

DANVILLE FLYER

Inside this issue:

April Meeting	1
Derailment Update	1
About Us—Officers	2
2023 Dues Notice	2
CP_KCS Merger	3
TTX Equipment	5
Vermillion Valley	5
My Office Window	6
Springfield Line	7
March Minutes	7
Photo of the Month	8

SUNDAY APRIL 16TH, MEETING AT JOCKO'S PIZZA AT 1:00 PM. PROGRAM NOTED ABOVE

MAY 6TH—PROBABLE OPERATING SESSION AT ROSSVILLE

ROSSVILLE, MAY 27/28, MEMORIAL DAY WEEKEND AND OPEN MUSEUM FOR THE SUMMER

GALESBURG TRAIN SHOW OFFERS FUN FOR THE ENTIRE FAMILY & ALL AGES! KNOX COLLEGE - T. FLEMING FIELDHOUSE - 199 E. KNOX ST. SATURDAY, JUNE 24, 2023 - 10A TO 4P SUNDAY, JUNE 25, 2023 - 10A TO 2P

April 16 Meeting at Jocko's

For the April meeting we will be at Jocko's Pizza on West Williams Street—date is Sunday the 16th. Lunch will be around 1:00 PM with meeting and program to follow. Henry Schmitt will present the program this month.

NS Derailment Update

National Transportation Safety Board (NTSB) investigators discovered anomalies with the function of some pressure relief devices (PRDs) removed from the five vinyl chloride monomer (VCM) tank cars involved in the Feb. 3 derailment of a Norfolk Southern Railway train in East Palestine, Ohio.

PRDs regulate the internal pressure of rail tank cars by releasing material when under pressure, reducing the potential for a catastrophic tank failure, NTSB officials said in a press release. The board's investigators recovered the PRDs and tested them at a Texas facility last week.

Their examination and testing revealed:

- NTSB testing found anomalies with the function of some PRDs that may have compromised their pressure relieving capability. This will require further testing and evaluation to assess the impact on the operation of the PRDs.
- According to the manufacturer's part specifications, one of the installed PRD's internal springs was coated with aluminum, which is not compatible with vinyl chloride.
- While aluminum debris from melted protective housing covers entered the PRD discharge areas, there was no evidence that melted aluminum entered the tank. The NTSB continues to assess if the debris impacted the PRD operation.

Progressive Railroading 3-22

C&EI Historical Society Annual Meeting

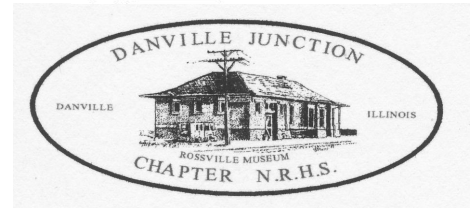
The Depot—Watseka, IL April 15th

The meeting will be a joint meeting with the Toledo, Peoria and Western group. Dealers will be setup by 10:00 AM with event over by 6:00 PM, Lunch on your own, afternoon business meeting and program. Program by Rick Schroeder featuring the TP&W and C&EI. The TP&W will also present a program on the TP&W. A trip is planned in the afternoon to various locations on the former C&EI and TP&W.

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 \$30.00 for Chapter membership in addition to \$50.00 for NRHS membership. Rossville Depot Museum membership is \$30 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 (former Conrail), in Danville, Il with lunch beginning at 1:00 PM Central Time followed by meeting and program.



Officers for 2023—our 55th Year

Henry Schmitt – President
 Doug Butzow – Vice President
 Dick Brazda– Secretary
 Doug Nipper– Treasurer
 Dave Sherrill – Programs
 – Historian
 Bob Gallippi – Museum Director
 Rick Schroeder – Editor & NRHS rep
 Cooke Wireless, LLC - Publisher & Distributor



NRHS and Local 2023 Dues Payment.

It is that time of year again, Dues for the following year. Last meeting Doug passed out renewal notices and then mailed ones to those not attending. We appreciate the donations that have been added to the 2023 dues check, it will be put to good use at the depot. NRHS members should be receiving their statement this month. It is assumed that an online payment method will be offered again, or direct mail your check. Welcome to another year.



