

THE FLATWHEEL

The Official Monthly Publication of the Central Florida
Railway Historical Society, Inc.



December 2014

December Annual Meeting

Saturday, December 7th
801 City Grille
Corner of 8th & Montrose Streets
Clermont, FL
Social Hour @ 6 PM, Dinner @ 7 PM,
and Officer Installation @ 8PM

January 2015 Meeting

Monday, January 12th at 7:00 PM
Central Florida RR Museum
101 S. Boyd St., Winter Garden, FL
Program: Florida's Ports & Railroad Ferries
By: Ken Murdock
Refreshments: David Rhea

Central Florida Railway Historical Society, Inc.

Central Florida RR Museum Host Duty Schedule — December 2014

DAY	DATE	HOURS	MUSEUM HOST
Saturday	12/6/14	1 P.M. – 5 P.M.	Phil Baker
Sunday	12/7/14	1 P.M. – 5 P.M.	Richard Bazzo
Saturday	12/13/14	1 P.M. – 5 P.M.	Jerry & Ginger Honetor
Sunday	12/14/14	1 P.M. – 5 P.M.	Mike Kelly
Saturday	12/20/14	1 P.M. – 5 P.M.	Jarrod Reynolds
Sunday	12/21/14	1 P.M. – 5 P.M.	Richard Bazzo
Saturday	12/27/14	1 P.M. – 5 P.M.	Irv Lipscomb
Sunday	12/28/14	1 P.M. – 5 P.M.	Frank Milmore
Saturday	N/A	1 P.M. – 5 P.M.	N/A
Sunday	N/A	1 P.M. – 5 P.M.	N/A

December Birthdays

Allen Quinn 12/2
Janet Crusie 12/8
Clem White 12/17

**MERRY
CHRISTMAS
AND HAPPY
NEW YEAR**

**December 2014
Museum Work Session
Saturday, December 13, 2014
8:30 AM to 3:30 PM
Please come out and help
with the many chores
that need to be done!!!!**

The Program Committee is looking for programs and refreshments hosts for 2015. If you would like to provide a program or refreshments for any month between March and November, please let Jerry Honetor, Phil Cross or Irv Lipscomb know by e-mail Your continued support of our Society is appreciated.

This Is The Way It Was

This monthly photo column by Ken Murdock features railroad scenes of the past, a look back into railroading's history.



This 1911 photo shows the tower on the corner of the Plant City Union Depot which protected the diamond where SAL's main to Tampa crossed the ACL's main to Tampa. The tower brick walls, at that time, supported the tower by continuing directly to the ground below the first floor roof canopy. That arrangement left a very narrow boarding platform below the tower. — *Florida State Archives photo*



This 1924 photo shows a different tower, one that is cantilevered over the first floor walls to provide more platform space. The Plant City sign, originally recessed in the brick, no longer exists leading me to believe the tower was completely rebuilt. Another tower, built into the Railway Express freight depot, is seen across the tracks to the right. Why two towers were required remains a mystery to me. — *Florida State Archives photo*



This 2008 view of the Plant City Union Station shows that the tower above the depot had been completely removed, probably many years earlier, and the local historical society had relocated the second tower across the tracks to the north side of Union Station. Both buildings are now part of a local railroad museum and welcome center. — *Jerry Honetor photo*

November 2014 Museum Report

By Ken Murdock, Museum Curator

We had a very productive museum workday on November 15, with seven members participating who included Phil Cross, Allen Quinn, Lloyd Brown, Frank Milmore, Jerry and Ginger Honetor and me. Housekeeping chores took top priority since we didn't have a workday last month.

Other things accomplished included cleaning and painting the parts of a recently donated switch stand prior to reassembly. We also installed weather stripping around three of the sliding doors in the meeting room. This will stop the cold air and dust from blowing in around these doors which are never opened due to having displays on and in front of them. We also installed display signs, recently completed by Mike Ryan, on the appropriate items. As I've mentioned before, Mike has been making the signage at home as well as scanning slides and cleaning them up with Photo Shop before placing them on CDs. Mike also purchased a very nice CD filing container to store them.

Now that David Rhea is hosting in the afternoons, he has been able to take care of some of our other needs such as taking items to Florida Metal Craft to have them welded. This has been a big help since they aren't open on Saturdays when we are having museum workdays. David also took one of our switch stands over to society member Bill Walters' home to have him straighten out the bent targets and clean and paint the entire switch stand. David said it's really looking good.

Society member Jim Garner of Jacksonville, a former SAL, SCL and CSX dispatcher, brought down a major part of his railroading and book collection for us to look at and consider purchasing. He had some very prized items. We worked out a deal to purchase part of his collection; however, he also donated a significant number of his items. Several items donated included a very nice Monon RR wood ticket case with a roll-top door on its front side, an EMD diesel engine I.D. plate (not a builder's plate) and his 35 mm slide collection. Some of the items purchased included a line side phone in a wooden case with the crank powered generator, a semaphore lantern from the ACL Perry, Florida depot, four very nice SAL trust plates, several railroad encyclopedias, an FEC long spout oil can, an FEC grease can and an FEC steam locomotive brass, steam pressure gauge.

Sherry Hurt hosted in the afternoon since Clarence Hurt is mostly homebound with a broken foot. Sherry, thank you very much for hosting in Clarence's absence. Clarence, we hope you heal quickly. We miss you but have really enjoyed having Sherry. The museum was very active with visitors all afternoon and Ginger Honetor assisted Sherry.

Thanks to each of you who came out and made this a very productive day. Museum attendance has continued to grow each year. The attendance numbers for November and December aren't available yet but it looks like we may come close to or possibly exceed 8,000 for 2014. This is a lot of visitors!! Thank you to each of you who faithfully volunteer to host!! We could not do it without your help!

Upcoming Events

December 6, 2014 — Clermont, FL — Annual Meeting of the Central Florida Railway Historical Society at the 801 City Grille, beginning with a social hour at 6 PM.

December 5-7, 2014 — Folkston, GA — Annual Winter Rail Watch. Very informal. The local Chamber sets up portable lights along the tracks for 24-hour railfanning all weekend.

December 12-13, 2014 — Plantation, FL — Plantation Model Railroad Club 12th Annual Holiday Show; Fri, Dec 12, 1-4 pm and Sat, Dec 13, 9-3 pm. Ad-mission is \$2.00 or 2 items of non-perishable food items to be donated to the Leesburg Food Bank. Children under 12 are always free. Explore our new beautiful background panels painted by our own artist Dan Crusie. The background landscape panels help to bring the entire model train layout to life. Dan has spent countless hours planning and painting the panels with miniature towns, villages, lakes, forests and mountains and at the same time captured all four seasons of the year.

December 18-21, 2014 — The Villages, FL — The Villages Railroad Historical Society Free 2014 Christmas Train Show at Colony Cottage; Thursday, December 18 thru Saturday, December 20, 9 AM to 4 PM; Sunday, December 21, 10 AM to 3 PM.

December 20-21, 2014 — Tampa, FL — 12th Tampa Train Show & Sale, Florida State Fairgrounds Special Events Center, 9 AM to 5 PM Saturday, 10 AM to 4 PM Sunday. Contact: Charles Miller, 386-736-8185, rrshows@aol.com. Website: <http://www.gserr.com>.

January 10 & 11, 2015 — Deland, FL — 50th Florida Rail Fair, Volusia County Fairgrounds, 3150 East New York Avenue, 9 am – 4 pm and 10 am– 3:30 pm. Contact: Charles Miller, 386-736-8185, rrshows@aol.com. Website: <http://www.gserr.com>.

January 12, 2015 — Winter Garden, FL — Monthly Meeting of the Central Florida Railway Historical Society at 7:00 PM in the Central Florida Railroad Museum, 101 South Boyd Street.

February 9, 2015 — Winter Garden, FL — Monthly Meeting of the Central Florida Railway Historical Society at 7:00 PM in the Central Florida Railroad Museum, 101 South Boyd Street.

March 9, 2015 — Winter Garden, FL — Monthly Meeting of the Central Florida Railway Historical Society at 7:00 PM in the Central Florida Railroad Museum, 101 South Boyd Street.

April 11, 2014 — Deland, FL — 51st Florida Rail Fair, Volusia County Fairgrounds, 3150 East New York Avenue, 9 am – 4 pm. Contact: Charles Miller, 386-736-8185, rrshows@aol.com. Website: <http://www.gserr.com>.

April 13, 2015 — Winter Garden, FL — Monthly Meeting of the Central Florida Railway Historical Society at 7:00 PM in the Central Florida Railroad Museum, 101 South Boyd Street.

May 11, 2015 — Winter Garden, FL — Monthly Meeting of the Central Florida Railway Historical Society at 7:00 PM in the Central Florida Railroad Museum, 101 South Boyd Street.

June 8, 2015 — Winter Garden, FL — Monthly Meeting of the Central Florida Railway Historical Society at 7:00 PM in the Central Florida Railroad Museum, 101 South Boyd Street.

Central Florida Railway Historical Society Officers for 2015

President	Bill Dusenbury
Vice Pres. - Membership & Programs	Jerry Honetor
Vice Pres. - Education & Public Relations	Irv Lipscomb
Secretary	Joseph Lehmann, Jr.
Asst Secretary	Phil Piet
Treasurer	David Rhea
Asst Treasurer	Frank Millmore
Curator	Ken Murdock
Historian	Phil Cross
Immediate Past President	Phil Cross

BOD Minutes Continued From Page 6

FCRR, FMRR, FNRR and SunRail Update (Including FCRR Track Upgrade Update) – Bill Dusenbury – FCRR track upgrade project is almost complete..

Tourist Train Operations on the Florida Central Railroad – Phil Piet reported the Cannon Ball is running Santa trains.

Items from Attending Board Members.

- Jerry Honetor demonstrated a LED tube that can be replace the florescent tubes. The plan is to replace the florescent tubes in the cases with the LED tubes which will eliminate the UV fading problems we are having with some displayed items.

Items from Attending Members—There were no items presented from the attending members.

Selection of Date for the 1st Quarter 2015 Board Meeting – Bill Dusenbury — Phil Cross made a motion, second by Jerry Honetor to have the 1st quarter board of directors meeting on February 2, 2015 at 7:00PM, The motion carried.

Meeting Adjournment.— Phil Piet made a motion, second by Ken Murdock to adjourn the meeting at 9:15. The motion carried.

Jamestown, GA, 11/30/14 — The photo below shows six new GE locomotives on their way to Florida for the FEC RY. Two are already on site and two more to come soon. Photo courtesy of RailPictures.net. Image copyright Allan R. Williams, Jr.



Central Florida Railway Historical Society, Inc.
Combined Board & Regular Meeting Minutes
Central Florida RR Museum
November 10, 2014
7:00 PM

Call to Order – Bill Dusenbury — Board Members in attendance were Bill Dusenbury, Irv Lipscomb, Jerry Honetor, Joe Lehmann, David Rhea, Ken Murdock and Phil Cross.

Meeting Prayer and Pledge of Allegiance – David Rhea

Recognition of Visitors – Bill Dusenbury — Jerry Honetor introduced Bob O'Malley from CSX, Judy & David White, and new member Curt Webb.

Recognition of Members/Friends Concerns – Bill Dusenbury — Clarence Hurt is hurt; his wife will be the museum host in his place.

Approval of the October 13, 2014 Combined Board & Regular Meeting Minutes – Bill Dusenbury — Jerry Honetor motioned to approve the minutes seconded by David Rhea, the motion approved unanimously.

October 2014 Treasurer's Report – David Rhea and Frank Milmore

- The Budget Committee Meeting to prepare the 2015 Budget is scheduled for Saturday, November 15th, beginning at 1:00 PM, at the RR Museum.
- Phil Cross mentioned that \$1,300 of the income for this month was due to the sale of surplus items. Phil Cross made a motion, seconded by Jerry Honetor, to put those funds towards the building fund. The motion was unanimously approved.

Vice President of Membership & Programs Report – Jerry Honetor

- **Membership Report:**
 - * 70 members in 2014.
 - * Will be sending out first renewal notice this week.
- **Society Events and Field Trips for 2015:**
 - * Field trip to the new CSX intermodal facility in Winter Haven is in the planning stages.
 - * Field trip to SunRail (Sanford Maintenance Facility) is in the planning stages.
 - * Field Trip to the RR Museum at Plant City and the new train watching platform. Frank Milmore is the coordinator.
- **2014 Annual Meeting:**
 - * Scheduled for Saturday, December 6th, 801 City Grille, Corner of Eighth & Montrose Streets in downtown Clermont, beginning with a social hour at 6 PM, followed by dinner at 7 PM and installation of the 2015 officers at 8 PM. There will not be any program. Entertainment will be Armando Valesquez on the piano.
 - * Invitations have been sent to all members and supporters. **Reservations need to be made no later than Friday, November 28th.**
- **Programs & Refreshments Hosts for 2015:**
 - * Programs are needed for January through November 2015. Ken Murdock will do the program in January and February.
 - * Refreshments Hosts are needed for January through November 2015.

Museum Curator Report – Ken Murdock

- **October 2014 CFRR Museum Report** - 897 visitors for October. The year to date visitors totals and the volunteer hours numbers for October weren't available in time to be reported..
- **The Next Museum Work Session:** The next work session is scheduled for November 15th, beginning at 8:30 AM.
- **Recent Acquisitions & Donations:** There were no acquisitions or donations to report.
- **Mike Ryan** has been making signs for items displayed in the museum at home. He has also been taking old slides and digitizing them and cleaning them up with Photo Shop, then putting them on CDs. Mike also purchased a file box for storing them.
- **Curt Webb**, a new member, has been working on the HO layout and has it working again.

Museum Host Schedule for December 2014 – Irv Lipscomb – The membership present was solicited for hosts for the Saturdays and Sundays in December.

President's Report – Bill Dusenbury

- **Winter Garden Heritage Foundation Board of Directors Activities**—History Center construction continues to progress a little ahead of schedule. Currently scheduled to be complete and ready for occupancy in December 2014. The Foundation has been busy planning for the move into the new building.
- **NARCOA** – motorcars were here Saturday, November 8th.

