

FIRST CLASS MAIL

"THE DANVILLE FLYER"

DANVILLE IL 61834-1013

P.O. BOX 1013

NATIONAL RAILWAY HISTORICAL SOCIETY

## DANVILLE JUNCTION CHAPTER



So you want to move a bridge! On September 28 Kiewit Western hired Mammoet Systems to move in the two bridge structures at the Metra bridge crossing over CSX and NS at Riverdale. Shutdown started at 7 PM on the 27th, at 2 PM the contractor started moving the bridge from the parking lot and set in place over CSX, ready for track, around 5 PM on the 28th. NS was finished at 2 AM the following morning. Photo by R. Schroeder

# 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 \$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 Pizza Inn 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 2003 - Our 35th Year

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

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## Coming Events

### *November 16, 2003*

Danville, IL Next regular monthly chapter meeting at Pizza Inn, 1:00 PM, Gilbert and Williams Street next to CSX.

### *November 15, 2003*

Annual train show at National Guard Armory, 3614 Maple Ave, Terre Haute, IN - 10AM to 3 PM, admission \$3. Layouts, clinics, contact. Contact Jim at 812 268 6667 for tables.

### *November 22, 2003*

Bloomington, IL - Central Illinois Train Show, Interstate Center on west side of Bloomington, 9-2 PM

## *December 13 & 14, 2003*

CN Santa Train north of Rantoul. NS Santa train west from Decatur.

### *December 14, 2003*

Annual Chapter Dinner at Pizza Inn, 1:00 PM, program to be announce.

### *January 3 & 4, 2004*

GATS show at Indianapolis, 11-5 PM, \$7

### *March 27 & 28, 2004*

Urbana, IL - Annual Train Show and Swap Session, 10-6 PM, 11-5 PM, Admission Free

## Next Meeting

The next meeting will be November 16 at the Pizza Inn. As usual, we will order off the menu and then begin the meeting around 1:45. Program this month will be by Rick Schroeder.

This month will be election of officers for 2004. How about some "new blood" for the group. President Dave Sherrill will take nominations from the floor.

The next museum operating session is the first Saturday in December. Also, we need to do work on the roof of the museum prior to winter. When the new roof was put on they did not get the flashing over the gutter and in places we have water running behind the gutter down the fascia board. These repairs need to be completed this fall. Bill Pearson has mowed the yard all summer and this year there was an



abundance of walnuts on the tree on the north side. We need to get them picked up to keep them from rotting and allow Bill to mow or pick up leaves with the mower.

Note the Terre Haute show - members Bob G and Rick S will be going to the show to sell chapter items as well as some of Rick's train stuff..

This newsletter should arrive in an envelope this month like the last issue. Over the past 2 years we have seen a number of them "destroyed" by the post office. We get requests from many of you for additional copies and thus we decided to use the envelope. A new format is being setup and after "retirement" your editor plans to change much of the format of the newsletter. Seems like there is not enough time now.

## Move of railroad tower in the works

HAMMOND — Back in 2001, anxious to move forward, the Indiana Harbor Belt

Railroad scheduled the demolition of a railroad tower that had stood in Hammond for more than 100 years.

After years of negotiations and planning, the tower still stands at Hohman Avenue and Willow Court. However, planners still hope to relocate it and appeared at Thursday's meeting of the Board of Public Works and Safety to inform board members of the most recent plans to move the tower to People's Park.

"We originally thought the Redevelopment Commission owned that property" at the northwest corner of Michigan Street and Sohl Avenue, said Assistant City Planner Pete Iosue. "They did, but sold it back to the city in the '60s. We've finally got that paperwork straightened out and are working with an engineer to design a new foundation."

For more than a century, railroad personnel had staffed the tower 24 hours a day. In 2001 a computer took over and the tower was scheduled for demolition. However, city officials and historic preservationists spoke with railroad personnel to receive the extension to preserve the last

interlocking railroad tower in Hammond.

"This project has taken a long time," Iosue said. "I don't know how much longer the railroad will give us."

At one time, more than 5,000 towers stood guard at railroad crossings throughout the country, housing personnel who flipped the switches for north-south and east-west trains. However, through the use of computers, that function is now done miles away.

The Hammond Historical Commission is partnering with the Hammond Parks and Recreation Department on relocating the tower. There has been talk of turning the upper floor into a railroad museum.

The process of actually moving the building also has been of concern. Because of its size and shape, the tower cannot be moved very far. The tower, originally built to withstand the impact of a train, has concrete walls and floor. The farther it is moved, the greater chance there is of damage occurring. The move will involve crossing two sets of railroad tracks.

"I talked to a mover. We had planned to relocate overhead lines, but that was too costly," Iosue said. "It's too heavy to get over the bridge. I think we've decided to cut the wood top off and move it in two pieces to get under those lines."

