

# DANVILLE FLYER

*A PUBLICATION OF THE DANVILLE JUNCTION CHAPTER, INC. NRHS*

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Volume 39

January 2007

Number 1

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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 \$17.00 for Chapter membership in addition to \$20.00 for NRHS membership. Meetings are held on the third (3rd) Sunday of each month (except June, July, August and December) at the Jocko's Depot Restaurant, Gilbert Street (Illinois Route 1) and Williams Street, next to CSX, in Danville, IL with lunch beginning at 1:00 PM Central Time followed by meeting and program.

## OFFICERS FOR 2007 - Our 39th Year

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VICE PRESIDENT: Mark Ziebart

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PROGRAM CHAIRMAN: William Darnier

MUSEUM DIRECTOR: Robert Gallippi

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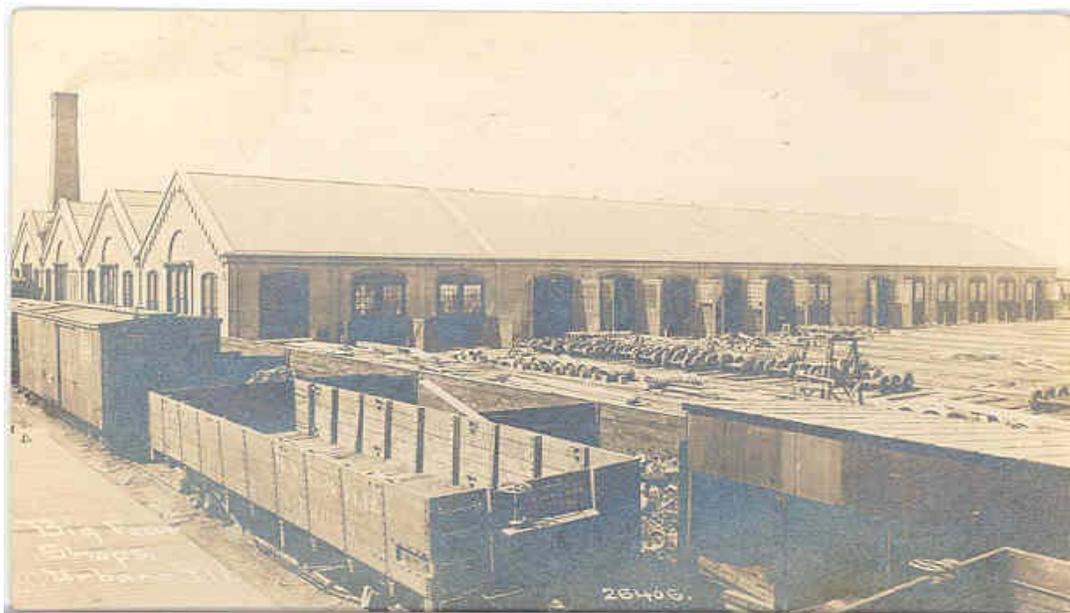
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John Cooke Sr., Honorary Member

MEMBER: Association of Illinois Museums and Historical Societies

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

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You are looking at the Peoria and Eastern Railway yard and building in Urbana, IL. This photo was on E-Bay recently and shows the east side of the car shop building. This area is now used by the C-U Mass Transit District and recently, after reconstruction of the facility, all aspects of the former buildings disappeared.

## Coming Events

*January 21, 2007*

**Danville, IL - We start our regular monthly meeting at Jocko's Depot Restaurant on West Williams at Gilbert Street at 1:00 PM with lunch followed by the meeting and program.**

*January 27 & 28, 2007*

Cisco, IL - Cisco Junction Model Railroad Group train show, Cisco Center, N. Eldon St, 10-4 each day.

*February 24 & 25, 2007*

Hoopeston, IL Train Show at McFerren Park pavilion, 10-4 PM

*March 17 & 18, 2007*

Urbana, IL - Annual Train Show and Swap Meet at Lincoln Square Village 10-6, 11-5, admission free.

