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Did you know...

There are 11 basic classes of railroad freight cars.

- F - flat car
- G - gondola car
- H - hopper car
- L - special car
- M - training unit
- N - caboose
- R - refrigerator car
- S - stock car
- T - tank car
- X - box car
- MW - maintenance of way equipment

Most of the major car classes have subclasses. For example, gondola cars may have drop bottoms,



Feasibility studies for added passenger rail service are being reviewed.

drop ends, side doors, or various other configurations to unload different types of materials.

Source: American Association of Railroads

Amtrak ticket Information at
www.amtrak.com
or call 1-800-USA-RAIL

Feature Articles

Staff intros

In the past year, our office has said fond farewells to John Hey, Larry Mesenbrink and Bill Lounsbury, all who chose new challenges in retirement.

I would like to introduce you to the newest members of the rail team.

Steve Banks replaces Bill and comes to us from the Iowa Department of Transportation's (Iowa DOT) Right of Way Office. Steve is the railroad/highway project coordinator. Steve is responsible for working out all the sticky details when a highway construction project involves or impacts a rail line.



Left to right: Rose Wazny, Steve Banks, Tammy Nicholson

Tammy Nicholson replaces John as the freight and passenger rail coordinator. Tammy will be developing policies and direction for Iowa's rail freight and rail passenger initiatives. She also handles rail regulatory and river navigation issues. Tammy comes from the Iowa DOT's Office of Location and Environment.

Rose Wazny replaces Larry as the rail development manager. Rose is the staff coordinator for the Iowa Rail Finance Authority and manages the details of the Rail Revolving Loan and Grant Program. Rose is a former employee of the Iowa Department of Economic Development and brings years of experience in development activities. I called on Rose to tell you a little about what rail development means to Iowa.

Peggy Baer
Director, Office of Rail Transportation

Rail access creates jobs

As the "new kid on the block" in August, I jumped right into the middle of the third application cycle for the Rail Revolving Loan and Grant (RRLG) Program. From those summer applications, we have a number of new rail projects that will help create jobs in Iowa and add some additional building blocks to the state's transportation system.



The new development projects promise the creation of 467 new jobs and support more than \$1.3 billion in total capital investment. The Iowa Railway Finance Authority (IRFA) Board awarded funding for 11 rail projects totaling \$2.8 million in October 2007. The awards were funded out of a \$2 million appropriation by the Iowa Legislature from the Rebuild Iowa's

Infrastructure Fund and loan repayments from previously funded rail projects.

A new steel processing and distribution center, Norfolk Iron and Metal, will create 135 new jobs in Durant. Many of the other jobs created through the RRLG Program are located in rural areas of the state such as Wesley, home of Prairie Creek Ethanol; and Alta, home of Oregon Trail Energy. Additionally, a new transload facility located in Palo will help alleviate trucking and rail congestion in the center of Cedar Rapids. Other funded rail improvements support the construction of four new ethanol plants, a bio-diesel refinery, two railroad line improvements, and an industrial expansion project. The jobs pledged anticipate an average wage of \$18 an hour.

The RRLG Program has proven to stimulate economic activity and job growth for Iowa. This year the Iowa DOT is again requesting \$2 million in assistance from the Iowa Legislature. The funding will support loans and grants to build or improve rail lines that enhance the transportation infrastructure of Iowa and create an environment for business growth.

The Office of Rail Transportation hopes to announce the next round of the program during the summer of 2008. If you have questions before then, please call 515-239-1066 or E-mail roselyn.wazny@dot.iowa.gov.

Rose Wazny
Rail Development Manager

Cedar Falls sees big improvements

Cedar Falls Utilities receives coal by rail to fuel its plant and is the only customer at the end of a 1.5-mile spur track. However, the spur track weaves right through the middle of a residential, downtown neighborhood. In some cases, the railroad track is within 30 to 50 feet of private homes. The spur track has 11 highway-railroad crossings, including a stretch where the track goes down the middle of the street for several blocks.

Because this was former Rock Island track, and Cedar Falls Utilities had not used coal for a number of years, the tracks and crossings were in tough shape. The current operator, Iowa Northern Railway, and Cedar Falls Utilities developed an agreement to provide for the maintenance of the spur track and crossings. The coal is critical to Cedar Falls Utilities' operation. Shipping coal by rail is now the most convenient and cost effective method.

