

# lowa Northern's Corn Belt Revival

JIM ROWLAND/PHOTOS BY CRAIG WILLIAMS EXCEPT AS NOTED

T IS SAID THAT AT THE ZENITH of rail oper- Barriger III famously described CGW as of the competition, and to that end, it In location in the state more than a ritory serving a traffic vacuum." CGW gained national recognition for its early dozen miles from an active rail line. No went where everyone else already did use of offline sales offices, contract rates, doubt, the expansive lines of Chicago and managed to miss almost every city and purchase of agricultural commodi-& North Western, Rock Island, Illinois of consequence along the way. However, ties for the purposes of freight traffic. An Central, Milwaukee, and Burlington that its mains from Minneapolis and Kansas example of CGW's success was that in spanned the state in a quest to directly City, Mo., funneled considerable traffic 1896, the carrier transported 70 percent connect Omaha, Neb., with Chicago led toward Chicago. All four of CGW's main of all corn moving between Kansas City to an overabundance of rail corridors. In- lines had a common point of convergence and Chicago. CGW inaugurated trailclude north-south carrier Minneapolis & in Oelwein. As such, Oelwein was giv- er-on-flatcar service between Chicago St. Louis, as well as scores of smaller rail- en the nickname "The Hub City." It was and St. Paul, Minn., in 1936, and three roads, and it is easy to see how the initial here that CGW established its main lo-years later between Chicago and Council claim came about. In 1892, one final car- comotive and car shops, which between

never financially robust, CGW was not mogul Walter P. Chrysler.

ations in the state of Iowa, there was "a mountain railroad built in prairie ter- was quite progressive for its time. CGW rier emerged — Chicago Great Western. 1904 and 1910 were capably supervised to experiment with welded rail. As the last carrier constructed and by none other than future automotive

the fastest, best engineered, or most di- Being the last of six trans-Iowa routes, large system. By the mid-20th century

Bluffs. CGW was one of the first carriers

Operating approximately 1,450 miles of track, CGW was not a particularly rect route between both points. John W. CGW had to be innovative to stay ahead rail mergers and consolidations became





not only the way of the future, but necessary tools for survival. The 1963 announcement of the planned merger Corn Belt Route passed into history.

gateway into Kansas City, something be severed, in August 1971. C&NW previously lacked. It had been widely postured that this gateway, as with inferior grade profiles, a multitude well as the Oelwein shops, was the sole of curves, light rail, and mostly unsigreason for the acquisition. The duplicate naled dark territory, the remaining lines lines were downgraded and eliminated as — still served major markets and were kept quickly as possible.

ment in a relatively central location that habilitation was needed. 1, 1969, for car repair operations.

# From Hub to Stub

Though much of CGW was plagued

was capable of doing heavy repairs and The March 31, 1980, collapse of neighrebuilds for the entire C&NW system. boring Rock Island brought an opportu-Oelwein's excess facilities, such as the nity for C&NW to acquire a superior line old roundhouse, were no longer needed, with an abundance of online business,



ABOVE: In October 1972, ex-Chicago Great Western F5A 113C, now Chicago & North Western 213, rests at the Oelwein, Iowa, terminal in full CGW dress. NEIL SHANKWEILER PHOTO, RICHARD JAHN COLLECTION

LEFT TOP: C&NW power congregates outside the former CGW Oelwein shop complex in summer 1972. C&NW FP7 218 was built as CGW 116C in 1950 and is still adorned with its former CGW red paint. BILL KUBA PHOTO, IOWA CHAPTER NRHS COLLECTION

LEFT: The Dunkerton, Iowa, elevator is being worked by a C&NW road freight on September , 1973. Lead unit 262 is an F7A originally built for C&NW as its 4100C. BILL NUBA PHOTO, IOWA CHAPTER NRHS COLLECTION

OPPOSITE: Two Iowa Northern units push a Jordan spreader into the east end of the former CGW Oelwein yard as they clear snow on February 10, 2021. Sitting beside IANR's pair of rebuilt ex-L&N GP38ACs, ex-CGW FP7A 116 heads up a line of equipment owned by Hub City Heritage Corporation Railway Museum. AERIAL PHOTO BY CRAIG WILLIAMS

