



# BACK DOOR CHANGE

## DULUTH, WINNIPEG & PACIFIC'S 1984 RELOCATION

DAVID C. SCHAUER // Photos by the author

**T**his is the story of a small 167-mile railroad in northeastern Minnesota that underwent a major change in the 1970s and early 1980s to become Canadian National's indispensable route between Canada and the United States. A key element of that transformation was the total relocation in 1984 of the railroad's operations from its signature Minnesota city to a little-known place in nearby Wisconsin. This shift proved to be a massive undertaking that took years to plan and millions of dollars to complete.

The railroad at the center of this relocation was the Duluth, Winnipeg & Pacific Railway (DW&P), called the "Peg" by locals. The cover of the March 1974 *Trains Magazine* featured the DW&P, with the bold headline "CN's Back Door Entry to the U.S.," showing an image of a southbound train behind two Alco RS11s about to enter a tunnel in western Duluth. In that issue, author Stanley H. Mailer covered the railroad's transformation into a primary international artery.

Back in the 1970s and '80s, the Peg was best known for its large fleet of brown boxcars with DW&P lettering and yellow or green doors, green for finished lumber service and yellow for newsprint. These cars, along with black-and-green bulkhead flat cars, formed the backbone of the railroad's freight car fleet moving lumber and newsprint out of Canada in ever-increasing quantities. Adding to the Peg's impressive tonnage figures was a large rise in shipments of the potassium-

bearing material known as potash, used as a base for fertilizer.

The cascade of lumber traffic from Canada would prove to be the main impetus for the rebuilding of the lightly trafficked DW&P, and is fitting, given that the line traces its beginnings to the timber industry.

Chartered in 1901, the Duluth, Virginia & Rainy Lake Railway was originally built to move logs to a large sawmill located on Silver Lake in Virginia, Minn. In 1905, Canadian interests purchased the logging line with the intent to create a link between Duluth and their Canadian Northern Railway at Fort Francis, Ontario. A name change to Duluth, Rainy Lake & Winnipeg followed, and construction began north from Cook toward Canada, ending at Ranier across the Rainy River from Fort Francis.

In 1909 construction commenced south toward Duluth, with completion of the link in 1912 and another name change







to Duluth, Winnipeg & Pacific Railway. Canadian Northern, along with its DW&P subsidiary, would become a main component of Canadian National in 1919 when that Crown corporation was formed to operate a number of financially struggling lines. Today the former DW&P route's importance is underscored by its

use of Centralized Traffic Control and Positive Train Control, a far cry from the line's logging origins and true to the "Pacific" in its name. The border town of Ranier has the distinction of being the busiest rail crossing between Canada and the U.S., with more than 20 trains a day during traffic surges.

#### EARLY CONSTRICTIONS

When the DW&P arrived in the Twin Ports of Duluth, Minn., and Superior, Wis., its choice of routes was limited and the railroad found itself carving a twisting route out of an escarpment that forms a steep hillside in Duluth. This line featured a 1.15% grade and a curving 520-foot-



**Above:** Crews from two transfer jobs head back to their respective locomotives as C&NW power arrives to pick up interchange traffic in downtown Duluth in spring 1980. One crew delivered a train to BN's Bridge Yard and has put their caboose on a cut of cars for the return trip to West Duluth while the other crew delivered to the C&NW. **Right:** On March 19, 1983, a northbound train exits the curved 520-foot-long rock tunnel at mileage 7.4 on its way to Canada.







**Two RS11s pull a train back to West Duluth on Dec. 27, 1981. The rear of the train can be seen in the distance curving off Burlington Northern trackage at DW&P Junction.**



**A northbound DW&P train with Canadian National SD40 5021 leading works up the 1.15% grade out of Duluth and is about to enter the DW&P's tunnel at mileage 7.4 on June 3, 1979. Note the new farm equipment visible on the left. This route along the hillside is now a city-maintained recreation trail.**

long tunnel at mile 7.4. Adding to the complexity of the route was the need to span numerous roads, streetcar lines, and the Northern Pacific in West Duluth. This was accomplished by a half-mile-long wood trestle that included a three-story depot, complete with an elevator.

