

**South Shore
Freight's GP38-2s
are the backbone
of one of America's
premier short lines**

by Kevin P. Keefe

DIESELS



UNDER WIRE

A photograph of a freight train in Gary, Indiana, featuring a red and orange GP38-2s locomotive pulling several freight cars under a complex catenary system. The train is moving along tracks with gravel ballast. The background shows a clear sky and utility poles with power lines.

Bearing the South Shore standard in traction orange and maroon, GP38-2s 2000 and 2004 roll a heavy westbound under energized catenary in Gary, Ind., on Nov. 13, 2015. Greg McDonnell



Street running interurban style, GP38-2s Nos. 2009 and 2000 pull a westbound freight through the S-curve on 11th Street in Michigan City, Ind. “For a moment, this neighborhood belongs to a railroad called South Shore Freight.”

Even after 35 years, the scene still gets your attention. You’re in the old industrial town of Michigan City, Ind., standing along 11th Street, a quiet thoroughfare that cuts east-west through neighborhoods of old frame houses and churches. Like an apparition from the 1920s, a pair of rails gleams in the middle of the pavement, slung under a single strand of catenary wire. Any moment you might expect to see an arch-windowed interurban car go trundling past.

Then you hear the almost stealthy approach of a train. But what appears around the gentle S-curve is hardly a trolley. Headlight ablaze, a pair of bright-orange hood units eases into the turns, trailing a long skein of freight cars, sending vibrations up through the surrounding streetlights and front porches. The diesels, two GP38-2s, are only doing 20 mph, but there’s no mistaking the authoritative rumble of their combined 4,000 hp as they pull through the turns. For a moment, this neighborhood belongs to a railroad called South Shore Freight.

The two diesels are more than just simple, run-of-the-mill Geeps. They are symbolic of one of the most durable fleets of locomotives in all of shortline railroading. Since they were built in 1981, the 10 GP38-2s of South Shore Freight have soldiered on for the same railroad, providing reliable service to a heavy-duty roster of customers, ranging from electric utilities to

steel mills to heavy manufacturing. With its strategic 90-mile mainline arc tracing the southern rim of Lake Michigan from South Bend to Chicago, the South Shore intersects nearly every major railroad in the U.S.

Heavy traffic

That location, and its correspondingly heavy traffic, is what attracted Chicago-based, privately held Anacostia Rail Holdings Co. (formerly Anacostia & Pacific) to pay \$27 million for the South Shore freight operation in December 1989. The previous freight operator, Venango River Corp., was mired in bankruptcy, and the trustee eventually found Anacostia to be an ideal successor. With acquisition of the South Shore, Anacostia transitioned from highly successful consulting firm to major railroad operator. It has since fleshed out its holdings with companies such as New York & Atlantic, Pacific Harbor Line, and Louisville & Indiana. Altogether the Anacostia lines haul more than 2 million carloads annually, over nearly 800 miles of track.

Those South Shore GP38-2s lug a significant part of the holding company’s overall business, especially in light of the four major customers undergirding the railroad’s traffic base: coal for Northern Indiana Public Service Corp.’s generating plants at Bailly and Michigan City, and raw materials and finished products in and out of U.S.S. Midwest Steel at Portage and the big Arcelor Mittal fully integrated steel-

making facility at Burns Harbor, formerly Bethlehem Steel.

There’s also that matter of South Shore’s traction heritage. Nearly every move those diesels make must somehow accommodate the railroad’s original reason for being: the 14,000-plus riders who every day rely on the South Shore Line commuter trains of the Northern Indiana Commuter Transportation District, with whom South Shore shares most of its track. With 38 scheduled weekday passenger trains operating under the South Shore Line brand, NICTD operations loom over everything, and the freight carrier is obligated to perform a daily dance with its partner over matters ranging from train operations to maintenance of way to spotting the diesels at the shop.

The commuter agency owns most of the main line: 69 miles from South Bend to State Line. South Shore Freight ownership of track extends west from there to Kensington, 7 miles, along with Burnham Yard at Hegewisch, Lincoln Yard in Michigan City, numerous spurs and sidings, and the 21-mile former Nickel Plate Kingsbury branch from Michigan City to Dillon, Ind., south of La Porte, where local authorities are developing an industrial park.

