

Contents



6 Acting Like a Class I, But Not Always Thinking Like One

BY OTTO P. DOBNICK On the largest new regionals, WC also means "we can"

- WC mileage saw ups and downs from its 1987 startup
- **24** A Hub-and-Spoke System for Trains
 BY OTTO P. DOBNICK
 Watch for those rush hours at Point and Shops Yard!
- **36** Exploring the Northwoods

 BY J. DAVID INGLES

 By Domeliner to remote and exotic locations
- **40** A Time of Transformation
 BY STEVE GLISCHINSKI AND J. DAVID INGLES
 Soo Line's purchase of Milwaukee Road and spinoff of
 WC were just the prelude
- **46** Cooling the Fever
 BY J. DAVID INGLES
 The Fox River Valley was almost missed
- Green Bay & Western: More Than Alcos
 BY STEVE GLISCHINSKI
 Boats, bridge traffic, and paper all factored into the
 several lives of this Badger State railroad
- 54 A Death in the Family
 BY JOHN GRUBER
 On the Green Bay & Western, "railroad family"
 was more than just a phrase
- Tracks of the Black Bear
 BY STEVE GLISCHINSKI
 Algoma Central, with mining origins,

served a remote region of Ontario

66 Riding the Algoma Central

BY A. C. KALMBACH A 1951 journey across the Ontario tundra yields some surprises for *Trains*' founder

- 70 How to Buy a Used Diesel

 BY JIM ZEIRKE

 According to Wisconsin Central guru Jim Fisk, "it takes a practiced eye, and some luck, and it's not easy."
- 78 In Wisconsin, More Trains Mean More Tracks

 BY STEVE GLISCHINSKI
- Chronicling WC track improvements through the 1990s
 Britain's Rail Freight Revolution
 BY MEL HOLLEY AND NIGEL HARRIS
 British Rail's freight operation withered in the run-up to
- 90 Tightening the Iron Lariat
 BY STEVE GLISCHINSKI
 How CN created a new back-door entry to the U.S.
- 98 Wisconsin Central Locomotives Preserved

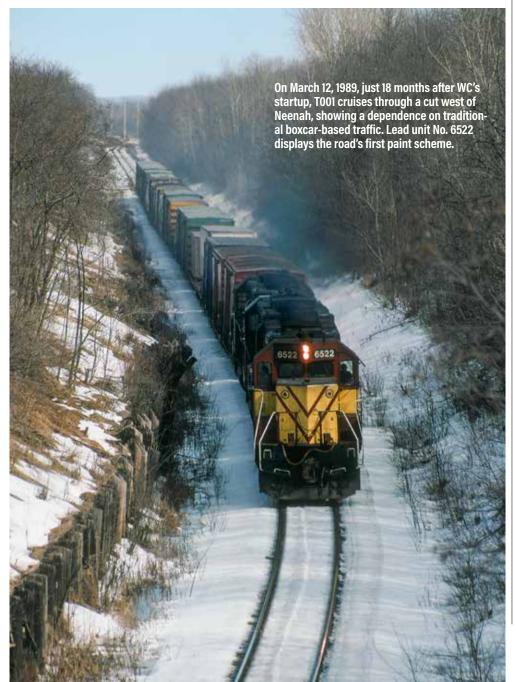
BY BRIAN M. SCHMIDT 11 units in three states highlight the history of the WC and its predecessors

privatization. Then WC's Ed Burkhardt rode into town ...

ON THE COVER In May 1995, Wisconsin Central SD45 No. 6525 and a mate trundle across Pebble Brook near Vernon, Wis., with a long freight in tow. Third unit is former Fox River Valley SD35 No. 2500. Tom Danneman



Train T007, right, threads its way through a busy Stevens Point yard on July 20, 1991. The scene is indicative of WC's fight for new traffic, including pulpwood to feed Wisconsin's paper mills, also served by WC.



