

FARNAM DINNER

Railroad entrepreneur will discuss industry's future

John Willard | The Quad-City Times | Tuesday, March 1, 2011



Photo by Jim Judkis

HENRY POSNER III

With a love of trains dating to at least his teenage years as a model railroad hobbyist, Henry Posner III has made the industry his life's work. Posner, 55, founded Railroad Development Corporation, a Pittsburgh-based investment and management company with interests in Argentina, Peru and Guatemala. In the United States, the firm's only holding is the Iowa Interstate Railroad, a 592-mile-long portion of the former Chicago, Rock Island and Pacific main line connecting Chicago and Omaha via the Quad-City region. In addition to its long heritage, railroading is an important part of the nation's future, Posner says, and that's a message he plans to share March 11, 2011 as the main speaker at the eighth annual Quad-Cities Henry Farnam Dinner in Davenport.

Railroading's colorful history often overshadows the industry's potential for the future, international railroad entrepreneur Henry Posner III says.

Posner, the chairman of Railroad Development Corp. in Pittsburgh and Iowa Interstate Railroad Ltd. in Cedar Rapids, Iowa, plans to explore that theme next week as the main speaker at the annual Quad-Cities Henry Farnam Dinner in Davenport.

Because of railroading's rich heritage, he said, it's easy to focus on its past.

"But railroads definitely are part of our country's future. I want to share my thoughts on where the industry is headed and what it means to the Quad-Cities."

A model railroad hobbyist as a teenager, Posner, 55, learned there were ways he could earn a living in the industry. He went on to found the Railroad Development Corp., a railway investment and management company with interests in the United States, Argentina, Peru and Guatemala.

Railroad Development's affiliates include the Iowa Interstate Railroad, a 592-mile portion of what was formerly the Chicago, Rock Island and Pacific main line connecting Chicago, the Quad-Cities and Omaha, Neb.

The Iowa Interstate is one of the few regional railroads that connect with those lines comprising the nation's entire Class I system, or major freight carriers. It ships a variety of commodities that include agricultural products,

plastics, paper, steel, scrap, lumber and coal.

The railroad's success as a freight carrier is a significant factor in efforts to bring back passenger rail service between Chicago, the Quad-Cities and Iowa City. A funding measure passed last month by the U.S. House would kill \$230 million in rail funding that had been approved in October by the Obama

administration. The president has promised to veto the measure, but it faces an uncertain future in the Senate, where U.S. Sen. Dick Durbin, D-Ill., has vowed to fight for it. If funding comes through, the passenger service could begin as early as 2013, after completion of engineering, track work, signal installation and the manufacture of new equipment.

IF YOU GO

What: Eighth annual Quad-Cities Henry Farnam Dinner

When: Friday, March 11, 2011. Displays/cash bar open 5-6:30, with dinner at 6:30 and the program at 7:30 p.m.

Where: Radisson Quad-City Plaza, 111 E. 2nd St., Davenport

How much: Dinner and program, \$40 per person; \$375 for a reserved table of 10. Make checks payable to Quad-Cities Henry Farnam Dinner and mail to River Action Inc., 822 E. River Drive, Davenport, IA 52803, by March 8. Or register online at www.riveraction.org.

Background: The annual dinners have revived a tradition of earlier affairs celebrating the Quad-City area's heritage. They began with the Feb. 22, 1854, completion of the Chicago and Rock Island Railroad from Chicago to Rock Island. Henry Farnam was the railroad's developer.

Information: Curtis or Libby Roseman (309) 764-6122 at or croseman@usc.edu.

Iowa Interstate officials point out that the company has invested millions of dollars in capital improvements to tracks during the past eight years so that its customers will have safe, reliable service. As a result, its freight business has grown more than 100 percent.

That investment in infrastructure means less public sector investment would be needed to accommodate passenger service on the track, making such service more feasible, the railroad has said.

Posner said he finds the emergence of passenger service on Iowa Interstate's tracks personally gratifying.

"But more importantly, the return of passenger service to our formerly abandoned line vindicates the judgment, tenacity and vision of our stakeholders over the years, beginning with our formation from the ashes of the Rock Island in 1984," he said. "It was not long ago that we were considered excess capacity in the downward spiral of the age of regulation. The lesson here is that a healthy freight network is the single most important building block for passenger service."

Posner said the key to developing rail passenger service is funding. To acquire that funding will require a change in attitude, he added. "We invest in air and highway transportation, but railroads receive subsidies. We must think of railroads as an investment."

Iowa Interstate continues to make capital improvements, Posner said. This year, the railroad expects to invest \$35 million, including a \$4.5 million increase in the infrastructure portion of its capital spending.

The work includes the completion of a car repair shop, a maintenance of way base and train crew center in Silvis, Ill., an investment of \$1.3 million to support current and anticipated traffic growth.

Other projects include construction of a modern diesel shop and logistics center in Homestead, Iowa, at a cost of \$14 million to support the company's upgraded locomotive fleet, the installation of 15 miles of new rail at \$6.4 million and the replacement of ties and surfacing for \$7.6 million.

Posner's presentation at the dinner will be preceded by a review of the golden age of railroading in the Quad-Cities by Curtis C. Roseman and John Wetzel. The event also will include a variety of railroad-related displays.

http://qctimes.com/lifestyles/announcements/article_5cb63b36-4392-11e0-98fc-001cc4c002e0.html?mode=story



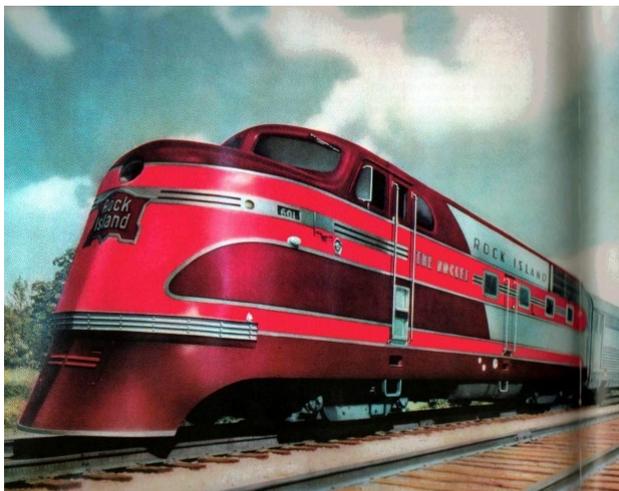
Davenport Train Depot

CRI & P Depot, Davenport, Iowa.



Quad-City Rocket

The long and proud railroad history of the bistate region includes the Quad-City Rocket. *Quad-City Times Archives*



Rock Island Rocket

The long and proud railroad history of the bistate region includes the Rock Island Rocket. *Contributed artwork.*