

DANVILLE FLYER

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September Meeting at Jocko's

The September meeting will be held at the Monticello Railway Museum on September 19th. We will meet at the tower at 1:00 PM for a business meeting then train rides. Last years events were canceled and we return to a rail outing meeting. Remember, there is an admission fee for the day but you can ride all of the trains and motor cars.

Andersons, Inc sells Railcar Repair Business

The Andersons, Inc. has sold its railcar leasing business to American Industrial Transport, Inc. (AITX) for approximately \$550 million in cash, and also intends to sell off its remaining railcar repair business, including 29 U.S. facilities, as part of a "strategic decision" to jettison all its railcar interests and focus on its agricultural businesses, which include commodity trading, ethanol and plant nutrient sectors.

The Andersons, founded in 1947, said it expects to use the sale proceeds "initially to pay down debt, while maintaining a disciplined approach to future growth investments and returning cash to shareholders."

AITX, an affiliate of ITE Management L.P., provides railcar leasing, repair and data services to the freight shipping industry. The company is an asset manager targeting transportation and industrial assets and companies and related industries and services.

BofA Securities is serving as financial advisors to The Andersons, Inc., with Dentons acting as legal counsel. Agentis Capital is serving as a financial advisor to AITX, with Willkie Farr & Gallagher LLP and Vedder Price acting as legal counsel.

"The railcar leasing business has been a successful and consistent cash flow generator for The Andersons," said President and CEO Pat Bowe. "The strategic decision to sell the leasing business allows us to focus on and invest in our agricultural segments to leverage our core strengths. It also will improve our balance sheet, thereby enabling us to redeploy capital in a manner that will enhance shareholder returns. "While we intend to divest our Rail segment in its entirety, we will continue normal operations of our repair and service business as we conduct a sale process." "We are pleased to expand the breadth and depth of our railcar leasing platform and the services AITX can provide," said Jason Koenig, Managing Partner at ITE and member of the AITX Board of Directors. "AITX expects to hire a majority of The Andersons employees in the railcar leasing business, and we are pleased to wel-

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**SEPTEMBER 19TH,
MEETING AT MONTICELLO RAILWAY MUSEUM WITH MEETING AT 1:00 PM.**

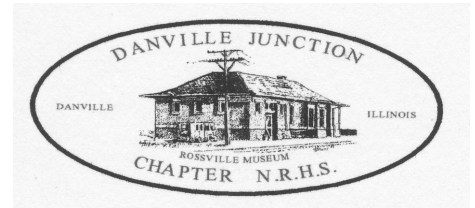
**SEPTEMBER
18TH/19TH RAILROAD
DAYS AT MONTICELLO
RAILROAD MUSEUM.**

**OCTOBER 2ND,
FIRST OPERATING SESSION AT ROSSVILLE**

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 2021—our 53rd 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 & NRHS rep
 Cooke Wireless, LLC - Publisher & Distributor



Berkshire Watching the KCS/CN or CP Merger

OMAHA, Neb. — BNSF Railway corporate parent Berkshire Hathaway is closely watching the battle for Kansas City Southern. Canadian Pacific and Canadian National have dueling bids in place for the smallest Class I railroad, with an eye toward creating the first system to link Canada, the U.S., and Mexico. “Either of those companies acquiring Kansas City Southern will have an impact on BNSF,” Berkshire Vice Chairman Greg Abel said at the company’s annual meeting on Saturday. BNSF relies on KCS interchange for intermodal traffic moving to and from Mexico via the Laredo, Texas, gateway, the busiest rail border crossing in North America.

“We move intermodal business both in and out of there on behalf of certain customers,” Abel says. “We’ll want to protect the rights of our customers there, so we’ll be active in the approval process. But there’s no question, at the end it impacts our franchise.”

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Chapter member James Allen "Jim" Hile, 81, of Hoopeston, IL, passed away at 8:05 P.M. Thursday July 15, 2021, at Carle Foundation Hospital in Urbana, IL. He was born June 10, 1940, in Rockford, IL, the son of Claude and Irene (Saunders) Hile. Jim worked for Amtrak for several years and when he moved to the Hoopeston area Jim helped each weekend at the museum when it was open.

Chapter member Leland Dale Riggins went to be with the Lord on May 28th, 2021, 2 days from his 92nd birthday. Mr. Riggins was a past board member of Monticello Railway Museum and a long-time member of our chapter. In 2015, they moved from Monticello to Texas full time. Recently, they moved from Texas to Westminster Manor Retirement Center in Bradenton, Florida. In April Dale's wife contacted the chapter to get the address changed and noted he enjoyed the Flyer publication.

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Berkshire Chairman Warren Buffett said a merger involving KCS and one of the Canadian roads will have a small impact on both BNSF and Union Pacific. Buffett suggested the Canadians are willing to pay too much for KCS, given that its concession to operate in Mexico ends in 2047. CP's friendly bid for KCS is worth \$29 billion, while CN has offered \$33.7 billion. "We would not pay this price," he says. "It implies a price for BNSF that's even higher than what the UP is selling for."