*By Sharon Porta, Hammond Times*

## Lafayette Railroad History

*Second of four sesquicentennial stories about the 1853 Indiana State Fair.*

Lafayette citizens stirred with excitement in their preparations to host the second Indiana State Fair, scheduled for Oct. 12-14, 1853. The fair notwithstanding, it had been a time of great local progress and excitement. Consider:

In December 1852, the first railroad trains ran on Lafayette & Indianapolis tracks. A depot opened at Second and South seven months later. And a big new hotel, the Bramble House, opened at Third and South streets. Early in 1853, a Wabash & Erie Canal report for 1852 Lafayette boasted that "shipments of produce were greater than from any other two points on the route, while the articles that found market [in Lafayette] were more than at any other four points."

In February 1853, service also began on the Lafayette to Crawfordsville segment of the New Albany & Salem Railroad. The arrival of these railroads undoubtedly helped Lafayette's bid to host the second state fair. (Editor - The bridge project on the southwest side of Lafayette found a very old piece of cast rail, dating to around the

## Operating Sessions

### *Grafton Davis & Mt. Storm Ry*

309 Dale, Rossville, 12:00 PM  
Saturday, November 22, 2003  
Saturday, December 27, 2003  
Saturday, January 24, 2004  
Saturday, February 21, 2004

### *Chicago, Illinois and Eastern*

Depot Railroad Museum, 1:00 PM  
Saturday, December 6, 2003  
**Saturday, January 10, 2004 \***  
Saturday, February 7, 2004  
Saturday, March 6, 2004

\* Note change in date

### *Danville and Western Railroad*

1819 Coventry Drive, Champaign, IL  
1-3 PM

Sunday February 29, 2004

March - not set yet

1850's. A piece is located in our museum at Rossville.)

On April 2, 1853, per new state law, Lafayette voters adopted a city charter 338 to 23. On May 3, they elected attorney James O'Brian as the city's first mayor.

About the same time, in good spring weather, construction began on New Albany & Salem tracks that would connect Lafayette and Michigan City and provide important new links with east-west trains between Chicago, Detroit and New York. During the summer Lafayette's first free public school opened; and master showman P. T. Barnum's Traveling Museum and Menagerie wowed local spectators with an elephant, lions, tigers, and "Tom Thumb, the Smallest Living Man."

On July 29, the canal boat "Pennsylvania" completed the first through trip via Lafayette from Toledo, Ohio, to Evansville, Ind. Although the southern half of the Wabash & Erie Canal scarcely ever broke even, the northern section — Lafayette to Lake Erie — succeeded.

In those mid-century times, Lafayette exported annually more than 40,000 barrels of flour and pork; over a million bushels of corn; 4 million pounds of bacon and lard, together with heavy cargoes of wheat, oats, butter, soap, cheese, potash (made from wood ashes, used in making soap, fertilizers and glass) and potassium carbonate (white, alkaline salt from wood ashes, used in making glass, soft soaps and fertilizer), animal hides and tanbark (crushed bark of trees containing tannin used in tanning hides, or in spreading over horseback riding tracks or circus rings.)

On Aug. 20, 1853, the first northbound passenger train crossed the Wabash River on a new railroad bridge to Michigan city. North of Lafayette new "railroad towns" named Ash Grove, Brookston, Chalmers, Reynolds and Bradford (Monon) came to life as did Francesville, Medaryville, San Pierre, Wilders, LaCrosse, Wanatah, Haskells, Alida, Westville and Otis.

After the first frosts and the turning of leaves and the harvesting of corn and apples, the *Lafayette Courier* notified

readers on Monday, Oct. 10, 1853:

"All entries of stock or articles for exhibition must, by order of the State Fair Board, be made at the secretary's office on the fairgrounds by Tuesday night. None but exhibitors and badge-wearing members will be admitted on Tuesday and Wednesday. A purchaser of a badge thereby becomes a member of the Tippecanoe County Agricultural Society and is entitled with his family to admission at pleasure during the state fair. Single tickets 25 cents each, good for one day only, will be on sale at the treasurer's office on Thursday morning. The address by Horace Greeley [noted editor of the *New York Tribune*] will be delivered on Friday at 2 p.m. An efficient police force will be on the grounds day and night."

The official fair dates were Wednesday the 12th, Thursday the 13th and Friday the 14th. A "sale day" more or less closed to the public took place on Saturday the 15th. State fair authorities arranged for the railroads serving Lafayette to carry articles for fair exhibits free, and passengers at half fare. The New Albany & Salem ran hourly trains to the fairgrounds at the edge of the city.

The 20-acre fairgrounds, to quote the *Courier*, "are located upon a beautiful eminence in the south part of Lafayette and command a fine view of the city and surrounding country." [It covered the high ground off South Fourth Street now mainly occupied by Miller Elementary School.]

On the grounds, the sponsoring State Fair Board and the county agricultural society, their donors and volunteers, had hammered together two buildings 60 by 200 feet each for mechanical and manufactured articles; and a Power Hall 30 by 100 feet with motive power, shafts and pulleys. They put up a large tent designated as Floral Hall for the exhibition of fruit, flowers and fancy work. The fairgrounds also sported a 40-by-120-foot Dairy Hall for showing products of Hoosier dairy farms; 200 covered stalls for horses and mules; 50 stalls for bulls and 200 for cattle; 60 pens for hogs and 60 for sheep; two packed-dirt rings for exhibiting and judging cattle, and a 200-foot-long stand for chicken coops.