*April 28, 2007*

Danville, IL - Chicago and Eastern Illinois Railroad Historical Society 25th Anniversary Meeting - Danville Community College. 9-9

## Next Meeting

**The next meeting will be held on Sunday, January 21, at Jocko's Depot Restaurant, corner of Gilbert and Williams Street beginning at 1:00 PM.** Remember, if bad weather that day we will probably cancel the meeting.

We got a lot of records moved to boxes and stored in the middle room so they can be moved to the Vermilion County Museum for preservation. We need to do this again in the spring when weather is better. Sometime after the Urbana Train Show we need schedule a couple of more sessions to finishing up work for this year.

In December our newly elected officers for 2007, Doug Nipper for President, Mark Ziebart for Vice President, Dick Braza for Secretary along with Allen Cooke for treasurer again and Rick Schroeder for National Director, took over at the annual dinner.

Last month we ran a photo of the quarry at Fairmount. Your editor noted the photo was facing south. Jess Bennett called and said the photo was taken looking north. Thanks Jess for the update as mine was somewhat a guess in looking at the photo.

The program will be a video from Mark Ziebart's collection on rotary snow plows. With winter here, and no snow but warm each day, this should be a good tape to watch to remind us of the late 1970's when Conrail brought the B&A rotary snow plow down the Cario line out of Chicago. Ed Davis and I got shots of them working the line east of Rossville.

## Fred Hubbard

Member and friend, Fred Hubbard of Catlin, passed away shortly before Christmas. Many of you did not know Fred as I don't believe he attend many, if any, meetings of events. Fred was a local attorney and long time friend of many of us in the society, even going back to your Editor's days with Fred in the Army Reserve in the late 1960's.

Fred was a modeler, having a small layout at home, a historian and was active in many groups in the Danville area including heading up the Danville Municipal Band. He and his wife Sharon were members of the chapter for more than 20 years. His biggest accomplishment with the chapter was obtaining our 501c designation from the Federal Government. He was in the process of obtaining the same for the C&EI Historical Society, of which he was also a member.

Fred's name will be listed on the memorial plaque at Rossville. Our thoughts go to out his wife and son

## Operating Sessions

*Rossville Sessions -  
beginning at 1:00 PM  
on Saturday's*

February 3, 2007 Visitor

March 3, 2007 Operators

April 7, 2007 Visitor

*Danville and Western  
Railroad - Champaign,  
IL - on Saturday's  
beginning at 1:00 PM*

January 13, 2007 Operators only

February 24, 2007 Operators only

March 31, 2007 Operators only

## Switch keys off EBay

November 13, 2006 SAN JOSE, Calif. - In another example of homeland security affecting the railroad hobby, on-line auction house eBay will no longer allow railroad switch keys to be sold on its site.

Last week an eBay customer service representative said "Railway switch keys are no longer permitted on eBay. This is a new policy that has recently been instated due to certain security concerns that were brought to our attention. I realize that certain keys may no longer be used currently by railroads but since we are not experts on which ones are or are not, we need to side with caution and end (the sales of) all railroad switch keys."

Many sellers reacted with outrage, since so many switch keys are antiques and obviously no threat to homeland security. In response to a member who pointed this out, eBay said: "Unfortunately the United States Government has given us rather specific instructions about many different types of items that they do not wish to have listed on the site. These items are generally prohibited regardless of age, as we are not experts on what types of items



are currently used by railway companies. With national security in mind, we do not allow railway switch keys of any age and I am sorry for any disappointment that this policy may cause you.”

eBay still offers auctions on police badges, uniforms, police radios, and radio scanners. As one person pointed out, “railroad switch keys are a ‘national security risk’ but police badges, uniforms, radios, aren’t. I’m confused.”

*from Internet reports, submitted by Ray Grabowski, Jr. via The Lake Shore Timetable*

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## D&RGW Saved?

11/30/2006 - While it hasn’t been confirmed yet, it comes from a reputable source. Apparently the patch kit for DRGW 5371 (to change it to UP 8627) arrived in Roper as it was supposed to. However, on the day the kit was supposed to be applied, a letter showed up at Roper signed by Union Pacific President Jim Young. The letter stated that 5371 was to remain as 5371 as long as it was capable of running.

