

# Carolina Conductor



Volume 2, Number 12

Monthly Newsletter of the Carolina Railroad Heritage Association, Inc.

December 2015

**Preserving the Past.  
Active in the Present.  
Planning for the Future.**

### Meeting Site:

#### Woodmen of the World Bldg.

721 East Poinsett Street

Greer, SC 29651-6404

Third Friday of the Month at 7:00 pm

#### Hub City Railroad Museum and SOU Caboose #X3115:

##### Magnolia Street Station

298 Magnolia Street

Spartanburg, SC 29301-2330

Wednesday 10-2 and Saturday 10-2

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Newsletter articles and news due  
by 2<sup>nd</sup> Friday of the month.

## Railroad Classification

by Bruce Gathman

Photos by the Author

Initially, the Interstate Commerce Commission (ICC) defined a classification system by annual gross revenue taken in by each entity. Class I railroads had an annual operating revenue of at least \$1 million, while Class II were less than \$1 million but more than \$100 thousand. Class III railroad had incomes under \$100 thousand per annum. All such corporations were subject to reporting requirements on a quarterly or annual schedule. If a railroad slipped below its class qualification threshold for a period, it was not necessarily demoted immediately.

As an example consider that in 1925, the ICC reported: 174 Class I railroads, 282 Class II railroads, and 348 Class III railroads. Since dissolution of the ICC in 1996, the Surface Transportation Board (STB) has become responsible for defining criteria for each railroad class. The bounds are typically redefined every several years to adjust for inflation and other factors.

Classification History - The initial \$1 million criterion for a Class I railroad was used until January 1, 1956, when the figure was increased to \$3 million. In 1956, the ICC counted 113 Class I line-haul operating railroads and 309 Class II railroads. The Class III category was dropped in 1956 but reinstated in 1978. By 1963, the number of

Class I railroads had dropped to 102; cutoffs were increased to \$5 million by 1965, to \$10 million in 1976, and to \$50 million in 1978, at which point only 41 railroads qualified as Class I.

In a special move in 1979, all switching and terminal railroads were re-designated Class III, including those with Class I or Class II revenues. The Association of American Railroads (AAR) typically divides non-Class I companies into three categories: Regional railroads: operate at least 350 miles or make at least \$4 million



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# Arrivals

## Southern Museum of Civil War and Locomotive History



The *Glover Machine Works: Casting a New South* is an exhibit featuring the only fully restored belt-driven locomotive assembly line in the country.

The Glover Machine Works, originally located in Marietta, Georgia, played a significant role in industrializing Georgia after the Civil War by becoming the largest locomotive builder in the South. This exhibit gives visitors a fascinating look at the original machining equipment and two restored Glover locomotives in various stages of assembly.

An audio-visual presentation detailing the train building process from start to finish, helps visitors experience life as a factory worker while detailed company records provide insight into the manage-

ment of the Glover Machine Works.

Experience this exhibit and you are sure to come away with a new appreciation for the industry that rebuilt this area after the Civil War and one of the more notable families that drove it.

The Museum's website at [www.southernmuseum.org](http://www.southernmuseum.org).



# Departures

## NS First Responders Unit



Norfolk Southern #5642 poses outside the Juniata Paint Shop in Altoona, Pennsylvania. The EMD GP38-2 has been painted into a scheme similar to SD60E #9-1-1. NS #5642 will be assigned to the "Safety Train" which travels the NS system to provide training to first responders for rail-related incidents.

## EMD Tier 4 Demonstrators

EMD has released the first two SD70ACe-T4s from Progress Rail's Muncie, Ind., plant for testing. EMDX Nos. 1502 and 1503 departed Indiana enroute to the AAR Transportation Technology Center near Pueblo, Colo.



The SD70ACe-T4 is EMD's North American freight locomotive designed to meet Tier 4 emissions standards that took effect at the beginning of 2015.

## GRLW GP's Get New Trucks

Greenville & Western's veteran workhorses finally get put on the surgeon's table to get some much needed attention. Both #3751 & #3752 were taken out of service some time back. Brand new truck sets for both locomotives were recently received. The new truck sets include: truck frames, spring packs, leaf springs,

roller bearing upgrades, brake rigging, brake shoes, sanding tubes, wheels and axle sets, D78 traction motors.



The process was performed at the River Junction Shops on the former Piedmont & Northern - the hub of the P&N's South Carolina Division in its day. Nostalgic for our locomotives with their herald to be where so much history took place.

