

NORTH SHORE DELIVER



A matched pair of Lycoming Valley GP35Rs
in Reading-inspired "Bee Line" livery wait
for orders near the flood-wall gate at Lock
Haven, Pa. Mike Zollitsch

Conrail shed them, a short line entrepreneur saved them

By Al DiCenso

ANCE

When Congress formed Conrail from bankrupt predecessors almost 40 years ago, it was hard to imagine a happy outcome for the collection of woebegone branch lines of fabled heritage in central Pennsylvania. These former pieces of the Pennsylvania, Reading, New York Central, and Delaware, Lackawanna & Western railroads were victims of the economic decline of local businesses and lackluster marketing efforts by the railroads.

Industrial development agencies watching the railroads' collapses weighed the future of their counties without rail and concluded that remaining industries needed rail service to survive.

Knowing that "insufficient revenue" could be used as a basis for large-scale rail abandonments, the Susquehanna Economic Development Association-Council of Governments, later known as SEDA-Council of Governments, formed a Joint Rail Authority in 1983 to buy lines and seek operators to preserve rail traffic. After considering plans from six operators, the authority contracted with the only group that offered both local management and ownership of all rail lines, a group led by Richard and Mimi Robey.

The agencies' efforts to preserve rail service not only saved local industries but fruited in the form of six shortline railroads collectively known as the North Shore Railroad Co. Each road proudly bears a name associated with area history: Lycoming Valley, Shamokin Valley, Union County Industrial, North Shore, Juniata Valley, and Nittany & Bald Eagle.





North Shore SW1500 No. 1940 shown in an autumn scene is numbered for founder Richard Robey's birth year. Chris Starnes

Business on the first two lines, an ex-Lackawanna and an ex-Pennsylvania, grew rapidly as lineside industries understood the railroad assured regular service at reasonable rates. With Conrail still getting out of the branchline business, new opportunities arose nearly as fast as the authority and the Robeys could evaluate them.

In 1988, Richard Robey assembled the Shamokin Valley Railroad from two parallel, discarded Conrail branches between Sunbury and Mt. Carmel, Pa. The authority purchased the property below the rails, while Robey operated a railroad over the choicest portions of each line to serve remaining customers. He repeated the act in 1995 with a cluster of ex-Reading branch lines near Milton, Pa., but with private capital. This railroad became the Union County Industrial Railroad.

Robey says Conrail's decision to shed additional branch lines in 1996 was the turning point in the life of the North Shore group. Ex-Conrail miles between Milesburg and Lock Haven, Pa., made the already operating Nittany & Bald Eagle complete, while small branches radiating from Lewistown, Pa., formed the Juniata Valley. Ex-Reading and NYC routes between Muncy, Williamsport, and Avis, Pa., became the Lycoming Valley.

By 2002, Robey says he needed help managing the company's growth and complexity. The person Robey reached out to was Gary Shields, a longtime friend with a short line and industrial railroad background. Shields signed on as North Shore's

president, enabling Robey to take a step back from operations to serve in a more strategic role as chairman and chief executive. For his part, Shields says this was his chance to get back to the "people side" of the business that he loves most.

In just 29 years from the first North Shore group railroad, employment grew from six employees to 96, three locomotives were replaced with 25; 15 customers became 120 customers; and 1,500 carloads a year turned into 34,000.

Read along with me as we visit the businesses these railroaders raised from ashes.

STARTING SMALL

One cool fall morning, Robey and Shields agreed to meet me at a former Delaware, Lackawanna & Western freight house made into the railroad's main office, in Northumberland, Pa. Todd Hunter, the North Shore group's marketing director, was with them. Hunter joined the rail group in 1996 to offer additional management support for the Juniata Valley and Lycoming Valley start-ups. He was the one who guided me through the North Shore's properties for several days.

