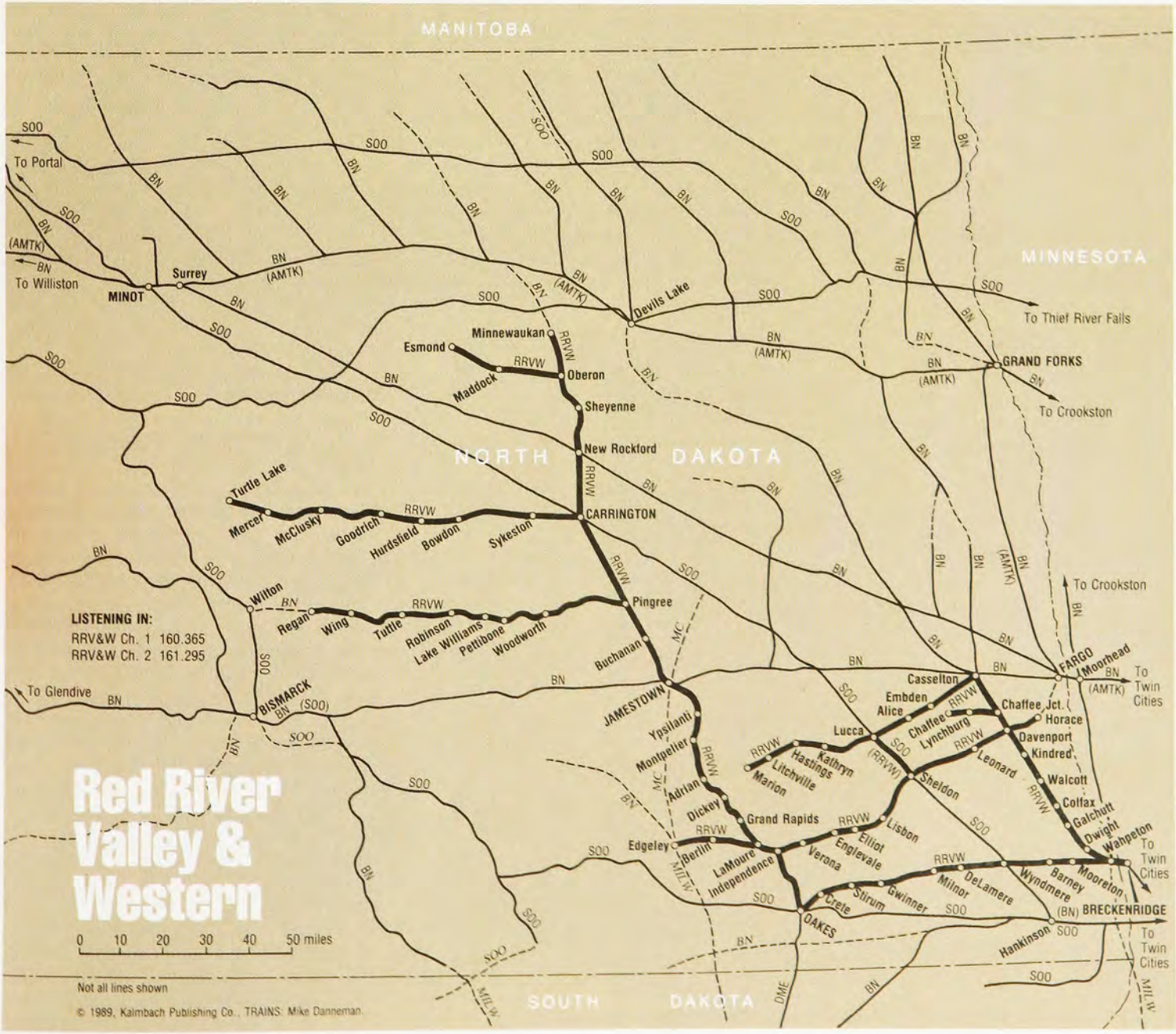
The throat of RRV&W is Breckenridge (population 3900) and its twin town of Wahpeton, N.Dak. (pop. 9000), where Minnesota's Otter Tail River and the state-border Bois de Sioux River unite to form the Red River of the North. RRV&W has a couple miles of track in Breckenridge, but the front office is above a florist shop in Wahpeton because, as Kotnour said, "We're a North Dakota railroad." The yard, dispatching office, and diesel shop are all in Breckenridge, just east of the fine stone Great Northern depot, which hosted Amtrak's *Empire Builder* until its Minneapolis-Fargo route was changed to the former NP line through Staples in 1979.

MOST Red River Valley & Western trackage is former NP, but many of the lines began under other names, about a century ago. The federal charter of the Northern Pacific did not authorize branch lines. Prior to 1880, the interest of its management was centered on mainline construction, and although the board of directors realized the importance of branch lines, it could not spare the effort on them. NP's Henry Villard formed the Oregon & Transcontinental (O&T) on June 24, 1881, to control the NP and to build branch lines. The O&T was to figure importantly in the affairs of the NP as well as that of the entire transportation complex that was to develop North Dakota, which entered the union on November 2, 1889, coincident

with South Dakota as the 39th and 40th states (six days before Montana and nine before Washington).

Each NP branch line was incorporated separately and issued its own first mortgage bonds to cover the greater part, if not all, of the cost of construction. Twelve line segments became the Red River Valley & Western:

- Breckenridge to Casselton, ex-Great Northern, 65.6 miles: Work began at Breckenridge on June 19, 1879, aiming for the Canadian border 180 miles to the north. In October 1882 the line was sold to the St. Paul, Minneapolis & Manitoba (the "Manitoba," later to become the GN) for $407,421. This later formed the south end of GN's New Rockford cutoff to Minot, sometimes called the Surrey Cutoff for its northern junction. From Casselton northwest, this line remains in heavy use as BN's main freight route. BN also retains trackage rights on the Breckenridge-Casselton portion sold to RRV&W.
- Casselton through Lucca to Marion, ex-Northern Pacific, 60.7 miles. On April 20, 1900, Foley Bros. of St. Paul began construction west from Casselton, completing it to Marion on January 11, 1901.
- Wahpeton to Oakes, ex-NP, 73.4 miles. Part of this line was constructed by the "Manitoba" (Great Northern). It had laid a 40-mile branch west from Breckenridge to Milnor in 1880 to forestall the extension of the Fergus branch (the Little Falls & Dakota branch of the NP). This 40-mile portion of the Oakes branch was sold to the NP for $116,801, and NP completed the line to Oakes in 1886. The Northern Pacific, Fergus & Black Hills had been incorporated to build from Wadena, Minn., southwest through Fergus Falls and Breckenridge. Surveys began in March 1881, and the right-of-way was very close and parallel to the line the Manitoba had built. The entire branch was an encroachment on the territory the Manitoba thought belonged to it. (To the east of Breckenridge, 12 miles of this survives as a branch of the Otter Tail Valley Railroad, from Fergus Falls —OTVR's headquarters—west to Foxhome.)
- Oakes to Jamestown, ex-NP, 48.7 miles. The James River Valley Railroad constructed a right-of-way from Jamestown south along the James River to LaMoure, connecting with the Fargo & Southwestern, and on to Oakes. The route was completed on December 14, 1885.
- Jamestown to Minnewauken, ex-NP, 90.9 miles. The Jamestown & Northern Railroad was incorporated in the territory of Dakota on September 17, 1881, originally intended to extend north from Jamestown to the west end of Devils Lake. The 98.6-mile line was opened for traffic on May 29, 1885.
- Pingree to Regan, ex-NP, 81.2 miles. In 1910, a long branch into the wheatfields of North Dakota was begun from



the Jamestown & Northern main line at Pingree to Wilton (12 miles beyond Regan, also on, and still served by, Soo Line). The line was opened for traffic on August 1, 1912.

- Carrington to Turtle Lake, ex-NP, 84.9 miles. Progress on this line was slower owing to a lack of labor. The 27-mile section to Denhoff was not ready until mid-September 1902 and not completed to Turtle Lake until mid-1904.
- Oberon to Esmond, ex-NP, 28.1 miles. Foley Bros. received the contract for this line in 1901, and the rush was on to have it ready for the harvest. The timetable was met, as the entire line was opened in November of that year.
- Horace to LaMoure and Edgeley, ex-NP, 119.5 miles. The Fargo & Southwestern was incorporated August 28, 1881, in Dakota Territory, to extend into very rich wheat country. It reached the Sheyenne River at Horace in fall 1881 and in December was finished to Lisbon, where a large wheat crop awaited shipment. On August 25, 1883, the line was completed to LaMoure, a county seat. NP took over the operations of the entire branch with direct trains from Moorhead. The Northern Pacific, LaMoure & Missouri River Railroad was to build from LaMoure, on the James River, to Winona, on the Missouri. Using a contractor, Langdon & Co., NP built 21.3 miles of line to Edgeley, finishing by the end of September 1887. Contractors usually bid the grading at 15 cents a yard.
- Breckenridge to the Minn/Dak Farmers Cooperative Sugar processing plant at Brushvale, ex-GN, 9.8 miles. This is on the Wahpeton-Moorhead portion of BN's ex-GN main line between Minneapolis and Fargo via Willmar, and BN retains trackage rights.
- Chaffee Line Junction to Chaffee, ex-GN, 11.4 miles. This branch was constructed by the "Manitoba" to tap a rich wheat-growing area, a spur off the Breckenridge-Casselton main line.
- Lucca to Sheldon, Soo Line, 12 miles. This line was not sold; RRV&W has trackage rights over the Soo's mainline track to make it easier to connect the Davenport-LaMoure and Casselton-Marion routes.

WHEAT played a profound part in the development of North Dakota, and wheat is the Red River Valley & Western's staple. Red durum wheat, introduced from Russia in the late 19th century, proved to be the sustaining grain. It's especially suited to the arid environment in which much of the state's crops are planted, and it is adaptable to a wide variety of soil and climatic conditions and gives good yields. Durum is prized for the manufacture of pastas including macaroni, spaghetti, and noodles, plus yeast-leavened bread and pizza dough. Some 80 percent of the entire U.S. durum wheat crop is grown in North Dakota.

The RRV&W is also an important cog in the operation of the Minn/Dak sugar processing plant north of Wahpeton. While the transport of harvested sugar beets is handled by truck, the movement of refined sugar and beet pulp is still a major traffic source for the railroad. RRV&W's Breckenridge local job switches this and other plants on BN north of Wahpeton.

Of the 85 percent of the RRV&W's traffic represented by grain, most of it is wheat, corn, and soybeans; the region also grows sunflowers, barley, and millet. Other traffic is coal (7 percent), sugar beets (7 percent), and machinery (1 percent). Unit grain trains that originate on RRV&W are married at Breckenridge, Casselton, or New Rockford with other cuts that begin on BN to create a 100-car (or more) train destined for export from Seattle/Tacoma, Portland, or Superior, Wis. Some commodities are transloaded into containers for Japan. Single-car shipments are destined to Minneapolis-St.Paul, Superior, or various points in the southern states.

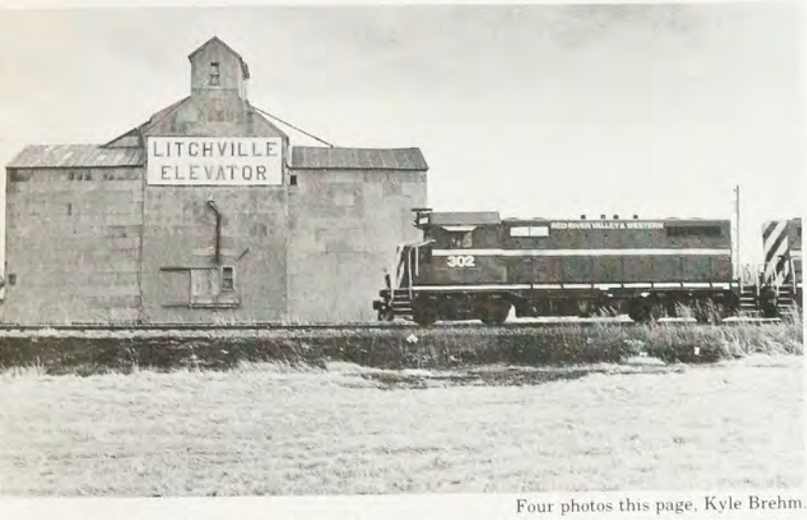
RRV&W owns no freight cars; BN provides most of them. Only the 10 locomotives, all CF7's leased from National Railway Equipment of Dixmoor, Ill., bear the Red River Valley & Western name. As is typical with BN spinoff lines, RRV&W adopted all BN's tariffs to points on its railroad. BN does the billing and gives a flat fee to RRV&W as a terminal company. The new railroad is divided into three zones for per-diem free return in two days. Thanks to tax concessions from local and state governments and the liberal car rental fee from connecting railroads, as well as elevators' commitment to a faster turn-around, the new regional has basked in opportunity.

Relatively little traffic terminates on the RRV&W, but originating traffic volume has been encouraging. Eighteen on-line grain elevators are equipped to load 26-car or 54-car unit trains, at Breckenridge (two), Galchutt, Kindred, Davenport/Durbin, Chaffee/Lynchburg, Casselton, Leonard/Woods, Mooreton, Milnor, Gwinner, Crete, Oakes (two), Edgeley, Carrington, Hurdsfield, Turtle Lake, and Regan. Generally, those at Oakes and east thereof can load 54-car trains, those to the north and west 26 cars. In 4½ months of its early operation, RRV&W delivered 10,583 loaded cars to BN, and bridged 851 loads and 84 empties between New Rockford and Jamestown. Figures for Soo Line interchanges at Lucca, Oakes, and Carrington in the same period were 604 loads and 553 empties. RRV&W is paid a per-car charge that varies with the distance carried on the BN, but long-haul and line-haul rates with BN are still negotiated. For 1988, RRV&W originated 19,808 carloads and terminated 4179, but carried only 92 cars of bridge traffic.

Limited interchange is also made with BN at Jamestown and with Dako-

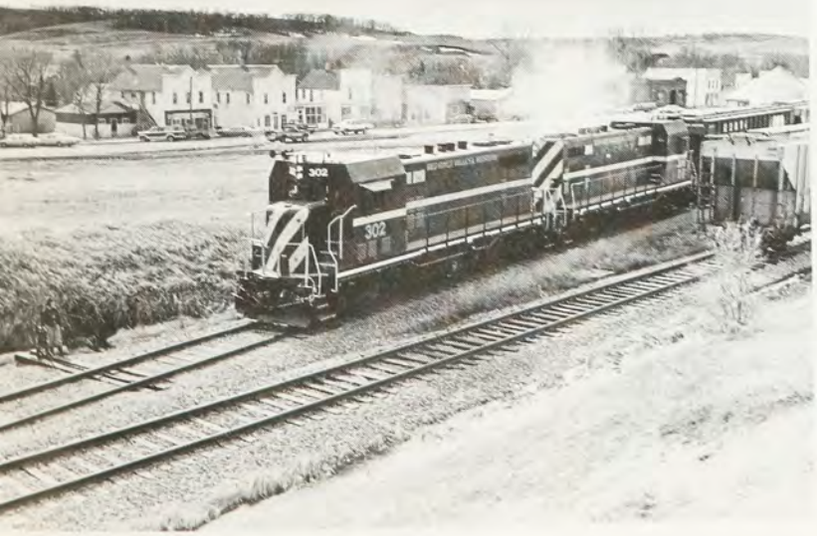
Robert W. Johnston.

