

DANVILLE FLYER

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The **DANVILLE FLYER** is published monthly by the **DANVILLE JUNCTION CHAPTER** of the **NATIONAL RAILWAY HISTORICAL SOCIETY** for its members and other interested persons.

The **DANVILLE JUNCTION CHAPTER, NRHS**, is a not-for-profit corporation organized to preserve the history of railroading in Eastern Illinois and Western Indiana and operates a museum located in the former Chicago and Eastern Illinois Railroad depot on East Benton Street in Rossville, Illinois. The museum is open weekends from Memorial Day to Labor Day and features many railroad displays plus a large operating HO model railroad. Membership in the Chapter is open to anyone having an interest in any aspect of railroading. Dues per year are \$20.00 for Chapter membership in addition to \$36.00 for NRHS membership. Rossville Depot Museum membership is \$20 per year. Meetings are held on the third (3rd) Sunday of each month (except June, July, August and December) at the Jocko's Depot Restaurant, Gilbert Street (Illinois Route 1) and Williams Street, next to CSX, in Danville, IL with lunch beginning at 1:00 PM Central Time followed by meeting and program.

OFFICERS FOR 2011 - Our 43rd Year

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PROGRAM CHAIRMAN: Al McCoy

MUSEUM DIRECTOR: Robert Gallippi

HISTORIAN: Jesse Bennett

EDITOR: Rick Schroeder, rickschro1@gmail.com

PUBLISHERS: Allen Cooke & Doug Nipper

1819 Coventry Dr.

Cooke Business Products, Inc.

Champaign, IL 61822-5239

MEMBER: Association of Illinois Museums and Historical Societies

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



CN SD70 #5620 leads BC Rail 4642, CW44-9W and IC 1009, SD70 at Champaign, Illinois yard. Lacking from the photo is an EJ&E unit, frequent visitors to the yard, and Wisconsin Central unit, most of which are gone.

March 7 photo by Rick Schroeder

Coming Events

April 16, 2011

Danville, IL - Monthly meeting at Jocko's Pizza Depot, Williams and Gilbert Street, starting at 1:00 PM.

April 16-17, 2011

Decatur - Mt. Zion & Southern Model Railroad Club's Decatur Train Fair 2011. Decatur Civic Center. Sat 10-5; Sun 11-4.

May 14-15, 2011

8th Annual Homewood (Illinois) Railroad Heritage Weekend. Big Saturday night multi-media photography show, hosted railfanning (eight activetracks through downtown core) and prototype equipment displays all day Sunday, the Illinois Central museum engine and caboose, and the huge Train Show in the village hall, with vendors, historical societies, operating layouts, children's features, and fun for all.

July 21 - 24, 2011:

Rock Island Train Festival, Rock Island, IL Steam and Diesel rare mileage train trips, river boat Cruises and model train displays. For more information: <http://www.trainfestival2011.com/> Train Festival 2011 is being produced by Prestige Rail Marketing and sponsored by the Quad Cities Convention and Visitors Bureau and the City of Rock Island. Portions of the ticket sales will go to the Susan G. Komen Foundation for breast cancer research.

Check out the MRM schedule on the right

C&EI HS meeting

**Saturday, April
16, 2011**

Next Meeting

Our next meeting will be held Sunday, April 17 at Jocko's Depot Restaurant, Williams and Gilbert Street, beginning at 1:00 PM.

Note in the back page of this issue the Amtrak Texas Eagle is running on the UP Villa Grove line again. Check out the dates and approximate times. Doug Nipper has noted changes occurring at the North Yard and Danville Junction area and the signal cutover should occur in the next month or so as all signals are up. The signal department has to work out the date with Transportation for the cutovers and the "tape load" when the new program is loaded into the dispatcher computer system. Not much has been said but the UP is in the process of installing new signals on the Glover to Goodwine segment of the former C&EI. New signals are in place at the ends of Ellis and Glover sidings and new intermediate signals are in place at 2.5 mile segments. Several road crossings along the route are getting new warning devices with gates. With the progress to date it is expected the cutover would occur in the next 90 days.

Terry Runner has informed us that his wife Connie passed away in January. A long time member of the chapter Connie joined a few years back as a family member. Connie retired last year and Terry has worked on the river boats out of the Louisville area. We have several items that Terry has placed in the Rossville museum.

Only one more meeting before summer vacation session. Next month we will plan for depot cleanup and getting ready for the summer opening.

This month we will have a DVD entitled *Extreme Steam 98*, featuring 1 Hr. SP 4449, UP 844, Milwaukee Road 261, & some more.



