

# Danville Flyer

## Inside this issue:

|                         |   |
|-------------------------|---|
| Hoosier State route     | 1 |
| New BNSF train          | 2 |
| About us                | 2 |
| Minutes and Meeting     | 3 |
| Robert McQuown fund     | 4 |
| Railroad CapEx spending | 5 |
| GoRail on NS            | 6 |
| South Shore expansion   | 6 |
| Amtrak 2014 plans       | 7 |
| Photo of the month      | 8 |

## Indiana to bid Hoosier State route

For years, some passenger rail advocates have pressed the idea of allowing a private operator to take over a route operated by Amtrak, and demonstrate how service could be improved beyond what Amtrak provides. Now they may finally get their chance. The Indiana Department of Transportation has issued a request for proposals to find bidders willing to take over operation of the Chicago-Indianapolis Hoosier State route, currently operated by Amtrak.

In early October 2013, INDOT reached agreement with Amtrak to provide a \$2.7 million subsidy for the Hoosier State to keep it running for one more year. The deal includes an option to continue the service for four more months after that. The communities of Rensselaer, Indianapolis, Crawfordsville, Lafayette, West Lafayette, Tippecanoe County, and Beech Grove (Hoosier State Partners) are putting up about half the \$2.7 million the state has pledged to subsidize the Hoosier State route.

The purpose of the request, the department says, is to obtain competitive bids to operate the Hoosier State in a way that optimizes the service. The state and its partners intend to make the selection so a contractor may begin its operations when the current agreement with Amtrak expires on Sept. 30, 2014. Should additional time be required, the state's current agreement with Amtrak may be extended through Jan. 31, 2015, by mutual written agreement of the parties.

At least one company is considering making a bid. Iowa Pacific Holdings President Ed Ellis tells Trains News Wire that, "We are evaluating it. We haven't decided, but it is of great interest, and Indiana is being innovative in their approach."

The state and its partners want the selected contractor not only to reduce the cost of operating the train, but also work with INDOT and Hoosier State Partners to improve operations, attract higher ridership and bring in increased revenues, thereby further reducing costs.

Bidders have three bid options:

- Perform all functions presently performed by Amtrak on the Hoosier State service
- Bid on some portion of those functions
- Perform all functions presently performed by Amtrak, and add amenities such as Wi-Fi and food service

April 20 – Monthly Meeting at Jocko's, 1 PM

Apr 12-13 Decatur Train Fair 2014. Decatur Civic Center. Sat 10-5; Sun 11-4.

Apr 27 Glen Ellyn – 33rd Annual Chicago-land Railroad Collectible Show. College of DuPage Athletic Bldg., Park Blvd. and College Road. 9-3

May 3 – Last spring Operating Session at Rossville

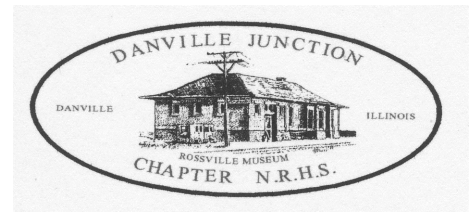
May 17 – 18 MRM – Steam operating at Monticello

## About Us

The **DANVILLE JUNCTION CHAPTER, NRHS**, is a not-for-profit corporation organized to preserve the history of railroading in Eastern Illinois and Western Indiana and operates a museum located in the former Chicago and Eastern Illinois Railroad depot on East Benton Street in Rossville, Illinois. The museum is open weekends from Memorial Day to Labor Day and features many railroad displays plus a

large operating HO model railroad. Membership in the Chapter is open to anyone having an interest in any aspect of railroading. Dues per year are \$20.00 for Chapter membership in addition to \$39.00 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 2014—our 46th Year

**Allen Cooke – President**

**Doug Butzow – Vice President**

**Dick Brazda– Secretary**

**Doug Nipper– Treasurer**

**Al McCoy – Programs**

**Jess Bennett – Historian**

**Bob Gallippi – Museum Director**

**Rick Schroeder – Editor**

**Cooke Business Products - Publisher**



## New BNSF refrigerator train

It all started with an egg. At least that's the story Jason Spafford of McKay TransCold is telling about his company's new partnership with BNSF Railway to operate a dedicated refrigerated train between California's Central Valley and the Midwest. The new service is set to start in late-May. What's unique about the train is that it will be bi-directional, Spafford says, moving fresh produce from the West Coast and finished food, like meats, cheeses and frozen products, from the Midwest. Most dedicated refrigerated trains usually only move a product one way.

"We want to be more than a point A to point B service," Spafford says. "To be more than just a one way service."

