

DANVILLE FLYER

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AAR Lists Freight Railroad Spending for 2017

The Association of American Railroads (AAR) estimates U.S. freight railroads will spend an estimated \$22 billion in 2017 on capital programs.

AAR says the private investment will go toward maintaining and upgrading the nation's rail network that will strengthen an essential transportation system.

"This year's private network spending, a combination of capital expenditures and maintenance, is part of a continued trend of remarkable proportions, including more than \$630 billion since the industry was partially deregulated," said AAR President and CEO Edward R. Hamberger. "As the House of Representatives convenes today to discuss a '21st Century Infrastructure' and policymakers continue bipartisan discussions with the Trump administration, we hope these leaders realize how important America's private freight rail network is in moving raw and finished products, supporting the U.S. manufacturing sector, providing a foundation for commuter and passenger rail and lessening deterioration of this country's public infrastructure."

AAR says the projected \$22 billion in spending in 2017 equates to approximately \$60 million a day and covers upgraded track and locomotives, as well as technological advancements needed to meet demand and make a safe network even safer. One example is Union Pacific, which achieved its best annual employee-safety rate in 2016, improving on the record set in 2015 and making 2016 the safest year in the Class 1's 154-year history.

AAR says freight railroads spend six times more of revenues on capital expenditures than the average U.S. manufacturer. In 2017, BNSF plans to spend \$3.4 billion, Union Pacific \$3.1 billion, CSX \$2.2 billion and KCS between \$550-\$560 million on their networks.

AAR points to the most recent statistics available that show freight railroads created nearly \$274 billion in economic activity, generated nearly \$33 billion in state and federal tax revenues and supported nearly 1.5 million jobs nationally in 2014 alone.

"We pay so taxpayers do not, an undeniable benefit to the U.S. economy," Hamberger said. "Our role in moving the country's freight is critical and we look to be a productive part of a bipartisan infrastructure debate."

AAR recognizes that while comparatively less than 2016 spending, the investment figures are still quite significant as the industry continues to retool around a changing customer market and shifting traffic patterns - most notably the massive decline of coal production. AAR says the freight rail industry attributes much of its ability to spend towards the smart regulatory framework enacted nearly 40 years ago allowing greater autonomy for business operations.

"Unlike most other transportation modes, we do not have a hard 'ask' of policymakers other than to remain free to do what we do best: safely, affordably and efficiently move goods and earn the revenues needed to continue this massive investment," Hamberger concluded.

Via RT&S 2-6-17

March 19th – Monthly Meeting to be held at the Jocko's Pizza, Williams & Gilbert – 1 PM.

March program by Dick Brazda

March 25th – Beech Grove, IN Indy south Train Show at Nazarene Church, 5152 Hornet Ave, \$4

April 1 & 2 – Urbana, IL – 36th Annual Train Show Lincoln Square Village downtown Urbana 10-6 on the 1st and 11 to 4 on the 2nd.

April 8 – Watseka, IL – C&EI HS Annual Meeting 10 AM to 9 PM, displays, auto tour, meeting and program.

April - No Operating Session at Rossville due to conflicts with other events.

About Us

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 any-

one having an interest in any aspect of railroading. Dues per year are \$30.00 for Chapter membership in addition to \$50.00 for NRHS membership. Rossville Depot Museum membership is \$30 per year. 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 (former Conrail), in Danville, Il with lunch beginning at 1:00 PM Central Time followed by meeting and program.



Officers for 2017—our 49th Year

Allen Cooke – President
Doug Butzow – Vice President
Dick Brazda– Secretary
Doug Nipper– Treasurer
Dave Sherrill – Programs
Jess Bennett – Historian
Bob Gallippi – Museum Director
Rick Schroeder – Editor
Cooke Business Products - Publisher



CSX to Layoff 1,000 Management Employees

CSX Transportation will eliminate approximately 1,000 management positions in the coming weeks as it continues to cut costs, outgoing CEO Michael Ward tells employees this morning.

The layoffs — which would affect both headquarters employees and field managers — represent as much as 20 percent of the management ranks. About 5,000 of CSX's 27,000 employees in December 2016 were non-unionized workers, according to regulatory filings.