Nominating Committee Report – Proposed Slate of Officers for 2015 – Roger Wilson

- President – Bill Dusenbury
- Vice President Membership and Programs – Jerry Honetor
- Vice President Education and Public Relations - Irv Lipscomb
- Secretary – Joseph Lehmann, Jr.
- Assistant Secretary - Phil Piet
- Treasurer – David Rhea
- Assistant Treasurer – Frank Milmore
- Museum Curator – Ken Murdock
- Historian – Phil Cross
- Immediate Past President – Phil Cross

Election of Officers for 2015 – Bill Dusenbury

- The floor was opened for nominations for all the positions. There were no other nominations from the floor.
- Motion by Roger Wilson, second by Irv Lipscomb, to have the secretary cast a unanimous ballot for all the unopposed positions. The motion approved unanimously.

FCRR, FMRR, FNRR & SunRail Update (Including FCRR Track Upgrade Update) – Bill Dusenbury – The FCRR rail upgrade is nearing completion.

Tourist Train Operations on the Florida Central RR – Bill Dusenbury – Steam Engine #2 is back up and running again.

Items from the Board of Directors

- David Rhea - They have been having groups of people coming to the museum. Discussion on getting coloring books to hand out to kids that come in. David Rhea will look into it.
- David Rhea - The floor in the front room needs cleaning and work.
- David Rhea - Seven light bulbs burned out in the museum today. He believes there may be a problem with the main electrical ground causing the bulbs to blow.
- Ken Murdock - Discussion on the network connection between the WGHF building and RR Museum Building and the purchasing of new phones which was approved at the last quarterly board meeting.
- Bill Dusenbury - Next Monday November 17th at 7:00 PM will be the quarterly board meeting.

Items from the Membership

- Mike Ryan asked about the fundraising for expansion into the Roper building. Ken Murdock gave a brief overview of current status of the projects.
- Patrick Smith brought a new LCD monitor for the downstairs computer.

Tonight's Program: **CSX in Florida by Bob O'Malley**

Tonight's Refreshments Provided By: **Sharon Lamb**

Meeting Adjournment — Motion by Irv Lipscomb second by Jerry Honetor to adjourn the meeting. The motion was unanimously approved at 7:52 PM.

Central Florida Railway Historical Society
Quarterly Board Meeting Minutes
 Central Florida RR Museum
 November 17, 2014
 7:00 PM

Call to Order – Bill Dusenbury.

- Meeting Called to order by President Dusenbury at 7:00 PM
- Board members present: Bill Dusenbury, Jerry Honetor, Irv Lipscomb, David Rhea, Frank Milmore, Phil Cross, Phil Piet and Ken Murdock.
- Members present were Ginger Honetor and Roger Wilson.

Opening Prayer and the Pledge of Allegiance – David Rhea.

Treasurer Report – David Rhea & Frank Milmore.

- Society 2014 Budget Update — Treasurer David Rhea presented the Treasurer's Report for October 2014 and 2014 to date and declared the Society solvent.
- Society Certificates of Deposit — Treasurer David Rhea presented the current amount of the Society's Certificates of Deposit.
- Society 2015 Proposed Budget
 - * Motion by Phil Cross, Second by Irv Lipscomb to approve the 2015 budget as proposed by the Budget Committee. The motion was unanimously approved.
 - * Motion by Frank Milmore, second by Irv Lipscomb to transfer \$6,000 from the checking account to the savings account to be used for the Roper building expansion. The motion was unanimously approved.

Vice President of Membership & Programs Report – Jerry Honetor.

- Membership for 2014 – 71 members — First membership renewal for 2015 has been sent to all members.
- Society Field Trips & Other Activities
 - * Field Trip to the RR Museum at Plant City and the new train watching platform. Frank Milmore is the coordinator. He is currently looking for a restaurant for lunch.
 - * Field trip to Folkston Funnel was suggested by Roger Wilson.
 - * Field trip to Gold Coast Railroad Museum was suggested by Phil Cross.
- 2014 Annual Meeting.
 - * Scheduled for Saturday, December 6th, 801 City Grille, Corner of Eighth & Montrose Streets in downtown Clermont, beginning with a social hour at 6 PM, followed by dinner at 7 PM and installation of the 2015 officers at 8 PM. There will not be any program. Entertainment will be Armando Valesquez on the piano.
 - * Invitations have been sent to all members and supporters.
- Programs & Refreshments Hosts for 2015
 - * Programs are needed for 2015. Have programs for January and February. We need volunteers for programs for the remainder of the year.
 - * Refreshments Hosts are needed for 2015. Have hosts for January, February, March and November. We need volunteers for the remainder of the year.

Museum Curator Report – Ken Murdock.

- Recent Donations - Jim Garner from Jacksonville, came down Saturday with part of his collection. He donated some of the items and the society purchased the other items he wanted to sell.
- Past Perfect Database Update – continuing to add new items as they come in.
- Library Committee Update – working on the most recent donation that came in.
- Technology Committee Update – No update.
- Website Committee Update – no update
- Computer Security – discussion followed on establishing rules for computer use within the museum. No action was taken.
- Museum Network Connection – will remain the same after the WGHF moves.
- Expansion Plans for the Central Florida Railroad Museum.
 - * Ken Murdock, Phil Cross and Tom Mikels (RC Stevens Construction) met with Mark Jones, the City of Winter Garden's new Building Official on Friday, August 22nd to discuss plans for the expansion of the Museum into the Roper Building.
 - * Ken Murdock, Phil Cross and Frank Milmore met with Attorney Ron Sikes on Friday, August 22nd to discuss some concerns raised by Frank regarding the expansion of the Museum into the Roper Building. Ron Sikes said that the city is still obligated to complete the tasks as stated in the agreement.
 - * Waiting on answer from City Building Official on whether or not handicap access has to be provided with the new expansion.
- Painting of the Museum — Phil Cross heard from James Dillon the painting was removed from the budget for FY 2015.
- The December Museum work session will be December 13th.

CFRR Museum Facebook Page – Bill Dusenbury – No update.

The Flatwheel – Phil Cross discussion on printing and mailing the Flatwheel and the cost associated with it. Motion by Joe Lehmann, second by Ken Murdock not to print and mail the Flatwheel. The motion approved with 2 abstentions. Jerry Honetor made a motion second by Ken Murdock to rescind the previous motion and to mail just the Flatwheel alone without the additional supplement. The motion carried. **(BOD Minutes Continued on Page 3)**

Thanks to Society Member Addison Austin for passing along these two great photographs of Western Maryland High-Rail inspection vehicles. Both photographs show the process by which the vehicles were turned for the return trip.



Thanks to Society Member Addison Austin for passing along the following advertisement from Fairmont.

Cushioned comfort...

... FAIRMONT HY-RAIL gets you there relaxed, over the rails or over the road!

Only seconds to change from highway vehicle to rail rider. That's just how easy Fairmont Hy-Rail equipment is to operate.

And the riding's easy, too! Rubber-cushioned torsion suspension sees that. Inspection parties, patrolmen, signalmen, maintenance crews, supervisory personnel arrive at the job site quickly and comfortably.

Hy-Rail equipment is offered 3 ways: sold separately for installation by the railroad, mounted in our shops on railroad-owned vehicles, or as a complete unit—new vehicle with Hy-Rail assemblies installed. Standard Hy-Rail equipment fits most popular makes of sedans, station wagons and light trucks. Heavy-duty Hy-Rail assemblies fit 1½ to 2½ ton trucks.

Fairmont also offers a full line of conventional railroad motor cars, including the three below. Call or write for full facts on both Hy-Rail equipment and motor cars.

Fairmont equipment is available on lease.

<p>NEW INSPECTION CAR features aluminum and steel for light weight, easy handling. Chassis 3 engine.</p> 	<p>S2 SECTION CAR seats up to 8 men. Over 1000 lb. load capacity. 3 speed section of engine.</p> 	<p>A5 GANG CAR powered by 15-hp engine. It's equipped with heavy-duty 4 speed transmission.</p> 
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Fairmont FAIRMONT RAILWAY MOTORS, INC.
Fairmont, Minn.

Thanks to Society member Craig Murdock for the following photograph and accompanying story.

One of the many places Ford industrial engines are doing a man-sized job is, believe it or not, on the railroads. Shown above is an inspection car for executives' use, built by the Kalamazoo Manufacturing Company in Kalamazoo, Michigan, powered by the Rouge 239 cubic inch V-8 engine. This unit uses a standard three speed and reverse Ford transmission, coupled to a special reverse transmission to provide for equal speed forward or backward. The final drive is by triple roller chain from either side of the reverse transmission to the rear axle. The car uses standard Ford ignition and lighting around. The operator's seat is forward with two passenger seats alongside. Behind these are four seats facing forward and four facing to the rear, providing a total seating space for ten inspectors in addition to the driver, plus a baggage trunk at the rear.



CFRHS Membership Statistics

Society Members	33
Society Century Members	10
Ward Britt	
Phil Cross	
Ann Cross	
Bill Dusenbury	
Chuck Hanus	
Andy Healy	
Jerry Honetor	
Frank Milmore	
Ken Murdock	
Jim Shoemaker	
Society Friends	10
Society Family Members	16
Society Student Members	0
Total Members	69

**December 2014 Museum
Work Session
Saturday, December 13, 2014
8:30 AM to 3:30 PM
Please come out and help
with the many chores that
need to be done!!!!**

The Flatwheel is the official monthly publication of the Central Florida Railway Historical Society. Opinions and views expressed in this publication are those of the editor and contributors and do not necessarily reflect those of the members, officers or directors of the Society.

Material for the Flatwheel (including exchange newsletters) should be sent to the editor via e-mail at:

editor@cfrhs.org .

Please Note: Material from The Flatwheel may be reprinted in other publications provided credit is given as to the source.

The Central Florida Railroad Museum is located at 101 South Boyd Street, Winter Garden, FL, 34787 (downtown Winter Garden, immediately north of the water tower).

The Museum is open daily from 1:00 PM to 5:00 PM (excluding selected holidays) or by special arrangements. Large groups are encouraged to contact the Museum at 407-656-0559 to arrange for their tour in advance.

The Central Florida Railroad Museum is operated under a cooperative agreement between the City of Winter Garden, the Winter Garden Heritage Foundation and the Central Florida Railway Historical Society, Inc..

The Central Florida Railway Historical Society, Inc. meets on the 2nd Monday of each month at 7:00 PM at the **Central Florida Railroad Museum**. The Museum is located at 101 South Boyd Street in downtown Winter Garden immediately north of the water tower. Guests and visitors are welcome and encouraged to attend.

All correspondence and other materials for the Society should be mailed to:

Central Florida Railway Historical Society, Inc.

PO Box 770567

Winter Garden, FL 34777-0567

Or e-mailed to the Society at: info@cfrhs.org

Web page: www.cfrhs.org

Mission: The mission of the Central Florida Railway Historical Society, Inc. is: Promoting railway heritage and preservation and educating members and the public about rail transportation, its history and impact, with a focus on Central Florida.

Purpose: The purpose for which this Society is formed and the business or objects to be carried on and promoted by it are mainly historical, educational and not-for-profit. The more particular objects are:

- Preserve the historical materials of rail transportation of all kinds and issue publications relative to the subject.
- Acquire by donation, purchase, lease or otherwise, real or personal property, and to maintain, sell, lease, deed or otherwise manage in a manner appropriate for the Central Florida Railroad Museum and the above mentioned purposes.
- Plan and run a series of programs and events for Society members' education and participation.
- Work and support the activities of the Winter Garden Heritage Foundation. Assist in any and all group projects which benefit the goals and activities of the Society and the Winter Garden Heritage Foundation.

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Rail News

From the *TRAINS*, *Railroad & Railfan*, *Rail Group News* and *AAR Web Sites*

Courtesy of Society Member Roger Wilson and Some
Other Members/Supporters From Time to Time

BNSF: We're Ready for Winter

Written by William C. Vantuono
Friday, October 31, 2014

BNSF says it will go into the 2014-2015 winter season "better prepared than ever before, especially if the U.S. experiences a return of the polar vortex. The 2013-2014 winter was one of the most severe winters the U.S. has experienced in decades, with extreme temperatures that persisted for long periods and created special challenges for operating the railroad."

"While we always prepare the operations for winter, the extreme cold experienced last year provided us some additional insight that we have incorporated into our future preparations and operating procedures," said BNSF Executive Vice President and Chief Marketing Officer Steve Bobb. "We know that customers depend on BNSF for reliable freight transportation. While unplanned events can always happen, we will go into this winter season with more resources and more preparation than ever before so that our people stay safe amid the harshest of weather conditions and our customers' freight gets to its destination as promised."

Given the weather and temperature extremes experienced last winter, BNSF's operating divisions evaluated this year's winter action plans based on last year's winter experience. Each operating division has completed the following:

- Conducted safety briefings with employees to review hypothermia and frostbite prevention, as well as general safety precautions regarding slips, trips and falls, and cold weather gear review.
- Taken inventory of snow removal equipment and supplies, such as emergency generators and salt supplies (BNSF has salt domes at its intermodal facilities that hold between 450-650 tons).
- Tested specialized snow removal equipment to make sure it works properly. For example, snowfall in excess of eight inches will activate pushers and blade and salt trucks.
- Reviewed winter weather operational procedures on when to adjust crew transportation procedures so that moving a crew from one location to another using crew vans is eliminated in favor of allowing crews to remain overnight at crew change locations as well as when to adjust train size, speed, and other operating restrictions.