Between the trestle and the base of the hill was the railroad's cramped yard and engine facility. Built when freight cars were smaller and traffic levels lower, the yard had been outgrown by the 1970s, and it was becoming an operating bottleneck. Another issue was its position on a grade; it wasn't uncommon for cars to roll out of the yard toward downtown Duluth. While these factors were not the main reason behind the 1984 relocation, they would play a role in the Peg's decision to vacate its Duluth terminal.

In 1975, plans would begin to change that back door in Duluth, forever altering the railroad landscape in the Twin Ports. The driver behind this change was the desire to extend Interstate 35 through downtown Duluth. When I-35 arrived in the early 1970s, it ended at the west side of downtown. Planners had envisioned the highway going beyond there and along the north shore of Lake Superior to connect with a four-lane expressway on

the far east side. After years of debate, it was decided that I-35 would continue past downtown and end at 26th Avenue East. It was short of the expressway, but a compromise that would avoid disrupting an affluent part of eastern Duluth.

This agreement called for the removal of Burlington Northern's Bridge Yard (so named due to the yard having been originally built on pilings) and Chicago and North Western's 5th Avenue Yard in downtown, where most of the interchange business with the DW&P was transacted. Milwaukee Road, which had trackage rights over BN from St. Paul, also interchanged with DW&P at Bridge Yard. Prior to the BN merger, DW&P would interchange with connecting railroads at the Lake Superior Terminal & Transfer Railway in Superior, with transfers using Northern Pacific's Grassy Point Swing Bridge between Duluth and Superior. As traffic grew, that arrangement became cumbersome, so the move to Duluth was made shortly after the BN merger.

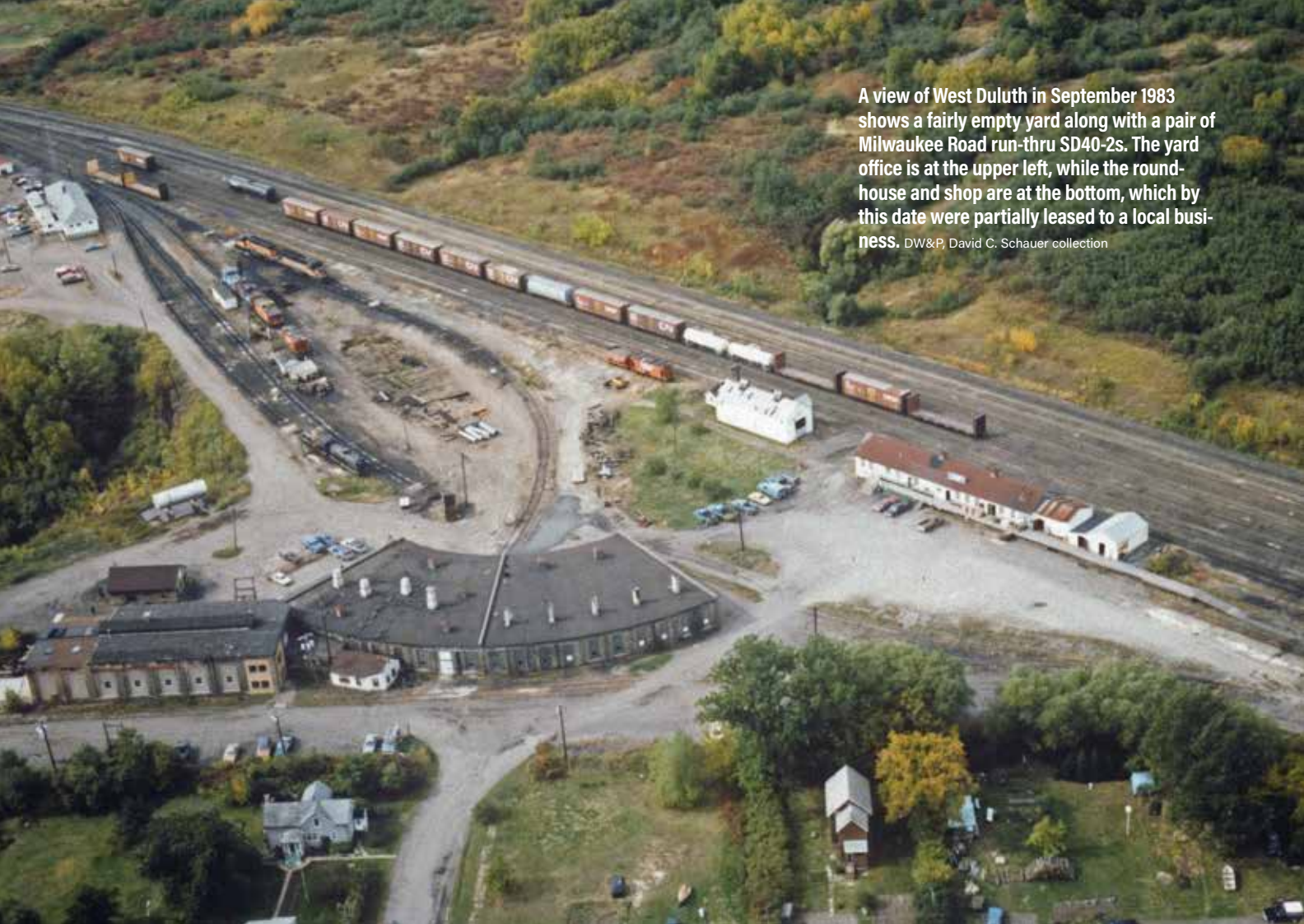
Given that the Peg's primary interchange in Duluth was being removed, a search began to find a replacement. BN's nearby Rice's Point yard was considered, but it lacked the capacity to handle the traffic, and its shorter yard tracks