Fortunately, Iowa Northern previously submitted applications for the 11 crossings to the Iowa DOT's Grade Crossing Surface Repair Program. This program funds 60 percent of the cost of the improvements at a highway-railroad grade crossing. The railroad pays 20 percent of the cost and the owner of the road pays the remaining 20 percent. In this case, Cedar Falls Utilities agreed to pay the railroad's and city's share.



But, there was one other hitch. The rail line between the crossings was also in bad shape. Before highway-railroad grade crossing surface repair funds were invested in the crossings, the other condition issues needed to be addressed to lessen the risk of any train derailment near homes in downtown Cedar Falls. Cedar Falls Utilities agreed to pay for repair work to the track between the crossings. The upgrade and repair of the line and 11 crossings cost more than \$1.5 million, with Cedar Falls Utilities paying more than \$670,000 of the cost.

"The project went so smoothly with cooperation from the utility, the railroad and some excellent contractors. The track went from being a community eyesore to a community enhancement," said Mary Jo Key, the Iowa DOT's rail project manager.

Government News

lowans on national rail committees

Two lowans were recently appointed to the U.S. Department of Transportation Surface Transportation Board's (STB) Rail Energy Transportation Advisory Committee.

- Daniel Sabin, president of Iowa Northern Railway Co., headquartered in Cedar Rapids
- Daryl Haack, corn and soybean farmer from Primghar

The national committee will provide advice and guidance to STB and participate in discussions of emerging issues in railroad transportation of energy resources, particularly – but not limited to – coal, ethanol and other biofuels.

Iowa businesses are also well represented on the STB's Railroad-Shipper Transportation Advisory Council (RSTAC). Among the 15 members of the committee providing advice on regulatory, policy and legislative matters to the Chairman of the STB and House and Senate committees are:

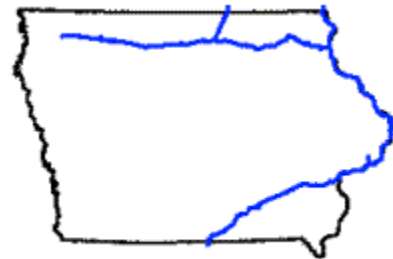
- Connie Thede, manager of Strategic Sourcing at Muscatine Power and Water in Muscatine.
- Roger Fray, vice president for grain, West Central Cooperative in Ralston
- Terry J. Voss, senior vice president of transportation at Ag Processing, which is based in Omaha and has numerous Iowa facilities.

Industry News

DM&E plans merger

The Dakota, Minnesota & Eastern Railroad (DM&E) and its affiliated companies, including the Iowa, Chicago & Eastern Railroad (IC&E), will merge with Canadian Pacific Railway (CP) upon final regulatory approval by the Surface Transportation Board.

DM&E planned an expansion into the Powder River Basin (PRB) in Wyoming to tap into the lucrative coal shipment markets. When DM&E failed to win federal financing for the PRB project, they held a competitive process to find the best approach to advance the project. Canadian Pacific agreed to acquire DM&E/IC&E to continue the dramatic growth of the railroad. If the CP decides to build the PRB project, much of the coal traffic will be borne by the DM&E tracks in South Dakota and Minnesota.



IC&E operates 660 miles of track in Iowa (pictured) and is expected to operate much as it has in the past under the new ownership.

Union Pacific Railroad's (UP) trail donation

Dallas County will be able to complete a 72-mile trail loop when a new 28-mile segment of the Raccoon River Valley Trail is developed. More than three years ago, the Union Pacific Railroad (UP) determined the corridor was no longer required for their rail transportation

system. The UP began negotiating with the Iowa Natural Heritage Foundation for its purchase, who in turn sold the corridor to Dallas County. The UP helped make the trail a reality by donating more than \$4 million of the corridor's appraised value. The corridor will be rail-banked, which maintains the intact rail corridor and allows the corridor to be used for trails. Trail promoters predict it will become a regional and national destination trail.

Safety News

Ethanol safety

Industry specialists using rail-training equipment and highway transports will teach emergency personnel how to deal with the containment and cleanup of ethanol spills. Randy Tucker, with the Iowa Department of Natural Resources (Iowa DNR) and coordinator of the Iowa training, says they are looking to train first responders, police and others who need to know what to do when they come upon an ethanol spill. Tucker says handling an ethanol spill is different than gasoline. Ethanol will mix with water and requires different firefighting and cleanup techniques.

