

RAILROAD WEEK IN REVIEW

January 3, 2025

“Michigan State University’s Center for Railway Research & Education will again in 2025 be offering its Railway Management Certificate Program. This curriculum was initiated in 2007 and has benefited hundreds of graduates and their affiliated employers. The program is particularly beneficial in nurturing a ‘greenhouse of talent’ for ongoing organizational ‘bench strength.’” — Ron Batory, former head of the FRA

“David Fink’s FRA appointment must be approved by the Senate but has already gotten some important industry endorsements from the American Short Line and Regional Railroad Association (ASLRRA) and the Amtrak CEO. This appointment comes much earlier than we anticipated as in the President-Elect’s last administration and could also signal that a Surface Transportation Board (STB) appointment is next for President Trump (something that took him over a year in his first term).” — Jason Seidl, TD Cowen

The steam locomotive is a marvelous magnet for attracting ordinary citizens trackside to show what the railroad is, was, and can be. The PR return on UP’s \$multi-million investment in the 4014 restoration is immeasurable. And the fact that sister steamer 8444, a 4-8-4 delivered in the 1940s, has never come off the roster is further testament to UP’s careful attention to and preservation of its public image.

Norfolk Southern, alas, terminated its trips with the Class J 611 and Class A 1218 some years ago. I rather imagine having the 611 and 1218 out and about could have softened a lot of the negativity coming out of the East Palestine incident just from the positive public presence created by their community involvement.

And that’s not to mention the good will CPKC garnered from last spring’s historic Final Spike Anniversary Steam Tour from Calgary to Mexico City. The “Empress” 2816, a 4-6-4 Hudson-type steam locomotive built in 1930, did the honors, bringing the story of CPKC’s uniquely North American railway history and compelling future to life for rail fans and visitors as it traveled across CPKC’s network.

Happily, pockets of mainline steam locomotives at work still exist. Pennsylvania’s Reading & Northern steam-powered excursions top the list, in my book. The trips feature the lovingly-restored Reading 2102, a hefty 4-8-4 built in that railroad’s Reading shops in September 1945, and used for pulling heavy coal trains for the railroad until being retired from revenue service in 1956.

Between 1962 and 1964, the 2102 was back at work hauling the Reading’s *Iron Horse Rambles* excursion trains (which I rode and chased many times). After the *Rambles* ended

in 1964, No. 2102 was sold to Steam Tours Inc. of Akron, Ohio, and it spent the next several years pulling various fan trips in the Northeast, Mid-Atlantic and Midwest. In 1985, it was sold to Andy Muller to operate on his Reading Blue Mountain & Northern Railroad alongside 4-6-2 No. 425, until the 2102's flue time expired in late 1991. In February 2016, the locomotive began to be restored back to operating condition, returning to service in April 2022.

The 2025 excursion series kicks off next month. On Saturday, February 8, the 2102 will power a classic Reading *Iron Horse Ramble* train from Reading's Outer Station to Jim Thorpe and back. The train departs at 9AM, makes a station stop at Port Clinton, and continues on to Jim Thorpe. Tickets will go on sale Friday, January 3, 2025, by phone at 610-562-2102, or online at www.rbmnrr-passenger.com.

To me, the attraction is not so much the passing scenery (this is the first R&N steam-in-winter train ever) but seeing what the company has done to recreate the original Reading main line. Anthracite coal has returned (the railroad handled its millionth ton in 2024). The commodity list includes significant amounts of frac sand, forest products (both STCCs), petrochemicals, minerals, food and agricultural products, metals, and consumer products.

The railroad itself covers nearly 400 route miles of mostly CTC-dispatched double-tracked heavy-weight CWR supported by proper wood and ballast. Customers love the nearly on-demand service and the railroad's dedicated customer-oriented sales force keeps growing the customer base. And the steam trains keep the railroad visible.

Granted, you can't put a cash value of the UP or R&N steam programs on a spreadsheet, especially with some railroads still in the financialization mode, previously cited and lamented numerous times in these pages over the past eight or so years. But the value of the regional and shortline railroads' customer focus can be. They touch maybe a quarter of every Class I's commodity carload franchise. Back that out of the Class I income statement and see what that does to the Key Performance Indicators.

Happily, the Class I practice of dissing the non-Class I carriers seems to be healing itself. I have heard glowing reports of the CSX, NS and UP shortline gatherings held last summer in Jacksonville, Atlanta and Omaha respectively. CPKC brought their collection of feeder lines, now combined under one roof by the merger, together in KC and I hear it all went swimmingly. CN prefers a regional focus rather than bringing everybody to Montreal.

I should note that non-Class I railroads' service practices were favorably noted during the STB hearings on railroad service and productivity. The unreliable Class I spot-and-pull service performance was in the spotlight — the testimonies are on the STB website and horror stories abound. Testifiers often cited the non-Class I railroads as examples of what proper service looks like and I'm encouraged that 2025 will be even better.

It looks like the politicization of the FRA may at last be over. David Fink has been tapped by the incoming administration to head up the agency. It couldn't come too soon. As Cowen's Jason Seidl writes, "Mr. Fink is the former President of the Pan Am Railways, a large shortline that boasts coverage across New England and was purchased by CSX back in 2020. He has railroading in his blood as he is a fifth generation railroader. We view this appointment as a positive for US railroad stocks.

"This appointment must be approved by the Senate but has already gotten some important industry endorsements from the American Short Line and Regional Railroad Association (ASLRRA) and the Amtrak CEO. This appointment comes much earlier than we anticipated as in the President-Elect's last administration he did not appoint anyone to the FRA until ~7 months into his term. It could also signal that a Surface Transportation Board (STB) appointment is next for President Trump (something that took him over a year in his first term)."

I have known David for years and have been over most of his railroad either in a business car, a high-rail vehicle, or a freight locomotive cab. The Pan Am rail system is comprised mostly of the former Boston & Maine and Maine Central railroads' main lines I rode as a kid going to summer camp. Today's infrastructure is a far cry from what it was then.

I personally think that David is absolutely the right guy to be the next FRA administrator. He's a fifth generation railroader, neither a finance-type nor a "boomer" who has come up through a series of railroad gigs. He understands the railroad working environment thoroughly, and it shows in the remarks you get from the younger train service employees he's been bringing on. He will be a breath of fresh air at the FRA, returning it to the professional organization it was under the leadership of Ron Batory not that long ago.

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