Fair sponsors furnished livestock forage free, supplied fresh water and built a 30-foot "observatory" for the best view of the fairgrounds, the city of Lafayette below, and the distant Wabash River valley to the north and west. And they made ready to award prize money totaling about \$3,000 to winning exhibitors. City and county government and fair officials also recruited a volunteer "police force" to patrol the fairgrounds day and night to maintain orderly behavior and protect property. In that connection, the *Courier* warned fairgoers to "beware of pickpockets, of whom there are scores already in the city."

*Lafayette Journal and Courier via our West Coast member, Wade Frasch*

## **They're building it in Illinois - why not Indiana?**

For the past year or so there has been a lot of public hand-wringing about the sorry state of Indiana's economy. Now that we're in an election season, we're hearing even more about our loss of jobs and the slow growth of new businesses, the "brain drain" and our nation-leading rate of home foreclosure.

These problems seem daunting in a state whose economy has been dependent on the kinds of manufacturing jobs so famously sucked out of the United States for Third World labor pools.

Under such circumstances you'd think Indiana's business and political leaders would be eager to try almost anything that might help give us some traction in reinventing ourselves in ways suited to the 21st century. So it's been strange to learn about the stony lack of engagement these leaders have shown regarding the opportunity to make our state and, especially, Indianapolis part of a Midwestern high-speed rail network.

In June, a coalition of transportation activists working with the Illinois Department of Transportation announced that the groundwork has been laid to provide a high-speed rail link between Chicago and St. Louis within the next two years.

That's right: Trains able to go at speeds of 110 miles per hour could be running between Chicago and St. Louis by 2005.

How, I thought, is this possible? And why are we talking about Chicago and St. Louis and not Chicago and Indianapolis? In 1996, representatives from the Departments of Transportation of nine Midwestern states met to determine whether or not they could make passenger rail service work in this region. They concluded that investing in high-speed rail would dramatically increase ridership and either reduce or eliminate operating subsidies. As Kevin Brubaker, a high-speed rail advocate with the Environmental

Law and Policy Center in Chicago, puts it, they found that "high speed rail wasn't the question. It was the answer."

A nine-state, 3,000-mile hub-and-spoke system, utilizing existing track and reaching out from Chicago to cities like Detroit, Milwaukee, St. Louis and, yes, Indianapolis was envisioned. Illinois, Wisconsin and Michigan all began to make investments aimed at making their existing tracks up to par. As of today, all the necessary design and permitting work for corridors between Chicago and St. Louis and Milwaukee and Madison in Wisconsin have been completed.

Illinois has invested \$50 million to make its rail system ready. Hopes are high that the federal government will match that with \$200 million more based on the 80/20 ratio the federal government uses when it matches state expenditures to build highways.

Just when that money will materialize, of course, could be in doubt thanks to the demands war in Iraq is making on the federal budget. But the fact remains that while states around us have been moving to create a high-speed rail network that will undoubtedly transform this part of the Midwest's economic landscape, Indiana has been sitting on its hands.

As Brubaker says, "Indiana should recognize the tremendous benefits that high-speed rail can bring to the state and act accordingly. As long as the state government continues to favor construction of a

new terrain I-69 over an upgrade to existing highways that would cost \$800 million less, we don't buy the argument that the state can't afford to do more on high-speed rail."

That so many of Indiana's business and political leaders - the very people, in other words, who have led us to the kind of economic prosperity Indiana enjoys today - have embraced a megabuck highway project like I-69 ought to be cause for suspicion, if not alarm. It is all too characteristic of this state's economic leadership to want to pave another road just at the moment when highway building has become associated with an outdated industrial economy. If this project doesn't remind you of the state's budget-busting 19th century canal building misadventure, it should. In that case, you'll recall, Indiana built canals just as railroads were coming into vogue. The project bankrupted the state treasury - it undoubtedly also made a few well-connected contractors an awful lot of money.

High-speed rail represents the new, knowledge-based economy - a system that thrives, in part, on cost effective mobility. Opening a two-way link to our region's economic engine, Chicago, with stops along the way in Lafayette and Hammond, can make Indianapolis part of a dynamic Midwestern system. The system being suggested here could help support urban redevelopment and curb the suburban sprawl associated with our current dependence on cars and highways. It could also provide an alternative to our increasingly inefficient and vulnerable air traffic system.

As the candidates come forward in this election season, all of them will be talking about Indiana's economic crisis. What they say about high-speed rail will mark a difference between those who really want new business for our state - and business as usual.

For more information on the Environmental Law and Policy Center, go to [www.elpc.org](http://www.elpc.org) <<http://www.elpc.org>>.

## Abandon Illinois lines

*Recently on the Illiana Group Internet Site the questions were asked*

When the NS branch to Sullivan abandoned? I assume it started in Bement and worked its way south.

When was the old PRR line out of Decatur abandoned? I am talking about the line that goes to Paris. I know a shortline operated this line but was not able to make any money on it.

When was the Big Four line that went through Mattoon, Shelbyville, and Pana abandoned?

