

Big little D&H

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I ON a balmy July 1976 evening in the Delaware & Hudson Railway's power control center at Colonie locomotive shop in Watervliet, N.Y., Clarence B. Ryan goes to the huge "game board" and makes a move. He places a group of five magnetized, numbered rectangles along a blue line leading from NEWARK to ALLENTOWN. The "board" is the entire south wall of the room and part of the west wall; on it is a schematic map of D&H routes, including the extensions made as a corollary to Conrail. Philadelphia, Harrisburg, and Buffalo are among the new names to be found there.

A small rectangle represents each locomotive, caboose, and train operated by the D&H. Motive power for the entire system is dispatched from this room, and the room also is the nerve center for train movements on the new routes. In two adjacent rooms, lights on CTC boards flicker the progress of trains on pre-Conrail D&H lines.

The story of how the new blue lines came to be drawn is complex and dramatic.

FOR the D&H, the early weeks of 1976 were full of uncertainty. Conrail was due on April 1, and the United States Railway Association, in attempting to achieve the essential objective of the preservation or establishment of competing routes to Conrail, still was vigorously promoting the Chessie System's expansion into the Northeast by acquisition of certain Erie Lackawanna and Reading trackage. However, this alternative (which would have been satisfactory to D&H) was eliminated when contract negotiations between labor and Chessie management reached a February 11 deadline in a stalemate. D&H, about to see all its friendly connections to the west and south become Conrail, needed to act quickly. By March 5, when a chartered plane flew the completed agreement from the D&H in Albany to the USRA in Washington, all this had been wrought: Effective April 1, D&H would extend its operation by means of trackage rights to Oak Island terminal in Newark, N.J., over the former Lehigh Valley; to Park Junction in Philadelphia over the former Reading; to Bison Yard in Buffalo over the former Erie Lackawanna; and to Enola Yard near Harrisburg, Pa., over the former Penn Central, with the option of running from Enola to Potomac Yard in Alexandria, Va., should traffic warrant.

Thus the D&H would roughly double its route-miles—from 747 to over 1400. With these new routes would come sufficient locomotives and cars to operate them. Agreements were reached expeditiously with the Brotherhood of Locomotive Engineers and with the United Transportation Union, and on April 1, flesh and metal began to give life and form to the plans.

The D&H diesel fleet already was notable for its diversity, but was made even more diverse by acquisitions on "Conveyance Day." D&H picked up all 20 Reading GP39-2's, all 12 Valley GP38-2's (but not its GP38's), and all 12 LV C420's. These were joined by 20 new GP39-2's



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D&H had ordered, which with appropriate timing began arriving on the property on "C Day." Also new to D&H property were 8 upgraded low-nose RS3's rebuilt to 2000 h.p. last winter by Morrison-Knudsen. Additionally, prior to Conrail D&H had reacquired the three former demonstrator SD45's it had swapped in 1969 to EL for a like number of U33C's (which went to Conrail).

The secondhand power was pressed into D&H service with new numbers, and "The D&H" was quickly and often crudely applied over the old red LV and green Reading color schemes. But all the newly acquired units were not enough. Beginning when the RS3's were at MK to be rebuilt, D&H had to lease RS3's from B&M, CP Rail, and United Railway Supply; GP7's from Bangor & Aroostook; and RS10's from CP. Nine ex-Long Island C420's owned by Rail Traction Corporation were in storage at Colonie while D&H pondered their purchase.

ON that July evening, the five rectangles in the power control center adhering along the blue line leading west from Newark are AP-1, 7402, 7407, 7404, and an N&W CABOOSE. In the Oak Island engine terminal at 8:45 p.m., Engineer Charlie Carroll eases into motion the three ex-Reading GP39-2's bearing those 7400-series numbers. After rolling the units forward to the yard office, he backs them onto his train—33 piggyback flats assembled from the D&H's own intermodal loading facility by a Conrail switch crew. This is tonight's westbound AP-1, the *Apollo*, which will run as a D&H train as far as Bison Yard; from there N&W will handle it to Chicago.