Edina, Minn-based McKay TransCold was established in 2011 when Randy and Andrew McKay acquired interest in a small trucking company with the plan of starting a hub-to-hub service between Selma, Calif., and Wilmington, Ill. But

*(Continued on page 4)*

## March 2014—Meeting Minutes

The meeting was called to order at Jockos at 1359 by Allen Cooke.

The secretary's report as reported for the February meeting was approved.

The treasurer's report was read by Doug Nipper. It showed a checking account balance of \$1809.75 and a CD of \$3508.44, for a total of \$5318.19. The report was approved.

It was reported that 3 local and 4 national members had not yet renewed for 2014.

The spring trip will be Champaign – Centralia round trip on Saturday, 4/26/14, using Amtrak. Members may go to Carbondale instead if they wish. The train is scheduled to leave Champaign at 1014. The group will meet at Cooke Business Products at 845 to depart for Champaign. It is suggested to purchase tickets in advance as the price can be higher of the day of the journey.

### New business

Doug N. and Doug B proposed uncovering the platform between the station and the fence, as the surface is deteriorating. The condition of the under pavement will be checked and the drains will be checked to see if the downspouts are clogged. This was tentatively scheduled for early May. Talk to Doug or Doug if you can help.

Doug N. reported that the national NRHS is changing to all on-line dues payment. Dues will be payable with a credit or debit card.

There was discussion on increasing Danville Jct. dues to \$30 next year. It will be discussed at future meetings.

Dave S. reported the Springfield train show was excellent. The Decatur show is scheduled for April 12. The Illinois Terminal Society meeting is also 4/12 with tours of Danville and area trackage sites.

The meeting adjourned at 1417.

Al McCoy presented a program, in honor of the recent passing of Bob McQuown, on the Orient Express as taken by Bob.

Thanks to Danny Honn for recording the minutes.

**The program for the April meeting will be presented by Dave Phillips for Chicago area featuring his trip to Cuba and the railroads of that country. Discussion will be final details of the Centralia trip and work schedule for Rossville involving the building, layout and front platform.**

## Robert McQuown Memorial Fund

The C&EI HS has established the Robert W. McQuown Memorial Fund to be used to preserve and maintain the Watseka Union Station and the C&EI HS Museum in the depot. Bob worked in the depot when employed by the C&EI and was instrumental in the preservation of the depot and the interior of the building. Funds will be forwarded to the Watseka Union Depot association to be used to continue preservation of the building and the interior.

You may send your donations to Richard Schroeder, Treasurer, C&EI HS, 1819 Coventry Drive, Champaign, IL 61822. Please note on your check the name of the fund. The C&EI HS is a non-profit 501c (3) tax deductible organization.

*(Continued from page 2)*

the roots of its signature service are in a California law that was passed in 2008, the Prevention of Farm Animal Cruelty Act. The law requires that animals, including chickens, have adequate space in their cages. Realizing that some California egg producers may not be able to meet the January 2015 deadline, McKay began looking into shipping Midwestern eggs to the West Coast. While researching that, the company realized it could also ship fresh produce back from California.



With a plan in mind, McKay approached BNSF about starting a dedicated 50-car unit train for frozen and perishable goods. While the railroad worked out the logistics, McKay started looking for suitable trans-load facilities. In Selma it built a 200,000 square-foot loading and cold storage facility and in Wilmington it's

*(Continued on page 5)*

*(Continued from page 1)*

The request gives the following vision statement: "The future Hoosier State rail service will connect Indianapolis and other Indiana cities to Chicago with additional trains, increased speed between stations, improved on-time performance, increased ridership, and improved on-board amenities. The enhanced passenger service will generate more revenue, and reduce the amounts which Indiana Department of Transportation and Indiana Hoosier State Partners are obliged to pay to subsidize this service. The future Hoosier State intercity passenger rail service will reinforce Indiana Transportation goals and objectives by providing safer, more reliable, efficient movement of passengers, in a manner, which is more cost effective. The future Hoosier State service will further alleviate roadway congestion, contribute to economic development, improve energy efficiency and protect environmental quality."

A number of stakeholder meetings plus an on-board survey of Hoosier State passengers indicates that passengers would respond positively to additional trains, faster service, increased on-time service, Wi-Fi, and food service, INDOT says.

Bidders must explain what improvements will be made to service quality and how such improvements will be implemented and maintained. INDOT and its partners will be especially interested in any ideas for improvement of on-time performance, the RFP said.