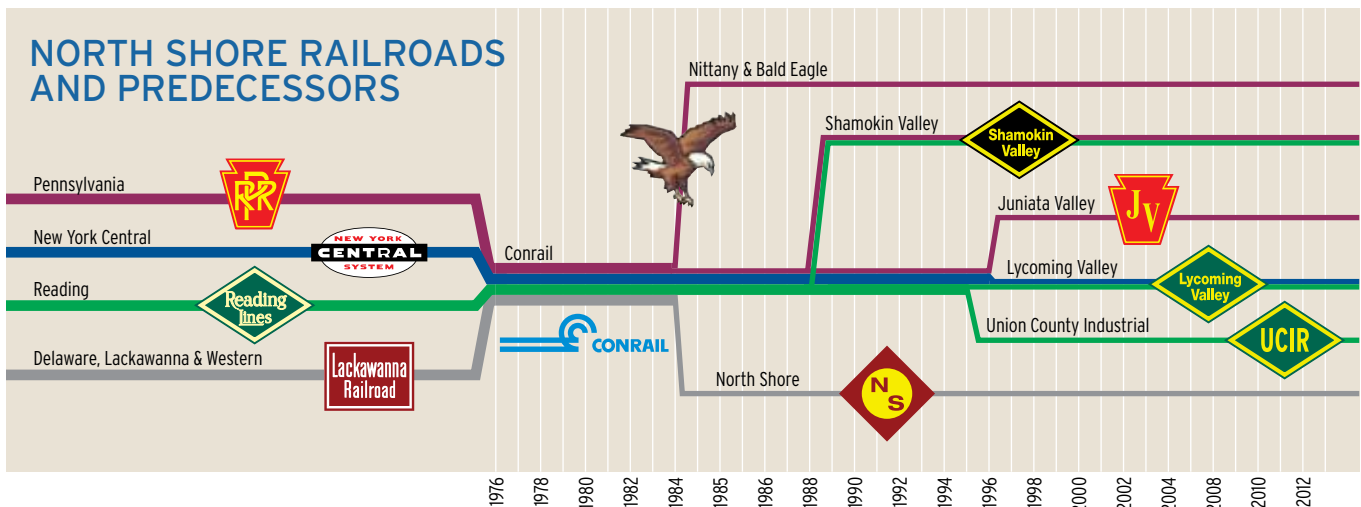
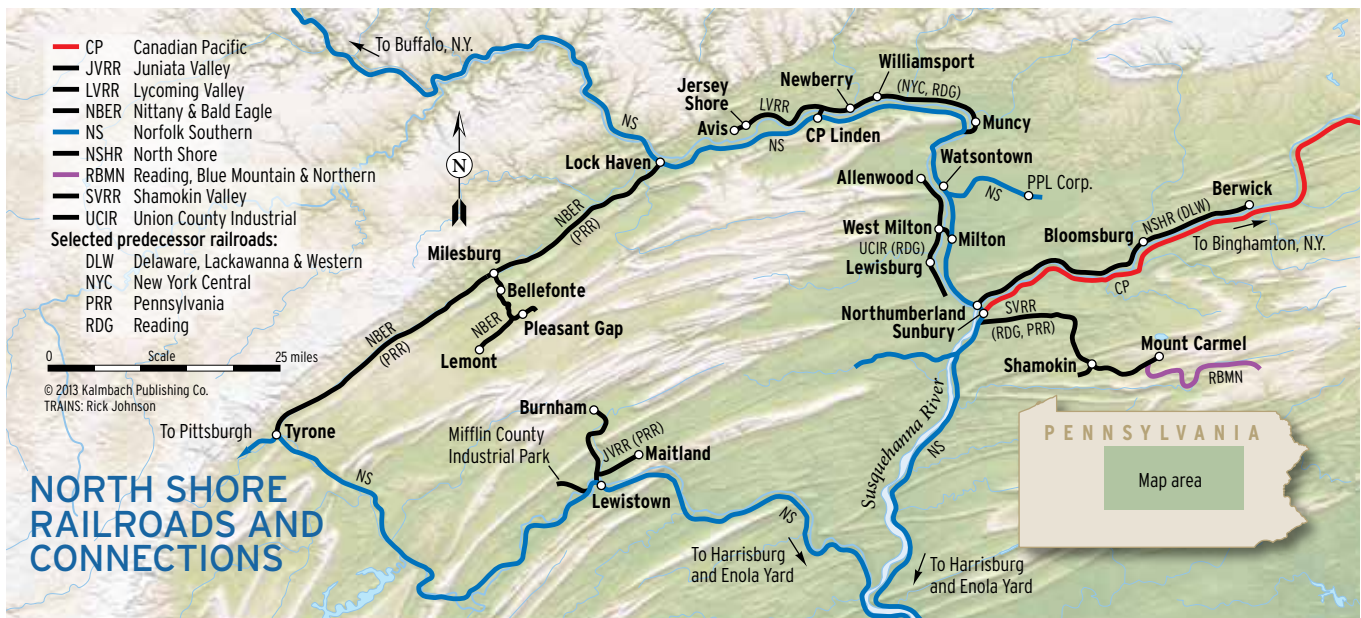
We started on the 27-mile Shamokin Valley line that was spliced from the best parts of ex-Pennsy and ex-Reading lines between Sunbury, Shamokin, and Mt. Carmel. The rail group's rigorous maintenance standards and intense sales efforts assure continued service for years to come.

