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January 17th – Monthly meeting at Jocko's – 1 PM

Jan 31 - Noblesville, Ind. – Central Indiana Division/NMRA Train Show. Hamilton County 4H Fairgrounds, 2003 Pleasant Street. 10-4.

Feb 6 – Rossville, IL – Operating Session on the layout 1-4 PM

Feb 20/21 Hoopeston, IL – Train show in McFerren Park Pavilion, 10-4, 10-3 each day.

Mar 13 Springfield - Springfield - Springfield Model Railroad Club's Springfield Train Fair 2014. Illinois State Fairgrounds. Orr Building. 10-4.

April 2/3 Urbana, IL Annual train show at Lincoln Square Village, 10-6 on Saturday, 11 to 4 on Sunday - Free

**FRA Issues Letter to Railroads on new PTC Deadline**

WASHINGTON — The Federal Railroad Administration is putting railroads on notice that while they have been granted a three-year extension to install positive train control, they will be held to a strict schedule to meet the new deadline.

“The focus has to remain on getting PTC up and running and implemented as soon as possible,” Federal Railroad Administrator Sarah Feinberg said in a speech to a railroad conference last week. “I recognize that the legislation allows 2018 to be the goal and there can be a potential extension beyond 2018 to 2020. But the deadline is 2018. If you need to get to 2020, there are certain boxes that have to be checked in order to get there.”

Warning against expecting another deadline extension, Feinberg sent a letter to the railroads outlining what she expects in the coming months and years.

Each railroad must submit a detailed plan before the end of January for PTC implementation, with justifications for the pace at which the railroad intends to proceed, and annual reports thereafter. Extensions beyond the 2018 deadline would be considered only if a railroad had demonstrated a good-faith effort to comply with the mandate.

“What Feinberg was saying in her letter was ‘Don’t even send me a plan that says [you will complete installation by] 2020,’ ” an FRA official told the Washington Post. “Her main concern right now is that people are focused on 2020 and they’re not focused on 2018. She’s telling them, ‘If you happen to get to 2018 and you have met these criteria and benchmarks to be eligible [for an extension to 2020], then we’ll talk about it at that point.’”

In a Nov. 5 speech to the Railroad Safety Advisory Committee, Feinberg said her agency would continue to press railroads for PTC implementation. “Over the last year, I am sure you have observed that FRA is in a much more aggressive posture on PTC,” Feinberg said, “and everyone should expect for that posture to continue.”

*Via TRAINS On-Line 11-23-15*

**Annual RailCamp offers Railroad Opportunities to Teens**

The National Railway Historical Society (NRHS) has announced the dates for its 2016 RailCamp. The annual RailCamp program offers a unique railroading opportunity to high school students, providing hands-on training in one of America's oldest and most important industries.

RailCamp is an educational experience designed to teach students about 21st century railroad operations, dispatching, and maintenance while providing a simultaneous experience in the early history of U.S. railroads in the development and settlement of our country.

*(Continued on page 2)*

## 2015— November Meeting Minutes

M The November 15<sup>th</sup> meeting was called to order at 1312 by President Cooke.

The secretary's minutes were approved.

The treasurer's report was provided and approved. There were no expenses or income for the month.

The officers were continued in office for another year.

Rick Schroeder attended the Trainfest in Milwaukee. He saw Shane Wilson there, who has started a new scale train business. In HO thus far is the UP Big Boy and freight cars.

The meeting adjourned at 1355.

Thanks to Dave Sherrill for taking minutes. eeting Minutes, 10/18/15

*(Continued from page 1)*

Students will learn both modern and historic elements of America's most vital transportation mode, including how diesel, electric, and steam locomotives function, how track is built and maintained, and how early freight and passenger cars were constructed. With a focus on the ways in which revolutionary technical changes in modern railroading affect today's business, students will participate in railroad operations, interact with railroaders, learn about preservation techniques, experience railroad history, obtain career opportunities, and work with real railroad equipment.



Two different camp opportunities are offered during the summer months:

RailCamp East - Newark, DE (June 26 – July 2, 2016) – Amtrak will host students at its High-Speed Rail Training Facility and National Operations Center in Wilmington, DE. Campers will also spend two days in Strasburg, PA at the Railroad Museum of Pennsylvania and the Strasburg Rail Road.

