Soo Line Railroad Company records.

Copyright Notice:

Version 3
August 20, 2018

Department of Transportation

800 Lincoln Way, Ames, IA 50010
515-239-1643

REF. NO 766

April 26, 1982

The Iowa Department of Transportation is studying the importance of various rail lines to Iowa transportation. The enclosed brochure has been developed to help identify which rail lines are necessary to the present and future well being of the state. The criteria used in the brochure include rail lines that are important in serving: national defense, major overhead traffic routes, major urban areas, coal-fired power plants, major grain subterminals and processors, potential future economic development, short line operations, and other considerations including the economic viability of branchline rail service.

Comments are being solicited from rail users, rail carriers and the public regarding Iowa's rail service needs. Iowa shippers, as well as communities, government officials, planning agencies and rail carriers, are being asked to help formulate the direction of future rail service in Iowa. Of particular importance is the Iowa railroad system map (inserted in the brochure), it provides you with an opportunity to comment on either the system as a whole or on individual lines. A public meeting will be held at the Iowa DOT headquarters, Materials Lab conference room, in Ames on Thursday, May 13, 1982, at 1:00 PM to discuss this document. Your comments may be submitted at this public meeting or mailed to us by May 24, 1982, using the enclosed postage-paid return.

We look forward to receiving your input to the planning of a viable rail system to serve Iowa. Thank you for your assistance.

Sincerely,

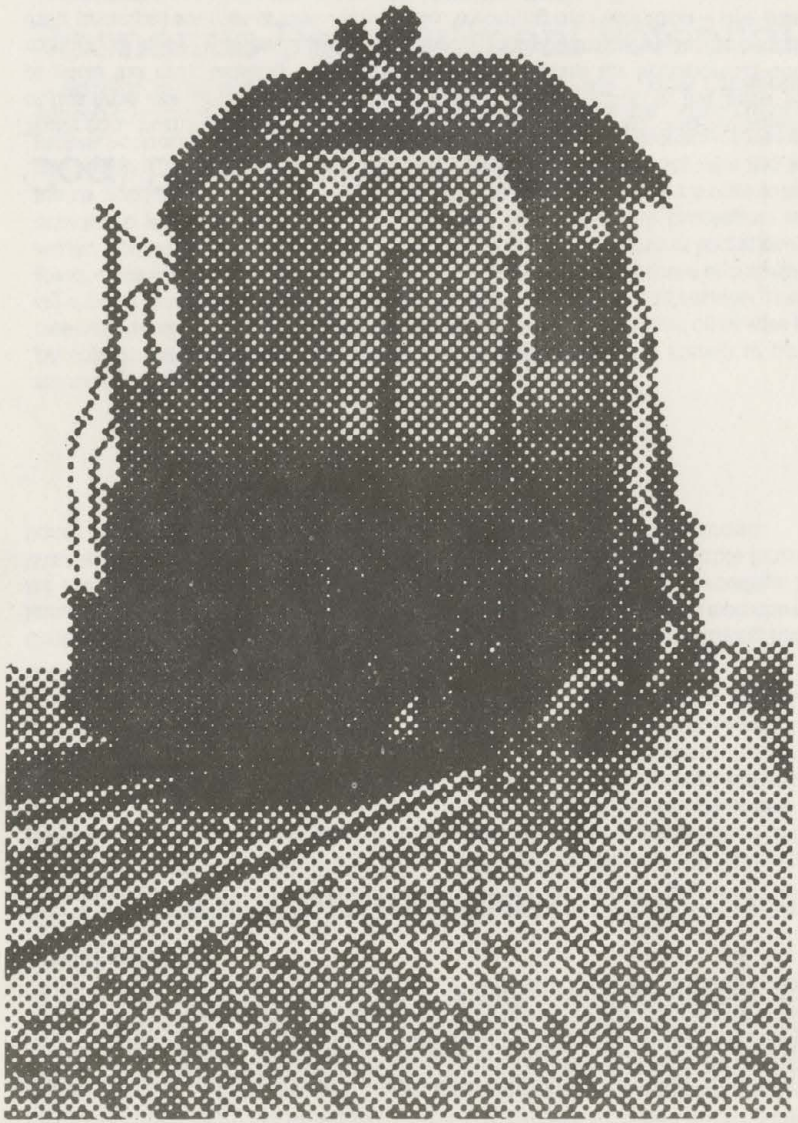
C. I. MacGillivray
Director
Planning and Research Division

Sincerely,

Les Holland
Director
Railroad Division

CIM:LH:ss
Enclosures

Iowa Rail Service
What Is Needed?



Since 1914 when railroad mileage in Iowa peaked at just over 10,000 miles, railroad operations in the state have experienced a significant reduction. In particular, during the past four years more than 840 miles of Iowa railroad have been approved by the Interstate Commerce Commission for abandonment. An additional 2,255 miles have also been threatened with loss of rail service as a result of bankruptcy proceedings affecting the Milwaukee Road and Rock Island railroads. Furthermore, current abandonment plans filed by Iowa rail carriers could mean the loss of another 335 miles of railroad within a year. Faced with such a major transformation of rail transportation in the state, concerned individuals, business representatives and government officials must become actively involved in defining the system of railroads Iowa will need in the future. The Iowa Department of Transportation has identified several examples of criteria which provide some guidance for determining which rail lines are necessary to the present and future well being of the state. These examples include:

- Rail lines important for the national defense
- Major overhead traffic routes
- Major urban areas
- Coal-fired power plants
- Major grain subterminals and processors
- Potential for future economic development
- Economic viability
- Short line operations
- Other considerations

The rail lines which may be considered important under each of the above example criteria are shown on the following four pages. An additional map is presented which represents a composite of the above criteria. Finally, an example of proposed "Iowa Rail Service Needs" is presented which incorporates efforts to consolidate railroad traffic and reduce the amount of excess trackage in the state.

Please give this issue serious consideration and indicate on the inserted Iowa railroad system map other rail lines you feel are important to the state, and explain why you feel such lines are important, or indicate if you feel a line shown should be omitted and explain why. A public meeting will be held at the Iowa DOT headquarters, Materials Lab Conference Room in Ames on May 13, 1982, at 1:00 p.m. to discuss this document. Your comments may be submitted at this public meeting or mailed by May 24, 1982, using the enclosed postage paid return.

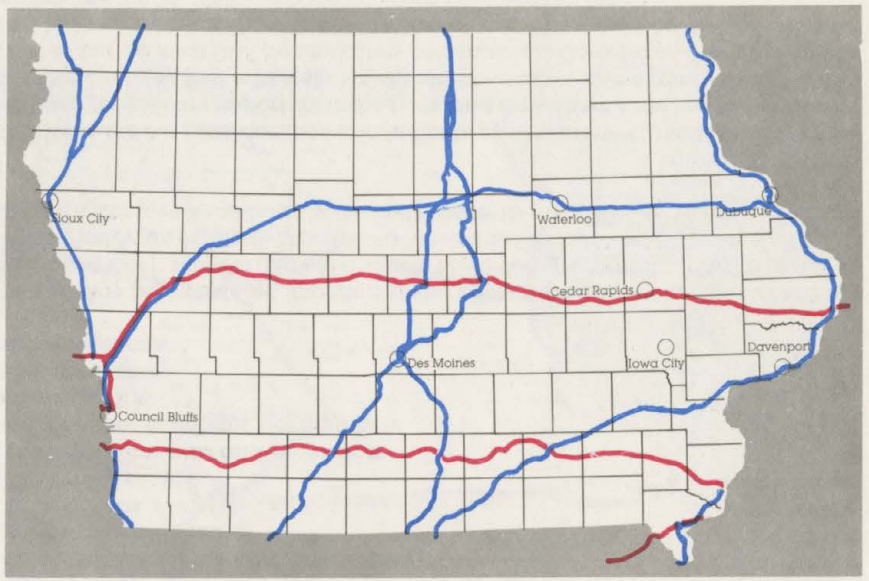
Category A Main Lines

Rail lines which carry the heaviest volume of traffic are classified as main lines by the Federal Railroad Administration. Those lines which carry the major share of overhead traffic are classified as Category A Main Lines. The density of rail traffic transported over Category A Main Lines equals or exceeds 20 million gross tons per mile per year. Three Category A Main Lines, shown in red on the accompanying map, cross Iowa. These lines provide the most timely means of access to major Midwest gateways for Iowa shippers.