Crews operating out of the Northumber-

land headquarters office serve a plastics manufacturer, lumber dealer, feed mill, and a coal mine.

After a brief visit on the Shamokin property, we moved on to the Union County Industrial Railroad. This is a collection of several privately owned, interconnected ex-Reading branches served, as needed, out of the same Northumberland office. Customers include ConAgra's Chef Boyardee food plant in Milton, Pa., plus a feed plant and a gypsum processor. Access to the line is via trackage rights for a short trip over Norfolk Southern's Buffalo Line from Northumberland to Milton. The railroad intends to serve the Great Steam Commons Business Park in Allenwood, Pa., 4 miles beyond the current end of track, which Pennsylvania is developing. The authority contracted with the railroad to re-lay track on an abandoned Reading right-of-way, and replace a washed-out bridge to provide railroad access to the Union County Industrial. This will boost the North Shore group's traffic volume.

This leads us to talk about the third largest in traffic volume, the namesake North Shore Railroad. One of the two original Robey operations, the North Shore was formed to take over the operations of the authority's ex-DL&W/Conrail line in Pennsylvania from Northumberland to Berwick, Pa., and beyond. The line interchanges with NS at Northumberland, and with Canadian Pacific just to the south, at Sunbury. These 37 miles of railroad serve a variety of industries, including food products, plastics, lum-



ber, scrap steel, machinery, pet foods, and grain. Business justifies a Berwick local five or more days per week. Hunter gave me a first-hand look at the line early one morning from the cab of SW1500 No. 1940, numbered for Richard Robey's birth year. It is also one of the North Shore's heritage units, this one decked out in the maroon, gray, and yellow Lackawanna color scheme found on most of the units operating out of Northumberland. The line winds through bustling towns and villages along the way, each one contributing to North Shore's thriving traffic base. The track is in top condition, as is typical of all the group's operations.

JUNIATA VALLEY

Moving 60 miles to the southwest, I met Hunter at the Juniata Valley Railroad's offices early on a different and foggy morning. Inside the railroad's Lewistown, Pa., shop of office alongside the locomotive bay, Hunter introduced me to Juniata's then-General Manager Jim Mackey. Hunter pointed out the



Juniata Valley SW9 No. 2106 sports a bright Pennsy-style gold-and-Tuscan red paint job. Each of North Shore group's locomotives carries a historic paint scheme. Mike Zollitsch

liquid and dry-bulk fertilizer transfer operations close at hand while we explored the yard and the adjacent NS interchange connection. As the fog lifted, we set out to explore each of the railroad's three branches radiating out of Lewistown.