## CP + NS - Not Likely!



Norfolk Southern slammed the door on Canadian Pacific's merger offer, calling it "grossly inadequate," highly unlikely to win regulatory approval, and a bad fit that would put the combined railroads at a long-term disadvantage. "We believe in our ability to generate greater shareholder value through execution of our strategy," NS CEO James Squires said. And those regulatory issues mean a CP-NS combination would never get out of the starting gate, NS contends. "The hurdles are very, very significant to this proposed combination," Squires says.

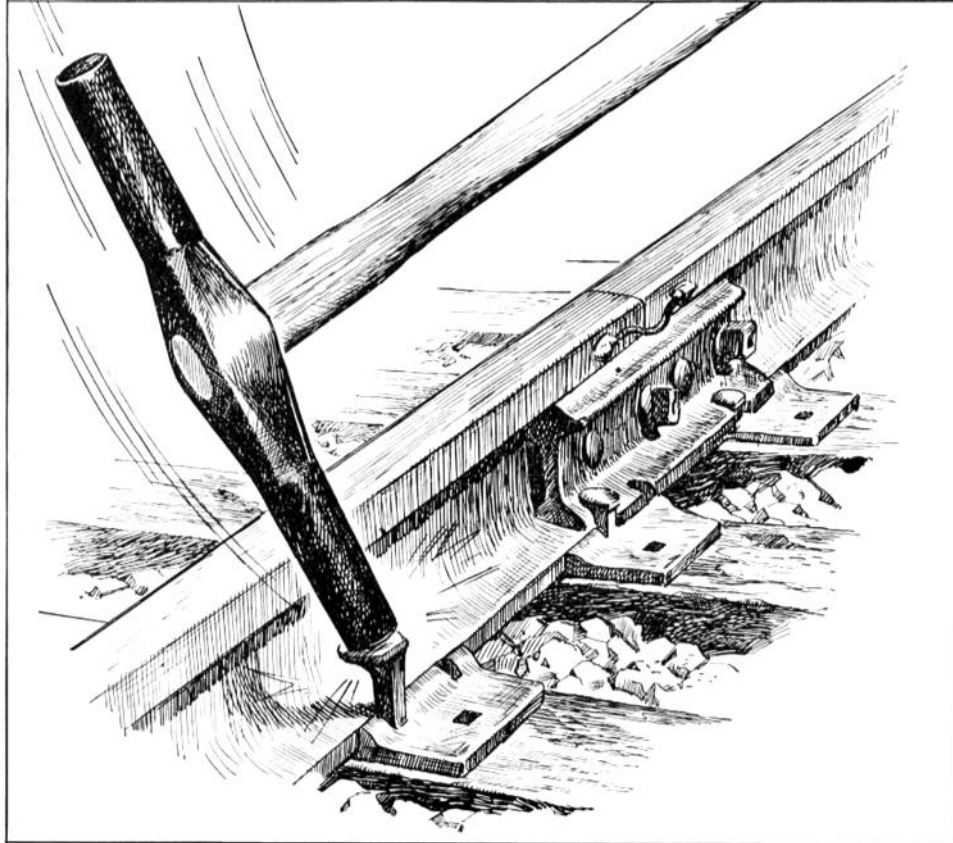
The regulatory review process would take two years or more, putting NS in limbo and interrupting the railroad's focus and momentum, Squires says. Plus, the way CP wants to structure the deal – with NS in a voting trust and CP management effectively in charge – would require two periods of public comment, with opposition expected from shippers, other railroads, labor, and communities.

### Wanted—Articles for the Carolina Conductor

You too can be famous! Submit an article of 100 words or more and some photos and see them in print. Every one of us has some unique railroad experience that would make interesting reading for our membership.

# Rare Mileage

## 1950 Southern Railway Advertisement



### **“George” doesn’t do it for us!**

Of all the forms of inter-city commercial transportation, only the railroads don’t say, “let George do it.”

Unlike their competitors . . . who have out-grown the “infant industry” stage, but who still rely on help from the people’s tax dollars . . . America’s self-supporting railroads pay all their own costs of doing business. And that is good news for “George.”

For after all, who is this fellow “George” who is building and maintaining the highways, waterways and airways that other carriers use as a “place of business” for private gain? He is every taxpayer in America. “George” is . . . you!