Category B Main Lines

Light-density main lines, those which carry between 5 million and 20 million gross tons per mile annually, are designated by the Federal Railroad Administration as Category B Main Lines. Like the Category A Main Lines, these rail lines provide access for Iowa shippers to major Midwest gateways, such as the Twin Cities, Chicago, Kansas City and Omaha. The speed on these lines though is somewhat slower than on the Category A Main Lines (40 mph vs 60 mph maximum). These lines also differ from Category A Main Lines in that they are only single-tracked whereas the Category A Main Lines are generally double-tracked through Iowa.

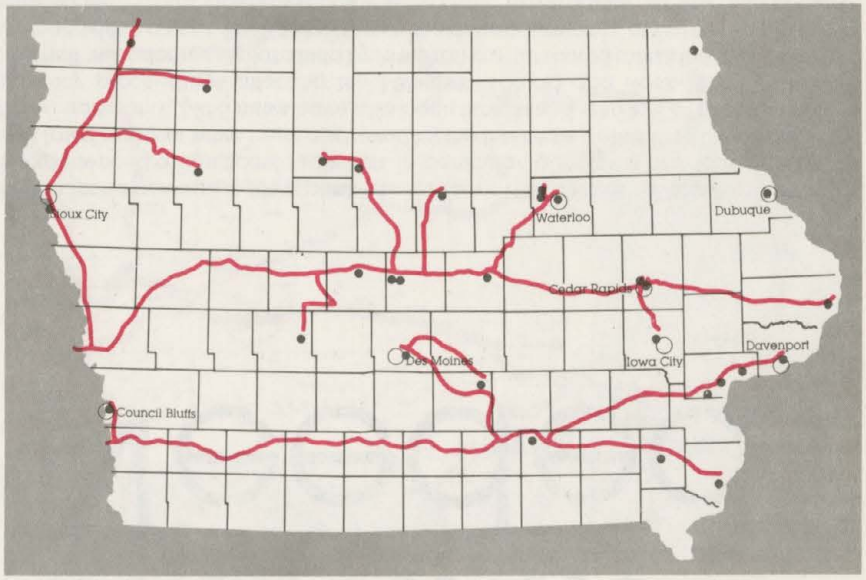
Category B Main Lines in the state are shown in blue on the accompanying map. These lines have been designated on the basis of traffic density information from the railroads for the years 1977 through 1980. Deviations from existing traffic routings between Washington and Muscatine and in northeast Iowa represent probable future operational changes by the Chicago, Milwaukee, St. Paul and Pacific Railroad.



Coal Burning Power Plants

Thirty coal-burning power plants are currently located in Iowa, and two other facilities of this type are presently being considered for construction in the state. Railroads provide the only existing economically viable means for transporting coal to the majority of these facilities. Therefore, railroad connections between these facilities and their principal sources of fuel -- Colorado, Wyoming and Montana -- are essential.

Provision has also been made for access to sources of eastern coal in the eventuality predominant sources of supply change in the future. On the other hand, the accompanying map indicates only one direct rail connection to most facilities. Because the map represents minimum rail needs secondary connections have been omitted under the assumption that any disruption of rail service could be reestablished before coal reserves would be exhausted. No rail connections are indicated for Lansing or Dubuque as these facilities receive their coal by barge.

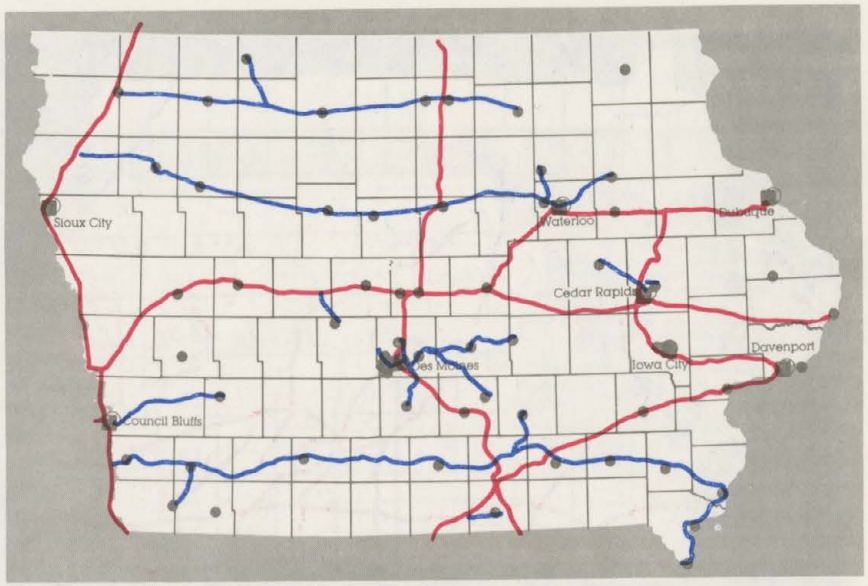


Major Urban Areas

Manufacturing and wholesaling, two economic sectors which are large consumers of freight transportation services, have located primarily in the state's major metropolitan areas. The continued viability of these businesses and communities requires railroad connections to the Midwest's principal transportation gateways -- Omaha, Kansas City, St. Louis, Chicago and the Twin Cities. The rail lines required to provide service to these communities are shown in red on the accompanying map.

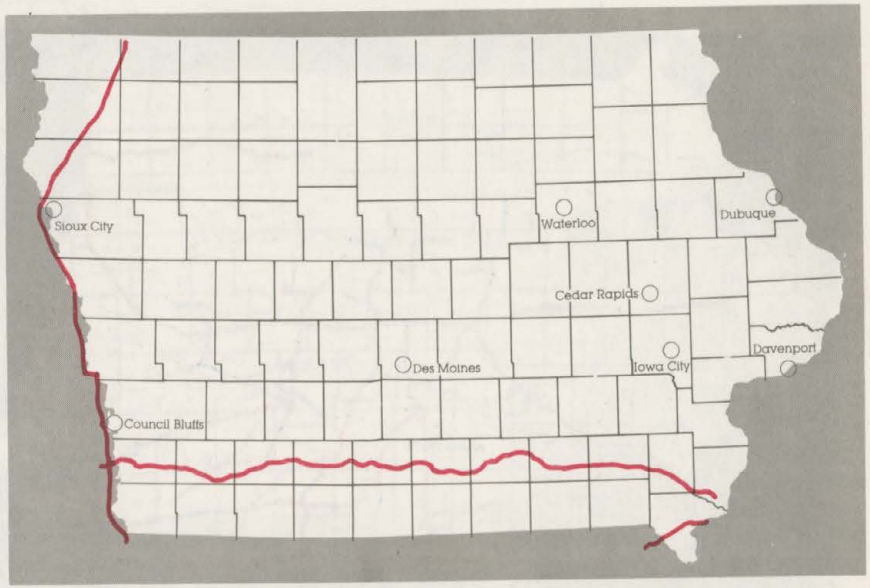
Economic Development Potential

In addition to the state's major metropolitan areas many smaller communities have proved attractive to new industry in recent years. To insure the maximum potential for further economic development rail service needs to be maintained to those communities which offer a reasonable possibility of being able to attract new industry in the future. Such communities are generally those of adequate size to be able to provide an adequate labor force, a local school system, police and fire protection, sewer and water, access to major highways, as well as a limited amount of social amenities. In Iowa, cities with populations of 5,000 or more generally satisfy these requirements. Also, all except four communities of this size continue to receive rail service. The rail lines needed to provide service to those communities which would not otherwise be served by rail connections to Iowa's major metropolitan areas are shown in blue on the accompanying map.