BNSF has also added several new resources to support its operation:

- Growing its rapid response teams that are dedicated to addressing service interruptions that may be caused by a variety of mechanical or operational issues, including winter weather.
- Increasing mechanical rapid responders by 25%. The increase in manpower comes in the form of nine new rapid response teams, each made up of four rapid responders strategically positioned across the heavily congested northern regions of BNSF's network from the western part of North Dakota in Dickinson to Chicago. BNSF will also position teams in the northern part of North Dakota in Williston and New Rockford as well as in La Crosse, Wisc.; Savanna, Ill.; Fort Scott, Kan., and Sterling, Ill.
- Establishing after-hours track rapid response teams to assist with snow removal across the northern part of its network, by keeping more than 300 additional maintenance-of-way employees who were traditionally furloughed during the winter season. BNSF has also established similar after-hours teams on key corridors across the central region.
- Expanding container and trailer parking capacity by 800 spots at the Willow Springs, Corwith, and Cicero intermodal facilities in the Chicago area. The expanded parking will allow more containers to be staged when snowy conditions cause pickup and delivery delays for trucks that are bound for those facilities.
- Installing an additional 150 switch heaters at locations that previously did not have protection from cold temperatures (bringing the company's total network count to nearly 3,000) to ensure remote controlled rail switches do not freeze and fail during extreme cold.
- Installing air dryers on all new locomotives to help reduce moisture that can accumulate in the braking system. Brake lines that freeze prevent a train from operating until ice can be removed. • Acquiring additional snow removal equipment with the most significant acquisitions being two industrial-size snow blowers that will be dedicated to keeping the hub facilities in Chicago free of snow and ice.

Train Restoration Plan Derailed

By JIM GAINES, *The Telegraph*
November 2, 2014

The plan to move Locomotive 509 from Central City Park and restore it for use as an excursion train has run out of steam.

In May 2011, Macon agreed to lease the engine and attached coal tender to Hartwell Railroad Co. for 30 years at \$1 per year. In exchange, the Bowersville company offered to rebuild the locomotive as an excursion train for use mostly on its north Georgia lines, with discounted trips to Macon residents at least twice a year.

That contract gave Hartwell three years to make substantial progress on restoration. About the start of 2012, workers removed paint and asbestos from the engine. At some point, Hartwell also took a number of parts from the engine.

But nothing else happened, and the train's exposed boiler began to rust.

When the three-year mark passed May 11, 2014, without any action, Macon-Bibb County Attorney Judd Drake sent Hartwell Railroad Co. a letter terminating the lease and returning the nominal payment. In mid-July, Drake asked for the missing parts back.

"They returned those at the end of August, first of September, and they're stored in a building in Central City Park," Drake said.

When the deal was made, Hartwell representative Jason Sobczynski said restoration might cost \$450,000. Hartwell projected perhaps a year of work before the engine would be running again.

In 2013, Macon and Bibb County officials got sporadic assurances from Hartwell that restoration work would begin soon. As late as this past March, a Hartwell executive said the company still planned on restoring the engine, but wouldn't give Macon-Bibb officials a tentative schedule.

Drake said he only knew what parts to ask for because a member of a local railroad enthusiasts group watched the parts being removed.

"They made a list of them, so that's how we knew to get them back," he said.

Ben Hamrick, business manager for the Recreation Department, sent Drake a copy of that list in a July 16 memo.

"At a minimum they need to return these parts to us as we pursue the restoration of the train," Hamrick wrote.

The eight-item list includes valves, bars, linkages and other hardware. Drake forwarded it to Hartwell owner Bennie Ray Anderson, warning of "appropriate legal action" if they weren't returned.

The engine remains on display in Central City Park, where it's been since 1956. Two tarps are tied over most of the rusting boiler.

An adjacent plaque, dated 1984, dubs it part of "Benny A. Scott Plaza." Scott was the first black fireman on the Central of Georgia Railroad. He also was the fireman on the final run of Engine 509, the railroad's last steam locomotive. The plaque says it commemorates Scott's "conscientious community volunteer efforts to the citizens of Macon."

Now that the Hartwell deal is off, Macon-Bibb has no plans for the locomotive, government spokesman Chris Floore said. There has been some talk of moving it near Terminal Station, but those are "just idle discussions" so far, he said.

Floore said he knows there has been interest expressed in other plans for the locomotive, but the government hasn't been contacted about it recently.

In 2012, the Coastal Heritage Society, which operates the Georgia State Railroad Museum, offered to house the locomotive in its Savannah roundhouse if Hartwell failed to make good on its promise.

But it would cost about \$40,000 to move, heritage society officials said at the time. Fully restoring it to running condition and meeting Federal Railroad Administration standards might take \$1 million, they estimated.

Terry Koller, director of railroad operations for the Coastal Heritage Society, said the offer to house the locomotive is still open, but the group doesn't have money to move or restore it.

Koller said he understands the desire to keep the train engine in Macon, but at least the engine should be sheltered and treated to prevent further rust, he said.

"My recommendation would be find somewhere it can be inside, or at least under cover, or it's going to continue to deteriorate," Koller said.

The most successful efforts to fund relocation and restoration are usually backed by private donors with an interest in trains, he said, and most of the grants that might be available are quite small.

"It's very difficult to raise money for this type of thing," Koller said.

Absent a major donor, one possibility would be the next special purpose local option sales tax. The railroad museum got most of its recent funding from a Chatham County SPLOST, Koller said. For several years the heritage society has been restoring a

passenger/baggage coach for the Thronateeska Heritage Center in Albany, he said. "That was funded with SPLOST money," Koller said.

Mexico Confirms Winner of High-Speed Tender

Written by Keith Barrow
Tuesday, November 04, 2014

THE Mexican government announced on November 3 that a consortium of Chinese and Mexican companies has been selected for a turnkey contract to design, build, operate and maintain the country's first high-speed line.

Ministry of Communications and Transport (SCT) director general for railway and multimodal transport Mr. Pablo Suarez Coello confirmed at a press conference that the 210km Mexico City – Queretaro line will be build by a consortium comprising China Railway Construction Corporation (International), CSR Corporation, China, and Mexican construction companies GIA, Prodomex, GHP Mexican Infrastructure, and Teya Construction. Systra, France, will provide project management services.

Last month SCT confirmed the consortium submitted the only bid in an international tender for the contract with an offer of Pesos 50.82bn (\$US 3.75bn) excluding tax. China's Eximbank is providing an 85% long-term loan to finance the project.

The line will be designed for operation at up to 300km/h and is expected to carry around 27,000 passengers per day with a journey time of 58 minutes between Buenavista station in Mexico City and Queretaro. The project will include the construction of 15.9km of viaducts and 11.6km of tunnels.

CSR will supply a fleet of eight-car CRH380A trains, which will seat up to 426 passengers.

The contract includes a five-year operations and maintenance term, which is worth around \$US 660m.

SCT says construction will begin in February 2015 and the line is due to be commissioned in 2018.

FHWA Approves CSX Virginia Avenue Tunnel Project Alternative

Written by William C. Vantuono
Wednesday, November 05, 2014

The Federal Highway Administration has approved a preferred construction alternative for CSX's Virginia Avenue Tunnel project, enabling CSX to complete the tunnel's design and initiate the construction permitting process.

FHWA's decision marks the completion of an extensive environmental review of the project conducted jointly with the District of Columbia Department of Transportation and incorporating three years of input from residents, businesses, and government agencies in the Southeast Washington, D.C., neighborhood around the tunnel.

CSX and its design/build contractor, Clark/Parsons, will now finalize the tunnel design and begin applying for construction permits in compliance with Washington D.C.'s established construction-permitting process. Following the initial permitting process, utility relocations and other preliminary efforts will begin. Major construction is expected to begin in the next several months, following receipt of the required permits.

CSX said its Virginia Avenue Tunnel team "has voluntarily committed to hire workers and select contractors consistent with the spirit of the District of Columbia's First Source and Certified Business Enterprise programs."

"In response to feedback from nearby residents, the alternative selected through this process has the shortest construction time span (30 to 42 months) of any of the construction alternatives considered and ensures that trains will always operate in enclosed tunnels in front of nearby residences," CSX said. "The plan includes significant measures to reduce the construction impacts on nearby residences and businesses, including dust, noise and vibration monitoring and control plans; limited construction hours; and maintenance-of-traffic plans that ensure continued pedestrian access and vehicle mobility for all essential services throughout the process."

The Virginia Avenue Tunnel is part of CSX's National Gateway, described as "an initiative to improve the flow of rail traffic throughout the nation by increasing the use of double stack intermodal trains and creating more efficient rail routes that link Mid-Atlantic ports with Midwestern markets for domestic and imported products. It is one of several infrastructure investments CSX is making to meet the growing demand to move more freight by rail across its network. The Virginia Avenue Tunnel, one of the largest components of the National Gateway program, is receiving no Federal funds."

The Federal government approved the proposal to modernize the 110-year old tunnel, which will improve the flow of freight traffic through the District of Columbia and eliminate a rail traffic bottleneck that also impacts commuter and Amtrak trains in the region.

"The Virginia Avenue Tunnel is a critical piece of our national and regional transportation infrastructure," said CSX Vice President Strategic Infrastructure Initiatives Louis E. Renjel, Jr. "Reconstructing the aging tunnel will eliminate a long-standing rail bottleneck that impacts freight and passenger rail, and it will increase the network's capacity ahead of anticipated growth in freight rail traffic. Through CSX's commitment to the community, neighbors will enjoy improved streetscapes, additional green spaces, a new bike trail, and other improvements as part of the project.

"While this decision is the end of the Federal environmental review process, it is just the beginning of a new phase of CSX's relationship with the community. Input from residents shaped many features of this project and we are appreciative of their

involvement. We are committed to doing this project the right way: safely, respecting our neighbors, and working closely with residents and businesses to minimize impacts and to ensure that they are informed about construction plans.”

CSX plans to use a new website, social media, events, briefings, and other tools to maintain the flow of information to area residents and businesses. The company has an established community office in the neighborhood that is staffed during regular hours to allow visitors to learn more about the project and ask specific questions of company representatives.

Post-Election: Railroads Look OK; Rail Labor, Amtrak Not So Good

By Frank N. Wilner
Thursday, November 06, 2014

What does Senate Republican control and the largest House Republican majority since the 1940s mean for railroad reregulation, Amtrak’s future, high- and higher-speed rail, transit funding, Positive Train Control (PTC), corporate tax reform, short line tax credits, the future of coal, and a minimum crew-consist mandate?

Rereg legislation was kaput well before this election. Amtrak, on the other hand, best find a secure hideaway that is “posted” against hunting, because come January, it will be open season on passenger train subsidies. The Republican-controlled House already has closed the books on high- and higher-speed rail funding; and Republicans, as a rule, aren’t too generous with transit. Legislative attempts to mandate two-person train crews? Fuggetaboutit.

As for the other rail-related issues, including highway funding, the forecast is more clouded.

Note that before the seating of the 114th Congress in January, we must endure a lame duck session of the dysfunctional 113th. Putative Senate Majority Leader Mitch McConnell (R-Ky.) said, however, that he would defer to the 114th Congress most major legislation, preferring that the remainder of the current Congress—in lame duck session—concentrate only on so-called continuing resolutions that keep existing programs funded, as well as moving some tax bills such as tax credits (Section 45G of the Tax Code) for short line railroad capital spending programs. Until January, Harry Reid (D-Nev.) remains in control of the Senate docket.

Rail labor most certainly is the biggest Election Day loser. With a new round of national contract negotiations about to commence, the increased number of anti-labor conservatives in both chambers portends treacherous shoals should an impasse lead to a threatened work stoppage and congressional intervention.

Especially alarming to the operating crafts representing conductors is the ennui among Democrats attending legislation to mandate two-person train crews. Most Republicans will have nothing to do with such mandates.

Separately, the departure of FRA chief Joe Szabo places in even greater jeopardy his personal cabal with rail labor to mandate, via an FRA rulemaking, two crew members on every train absent supporting data, or recognition of the purpose and capabilities of soon-to-be implemented PTC. While not yet consigned to the dust bin of history, such an FRA initiative is likely now to disappear with Szabo’s departure.

Railroads properly lament the Election Day loss of Rep. Nick Rahall (D-W.Va.), the senior Democrat on the House Transportation & Infrastructure Committee. Although not always a fellow traveler with railroads, Rahall fully understood the negative implications of reregulation legislation and the convolutions attending too-hastily-mandated implementation of PTC.

Rahall’s sudden and unexpected availability is propagating speculation he could be Szabo’s successor at the FRA, or be headed to the lobbying shops of the Association of American Railroads, CSX, or Norfolk Southern. Informed supposition also has Rahall headed to the STB should Chairman Dan Elliott depart that Democratic seat. Elliott has been awaiting renomination to a second term for more than a year, and must depart, by statute, Dec. 31 if not renominated and confirmed by the Senate.

Succeeding Rahall as the ranking Democrat on the House Transportation & Infrastructure Committee will be Peter DeFazio (D-Ore.), known to relish, unlike Rahall, the occasional partisan quarrel. Committee Chairman Bill Shuster (R-Pa.), and Rail Subcommittee Chairman Jeff Denham (R-Calif.), gain greater strength owing to the Republican pick-up of at least 14 House seats. Florida’s Corrine Brown is likely to remain ranking Democrat on the rail subcommittee.

Most freight railroad concerns are not at great risk within the T&I Committee, although Republicans there—and on the Ways and Means Committee that considers tax policy—are chary to upset long-standing policy that funds highway construction through a per-gallon fuels tax. Economic efficiency augurs, instead, for a user fee based on axle weight and distance traveled, which would more properly match pavement damage responsibility, yet increase trucker costs. Railroad intermodal market share and intermodal pricing are sensitive to shifts in motor-freight fuel costs. DeFazio has expressed a third approach to highway funding: taxing crude oil at the refinery and linking the tax to inflation.

Often ignored is the House Appropriations Committee—specifically, its Transportation Subcommittee. Although guided by T&I authorizations, the Appropriations Committee effectively controls transportation funding. Subcommittee chairman Tom Latham (R-Iowa) is retiring at year-end, as is the second senior Republican, Frank Wolf (R-Va.). Who will move up or over (from another committee) as chairman is not clear. The Democrats’ ranking member, Ed Pastore of Arizona, is retiring.

