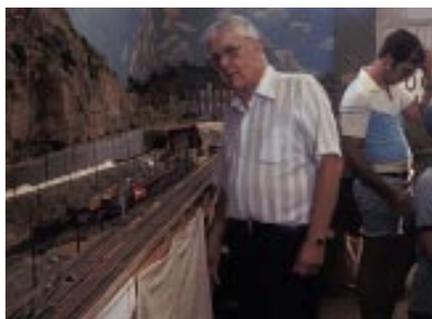


FIRST CLASS MAIL

DANVILLE JUNCTION CHAPTER
NATIONAL RAILWAY HISTORICAL SOCIETY
P.O. BOX 1013
DANVILLE IL 61834-1013
"THE DANVILLE FLYER"



Some blasts from the past. Top left: The Chapter's motorcars in 1980. Top right: Don Redman, Bob Gallippi and Rick Schroeder in 1980 discuss layout construction plans. Lower left: Stan Chausse and a perplexed Rick Schroeder in 1982. Lower right: Ed Davis sets a bridge on the layout in 1981. All photos by Larry Prosser.

DANVILLE FLYER

A PUBLICATION OF THE DANVILLE JUNCTION CHAPTER, INC, NRHS

The *DANVILLE FLYER* is published monthly by the DANVILLE JUNCTION CHAPTER of the NATIONAL RAILWAY HISTORICAL SOCIETY for its members and other interested persons.

The DANVILLE JUNCTION CHAPTER, NRHS, is a not-for-profit corporation organized to preserve the history of railroading in Eastern Illinois and Western Indiana and operates a museum located in the former Chicago and Eastern Illinois Railroad depot on East Benton Street in Rossville, Illinois. The museum is open weekends from Memorial Day to Labor Day and features many railroad displays plus a large operating HO model railroad.

Membership in the Chapter is open to anyone having an interest in any aspect of railroading. Dues per year are \$15.00 for Chapter membership in addition to \$17.00 for NRHS membership. Meetings are held on the third (3rd) Sunday of each month (except June, July, August and December) at the Pizza Inn Restaurant, Gilbert Street (Illinois Route 1) and Williams Street, next to Conrail, in Danville, IL, with lunch beginning at 1:00 PM Central Time followed by meeting and program.

OFFICERS FOR 1999 - Our 31th Year

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Visit our Chapter WWW Home Page On-Line - <http://www.prairienet.org/djc-nrhs/>

Volume 31

April 1999

Number 4

Coming Events

April 18, 1999

Next monthly meeting at Pizza Inn, Gilbert and Williams Streets, Danville - 1:00 PM.

April 17, 1999

Chicago and Eastern Illinois Historical Society meeting, Danville— tours of area including Terre Haute, swap meet, meeting and slide shows. Contact Bob McQuown.

April 24, 1999

Monticello, IL - Photographers Specials, Wabash F7 1189 with freight train and CNR FPA 6789 with passenger runs. Trains to be turned in afternoon for different setting.

April 25, 1999

Springfield, IL - GM&O HS Annual Railroadina Show, Holiday Inn East at I-55, 9 AM to 5 PM.

April 25, 1999

Tentative Wabash Caboose Work Session at Monticello, IL

April 25, 1999

Spring NRHS Board Meeting, Chicago, IL.

May 2, 1999

Great Midwest Train Show - Wheaton, IL - DuPage County Fairgrounds. 10 to 4 PM

July 28 - August 1, 1999

Chicago Area Garden Railroad Society, Garden Railway Convention

July 3, 1999

Monticello, Illinois— Fireworks Trains

August 14 & 15, 1999

Monticello Railway Museum, Caboose Days, Wabash 2824 should be on the train and we will staff both days.



Next Meeting

The next meeting will be Sunday, April 18, 1999, at the Pizza Inn Restaurant, Gilbert Street (Illinois Rt. 1) and Williams Street.

MEETING - Discussion this month will be the work sessions on the Wabash Caboose 2824 at Monticello and getting ready to open the depot this spring. Opening is only about 2 months away and we need to get ready for another season.

