DANVILLE FLYER A PUBLICATION OF THE DANVILLE JUNCTION CHAPTER, INC. NRHS

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 \$17.00 for Chapter membership in addition to \$20.00 for NRHS membership. Meetings are held on the third (3rd) Sunday of each month (except June July, August and December) at the Pizza Inn Resturant, Gilbert Street (Illinois Route 1) and Williams Street, next to CSX, in Danville, II. with lunch beginning at 1:00 PM Central Time followed by meeting and program.

OFFICERS FOR 2004 - Our 36th Year

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Visit our Chapter WWW Home Page On-Line - http://www.prairienet.org/djc-nrhs/



On the Friday before Memorial Day weekend CSX and MARC opened the new layover facility at Martinsburg, West Virginia. The facility was designed by URS Corporation and will provide storage and service area for two MARC trains. The facility is part of aCSXT track, signal and station upgrade on the 30 mile segment of former B&O from West Cumbo, MD to just west of Martinsburg, WV. Photo by R. Schroeder, Project Manager

Coming Events

July 23 & 24, 2004

Altamont, IL - Altamont Train Show and Swap Meet, Effingham County Fairgrounds, 9 AM to 4 PM, \$3 admission.

August 8, 2004

Wheaton, Great Midwest Train Show, DuPage Co. Fairgrounds, \$7, 9:30 to 3 PM

August 14 & 15, 2004

Monticello, IL - Caboose Trains, 11:00 AM to 4:00 PM, depart museum station.

September 19, 2004

Danville, IL - Monthly meetings start again at the Village Inn Pizza.

September 18 & 19, 2004

Monticello IL - Railroad Days, special events and trains all weekend.

Rossville, IL Each Saturday and Sunday, Noon to 4 PM, Depot Railroad Museum open through the Labor Day Weekend.

Next Meeting

As hopefully you remember, the next meeting will be the third Sunday in September. With the museum open and vacations we no longer meet after the May meeting.

In May we voted to tuckpoint part of the building. Dave Sherrill has been working some weekends grinding out the motar on the front of the building. After we close in September we need to concentrate on grinding joints in preparation of tuckpointing. The more we do the more money we will save, or the more we can get tuckpointed. We need to get this done, especially around the front door and bay window and on the back porch area. There are other locations but these are the critical.

This issue is later than your editor planned. Work and other activities seemed to get in the way. Also, when you don't have a deadline for a meeting you seem to let it slip, or is that just getting older. Anyway, this will be the summer issue with the next one out around Labor Day. Hard to believe the summer is about half over.

You C&EI fans should have gotten the Broadway Limited E-7's. Allen and I got each got one and they are really great. The C&EI HS furnished the paint color and finally a manufacturer got the orange/blue scheme right.

Hope you have a great summer and we look forward to September. Remember, operating sessions at the museum will probably start around the first of November.



<u>Synopsis of the</u> <u>NRHS Board of</u> <u>Directors Meeting</u>

The NRHS Board of Directors met in Altoona, Pennsylvania on April 4, 2004. The meeting was hosted by the Horseshoe Curve Chapter. Here are some highlights.

The Board voted to confirm the appointments of two National Officers following the resignation of Secretary Bruce Hodges

in January due to personal reasons. President Molloy reported that Bruce intends to continue his involvement with RailCamp and has stepped forward on multiple occasions to assist with other projects since January. Barry Smith, formerly Vice President, was confirmed as Secretary. Barry will retain his current involvement with RailCamp and the Chapter Operations Manual in addition to the Secretary's duties. The Board confirmed the appointment of Jeff Smith, Editor of the Bulletin, to the additional position of Vice President. This appointment recognizes that Jeff is leading several projects outside the traditional duties of the Editor.

Preliminary financial results for 2003 are encouraging. While the annual outside audit is still in progress, it appears we finished within \$2,000 of breaking even, compared to a loss of \$15,000 projected in the 2003 budget. Our efforts to restore the Bulletin production schedule continue to show results. Four of the six 2003 Bulletins are now distributed, and the final two will be shipped in late April (No. 4) and late May (No. 5), gaining four months over the 2002 schedule. Recent Bulletins have featured higher page counts, better photo reproduction and significantly more color. all delivered within budget. Editor Jeff Smith expects these trends to continue.