Rail Lines Important for the National Defense

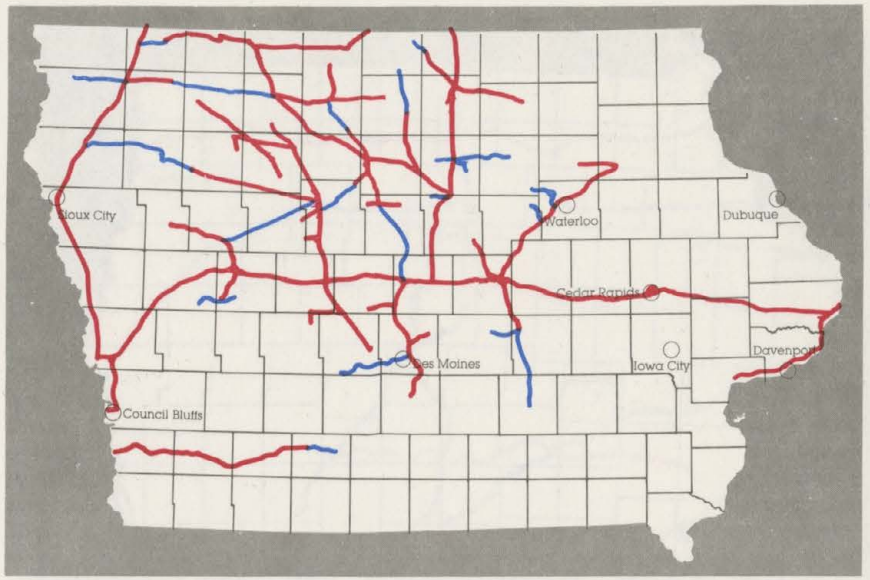
In June, 1981 the Department of Defense issued a report which identified 32,500 main line miles and 5,000 connector miles of railroad as being essential to the national defense. This system, designated the Strategic Rail Corridor Network (STRACNET), includes 510 route miles in Iowa. These Iowa STRACNET miles are shown in red on the accompanying map.



Major Grain Subterminals and Processors

Grain and processed food products represent approximately 50 percent of all railroad freight originating or terminating in Iowa. Most of this traffic is generated by a relatively small number of large grain elevators with the capacility of loading 50-car or larger unit trains and by large grain processors. The continuation of rail service to such facilities is considered important to Iowa. A minimum rail system required to provide market access for major grain subterminals and processors is shown in red on the accompanying map. Shown in blue on the same map are rail lines needed to provide access to other, smaller grain subterminals.

The rail system presented on the accompanying map assumes a minimum level of competition. For this reason, several nonexistent connections have been assumed. Also, certain segments of rail line which would be required to preserve the viability of carriers presently serving the state have been omitted. To preserve the current level of competition in the state service on a number of other rail lines, such as the Milwaukee Road north line and the former Rock Island Line's Twin Cities/Kansas City main line, should be maintained.



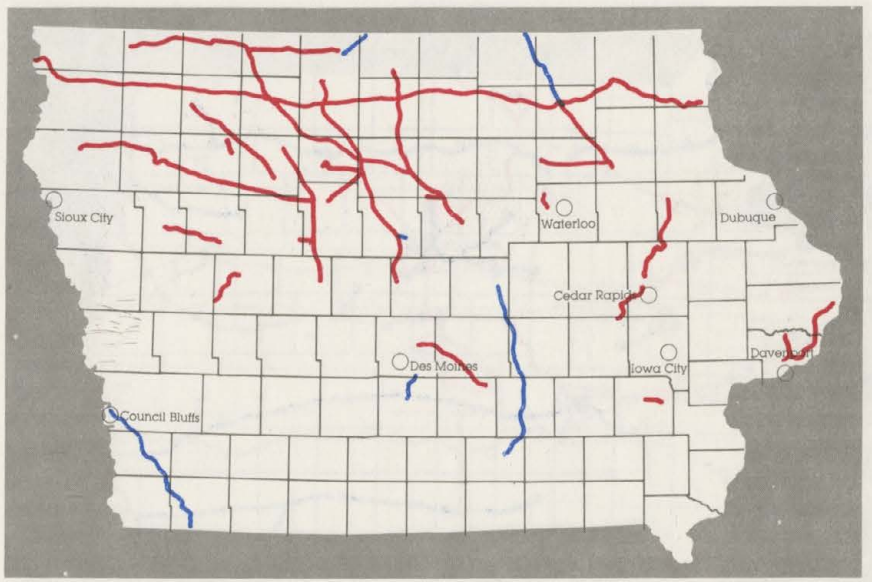
Economic Viability

In 1978 an analysis of the economic viability of each railroad line in the Iowa branchline system was calculated and presented in the first Iowa Rail Plan. This was done by calculating the benefits which shippers receive in the form of lower transportation costs due to the continuation of rail service, divided by the cost of maintaining such rail service at the Federal Railroad Administration Class 2 (25 mph) standard. Since completion of the 1978 Iowa Rail Plan many lines have been reanalyzed. This has been done whenever a rail line has been considered for either abandonment or rehabilitation assistance.

Some rail lines which were not analyzed in the 1978 Iowa Rail Plan because they were at that time classified as main lines have also received an initial analysis in the interim.

The accompanying map shows in red those railroad branchlines for which the benefits resulting from rail service exceed the cost of maintaining service on the line (B/C ratio ≥ 1.0). Because the benefit/cost analysis does not permit the quantification of all benefits, railroad branchlines with ratios somewhat less than 1.0 may still be economically viable. Recognizing this, a ratio equal to 0.75 has been adopted by the Iowa DOT as the test of economic viability. Branchlines where the ratio of quantifiable benefits to costs at least equals 0.75 but does not exceed 1.0 are shown in blue on the accompanying map.

Classification under this criteria is based on a line's most recent analysis. Rehabilitation project lines have been classified based on segment data rather than the B/C ratio for the entire project. Also, the Iowa DOT is presently working on updating the economic analysis of the state's entire railroad network. Therefore, the classification of some lines can be expected to change in the future.



Iowa Railroad System Map

A. If you feel other rail lines are important to Iowa, show their location on the map on the other side and explain why they are important to the state. Also, if you feel a line shown is not important indicate it and explain why.

