



Recently-delivered GP40s pose for the publicity camera at the IMX intermodal facility in downtown Chicago. SP leased the facility from IC in 1991 and purchased it outright in 1996. —Southern Pacific Lines, John R. Signor collection

Chicago SP's Last Frontier

How Joint Facility and other Operating Agreements Played a Key Role in Southern Pacific's Operational Presence and Success

By Bill Fowler

There is little doubt that the decision makers at Southern Pacific Transportation Company's headquarters in San Francisco had long envisioned a presence in Chicago, the United States' most significant operating hub. This would finally happen after Philip Anschutz assumed control of the Southern Pacific in 1988. Although the journey to achieve this goal would take many twists and turns, in the end, SP had just only one route in and out of Chicago, but three.

SP's successful operations in Chicago was based on two things: relationships, and written and (rarely) oral agreements. (I can recall the time I wrote a one-page agreement on the hood of an automobile, which was contemporaneously executed by me and a representative of the other party.)

I was the one person who was involved in every contract negotiation that provided SP with the operational coordinations it required to successfully operate in Chicago, and this is the story of how that was accomplished.

SP was a latecomer to Chicago, and would find that the ideal routes in and out of Chicago were prized franchises zealously guarded by their owners. Available routes came with issues which would complicate its operations and little could be done to resolve these issues. Moreover, SP would not be able (except for one very minor exception) to purchase trackage in the Chicago terminal or related railroad facilities. This meant that SP, after the failure of its second Chicago initiative, would need to obtain trackage and other rights to operate in the Chicago terminal and to contract for various matters such as servicing locomotives and providing air brake tests.

The First Chicago Initiative

SP's first Chicago initiative in early 1989 involved using the Burlington Northern's (BN) line from Chicago to Kansas City. This route would provide access to SP's Armourdale Yard. At the time, SP connected with Union Pacific (UP) trackage over which SP operated between Kansas City, Missouri, and Topeka, Kansas, pursuant to a trackage rights arrangement, which had been inherited from the Chicago, Rock

have the opportunity to capture some of the CNW's business to and from the West Coast. Also, as BN had recently denied the SP the right to operate over its trackage between Chicago and Kansas City, it did not want the SP to have the ability to compete for the thousands of carloads of corn-related products generated by plants along the Comanche to Davenport corridor and move the traffic on a long-haul basis.

This writer was also concerned with several issues as he hirailed over the mainline between Chicago and Kansas City and the branch line between Davis Jct. and Janesville. SP's operations would have to coordinate with Metra over trackage between downtown Chicago and Pingree Grove, Illinois, approximately 36.5 miles. The Janesville Branch was 45.3 miles long, and 33.5 miles of it between Janesville and Rockford, Illinois, was restricted to 10 mph. Between Savannah, Illinois, and Sabula Jct., Iowa, SOO operated and maintained a swing bridge, the operation and maintenance of which would become SP's responsibility if the initiative was approved. (This bridge was struck by a barge and was out of service for several weeks in 2014). Further, the mainline in Iowa meandered along the Mississippi River for miles with numerous speed restrictions.

After its review of all the filings by SOO, SP, BN, and the CNW, the ICC ruled against SOO and SP. SP continued to look for a means to access Chicago.

SPCSL Corporation

Later in 1989, after the Chicago, Missouri and Western Railway (CMW) was in bankruptcy proceedings, SP expressed an interest in the portion of the line between Joliet and East St. Louis, Illinois, (north-south line) and entered into negotiations with the trustee of the CMW and the Gateway Western Railway (GWWR). Any agreement reached between SP and the trustee would be subject to the approval of the federal bankruptcy judge appointed to the case.

The CMW began operations in 1987 after it had been purchased from the Illinois Central (IC) and, apparently, was saddled with crushing financial



Access to General Motor's Janesville, Wisconsin, assembly plant was one of the objections CNW raised against SP's Soo Line purchase, even though its peak production year was 1977. —Bill Fowler

obligations from the onset. Moreover, the CMW was obligated to pay IC about twice the then-going market car-mile rate to move its cars over 37 miles of IC trackage between Chicago and Joliet, and double the car-mile rate to operate its locomotives over the same trackage. Also, IC's track ownership ended just north of the interlocker in Joliet, so CMW was responsible for maintaining an antiquated plant, which was operated by its employees 24-hours a day, seven days a week.

As will be seen, the CMW—and later the SP—faced unusual operating challenges in the Chicago and East St. Louis, Illinois areas. Although it was obvious from the beginning of negotiations that SP would own the north-south line and the GWWR would assume ownership of the CMW's trackage between Kansas City and points connecting with SP's north-south trackage, details of the dismemberment of the CMW became the subject of negotiations between the two parties, particularly in the Godfrey to East St. Louis area, a distance of about 30 miles. The GWWR would need access to what would become its major eastern intermodal hub at Venice, located about six miles north of East St. Louis. Also, both SP and GWWR had plans the use the CMW's freight yards in East St. Louis and the parties would need to agree as to what portions of that trackage they would own. The final agreement for this 30-mile stretch of trackage stipulated that it would be jointly owned by

SP and GWWR. SP, however, would be the operating and maintaining company, as it was concerned that the GWWR might not have the resources to maintain the trackage to a level deemed necessary by the SP.

After SP received permission to purchase the north-south line and completed the acquisition, it established a new entity in November 1989 named SPCSL (Chicago-St. Louis Corp.) and its operations would be conducted under that name. SPCSL remained a stand-alone company until the SP/UP merger in September 1996, when it was absorbed by the UP.