STARTUP: First Red River Valley & Western train rumbles through Mooreton on July 19, 1987.



Four photos this page, Kyle Brehm.

RETURNING east with the Marion turn of March 24, 1988: A pickup is made at Kathryn (below), in the Sheyenne River valley. Heading east at 35 mph, the train passes the abandoned Litchville elevator (above). At Lucca (right), it enters the Soo main for a 12-mile trackage-rights shortcut through Enderlin (top) to Ransom Junction, near Sheldon.



TRAINS: J. David Ingles.

SHOP was created by covering track at freight house; Breckenridge depot is in background.

ta, Minnesota & Eastern at Oakes. (DM&E, North Dakota's fourth railroad, became heir in 1986 to the 14 miles of Chicago & North Western trackage in the state.)

RRV&W BEGAN service with the usual regional railroad trappings. On July 19, 1987, before the first train ran, there was an inaugural ceremony at Wahpeton, officiated by Shoemaker and keynoted by Jon Meilke, representing the transportation division of the North Dakota Public Service Commission (NDPSC). The first train then headed west [page 17, November 1987 TRAINS].

Said Dennis McLeod, executive vice president of marketing, "The regional railroad will also benefit the BN. We'll give the Burlington Northern the business when it reaches the end of our line, so basically, they'll be getting their revenue without the expense of traveling on these branch lines. The benefit to the shipper is, you'll get homegrown management, and because of lower labor costs, the rates can be lower and a profit can be made, and because the railroad is so small, schedules are flexible." McLeod, a North Dakota product, joined RRV&W directly from BN, for which he was market manager, government and consumer products, out of Fort Worth, Tex. Added Kotnour: "The BN was too big to pay attention to minor branch lines. It got to be too large, and lost touch with the world. Big railroads do well with the long haul."

Kyle Brehm.

JAMESTOWN turn, out of Carrington, heads south to Adrian to get cars for BN interchange.

The plan for Red River Valley & Western was for a Spartan railroad, and it has been followed. Train operation is cabooseless, with rear-end brake-pressure devices employed. There are 46 employees. Job classifications are "Transportation Specialist I, II, and III," although the railroaders don't specialize—they do everything that needs to be done, functioning variously as engineer, conductor, or brakeman, as is typical on short lines and new regionals. There aren't any gandy dancers, though—all RRV&W trackwork is contracted out to Dakota Rail Contractors of Fargo.

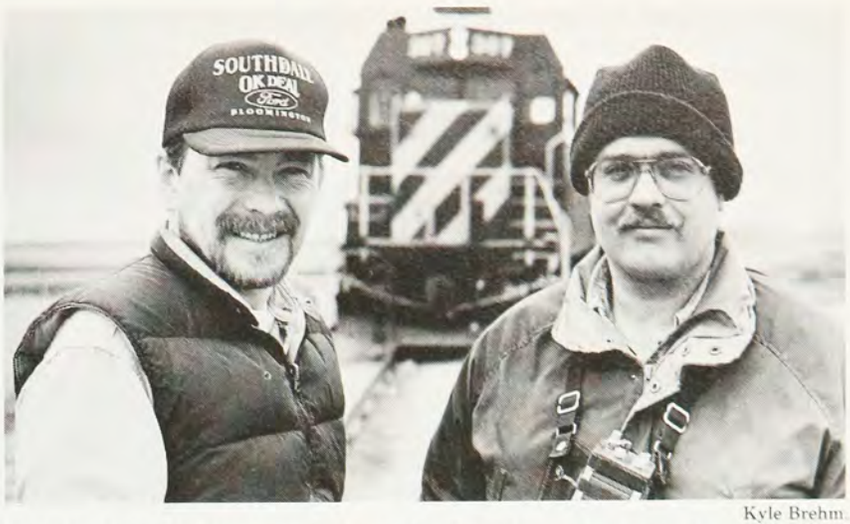
There aren't any backshop workers, either. National Railway Equipment has the responsibility to keep the units in shape and has based two employees at RRV&W's shop in Breckenridge. The "shop" is the converted GN freight house with one track covered, across U.S. 75 from the depot. The CF7's, ex-Santa Fe units rebuilt at its Cleburne (Tex.) shop in the 1970's from F's ["The Ugly Ducklings Disperse," pages 45-49, November 1987 TRAINS], were chosen for their horsepower and weight—suited for the light density lines—and availability. Numbered 300-309, they are painted maroon with gold lettering, similar to that of Soo Line's ex-Milwaukee Road business car, No. 1000, which ex-President Kotnour had been in charge of restoring.

RRV&W is a nonunion line. About one-third of RRV&W's employees have previous rail experience; others have been trained for the job by the railroad in connection with North Dakota Job Services. The proximity of technically educated graduates of the North Dakota State College of Science at Wahpeton is a plus for recruiting employees.

THE railroad is divided into two operating divisions, north and south, by the ex-NP Fargo-Bismarck main line, which incidentally is still a busy route for BN, mostly for coal from the northern Powder River Basin in Montana. All RRV&W dispatching is done from the office adjacent to the shop in Breckenridge. Three-man crews work the trains. Normally, seven of the CF7's are based in Breckenridge, with three in Carrington to protect the north end.

Frequency of service ranges from daily on the New Rockford-Jamestown main to weekly on the Turtle Lake branch. (Jamestown, population 16,280, is the largest city on the RRV&W.) Some imaginative scheduling is done to cover all the lines. On the South Division, for example, Job 1 runs from Breckenridge to LaMoure, where the crew stays overnight in a railroad-owned apartment house. Meanwhile, Job 2's crew has deadheaded by auto to LaMoure, picks up the locomotive (usu-

Ken C. Brovald.



Kyle Brehm.

PEOPLE of the Red River Valley & Western (clockwise from left): Tom G. Kotnour, first president; Denis Wieser (left) and Greg Voss, ex-Soo Line section hands, on Breckenridge yard job; Sandi Rupp, former BN track gang member, braking at Kathryn; Lloyd Landscoot, conductor on Jamestown turn, carrying rear-end device; dispatcher Dan Keogh, formerly a grain-elevator operator.

Kyle Brehm.

Kyle Brehm.

Kyle Brehm.

ally two units), and runs the turns to Edgeley, Jamestown, and Sheldon. The "hog law" (12 hours of service, the federal maximum, which gets its name from the old railroad term "hogger," or "hoghead," for engineer) catches up to them there, where Job 3 works the branches to Casselton, Chaffee, and Marion. Meantime, the original crew is taking the loaded cars back from LaMoure to Breckenridge. All freights do their own switching, of course. The system seems to work; Kotnour proudly said that an intrastate carload was moved from Lucca to Turtle Lake in 8 hours, a movement that BN had taken 8 days to accomplish.

Shippers' experience with RRV&W has been good. Cars have been more available and service more frequent than under BN. At the end of the RRV&W's first year, the new company had revenues of $8 million, hauled 25,000 cars of cargo, and increased business 15 percent. The company planned expansion into new areas and was exploring ways to recapture other agricultural traffic—for example, potatoes—which largely moves by truck.

A change of management occurred in February 1989. The RRV&W board of directors relieved Kotnour of his duties before the end of his 2-year contract, replacing him temporarily with Vice President Gilbert Gillette from the Brownsville & Rio Grande International, a short line in South Texas owned by the Brownsville Navigation District. Gillette formerly was with Minneapolis, Northfield & Southern and Soo Line. At the same time, complaints were filed against the railroad for alleged violations of FRA safety regulations.

In July 1989, Jerry W. Heavin took over as the new president. Heavin came from the Union Pacific, where the subject of regional railroad development caught his interest. Heavin began his railroad career in 1970 in the engineering department of Missouri Pacific. Improving service and track conditions are his top priorities on RRV&W. As an example of the new management's interest in improving contact with employees and the public, RRV&W operated some varnish, including shippers' specials and employee excursions, using

privately owned business car *Prairie Rose,* an ex-Milwaukee Road car (*Montana*) often employed by Wisconsin Central Ltd. for similar movements on its 2000-mile system in the Badger State and Upper Michigan.

LAST summer, in honor of North Dakota's centenary, the state's Public Service Commissioners re-enacted their 1889 opening meetings in various cities throughout the state. Dressed in period costume, the regulators rode into town on open-platform observation cars, as they had done a century ago. Burlington Northern provided a business car, caboose, and Geep to take the commissioners from Bismarck to Fargo and Grand Forks, and Soo Line handled a short turn to Minot. RRV&W also provided a train. Two CF7's and the *Prairie Rose* took the commissioners on a passenger extra from Jamestown to Carrington and back on July 31, 1989. The *Prairie Rose* rode well over the 25-mph trackage, where Northern Pacific gas-electric "doodlebugs" once ran.

These motor cars, which ran into the late 1950's, were the last vestiges of passenger service on what is now the RRV&W. North Dakota's Century Code at that time required the operation of passenger service on every line in the state, and the doodlebugs were the minimum with which NP could get by ["A Dirge for the Doodlebug," pages 26-32, May 1961 TRAINS.]. GN and Soo employed them too, and all the roads also operated mixed trains with caboose accommodations or a coach or combination car. [Ed. note: Watch for coverage of NP's services in the upcoming May 1990 edition, Issue No. 5, of our sister magazine TRAINS ILLUSTRATED, on sale in February 1990.]

The passenger accommodations disappeared here as they did everywhere, leaving the rails only to freight. But change was coming there too. The labor-intensive box car could no longer compete with the truck. The grain-hauling game changed as the 100-ton covered hopper car, top-loading and bottom-unloading, replaced the 50-ton, one-at-a-time, 40-foot box car, coopered with wooden or steel-strapped-paper grain doors. Small 30,000- to 50,000-bushel elevators gave way to granaries that measure their capacity in hundreds of thousands of bushels, capable of loading multiple-car shipments of 25 to 75 cars of 100 tons capacity. Thus was born the unit train. Elevators could load a unit train, shipping it to one consignee, on one bill of lading, and receiving as much as a 60 percent reduction in railroad freight rates. The economics of the unit train could no longer be ignored.

Meanwhile, existing elevators scurried to build the extra capacity, adding additional track to hold the extra cars. The deterioration of the grain-gathering lines in southeastern North Dakota was stayed by the introduction of unit trains. As in many agricultural regions, the branch-line network had become weakened by years of deferred maintenance so that most of the lines were limited to 25 mph or less. These lines were all suffering from the demands of the heavy grain cars during the seasonal traffic. Many miles of rail were bent as the heavy loads pressed rails and ties down into a poorly ballasted, muddy, clay roadbed. Many ties broke. The heaviest of the cars could only be moved in winter when the track was stable in the frozen roadbed. Mainte-

William E. Thoms.

TO mark state centennial, RRV&W ran Jamestown-Carrington passenger extra July 31, 1989.

Robert W. Johnston.

SIMPLICITY itself is RRV&W's northern operations base at Carrington (pop. 2641), where two CF7's hung out at depot October 20, 1987.

Kyle Brehm

ON north end in March 1988, train en route to Minnewauken slows to set out at Sheyenne.

nance and reliable service became impossible.

To these granaries and hundreds of smaller silvery grain elevators penciled on the horizon of this prairie panorama runs a parade of trucks. These are not the interstate carriers, rather locals hauling 700 million bushels of wheat, barley, oats, corn, soybeans and sunflower seeds each year, enough to fill 350,000 jumbo hopper cars. A good share of this bountiful harvest will move to market in cars moved by the RRV&W.

This land, from Wahpeton northward and westward, rolls flat as a billiard table into gently rolling hills (Wahpeton sits at an elevation of 956 feet above sea level, while New Rockford, 164 miles away, is only slightly higher at 1589 feet—the RRV&W faces no geographical obstacles.) But this enormous productivity lies like a blight on this productive land. The vast fields, stitched together onto the prairie like a machine-made blanket, are producing far too much for a country glutted with food. If American grain growers are to compete in the world markets, if they are to provide food for the starving millions, they must undergo a farm-by-farm, elevator-by-elevator, branchline-by-branchline restructuring to modernize, to phase out old habits and increase productivity by reducing man-hours per bushel produced or bushel hauled.

THE railroads of North Dakota have come full circle in the state's century, from short lines that sprouted over the prairie, to the larger systems that absorbed them, to short lines again, spun off by a megarailroad.

The Red River Valley & Western is an experiment in entrepreneurship that may be helping address these changes. The new railroad is being watched by the NDPSC through a study on the potential impact of short lines on the economy. The study, funded by a $100,000 Federal Railroad Administration grant, was the first in the country to examine the full range of effects short lines have on railroad service, on truck-rail competition, and on rail labor. The study concluded that, indeed, a shortline operation could make more money, with labor savings being the key.

A review of the BN's labor costs showed that the average BN worker earned $20.72 an hour. RRV&W is paying its employees $8.50 an hour, on the basis of a 43-hour work week and no overtime pay. "We're paying our people a good fair wage," said Kotnour. "It's higher than the local average, and that's what we shot for." RRV&W's managers say they take special consideration to see that employee morale remains high.

Red River Valley & Western, as a new rural railroad company, was formed at a time when much of rural America has lost, forever, the tracks it once took for granted. "It may be," according to a BN spokesman, "a chance to ward off eventual abandonment of what had become an only marginally profitable railroad." Does the RRV&W have a future? If the company stays in business, and does not fall victim to a downturn in farm prices, the railroad can survive and prosper with the region. There are no containers or trailers riding on 85-foot flat cars, no double-stacks, no cabooses bringing up the rear of the trains. There are no coal mines, no steel mills, no great forests to cut down . . . only the farms, the endless fields of grain, and the small towns.

Said RRV&W's first president during the railroad's first year: "The future looks bright. The Red River Valley & Western will survive and be profitable. Absolutely, these are good lines. There are many unit grain shippers along them. We're a viable railroad."