Operating Sessions

Sessions will start around 1:00 PM so arrival time should be by 12:30 PM. If we have a major storm the night before or the day of and you are not sure if the session is still on check your email or call 359-2868. Also, the bathroom will not be working until March so stop on your way into town. The schedule for the 2011 sessions is as follows

Saturday, May 7, 2011

Summer arrives!!!!!!!

Monticello Railway Museum

2011 Steam Schedule

Southern 401, placed in service last year, will operate a number of times this year. The special rates for riding behind 401 are Adult \$12, Senior \$11 and Child \$9. Use of membership pass does not apply to this special move. The following are scheduled trips this year:

April 16th and 17th

*May 21-22 - Trains,
Planes and
Automobiles weekend*

June 25-26

July - TBA

August 20-21

*September 17-18 -
Railroad Days*

October 15-16

Meeting Minutes - MARCH 20, 2011

PIZZAINN

Meeting opened at 1:57 P.M., President Dick Brazda presiding. Treasurer's report read and approved. Current balances are \$2278.09 in checking and \$3467.80 in the CD for a total of \$5745.89 in assets... Secretary's report as printed in the Flyer was approved... Bill Darner's service was last Friday, and several members attended the visitation. Some shared fond memories of Bill, and Al McCoy will arrange to have his name added to the memorial plaque at the depot.

OLDBUSINESS

The Spring Trip set for next Saturday was discussed. Although the printed circular said to depart the Cooke Business Products parking lot at 9:15 A.M., it was suggested that everyone arrive at 8:30 or shortly thereafter to get parked and figure out who will be driving. Need ample time to buy tickets at Champaign as well.

Doug N. explained the creation of a Yahoo Group for the Chapter, where Flyer announcements can be made, and other discussions can take place. Those getting the "regular" e-mail notification of the newsletter will continue to do so, but everyone is welcome to join the new group.

NEWBUSINESS

Al McCoy showed more of his magnet creations, and noted that the fellow who owns the engraving laser system thinks he should charge more! The Chapter is agreeable to anything, since it helps the bottom line no matter what price.

Doug N. told of his e-mail from Chapter member Jim Montgerard, where Jim offered a GP-9 control stand as a donation to the museum. After some discussion, it was voted on to accept the donation. (After the meeting, Skylar Brown, Kade Spann and both Doug 1 and 2 went to Jim's and picked up the stand, along with a number board from the Conrail engine that it came from. Thanks to Skylar for transporting the item with his truck!)

GOODOFTHEORDER

JD Cooke mentioned that the Vermilion Valley Railroad, under Mr. Montgerard's supervision and engineer skills, took its first load of biodiesel out of the Olin plant and to interchange with CSX last Friday. 10 empty cars inbound per week are possible, but some of the outbound product will also go by truck.

Meeting adjourned at 2:17 P.M. Al McCoy presented a DVD of the Canadian Pacific through the Rockies entitled "Tracks of the Beaver". - Doug Nipper, Secretary

The Pundit's Corner

SPRING TRIP REPORT 2011

On March 26th, a group from the Chapter took Amtrak down to Centralia and back. The weather dawned clear and cold, but clouds rapidly increased as we headed to Champaign to buy our tickets and board the Saluki, train 391, for the southbound trip. Rick Schroeder met us at the Illinois Terminal, Champaign's multi-purpose station, and photographed the group for posterity.

He also told us of two trains we would be meeting or passing somewhere down the line. One was a very long CN 362 train, and he had heard the Regional Train Controller (RTC) talking about where he would fit, siding-wise. This was prophetic, because that train later caused us considerable delay. After meeting one train at Tuscola, our train made the station stop in Mattoon. The chatter on the radio was already indicating some problem up ahead. Seems they were trying to fit the 11,300-foot monster down the main at Neoga so we could pass him in the siding.

Sure enough, we began to slow just south of Mattoon, and the radio chatter increased. The RTC was asking if 362 had pulled as far down as he could towards the southbound signal at the south end of Neoga. As we came to a stop across from the Casey's in Neoga, it became apparent that he was not going to fit. The decision was made to take him south ahead of us down to the much longer siding at Edgewood.