“While you delivered record productivity gains and our best-ever operating ratio in 2016, incremental improvements are not enough,” Ward wrote in a message to employees. “Even more aggressive measures are needed to deliver improved efficiency and regain our leadership position in 2017.”

All management positions are being reviewed, Ward wrote. Affected employees will be notified next month. They will be

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2017— February Meeting Minutes

There was not a business meeting conducted at the February get together. The only officer present was Treasurer Doug Nipper. A video program was presented.

Secretary Dick Brazda will present his planned February program at the March meeting.

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eligible for enhanced severance and pension benefits.

“I know this is difficult news to hear, and I can assure you it was not an easy decision to make,” Ward wrote. “However, it is essential to CSX’s ability to remain competitive in a challenging and changing market.”

CSX has been hurt by the punishing decline in coal traffic over the past five years. CSX’s coal revenue has plunged by nearly \$2 billion since 2011, falling to just \$1.8 billion in 2016. In response, CSX slashed costs by a record \$430 million in last year.

A CSX spokesman did not immediately respond to a request for comment this morning.

CSX Crete Intermodal Site

The perennial problem of train and truck congestion in the Chicago region might have a major new safety valve if plans proceed for a new CSX Transportation intermodal ramp in the region. CSX is planning for a new ramp outside of the village of Crete, 33 miles south of Chicago, astride the jointly operated Union Pacific/CSX main line.

Although CSX has not confirmed specific plans for the site, the railroad owns the property, which has been the focus of widely reported public forums, some of which have drawn opposition from nearby residents.

“There is substantial support among local, state, and regional officials for the (Crete) concept,” says CSX representative Rob Doolittle. “Locating a facility there would enhance the region’s ability to manage the growing volume of intermodal freight moving to and from the Chicago region.”

The 1,100-acre site is on the south edge of Crete, along the western perimeter of the railroad and just a half-mile from the Illinois state Route 394/state Route 1 development corridor often called the Southland Parkway. The parkway is a busy truck artery that extends south 20 miles into Will County from Interstate 80. In recent years, the county has seen explosive growth in warehousing and distribution businesses.

Historically, the Crete property has been used for

farming. However, CenterPoint, an industrial development firm, purchased the site in 2007 after it was annexed by the village of Crete and rezoned as “intermodal terminal,” or IT. CenterPoint began a marketing campaign but by 2012 abandoned its plan and put the property back up for sale. A local developer later bought the land and sold it to CSX in June 2016.

The site has a strategic location, only five miles north of where state routes 394 and 1 would intersect with the proposed Interstate 394 Illiana Expressway, an east-west link between Interstate 65 near Crown Point, Ind., and Interstate 55 at Wilmington, Ill. It is also adjacent to the location of the proposed and long-embattled South Suburban Airport.

Local residents’ objections to the project have centered on plans to build a railroad overpass for Crete-Monee Road, the major east-east thoroughfare at the north end of the site. Public hearings in January drew crowds of opponents, and anti-intermodal signs have begun appearing along roadsides. But the opposition comes mostly from township residents, and the project site is entirely contained within the village of Crete.

“If CSX were to move forward with a project in Crete, we would commit to working with local officials and community leaders to provide information and address questions that nearby residents might have,” Doolittle says.

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"CSX strives to be a good neighbor in every project we develop, and we would approach this project in the same way."

The railroad through Crete is the former north-south main line of the Chicago & Eastern Illinois, now shared by UP and CSX south 52 miles to Woodland Junction, where UP diverges to the southwest for St. Louis and CSX to the southeast for Evansville, Nashville, and beyond.

Crete would be the fourth major regional intermodal terminal and logistics park built in the Chicago area within the last 20 years. Others include BNSF's Logistics Park Chicago in Elwood, a southwest suburb; UP's Global Three in Rochelle; and UP's Global Four in Joliet.

The Crete project would be a major step for CSX and traffic on its Southeastern Corridor. It would be the first Chicago-area intermodal park tied directly to the port of Miami, Fla., and its trade with Latin America, the Caribbean, and presumably the expanded Panama Canal.