CGW. As far back as the mid-1970s, In a state with excess rail capacity, North Western knew it had issues with duplicate trackage was destined to be ra- the CGW line into Kansas City. As stated between Union Pacific and Rock Island tionalized. C&NW became notorious for in a publication from the C&NW Historthreatened the interchange traffic re- downgrading and abandoning hundreds ical Society, Ed Burkhardt (of Wisconsin ceived from UP at Omaha and Kansas of miles of its acquired former major ri- Central fame) did an extensive study City. Faced with this loss of traffic, CGW vals. For the former CGW routes out of while he was with C&NW. His study began to search for merger partners of Oelwein, portions of the Chicago main determined that part of the line had too its own, and in the end, selected Chicago in Illinois were the first to be taken out many curves, too many hills, was prone & North Western. On July 1, 1968, the of service in late December 1968, and to flooding, had no CTC, and had few removed in 1973. CGW's Council Bluffs sidings of any adequate length. A retired The acquisition of CGW provided a main at its western end was the next to C&NW engineer stated that by 1980, a hi-rail inspection truck ran ahead of every train checking for defects. It took crews five days to make the round trip between Kansas City and Des Moines.

On April 1, 1980, North Western leased 746 miles of former Rock Island lines, inbusy through the 1970s. C&NW invested cluding its Kansas City-Minneapolis/ Oelwein's locomotive backshop was little in the way of track upgrades, per- St. Paul main; immediately, the majora different story. This CGW asset gave forming only the bare minimum. By the ity of through traffic was shifted to this C&NW something it did not possess — end of the decade, after being run into the route. Some through traffic remained a large facility featuring modern equip-ground with heavy trains, major track re-on the old CGW, but once the last train ran north out of Oelwein on November 6, 1981, CGW's main to the Twin Cities was deserted as North Western favored the Rock Island line. CGW's Oelwein-Twin Cities main was scrapped in July 1982. and were acquired by Transco on August while simultaneously bringing about This segment followed the remnant of the a swift end for much of the remaining Chicago line from Oelwein to Dubuque,

which was abandoned in March 1981 their C&NW interchange at Cedar Rap- and Waterloo. Second, C&NW was no and removed that fall. This left only ids and the old CGW at Waterloo. "The longer performing any heavy rebuilds on the Oelwein-Kansas City route intact, Hub City" was now relegated to being at its locomotive fleet, and the remaining but following North Western's June 20, the end of a branch line serving only the repair work could be covered by the exist-1983, purchase of Rock Island trackage Transco rail car repair facility as well as ing shops at Proviso and Marshalltown. for \$93 million, CGW's Kansas City line any occasional shippers that remained. would not last much longer. Marshalltown-Bondurant was abandoned in January 1984, and the entire line west of Des C&NW identified the majority of this Moines was abandoned in October 1984 remnant as an immediate abandonment following completion of substantial reha- candidate; Oelwein came perilously close

351-mile Kansas City Line. Designated Iowa Northern between Cedar Rapids by C&NW as its Waterloo Subdivision, this remnant was an island operation, accessed only by Iowa Northern (IANR) and bridging all traffic to them between

RIGHT TOP: Iron Road Railways purchased former Canadian Pacific properties in northern New England and Quebec in 1995 and 1996, establishing Canadian American, Quebec Southern and Northern Vermont railroads. Iron Road designed a paint scheme to reflect the heritage of the lines. NVR GP35 513 leads northbound freight 242 at Newport, Vt., on July 21, 1999.

RIGHT: NVR's base of operation was the former Canadian Pacific terminal at Newport, Vt. On July 19, 1999, a pair of NVR's GP35s rests at the fuel rack.