CABOOSE - We have removed the windows from the caboose and should have them replaced by now. But we still need painting and wood replacement on the interior and need to finish this work prior to the museum's opening trains in early May.

PROGRAM — Last month we saw some great "oldies" from Larry Prosser. This month we will have "oldies" in the form of the Rock Island. In addition, we will throw in some other old slides you haven't see for along time

Norfolk Southern warns of more traffic

Norfolk Southern is posting signs advising motorists of impending train traffic increases expected at 1600 public highway-rail grade crossings as a result of the Conrail transaction. The signs are being placed along line segments where traffic is projected to grow by eight or more trains daily or by a 100-percent increase in gross ton-miles annually. The NS lines are located on the Lake, Illinois, Dearborn, Harrisburg, Pittsburgh, and Virginia divisions and include portions of nine states: Illinois, Indiana, Maryland, Michigan, Ohio, New York, Pennsylvania, Virginia, and West Virginia. The signs display an advisory crossing safety message and will remain posted for six months after the June 1 closing in conformance with STB

conditions connected to its approval of the transaction.

In addition to posting the signs, NS and CSX will make the Operation Lifesaver highway-rail grade crossing safety program available to all communities, schools and other organizations located on line

Happy Birthday Wabash 2824

Our Wabash caboose was 50 years old in March of this year. While working on the caboose on the 27th, Dave Sherrill notice that the "built date" was March 1949. We had forgotten the date of construction of the caboose in the Decatur shops and were glad we noticed it during the work session.

Speaking of work sessions, Doug Butzow has been leading the work group at Monticello. On the 27th we removed the cupola windows to replace the moulding and to seal the leaks. At the same time we removed rotted ceiling wood that has been in bad shape for several years. New wood is being cut and by the time you read this the windows should be in place. However, wood replacement will not be completed and we need to paint the interior.

Next year we plan to paint the exterior of the caboose. It really needs it this year but time is running out for planning the session. Some body work must be done but the most important item is getting the windows sealed. Our caboose will be used on the photographers trains scheduled for Saturday, April 24. The train will not run on Sunday so we want to schedule a work session to finish painting the interior prior to summer runs.

Again, we wish Wabash 2824 a happy 50th birthday and know she is not over the hill yet.

segments where traffic will increase. Since 1997, NS and Conrail already have made more than 1550 Operation Lifesaver presentations to communities along the affected lines. NS reached an agreement recently with the Public Utilities Commission of Ohio (PUCO), the Ohio Rail Development Commission (ORDC), and other public officials to install flashing lights and gates at 81 public highway-rail grade crossings covering four rail corridors in 11 Ohio counties. The agreement stems from the STB's Environmental Impact Statement on the Conrail transaction, which concluded that redistribution and increase in rail traffic would require upgraded warning signals at nine highway-rail crossings in Ohio. Negotiated agreements with the Ohio communities of Cleveland, Lakewood, Bay Village, Rocky River, Bellevue, and Fremont also identified crossings needing additional enhancements.

The total cost of the projects is estimated at \$8.2 million, with more than 70 percent coming from federal and state resources. PUCO and ORDC officials selected the crossings based on established state procedures and the STB findings. The projects are scheduled for completion in August 2000.

TRAINS On-Line, posted 3/3/99

CSX opens new Chicago control center

CSX Transportation may concentrate most of its train dispatchers systemwide in the Dufford Center in Jacksonville, Fla., but it does maintain some local centers, and intends to do more of that with the absorption of 42 percent of Conrail on June 1.

Consider the Windy City, where on February 22, CSX began such changes as it moved into its new Chicago Control Center. Located at 167th and Torrance in south suburban Calumet City, the center is the new home for the area dispatcher, a job moved from the Belt Railway of Chicago's office at Clearing Yard in south-

west suburban Bedford Park. Later in March, a new dispatching desk is to be established in the new center as the territory is split in two. The established desk will control the old B&OCT main from Blue Island Junction ("Grand Trunk tower") to Willow Creek in Portage, Ind. (junction of former Conrail and B&O main lines), while the additional desk will control the Blue Island, Alterheim, and New Rock subdivisions (former Rock Island from Joliet to Bureau, Ill.). Later this spring, chief dispatchers will be established in Chicago, and the Indiana Harbor Belt dispatchers and support staff will move to the new Chicago Control Center from their current location at Gibson Yard in Hammond, Ind.

