

Next Meeting:

- **Program: Slides by members 12 January 2008.**
- **West Carrollton Civic Center. West Carrollton, Ohio**
- **Meeting time, 7:30 PM.**

January Program....

The program this month will be slides by members.

Participants are asked to bring material to show in maximum 80-slide groups (1 standard carousel or 2 developer boxes).

Please plan on a lesser number of slides if significant narration will be included with the scenes.

This will allow more people to show. Of course, please feel free to bring extra material as a contingency.

Remember, effort spent down-selecting the slides will improve your presentation quality and make the group enjoy and appreciate your material all the more!

Will Indiana miss rail's renaissance?

Railroads, once written off as outdated and slow, have become the latest drivers of economic growth, with Indiana among the states courting a greater rail presence.

But a new study concludes Indiana may be ill-positioned to land the most desirable of rail developments: a large intermodal terminal where freight containers hauled by rail from an ocean port are unloaded by cranes onto trucks to be taken to distribution centers or their end destinations.

"Central Indiana faces a difficult set of circumstances" in its hunt for a big intermodal terminal, says the study, "A Rail Strategy for Indiana," done in September for the Central Indiana Corporate Partnership. The Indianapolis area is too close to the major rail terminals around Chicago to be a desirable spot to locate another big terminal, says study author Libby Ogard, a Wisconsin rail consultant.

Moreover, the most likely site for a big Central Indiana intermodal terminal, the CSX Corp.-owned Avon rail yard in Hendricks County, isn't located on CSX's primary intermodal rail network, so it's not in line to serve the bulk of CSX's intermodal train traffic, the study notes.

With the ninth most track mileage of any state, Indiana is not without assets to reap the benefits of rail's rising prominence. The study suggests Indiana's best bet to capitalize on the rail renaissance happening nationally might be to develop a wholly new intermodal terminal that would serve a major western railroad, or link it with an eastern railroad, such as CSX. "We want to strike while the iron's hot now. We don't view it as intermodal or bust," said Nathan Feltman, president of Indiana Economic Development Corp., about the group's rail promotion strategy.

Feltman said state and regional economic development officials are talking to "all the major railroads" about development projects in the state. One role

Indiana could play is to build a kind of reliever intermodal terminal to serve train traffic diverted from Chicago-area terminals that are flooded with handling one-third of the nation's freight traffic.

To cope with the 1,200 trains that pass through the area daily, Chicago officials have launched a \$1.5 billion upgrade to crossings, overpasses and other rail infrastructure. But the 78 separate projects will take years to carry out.

A jobs windfall

The stakes are high for states, cities or regions that land the new terminals needed by the nation's seven major railroads. Each terminal can create hundreds or even thousands of jobs, including workers who help unload the freight or employees of distribution centers and other companies that locate near rail terminals.

The Columbus, Ohio, metro area, for instance, is looking at an explosion of 10,000 jobs over the next decade. They will come from development linked to a large intermodal facility that Norfolk Southern railway will open next year south of the city, near Rickenbacker International Airport. That terminal will unload the 40- to 50-foot-long shipping containers brought in on double-stack trains from the Port of Norfolk.

Indiana's best chance of getting a similar intermodal facility would seem to lie with CSX at its Avon yards. CSX is nearing completion of a major upgrade to its tracks from Jacksonville, Fla., to Chicago, passing through or near Indiana, to handle more intermodal shipments.

But Jacksonville-based CSX seems cool to the idea of turning the Avon yards into a major Midwestern intermodal facility that would receive shipments directly from Jacksonville's port.

CSX has no plans to expand the Avon yards, said spokesman Garrick Francis.

Currently, the Avon yard can handle intermodal

trains, but does little of it, aside from a few trains a week from New York and Boston, according to local industrial developers.

State officials also have talked to Southern Pacific Railroad and BNSF Railway Co. about establishing an intermodal facility in Indiana, but neither seems to be leaping to embrace the idea, according to the Central Indiana Corporate Partnership study.

BNSF preferred a location farther east, near Dayton, Ohio. And Southern Pacific preferred a dedicated route so it won't have to share revenue with a second carrier, the study notes. Feltman wouldn't comment on the status of the talks with the railroads. He also wouldn't say if the state is willing to offer economic incentives to the railroads.

"We are going to do our part to see if we can be in the intermodal game in a big way," he said.

Fed by global trade

Rail use is growing, after years of stagnation, thanks to surging global trade and a switch away from using trucks for long hauls because of congested interstates and soaring fuel prices. Railroads are hot now, said Carol D'Amico, chief executive of Conexus Indiana, the logistics and advanced manufacturing promotional arm of Central Indiana Corporate Partnership. Attracting a major intermodal facility "would be a huge spur" to economic growth in the state, she said. "The timing is right, right now," she said. "I don't think we've missed the boat." What's driving the construction of new intermodal facilities is that the existing terminals on the West and East coasts, as well as around Chicago, are hard-pressed to handle the growing inflow of goods from China and other overseas sites.

The new terminal near Columbus will unload double-stack trains arriving from Norfolk along a newly expanded rail route. Norfolk Southern, three states and the federal government will pay \$151 million to raise the roofs on 28 tunnels in Virginia and West Virginia to allow the tall trains to pass through.

If Central Indiana can't land a big intermodal terminal, it might mean more expensive shipping costs for area companies, such as dozens of national retailers and industrial suppliers that get their products from overseas and store them in mega-ware-

houses around Indianapolis.

Most rail-carried overseas shipments bound for Central Indiana now go to Chicago for off-loading, where the cargo is then trucked the 150 or so miles to Central Indiana, adding \$300 or more per container to the cost of transportation for local companies.

At the very least, local industrial brokers and developers say, they want to persuade railroads to send West Coast freight bound for Central Indiana straight to the Avon yards, instead of to Chicago for off-loading.

Bringing that rail freight directly to the Avon yards would eliminate the extra trucking costs, cut two days off delivery time, and make Central Indiana a more competitive place to do business for companies with big shipping needs, said John Hirshman, director of development at Duke Realty Corp., an Indianapolis-based developer of industrial and other buildings. "We think this is an important thing for us and Central Indiana," he said. "We've been in discussion not only with CSX but others. They are all ears. We have to convince the railroads this is not only a good idea, but a profitable one for them."

So far, no railroads have agreed to build a freight hub to serve trains carrying Indiana freight from the West Coast.

Charlie Podell, senior vice president of industrial leasing at Duke, said he and others hope to mount a public-private effort to boost the state's rail standing with a new intermodal facility or arrange direct shipments of Indiana-bound freight. "It's just a matter of putting it together. Railroads are like government, big bureaucratic things, and they just need to see the light."

Brian Zurawski, a principal and industrial broker at Summit Realty Group in Indianapolis, said he worries that cities like Columbus will gain the upper hand over Indianapolis in luring distribution centers and other logistics-oriented companies. "If we don't start paying more attention to rail and try to come up with a plan for using the Avon yards, we could be more and more at a disadvantage." From IndyStar.com

Remember that dues are due. Please send your check to my address on back page or see me at one of the meetings.

The Miami Valley Railfans is a loosely knit group of railfans that meet to discuss, exchange views and show slides and movies about railroads, We meet between the months of November and July, usually the second Saturday, at The West Carrollton Civic Center. Anyone interested is surely welcome!

Dues are \$10.00 per Calendar Year
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