Union Pacific is valued at nearly \$148 billion based on the current value of its outstanding shares. Buffett also downplayed KCS's growth potential. "There's no magic to the Kansas City Southern," he says. But he said he understands railroads' drive to expand their networks, as they have always done, and KCS is a logical target for the Canadians.

"I'm sure from the standpoint of both CP and CN, there's only one K.C. Southern," Buffett says. "They're not going to get a chance to expand. They're not going to buy us. They're not going to buy the UP. The juices flow, and the prices go up."

"People are not going to remember what you paid, but they're going to remember whether you built a larger system," Buffett says of CP and CN executives.

Berkshire has considered expanding its rail holdings. "We looked at buying CP," Buffett says. "Everybody looks at everything." Buffett was asked why BNSF's profitability

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come aboard our new team members. With our more diversified fleet offering and best-in-class repair network, AITX customers now have greater flexibility to meet their rail shipping, servicing and data needs." "The employees involved are among the most skilled and experienced in the railcar leasing industry, and they have been critical to our success," commented Joe McNeely, President, The Andersons Nutrient and Industrial business. "We deeply value their contributions and thank them for their commitment to The Andersons. We're determined to make their transitions as smooth as possible."

Editor: The Andersons Company owns the car repair business at the former C&EI shops on the east side of Danville. We are not sure how this will affect this facility which has seen various companies in the car repair or building business over the last 50 years.

continues to lag that of rival Union Pacific.

He responded that in the first quarter BNSF narrowed its operating ratio gap with UP. BNSF's operating ratio was 3.6 points behind UP in the first quarter this year, compared to a 6.2-point gap a year ago. BNSF has improved productivity and reduced costs, Berkshire noted in its first quarter earnings report.

"[CEO] Katie Farmer's doing an incredible job at BNSF, and it'd be an interesting question whether five years from now or 10 years from now, BNSF or Union Pacific has the higher earnings," Buffett says. "We've had higher earnings in the past, Union Pacific passed us."

For the first quarter, BNSF's net profit was \$1.25 billion on \$5.2 billion in revenue, while UP netted \$1.34 billion on \$4.6 billion in revenue. Both railroads, Buffett noted, believe they have the best network in the West.

"We know we're larger than Union Pacific, we will do more business than they do. And we should make a little more money than they do, but we haven't in the last few years," Buffett says. "But it's quite a railroad, I feel very good about that."

He later added: "We want to do a little bit better than the other guy."

TRAINS On Line 5-13

Editor: How the outcome has changed since May.

Michigan Amtrak Speed Increased

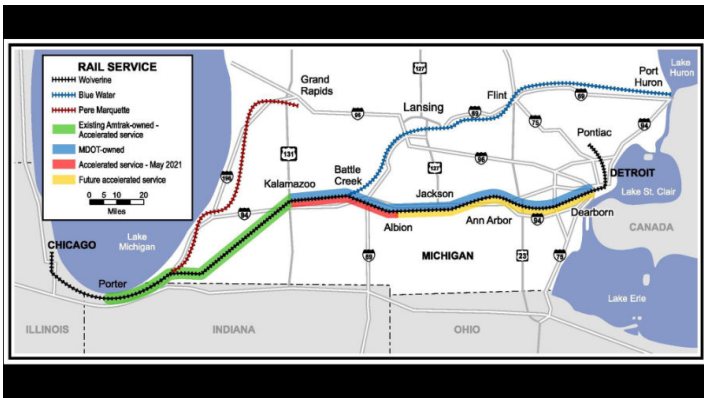
Amtrak and the Michigan Department of Transportation (MDOT) have received federal approval to increase maximum speeds of Amtrak Midwest trains to 110 mph on certain sections of track between Amtrak stations in Kalamazoo and Albion, Michigan.

The accelerated-speed rule will go into effect May 25, following infrastructure improvements and the successful testing of a positive train control system on 45 miles of MDOT-owned track, according to an MDOT press release.

Also, an additional Pontiac/Detroit-Chicago Wolverine Service round trip will return July 19. The service will offer improved on-time performance thanks to the higher speeds that will allow trains to recover from potential delays elsewhere on the route.

When the second Wolverine returns, eastbound trains 350 and 354 will depart Chicago at 7:20 a.m. and 5:50 p.m., respectively. Westbound trains 351 and 355 will depart Pontiac at 5:43 a.m. and 5:35 p.m., respectively.