CP—KCS Merger Approved

As widely expected, the Surface Transportation Board on March 15 approved, with certain conditions, Canadian Pacific’s acquisition of Kansas City Southern to form Canadian Pacific Kansas City (CPKC), North America’s first transnational railroad.

The Board approved the merger, first proposed on March 21, 2021, by a 4-1 vote. Member Robert Primus was the only dissenter. The decision authorizes CP to exercise control of KCS as early as April 14, 2023, a date that CP and KCS have now set to combine to create the new CPKC. CP also announced the CPKC executive leadership team.



CP completed its US\$31 billion acquisition of KCS on Dec. 14, 2021. Immediately upon the closing of that acquisition, shares of KCS were placed into a voting trust with Dave Starling, former KCS President and CEO, appointed as the trustee. Upon Starling’s death, Ronald L. Batory was appointed as successor trustee with the STB’s approval.

The Voting Trust “has ensured that KCS operates independently of CP during the regulatory review process, and until CP exercises control pursuant to the STB decision, CP and KCS will continue to operate independently,” CP noted.

Headquartered in Calgary, Alta., Canada, CPKC would remain the smallest of six U.S. Class I railroads by revenue, and have a much larger and more competitive network, operating approximately 20,000 miles of rail, employing close to 20,000 people. Once combined, full integration of CP and KCS is expected to happen over the next three years, “unlocking the benefits of the combination.

STB SUMMARY

“The Board expects that this new single-line service will foster the growth of rail traffic, shifting approximately 64,000 truckloads annually from North America’s roads to rail, and will support investment in infrastructure, service, quality, and safety. The transaction is also expected to drive employment growth across the CPKC system, adding more than 800 new union represented

operating positions in the United States,” STB said in its 212-page decision. “Of additional importance, The merger will foster new Amtrak passenger rail opportunities, as applicants have committed to support Amtrak’s existing plans for expanded service on the new railroads lines. These commitments, along with CP’s strong record as an Amtrak host railroad, have won Amtrak’s endorsement of the merger. The merger will foster new Amtrak passenger rail opportunities, as applicants have committed to support Amtrak’s existing plans for expanded service on the new railroads lines. These commitments, along with CP’s strong record as an Amtrak host railroad, have one Amtrak’s endorsement of the merger.

“This transaction is ‘end-to-end,’ meaning that there are little to no track redundancies or overlapping routes. If consummated, it will reduce travel time for traffic moving over the single line service; that should result in increased incentives for investment; and it will eliminate the need for the two now-separate CP and KCS systems to interchange traffic moving from one system to the other. This will enhance efficiency, which in turn will enable the new CPKC system to better

(Continued on page 4)



(Continued from page 3)

compete for traffic with the other larger class one carriers. It is not surprising that there is substantial (though not unanimous) shipper support for this transaction — the Board has received more than 450 support letters. It is also not surprising that the other Class I railroads seek conditions, and other remedies that appear aimed at protecting their own traffic from competition with CPKC and at limiting the ability of the combined CPKC to meet its potential. Consistent with the Board’s policy to protect competition and not competitors, the



Board is denying those requests while also ensuring that existing competitive gateway options are preserved.

“Even end-to-end mergers, however, can pose competitive risks, and indeed this decision overturns prior agency precedent that did not sufficiently recognize such concerns. To address any potential anti-competitive harm, the Board is imposing numerous conditions design to protect competition. And with these conditions, the merger should not reduce any shipper’s competitive options. The Board establishes a detailed obligation to keep gateways—that is, connection points between the CPKC system and other railroads—open on commercially reasonable terms, thereby preserving efficient routing options via other railroads that were available to shippers before the merger.

“To help enforce that obligation, the Board will require CPKC to justify in writing, upon customer request, rate increases over a certain level on interline movements, subject to the gateway obligation. If disputes arise over whether CPKC’s actions are commercially reasonable, CPKC must afford rail customers an arbitration option to resolve disputes, but the Board also will remain available to expeditiously decide gateway-related disputes. In this way, this decision seeks to enable a more efficient and competitive CPKC system, while minimizing CPKC’s ability to wield new market power to the detriment of its shippers.

