

FIRST CLASS MAIL

“THE DANVILLE FLYER”

DANVILLE IL 61834-1013

P.O. BOX 1013

NATIONAL RAILWAY HISTORICAL SOCIETY

DANVILLE JUNCTION CHAPTER



Eastbound CSX train at the new control point, CP Shen, located about 1/4 mile west of the Norfolk Southern overhead bridge in Shenandoah Junction, WV. Bringing up the rear of this train was a Missouri Pacific caboose being deadheaded east. The new control point should go into service in early March 2003. Photo R. Schroeder, 9-11-02

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.

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Volume 34

October 2002

Number 8

October 20, 2002

Danville, IL - Regular monthly meeting at the Pizza Inn, Williams Street and Gilbert Street (Route 1), next to the CSX mainline to Hillary.

October 19 & 20, 2002

Indianapolis, IN - Great American Train Show, State Fairgrounds, 10-4, \$7

October 20th, 2002

Chicago area - 11th Annual Chicago Railroadians Show, Indiana Lake Resorts, 250 W. Schick Rd, Bloomingdale, IL 10 AM to 3 PM, adm \$5

November 2, 3 & 9, 2002

Monticello, IL - Throttle time at the museum, special fare lets you operate one of the diesel locomotives.

November 3, 2002

Kankakee, IL - Kankakee Model Railroad Club Train Show and Swap Meet, Civic Center, 895 S. 5th Ave, 9:30 AM to 3 PM

November 16, 2002

Terre Haute, IN - Train Show and Toy Train Swap Meet, Terre Haute National Guard Armory, 10 AM to 3 PM, Adm \$3

Operating Sessions

See Page 3 for a list of operating sessions at Rossville, the Grafton, Davis and Mt. Storm Railroad and the Danville and Western Railroad.

Next Meeting

The next meeting will be October 20, 2002. The program scheduled will be additional scenes of the PA and MD by Rick Schroeder. Last month we saw steam on the Western Maryland Scenic and East Broad Top, this time we will start the trip at Greenburg, PA and check out the diesel side of the trip.

Member and Treasure Allen Cooke recently had bypass surgery and was not at the last meeting. Allen is doing good and hopefully will be able to come to the October meeting. Allen thanks all that have called and sent cards.

Note the schedule for operating sessions and the Indianapolis Show. Last month Bill had to cancel his session and we did not have one setup for October at Rossville. The Danville and Western session scheduled in November is subject to



change due to work load and getting ready to have our company Christmas party at the house. Your editor needs to get work done (nothing has happened since April) and get it ready for "company guests" in early December.

Member and Secretary Al McCoy has started a new layout in his new home on Gilbert Street. If he doesn't find a job soon he will be passing out a catalogue to everyone for his Christmas gift. (Remember doing this as a kid!)

Atlas Corporation will be coming out with a new series of GP-7's sometime early next year. They have approached the C&E Historical Society about the scheme and are working on artwork for painting some in our favorite railroad. We will let you know when they are available.

Rail Redux

With new cars, renovated stations and a powerful friend in Ottawa, a resurgent VIA is rolling again. TRANSPORT MINISTER David Collette calls himself a train buff. As a boy growing up in post-war England, he says the sights and sounds of London's Marylebone Station were an everyday fascination. "The coal trains used to marshal behind my bedroom window," he recalls. "I used to be a train-spotter." So Collette takes special satisfaction in the way the cabinet job he has held since 1997 has let him become the biggest booster passenger rail has had in Ottawa in a long time. In spring 2000, Collette persuaded Jean Chretien and the rest of the cabinet to let him inject \$400 million over five years into VIA Rail

Canada's capital spending, allowing the government-owned railway to, among other things, buy roomier new cars and refurbish rundown stations. Even with Collette in charge at Transport Canada, though, the biggest dream of Canadian passenger rail proponents has been stalled. In 1998, a consortium of companies proposed a high-speed service for the country's busiest routes, the Montreal-Ottawa-Toronto corridor. But the estimated \$11-billion cost of upgrading tracks and buying new trains — a third of which the federal government would have had to pay — proved too much for the Liberals. The grand plan for bringing 320-km/h trains to Canada, comparable to France's famously fast Trains a Grande Vitesse, or TGVs, never left the station.

