



UP's multi-year, double-track project continues in Arizona, seen here near the former Mohawk siding in late 2014. Mike Huggins

Capital spending grows in 2015

Class I railroads continue to spend, pushing capacity expansion projects forward

Big railroads have big budgets for 2015. The seven Class I railroads in North America will spend a combined \$20 billion on capital expenditures in the year. That includes everything from ties, rails, and spikes to bridges and locomotives. This year, railroads are spending more, and spending it on projects to enhance their operations and move more trains faster.

BNSF Railway will reach further into its pocketbook in 2015, pulling out a record \$6 billion for capital projects in 2015.

Projects in the North Region include continued installation of double track on the Glasgow Subdivision between Minot, N.D., and Snowden, Mont.; expansion of the Dickinson, N.D., yard; conversion of the entire Devils Lake Subdivision between Minot and Grand Forks, N.D., to centralized traffic control; and completion of CTC on the Hillsboro Subdivision in eastern North Dakota.

Elsewhere, the railroad plans to add segments of double track to the Mojave Subdivision between Bakersfield and Mojave, Ca-

lif.; on the Panhandle Subdivision between Wellington and Avar, Okla.; and on the Clovis Subdivision between Belen and Clovis, N.M. Additional expansion projects include the construction of two new sidings on the Hannibal Subdivision in western Illinois, construction of two double-track segments on the Ravenna Subdivision in Nebraska, and extension of six sidings on the Brush Subdivision east of Denver.

Canadian National is planning to spend \$2.6 billion on capital expenditures in 2015. That includes significant investments in northern Alberta and the Northwest Territories to upgrade the Slave Lake and Westlock subdivisions. Planned upgrades include five new or expanded sidings, 80 route-miles of new rail, and 75,000 new ties.

In Minnesota, the railroad will continue with its Steelton Hill double-track project, completing the first two phases in 2015.

Also on the table: A proposed 3-mile connection between the Baton Rouge and McComb subdivisions west of New Orleans near Laplace, which would lead to the downgrading or abandonment of a portion of the McComb Subdivision.

Canadian Pacific's \$1.5 billion capital spending plan includes closing CTC gaps between Glenwood, Minn., and the Canadian border, building a new siding on the Marquette Subdivision along the Mississippi River to better handle frac sand traffic out of Wisconsin, and removal of the disused humps at its Bensenville Yard in suburban Chicago.

CSX Transportation's \$2.5 billion 2015 capital spending program includes capacity expansion projects throughout its network.

The railroad will focus on completing its new Casky Yard in western Kentucky, and upgrades to reduce congestion at yards in Cleveland, North Baltimore, and Willard, Ohio; Buffalo and Selkirk, N.Y.; and Evansville, Ind. Also included is construction of a new intermodal yard near Pittsburgh.

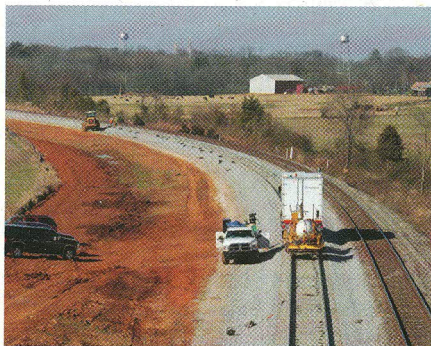
Additional capacity expansion projects include expanding and upgrading the new Smithboro, Ill., interchange with BNSF, adding a new siding on the former Monon route in northeastern Indiana, building a new siding on the Montreal Subdivision, and preliminary engineering work to add 5 miles of double track between New York and Philadelphia.

Kansas City Southern plans to spend up to \$720 million on capital expenditures in 2015, according to President and CEO David Starling, speaking during the railroad's fourth-quarter earnings call.

That includes mainline and capacity improvements to support crude oil traffic; opening a new intermodal facility in Wylie, Texas, during the calendar year; and continued expansion of the Jackson, Miss., terminal and the railroad's Sanchez Yard near Nuevo Laredo, Mexico. The railroad will also continue to implement CTC on its Laredo Subdivision and at locations in Mexico, and work to increase speeds between Monterrey and Nuevo Laredo.

2015 RAILROAD CAPITAL SPENDING

	2015 estimate	Route mileage
BNSF	\$6 billion	32,500
CN	\$2.6 billion	20,400
CP	\$1.5 billion	14,000
CSX	\$2.5 billion	21,000
KCS	\$720 million	6,000
NS	\$2.4 billion	20,000
UP	\$4.3 billion	31,800



Contractors put the finishing touches on a new CSX siding near Decherd, Tenn., on Dec. 12, 2014. Ralcon Wagner

Norfolk Southern's expansion projects for 2015 are included in the railroad's \$2.4 billion capital spending plan.

At the top of the list are improvements along its busy former Conrail main line in northern Indiana. Those include a new connection from the former Pennsylvania Railroad main line to the 47th Street intermodal yard in Chicago and extending a siding between Dunlap and Goshen, Ind., just east of the railroad's major Elkhart yard.

NS is also in the middle of its multi-year, \$71 million Indiana Gateway Project, a partnership with Amtrak, the Federal Railroad Administration, and Indiana Department of Transportation. In total, the project will see the installation of 46 mainline turnouts, resulting in seven locations with universal crossovers between Porter and Chicago Union Station, and the extension of two sidings near Gary.

Other 2015 projects include completion of seven crude-oil-train staging tracks at Conway Yard near Pittsburgh and ongoing work in North Carolina to support additional passenger train service, which includes three segments of double track totaling 26 miles and two new sidings. The North Carolina project was started in 2013 and must be completed by the end of 2016.

Union Pacific plans to hold the line on capital spending for 2015. Pending approval from the board of directors, the railroad will spend about \$4.3 billion in 2015, up from about \$4.1 billion in 2014. One project on the table is the proposed classification yard near Hearne, in east-central Texas. The yard is still in the design phase.

If built, the yard would include 70-80 bowl tracks with dual hump leads and four trim leads. This would enable the railroad to process 2,000 cars a day. Additional features include arrival and departure tracks capable of handling 8,500-foot trains and car-repair and locomotive-service facilities.

Nearly 120 miles of track, 300 switches, and 150 retarders would be required for construction, including 12 miles of additional mainline trackage for more efficient operations. — *Brian Schmidt*



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