Railway Heritage Grants applications must be received no later than May 12. Applications are available from the national office or at the NRHS website (www.nrhs.com). Jack Salt, director of the grants program, reported that the 2004 grants budget has been increased from \$29,000 to \$32,000 because of a special donation. Grant awards will be announced on July 2.

Director of Membership Records Mike Bettiol reported that dues renewals are going well, although the implementation of upgrades to our membership records system was slower and more difficult than we had expected. As of April 2nd dues receipts were running ahead of the same time last year, despite the late distribution of dues bills. Final notices were distributed in mid March for Associate members and were at the mailing house for unpaid Chapter members. Even though final notices went out 6 to 8 weeks earlier than last year, we mailed fewer than in 2003, thanks to the efforts of many chapters to turn around renewals quickly. Almost 300 new Family members have joined the NRHS through an option on the 2004 dues renewal forms.

NRHS membership benefits are improving. Dr. Wes Ross reported that the NRHS Discounts List at museums, and tourist railroads would be distributed with Bulletin No. 4, much earlier than last year. Bill Kovacs, the new director of our book sales program, reported that several titles from Stauffer Publications are now in the NRHS books discounts program in addition to those from Indiana University Press. Jeff Smith reported that Railfan & Railroad will conduct a promotion this spring offering a substantial one-time discount to NRHS members who do not currently subscribe.

There were no new chapters chartered, although it appears we will have at least one at the July meeting. The Board withdrew the charters of the Sunbelt Chapter (Tulsa, Oklahoma) and the Veterans Memorial Railroaders Chapter (Bristol, Florida), both of which have disbanded. In addition, the Board approved a name change for the Eastern Nebraska Chapter, which is now the Nebraska Railroad Museum Chapter.

Registration booklets have been distributed for the 2004 NRHS Convention in Minneapolis. First class space is filling up, but as of April 4th there are plenty of coach tickets available. For current information, visit www.northstar2004.org. Plans continue for the 2005 convention in Portland, Oregon. We are still working on prospects for 2006 and beyond.

In other news, the Board approved a five-year lease extension for the national office and libraries in Philadelphia. We have begun a review and update of the national bylaws. A NRHS historic plaque was presented to commemorate the 150th anniversary of the Horseshoe Curve.

Rossville Depot

In the March 1928 issue of the C&EI Flyer the following is noted about Rossville:

Since the fire New Year's morning destroyed the old depot at Rossville, the company business has been conducted from an old coach which was setup at the north end of spur track north of the north elevator, and under existing conditions things seem to function as they always did at this point.

Stanley Chandler and his co-partner at the depot have a fine time exercising themselves when a trains is due here, a nice little walk back to where the old depot still stands in its razed condition from the fire.

Motive Power

Iowa Northern GP-38 Fleet Being Delivered: As was mentioned a few months ago, the Iowa Northern has been receiving their rebuilt and repainted GP38s through NRE over the last couple of months. As of April 17 the IANR had the 3800, 3802, 3803, 3808 and 3809 in service. The 3801 had been delivered, but it suffered a thrown rod and was sent to the Livingston Rebuilding Center in Montana for a new prime mover. The rest of the 12 units are coming from the LLPX 2150, 2154, 2155, 2158, 2159 and 2160 and they will fill in the holes within the 3800 series.

Iowa Interstate - Paducah Death Watch: Just as the rebuilt GP38s and GP40s have replaced interesting minority units on such the KB&S Alcos recently, they are also going up the motive power ladder to push aside older EMD units: next up, the Iowa Interstate. In mid-April the IAIS began the wheels turning that will see the regionnal carrier receive around 22 GP38 products. These units will be used to replace the Paducah Geeps, the M420s, and the pair of hi-nose GP9s. The IAIS will keep their SW1200, #250; the rebuilt 400 (their only original Rock Island unit); the ex-CSX GP16 #495 and the 600 series GP38-products. This will see the geeps in the 401-484 series being retired. Actually, not all of them are IC Paducah rebuilds--there are about three ex-BN GP10s that went through the West Burlington Shop rebuilding program within that series. The new units will be coming from the LLPX lease fleet, but they will be painted and lettered for the IAIS. They will be numbered from 700 to 721. The units are currently being redone at the NRE Paducah, KY facility and the first of them is expected on the property around the first part of July. They all are supposed to be on the railroad by the end of September.