TRAINS On-Line, posted 3/3/99

Plans for KCS intermodal center move forward

Kansas City Southern's plans for a new intermodal center at the site of the present Richards-Gebaur Memorial Airport south of downtown Kansas City took a step forward on February 22 when the local city council unanimously approved terms of leases to construct the facility.

Supporters say the leases are a key step in the creation of a freight-handling center in far south Kansas City that will attract other development and help position Kansas City as a key player on the Canada-to-Mexico trade route, noted the Kansas City Star.

The next step is for the Federal Aviation Administration to approve the financial terms. If the agency approves, the airport would be closed. City officials say the airport has been losing \$1.3 million a year, and contend the property can be better used as an intermodal freight center, where freight containers are shifted between trucks and trains.

KCS said it hopes to start the project during this year's construction season, but before work can start, the financing through revenue bonds must be completed.

The city will lease the land to the Kansas City Port Authority, which will then lease

it to KCS. The railroad is to use 316 acres to start and possibly an additional 181 acres later. Brian Collins, executive director of the Port Authority, said the valuation of the two tracts, totaling \$9.5 million, was set by an appraiser in January. The railroad plans to spend \$35 million on the first phase, he said, and has three years to decide whether to go ahead with the second phase. That second phase would cost up to \$35 million.

TRAINS On-Line, posted 3/3/99

PITTSBURGH LINE BLOCKED BY WRECK

Unit slab steel train PMT-21 derailed 26 cars on the Pittsburgh Line just west of Huntingdon, PA at 6:40 p.m. on Friday, March 26. The train was last reported westbound on track two through CP-Hunt at 6:38 p.m. The train, powered by SD50s 6724 and 6707, consisted of 75 loads and no empties (11,095 tons total). Both main tracks are blocked with extensive track damage. Detours are planned via CSXT (B&O), Nittany & Bald Eagle, Buffalo Line, and River/Chicago Lines. Hulcher has dispatched a total of six sidewinders from both Gettysburg, PA and Leetsdale, PA to clear the derailment. A summary of detour trains as follows:

+ Train Mail-44-26 was last reported at Lock Haven, PA at 04:21 EST. Detour via NBER/Buffalo Line.

+ Train STES-5 was last reported at Lock Haven, PA at 07:29 EST Detour via NBER/Buffalo Line.

+ Trains Mail-8-26 and Mail-8M-26 were combined at CP-Gray, PA Detour via NBER/Buffalo Line.

+ Trains TV-22-25 and Mail-4-26 were combined at CP-Antis, PA Detour via NBER/Buffalo Line.

+ Train ML-440-25 held at CP-AR, PA

+ Train TV-2HK-26 held at Conway, PA

+ Train TV-11-26 was last reported

at CP-278, NY at 07:22 EST Detour via RiverLine/ChicagoLine

+ Train TV-1-26 was last reported at Harrisburg, PA at 06:05 EST Detour via Buffalo Line

Conrail Technical Society E-mail Update- posted 3/27 on the RAILPACE internet site.

BNSF and Detroit Edison sign new contract

FORT WORTH, Texas, February 11, 1999 The Burlington Northern and Santa Fe Railway Company (BNSF) and Detroit Edison today announced that their coal transportation contract has been renegotiated, resulting in a long-term relationship between the two companies.

BNSF transports Powder River Basin (PRB) coal from Wyoming and Montana for Detroit Edison and subsidiary companies to Midwest Energy Resources terminal in Superior, Wis., and to Chicago for interchange with other railroads. Under the renegotiated agreement, approximately 23 million tons of PRB coal will be shipped by BNSF for Detroit Edison in 1999. Terms of the agreement were not disclosed.

