

# RAILROAD WEEK IN REVIEW

August 31, 2018

*“It was our goal to award these grants as quickly as possible to help the recipients implement PTC.” — FRA Administrator Ron Batory.*

**Twelve short lines and regional railroads** will benefit from the recent FRA award of more than \$200 million in grant funding for 28 projects in 15 states to assist with the deployment of PTC systems. This grant support is particularly welcome.

The ASLRRA says the average age of most locomotives operated by short lines is 25 years. It is estimated that equipment installation costs per locomotive could range from \$70,000 to \$100,000, or perhaps reach as high as \$150,000, depending on the model and age. Here’s the FRA list:

**\*\* Iowa Interstate** — up to \$1.8 million for onboard PTC systems and radios on 23 IAIS locomotives and for a back-office service messaging systems license to allow for interoperable PTC operations on Metra’s Rock Island District commuter line in Illinois.

**\*\* Iowa Northern** — up to \$2.0 million to install I-ETMS<sup>1</sup> on 20 locomotives, along with software, a back-office system, component testing, interoperability testing, and training for IANR’s freight operations over CN between Cedar Falls and Waterloo, Iowa.

**\*\* Belt Railway of Chicago** — up to \$8.6 million to complete the final phase of BRC’s I-ETMS PTC systems engineering, integration, testing, and training on its entire main line network in Cook County, IL.

**\*\* Chicago Rail Link (OmniTRAX)** — up to \$1.6 million for onboard computer equipment and communication systems, locomotive radio licenses, messaging licenses, and a back-office service messaging systems management license, along with PTC system testing and training to support the five Chicago Rail Link and Illinois Railway locomotives operating on the Metra commuter rail system in and around Chicago.

**\*\* Chicago, South Shore & South Bend (Anacostia)** — up to \$720,000 for I-ETMS installation, testing, and training as well as interoperability between CSS and the host railroad, Northern Indiana Commuter Transportation District, between Chicago and South Bend.

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<sup>1</sup> Interoperable electronic train management system from WABTEC integrates new technology with existing train control and operating systems to enhance train operation safety.

\*\* Pan Am Railways — up to \$3.0 million to install ACSES II and Automatic Train Control on PAR locomotives on rail lines throughout the New England area and to support related testing and training.

\*\* Nebraska Central Railroad (Rio Grande Pacific) — up to \$530,000 for deploying the PTC back office system, onboard hardware equipment for three locomotives, software, component testing, and training for the NCRC to operate over 62 miles of the UP main line between Grand Island and Columbus, Nebraska.

\*\* Middletown and New Jersey Railroad (Regional Rail, LLC) — up to \$1.2 million to deploy ACSES II PTC back office systems, communications, onboard hardware equipment, and software as well as to support testing and training for operations over New Jersey Transit territory in Orange County, New York.

\*\* New York & Atlantic Railway (Anacostia) — up to \$1.0 million to install PTC equipment on 10 NYA locomotives as well as to support training and testing for its operations on freight lines owned by the Long Island Rail Road.

\*\* Allegheny Valley Railroad Company (Carload Express) — up to \$1.8 million to upgrade AVR's 10 locomotives with PTC and Cab Signal Systems for its NS trackage rights operations and to upgrade four other locomotives solely to accommodate PTC hardware, and to support testing and training. An additional \$300K has been earmarked for a PTC back office and support system engineering, testing, and training for AVR operating on 77 miles of track in the greater Pittsburgh area.

\*\* North Shore Railroad — up to \$4.4 million to deploy I-ETMS back office systems, communications and onboard hardware equipment, software, equipment installation, testing and training for the implementation of PTC systems, and interoperability testing for six short line railroads operating in central Pennsylvania on tracks owned by NS.

\*\* Puget Sound and Pacific Railroad (GWR) up to \$2.0 million to install onboard PTC systems on 18 locomotives across five Class III railroads, to test crew initialization back office server system across eight railroads, and to establish a PTC Help Desk/Lab to support eight railroads in Arkansas, California, Ohio, Oregon, Minnesota, Missouri, and Washington.

The [FRA announcement](#) lists a number of eligibility considerations, and cautions that grants can't exceed exceed 80 percent of the total cost of a project. The required 20 percent non-federal share may be funded by the public sector (state or local), the private-sector, or both. The FRA gave preference to projects proposing at least a 50 percent match and that maximized the net benefits of the grant funds.

The FRA anticipates reimbursing recipients for otherwise eligible costs right away so there is no delay in proceeding. Selected recipients will be contacted by their FRA Regional Manager to discuss the reimbursement of costs incurred in advance of grant execution.

**Vermont Railway last week** opened a new Ray Energy propane rail and truck terminal in Hampton, NY. The 21-acre facility features a 16-spot rail siding — with an operational capacity of 28 spots — and on-demand switching, essential to maximizing car turns for the customer. The site has four 60,000-gallon bulk tanks that provide storage for 240,000 gallons, with expansion approved for up to 360,000 gallons. Two dual-sided rail towers with retractable arms can unload two rail cars in three hours.

The truck loading rack has two operational lanes, each with a dedicated pump and loading station designed to reduce wait time. The third truck loading stanchion is expected to be operational by year's end, with expansion for a fourth independently operated truck loading bay planned for 2019, more than half again the demand of a few years ago.

Kudos to VTR for winning this one. It's another example of shortline strengths in the bulk commodities business, where leased equipment needs to turn quickly to make the economics work for the customer. And where the short line's centralized location provides easy access to their customers' customers.

**CSX is posting some truly amazing dwell times.** The Week 34 (ends August 25) system average for the ten biggest yards is 8.6 hours. Times range from 6.2 hours in Chicago to 14.7 hours in Waycross. The CSX definition of dwell time is “the total time, in hours, that a single car spent in a given terminal. Aggregated dwell is calculated by dividing the total number of hours cars spent in terminals by the total count of cars dwell events (excludes bad-order cars, maintenance of way cars and stored cars).”

CSX dwell time calculations factor in all cars entering and leaving terminals, whether in single-car manifest trains or in unit trains, and include all time a car spends at a terminal, even if it arrives and departs on the same through train. In the latter case, the dwell clock begins with a work event. For example, if the train stopped for a crew change within a terminal, that time counts toward the dwell calculation.

Seems to me this process in particular does a good job of capturing opportunities to improve asset utilization. For short lines and regionals doing business with CSX, let me suggest you track trip plan compliance from the time CSX picks up the car at your interchange to the time the car is actually or constructively placed at the receiving customer. Excessive yard dwells will be immediately evident. I'd like to know what you find out.

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