WC to date, requiring the assistance of pusher engines leaving both Superior and Shops Yard. In Soo Line days, pushers on trains up the South Range out of Superior and Byron Hill out of Fond du Lac were common, but except for ore trains, WC trains have not required helpers at Superior and only occasionally have needed them for Byron.

Flexible forces

A major key to Wisconsin Central's use of resources is that its workforce can be versatile and does not have to contend with an encyclopedia of restrictive work-rules. For example, a train crew in Chicago may first take a transfer run, then relieve an inbound road crew during the same shift. A switch crew may work Stevens Point yard with an SW1200, then use the same engine to take an extra over to Wisconsin Rapids. At Shops Yard, another switch crew may work the yard, then go into Fond du Lac proper with the switcher to pick up a car, return to the yard, and then hop on an SD45 to push an ore train up Byron Hill. Next to a yard crew putting together a train at Shops might be a road crew assembling its own train. Most train crews are two people, but the switch crews that work major yards, and on a few local freights (e.g., the Stevens Point-Medford turn), warrant three because of the large amount of ground work. The average crew size on WC is 2.2 people compared with 4.8 on Lake States. Burkhardt: "The difference is entirely in the number of people we use to accomplish a task." This means that the labor ratio (percentage of revenue that is labor expense) for WC is 30%, compared with an industry-wide average of 45% (and 50% on some Midwestern Class I railroads). This is important to a light-density system such as WC, whose annual revenue per mile in 1988 was only \$50,000, compared with \$201,000 for Class I railroads.

This flexibility also adds a dimension to manpower requirements in the cross-training of employees. If more people are needed in a specific area, or if someone wants to do a different job, that opportunity is available. Burkhardt and Power are as concerned about WC's long-term future as they are about next month's bottom line, so they aim for a stable quantity in the workforce, minimizing the layoffs/call-backs that can be demoralizing. Burkhart: "Having the ability to move people around helps a great deal. We want to have a high degree of mobility of our workforce. People can bid for any job in the whole company for which they're qualified ... or we'll help them get qualified." An example: Some track laborers have been trained to operate locomotives on work trains. Also, many engineers and conductors can perform either job, allowing for flexibility in train-crew assignments. Some maintenance-of-way employees have worked in the shops during the winter. One industrial representative, who had been



Swinging around the northeast connection at Junction City, a GP35/SDL39 duo creeps by one of Wisconsin's ubiquitous local taverns en route to Wausau on May 13, 1990. The aptly named city is the junction point of the former Soo main line with the former Milwaukee Road Valley Line from New Lisbon to Tomahawk.

with Soo for 10 years as a section foreman, started on WC in the same capacity. Since then, he has had training to use the Transportation Control System computer in operations, does local measuring and inspection of high-wide loads, and has qualified as a train conductor. And, of course, with his experience he can work on track-related projects.

In this environment, employees are perhaps more ready to help each other than they might be otherwise. At Junction City, crossing of the Valley and Marshfield Subs ("sub" is CP, Soo, and WC lingo for subdivision), often more than one train will be lined up at once to use the connecting tracks, and conductors often help each other's trains get through. Trainmasters help train crews, engineering department forces, and customers. During the first ore train season, WC car inspectors discovered that the hopper cars to be used arrived with frozen coal in them. Rather than return the cars and risk starting off the relationship with USX badly because of delayed cars, 58 WC people from several departments climbed into the cars with picks to clean them out.

How does this look from the employee perspective? There are no unions on Wisconsin Central, although employees have the legal right, of course, to elect a collective-bargaining representative, if they so choose. WC employees are all salaried, based on the average time required for a specific job. WC salaries are about 15% below the rail industry average, but they average well above the \$17,400 mean annual wage earned by Wisconsin



Local LO42 works at Munising, Mich., on Aug. 27, 1990. EMD SDL39 No. 587 is one of 10 such lightweight, six-axle units built for the Milwaukee Road 1969-1972 for service on branch lines, often in Wisconsin.