After running on the yellows for quite some time, we finally reached Effingham and made the station stop there. This allowed 362 get some headway on us, and when we got down to Edgewood we finally passed that two-mile plus train. On the cutoff, we saw

Continued on page 5

The Passing of member Bill Darner

On January 11 long time member Bill Darner passed away. Bill was a long time member of the Chapter and also a long time member of the Wabash Railroad Historical Society. Bill was our treasurer for many years and when I used to mail out the newsletters I visited Bill often to pick up a check for postage and other expenses. Almost every time I stopped he was working in his wood shop next door to his home. In his retirement he used to make furniture for small children and always had a standing order in the shop. The basement housed his Wabash theme railroad along with his collection. He attended many of our events including helping at train shows. Bill had a background in medical assistance and worked the rail trips sponsored by the Chicago Chapter as a medical assistant. He volunteered weekends at the Rossville Museum and the Monticello Railway Museum. Bill's carpenter skills helped us replace the windows on the Wabash caboose #2824, formerly owned by the Chapter, that resides at Monticello. In the last few years Bill had not been able to attend meeting due to his health. Bill had turned 90 years old and he and John Cooke, who passed away last year, used to always discuss who was the oldest when attending one of the monthly meetings. Our condolences to go out to his family.



Coal Shipments Up

Coal is often viewed as a dirty and dated fuel source in America. But elsewhere in the world demand seems to get stronger and stronger. Along the East Coast, coal traffic has picked up as long trains snake into ports in Baltimore, Norfolk and Hampton Roads, Va., laden with coal for Europe, Asia and Latin America. It's boom time for Eastern producers such as Consolidated Energy, railroads like CSX and rail car maker FreightCar America

Most of the revival has been in metallurgical coal used to make steel. America's met coal exports will get another boost as users rush to replace supplies lost to floods in coal producing areas of Australia. But exports of thermal, or steam, coal, used in power plants to generate electricity, are surging. Coal ships are anchored off Virginia Beach, Va. With growing demand in China, India and other emerging markets, U.S. steam coal exports are predicted.

"China and India and other emerging countries are building more and more coal plants. They don't have enough (coal)," said FBR Capital analyst David Khani.

King Coal's Global Reach

Indian coal demand drives U.S. exports to Europe, says John Mims, analyst with BB&T Capital. "India is snapping up supply from Indonesia, where Europe used to get thermal coal."

U.S. steam coal exports in 2011 will nearly double to 40 million tons, Khani predicts, helping Consolidated Energy, Alpha Natural Resources and Patriot Coal. Total U.S. coal exports jumped to 82 million tons in 2010 from 60 million in 2009, said Simmons & Co. analyst Brian Gamble: "We're looking for 92-94 million" in 2011.

That could go higher if rail operators solve bottlenecks. Layoffs during the recession have left them shorthanded. A coal storage shortage at Norfolk Southern's giant Lamberts Point pier in Norfolk also hurts, says Mims.

"There are 18 or 20 coal ships waiting to be loaded in Chesapeake Bay," Mims told IBD in late February. "There are just as many rail trains backed up waiting to unload."

Higher-priced met coal hails from Appalachian mines. Norfolk Southern and CSX hold a virtual duopoly in hauling Appalachian coal to ports. Coal accounts for roughly 30% of sales for both, notes Mims, with exports a large and growing share. CSX hauled 174 million tons of coal last year — 30 million for export. With such demand, the rails have been able to raise freight rates. Analyst Gamble "definitely" sees further rate hikes.

CSX and Norfolk earnings rebounded last year from a tough 2009. As comparisons get tougher, revenue growth should cool to the low double digits, with profit gains solid. CSX shares hit a new high Thursday, though accumulation by big investors has been weak. "The coal story is very compelling," said Mims. Though stocks of producers and rails have been strong, a "second leg" could give a further thrust.

Coal is largely exported via the East Coast. Some goes to Asia from Vancouver. Washington state recently nixed an export terminal. Environmentalists argued coal pollution is harmful no matter where it's generated. But analysts expect other efforts to develop Pacific ports, giving regional rails and producers, like Arch Coal and Peabody Energy, a bigger piece of the action.

Via Investor's Business Daily



Railroad Safety

The FRA released preliminary safety results for the full year 2010. Compared with the full year 2009, they included the following:

-Train accidents totaled 1,830, compared with 1,895 earlier, a decrease of 3.5 percent

-Train accidents causes were 33.22 percent due to human factors, compared with 34.30 percent earlier; 35.25 percent due to track defects, compared with 34.88 percent earlier; 13.39 percent due to equipment defects, compared with 14.04 percent earlier; 3.66 percent due to signal defects, compared with 2.64 percent earlier; and 14.48 percent due miscellaneous causes, compared with 14.41 percent earlier

-Highway-rail crossing fatalities totaled 261, compared with 247 earlier, an increase of 5.7 percent

-Trespasser fatalities totaled 451, compared with 417 earlier, an increase of 8.2 percent

-On-duty employee fatalities totaled 20, compared with 14 earlier, an increase of 42.9 percent

-On-duty non-fatal employee injuries totaled 4,272, compared with 4,319 earlier, a decrease of 1.1 percent .