Finally last night I was looking at the CSX timetables for central Illinois and I saw that the CSX line that went to Sangamon Jct. The CSX had trackage rights on the NS(NW) to Boody and then went through Mt. Auburn to Sangamon Jct. My final question when was this line pulled out?

*The following response is from one of the local historians.*

"Nope, it was the Chicago and Paducah before it was the Wabash and started about 1872 in Streator then went to Forrest and down to Effingham and Altamont. The part south of Sullivan was abandoned in the 1930s because of the Okaw River bridge south of Sullivan (too much repair cost). The line south of Bement went in the late 1960s as I recall. There was some 72-pound rail on the siding in Hammond that was rolled in 1882 still there in the early 1960s. The practice in the early 1960s was to send a section car after any engine to repair the broken rail so the engine could get out. It never had more than cinder ballast. You can still see the grade most places between Bement and Sullivan. The elevator in Sullivan was switching its own cars onto the "Wabash" from the IC while the line was still "run" by the N&W, which chose to overlook the practice rather than send out a train over the frail track.

The portion of the TH&P from Paris to Hervey City went in the late 1970s after a Morrison Knudson subsidiary "Wabash Valley" quit getting Illinois subsidies and

the Craig Burroughs "Prairie Central" fell behind on their rent to the IC and had their last train to Decatur embargoed at Hervey City. The TH&P line from Decatur to East Peoria was bought by the Illinois Terminal and later (late 1970s again???) abandoned by the N&W after the IT was taken over by the N&W. That line also was in very poor shape. There was some ballast and tie work done by the shortlines. During the last Penn-Central years on the TH&P there would be standing derailments (the rail spreading under the weight of a stopped train) even with the 5 mph track speed. These light branches were done in by 100-ton grain cars and the consolidation of grain elevator operators, who built large terminal elevators on main lines (e.g., the Cargill operation at Tuscola, Andersons' west of Champaign, etc.).

The Big Four through Mattoon went after the Penn Central merger. The CE&I took over the part between Pana and East St. Louis.

The CSX line to Boody (formerly B&O, lessee of the Cincinnati, Indianapolis, and Western) was part of a line from Cincinnati to Indianapolis to Springfield, which linked at Springfield with another B&O line from Shawneetown to Beardstown. It was pulled up in the late 1970s.

I miss them. I especially miss those beautiful dark blue Pacific's pulling train 48 into Tuscola from Indianapolis about 7 p.m., complete with the smell of the coal smoke, steam vapor, and journal oil from the engineer stepping down with his big Plews oiler to hit the drivers and valve gear while the mail and Railway Express were unloaded. The engine was nearly always stopped with the pilot exactly a foot east of the east side of the east sidewalk on Main Street. The wood frame depot was south of the track and east of Main Street, not nearly as grand as the big brick C&EI depot to the northwest, where you could board a streamliner, the Meadowlark, for a trip to Chicago, which I was fortunate to have done several times.

*I really do miss them" .....Fred Seibold*

## **She's Tearing Herself apart ...jump!**

Back in the steam engine days the federal government had a very strict locomotive inspection guidelines program that they rigidly enforced with lots of inspectors who would roam freely over 1 or more railroads in a given area, and no one never knew where they would turn up next. Thus it was on a nice day in summertime that an inspector turned up at a small engine terminal where an afternoon local was laying 'til its return run to Chicago. An was the customary practice, he ID'd himself to the engine-house mechanic-in-charge, and the engine crew that was just lounging around until time to make their return trip to the Chicago terminal, then went to work looking the little kettle over. After what seemed like forever he finished his inspection and went looking for the MIC to no avail. So he went over to the engineer and said "She's OK except for a crack in the frame between the 2<sup>nd</sup> and 3<sup>rd</sup> driver, and tho I'd red tag her (9mmediately out of service) if she was at the Chicago Shops, I'll let you take her in but be sure to put it on your report to the roundhouse foreman upon tie up." And with that the Inspector left.

The fireman was a brand new man and commenced to ask the engineer all manner of questions as to what the inspector meant. The engineer sensing he had a golden chance to haze this new fella, and he wouldn't know where the truth ended and fiction began, commenced to tell him a tall tale about how he knew a similar instance where the frame busted clean thru while they were running along, the engine derailed, turned over, and exploded, and it was a terrible thing. (In actuality these kind of frame cracks were no danger at all except when an inspector caught them). After telling the wide eye'd fireman this fantastic tale, the engineer promptly forgot it, with a sly snicker, but not our new fireman, not by a long shot !!!

In this same era, there was a practice amongst many Fireman on hand-fired engines to "hide" a good shovel up on top of the boiler, just as it enters the cab, a nice "hiding place" in which it was understood that NO ONE would touch this shovel except the one that put it there. The engineers as well, had hard-to-find small monkey wrench's that they to "hid" up in the general area where a shovel may, or may not be stashed.