"This new agreement with Detroit Edison represents a real partnership between our companies," said Gregory T. Swienton, senior vice president, Coal and Agricultural Commodities. "We value the working relationship which the two companies have developed, as well as the confidence that Detroit Edison has placed in BNSF's ability to provide reliable coal transportation into the future."

"We're looking forward to this partnership," said Gary E. Lapplander, Detroit Edison manager, Fuel Supply. "This contract will provide long-term economic benefits for our generating plants in Southeastern Michigan, allowing us to become more competitive in a deregulated environment."

BNSF is the largest hauler of cleaner-burning, low-sulfur coal, most of which

originates in the Powder River Basin of northeastern Wyoming and southeastern Montana. Nearly ten percent of the electricity produced in the United States is generated by coal transported by BNSF. The company operates one of the largest rail networks in North America, with 34,000 route miles of track covering 28 states and two Canadian provinces.

[BNSF Internet source](#)

[NTSB points to trucker in Amtrak highway-crossing crash](#)

Jim Hall, chairman of the National Transportation Safety Board which is investigating the deadly March 15 collision between Amtrak's southbound City of New Orleans Superliner passenger train and a steel-laden semitrailer truck in Bourbonnais, Ill., 50 miles south of Chicago, has said that evidence suggests the truck driver started into the railroad crossing after warning lights began to flash, according to the Washington Post. Eleven passengers died in the fiery collision.

An attorney has said truck driver John R. Stokes did not cause the crash by attempting to go around crossing gates and beat the oncoming train, but Hall told a Senate panel that the driver's story does not agree with evidence from the data recorders from the Amtrak locomotive and the crossing signal. "We believe that the information and data we've collected so far tells a different story," Hall said.

Federal investigators also have now decided to reinterview witnesses. Bob Lauby, head of NTSB's rail division, said he was not satisfied that inconsistencies in testimony—including that of three people who saw the crash, Stokes, and the train's engineer—had been reconciled. He did not elaborate.

Hall also said a key part of the investigation will focus on whether Stokes's employer, Melco Transfer Inc., adequately monitored his driving record. Ken Wykle,

head of the Federal Highway Administration, said it appeared the company met all federal requirements. Stokes, meanwhile, will get a commercial driver's license from Illinois, according to Secretary of State Jesse White. "I have very serious problems with much of his driving record," which includes speeding tickets, accidents, and suspensions of his driver's license, White said in a statement.

Federal lawmakers said they would work to close a legal loophole that gives state officials no power to withhold a permanent commercial driver's license under such circumstances. (posted 3/31/99)

[Woman survives harrowing grade-crossing encounter](#)

Amber Scott, 19, en route to classes at Ball State University in Muncie, Ind., on the foggy Monday morning of March 29, pulled up to stop at a grade crossing in Anderson, Ind., to let a Conrail train pass. But her car was rear-ended by a pickup truck, which pushed it into the side of a car in the passing freight. With the crew in the locomotive oblivious, the train dragged her car for at least 3 1/2 miles as Scott used her cellular phone to frantically call for help.

She escaped with only minor injuries. "She was very, very lucky," said Madison County sheriff's Maj. Ron Richardson. The car was dragged until it apparently hit a sign at another crossing and was jarred loose from the train. When rescuers finally found her, the car was demolished but she had suffered only cuts, bumps, and bruises.

"I prayed to the Lord all the way down the track," Scott told Indianapolis television station WTHR.

The search for Scott started after the pickup's driver, Ross K. Schroeder, 25, told deputies there had been a car in front of him at the crossing and that it had disappeared. Meanwhile, as the train was pushing her car down the track, Scott dialed 911 on her cell phone. Police dispatchers could hear a woman screaming for help and the sound of a train in the

background, Sheriff Terry Richwine said.

"Some guy has hit me," she shrieks on the 911 tape. "And I'm being dragged by a train. Oh, please help!" She couldn't clearly hear the dispatcher's questions and eventually hung up; she also called her mother on the phone.