Senate changes

On the Senate side, railroads silently welcome the retirement of Commerce Committee Chairman Jay Rockefeller (D-W.Va.), who has spent three decades mocking railroad deregulation. Republican control will move Sen. John Thune (R-S.D.) into the chairmanship—another railroad baiter, but not nearly as caustic and shrill as Rockefeller. Sen. Bill Nelson (D-Fla.) will be the

ranking Democrat. Attempts at intimidating the allegedly independent Surface Transportation Board to bend to shippers will likely ebb with Rockefeller gone.

While Senate Republicans have never stood as firmly as House Republicans in opposition to railroad reregulation, a Republican-controlled Senate is considered less perilous than under Democratic control. Look for Ray Blunt (R-Missouri) to chair the Commerce Committee's Surface Transportation Subcommittee.

As with the House, the Senate Appropriations Committee—again, its Transportation Subcommittee—controls transportation funding. Sen. Susan Collins (R-Maine) will move to the subcommittee chairmanship in place of Washington-state Democrat Patty Murray. Collins and Murray jointly have exhibited support for federal funding assistance of short line railroad safety initiatives.

In the Senate Finance Committee, where tax decisions are made, Sen. Orin Hatch (R-Utah), who opposes an increase in motor fuels taxes, and who might, of necessity, embrace a more economically efficient alternative, is in line for the chairmanship. Hatch could also support, as do other conservatives, shifting the highway tax burden from the federal government to the states, but that could adversely impact a seamless national highway network. The current chairman is Ron Wyden (D-Ore.).

The separate authorizing committee for a new highway bill is Environment & Public Works, which will be chaired by Sen. Jim Inhofe (R-Okla.), a rare conservative who advocates increased infrastructure spending. Sen. Barbara Boxer (D-Calif.) currently is chairman. The committee's Transportation & Infrastructure Subcommittee will be chaired by John Barrasso (R-Wyo.). It currently is chaired by strong highway spending advocate Tom Carper (D-Del.).

The Senate Banking Committee's Transportation Subcommittee, which authorizes transit programs, will be chaired by Jerry Moran (R-Kans.). The current chairman is Robert Menendez (D-N.J.), whose constituents are heavily dependent on public transportation.

The macro view is that, notwithstanding Republican Senate control, Republicans lack a super-majority of 60 votes needed to choke minority party opposition to proposed legislation. As a general rule, if a bill does not have a minimum of 60 supporters, it is not brought to a floor vote. Yet with an increased number of tea party conservatives having been elected, and expected to put pressure on moderates such as McConnell (R-Ky.), bare knuckles fighting may be in store.

Already, McConnell has threatened to take the nation to the brink of another government shutdown if Democrats interfere with a conservative Republican legislative agenda next year. Prior to the election, McConnell said, "Make me the majority leader ... and we'll put points on the board and take America in a different direction." Post-election he promised a more conciliatory approach.

In fact, the politics of the upcoming 114th Congress things could get terribly brutal, but Republicans must weigh their tactics in light of the 2016 presidential election. Not to be ignored is that while a majority of Americans age 45 and older are more supportive of Republicans, Americans under age 44—and especially between the ages of 18 and 29—are more favorably disposed to Democrats, according to a Washington Post analysis. Such numbers have longer term political implications.

If history is a guide, George W. Bush, Bill Clinton, and Ronald Reagan spent their final two years in office—as will President Obama—with the opposition party in control of Congress.

A billion here, a billion there

By the way, did you know that, collectively, Democrats and Republicans spent \$5.6 billion over this two-year election cycle supporting their candidates and lobbying for preferred legislative outcomes? The U.S. Chamber of Commerce alone spent \$160 million. Furthermore, according to data compiled by the non-partisan Center for Responsive Politics:

BNSF and its officers and employees contributed \$3.4 million to candidates, political parties, and an array of political action committees (PACs); and spent \$3.9 million on congressional lobbying activities.

CSX contributed \$2.7 million toward election outcomes and spent another \$5.7 million in expenses related to lobbying Congress.

Norfolk Southern contributed \$1.9 million toward election outcomes and spent another \$5.1 million on lobbying.

Union Pacific contributed \$2.5 million toward election outcomes and spent another \$9.9 million on lobbying.

The Association of American Railroads spent \$11.5 million on lobbying.

The American Short Line and Regional Railroad Association spent \$800,000 on lobbying.

Among labor unions, the United Transportation Union (now the Transportation Division of SMART), spent \$2.1 million on lobbying, while the Brotherhood of Locomotive Engineers spent \$1.1 million.

By contrast, Dow Chemical and the Edison Electric Institute—each advocating railroad reregulation—spent \$23 million and \$17 million, respectively, on lobbying activities.

Humorist and author P.J. O'Rourke termed Congress, in his best-selling book, "A Parliament of Whores." We prefer the lifetime achievement of Nobel laureate economist James Buchanan, whose public choice theory explained that those in the public sector are driven by the same incentives as those in the private sector—rational self-interest. That's what makes capitalism and democracy the very worst systems—except, of course, for all the others.

More Jobs, Locomotives on the Way, Union Pacific Says at Investor Day

Thursday, November 06, 2014

Union Pacific Railroad has boosted hiring plans and aims to add 200 new locomotives next year to improve network congestion, the company said at an investor conference Wednesday in Chicago.

"We have been short of train crews," acknowledged Chief Operating Officer Lance Fritz, speaking at the conference. "We have more than doubled the hiring we originally planned."

The Omaha-based railroad said this month it intends to hire 3,600 train, engine and yard workers this year and buy 261 new locomotives, up from the 3,200 hires and 229 locomotives announced in July. Network congestion among the nation's seven Class 1 freight railroads has slowed average train speeds and increased the time trains spend idle, angering grain shippers and coal-burning electric utilities.

Union Pacific, about tied with Texas-based BNSF Railway as the largest freight carrier with about \$22 billion in annual operating revenue, last held an investor day about two years ago. Shares of the company, which has 46,000 employees overall and 8,000 in Nebraska, have almost doubled since early November 2012.

Union Pacific is spending \$4.1 billion on capital improvements this year, including for construction projects designed to alleviate choke points. One project is at Hearne, Texas, Fritz said, a \$600 million plan to improve a yard that accommodates 2,550 railcars a day where seven mainlines meet.

"It is designed to handle traffic very efficiently," Fritz said.

Chief Executive Jack Koraleski told the investors and Wall Street analysts at the conference that Union Pacific is unlikely to meet the 2015 deadline for implementation of an automated safety system called Positive Train Control, an array of sensors and transmitters that can slow or stop trains remotely if speed, traffic or handling rules are broken. Union Pacific estimated 2014 spending on federally-mandated PTC of about \$450 million, on top of \$750 million in previous years.

"We are not going to meet the deadline," Koraleski said, saying the plan that applies to all Class 1 carriers merits a deadline extension from Congress.

The investor conference started with a video of Union Pacific's new advertising campaign, called "Heroes." The clip showed Union Pacific workers doing their jobs from office to track and lots of all-American rural scenes featuring majestic yellow locomotives with the red, white and blue company logo. It was all set to a stirring symphonic soundtrack with operatic background vocals, ending with the crescendo of a fast-moving train speeding off into the night.

"We show that to all of our new recruits, and if it raises their heart rate, we move them along in the process," Koraleski said. "If it doesn't, we give them a very nice recommendation to the BNSF."

"Just kidding," implored Koraleski, who on the third-quarter investor conference call last month praised BNSF as a stout competitor and a great railroad, as the audience laughed at the joke.

Norfolk Southern Rises as Ackman Sees CP Buying CSX Rival

Posted By: Dennis Parejko
Thursday, November 6, 2014

Norfolk Southern Corp. (NSC), the second-largest U.S. eastern railroad, jumped in late trading after activist investor Bill Ackman said Canadian Pacific Railway Ltd. (CP) might be interested in a rival to one-time target CSX Corp. (CSX)

While Ackman didn't name Norfolk Southern in remarks today at the Invest for Kids conference in Chicago, he indicated that he had the Norfolk, Virginia-based company in mind by describing his takeover candidate in relation to CSX. The two carriers go head-to-head in the U.S. east of the Mississippi River.

CSX "is not the only potential railroad we can merge with," said Ackman, a Canadian Pacific director and founder of hedge fund Pershing Square Capital Management LP. "I think the risk with CSX is we merge with" a rival to the Jacksonville, Florida-based carrier.

Canadian Pacific's overtures to CSX last month kindled speculation that the North American industry may be poised for a final round of consolidation. While Calgary-based Canadian Pacific said later that talks had ended, Chief Executive Officer Hunter Harrison talked up the value of mergers and renewed his call for more combinations.

"I think something happens," Ackman said today. Norfolk Southern jumped in extended trading, climbing 5.3 percent to \$116.60 at 6:46 p.m. in New York.

Pershing Square is Canadian Pacific's second-largest investor, according to data compiled by Bloomberg. Ackman led the ouster of CEO Fred Green in 2012 and the hiring of Harrison, the retired chief of Canadian National Railway Co.

Ackman's Campaign

A message left for comment with Canadian Pacific wasn't immediately returned. Rick Harris, a spokesman for Norfolk Southern, said: "We don't comment on speculation and rumors."

Last month, Ackman championed the idea that rail mergers would help unwind recent congestion on North American tracks, saying "a lot of that can be dealt with through some mergers that are actually pro-competitive."

U.S. regulators have raised barriers to mergers in recent years after decades of consolidation since the industry's deregulation in 1980 thinned major U.S. railroads to just four: CSX and Norfolk Southern in the eastern U.S., and Union Pacific Corp. (UNP) and Berkshire Hathaway Inc.'s BNSF Railway Co. operating chiefly west of the Mississippi.

The two main Canadian railroads also have tracks in the U.S., thanks to acquisitions. A Canadian Pacific combination with either CSX or Norfolk Southern would create a transcontinental North American carrier.

Royal Canadian Mint Releases Grand Trunk Railway Gold and Silver Coins

By Michael Zielinski
November 7, 2014

The Royal Canadian Mint has released gold and silver coins to commemorate the 100th anniversary of the completion of the Grand Trunk Pacific Railway, a historical Canadian transcontinental railway that linked eastern Canada to the Pacific. Construction began in 1905 with the last spike ceremony marking the completion of the rail line taking place on April 7, 1914. Both the gold and silver coins are issued in a rarely used 2-ounce format with uncommon denominations of \$30 for the silver coin and \$250 for the gold coin.

The reverse design of the coins by Canadian artist Joel Kimmel features a portrait of a 1914-era steam train as it crosses the Grand Trunk Bridge in Saskatoon at the time of the railway's completion. The steam engine bellows a long cloud of smoke as it pulls elegant wooden passenger cars. The vantage point of the portrait is from the foliage lined shoreline and slightly below the left side of the train bridge, adding to the drama and grandeur of the scene. The obverse of the coins carries the Ian Rank-Broadley effigy of Queen Elizabeth II.

The silver coin is struck in 99.99% purity in proof quality with a weight of 62.67 grams and diameter of 54 mm. The maximum mintage has been established at 5,000 pieces.

The gold coin is struck in 99.99% purity in proof quality with a weight of 62.34 grams and diameter of 42 mm. The maximum mintage is 300 pieces.

Each coin is encapsulated and presented in a maroon clamshell with black beauty box and serialized certificate of authenticity.

For additional information on this and other coins offered by the Royal Canadian Mint, please visit the [new releases section of their website](#).

Mexican High-Speed Contract Annulled

Written by Keith Barrow
Friday, November 07, 2014

THE president of Mexico Mr Enrique Pena Nieto announced on November 6 that the government has decided to annul the tender to construct the Mexico City – Queretaro high-speed line just days after the Federal Secretariat of Communications and Transport (SCT) revealed that it would sign a contract with the sole bidder.

In a statement, SCT said it has been instructed by Nieto to launch a new tender for the 210km line.

"In order to give more time and facilitate the possible involvement of a greater number of manufacturers, as well as to ensure absolute transparency, the federal government has decided to launch a new bidding process," SCT said.

Last month SCT announced it had received only one bid from a consortium of Chinese and Mexican companies, but also confirmed it had received letters of apology from 16 international companies including major suppliers such as Alstom, Bombardier and Siemens, which said they would not be able to participate.

The tender for the turnkey project was only launched on July 27 and critics in Mexico have argued that prospective bidders were given insufficient time to prepare technical and financial proposals.

Philadelphia Could Be Getting A New Downtown Train Station

By James Jennings
Friday, November 7, 2014

The Federal Railroad Administration (FRA) will be holding a public meeting in Philadelphia this month to discuss the future of the Northeast Corridor's passenger rail service. While four alternative plans for NEC Future will be presented for public input, one of the more head-turning proposals (at least for Philadelphia) is the possibility of the construction of a new downtown rail station. Oh, and that whole \$151B plan for the development of a new high-speed rail line that could get you to New York in 37 minutes. You know, no big deal.

A report from *The Inquirer* maps out each of the alternatives, which range from upping spending to maintain the current 457-mile stretch from DC to Boston, new rail service to keep pace with population growth, new service and route improvements to outpace population growth by adding four to six track along the entire NEC and, finally, "transformative" improvements, which

includes the high-speed rail line for the section south of and north of New York City. Amtrak estimates that would cost \$151B to develop the high-speed rail line.

The whole idea of a new downtown rail station is found in alternative three, which also mentions that 30th Street Station would remain as a regional hub. The new station will have a stop at the Philadelphia International Airport — imagine that! There is no official word on how much any of this would cost. The final proposal, which includes the *how much will it cost* portion of this plan, will be released in late 2016. But hey, it's fun to imagine another train station coming to Philly.

Improvements to the NEC could spell big bucks for the Philadelphia region. Newly elected Congressman Brendan Boyle recently told *Philadelphia Magazine* that he intends to make a strong push for the area's mass transit. Here's why:

"We sit smack dab in the middle of the Northeast corridor. If we could shorten the times between New York and Philadelphia, and Philadelphia and Washington... it would be amazing. If you talk about one thing that could really positively change the trajectory of our city over the next 20 years, that could be it. It's an incredible growth opportunity for our city."

The public meeting will be held at 1234 Market St., SEPTA headquarters, on Nov. 19 from 4 p.m. to 7 p.m.