Progressive Railroading 5/18/2021



Chapter June Fan Trip

Darville Junction Rail Fan Trip On Saturday June 12, 2021. Members (Dave Sherrill, Terry Henderson, Bob Davison, Henry Schmitt, Skylar Brown, Mark Ziebart, and guest Aden Barron) met at Monon Connection Museum in Monon, Indiana. We first had lunch at the Whistle Stop restaurant at the museum. The museum guide gave us an excellent tour of all the artifacts, the HO layout, and the surplus artifact for sale room. The owner of the museum, Mr. Ward, gave us a spe-

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View from My Office Window—Rick

Amtrak is back to full schedule of the New Orleans train as well as the instate trains. These are almost always running with bi-level cars. I would say they are on time about 90% of the time and the City of New Orleans is usually 10 minutes to 2 hours late.

There is an article about the CN/KCS merger and if any of you have followed the rail side of this acquisition you will know that CP finally upped the offer, but KCS was still looking at the CN side. Then came the government with opposition and finally the Surface Transportation Board rejecting the voting trust that would have allowed the CN to operate the KCS with final approval sometime next year. The feds looked at the lack of some competition with the CN merger and has even had an interest in interline switching where any railroad can have access to another to serve an “off line” industry, something the railroads have and will continue to fight. We have stock and first voted to go with CN (as all Board members have) but then got the chance to change our vote and have voted for CP. **SEPTEMBER 12TH, CP IT IS**

Last month former member Shane Wilson brought the Scale Trains Road Show to the museum for his first stop. Shane brought back a lot of memories of years ago. We thank him for making us part of the tour kickoff.

South Shore Construction

Even after a five-month procurement process and 66 informational packets requested, the Northern Indiana Commuter Transportation District has tossed two bids for the main construction work on the South Shore Line Double Track project.

F.H. Paschen/S.N. Nielsen & Associates (\$399.7 million) and Walsh/Herzog (\$424.5 million) were the ones submitting bids, and the NICTD hopes lower estimates can be obtained. The original engineers' estimate was \$228.6 million. The lowest bid by F.H. Paschen/S.N. Nielsen was 75% higher. The two submissions were for the main contract, and the scope of work for the project includes the installation of a second set of railroad tracks between Gary and Michigan City, replacement or upgrade of stations and bridges, and to relocate the mid-street tracks in Michigan City parallel to the road.

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MAY MEETING MINUTES

The May 16, 2021, meeting opened at 1404 at Jockos.

The secretary's minutes were accepted as printed.

The treasurer's report shows 2 expenses for the month: utilities and insurance. Closing balance is \$5652.60.

On Saturday, 5/29, there will a work session in the morning to get the depot ready for the season. It will open that afternoon. Henry started the cleaning process last Saturday.

A field trip was planned for June 12. Visits will be made to the Monon museum and North Judson operation. Details will be emailed to members.

Skyler has reassembled the motor on the motor car. He will be working on getting it into operation.

The next meeting will be in September. It was decided to hold on RR days at the Monticello museum, Sunday, 9/19.

Windmill hubs and cells were delivered to Danville.

Henry mentioned adding to the memorial plaques at the depot. The current one is full.

The meeting was adjourned at 1412.

Dick gave a picture presentation of the Arkansas & Missouri RR and the Branson Scenic Rwy.

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cial tour of Henry Flagger's wife's private car. The car has very beautiful tiffany glass and hand carved woodwork. We also had much time on our own to view the indoor and outdoor displays.

We then traveled to the Hoosier Valley Railroad in North Judson, Indiana. Bob Davison's brother met us there. We had a forty minute round trip to English

Lake and back in an open air car with a roof. We went over the Kankakee River on a large trestle. They have several operating diesel locomotives and a large out of service C&O steam engine that may run some day if a large donor comes along.

On the way home, we saw a TP&W engine switch a business in Reynolds, Indiana. A good time was had by all.

Henry Schmitt.

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The railroad is expected to talk to the two bidders and others in an attempt to streamline the project. South Shore President and General Manager Michael Noland wanted to talk to those in the industry on why more companies did not submit bids.

NICTD will now put together new bid requirements with the goal of having bids to act on by late August.

RT&S 5/12/2021

Editor: Probably part of the problem is rising cost of materials along with labor. Steel is up over 120%. Many potential bidders have probably looked at the cost and backed off due to prices going up. Note the low bid was 75% higher than the estimate so someone did not have good numbers when they estimated, or the estimate was old and never updated. In conversation with Doug Butzow, Engineering Tech for Iroquois County and Bruce Bird, Supt of Highways for Macon County, all bids are coming in over the estimate as the state came up with more money due to the raise in fees and taxes and but now not enough contractors or workers to do the work, thus no competition. In other words, if you want it built this is what it will cost. With the Feds now planning a major funding bill for "Infrastructure", and no one wanting a job, the costs will continue to go up.

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



Recently the C&EI Historical Society was one of many historical societies that, through donation, acquired the railroad photo collection of the late J. David Ingle, former writer and editor of Trains Magazine. The society now has some additional 500 color slides added to the collection. On a November day in 1966 C&EI NW 2, No. 124 waits at the ready track in Oaklawn shops, Danville. Ingle Collection, C&EI HS Collection