Via North Western Illinois Chapter

<u>Abandonment</u> <u>Exemption- in</u> <u>LaPorte, Porter and</u> <u>Starke Counties, In</u>

Decided: May 14, 2004

By decision and notice of interim trail use or abandonment served on February 20, 2004, the Board granted a petition filed by CSX Transportation, Inc. (CSXT), for an exemption under 49 U.S.C. 10502 from the prior approval requirements of 49 U.S.C. 10903 to abandon an approximately 32.97mile line of railroad in LaPorte, Porter, and Starke Counties, IN. Before the decision and notice authorizing abandonment became effective, the Town of North Judson (Town) timely filed an offer of financial assistance (OFA) under 49 U.S.C. 10904 and 49 CFR 1152.27(c) to purchase the line.

By decision served on March 4, 2004, the

Town was found financially responsible, and the effective date of the decision and notice authorizing abandonment was postponed to permit the OFA process to proceed. Subsequently, the Town filed a request that the Board establish the conditions and the amount of compensation for the sale of the line. Thereafter, in a decision served on April 30, 2004, the Board set the purchase price for the line at \$1,974,041, and established terms for transfer of the line.

By letter filed on May 10, 2004, the Town indicates that it accepts the Board's terms and conditions and acknowledges that it will be bound by them. When a person offering to purchase a line accepts the terms and conditions set by the Board, the offer isbinding. See 49 U.S.C. 10904 and 49 CFR 1152.27(h)(7). Accordingly, the sale will be approved and the petition for exemption will be dismissed. This action will not significantly affect either the quality of the human environment or the conservation of energy resources.

It is ordered: 1. Under 49 U.S.C. 10904, the Town is authorized to acquire the line. 2. Under 49 U.S.C. 10904 and 49 CFR 1152.27(h)(7), the petition for exemption is dismissed, effective on the date the sale is consummated. 3. This decision is effective on its service date.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Danville C&EI Men Help Push County to Top in Milkweed Pod Collection

The completion of loading a C&EI car at the C&EI Freight Depot with bags of milkweed pods brought conclusion a campaign for milkweed floss which began early in September in this county. The car was sent to Petoskey, Mich., where the floss will be processed for use in making life jackets.

"I am extremely proud of the record of Vermilion county, which now leads Illinois counties in the number if pods collected," said Dr. W. I. DeWees Normal University, state director of the project, "and I feel that a great deal of credit should be given to L. A. Tuggle, county superintent of schools, whose fine organization made the record possible. In fact cooperation of the whole county is remarkable.

"I also feel that the fine publicity given the campaign by The Commercial-News was a big factor in putting

Vermilion county out in front," De Wees continued, "because people were kept informed as to what was wanted and what was being done."

More than 4,500 bags were collected in this county, it was stated by Mr. Tuggle, county director of the project, providing enough floss for some 2,250 life jackets for sailors, naval aviators and others. The demand for milkweed floss came about, Tuggle pointed out, when the supply of kapok, the formerly used for life jackets, was cut off by Japanese conquests in the East Indies.

Via C&EI Flyer, December 1944

Editor: I have been looking through my collection of C&EI Flyer magazines and the issues during World War II are quite interesting. There are many stories about the sons and daughters of C&EI railroaders that had gone off to war, and also notes of those that never returned alive. There are articles about women being hired as "engine wipers" and "maintenance of way helpers" when the men went overseas to fight a war. Aalmost every 1944 and 45 issue ran a full center page showing photos of sons and their location. Some issues had photos of the war damaged railroads in Europe and names of those from the C&EI there helping to restore them. The C&EI won awards for "Victory Gardens" and photos show up in issues of employees and their gardens. Three years in a row the railroad won an award given by the government.