But you don’t do it for us, “George.” The railroads pay their own way . . . in the time-tested, traditional American way. It isn’t easy . . . especially when we have to compete for business with subsidized carriers. But it’s easier on you and your pocket-book, “George”! And it’s better for our country, too. Because in the long run, private industries . . . like private citizens . . . must be independently self-reliant if America’s greatness is to endure.

*Ernest E. Harris*

President

**SOUTHERN RAILWAY SYSTEM**

WASHINGTON 13, D. C.



“Mention the National Geographic—It identifies you”

# Manifest

## Continued from Page 1 - Railroad Classification

per year. Local railroads: non-regional but engage in line-haul service. Switching and terminal railroads: mainly switch cars between other railroads or provide service from other lines to a common terminal.

**Class I Criteria** - In the United States, the Surface Transportation Board defines a Class I railroad as "having annual carrier operating revenues of \$250 million or more" after adjusting for inflation using the Railroad Freight Price Index developed by the Bureau of Labor Statistics. According to the Association of American Railroads, Class I railroads had a minimum carrier operating revenue of \$346.8 million in 2006, \$359 million in 2007, \$401.4 million in 2008, \$378.8 million in 2009, \$398.7 million in 2010 and \$433.2 million in 2011.

In early 1991, two Class II railroads, Montana Rail Link and Wisconsin Central, asked the Interstate Commerce Commission (ICC) to increase the minimum annual operating revenue criteria (then established at \$93.5 million) to avoid being re-designated as Class I, which would have resulted in increased administrative and legal costs. The Class II maximum criterion was increased in 1992 to \$250 million annually, which resulted in the Florida East Coast Railway having its status changed to Class II. Rail carriers with less than \$20 million in revenue are designated as Class III. In Canada, a Class I rail carrier is defined as a company that has earned gross revenues exceeding \$250 million (CAD) for each of the previous two years.

Currently, eleven railroads in North America are designated as Class I. In the United States, Amtrak and seven freight railroads are designated Class I based on 2011 measurements released 2013.

- Trackage only in Canada - Via Rail
- Trackage in both the United States and Canada - Amtrak, BNSF Rwy, Canadian National Rwy, Canadian Pacific Rwy, CSX Transportation, Norfolk Southern Rwy
- Trackage only in the United States - Union Pacific RR
- Trackage in both the United States and Mexico - Kansas City Southern Rwy in Mexico via subsidiary KCS de México
- Trackage only in Mexico - Ferromex, 26% owned by Union



All five US owned Class One railroad's were photographed in the Upstate.

Pacific RR, Kansas City Southern de México, wholly owned by KCS Rwy

**Class II** - A Class II railroad hauls freight and is mid-sized in terms of operating revenue. As of 2011, a railroad with revenues greater than

\$37,400,000 but less than \$433,200,000 for at least three consecutive years is considered Class II. Switching and terminal railroads are excluded from Class II status. Railroads considered by the AAR as "regional railroads" are typically Class II.

**Current Class II Criteria** - The last major change of the upper bound for a Class II railroad was in 1992, when the Florida East Coast Railway was changed from a Class I railroad to Class II. A previous change in 1991, which prevented two railroads - Montana Rail Link and Wisconsin Central - from becoming Class I, was made at the request of the two railroads, as they did not wish to take on the extra cost and paperwork associated with Class I status. Changes since then have been adjustments for inflation.

A Class III or short-line railroad has annual operating revenue of less than \$20 million (1991 dollars). Class III railroads are typically local short-line railroads serving a small number of towns and industries or hauling cars for one or more larger railroads. Many Class III railroads were once branch lines of larger railroads or abandoned portions of main lines. Most Class III railroads are owned by railroad holding companies such as Genesee & Wyoming and Iowa Pacific Holdings.



# Marker Lights



## South Carolina Short Line Railroads

The following nine short line railroads, not including state owned lines, are located in South Carolina: Aiken Railway (AIKR), Carolina Southern Railroad (CALA), Carolina Piedmont Railroad (CPDR), Greenville & Western Railway (GRLW), Hampton and Branchville Railroad (HB), Lancaster and Chester Railway (LC), Pee Dee River Railway (PDRR), Pickens Railway (PKHP), South Carolina Central Railroad (SCRF).



CALA



GRLW



CPDR



LC



HB



PKHP



AIKR



SCRF



PDRR



[WWW.FACEBOOK.COM/PAGES/CRHAINC](http://WWW.FACEBOOK.COM/PAGES/CRHAINC)

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