Well, on the return trip to Chicago, the normal rocking of the engine while underway, somehow dislodged the shovel, and in turn the wrench. which crashed down onto the oil cans etc and probably caused the very heavy shaker bar to fall over with a terrific thud, a lot of noise to an un-accustomed ear, and a new man aboard a locomotive, already clued in on the possibility of a serious incident, and therefore quite "gun-shy", and in an instant he jumped off his neat boy, hollering, "SHE'S FALLING APART - JUMP!" and with that, bolted for the gangway on the engineer's side. obviously with the intention of jumping off, moving or not! The engineers' quick action of grabbing him by his clothes was the only thing that stopped him, and would have otherwise resulted in at least severe injuries to our very green fireman.

There was lots of tom-foolery hack in the Good ol' Days when everything was much more relaxed, and everyone knew their job and did it. Lots of the nonsense didn't bring on such serious consequences tho, such as the case of this new student fireman that was told by the engineer, that he'd be called on from time to time to help stop the train with the hand-brake located just to the side or the shoveling sheet on the tender. Actually, it was the tender coal-pusher mechanism, actuated by steam, a large device that would shove coal forward from the back of the tender when a shortage was happening.

The handle looked exactly like the manual brake handle in the vestibule of most passenger cars, it only required turning on the steam valve near the blower and injector, and a simple move of this handle would cause it to operate as often as you actuated it more times. It was a good foil to use on new man EXCEPT! On this occasion, it was the dead of a hard winter, and someone had turned the steam just a fraction, to keep

the steam operated coal pusher from freezing up, we didn't know that just tad of steam in the pusher would build up and if, or when this pusher lever was moved. the build up would be enough to cause it to commence. And so, when we told nor new head, Oh Oh we're going to need brake help, he quickly jumped over and began manipulating the "brake" Within 20 seconds, (maybe less !!) it was evident from the hissing noise, that the coal. pusher was raring back to push coal forward, we already HAD a full tender !!!! About the next 20 seconds was the sound of most of the coal boards being broke thru under the mass of coal being shoved forward !!! With coal all over the deck. tumbling down from the coal pile, and a hand-fired engine that you couldn't feed because of the mess, the crew had a very large amount of explanation due the management account the gross delay to the train.

The incident got all over the division .... and I don't think any new men got any where near the coal pusher mechanism, or steam valve, except as a warning, "Beware of this valve, and do NOT ignore its purpose or consequence."

*A Altstadt*

## **CN to acquire DM&IR & B&LE**

MONTREAL, Oct 20 Canadian National Railway Co. said on Monday it will pay \$380 million (C\$500 million) to buy Great Lakes Transportation LLC, bolstering its key rail link between western Canada and the United States and forging new ties with the U.S. steel industry.

Montreal-based CN, Canada's biggest railway and North America's fifth largest, said Great Lakes will add C\$285 million to its annual revenues of more than C\$6 billion, and should increase its profit as well. A CN spokesman would not comment on whether there will be a cost-

cutting program,  
or job



cuts, saying company executives will discuss those issues during a quarterly conference call with analysts on Wednesday.

Under the deal, CN will acquire two small railroads, a switching company and a fleet of Great Lakes vessels from Monroeville, Pennsylvania-based Great Lakes. Great Lakes is controlled by private equity investment firm Blackstone Group. The purchase expands CN's presence in transporting bulk commodities for the U.S. steel industry, especially U.S. Steel Corp, the country's largest integrated steelmaker.

It will also help CN improve its key route between Western Canada and Chicago — where it gets 20 percent of its revenues — by gaining a parallel track around the western edge of Lake Superior.

"I think it makes sense, it gives some access to a new customer, it gives them access to a new product line, it gives them access to a better route in Chicago," said John Barnes, railroad analyst for Deutsche Bank Securities. "There are a number of things that it does for them and they didn't spent a ton of money for it, so all in all, I think it's an effective use of their cash flow," said the analyst who has a buy recommendation on the stock.

The deal, expected to be completed by the middle of 2004, includes the small Duluth, Missabe and Iron Range Railway Co. which carries pelletized iron ore in the United States, and the Bessemer and Lake Erie Railroad Co., which carries coal, iron ore and limestone between Lake Erie and steel mills in the Pittsburgh, Pennsylvania, area.

DULUTH (10-21)— Buying two of the Northland's biggest transportation businesses will only have a "small impact" on the balance sheet of Canadian National Railway Company. But the pending purchase will make the red train giant the largest ore carrier in North America and a major player in the restructuring steel industry.

The Canadian company, best known by its symbol "CN" announced an agreement to buy the railroads and ships of Great Lakes Transportation LLC. The deal includes the Duluth, Missabe and Iron Range Railway, the Great Lakes Fleet and

other assets. The DM&IR operates 212 miles of track and has about 500 employees in northeastern Minnesota serving the taconite industry. It owns considerable property and has a large rail yard in Proctor. Great Lakes Fleet has eight ore ships and about 200 employees. Tuesday, while company officials downplayed the financial effect of the \$380 million purchase, they were big on its potential payoff. They view the DM&IR as a fine fit for CN's labor efficient operations.

"We're well positioned to accommodate this transaction," said Claude Mongeau, CN executive vice president and chief financial officer. "It's a very nice acquisition. It's good new for our customer base as we expand our presence in the steel business." Speaking at the company's third quarter conference, he characterized the cost as "a very disciplined price." Mongeau said the synergies they are banking on are on the cost side — an opportunity to consolidate overhead activities.