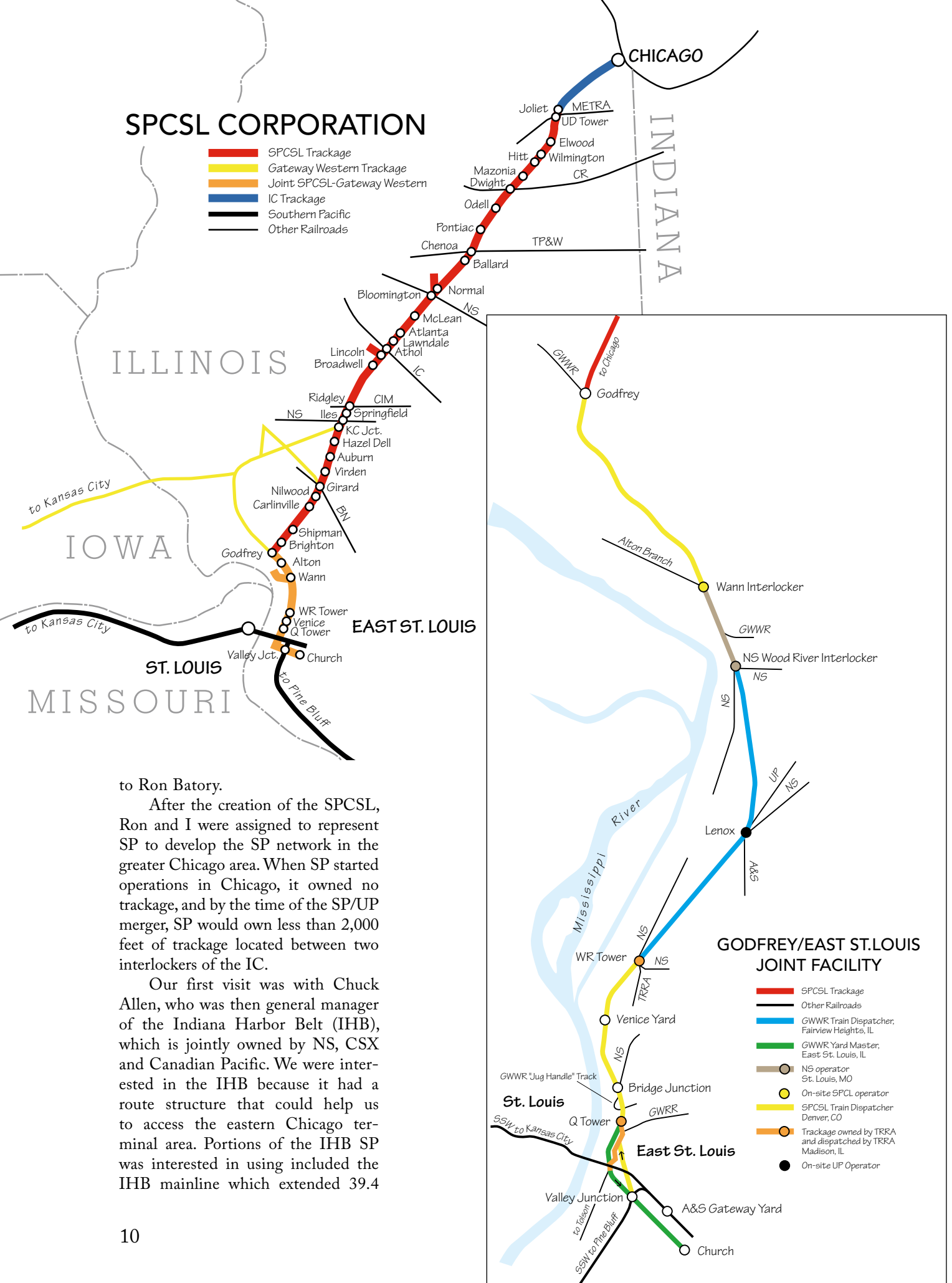
Further Complications

To further complicate SP's operations between Godfrey and East St. Louis, during the early 1990s, a balkanization of control in the area involving SP, GWWR, Norfolk Southern, Terminal Railroad Association Company of St. Louis, and UP would evolve as shown on the map on the next page, and would have a ripple effect on SP's trains operating between Chicago and East St. Louis.

Ron Batory, who had been vice president and general manager of the CMW, joined SP as an assistant general manager, whose original responsibility was to establish a home base for SP in Chicago and to meld SPCSL's operations with those of SP in East St. Louis. The GWWR was headed by the late J. Reilly McCarren, who had been the general superintendent of the CMW and reported

SPCSL CORPORATION

- SPCSL Trackage
- Gateway Western Trackage
- Joint SPCSL-Gateway Western
- IC Trackage
- Southern Pacific
- Other Railroads



to Ron Batory.

After the creation of the SPCSL, Ron and I were assigned to represent SP to develop the SP network in the greater Chicago area. When SP started operations in Chicago, it owned no trackage, and by the time of the SP/UP merger, SP would own less than 2,000 feet of trackage located between two interlockers of the IC.

Our first visit was with Chuck Allen, who was then general manager of the Indiana Harbor Belt (IHB), which is jointly owned by NS, CSX and Canadian Pacific. We were interested in the IHB because it had a route structure that could help us to access the eastern Chicago terminal area. Portions of the IHB SP was interested in using included the IHB mainline which extended 39.4

SPRINGFIELD DISTRICT SPCSL CORP.