For all these overlapping interests to work smoothly, the partnership with the transportation district has to be good. And from all accounts, it is. As South Shore CEO Andrew Fox puts it, “We have an excellent working relationship. We’re co-de-



Approaching the ramp to the NICTD passenger station and the 1956 line relocation that diverted CSS&SB tracks from the streets of East Chicago, Geeps work a westbound freight through Gary.

pendents. It has to work that way.” The result is a usually crisp operation in which commuter trains comfortably rub shoulders with South Shore’s freights.

An interurban heritage

With its roots in electric traction, the South Shore has a motive-power legacy that is distinct among contemporary short lines. In the steam era, the railroad went about its freight business with a classic lineup of electric motors. In an earlier iteration as the Chicago, Lake Shore & South Bend, a typical Midwestern interurban, the railroad relied on small Baldwin-Westinghouse 53- and 72-ton steeple-cabs to carry a modest less than carload trade.

Everything changed in 1925 when Chicago utilities magnate Samuel Insull acquired the railroad and rechristened it the Chicago South Shore & South Bend (pointedly with no comma after “Chicago”). A former associate of Thomas Edison, the British-born Insull was the prime mover behind Chicago’s gigantic Commonwealth Edison electric utility, as well as Northern Indiana Public Service Co. across the state line. Around the utilities, Insull consolidated a number of railroad properties, which in addition to the South Shore included Chicago, North Shore &



The overhead trolley wire glistens in the headlight glow as traction orange South Shore Geeps 2001 and 2008 trudge through the snow on 10th Street with a westbound local on Jan. 5, 2010. Three photos, Greg McDonnell

Milwaukee and the Chicago, Aurora & Elgin, all of which became standard bearers of the interurban era.

The Insull empire sank into insolvency by 1932, but not before investing millions of dollars in its railroads. It was Insull who transformed CSS&SB from sleepy interurban to heavy-duty electric railroad, and traffic grew in response throughout the 1920s and into the 1940s. To meet the demand, South Shore traded up to increasingly larger electric motors, culminating in 1941 with a quartet of 97-ton electrics purchased secondhand from Illinois Central,

which had dieselized Chicago terminal operations. They were the largest steeple-cabs ever built by Baldwin-Westinghouse.

With a surge in postwar freight traffic, South Shore needed ever-larger motors, and in 1949 came a breakthrough: acquisition of a trio of 273-ton, double-ended, streamlined 2-D+D-2 electrics. These were the famed 800-class “Little Joes,” so nicknamed because they became available when General Electric’s sale of 20 of the units to the Stalin-era Soviet Union was nixed by the State Department. Purchased at a bargain price, the intrepid forces in the