Furthermore, when it does suffer a major failure at some point in the past, rather than being scrapped, it will be donated to the Utah State Railroad Museum in Ogden for display. Assuming this is true (and, as of this posting, DRGW 5371 is still in UP’s system), the last Rio Grande F9 (5771) and the last Rio Grande Tunnel Motor (5371) will both be preserved - on opposite ends of the system! Supposedly, 5371 will be returning to Helper to continue in service until the previously stated “major failure” occurs.

If all of this is true this is a real class act on the part of Union Pacific. In the past, in the Davidson era, it was standard UP policy that no DRGW equipment would be donated. A huge thanks go UP and Jim Young for this one!

*Via Bruce Bird from St. Louis Railfans*

## Railroads Struggle to Meet Coal Demand

The nation’s two largest railroads have hauled record amounts of coal from the mines in northeast Wyoming and southeast Montana this year, but Union Pacific Corp. and Burlington Northern Santa Fe Corp. still struggle to keep up with utility demand and existing contracts.

If utilities run low on coal during the high demand of winter, they might be forced to buy fuel on the open market at higher prices that could be passed on to customers, said Jim Owen, with the utility trade group Edison Electric Institute.

“It’s been a fairly contentious issue in the last 18 months,” said Owen, whose group represents nearly three-quarters of all U.S. utilities.

The problems began in May 2005 when two derailments on the main line leading out of the Powder River Basin revealed that accumulated coal dust in the rail bed made the line unstable. Repairs disrupted traffic and slowed deliveries for months. Then last winter, some utilities worried about depleting their onsite stockpiles, and one, Entergy Corp., in April sued UP over the delivery problems. Entergy says it lost “tens of millions of dollars,” and its lawsuit is pending in Pulaski County Circuit Court in Arkansas.

“Utilities have made no secret of the fact that deliveries have been a problem,” Owen said.

Some utilities last winter even imported coal from overseas to help make up for the Wyoming delivery problems. The U.S. Energy Information Administration said 30.5 million tons of coal was imported in 2005, and that was up 11.7 percent over the previous year.

The delivery problems, spot market purchases and imports cost the utilities — “and ultimately their customers” — more money, Owen said. The problems have eased somewhat this year, but Owen said utilities were still not getting all the coal they want and contracted for. A mild winter this year could ease concerns, he said.

The continuing railroad delivery problems aren’t the whole story because utilities all across the country are burning more coal. Last year, coal consumption nationwide increased 1.9 percent, to 1.13 billion tons, according to a report from the U.S. Energy Information Administration. Wyoming produced 406.4 million tons of that to remain the leading coal-producing state in the nation, and Montana’s mines added 40.4 million tons.

Those numbers are likely to be up again this year. BNSF and UP said this week they loaded a record average of 67.1 coal trains per day last month on the 102 miles of rail coming out of the southern Powder River Basin they own jointly. The previous record of 66.5 trains per day was set in June. UP also said its tonnage per train was increasing.

More than 350 million tons of coal will be carried across the joint Powder River line this year, Omaha, Neb., based UP said. That’s up from about 325 million tons last year, and the railroads predict a similar jump in 2007.

Besides the jointly owned line on the south end of the basin, Burlington Northern has another line that enters from the north. Officials at the Fort Worth, Texas, railroad have said BNSF is hauling about 10 percent more coal systemwide this year. Track capacity on BNSF and UP’s networks is the main obstacle to delivering more coal, but mines and utilities also have a role to play because the pickup and delivery track setup affects how quickly trains can be loaded or unloaded.

“This is very much a team sport to get this much coal moved,” BNSF spokesman Pat Hiatte said.

*Continued from Page 2*

Railroad officials say they are trying to meet the rising coal demand. In most places, railroads are reluctant to invest too much money in track too soon because the companies want to preserve profits and avoid overbuilding, but the record demand for coal has made UP and BNSF confident of profits in the basin service. The railroads announced plans earlier this year to invest \$100 million in the line they share.

“This is probably about the only place in America where we’re putting in track about as fast as we can build it,” said Jim Steamer, who runs UP’s railyard in Bill, Wyo.

At the Jacob’s Ranch mine south of Gillette, parent company Rio Tinto recently completed a \$4.5 million investment in railroad tracks to create more room for empty and loaded trains to wait. Now the mine can hold as many as eight trains, which each have more than 100 cars.