But if truly high-speed trains will not be rolling in Canada anytime soon, higher-speed rail is now a real possibility. Collette told Maclean's he has asked VIA to develop a proposal before the end of this year for a service that would significantly cut travel times on those busy routes. "In my discussions with VIA, I've asked, 'What would it take to get faster trains without going the whole TGV route?'" Collette said. The plan VIA is working on for Collette would boost maximum speeds to 200-240 km/h from the current 160-170 km/h. That would slice about 45 minutes off the current two-hour trip from Ottawa to Montreal.

continued on Page 3

Operating Sessions 2002/ 2003

Grafton, Davis and Mt. Storm Rossville

Operates from 12:30 to 4 PM, 309 Dale.

Saturday, October 26

Saturday, November 23

Saturday, December 28

Saturday, January 25

Saturday, February 22

Chicago, Illinois and Eastern - Rossville Museum

Operates Saturdays from 1:00 to 4 PM

Saturday, November 2

Saturday, December 7

Saturday, January 4

Saturday, February 1

Danville and Western Railroad Champaign

Operates Sundays from 1:00 to 4 PM, 1819 Coventry

Sunday, November 10 (subject to change)

Sunday, January 12 (change)

Sunday, February 9

Please contact the owner of the railroad, Bill at 748-6445 or Rick, at 359-2868, if you intend to markup on the board for operation on one of these days. Refreshments will be served at all facilities.

Fall River Line, Midlothian, IL

Saturday, November 16 - 7 PM Craftsman layout set in the early 1900's. Operating session with cards and fast clock, all craftsman kits and scratch built

Baltimore and Ohio Railroad, Chicago, IL

Saturday, November 30 - 7:00 PM, Ed's B&O
Operating session, great detail layout.

Contact Bill Sandusky for a visit to the two listed above. Call 748-6445 or sandusky@soltec.net if interested in going. There are others on Bill's list if interested in seeing layouts in the Chicago area.

How much it would all cost is, of course, the critical question. Collette said it's too early to put a firm figure on the project, but he allowed it would run to "many hundreds of millions." A rail industry official said \$2 billion is a reasonable early estimate. Since VIA runs its trains mostly on tracks owned by CN Rail and CP Rail, those freight railway companies are closely involved in drafting the proposal Collette wants to put before cabinet. Much of the money would be spent straightening tracks, building bridges and tunnels, and making other improvements to let trains go faster and make fewer stops. New locomotives might also be needed. VIA's latest batch, delivered only last fall, hauls cars at maximum speeds of 177 km/h well below the anticipated pace of the higher-speed service.

Train buff Collette wants to see these passengers get to Montreal more quickly. The fact that Collette can seriously discuss a huge injection of new spending on VIA is remarkable. For much of its history, the national passenger rail company's outlook has seemed uncertain at best. Created by Pierre Trudeau's government in 1978, VIA, by 1981, was cancelling routes to save money. When the Conservatives took power in 1984, many of those services were restored. But in early 1990, then-transport minister Benoit Bouchard eliminated 18 of 38 routes. Among those dropped was the historic southern transcontinental route through Calgary, leaving only the northern run through Edmonton. "They said that I was killing Canada," Bouchard recalls. The outcry reflected not just practical concerns over lost service, but also the enduring symbolism of trains in a country built around the "national dream" of coast-to-coast rail.

Twelve years later, Bouchard's hard-headed cost-cutting now looks like it might have been VIA's salvation. The federal subsidy poured into its operating costs then stood at \$350 million; it now runs at about \$170 million a year. And VIA's management knows that outlay can't rise. The government still requires some money-losing routes to be maintained as a matter of policy, including service from Jasper, Alta. to Prince Rupert, B.C., and from Winnipeg to Churchill, Man. But by

and large, VIA trains need to carry enough passengers to pay their way — especially when it comes to adding new services.