WESTWARD ↓		STATIONS		↑ EASTWARD	
Station Numbers	Siding Feet	Wilmington Line			MP Post
63400		CHICAGO			
For Movements Between Chicago and Joliet be governed by Rule N					
63860		JOLIET	Y	2MT	36.7
		UD TOWER (METRA XING)	M		37.3
63855		SOUTH JOLIET	Y	ABS	38.5
63850		ELWOOD		ABS D T C	45.8
63830		WILMINGTON			52.5
63828	2750	HITT			54.5
63795		MAZONIA			62.6
63785	12375	DWIGHT (CR XING)	M		72.8
63780	12760	ODELL			82.0
63765	11770	PONTIAC			92.5
63755		CHENOA (TP&W XING)	M		102.3
63750	11440	BALLARD			106.6
63700	17952	NORMAL			124.1
63700		BLOOMINGTON YARD	QW		126.0
63700		BN TARGET (NS XING)	QM		126.5
63700	12672	BLOOMINGTON		C T C	126.6
63640	12430	McLEAN			140.9
63630		ATLANTA			145.8
63620		LAWDALE			150.0
63605	10010	ATHOL (IC XING)	M		155.7
63590		LINCOLN			156.4
63570		BROADWELL			163.4
63565	9625	ELKHART			168.4
63555		SHERMAN			178.0
63550	10175	RIDLEY (CIM XING)	MQT		182.9
63507		SPRINGFIELD	Q		185.1
63440		ILES (NS XING)	M		187.3
63418		KC JCT.		2 MT CTC	187.8
63418		HAZEL DELL			189.5
63380	10505	AUBURN			200.0
63370		VIRIDEN			207.0
63365	9625	GIRARD (BN XING)	M	C	210.8
63360		NILWOOD		T	214.5
63350	17490	CARLINVILLE		C	223.8
63330	11165	SHIPMAN			238.3
63325		BRIGHTON			246.0
63320	13420	GODFREY			252.1
63170		ALTON			257.2
63210		WANN	M		262.1
Movements between Wann and WR Tower will be governed by Conrail and SPCSL Joint Track Timetable No. 1					
		WR TOWER	M	D T C	274.9
63110		VENICE			278.0
		Q TOWER	M		281.0
Movements between Q Tower and Hole-in-the-Wall on No. 2 track is over the trackage of the TRRA					
		Q TOWER	MY		281.0
		HOLE-IN-THE-WALL		2MT	281.7
		VALLEY JCT (TRRA XING)	M	#1TK	283.6
63055		CHURCH		DTC #2TK	287.2
(248.0)		(ROUTE CSL)			

Timetable issued October 25, 1992, for the 248-mile SPCSL mainline between East St. Louis and Chicago.

miles from Ivanhoe on the west side of Gary, Indiana, to Franklin Park, Illinois, near O'Hare Airport. It ran west from Ivanhoe through Gibson (Hammond, Indiana) to Blue Island, Illinois. There, it headed northwest and then north through Chicago's western suburbs. It was mostly double track, and even the single track segment had one or more running tracks alongside. From Blue Island to a point near McCook, Illinois, the track and infrastructure were owned and main-

tained by CSX subsidiary, Baltimore & Ohio Chicago Terminal. However, IHB dispatched the entire route. In addition, the 7.1 miles of mainline from Ivanhoe to Calumet Park, Illinois, was operated on a long-term lease agreement. From Calumet Park to Blue Island, and from McCook to Franklin Park, the track was owned outright by IHB.

Mr. Allen was receptive to our plans and SP worked subsequently to use portions of IHB's trackage, however, what the IHB lacked was a convenient yard location and the ability to provide a variety of services.

SP and the Belt Railway of Chicago

We next met with Jim Martin, the newly-appointed president of the Belt Railway of Chicago (BRC). Jim, who was a former president of the IC, was eager to talk with us about what the BRC could provide for SP. Due to a labor dispute, the then owners of the BRC—Santa Fe, BN, Conrail, CSX, Grand Trunk Western, IC, Missouri Pacific, Norfolk Southern and SOO—had made the decision not to have certain of their Chicago traffic switched by the BRC. So when Jim



In a burst of pride, the Anschutz administration at Southern Pacific had this poster commissioned upon completion of the SPCSL Corp. —Southern Pacific Lines



SP 7806 leads the I-LFCHM-28 toward the diamonds in Joliet, Illinois, on August 1, 1992. The train is crossing over on former GM&O tracks. To the right are the two tracks of the Santa Fe. This train will terminate at the Belt Railway's Clearing Yard. —Sean Graham-White



The modern-day Blue Streak (CBSMF—Chicago Blue Streak Manifest Forward) comes to a stop in "The Hole" at Cicero, Illinois on June 11, 1991, led by brand-new GP40M-2 7114 on its first run for the SP. The Hole track allows the transfer of trains to/from the Belt Railway of Chicago and the Burlington Northern. This train originated at BRC's Clearing Yard and will use trackage rights over the BN to leave the Chicago area as it heads west. —Sean Graham-White

Martin and Ron Batory and I were standing on the overhead walkway shown in the upper center of the photo on page 14, there were only seven rail cars in two Clearing Yards. These two yards, at the time, had the capacity to handle several thousand rail cars a day. After our discussions with Jim, Ron and I recommended to the senior decision makers in San Francisco that SP should use the BRC for its base of operations in Chicago.