Industry analyst Donald Broughton of A.G. Edwards & Sons said railroads shouldn’t take all the blame for the coal capacity problems because the facilities at the mines and utilities are part of the issue.

Everyone would benefit from higher capacity, he said. It’s just a matter of determining who will pay for all the improvements.

“The finger-pointing and crying about who needs to do more is just good old-fashioned negotiating, in my mind,” Broughton said.

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## **Tracks to leave St. Louis Union Station**

The four remaining tracks at St. Louis Union Station may soon be pulled up. Ed Boyce, who leases the tracks, says Union Station managers want him to leave “and don’t want any more trains rolling in and out.” Boyce operated the RailCruise America dinner train out of the station until last year when the train was sold to

the Kansas City Southern.

While the tracks no longer see regular use, they do occasionally host special trains, such as Union Pacific’s business train. During the 1990 National Railway Historical Society convention, four mainline steam locomotives (Cotton Belt 819, Frisco 1522, N&W 1218, and UP 8444) used the tracks. St. Louis Union Station once handled dozens of passenger trains daily on 42 tracks.

Boyce leases the only tracks left. “If this happens, I think they’ll have to take the word ‘station’ from all their signs,” Boyce said. He said Byron Marshall, the station’s general manager, called him and said the station wants to cancel his lease soon. “They want the trains out. They don’t believe trains have a place in a shopping center,” Boyce said.

Frances Percich, senior marketing manager for Union Station, said she couldn’t comment on any pending discussions. “We will continue to review all options to enhance the experience of coming to Union Station. I can’t predict what that will be.”

Barbara Geisman, development chief for Mayor Francis Slay, told the Post-Dispatch Union Station management is working on a major renovation. She said the operating rail “connection” has been good for Union Station’s image, but added, “Our major concern is to make Union Station all it can be as a destination. If (trains) are a casualty, that would be sad, but life goes on.”

*St. Louis Post-Dispatch via The Lake Shore Timetable*

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## **CN acquires Alberta short line**

Canadian National Railway Co. remains the most active Class I in the short-line acquisition market. On Friday, CN announced it purchased Savage Alberta Railway Inc. (SAR) from Savage Cos. for \$22 million. In May 2005, Savage acquired the 345-mile short line — formerly Alberta RailNet Inc. — from North American RailNet Inc.

## **2007 Dues Renewal**

The NRHS renewal statements were mailed to all members the end of November. The NRHS worked hard to get this renewal notice out earlier than in past years and we did beat the Christmas rush of mail this year. Please review the form, complete the ones noted to be mailed back to the Chapter, write your check and return to our treasurer Allen Cooke as soon as possible. As always, we really appreciate donations to the chapter to help with expenses at the museum.

Museum members renewals were mailed out with the December issue of the newsletter. Please return all renewals as soon as possible to Mr. Cooke.

SAR interchanges with CN in Swan Landing, Alberta, and moves about 35,000 carloads annually. CN plans to upgrade the short line’s track to carry more coal, grain and forest-product carloads. The Class I also will offer jobs to SAR’s 75 employees and honor an existing labor agreement.

The acquisition will solidify the railroad’s freight franchise in northwestern Alberta, CN officials said in a prepared statement.

In January, the Class I acquired the Central Western, Lakeland & Waterways, and Mackenzie Northern railways (which total more than 740 track miles) from RailAmerica Inc.

## **Urbana, Illinois Train Show and Swap Meet**

*Lincoln Square Village  
March 17 & 18, 2006  
10-6 PM and 11-5 PM  
Admission Free*

## FreightCar America delivers 100,000th aluminum coal car

For FreightCar America Inc., it's 100,000 and counting. That's how many aluminum coal cars the company has produced and delivered since 1986, when the firm introduced the BethGon® car.

At a ceremony held in Danville, Ill., FreightCar America executives and invited dignitaries christened No. 100,000, a BethGon® II delivered to NRG Energy Inc. The car is one of 2,695 ordered by the utility.

