

DANVILLE FLYER

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BNSF and CSX Launch New Service

BNSF and CSX will launch a container-only direct-rail domestic and international intermodal service between Los Angeles and CSX's Northwest Ohio Intermodal Terminal in North Baltimore, Ohio, on Oct. 29, 2018. The new service will run eastbound and westbound with departure offerings five days per week in each direction.

Much like BNSF's Southern California to Atlanta service, a portion of this new service from the Los Angeles region to North Baltimore will operate under a haulage agreement with CSX. The route will traverse BNSF's Southern Transcon through and beyond Chicago to the Ohio Valley.

"Customers who take advantage of this new service can reach key markets within the fast-growing Ohio Valley region," said BNSF Group Vice President Consumer Products Tom Williams.

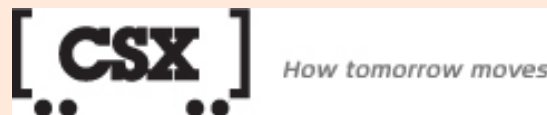


"Our new Ohio intermodal service will create an efficient, direct service from the West Coast. It's another way BNSF is working to streamline the existing supply chain and makes moving products easier."

"The agreement with BNSF builds on a strong partnership to launch a premium intermodal service product between Los Angeles and our Northwest Ohio terminal," CSX said.

In addition to the joint service with BNSF, CSX has partnered with NorthPoint Development to construct a 500-acre logistics park adjacent to Northwest Ohio Intermodal Terminal, and has expanded eastern access to the facility via new service

to and from the Port of New York and New Jersey.



The logistics park will include traditional warehousing and distribution

capabilities, as well as services such as a container yard and equipment storage, export container stuffing, and transload and breakbulk resources, all within a heavy-haul local corridor.

"In combination, these opportunities position our strategically located terminal for growth and strengthen CSX's value offering in the Ohio Valley," said CSX President and CEO James M. Foote. "We are excited to transform Northwest Ohio into a

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November 18th – Jocko's Pizza Restaurant on Williams St — Chapter monthly meeting 1:00 PM.

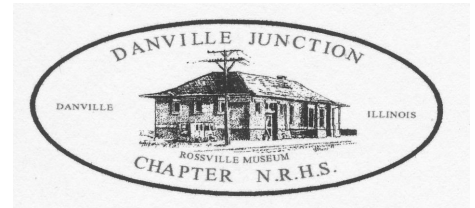
December 8th – Rossville Depot Museum – operating session beginning at 1:00 PM. See Page for details

December 8th Mattoon – Transportation Hobby Show. 10-6. Text 217-317-3009 for information

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 2018—our 50th Year

- Henry Schmitt – 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



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regional demand point that provides attractive solutions for customers and supply chain needs. The Northwest Ohio Intermodal Terminal is ideally situated on our main line network 30 miles south of Toledo on Interstate 75 and is surrounded by a population of nearly 30 million within a 200-mile radius. This suite of new services and support are enabled by the improved train plan and simplified switching operation at the terminal.”

Built in 2011, CSX’s Northwest Ohio facility is equipped with seven wide-span electric cranes and technology “that minimizes truck idle time,” CSX said. “It operates 24 hours a day, and has a lift capacity of 700,000 for local operations, with ground storage available for more than 2,000 units.

2018— October Meeting Minutes

The October 21, 2018, meeting opened at 1345 at Jockos.

There were no corrections to the secretary's report. The 10/18/18 treasurer's report shows two large expenditures: rent to CSX (\$600) and Motorcar parts (\$617). Income from Ebay sales totaled \$109.04. The balance in the account stands at \$5075.11. Dues notices were passed out to the attendees.

Doug N reported that parts were received for the motorcar: brake shoes, motor mounts, tool boxes and fuel filter.

No operating session was held in October due to many conflicts. The November session is set for Nov. 3.

Winterizing the depot was discussed. It is planned to start at 10 on 11/3. It might be cheaper to cancel the water service during the winter and have it turned back on. Doug N will investigate.

Dave Sherrill will provide the Nov. program and Rick will handle the Dec. program. Elections are scheduled for November. It appears the current officers will be reelected unless others come forward.

Rick reported the Urbana show is scheduled for March 30-1, 2019. It is being taken over by the NMRA.

It was reported the Monticello museum is taking part in testing LED headlights on locomotives. A UP AC44 and an NS SD70 are at the museum taking part in the tests.