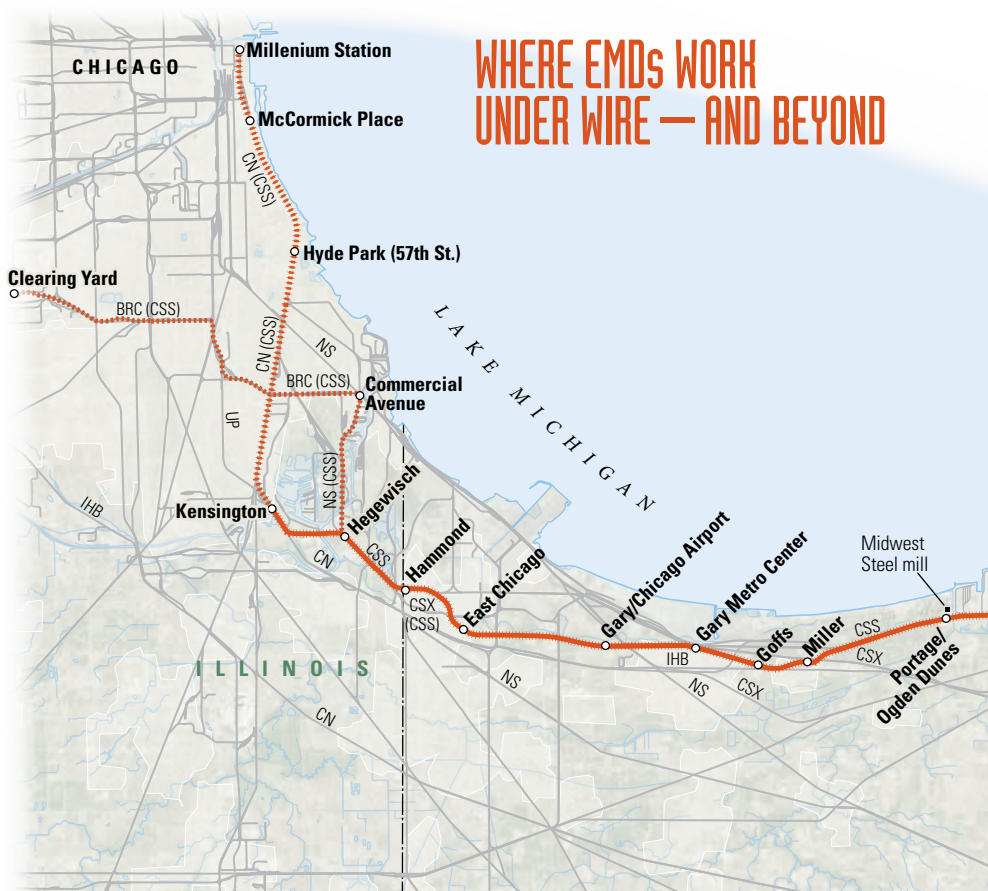


Having worked an empty coal train from Michigan City to the East Chicago interchange with B&OCT, Nos. 706 and 707 stop to switch at Burnham Yard on their return east on a pleasant day in November 1975. Lou Gerard

Michigan City shops modified the units for use on South Shore's 1,500-volt D.C. system and the Little Joes were off and running. Twelve more Little Joes created a separate legend on Milwaukee Road's Montana and Idaho electrification, five went to Brazil.

With a continuous horsepower rating of 5,120 and a continuous tractive effort of 77,000 pounds, the Little Joes were able to easily handle the South Shore's growing fast-freight business. But by the mid-1950s, even more power was required. Reinforcements came in the form of 10 ex-New York Central R-2 electrics rendered surplus by the elimination of electrification at Cleveland Union Terminal. Built by Alco and GE in 1931, the 140-ton ex-NYC units offered 3,000 hp and 66,600 pounds of tractive effort; seven of the motors were extensively rebuilt at Michigan City. In multiple-unit use, the big-windowed R-2s partnered with the 800s to help spur dramatic growth in South Shore freight revenues.

South Shore purchased a hand-me-down Buffalo Creek SW1 in 1956, but its experience with diesels began in earnest in the 1960s, coincident with the railroad's 1967 sale to Chesapeake & Ohio. Some of



**WHERE EMDs WORK
UNDER WIRE — AND BEYOND**

this was related to the growing business in unit coal trains, which were pushing the fleet of electric motors to its limit.

A bigger factor was what became South Shore's prime customer: the sprawling Bethlehem Steel rolling mill at Burns Harbor, east of Gary, which opened for business in 1965 (and today is part of Luxembourg-based steel giant Arcelor Mittal). Bethlehem wasn't interested in stringing catenary across the vast network of yard tracks serving the mill. With that, South Shore knew it had no choice but to turn away from electric freight.

C&O transferred three TR3B cow-and-calf switchers and a pair of NW2s to the South Shore. Bigger power arrived in 1971 in the form of eight C&O GP7s, designated Nos. 1501-1508. The numbering scheme was idiosyncratic: units with short hoods facing west took even numbers, units with short hoods facing east took odd. South Shore did it to help integrate the locomotives with the passenger trains, all operated by the same company.