The state is interested in a three-year contract, extendable for additional three years, based upon mutual agreement. Amtrak has access rights by law to freight railroad corridors, and Amtrak pays only incremental maintenance costs for this access. Bidders must show the expected access cost to operate over CSX, CN, Union Pacific, Norfolk Southern,

*(Continued on page 5)*

(Continued from page 4)

Belt Railroad of Chicago, and Metra. Bidders should recognize that the list of railroads could change, since rerouting in the Chicago region is being considered, the state says.

It remains to be seen if another operator can conquer all the hurdles involved in taking over an Amtrak route, but if they are successful, it could be the beginning of a vast change in how passenger rail service is delivered along state corridors.

Via *TRAINS On-Line* 3-28

## Railroads Capex Spending 2014

Some comments by Tony Hatch

For the Class I's, capital expenditures will increase again in 2014 — on average by about 9 percent overall and 5 percent-plus per railroad, according to initial reports. Railroads once again will top 18 percent of annual revenues on capex, compared with 3 percent for the "average industrial" company. And I don't expect that to be extent of it. In 2013, several railroads announced increases during the year, and given the emerging perceptions of safety and service issues — as well as new revenue and share capture opportunities — I wouldn't be surprised to see more and bigger numbers down the road.

As of mid-March, Class I's planned to spend the following this year:

BNSF Railway Co.: \$5 billion, up 16.3 percent compared with 2013's total

Union Pacific Railroad: \$3.9 billion, up 8.3 percent

CSX Corp.: \$2.3 billion, up 4.5 percent

Norfolk Southern Corp.: \$2.2 billion, up 12 percent

CN: \$2.2 billion, up 5 percent

Canadian Pacific: \$1.3 billion, flat

Kansas City Southern: \$0.6 billion, down 7 percent

(Continued on page 6)

(Continued from page 4)

putting the finishing touches on a 165,000 square-foot facility. At each location the cargo will be loaded onto trucks for the final leg of its trip.

BNSF is also outfitting a fleet of 72-foot refrigerator cars, each able to haul four truckloads of temperature-sensitive cargo, with a specialized anti-sway racking system to haul pallets. The freight cars and pallets will also have sensor system to ensure the right product is being put in the right car. For example, if a forklift driver tries to put a pallet of frozen pizza in a refrigerator car that isn't cold enough for that product, an alarm will sound.

"We're taking it to the next level," Spafford says. "You won't be able to bring a 60 degree product into a 40 degree car."

Starting in May, an eastbound and westbound train will run once a week, leaving Selma and Wilmington at 9 p.m. Wednesday and arriving at its terminal 96 hours later on Sunday evening. BNSF spokeswoman Roxanne Butler says the railroad is excited about the new service and it's hopeful that traffic will continue to grow.

Spafford says McKay and BNSF hope to eventually run two round trips a week.

"We think it's going to continue to grown even after the launch," Butler says "There is a demand for it and a need for it."

Via *TRAINS On Line* 3-4-14



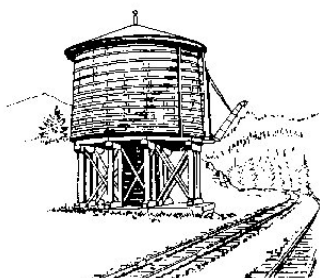
(Continued from page 5)

Of course, there are a number of capex issues to consider in the weeks and months ahead. Here are a few of them:

For the first time in years, service and safety have become issues, of perception and (therefore) of reality. Railroads' velocity declines, with BNSF running down 2X (8 percent to 16 percent), have become well known. BNSF et. al experienced simultaneous growth in all four categories: cyclical (forest products, etc.), secular (domestic intermodal), episodic (ag is roaring to life after the lingering drought effects) and brand new (crude by rail, or CBR). Service issues are being raised by shippers and "re-reg" lobbyists just as the service requirements for some of the newer business types — again, domestic intermodal — are ever more exact.

Congestion absorbs assets. And now it appears there's a locomotive shortage emerging even as Tier IV emission requirements appear to be onerous; so far, only one of the two locomotive manufacturers is ready to accept compliance orders.

*Editor: This is only a part of Tony's article but I think this gives you an idea of what the railroads spend each year. An remember, this does not include the other operators of regionals and shortlines, such as G&W, etc. BNSF is putting out proposals to build 5,000 tank cars, a first for a Class1 railroad, and others have planned to purchase hundreds of locomotives and cars. The other big expenditure is double tracking of various lines plus the rehab of track and bridges. However, a big part of the expenditure is for PTC which is to be in place by 2015. Remember, this is all "private money".*



## NS unveils "GoRail" locomotive

Norfolk Southern has revealed the existence of another commemorative locomotive with a post on its Facebook page on Tuesday. The locomotive, SD60E No. 6963, is painted black, green, and blue for the "GoRail" freight promotion.

