

Rock Island Line

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Robert Wright

Robert Wright visits an Iowa freight operation, which transports goods across three states. The Iowa Interstate Railroad rose from the ashes of the Chicago, Rock Island and Pacific Railroad – made famous by the song Rock Island Line – which went into liquidation



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In late June, in the little town of Olympic, Iowa, I put on a high-visibility vest and safety helmet and hauled myself up the steps leading to the cab of a vast, throbbing General Electric locomotive. I was heading for a trip across some of the US's most productive farmland – a landscape of gentle hills reminiscent of the English countryside, but far less populous.

It was more than the countryside that made me think of home, however. The more I learned about the cost-effective business methods of my hosts, the Iowa Interstate Railroad (IAIS), the more glaring the British railways' failure to match their costs and revenues seemed. Listening to Kyler Underwood, the conductor, and Jerry Hopwood, the driver of the 510 East service, I realised how much more interested they were in their railway's economics than most British train staff seem to be.

It could be an excellent test of current cost-cutting efforts' success – whether a British train guard in future can discuss his employers' yield per seat as knowledgeably as Underwood and Hopwood discussed their employer's revenues. It probably won't be passed.

But the crucial difference between the Iowa Interstate and a British train operation may be that it is impossible, working for IAIS, to be mistaken about the railway's purpose. It is there to move the grain, ethanol, timber and other products grown or manufactured alongside the railway's route from their points of origin towards the place – whether in China or elsewhere in Iowa – where they will be consumed.

That goal has a social dimension – the state of Iowa was so keen to maintain rail service in the area that it provided the IAIS's current owners with some loans when they first took over the line. The line – which runs from Council Bluffs in western Iowa to Chicago – was previously part of the Rock Island Line, which was liquidated in 1980.

But Underwood and Hopwood know that the railway has to attract more revenue for moving the goods than it costs to shift them. Both could quote in detail the revenue associated with various kinds of freight and some of the associated costs. It would be surprising if any train staff on the heavily-subsidised Northern Rail franchise, or on Scotland's far north lines, could give such a clear account of their services' economics, or the reasons why they are run. That clarity of purpose simplifies many operational decisions. The Federal Railroad Administration and the self-interest of Railroad Development Corporation, the line's owner, have ensured steady improvements in the track since the Rock Island's collapse. But, swaying along in the locomotive's cab, I reflected ruefully that at least this

part of the Rock Island Line could not, in the words of the famous US folk song, yet be called a 'mighty fine line'.

Faster trains are of no particular advantage to the IAIS's customers, so tracks are maintained for a maximum speed of 40mph, with lower limits in many places. Track replacement work seems to be highly cost-effective by British standards – the company announced in January it would replace 15 miles of track this year for \$6.4m (£3.92m). The GE Evolution in which I rode was nearly new – but had been bought only because its greater fuel efficiency and power meant it would pay for itself in fuel savings.

The IAIS also avoids unnecessary complication in its safety management – even if its systems might fall short of the British railway inspectorate's demands. The Rock Island used to employ staff at each goods station, tasked to hand out track warrants authorising trains to proceed along the single track line to the next station. Denny Miller, the IAIS's chief executive, has instead developed a system whereby signallers use radio to issue numbered, carefully-worded verbal permissions to trains to proceed. A computer tells the signaller what to say and ensures no conflicting warrants are issued.

There is scope for human error if drivers go beyond the limits of their track warrants. But the system, without lineside signals or electronic train detection, seems to be achieving its goal of preventing collisions. The train crew were astonished to learn that nearly the whole UK rail network has some form of remotely-monitored signalling.

Yet, thanks to its secure profitability, the Iowa Interstate can afford to do one key thing that is currently uneconomic for most bits of the British rail system – expand. According to Henry Posner, Railroad Development Corporation's chairman, some manufacturers deliberately move next to a relatively minor railroad like the IAIS because it is independent. They know that they will retain a choice about which of the big, long-distance railroads they use after the first few miles on the IAIS.

New tracks are gradually being added to the IAIS's line and Underwood and Hopwood apologised to me that their train was a relatively unimpressive 15 cars long. Although the presence of some articulated cars carrying 10 40-foot containers meant the 510 East still looked impressive by British standards, the train crew said that without the looming July 4 holiday it might have been 130 cars.

None of this, of course, is to suggest the US rail industry is a freemarket haven that the UK railways should slavishly replicate. The Rock Island collapsed partly because the Interstate Commerce Commission, the industry's then regulator, took too long to approve a merger that might have saved it. Politicians agitate about how the industry treats some customers. Passenger services continue to be a miserable afterthought on much of the network – although IAIS is negotiating with Amtrak to have some of its services run on its eastern end. The IAIS's small staff feel a particular loyalty to, and interest in, their railroad that staff at bigger railroads probably do not share.

But, by the time I reached Earlham, Iowa and was climbing down the locomotive's steps again, I had, I think, seen a useful example of how railways operate when they are treated like normal businesses, responding to normal commercial pressures. The UK system will never resemble that in the US very closely – but the IAIS's rude health suggests more market discipline in the UK would be healthy.

A free-to-view video of Robert's trip to Iowa is available at <http://video.ft.com/v/1054470280001/US-rail-renaissance>

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