The new Geeps were painted in C&O's familiar dark blue with yellow stripes, with a South Shore logo along the flanks of the hoods. A few years later the railroad picked up three more GP7s, this time from Florida East Coast. These units were not repainted; the FEC logo was merely removed from the hood. They also kept their original numbers, 614, 615, and 618.

The modern era at South Shore finally came in 1981 with the purchase of today's 10 GP38-2s from EMD. The model was already becoming one of EMD's biggest sellers, with 2,222 units manufactured between 1972 and 1986. Numbered 2000-2009, the South Shore's diesels were bare bones, sans dynamic brakes, and at first retained the same odd-even, east-west designation as the GP7s. The new power was painted in the new Chessie System yellow,



The brakeman hustles as former NYC Class R-2 motors Nos. 705 and 707 switch at Burnham Yard in the far South Side Chicago neighborhood of Hegewisch on a blustery February 1976 day. Lou Gerard

low, with dark-blue trim and lettering.

The GP38-2s were apparently everything South Shore was looking for, enabling the railroad to get rid of the 800-series electric motors and the earlier GP7s. Fortunately, two of the three Little Joes found homes: No. 802 at the Lake Shore Railway Museum in North East, Pa. (just 11 miles east of its Erie birthplace), and No. 803 preserved in operating condition at the Illinois Railway Museum in Union, Ill.

In the years since, the GP38-2s have done their job, remaining relatively unchanged since their 1981 arrival, the beneficiaries of the expert ministrations of the shops employees. The most striking difference has been the adoption of today's "legacy" paint scheme of South Shore maroon and orange.

Mr. Kehe's charges

Responsibility for South Shore's tidy fleet falls to Chief Mechanical Officer Bruce Kehe (pronounced "kay"), a veteran of railroading around the Chicago area. Kehe came to South Shore four years ago after a

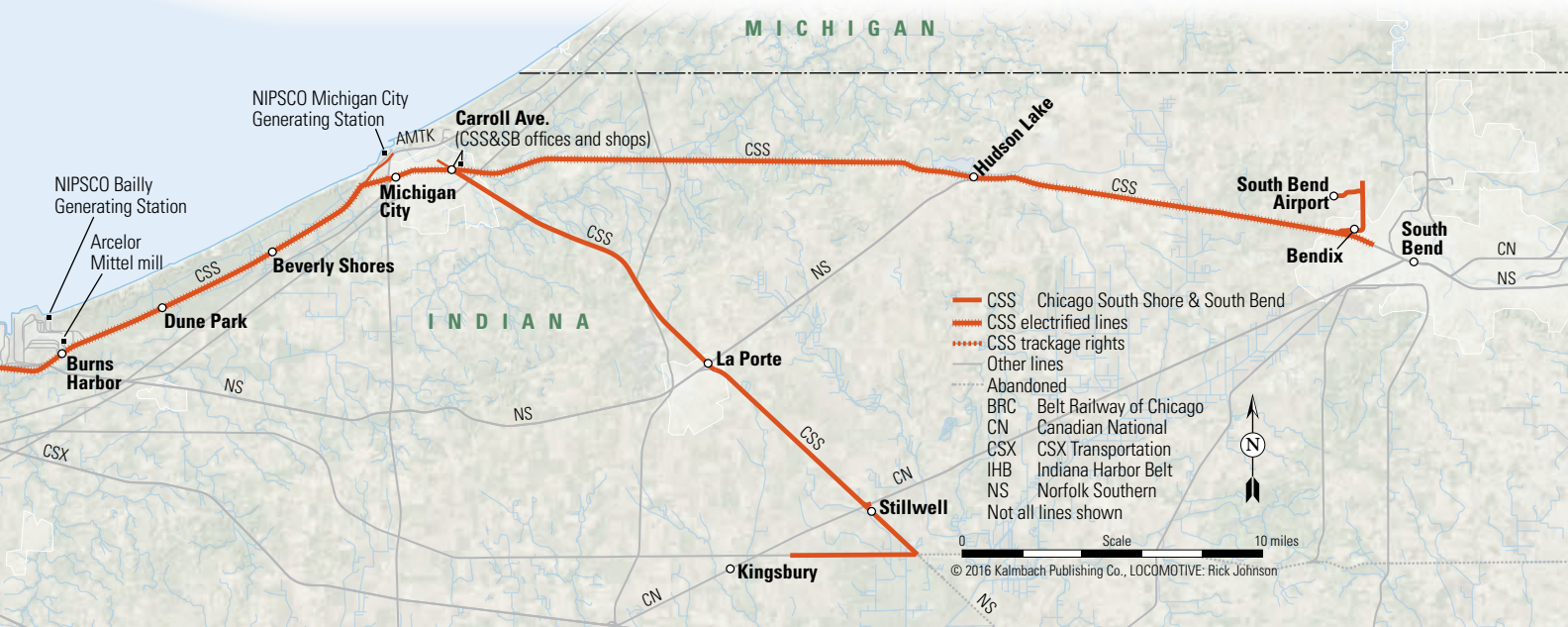
29-year career at Elgin, Joliet & Eastern and successor Canadian National. He'd actually retired from CN, as general foreman at the old Illinois Central shops at Woodcrest, but was ultimately drawn back to railroading, first in a short stint at the Gary Railway, which serves local steel mills, and thereafter at South Shore.