NS, UP among Corporate Responsibility's top 100 corporate citizens

Norfolk Southern Corp. and Union Pacific Railroad have landed on *Corporate Responsibility* magazine's 2011 list of the 100 Best Corporate Citizens. NS ranked No. 79, earning the honor for the third time, and UP ranked No. 81, making the list for the second-straight year.

The list is based on 360 data points pertaining to the environment, climate change, human rights, philanthropy, employee relations, financial performance and governance. The best corporate citizens are selected from among large-cap Russell 1000 companies, based on data provided by an investor data firm.

"We are committed to continuous improvement in economic, environmental, social, and business practices that are good for our employees, communities, customers and stockholders," said Blair Wimbush, NS vice president of real estate and corporate sustainability officer, in a prepared statement.

UP Chairman, President and Chief Executive Officer Jim Young echoed those sentiments in a separate statement.

"Whether it's providing logistics solutions to our customers, working to overcome a natural disaster or contributing to improve the quality of life in our nearly 7,000 communities, our employees exemplify a commitment to safety, service and productivity that helps Union Pacific meet America's freight transportation and infrastructure needs," he said.

Johnson Controls Inc. topped the magazine's list, which also includes DuPont at No. 19, Southern Co. at No. 41, Cummins Inc. at No. 48, UPS at No. 52, Dow Chemical Co. at No. 59, Ford Motor Co. at No. 63 and GE at No. 93

Via Progressive Railroading

Bloomer Line

The Bloomer is like many short lines, running as needed, although they tend to stay busy and run at least four days a week and quite a bit more in the high season, which tends to be July-September. The railroad is roughly tee shaped, running north on old Wabash track from Gibson City to Risk Junction, where there is a connection to the old IC line that gives the railroad its name. That part is a SW to NE line from Colfax to Kempton. The line on the far north end between Cullom and Kempton is used only for car storage. There are major online elevators at Cullom, Charlotte, Chatsworth, Cropsey, Anchor, and Colfax on the IC line. Sibley and Gibson City both have multiple elevators on the old Wabash portion, and the head-quarters of Alliance Grain is on the old NKP line just west of Gibson City - the Bloomer reaches it via trackage rights on NS. There is also a Potash company in Colfax, and a plastic pellet place in Chatsworth. There is an elevator at Strawn on the Wabash that the BLOL does not serve but that makes a good prop. There are abandoned elevators at Cereal on the IC and Garber on the Wabash. There is a very nice Wabash Depot at Sibley. BLOL interchanges with TP&W at Chatsworth (very rare) and NS and CN at Gibson City (common). BLOL has four Geeps (three 9's and a 10), and three LTEX lease units—a GP38-2, a GP15-1, and an SW1200. There is also a small Plymouth Critter owned by Alliance but operated by BLOL employees.

By Paul Burgess via Midwest Rail Scene 3-11

Indiana Rail Road drafts record-setting five-year capital plan

The Indiana Rail Road has announced a \$65 million five-year capital spending plan—a record-setting budget aimed at renewing and improving infrastructure, and enhancing efficiency, according to the 500-mile regional. At the urging of the railroad’s board, the first two years of the plan have been combined in an accelerated 2011 capital program, said INRD President and Chief Executive Officer Tom Hoback in a prepared statement, adding that the record five-year investment reflects projected sharp increases in business levels.

“We will be approaching 20 million gross ton miles annually over the core of our route system, due largely to increased heavy haul business generated by the southern Indiana coal market, as well as growth in our other categories,” he said.

The bulk of 2011 capital spending will be focused on bolstering infrastructure, including three bridge renewals and the replacement of 21 miles of rail with continuous-welded rail, according to INRD. In addition, the regional plans to create 13 miles of Centralized Traffic Control (CTC) territory and build a \$2 million locomotive servicing facility for the main classification yard in Jasonville, Ind.

Via Progressive Railroading 3-21

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a work train with an ex-EJ&E locomotive...

The rest of the trip to Centralia was uneventful. I should also mention how crowded the train was, and after starting out with some of us riding in the Amcafe, one of the kindly trainman saw Jim Hile’s Amtrak jacket and invited our group to come to the head car where many seats were open. Most of us headed up there early in the trip, and we basically had the car to ourselves.