Two high school boys alerted authorities after they saw the car being dragged. Scott was standing outside her wrecked car when rescuers arrived. She was taken to St. John's Medical Center for treatment and released. Schroeder suffered cuts on his hands but declined medical treatment at the scene. He was cited for driving without insurance, Richwine said.

The train was traveling 29 mph when the accident happened, a Conrail spokesman said. At that speed, it would have taken roughly 7 minutes for the car to be dragged 3 1/2 miles.

[TRAINS On-line](#), posted 3/31/99
[Amtrak Train #59](#)

Unless you have been living in a cave you know about the wreck of the City of New Orleans on March 15. I don't plan to cover the events that have been covered in the press and on TV, but want to talk about the train and how lucky some of us are by being in the right place at the right time.

On February 25 I had a AREMA Committee 10 meeting in New Orleans and we decided to take the train for a couple of extra days of vacation. The company paid for part of the trip and we picked up the rest. We arrived at the new depot in Champaign about an hour before the train arrived; it was running late from Chicago. As the train arrived in Champaign I noticed that the sleeper was the third car back from the motive power. The first car was baggage with the second one the crew sleeper. I thought about how close we were to the headend and what would happen if we hit something. I didn't say anything to my wife, didn't want her to think about it, but it did enter my mind.

The trip was great. We got into bed late, fun trying to get undressed and into bunk beds in the small quarters,

and awoke around Memphis. The return trip was also nice with wakeup around Mattoon and arrival ahead of time. Nothing happened and we were home safe.

Many times life doesn't give you a second chance. Eleven people on the City of New Orleans didn't get a second chance in life.

As railfans we always want to know about a train wreck, the engines involved, the number of cars and what the exact cause was, almost immediately. We try to get there to take photos as soon as possible and many of us have been there early, sometimes seeing the wreck occur.

One of our members was there on the 15th. He was on the train, with his daughter and her friend. What was a great day in Chicago turned into a nightmare that they would remember for the rest of their lives. Steve Hankel of Champaign was there. The following is his account of that night — when the life of 11 Amtrak passengers came to an end. Steve, his daughter and her friend, got the second chance.

As the news accounts are hitting the morning airwaves, I have just taken a shower, washing the dust and smoke from my hair. Myself, my daughter Meg and her friend were on board the Southbound City of New Orleans last evening when we derailed at Bourbonnais. We are all OK. Shaken with some very minor bruises, and very thankful that our coach was back far enough in the train to afford protection for us.

After having spent a wonderful day at the Museum of Science and Industry we boarded Amtrak #59 from North concourse gate 19 at Union Station. Our coach, sixth behind the locomotives was the "Illinois stops" coach where they boarded those of us with tickets for all the Illinois stops. Several of the people we had ridden north with in the morning were on board for the return trip. Our crew was likewise, familiar faces. To our immediate front was another coach. I believe the a

third coach, the diner, sleeper and baggage car were the order going forward from our car. The lounge cafe was directly behind us. I took a seat on the East side of the car just aft of the stairway from the lower level. The girls took their seats just behind me. We departed Union Station on time at 8:00 PM.

After having made the circuitous St. Charles Air Line reverse moves we finally made it onto IC trackage. Between Chicago and Homewood we experience a few slow orders include a period of about 5 plus minutes as we waited for the Northbound Illini to clear. At Homewood we seemed to be slightly behind schedule, but I didn't check the schedule and was enjoying the ride as we accelerated out southbound. I knew we were closing in on Kankakee and was enjoying the somewhat distant sound of the chimes as we blasted through the dark countryside. Meg and her friend had just returned from the Lounge/Café where they had purchased snacks for the ride. Seated behind me I heard them chatter as ten year olds will do as they munched away.