workers in 1987. WC engineers earn as much as \$40,000 a year for a five-day week. WC has an employee health, dental, and welfare plan paid by the company, a 401(k) retirement investment plan, and a profit-sharing program. In spite of WC's shaky startup, employees received a \$100 Christmas bonus at the end of 1987 and \$200 at the end of 1988. In January 1989 and 1990, they received salary raises of about 4% each year; the profit-sharing plan kicked in at the end of 1989. Profit-sharing

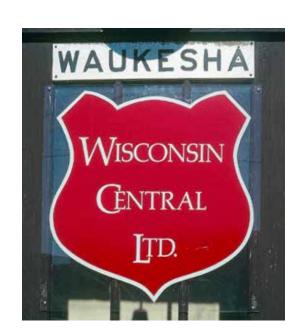
payouts are based on the operating ratio and each employee's salary. The first distribution totaled almost \$1.2 million.

Company policy stresses good communication among everyone. Four times a year, Burkhardt and other top officials hold meetings with employees at several locations. Employees are encouraged to (and do) ask all types of questions. Any employee can talk directly to Burkhardt or any other official or manager. Says Power, "We want to create a family rela-









WC mileage: ups and downs

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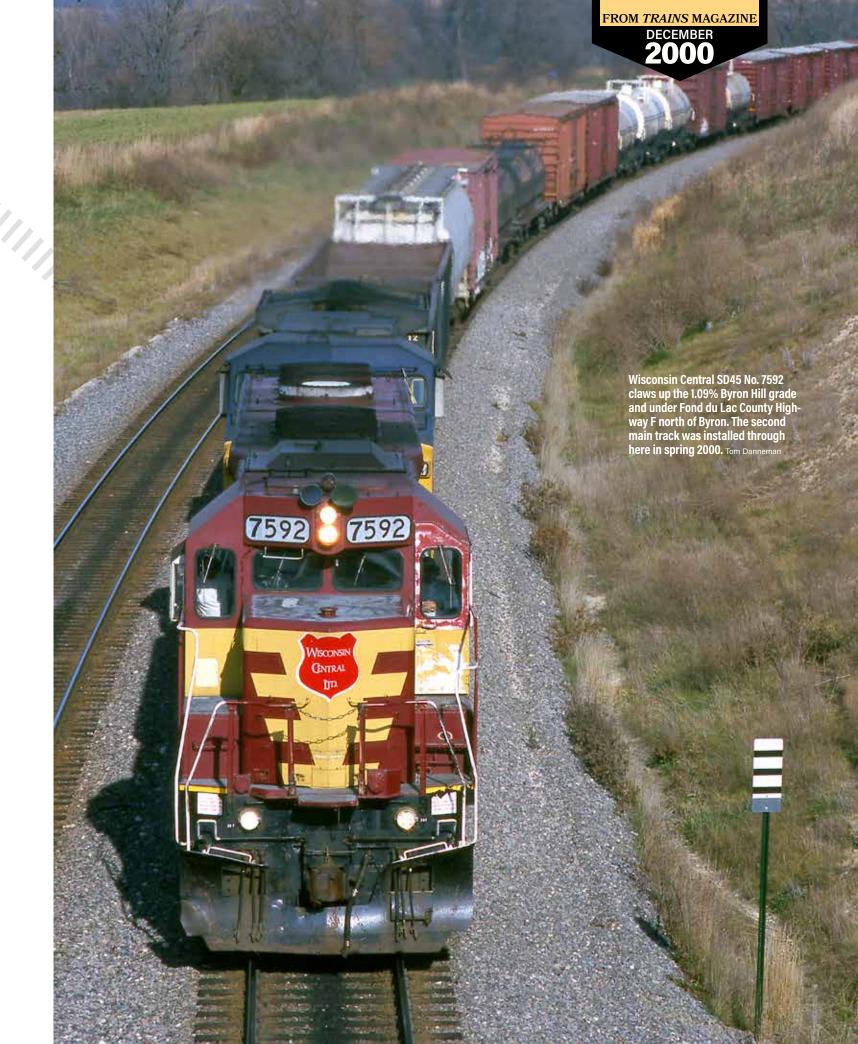
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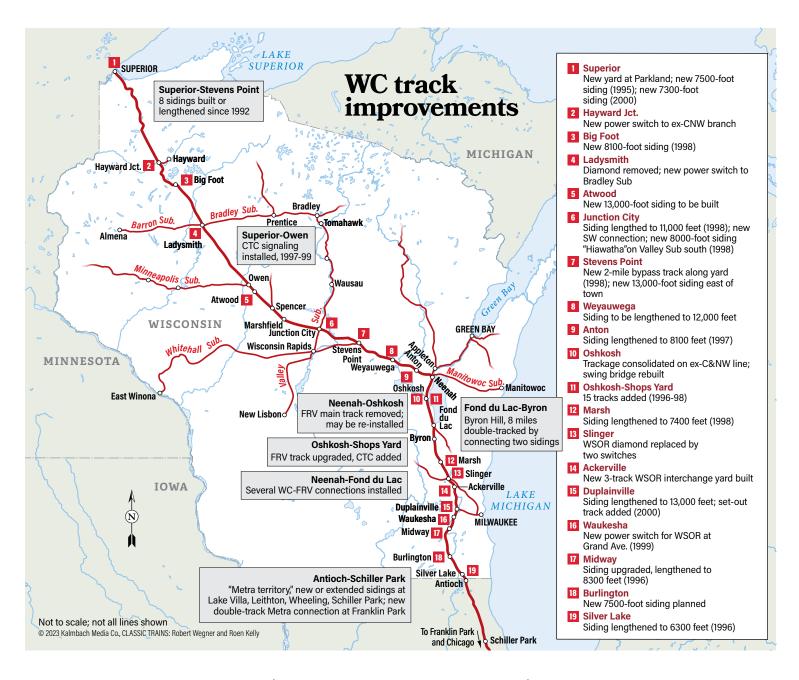
In its 14-year life, the Wisconsin Central saw dramatic changes in its route structure, with significant acquisitions and subsequent abandonments.