BELOW: IANR, an Iron Road Railways property from November 1994 until January 2003, also adopted a variation of Iron Road's CP scheme. A trio of IANR GP38-2s works at Marble Rock, lowa, on June 28, 2004. JIM ROWLAND PHOTOS

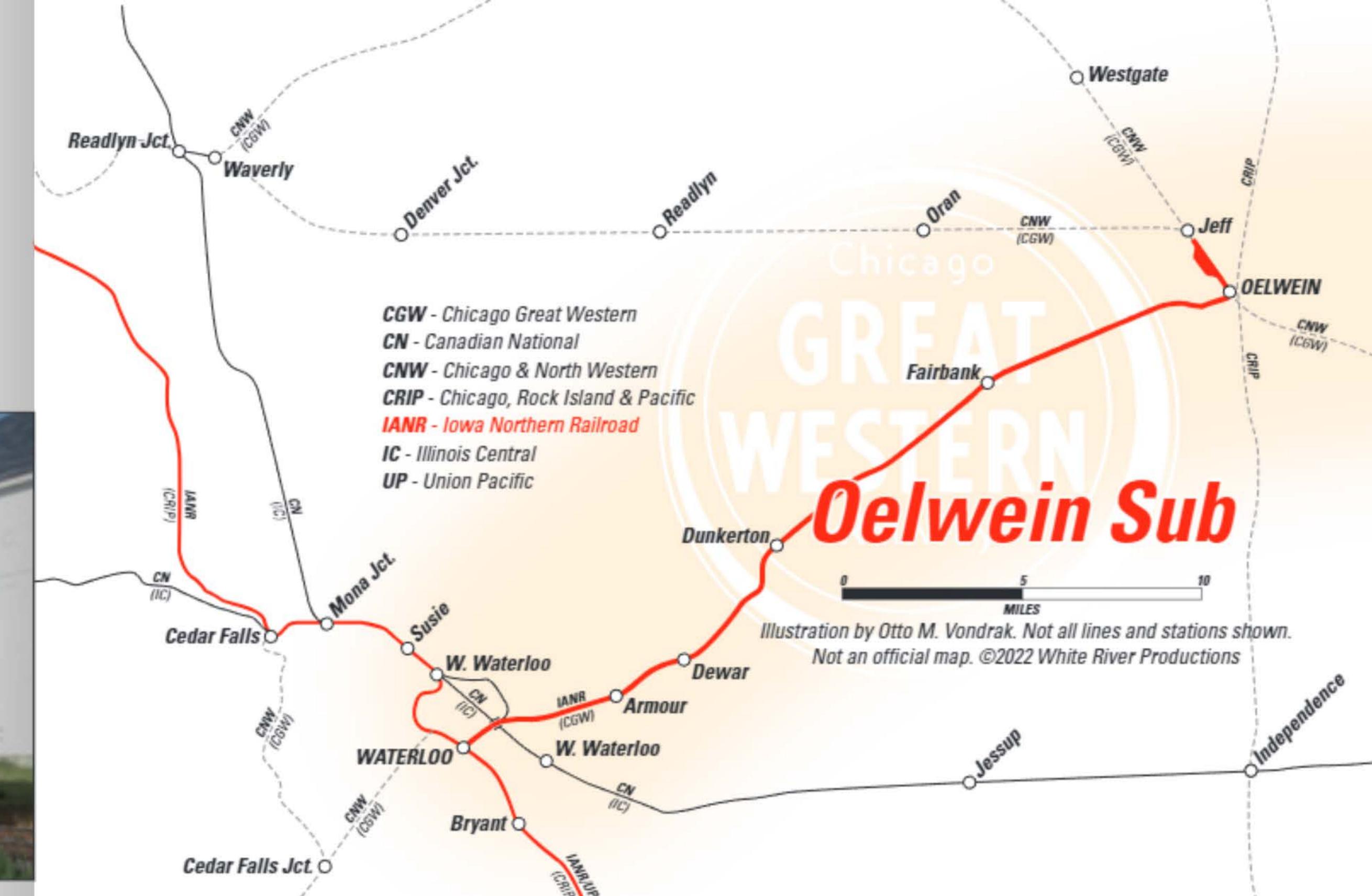
By the early 1990s, faced with declining shipments and decaying track, bilitation to the former Rock Island main. to becoming another town removed from Further cutbacks continued as the the American rail network. This impend-1980s progressed. In February 1986, ing threat became more credible follow-C&NW abandoned CGW's former Clari- ing North Western's 1993 announcement on main between Oelwein and Shell Rock. that it intended to shut down Oelwein's Between 1987 and 1989, the remains of backshop. There were two primary rea-CGW's Kansas City main between Mar- sons — first, the shops were located on shalltown and Waterloo were abandoned an "island" line from Waterloo, requirin stages. The 26-mile Oelwein-Waterloo ing all cars and locomotives bound for segment was all that remained of CGW's Oelwein to be intermediately handled by