Curious as to #59s timeliness, I looked at my watch. Just past 9:30 I recall. Well, it will be tight to make it into Champaign by 10:37 but I was doing a rough estimation by "highway time." I'll check the schedule for the Kankakee stop. I noticed an almost constant strain from the horn chimes; I noted a sudden deceleration. Then "thwack!" Like someone had hit the train from the front with a giant baseball bat. I knew what had happened. The train was now obviously in full emergency as we barreled forward. What I could see approaching out the window to my left was a crossing. I strained to see what I knew we had hit. I saw the silhouette of a truck tractor sitting with its rear tandems just east of the crossing. I saw lights briefly. But I honestly can't say if they were the truck tractor marker lights or reflections of a crossing signal. As our coach passed over the crossing the ride changed from a bouncing deceleration to a staccato as the wheels tore across the ties. So far so good I thought we are off the rail but still going straight. Just after yelling to the girls to hold on, I sensed the car beginning to turn to the right. Oh Shit

hold on! As I felt the car to begin to roll, its top toward the left. I yelled again trying to brace myself between the seats in front of me and my and the two seats I occupied, helpless, due to the laws of physics, to get to the girls. We slowed rapidly as our car kept upright and slid off to the West side of the tracks. We came to an amazingly fast stop with our seats having rotated after becoming unlatched. My left foot was jammed under the seat ahead of me but I pulled it out easily. Meg was on the floor just to the right of and behind me. Her friend was still in her seat. I checked them, "OK" they replied amongst their obvious questions of "What's happening?".

"Is everybody OK" were the cries throughout the coach, "Try to stay in your seats" were the orders from the crew as they struggled to assess the situation. I grabbed my backpack from the floor and deployed my cell phone (which I had reluctantly taken along to answer those annoying pages). Gazing out the West facing window trying to determine exactly where we were I dialed *77 (Illinois State Police) to attempt get help. I spoke with the dispatcher out of Joliet District 5 (even though we were in the Ashkum District 21) as the crew started to move us toward the exits. The first patrol car (later learned was Bourbonnais PD) rolled in on a frontage road prior to us detraining. Trying to maintain security for the girls and still attempt to solicit help, I struggled to determine our location, "We are north of Kankakee, but south of Homewood, probably just north of Kankakee! Boy do I feel ignorant. "There's a parking lot with trucks in it to our west."

As we detrain the severity of the situation becomes staggeringly evident. The front of our car is pointing in a south westerly direction. The rear of the car ahead of us was spun 90 degrees and was facing due west. As we move away from the car I notice flames leaping over coach we had been trailing. As we move farther away I see that the flames are a column several feet wide coming from the middle of a Genesis unit that was laying on its side about 50 feet farther south from the car ahead of us. It was at this point that I notice the remaining Superliners in a con-torted pile, literally, like pretzel sticks.

Workers from the adjacent steel mill, are swarming to the scene, one is carrying three large fire extinguishers which he shot puts over 9+ foot high chainlink barbed wire fence. The fire is growing but still contained to the Genesis. I knew that would not last long with the dry grass and brush along the right-of-way. The fire extinguishers do little, but temporarily blow back the flames, which now are more rapidly engulfing the Genesis. Steel Mill workers are helping many passengers escape from the endangered cars. Fire truck horns and sirens now become more evident. I see them rounding a curve just south of the site. The Genesis is now fully engulfed and the flames licking at one of the Superliners as the first two trucks arrive.

I shepherd the girls to the parking lot of the steel mill through a hole that the worker have cut in the chain link fence, as the professionals take charge of the situation.

I sit here, still shaking, feeling so helpless about having little significant impact on what happened a mere 11 hours ago. I sit here, still shaking, thanking God for the rescue personnel and volunteers who flooded to the scene to help out. I sit here, still shaking, thanking God for his grace on us.

Steve Hankel

Construction Projects

Conrail

On the morning of March 23 I received a call from Conrail's Dearborn Division office that two trains had hit at Momence, Illinois and they needed a survey crew as soon as possible. A Conrail eastbound had hit a southbound Union Pacific train at the diamond and they needed a survey of the wreck and the track in each direction. One of our surveyors was in the office but were short one person. A call to our Chicago office finally found an individual and second total station that could be sent. Both went home to get working clothes and by 1:00 PM they were on the site.