The 6-mile Burnham, Pa., branch serves the largest of the Juniata Valley's customers, Standard Steel. Standard is the only U.S. manufacturer of forged steel railroad wheels and axles, and provides the railroad with incoming and outgoing loads. Other custom-



Nittany & Bald Eagle EMD GP8 No. 1601 splits long-dark Pennsy position light signals on the railroad's main line northeast of Bellefonte, Pa., in 2006. Mike Zollitsch

ers on this branch consist of a propane distributor, scrap metals dealers, and a wood-planing mill.

To the east, we follow the 6-mile Maitland, Pa., branch, which has only one customer at the far end, a scrap metal operation. This branch has important historical significance: The line is the only remaining portion of the original Sunbury & Lewis-town Railroad, where the Pennsy first tested cab signals and train control in the 1920s.

The final, westward leading branch, is 2 miles from the main yard. Here we find a baby products manufacturer, The Greenbrier Cos.' wheel-and-axle mounting plant, and a large plastics packaging operation. The branch is where we caught up with the Pennsy-heritage Tuscan red SW9 and crew performing its daily routine.

A single crew operates Monday, Wednesday, and Friday, over all three of the branches. A Tuesday or Thursday crew can be called out if necessary, and Mackey is qualified to fill any position: engineer, conductor, or brakeman. This is typical of the North

Shore group's dedication to serving the needs of its customers, unlike the way of railroads in days gone by. The North Shore group emphasizes cross training, and a majority of the roads' crew members are qualified in at least two, sometimes three, certified operating positions.

Track here, as well as all the other roads, is maintained in excess of Federal Railroad Administration 25-mph Class 2 standards, by agreement with the authority. Speeds are generally held to between 10 and 20 mph, since faster speeds would waste fuel on the short runs. This has the effect of keeping the railroads in prime shape under all operating conditions. Hunter says that keeping their railroads "gold-plated" keeps the railroad ready for new business opportunities.

NITTANY & BALD EAGLE

Driving northwest to the town of Bellefonte, Pa., Hunter led the way to the shop and office of the Nittany & Bald Eagle Railroad. We met Nittany's then-General Manager Phil Lucas, who briefed us on the day's

operations, involving three crews. The office and shop buildings were built in the late-1800s by the Bellefonte Central Railroad, which served this bucolic Centre County community and hauled coal from the Pennsy to the electric generating station at Penn State University Park. The Bellefonte Central was abandoned in 1982, while the shop buildings, yard, and connection to Conrail's yard transferred to the authority's lines operated by the North Shore group in 1984.

The Nittany operation initially covered only the section of Pennsy's former Bald Eagle Branch from Tyrone to Milesburg and Bellefonte, with branches radiating outward from Bellefonte to Pleasant Gap and Lemont, near State College, Pa. There was so little traffic on the main line that the railroad removed the sidings and signals and placed the materials on other affiliated roads.

Fortunes for the Nittany changed, however, when North Shore group added lines from Conrail in 1996. Almost overnight, the Nittany covered the entire length of the Tyrone-Lock Haven route, connecting to NS at both ends. A trackage-rights agreement and track improvements, including welded rail, opened up a new revenue source for the railroad. Today, 40 to 45 unit coal trains per month traverse this railroad, dispatched by the NS Altoona East desk. The trains originate in the Monongahela fields and travel the NS main line to Tyrone, where they enter the Nittany main. The loaded hoppers then proceed 55 miles to Lock Haven, where they join NS's Buffalo Line. From there, trains travel east to Watertown, Pa., and diverge onto the spur serving PPL Corp.'s electric generating station. These trains generated 3 million ton-miles in 2011.

When I asked Shields about the future of the PPL operation given the current political attitude toward coal-fired electricity generation, he said that the plant is a relatively new one, equipped with scrubbers, and is expected to serve out its useful life.