Employees were offered positions at C&NW's other shops at Proviso, Clinton, and Marshalltown. Hospital trains of











derelict and junk locomotives began rolling out of Oelwein in summer 1993 and moved. It appeared that the last chapter in Oelwein's railroad story had been written as abandonment seemed a certainty.

## Saved From Abandonment

Chicago & North Western itself merged

former Transco employees (Dan and Woody) who had lost their lives in an by the time C&NW officially closed the accident in Oelwein. The purchase was line coupled with increased car supply doors at the shops on May 13, 1994, ev- completed at the end of summer 2003, and improved service helped to convince erything of value to C&NW had been re- with Iowa Northern Railway named as more Cedar Rapids corn processors to operator for the trackage.

The selection of IANR should not be tors along IANR. This enabled IANR to a surprise, since the former CGW di- act as a single line funnel for corn bound rectly connects with IANR at Waterloo. for Cedar Rapids. At the time, Cedar Additionally, IANR had a successful ex- Rapids was a massive consumer of corn; perience with breathing new life into old if it had been a foreign country, it would into Union Pacific on October 1, 1995. rail corridors. It got its start on August rank third, behind Japan and Mexico, in Other than being renamed the Water- 7, 1981, by reopening 125 miles of shut- the importation of corn. Approximately loo Industrial Lead, little changed on down main line trackage between Cedar one million bushels of corn was processed the CGW remnant subsequent to acqui- Rapids and Manly that had been carved daily in Cedar Rapids. Each Iowa counsition by UP. With no remaining online from the carcass of the Rock Island. Ini- ty then averaged about 30 to 35 million business and only a car repair facility tially purchased for \$5.4 million to pre- bushels of corn, so a full county's worth located at the end of the line, it appeared serve rail service for grain shipments, of corn could be consumed in one month that this last piece of CGW's heart was the line was owned by several online by the Cedar Rapids processors. headed for abandonment. Knowing this, elevators in addition to a subsidiary of The ongoing improvements also pro-Transco began the process of acquiring Alliant Energy. IANR limped along until vided some room for diversification. By the line from UP in early 2002. It formed 1994 when it was purchased by a consor- late 1995, UP had acquired CNW, giv-D&W Railroad, named in honor of two tium of railroad managers led by current ing IANR access to another large and



ABOVE: IANR GP38-2 3811 (ex-Louisville & Nashville GP38AC 4029) displays its customized version of former owner Iron Road's corporate colors on June 29, 2004, at the Waterloo, Iowa, shop. JIM ROWLAND PHOTO

BELOW LEFT: In late 2008, four ex-Iron Road F40M-2F locomotives (Amtrak F40PH units rebuilt at Beech Grove Shops) from Canadian American Railroad came off lease and were acquired. For a period of time, the units operated in full CDAC dress. Ex-CDAC 451 (ex-Amtrak 314) leads a freight at Nora Springs, lowa, in July 2010.

President Dan Sabin and railroad holding company Iron Road Railways. A multi-year program was immediately undertaken that transformed the run-down rail line into a thoroughly rebuilt piece of modern railroad capable of carrying heavy traffic.

What makes IANR unusual is that it is a short line with Class I or regional carrier interchange points at multiple locations. It connected with C&NW (later UP) at Manly, Waterloo, and Cedar Rapids; with Chicago Central (later CN) at Waterloo and Cedar Rapids; with Dakota, Minnesota & Eastern at Manly; with Soo Line (later CP) at Plymouth Junction and Nora Springs; and with Iowa Interstate via Cedar Rapids & Iowa City at Cedar Rapids.