At Centralia, it was just beginning to snow as we stepped off the train. Most of us headed to a small eatery, the “Uptown Café”, while a couple of younger members made the walk to the local Burger King. After finishing our meal, we still had four hours to kill, and now it was fell-fledged snowstorm! We sought shelter at the local Recreation Complex, and although they didn’t turn us away, we felt a bit awkward waiting there. Thankfully, someone made us aware of the nearby museum, so we made a walk and found this wonderful place.



The Centralia Historical Museum is located in an old grocery warehouse. With two full floors of displays, including a large railroad area right inside the door, we found a good place to kill a couple of hours. They actually are working on a third floor, and the total square footage they have is amazing. There is also a BN caboose outside which they opened for use, but by the time they had to close, no trains had come by to be observed from that caboose.

Back at the Recreation Center, we waited for the Amshack to open. Two freight trains kind of sneaked up on us, but photos were taken through heavy snow at best. Running about 20 minutes late the Illini, train #392 finally arrived. The trip back was made at good speed, with only one delay at Kinmundy where we stopped to let time run on the interlocking for a C&EI, er, UP, train that was lined up but never made it. Despite the lousy weather, it was a good trip and everyone seemed to enjoy themselves. Perhaps next year, it won’t be snowing!

Doug

UP Steam - the Little Rock Express

On Jan 18 we announced that with more than 76,000 votes, the Little Rock Express won Union Pacific’s Great Excursion Adventure - You Route the Steam! Today we’re announcing that the Little Rock Express begins May 29 with the arrival of Union Pacific’s steam locomotive No. 844 in Kansas City, Mo., and concludes June 9 in Little Rock, Ark.

The route starts in Kansas City, heads east to St. Louis before turning south to Little Rock. Along the way the train will make overnight stops in KC, Jefferson City, St. Louis, Cape Girardeau, Bald Knob and North Little Rock. A detailed schedule that includes whistle stop locations will be announced April 27.

The Grand Prize Winner of the Great Excursion Adventure was Shad Pulley of West Jordan, Utah, earning him the title “Honorary Engineer” and the opportunity to ride in the steam locomotive cab! Our four runners-up and their guests also will ride on the train for a leg of the tour. They are:

Skip Waters from Dallas

James O'Connor from Willowbrook, Ill.

Nick Benson from Eagan, Minn.

Kevin Mucha from Villa Park, Ill.

Winners were determined based on the number of points they earned by gathering referrals via Facebook or Twitter.

In addition, a number of coach ride winners will be named in a drawing from those who voted for their hometowns along the winning route. Coach ride winners will be contacted via e-mail in the coming weeks.

Go to upsteam.com or follow Union Pacific on Facebook or Twitter for more information about the Little Rock Express.

Want to keep up with Union Pacific news, information and promotions? Sign up for our free e-mail list.

Thanks again for taking part in Union Pacific's Great Excursion Adventure - You Route the Steam!

UP Steam Team

Railroads Really Rolling

The Association of American Railroads reported March 15 that 2010 was the safest year in the history of U.S. freight railroading, with the number of train accidents involving Class I freight railroads falling by 3 percent and the number of employee casualties falling by 14.2 percent. A few days earlier, the Transportation Technology Center (TTC), an AAR R&D and testing subsidiary that furthers safety and operational efficiency, celebrated a year without a lost-time work day case.

In addition, train derailments dropped to historic lows in 2010, falling 9.6 percent from 2009. Train accidents caused by defective track or human error, and equipment fell by 9.4 percent, 9.6 percent, and 14.2 percent, respectively. Grade crossing collisions rose for the first time in six years, however, increasing by 7.8 percent from

the 2009 level.

AAR based its calculations on Federal Railroad Administration preliminary year-end data. "These safety accomplishments demonstrate the depth of the freight railroad industry's commitment to the safety of our employees, the communities we serve, and the country's rail network infrastructure," said AAR President and CEO Edward R. Hamberger. "Safety is not an option for the railroads. It drives how we conduct our business day in and day out. The safety challenge is never-ending. Our industry's excellent safety record reflects its commitment to innovation and investment."

He said record investments by freight railroads in infrastructure, equipment, and technology in recent years have made railroads much safer, noting that as railroads are working to meet the most expensive federal mandate in U.S. railroad history by installing positive train control systems, railroads are experiencing record-low collision rates, down 13 percent in 2010 from the previous record low in 2009. The train collision rate has dropped by 89.9 percent since 1980 and 47 percent since 2000, according to AAR.