As I write this story on Memorial Day, I thought the above article was most interesting, something I had never heard of. We take Milkweed for granted and farmers try to get rid of it. To see the effort that people went to in time of war to support their troops is gratifying. In addition articles about the purchase of War Bonds were in every issue. The C&EI even painted boxcars and a passenger car with the Buy War Bonds logo and all were featured in the magazine.

Today we fight a much different war and I won't get into the politics here. However, if only the young people of today really knew how much everyone sacfriced for every war it might help them remember how much freedom in this country really means to us. Over 150 C&EI employees never came back. They gave their lives for our freedom and a great loss to our country, their families and the Chicago and Eastern Illinois Railroad.

NS & BNSF Stock

The economic recovery may be evident in many sectors, but few have benefited more than the trucking industry. The Dow Jones Trucking index is up more than 12% in 2004, far outperforming the 2% return on the S&P 500.

Despite the best backdrop for freight movement in a decade, not many railroad stocks are setting new highs. The Dow Jones Railroad Index is actually down 6% for the year. The two stocks I highlighted in March — Norfolk Southern and Burlington Northern (BNSF) commentary — are the only ones in positive territory. They are up 21% and 14%, respectively, since I wrote about them March 29.

The revenue environment is likely to remain quite favorable for the foreseeable future, considering that recent data on the economy have been so positive. Last week's release of a very strong 1.1% gain in industrial production for May was a good example.

And because Norfolk and Burlington have some of the best service records in the industry, they should continue to grab more than their share of business. This alone could keep driving better-than-expected earnings for several more quarters. However, with both stocks now trading at P/E ratios of 14 on 2004 consensus earnings estimates, they are now trading at the higher end of their historical trading range

of 11 to 15.

Even so, if there is one rail stock worth holding onto, it is probably still Norfolk Southern. Although most of the rails are experiencing some deterioration in their service metrics, thanks to such tight capacity and strong demand on their systems, Norfolk Southern remains one of the best.

For example, through the week ending May 29, Norfolk's average train speed for the second quarter to date had slowed just 1.6%, compared with a 7.2% weighted average decline for the industry overall. The average number of freight cars on line (the fewer the better, as fewer cars improves railroad asset utilization) had declined 3% so far for the quarter, compared with a 4% increase for the industry. Better service means that Norfolk may be able to capture more business at higher rates.

By Odette Galli

<u>U.P. Sues Model</u> <u>Train Manufactur-</u> <u>ers Over Logos</u>

Union Pacific Railroad has filed a lawsuit against two model train manufacturers, claiming trademark infringement and unfair trade practices.

At issue are U.P.'s current shield logo, its Building America slogan and its locomotive colors of yellow, gray and red. U.P. holds trademarks for the use of the designs and colors on products.

The lawsuit, filed in U.S. District Court in Omaha, claims that Lionel LLC and Athearn

Inc. are selling model trains bearing the logos and colors and that those products could confuse or deceive consumers. U.P. asks for the companies to comply with the trademarks and for unspecified damages. Lionel is based in Chesterfield, Mich., and Athearn in Compton, Calif. A Lionel official declined to comment on the lawsuits. Athearn officials could not immediately be reached for comment.

Union Pacific Railroad started its brand-

licensing program about two years ago, charging fees for use of its logo or the logos of railroads it has purchased over the years. The program aimed to land the logos on a wider range of merchandise, from clothing and lunchboxes to mugs and plates, resulting in significant revenue.

We said from the beginning that we were going to protect the rights to our identity, said Bob Turner, senior vice president. "We waited almost two years from when we announced the licensing program, so I think we have given everybody plenty of time to work with us." U.P. also assured the approximately 60 companies that have signed agreements that the company would protect the value of their licenses, he said.

Charging fees for model train cars aroused emotional outcries by hobbyists and model manufacturers, who objected to the change after years of what they described as goodwill building for railroads.