Kehe was born in the Chicago suburb of Berwyn and grew up in Berkeley on the southwest side, not far from Blue Island and its concentration of Rock Island and IC operations. He chose railroading as a career after earning a degree in mechanical engineering from Valparaiso University, just down the road from Michigan City.

For Kehe, the fit in Michigan City has been good. For one thing, his years at the "J" ensured that he became intimately familiar with just about all aspects of Chicago-area railroading, including territory



Bruce Kehe





In 1949, South Shore purchased three of 20 massive 2-D+D-2 “Little Joes” built by GE for the Soviet Union but never delivered. No. 803 leads a westbound freight over the Penn-Wabash bridge in Gary. Lou Gerard



Dressed in factory-applied yellow and blue, Nos. 2004 and 2001 lead coal empties on the Ideal Section at Wagner Siding in July 1985. Lou Gerard

shared with South Shore. For another, he likes the family feel of his current employer. In some cases, literally: his department includes a father-son team, the elder of which has 30 years on the railroad. “It’s a great group of guys here,” Kehe says. “I would have loved to spend my entire career here.”

Although he inherited a solid fleet of locomotives, good facilities, and a dedicated workforce, Kehe found plenty to do when he arrived. His first order of business was to create an up-to-date department database. Previous administrations had kept good records, but they were all on paper, filed away in cabinets and stuffed in notebooks. That wouldn’t do.

Kehe had already created an Excel-based database at EJ&E, so he simply refreshed what he had been doing before. He plowed through several years of paper documenting South Shore’s mechanical history before creating his system for keeping track of overhauls, light repairs, and spare parts.

Kehe has nine employees in the mechanical department. All of them are classi-

fied as carmen and are members of the Transportation Communications International Union, or TCU, which incorporates the old Brotherhood of Railway Carmen. The union at South Shore is part of the railroad’s traction legacy.

Sticking with what works

As on any successful short line, versatility is essential. Members of Kehe’s team have to be qualified to work on more than just the diesel fleet: they also do all required freight-car repairs, building upkeep, and other equipment maintenance. On Monday an employee might be fixing a door on a boxcar. On Tuesday, he’s repairing a traction motor. “We have a good mix of people,” Kehe says. “Some are older employees who’ve been around awhile, some are about 10 years into it, and we have four fairly new guys.”

Home for the GP38-2s is the main shop building across from the one-story 1908 office building on Carroll Avenue, known informally around town as “Shops.” Although

updated with metal siding in recent decades, inside the five-track shop is the same brick structure that cared for all those steeple-cabs and Little Joes. The catenary has been removed, but the facility retains the neat-as-a-pin ambience of the old CSS&SB.

The South Shore Freight roster has been stable for more than 30 years, but it’s not stagnant. The GP38-2s have required the usual overhauls, including new power assemblies, and now are slowly receiving upgrades at Mid-America Car in Kansas City.