Apollo 1 and *Apollo 2*, formerly Lehigh Valley trains, are 100 per cent intermodal and are the flagships of D&H's extended operations; they operate daily except Sunday. Westbound, the *Apollo* runs over Conrail's ex-LV tracks from Newark to Dupont, Pa., the point near Wilkes-Barre where in 1973 D&H and LV built a direct interchange. There *Apollo* gets on the "old" D&H for the run over Ararat summit to Jefferson Junction, just east of Lanesboro, Pa., the site of Starrucca Viaduct. After traversing a 1.8-mile connection—former EL track acquired outright by D&H—the train gets on ex-EL high iron for a relatively speedy run via Binghamton and Hornell to Buffalo. The *Apollos* handle only Chicago-bound or -generated TOFC/COFC traffic.

Mercury 1 and *Mercury 2*, also former Valley trains, are the D&H's secondary runs on the Newark-Binghamton route. The westbound "Merc," which generally gets out of Oak Island shortly after *Apollo*, carries a relatively light load of trailers and containers for points other than Chicago. At present, D&H at Newark is limited to handling intermodal traffic; the road hopes to gain access to the many refineries in the area (the "Chemical Coast") which under USRA's original plan was to have been given to Chessie. The *Merc* generally works at Bethlehem-Allentown, where D&H is authorized to interchange with Bethlehem Steel's switching road, the Philadelphia, Bethlehem & New England. On the portions of the extended lines where D&H has trackage rights, the road is empowered to originate and terminate traffic only

there, at Oak Island, and in the Buffalo-Niagara Falls area.

ME-1 and ME-2—the *Mercurys*—dovetail at Binghamton with NE-1 and NE-2, former D&H-EL Mechanicville (N.Y.)-Buffalo trains which are handled west of Buffalo by N&W. Additional trains on the Mechanicville-Buffalo route are AB-91 and BM-72 as well as *Apollos* 3 and 4 which have been initiated on the B&M-D&H Boston-Binghamton run to connect with *Apollos* 1 and 2.

NE-84 and NE-87, the Portland (Me.)-“Pot Yard” run-throughs formerly operated by B&M/D&H/LV/RDG/B&O, continue unchanged except that D&H of course handles the trains over the former LV and RDG segments. On D&H’s north-south route are Montreal-Enola RW-6, dubbed the “Paper Train” for the large quantities of Canadian newsprint it hauls; WR-1, its northbound counterpart; Montreal-Allentown CX-2, the “Canadian Expediter,” and CX-1, its counterpart. D&H now owns the former PC line between Wilkes-Barre and Sunbury, Pa., and has trackage rights over Conrail between Sunbury and Enola.

How did the D&H accomplish so dramatic an expansion of operations with such speed? And why did it want to expand in the first place? D&H parent (through Dereco, a holding company) Norfolk & Western was wooed by the USRA to join the Northeast expansion movement but never showed much interest. Chessie System and Southern, although willing, couldn’t work out the details; thus D&H turned out to be the only major participant.

In explaining why D&H followed through on what Chessie hadn’t, D&H President C. B. Sterzing Jr. said, “We didn’t have a similar choice. Chessie had somewhere to go home to.” D&H calls itself “The Bridge Line,” and this suggests its potential vulnerability in the face of Conrail, for bridge traffic is the most easily divertible. The extensions don’t really do much to alter D&H’s character in this respect, although the ability to originate and terminate traffic at the three points is a step. D&H is pressing for expanded opportunities; access to the New York harbor terminal area and operation of the former EL Utica and Syracuse lines are examples. The extensions of April 1, 1976, however, do allow the D&H to touch directly friendly connections.

A key to all the recent developments on the D&H was a 28-million-dollar loan available through a provision of the Conrail Act, administered by the USRA. This loan, originally approved on January 26, 1976, in the amount of 26 million, was to cover the purchase of the new GP39-2’s, the acquisition of the Sunbury line, and the payment of existing debt obligations. At that time, the only extensions D&H planned were to Allentown and Enola. On March 3, with Chessie having failed to participate, the USRA increased the D&H loan by 2 million.