Skyler reported an enjoyable trip behind NKP 765 between Joliet and LaSalle St. Station. Saturday was sold out and Sunday may have been as well.

Dick reported on the Monon Hist. Soc. meeting in Cincinnati. It included a tour of the Entertainment Junction G scale layouts, where the meals were also held. A ride was taken on the Lebanon Mason Monroe tourist RR.

Dave reported on the Wabash Soc. meet in Ottumwa, IA. There was a tour of the RELCO shop and a visit to the steam operations in Mt. Pleasant.

Henry rode the new NKP Express operation in Atlanta, IN on a Halloween themed trip. An ex Erie Mining F unit is used with former ATSF hilevel coaches. 68 persons were on the trip he rode.

Doug B reported the UP was replacing the trestle at the south end of Ellis this weekend.

Meeting was adjourned at 1414.

Operating Sessions at Rossville (NO WATER or FACILITIES)

**Saturday December 8th—Moved from first
Saturday due to conflicts**

Saturday January 5th

All sessions will start around 1:00 PM

**Remember, if we have bad weather we
may not have the session, that is ice or
more than 4 inches of snow and windy con-
ditions.**

NRHS and Local 2019 Dues Payment.

**For those of you that are NRHS members you
will be receiving a notice about paying for
2019 dues sometime this month or so. For
NRHS members this will be completed on line
but they will also accept checks and PayPal
with the new system.**

**For your local renewal we will send out re-
newal notice this month and for payment
please send your check (or pay at the next
meeting) to the Treasurer at P0 Box 1013, Dan-
ville, IL 61834.**

NS and Scheduled Railroading

Norfolk Southern will adopt Precision Scheduled Railroading principles as it develops a new operating plan that aims to produce better service at lower cost. The decision, announced today, comes a month after Union Pacific said it, too, would implement an operating plan based on the philosophy of the late E. Hunter Harrison, who used Precision Scheduled Railroading to transform Canadian National, Canadian Pacific, and CSX Transportation.

And, like UP, Norfolk Southern says it will depart from the Harrison approach by rolling out the changes gradually, with minimal disruption, and by working in collaboration with customers.

“We will implement PSR principles where they can allow us to better serve customers and shareholders,” CEO Jim Squires said on the railroad’s earnings call on Wednesday.

“We will endeavor to implement a new operating plan while minimizing service disruption,” Squires says. “And we’re not going to sit out growth while we do so. This remains an environment very conducive to growth and we are determined to capitalize on it.”

Squires was asked if this meant NS was not fully embracing Precision Scheduled Railroading.

“We’re looking at everything out there, including elements of PSR, that are complementary to our strategy,” Squires says, noting that the railroad will blend its own ideas with best practices from other railroads as well as elements of Precision Scheduled Railroading. Squires declined to say whether NS has any targets in mind for layoffs, reductions in the size of its locomotive and car fleets, or whether it would streamline its network of classification yards.

“But suffice it to say that our goal is to produce a railroad that provides a more consistent service product at a lower cost,” Squires says.



NS expects to see productivity improvements as it reduces the number of cars online and runs a higher-velocity railroad. And Squires says NS will continue its D.C.-to-A.C. locomotive conversion program as well as buy new locomotives as required. NS will release full details about its new operating plan during an investor day scheduled for Feb. 11 in Atlanta.

Chief Operating Officer Mike Wheeler says NS for several months has been taking a “clean sheet” approach to operations at local yards and terminals. The goal of the process, he says, is to increase car velocity and reduce the number of cars online.

NS is creating more blocks of traffic in local yards, which allows the cars to bypass major classification yards, Wheeler says. NS is working with customers and short lines on improving blocking, as well. To date, the clean sheeting approach to first- and last-mile service has reduced re-handling of cars by 80 percent, improved train performance to the mid 90-percent range from the low 80-percent range, and decreased terminal dwell by up to 4 hours. The new operating plan will be built from the local level up to the network level, Wheeler says.

The overall plan will include blending unit-train traffic into the merchandise network. By pushing more volume into the merchandise network, NS will be able to operate longer trains on a daily basis, up from several days per week currently. NS also will encourage faster loading and unloading of freight cars by increasing demurrage charges, something Harrison-led railroads have done with success. NS has brought in people with Precision Scheduled Railroading experience and will continue to do so.

“We don’t have a monopoly on good ideas,” Squires says.