TTC is located near Pueblo, Colo. TTC Safety Manager Terry Terrill congratulated employees of the center for a year without a lost-time workday during a traditional Pueblo breakfast of green chili, eggs, and tortillas. "Employee safety is a part of our culture at TTC. We look out for one another. And with a lost-time frequency rate of 0.94, the statistics show that we take ownership of our safety," said Terrill.

Via OH&S Wire - 3-16

UP rail work starts again

The next phase of high-speed rail construction between St. Louis and Chicago again will skip Springfield while a study continues to try to determine the best route for increased passenger and freight traffic through the city. Gov. Pat Quinn and U.S. Sen. Dick Durbin announced in Chicago on Tuesday a \$685 million agreement to build track upgrades between Lincoln and Dwight and between Alton and the Mississippi River. A \$1.2 billion federal grant is paying for upgrades intended eventually to accommodate train speeds up to 110 mph. The state also has pledged \$42 million.

"High-speed rail is more than just an alternative mode of travel — it is a shot in the arm to today's recovering economy and an investment in infrastructure that will serve generations to come," Durbin said in a statement.

Work scheduled to begin April 5 along the Union Pacific line will create 6,200 construction and support jobs, Durbin and Quinn estimated (Ed: Always interesting how they come with these figures). The next round of high-speed rail work will not affect a study of the 10th Street corridor in Springfield as an alternative to the Third

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CSX 2554 leads an ethanol train eastbound just west of LaPlace, IL on 3/6/11 with 82 cars from ADM. The other units are 6054, 6362, and 6034, a collection of GP38-2 and GP40-2.
Photo by Dick Brazda



Street line, local officials said. The Illinois Department of Transportation approved the study at the request of the city of Springfield, Sangamon County and business leaders concerned that additional traffic on Third Street would effectively split the city in two. Study results are expected soon, said Sangamon County Board Chairman Andy Van Meter.

Editor: As work begins on the Lincoln to Dwight segments again we will see the Texas Eagle routed on the Villa Grove one once again. On April 2 at Terry Shearer and I were headed to Rossville we heard #22 going north. On the way back we caught #21 at Daily, thus the reroute has started and they are usually 8 days on and 8 days on normal route..

BNSF Dividend to Berkshire Hathaway

Warren Buffett's Berkshire Hathaway has received a \$1 billion dividend from BNSF Railway, Bloomberg News reported Wednesday. On top of last year's \$1.5 billion dividend, this brings Berkshire's earnings from BNSF to \$2.25 billion since it acquired the railway 13 months ago.

Noting that this was nearly three times the dividend payout made by BNSF in a similar time period prior to its purchase by Berkshire, Bloomberg pointed out that Union Pacific, CSX, Norfolk Southern, Canadian Pacific, and Canadian National have all raised their dividends at a time when North American railroads have been riding high on increased revenues and reduced costs.

Late last month's letter addressed "To the Shareholders of Berkshire Hathaway Inc., " Buffett (pictured at left) hailed the holding company's acquisition in 2010 of BNSF Railway as a key factor in the company's successful year and, as well, its bright future.

"The highlight of 2010 was our acquisition of Burlington Northern Santa Fe, a purchase that's working out even better than I expected," Buffett wrote in the letter. "It now appears that owning this

railroad will increase Berkshire's 'normal' earning power by nearly 40% pre-tax and by well over 30% after-tax. Making this purchase increased our share count by 6% and used \$22 billion of cash. Since we've quickly replenished the cash, the economics of this transaction have turned out very well."

Shares of Berkshire Hathaway Class B stock rose this morning following Bloomberg's announcement and as of late today were at \$86. Class A shares were similarly affected, and were at \$341

Editor: We owned BNSF stock and now own some of the BH stock and I will be attending the BH meeting in Omaha the end of the month plus seeing my son. There will be a day for train watching and then checking out the BNSF display at the Quest Center, site of the stockholders meeting.

Rail Carloading up

U.S. carload freight traffic rose 1.9% during the week ending March 26, 2011, measured against the comparable week in 2010, the Association of American Railroads said Thursday. Intermodal volume for the week was also up, 5.7%, compared with the same week a year ago.

AAR said 11 of its 20 commodity groups posted increases. Leading gainers included: pulp, paper and allied products, up 19.4%; motor vehicles and equipment, up 12.7%; chemicals, up 12.1%, and petroleum products, up 12.1%. Declining commodity groups included: primary forest products, down 20.6%; coke, down 15.4%; and waste and nonferrous scrap, down 11.1%.

Weekly carload volume on Eastern railroads dropped 1.4%, but in the West, weekly carload volume was up 4.2%.