The survey was needed to locate all cars and locomotives, signals, insulated joints and the profile of the tracks for 2.5 miles in the direction the trains were coming from. The two lead units of the Conrail train were on their sides with the third unit and one car still on the track. The UP suffered the most as the second (hit by the Conrail train) and third units were on the ground as were numerous APL stack cars. Our crews were on the site until dark and returned the next day to finish the survey. On Thursday they were there while the FRA, STB, Conrail and the UP staged the reenactment of the wreck. I can't give you any more details due to the nature of the accident but the plans have been submitted to Conrail and the FRA and we are waiting for additional information to complete the survey.

Construction wise, the Holes Creek project in West Carrollton, Ohio is slowly getting started. Utilities have been the problem and Dayton Power and Light should finish relocations by the second week of April. Sprint and Quest along with Conrail will install new buried cable once the power company is out of the way. Work on the temporary structure should start around the middle of May once the support is approved by our office and the Corps of Engineers.

In Columbus sheeting will start the second week of April for the new bridges over SR 315. This will involve track changes while the bridge is being constructed and eventually close Scioto Tower, about 18 months away. Added projects for us are in Grand Rapids and Ann Arbor, Michigan, Burns Harbor and near South Bend, Indiana and in Bryan, Ohio.

CSX Transportation

The Garrett, Indiana project will see the first temporary structure started on April 5. Work will continue on all four tracks with each one taking 21 days to complete. The contractor will work 16 hours a day each day of the week until the end of May. From Monday to Thursday CSX will take 2 tracks out of service to allow construction. Due to shortage of help I will be relieving my inspector at least 3 days a week.

Lafayette will see track work start in the interchange yard as soon as rail and ties arrive, hopefully by the 3rd week of April. Once completed they will move the hill track to the BIDS facility east to allow construction of a new retaining wall. We are designing the new BIDS facility tracks.

We have finished the plans for the rehabilitation of the Osgood, Indiana trestle. The two bridges in Kentucky are being fabricated and should be delivered within a month. Another project coming up for CSX will be in Wheeler, Indiana where a new bridge will be constructed over the former NKP and PRR lines of NS. CSX will get the PRR track on June 1 and we will assist them, along with NS, on the project. A trip to Jacksonville is planned for late April.

Norfolk Southern

Major project still under way is Toledo, Ohio. In early January the tieback sheeting system failed and the contractor had to backfill immediately. The project was delayed about a month while structural engineers reviewed what had happened and came up with a different system. Work is under way again and the bridge should be set around the first part of May. In Cleveland, I-77 should see steel set around the middle of May and on the Detroit Avenue project demolition will start the second week in April. Other projects continue with a new ones in Richmond, Indiana on I-70 and in Normal, Illinois, I-55/74, just getting started. We are planning to make a trip to Atlanta in early May.

Interstate Commerce Commission

We have been selected with Hanson Engineers to survey all grade crossings and grade separations in the state of Illinois. The contract for the 18 month, \$3 million, project should be received in about 2 weeks. Will keep us busy for the awhile.



Diesel builders heading for 1500-unit year?

Railroad industry sources are estimating that 1500 new locomotives worth about \$2.3 billion will be delivered in 1999, reports *Railway Age*. The two principal builders, General Electric Transportation Systems and the Electro-Motive Division of General Motors, delivered about 1300 locomotives in 1998. In 1997, the last year for which an official count is available, 743 units were delivered. In 1999, Burlington Northern Santa Fe alone is acquiring 476 new high-horsepower locomotives. BNSF's capital spending program for 1999 adds up to \$2.5 billion, and its biggest single item is \$733 million for these new locomotives. The railroad said that about \$400 million in new locomotives will be financed with operating leases. BNSF also said that by the end of 1999, one out of every three BNSF road locomotives will be less than 48 months old and the power shortage that has plagued the railroad since its 1995 merger will be alleviated.