Harrison’s operating model is sweeping the industry. After delivering record second-quarter results this summer, both UP and NS executives found themselves

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facing Wall Street analyst questions about why they couldn't move as far and as fast as CSX. Harrison took the helm in Jacksonville in March 2017 and rapidly rolled out operational changes prior to his death in December 2017. The changes were accompanied by a summer and fall of service problems last year. Service has recovered and CSX is now dramatically more profitable, with an operating ratio that is among the industry leaders and will likely be below 60 percent this year.

Last week, Kansas City Southern executives said they would adopt some elements of Precision Scheduled Railroading as UP — a major interchange partner for Mexico traffic — changes its operations.

TRAINS On-Line 10-24-18

Railroads to Report Hazard Materials???

U.S. Sen. Charles Schumer (D-N.Y.) this week called on Canadian Pacific, CSX and other freight railroads to provide more information to county emergency management authorities and first responders when trains are transporting hazardous materials through local communities in New York.

Specifically, Schumer urged better state-local coordination and "proactive" and detailed information sharing when trains loaded with hazmat operate through their areas.

The senator's push for better information follows a 2017 incident involving a CP train that hit a Main Street overpass bridge in Buffalo. No one was hurt and the train's cars were empty. Still, trains traveling through upstate New York communities frequently are carrying highly dangerous chemical materials, Schumer said.

"The September 2017 train accident in Buffalo was a warning whistle that we must heed by being better informed and better prepared to deal with rail accidents," said Schumer in a press release. "We got lucky last time, but this incident showed us that we don't know enough about the hazardous materials that are being

transported by rail through residential upstate communities on a daily basis."

The senator called on the railroads to expand their notification system to include more examples of "incredibly dangerous materials — and not exclusively crude oil and highly flammable liquids, as is currently the case."

Moreover, he called on railroads to directly notify county authorities — in addition to New York state officials — in order to improve state and local coordination and information-sharing regarding expected movements of hazardous chemical materials. Joined by local officials, Schumer made his requests during a press conference held in Buffalo this week.

"Rail cars filled with oil and other hazardous materials frequently travel through the city of Buffalo, and 75 percent of our residents live within one mile of an active rail line," said Buffalo Mayor Byron Brown. "It's imperative that our local first responders receive information on the types of hazardous rail cargo being shipped through the city of Buffalo so they can be prepared to react in case of an accident."

Progressive Railroading 10/17

Editor: I wonder if the trucking industry will be ask to report every load of hazardous material that travels the highways of our nation. We have a bulk gasoline loading facility about 1 mile from us and somedays there are 15+ trucks lined up waiting to load. I guess every driver will need to report his route from there to the gas station he will be headed for, some as far away as Peoria. That is he would have to call every town that would be on the route to let them know he is coming.

Typical politician.



No December issue of the DANVILLE FLYER

R. J. Corman Acquires N&E RR

R. J. Corman Railroad Company has finalized an agreement to acquire the Nashville & Eastern Railroad Corp. (NERR), Nashville & Western Railroad Corp. (NWR), Transit Solutions Group, a commuter rail operation, and three related operating entities.

The agreement's closing is subject to regulatory approvals. R. J. Corman said it is expected to take over operations beginning in January.

The NERR family of companies was founded in 1986, officials said. Since then, William Drunic, President and Founder, has invested millions in infrastructure repairs and improvements, launched operations of the 18-mile NWR and began commuter rail service on the *Music City Star*.

"This acquisition is a big step in our company's goal of growing in our core competencies," said Ed Quinn, President and CEO of R. J. Corman. "The Nashville & Eastern family of companies have an incredible reputation in the short line industry and with their customers. We are excited to bring these companies and their team of talented employees into our brand and to continue to serve the customers with safe and efficient operations. The foundation of the company, and its growth through the years, is impressive and we look forward to working together to build on the legacy and continue to grow into the future."

The NERR is a 130-mile railroad operating on leased track from the Nashville and Eastern Railroad Authority from Nashville to Monterey, Tenn. The NWR is an 18-mile railroad, operating on leased track from the Cheatham County Rail Authority from Nashville to Ashland City, Tenn.

Combined, the NERR and NWR transport 12,000 carloads annually, interchanging with CSX in Nashville.

The Transit Solutions Group operates the *Music City Star* and transports nearly 300,000 passengers annually.

"After 32 years of dedicated efforts to build a viable operation in Middle Tennessee, it was time for my fami-

ly to step aside and make way for a larger organization, in order to best capitalize on all of the expanding opportunities on the horizon. Though our departure comes with a great deal of emotion, we could not be more excited about bringing R. J. Corman into the picture," said Bill Drunic, Chairman of the Nashville & Eastern and Nashville & Western Railroads.