“In addition, the Board has engaged in an extensive and thorough environmental review, culminating with the issuance of the Final Environmental Impact Statement—totaling more than 5,000 pages with appendices—on Jan. 27, 2023. The findings of which are adopted in this decision. The Board has also ap-

proved important measures designed to mitigate potential environmental impacts of the transaction, such as increased noise.

“The Board recognizes that, although most localities would prefer less rather than more train traffic, any traffic that CPKC diverts from trucks and from other railroads will produce more trains traversing areas that are currently served by either CP or KCS. This transaction, however, should ultimately enhance safety and benefit the environment. First, rail transportation is overall safer and better for the environment than transportation by truck. And second, increases in rail traffic in one neighborhood resulting from diversion from another railroad would be offset, at least in part, by a reduction in rail traffic in the neighborhood from which it is diverted. In any event, the thorough environmental review in this proceeding has confirmed that many parties that expressed concerns live in communities that already have substantial train traffic. For example, only eight additional trains per day are expected in the Chicago area, the busiest rail terminal in the nation, which already hosts approximately 1,300 freight, commuter, and Amtrak trains per day.

“Although the Federal Railroad Administration (FRA), rather than the Board, is the principal regulator of rail safety, the Board, consistent with the Rail Transportation Policy (RTP), does consider safety in its merger decisions. Here, having considered the Final EIS and the Safety Integration Plan (SIP) Applicants will be following, the Board concludes that this merger will not increase safety risks in any meaningful way beyond whatever level of risk exists from the current daily moves of trains through the communities served by CP and KCS. Indeed, approval of this transaction may even enhance safety for the nation as a whole. In addition to the inherent safety advantages that will be gained from shifting approximately 64,000 truckloads from our roads to rail, CP has the best safety record of the Class I railroads over the Past 15 years, and KCS will adopt many of CP’s practices following integration. Thus, any rail traffic diverted to CPKC from other railroads will likely mean traffic moving to a railroad with a better safety record.

“To ensure that the expected public benefits from this merger are realized to the fullest extent possible, the Board is establishing an unprecedented seven-year oversight period along with extensive data-reporting requirements. This will enable the Board to closely monitor whether Applicants are in fact

(Continued on page 5)

(Continued from page 4)

preserving efficient interline options for shippers at affected gateways, thus protecting competition. The Board also will be able to issue additional orders later, if necessary, to enforce the required environmental mitigation measures and address capacity and maintain fluidity in Houston, Tex., Chicago, and other congested areas, including preventing potential merger-caused delays and service disruptions of commuter service in the Chicago area.

“The Board recognizes that some in the shipping community and among antitrust commentators are not satisfied with the consolidation among Class I railroads that occurred following the Staggers Rail Act of 1980, and the Board itself has done its best to address how the Class I railroads behave today. Indeed, there is an ongoing debate about whether there has already been too much consolidation in the rail industry. Regardless of which side one takes in that debate, the Board is charged by Congress with reviewing the proposed merger in light of the state of the industry as it actually exists. Given the current realities and the limited opportunities to provide meaningful competition for the largest Class I railroads, as outlined above and discussed at length in this decision, the Board concludes that this transaction should improve rather than degrade the performance of the industry. It is for these reasons that the Board approves the merger.

Amtrak Bullish on CPKC

“Amtrak congratulates Canadian Pacific and Kansas City Southern on their newly approved merger,” said CEO Stephen Gardner. “We believe this merger will have a significant and positive effect on Amtrak intercity passenger rail service. CP has committed to support Amtrak efforts to work with the Southern Rail Commission, States, and other stakeholders for the first passenger trains in more than 50 years on two U.S. routes, establishing Amtrak service between New Orleans and Baton Rouge, La., and studying the potential for Amtrak service between Meridian, Miss., and Dallas/Fort Worth on the new CPKC. The Board’s decision fulfills the objectives of President Biden’s Executive Order on Promoting Competition in the American Economy, which called upon the Board to consider impacts on Amtrak service when reviewing proposed railroad mergers. CP has been a strong partner with Amtrak and the States in working collaboratively to enhance Amtrak service.”