The contrast between thriving VIA and its troubled U.S. counterpart, Amtrak, is striking. Facing a financial crisis, Amtrak got US\$205 million in special funding from Congress last month to keep it running through the end of September. The situation turned still bleaker last week. Amtrak was forced to suspend 30 per cent of its service — including all its new high-speed trains on its heavily traveled Boston-New York-Washington corridor, after finding cracks in a component meant to keep locomotives from swaying. (The locomotives are built in part by Montreal's Bombardier Corp.) Even before that setback, Amtrak's new president, David Gunn, the former head of the Toronto Transit Commission, was pleading for US\$1.2 billion from Washington in the next fiscal year, more than twice the previous year's subsidy. One perennial problem: Amtrak has been forced to run money-losing, long-distance routes through key states to keep Congress from cutting off money. In other words, Washington still hasn't come to terms with the need to rationalize Amtrak in the way VIA was scaled back more than a decade ago.

Such cuts may not always be as unpopular as politicians fear. After weathering a two-week firestorm over the 1990 VIA cuts, Bouchard says he rarely faced criticism over the decision again. "People saw that we couldn't keep putting a huge subsidy into empty trains." As well, where there is real demand for rail service, new companies tend to pick up the slack when the big railways retreat. When it comes to tourist travel through some of Canada's best scenery, private railways from Rocky Mountaineer in the West to the Acadian Railway Co. in the East have sprung up. Between those regional railways and VIA's national network, passenger rail in Canada is hardly endangered. By the end of next year, VIA expects to have 139 plush new passenger cars in service to go with its 21 new locomotives.

Stations from Moncton to Prince Rupert have been spruced up. But all this will seem like small stuff if Collette can persuade cabinet to embrace — and fund —

his vision of faster trains. For VIA, it would mark its recovery from the days when passenger rail looked like a fading force on the Canadian landscape. For Collette, it would be a fitting terminus for the abiding affection for trains that began in a kid's bedroom near a noisy London rail yard.

Redesign stalls US Route 136 underpass plan

Jennifer Evans, Indianapolis Star (July 12, 2002)

Work to renovate the U.S. 136 railroad underpass in Clermont is stalled due to a proposed redesign of the project. The original plan is being modified to eliminate the need for a temporary railroad bridge, according to Mike Wink, construction manager for the Crawfordsville District of the Indiana Department of Transportation. Various lane restrictions were in place along U.S. 136 in late spring for utility relocation and initial earthmoving. Then, site work halted. Problems with soil stability caused the project's contractor, Beaty Construction, to propose the redesign, said project engineer David Sides.

The CSX railroad bridge crosses U.S. 136 just west of Louise Avenue on the east edge of Clermont. The old style masonry railroad bridge allowed only 12.5 feet of clearance for highway traffic. There also were frequent problems with standing water under the bridge after rainstorms.

The time being spent on the redesign will be compensated by not needing to install a temporary rail line bridge, said Wink. Previous plans called for a temporary bridge to be built for train use while other site improvements were made.

The renovation project will increase the road clearance to 16.5 feet and widen the underpass by 28 feet. New and bigger storm sewer pipes also will be installed. The entrance to Louise Avenue will become less steep, Sides said. That will give

people turning onto U.S. 136 from Louise a better field of vision. The total cost of the project is expected to remain near \$3.1 million. The project's original contract called for a maximum of 30 days of road closings. Officials hope the number of days motorists are rerouted will be closer to 20. Because U.S. 136, also known as Crawfordsville Road, is a main thoroughfare to reach Indianapolis Raceway Park, the construction contract forbids any road closings that would interfere with major events like the Super Chevy Show, Kroger Speed fest or Mac Tools U.S. Nationals.

Due to the proposed changes in the project's scope, Sides says there will not be any effect on traffic until fall and certainly none for the upcoming Brickyard 400 and its accompanying activities on the Indianapolis Westside. When the road closing is imminent, motorists will see work site signs posted with proposed closing dates, as well assigns posted for the detour. "The contractor is required to give IN DOT two weeks' notice of any closings so we can in turn give adequate notice to the public. We hope to keep traffic flowing as much as possible with the use of flagmen," Sides said.