"Ten years ago today, GoRail was founded to promote the public benefits of shipping more freight by rail," the organization says on its Facebook page. "To celebrate, we have a big surprise coming at Railroad Day on Capitol Hill next week."

NS has shared the GoRail photo and message on its corporate Facebook page. Another photo of the locomotive has circulated on social media. Trains News Wire is awaiting additional information from the railroad.

To learn more about the GoRail freight program, go to [gorail.org](http://gorail.org) or [www.facebook.com/GoRail](http://www.facebook.com/GoRail).

Via *TRAINS On Line* 3-5

## Indiana approves South Shore exp

The Indiana House has approved a bill to expand northern Indiana's South Shore commuter rail line to Dyer, the Associated Press reports. The bill closes a Lake County tax loophole and directs \$4 million a year in savings to the Northwest Indiana Regional Development Authority to develop or improve public mass transit in Lake County.

That money is expected to go toward a local match to obtain federal funds for expansion of South Shore commuter service that runs between Chicago and South Bend. The 8-mile expansion is expected to cost \$571 million and would create a second route for the operation, run by the Northern Indiana Commuter Transportation District.

The funding is part of a larger tax bill that now goes to a House-Senate conference committee where

(Continued on page 7)



(Continued from page 6)

lawmakers from both chambers will meet to decide on a compromise version of the proposal. Once identical language is decided on, it must be re-approved by both houses before it can go to the governor.

State Rep. Ed Soliday, chairman of the Indiana House Roads and Transportation Committee, says he expects the conference committee will leave the South Shore provision intact.

*Via TRAINS On Line 3-6*

## Amtrak's 2014 plans

Amtrak plans to move forward on key improvement projects in 2014, including continued installation of positive train control (PTC), the start of major construction to upgrade Northeast Corridor high-speed rail and expansion of station accessibility for passengers with disabilities.

"With limited federal capital funding we are doing the work that needs to be done to keep the railroad operating and taking action where we can to achieve safety, operational and passenger travel improvements," said President and CEO Joe Boardman.



Amtrak is continuing its program to install PTC on an additional 1,200 track-miles beyond the approximately 530 track-miles where it is al-

ready in operation on some Amtrak-owned sections of the Northeast Corridor and all of its Michigan Line. Amtrak is also taking action to obtain needed radio spectrum to transmit data critical to make PTC operational in the new areas and is on target to meet a 2015 federal deadline.

This year, Amtrak is beginning major construction activities on a 23-mile section of the Northeast Corridor

between Trenton and New Brunswick, N.J., to increase top train speeds to 160 mph from 135 mph and improve reliability along this heavily-used section. The project will upgrade track and various elements of the electrical and signal systems to support the higher speeds and reconfigure track switches at Penn Station New York to mitigate congestion issues.

Amtrak will also move forward in 2014 on other infrastructure projects including various planning elements of the Gateway Program to expand track, tunnel and station capacity between Newark, N.J., and Penn Station N.Y.; ongoing construction of a concrete case-ment through the Hudson Yards commercial development project to preserve a possible pathway for a future Hudson River Tunnel into Manhattan and design work for replacing major Northeast Corridor and century-old assets, such as the Susquehanna River Bridge (Md.), the Pelham Bay Bridge (N.Y.), the Connecticut River Bridge (Conn.) and the B&P Tunnel (Md.).

By the end of its 2014 maintenance program, Amtrak expects to install or replace nearly 165,000 crossties, 23 miles of rail and several dozen track switches, turnouts and interlockings. The railroad is also upgrading numerous sections of its electrical and signal systems along the Northeast and Keystone Corridors and performing various maintenance projects on property it owns in Chicago, New Orleans and elsewhere in the country.

Additionally, Amtrak will perform significant work as part of state-led projects to upgrade tracks and signal systems between Kalamazoo and Dearborn, Mich.; Poughkeepsie and Albany, N.Y., and New Haven, Conn., and Springfield, Mass.

**2014 L&N HS – C&EI HS  
CONVENTION  
Terre Haute, Indiana  
September 18 - 21**

## Danville Junction Chapter, NRHS

PO Box 1013  
Danville, IL 61834-1013

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

**We're on the Web!**  
[www.danvillejct.org](http://www.danvillejct.org)

## Photo of the Month



Doug Nipper shot NS 22J with BNSF SD70 #9075 at Dawn, west end of Tolono siding, on March 30<sup>th</sup>. Shortage of motive power on all railroads makes it difficult to know which railroad you are really next to.