The most emotional outcry was over fallen flags - the logos of railroads that no longer exist, having been merged or purchased by other railroads. U.P. has filed for trademark rights to numerous fallen flag logos and maintains that it has the right to control their use.

The lawsuit, however, is over logos still in use. The Building America ad campaign began in the fall of 2001, after an employee suggested that the railroad put flags on its trains after the Sept. 11 terrorist attacks. These are clearly new logos for us, and just as clearly these companies have started using them since we filed and received copyright protection, " Turner said. U.P. has not been contacted by Lionel or Athearn regarding why either company has chosen not to become licensed, he said. U.P. met with both companies shortly after the program was announced to explain the licensing process, he said. Companies do not have to agree to license all of U.P.'s logos, Turner said.

They can be unique to a particular mark. "Lionel has a brand licensing program of its own, charging fees for 35 manufacturers to use its logo on products. Last year, the company also trademarked the colors orange and blue for the toy category. So they understand how these programs work "Turner said. A Lionel official declined to comment on whether it had ever sued over trademark infringement under its licensing program.

OMAHA WORLD-HERALD June 3, 2004

As a side note, the Intermountain News reports that the US Patent Office has rejected UP's application to claim rights to Southern Pacific, Denver Rio Grande and Western and Chicago and North Western. The office has yet to rule on other fallen flags that UP has acquired.

<u>CSXIAnnounces</u> <u>Network</u> <u>Simplification</u>

Changes Designed to Improve On-Time Train Performance

JACKSONVILLE, Fla. - May 25, 2004 -CSX Intermodal, a unit of CSX Corporation, today announced a comprehensive program to improve its Intermodal service network. The changes are designed to simplify operations and improve on-time train performance.

Service changes will take effect Monday, June 28, 2004.

"Our goal is to have the new plan in place before the fall traffic peak, ensuring the service quality customers expect during this prime shipping period," said Mike Parrotta, assistant vice president-Parcel/ Motor Carrier.

As part of the simplification process, some intermodal terminals and trains will be designated for containers only and will emphasize expanded use of doublestack trains. Doublestack refers to the movement of two containers on one rail car, stacked vertically. Other terminals and trains will handle trailers only.

Those CSXI terminals designated for containers only include Charlotte, N.C.; Mobile, Ala.; Nashville, Tenn.; New Orleans, La.; Portsmouth, Va.; Buffalo, N.Y.; Philadelphia, Pa.; South Kearny, N.J.; Detroit, Mich.; Evansville, Ind. and the Hulsey terminal in Atlanta, Ga.

"These locations will benefit from CSXI's ongoing purchase of new 53-foot containers, including 1,000 new containers being delivered in 2004," said Steven Rand, assistant vice president-Domestic. CSXI's North Bergen, N.J., Intermodal terminal will specialize in handling trailer shipments only.

The simplification plan will designate key lanes regularly used by customers and reduce the amount of sorting required at CSXI's key hubs in Jacksonville, Fla., and Syracuse, N.Y. The simplified sorting operations will improve service on CSXI's core service lanes. Service will be discontinued in some lanes, nearly all of which are secondary corridors with light customer usage. In some lanes, schedule cutoffs and availabilities will change. CSX Intermodal account executives are reviewing service changes with customers, and detailed tables describing the changes are being added to www.csxi.com.

International and parcel customers will see little change in their CSXI service offerings, but will benefit from service improvement and increased network throughput.

"We anticipate strong import and export activity in the second half of 2004, and this program positions CSXI to handle that growth through our East Coast and West Coast ports," said Jeff Provow, assistant vice president-International.

CSX news release

<u>RailAmerica to</u> <u>Lease the Former</u> <u>PRR Ft. Wayne Line</u>

RailAmerica, Inc. announced that it's subsidiary, Central Railroad of Indianapolis, notified the Surface Transportation Board (STB) that it intends to lease 276 miles of railroad from CSX Transportation, subject to negotiation and execution of a definitive agreement. The line, named the Chicago, Ft. Wayne & Eastern (CFER), runs west from Crestline, Ohio, to Tolletston, Indiana, which is just east of Chicago. Central Railroad of Indianapolis anticipates moving approximately 42,000 carloads on the Fort Wayne Corridor annually.