A total of 2,300 feet of U.S. 136 will be affected by the renovation. The road will appear to be four lanes wide but actually will be two lanes (one in each direction), with driving shoulders that will let traffic go around turning vehicles. The original completion date was August 2003. Sides says the contractor hopes to shave a month off that. Officials estimate that the CSX rail line will be closed only 40 hours during one weekend in late October or early November. That will let workers slide the new steel structure in place. After that is done storm sewer work will be completed. *(Via Railfans of Indianapolis)*

Editor:

Our office is handling the construction review for CSX along with review of all changes in the drawings. As of the end of September we were still reviewing and finding problems with the redesign. The concrete redesign has just been submitted for review. The contractor will install drilled shafts for the ends of the bridge structure. A cast-in-place abutment will be placed on

the drilled shafts. So far they have not been able to get that work designed so it can be completed in the 40-hour schedule. At the same time they keep telling us and CSX engineering that they have a commitment from CSX for the 40-hour window but so far CSX has not issued the letter they state they have in their possession. Once bridge design plans are approved we will be reviewing the fabrication drawings. That will take another 30 days of review time. Fabrication will take some 60 to 90 days with bridge installation not expected until February or March, not November as they planned. Waterproofing cannot be installed until at least 40-degree days so by the end of March the bridge could be ready for roll in. I will keep you posted on the progress.

New Norfolk Southern SD70M's to wear modified logo

Norfolk Southern will introduce a modified logo on an order of 50 General Motors SD70M's set for delivery in 2003, industry sources said today, confirming rumors that had been circulating this month.

The redesigned NS speed-lettering

logo will include an image of the NS Thoroughbred's head, neck and mane, similar to the logo that appears on the railroad's Web site, www.nscorp.com. It will be the first change to the logo since it was designed in 1982, when Norfolk & Western and Southern merged to form NS.

The locomotives – NS's first major order with GM in two years – reportedly will be built with flared radiators, North American cabs, and standard control stands. NS's last new EMD's were 10 SD70M's assembled at its Juniata, Pa.,

shops in the fall of 2000. NS may also order additional locomotives from General Electric, which in recent years has supplied the railway with more than 800 C40-9W's. Both orders, however, may hinge on economic conditions for the rest of this year.

An NS spokeswoman did not return a phone call seeking comment today, and an EMD spokeswoman was not available today.

Via Trains On-Line 9-25

Amtrak Chief Proposes More Cuts Budget Plan for '03 Ends Freight Service

Amtrak President David L. Gunn says he has developed a fiscal 2003 budget that calls for more personnel cuts, an end to freight service and an eventual end to state-subsidized trains unless the states agree to cover all of their operating losses.

The plan, which calls for \$1.2 billion in federal subsidies, reflects movement by Gunn and the Bush administration — whose relations have often been strained — toward common ground on stabilizing the railroad for the next year or two while they prepare for later decisions on the

passenger train's long-term future.

Federal officials say they still want changes in an organization that has never made money in its 31-year history and long been criticized as inefficient. But Deputy Transportation Secretary Michael P. Jackson, who represents the administration on Amtrak's board, says the administration will work with Congress to be certain that Amtrak avoids another cash crisis similar to the one that left passenger-train service within days of a nationwide shutdown in July.



"I don't think there'll be a fight over having enough money to survive," said Gunn, who has met with Jackson and other administration officials in the past few weeks. Gunn is scheduled to present the detailed budget to the Amtrak board of directors today and Friday. He said that it will force Amtrak to delay many worthy projects, such as major track work on the Northeast Corridor. All new projects will be delayed or killed, including a plan backed by Florida Gov. Jeb Bush (R) to restore passenger-train service to his state's east coast through Daytona Beach.

"All of that expansionary stuff is gone," he said. He would not predict how many of the projects would be revived. Gunn said he will insist, however, on continuing with a program to rebuild wreck-damaged passenger cars. More than 100 passenger cars have been sitting around for years, earning no revenue, because there was no money to repair them.

With anything less than the full \$1.2 billion requested, "We're dead. It's over," Gunn said during an interview and in a meeting with Washington Post editors and reporters.