As the economy of North Dakota goes, so goes the railroad with the most mellifluous name in railroading. ▮

WILLIAM E. THOMS and KEN C. BROVALD independently created stories on the Red River Valley & Western, works which TRAINS *has combined to produce this story. Both men are experienced* TRAINS *authors. Thoms, 49, a Professor of Law at the University of North Dakota in Grand Forks, has contributed more than 20 news stories on regulatory, Canadian, and other matters since 1972. Brovald, a native of North Dakota who with his wife Arlene have resided in Anchorage, Alaska, since 1974, has written in* TRAINS *on his experiences as a telegrapher ["Recollections of an Omaha Brasspounder," June 1982] and on the short line Dakota Rail [September 1984], and he produced a book, "Alaska's Wilderness Rails" [Pictorial Histories Publishing 1982], covering the Alaska Railroad.*

Montana Rail Link

Regionals in review

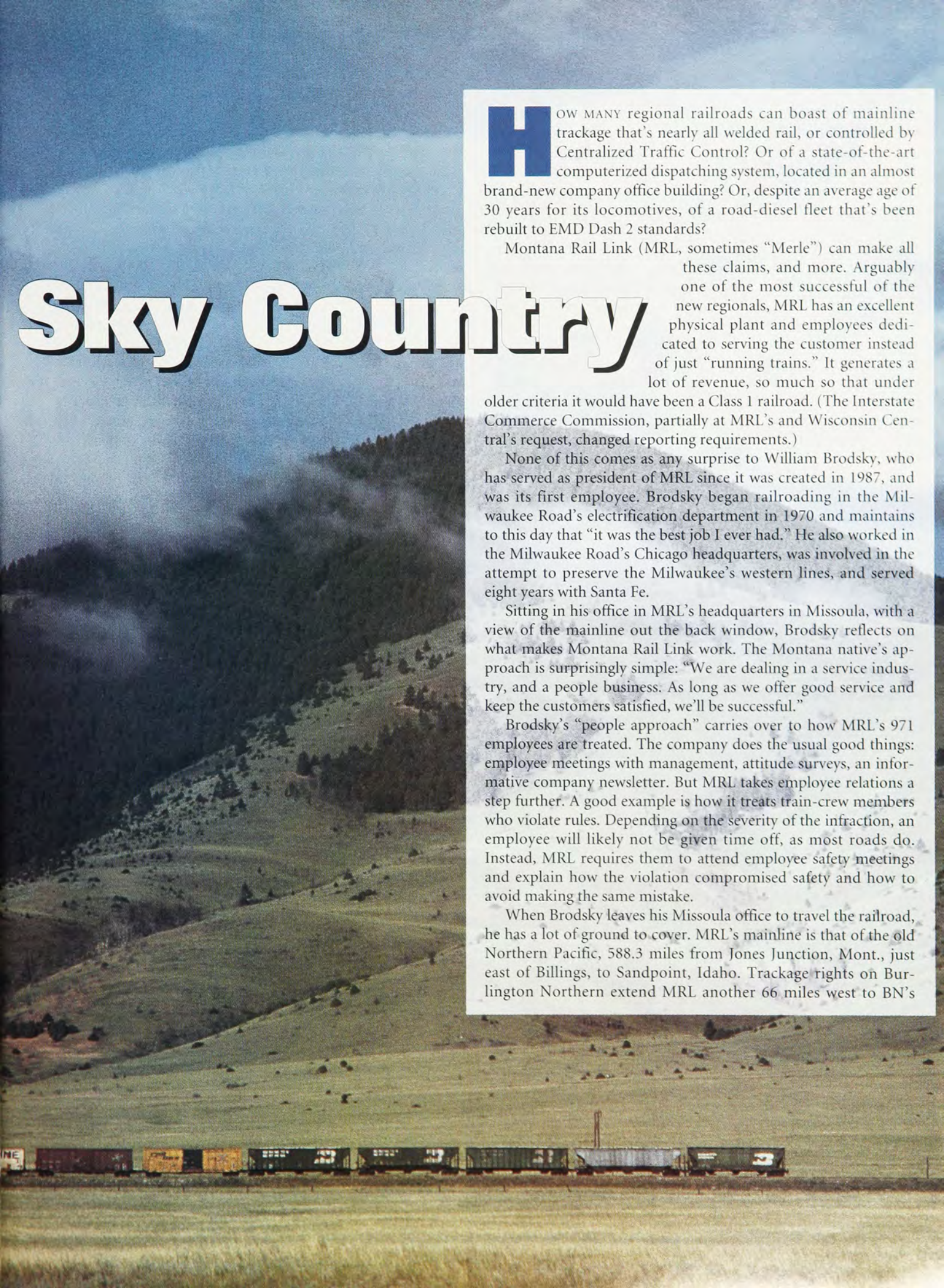
Main Street of Big

Montana Rail Link is a vital BN connection and a prosperous, service-oriented local railroad

By Steve Glischinski

Against a "big sky" backdrop east of Winston, Mont., Rail Link's mainline local 641 heads from Townsend toward Helena behind two Geeps on July 26, 1991. Brian Solomon photo.

Sky Country



HOW MANY regional railroads can boast of mainline trackage that's nearly all welded rail, or controlled by Centralized Traffic Control? Or of a state-of-the-art computerized dispatching system, located in an almost brand-new company office building? Or, despite an average age of 30 years for its locomotives, of a road-diesel fleet that's been rebuilt to EMD Dash 2 standards?

Montana Rail Link (MRL, sometimes "Merle") can make all these claims, and more. Arguably one of the most successful of the new regionals, MRL has an excellent physical plant and employees dedicated to serving the customer instead of just "running trains." It generates a lot of revenue, so much so that under older criteria it would have been a Class 1 railroad. (The Interstate Commerce Commission, partially at MRL's and Wisconsin Central's request, changed reporting requirements.)

None of this comes as any surprise to William Brodsky, who has served as president of MRL since it was created in 1987, and was its first employee. Brodsky began railroading in the Milwaukee Road's electrification department in 1970 and maintains to this day that "it was the best job I ever had." He also worked in the Milwaukee Road's Chicago headquarters, was involved in the attempt to preserve the Milwaukee's western lines, and served eight years with Santa Fe.

Sitting in his office in MRL's headquarters in Missoula, with a view of the mainline out the back window, Brodsky reflects on what makes Montana Rail Link work. The Montana native's approach is surprisingly simple: "We are dealing in a service industry, and a people business. As long as we offer good service and keep the customers satisfied, we'll be successful."

Brodsky's "people approach" carries over to how MRL's 971 employees are treated. The company does the usual good things: employee meetings with management, attitude surveys, an informative company newsletter. But MRL takes employee relations a step further. A good example is how it treats train-crew members who violate rules. Depending on the severity of the infraction, an employee will likely not be given time off, as most roads do. Instead, MRL requires them to attend employee safety meetings and explain how the violation compromised safety and how to avoid making the same mistake.

When Brodsky leaves his Missoula office to travel the railroad, he has a lot of ground to cover. MRL's mainline is that of the old Northern Pacific, 588.3 miles from Jones Junction, Mont., just east of Billings, to Sandpoint, Idaho. Trackage rights on Burlington Northern extend MRL another 66 miles west to BN's

Montana Rail Link

Yardley/Parkwater yard in Spokane, Wash.

MRL leased this mainline from BN in a transaction completed on October 31, 1987. The lines were leased because 19th century Northern Pacific bonds are still outstanding and can't be paid off until the year 2047; MRL then has the option to purchase the lines. The company did acquire direct ownership of 234 miles of Montana branchlines unencumbered by the bond arrangements. MRL's 888 miles rank it behind only Wisconsin Central, MidSouth (now being acquired by Kansas City Southern), and Dakota, Minnesota & Eastern among new regionals.

For its first five years, Montana Rail Link was a divided railroad: BN retained control over a 52-mile stretch between Helena Junction and Phosphate, smack in the middle of the MRL mainline. This portion traverses scenic Mullan Pass, MRL's passage across the Continental Divide. BN wanted to retain its connection at Garrison to Montana Western, which operates another spun-off BN line 52 miles south to Butte. BN reached Garrison off its line from Great Falls to Helena Junction. On October 13, 1992, the entire Jones Junction-Sandpoint mainline came under MRL control for the first time when BN relinquished operation of the "gap."

A tough piece of railroad

The line over Mullan Pass requires helpers on most trains, thanks to a 2.2 percent westbound grade. Three or four sets of high-horsepower, six-axle units based at Helena provide the muscle [page 40]. But Mullan isn't the only mountain pass MRL trains must climb with helpers. At Livingston, a pair of three- or four-unit helpers are assigned to assist trains over Bozeman Pass through the Belt Mountains. Westbounds face a 1.8 percent grade, climbing 996 feet from Livingston to the summit at Muir, 12 miles west. Eastbounds out of Bozeman face a 1.9 percent grade.

Another grade, west of Missoula, is Evaro Hill. Westbound trains face a maximum 2.2 percent climb between De Smet and Evaro, culminating with the crossing of Marent Viaduct, at 226 feet the loftiest bridge on the former NP. Eastbounds approaching Evaro face an identical grade. This route goes on west to Paradise, where it rejoins the 92-mile alternate route that follows the Clark Fork River west from De Smet. Although this line is 28 miles longer than via Evaro Hill, most trains go this way because the easier river-level grade.

NP's premier passenger train, the *North Coast Limited*, and its Amtrak successor, the *North Coast Hiawatha*, used the shorter Evaro route despite the grades. After Amtrak discontinued the train in 1979, BN removed signaling from the line and eventually closed the Dixon-DeSmet portion. MRL reopened the route to serve as an alternate main and to retain access from Missoula to the 33-mile Polson branch.

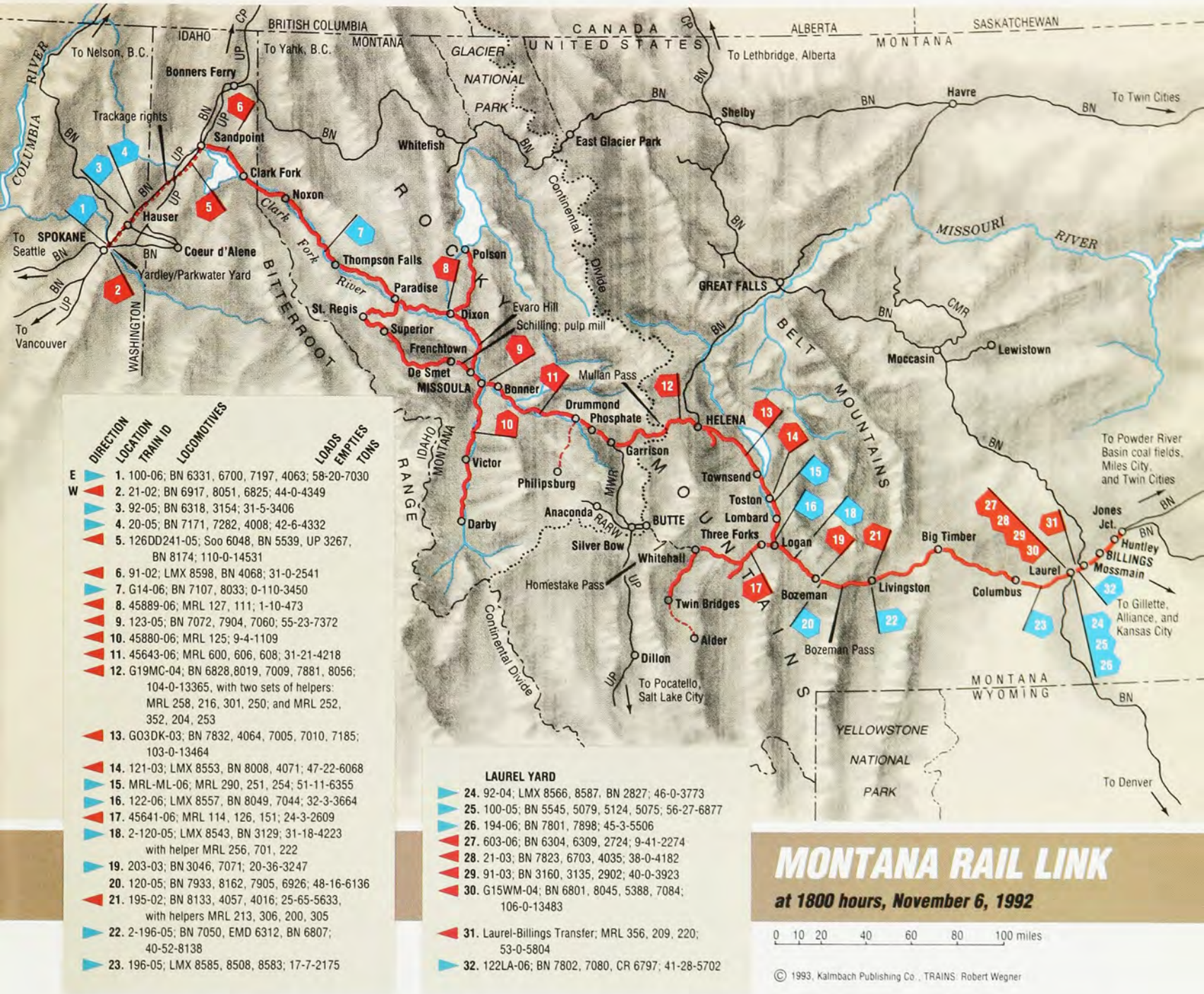
One grade with which MRL does not have to contend is NP's old Homestake Pass line east of Butte, used by the *North Coast Limited* and Amtrak. BN abandoned this in favor of the old freight cutoff through Helena, used by NP's and BN's secondary passenger train, the *Mainstreeter*. The Butte-Garrison line then became the MW. With all these grades, the old NP was vastly inferior to the former Great Northern "high line" across Montana to the north, which has only one helper district. After the 1970 merger which created BN, the former GN west of Casselton, N. Dak., became the new railroad's primary transcontinental route. The old NP assumed secondary status, especially west of the Powder River coalfields between Billings and Miles City, Mont.

Over the years, BN had its share of problems in Montana, particularly with its unions, which resisted the railroad's efforts to reduce crew sizes, lengthen districts, and dovetail seniority after the St. Louis-San Francisco merger in 1980. Livingston, especially, was a labor flash point. BN also considered Montana's taxes high.

In the 1980's, BN looked at line sales as a solution. In 1987, BN spokesman Howard Kallio told *The Missoulian*, a Montana daily newspaper: "The whole railroad is for sale. . . . If someone offers a decent price, all or part of it is for sale."

STEVE GLISCHINSKI

Classic Northern Pacific semaphores bracket local 640 east of Helena on October 2, 1992.



	DIRECTION	LOCATION	TRAIN ID	LOCOMOTIVES	LOADS	EMPTIES	TONS
E	▶		1.	100-06; BN 6331, 6700, 7197, 4063; 58-20-7030			
W	◀		2.	21-02; BN 6917, 8051, 6825; 44-0-4349			
	▶		3.	92-05; BN 6318, 3154; 31-5-3406			
	▶		4.	20-05; BN 7171, 7282, 4008; 42-6-4332			
	◀		5.	126DD241-05; Soo 6048, BN 5539, UP 3267, BN 8174; 110-0-14531			
	◀		6.	91-02; LMX 8598, BN 4068; 31-0-2541			
	▶		7.	G14-06; BN 7107, 8033; 0-110-3450			
	◀		8.	45889-06; MRL 127, 111; 1-10-473			
	◀		9.	123-05; BN 7072, 7904, 7060; 55-23-7372			
	◀		10.	45880-06; MRL 125; 9-4-1109			
	◀		11.	45643-06; MRL 600, 606, 608; 31-21-4218			
	◀		12.	G19MC-04; BN 6828,8019, 7009, 7881, 8056; 104-0-13365, with two sets of helpers: MRL 258, 216, 301, 250; and MRL 252, 352, 204, 253			
	◀		13.	G03DK-03; BN 7832, 4064, 7005, 7010, 7185; 103-0-13464			
	◀		14.	121-03; LMX 8553, BN 8008, 4071; 47-22-6068			
	▶		15.	MRL-ML-06; MRL 290, 251, 254; 51-11-6355			
	▶		16.	122-06; LMX 8557, BN 8049, 7044; 32-3-3664			
	◀		17.	45641-06; MRL 114, 126, 151; 24-3-2609			
	▶		18.	2-120-05; LMX 8543, BN 3129; 31-18-4223 with helper MRL 256, 701, 222			
	▶		19.	203-03; BN 3046, 7071; 20-36-3247			
			20.	120-05; BN 7933, 8162, 7905, 6926; 48-16-6136			
	◀		21.	195-02; BN 8133, 4057, 4016; 25-65-5633, with helpers MRL 213, 306, 200, 305			
	▶		22.	2-196-05; BN 7050, EMD 6312, BN 6807; 40-52-8138			
	▶		23.	196-05; LMX 8585, 8508, 8583; 17-7-2175			

LAUREL YARD

	▶		24.	92-04; LMX 8566, 8587, BN 2827; 46-0-3773			
	▶		25.	100-05; BN 5545, 5079, 5124, 5075; 56-27-6877			
	▶		26.	194-06; BN 7801, 7898; 45-3-5506			
	◀		27.	603-06; BN 6304, 6309, 2724; 9-41-2274			
	◀		28.	21-03; BN 7823, 6703, 4035; 38-0-4182			
	◀		29.	91-03; BN 3160, 3135, 2902; 40-0-3923			
	◀		30.	G15WM-04; BN 6801, 8045, 5388, 7084; 106-0-13483			
	◀		31.	Laurel-Billings Transfer; MRL 356, 209, 220; 53-0-5804			
	▶		32.	122LA-06; BN 7802, 7080, CR 6797; 41-28-5702			

MONTANA RAIL LINK

at 1800 hours, November 6, 1992

0 10 20 40 60 80 100 miles

Along the southern mainline that would become Montana Rail Link, local freight business was still strong, but in BN's opinion not strong enough to justify keeping the entire route. BN had considered rebuilding the ex-GN from Mossmain (near Laurel) through Great Falls to the transcontinental route at Shelby. This would handle the overhead business as well as traffic off former Chicago, Burlington & Quincy routes in Wyoming. The old NP west of Laurel could then be downgraded. The projected cost of rebuilding the Great Falls line was too high, but the southern route still went on the block.