The continued upgrading of the main consider acquiring corn from grain eleva-

friendly rail connection. This became a game changer for IANR as UP was less interested in short-haul grain moves ver-service area well, both professionally and taken along with Transco to transform sus large unit trains of corn for export or personally. Sabin grew up in Manly and the line from near-abandonment to an long-haul moves to feedlot markets in the began his railroad career as a student economic engine for the region surround-West. IANR had significantly improved operator for Rock Island in the same lo- ing Fayette, Buchanan, and Blackhawk service and operations to the point that it cale. He worked his way through college counties. was able to capture a much greater maras as a Rock Island dispatcher, covering "From [IANR's] standpoint, operaprocessors at Cedar Rapids.

The successful transformation and diversification provided not only the mechanisms for success IANR needed, but it would radically impact the Oelwein line as well. Combined with a company leader that sees opportunity, the stage was set for rejuvenation.

RIGHT: An IANR northbound move shoves a Jordan spreader to clear the line at the west end of the old CGW Oelwein yard on February 10, 2021. The move is passing Transco's new buildings that were part of its 2014 expansion to become tank car certified. AERIAL PHOTO BY CRAIG WILLIAMS

BELOW: Returning to Waterloo, a short southbound Oelwein Job passes through an agricultural setting south of Fairbank, Iowa, on July 13, 2007.

### Growth of Iowa Northern

CGW rail corridor. Sabin describes the IANR President Dan Sabin knew his partnerships and the journey IANR has

ket share of the corn consumed by the every existing mile of the entire sys- tion (and later acquisition) of the line tem. He envisioned potential for the old was seen as a natural extension of our







age that's contiguous or available with multiple agreements were signed with to convert their sizable corn supply to trackage rights and this ex-CGW line UP, and D&W commenced operations on rail. This single development resulted in fit right into our system. Transco also October 2, 2003. looked for any other interested parties, The Class I carriers, heavily focused on most overnight.

but without an outlet, it would have been unit train moves, frequently lack vision a very costly and captive operation." As of local business opportunities that do not ground running. "We were handling part of the sale, UP granted D&W track-exist currently. It seemed that nobody at some cars for Transco, positioning balage rights from Dewar to Waterloo with UP could see the opportunity with this last cars for bridge work, and spotting a provision that it could assign them to line. "We did," said Sabin. "What favored the Dunkerton elevator track for loading IANR if an operating arrangement was us was the lengthy amount of time it corn. Their loading infrastructure had

ABOVE: IANR's Waterloo Switcher is in the clear in the foreground as it switches Tyson Foods' sprawling facility while IANR's Oelwein Job heads up the former CGW main behind it. Note that both trains are powered by former CDAC F40M-2F locomotives. Unit 458 on the Waterloo Switcher has already been relettered to reflect IANR ownership. **AERIAL PHOTO BY CRAIG WILLIAMS** 

LEFT: On November 1, 2010, a southbound IANR North Crew rolls through Rockford, lowa. The order board and sign on the restored station leave no doubt about the history of this trackage.

took to conclude the transaction. I started working on securing new business for the Waterloo Industrial Lead over a year before we were able to operate it. I talked with former shippers along the line, and one of our first new customers was the elevator at Dunkerton." This elevator had not shipped by rail since the system. I'm always looking for any track- worked out. On September 26, 2003, 1970s, so the railroad worked with them one of the railroad's largest shippers al-

On Day One, the railroad hit the





LEFT: Crossing East Airline Highway, a quartet of IANR diesels hauls a southbound Oelwein Job near the northern outskirts of Dewar, Iowa. Excellent afternoon lighting on April 15, 2008, accentuates the farms and St. Francis Catholic Church in the background.