All long-distance trains will continue to operate under the budget. Gunn said that the future of the long-distance train is a political decision for Congress and the administration but that he will not object if Congress sets financial performance guidelines for those services, with those that do not meet the standards being discontinued unless the states want to contribute.

"I don't mind having to be held to some standard," he said. The budget will reflect at least two major changes to Amtrak's strategy, he said. First, money-losing express freight service will end, although Amtrak will continue to haul mail, which is profitable. Express service, which involves adding freight cars to Amtrak trains, was supposed to help Amtrak become operationally self-sufficient. Instead, it has been a financial drag, delayed passenger trains and angered the freight railroads that Amtrak depends on to operate long-distance trains.

Second, he said, over the next two years, states that subsidize certain Amtrak routes

must guarantee coverage of all losses. The state-subsidy program began many years ago to help states establish passenger service that Amtrak would not otherwise operate, but in most cases — except in California and perhaps Washington state — Amtrak still loses money.

Jackson said in an interview that the administration will continue to nudge Amtrak toward basic "reforms" that would eventually lead to more efficient operations and franchising out some current Amtrak service. But he said the administration wants Amtrak to be sufficiently funded in the short term as well as through next year — since it is unlikely the fiscal 2003 transportation appropriations bill will be passed before the fiscal year begins Oct. 1.

Without an appropriations bill, Amtrak and other transportation programs would have to be funded by a temporary "continuing resolution." But in that event, Amtrak would receive funding only at the monthly rate of the administration's \$521 million fiscal 2003 budget, meaning it would face another cash crisis within weeks.

"The administration wants to work with Congress to find an appropriate continuing resolution mechanism to allow Amtrak to operate until the fiscal 2003 budget is passed," Jackson said. Administration sources said no "reforms" will be tied to the continuing resolution, and the administration's requests for fiscal 2003 will not be extensive. They said the administration will ask that the bill clear the way for private enterprise to operate some Amtrak routes as an experiment, to determine whether competition could lead to more efficient service. Such service could then be set up in fiscal 2004. Gunn said he still considers franchising unrealistic because Amtrak has the "gene pool" to operate passenger trains, particularly an operation like the Washington-Boston Northeast Corridor. "We are the only game in town when it comes to an electrified railroad," he said.

Meanwhile, Amtrak appears to be emerging from the chaos caused by mechanical problems with its Acela high-speed trains, just as it is entering internal personnel chaos.

The Bombardier-Alstom consortium that

built the Acela trains has completed temporary repairs on enough of them to allow a return to full service on weekends and nearly full service on weekdays. Gunn also said passengers returned to the Acelas almost as soon as the trains were back on the track. Amtrak estimated the service problems, involving cracked shock-absorber brackets, cost it \$9 million in revenue in August. Meanwhile, Gunn has ordered further cuts in management staff by Oct. 1. Partly because of those cuts, Chief Operating Officer Stan Bagley retired suddenly on Monday. And Kevin E. Lydon, general manager of Amtrak's commuter operations in Boston, said he was fired when he refused to cut personnel. Bagley was well respected within Amtrak and had emerged as Gunn's top lieutenant. But sources said he and Gunn could not agree on laying off significant numbers of operating managers.

Intermodal to knock coal off top spot in 2003, study says

King coal may be losing his railroad crown. Intermodal traffic is expected to dethrone coal as the largest single source of railroad revenue by the end of next year, according to a study commissioned by the Association of American Railroads.

"People will have to start thinking of railroads differently now," said Thomas R. Brown, an author of the study. "Freight railroads are an increasingly significant delivery service for household products, in addition to bulk commodities like coal and grain."

The study, conducted by Brown and Wall Street analyst Anthony Hatch, assumed that current intermodal, coal, and economic trends would continue when concluding that intermodal will overtake coal next year. Despite its past growth — and projected growth of 5% in each of the next several years — intermodal remains underutilized.

"Intermodal has the potential to become

the core of our long-distance freight transportation networks, and to make substantial inroads in new markets,” Brown said. “This can be accomplished through the addition of new capacity in certain lanes and through the introduction of incentives for new intermodal investments.”