Indiana Turns to Iowa Pacific for 'Hoosier State' Route

By Bob Johnston
November 10, 2014

INDIANAPOLIS – The Indiana Department of Transportation has ended contract negotiations with Corridor Capital LLC, which was the winning bidder on a competitive request for proposals the agency issued in June. The proposals called for a non-Amtrak third party to begin managing operation of the quad-weekly Chicago-Indianapolis *Hoosier State* beginning Oct. 1, 2014.

When negotiations failed to produce an agreement by early September, the state opted to extend Amtrak's contract through Jan. 31, 2015, as previous reported on Trains News Wire.

INDOT spokesman Will Wingfield says the agency, "is requesting pricing from Amtrak to continue as operator after Jan. 31, minus certain elements of the existing service that Amtrak is providing, such as rolling stock, on-board services, and marketing."

Although INDOT has not confirmed it is now in talks with runner-up bidder Iowa Pacific Holdings Inc., company spokesman Michael Hicks tells Trains News Wire, "We believe there are opportunities to work with Amtrak and the state of Indiana to make substantial improvements in *Hoosier State* service over the next year, and we are engaged in discussions with INDOT."

Amtrak spokesman Marc Magliari the passenger railroad "continues to work closely with the State of Indiana on the continuation of daily service between Indianapolis and Chicago. Amtrak submitted a contract renewal in April 2014 for the current service model and has offered to work with the state on other viable models used in other states."

Magliari notes that Amtrak's contract with Indiana expires on Jan. 31 and time is growing short to resolve many open questions. "Amtrak remains the state's committed partner in improving this service and is the state's best choice for the full range of services to provide safe and reliable service now and into the future," he adds.

In a special excursion stopping at on-line communities on Oct. 1, Amtrak President Joe Boardman announced that the company would be adding a café car with business class seating with complimentary coffee and pastries. The car also provides Wi-Fi to the entire train.

The Passenger Rail Investment and Improvement Act of 2008 enables states to get an itemized cost menu from Amtrak for various service options, but Indiana had never asked for it. If Iowa Pacific, for example, wishes to provide passenger cars and locomotives to be operated by Amtrak crews, that equipment must meet Amtrak safety requirements and Amtrak must be indemnified against lawsuits resulting from use of the equipment. Also, if the rolling stock and engines are to be maintained at a non-Amtrak facility, the involvement of Amtrak operating personnel getting it to and from a location off Amtrak property must be contractually spelled out in an agreement between the national carrier and Indiana.

These are just some of the details that need to be hammered out by Jan. 31. Some alterations from the current model could be introduced immediately, but others might be delayed, given the fact that any changes need to be implemented now in less than three months.

Trains News Wire has learned that INDOT had sent an email to Corridor Capital. A Corridor Capital spokesman says that email, sent on Friday, notified his firm that INDOT was "rejecting the proposal" it had accepted in June and a certified letter would follow, but did not explain that contract negotiations would be terminated.

Corridor Capital claims that it only learned negotiations had been cancelled in a Lafayette newspaper story on Saturday evening. The company also says it "has had modern Amtrak certified equipment ready for retrofit and deployment" since June, but has repeatedly declined to identify the specific cars and locomotives it would use to Trains News Wire.

A source close to the situation tells Trains News Wire that financing the costs of getting the equipment in shape was one of the sticking points that led to termination of Corridor Capital's services. The company says that as late as last Wednesday it continued to provide resources and personnel to meet the demands of the Federal Railroad Administration emergency services contingency plan, which must be submitted to the agency no later than 60 days prior to commencement of any new service.

Any new operating plan will require that a similar report be prepared, and that will need to happen by Nov. 30.

Man Trying to Take Photo Brushed by Train

Monday, November 10, 2014

HACKENSACK, N.J. - New Jersey Transit says one of its trains brushed a Hackensack man who was trying to take a photo of it. According to a spokeswoman, Marco Calvo was walking on the tracks in the city while wearing headphones when the Hoboken-bound train came down the tracks on Sunday afternoon.

The spokeswoman tells The Record (<http://bit.ly/1zeslpx>) newspaper Calvo tried to take a picture and stepped out of the way when he realized the train was getting closer.

The spokeswoman says Calvo sustained minor hand injuries and was treated at the scene for cuts.

He was cited for defiant trespassing and interference with transportation.

Nova Scotia Line Abandonment Delayed

November 3, 2014

SYDNEY, Nova Scotia – Changes to Nova Scotia's Railway Act will require Genesee & Wyoming's Cape Breton & Central Nova Scotia Railway to apply to the province to abandon a section of rail line, but it will not be able to do so until six months after regulators hear its request to discontinue the service.

The Cape Breton Post reports that Nova Scotia Transportation and Infrastructure Renewal Minister Geoff MacLellan introduced the changes last week.

Last month G&W applied to the Nova Scotia Utility and Review Board to abandon the rail line between Sydney and St. Peter's Junction. A hearing has been scheduled for Dec. 8 at the Membertou Trade and Convention Center.

The amendments are retroactive to Oct. 1 and will allow for the board hearing to proceed, but the company will also have to apply to the province to abandon the line. That application cannot be made until at least six months after the regulatory hearing process is complete.

"These amendments mean that G&W, and any short line operator, would have to follow a more rigorous process before abandoning a rail line," MacLellan says. "This will ensure the full implications of pulling up rail lines are well understood before drastic action is taken."

Since 2003, the province has provided \$23 million in subsidies to the rail line.

MacLellan and Economic and Rural Development Minister Michel Samson have formed an advisory committee of community leaders to build a business case to keep the line running which is due to provide a preliminary report in December.

Regulations for the new process will be developed in consultation with groups including municipalities where the rail lines are located, the companies which depend on the rail and the railway. They will look at safety, access, ownership and the environment, including plans for remediation if rails are removed.

"It would be irresponsible to let this vital transportation link go without a fight," MacLellan says.

Suit Filed to Block CSX D.C. Tunnel Plan

Written by Douglas John Bowen
Thursday, November 13, 2014

A suit filed in federal court seeks to block CSX from improving and expanding its Virginia Avenue Tunnel in Washington, D.C.

Last June the Federal Highway Administration (FHWA) D.C. District Department of Transportation (DDOT) released a Final Environmental Impact Statement (FEIS) for the proposed reconstruction of the tunnel, deemed a bottleneck to smooth freight movements. The lawsuit, filed by the Committee of 100 on the Federal City, claims the FEIS was flawed by "predetermination" and fails to adequately address concerns of safety and the district's historic layout.

Committee Vice President Monte Edwards told local publication dcist Wednesday, Nov. 12, 2014 that his group participated in the project's environmental review process, but "our concerns were not adequately answered."

CSX plans to improve vertical and horizontal tunnel clearances to allow double-stack container trains to travel through the District. Opponents have cited safety and health issues in opposing the infrastructure work.

The group's lawsuit alleges that the environmental review did not consider using the CSX-owned right-of-way at Shepherds Branch, which DDOT has proposed using for the city's planned streetcar system.

CSX defended the project, with a spokesman saying, "CSX is committed to doing this project the right way, safely, respecting our neighbors and working closely with residents and businesses to minimize impacts and to ensure that they are informed about construction plans. Modernizing this tunnel will help alleviate freight and passenger rail delays and stimulate economic growth by removing a significant transportation bottleneck. CSX believes the project should move forward promptly."

Major Repairs for a Metro-North Bridge That's 60 Years Old

By JAMES BARRON
November 14, 2014

In 1954, the Supreme Court outlawed racial segregation in public schools. The Senate censured Senator Joseph R. McCarthy, whose scowling rants about Communist subversion had prompted witch hunts. The Grand Ole Opry in Nashville advised a skinny young truck driver named Elvis Presley to stay behind the wheel.

And a baby-blue railroad bridge was changing the landscape between Manhattan and the Bronx. By its completion a couple of years later, it would ease the ride for suburbanites commuting to Cheever country and long-haul passengers reveling in the red-carpet treatment on the Twentieth Century Limited, a train so famous that it played a supporting role in the Alfred Hitchcock classic "North by Northwest."

Now the bridge is getting considerably more than a face-lift — a top-to-bottom overhaul that has a price tag of \$47.2 million and involves installing new cables to raise and lower the 340-foot-long track sections. Also scheduled are a new electrical control system, new wiring and new power-supply equipment for the third rail on the tracks.

All this brought to mind a question: Doesn't everyone need a little work at 60?

Dimitar B. Kostadinov, a construction engineer with the Metro-North Railroad who is the construction manager, considered that as he looked at the dozen or so motors that once made the bridge ascend and descend but have now been taken out of rooms high above the train tracks, and scrapped.

"For 60, they look really good inside," Mr. Kostadinov said. "From what I heard, they ran really well."

Still, their time had come.

The work is going on without stopping the trains. About 700 Metro-North trains a day pass by, just as they always have, while workers cut cables and install conduits for the new electrical lines. There is so much to do that the commuter railroad, the owner of the bridge, sought and received permission from the Coast Guard to stop doing the very thing the bridge was made to do, go up and down.

Until mid-March, the bridge will be locked in the "down" position, 25 feet above the water.

Ships taller than that will have to sail to their destinations by some other route, but Metro-North says there are not many of them these days. The railroad says commercial ship traffic on the Harlem River has declined so much in the bridge's six decades that it needs to be opened fewer than 10 times a year. When the bridge was younger, it was often opened that many times a day.

Making the mid-March deadline poses challenges. "We're in a big crunch for time," Mr. Kostadinov said. "There's a lot to do." He added: "Every single train goes through here. We can't stop the trains, and we can't stop the work."

But Metro-North trains do not cross the bridge from 2:15 to 4:45 a.m., so parts and equipment can be hoisted from track level during those hours.

The bridge has its own Wikipedia page, as the Park Avenue Bridge, but, Metro-North says, that is not its name. The railroad calls it the Harlem River Lift Bridge, and it replaced a swing bridge built in the late 19th century.

In August 1955, The New York Times put the price tag at \$18.5 million — equivalent to about \$164 million today — which was \$3.5 million less than the amount that the chairman of the New York Central, a predecessor of Metro-North, had mentioned in late 1954. He did not sound like a fan of the bridge, which had been authorized by his predecessors. He complained that the 135-foot opening created by raising it "would permit a battleship to sail up to the Yankee Stadium."

Mr. Kostadinov had other concerns. "The cables they're replacing were wound around oil-soaked hemp," he said. The hemp deteriorated and dried out. The new cables — "ropes," to a bridge rebuilder — were made of steel with a polypropylene core and were fabricated in Pennsylvania. The crew will install 128 of them to lift the 800-ton counterweights on the bridge.

The plans also call for replacing the circuit-breaker room under the bridge, which flooded when Hurricane Sandy roared by in 2012. "Everything in there that Sandy touched, there was corrosion on it," Mr. Kostadinov said before opening the door, on which the water line from 2012 was still visible. To guard against future water damage, the new equipment in the circuit-breaker room will be placed six feet off the ground, and the new doors will have submarine-style doors.

The controls in the bridge operator's control room will be different. Gone will be the crank, which he said was something like a subway motorman's crank. Instead, there will be buttons to push and computer screens to tap. And so, at 60, the bridge will have the inner workings of a newborn.

The bridge is old enough to have been around when Presley proved the Grand Ole Opry wrong — and to have carried the last Twentieth Century Limited, in 1967. It is hardly the Methuselah of bridges; the Brooklyn Bridge is more than twice its age. But it is older than most of the people working on it.

"It's almost older than both of us together," said Ernest Rodriguez, 44, an iron worker who was working on a manifold for compressed-air lines with Justin Gatti, 27. Mr. Gatti said, "It's older than my parents."

Mr. Gatti, on a high platform, looked down at the river swirling beneath the tracks and talked about other bridges he has worked on, like the Henry Hudson Bridge a few miles away.

“When I started, I was terrified of heights,” Mr. Rodriguez said. “But you get used to it.”

CSX Plans to Cut 300 Management Workers; Most Work in Jacksonville

By Richard Webner
November 15, 2014

CSX Corp. plans to cut 300 management workers, most of them from its Jacksonville headquarters, through buyouts by the end of the year, according to a company spokeswoman.

If fewer than 300 choose to leave, the company might have to resort to layoffs, spokeswoman Melanie Cost said. CSX, a railway operator with about 3,600 employees in Jacksonville, is making the cuts as part of an ongoing effort to reduce expenses, Cost said. The company also plans to delay salary increases and reduce “nonessential costs” such as travel expenses, she said.

The buyouts will be available to employees older than 53 with at least 19 years of experience with the company, Cost said. They will be able to choose between two options. One of them would give them a full year’s salary. The other would offer them the benefits of an employee two years older, with one more year of service. It is intended to help workers younger than 55 obtain full access to their pensions, which kicks in at that age, Cost said.

The buyouts were announced to employees Monday in a letter from CEO Michael J. Ward, Cost said.

Earlier this year CSX discussed a possible merger with Canadian Pacific, but the talks broke down in late October. Company leaders weren’t specific about the reasons the merger failed. But during the talks, Ward mentioned that regulators might be reluctant to allow two major companies in the railroad industry to merge.

In the first three financial quarters of this year, CSX had net earnings of \$1.44 billion, which is \$2 million less than it made in the same period last year, according to Securities and Exchange Commission filings.

While the company’s revenues were up — to \$9.48 billion in the first three quarters of 2014 from \$8.99 billion in 2013 — its expenses rose at a higher rate. In the first three quarters of this year, it reported expenses of \$6.77 billion; that’s \$431 million above the \$6.33 billion in expenses it had at the same point in 2013.

Vertex Rail Readies for North Carolina Start-Up

Written by William C. Vantuono
Thursday, November 13, 2014

Vertex Rail Technologies LLC, a manufacturer of railroad tank cars, announced on Nov. 13, 2014 that it is opening a new plant in Wilmington, N.C., at a site that until 2011 was home to a Terex Cranes production facility.