RailCamp Northwest - Tacoma, WA (July 31 – August 7, 2016) – Students will visit Amtrak's King Street Station in Seattle, WA and its adjacent maintenance facility. Campers will also visit the operations center of Tacoma Municipal Belt Line (Tacoma Rail), The Northwest Railway Museum at Snoqualmie, WA, and the Mount Rainier Scenic Railroad at Mineral, WA. Additional time will be spent at Seattle's Sound Transit commuter rail facility.

The program is open to high school boys and girls who are currently freshmen, sophomores, juniors, or seniors (class of 2016). Individuals who enter their freshman year in 2016 will also be eligible to participate. Applicants do not have to be NRHS members to attend.

For more information or to apply, please visit the NRHS's website at [www.nrhs.com/program/railcamp](http://www.nrhs.com/program/railcamp).

**April 16, 2016  
Danville, IL  
Annual C&EI HS meeting at  
DACC – more details later.**

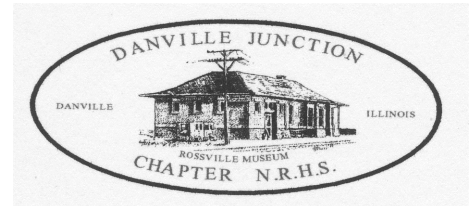


**Norfolk Southern 911 on Roadrailer #255, Tolono, IL 1-5-2016 -**

## 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 any-

one 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 2016—our 48th Year

Allen Cooke – President  
 Doug Butzow – Vice President  
 Dick Brazda– Secretary  
 Doug Nipper– Treasurer  
 Dave Sherrill – Programs  
 Jess Bennett – Historian  
 Bob Gallippi – Museum Director  
 Rick Schroeder – Editor  
 Cooke Business Products - Publisher



## Carloading continues behind 2014

Total U.S. carload traffic for the week ending Dec. 26 declined 17.9 percent, but intermodal volume rose 1.6 percent compared with the same week in 2014, according to the Association of American Railroads (AAR). U.S. railroads ended the week with total traffic of 391,107 carloads and intermodal units, down 9.8 percent compared with 2014, AAR reported in a press release.

Two of the 10 carload commodity groups tracked by the association posted increases for the week: miscellaneous carloads, which were up 17.8 percent to 6,273 carloads; and motor vehicles and parts, which were up 12.8 percent to 13,229 carloads. Commodity groups that logged decreases compared with the same week in 2014 included coal, down 31.6 percent to 70,350 carloads; petroleum and petroleum products, down 26.2 percent to 10,537 carloads; and metallic ores and metals, down 26.1 percent to 17,001 carloads. North American rail volume for the week on 13 reporting U.S. Canadian and Mexican railroads totaled 281,217 carloads, a decrease of 16.7 percent; and 234,893 intermodal units, a slight increase of 0.4 percent compared with the 51st week in 2014.

(Continued on page 6)

## Metra's New Paint Scheme

Metra's older locomotives are getting a new paint job in conjunction with a major overhaul to extend their useful life.

The new paint scheme will be applied to 42 F40 locomotives that were built between 1989 and 1992, and are now part of a \$91.1 million rehab program, Metra officials said in a press release.



The rehabilitated locomotives will feature a host of upgrades including:

- new high-voltage cabinet with a microprocessor control system;

- remanufactured engines upgraded to Environmental Protection Agency Tier 0+ emissions standards;

- new and reconditioned accessories;

- car body corrosion repair and new paint;

- rebuilt electrical rotating equipment;

- rebuilt trucks with new wheels; and

- and positive train control components.

The new paint scheme also will be applied to three similar-looking, used F59 locomotives that Metra recently acquired. The first of those three debuted this month on the commuter railroad's Milwaukee lines.

The F40s are now painted mostly blue with an orange top. When they emerge from rehab over the next four years, they'll have a similar paint scheme as Metra's fleet of 27 MP36 locomotives.

Metra's F59 locomotive (left) is painted with a modern scheme. The commuter railroad's F40 locomotives (right) will be painted to match the F59 as they are rehabbed.

The MP36 engines also are being modernized in-house at the railroad's 47th Street locomotive shop. That \$62 million program calls for overhauling engines and replacing the existing head-end power systems, which are the parts of the locomotive that provide electricity for onboard lights, heating, air conditioning, exhaust fans and door motors.