A rough beginning

Enter Missoula industrialist Dennis Washington. He is owner of the Washington Corporation, parent of several companies with interests in construction, mining, environmental management, and heavy equipment sales and leasing. Washington, 57 and a Missoula native and high-school graduate, founded his own construction firm at age 29 and by the 1980's was a certified millionaire. One of his biggest successes was reopening the dormant Anaconda Copper mine in Butte and making it profitable by 1986.

BN preferred a local buyer, and Washington's group was one of the few in Montana with the finances to put together a deal, rumored at $160 million. But Washington's companies were also known for being non-union. Once the brotherhoods on BN discovered Washington was negotiating for the old NP lines, they vigorously objected, resorting to picketing and court actions in an attempt to block the sale.

Brodsky remembers well MRL's early days. "I was the first employee hired by Dennis Washington, on July 1, 1987. As the closing date of the sale came closer in October 1987, we set up round-the-clock hiring. We hired 500 employees in a week, who came from 33 or 34 different railroads. It was pretty chaotic." MRL became another Washington Corporation firm, with Brodsky managing the company. He reports to Dorn Parkinson, president of the corporation.

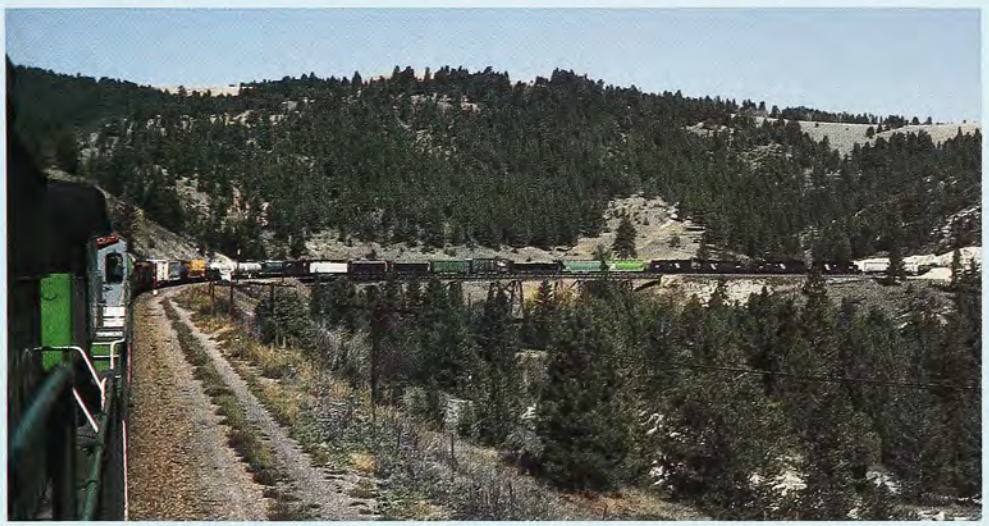
The original closing date for MRL start-up was set for October 26, 1987, but was delayed five days by court order. "The delay actually helped us get the chaos behind us," Brodsky says. The sale went through

Riding MRL's Continental Crossing: Mullan Pass

THE "big hill" for Montana Rail Link is its line over the Continental Divide at Mullan Pass, west of Helena. Maximum grades are 2.2 percent for westbounds and 1.4 for eastbounds. Pete Storseth, MRL's Helena trainmaster and a veteran of BN operations in North Dakota, says MRL usually keeps three sets of helper engines at Helena: two with four units and one with three. Five 2-person crews are based at Helena to work them.

Depending on a train's tonnage, the helpers are placed either on the head end or mid-train. Westbound trains of 5000 tons or more get helpers; eastbounds must exceed 7500 tons for help. Most trains aren't that heavy, but coal or grain unit trains of 100-plus cars are heavy enough to employ two helper sets at once. The helpers stay on westbounds to either the top of the grade at Blossburg, 20 miles from Helena, or 8 miles beyond to Elliston.

To experience Montana Rail Link's most challenging operating obstacle, I will ride with Pete Storseth and the crew over Mullan Pass. We climb aboard train 123 at the Helena depot on October 2, 1992, at 11:28 a.m. The train, a BN through run, had arrived earlier and was given a quick switch by the Helena yard job. Motive power is three 4-axle BN units totaling 10,400 h.p.: GP50 3117, B30-7A 4016, and LMX B39-8 8599. The train has 71 cars: 57 loads and 14 empties totaling 7420 tons. Our crew is two BN veterans. Engineer Tom Talburt worked on the Powder River Basin coal line, and assistant engineer Leo Block in Montana.



STEVE GLISCHINSKI

Helpers are visible from lead unit BN 3117 as train 123 crosses Greenhorn Creek trestle.

By 11:30 a.m., our train is rolling on the double track out of Helena Yard, but 3 miles out we stop at Helena Junction, where BN's line from Great Falls meets the main. On the wye is a four-unit helper set, all MRL units: SD40-2XR 259, SD40 206, SD45-2 307, and SD40-2XR 260. They are rated at a total 12,600 h.p., which gives us 23,000 h.p. to conquer the mountain.

At 11:50 the helpers are cut in and 123 is under way. But not for long. Ten minutes and only 2 miles out, we are stopped at the west end of double track at Tobin to wait for eastbound train 120. Soon it rolls by behind a brace of BN SD40-2's. At 12:22 p.m., we blast west from Tobin, the beginning of the long grade to Blossburg. We reach a top speed of 18 mph, then drop to a steady 16.

Two miles east of Austin, the 2.2 percent grade begins, and at the west switch, the line swings into a 10-degree horseshoe curve, the first of several that Northern Pacific surveyors laid out to conquer the grade. Our lead unit, GP50 3117, begins to slip. "These four-axle units just aren't designed for these steep grades and curves," Talburt says. "Six-axle power grips the rail much better."

As we climb above Austin, we can glance back and see the mid-train helper. The track then makes a sharp curve to the west, passing through a large cut NP made to bypass Iron Ridge Tunnel; the abandoned bore is visible just west of the right of way. Emerging from the cut, we can spot the rear end of our train making its way through the horseshoe.

Weed spur (12:59 at a steady 14 mph) is one of several passing sidings abandoned by BN during an austerity program prior to MRL's formation. The wheel-slip from 3117 now becomes a constant grind. Another curve swings us around to the north, and we see Greenhorn Creek trestle. The curved steel bridge is one of two on Mullan; it crosses over the creek and an open field with a small A-frame house. An old Volkswagen micro-bus, complete with flowers painted on it as if from the 1960's, rests in the yard. The trestle sits in the middle of another horseshoe, so Block leans out of 3117's window to inspect the train.

Skyline is another siding-turned-spur. At 1:07 we cross Austin Creek trestle, the second curved one on the pass. Beyond one more curve is the east portal of Mullan Tunnel. Visible as we enter are the unusual squirrel-cage ventilating fans that NP and BN employed to clear the 3875-foot bore; today it is naturally ventilated.

Mullan resembles a cave more than a railroad tunnel, with a rocky ceiling that leaks water. On March 2, 1949, the tunnel caved in, forcing trains to be rerouted over Homestake Pass and through Butte. NP lowered the tunnel floor and reopened on December 7, 1949. Midway through the tunnel, our pace proves too much for 3117 and it gives up the ghost, automatically dropping from throttle notch 8 to 6. Fortunately our momentum carries us over the top.

In an explosion of black diesel exhaust that shoots skyward, we emerge into daylight at Blossburg at 1:16. A few moments later the helpers emerge in a similar display. As I watch the smoke slowly dissipate into the clear Montana sky, it's easy to understand why the helper units quickly become covered with soot despite going through the locomotive washer at Livingston.

MRL leaves it up to the engineers and dispatchers to determine whether to cut off the helpers at Blossburg or Elliston. Today, Talburt decides to go through to Elliston, since MRL train LM is close behind us. Blossburg, at 5548 feet elevation, is the top of the Mullan grade, and we quickly roll up to 40 mph as we descend the 1.4 percent on the 8-mile run to Elliston, where we arrive at 1:33.

Storseth heads across the highway to pick up some Cokes for the crews, who quickly cut out the helpers and head them into the siding. The two halves of 123's train are coupled back together and it is soon on its way. I climb aboard the helper set, but not before LM blasts by. With a short train, LM didn't require helpers and will make good time on the 90-mile trip to Missoula.

Since there is no eastbound coming that needs a push, we head east as a light engine, departing Elliston at 2:05. By 3:30 we are back at the Helena depot, another trip over Mullan completed. The helper crew gets little rest, though, for train 195 is arriving and will soon will need its lift over the Divide.—*Steve Glischinski.*

on October 31, but all did not go smoothly. Early that morning, three diesels—two LMX GE's and a BN SD40-2—were set loose over Bozeman Pass. They eventually derailed after reaching speeds up to 80 mph, injuring an unlucky transient who had hitched a ride. Brodsky recalls: "We came into existence at 12:01 a.m., and by 2 a.m. we were $4 million in the hole." The FBI was called in, but no arrests were ever made and the case is still open.

Brodsky said the experience worked in MRL's favor. "The incident really pulled our group together. Before that happened, there was a lot of sympathy for opponents of the sale. But when that happened, the sympathy was gone. Our people circled their wagons and came together."

Brodsky is also quick to point out MRL is far from being non-union. "The Brotherhood of Locomotive Engineers represents our operating personnel, and we have another single contract that includes seven other crafts." MRL trains use two-person crews, with an engineer and "assistant engineer," both of whom are qualified to operate trains. Some local trains use three-person crews. The mainline is divided into three crew districts: Laurel-Helena, 223 miles; Helena-Missoula, 118; and Missoula-Spokane, 283.

Part of Washington's philosophy is to share the gains—and the risks—with his employees. MRL employees are beneficiaries of profit-sharing and 401k retirement/investment plans. There is also a "quality of life" article in the union contracts pledging regular time off and minimum time away from home. On the other hand, no one is guaranteed a job, so if business goes bad, layoffs are possible.

A name, and an image

Washington came up with the name "Montana Rail Link" when he was negotiating for the lines. The name is indicative of MRL's role for Burlington Northern: it serves as a captive, low-cost link for traffic to/from the Pacific Northwest and the Midwest and South. With one transaction, BN was able to rid itself of its Montana problems, at least on the ex-NP route, and yet keep what is in effect a through route.

According to Brodsky, Washington is sensitive to the image of the company. This helps account for the fairly rapid repainting of MRL's locomotive and car fleets into dark blue and white, a scheme Washington helped design.

And what about that small red dot on the ends of MRL's locomotives? Rumors have circulated that "the dot" represented the old NP monad symbol, or Japanese interests which supposedly had bought into the company. But Brodsky says the dot's origin was fairly simple. "We had a salesperson trying to sell us decals for the locomotives, and Dennis (Washington) saw the red dot in the salesman's case. He held it up to an engine and thought it looked pretty good, so we started applying them." The dots are reflectorized to increase visibility for motorists.

Two-thirds of MRL's traffic is made up of "overhead" traffic: BN trains which MRL moves between Laurel and Spokane. Westbound, MRL crews take over from BN's at Laurel, site of a MRL's largest yard and also a car shop. To place all Billings-area business on the new carrier, BN gave up ownership at Jones Junction, east of the city, which at 67,000 is Montana's largest.

As a condition of the sale, BN maintains certain traffic levels over MRL. Brodsky refuses to call this a "guarantee" but does admit that the railroad would be "far different" if not for the BN traffic.

"We are an independent company, locally owned and managed. While we have a great relationship with BN and value that relationship, they don't tell us how to run our railroad," Brodsky emphasizes. While NP referred to itself as the "Main Street of the Northwest," MRL reigns as the "main street of Montana" with all the traffic it handles. Up to 22 scheduled BN trains operate over MRL each day, depending on the day of the week. On most of these trains, BN diesels run through. MRL has direct interchange with two railroads besides BN: Montana Western at Garrison and Union Pacific at Sandpoint, the old Spokane Internatonal route. MRL also reaches UP at Silver Bow, Mont., via Montana Western.

Local traffic has become more and more important to MRL. "We are bringing business back to the railroad," Brodsky says, "Our customer base is up 26 percent since 1987 and growing. It takes three or

STEVE GLISCHINSKI

The seven locomotives leading daily road freight ML over Skyline Trestle on Mullan Pass on September 30, 1992, include helper units.

four years to get customers back who have left the railroad, but they are coming back." Since MRL is privately owned, the company does not reveal financial data, but Brodsky says the company has "never had a month that wasn't profitable." As a measure of MRL's success, consider that it was able to pay off the debt incurred to purchase the branchlines in only four years. The company handles more than 240,000 carloads each year. Major on-line commodities include lumber, paper, chemicals, cement, and talc.

Lots of locals

To handle its local business, MRL operates several types of trains. Laurel-Missoula symbol "LM" and its counterpart "ML" operate daily to handle originating and terminating traffic. They set out and pick up only at terminals and junction points. At MRL's far east end, the Carter Local works between Billings and Huntley, switching oil refineries and grain elevators six days a week. There is also a six-day transfer run between Laurel and Billings. A switch job works Livingston and the mainline east to Big Timber, plus the remnant of the old branch to Yellowstone Park.

Daily mainline locals 640 and 641 switch customers between Livingston and Helena, frequently taking 12 hours to handle all the business. They also make a side trip to Three Forks, Whitehall, and Twin Bridges as necessary. The last 20 miles of this branch to Alder is out of service. As far as Whitehall, this route was once part of the scenic mainline over Homestake Pass. The Whitehall-Butte segment, still owned by BN, has been unused since 1982 but the rails are still in place. MRL expects to purchase this line from BN.

Helena is another interchange point with BN, which runs a Great Falls-Helena turn to make the connection. But MRL's headquarters city of Missoula is probably its busiest point for local train activity. Three days a week Missoula dispatches a local which makes a round trip to Garrison for Montana Western interchange and local switching. West of Missoula, the Paradise local makes a round trip to Paradise six days a week, meeting another local that runs between Paradise and Sandpoint.