TRAINS On-Line, posted 3/24/99

STB approves Canadian National-Illinois Central deal

The Surface Transportation Board on March 25, as expected, approved the \$2.4 billion acquisition of Illinois Central Corp. by Canadian National Railway. The deal gives the larger of the two transcontinental Canadian railways a line bisecting the U.S., roughly parallel to the Mississippi River, expanding CN to form a giant "Y." CN spans Canada from the Atlantic port of Halifax, Nova Scotia, to the Pacific ports of Vancouver and Prince Rupert, British Columbia, and serves Chicago with routes from Winnipeg, Manitoba, and Toronto, Ontario. The latter is via CN's subsidiary Grand Trunk Western, whose hub is Detroit. IC runs from Chicago to New Orleans, via Memphis, and also serves St. Louis, plus it owns a subsidiary, Chicago

Central & Pacific, west from the Windy City to Sioux City, Iowa, and Omaha, Nebr. A marketing and trackage rights agreement signed with Kansas City Southern in April 1998 will give the combined company access to other markets including Dallas and Houston, plus a link with Mexico. IC and KCS connect at St. Louis, Jackson, Miss., and New Orleans.

The CN-IC pact, announced over a year ago, creates the fifth-largest North American rail system, behind Union Pacific, Burlington Northern Santa Fe, CSX Transportation, and Norfolk Southern. The transaction is structured to pay shareholders 75 percent in cash up front in the form of a tender offer, with the remaining 25 percent to be paid in stock.

In voting to approve, the board imposed monitoring and oversight conditions in response to anti-competitive concerns. But overall, STB found the consolidation will enhance competition by creating a single-line carrier for north-south traffic, which is on the rise as a result of the North American Free Trade Agreement.

Board Chairman Linda Morgan, noting that the acquisition was supported by more than 240 parties, hailed the merger as "another pro-competitive transaction" that will produce "significant benefits" for shippers. Vice Chairman William Clyburn cited an estimated \$137 million in annual public benefits from the transaction, of which he said "a substantial portion should be passed on to shippers in terms of lower prices and improved service."

The board accepted the recommendations of its staff for a five-year program of oversight and monitoring for any potential anti-competitive effects. In particular, the staff cited concerns about the Baton Rouge-New Orleans corridor in Louisiana. The board also accepted the staff's recommendation addressing concerns of North Dakota grain shippers who sought to keep open a Chicago gateway, and agreed to monitor the acquisition's impact in light of Canadian National's interest in the Detroit River tunnel.

The board didn't vote on the alliance with KCS. To do so would exempt the deal from regulation under federal antitrust laws. Therefore, the alliance is subject to anti-

trust enforcement, the staff noted. The board did find that the alliance in no way results in any control of KCS by CN-IC. The board also denied KCS a simultaneously filed CN-IC-KCS terminal trackage rights application that sought, for KCS affiliate Gateway Western, terminal trackage rights over several miles of Union Pacific and Norfolk Southern track in Springfield, Ill. The board ruled that, because those rights had no real connection to the CN-IC merger, the terminal trackage rights application would have to be evaluated on the basis of the strict criteria generally applicable to such applications, and that this application failed to satisfy those criteria.

In the week before the STB vote, CN and IC reached agreements with the top shipper group, the National Industrial Transportation League (NITL), as well as two unions, United Transportation Union (UTU) and International Brotherhood of Electrical Workers (IBEW), to support the merger.

NITL is the oldest and largest organization in the U.S. representing the transportation interest of shippers. Said James Foote, CN's senior vice president-marketting, "We are pleased the transaction has won the support of a shipper group as large and influential as NIT League. The agreement demonstrates, once again, that railroads and shippers working together cooperatively can reach a mutually satisfactory agreement."

With the blessing of the UTU and IBEW, the CN-IC deal got the support of unions representing more than half of the organized workforce of CN and IC in the U.S. CN has pledged to retain the Illinois Central name for that portion of the system, and to maintain a significant presence in Chicago, IC's headquarters city.

Other than KCS at Springfield, Ill., the major apparent loser, on specifics, in the vote is CN's rival Canadian Pacific, which wanted the STB as a merger condition to force CN to sell its half interest in the Detroit River tunnel to CP, and to name a selling price.