BELOW: An IANR plow train using a Jordan Spreader crosses over Elk Run near Dewar on February 10, 2021. The new concrete bridge over Elk Run is indicative of the work performed to upgrade the line to handle ethanol traffic. AERIAL PHOTO BY CRAIG WILLIAMS

BOTTOM: An IANR crew works the Fairbank ethanol plant on November 4, 2008. Prior to the opening of this plant in 2008, it had been decades since this segment of the old CGW had seen this type of traffic.



been removed decades ago, so we worked Oelwein line, grain traffic on our original out an arrangement for them to start main was burgeoning, and our new Oelloading on the main track with an auger wein line brought additional counties of until they could restore loading spouts on grain production onto IANR and opened the elevator track."

The physical plant needed a lot of work. velopment." There had not been much tonnage on the One of the most significant impacts tematically updated every bridge."

the line once a week, Iowa Northern and finished product took center stage for especially with the elevator at Dunker- plants were popping up all over the state. ton coming online. Soon, a drainpipe Management met with Hawkeye Redealer began receiving inbound rail ship- newable Energy and convinced it to build ments and a plastic pellet transload was two major ethanol plants on IANR. Using established on a siding at Dunkerton for an Iowa DOT map and a compass, Sabin a customer that relocated from Indepen- showed them that if Hawkeye relocatdence (and served by another railroad). ed, Shell Rock was outside of a 40-mile

the opportunity for more industrial de-

line for years; it was adequate for empty that bolstered the Oelwein line's future cars headed to Transco for repairs, but could not have been seen at the time not much else. The condition of the line IANR operations began. The Energy Polmeant little to no ballast, poor surfacing, icy Act of 2005 and its Renewable Fuels and many sections of light 90-pound rail Standards mandated that gasoline sold with breaks and other defects. "We fo- in the U.S. contain greater amounts of recused on the Dewar to Dunkerton portion newable fuel (ethanol or biodiesel) beginfirst due to the elevator coming online, ning in 2006. Iowa achieves the highest and then later heavier work was done corn yields in the world and quickly befrom Dewar to Fairbank." Track wasn't came the center of the multi-billion dolthe only issue. Most of the bridges were lar ethanol industry. If it were a country, wooden structures that had rotten piles Iowa would be the third-largest ethanol and caps, and in many cases also had producer in the world, surpassing all but broken stringers. "We had a lot of restric- the rest of the U.S. (combined) and Brations on our operations until we had sys-zil; in fact, nearly 30 percent of total U.S. ethanol production took place there. Sud-While Union Pacific previously worked denly, rail transportation for both corn quickly initiated more frequent service to Iowa rail carriers, and IANR was no exdemonstrate its commitment to the line, ception. Seemingly overnight, proposed

"While we were getting started on the radius from Iowa Falls, and Fairbank





ABOVE: In July 2019, an IANR Oelwein Job rests for the night beside the Fairbank ethanol plant. By this date, the facility had been in production more than a decade, and track conditions clearly have been vastly improved.

RIGHT: A southbound IANR Oelwein Job passes the Dewar elevator on March 16, 2009. AERIAL PHOTO BY CRAIG WILLIAMS

was outside of the next 40-mile radius; that specific distance allows each plant to obtain a corn supply without cannibalizing the other. "We also set up low-cost switch rates to allow our nearby elevators to bring corn into the ethanol plants. We would take their inbound distiller's grain cars loaded with corn from our elevators so they could quickly unload them and reload the same car with more dised shortly thereafter.

chased by IANR.

While Hawkeye's business presented ties, 65,000 steel ties, and 42.6 miles of Butler," said Sabin.



a tremendous opportunity, it also retiller's grain byproduct for dry distillers quired major investments in infrastrucgrain soluble (DDGS) customers." DDGS ture improvements. In December 2005, four former Canadian American F40M- physical plant was not limited to the Oel-2F locomotives (Amtrak F40PH units re- wein Line. By the end of 2015, the combuilt at Beech Grove Shop) came off lease pany had spent more than \$100 million from Hudson Bay Railway and were puralong the line in increased yard and side-

new continuous welded rail system-wide.