Each day, the Schilling local makes a round trip from Missoula Yard west 12 miles to Schilling, site of a pulp mill of Container Corporation, MRL's largest customer. Missoula Yard was once a hump facility which BN downgraded to a "flat" yard. When traffic is heavy, the Schilling job will make two round trips in a day. Another local runs from Missoula to Bonner, 6 miles east, to switch a lumber mill.

Branchlines are also serviced by Missoula-based locals. The Polson local travels the Evaro Hill route to Dixon and up the branch to Polson on Tuesdays, Thursdays, and Saturdays to serve lumber producers. On Tuesdays and Fridays another job heads south out of Missoula on the 66-mile branch through the Bitterroot Valley to Darby, working lumber-related industries. One branch, between Drummond and Phillipsburg, is out of service.

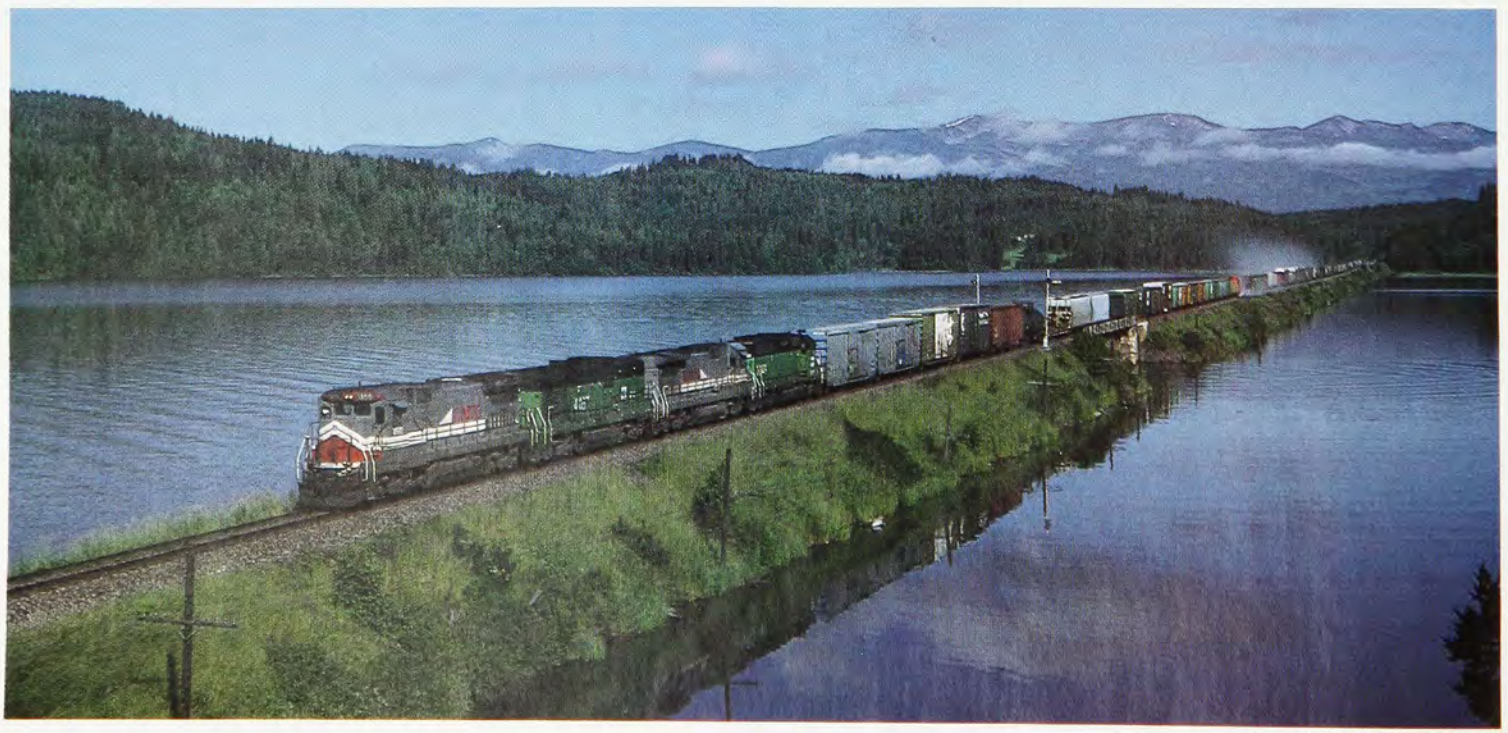
KYLE BREHM

Rail Link President Bill Brodsky listens to a train crewman at an employee meeting.

The blue fleet

Montana Rail Link's fleet of 97 EMD units is the charge of Mel Dinius, chief mechanical officer. He spent 30 years with Illinois Central and Illinois Central Gulf before coming to MRL in its first year. He supervises 191 employees.

Dinius says MRL picked up 52 units from BN at startup but quickly had to purchase more units from dealers. MRL's 97 units include 26 GP9's, 8 switchers, and handfuls of SD7's, SD9's, and GP35's. The backbone of its road fleet are 16 SD40's, one SD40-2 (one of the units wrecked on MRL's first day), and 11 SD40's upgraded



STEVE GLISCHINSKI

A leaking carload clouds up MRL's ex-NP right of way as BN train 120 crosses Pend Oreille Lake east of Kootenai, Idaho, on July 1, 1991.

Montana Rail Link locomotives

No.	Model	Built	Heritage, notes
11	NW12	1939	BN 19, rebuilt 1975 from NW2 469; ex-GN 122, 5322
12	SW1200	1957	BN 208; ex-NP 149
13	SW1200	1957	BN 220; ex-NP 161
14	SW1200	1956	BN 203; ex-NP 144
15	SW1200	1957	BN 218; ex-NP 159
16	SW9	1952	BN 269; ex-SLSF 314
17	SW1200	1957	BN 215; ex-NP 156
18	SW1200	1957	BN 216; ex-NP 157
104	GP9	1956	BN 1834; ex-GN 682
105	GP9	1957	BN 1903; ex-NP 318
106	GP9	1958	BN 1931; ex-NP 352
107	GP9	1958	BN 1934; ex-NP 355
108	GP9	1956	BN 1835; ex-GN 683
109	GP9	1955	BN 1710; ex-NP 210
110	GP9	1956	BN 1897; ex-NP 280
111	GP9	1956	BN 1717; ex-NP 269
112	GP9	1956	BN 1721; ex-NP 273
113	GP9	1957	BN 1729; ex-NP 291
114	GP9	1957	BN 1731; ex-NP 293
116	GP9	1958	C&NW 4507; rebuilt 5/73 from 706, ex-M&StL 706
117	GP9	1956	BN 1833; ex-GN 681
118	GP9	1957	BN 1924; ex-NP 339
119	GP9	1957	BN 1925; ex-NP 340
120	GP9	1957	BN 1926; ex-NP 341
121	GP9	1957	BN 1927; ex-NP 342
122	GP9	1957	BN 1929; ex-NP 344
123	GP9	1958	BN 1930; ex-NP 351
124	GP9	1958	BN 1935; ex-NP 352
125	GP9	1958	MRL 101, BN 1946; ex-NP 367
126	GP9	1957	MRL 102, BN 1732; ex-NP 294
127	GP9	1954	MRL 103, BN 1832; ex-GN 680
151	GP19-1	1957	Rebuilt 1991 from GP9 1744 (was to have been MRL 116); ex-BN 1744, NP 306; leased to AZCR 12/91-7/92
200	SD40	1968	C&S 6341, ex-881
204	SD40	1968	C&S 6347, ex-887
205	SD40	1968	C&S 6344, ex-884; wrecked at Helena 2/89, scrapped 6/90
206	SD40	1968	C&S 6336, ex-876
209	SD40	1971	BN 6322; stored serviceable
211	SD40	1971	BN 6308
213	SD40	1971	BN 6315
214	SD40	1971	BN 6316
215	SD40	1971	BN 6320
216	SD40	1967	C&S 6335, ex-875
218	SD40	1967	C&S 6345, ex-885
220	SD40	1966	MRL 3001, CLI 3001; ex-C&NW 928, CGW 408
221	SD40	1966	MRL 3002, CLI 3002; ex-C&NW 924, CGW 404
222	SD40	1966	MRL 3003, CLI 3003; ex-C&NW 925, CGW 405
223	SD40	1966	MRL 3004, CLI 3004; ex-C&NW 927, CGW 407
224	SD40	1966	C&NW 921; ex-CGW 401
225	SD40	1966	C&NW 929; ex-CGW 409
250	SD40-2	1974	BN 6377; wrecked on MRL 11/87, returned to service 7/88
251	SD40XR	1966	UP 3002, upgraded 5/90
252	SD40XR	1966	UP 3024, upgraded 6/90
253	SD40XR	1971	Upgraded 10/90 from MRL 203; ex-BN 6312
254	SD40XR	1971	Upgraded 11/90 from MRL 212; ex-BN 6310
255	SD40XR	1967	Upgraded 12/90 from MRL 219; ex-C&S 6346, 886
256	SD40XR	1971	Upgraded 1/91 from MRL 207; ex-BN 6317
257	SD40XR	1971	Upgraded 6/91 from MRL 202; ex-BN 6306
258	SD40XR	1967	Upgraded 6/91 from MRL 217; ex-C&S 6337, 877
259	SD40XR	1971	Upgraded 6/91 from MRL 208; ex-BN 6324
260	SD40XR	1971	Upgraded 10/91 from MRL 210; ex-BN 6307
261	SD40XR	1971	Upgraded 12/91 from MRL 201; ex-BN 6301
290	SD40XR	1966	BN SDP40 6395; wrecked on MRL 1/88, upgraded 6/89; ex-BN 9851, GN 321
301	SD45-2	1974	CSX 8975; ex-SBD 8975, CRR 3617
302	SD45-2	1974	CSX 8976; ex-SBD 8976, CRR 3618
303	SD45-2	1974	CSX 8977; ex-SBD 8977, CRR 3619
304	SD45-2	1974	CSX 8978; ex-SBD 8978, CRR 3620
305	SD45-2	1974	CSX 8979; ex-SBD 8979, CRR 3621
306	SD45-2	1974	CSX 8980; ex-SBD 8980, CRR 3622
307	SD45-2	1974	CSX 8981; ex-SBD 8981, CRR 3623
308	SD45-2	1974	CSX 8982; ex-SBD 8982, CRR 3624
351	SD45XR	1967	Upgraded 11/91 from NHL 6445, ex-BN 6445, GN 415
352	SD45	1970	NHL 6493, ex-BN 6493 (ordered by CB&Q, to have been 532)
353	SD45	1970	NHL 6497, ex-BN 6497 (ordered by CB&Q, to have been 536)
354	SD45	1971	NHL 6557, ex-BN 6557
355	SD45	1971	NHL 6558, ex-BN 6558
356	SD45XR	1969	Upgraded 2/92 from NHL 6681, ex-BN 6681, SLSF 934
357	SD45	1969	NHL 6686. ex-BN 6686, SLSF 939
358	SD45	1969	NHL 6694, ex-BN 6694, SLSF 947
401	GP35	1964	DT&I 6353, ex-353
402	GP35	1964	GTW 6355, ex-DT&I 355
600	SD9	1956	MRL 604, NREC 604, ex-EJ&E 604, DM&IR 107; stored serviceable
601	SD9	1957	MRL 606, NREC 606, ex-EJ&E 606, DM&IR 127
602	SD9	1956	MRL 603, NREC 603, ex-EJ&E 603, DM&IR 105
603	SD9	1956	MRL 4361, ex-SP 4361, rebuilt 12/72 from SP 3956, ex-5483; being upgraded to SD19-1 652
604	SD9	1956	MRL 605, NREC 605, ex-EJ&E 605, DM&IR 108
605	SD7	1953	MRL 1541, ex-SP 1541, rebuilt 5/80 from SP 1441, ex-5334;stored
606	SD9	1954	MRL 4316, ex-SP 4316, rebuilt 11/70 from SP 3808, ex- 5347; stored
607	SD7	1953	MRL 1515, ex-SP 1515, rebuilt 11/80 from SP 1424, ex-5317
608	SD9	1958	EJ&E 611, ex-DM&IR 121; stored
610	SD9	1957	EJ&E 602
651	SD19-1	1957	Rebuilt 4/91 from MRL 609, ex-EJ&E 601
701	SD35	1965	MRL 1566, ex-N&W 1566; stored
702	SD35	1965	MRL 1546, ex-N&W 1546; stored
703	SD35	1965	SBD 4591, ex-SCL 1914, ACL 1014; stored
704	SD35	1965	MRL 1543, ex-N&W 1543; stored
705	SD35	1965	MRL 1553, ex-N&W 1553; stored
1725	GP9	1957	BN 1725, ex-NP 287; wrecked on BN, Marsh, Mont., 1/88, scrapped
1831	GP9	1954	BN 1831, ex-GN 679; wrecked in 1990, scrapped 3/91
1904	GP9	1957	BN 1904, ex-NP 319; wrecked on BN, Marsh, Mont., 1/88, scrapped
4337	GP9	1951	Overhauled for lease or sale; C&NW 4337, ex-120, rebuilt 2/74; ex-CGW 120; rebuilt by EMD from GP7, 1/56
4555	GP9	1957	Overhauled for lease or sale; C&NW 4555, ex-RI 4484 (2nd), 4538; rebuilt 6/77 from RI 1315

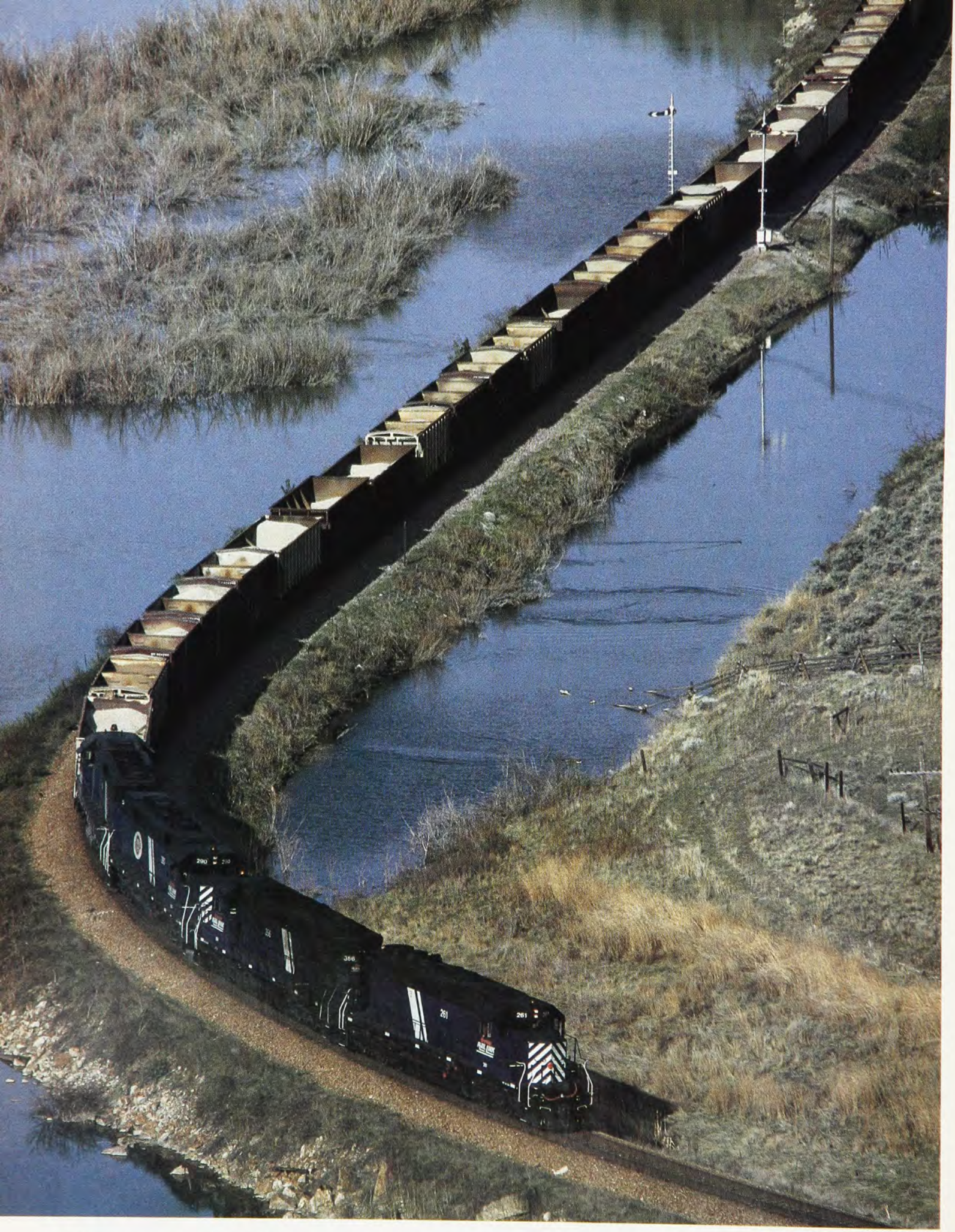
Notes:

Key to initials: ACL: Atlantic Coast Line; AZCR: Arizona & California; BN: Burlington Northern; C&NW: Chicago & North Western; C&S: Colorado & Southern (BN); CGW: Chicago Great Western; CLI, Corporate Leasing Inc.; CRR: Clinchfield; DM&IR: Duluth, Missabe & Iron Range; DT&I: Detroit, Toledo & Ironton; EJ&E: Elgin, Joliet & Eastern; GN: Great Northern; GTW: Grand Trunk Western; M&StL: Minneapolis & St. Louis; N&W: Norfolk & Western; NHL: National Helm Leasing; NP: Northern Pacific; NREC: National Railway Equipment; RI: Rock Island; SBD: Seaboard System; SCL: Seaboard Coast Line; SLSF: St. Louis-San Francisco (Frisco); SP: Southern Pacific; UP: Union Pacific.

Key to models: Designations are those of Electro-Motive Division, original builder of all units, or of MRL on rebuilt or upgraded units. GP series are four-motor B-B's, SD series are six-motor C-C's.

Roster effective December 1, 1992. Sources: Montana Rail Link (Alan Burns); "Burlington Northern Motive Power Annuals"; Burlington Northern; C&NW Historical Society; EMD Product Reference Data; "Extra 2200 South"; "Southern Pacific Annuals"; "Union Pacific Motive Power Annual."—J.D.I.

SD's AT MISSOULA; STEVE GLISCHINSKI



KYLE BREHM

It's only company ballast train X06, but you can't fault the view near Lombard, Mont., as four Rail Link SD's roll east on April 25, 1992.

to Dash 2 standards and termed SD40-XR's. Plans call for the remaining SD40's to be similarly upgraded. Over the next five years all the GP9's and SD9's will be overhauled and get chopped noses.

Other road units include 5 SD35's and 8 each SD45's (two upgraded) and SD45-2's. The most unusual MRL road unit is SD40XR 290. Built in 1966 as an SDP35 for GN passenger service, it is essentially an SD40 with a longer carbody; the extra space housed a steam generator for passenger-car heating. Acquired from BN after a wreck on MRL at Helena, the unit was repainted with a special logo in 1989 to celebrate Montana's centennial.

Maintainence on MRL units is performed at a five-track run-through diesel facility at Livingston, adjacent to the former NP backshop, now Livingston Rebuild Center [see "Observations"]. LRC is not affiliated with MRL, although it does lots of work for the company. "They have to bid on the business like everyone else," Dinius says. "While they do have an advantage in transportation costs because they are located on our railroad, that doesn't mean they get all our work."

Fueling and minor work is done at Missoula, Helena, and Laurel. Each of these places had a roundhouse, but BN razed them. Although winter protection might be nice, Dinius said this has worked out well for MRL. "We were able to consolidate all our maintenance in one location. If there is ever a problem with a unit, we know where the problem originated, rather than trying to figure out which roundhouse last worked on it." A new $265,000 locomotive washer was installed at Livingston in November 1991 that can wash 100 units each month.

MRL has also had some locomotives remanufactured. In 1989 it began having its SD40's rebuilt to Dash 2 specifications. Dinius had extra parts left over, so MRL decided to put them to use. A former EJ&E SD9 was rebuilt by LRC, using the SD40 electrical cabinet, new and larger cooling fans, SD40 brake grids, new electricals and cab interiors, a chopped nose, and other modifications. "We don't waste anything," Dinius says. Reumbered 651 and upgraded to 1900 h.p., the unit now is designated an "SD19-1." MRL plans to market it to shortlines and other regionals. MRL similarly upgraded GP9 151 to a "GP19-1."

Next for upgrade will be SD9 603, with a microprocessor similar to those in EMD SD50's and 60's; the rebuild will be an "SD55." For future rebuild fodder, MRL purchased 36 retired Chicago & North Western units of various models. They are mostly stored at Livingston.

For a short time, MRL even had an E unit. Dennis Washington purchased ex-Milwaukee Road E9A 37C in 1990 from Chicago Metra with an eye on using it to pull the company's business car, but the unit was found to be in poor condition and was scrapped at Livingston. The business car, a former Rock Island car built by Pullman Standard in 1950, was rebuilt by MRL and local Missoula contractors. Named *Silver Cloud*, it is parked on a special spur next to the Washington Corporation offices.

Montana Rail Link also has 1481 freight cars, many of which have been overhauled and repainted. In its first year, MRL made news by ordering 100 new boxcars for paper loading, at the time the first order for new boxcars in the U.S. in many years.

KYLE BREHM

Switchers keep busy at Laurel Yard, an MRL hub. We're looking west in April 1991.

A first-rate property

Although BN turned over a well-maintained railroad to MRL in 1987, the newer carrier has aggressively upgraded its physical plant. BN had begun cost-cutting measures, including removing several CTC passing sidings. With increased traffic, the lack of sidings hindered operations. MRL restored and extended the siding at Lombard, and plans to do more.

In 1989, CTC was extended 48 miles from Frenchtown to Superior, and MRL plans to continue it the remaining 35 miles to Paradise. The entire main will then be CTC-controlled except for stretches of ABS in terminals and the Evaro Hill line.

BN dispatched MRL until July 1988, when the new company opened a state-of-the-art computerized facility in Missoula headquarters. The railroad is divided in half for dispatching purposes: the east dispatcher controls Jones Junction-Helena, the west dispatcher Helena-Sandpoint.

While MRL has a modern dispatching and signaling system, there remain in three areas sentinels of the past along its right-of-way: NP upper-quadrant semaphores. You'll find them on the 1 percent grades of Winston Hill just east of Helena; along the Missouri River near Toston; and at the railroad's west end. However, they are gradually being replaced by newer color-light signals.

MRL also is replacing the last of its jointed-rail track with continuous welded rail, and bridge rebuilding is a part of the long-term engineering plan. A big undertaking was the rehabilitation of bridge 208 between St. Regis and Paradise. Built in 1908, the 543-foot, six-span structure was rebuilt during 1989-1990 by superimposing a new arch reinforcement within the old deck truss structure, the first time this method was employed on a railroad bridge. Others will also be done.

With more and more improvements, steady local and overhead traffic, and rebuilt motive power, MRL's future appears to be bright. Coal mines opening north of Billings offer new opportunities. Already the railroad handles one coal train that originates in the Powder River Basin destined for Portland General Electric's plant at Castle, Ore., as well as export coal, coke, and clay shipments.

The company has also participated in the effort to privatize railroads in Argentina, sending employees to serve as consultants on a long-term basis. Rebuilt "SD55's" may also be sent south to the Argentine railways.

Bill Brodsky sums up MRL's future succinctly: "We expect to be a bigger player in the rail scene." Perhaps someday MRL will expand beyond its present boundaries, but one thing is certain: the old Northern Pacific through Montana is once again a "main street" for rail traffic. ■

STEVE GLISCHINSKI, 36, a freelance writer/photographer based in St. Paul, is a TRAINS Special Correspondent. *He thanks William Brodsky, Lynda Frost, Jay Lentzner, Dixie Hart, and all the MRL train dispatchers for their assistance.*

Florida East Coast
survivor in the sun

Like many successes, this feisty regional railroad may lose its independence

By Jeffrey A. Harwell

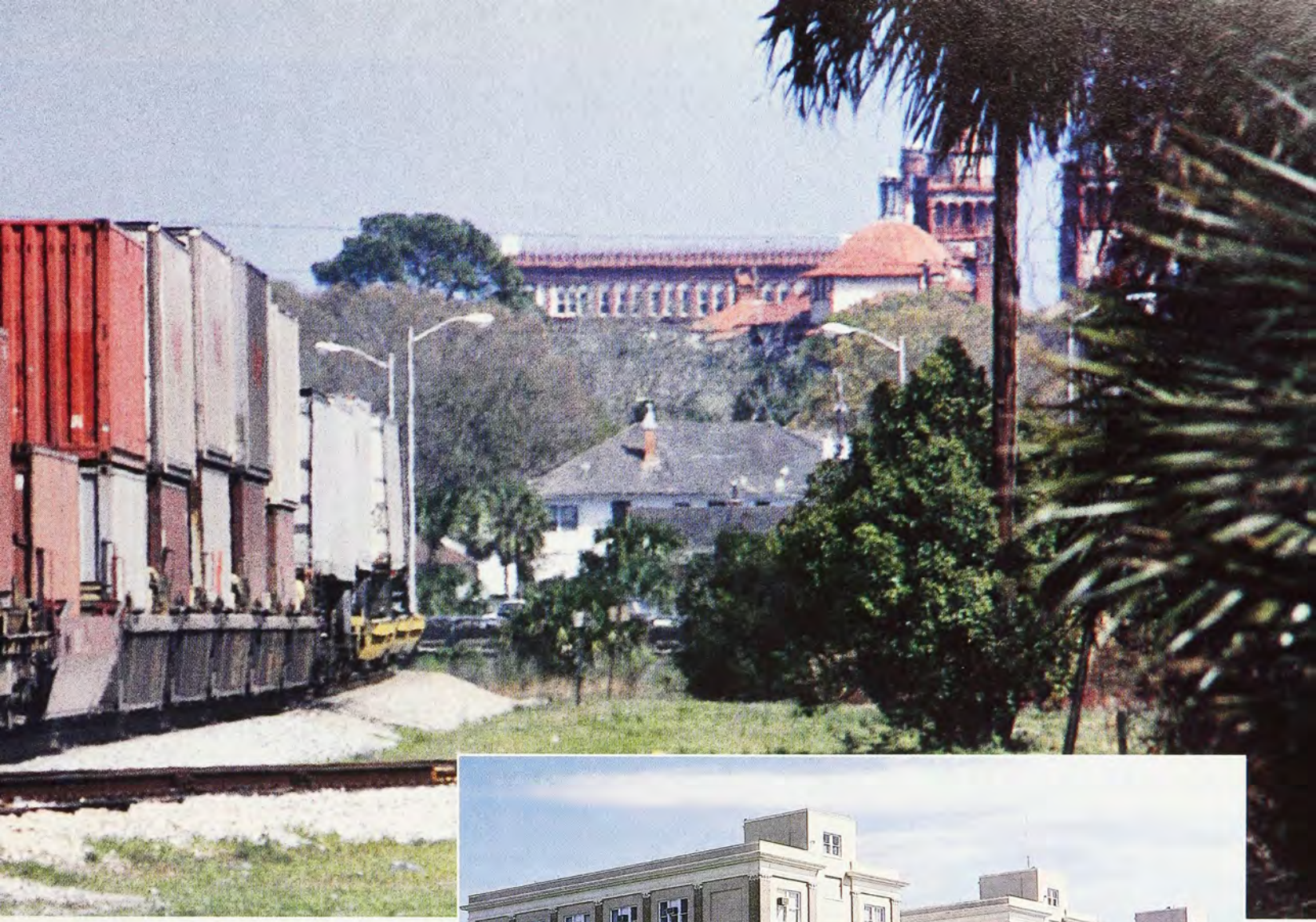
FEC Regionals in review

It was January 1963. The federal government was telling us the crisis in Cuba was officially over. And those folks at the Post Office had just raised their rates through the roof—it would now cost 5 whole cents to mail a letter. Cape Canaveral, along Florida's Atlantic coast, was a beehive of activity as NASA worked toward putting a man on the moon.

About 117 miles up Route 1 in St. Augustine, the scene was woefully different at One Malaga Street, headquarters of the Florida East Coast Railway Company. Starting on January 23, the hallways of this venerable building were not alive with the normal hustle and bustle of a regular workday. Life on the FEC was anything but normal, because there weren't any trains running. The employees were on strike.

At issue was a nationwide recommended pay increase that FEC would not go along with due to shaky finances—after all, the company had been out of receivership for only two years. FEC's fate now depended on the actions of a few. The management team at this crucial time consisted of Edward Ball, chairman of the board; William B. Thompson Jr., president; Winfred Thornton, chief operating officer; and Gordie Stewart, assistant chief operating officer. Good or bad, their decisions over the next couple of days would make them heroes, goats, or something in between.

The timing of the strike was incredible. Recalls Thornton: The strike "was during



TWO PHOTOS, JEFFREY A. HARWELL

What railway has a more attractive headquarters building than FEC's in historic St. Augustine, Fla., North America's first (1565) permanent settlement? With other landmarks in the background, train 101 heads south through town on March 13, 1995.

the peak of the winter tourist season. At that time we were operating more passenger trains than we were freight trains. Likewise, it was the peak of the perishables season, which was a major portion of our freight business. The strike was timed more or less at the peak of our business."

The line was clearly drawn in the sand. Management could buckle to union demands and possibly send the road back into receivership. Or, it could do something drastic. But no one at One Malaga Street was overly anxious to find out the consequences of "drastic action."

Would FEC survive? Yes, it would. Was that easy? No, it wasn't. FEC became a rebel. It endured violence, an unspoken excommunication from the rail industry, and its usual peak-and-valley traffic cycles to carve out a unique niche in railroading. It embarked on survival tactics that put it years ahead of the pack on such fronts as work rules, piggyback traffic, concrete crossties, remotely operated drawbridges, and cabooseless train operation. After being forced to continue a token passenger service, it was able to go freight-only in 1968. Now, in the mid-1990's, it faces that ultimate fate of success: possible purchase by someone else.

In early 1996, FEC's parent company announced the railroad was for sale, and, although no deal was known to be imminent, speculation centered on FEC's friendly connection, Norfolk Southern, as the most likely buyer. If any sale obliterates Florida East Coast's identity, it will lower the flag on what has been a remarkable and colorful, historically significant and successful intrastate railway.