“We’re pumping some dollars into these units, all above the walkway, to try to get another five to 10 years out of them,” Kehe explains. The work at Mid-America includes installing rooftop air-conditioners and new Wi-Tronix remote monitoring equipment to provide continuous data on fuel consumption, health status of key systems, even operator performance.

With the vagaries of traffic as well as the need to cycle units through Kansas City, the South Shore has seen fit to lease a pair of diesels in recent years, adding a new dimension of blue and white to the usual orange-and-maroon landscape. Currently on the property are two GP38-2s, one leased from CIT/Capital Finance (CEFX) and the other from the GATX Corp. locomotive subsidiary GMTX, both to be returned once all the work at Mid-America Car is completed.

It’s not all up to the home road EMDs to keep freight moving on South Shore. The railroad also hosts large UP and CSX six-motor power running interline on unit coal trains for the Midwest and Mittal steel mills and the power plants. All of South Shore’s crews get qualified for the bigger



South Shore's first six-axle diesels are two former Iowa Interstate SD38-2s purchased in 2015 and numbered 804 and 805 in sequence after the Little Joes. No. 805 speeds eastward at Porter in June 2016. Greg McDonnell

power. UP trains are turned over to South Shore at Goff and CSX trains at Miller.

South Shore generally uses its own Geeps to pick up and deliver other coal trains off Canadian National, Norfolk Southern, and Canadian Pacific. Pairs of GP38s will pick up CN trains at Goff, NS trains at Miller, and CP trains at the Belt Railway of Chicago's Commercial Avenue yard in East Chicago, which South Shore accesses via trackage rights on Metra's electric line via Kensington.

Something new

Never assume the South Shore is out of surprises, despite the constancy of its roster and operations. The South Shore recently welcomed a pair of newcomers: a pair of SD38-2s purchased in 2015 from Iowa Interstate. The pair began life in 1978 hauling taconite on Reserve Mining's railroad in Minnesota and later were picked up by Iowa Interstate. Flush with 17 new GE ES44ACs acquired 2008-2015, Iowa Interstate turned the old SDs loose and South Shore picked them up for a good price.

The SD38s offer the same 2,000 hp as the GP38-2s, but dig in deeper with those six motors. The South Shore is a flat, forgiving railroad, but there are some nasty little grades in places such as Miller, on the east side of Gary, where the railroad climbs up and over the CSX main line on a steep, tight S-curve. In some circumstances, the new power has allowed the railroad to use one unit where two formerly were required. It doesn't hurt that CMO Bruce Kehe spent so many years at EJ&E: the "J" had the largest fleet of SD38-2s.



The lineup at Michigan City on a snowy January morning in 2010 includes two pairs of GP38-2s ready to roll South Shore freights. Greg McDonnell

The newcomers have their own backstory. The first thing anyone notices about the SDs is the predominantly black paint scheme, relatively unchanged from Iowa Interstate, with new orange panels at each end and the familiar South Shore herald. Although different than South Shore's GP38s, Fox says the Iowa Interstate livery was complementary enough to avoid spending money on a complete paint job. "I think they look pretty smart, even with so few changes," he says. "Plus I always thought it'd be interesting to add six-axle power to the mix."

What's more significant, perhaps, are the two SDs numbers: 804 and 805, changed from Iowa Interstate 154 and 155. Fox and other members of South Shore management are sensitive to the railroad's

traction heritage, and they're not immune to sentimentality, so it was an easy thing to pick up the number sequence where the famous Little Joe electrics left off. And in the context of Putin's modern-day Russia, the nickname for the new diesels was obvious: "Little Vlads."

Of course, you can't run a railroad on sentimentality, and the South Shore team is as diligent as anyone in the industry at watching costs, maintaining the equipment, and keeping an eye on the safety record. But when you see those shiny orange diesels with their timeless Insull-era heralds easing along 11th Street, mingling with cars and pedestrians in a tradition that goes back to 1908, you can't help but think South Shore does everything with an eye toward the past. At least a little. **I**