The location and connections offered allowed SP very good access to trackage of various railroads operating in the Chicago area. Once SP acquired operating rights over the BRC, it would be able to connect with its rail partners throughout the Chicago Terminal, although SP would find it necessary to construct some connections to make its operations more efficient. As SP added to its routes in and out of Chicago, the selection of the BRC would prove to extremely beneficial.

BRC could provide a variety of services for SP. Not only could BRC switch SP rail cars at its Clearing Yards, it could deliver SP's trains, rail car blocks, and other traffic throughout the Chicago Terminal. BRC could also perform initial air brake tests for SP's trains prior to their departure from Chicago. Moreover, BRC could service SP's locomotives and provide light running repairs as well.

BRC agreed to reasonable charges for all the services it offered. It also gave volume discounts for the switching services it provided for SP and agreed to pay SP penalties in the event switching time standards were not met.

BRC generally agreed to assume liability for its employees when they performed various services for the SP. This was different than railroads operating in the western United States, where the railroad receiving a benefit was required to indemnify the railroad providing the service.

BRC agreed to provide facilities at the BRC for use by SP's crews. And crew lodging facilities were within minutes of the BRC, which would minimize the time crews were required to travel between their on- and off-duty points.

After our recommendation was

approved, we immediately negotiated and finalized the necessary operating and service agreements. At the same time, Mr. Batory and SP's labor relations department negotiated the necessary agreements for the SP crews which would be operating in and out of Chicago, and the operating department ensured that sufficient managerial personnel and locomotives would be available. After these matters were addressed, SP commenced operations in early 1990.

SP, BN and Norfolk Southern

Early on, there were some operational challenges in Chicago. For example, until an appropriate connection could be constructed between trackage of BRC and IC at LeMoyne, the CHASM (the daily manifest train between Chicago and East St. Louis) was sometimes shoved out of the BRC's west departure yard (caboose first) to LeMoyne where the train entered the IC mainline. The train then proceeded over the IC to Joliet and onto the SPCSL mainline.

After the startup of SP operations in Chicago, BN asked if SP still desired to use its line of railroad between Chicago and Kansas City. Indeed SP was, and it was negotiating a settlement agreement with SOO not to purchase and/or use SOO's line of railroad between Chicago and Kansas City because, as we have seen, it could not overcome BN's and CNW's opposition to the SOO/SP initiative. Since the conversations between SP and SOO leading to a settlement agreement were very sensitive, negotiations between SP and BN were conducted under secrecy, and only a very limited number of each company's representatives were involved in the discussions. In fact, my counterpart at the BN was not a part of the SP-BN negotiations and his initial awareness of the initiative came when he was furnished a fully-executed counterpart of the negotiated trackage rights agreement.

Historically, joint facility agreements were based on quid pro quo initiatives, usually involving two railroad companies that would agree to an exchange of operating rights or services that would benefit each. Examples

include the parties agreeing to a swap of trackage rights or providing switching for each other, and therefore the rationale behind such agreements were economic in nature.

Beginning in the late 1960s, many joint facility staff members began writing operating agreements, which were always subject to approval by each company's law department. Sometimes certain of the terms and conditions were unintentionally vague; however, the joint facility personnel knew what the agreements meant and because of long-term relationships, profound disagreements were rare. Beginning in the early 1980s, however, a more forceful group of joint facility agreement negotiators and administrators for at least one railroad company began a much-focused reinterpretation of existing joint facility agreement terms and conditions, especially those involving economic issues. Because of this and this writer's concerns about ambiguities in some of the agreements for which he had administrative responsibilities, he began rewriting many terms and conditions for the agreements he was negotiating and renegotiating.

So, during the negotiations of the agreement permitting SP to operate over the trackage of the BN between Chicago and Kansas City, SP requested reasonable terms and conditions to ensure that the rights granted by BN would not be diminished by future BN administrators of the agreement and that SP could continuously operate doublestack trains at the then operating speeds over the route of the BN. The agreement, as negotiated and finalized by the parties, included the following provisions:

- The car-mile rate was all inclusive, meaning that it included all costs for operation and maintenance of the route including rail and tie replacement.

- BN was obligated to maintain the existing timetable speeds and the then-BN timetable for the route was incorporated into the agreement.

- BN was obligated to maintain all existing vertical and horizontal clearances, the dimensions of which were defined in the agreement.

- A joint BN/SP operating/contract committee was created and dur-

ing the initial years of the agreement, representatives of both companies toured the joint line by business car every six months.

- BN was obligated to furnish facilities for use by SP's operating employees.

- SP was committed to operate a minimum number of trains based on a monthly average.

As an aside, many of the concepts in this agreement, as well as major portions of the language that had been drafted by this writer, would be incorporated into the trackage and haulage rights agreements negotiated between SP and BN and Santa Fe incident to their 1995 merger. The geographical span provided for those rights covered trackage located in Illinois, Iowa, Kansas, Colorado and Texas. And virtually all the terms and conditions of the SP and BN and Santa Fe agreements would become the templates for the operating agreements negotiated between SP and UP and The Burlington Northern and Santa Fe Railway Co. (BNSF) incident to the SP/UP merger.