Boom, bust, boom

The man behind FEC's formation was Henry Morrison Flagler. Born in 1830 in Canandaigua, N.Y., to a poor family, Flagler was not schooled beyond the 8th grade. His early years in the business world, though, led to a partnership with John D. Rockefeller. They started a small refinery in Ohio that soon became known as Standard Oil. Flagler became a millionaire.

The idea for what would become the Florida East Coast Railway came while Flagler was vacationing in St. Augustine circa 1883. Impressed by the climate in Florida, which could offer wealthy folks from up north a vacation alternative, he purchased an existing narrow-gauge railroad linking South Jacksonville and St. Augustine. After standard-gauging the track, he constructed one of the first steel bridges in the South,

spanning the St. Johns River in Jacksonville.

Flagler had the ambition to extend his rail empire farther south in an attempt to develop more of Florida's east coast. The purchase of two additional lines extended his railroad to Daytona Beach by 1889. There were no railroads south of there, so Flagler set about to build his own. Six years later and 255 miles from Daytona, construction reached Miami.

Flagler was in his mid-70's when he disclosed his final ambition—to extend his railroad south across the Florida Keys and terminate at Key West, the southernmost city in the U.S. and the gateway to Havana, Cuba. Although his advisors told him the project could be completed, there was no way to estimate the enormous costs that would be paid in both money and human lives during construction.

Because of the vast amount of right of way which had to be created across open water, cost for constructing the Key West extension was 15 times higher than on land. Many laborers perished due to weather—three hurricanes pounded the Keys during the project, delaying it to the point that it seemed Flagler might not live to see it completed. However, on January 22, 1912, a frail Henry M. Flagler, 83 years of age, rode his railroad all the way to Key West. He died four months later in West Palm Beach.

His Key West Extension lasted only 23 years. A September 1935 hurricane caused such devastation that the only logical decision was to abandon the line. The bridges and trestles eventually were rebuilt and became part of U.S. 1, although today's highway now utilizes all replacement structures.

> "The unions underestimated the tenacity of Ed Ball and his right-hand man, Win Thornton. Soon the railroad started getting back on its feet."

Aside from the Key West fiasco, the remainder of FEC's early history can be followed by tracing the boom and bust nature of the Florida economy. When it boomed in 1924, FEC jumped on the bandwagon and double-tracked its main line for what was thought to be a long-lasting financial gold mine. But the boom went bust in 1926 and the railroad fell into receivership . . . for the next 30 years.

World War II helped spawn a second Florida economic boom, which raised the eyebrows of key people over at the Atlantic Coast Line, which subsequently announced plans to purchase the small but strategic FEC. While ACL may have considered itself a knight in shining armor riding up on a white horse to save the financially troubled railroad, FEC and the state of Florida had other ideas. For the next 14 years, a struggle developed over who would control FEC. Seaboard Air Line and Southern Railway even threw their hats into the ring as potential buyers in order to block rival ACL.

From all this emerged a feisty businessman named Edward Ball. Originally from the Tidewater Virginia area, Ball had begun his business career at age 13. Now he was a powerful trustee of the A. I. du Pont estate, best known for its St. Joe Paper Company and the associated Apalachicola Northern Railroad in Florida's Panhandle. Seeing a chance to keep ownership of FEC within Florida, the state, the unions, and even the Interstate Commerce Commission approved Ball's plan for St. Joe Paper to buy the railroad. On January 1, 1961, FEC emerged from reorganization with Ed Ball in the driver's seat as chairman. Unfortunately, if Ball thought good times were just around the corner, he could never have guessed what lay waiting in ambush just two years later.

BRIAN BANKS

Run-through power with connection Norfolk Southern (pictured at Ormond February 19, 1996) may be a preview of FEC's future.

The strike

Ball inherited an extremely inefficient railroad. For example, it took three 5-man crews to move a single train the 349 miles between Miami and Jacksonville. Most of the time the crews handling the 98-mile segment between Jacksonville and New Smyrna Beach were finished with their run in two hours flat.

And then there was the pay-hike issue. In March 1962, an emergency board was appointed by President Kennedy in an attempt to avoid a nationwide rail strike. The board's recommendation: a 10.28 cents-per-hour pay hike for the rail industry. Of the then 193 Class 1 railroads, 192 accepted the increase and moved on. FEC and Ball stood up and said, "No."

Ball's reasoning was simple. The railroad had lost money 28 of its previous 30 years, and within the last decade the losses exceeded $23 million. And with the embargo against Fidel Castro's Cuba going into effect,

GARY J. BENSON

FEC relies heavily on EMD's GP40 family for horsepower, but 11 GP38-2's also help out. No. 501 meets an intermodal train in 1988.

FEC would lose an additional $4 million annually in revenue.

Ball and the railroad offered a larger pay raise spread out over a longer period to allow FEC finances to get back on track. The unions not only turned down the offer, but announced they'd go on strike if the company did not implement the national rate. With no settlement on the horizon, FEC's non-operating unions struck at 6 a.m., January 23, 1963. Operating unions honored the picket lines, bringing the railroad to a halt. Union members were confident their strategy would bring about a quick and favorable resolution.

They underestimated the tenacity of Ed Ball and his right-hand man, Win Thornton. A Winston-Salem (N.C.) native and Virginia Military Institute grad, Thornton had been brought over from Southern Railway prior to the strike and made chief operating officer. With their backs against the wall, FEC managers decided to do what in those times was unthinkable—go about their daily chores using supervisory people to operate the trains. February 3, 1963, was the historic day the first train headed south from Jacksonville.

To the unions' surprise, the railroad started getting back on its feet. There are worse places to work than Florida, and workers came in from other places and other occupations to sign up with FEC. Trains ran just fine with a single three-man crew for the entire length of the main line. It looked like FEC would overcome the strike.

Then things got nasty. After some mild acts of sabotage against the railroad, in early 1964 vandals began dynamiting moving trains. Eventually there were eight such instances. Although the railroad would have to shut down each time to clear away the wrecks, the saboteurs were never able to cripple FEC.

Then came an incident which forever changed FEC's future. Thornton still remembers it well 32 years later: "They (saboteurs) blew up a train at Dupont Center, which is about 15 miles south of St. Augustine, about daybreak. We started diverting traffic around on a branch line that went over via East Palatka. About noon we had a detour train going around that way, and they blew up a bridge underneath it, so we had both routes blocked.

"President Johnson was en route down to give a speech before the AFL-CIO in Miami Beach, and he flew over and saw the two trains that had been blown up. He said before the AFL-CIO that we just do not carry out labor disputes in this fashion in the United States, and ordered the FBI in to put an end to it. As a consequence, they did catch some people attempting to blow up a bridge in Vero Beach, and that pretty well put an end to that type of sabotage."

The FEC developed a new operating pattern as the strike lost momentum. Many of the old costly operating labor rules were tossed aside and replaced by new concepts. Gone were days of the 100-mile limit for train crews—8-hour days with overtime now governed. Restrictions on yard and

BRIAN BANKS

Palm trees and piggyback are FEC symbols. A southbound eases out of Fort Lauderdale in 1992; note the third unit, one of 22 GP9's.

road duties were eliminated. Start-time limitations on yard engines were history. The boatload of different seniority dates for different crafts were simplified into one seniority date: the date you hired on. And most important, the once-sacred crew size of five was reduced to three and, later, two on through trains.

Contrary to popular belief, FEC did not remain a non-union railroad. In the 1970's some FEC workers signed up with the Florida Federation of Railroad Employees (FFRE), referred to by some as a company union. In the early 1990's the United Transportation Union came knocking on the door, and left with a signed contract dated March 1, 1995.

"For FEC and the state of Florida, the word 'recession' became a household name in early 1990. Even intermodal traffic began treading water."

And then came pigs

Similar to other railroads, over the years FEC has been forced to alter its thinking when it comes to how freight is transported. In the early 1960's, a typical end-of-year summary would show that TOFC traffic (trailer-on-flatcar, or "piggyback"—shortened to "pigs") accounted for only several hundred units. Most traffic was still moving in boxcars. But 30 years later, FEC was hauling 400,000 trailers or containers a year, and now we call it "intermodal." Today FEC has intermodal facilities in Jacksonville, West Palm Beach, Fort Lauderdale, and Miami, plus a small TOFC-only facility at Fort Pierce. But the recent history and success of FEC's intermodal business isn't simple.

Although FEC's intermodal business reached 400,000 units in 1990, the figure remained stagnant over the next few years—the railroad seemed to have tapped out its market. When one considers that intermodal traffic has inherently lower rates than the good old-fashioned boxcar traffic it replaced, it's no surprise that FEC was interested in looking beyond its own corridor to drum up business. In 1991, FEC initiated highway service to and from the Jacksonville ramp to points within a 200-mile radius, but by 1993 it was becoming apparent that for significant growth, operations had to be extended north of Jacksonville by rail. And that would obviously require cooperation from one or both of its two connections, Norfolk Southern and CSX.

In particular, FEC felt there was significant traffic moving by highway between Atlanta and Miami, traffic which could be lured onto FEC if service and price became attractive enough. In early 1994, Thornton summed up the key hurdle to this marketing scheme: "The fact that the Atlanta-Jacksonville corridors on both CSX and NS are already congested, and the fact that a joint-line move to FEC is a short-haul for them, requires us to find some novel approach."

In early 1995 FEC and Norfolk Southern teamed up to find one—they ironed out a haulage agreement to cover territory between an established NS intermodal facility in Macon, Ga., and FEC's Bowden Yard in Jacksonville. FEC diesels and equipment were utilized for the 270-mile run, with NS supplying the train crews. The ramp work in Macon was contracted out. FEC used specially built cars of two 89-foot flats joined by a drawbar, each pair carrying three trailers.

Aggregates is one of FEC's top commodities. Train 204 heads north along Turnbull Creek at New Smyrna Beach on January 25, 1996.

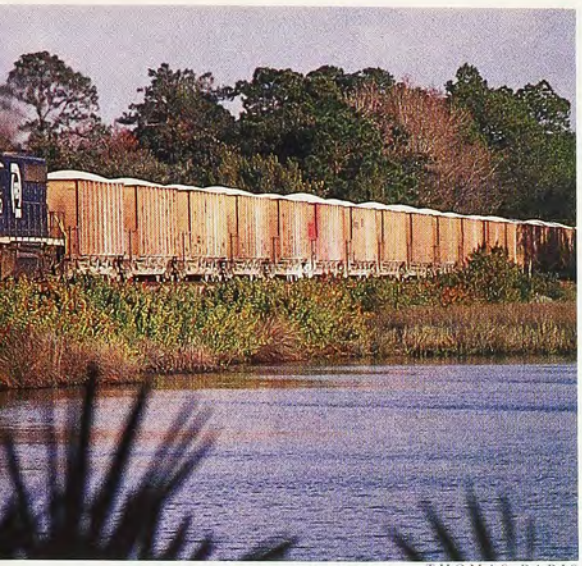
The idea, says Jerry Hall, Jacksonville superintendent who was in charge of FEC's side of the operation, was to take traffic away from trucks, especially from regional points not on I-75. Unfortunately, what seemed like a good idea didn't generate enough traffic, and the service was dropped in early 1996 after one year. Hey, even Hank Aaron struck out once in a while.

Recession is one of those words politicians and economists like to throw around often. But for FEC and the state of Florida, the word became a reality beginning in early 1990. The railroad first noticed the recession in the movement of aggregates and other construction material, key indicators of how Florida's economy is doing. As the year wore on, FEC saw its full spectrum of traffic fall off. Even FEC's intermodal business, for years a dependable source, began to tread water.

Between 1984 and 1989 FEC Industries (the railroad and its smaller real estate division) had showed an increase in net income for each year except one, from $29 million in 1984 to $39.6 million in 1989. But in 1990, that figure fell to $31.3 million and continued to slide until 1993, bottoming out at $22.3 million. It rebounded in 1994 to $34.6 million, but that was boosted by a big

BRIAN BANKS

Train 930, the Lake Harbor Turn, crosses the last lift bridge on the system, over St. Lucie Canal at Fort Mayaca, March 4, 1996.



THOMAS PARIS

land sale; 1995's income figure was back to reality at $26.6 million.

The north end: FEC's lifeline

To understand Florida East Coast's operating scheme, one must study the most strategic point in the timetable—Jacksonville. As FEC's only significant interchange point, it's as important to FEC as Memphis is to Federal Express.

Bowden Yard, 7 miles southeast of downtown, consists of four yards. The intermodal ramp is at the north end, covering about 11 acres with five ramp tracks worked by four overhead cranes and a sideloader. "C" yard is in the center of the complex with 21 tracks for classifying southbound traffic. "A" and "B" yards are at the south end, with A's three tracks used mainly for storage of empty intermodal flats and B's 11 tracks used to classify northbound traffic.

Norfolk Southern accounts for 60 percent of FEC rail interchange and CSX 40 percent. From CSX, FEC fetches a solid train symboled Z901, which has FEC-destined intermodal traffic, except for that originating out of Atlanta. Those cars arrive in a solid set off CSX's Atlanta-Jacksonville 181, but all other CSX traffic is handled by a daily transfer job.

On the other hand, NS on an average day

At a glance . . .

Name: Florida East Coast Railway Co.
Headquarters address: 1 Malaga Street, St. Augustine, FL 32085. (904) 829-3421.
Territory: Main line, Jacksonville-Miami, 369 miles; Fort Pierce-Lake Harbor branch, 72 miles; 541 total track-miles.
Rolling stock: 82 locomotives, 2743 revenue freight cars.
Special Interest Group: None.
Radio Frequencies: Channel 1 road, 160.530 AAR 28; Channel 2 road, 160.770 AAR 44; Channel 3, 160.650 AAR 36; Channel 4, 161.190 AAR 72; Channel 5, 160.380 AAR 18.
Top track speed: 60 mph.
Daily average train frequency: 11 trains each way.
Major traffic: Intermodal, aggregates, automobiles, sugar.

sends four southbounds over the James River bridge into Bowden. From its days as a fast passenger-train hauler, FEC had Automatic Train Control, which became an impediment to operating run-through diesels. FEC applied for a waiver on requiring ATC-equipped locomotives to lead on its property, and recently the request was granted, so FEC and NS now have a pair of run-through trains, diesels included. NS 209 becomes FEC 101, and northbound FEC 210 becomes NS 210. Trains that still swap power include NS 239 (auto racks which are tacked onto FEC 105), plus NS 215 (intermodal) and 321 (manifest), which are delivered directly to Bowden and placed on various FEC trains.

Only one northbound besides 210 is interchanged directly with NS. FEC 208 carries empty auto racks and boxcar traffic handed to NS at Bowden to become 330 for Macon. Any traffic for NS from Fort Lauderdale off 224 and West Palm Beach off 216 is shuttled across town on a daily transfer move.

FEC's Jacksonville intermodal ramp is unlike most such facilities, and with good reason. Explains Superintendent Jerry Hall: "Most railroads build a train and let it sit for several hours. We don't. We have commitments. We're a dead-end intermodal railroad, which means we have loads going south and empties coming back north. With Interstate 95 and U.S. 1 right beside us all the way to Miami, we have to beat the truckers out there or customers can put their traffic on the highway."