Crete also would provide CSX a leg up on its traditional rival Norfolk Southern, whose key intermodal ramps are the cramped facilities at Englewood on the city's southeast side, and Landers Yard to the southwest.

Via TRAINS On-Line 1-30-17

NRHS and Local 2017 Dues Payment.

For those of you that are NRHS members you will be getting a notice about paying for 2017 dues. For almost all NRHS members this will be completed on line.

For your local renewal we sent out the renewal notice and for payment please send your check (or pay at a meeting) to the Treasurer at PO Box 1013. Renewal is required by the April meeting to continue to receive this newsletter.

Car Loadings and Coal up in 2017

U.S. railroads moved 2,112,479 carloads and intermodal units in February, a 4.2 percent increase from traffic totals in February 2016, the Association of American Railroads (AAR) reported yesterday. Carload traffic last month rose 6.7 percent to 1,044,040 units compared with the same month last year. U.S. railroads also originated 1,068,439 containers and trailers in February, up 1.8 percent from the same month last year.

Eleven of the 20 carload commodity categories tracked by AAR on a monthly basis showed carload gains last month compared with February 2016. These included coal, up 19.2 percent or 57,589 carloads; crushed stone, gravel, and sand, up 13.1 percent or 10,091 carloads; and primary metal products, up 6.8 percent or 2,357 carloads.

Commodity categories that posted decreases last month compared with a year ago included petroleum and petroleum products, down 12.4 percent or 5,543 carloads; motor vehicles and parts, down 4.8 percent or 3,746 carloads; and metallic ores, down 19.1 percent or 2,793 carloads. Excluding coal, carloads in February inched up 1.1 percent compared with last year.

The 19.2 percent increase in coal carloads last month was the highest percentage gain for coal since before 1988 when AAR's current record series began, said AAR Senior Vice President of Policy and Economics John Gray in a press release.

"While it's an impressive gain, February 2017 was, unfortunately, also the second worst February in absolute terms for coal since sometime before 1988," Gray added. "It's all too representative of the challenges railroads are facing as their markets change. However, these same market changes are offering new opportunities. Over the past 15 years, the industry has worked hard to create a solid foundation to exploit these opportunities."

Total U.S. weekly rail traffic for the week ending Feb. 25 was 521,451 carloads and intermodal units, up 0.1 percent compared with the same week last year. Canadian railroads reported 78,200 carloads for the week, up 10.3 percent, and 64,428 intermodal units, up 5.2 percent compared with the same week in 2016.

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Mexican railroads reported 16,772 carloads for the week, down 2.9 percent compared with the same week last year, and 10,824 intermodal units, down 6.4 percent. For the first eight weeks of 2017: U.S. railroads logged 4,130,120 carloads and intermodal units, an increase of 2.3 percent compared with the same period a year ago; Canadian railroads reported 1,113,463 carloads, containers and trailers, up 7.5 percent; and Mexican railroads posted 203,267 carloads and intermodal containers and trailers, down 6.9 percent from the same point last year. Meanwhile, U.S. Class I railroads originated 43,293 carloads of crude oil in fourth-quarter 2016, a 49 percent decrease from carloads moved in fourth-quarter 2015, the AAR reported.

Progressive Railroading 3-2-17

CSX "Eco" motive power

CSX Transportation is the latest Class I railroad to take possession of six-axle 'Eco' locomotives for use in local and yard service. Progress Rail recently rebuilt 13 former CSX EMD SD40-2 locomotives into a new locomotive class known as SD40E3s at its Muncie, Ind., facility. The locomotives are assigned numbers in the 1700 series.



CSX Media Relations Manager Laura Phelps tells Trains News Wire that the low emission locomotives will be assigned to Atlanta; Chicago; Camden, N.J.; and New York.

CSX SD40E3 1700 at Tilford Yard, photo by J Jackson

"The low emission locomotives are ideal for moving and sorting freight in our yards, providing a more environmentally friendly way to build trains around the clock and efficiently serve customers," Phelps says.