This map shows the railroad after its acquisition of Algoma Central in 1996; and Fox River Valley and Green Bay & Western in 1993. But, by this time, the GB&W is already cut between Plover and Amherst Junction, but the FRV is still intact between Granville and Fond du Lac.

One significant change completed by this time involves WC's access to the Twin Ports of Duluth, Minn., and Superior, Wis. At start-up, WC was granted trackage rights on the Soo's retained route to serve the Twin Ports. However, once WC struck a deal to purchase the Chicago & North Western's parallel route, that triggered a clause in the original agreement to also purchase the Soo route. Thus, the WC had parallel lines and chose to keep the former Soo while abandoning the former C&NW. Conversely, WC chose to keep the former C&NW through Oshkosh to bypass street running on its former Soo route in town.

Later, WC would acquire isolated former C&NW lines north of Green Bay from Union Pacific. — *Brian M. Schmidt*





the main line through town is single track. Wisconsin's railroad commissioner suggested WC reinstall a long-abandoned C&NW branch northwest from Oshkosh which would bypass Neenah, but Kerbs says WC studied the idea and determined it to be neither economically nor politically feasible. The long-term solution, Kerbs says, is to build a second main track through Neenah, but that is three to five years away.

In Oshkosh, WC in 1996 accomplished a decades-long dream of the city by consolidating operations on one of two main lines bisecting downtown. Trains now roll through at 35 mph on ex-C&NW track instead of at 10 mph on the former Soo that had curves and several blocks of unsafe side-of-the-street running in residential areas. The move, which eliminated 39 grade crossings, became easier after WC's 1993 acquisition of Fox

River Valley (ex-C&NW) made Oshkosh a one-railroad city.

WC built several connecting tracks to the parallel FRV between Neenah and Shops, and removed the FRV main between Neenah and Oshkosh, track WC now wants to restore. South of Oshkosh, WC kept the FRV track to create 8 miles of double track, and in 1999 installed CTC on the ex-FRV.