"We are excited to extend Metra's newest paint scheme to the rest of our locomotive fleet and are especially proud to complete nearly half of this work in-house at a

lower cost," said Metra Executive Director and Chief Executive Officer Don Orseno.

The work on the F40s and MP36s are part of the railroad's \$2.4 billion modernization plan, which calls for renovating 455 cars and 85 locomotives, and purchasing 367



new cars and 52 new locomotives over 10 years.

Meanwhile, officials from Metra and Union Pacific Railroad yesterday met with representatives from DuPage County and Lombard, Ill., to mark the completion

of nearly \$9.8 million in improvements at the Lombard Station along the UP West Line. The upgrades include a new pedestrian underpass, rebuilt platforms and new platform canopies.

The work included an \$8.1 million contract with John Burns Construction of Orland Park, Ill., for the new pedestrian tunnel, retaining walls, ramps that comply with the Americans with Disability Act, platform shelters, canopies over both inbound and outbound platforms, landscaping and other ancillary items for the station.

That contract received financial backing from a variety of sources, including Metra, which provided \$3.8 million, and UP which chipped in \$3.3 million.

*Via Progressive Railroading 11-10-15*

## NS—CP Merger?

Experts examine the rumored CP/NS merger ~ fwd from Bill Wimmer

The man business entrepreneur Bill Ackman brought in to run Canada's second-biggest railroad likes to say one of his missions is to "make the assets sweat" -- in other words, really put them to work. A railroader for more than five decades, Hunter Harrison is an inveterate deal maker who helped drive the industry's initial consolidation wave in the 1990s. Now, his Canadian Pacific Railway Ltd. is exploring a takeover of U.S. carrier Norfolk Southern Corp.

Harrison has built a reputation as a no-nonsense operator focused on speed, efficiency and shareholder returns. After solidifying Canadian National Railway Co.'s status as the leanest North American railroad, Harrison was lured out of retirement in 2012 by shareholder activist Ack-

man -- and promptly turned Calgary-based Canadian Pacific from the continent's least efficient carrier into one of the best-performing.

Jim McClellan, Norfolk Southern's former vice president of strategic planning, reported that rumors of an NS-CP merger are unrealistic. "From all of the studies I made while at NS; [UPRR], [BNSF], and [Canadian National] are better fits in terms of markets and routes," says McClellan, who was involved with the creation of Conrail, Norfolk Southern, and the NS-CSX Transportation split of Conrail.

CP and NS routes touch at only 5 points: Albany and Buffalo, N.Y.; Detroit; Chicago; and KC. With hardly any overlap in their routes and facilities, a combined CP-NS system wouldn't present many opportunities for cost savings from line, yard, or shop rationalization. And given the relatively low volume of traffic they interchange in Chicago, a CP-NS merger would not make a dent in the Windy City's worsening congestion.

## CANADIAN PACIFIC

In the past, CP has made no secret about wanting to shake up the status quo. In October 2014, after ending merger talks with CSX, CP said it would continue to pursue a merger that would improve service, alleviate congestion — especially in Chicago — and reward shareholders.

Last fall, Canadian Pacific CEO E. Hunter Harrison said his railway would be a "natural fit" with either CSX or NS. In trumpeting a potential merger with CSX, Harrison had said that CP would route traffic away from Chicago in favor of the Buffalo and Albany gateways, which feed into CSX's high capacity former New York Central Water Level Route. CP could send this traffic onto the NS system at Buffalo and Albany. But CP has been there and done that. Its Delaware & Hudson subsidiary provided CP with access to Philadelphia, Newark, N.J., and New York City, largely over trackage rights. CP gradually retreated from those markets and in September completed the sale of the southern end of the D&H to NS.

While CP has been open about its urge to merge, NS has been just as clear that it opposes a mega-merger. Last fall, Wick Moorman, who was NS chairman CEO at the time, said a major railroad merger was not a good idea due to service and regulatory issues as well as the lack of potential synergies.

Wall Street analyst Anthony Hatch pointed out that when CP and CSX were the potential merger dance part-

ners, NS said there was nothing to gain from a cross-border merger.

"NS was adamant that the proposed CP-CSX deal...was wrong — too much risk (operational, cultural and — mostly — political) for illusory gains," Hatch wrote in an email to Trains NewsWire. "Don't see why they would change that opinion now."

Industry observers questioned the rationale and timing of a CP-NS deal, noting that service problems have alienated shippers. And, predictably, shippers were not enthused with the prospect of a rail merger.