The new SD40E3s are a separate program from the railroad's own SD40-3 rebuild program. Wabtec's Motive-Power Inc. in Idaho has been rebuilding retired SD40-2s into SD40-3s for several years. The SD40-3s are in the 4000 numbering series. When asked if the SD40-3s will continue

being rebuilt, Phelps says that the Eco units "are not intended to replace the SD40-3 units" and that CSX is still "evaluating how the [SD40-3] units might be used to fulfill our future needs."

The first batch of rebuilt SD40E3 locomotives were recently spotted at the railroad's Tilford Yard in Atlanta.

TRAINS On-Line 2-2-17

CP "Beaver" is back

CALGARY, Alta. — Canadian Pacific is bringing back its iconic beaver logo as it looks to the future, while re-connecting with its past.

"I am excited to say that 'the beaver is back,'" says Keith Creel, CP President and CEO. "Thanks to a lot of hard work in the last few years, we have taken our rightful place as an industry leader and the time is right to re-connect with our past by bringing back this iconic symbol for Canada, and for CP."

The logo combines two elements: the bold and modern red CP logo mark that has been in use since 2012, and the striking gold heritage shield that features the beaver, Canada's official symbol for sovereignty. The CP logo mark, with its clean and crisp design will continue to be used as it symbolizes the strength of CP's foundations, expresses confidence in moving forward and



speaks to the simplicity and elegance of the railway's operating model. "The people that work and have worked for this company and their families have a level of pride, commitment and professionalism for this company that is unrivaled," Creel said. "I am extremely proud and honored to work alongside each and every one of these railroaders as we move toward our bright future."

The new logo renews Canadians' and employees' sense of pride in the company that connected a nation, and

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that connected a nation with the rest of the world. The beaver and the maple leaf are Canada's national symbols, and justifiably, represent CP's leading position in Canada's past, present and future. With 2017 marking the year Canada turns 150, there is no better time to bring the beaver back.

"2017 is an exciting year for Canada and for CP as we re-connect with our past and continue to build for the future," Creel said. "I join our employees across the network in enthusiastically welcoming back the beaver, a symbol our company first adopted in 1886 as the first transcontinental trains began service to the west from Montreal and Toronto."

"We take pride in our past and look to the future with the same boldness, ambition and innovation that drove the creation of the railway in the first place," Creel said.

A Canadian Pacific news release, Feb. 21, 2017.

GE Lays Off Locomotive Builders

GE Transportation Services will lay off 250 workers from its Fort Worth locomotive production plant in the coming months.

"The North American rail market continues to be challenging. Freight rail volume has dropped year-over-year and the number of parked freight locomotives remains high," Tim Bader, a GE representative, tells Trains News Wire. "As a result, production volume is down at the facility in Fort Worth, Texas, requiring only 50 percent of the site's available capacity."

The layoffs will begin in April. The plant will also reduce the retained employees' schedules from 40- to 32-hours-a-week starting in June. Bader says that the laid-off employees will receive company benefits and will be eligible for state unemployment insurance.

The Fort Worth plant began operations in 2012. Since then, the facility has produced more than 1,000 locomotives for a variety of railroads including Union Pacific, BNSF Railway, Canadian National, and Ferromex.

TRAINS On-Line 2-3-17

URBANA ILLINOIS TRAIN SHOW.

April 1 – 10 AM to 6 PM

April 2 – 11 AM to 4 PM

Lincoln Square Village in downtown Urbana,
Illinois

Sponsored by:

Midwest Central Railroad Club

Urbana Free Library



C&EI RR Historical Society

Annual Meeting – April 8, 2017

Watseka, Illinois Union Station

Sales and Displays 10 AM to 12:30 PM

Auto Tour to Momence and KBSR Railroad

1:00 PM to 4 PM

Dinner at local restaurant 5 to 6:30 PM

Annual Meeting 7:00 to 7:30 PM

Program 7:30 to 9:00 PM

Photos from the C&EI Archives

by Rick Schroeder and Bob Gibson



The “New” Hoosier State Service

WI-FI, BUSINESS CLASS AND CAFE CAR ON THE NEW AMTRAK HOOSIER STATE:

The Indiana Department of Transportation, community partners and Amtrak announce passenger amenities on board the Hoosier State service when it transitions to modern Amtrak railcars and locomotives on Wednesday, March 1. The train operates four days a week between Indianapolis and Chicago with intermediate stops in Crawfordsville, Lafayette, Rensselaer and Dyer. Amtrak will provide Horizon-series coach cars, each seating 68 passengers and including accommodations for passengers with disabilities.