"The first new rail car we ever built in Danville was for an NRG predecessor company [and] NRG is now accepting the 100,000th aluminum rail car here," said Kenneth Bridges, FreightCar America's senior vice president of operations, in a prepared statement. FreightCar America builds coal, flat, intermodal and coil steel cars; steel hoppers; mill gondolas; and motor vehicle carriers.

*Editor: At one time we thought the old C&EI shops would die and become a wasteland, or be taken over by Mervis. This car plant started as Danville Industries after the L&N declared the property excess. Our deceased member, Bob Block, would be proud to know that the former shop area had produced 100,000 coal hoppers in an area that once produced most of the C&EI coal hoppers.*

## NS budgets \$1.34 billion for next year's capital improvements

For the fifth-straight year, Norfolk Southern Corp. is increasing its capital spending budget. Yesterday, the Class I announced its 2007 budget will total \$1.34 billion, a 17 percent increase compared with 2006's \$1.15 billion budget. The railroad previously budgeted \$938 million in 2005, \$810 million in 2004, \$798 million in 2003, \$705 million in 2002 and \$806 million in 2001.



The 2007 budget calls for spending \$884 million on roadway projects, \$401 million on equipment, and \$55 million on small projects and real estate.

Projected roadway spending includes \$610 million for rail, crosstie, ballast and bridge programs, including \$73 million on capacity expansion projects; \$47 million for communications, signal and electrical projects; \$41 million for maintenance-of-way equipment; and \$16 million for environmental projects and public improvements, such as grade crossing separations and crossing signal upgrades.

Equipment spending includes \$321 million to purchase 53 six-axle locomotives and upgrade existing power. NS also will purchase 1,300 new higher-capacity coal cars and 739 freight cars as leases expire, and rebuild 388 multi-level automobile racks.

In addition, the railroad plans to spend \$60 million on computers and information technology; \$97 million on intermodal terminals and equipment; and \$28 million on public-private partnership projects.



## U.S. railroads break freight volume, intermodal traffic records in 2006

U.S. railroads' traffic fortunes in 2006 can best be summed up this way: record-breaking. The roads moved an all-time-high 12.3 million intermodal loads, up 5 percent, and handled record freight volume of 1.74 trillion ton-miles, up 2.5 percent compared with 2005, according to Association of American Railroads (AAR) data. The railroads set the previous records of 11.7 million intermodal loads and 1.69 trillion ton-miles in 2005.

U.S. roads also originated 17.4 million carloads, a 1.2 percent increase compared with 2005 data. Coal and grain traffic increased 4.7 percent and 4.3 percent, respectively; chemical traffic decreased 1.1 percent.

"Because of record-high traffic levels, capacity expansion will be a key issue in 2007," said AAR Vice President Craig Rocky in a prepared statement.

In December, U.S. roads originated 1.3 million carloads, up 2.4 percent, and 889,172 intermodal loads, up 1.8 percent compared with similar 2005 data. During the fourth quarter, the railroads boosted carloads 0.9 percent to 4.2 million units and increased intermodal loads 1.4 percent to 3.1 million units.

Meanwhile, Canadian railroads' originated carloads decreased 1.9 percent to 3.8 million units last year while intermodal volume rose 5.1 percent to 2.4 million units compared with 2005 data. Originated carloads dropped 4.2 percent in December to 268,234 units and fell 4.2 percent in the fourth quarter to 934,528 units; intermodal loads increased 4.8 percent in December to 167,529 units and rose 3.1 percent in the quarter to 595,083 units.

On a combined cumulative-volume basis in 2006, 15 reporting U.S. and Canadian railroads originated 21.2 million carloads, up 0.7 percent, and 14.6 million trailers and contain-

ers, up 5 percent compared with 2005 data.

In Mexico, Kansas City Southern de México S.A. de C.V.'s carloads carried totaling 592,025 units decreased 2.5 percent in 2006 while total intermodal traffic totaling 212,420 units increased 0.2 percent compared with 2005 data. December carloads totaling 44,754 units rose 4.9 percent and intermodal loads totaling 15,604 units increased 15.2 percent.