The study recommended three incentives to spur further railroad investment in intermodal facilities and capacity:

Eliminate the 4.3-cent per gallon fuel tax on railroads, which unlike the trucking industry get nothing in return for the tax.

Provide tax incentives to companies that invest in intermodal infrastructure.

Create public-private partnerships to finance rail infrastructure improvement projects that provide public benefits, such as reductions in traffic congestion or improvements in air quality.

Via Trains On-Line

Gunn hopes simple budget will sway Congress to back Amtrak with \$1.2 billion.

After four months on the job, Amtrak’s new president, David Gunn, says he has figured out how to save the bedraggled national passenger railroad. He’s using the railroad’s brush with bankruptcy in July to focus broader attention on how many regions would be hurt if Amtrak stopped running. And he is going to seek support from a large group of government officials and business leaders that has stayed on the sidelines of the never-resolved debate that has left Amtrak with barely enough funds to keep going throughout its 31-year history.

He calls his new target audience “the mushy middle - mushy in terms of their views toward rail.” These people constitute a majority in Congress and state legislatures, he said.

For decades they have been caught be-

tween two extremes, Gunn said in an interview in his Washington office. Hard-liners, arguing that government should not own a railroad, have been trying to kill Amtrak since Congress created it in 1971. On the other side, passionate proponents have offered nothing huge and costly projects, Gunn said. “If you have something that is reasonable and that doesn’t break the bank, and produces results in our lifetime, a lot of people will come into the fray and take the argument away from the extremes,” Gunn said. This must happen soon, he said. “This place can’t muddle through much longer.

“Most taxpayers would be rather outraged if they knew that they had to fork over \$212 every time a person rides the train from Louisville to Chicago. For that amount, the government could simply send for a limo.”

—Terry Carmack, chief of staff for Rep. Anne Northrup, R-Ky., who planned to back a bill that would limit federal subsidies to Amtrak trains that lose less than \$200 per passenger. Carmack, quoted in *The Courier-Journal* of Louisville, was referring to Amtrak’s Kentucky Cardinal.

Editor: Now lets see, the airlines have lost billions, wonder what that loss per passenger is for the airlines.

It has to have some stability or we’ll start running out of equipment; bridges and signal systems will begin to fail,” Gunn said. Long-term, state and local government must share in the cost of the nation’s passenger rail system, akin to the way they share the cost of highway construction and transit systems, he said.

“If it’s all federal,” Gunn laughed, “I’ll be like a piece of chum in a tank of barracudas. Everybody wants free service. You’ve got to have something that disciplines requests.”

Gunn is asking Congress for \$1.2 billion for the fiscal year that begins Oct. 1, more than double the \$521 million subsidy it got this year. A final federal budget is unlikely until after the November elections. That additional money is urgently needed, he says, to catch up on long-deferred maintenance, get wrecked railcars returned to service, and make long-overdue improvements to track and signals.

To gain credibility, Gunn has switched to a budget system that doesn’t require an accounting degree to understand. “You can spend a day going through these sheets and know what we’re spending money on,” he said, holding up the document he would present to his board the next day. Turning to a page, Gunn asked: “Want to know what this \$4.8 million is for?”

Glad you asked. Here’s the specific project. It’s going for cable renewal between milepost 29.5 and 135.” Turning to another section, he said: “Here’s a list of wrecked cars we’re going to repair. Here’s the schedule.” Gunn has thinned management to the point where there was an eerie quiet at corporate headquarters last Wednesday. Where other chiefs show up at the Washington Post editorial board in chauffeur-driven cars, Gunn walked in Tuesday from the nearby Metro subway stop.

The outcome of Amtrak’s struggles will have a profound impact on the Philadelphia region. If Gunn succeeds, Philadelphia would be in an even stronger position to attract companies that value easy rail access to New York and Washington.

Gunn, 65, has a much broader and deeper railroad background than his recent predecessors. “He’s had experience across the board. He knows rail operations, the technology and the human resource side of the fence,” said John C. Spsychalski of Pennsylvania State University, a noted transportation scholar. Gunn’s incremental approach makes sense, Spsychalski said, adding: “When you put forth a comprehensive long-range strategic plan that develops rail service to its full potential, the cost clearly causes a rush to the exits among politicians.”