B. Other Comments:

NO POSTAGE NECESSARY IF MAILED IN THE UNITED STATES

AP

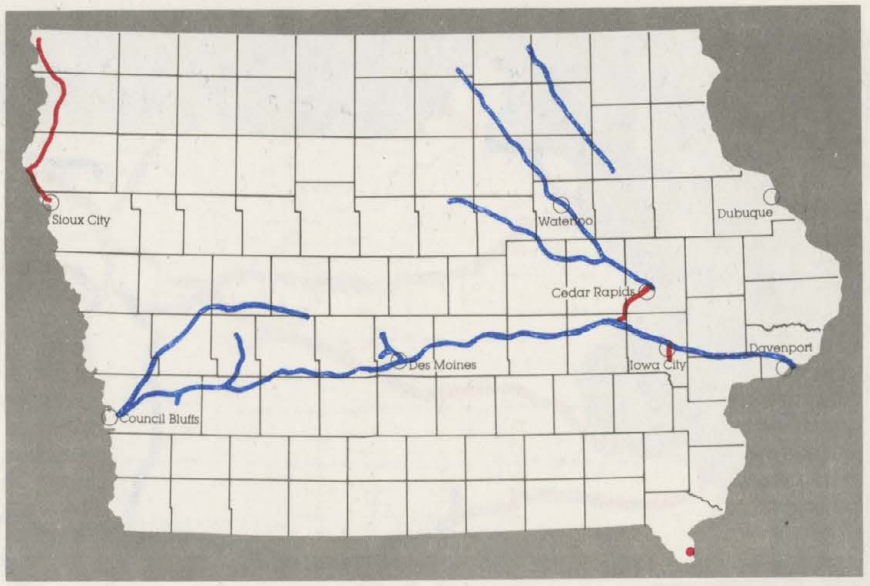
BUSINESS REPLY MAIL
FIRST CLASS PERMIT NO. 651 AMES, IA.

POSTAGE WILL BE PAID BY ADDRESSEE

IOWA DEPARTMENT OF TRANSPORTATION
800 Lincoln Way
Ames, Iowa 50010

Short Line Railroad Operations

In order to preserve railroad service to shippers formerly served by the Chicago, Rock Island and Pacific Railroad and the Chicago, Milwaukee, St. Paul and Pacific Railroad, several short line railroads have begun operations on lines abandoned by these two railroads. Shown in red on the accompanying map are four rail lines which have been acquired and placed into operation by short line companies. The private investment in these lines indicates that sufficient on-line traffic is generated to support their future operation. Shown in blue are lines which either are currently being operated by short line railroads or where some interest has been shown in starting a short line railroad. These lines which are being operated have been leased by the short lines. Their continued operation is dependent on willingness of shippers to make formal commitments to use rail service or to pay a minimum fee if shipping commitments are not met. Additional lines are under review by shippers and other investment interests. Where and as commitments to operations can be justified, this analysis should be updated to reflect additional lines.

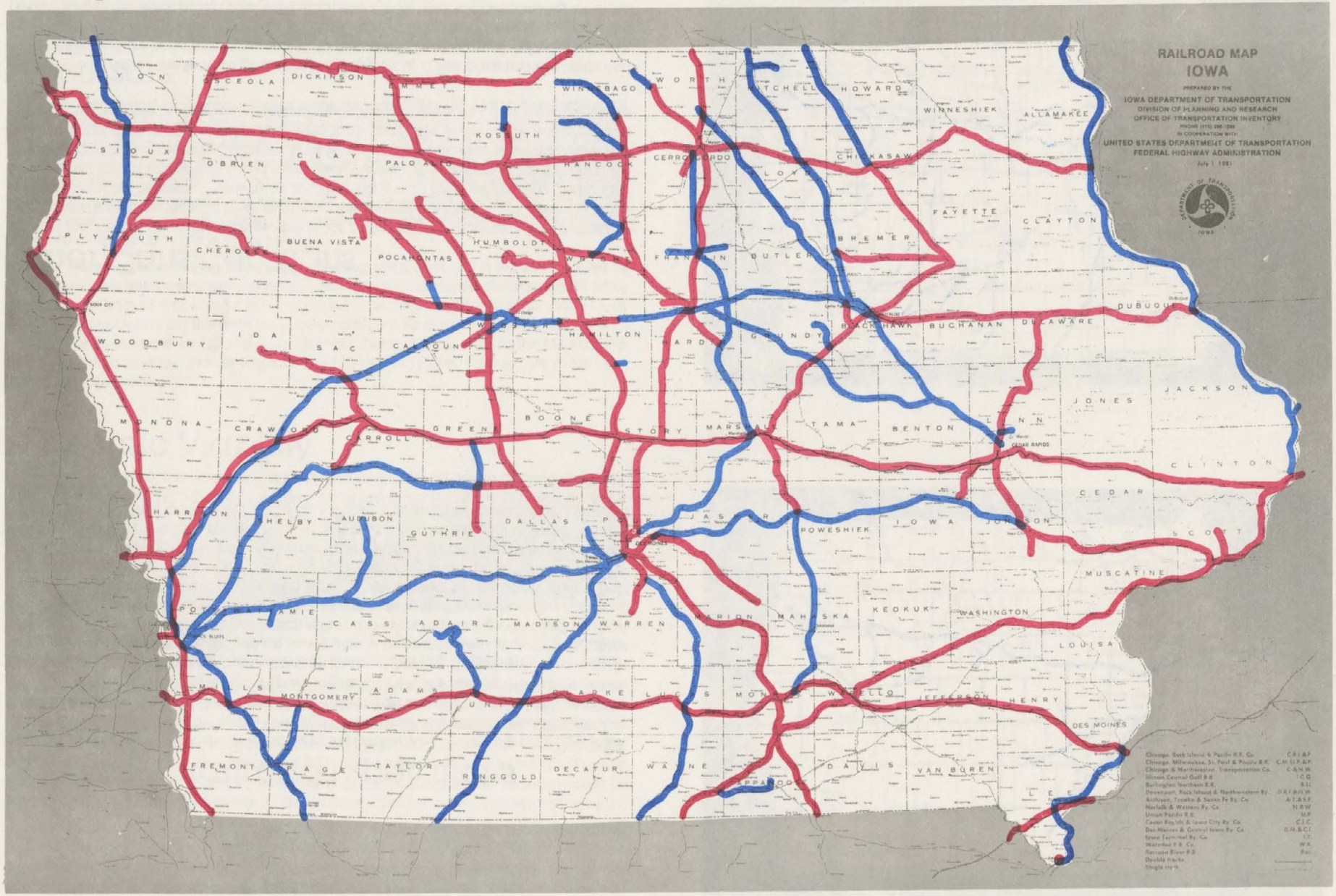


Other Considerations

One of the fastest growing service areas for railroad transportation is the area of intermodal freight service. To be competitive this service needs to match delivery times offered by motor carriers. One way to achieve this would be to establish a dedicated high-speed line. A line which could serve such a role in the Chicago-Omaha corridor 10 to 20 years from now is the Chicago, Rock Island and Pacific east-west main line. This line, shown in dashes on the accompanying map, may also have future potential as a rail passenger route in view of its proximity to several of the state's major metropolitan areas.

Since 1975 the state, the federal government, shippers and railroads have contributed in excess of $55 million toward the rehabilitation and upgrading of railroad branch-lines in Iowa. The rail lines are those colored solid blue on the accompanying map (excluding of the Rock Island east-west main line). State and shipper funding for these projects have been provided as no interest loans. Service on the lines is in turn usually guaranteed for 10 years.

Composite Map



Legend: Red - Economically viable railroad lines
Blue - Economic viability uncertain

Composite Map

The accompanying map represents a composite of the preceding eight individual criteria maps. Rail lines shown in red on any of the preceding criteria maps are reproduced in red here. These lines represent those portions of the state's rail system which either for national security reasons or the substantial volumes of traffic they generate may be considered necessary to Iowa, the Midwest and/or the nation. In general, these rail lines should remain viable for the foreseeable future.

Shown in blue on the accompanying map are those lines which appear only as blue on any of the preceding individual criteria maps. These lines are also considered of current importance to Iowa. They include lines which carriers presently serving Iowa require to maintain the integrity of their systems; lines upgraded under the state's Branchline Assistance Program; abandoned Chicago, Rock Island and Pacific Railroad lines being operated by short line companies; and connections between major gateways which may be needed 10 to 20 years in the future for either freight or passenger transportation.