Canadian carload freight rose 2.4%

from last year, while intermodal volume also rose, up 1.9% from 2010. Mexican carload freight traffic advanced 4.1% compared with the same week last year, though intermodal slipped, down 0.4%.

Combined North American carload freight volume for the first 12 weeks of 2011 on 13 reporting U.S., Canadian, and Mexican railroads rose 3.9% compared with the same point last year, while intermodal increased 7%.

Via Railway Age

Rail News

The new state-of-the-art multi-million dollar Consolidated Grain & Barge terminal facility now under construction at Dwight is ahead of schedule and is expecting to be ready by September 1. CBG, headquartered in Mandeville, La., will be capable of continuously loading 110 railroad grain cars by way of the loop track at the facility for NS. The elevator will be able to store about 2.2 million bushels of grain, and is focusing on a probable hourly grain receiving capacity of 60,000 bushels. Each railroad car holds about 440,000 bushels of grain at capacity. *Via Midwest Rail Scene*

Commuter traffic on the UP - Illinois Gov. Pat Quinn (D) on Monday (3-7) signed a bill creating the Southeast Commuter Rail Transit District, a step designed to implement regional rail passenger service for southeastern Chicagoland. The district will be overseen by officials in 20 municipalities along the future line, and will help channel any funding required to institute Metra service. A final proposal for the line is due this year. The proposed line, about 33 miles in length, would link Crete, Ill., almost due south of downtown Chicago, with Chicago's LaSalle Street Station. Stops could include a Ford Motor Co. plant on Chicago's South Side and U.S. Cellular Field, home of Major League Baseball's Chicago White Sox. *Via Railway Age on line.*

Those 15 ex-American Orient Express cars to be used on the proposed ultra-luxury "Greenbrier Express" arrived at



ASSOCIATION
OF AMERICAN
RAILROADS

Pottstown in a chartered AMTRAK train on January 26 (see February *Cinders*). Ross Rowland, Jr., president of Greenbrier Express and a name familiar to rail fans for his many steam excursions in years past, has released a video describing the car rebuilding program to be carried out in a former Bethlehem Steel shop building at Pottstown. The "Greenbrier Express" is to operate between Washington, DC, and White Sulphur Springs, WV, via the route of the **Cardinal**, beginning in the summer of 2012. While the train would be powered by ex-NS C39-8 diesels, reports persist that Rowland wants to rebuild his ex-Chesapeake & Ohio 4-8-4 #614, now on display in Roanoke, VA, for use over part of the route. *Via Philadelphia "Cinders"*

CSX has rebuilt ten of its 30-year-old S040-2 locomotives into state-of-art S040-3's at its Huntington (WV) shop. Numbered 4000-4009 the units feature an angular short hood instead of the wide nose standard on new units.

Wisconsin Provides Rail Grants

Wisconsin DOT provides \$25.5 million worth of freight-rail grants, loans

The Wisconsin Department of Transportation recently announced 11 grant and loan awards totaling \$25.5 million for projects designed to improve freight rail-related facilities, and/or preserve and upgrade rail infrastructure in the state.

WisDOT will provide six loan awards totaling \$4.9 million through the Freight Railroad Infrastructure Improvement Program (FRIIP) and five grant awards totaling \$20.6 million through the Freight Railroad Preservation Program (FRPP), which covers up to 80 percent of the cost of freight-rail projects. Twelve freight railroads operate in Wisconsin over 3,600 route miles of track, handling about 2.5 million carloads annually.

The 2011 FRPP grant awards (some of which include FRIIP loans) include:

- \$8.8 million to the Wisconsin & Southern Railroad Co. to cover 80 percent of the total cost for a Phase II rehabilitation project on a Madison-to-Milton line, including completion of grade crossing surface renewals, bridge work and installation of new welded rail on a 31-mile corridor (a \$1.1 million FRIIP loan will cover an additional 10 percent of costs);

- \$4.4 million to Escanaba & Lake Superior Railroad Co. to cover 80 percent of the total cost to rehabilitate track between Wausaukee and Niagara, including tie and ballast repairs, and surfacing, turnout and grade crossing work along a 31-mile corridor (a \$552,926 FRIIP loan will cover an additional 10 percent of costs);

- \$3.6 million to WSOR to cover 80 percent of the total cost for emergency rehabilitation and reconstruction work on bridges in Brodhead, Hanover, Janesville, Juda, Lone Rock, Madison, Woodman and Zenda (a \$455,894 FRIIP loan will cover an additional 10 percent of costs);

- \$2.2 million to the East Wisconsin Counties Railroad Consortium, which through WisDOT plans to acquire 3.6 miles of track and a corridor through the city of Milwaukee from WSOR to preserve it for railroad use; and
- \$1.4 million to WSOR to cover 80 percent of the total cost to rehabilitate 1.8 miles of track in the Waukesha area.