On the Friday morning in Chicago when the SP-BN trackage rights agreement was consummated and the SP-SOO settlement agreement was inked, I was tasked to go to Atlanta from Chicago to begin negotiations with NS to secure trackage rights over its line of railroad between Maxwell and Birmingham, Missouri as shown on the map on page 15. The reason for this was that BN and NS had a paired-track arrangement between Maxwell and Birmingham, which provided that, before tenants of BN trackage could operate over the paired track, they were required to seek the consent of NS and enter into an agreement satisfactory to NS. Moreover, NS was the party responsible for managing operations over the paired track.

The next morning when I arrived at the NS's operating headquarters in Atlanta, I was greeted by a group of about a dozen people representing NS's operating, engineering, joint facility, law, accounting, service planning, strategic planning, and finance groups. For a few hours we discussed tentative terms and conditions for the trackage rights agree-



Above: Belt Railway of Chicago's Clearing Yard seems busy enough in this view. At the time of negotiations with SP, however, Clearing Yard was virtually empty due to a labor dispute. Currently, the BRC terminal dispatches more than 8,400 rail cars each day. —Southern Pacific Lines



Left: Brand-new AC4400CW 267 awaits its first call to duty for SP. The unit sits at the Belt Railway of Chicago's diesel servicing facility. To the right of the 267 are two of the Belt's GP38-2s pulling a train up Clearing Yard's hump for classification. The BRC was the primary facility for the SP in Chicago for termination and origination of freight trains, while just a few feet to the south of Clearing Yard is CSX's Bedford Park Intermodal facility where SP's doublestack trains began or ended their journeys. This close proximity allowed SP power to be close to the BRC servicing facility. —Sean Graham-White

ment that would be eventually executed by SP and NS. Toward the end of the conversation, a couple of the NS representatives dropped a bombshell. They asserted that the operation of additional SP trains over the NS trackage would necessitate the lengthening of an existing siding, installation of electric pow-

ered switches at each end of the siding, installation of CTC, and remediation of drainage issues in the vicinity of the siding. The issue would require approval of SP's principals in San Francisco, but I wished to have the proposed trackage rights agreement essentially drafted before I left Atlanta for San Francisco

the following Wednesday.

After the meeting with the NS representatives on Saturday, I called Mike Mohan, then president of Southern Pacific, and told him that while negotiations were proceeding, there was an issue that he and other senior managers would need to

resolve at their level and that was the proposed work involving the existing siding. Before we finished our conversation, I mentioned to Mike that I would speak with Steve Tobias the following Monday if he was at his office in Atlanta. Steve was general manager for the NS territory that included the greater Kansas City area. Steve and I, at the time, also served on the board of the New Orleans Union Passenger Terminal (NOUPT), and had worked jointly on a couple of initiatives involving the NOUPT.

It turned out that Steve was in Atlanta that Monday and I spoke with him briefly that morning about SP's concerns with the proposed siding upgrade. He said he would investigate and asked me to meet with him in his office after 5:00 p.m. that day. When I spoke with him later in the day, he said he had looked into the matter and had determined the proposed siding project was required; however, he said he had helped to determine that project's scope could be somewhat reduced and said that before I left Atlanta I would be given a preliminary drawing of the work envisioned by NS, as well as an initial cost estimate. Eventually, SP agreed to the project as a part of the trackage rights agreement between SP and NS, as it had no alternative if it wished to start operating trains over BN trackage between Chicago and Kansas City and NS trackage between Maxwell and Birmingham.

Later in 1990, SP began operating over BN's trackage between Chicago and Kansas City and one of the first benefits was a greatly improved access to and from the BRC. SP was now able to make straightaway train movements in and out of the BRC.

The BN route improved transit times for SP's operations in the Chicago terminal area. Also, BN and SP

formed a close working relationship as a result of this initiative, which would later pay dividends for SP in particular. BN was consistently fair in its dispatching of the route and the issues requiring resolution between the two companies were quickly resolved.

In June 1994 BN and Santa Fe announced their intention to merge. As was typical in these types of railroad transactions, SP approached both companies with its wish list (and demands) of certain operating rights before it advised the Surface Transportation Board of its agreement to the proposed merger, provided that its agreements with the BN and Santa Fe were approved conditions of the transaction. The settlement agreement between SP and BN and Santa Fe would provide that SP would grant the two companies a limited amount of trackage and haulage rights in Kansas, Oklahoma and Texas. Conversely, under the same agreement, BN and Santa Fe would provide to SP a more significant amount of trackage and haulage rights in Colorado, Illinois, Kansas, Missouri, New Mexico and Texas. However, this would pale in comparison with the amount of trackage and haulage rights SP and UP would grant BNSF incident to the SP/UP merger.