Iowa Rail Service Needs

The back cover of this brochure presents one final map. This map, captioned "Iowa Rail Service Needs" represents our analysis of the type of rail system Iowa will need for the short-term based on the assumption that the abandonment of uneconomic rail lines will continue over the next few years. Also shown by dashes are rail lines which currently may not be economically viable but which in 5 to 10 years could become so.

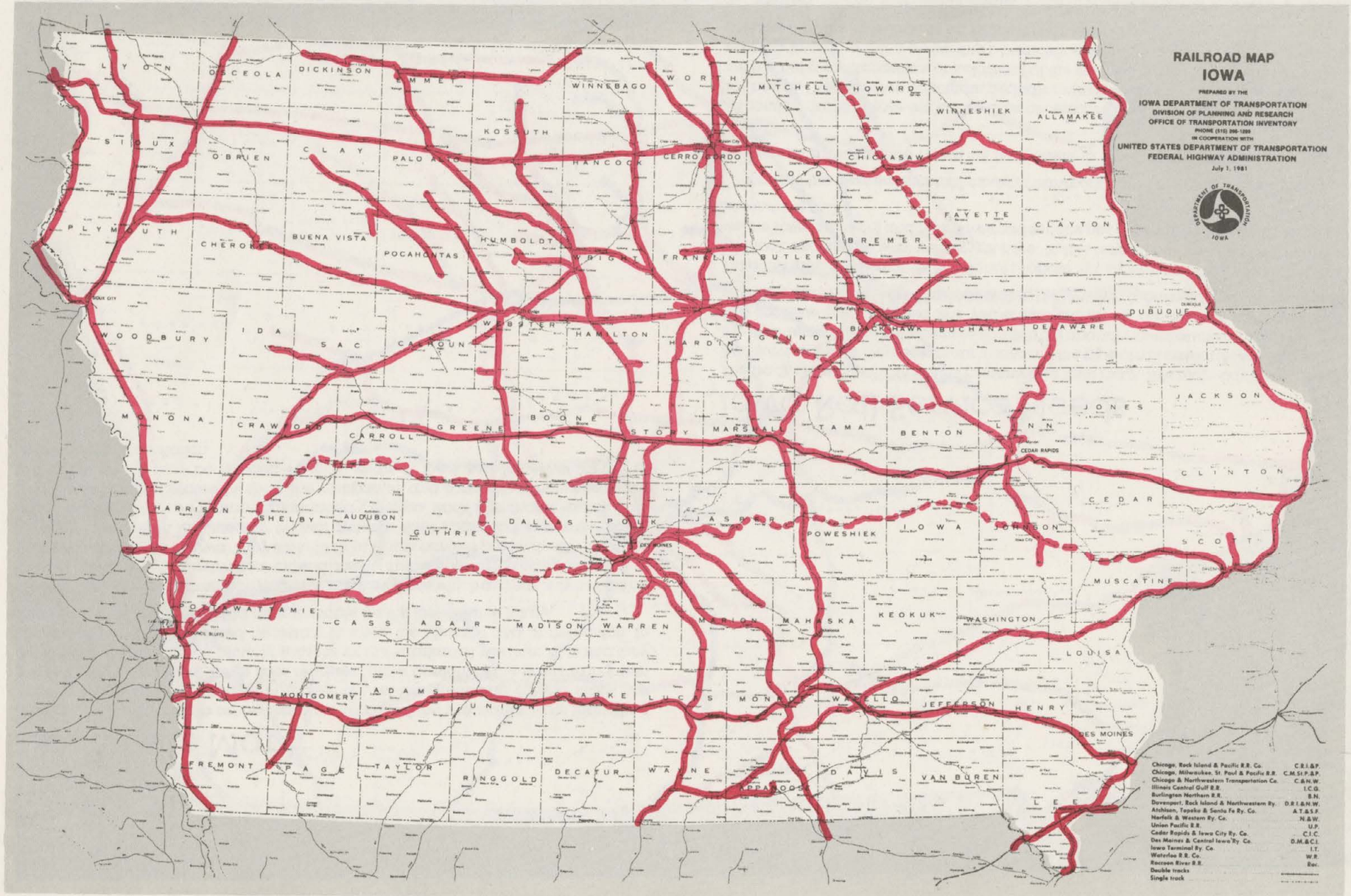
This final map is speculative. We do not propose that by 1985 or 1990 Iowa's rail system will look exactly the way we show it here. In this respect our intent in attempting to define Iowa's present and future railroad service needs has been to identify those rail lines which will:

1. Provide the most economical mode of transportation for Iowa business, and
2. Provide a reasonable return on investment to railroad companies operating in Iowa.

As conditions change we expect it will be necessary to revise our definition of the state's rail needs. Therefore, we anticipate periodic revisions of this document. In addition, the map is not a predisposition or judgment of the merits of proposals for the rail system restructuring (changing ownership), branchline abandonments that are or might be proposed by the railroads, or on proposals for short-lines.

We also desire input from the public and the state's rail carriers so that our rail planning efforts may reflect their first-hand knowledge of Iowa's freight service needs. A comment sheet has been included for this purpose. Return postage will be paid by the Iowa Department of Transportation.

Iowa Rail Service Needs



Legend: Solid lines are considered currently necessary.
Dashed lines may be necessary in the future.

Jim Holland
Railroad Division
Iowa DOT
515-239-1111

4/30/82

IRFA Board Meeting
Dan Franklin

Jim Holland
239-1646

Joint Meeting
MnDOT - ~~IRFA~~ - Board Members
Top ~~Staff~~.

Iowa Rail Service - What Is Needed

coordinate activities, explain programs

5/3/82

No RR's formally invited

Austin, Albert Lea, Mason City TV

Informational meeting

1. IRFA role, responsibility
2. Rail Assistance Upgrading Projects
3. Abandonments
4. RI Dismantlement
5. CNW-MP Council Bluffs gateway - joint use facilities
   MP news from Omaha Bd
6. MN-IA interest in spine line
7. MILW-GTW
8. Iowa Rail Service Needs

9. MN studies
10. MN Rehab projects
DOT Directors MN, IA will be there
11. MILW-GTW on MN
12 Joint proposal to preserve
same line
13 403 Rail Passenger
14. Cities - Miles City

Pheasant Run - Hwy 20 west of
10:00 AM Mason City -

IRRC

Requesting trackage rights from CNW
Have trackage rights from MILW
Shippers voted IRRC over DRI
from Milan to Bureau 5/1/82
Bryan Whipple - SP-WP - Can Lease

April 30, 1982 File: GC-136 - Rock Island Study

P E R S O N A L

TO: H. J. Ness

FROM: J. T. Hartnett JTH

RE: Projected Increase - Cars and Revenue -
RI Mainline and Iowa Falls Branch Acquisition

Attached are summary sheets showing projections for increased cars and revenue by stratum from the Soo and RI 1978 traffic analysis. The study shows a separate analysis for Soo's 1978 traffic, RI's 1978 traffic to, from and via Minneapolis-Kansas City RI mainline, and selected branches in the Des Moines area, and the Iowa Falls branch.

Summary of this material showing increased cars and revenue is as follows:

	Cars	1978 Rev. (millions)
From Soo 1978 Traffic Flow:		
Southbound	22,237	10.1
Northbound	7,932	3.2
From RI 1978 Traffic Flow:		
From Mainline	10,625	5.3
To Mainline	4,888	2.0
Total Mainline	45,682	20.6
Iowa Falls Branch:	17,682	11.0
Des Moines Branch Lines:	22,134	3.6

There is also a projected annual gain from CN-DWP traffic as follows:

1,780	1.5 (1982 Rev.)