"I believe Great Lake Transportation is a very good opportunity for us, a very good deal and fits well with us," said James Foote, executive vice president of sales and marketing. He said the company is also looking to increase its shipments of forest projects into the U.S. E. Hunter Harrison, CN president and CEO, said they wanted to get Great Lakes Transportation before looking at other railroad purchases. He said they will be able to integrate DM&IR management people with CN management in Duluth/Superior.

Robert Noorigian, vice president of investor relations, said that after the acquisition, CN will be the largest ore carrier in North America and the largest rail service provider to U.S. Steel. He said CN will benefit from U.S. Steel's purchase of National Steel and its emergence as one of the stronger players. He noted that U.S. Steel was becoming more efficient and this is a perfect time to step in. Noorigian said that with electricity prices going up, mini-mills will not be as competitive. Mongeau said that U.S. Steel is a little more than 50 percent of Great Lake's business and CN hopes to expand that. He also

praised MinnTac as the lowest cost tacomite producer.

CN officials acknowledged they plan to reduce the number of locomotives in service and continue to efforts to reduce employee expenses. They have not been specific about potential layoffs here. The company has an ongoing "head count reduction" program, a "war on bureaucracy initiative" and a movement to cut discretionary spending. Another prize in the deal for CN is obtaining a 17-mile stretch of track near Duluth. It is known as the missing link in the company's West Canada to Chicago route.

"This transaction is a good outcome in a number of ways," said John E. Giles, Great Lakes president and CEO. "It is good for GLT employees in that CN has no plans to eliminate rail lines or terminals, no plans to change dock operations, and no plans to close gateways." He said CN has the strongest balance sheet of the North American Class I railroads.

## **Rails to the Northstar**

### ***The 2004 National Railway Historical Society Convention***

The Northstar Chapter 2004 National Convention Committee has been busy planning "Rails to the Northstar", the 2004 NRHS National Convention. The Minneapolis Hilton Hotel is the host hotel, at the very favorable rate of \$109 single and \$129 double. Pre-registration for Rails to the Northstar is now open!

Our present schedule includes three day-long mainline railfan trips: we've spoken with four Steam locomotive operators. We do not have any contracts signed with the railroads at this time, all events are tentative. Other events being planned include a night photo session, an evening on the Minnesota Zephyr dinner train, and a day at three historic railroad sites operated by the Minnesota Transportation Museum in and around the Twin Cities. We are also working on the usual banquet and business meetings.

Getting to the Twin Cities is easy and convenient. The Twin Cities are served by Amtrak, Greyhound and other intercity bus lines, several major domestic and international air line,,, and Interstate Highways 35 and 94.

Class one railroads serving,- the Twin Cities include Amtrak, BNSF, CN, CP and UP. The BNSF and CP have major facilities in town, and the UP has a few smaller yards. The Minnesota Commercial is well known for their ALCO and GE locomotives, and Amtrak's passenger station is not far from their roundhouse. The Twin Cities & Western is a shortline that comes into town to interchanges with the class one railroads, and the new Iowa Chicago & Eastern railroad tracks through Saint Paul to then Minneapolis terminal.

Two railroad museums make their home in the Twin City area; the well-known Minnesota Transportation Museum has five sites in the area, covering all aspects of railroading. The lesser-known Gopher State Railway Museum is developing a site 20-30 miles southwest of the Twin Cities on property along the UP's ex-M&StL Montgomery branch. James J. Hill, founder of the Great Northern Railway made his home in Saint Paul: his mansion still stands and is open to the public for tours.

Non-railroad attractions include The Mall of America - the largest shopping and entertainment complex in the United States. The Minnesota Twins play major league baseball at the Metrodome, and for minor league baseball fans the Saint Paul Saints play an entertaining game of baseball with BNSF trains running by just beyond the left field fence. Garrison Keillor's Prairie Home Companion records many programs live in Saint Paul. Fort Snelling is where the great state of Minnesota was first established, and there are many more non-railroad related things to and do.

We are planning an exciting convention for 2004, and encourage everyone to put the dates June 29th through July 4th on his or her calendar, and also to pass these dates to anyone who is interested. Plan on joining us for six exciting days of railroading and railroad history in Minnesota.

The pre-registration form for Rails to the

Northstar is included in this issue of the NRHS News. The most updated convention information can be obtained by visiting, the convention web -site at [www.northstar2004.org](http://www.northstar2004.org)

*Editor: For those of you that plan to attend be sure to keep or pick up the December 2003 issue of TRAINS magazine. This issue features the pull-out map section of Minneapolis/St. Paul and will be a must for the first time visitor.*

## **Illinois Town Pursues BNSF Rerouting**

Railroad planning officials in northwest Illinois have submitted proposals to BNSF to relocate some of the tracks that the Class I uses for its Transcon intermodal route between Chicago and Southern California.

City planners in Galesburg, Ill., about 200 miles southwest of Chicago, drew up the proposal. "The whole thing started when we were doing a comprehensive [city] plan in 1999," said Roy Parkin, Galesburg director of community development.