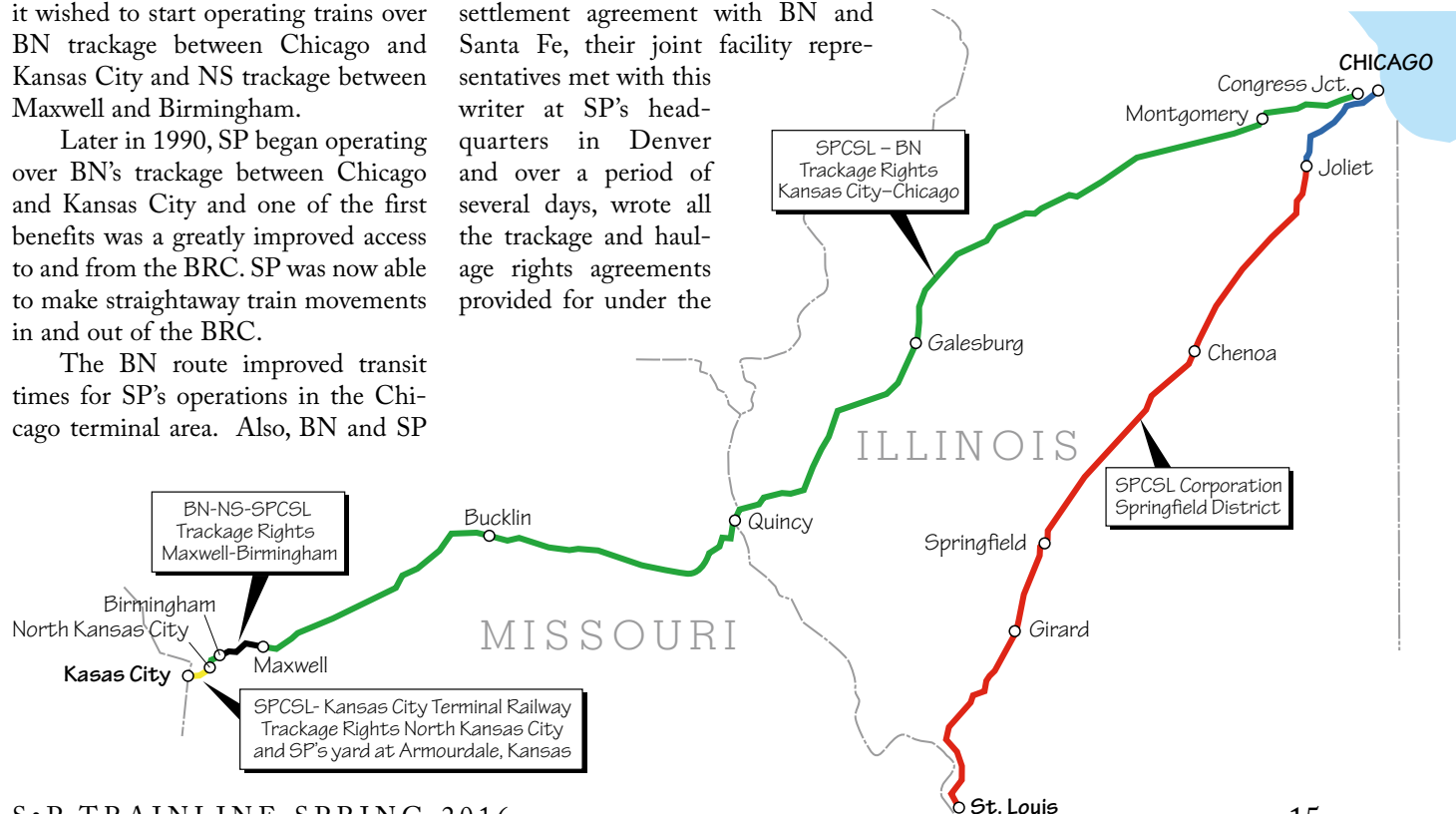
After SP had consummated its settlement agreement with BN and Santa Fe, their joint facility representatives met with this writer at SP's headquarters in Denver and over a period of several days, wrote all the trackage and haulage rights agreements provided for under the

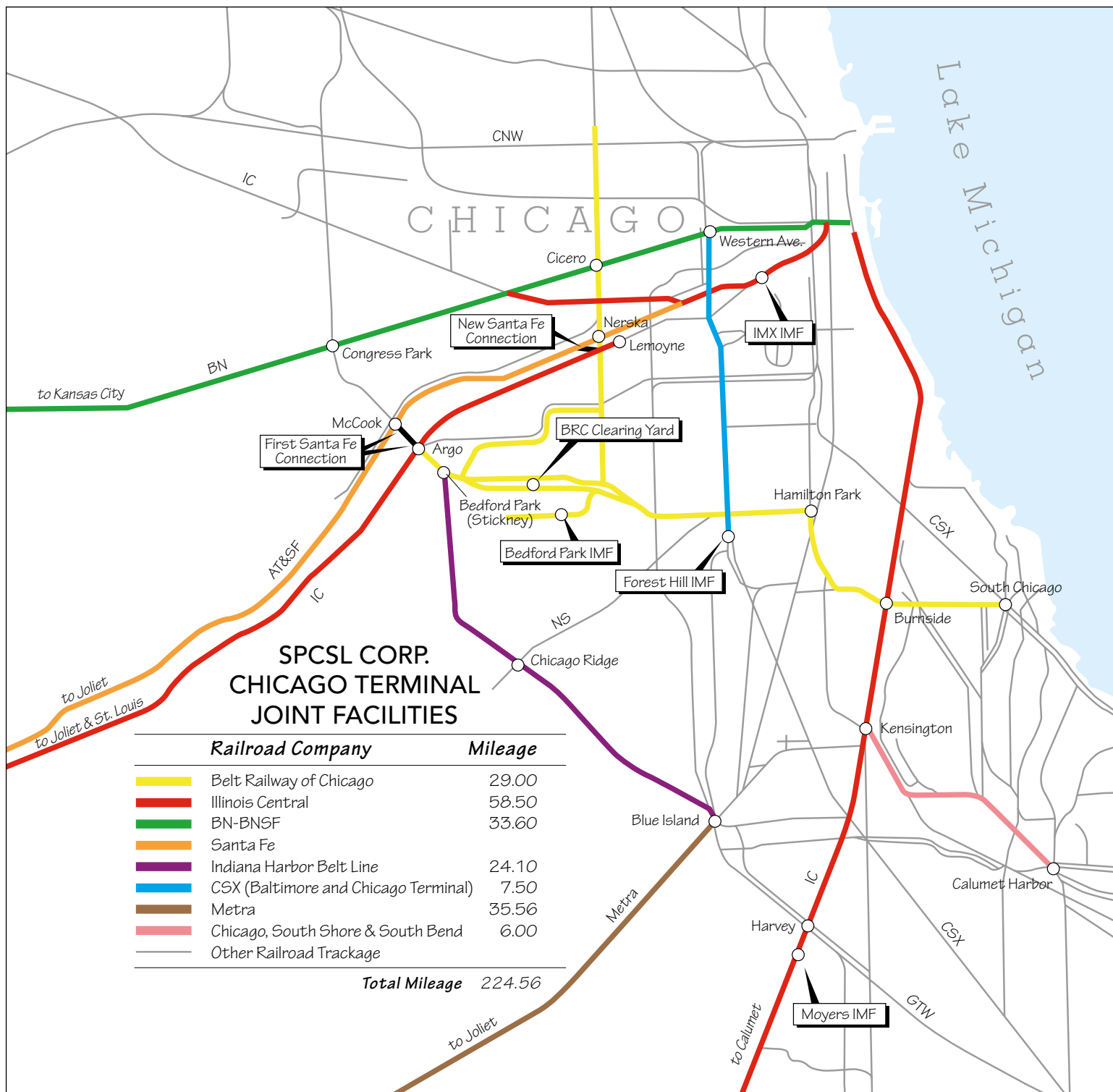
settlement agreement. The most significant agreement permitted SP to operate over Santa Fe trackage from Chicago (Nerska) to Kansas City, and thence to Hutchinson, Kansas. Initially, SP accessed the BRC by using a connection at McCook, Illinois, to then operate over trackage of the IHB via Bedford Park. A connection was subsequently constructed at Nerska, which would provide a route directly to and from the BRC.