We estimate that freight rate increases have increased the value of 1978 revenue by 51.73%.

Enc.

Copy to: J. C. Miller
T. S. Ness
J. D. Darling
R. H. Smith
P. M. McNamee
W. M. Edrington

SOUTH BOUND

STRATUM (SB)	TOTAL CARS IN STRATUM	CARS IN SAMPLE	NUMBER OF CARS IN SAMPLE WITH GAIN	TOTAL REVENUE GAIN OF SAMPLE	REVENUE GAIN PER CAR	% OF CARS IN SAMPLE WITH GAIN	TOTAL CARS IN STRATUM WITH GAIN	TOTAL GAIN IN STRATUM
IA1	173	173	173	112 000	647	100%	173	112 000
IA2	193	193	138	52 839	383	72%	138	52 839
IA3	409	31	0	0	0	0	0	0
IB1	557	29	29	26 828	925	100%	557	515 225
IB2	3 017	62	57	21 795	382	92%	2 776	1,060 432
IB3	3 300	30	6	3 604	601	20%	660	396 660
IC1	109	109	109	88 053	808	100%	109	88 053
IC2	1 455	63	52	17 538	337	83%	1 208	407 096
IC3	3 462	32	0	0	0	—	0	0
ID1	26	26	26	29 579	1 138	100%	26	29 579
ID2	126	126	107	31 550	295	85%	107	31 565
ID3	100	61	1	287	287	1%	1	287
II A	1 072	63	61	37 049	607	97%	1 040	631 280
II B	1 293	76	73	62 755	860	96%	1 241	1,067 260
II C	60	60	23	9 554	415	38%	23	9 545
II D	133	133	12	10 398	867	9%	12	10 398
III A	19 771	380	107	44 080	412	28%	5 536	2,280 832
III B	23 624	238	72	28 443	395	30%	7 087	2,799 365
III C	4 146	109	23	7 286	317	21%	871	276 107
III D	2 922	133	30	15 649	521	23%	672	350 112
					496		22 237	10,118 635

NORTHBOUND

STRATUM (NB)	TOTAL CARS IN STRATUM	CARS IN SAMPLE	NUMBER OF CARS IN SAMPLE WITH GAIN	TOTAL REVENUE GAIN OF SAMPLE	REVENUE GAIN PER CAR	% OF CARS IN SAMPLE WITH GAIN	TOTAL CARS IN STRATUM WITH GAIN	TOTAL GAIN IN STRATUM
I-A-1	619	619	619	293 729	475	100%	619	293 729
I-A-2	1 720	101	72	24 378	339	71 %	1 221	413 919
I-A 3	1 206	1 206	4	625	156	0.3 %	4	625
I-B 1	66	66	66	39 015	591	100 %	66	39 015
I-B 2	833	833	351	128 586	366	42 %	351	128 586
I-B 3	821	821	7	7 737	1 105	1 %	7	7 737
I-C 1	14	14	14	9 590	685	100 %	14	9 590
I-C 2	72	72	2	548	274	3 %	2	548
I-C 3	244	244	0	0	0	—	0	0
I-D 1	37	37	37	29 639	801	100 %	37	29 639
I-D 2	175	175	85	16 877	199	49 %	85	16 877
I-D 3	297	297	0	0	0	—	0	0
II A	497	497	81	33 889	418	16 %	81	33 881
II B	74	74	20	20 301	1015	27 %	20	20 301
II C	12	12	3	1794	598	25 %	3	1794
II D	267	267	4	6 251	1563	1 %	4	6 251
III A	15 679	101	26	9909	381	26 %	4077	1,553 337
III B	3 490	97	23	12 780	556	24 %	838	465 928
III C	644	644	129	62 068	481	20 %	129	62 068
III D	4 159	75	7	2838	405	9 %	374	151 470
							7 932	3,235 309

ROCK ISLAND TAPES

Main Line

STRATUM	TOTAL CARS IN STRATUM	CARS IN SAMPLE	NUMBER OF CARS IN SAMPLE WITH GAIN	TOTAL REVENUE GAIN OF SAMPLE	REVENUE GAIN PER CAR	% OF CARS IN SAMPLE WITH GAIN	TOTAL CARS IN STRATUM WITH GAIN	TOTAL GAIN IN STRATUM
1-I-A	9 908	232	132	73 186	554	57 %	5 648	3,128 992
1-I-B	1 303	187	96	29 405	306	51 %	665	203 490
1-I-C	3539	76	76	37 929	499	100 %	3 539	1,765 961
1-I-D	19 336	688	29	8 485	293	4 %	773	226 489
							10 625	5,324 932
2-I-A	8 876	124	46	20 005	435	37 %	3 284	1,428 540
2-I B	1 686	84	68	26 805	394	81 %	1 366	538 204
2-I-D	7 926	1 129	31	10 143	327	3 %	238	77 826
							4 888	2,044 570
							15 513	7,369 502

Rock Branchlines

Stratum	Total Cars in Stratum	Cars in Sample	Number of Cars in Sample with Gain	Total Revenue Gain of Sample	Revenue Gain per Car	% of Cars in Sample with Gain	Total Cars in Stratum with Gain	Total Gain in Stratum
I-A-1	1373	76	62	30 323	489	82 %	1126	550 614
I-A-2	222	32	31	11 163	360	97 %	215	77 400
I-A-3	3278	33	33	2 828	86	100 %	3278	281 908
I-A-4	8453	235	223	36 093	162	95 %	8030	1,300 860
I-B-1	575	58	56	19 520	349	97 %	558	194 742
I-B-2	402	33	33	14 429	437	100 %	402	175 674
I-B-4	8525	462	462	58 299	126	100 %	8525	1,074 150
Des Moines Branchline Totals							22 134	3,655 348
II-A-1	16 819	168	132	86 084	652	79 %	13 287	8,663 124
II-A-2	36	36	36	18 230	506	100 %	36	18 230
II-A-3	7	7	2	458	229	29 %	2	458
II-A-4	4549	256	37	20 146	544	14 %	637	346 528
II-B-1	686	114	110	42 798	389	96 %	659	256 351
II-B-2	528	36	26	12 076	464	72 %	380	176 320
II-B-4	2883	59	55	31 206	567	93 %	2681	1,520 127
Iowa Fall Branchline Totals							17 682	10,981 138
Grand Total all Branchlines							39 816	14,636 486

April 28, 1982

TO: C. H. Clay

FROM: R. H. McGuire RHM

RE: Minneapolis-Kansas City Rail Corridor Meeting

I had a phone call from Chuck Sanft of the Minnesota DOT on 4-27-82. Chuck said that the Iowa DOT is holding a public meeting May 6 in Mason City to discuss the possibility of Iowa buying a significant portion of the Rock Island line from Minneapolis-Kansas City. Minnesota DOT has been invited to attend the meeting and express their reaction to a State of Iowa involvement in the line.

As background information to assist Minnesota DOT in developing a response to Iowa's potential involvement on the line, Chuck is contacting all railroads operating in Minnesota to gather their reaction to the north-south rail corridor study and a potential Grand Trunk-Milwaukee Road merger. Specifically Chuck would like a response to:

1) The Soo Line's reaction to the North-South Corridor Study and what, if any, interest we have in seeing a Rock Island grain line developed and

2) Do we view a Grand Trunk-Milwaukee merger as detrimental to our interests and, if so, would we plan to oppose such a combination.

Chuck was looking for a response sometime this week on these questions.