In addition to the coal trains, the Nittany runs a daily Lock Haven turn out of Bellefonte, a Tyrone turn three days per week, as well as a daily turn along the branch to Pleasant Gap. These turns handle local as well as NS interchange traffic at both ends. I met the Pleasant Gap crew as they spread ballast along the right-of-way on their way to switch industries along the line. In keeping with the North Shore's policy of painting locomotives in heritage schemes, GP10 No. 1601 was dressed in the blue-and-white colors of Penn State.

After finishing its ballast operation, the train proceeded to the end of the branch at the Glenn O. Hawbaker Inc.-owned trans-loading terminal, located adjacent to one of the three limestone mines near Pleasant Gap. This portion of Pennsylvania is known

JOINT RAIL AUTHORITY

In 1983, the SEDA-Council of Governments formed the Joint Rail Authority to identify rail lines crucial to area industries' health, purchase them, and seek out operators.

The Joint Rail Authority purchased the first two lines by borrowing from the U.S. Economic Development Administration, winning grants from the Federal Railroad Administration, commonwealth of Pennsylvania, local governments, and even lineside users. The North Shore group won bids to operate the original Joint Rail Authority lines, which kept 25 customers in business over 80 miles of track.

The resulting partnership was so successful, the authority purchased lines to make three additional railroads and asked the North Shore group to operate these as well, serving hundreds of customers on more than 200 miles of track. In addition to keeping its own equipment in prime shape, the North Shore railroads must maintain the authority-owned rights-of-way and pay fees that cover the agency's operations. — *Al DiCenso*



Lycoming Valley No. 5510 leads a train with covered hoppers out of Avis Yard after unloading frac sand for customers. Doug Koontz

for the high quality of its limestone deposits, which the Nittany helps ship nationwide. In addition to hauling ballast out, both for its own use and off-line customers, Nittany hauls in coal, stored for later transport by truck to Penn State's steam generator; road salt, stored for winter use on local highways; lightweight aggregate, brought in and stored for re-shipment to on- and off-line customers; and liquid asphalt brought in by tank cars and pumped into two 1-million-gallon storage tanks for later use in road paving. The Pleasant Gap line itself is the last remaining portion of Pennsy's branch line from Lewistown to Milesburg, Pa. A short branch to Lemont serves Penn State on rare occasion. Other industries along the Nittany produce packaging, paper products, food products, and limestone derivatives. Business has increased to the extent that the Nittany recently expanded Bellefonte's Sunnyside Yard from six to nine tracks to accommodate the loads.

The connection to the NS Buffalo Line at Lock Haven provides the interchange point for traffic headed to and from that area. Nittany uses the line to transport locomotives for servicing at the Newberry shop, where all of the railroad's power is maintained.

This 70-mile railroad originates or terminates nearly 5,000 carloads per year, in addition to the heavy tonnage of the NS coal trains. The authority is building a new 5,000-foot siding just south of Milesburg to accommodate the increasing flow of traffic. The turnouts are equipped with No. 10

switches to smooth traffic flow and reduce power requirements.

LYCOMING VALLEY

The North Shore group's crown jewel is the Lycoming Valley Railroad, which links a remnant of the New York Central's Fall Brook line from Avis to Newberry and the former Reading Railroad main line from Newberry to Norfolk Southern, west of Muncy. Trackage rights over NS at both ends give Lycoming access to the Northumberland interchange and other area facilities.

Visitors to Lycoming Valley's yard in Newberry first see the railroad's office, a former Reading yard office, and the two-bay shop from which Chief Mechanical Officer Ray O'Brien manages locomotive maintenance, rebuilding, and regular servicing. The shop has two run-through tracks that can accommodate four units at a time and perform major locomotive rebuilds with a crew of four under O'Brien's tutelage.