RailAmerica's Indiana &. Ohio Railway directly connects and interchanges traffic with the CFER. Traffic on the line also interchanges with CSXT, Norfolk Southern, and Indiana Harbor Belt Railroad Company (IHB), as well as all western and Chicago-based carriers through the IHB. Major customers on the line are Central Soya, Steel Dynamics, Procter & Gamble, Cargill, and National Lime & Stone. Commodities shipped on the line include agricultural products, chemicals, metals, paper and minerals.

Conrail sold this line, former PRR line, to Norfolk Southern when NS needed additional capacity between Ft. Wayne and Chicago several years ago. At that time some 30-40 trains a day were operating on the former NKP line. The PRR line was used as a westbound move and the NKP as eastbound move to expedite traffic. Once the acquisition of Conrail started the STB directed NS to sell the PRR line to CSX, thus each railroad had similar eastwest lines into Chicago. CSX found that not much traffic was diverted to the route and over the past couple of years has been looking in to divesting the line. One interesting fact, when NS got the PRR line and new signal system was needed on both route the code line and communication line was laid on the PRR line in most areas. The line still exists there by agreement.

Plans call for startup on August 1. The railroad still has issues to resolve, such as personnel and equipment and is working toward that date for startup.



<u>Missouri & Valley</u> <u>Park Railroad Wins</u> <u>Rail Business Win-</u> <u>Win Award</u>

Missouri & Valley Park Railroad (MVP) was awarded *Rail Business Magazine's* Win-Win Partnership Award at the North American Rail Shippers Conference held this May in Colorado Springs, CO.

MVP has made significant progress in customer relations since its start in 2002, according to the magazine. The 21-trackmile system serves the automobile, paper, steel, lumber and roofing industries in the Valley Park, MO, area just west of St. Louis. The DaimlerChrysler North and South Assembly Plants are currently one of their largest customers.

Allan Roach, Senior VP & COO for American Railroads, the parent company of MVP, said, "We went into this relationship with DaimlerChrysler with our eyes wide open. We reviewed the entire auto parts supply chain from origins at the stamping plants to finished automobiles at the assembly plants. We identified inefficiencies in the supply chain logistics that we brought to the attention of the assembly plants. Together, we redesigned how auto parts cars are switched into and out of the assembly plants. The changes we asked for required that our customer make changes to their operations so that we could meet their expanding production goals. MVP also made change in our crew scheduling and switching processes to accommodate our customers' needs. In the end, we both became more efficient and most importantly paved the way for increased rail shipments.

"The real key to this success was MVP coming to the table with quantifiable statistics that identified the areas where improvements were needed. One example was that our switch crews were spending 963 hours a year re-switching railcars. This had the additional affect of reducing capacity in a rail yard that already needed additional capacity to accommodate increased railcar shipments. We chart and trend every aspect of our operations and have regular meetings with our customers to help them understand how *their* logistics processes affect *our* ability to meet existing rail business and to pave the way for increased shipments by rail."

MVP was recognized for increasing rail shipments by 28 percent last year and for providing customized switching services with extra scheduled switches.

MVP credits its success to consistency, flexibility and innovation, as well as having BNSF as a great Class I partner.

<u>Looking for an ex-</u> <u>C&EI Caboose</u>

Arkansas: #19 located in Earle on US64 at the depot; #9 is located in Harrison at the Chamber of Commerce on Rt. 65.

Kansas: #8 is located in Wichita at the Grate Plains Transportation Museum.

Louisiana: #10 can be found in Delhi at the depot; #7 is located in Natchitoches on highway 6 west of Highway 1 bypass; #13 can be found in New Roads at the False River State Park.

Missouri: #34 is located in Frankford on a hill at the end of Main Street; #33 is located in Independence at the Amtrak Station and #35 will be found in Marshall in the city park at Santa Fe and Odell Streets.