			① R_0 No of Cars	② RI Rev	③ RI-Rev Σsq	④ R_1 Avg Rev	⑤ R_2 Std Dev	⑥ n	⑦ n/N	⑧ $s/\bar{x}$	⑨ ①×③	start	Take every
1	Iowa Falls Brch Orig	Byd KC	16819	14568070	15224451702	866.17	393.65	56	.0033	.454	7636	33	100
2		" TC	36	17871	9351937	496.42	117.17	11	.306	.236	8	1	1
3		Trm IF BL	7	4178	2872562	596.86	251.29	6	.857	.421	3	1	1
4		other	4549	3277442	2639676712	720.48	247.40	32	.007	.343	1556	56	100
5	Iowa Falls BL Term	Byd KC	686	449790	452632498	655.67	479.84	120	.175	.732	502	3	6
6		Byd TC	528	221348	106074248	419.22	168.75	36	.068	.379	200	1	15
7		other	2883	1725066	1252397308	598.36	276.79	59	.0204	.470	1355	29	49
8	Des Moines BL Orig.	Byd KC	1373	851220	687714970	619.97	341.54	78	.0568	.551	757	8	18
9		TC	222	30644	3296810	363.26	138.81	30	.135	.355	79	5	7
10		Term on Brch	3278	281455	24689459	85.86	12.64	6	.0018	.147	482	50	100
11		others	8453	2279878	1154719592	269.71	252.72	232	.0274	.937	7920	26	36
12	Des Moines BL-Term	Byd KC	575	364018	281488132	633.07	298.19	55	.0956	.471	271	1	10
13		Byd TC	402	152331	65248191	378.93	136.99	33	.0821	.362	146	10	12
14		other	8525	2148250	1305894262	257.99	299.68	368	.0432	1.189	10136	7	23

3/12
4/12/82

Manly, Iowa
April 12, 1982

Mr. Les Holland
Director Iowa DOT
Iowa Department of Transportation
Railroad Transportation Division
800 Lincoln Way
Ames, Iowa 50010

Dear Mr. Holland,

I would like to provide you with some information on the railroad facilities located at Manly, Iowa on the Spine Line of the former Rock Island Railroad. I have attached some information on the City of Manly, Iowa that would be of interest to a new railroad operating the Spine Line.

I am sure you are aware, Manly Yard, is an ideal switching yard. It has a car capacity of 750 cars, with a natural slope and without any public road crossings to interfere with switching. The railroad owns 13 acres to the west of the present yard that could accommodate three additional 125 car tracks. There is an additional 40 acres of farm land to the west of the railroad property that would make expansion of Manly Yard relatively easy.

Manly Yard has one of the best Diesel house facilities on the former Rock Island, and a very good yard office building. I feel Manly Yard could be very useful as a major classification yard.

Manly Yard is located 125 miles from Des Moines, 124 miles from Minneapolis, 127 miles from Cedar Rapids and 110 miles from Estherville. Considering the condition of the track at the present time, trains could be operated from connections with the BN, SooLine, and MILW railroads at the Twin Cities as they are recieved and then switched and blocked at Manly. Connections could be worked out with the MN&S at Northfield, Mn. so a Northfield turn could be operated out of Manly to handle some of the local work between Albert Lea and Northfield.

This Northfield turn could move the traffic out of Northfield and set out Albert Lea traffic on return trip and still arrive at Manly Yard within the hours of service law.

Manly Yard could then make up a Eastbound train with the Cedar Rapids, Silvis and Chicago traffic and the Iowa Falls, Des Moines, Omaha and Kans City traffic could be switched in block. A road switcher could be operated from Manly Yard to Mason City to handle the industril switching in Mason City and return to Manly Yard with outbound traffic to move in block to Des Moines. This would make only one set out and one pick up at Iowa Falls, for southbound trains between Manly and Des Moines. This should eliminate the problem with the hours of service and still maintain a traffic pattern that would accomodate the shippers and avoid delayed car movements. A local could operate out of Des Moines to Iowa Falls to handle short work. Waterloo and Cedar Rapids traffic could be moved out of Manly Yard over the Iowa Northern Railroad connection at Manly. Also traffic coming off the former Manly to Cedar Rapids line of the Rock Island now operated by the Iowa Northern could be interchanged at Manly.

Manly Yard is in the center of operations on the North end of the spine line. A Car Dept. at Manly could handle derailments and bad orders within a 50 miles radius, eliminating the problem of carmen from Des Moines or Twin Cities driving over 100 miles to cover problems in the Manly area. Also because of being a central location a Roadmaster and two Track Supervisors could be located at Manly to cover trackage from Des Moines to Minneapolis. I also feel it would be beneficent to have Trainmaster's located at Manly to handle Yard operations and road operations from Manly to Minneapolis and Manly to Des Moines. Again because of it's central location and reputation for being a problem spot during the winter months, a Dispatchers office could be located at Manly to handle the track between Des Moines and Minneapolis, and Estherville branch lines.

There is a two story building directly across the street from the Depot at Manly that is for sale and could be turned into an office building to accommodate additional personal. I also feel there is a need for a Roundhouse force at Manly. We encounter many problems during cold weather where electrician's and machinist could save not only valuable time but also equipment.

Thank you for your attention and I hope I have expressed some of the valuable assets Manly Yard would give a railroad operating the Spine Line of the Rock Island.

Sincerely

C. J. Stoffer

April 12, 1982

TO: R. H. Smith
R. L. Murlowski
J. T. Hartnett
J. D. Darling

FROM: T. S. Ness

RE: Rock Island Study

Mr. Cavanaugh has suggested that we meet on Friday, April 16, 1982, at 1:30 p.m., to review the status of the project. I have reserved the Eighth Floor Board Room, which is open all afternoon. If the proposed schedule is unworkable, please let me know, so that new arrangements can be made.

TSN/jmz

cc: D. M. Cavanaugh
L. L. Wasnick

April 12, 1982

TO: J. T. Hartnett

FROM: T. S. Ness TSN

RE: Rock Island Study

Joe Darling and I spent last week touring the Rock Island's physical plant between here and Kansas City, including the branch lines. I must be out of the office on Tuesday, April 13, 1982, and could find no one here to give an update on the traffic analysis today. Would it be possible to meet with you on Wednesday, April 14, 1982, to review progress in preparation for a meeting with the Vice Presidents on Friday, April 16, 1982?

We met with the Vice Presidents on Monday, March 29, 1982, and established a schedule for the completion of Phases I and II. I gave the attached memo to Bill Edrington before leaving on the inspection tour. I am specifically concerned with the status of the elements mentioned in that memo.

TSN/jmz

cc: D. M. Cavanaugh
L. L. Wasnick
R. H. Smith
J. D. Darling
W. M. Edrington

April 8, 1982

Memorandum to File

From: Thomas M. Beckley

Re: Acquisition of Rock Island Line to Kansas City

On April 7, Mr. Vincent A. Kolber, Director-Financial Marketing for North American Car Corporation, called in my office to inquire concerning our interest in operating the line between Minneapolis and Kansas City.

He stated that North American was exploring in a preliminary manner the acquisition of approximately 290 miles of former Rock Island track now operated by the North Western serving elevators stretching into the Northwestern part of the State of Iowa. He said that North American was participating in the project in the hopes of gaining utilization for some of its excess covered hopper cars. If the project went it would involve operating the trackage as a short line railroad with reduced crew size.

I indicated to Mr. Kolber that the Soo was in a process of studying the Rock Island line to Kansas City, but that I had no idea where the studies might lead. I said that we had looked into the possibility of operating over the Rock Island several times previously, but had never been able to identify enough traffic to make the line economically viable for the Soo.

These circumstances could change with the development of the petrochemical industry in Western Canada, the right to use the line exclusively, and the dissolution of the Milwaukee. We regarded all of these events as quite speculative.