Hall deals directly with perhaps the industry's toughest customer: United Parcel Service. "The only way you're gonna keep UPS's business is to give them on-time service. I have gate cut-off times at this ramp, and they're tight. With some, the train is due to depart 30 minutes later."

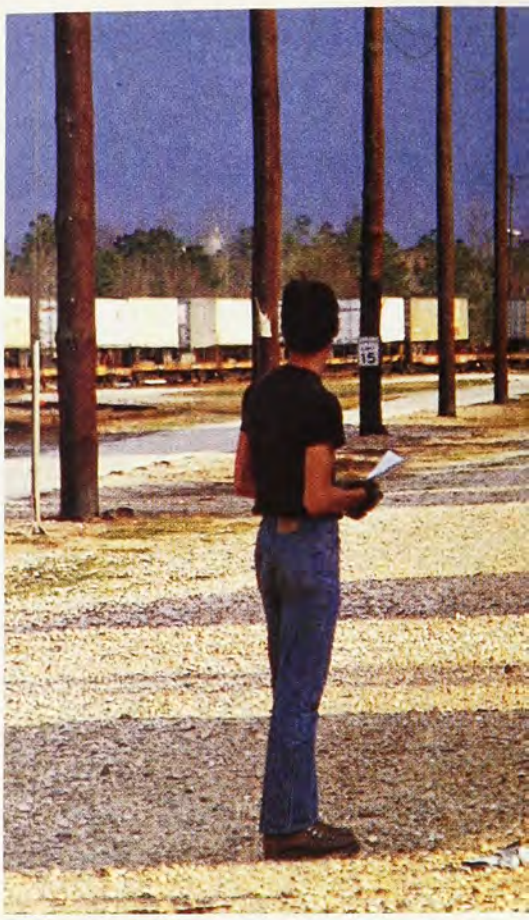
> "Dispatching the FEC is hectic work, for the d.s. runs the whole show, all 349 miles of main line under CTC, plus the Lake Harbor branch."

Once southbounds leave Bowden, they are in the hands of the FEC dispatcher in St. Augustine. He used to work in a little bunker-like building by the locomotive shop in New Smyrna Beach, but when the console was updated to GRS computer equipment, it allowed FEC to fulfill a long desire to move the dispatcher's office to company headquarters. If you walked in on a recent Tuesday morning, you'd find Charlie Edwards in the dispatcher's chair. It's a hot seat—he doesn't have much time for small talk, for he runs the whole show, all 349 miles of main line under centralized traffic control (between Sunbeam and North Miami), along with the Lake Harbor branch. On the main are 25 passing sidings, 16 hotbox detectors, and 5 remote-control drawbridges, which have sirens and scoreboard-like countdown displays to warn pleasure boaters when a bridge will close.

Dispatching the FEC is hectic work: 105 needs bulletins sent to Bowden, 925 needs the bridge at Stuart lowered, the Lake Harbor turn needs a track warrant, a track inspector wants time at Holly Hill. So it goes for 8 hours solid. Then, to top the day off, a citizen calls the dispatcher and pummels his ear about the crossing gates that have been down for three days, and wants to know why the trains blow their horns at grade crossings. Who said dispatching was just pushing buttons and filling out a train sheet?

THOMAS PARIS

FEC tried new GM six-motor SD70M's—here at North Ormond on train 101 September 17, 1994—but is standing pat with its roster.



At times like this, a d.s.'s thoughts might wander toward a transfer to the more tranquil third trick. Although the graveyard shift is void of those nagging maintenance-of-way fellows, it does have one major drawback—lots of trains! Yes, on the main line, FEC is a nighttime railroad. Starting with 107, due out of Bowden at 4:30 p.m., Hall and his switch crews send out six southbounds before 10 that night. And, between 6 and 10:30 in the evening, the south Florida terminals also assemble four trains to go north. Throw in any extras due to heavy tonnage, plus empty-hopper train 125 south out of Bowden at 11 p.m., several nocturnal road-switchers and . . . well, you get the picture. And don't forget, all trains need to remain on schedule, please, or the phone from upstairs will be ringing off the hook by morning.

Where horses and trains mingle

The south end of the FEC is run by Superintendent Harold W. Blalock operating out of Hialeah Yard, just around the corner from the city's most notable landmark, Hialeah Racetrack. Although he missed all the excitement of the strike by coming to work for FEC in the late 1970's, Blalock has been slugging it out in his current role since 1987. His two chief concerns involve main-

GARY J. BENSON

Bowden Yard at Jacksonville, a place outsiders normally can't visit, is FEC's throat, and home to FEC's four 1950's switchers.

taining fluid operations at the intermodal ramp and keeping loaded cars rolling out of two rock quarries on a spur several miles northwest of the yard.

The aggregates business is important to FEC's bottom line, representing 19 percent of its total traffic; intermodal, aggregates, and automobiles together make up 93 percent of FEC's total volume. Five days a week, occasionally six, Hialeah assembles an 80-car unit train of aggregates for the Citypoint/-Rinker Materials facility 195 miles north at Cocoa. According to Blalock, much of the material is then trucked to nearby Orlando for various construction projects. On the radio, this move is referred to simply as "the unit train." On an average day, Hialeah yard originates/terminates 16 scheduled trains, Fort Lauderdale 4, and West Palm Beach 2.

South of Miami, much of the former FEC trackage is abandoned and sold to the state transportation department or the local transit authority, but the Little River/Belt Line route is in service for 9.6 miles down to Kendell on Miami's southwest side. The original main line that ran through the heart of Miami and rejoined the Little River/Belt Line at Kendell Junction is in service only to downtown Miami, mostly to reach the Port of Miami spur utilized to ship oversize loads.

So, FEC's major end-point facilities of Bowden and Hialeah offer the fast-paced atmosphere of a big-city terminal which some employees might prefer. But how about those who enjoy a more low-key existence? Fort Pierce, for one spot, will do just fine. At the yard office there you'll find Jim McCurry, who is one of those individuals who cherishes his current duties as freight agent/engineer. "This is the best place to work," he says without hesitation, "and it sure beats working in the big terminals."

Fort Pierce is the junction of the main line with FEC's only remaining substantial branch, the 70-mile Lake Harbor, or "K" line as it's often called. A local runs to Lake Harbor and back three to five times a week depending on whether the line's principal commodity is moving. Sugar, nearly all of it for Savannah Foods in Georgia, is the main reason the branch is still in service. It is laid with welded rail but still has wooden ties (FEC was a pioneer in installing concrete ties, which support virtually all of the main line). Fort Pierce also hosts two mainline road-switchers, 925 south to Jupiter and back and 920 north to Pineda and back. Both leave in the early morning and return by evening.

GARY J. BENSON

The late afternoon sun casts his long shadow as a mechanical department employee sands GP40-2 405 at Bowden's service area.

If you visit McCurry just before lunch, there's a false sense of serenity. He quickly points out that with the road-switchers already gone, much of the remaining work is administrative. Things really start to heat up in the evening, when sometimes both road-switchers and the Lake Harbor local will converge on the nine-track yard at the same time. During this same period you may also have train 98 out of Hialeah with a block of rock cars to set out, and 216 is due in from

the south with a pick-up. And lest we forget, 21 other through trains will scoot by on the main line on a normal weekday. If McCurry is lucky, his shift will have ended when all this mess starts taking shape.

"Our corporate philosophy has changed. We just decided now may be a good time to look to selling the railroad. We have had interest, from NS and others."

Tom Hanks comes to Florida

Those of you who enjoyed the simplistic nature of the Forrest Gump movie character will certainly feel at home with FEC's diesel roster. That's because it has always (since 1939) contained locomotives manufactured only by EMD. The E's, F's, BL2's, and GP7's that helped FEC dieselize in 1954 (some 0-8-0's did run until 1958) are decades gone, and today FEC sports only seven models of four "families": SW, GP38, GP40, and the venerable GP9. A full 55 percent of the fleet is of the GP40 clan.

For shop superintendent Brian Hathaway, the Forrest Gump approach has its advantages. He says it is hard enough scrounging up parts for the railroad's four 1950's-era switchers, so just think how much fun he'd have if his boss had a handful of GE units or Alco dinosaurs around too.

FEC long prided itself in buying only new units, and for cash. But about 1987, it went shopping for used locomotives. Why? It had to. In 1986, when GP40-2's 433 and 434 arrived from La Grange, they were the last Dash 2 series units Electro-Motive would produce. If FEC wanted to continue standardizing, it had to look to the rebuild market. And according to Transportation Vice President M. E. Deputy, that's exactly what FEC had in mind. "We've always had EMD locomotives, and we wanted to—rather than stocking different replacement parts—keep with the concept of standardizing."

In 1987 and early 1988, FEC had National Railway Equipment of Chicago rebuild four GP40's previously owned by BN and Milwaukee to GP40-2 standards (mainly electrical changes); they became FEC 435, 436, 438, and 439 (437 was FEC GP40-2 423, rebuilt by Republic Locomotive Works after a 1987 wreck). Two more GP40's updated with Dash 2 electricals were added in 1988, and two more, ex-Conrail's, in 1993. In 1994 came a twist. Four ex-CSX GP40's were rebuilt to "Dash 3" (microprocessor) standards by VMV of Paducah, Ky., and leased to FEC by Helm with an option to buy. This quartet is decorated in a special centennial (1895-1995) scheme carrying the old "Flagler System" emblem and slogan "Speedway to America's Playground."

Will FEC, always a four-motor freight road, follow the crowd and employ six-motor units? In late 1994 it tested GM SD70-M's, but Deputy in 1995 said, "The testing was very successful, but we haven't made a decision as to what future power we'll buy." When all was said and done, FEC stood pat with its existing fleet. FEC crews do get to experience six-motor GM's, as well as GE power, though, with NS run-through units.

Note that two 1984 GP40-2's, 430 and 431, are equipped with dynamic braking. Why would a railroad whose steepest grade is a mere 0.38 percent even consider such an option? Originally it was for fuel savings—FEC even borrowed two dynamic-brake-equipped GE B30-7's from NS for testing. But a decade later, when "centennials" 444-447 were acquired, FEC wanted d.b. for a different reason. With the inauguration of service to Macon, FEC had to provide d.b.-equipped units to traverse NS's line through the rolling hills of south Georgia.

Look ahead, look north

What does the future hold for Florida East Coast? One man with a key is C. F. Zellers, president of FEC Industries since replacing a retiring Ray Wyckoff in 1992. Zellers started his rail career at ACL in 1950 and came to St. Augustine in 1968 as assistant comptroller.

When Zellers was asked in March 1995 about possible merger with Norfolk Southern, he replied, "Obviously the key to any merger would be price. We have not had

Florida East Coast locomotives

Nos.	Qty.	Model	Year	Remarks
221, 226	2	SW9	1953	Survivors from original fleet of 8, 221-228
229, 233	2	SW1200	1954	Survivors from original fleet of 7, 229-235
401/410	9	GP40	1971	402 wrecked, rebuilt to 424
411-415	5	GP40-2	1972	
416-418	3	GP40-2	1974	
419-422	4	GP40-2	1979	423 wrecked, rebuilt to 437
424-429	6	GP40-2	1980	424 rebuilt from 402
430-431	2	GP40-2	1984	Equipped with dynamic braking
432	1	GP40-2	1985	
433-434	2	GP40-2	1986	Last GP40-2's produced
435	1	GP40-2	1966	Acquired 1987; ex-Burlington Northern GP40 3003
437	1	GP40-2	1979	Rebuilt 1988 from 423
436/439	3	GP40-2	1968	Acquired 1988; 436, 438 ex-BN GP40 3031, '36; 439 ex-MILW GP40 2006
440-441	2	GP40-2	1968	Acquired 1989
442-443	2	GP40-2	1968	Acquired 1993; ex-Conrail GP40's 3193, 3207
442-447	4	GP40-2	1967-71	Acquired 1994; ex-CSX GP40's 6547, 6818, 6774, 6844; dynamic braking
501-504	4	GP38-2	1977	
505-511	7	GP38-2	1978	
651/666	13	GP9	1954	Rebuilt in-kind; 653, 665 off roster; 664 used as parts supply
667/676	9	GP9	1957	Rebuilt in-kind; 671 off roster

Notes: All units B-B wheel arrangement and built by Electro-Motive Division, General Motors. All secondhand GP40-2's upgraded from GP40. Key to abbreviation: MILW, Milwaukee Road. This roster format is copyrighted by *Trains* Magazine, and this roster may not be photocopied or reproduced for commercial distribution, or by nonprofit organizations, without written permission.

Sources: FEC, EMD Product Reference Data, *Extra 2200 South, CTC Board;* effective March 1996.—*Jeffrey A. Harwell*

BRIAN BANKS

The Lake Harbor branch train hauls mainly sugar and fertilizer, but on August 10, 1995, also had steel power poles for Belle Glade.

any discussions. I think the door is open to discussions and always has been, but it's a question of looking at FEC and asking 'should we continue to prosper as a regional/short-line type railroad, or would it make more sense to join forces with NS?' "

With the announcement in early 1996 by FEC parent St. Joe Paper that the railroad would be up for sale, one might wonder if anything earth-shattering had occurred to lead to this decision. Zellers says no. "Only our corporate philosophy has changed. We simply decided now may be a good time to look toward selling the railroad. We're trying to get all of our information together to begin negotiations. So far, we have had interest from NS, as well as a number of others."

Meantime, are there any new marketing ventures on the horizon? Not right away, says Vice President Marketing Gene Tonsager. How about passenger trains? That's one aspect of FEC's future no one might have anticipated after a hiatus of some 28 years; it was in 1968 that FEC, citing strike-related violence, finally was able to discontinue a local train ordered on by the courts (FEC's through streamliners for Miami off ACL had shifted to Seaboard when the strike started). "We have told Amtrak and anyone else who would listen that we would listen to any offers to operate passenger service," said Zellers. "I haven't had any indication that there are any takers out there. I think at this point Amtrak has got bigger problems than trying to deal with us." Zellers concedes that any negotiations would definitely involve physical-plant improvements, in particular additional segments of double track. Miami's Tri-Rail commuter service operates on a parallel line, the old Seaboard which the state purchased from CSX.

Another topic that will not go away is FEC's hostility to visitors—spawned, naturally enough, during the big strike. Like any railroad, FEC does not want trespassers and strives to keep them away—including railfans—to reduce the large number of frivolous lawsuits filed against the firm each year.

JEFFREY A. HARWELL

FEC's main locomotive shop is at New Smyrna Beach. From an exterior stairway, we're looking down on 3 of the system's 45 GP40's.

FEC is a railroad that's hard to classify. Thanks to its inaccessibility to casual visitors, you probably won't find it on many fans' list of favorite roads. On the other hand, FEC has a history that separates it from all others. If railroading had a Hall of Fame, the FEC story and those who participated in it would certainly have spaces reserved for them.

Whether you agree or disagree with their decisions, you can't deny that the FEC's leaders—from Henry Flagler through Ed Ball and his contemporaries—were industry pioneers. Of course, maybe the AFL-CIO wouldn't put FEC on a "favorite railroads list." But don't think for one minute that Win Thornton would lose any sleep over that. He's never been a conformist, and there's no reason to change now. T

JEFFREY A. HARWELL, 31, is an engineer with a fire-alarm company in Grand Prairie, Texas. He lives in Weatherford with his wife, Elizabeth, and their miniature Yorkie Romeo. This is his first TRAINS *byline.*