O'Brien is upgrading the fleet with 26L brakes and EMD 645 prime movers to bring them up to modern standards. "New" SW1500s were first shipped to NS's Juniata Locomotive Shop for painting and other preliminary work, then moved here for installation of event recorders, other operational needs, and application of numbers and decals. Lycoming Valley's locomotives are decked out in the green, gold, and black livery created by the Reading for its new locomotive deliveries in the 1960s, including several in the unique "Bee Line" décor.

The fleet of 25 locomotives owned by the North Shore group is in constant flux, but in May consisted of 12 SW8s, 9s, and 1500s; 12 GP7s, 8s, 10s, 20s, 35Rs, 38s, and one newly added SD40-2. Hunter says increasing business requires the SD's six-axle power to head longer and heavier trains to the NS interchange.

Stepping out into the yard, we found activity levels not seen in decades. This is a railroad that works five full days a week, and



Lycoming Valley No. 5514 leads a string of gondolas to Avis Yard. Doug Koontz



Newberry Yard at Williamsport, Pa., is the largest yard on Norfolk Southern's Buffalo Line and where nearly 50 percent of Lycoming Valley's business is done. Courtesy of SEDA-COG

calls seven crews each day, four for the yard and three for the road, during two shifts. A crew is on duty Saturday, and another is available on Sunday as needed. The Lycoming Valley accounts for fully 50 percent of the North Shore group's total business, so Newberry is among the busiest yards along NS's Buffalo Line between Harrisburg's Eno-la Yard, and Driftwood, N.Y., Hunter says.

The hydraulic fracturing taking place throughout northern and western Pennsylvania generates by far the largest single class of products handled through Newberry. This industry picked up in 2008, and today accounts for about 30 percent of Lycoming Valley's business. Strings of sand hoppers move into and through the yard, destined for transloading at Newberry or at the end of the line 12 miles away at Avis. Transloading onto trucks for final moves to

drilling sites takes place at both yards. The railroad also handles destination moves of drilling chemicals and pipes.

While Shields attributes much of Lycoming Valley's revenue to the fracking products, he says that even without them, the railroad does well, given the variety and scope of other lineside businesses. When I asked Gary what products the North Shore



Shale gas drilling keeps Newberry Yard busy unloading frac sand. The business makes Lycoming Valley the "crown jewel" of North Shore railroad group. Mike Zollitsch

group hauls, he says it is easier to name those the railroad does not haul: automotive, intermodal, livestock, and steel coils.

The railroad expanded Newberry Yard several times and added 7.8 new track-miles since 2011 alone. In addition, Hunter's knack at creating new business resulted in the use of otherwise wasted space in the yard. Wooden power poles are one example: brought in on flatcars, then moved to various spots for later pickup by customers. Another use for non-track space is a large paved area where coal is brought in by truck from mines in central Pennsylvania and dumped in an area adjacent to a loading track. That customer then blends and loads the coal into NS-delivered hoppers with its own front-end loaders. Lycoming Valley hauls the blended product when the hoppers are fully loaded and ready.



One Lycoming Valley customer uses its own front-end loaders to blend and load coal trucked from nearby mines. Mike Zollitsch

A Transco Railway Products Inc. freight car repair shop located on the line is another big customer with in-and-out business for the Lycoming Valley. Interchange business has moved away from the little-used former Conrail/NS connection at Linden to “Carwash” Yard at Northumberland, where Conrail once washed covered hoppers. This yard was a former Pennsy coach storage yard and the intermediate resting place for preserved Pennsy steam locomotives in the 1960s prior to movement to the Railroad Museum of Pennsylvania in Strasburg, Pa. Norfolk Southern leased about one-third of the Northumberland Yard to the North Shore group, enabling both railroads to consolidate interchange business for four of the short lines and Canadian Pacific into one location. This improved operating flexibility and increased car velocity.

Despite efficiency gains, Tropical Storm Lee in 2011 took out the Lycoming Valley’s bridge over a creek near Williamsport, Pa., and severed the railroad at its midpoint.