Railway Age 3-22-23

TTX Equipment Upgrade

TTX announced that it will begin deploying telematics hardware on its railcars in support of its railroad owners’ “drive for efficiency and customer growth.”

According to TTX Director of Fleet Telematics, Marketing John Woodcock, the company will begin equipping Nexxiot GPS devices on its new build TBOX high-capacity boxcar fleet this year. TTX, which is owned by the Class I railroads, will also be retrofitting existing TBOX boxcars as they cycle through the shop. The company expects as many as 1,700 boxcars to be equipped in 2023 and will also be equipping several hundred multi-level auto rack railcars.

“Today, railroads and their customers rely on event messages and AEI-based location reports to monitor shipments,” TTX said in a YouTube video. “AEI uses car mounted RFID tags to transmit a railcar’s location when passing a wayside scanner. Well reliable scanners reside at fixed locations, which limits AEI’s tracking effectiveness.”

According to TTX, telematics can augment current reporting methods. Car-mounted GPS devices transmit location via the cellular network on a frequent set schedule resulting in greater visibility.

In 2018, TTX established a research and development program evaluating telematics and its potential to improve activity and car health monitoring, said TTX Director of Research & Product Development Erik Gotlund. “We are leveraging this experience to equip rail cars on a production basis.”

According to TTX, installation of the GPS devices is straightforward and involves welding a bracket to the car and pairing the device to the car ID. All TTX applications, the company says, will comply with Association of American Railroads (AAR) remote monitoring equipment installation standards.

TTX is deploying GPS devices that generate a location report every five minutes while moving. In addition to movement start and stop events, TTX says all onboard location and event reporting will be relayed to the company’s owner railroads for application within their operating and shipment management tools.

Of the cars TTX will be equipping with GPS devices, 1,000 will also feature a suite of sensors to “monitor impact events, door

(Continued on page 6)

From My Office Window

Not since the acquisition of Conrail by CSX and Norfolk Southern has there been a major merger of any of the Class 1 Railroads. This month, as noted in the previous article, the Canadian Pacific will be completing the acquisition of the Kansas City Southern. I have included the long article of the STP Boards approval for your reading. I did not list the some 247 pages in the final document, you can go on line and check that out.

I have visited the Kansas City area over the years since 1977 when Roy Scrivener and I visited KC on December 29, 1977 in this photo below of KCS 657 SD-40 coming under the overhead UP bridge with an empty coal train headed to the BN.

We visited the KCS area again in the 1980's and four of us spent two days along the mainline in 2004. I have some 200+ photos of KCS motive power, which was a surprise when I checked the files. There is a ton of SD-40's and a ton of gray locomotives. When KCS started painting new, and some older power, in the Southern Belle scheme that was even more reason for photos. I even bought the Athearn SD-70 KCS for the railroad, not that it fit my scheme, but I liked the colors.

Today they are everywhere it seems. Yesterday there was KCS unit trailing in the consist on a NB empty grain. When the CN went after them it seemed that every train that passed the house had a KCS unit. Not as many now but they still show up. It will be interesting to see what the CPKC decides for the combined scheme, it will be sad for many railfans to see the KCS scheme go away.

Rick



(Continued from page 5)

position, empty load status, and handbrake position.”

TTX says it will proactively work with its owner railroads under the governance of AAR to “develop event and alert messaging protocols that maximize the value of reported sensor data.”

According to TTX, additional sensor functionalities continue to be explored with the company’s technology partners. “TTX is committed to innovative telematics development and deployment solutions in pursuit of our mission, partnering with North America’s railroads in support of their business,” the company said.

RT&S 3-22-23

Vermilion Valley Sold Again



Gulf & Atlantic Railways (G&AR) has agreed to acquire three railroads from Midwest & Bluegrass Rail.