Texas: #2 can be found in Granbury at the Camp Leonard Boy Scout Ranch' #16 is located in Southwest RR Car Parts on Railroad Road, minus trucks

#20 shows it has been sold but location is unknown.

From a list prepared by Jerry Michels, Roger Kirkpatrick and Mike Havey. You may find the list of preserved Missouri Pacific cabooses at <u>www.trainweb.org</u>.

GM to sell EMD?

General Motors Corp. has had discussions with at least two companies to sell its Illinois-based locomotive and dieselpower engine business, according to the head of the Canadian Auto Workers union.

CAW National President Buzz Hargrove said GM is in discussions with Caterpillar Inc., and confirmed that GM has also had talks dating as far back as late 2003 with Greenbriar Equity Group, a private-equity firm led by the former Chrysler Corp. Vice Chairman Gerald Greenwald.

Word of the possible sale of the business, called Electro-Motive, and GM's discussions with Caterpillar and Greenbriar were first reported this week by the Detroit Free Press.

Mr. Hargrove said the union met with GM and Greenbriar around Christmas, and that Caterpillar has only recently entered the picture. He said the GM business could be sold soon.

GM declined to comment and a Caterpillar spokesman would not confirm or deny the report on Thursday. Mr. Hargrove said he would oppose any sale to Caterpillar, and that he has made that fact known to GM. "I'm opposed to any sale to Caterpillar because of their record on labor-management relations," Mr. Hargrove said, citing previous plant closures in Canada and some of the company's past relations with the United Auto Workers union. The CAW has about 3,000 workers at Electro-Motive facilities in Canada and Illinois.

"GM has the right to sell their business. We don't have any options in that," Mr. Hargrove said. "Our collective agreement would have to continue until September of 2005. But we have made it clear that we won't be happy campers and that it will not endear us to GM if they were to force Caterpillar on us."

He was less critical of Greenbriar, saying the union had good relations with Mr. Greenwald when he worked as a vice chairman at Chrysler. "We've had some disagreements with him going back to the '80s, but we had respect for him and he respected the union," Mr. Hargrove said. "His history is much different than

Caterpillar's."

Based in LaGrange, Ill., GM's Electro-Motive business builds high horsepower engines for boats, locomotives and oil rigs. The locomotive operation is a noncore business, and a sale may be in line with a broader effort by GM to shed some noncore businesses in order to focus more intently on auto making.

Wheel Report

Many of you did not know Robert Block. Bob was one of the founding members of our society, an employee of the C&EI and a collector of railroadiana. When Bob died Mary, his wife, gave us many of his items to display at the museum. I was born in March 1942 and in going through my C&EI Flyers found the March issue listing Robert Block as an apprentice in the Coach Shop at Oaklawn. Small world!

Approximately two weeks ago (late May)Watseka Farmers Grain filed for bankrupcy. At this time the audit is not yet complete and a disposition of the assets is unknown - including the RS 11s. *Via Doug Butzow* (later word is another firm is trying to buy the assets of the company).

The Chicago and Eastern Illinois arrived in Champaign County 100 years ago. The first train came through in mid-May and the first passenger train in mid-June. The line went to the Missouri Pacific and now Union Pacific. The United Feeds elevator at Royal is adding more track to their yards and a turnout on the south end of the extended yard connecting to the main about a mile south of town. They also closed one road crossing in the process. *Via Bruce Stikkers*

July 24 was the 150th anniversary of the first train into Champaign, then known as Urbana, on the Illinois Central. A recent article in the News-Gazette noted the reason Champaign and the area grew was because of the railroad. It seems that most people today forget how their community got there and always want to get the railroad out of town.

<u>Construction</u> <u>Projects</u> CSX - Blue Island.

This project is finally finished. We started design in December 2001 and on July 22, 2004 track work in Blue Island Junction was completed and turned over to transportation for 30 mph train movements.

On the Tuesday July 6 a group of some 40 workers started removing existing track and turnouts, excavating to remove unsuitable material and then placed roadbed and track. Four sections were involved and each was setup as a stage for construction. For the four weeks proceeding the start of work we had numerous conference calls with everyone including Transportation. In addition the railroad coordination office in Chicago had conference calls to get all railroads on board with the work that was to take place. In the process the decision was made to divert some 35 daily trains from the area so contractors could work.