That caused traffic from Newberry Yard destined for customers south of the wash-out or Northumberland to travel over NS to the connection with CP at Muncy, costing Lycoming Valley significant additional time and trackage costs. The bridge is scheduled for replacement this year.

Climbing aboard the daily Avis turn, powered by “Reading” SW9 No. 231 and “Lackawanna” SW1500 No. 1944, one fall afternoon, Hunter and I traveled the length of the yard, and then moved on to the ex-NYC link, for the 12 miles to Avis. This yard was formerly the site of the sprawling NYC car shops, and the marshaling point for its regional coal business. We had 13 cars of frac sand to deliver to the transloading site at Avis that day, plus scrap railroad rails for the lineside Jersey Shore Steel plant. This company is one of two unique “green” customers of the Lycoming Valley. The company re-rolls scrap rails into various structural shapes including their largest product line, bed frames. Methane gas collected from a nearby landfill powers the furnace there, making the smelter “energy independent” except for electric lighting.

The Lycoming Valley operates a daily Northumberland turn to the NS interchange at “Carwash” Yard, as well as for any CP connecting traffic. This is the delivery point for all incoming and outgoing traffic on the line. The combined interchange volume at the Northumberland connection accounts for two-thirds of Norfolk Southern’s business over the Buffalo Line.

Lycoming Valley also serves a second “green” operation at the extreme south end, adjacent to the NS switch at Muncy. This is the sprawling Koppers Inc.’s tie plant, which uses scrap railroad ties delivered by the Lycoming Valley to fire its boilers.



Passenger trains are long gone from Avis, Pa., yet the railroad and the depot remain busy with customers. Lycoming Valley, with its frac sand traffic, annually accounts for as much as 50 percent of all North Shore Railroad Co. revenues. Doug Koontz

Koppers uses the steam created to generate electrical power for the factory, plus process-steam to manufacture new railroad ties. When finished, the Lycoming Valley hauls out new ties for distribution throughout the United States.

Between the two endpoints, the Lycoming Valley serves brand-name food processors; lumber and scrap dealers; chemical and other bulk product users; wire-rope and cable producers; Marcellus Shale drillers; paving plants; electric utilities; plastic molders; and a freight car repair shop. Newberry Yard is handling more traffic than it did in some of the best days of all three predecessor railroads combined.

LOOKING FORWARD

What’s next? More of the same and even better, says Shields, who became North Shore Railroad Group CEO when Richard and Mimi Robey retired in 2010 and sold the railroads in 2012.

It turns out that the purchasers included Shields and other North Shore executives with a vested interest in the six railroads’ continued well-being. They plan for continuous improvement of the physical plant, further modernization of the all-EMD fleet of motive power, and additional concentration on providing the employee group with a safe and friendly work atmosphere.

Given the railroads’ geographic location and strong partnerships with its customer base, SEDA-COG Joint Rail Authority, Norfolk Southern, and Canadian Pacific, this exemplary group of people and railroads has a strong future. **I**

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Courtesy of North Shore

RICHARD ROBEY: RAILROADER WHO SAVED BUSINESS

In 1984, Richard and Mimi Robey became the proud owners of two new railroad operating companies: the North Shore and the Nittany & Bald Eagle. Richard began as president and operations chief while Mimi was secretary and treasurer. They found locomotives, hired and trained a crew, and together got two short lines running. To this day, employee names and positions appear in all employee time-tables. From experience, this couple operated the railroad differently.

When Richard Robey contracted with local governments, he offered a rich operating and management background honed during a career begun on the Baltimore & Ohio. He later founded and operated the Octoraro Railroad, in Delaware, with a business partner. After selling his interest in Octoraro, Robey moved on to marketing positions with the Southern Pacific and the Pittsburgh & Lake Erie railroads. While with the P&LE, he helped start up a shortline operation in Sunbury, Pa. That latest adventure brought him into contact with the events in central Pennsylvania, and ultimately the SEDA-COG Joint Rail Authority. — Steve Sweeney