A curious twist to D&H participation is the negative posture of its parent N&W on the same issue. Although two Dereco board members sit on the D&H board of directors, D&H operates as an independent road and does not need or solicit Roanoke’s blessing on managerial decisions—even ones of such magnitude as doubling the road’s route-miles overnight. The provisions of Dereco’s formation (which was ICC-mandated and originally included EL) shelter N&W from any D&H default (such as on the 28-million-dollar loan), and what might have been bad for an expanded N&W may prove to be good for expanded D&H—so in the bargain N&W gains indirect access to the Northeast without shouldering any risk.

One hurdle N&W may have foreseen or feared was the one that tripped up Chessie and Southern—the negotiation of labor agreements with the railroad brotherhoods. Why did D&H come up with pacts after both Chessie and Southern had failed? Since D&H initially would employ no “on-the-ground” personnel (other than supervisors) in its extended operations, the road had to negotiate only with the BLE and the UTU rather than with the plethora of brotherhoods involved in the complete take-

overs envisioned for Chessie and SR. Also, D&H was allowed to hire just the number of men necessary—as assessed by the USRA and the railroad—to run its trains.

The D&H is pleased with its new employees. Many are young, since most of the old heads chose not to take a chance with D&H in favor of the seniority and security offered by Conrail. Charlie Carroll, whose hand is on the throttle of that GP39-2 leading *Apollo* out of Oak Island, typifies these new D&H people. Carroll, who went railroading with the Jersey Central, can count his years of experience on one hand. He’s still in his 20’s, yet he’s holding down the division’s hottest train which, in his words, “You’d expect to belong to a guy with plenty of whiskers.” But Carroll is all business under his red polka-dot engineer’s cap as he skillfully leads *Apollo* through the warm New Jersey darkness to Bethlehem. There, since a run-through agreement is in force with the BLE but not with the UTU, Charlie stays on board while the remainder of the crew changes. He is not yet qualified on the railroad from Bethlehem to Dupont, however, so a Conrail pilot gets on too. The pilot runs the train and answers questions addressed to him, but that’s all. Carroll is forbidden by rule from handling the throttle; there is no learning-by-doing here. Since so many new D&H men came from the extra board or yard jobs—especially in former Lehigh Valley seniority districts—getting them qualified on the requisite lines has been a major goal for D&H. The establishment of further crew run-through agreements, particularly with the UTU, remains a high-priority item.

D&H faces other problems too. Slow orders abound on Conrail’s lines while trackwork progresses. Although D&H will eventually benefit directly from this upgrading, it would like to move its trains—especially the time-sensitive *Apollos*—faster today. For Conrail to give its own trains priority over D&H’s is strictly against the rules laid down by USRA, and D&H feels that it has been treated fairly on this. For instance, *Apollo* has rights over all trains except Conrail’s TV’s (Trailer-Vans), which are *Apollo*’s equals.

President Sterzing is satisfied with the success to date of the D&H’s extended operations. The road’s loss figure for the second quarter of 1976 was more than double that of the previous year; but this, he explained, is largely the result of start-up costs on the extended lines (resurfacing the 60-mile Sunbury line, installing a new interlocking at Jefferson Junction, and converting all the railroad’s radios to a new frequency). Another contributing factor is the strenuous effort by the road to overcome deferred maintenance on the “old D&H” that until now a lack of funds prevented D&H from attacking. Today, thanks to a New York State bond issue and the Federal government loan, D&H has money to spend to enhance its long-term prospects. Although these expenditures show up negatively on the income statement, the line’s cash and working-capital positions are the best in years. Furthermore, D&H’s losses since expansion have been well below the levels projected by USRA.

The future holds more changes for D&H operations on the extended routes. Currently the railroad pays Conrail 10 cents per car-mile for trackage rights and fees for diesel servicing, equipment repairs, clerical work, and switching. D&H already is identifying places where it can more profitably perform these operations itself. Eventually D&H hopes to run its own trains from Enola to Pot Yard, but the present modest size of the blocks (average is 15 cars daily) precludes this and they are being handled in Conrail trains.

In the power control center, Clarence Ryan goes to the board and moves the three rectangles representing AP-1’s trio of Geeps westward. *Apollo* is off and running. The opponents are truckers, Conrail, and the exigencies of railroading in the Seventies. The stake is high—perhaps the very existence of the Delaware & Hudson Railway. **I**