For the first week CSX was affected because we took Track 2 on the Barr Sub out of service. That caused single tracking from CP Chatham to 88th Street on the Blue Island Sub. Track 3 on the Barr sub was the only way to get to the IHB. About 600 feet of Track 2 and a turnout on the long crossover was removed. We had from Tuesday to Saturday night to get Track 2 back in service and work was completed by Friday night. Transportation then allowed us to continue to remove IHB #2 from service and complete the long crossover. By Sunday all track was back in service.

Good progress was being made and the decision was made by the carriers to allow contractors to continue removing track and proceeding with stages. Next was taking Track 3 and IHB 1 out of service between Broadway and the Metra bridge. As in the first stage Hulcher used two sidewinders to remove switches and track and then Dyer Construction started excavation and placement of 2 feet of subballast. The work progressed quickly and we beat the schedule by 2 days. The final stage was removal of IHB #2 track and one

turnout. All work was completed by July 19 and all track in service under restricted speed. Over the next 3 days transportation allowed CSX to take a track out of service so welds could be made and the track final lined and surfaced.

The entire interlocking is now 30 mph on the straight or turnout side for movements. Approximately 135 trains use this interlocking each day. For the railfan it is a great place to watch trains, however, please be aware of track speed and stay on either side of the crossing, not out on the tracks.

CSX - Rushville, IN

We completed track design on this 10,000 foot siding some 3 weeks after the railroad showed the project to contractors. CSX is in a hurry to get the project done as they have a deadline of August 1 to have it in service. At this time roadbed is nearly complete and some pre-ballast is being placed. The signal department is setting signals at the west end and permits were finally acquired to rebuild the road crossings. With work remaining I would expect the siding to be complete by the middle to end of August.

CSX - Walbridge, OH

CSX has been adding additional tracks to Walbridge Yard, a former C&O yard. We completed design on a retaining wall under Ohio Route 795 and wetland survey for filling a pond for a new yard lead. Most of the track work is completed but tie gangs moved in June and the completion of the vard was put on hold. In April CSX closed Stanley Yard, the former Conrail hump yard. By late June, because of congestion on the railroad, the yard was reopened and now they plan to spend millions to upgrade the yard. Things never change on the railroad. The trackwork for the interlocking project will be completed next year when the tower is removed but this year they bid new track for the north control point and the siding west of the tower. This will allow much of the work to be completed prior to the 45 day shutdown of the interlocker next year. We are staking the new track work this month.

CSX - Martinsburg, WV

As you will note on the front cover, the new MARC facility at Martinsburg has been placed in service. On May 27 we had a final inspection to prepare the punch list. That Friday night MARC moved the trains into the facility for Memorial Day weekend storage and started operations the following Tuesday. The facility will hold 2 trains for overnight servicing. A conflict did arise with the local population - noise. The facility was shutdown for about a week until an agreement between MARC/ CSX and the local municipality was reached.

Early this spring all track work on the mainlines was completed and the new signal system along with universal crossovers has expedited traffic both MARC and Amtrack along with CSX freight.

NS - Sidney, IL

Norfolk Southern retained our services to design a siding extension for the existing Sidney siding. Once complete the siding will be about 12,000 feet long. A new crossover will be installed at Sidney for elevator access and a new bridge will be constructed over a small stream just west of the existing west end. The existing bridge will also be replaced once the siding is in service. We are also doing the bridge design.

Rick Schroeder

Railroad Security

The Decatur Police Department distributed a list of terrorist behavior indicators today to the media and others. Here are two of them, quoted verbatim: Physical surveillance, which may include videotaping or attempts to photograph potential targets, particularly focusing on access points. Loitering near restricted areas or sensitive sites. ...end quote. I am sure this list has been widely distributed elsewhere all over the country. Additionally the 9-11 Commission report released yesterday lists railroad track and bridges as targets.

Via Fred Siebold