*Via Progressive Railroading 1-5-07*

## **Wisconsin shipper coalition calls on Congress**

*Need to address 'unfair' rail rate hikes, 'inadequate' coal deliveries*

Yesterday, Congress reconvened after a long holiday break. As congressmen settle into their offices and get agendas in order, they'll likely hear from members of a Wisconsin rail shipper coalition.

The Badger-CURE coalition, which represents the interests of 45 electric utilities and other shippers, is urging the 110th Congress to stop large railroads from "unfairly forcing up" rail rates, according to a statement released last month. Members are concerned about the impact of "inadequate" coal deliveries and rising rail transportation costs on electric rates and reliability. Northern States Power recently determined about 40 percent of its electric rate hike was due to increased rail costs, the coalition said.

"There is growing momentum at the national level to bring some long overdue fairness to the way the Class I railroads are treating shippers," said Pat Schillinger of coalition member the Wisconsin Paper Council.

Wisconsin lawmakers are sponsoring bills that would repeal railroads' antitrust exemption or reform the Surface Transportation Board (STB), the coalition said.

However, utilities have ample stockpiles on hand for the winter season, and rail-

roads set a coal volume record in 2006 and are adding capacity to move even more coal, said Association of American Railroads President and Chief Executive Officer Ed Hamberger. Instead of passing re-regulation or STB reform bills, Congress should take other legislative action, he believes.

"If Congress passes the bi-partisan Freight Rail Infrastructure Capacity Expansion Act ... it will help ensure that we continue to meet [coal shippers'] needs," said Hamberger, adding that the bill would provide a 25 percent tax credit to any business investing in new track, intermodal facilities, rail yards, locomotives or other rail infrastructure improvements.

*Via Progressive Railroading 1-5-06*

## **DM&E coal trains could delay Chicago-area commuter trains**

BNSF Railway Co. executives aren't keen on the Dakota, Minnesota & Eastern Railroad Corp. (DM&E) becoming a third rail competitor in the Powder River Basin (PRB). In a Dec. 11 Surface Transportation Board (STB) filing, they state specific objections to the regional's proposed project.

If the board authorizes the DM&E to haul PRB coal along the former I&M Rail Link's (IMRL) line, BNSF trains in Savanna, Ill., would experience "substantial delays," according to the filing. In addition, Chicago commuter trains operating on the same lines could be delayed by mile-long DM&E coal trains, the filing states.

"BNSF's transcontinental mainline between the Pacific Northwest and Chicago crosses the former IMRL line at grade at Savanna en route to the Chicago Gateway, where delays could be substantially increased by the addition of PRB coal trains regardless of what route into Chicago is used by DM&E," according to the filing.

The STB should study whether PRB coal moves over the former IMRL lines would

have other impacts not addressed in a previous supplemental environmental appendix, such as air quality and noise, BNSF says.

The DM&E plans to build a 262.3-mile line through western South Dakota and eastern Wyoming, and upgrade 600 track miles in South Dakota and Minnesota to access the PRB.

## **CSX Projects**

The status of the three siding projects we designed on the CE&D Subdivision, former C&EI are as follows:

Carlisle - completed and placed in service the middle of November. In December they were still doing cleanup and grading as weather permitted.

Smith (north side of Vincennes) - work did not start until late September due to permitting. Work was awarded in February but due to the line being adjacent to the Wabash River, lying in the flood plain and having wetlands (plus the Indiana Bat), work was delayed. Now with all of the rain the river and creeks are out of their banks and work on the 5-span bridge over Small Creek and the box culvert are on hold pending the water level going down. In addition the mud has made it difficult to get to places to work. Completion will now be sometime late spring.

Hazleton - all bridge work is completed and pre-ballast is almost complete. They are having trouble getting ties and rail traffic has prevented moving rail to the west side of the track. The cutover date was scheduled for January 15 but will be more toward the end of the month.

Atherton - design work is competed and plans/specifications have been sent to CSX. At this time it looks like bidding will be 2nd or 3rd quarter of this year.

Ingle - the design of 5 bridges on the 2.5 mile extension of the existing siding is complete. Our survey crew has to go back to pick up items dealing with issues involving the property owners. I will be having a meeting with 6 owners, all from the same family, in the next few weeks in hopes of getting the project plans complete.