About 70 trains a day run east and west through the downtown region along the former Santa Fe line, Parkin said. For years, town residents complained about the traffic congestion caused by the numerous downtown crossings and the noise created by each train blowing its whistle as it approaches a crossing.

In response, BNSF recommended in 2000 that the city close some of the crossings, but city officials were unsatisfied by this proposal, said Parkin. For one, while it might eliminate crossing delays, it would prevent residents from driving a direct route through town. The closings also would disrupt emergency response vehicle routes and potentially limit their access to certain areas of downtown.

Three Routes Around Galesburg - Using a federal grant, city officials in cooperation with BNSF officials hired the Chicago-based engineering firm of Toltz,

King, Duvall, Anderson & Associates (TKDA) to study potential alternatives to move railroad traffic out of the Galesburg downtown to the outer areas of the city.

TKDA came up with 10 alternate routes. Then BNSF, local leaders and the state transportation officials combined elements of the slate of options into three alternatives, Parkin said.

The first proposal would run a line from the northeastern edge of the city to the southwest, which would cross fewer downtown roadways. This \$204.9 million proposal would not eliminate the problem, but would be an improvement, said Parkin.

The second proposal, which would cost an estimated \$260.3 million - runs along the southern side of Galesburg to west side of Knoxville, IL. The final and most expensive proposal, estimated to cost \$304.1 million, also bypasses the city, and reconnects with the BNSF mainline in Williamsfield on the east side of Knoxville. For flow, city officials prefer the third option, said Parkin.

Railroad Cool To Rerouting - BNSF currently is reviewing [lie three proposals, and Parkin said he expects the railroad to recommend significant changes. From the carrier's point of view, the city is facing "a lot of hurdles in order for this to come to fruition," said BNSF spokesman Steve Forsberg. The Class I is happy with the line as it is, although it would prefer fewer downtown crossings, said Forsberg. Therefore, the carrier has no plans to help finance a relocation, and the city would have to find all the money to pay for the project, he added.

"We have to end up with infrastructure that is equal to or better than what is already there, or we have no reason to cooperate," said Forsberg.

*Editor: We submitted on this proposal last December but holiday delay on the part of FedEx we missed the deadline. TKDA is a consultant for BNSF and was selected for the study. The only feasible route is around the south side of both Knoxville and Galesburg. Elevation wise the route would require crossing under I-74 and major cuts on the east side to come up out of the*

*valley the ex-ATSF line is in. The Peoria line would have to be grade separated as well as the lines south of the yard. In the study the city wanted to eliminate other grade crossings and thus the line would have to be elevated or elevate the roadways. After the experience at Lafayette we would be surprised if the project goes forward and would expect the costs to be exceeded. Note that BNSF is not wanting to contribute to the cost of the project. For those of you that have been in Galesburg there are streets that could be closed. Several have sight distance problems and as is usual in any community they don't want to go one block out of the way. Seems everyone forgets who was there first!*

## **Railroads Urge Congress To Oppose Rail Regulation**

The nation's railroads today urged Congress to reject S. 919, the so-called Railroad Competition Act of 2003, which would reregulate the railroad industry. In testimony prepared for the Senate Subcommittee on Surface Transportation, Edward R. Hamberger, president and chief executive officer of the Association of American Railroads (AAR), said that while "AAR's opposition is to be expected . . . what was not expected was the overwhelming outpouring of opposition to this bill from the railroad customer community."

He noted that almost 400 rail customers wrote to Congress to oppose the legislation. "They range from large international companies like Ford, GM and 3M to specialized customers like Wyo Ben Inc. in Billings, Mont.; Superior Graphite in Chicago; and Arizona Wood Preserving in Eloy, Ariz. They span the entire spectrum of economic activity from Schneider Trucking to the Port of Lake Charles, La., to Oregon Steel Mills in Portland, Ore., to Pennington Seed Co. in Madison, Ga." Hamberger pointed out that some of the opposition comes from members of Washington-based associations "agitating for

this bill. For example some 20 letters come from NITLeague members; the Paper and Forest Product Industry is well represented in its opposition, from industry leader Georgia Pacific to Bennet Forest Industries in Elk City, Idaho. The utility industry (is) represented by DTE and Mid America Energy — along with one of the largest coal producers, Arch Coal . . . Even chemical industry customers such as Texas Petrochemical LP and Solvay Engineered Polymers have written to oppose S. 919."

He said the argument over reregulation "is not a fight between railroads and their customers, but rather a fundamental difference between some customers who continue to cling to the belief that government should dictate the market place and the rest of America's shippers who understand and recognize how deregulation has improved service and lowered rates." Supporters of reregulation, Hamberger said, believe government "should intrude by placing a cap on prices, imposing uniform pricing by severely restricting the use of differential pricing, taking away from the railroads the operational efficiencies of routing prerogatives." These policies, he said, would "drag rates down, thereby making it impossible for railroads to ever earn their cost of capital." He said that rail customers opposing reregulation realize that rail rates have gone down an average of 60 percent since the Staggers Rail Act of 1980 partially deregulated railroads and recognize that the reforms from Staggers are necessary for the railroad industry to meet its massive capital needs.