Chicago Terminal Changes

As SP acquired its three rail routes into and out of the Chicago area, it developed other routes within Chicago to facilitate the movement of its ever-growing traffic. It did have more than 224 miles of trackage and operating rights in the Chicago and surrounding area. The map on page 16 includes the track mileage granted by various railroad companies.

This network became critical as SP expanded its operations in the Chicago area. At the start up of the SPCSL, SP operated an average of six trains per day, which included a local train operating three roundtrips a week between Chicago and Bloomington, Illinois. Over time, SP's presence in Chicago grew substantially as it expanded its





intermodal business in Chicago; handled taconite trains, which originated in northeastern Minnesota and were handled by SP from Chicago to Pueblo, Colorado; and operated coal trains originating in Colorado and Utah on the SP and destined to KCBX Terminals Co. in Chicago.

The major area of SP's local business in Chicago was intermodal in nature. SP intermodal traffic was han-

dled at four locations in the Chicago area but the locations of the facilities changed as SP's operations and business opportunities matured. All the facilities were operated by contractors and the only SP employees at each location were managers. Until 1996, SP held no ownership interest in any of the facilities and this provided SP the flexibility of being able to relocate its Chicago intermodal operations as

circumstances warranted.

SP's original intermodal operation was based at Bedford Park, near BRC's Clearing Yards. Owned by CSX Intermodal, Bedford Park operated 24 hours a day, seven days a week, with a capacity of 216 five-platform doublestacks. In 1991, 1,933 lifts per month were performed here and increased to 2,185 in 1993. In 1994, operations were relocated to the Moyers intermodal



A view of the IMX facility on September 1, 1995, with the Sears/City of Chicago property in the foreground. Note the IC's mainline in the center and the Chicago Sanitary and Ship Canal at upper middle. The IMX Facility was SP's intermodal yard for Chicago piggyback trains. Doublestacks used different facilities. —Sean Graham-White

facility (MIF) at Harvey.

In 1991, SP began operations at IC's IMX intermodal facility located adjacent to IC's mainline in Chicago near Lemoyne. SP initially leased the facility but in 1996 purchased the 47-acre parcel of property and, concurrently, property immediately to the east was purchased by the City of Chicago and leased to SP. This facility, handled piggyback only and operated 24 hours a day, seven days a week.

During its first year of operation, 750 lifts were performed monthly at IMX. The number of lifts performed at IMX peaked at 7,506 in 1994. This intermodal facility had a capacity of 36 five-platform doublestack cars.

Also, in 1991, SP began using CSX's intermodal facility at Forest Hill, which was dormant at the time. In its initial year of operation, 3,656 lifts were performed on a monthly basis and by the time of the SP/UP merger, 3,724 lifts a month were handled at the facility. The Forest Hill facility

Average Monthly Lifts SP Chicago Intermodal Facilities

<i>Facility</i>	<i>1991</i>	<i>1992</i>	<i>1993</i>	<i>1994</i>	<i>1995</i>	<i>1996*</i>
Bedford Park	1,933	1,983	2,185	-	-	-
IMX	750	2,959	7,418	7,506	4,838	6,363
Forest Hill	3,656	3,748	3,616	3,908	4,196	3,724
Moyers	-	-	-	3,149	4,605	6,455
Totals	6,339	8,690	13,219	14,563	13,619	16,542

** Lifts through August*

operated seven days a week, 24 hours per day. Twenty-eight five-platform doublestack cars could be spotted at the facility.