"I don't know any shippers who would be in favor of it," says Bruce Carlton, president of the National Industrial Transportation League, the nation's oldest shipper group. "From my vantage point, the customer side of the table thinks the system is already quite highly concentrated. I have not heard anybody say this is a great idea."

Any proposed merger would face significant regulatory hurdles both in the U.S. and Canada, particularly because combining any of the 7 major systems (BNSF, CSX, NS, UP, CP, CN and KCS) would signal a final wave of consolidation.

In a year when rail stocks have tumbled amid a slowing economy and declining falling coal and oil traffic, talk of a potential CP-NS merger made railroad investors happy. NS coal revenue dropped 23% in the 3rd quarter and they have taken roughly 300 miles of track primarily used for coal service over the past 18 months. News of the merger discussions sent NS stock 11% higher early last week, while CP shares were up nearly 6% at the closing bell. Shares in both railroads were later down slightly.



Some Wall Street analysts were positive about the reported merger discussions. Mark Levin, of BB&T Capital Markets, says on CNBC that CP is operating efficiently but is finding it challenging to grow top-line revenue. A merger would solve that problem and offer the potential for making NS more efficient, as well. "It makes sense on a number of levels," Levin says of a CP-NS combination.

"The investment community would probably have more confidence in Hunter than anyone else in the industry to pull off something so large and complicated as this," said Mark Levin, an analyst with BB&T Capital Markets in Richmond, Virginia. "He's probably licking his chops at the

opportunity to really create a very large, powerful and incredibly efficient railroad.”

Harrison, a Tennessee native, began his career in 1963 as an 18-year-old carman-oiler for St. Louis-San Francisco Railway Co., while attending the University of Memphis. Meshing Canadian and U.S. railroads is nothing new for him. In 1998, as CEO of Chicago-based Illinois Central Corp. he agreed to the takeover by Canadian National.

As Canadian National’s chief operating officer, he worked on the \$1.2 billion acquisition of Wisconsin Central Transportation Corp. in 2001 and soon cut 12% of the workforce. As CEO, he spent \$300 million to acquire most of the Elgin, Joliet & Eastern Railway Co. line in the Chicago area from U.S. Steel Corp. in 2009. Both deals paid off for Canadian National, bolstering its U.S. sand cargoes and allowing it to bypass congested tracks in Chicago, a key bottleneck for freight trains.

Harrison more than tripled net income during his time as Canadian National CEO, using an approach known as precision railroading that involves running on fixed timetables to ensure reliable deliveries. At the time, the approach was a novelty in the North American industry. When he left Canadian National at the end of 2009, the company’s operating ratio, a measure of efficiency that compares expenses to revenue, had been cut to 67.3 from 76 at the end of 2002, filings show.

Since joining Canadian Pacific, Harrison has used a similar recipe -- shrinking the workforce, closing rail yards, running longer trains and using fewer locomotives -- to bolster profit. At an investor conference in 2013, he jokingly compared his turnaround effort in Canada to General William T. Sherman’s march through Atlanta during the U.S. Civil War, which left the city in ruins.

The unions that represent Norfolk Southern employees do not share his enthusiasm and would be wary of a CEO synonymous with cost-cutting. In his 3 years at CP, Harrison has lopped about 23% of the workforce.

While Harrison’s health issues are now in the past -- the CEO missed several weeks earlier this year to recover from a leg operation -- Norfolk Southern may be his last big chance to conclude a marquee acquisition, said David Tyerman, a transportation analyst with Canaccord Genuity in Toronto. “If the 71-year-old Harrison doesn’t do this deal now, he runs out of time as his contract expires in 2017,” Tyerman said. “It will be a huge feather in his cap if he can do it, but it’s going to take time to get it done.” However,

its clear the 2 railroads haven’t agreed on the value of their operations or the likelihood that such a merger would be approved.

*Via Brass Switchkey railnews, V. 22, #41, Nov 22,*

## Danville & Western RR Completed

Started in January of 1999 the Danville and Western Railroad has been a work in progress. Each year I was able to add industries and scenery to an area and kept working toward the goal of getting all of the “bare spots” covered on the layout. For the last year or more there were two small areas to complete, a propane plant and the service area in the diesel service tracks. The Vermilion Propane facility was added in early December and on the 31<sup>st</sup> Doug Nipper photographed the completion of service pad and ballast in the diesel service area. All that is left now is adding details. As Doug noted “it was about time”.