The short lines — Camp Chase Railroad (CAMY), Chesapeake & Indiana Railroad (CKIN) and Vermilion Valley Railroad (VVR) — are located in Ohio, Indiana and Illinois, respectively. The acquisition will expand G&AR’s existing portfolio to five railroads from two, company officials said in a press release.

CAMY operates 15 miles in the Columbus, Ohio, area and interchanges with Norfolk Southern Railway and CSX. CKIN operates 28 miles in northwest Indiana and provides daily switching service, connecting with NS and CSX. VVR connects with CSX in Danville, Illinois, extending 10 miles from the Illinois-Indiana state line to Olin, Indiana.

“We look forward to continuing the safe, customer-focused operations of these railroads, which we believe are complementary to our existing business,” said G&AR CEO Ryan Ratledge. “The high-quality leadership at Midwest & Bluegrass has done a tremendous job of enhancing these lines and preparing them for growth.”

G&AR currently owns and operates two lines: regional railroad Florida Gulf & Atlantic Railroad (FGA) and short line

March Meeting Minutes

The March 17, 2023, meeting opened at 1305 at Jockos.

The secretary's minutes were accepted as printed. The report from the treasurer showed one expense, \$200 for Ameren. Closing balance is \$8978.95.

The Urbana show is March 25-26. Henry obtained popcorn supplies. Skyler will bring the display board and any sales items. Doug N. will deliver the popper.

The April operating session is switched to the 8th.

The C&EIHS meeting will be April 15 in Watseka. Henry will provide the program on 4/16. Henry asked Travis for a June date to visit the Hoosier Valley again, but it has not been finalized. A trip to Centralia will be looked at for May.

The meeting was adjourned at 1315. Rick Schroeder presented a historical pictures, including a large sampling of B&O stations and towers.

Grenada Railroad (GRYR). FGA operates along 430 miles in Florida, generally running east-west along the Interstate 10 corridor between Baldwin and Pensacola, with a branch line from Tallahassee to Atapulgus, Georgia. FGA connects with AN Railway and CSX

Progressive Railroading 3-28

CN Denied Springfield Line

CN's request regarding conditional approval of the Canadian Pacific-Kansas City Southern merger on the sale of KCS's Springfield Line to CN has been denied by the Surface Transportation Board (STB), which on March 23 provided notice that its Office of Environmental Analysis has terminated the review of the proposed divestiture.

In its March 15, 2023 decision to approve CP's acquisition of KCS to form Canadian Pacific Kansas City (CPKC), North America's first transnational railroad, STB said it "addressed the amended 'responsive' application filed by Canadian National Railway Company (CN) and its United States rail carrier affiliate, Illinois Central Railroad Company (ICCR) (collectively, CN) in Docket No. FD 36500 (Sub-No. 1). The Board denied CN's request that the Board order the sale of the KCS rail line between Kansas City, Missouri and Springfield and East St. Louis, Illinois (Springfield Line) to CN (Proposed Divestiture) and terminated the ongoing associated environmental review."

CN filed its responsive application seeking the sale on Feb. 28, 2022, and an amended responsive application on June 9, 2022. CN claimed that the Springfield Line "is a direct competitive alternative to CP's route from Kansas City to Chicago, and beyond to Detroit and eastern Canada," and that CN's control of the line would represent "a major opportunity to improve transportation options, promote rail-to-rail competition, and take many of thousands of long-haul trucks off the road annually through increased rail-to-truck competition."

The STB reported in its March 15 merger-approval decision that "under the pre-2001 merger policy, the Board will not impose conditions unless it finds, among other things, that the consolidation may produce effects harmful to the public interest and that the narrowly tailored conditions will mitigate or eliminate the harmful effects." The STB also said it is "disinclined to impose conditions that would broadly restructure the competitive balance among railroads with unpredictable effects," and "there is no indication that the merger will create harmful effects that would be remedied by the proposed divestiture of the Springfield Line."

Railway Age 3-27

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

Photo of the Month



Kansas City Southern SW1500 #4329 and slug at Kansas City 12-29-1977 Rick Schroeder