As previously mentioned, the final location for SP's operations in Chicago was the Moyers intermodal facility. Owned by the IC, it had a capacity of 30 five-platform doublestack cars. In 1994, 3,149 lifts per month were accomplished and by 1996, the number had risen to 6,455.

As shown in the table above, SP's local intermodal business in Chicago grew dramatically in its early years, lev-

eled off between 1993 and 1995, and then accelerated during 1996 prior to the SP/UP merger.

Conclusions

Although Ron Batory was the conceptualizer of SP's initial routes in the greater Chicago area and would originally manage SP train operations in Chicago, East St. Louis and Kansas City, the late Mike Paras would eventually become the SP's operational head in Chicago. Mike started his railroad career on the Denver & Rio Grande Western Railroad, and was



Kansas Division
Superintendent
Mike Paras.

assigned to Chicago as trainmaster in December 1990. After Ron left the SP during the summer of 1994, Mike assumed day-to-day responsibility for SP's operations in Chicago.

After the SP acquired its multistate trackage rights from the BNSF in 1995, it formed the Kansas Division and Mike was appointed its superintendent and he continued to manage SP's operations in Chicago. The Kansas Division was unique in that of its 3,900 miles of mainline trackage, 2,800 miles of mainline was owned by others.

While SP owned and managed so little trackage in Chicago, how did it succeed, especially since it arrived so late in the market?

It started with the management skills of Ron and Mike and their development of excellent relationships with their counterparts so they could work together in a consistent, cooperative and productive manner. More importantly, they understood the power of treating their employees with dignity and respect and the SP crews working in the Chicago area and elsewhere on what would become the Kansas Division would work with the representatives of other railroad companies in a collaborative manner too, seeking to resolve problems in a rational manner. This writer was also on call 24 hours a day, seven days a week to work with his counterparts to cover newly created operating initiatives by agreement. (He would always volunteer to write the agreements so that they could be consummated as quickly as possible). When initiatives were moving so fast there was not time to fully execute a written agreement, our counterparts soon learned that our word was as good as it would have been in writing.

Those involved with the operations in Chicago, as well as East St. Louis and Kansas City, soon learned that they had to have problem-solving

skills and be flexible as Chicago was indeed a frontier. As the SP operation in Chicago was new and there was a steep learning curve, senior operating officers and operating staff members in San Francisco—and later Denver—were not able to provide direction as they had not been assigned to Chicago and were not familiar with its unique characteristics. As a result operating personnel in Chicago sometimes found themselves managing operations between Chicago, Kansas City and East St. Louis without sufficient coordination with other parts of the SP system. And because of less than a full appreciation of the complexity of operations in Chicago, decision makers in San Francisco and Denver made commitments that could not be honored on a consistent basis, such as guaranteed similar spot times for multiple blocks of inbound traffic destined to the Chicago area. And because of the ever-increasing traffic destined to and from Chicago, the operating officers in Chicago, Bloomington, East St. Louis, Quincy, Illinois, and Kansas City were stretched thin and often assigned multiple duties, including continuously training and retraining employees.

In spite of the many challenges, SP grew its business in Chicago and mastered operating in the area. More importantly, however, SP was able to operate successfully in the Chicago terminal, although it was dependent on others to provide trackage and operating rights and services. This was accomplished through relationships and the consistent follow up on commitments made by the operating team and others.

There were other operating officers who helped to make operations between Chicago, East St. Louis and Kansas City work extremely well. In Chicago, Mike Compagno, Keith Hamilton, Al Satunas and Charlie Turner did great work; Larry Andrews and Bob Huff were headquartered at Bloomington, but spent considerable amounts of time in Chicago helping to keep operations fluid and provided training; Denny Mayo was a promoted road foreman at Quincy and was very busy directing traffic in both directions and Cecil Copeland, Butch Smith and Rich Stienner, based in Kansas City, busily supervised operations.

Notwithstanding the accomplishments of these managers, it was the train crews who really made the difference. They had a can-do attitude and constantly performed their duties in a very professional manner. To the extent permitted by road conditions and the vagaries of dispatchers and other personnel SP was partnered with, they kept their trains on-time and they were, like the managers, collaborators with representatives of other railroad companies. When I presented this subject to the Southern Pacific Historical & Technical Society on October 10, 2015, a retired BN dispatcher, who worked in the then-BN dispatching office in Galesburg, Illinois, commented on the courtesy and calm demeanor of SP's crews operating trains over the BN between Chicago and Kansas City.

At the time of the SP/UP merger on September 11, 1996, SP had entered into more than 50 joint facility and other related agreements with other railroad companies covering SP's operations in the greater Chicago area. Traffic had increased from an average of six trains per day in 1990 to 20 by September 1996. Daily car processing had risen from an average of 438 cars (including intermodal) in 1990, to 754 cars by September 1996. In 1991, SP generated an average of 211 intermodal lifts per day; by September 1996, an average of 511 lifts were completed per day, and for the year 1996 through August, lift performance consistently averaged 98%.

Service was part of it, but it was through the hard work of its employees, and excellent relationships with operating and contract personnel of its partners, that SP successfully established an operational presence in the largest rail hub in the United States! ●

Bill Fowler entered SP service in November 1964 as a messenger in the freight traffic department. At the time of the SP/UP merger in September 1996, he was managing director of contracts and joint facilities. Subsequent to the merger, Bill was appointed director of joint facilities for UP. When he retired in August 1999, his assignments also included special operating agreement matters, such as passenger transit initiatives, port track-age projects and special passenger train operations.