Hamberger said the choice boils down to this: "Do the railroads remain a self-sustaining private industry or do we return to an era of heavy regulation, capital starvation, poor service and eventual bankruptcy or nationalization?"

*(AAR - posted RailPace 10/24)*

# Fy '03 Amtrak Ridership Is Highest Ever

## *Railroad serves record 24 million passengers*

WASHINGTON - More than 24 million passengers traveled on Amtrak in Fiscal Year '03 (ending September 30), the highest annual ridership ever experienced by the nation's intercity passenger rail service in its 32-year history. Despite a number of adverse conditions this year, including a lagging economy that has hurt the travel industry overall, the Iraq war, the Presidents' Day blizzard, the Northeast blackout and Hurricane Isabel, Amtrak's ridership topped the previous record of 23.5 million passengers set in 2001 and was 2.7 percent better than last year's result of 23.4 million.

Long-distance trains showed substantial improvement over last year, with those in the Eastern region of the country improving ridership by 3.8 percent and those in the Western region improving by 6.6 percent. The most substantial increases were experienced by the Pennsylvanian (up 64 percent) due mostly to a change in routing; the Texas Eagle (up 20 percent); the Silver Meteor (up 15.2 percent); and the City of New Orleans (up 14.5 percent).

Ridership on shorter distance routes in the West increased by 11.7 percent over last year, while decreasing slightly in the East (-1.6 percent). The Pacific Surfliner, serving Southern California, showed the largest increase among these trains, with a gain over last year of 26.3 percent. Several Midwest trains, the Pere Marquette (up 22.1 percent), the State House (up 13 percent) and the Illini (up 11.4 percent) experienced the next largest increases in passengers. In the East, Regional trains carried more passengers than any

Other Amtrak service in the country, increasing from 5,760,499 last year to 5,974,806, an increase of 3.7 percent. While a reduced number of departures (7,686 in FY '03 vs. 8,272 in FY '02) resulted in a decrease in Acela Express ridership from

2,473,921 to 2,363,454, per-departure ridership on Acela Express actually increased slightly from 299 to 307.

Amtrak attributed the overall positive results largely to its "back-to-basics" approach to winning over passengers, begun earlier this year. Among the back-to-basics initiatives undertaken by the railroad have been:

1. January fare rollbacks and a newly introduced straightforward pricing structure for passengers. The rollback, combined with national marketing offers, contributed to strong ridership in the following months. Because the new lower fares are in effect indefinitely, Amtrak is continuing to experience higher ridership today.

2. In April, Amtrak reduced fares for Acela Express travel between Boston and New York, capping business class fares at \$99 each way. This resulted in a 13 percent increase in ridership in the five weeks following the reduction (compared with the five weeks prior to the reduction), a trend that continues today.

3. Also in April, on the Springfield Line between New Haven, Conn., and Springfield, Mass., Amtrak increased the number of trains from 11 to 16 and lowered fares by an average of 54 percent, which resulted in a ridership increase of over 30 percent in the five months that followed.

4. In California, thanks in part to a new ticket cross-honoring agreement with Metrolink, the commuter agency, Amtrak ridership on the Pacific Surfliners ended the year up 26.3 percent from FY 2002 levels.

Other improvements in service introduced during the year included new menus on the long-distance trains so that passengers traveling more than one night would have more dining options. Additionally, Amtrak's award-winning automated voice response system

For 1-800-USA-RAIL, called "Julie®," was upgraded to handle credit card transactions and more complex reservations. Julie currently satisfies approximately 40 percent of all callers to the toll-free number.

# Wheel Report

The National Capitol Trolley Museum in Silver Spring, MD. Reported that it had sustained significant damage to its streetcar collection in a fire at the museum the previous week. The fire destroyed 8 historic streetcars - 4 Capital Transit cars, 3 Austrian trams and 1 Johnstown Traction car - and the carbarn in which they were housed. Museum officials estimated the loss at between \$8 million and \$10 million in value. (ffd: Museum press release via Railpace)

Chicago Transit Authority President Frank Kruesi formally proposed a raise in its base transit fare from \$1.50 to \$1.75. Mr. Kruesi said that the increase was necessary to close an \$88 million shortfall in the CTA's annual budget. The CTA base transit fare was last raised in 1991.

Amtrak announced several service changes effective with its new national timetable starting October 26. Among the changes are the curtailment of 10 Acela Express trips between New York and Washington during weekends, which an Amtrak spokesman said would give mechanical personnel more time for maintenance and reduce the number of mechanical problems incurred by the trains during the week. Also included in the changes is the extension of Amtrak's tri-weekly "Cardinal" train, which presently operates between Chicago and Washington, such that it will now operate on the same route but beyond Washington and to New York.

STATS: For the week ending October 4, U.S. carload rail traffic was up 1.2 percent from the comparable week last year, up 3.6 percent in the East, but down 0.7 percent in the West. This week this year versus this week last year, notable traffic increases included coke up 36.0 percent, non-grain farm products up 20.0 percent, waste and scrap products up 11.2 percent and primary forest products up 10.0 percent; notable traffic decreases included metallic ores down 19.4 percent. percent, all when ranked with the comparable week last year.

*Via AAR*