Vertex plans to occupy the former Terex Crane facility on Raleigh Street in Wilmington, and “will make specialty tank cars designed to serve the booming U.S. energy market.” The Massachusetts-based company said it plans to invest \$60 million at the site and employ more than 1,300 workers across two shifts. Positions will range from assemblers and fitters, welders, and painters to engineering, logistics, quality assurance, sales, safety, and management.

Vertex said that salaries at the site “will average approximately \$40,000 annually and that its operations “will ultimately spur \$1.1 billion in annual economic impact for Brunswick, Columbus, New Hanover, and Pender counties, according to an analysis by Dr. William “Woody” Hall, Senior Economist at the University of North Carolina Wilmington’s Cameron School of Business.”

Vertex said it will spend the next few months refitting and equipping the former Terex Crane facility. Terex shuttered production there in 2011 due to a drop in global demand for cranes, idling 90 workers and leaving vacant more than 500,000 square feet of assembling, fabrication, and warehouse space. But the site “turned out to be ideal for Vertex,” said Vertex CEO Don Croteau. “The facility we need to build our railcars required a large building with ample height, length and width. Wilmington had the facility that made sense.”

Croteau, who has been in the industrial tank business for many years, said his company’s experience designing and producing specialty storage tanks “led us to Wilmington, where GE Nuclear was among the company’s buyers. We were already familiar with the workforce assets that were available here. We also knew there were qualified, well-trained people ready to work.”

“The arrival of Vertex Rail in Wilmington means our economic development efforts continue to provide opportunity for all,” said Wilmington Business Development (WBD) CEO Scott Satterfield. “Diversification has long been a cornerstone of our regional economic strategy, and that strategy is paying off today with the announced arrival of more than 1,000 manufacturing jobs.”

Vertex said its hiring plans “will pull skilled and semi-skilled production personnel from Brunswick, New Hanover, and Pender counties. We will work closely with Cape Fear Community College on our training needs, relying on customized workforce development programs and a pipeline of graduates from degree offerings such as its A.A.S. in welding technology.”

“This opportunity is great for Wilmington,” said Cape Fear Community College Vice President for Instructional Services Amanda Lee. Details are still being ironed out, she said. “The college also will collaborate with Hometown Hires, a program operated by the United Way of the Cape Fear Area that connects jobless residents of Brunswick, New Hanover, and Pender counties with employment and career-development support.

Vertex said it will be eligible for customized workforce training services from Cape Fear Community College at no charge to the company or its employees, a benefit available to new and expanding industries in North Carolina. The North Carolina Department of Transportation, the State Ports Authority, and short line railroad operator Genesee & Wyoming will upgrade the rail access to the site as part of their support for economic development in the region. "We enjoyed terrific assistance from our state partners for this project," WBD's Satterfield said. "That includes the North Carolina Department of Commerce and the Economic Development Partnership of North Carolina."

Croteau said Vertex "declined to apply for state, county or city financial incentives. The most important incentive has been the relentless dedication to customer service that WBD and its allies have brought to this project. We look forward to being good corporate citizens of Wilmington. Our privately held company plans to build on a tradition of generous involvement with its surrounding communities, investing and volunteering in local youth and neighborhood improvement programs, for example. We believe in taking care of our people and the communities where they live. That matters to us."

Amtrak Files Complaint With STB Over Capitol Limited Performance

Written by William Vantuono

Monday, November 17, 2014

Amtrak has filed a complaint with the U.S. Surface Transportation Board against Norfolk Southern and CSX over substandard on-time performance of the Washington D.C.-Chicago Capitol Limited, which operates over right-of-way owned by NS and CSX. Including an earlier complaint filed against CN, this is Amtrak's second such action regarding substandard on-time performance of its long-distance trains.

Attorneys Linda J. Morgan, Kevin M. Sheys, and Katherine C. Bourdon of Nossaman, LLP, and Amtrak Managing Deputy General Counsel William H. Herrmann filed the complaint on Nov. 17, 2014, pursuant to 49 U.S.C. 24308(f), to initiate an investigation by the STB.

The complaint notes that "the on-time performance of the Capitol Limited service has averaged less than 80% for two consecutive calendar quarters. If all-stations on-time performance is defined as the percentage of station arrivals (and departure from origin station) that occur within 15 minutes of the times on the public schedule, then in the quarter ending Sept. 30, 2014, all-stations on-time performance of the Capitol Limited service was 20.4%, and it was 27.8% in the previous quarter. If endpoint on-time performance for long-distance trains (such as the Capitol Limited service) is defined as the percentage of times those trains arrived at their terminal station within 30 minutes of the arrival time on the public schedule, then in the quarter ending Sept. 30, 2014, the endpoint on time performance of the Capitol Limited service was 2.7%, and it was 33.6% in the previous quarter. Amtrak respectfully requests that the STB initiate an investigation of the substandard performance on the Capitol Limited service . . . [and] if the Board determines that delays to Amtrak Capitol Limited service are attributable to a host railroad's failure to provide preference, as required by 49 U.S.C. 24308(c), the Board award damages and other relief it determines to be reasonable and appropriate, pursuant to 49 U.S.C 24308(f)(3)."

Under Section 213 of the Passenger Rail Investment and Improvement Act of 2008 (PRIIA), if the on-time performance of any intercity passenger train averages less than 80% for any two consecutive calendar quarters, upon Amtrak filing a complaint, the STB is to initiate an investigation into the causes of delays incurred by Amtrak passenger trains operating over a rail carrier's lines. Though the term "on-time performance" is not defined in section 24308(f), the STB "has ample authority to construe 'on-time performance,'" Amtrak's complaint says. "Amtrak's definitions of on-time performance are reasonable. . . . [and] Amtrak's measurement of all-stations on-time performance under section 24308(f), besides being reasonable, also fosters an on-time performance policy goal established by Congress at the inception of Amtrak."

Alaska Railroad Honors Jack Burton for 50 Years of Service

Monday, November 17, 2014

Railroad Track Repairer and Board Member Jack Burton recently passed the half-century mark as an employee of the Alaska Railroad (ARRC) and was recognized for his tenure with a salute during the ARRC Board of Directors meeting November 13. Burton joined ARRC as a track laborer in April 1964.

Over the past five decades, Burton has built, fixed or maintained the railway corridor in one capacity or another. As a member of the ARRC's Maintenance-of-Way Department, he has hammered spikes, operated specialized on-track heavy equipment, inspected track and led track gangs and section crews as a foreman.

"Jack's knowledge and leadership as a long-time railroader and experienced director has helped to keep us stay on track (no pun intended)," said ARRC Board Chair Linda Leary. "As new board members have come onboard, Jack remains a grounding force on the board of directors. He has served on a number of board committees over the years, including the Capital Projects and Executive committees. But most notably, Jack has consistently provided leadership and sage advice during his long-standing service on the Board Real Estate committee, as we tackle challenges and take advantage of opportunities."

"I can't say enough about Jack's contributions to the governance of the Alaska Railroad. His depth of experience and commitment has been invaluable to both the board and staff," said President and Chief Executive Officer Bill O'Leary. "Jack's sense of humor and seasoned insight have been key to finding answers to tough problems impacting our land, our employees and our infrastructure. Jack looks for win-win solutions as he works with all stakeholders, including the department of transportation, railroad departments, the community and our employees. We are lucky to have him."

CP Agrees to Sell D&H Line to Norfolk Southern

Written by Douglas John Bowen

Tuesday, November 18, 2014

Canadian Pacific announced on Monday, Nov. 17, 2014 it would sell a line of roughly 200 miles, cutting across Pennsylvania and New York, to Norfolk Southern Corp. for \$192.6 million.

The transaction is subject to approval by the Surface Transportation Board (STB).

NS would acquire right-of-way operated by CP subsidiary Delaware & Hudson Railway linking Sunbury, Pa., and Schenectady, N.Y., running in a rough "S" shape route north from Sunbury through Scranton, Pa., Binghamton, N.Y., and Oneonta, N.Y. before reaching Schenectady.

The route provides a direct link to existing NS operations as well as direct access from Chicago and the U.S. Southeast to Albany, N.Y., and vicinity, including the recently opened intermodal terminal in Mechanicsville, N.Y., which Norfolk Southern would access from Schenectady via trackage rights over a stretch of the D&H CP has not put up for sale.

The purchase also gives Norfolk Southern improved access to New England markets, served by its joint venture subsidiary Pan Am Southern.

The CP sale includes D&H's freight maintenance facility at Binghamton, N.Y., near the Pennsylvania-New York border, along with other facilities along the route. NS will also hire the 150 D&H employees in the area affected by the purchase.

"As we have stated in recent months, we've been in the process of negotiating the final details for the potential sale of the southern portion of our D&H line," CP CEO Hunter Harrison said in a statement. "We are pleased to find a prospective buyer in Norfolk Southern."

"Acquiring this portion of the D&H provides for a more efficient rail transportation system by consolidating freight operations with a single carrier," Norfolk Southern CEO Wick Moorman said.

New York's Latest Building Site Constructed OVER Tracks Into Penn Station

By John Hall

Published: November 19, 2014

A property developer has released incredible before and after images that show how the bustling railroad tracks leading into New York's world famous Penn Station have had a 2.6 acre concrete platform built above them to create space for a massive new real estate project.

On first view the area outside the station, which serves 600,000 rail passengers every day, appears to have gone from hosting a dozen railway lines transporting customers all over the United States, to the large concrete base of the \$4.5 billion Manhattan West development.

But in reality the tracks are simply hidden from sight and are the trains are now operating as an underground service beneath what will soon become the foundations for two 60 storey office towers on West 33rd Street and Ninth Avenue.

Once completed the area will also an enormous retail park and a two acre green space for local benefit workers and to host community projects.

The Manhattan West development is the latest project by Brookfield Properties, whose workers have spent the past two years hovering precariously above busy railway lines as they built the massive concrete platform.

The developer said its construction crews worked day and night for much of that time in order to have the foundation finished by the end of this year, in order to get the construction of the office towers underway in early 2015.

Speaking at a press conference yesterday, Brookfield CEO Dennis Friedrich said: 'We celebrate today the creation of land in Manhattan - new land, which doesn't happen very often and which will serve as the support and platform for new buildings to go up in the upcoming years.'

In order for the construction teams to build the platform without disrupting rail services, construction teams used a \$7 million crane dubbed 'The Launcher' to lay 16 separate 400 ton bridges, which were shunted together to form tunnels through which the trains continue to travel while construction goes on overhead.

As well as the 60 storey office towers, retail park and green space, Brookfield Properties plans to build an 800 apartment residential tower and a five star hotel on the site.

It will also be working to convert other buildings in the area into glass-based structures in order for them to fit in with the new development.

Work on the residential tower is due to get underway early next year, with the first residents moving in at some point in 2017. The 800 apartments inside the building have not yet been put up for sale, Brookfield said.

The office towers are expected to open the following year.

Penn Station, whose official name is Pennsylvania Station, is New York City's main intercity rail terminal - serving up to a thousand passengers every 90 seconds. It is the busiest passenger transportation facility in North America.

The original Pennsylvania Station was inspired by the Gare d'Orsay in Paris and was constructed by the Pennsylvania Railroad from 1901 to 1910.

After a decline in passenger usage during the 1950s the original station was demolished in 1963 and replaced in 1969 with the current station.

Resurgence of train ridership in the 21st century has pushed the current Pennsylvania Station structure to capacity, leading to several proposals to renovate or rebuild the station.

Amtrak Service West of Albany Suspended by Weather

Posted by: "Dennis Parejko
Wednesday, November 19, 2014

BUFFALO, N.Y. (AP) - Amtrak passenger train service between Albany and the Buffalo area remains suspended to due severe lake-effect storms that have dumped more than 4 feet of snow on parts of western New York.

Service was suspended Tuesday because of the heavy snowfall and travel bans issued by local officials in Erie County, which has Amtrak stations in Buffalo and suburban Depew.

Amtrak says service between the Albany area and Buffalo-Niagara Falls, Toronto and Cleveland, Ohio, is suspended at least through Wednesday afternoon. That includes the Empire Service, Maple Leaf and Lake Shore Limited trains.

Amtrak service north, east and south of Albany continues to operate.

GWI Acquires Arkansas Short Lines

Written by Douglas John Bowen
Thursday, November 20, 2014

Genesee & Wyoming Inc. (GWI) late Wednesday, Nov. 19, 2014 announced it "has signed an agreement with Pinsky Railroad Company of Westfield, Mass., to acquire certain subsidiaries that constitute Pinsky's Arkansas Division ('Pinsky Arkansas') for \$40 million in cash, subject to adjustment for final working capital."

The acquisition is subject to customary closing conditions, including the expiration of the 30-day notice period required by the Surface Transportation Board for G&W to obtain authority to acquire the Pinsky Arkansas railroads. The transaction is expected to be completed in early January 2015, GWI said.

Jones Mills, Ark.-based Pinsky Arkansas includes four property groupings: the Arkansas Midland Railroad (AKMD), which is comprised of seven non-contiguous branch lines; the Prescott & Northwestern Railroad (PNW); and the Warren & Saline River Railroad (WSR); and the two Arkansas transload operations of Pinsky's Railroad Distribution Services subsidiary.

Operations are composed of 137 miles of owned and leased track, 70 employees, and 16 locomotives and serve the Hot Springs and Little Rock, Ark., areas, as well as the southwestern and southeastern portions of the state. Collectively, the railroads currently haul approximately 35,000 carloads per year and serve a diverse customer base in industries including aluminum, forest products, aggregates, energy and carton board, GWI said.

Pinsky Arkansas will be managed as part of GWI's Central Region, which includes six existing short line railroads in the state of Arkansas, under the leadership of Regional Senior Vice President Dewayne Swindall. The acquisition will be funded from GWI's revolving credit facility and is expected to be immediately accretive to GWI's earnings per share. In 2015, G&W estimates that Pinsky Arkansas will contribute approximately \$5.4 million of EBITDA, including certain net cost savings.