Drunic noted that he believes R. J. Corman holds an "impeccable reputation" within the industry.

"It has been a great run and we wish them all the success in the future," Drunic said.

J. Corman Railroad Company, LLC operates 11 short line railroads in nine states and is a subsidiary of R. J. Corman Railroad Group, LLC. The company employs more than 1,300 individuals in 22 states. In addition to short line railroad and switching operations, R. J. Corman companies provide services to the railroad industry including emergency response, track material distribution, track construction and signal design and construction, as well as building eco-friendly locomotives.

Via Railway Age 11-7

Iowa Interstate Acquires More GE's

Iowa Interstate Railroad Ltd. (IAIS) will acquire three new Evolution Series locomotives from GE Transportation, the railroad announced yesterday. The locomotives will be produced in early 2020 and used to transport grains, ethanol, metals and other commodities across Iowa Interstate's network between Chicago and Omaha, Nebraska. "For over a decade, IAIS invested heavily in infrastructure to support our customers and increase safety. The railroad's agreement with GE includes equipping the locomotives with GE Transportation's GoLINC™ Platform, Trip Optimizer™ System and Distributed Power LOCOTROL®. The products are part of GE's train performance product suite, which was de-

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signed to optimize power distribution, train handling, brake control and fuel utilization, GE officials said. Additionally, the digital offerings will be installed on IAIS's existing Evolution Series fleet of 17 locomotives. Iowa Interstate is a subsidiary of RDC Domestic Holdings Corp., an affiliate of Railroad Development Corp. of Pittsburgh.

Progressive Railroading newswire 10-18

More CSX Changes

CSX Cuts More Intermodal Pairs as it Restructures Network Dive Brief: CSX will cut 230 more domestic intermodal pairs as of Jan. 3, 2019, the railroad told Supply Chain Dive. It will also slash 65 international intermodal pairs. The service change announcement, originally made through its Fast Facts service, is part of a multi-year strategy to offer a more reliable, less redundant and higher density rail transportation service, according to an email sent to customers by CSX's sales and marketing team. "Not only do these changes further enhance the BNSF and UP interchange plan, which have improved service by alleviating Chicago congestion ahead of peak season, they solidify our intermodal network offering," wrote Maryclare Kenney, CSX sales and marketing's vice president of intermodal and automotive.

Dive Insight: The intermodal shifts are part of a master plan by CSX to consolidate its railroad network in order to provide more direct origin-and-destination pairs. At this year's investor conference, the railroad said by 2020 it hopes to have slashed its workforce to 21,000 employees (from 27,200 in 2017), its cars online to 109,000 (from 136,000), its locomotives to 2,420 (from 3,000), and have transitioned from 12 to just four hump yards on its network (one per operating region). It's an ambitious plan designed to improve the company's op-

erating ratio by making each asset work to its full potential by eliminating redundancies. And redundancies there are plenty, according to CSX's leadership. After all, CSX was formed out of a combination of roughly nine other railroads, leading the combined company to be saturated with track, locomotives, yards and terminals.

In practice, this also meant the service network was designed somewhat inefficiently. In the past, CSX would take advantage of its yards and have cars travel between various hubs before arriving at its final destination. A train traveling from Waycross, Georgia, to Miami, Florida, would often stop in Orlando, Florida first. The practice led to six added days of transit time per train, according to the investor presentation. As a result, cutting intermodal pairs can result in reduced fuel costs and lead times, as total miles traveled by trains are reduced. It can also free up real estate and allow CSX to sell unused track to other lines. However, the decisions do not come without a cost. Service adjustments can often result in short-term delays and confusion. Customers and rail partners — like Union Pacific and BNSF — may suffer as their usual transportation routes shift.

Via Midwest Rail Scene - By Edwin Lopez, SupplyChainDive (October 10)

Chapter Annual Dinner
Jocko's Pizza
Gilbert and Williams Street
December 2nd— 1:00 PM
Program: Early Amtrak by Rick Schroeder

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We're on the Web!
www.danvillejct.org

Photo of the Month



FURX 5514 (GP38-2) working Paris, IL yard. Decatur & Eastern Illinois Railroad emblem

Member Dick Brazda photographed the leased FURX 5514 on the new Decatur and Eastern Railroad at Paris, Illinois. The railroad has two units at Paris, one works the yard and heads to Terre Haute to interchange cars, the other works the cereal mill and local industries. .