New business continued to locate on the Oelwein Line. The railroad began is the removed solids from the corn ker- D&W Railroad, Transco, and Hawkeye working on the construction of a new nels once the starch is used for the sugar Renewables LLC Fairbank formed a green-field grain elevator for Viafield Cocontent for ethanol. It contains a high partnership whose mission was to invest operative north of Oelwein, and totally protein value for animal feeds, especially in needed improvements to the rail cor- rebuilt about three miles of the old Mindairy cattle. It creates an additional val- ridor. They jointly shared in the cost of a neapolis main line to serve that elevator. ue for each bushel of corn processed by substantial upgrade between Dewar and This operation extends the grain reach of the ethanol plant and the value of DDGS Fairbank and started doing more bridge IANR nearly to the Mississippi River and follows the commodity value of corn. repairs, eventually completely replacing has the potential to become the largest Hawkeye was pleased with the railroad's some bridges. With the line back up to grain shipper on the line. Dunkerton's proposal, and the plants were construct- improved standards, it was ready to han- elevator underwent a massive expandle unit ethanol trains. Today, the facil-sion; the investment made for an entirely This new business, coupled with grow- ity is owned by POET Energy, recently new grain and later fertilizer operation ing traffic on the other lines, necessitated purchased from second owner Flint Hills is impressive. "With our new soybean additional motive power. Late in 2008, Resource Renewables. Investment in the crushing facility under construction at our Butler Logistics park between Shell Rock and Clarksville, they are expanding again to increase soybean storage and loading since they will be one of many track capacity, 100,000 main line wood online elevators supplying soybeans to

buildings for tank car repair and a new mechanical shop to support that new op- pacity all along the railroad. eration.

of an isolated UP line added some sub- and road slugs. stantial shippers such as John Deere, Tyson, and Kinder-Morgan's fertilizer plant. Following the lease of this track-

Beginning in 2014, Transco underwent development with substantial growth would have required the approval of a \$24 million expansion to become tank while IANR continues installing new the U.S. Surface Transportation Board. car certified. It constructed three new continuous welded rail, rebuilding nu- Transco turned to Iowa Northern for help merous bridges, and expanding track ca- in getting out of the railroad business to

Additional business opportunities ar- Iron Road Railway's minority stake in on June 17, 2020, IANR purchased the rived in 2019 when IANR was able to the company. Due to increased and diverlease the remainder of the line from UP sified business, today IANR operates a Railroad, LLC. This trackage is now between Waterloo to Dewar. This lease fleet of about 400 cars and 30 locomotives

### To the Future

In May 2019, Union Tank Car Compagross rail loads. Overall, IANR now gen- co Railway Products. Since Transco's future. 🖸 erates more than 1,000 revenue cars Oelwein shop owned the IANR-operated per month on the line. The next step D&W Railroad (Hawkeye Renewables will be another new industrial park at relinquished control of its part of D&W or near Oelwein. More business is in in 2011), it was discovered that the deal

allow the purchase to proceed without In 2003, Sabin personally bought out STB approval. STB filings indicate that Dewar-Oelwein trackage from D&W known as IANR's Oelwein Subdivision.

IANR's purchase brought the Oelwein story full circle. While more than 90 percent of the CGW system has been dismantled, this piece of the Corn Belt age, IANR covered the cost of two major ny, owned by Marmon Holdings, itself a Route, once given up for dead, has risbridge replacement upgrades to handle subsidiary of Berkshire Hathaway com- en like a phoenix and will continue to the industry standard 286,000-pound pany, announced it was acquiring Trans- profitably bask in the sun well into the



LEFT: On April 9, 2010, an ex-Iron Road/CDAC F40M-2F leads a southbound ethanol train just west of Fairbank. This telephoto image clearly illustrates the undulating grade profile of the former CGW Kansas City main line.

BELOW: The ex-CDAC F40s were not the first CDAC power to run on IANR. Iron Road's New England properties ordered rebuilt ex-Southern Pacific GP35s from NRE at Silvis, III. Prior to delivery, the units were road-tested on IANR to work out any lingering mechanical issues prior to being shipped to New England. In September 1997, Northern Vermont 512 and Canadian American 515 bracket IANR GP20 2004 on a southbound freight at Packard, Iowa. A little more than a decade later, the ex-CDAC F40M-2Fs would call these same rails home.