The 2011 FRIIP loan awards include:

- \$1.7 million to Zenda Grain L.L.C. to construct extensions to an existing rail spur, and add a 1 million-bushel capacity grain storage bin and conveying equipment at its Zenda plant served by WSOR;

- \$868,970 to Millard Grain L.L.C. to construct a rail scale and add a 466,000-bushel capacity grain storage bin, related conveying equipment and rotary grain samplers at its Avalon plant on state-owned railroad right of way; and

- \$189,274 to Duffy Grain to construct a concrete grain rail dump pit and add related conveying equipment for unloading inbound rail cars

Via Progressive Railroading 3-15

Texas Eagle: April 2 - 9, April 16 - 24 and May 1- 9, 2011

Texas Eagle Train 21/22 Alternate Route - Chicago - Villa Grove - St. Louis

On April 2 through April 9, April 16 through April 24 and May 1 through May 9, Train 21/421 will operate non-stop on an alternate route between Chicago and St. Louis. Train 321, which



serves local stations between Chicago and St. Louis, will be canceled. Passengers traveling to or from intermediate stations may utilize Lincoln Service alternate transportation, as described above. Times around Villa Grove - #22 10:00-12:00 and #21 4:30-6:00 PM, depends on traffic and availability to get out of St. Louis and Chicago areas.

US Rails Plan \$12 Billion in 2011 Capital Spending

The largest U.S. railroads will spend an estimated \$12 billion on capital improvements this year, easily outpacing the record capital expenditures of \$10.7 billion they made in 2010.

The Association of American Railroads made the projection primarily based on public announcements the Class I U.S. railroads have already made. However, the \$12 billion figure goes beyond the sums those carriers have stated so far.

In the West, BNSF Railway has said it plans a capital budget of \$3.5 billion this year, while Union Pacific Railroad is projecting \$3.2 billion in plant and equipment spending. The two large Eastern carriers - CSX Transportation and Norfolk Southern Railway - have so far talked about spending a combined \$3.74 billion. Kansas City Southern in the nation's heartland has not given a specific number but it is the smallest of the Class I's.

The AAR projection does not take into account spending by major rail lines in Canada and Mexico, which are increasingly integrated into a nearly seamless continental rail network with the U.S. lines. The two large Canadian carriers - Canadian National and Canadian Pacific railways - say they expect to spend about \$2.8 billion combined on 2011 capital needs, of which industry sources project that at least \$750 million will go into their U.S. units.

So, counting the two major Canadian carriers, the seven largest North American freight lines could spend nearly \$15 billion on capital programs in 2011.

Edward R. Hamberger, the AAR's president and CEO, also said major U.S. lines plan to hire 10,000 or more workers this year, and will have to hire nearly 70,000 more over the next five years just to keep pace with retirements.

He also said freight carriers kept up their improvement spending during the recession period, at what was a three-year record

pace before this year. The AAR pegged U.S. Class I capital spending at \$10.2 billion in 2008, up \$1 billion from 2007. It fell to \$9.9 billion in 2009 before rebounding to an estimated \$10.7 billion last year.

The AAR projections for 2011 could change with business patterns. Last year railroads added to their initial capital budgets when traffic turned out stronger in the spring than anticipated, with some ordering intermodal equipment for late-year delivery. For this year, many have already ordered new containers or well cars built, but industry sources say they could top off with more orders if the economy strengthens more.

Via Journal of Commerce, 3-10

Southern #630 back in service

Former Southern Railway steam locomotive #630 will be returning to regular service on Tennessee Valley Railway Museum's weekend Missionary Ridge Local trains this Saturday (March 25). The last saw revenue service in November 1989, as it has undergone a major overhaul. For more information on the train's schedule, visit <http://www.tvrail.com>

Danville Junction - no more

On Monday April 4 CSX started the cutover of the new signal system for North Yard and Danville Junction. With the old system down and the new system in FRA check mode all trains were flagged through the project and switch tenders operated all power switches. As of 8 PM that evening I still heard crews calling flaggers and moving through the crossings under flag protection. In addition, changes were made to warning devices and thus trains had to verify there were in place before proceeding through the crossings. Should be interesting this week to see the new signals up and working. In his next article I am sure Doug Nipper will give us an update on what happened.



After arriving in Centrailia the group found the Centrailia Museum to be a good place to get out of the snow and rain plus learn some history of the area. Photo by Al Hintz