Two different personalities

Shops is WC's biggest yard. "It's almost two separate railroads north and south of Shops," says Kerbs. Because WC controls the schedule and movement of trains to the north, traffic stays fairly fluid. But to the south, WC is at the mercy of its Chicago connections. There is little consistency to when WC receives its trains from connections, and Metra trains on WC now add activity. Be-

tween 1996 and 1998, WC added 15 tracks to the old C&NW Fond du Lac Yard alongside WC's. It is used to classify northward traffic, while WC's old Soo yard is used to set up trains for Chicago. Just south of Fond du Lac is the 5-mile, 1.09 percent Byron Hill, where trains from Chicago were often delayed waiting for southbound trains to climb the hill. This bottleneck was eased in spring 2000 when WC opened a second main track connecting the sidings at Valley, at the bottom of the hill, and Byron, at the top.

At Ackerville, WC built a new three-track yard between its main and the parallel Wisconsin & Southern to facilitate interchange formerly conducted in Waukesha. Ackerville could have a bright future, as WC wants to add tracks and move its Waukeshabased locals there.

North of Waukesha at Duplainville, the sid-



heritage railway station window at Bishops Lydeard near Taunton in November 1998. Robert S. McGonigal

> 95% punctuality, which EWS often beats. The importance of this contract means that EWS quickly decided to replace its unreliable 35-year-old Class 47s with GM Class 67s. They enter service next May as the "Millennium" class, to be named after significant events in the last 1,000 years.

> dling. Formerly, trains ran between major stations, with interchange between road and rail. In London, this included most of the major passenger terminals. Rolling stock was nearly

40 years old and mail was carried in sacks, piled in vans, and handled manually. It was cumbersome and costly.

Royal Mail wanted to abandon rail in favor of road and air, but BR managers fought for a hub-and-spoke network, called Railnet. Now there's a large new purpose-built terminal in North London opened in 1996 (the biggest station built in Britain this century — though it doesn't see passengers) and a fleet of 16 new four-car Class 325 100-mph EMUs, allowing older trains to be retired. Royal Mail owns the 325s and Res maintains and operates them.

EWS is now looking at other express markets, such as parcels, and at 125-mph trains, offering a 4½-hour London-Glasgow service.

New markets, other carriers

Offering some of the best potential are markets that — for a British carrier, anyway — can be called non-traditional. Indeed, such new traffic is projected to be responsible for most of EWS's projected threefold increase in business in 10 years. At its heart is the Enterprise single wagonload service, abandoned by BR in 1991. From 150,000 tonnes in 1994, wagonload traffic has grown to 1.5 million tonnes in 1997-98.

Enterprise moves less-than-trainload cargos, using a core trunk network, including a 75-mph London-Glasgow service, with smaller feeders. Enterprise has been merged with RfD's parallel Connectrail business, giving direct access to Europe through the Channel Tunnel. Currently, agricultural, forest products, intermodal, and food and drink are at Enterprise's core. The latter is a glittering prize: the U.K. uses 300 million tonnes of food and drink per year!

A potential problem is the lack of terminals — there are still too few in Britain — and EWS classification yards are under intense pressure. Many were not designed for heavy traffic or have been severely downsized, creating awkward bottlenecks.

EWS is cautious about intermodal traffic, although it has run a handful of small-scale trials with RoadRailer vans and, later this year, piggyback. It has also yet to enter the refrigerated goods market. The U.K.'s tight loading gauge requires expensive purpose-built trailers and wagons, compared with conventional, potentially more lucrative wagonload traffic.

Accounting for 20% of EWS's business are Railtrack contracts to move rail, ballast, and ties, carried out by subcontractors. With new locomotives and wagons, this "maintenanceof-way" sector will be transformed. Most "engineer's trains" run on weekends or at night and are currently the poor relation, using old diesels and clapped-out rolling stock up to 40 years old. Within four years, they'll give way to modern high-capacity wagons.

There are only two other British rail freight operators, although several overseas companies are thought to be interested. Freightliner, which runs domestic containers, was a