I advised Mr. Kolber that we have made no overtures to Mr. Gibbons for the purchase of the line, but that we were under the impression that he had a rather high asking and one which probably would not be justified by the volume of traffic involved.

Mr. Kolber stated that he understood Gibbons was asking the North Western $200 million for the portions of track the C&NW was operating over which is a far cry from the capitalized value of the rental of approximately $400 thousand a month the C&NW is currently paying.

Mr. Kolber indicated that he would keep us advised of any further developments in the proposal in which his company was participating for the operation of some of the Rock Island branch lines.

Minneapolis, Minnesota
April 7, 1982
File: MB-Rock Island Study

PERSONAL

TO: J. T. Hartnett

FROM: W. M. Edrington COPY (SIGNED) W. M. EDRINGTON

SUBJECT: Rock Island Mainline between Earlham and Council Bluffs, IA

During the course of my work on the Rock Island study, I have noted that there appears to be a large amount of traffic moving between Soo and CP territory and points on the Union Pacific and Western Pacific. As you know, our present study guidelines assume that we would not handle this traffic via Kansas City in the event we acquire the Twin Cities-Kansas City mainline; nor have we assumed that such traffic would move via Soo-Iowa Falls-ICG-Council Bluffs-UP.

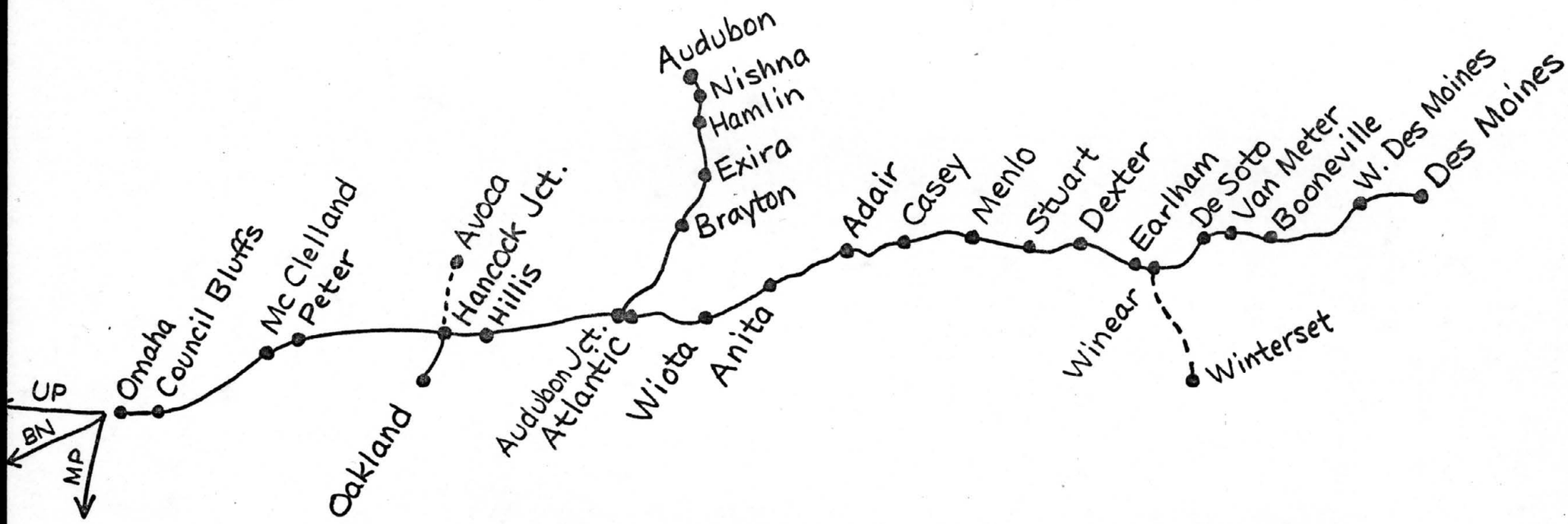
Since we are already considering operation of a portion of the Des Moines-Council Bluffs mainline anyway (between Des Moines and Earlham), I recommend that we expand our study to include the line all the way to Council Bluffs. The North Western has been operating the segment between Des Moines and Earlham since April, 1980. It appears that they are now operating an additional 5.6 miles west to Dexter, where they connect with the Iowa Railroad, a short-line operator which is serving the line from Dexter to Omaha. Additionally, the Iowa Railroad is operating two branches: Audubon Junction to Audubon, and Hancock Junction to Oakland. A map indicating these line segments is attached.

I realize that we are not in a position to assume operation of every Rock Island line north of Kansas City, nor would we necessarily want to from a traffic standpoint. This line, however, is interesting for a variety of reasons. Although the track condition has probably deteriorated somewhat since March, 1980 because of only sporadic operation, this line was part of one of the Rock's most important through routes and was relatively well-maintained by the Rock. The fact that it is currently being operated over its entire length indicates that there is on-line traffic, as well as potential for a connection between the Soo and the Union Pacific. The importance of such a connection may be even greater than today's traffic patterns indicate, because of the potential for movement of Iowa grain to West Coast ports for export. Assuming that the Soo began operating the Iowa Falls Gateway lines, a direct connection with the UP at Council Bluffs could become very valuable

indeed. Also, we would have a friendly connection with a major originator of western coal. This would put us in a much better position to compete for any new coal-fired generating plants which might be constructed in our service territory.

WME/kl

cc: R. H. Smith
D. M. Cavanaugh
R. L. Murlowski
P. M. McNamee
L. L. Wasnick
H. J. Ness
T. S. Ness
J. D. Darling
J. C. Miller



Rock Island Main Line between Des Moines and Council Bluffs / Omaha

--- Lines currently not operated

April 2, 1982

TO: W. M. Edrington

FROM: T. S. Ness TSN

RE: Rock Island Study

I understood from your comments on Monday, March 29, 1982, that Phase I of the traffic analysis would be done this week and that Phase II would be done next. Such a schedule would provide Jim Hartnett with the Rock mainline analysis for review on Monday, April 12, 1982, when he gets back from vacation. This was agreed to be acceptable progress and the samples for Phase II are now available, on schedule.

I have talked with Bill Voigt on the objectives for additional MIS work, which he indicated were reasonably attainable. Specifically, the branch line stratifications for the Rock tape, including the population sampling parameters, will also be available Monday morning, April 12, 1982. The sampling plan will then be defined and the sample drawn by the next day so that your revenue work can proceed on the branches. I understand that you already have the necessary branchline information to proceed on Phase III during any lulls in the work on Phases I and II through April 12.

I expect that you are planning to meet this schedule as agreed, even though you appear to be behind on Phase I. If there is any question at all regarding these plans, let's get them out now. Joe Darling and I will be gone all of next week and you will be responsible for meeting the scheduled April 12, 1982 objective.

TSN/jmz

cc: D. M. Cavanaugh
R. H. Smith
W. E. Voigt
L. L. Wasnick
J. D. Darling

April 1, 1982

File: 2010

TO: T. S. Ness

FROM: J. D. Darling

RE: ROCK ISLAND STUDY

It is my recollection that J. T. Hartnett wants the same two reports and stratifications for the Iowa Falls Gateway branch lines and the Des Moines area branch lines are detailed in E. N. Wiens' letter of February 12, 1982. The active stations on the Iowa Falls Gateway branch lines are:

2005 - 2057, 3015 - 3107, 3201 - 3207, 3211,
3301 - 3306, 4103

The active stations on the Des Moines area branch lines are:

0754 - 0758, 0801 - 0807, 1654, 1752 - 1756

JDD/bjp

cc: W. J. Voigt