Said Genesee & Wyoming President and CEO Jack Hellmann, "Over the past 22 years, the Pinsky team has built an impressive cluster of short line railroads in Arkansas, with a clear focus on safety and customer service. Following the acquisition, G&W will own nine short line railroads in Arkansas, and we are excited about the opportunity to support and drive further economic growth in the state."

Keystone XL Promoter a Convert to CBR

Written by David Thomas
Thursday, November 20, 2014

Now even the promoter of the controversial Keystone XL pipeline is boosting the benefits of crude-by-rail (CBR) over pipelines.

With the economic imperatives for the transborder pipeline leaking away as CBR rapidly picks up much of the Canadian oil sands business, TransCanada Corp. CEO Russ Girling says his company will likely develop its own rolling pipeline capacity, whether or not Keystone XL is eventually approved by President Obama (or his successor).

"The marketplace has learned that it is flexible, it can be put in place relatively quickly, and it doesn't have the same regulatory hurdles as building pipe does," Girling said at the company's Nov. 19 investor conference in Toronto. "I think it plays a larger role in the future than it has in the past, and therefore it's likely a business that we're in long-term, irrespective of Keystone."

Girling said he is actively courting customers for a future CBR service from Alberta's northern oil sands to refiners on the Gulf Coast. "I would say there's a better than 50-50 chance that we will be in that business in some form or fashion in the future, and it will take us some time here to actually nail down the agreements to underpin those investments," he said.

The longer Keystone and other pipeline proposals remain in political limbo, the greater will be TransCanada's commitment to CBR, said Girling. "To the extent that they're delayed, I would say the scale of that business would be larger than it would be if we see these approvals happen in the near term," he said.

UPS Prepares for Peak Season, Adjusts to Rail Congestion

By David Lassen
November 7, 2014

CHICAGO – After almost a year of preparation, United Parcel Service believes its ready for its "peak season" – the holiday shipping rush that begins the day after Thanksgiving. It hopes its rail partners are prepared, as well.

In a Thursday presentation to the Chicago Rail Superintendents Association at the shipping company's massive Chicago Area Consolidation Hub, UPS staff members outlined moves the firm has made to rebound from a rough 2013 holiday season brought on by weather issues and unexpected volume.

Roughly 1.8 million parcels per day move through the firm's Chicago-area hub – though that figure is projected to increase to about 3 million during the holidays. Seventy percent of the traffic moves by road and 30 percent by rail, much of it from BNSF Railway's Willow Springs Intermodal Facility, adjacent to the UPS hub. (UPS also moves trailers and containers through four other rail facilities in the Chicago area.)

Ongoing rail capacity problems are definitely a concern for UPS.

"It's been a tough year for railroading, with all the business out there," says Keith Hargarten, of UPS's Chicago-area TOFC/COFC operations department. "There've been quite a few late packages this year, during the regular part of the year, and we're hoping with peak season, with all the focus we typically get from our rail partners, it will help us overcome our volume levels and move the packages the way we plan on using them.

"We know people are going to be looking at UPS after last peak season, when we know we didn't do as well as we can."

Hargarten says UPS had extensive conference calls with railroads to plan for the holiday rush, and has made scheduling adjustments to compensate for the rail issues.

"It's costing us money, but the bottom line is we're doing it to protect our service," he said. "We did a lot of planning with the BNSF."

As an example of adjustments, he cites the firm's plans to move a package from Chicago to Seattle.

"Right now," he says, "a couple days a week, we truck it to Minnesota and avoid the congestion between Chicago and St. Paul, and put it on the train to St Paul."

UPS saw its holiday business increase 68 percent over its normal daily average in 2013, as opposed to a 54 percent jump a year earlier. This year, it is projecting a 72 percent increase over daily norms.

The delivery firm's key move will be full pickup, delivery, and sorting on the day after Thanksgiving – a first for the company. It also receives a break from the calendar, which provides one extra day between Thanksgiving and Christmas, meaning there will be 19 pickup and delivery days to handle peak-season parcels, instead of 17 in 2013.

The company has also added or expanded 47 processing facilities in addition to hiring of additional workers and switching from five- to six-day sorting at its hubs.

AAR Reports Increased US Rail Traffic for October

November 6, 2014

WASHINGTON – The Association of American Railroads reports increased U.S. rail traffic for October 2014, with both carload and intermodal volume increasing compared with October 2013. Class I railroads originated more than 1.5 million carloads in October 2014, up 4.4 percent, or 63,881 carloads, over October 2013. The average of 301,583 weekly carloads in October 2014 marked only the third time since 2008 that a month had a weekly carload average of more than 300,000.

Intermodal traffic in October totaled 1.38 million containers and trailers, up 4.9 percent, or 64,071 units, over October 2013. October 2014 was the best month in history for U.S. rail intermodal traffic. The weekly average of 276,350 containers and trailers in October 2014 was the highest ever, and October was the 59th straight month of year-over-year intermodal increases.

Fifteen of the 20 carload commodity categories tracked by the AAR each month saw year-over-year carload increases in October. Commodities with the biggest carload increases in October 2014 were coal up 21,010 carloads, or 3.9 percent;

petroleum and petroleum products up 14,053 carloads, or 20.7 percent; crushed stone, sand, and gravel up 11,880 carloads, or 10.4 percent; and metallic ores up 4,161 carloads, or 11.4 percent.

Excluding coal, U.S. rail carloads were up 42,871 carloads, or 4.7 percent, in October 2014 over October 2013. Excluding coal and grain, U.S. rail carloads were up 43,237, or 5.4 percent, in October 2014.

“America’s railroads are moving an enormous amount of freight today,” says AAR Senior Vice President John T. Gray. “In the first 10 months of 2014, total U.S. carload plus intermodal volume was 24.3 million units, which is over one million units more than in the first 10 months of 2013 and the highest year-to-date total since 2007.”

Republican Take-Over Muddies US Rail Future

By Bob Johnston
November 5, 2014

WASHINGTON – With net gains in the U.S. House, Senate, and governors’ mansions in a number of key states under Democratic control, Republicans are poised to change legislative priorities over the next two years – or not.

Railroad management that has voiced concern over the threat of re-regulation initiatives and more Surface Transportation Board oversight will likely not face political interference with a majority of Republicans, who generally favor less government intrusion for business. Outgoing Senate Commerce, Science, and Transportation Committee Chairman Jay Rockefeller of West Virginia considered the proposed legislation.

However, the current ranking Republican member in line for the chairmanship beginning next January, John Thune of South Dakota, has assumed an activist role on behalf of grain shippers in his state. Appointed railroad director there between 1991 and 1993 before entering politics, Thune is familiar with the challenges faced by branch line service customers at harvest time and has recently initiated a dialogue with Canadian Pacific, BNSF Railway, U.S. Transportation Secretary Anthony Foxx, and STB Chairman Daniel Elliott to make sure the railroads are being held sufficiently accountable. He has also taken a more centrist position on the government’s role in providing infrastructure investment than many of his Tea Party-oriented colleagues, who favor lower taxes and higher defense spending instead.

Leadership of the House Transportation and Infrastructure Committee under Rep. Bill Shuster of Pennsylvania and rail subcommittee Chairman Jeff Denham of California is unlikely to change, and this is not good news for public transportation and passenger rail users. Before the month-long pre-election recess, they passed a five-year Amtrak reauthorization bill out of committee which locks in capital and operating expenditures at levels set by Congressional appropriators over the last several years [see “US House Seeks Amtrak ‘Reform,’” December 2014]. That funding has proven inadequate in keeping up with state-of-good-repair requirements and offers no avenue to grow service with new equipment.

If enacted, the proposed Passenger Rail Reform and Investment Act would also prevent any federal funding to go to the California High-Speed Rail Authority and limit Transportation Investment Generating Economic Recovery grants to \$100 million annually. The latest round of \$600 million in TIGER awards to 72 recipients in 46 states followed 797 applicants requesting a total of over \$9 billion. With Republicans now in control of the Senate, the Shuster-Denham agenda will likely face little tinkering or outright opposition once hearings begin in early 2015.

While Obama Administration transportation priorities remain in place at the federal level for at least the next two years, executive branch changes at states could force an abrupt about-face to robust passenger rail programs where Democratic incumbent governors lost to Republican challengers.

In Illinois, Republican Governor-elect Bruce Rauner repeatedly declined to say where he would cut state spending while promising to roll back taxes, but instead said “everything is on the table” and that he would look to nearby states to see “what works.” If Wisconsin and Indiana are Rauner’s role models, it is possible that operating and capital funds for current Amtrak service on three routes and expansion to Rockford and the Quad Cities could be severely curtailed. But Republican Rick Snyder was re-elected in Michigan, a state whose passenger and freight rail investments have grown under his leadership.

Construction on the \$223 million project to bring Amtrak trains to Rockford by the end of 2016 is already underway. When the race between incumbent Democrat Pat Quinn and Rauner was heating up in late August, state legislators from both parties affirmed their support for the expansion at a town hall meeting there regardless of who won in November.

Other states with significant passenger rail investment like Michigan and North Carolina have undergone political party transitions without service reductions because rail patrons voted with their wallets to ride the trains. But that constituency has not been actively courted by either party’s politicians, perhaps because infrastructure investment costs money and any hint that taxes might be raised to pay for it could unleash a barrage of attack ads by opponents and fossil fuel interest-backed political action committees at election time.

That is why the 18.4-cent federal gas tax has not been raised since 1993 and the highway and transit trust fund has required more than \$50 billion of general revenue transfusions since 2008. Though the recent Republican voting record to limit transportation spending is well documented, many Democrats have failed to use it as an issue to court independent voters this year.

Wednesday, many of them are paying the price.

Trinity to Deliver 8,950 Railcars to GATX in Multi-Year Deal

November 4, 2014

DALLAS – Trinity Industries Inc. will supply 8,950 railcars to GATX Corp. over a four-year period, beginning March 2016. This agreement takes effect upon the scheduled expiration of the current rail supply agreement with GATX, which ends in mid-2016. GATX may order both tank and freight cars, though the majority of the order will be for tank cars.

This new order was not included in Trinity's recently announced third quarter 2014 orders of 14,120 railcars.

"We are pleased to enter into a supply agreement with GATX," says TrinityRail Group President D. Stephen Menzies. "We value our long-term relationship with GATX, and appreciate the confidence they continue to place in TrinityRail as a premier North American railcar manufacturer. This multi-year supply agreement adds to the record \$6.1 billion backlog we had in place at the end of the third quarter. There is a lot of positive momentum occurring within TrinityRail, as we continue to benefit from strong market fundamentals."

"GATX's existing 12,500-car, five-year supply agreement with Trinity ends in mid-2016. We have placed more than 10,500 cars from that order on long-term leases with our customers. Placing this new order with North America's premier railcar manufacturer allows us to continue to meet our customers' needs with competitively priced railcars for years to come," says GATX President and CEO Brian A. Kenney.

Chicago-based GATX keeps a fleet of 133,000 railcars and about 600 locomotives for its North American clients. It also supplies 22,000 freight cars to Europe's railroads.

Let's Quit Complaining and Fix Chicago

Posted by Fred Frailey

Wednesday, November 05, 2014

Untangling the mess in the Railroad Capital of the World is not that difficult. It does not necessarily require a lot of money—you don't need CREATE's billions, for instance, although if governments showered the money down (don't count on it) the railroads would gladly catch it in their caps. What it does require is the attention of railroad CEOs and a willingness to make deals with their counterparts, who they generally detest.

So here are four ideas to start the ball rolling. One or two may be new to you.

1. Schedule unit train handoffs. At the root of the problem are unit trains, dozens and dozens a day. They come at every hour of the day and night, and I'm not talking just oil trains (did you know that 70 percent of Canadian Pacific's grain originations in the U.S. are routed by shippers through Chicago?). There are few places to hold them (see below) and the receiving railroad in a handoff is now not under any obligation to take them when offered.

All of this being so, schedule the handoffs. BNSF Railway and CSX Transportation, for instance, know they interchange, say, eight unit trains a day each way. So schedule those transfers, at (for example) 1, 4, 7, 10 a.m. and 1, 4, 7, 10 p.m. BNSF and Norfolk Southern could do the same, at different hours, and so on between the other railroads. The delivering railroad knows that if it misses its slot, the receiving railroad is under no obligation to take a train until the next slot. But the receiving railroad is obligated to take a train if offered in a slot time. The advantages are that the delivering road can plan ahead and perhaps not turn its double track line into Chicago into a single track railroad with unit trains parked for miles on the second track. And the receiving railroad knows its responsibility to have rested crews and delivery tracks ready and waiting at those hours. Worth a try?

2. Set up a unit train holding yard. I'd love to take credit for this idea, but credit belongs to Rod Case of the consulting company Oliver Wyman. Indiana Harbor Belt has an underutilized hump yard in Blue Island, Ill. Flatten the hump and make it a gigantic holding tank for unit trains. The trains could be inspected, locomotives fueled and serviced and so on. The cost of track occupancy is by the hour, and I suppose the receiving railroad pays. This gets the pesky unit trains out of the way. Or IHB could move its automobile sorting from Gibson Yard in Indiana to Blue Island, and make Gibson the holding yard. Either way, it clears up the main lines and puts money in IHB's pocket.

And by the way, speaking of Indiana Harbor Belt . . .

3. Merge the Chicago switching railroads. Consolidating the IHB, Belt Railway of Chicago and B&O Chicago Terminal would achieve several objectives. First, it would achieve economies and open up capacity, thereby achieving greater savings as more traffic flows through their arteries. Second, a merged terminal railroad would attract talent, which I don't think is present today. I would model this railroad after Conrail Shared Assets, which is the terminal railroad for CSX and NS in New Jersey and Detroit. Conrail has no revenues, only expenses—total costs divided by units handled equals each owner's bill. This model has worked fabulously for CSX and NS. Let's give it a try in Chicago.

4. To quote Cole Porter: Get out of town. Rerouting business around instead of through Chicago is the usual remedy, but there are problems. First, options are limited. The Kankakee Belt that connects NS with BNSF at Streator, Ill., until recently hosted one interchanged train a day each way. I've heard it's now two. But beyond that would require the big bucks by owner NS to add sidings and so forth. The Toledo, Peoria & Western has atrophied; it, too, would require a lot of capital to become useful. A Chicago businessman envisions an outer belt railroad beside the proposed Illiana Expressway between Indiana and Illinois, but that is years and years in the future, if ever.