Rick



*(Continued from page 3)*

For the first 51st weeks of the year, U.S. railroads' cumulative volume was 27,581,187 carloads and intermodal units, a decrease of 2.3 percent compared with the same period a year ago.

Canadian railroads' cumulative rail traffic volume for the 51 weeks was 6,960,578 carloads, containers and trailers, down 1.5 percent. Mexican railroads' cumulative volume was 1,381,948 carloads and intermodal containers and trailers, up 1.2 percent from the same point last year.

*Editor: Downturn in coal and oil continue to drive the car loads down but also notice that other manufacturing is down. Vehicles continue to do well but will be interesting to see how railroads perform after January.*

## Empire Builder performance

Amtrak's Chicago-Seattle/Portland Empire Builder saw its ticket revenue drop \$4 million to \$50.5 million for fiscal year 2015, the largest revenue drop among Amtrak's long distance routes. The Empire Builder also saw ridership fall by 3 percent in fiscal year 2015, to 438,000 passengers, according to the Minneapolis Star Tribune.

The oil boom in the western North Dakota has produced ridership boosts, with Minot and Williston, N.D., seeing increases. But ridership in Minnesota, where passengers have better access to other modes of transportation, has seen a drop.

From 2008 to 2014, Minnesota ridership has fallen from nearly 200,000 to 136,000. In Minneapolis/St. Paul alone, ridership dropped from 138,000 to 90,000 during that same period. The drop can partially be attributed to cheaper gas prices, but the Empire Builder's perennially poor timekeeping is likely the biggest cause. For several months in 2014 the train virtually never ran on-time east-bound. Many passengers who used the train from St. Paul to Chicago gave up and turned to alternate modes of transportation..

*TRAINS On-Line 12-30-15*

## Export of Oil may help Railroads

It's not happening yet, but companies can now export crude oil by rail to Canada or Mexico.

Just days before Christmas, President Obama signed into law a bill that lifts the 40-year ban on crude oil exports, much to the delight of the U.S. oil industry. The newly passed legislation allows the U.S. to dip its feet into the international oil market at a time where crude prices are at their lowest levels in more than a decade. Oil lobbyists say the lift has the potential to boost the U.S. economy, create tens of thousands of new jobs, and create less dependence on imports, however analysts say that current market conditions will not result in any sudden change in the production and transport of crude due to a saturated market.

"I don't expect any uptick in crude-by-rail, at least not all of the sudden," Richard Kloster, a rail analyst for All-Transtek tells Trains News Wire. "There's really no place

to store crude or natural gas because the stockpiles are full."

Kloster also says that if there is any increase in the short-term, it will be minimal and it will be light, sweet crude that will move from the Permian Basin and Eagle Ford regions in Texas via pipeline to the Gulf Coast.

The recent ban lift now "gives U.S. producers a chance to compete" as another "outlet to sell oil," Kloster says. John Hess, CEO of Hess Corp., a U.S. based oil producer, tells the Wall Street Journal that low oil prices have increased the urgency for Congress to lift the ban, but declined to comment on whether or not Hess would begin exporting oil.

"It would be a function of market conditions," Hess says. "But I think over time, definitely; If the market signals were there, we would have that option."

According to information compiled by the Association of American Railroads, U.S. class I railroads originated 493,146 carloads of crude oil in 2014 and those numbers were expected to be lower in 2015.

BNSF Railway reported a six percent growth in industrial products in 2014 as a result of an increase in crude-by-rail shipments from the Bakken oil fields. In its third quarter 2015 financial statement, the railroad noted a nine percent decrease for the quarter, citing "lower demands" in comparison to the same period in 2014.

According to an article in the Wall Street Journal, any new surge of oil exports would be relatively manageable. While networks of oil pipelines along the Gulf Coast are currently designed to unload imported crude oil from ocean-going tankers, retrofitting those tankers and facilities to accommodate exports would be an efficient task in locations such as Texas where permitting is easy and such projects face little community opposition.

Several large U.S. oil producers in the Gulf Coast region are also planning to expand their facilities to accommodate exports for when market conditions improve.

*TRAINS On-Line 12-29-15*

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

## Photo of the Month



Allen Cooke photographed Dash 9-CW NS 9829 and GP60 7111 at the engine facility in the former Conrail yard in Kankakee, IL.