Transcaer, a voluntary national outreach effort supported by the Iowa DNR, Iowa Department of Public Defense's Division of Homeland Security and Emergency Management, Iowa DOT, CN, Iowa Northern Railroad, Union Pacific Railroad, BNSF Railway, and many others, offer the free training events.



The following training events are scheduled for 2008.

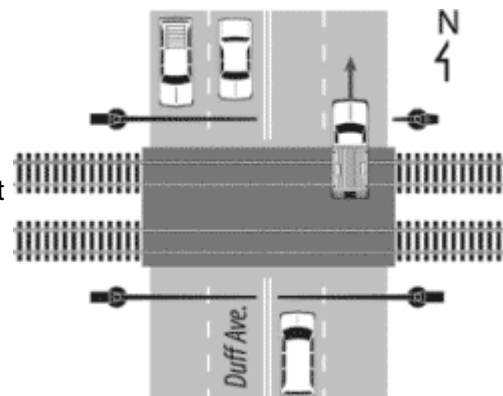
- Burlington, April 12
- Creston, April 15
- Red Oak, April 19
- Sioux City, April 23
- Storm Lake, April 26
- Fort Dodge, April 29
- Waterloo, May 2-5
- Dubuque, May 8-10

Contact rodney.tucker@dnr.state.ia.us for more information.

Specific times and online registration available on <http://programs.iowadnr.gov/transcaer/>

Safer crossing

A recent railroad crossing improvement at Duff Avenue in Ames includes an updated safety feature. The four-quadrant gates installed at the Union Pacific's crossing close all four lanes of traffic from both directions when a train approaches. The installation is the first in Iowa and designed to prevent motorists from being trapped between the gates. A loop detection system embedded in the pavement at the crossing detects the presence of a vehicle between the crossing gates and automatically delays closing the exit gate.



Jim Gibson of the Iowa DOT's Office of Rail Transportation, said, "This is one of the most

studied crossings in Iowa because of the high volume of traffic, 14,500 vehicles on the road and 66 trains per day. The crash history at this site is also high with 18 crashes since 1978. As most people driving through Ames can attest, the traffic congestion caused when trains occupy the crossing is a major concern. This improvement is the next step in reducing hazards at this location.”

The safety improvement's price tag is estimated at \$315,000, with federal rail crossing funds administered by the Iowa DOT covering 90 percent of the cost. The Union Pacific will pay the remaining 10 percent and any maintenance costs for the equipment.

More crossing safety

Motorists can expect increased safety at 26 highway-railroad crossings around the state. The Iowa DOT will spend \$4 million among 26 locations to install new signals or upgrade existing signals that warn motorists of an oncoming train. A list of the specific locations for the planned installations can be found at www.iowarail.com. The railroads expect to have all installations completed within two years.

The signals will be installed with federal rail crossing funding that pays 90 percent of the cost of the signals, with the railroad, city or county paying the 10 percent match. The majority of the upgraded signal locations will be outfitted with flashing lights and gate arms. Installing these safety features can reduce the likelihood of a crash by up to 90 percent.

The Iowa DOT will also provide funding to pay for the cost of yield signs to be installed below the crossbuck signs at crossings without active signal devices. The use of yield signs will reinforce the message to motorists that they must look for and yield to a train.

Passenger Rail News

Iowa joins rail passenger advocacy group

Iowa is one of the newest members of the Midwest Interstate Passenger Rail Commission (MIPRC). The commission brings together state leaders from across the region to advocate for passenger rail improvements. The MIPRC's current members are Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, and Wisconsin.



The main purposes of the compact are to:

- Promote both current improvements and long-range plans for intercity passenger rail service in the Midwest.
- Coordinate interaction among Midwestern state officials, and between the public and private sector at all levels (federal, state and local).
- Support current state efforts being conducted through state departments of roads or transportation.

Iowa's representatives to the commission are Rep. Paul Bell; Sen. Daryl Beall; James Larew, legal counsel to Gov. Culver; and Patrick Hendricks, a Union Pacific employee and president of the Iowa Association of Railroad Passengers.

Future rail passenger service

Amtrak recently released feasibility studies to add passenger rail service from Chicago to Dubuque and Chicago to the Quad Cities. The Iowa Department of Transportation asked Amtrak to expand upon the Quad Cities study to determine the feasibility of rail service to Iowa City and on to Des Moines. All the added routes will require a financial commitment from

the state of Iowa for capital and operating expenses. All these routes are in the very early investigatory stages and will require much study, education and commitment to come to fruition. Look for more detailed information in this newsletter when the Iowa City study is released.

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