A café car with an attendant will have table seating on one end of the car and private seating at the opposite end for 14 Business class passengers. Food and beverages – including alcoholic drinks – will be available for purchase in the café and can be enjoyed at the tables or at each passenger’s seat. All the railcars have power outlets, reading lights and tray tables at each seat, with free cellular-based AmtrakConnect® Wi-Fi that combines mobile data from multiple carriers along the tracks.

One-way adult ticket prices for coach service to and from Chicago range from \$25 to \$48 from Indianapolis, \$25 to \$47 from Crawfordsville, \$23 to \$45 from Lafayette, \$17 to \$30 from Rensselaer and \$12 to \$22 from Dyer. Children 2-12 years old are half-fare and discounts are also available for students, seniors, military and others. Business class is in a curtained area with abundant space arranged with two seats on one side of the aisle and one seat on the other side, with leather seating surfaces, foot-rests and leg-rests. Included is a 25-percent points bonus for Amtrak Guest Rewards members, as well as complimentary coffee, tea and use of the Amtrak Metropolitan Lounge in Chicago, which offers priority boarding.

The additional charge each way for business class is \$21 from Indianapolis and Crawfordsville, \$20 from Lafayette and \$14 from Rensselaer and Dyer. “BOGO” fares, other promotions and a special railcar for March To mark the transition, Amtrak and INDOT are offering a “buy-one, get-one” fare for the month of March, so two adult passengers can ride for the price of one. See the Deals tab on Amtrak.com for applicable requirements for fare code V216, for purchase starting Tuesday, Feb. 28.

While Amtrak passengers in business class always have access to the Metropolitan Lounge at Chicago Union Station, coach customers normally pay for an upgrade for the Legacy Club, a separate waiting area at the station that has complementary snacks and beverages, charging stations and boarding ahead of other coach passengers. For the month of March, Amtrak Hoosier State coach customers will enjoy complimentary Legacy Club access, a \$20 value.

Also, for the month of March, the Hoosier State train will include the only dome car in Amtrak service, a Great Dome. Built in 1955 by the Budd Company for the Great Northern Railway, it carries the name “Ocean View.” Repainted in honor of Amtrak’s 40th anniversary, it wears stripes comprised of equal width red, white and blue, symbolic of Amtrak being America’s Railroad®. It features an upper level with windows on all sides to provide passengers with panoramic views of spring in Indianapolis and Chicago, as well as the Hoosier scenery in between. There is no extra cost as seats in the car are unreserved and available on a first-come, first-served basis. Passengers are encouraged to rotate in and out of the Great Dome to allow all to enjoy this unique experience. About the Hoosier State train

The Amtrak Hoosier State runs north on Sunday, Tuesday, Wednesday and Friday mornings as Train 851 and runs south on Sunday, Monday, Wednesday and Friday evenings as Train 850. To promote reliability, the locomotive and railcars used for the Hoosier State are part of a pool used for other Amtrak services in the Midwest.

Indiana DOT - Via RailPace



Danville Junction Chapter, NRHS
PO Box 1013
Danville, IL 61834-1013

Phone: 217-552-6514
Email: rickschro1@gmail.com

We're on the Web!
www.danvillejct.org

Photo of the Month



The date is August 1960 and Wade Frasch was in Cincinnati to photograph trains at Cincinnati Union Terminal. Wade was originally from Attica, Indiana, graduated from Purdue University and for the last part of his life lived in California. Wade passed away early last year but some 7-8 years ago he sent me a collection of his slides of the Wabash and New York Central in the Lafayette area. There is a set of some 10 slides around CUT and I thought this one was very interesting. Rick Schroeder collection.