So that leaves the St. Louis and Kansas City gateways as alternative interchange points, but here, too, you have problems. The biggest is agreeing on new divisions of revenue. Maybe BNSF and UP don't want to accept a smaller piece of the pie for taking freight a shorter distance. Then there is capacity. UP is heavily used between Kansas City and St. Louis, and NS between KC and Decatur, Ill. How much more business can CSX handle on its former Conrail St. Louis Line before it, too, becomes a parking lot? Finally, you don't just snap your fingers and have the necessary crews. Enlarging a crew base takes months, and unless the rerouting is permanent, keeping those crews employed 12 months a year is a problem.

BNSF and CSX in December will open an interchange in Smithboro, Ill., on the Beardstown branch of BNSF and the St. Louis Line of CSX, starting with one oil train a day. As crews and experience accumulate, that pace will probably pick up. It's a start, and a good one. Do this four or five or six more times through other gateways and you will chip away at the glacier we call Chicago.

That's it for me, folks. I'm off for the fleshpots of Italy: Rome, Tuscany, Florence, staying only at the nicest places, eating only at the best restaurants and tasting only the best wines. I'll be back in the second half of the month. In the meantime, give us your ideas for fixing Chicago.

Dailey Foundation Announces Eight Grants

November 10, 2014

CHICAGO – The Tom E. Dailey Foundation has approved eight railroad heritage grants totaling \$19,000 at its November quarterly board of directors meeting. The following museums and organizations will receive grants:

Western Maryland Scenic Railroad – Cumberland, Md.: \$10,000

Western Maryland Scenic is renovating former Chesapeake & Ohio 2-6-6-2 No. 1309, the last steam locomotive built by Baldwin for a domestic railroad in 1949. The project involves the complete disassembly of the locomotive and the testing and repair of all its parts and structure. The grant request is specifically to return one of the two cross-compound air pumps to as-built condition. Western Maryland Scenic earlier received a Dailey Foundation grant award of \$7,500 for business car restoration.

Danbury Railway Museum – Danbury, Conn.: \$1,500

The museum is restoring a 1947 former New York Central Railroad burro crane to operating condition. The museum operates the former 1903 Danbury Union Station as a museum, and the 10-acre former New Haven Railroad yard where it displays 60 pieces of historic equipment, some of which are operational. Along with operating the museum, the group sponsors elementary school visits so children can learn the importance of railroads in everyday life.

Siouxland Historical Railroad Association – Sioux City, S.D.: \$1,500

The grant will assist with the rehabilitation of the 1917 Milwaukee Road locomotive repair shop so it may be repurposed as a regional railroad museum exhibition center. The project is scheduled to begin in spring 2015 following approvals from the Iowa Department of Transportation, Iowa State Historic Preservation Office, and the Federal Highway Administration, the major source of funding.

Keokuk Union Depot Foundation – Keokuk, Iowa: \$2,500

The grant is for the renovation of the chimney and roof of the Keokuk Union Depot. The Keokuk Union Depot Foundation and local government are cooperating to restore the depot to its original design, modernize the heating, plumbing and wiring, and improve the currently unused space. The roof restoration phase is focused on restoring the original red tiles and ornamental details of the original design. The Foundation was the recipient of a previous Dailey Foundation grant award of \$1,000 in 2013 for the same project.

Arizona Railway Museum – Chandler, Ariz.: \$1,500

The Dailey Foundation grant will partially fund replacement of eight malfunctioning 8-volt DC45 batteries in Magma Arizona Baldwin DRS 6-6-1500 No. 10. The locomotive serves as the museum's major source of motive power for switching and car relocation. The museum has over 40 pieces of rolling stock maintained by 25 volunteers. In addition to maintaining rail artifacts, they are presently converting 65,000 ft. of motion picture film relating to Arizona railroading into a digital format for broader access. The museum annually hosts over 5,000 visitors to the museum despite being closed during the hottest summer months.

Minnesota Streetcar Museum – Minneapolis: \$2,000

The grant request is to construct an addition to the existing streetcar car barn to create the first ever library/office for the museum's document and photo collection. The library is currently stored off-site and not available to the public. This 52-year-old organization preserves streetcar history in the state of Minnesota with a concentration on the Minneapolis-St. Paul metro area. In addition to restoring five Minnesota streetcars and operating two streetcar lines for the public, the museum publishes a quarterly history magazine and maintains a photo/archive collection of 12,000-catalogued objects. The collection has been the basis for three major books on Minnesota streetcar history. The Museum received a Dailey Foundation grant award of \$1,000 in 2013.

The next meeting of the Foundation board will be held Feb. 7, 2015. For more information on the organization, visit www.daileyfoundation.org.

BNSF Plans \$6 Billion Capital Spending Program for 2015

November 20, 2014

FORT WORTH, Texas – BNSF Railway plans \$6 billion in capital expenditures for 2015, which the railroad says will help it meet the expected demand for freight rail service. The 2015 plan marks the third year in a row that BNSF has committed a record amount for capital investments.

Early next year, BNSF will detail its planned capacity and maintenance projects, particularly those in the Northern Region.

“BNSF’s capital investment program since the beginning of 2013 through the end of 2015 is unprecedented and is clear evidence of our confidence in a growing economy and our intention to meet the demand for service that comes from all our customers,” says President and CEO Carl Ice. “We have made great progress in expanding the segments of our railroad that have been most constrained by rapidly increasing demand. Once these new capital programs are completed, we expect to further restore the capacity flexibility we have historically enjoyed to manage the periodic demand surges that come from a dynamic and fast-paced economic environment.”

The largest component of the 2015 capital plan will be for the renewal of assets and maintenance, which is expected to cost \$2.9 billion. These projects will go toward replacing and upgrading rails, ties, and ballast. Track replacement projects typically make up the largest percentage of BNSF’s annual capital projects.

The railroad also plans to spend almost \$1.5 billion on expansion projects. Nearly \$500 million of that expansion work will occur in the Northern Region, which is where BNSF is experiencing the fastest growth. That region primarily serves agriculture, coal, crude oil, and materials related crude oil exploration and production.

BNSF will also increase the size of its locomotive fleet through the addition of new, energy and fuel efficient locomotives. BNSF will acquire 330 new locomotives during the calendar year.

The railroad has also updated its planned capital expenditures for 2014, which now are expected to reach \$5.5 billion. Since 2000, through the end of 2015, BNSF will have made more than \$50 billion in capital expenditures.

Amtrak Loses Patience (Finally)

Posted by Fred Frailey
Tuesday, November 18, 2014

About time, I say.

During an interview with D.J. Stadler, Amtrak’s VP operations, for a story to appear in the January issue of *Trains*, I asked why Amtrak hadn’t taken Norfolk Southern and CSX Transportation to court over their mishandling of the *Capitol Limited* and *Lake Shore Limited*, “court” of course being the Surface Transportation Board. Congress in 2008 gave Amtrak the right to seek damages for repeated and inordinate delays. Stadler hemmed and hawed a few seconds and said it takes an enormous amount of time to amass a legal case that can withstand scrutiny. What he couldn’t say was, wait a few weeks. Yesterday Amtrak’s hired guns from the DC law firm of Nossaman LLP, including former STB chairman Linda J. Morgan, filed a complaint with the STB, asking the board to investigate the two railroads’ handling of the *Capitol Limited*, which operates over CSX between Washington and Pittsburgh and on NS between Pittsburgh and Chicago. Amtrak is asking the STB for monetary awards “and other relief it determines to be reasonable and appropriate.”

Much as I respect the two railroads, Amtrak’s call for accountability is long overdue. Readers of this blog know I’ve obsessed at the poor handling of this train and the New York City-Chicago *Lake Shore Limited* all year. The dispatching by Norfolk Southern has been especially egregious.

The Passenger Rail Investment and Improvement Act of 2008, in Section 213, handed Amtrak a powerful weapon: Whenever a train averages less than 80 percent on time over two consecutive quarters, the legislation said, Amtrak can seek damages from the STB. The *Capitol* arrived in Chicago and Washington within 30 minutes of its scheduled time 2.7 percent and 33.6 percent in the quarters ending September 30 and June 30, respectively. In fact, the *Capitol* hasn’t hit the 80 percent level since the January-March 2013 quarter.

I suspect Amtrak did this to maintain any credibility with its host railroads and its passengers aboard the *Capitol*. I say this because sizable damages are going to hard to substantiate. True, Amtrak paid a lot of hotel bills in Chicago for missed connections. But for the past two quarters, from April through September, ridership of the *Capitol Limited* actually increased over the same months of 2013, 129,394 passengers this year versus 125,691 last year. In that same period of this year, ridership also exceeded what Amtrak expected, or budgeted, by 3,253 riders. However, ticket revenue for the last two quarters fell \$441,000 below last year and \$693,000 below Amtrak’s budget. But either number is probably less than Ms. Morgan’s three-person legal team from Hossaman will ultimately bill Amtrak for slogging this through the STB.

Yes, slog. This is the second such case Amtrak has filed under PRIIA Section 213. In 2012 it took Canadian National to task over unacceptable delays to the *Illini* and *Saluki* between Chicago and Carbondale, Ill. More than two years later, CN and Amtrak are still in the early stages. You get a flavor of the proceeding’s endless corridors of inquiry from this recent filing by Amtrak’s attorneys, the same Nossaman lawyers: “Any discovery directed by a Board decision on CN’s Second Motion to Compel Production and CN’s Appeal of the Board’s decision on CN’s first Motion to Compel can be produced once the Board

issues its decisions on those Motions." That's correct, the case isn't close to being argued because both sides are still busy collecting evidence from each other.

Section 213 is obviously not a weapon to be used lightly. As we are seeing in the CN case, resolution can take years, and the STB is always free to side with the freight railroad. And Joe Boardman, Amtrak's president, has no appetite to pick fights with his host railroads. On the other hand, the long distance name trains this year got slaughtered, and a continuation of this pattern into 2015 and perhaps beyond would clearly ruin the long-distance franchise. I would be surprised if more such cases, involving the *Lake Shore*, *Empire Builder* and *California Zephyr* in particular, were not in the works.

So yes, about time.

Amtrak Touts FY14 Fiscal Numbers

Written by Douglas John Bowen
Tuesday, November 25, 2014

Amtrak released its fiscal year 2014 revenue numbers Tuesday, Nov. 25, 2014, citing continued financial performance that drew grudging coverage even from media adversaries of the national passenger railroad.

For Fiscal Year 2014, which ended Sept. 30, 2014, Amtrak reported "unaudited record revenue totaling approximately \$3.2 billion for the fiscal year ending Sept. 30, 2014, representing the fifth consecutive year of revenue growth, and the eighth out of the past nine years."

Amtrak said its revenue-to-cost operations recovery ratio was 93%, up from 89% in FY13, a ratio much higher than many other, more respected national rail systems worldwide.

Amtrak noted its "unaudited federally funded operating loss of approximately \$227 million was the lowest level since 1973, representing a 37% decrease from the prior year and 52% lower than in FY 2007." That reduced level drew notice from those often highly critical of Amtrak, including *The Wall Street Journal*.

"As a result of the company's strong operating performance, long-term debt reductions of approximately 61% over the past seven years to \$1.3 billion, and other contributing factors, Moody's Investor Service confirmed Amtrak's A1/Stable debt rating on Nov. 12, 2014," Amtrak said, continuing a relatively recent emphasis on fiscal stability aimed to secure congressional support for future funding.

"Our financial performance over the past year is the clearest indication yet that Amtrak's investments, operating efficiencies and focus on its customers is paying off," said Amtrak Chairman of the Board Tony Coscia. "Under the leadership of Amtrak's Board and management, the company is transforming how it does business. We are delighted with our latest financial results and committed to making further progress in the years ahead. As we continue to make improvements in our operating and financial performance, we call upon the federal government and our stakeholders to support the capital investments necessary to keep moving Amtrak forward."

"Our efforts to operate a more financially sound railroad for our stakeholders continues to exceed expectations," said Amtrak President and CEO Joe Boardman. "Amtrak's customer value proposition improves each year as seen by our continued ridership and revenue growth for the better part of the past decade."

Boardman focused on Amtrak's need to meet anticipated ridership growth through federal capital investment, in order to improve, expand, and replace aging rail infrastructure.

UP Begins Canada-to-California CBR Service

Written by Bruce E. Kelly
Tuesday, November 25, 2014

Union Pacific's Can-Am Corridor linking western Canada with the western U.S. entered a new era on Nov. 24, 2014, when the first unit train of Canadian crude rolled across the international border at Eastport, Idaho, headed for a distribution terminal near Bakersfield, Calif. The 97 loaded tank cars, owned by Phillips 66, were powered by two locomotives on the head end, plus a single distributed power unit on the rear.

Unit crude-by-rail (CBR) service via the Can-Am represents a major increase in the level of crude traffic that UP and partner Canadian Pacific Railway already move over this route. Since mid-2013, sporadic blocks of crude, ranging from half a dozen cars to upwards of 50 cars per trip, have come south from Canada in UP manifests interchanged from CP. By November of last year, Canadian crude accounted for much of the CBR railed into California, but that business was soon challenged by North Dakota Bakken crude that is either shipped directly to California by rail or transferred through rail-to-barge terminals in the Pacific Northwest, which then forward that crude south along coastal waterways. In fact, during the first half of 2014, rail-to-barge service through the PNW reportedly brought more Bakken crude to California than direct rail service did.

How many California facilities will ultimately benefit from this new CP-UP unit crude corridor is not yet known. One source indicates there could be an average of one trainload of crude per day coming south out of Canada. UP spokesman Aaron Hunt declined to provide figures for expected train volumes, but he did confirm that UP unit trains carrying Canadian crude will now routinely travel through Idaho, Washington, and Oregon to reach California. He tells *Railway Age*, "We expect to run crude trains on this route moving forward."