Amtrak has been in financial trouble since Congress created it in 1971, bowing to a railroad industry, beset by bankruptcies, that wanted to abandon money-losing

passenger service.

Its brush with bankruptcy has its roots in 1997, when the Republican-controlled Congress decreed that Amtrak must wean itself from federal operating subsidies by this fall. Gunn's two predecessors, first Thomas Downs and later George Warrington, tried to meet that goal by spending money on capital improvement projects they hoped would lower operating costs. They invested, for example, in new technology and tried to reduce maintenance costs with more frequent overhauls of equipment.

"The accounting system became perverted because of this glide path to self-sufficiency. Who knows how I would have responded in that environment. Management went through contortions to drive down the operating budget," Gunn said.

Amtrak's chance of meeting the self-sufficiency mandate was doomed by early last year when it became apparent that Congress would come up with only half of the promised capital improvement money. Then long delays in the introduction of new high-speed Acela Express trains robbed it of badly needed new revenue. The picture went from bad to worse when the economy slumped after Sept. 11.

Over the last year, Amtrak lacked funds to repair wrecked or damaged cars. With no spares on many routes, there was little time and staff to make minor repairs and clean cars thoroughly, as was evident from rattles and filth on trains last week.

"When was the last time this restroom was cleaned? There's a big puddle on

the floor," a woman complained to the conductor on the Washington-to-Boston Train 66 Wednesday evening. "All I can suggest is that you try one of the other cars," the conductor replied.

Gunn has spent a lot of time on trains. After earning a master's degree in business administration from Harvard Business School in 1962, he went to work for the old Atchison, Topeka & Santa Fe, and spent as many as 200 nights a year in sleeping cars.

From the mid-1970s until he retired in 1999,

he spent his time overhauling transit systems. He was general manager of SEPTA from 1979 to 1984. He prefers the tried and proven. For example, when he was called out of his retirement retreat in Cape Breton, Nova Scotia, in May, he moved into the same apartment building, near Washington's Reagan National Airport, where he had lived when he was general manager of the Metro transit system in the early 1990s.

To save Amtrak, Gunn said, "we need to achieve modest victories in new high-speed corridors," not try to mimic Japan and Europe with bullet trains.

"Once you attempt speeds over 150 miles an hour, it gets very complicated and very expensive. There are many places where 110-mile-an-hour technology can compete with airlines and cars," Gunn said.

"With what they're doing at airports - making you take your shoes off and be searched - and the delays," Gunn said, "we can have an hour penalty on running-time and beat the airlines."

Wheel Report

Additional Alcos in Watseka area.

I finally managed to contact Cameron Charles, president of Watseka Farmers Grain Co. He expects both RS-11's to be delivered before the end of this month. They will be used for in-plant switching at two locations: Pittwood, a new facility north of Watseka along the UP/CSX line, and Darrow, located on the ex-Milw route of the KBS. I've never been to either place, but they must be pretty big operations to warrant RS-11's rather than critters or trackmobiles. He has no plans to repaint them anytime soon, and he says they will retain their original numbers.

My understanding is they plan to use a siding at Pittwood to hold enough cars (65 I believe) to take advantage of lower shipping rates. I don't know if the siding is in place or has to be installed. I would assume the same thing at Darrow.

Internet via Bill Gustason

Cruise line orders 89-foot dome car - Cruise line Holland America has ordered 89-foot dome cars - billed as the longest ever built - from Colorado Railcar for use on Alaska tourist trains. The company is ordering four of the \$3 million cars, which will feature windows that offer views to the front and back of the car, the Associated Press reported. The cars will enter service on the Alaska Railroad next spring. *Via Trains On-Line*

Terre Haute Train Show and Toy Train Swap meet will be at the Terre Haute National Guard Armory this year on Saturday Nov. 16, 2002 10 AM - 3 PM. Dealer set-up starts at 7:30 AM, Admission \$3 for 12 and up with under 12 free with paid adult. For more information contact Jim Nolan 963 Main St. Sullivan, IN 47882 (812) 268-6667 or via e-mail jnolan@joink.com