wouldn't be as efficient for interchanging long trains. Attention turned to the Duluth, Missabe & Iron Range yard at Steelton in far western Duluth. This yard had served U.S. Steel's Duluth Works but was now mostly unused as the mill and its associated functions closed in the 1970s.

Understandably, Minnesota's Department of Transportation favored the Steelton site, as it would keep the railroad and its 200 jobs in the state. Local residents in the Gary-New Duluth neighborhood that bordered the yard voiced concerns, so planners turned their attention to a large rural area across the St. Louis River in Wisconsin known as Pokegama (Poe-KEG-uh-muh), located along the DM&IR's Interstate Branch where it crossed the Northern Pacific's Superior-to-Carlton, Minn., line, a route abandoned after the BN merger.

Benefits of this location included relatively inexpensive flat land and access to all railroads in the Twin Ports using the Interstate Branch, which ran east from Steelton to South Itasca (eastern Superior) and was built to handle iron ore and products from the Duluth Works. A drawback was the low wetland nature of the property and its clay soil, not to mention being on another railroad's line.





A view of West Duluth in September 1983 shows a fairly empty yard along with a pair of Milwaukee Road run-thru SD40-2s. The yard office is at the upper left, while the roundhouse and shop are at the bottom, which by this date were partially leased to a local business. DW&P, David C. Schauer collection

While the relocation of the DW&P from West Duluth was the main expense, funds were also distributed to the Soo Line, BN, and C&NW to upgrade and build new tracks at their yards in Superior to accommodate changing traffic patterns. The Peg and Soo had interchanged in West Duluth and later at Bridge Yard, so that traffic was also impacted by the extension of Interstate 35. In all, more than \$18 million was spent on this project, a substantial sum at the time, with the federal government and Minnesota DOT paying \$15,490,000 while DW&P contributed \$3,021,000. In concert with construction of new facilities at Pokegama, DM&IR rebuilt its Spirit Lake and Interstate branches to handle the additional traffic, as well as installing CTC.

### CONFRONTING THE MERGER ERA

Prior to completion of Pokegama Yard, in 1983 came a new connection from the Peg's original line at Nopeming to the DM&IR's Spirit Lake Branch west of Duluth and a connection from the

Interstate Branch to BN's mainline at Saunders, south of Superior. These connections were put in to accommodate run-through trains operated between DW&P and Milwaukee Road, as the Grand Trunk Corporation — the CN's U.S. subsidiary overseeing the Peg — was funneling traffic to MILW in anticipation of buying that railroad.

Although that marriage never came to pass — Soo Line won the right to purchase its competitor — the connecting track at Saunders still bears the name Milwaukee Connection, a reminder of why it was built.

Although it lost the battle for the Milwaukee, CN eventually won the war in 2001 when it bought Wisconsin Central for its own route to Chicago. That purchase would lead to the 2004 acquisition of Great Lakes Transportation (DM&IR, Bessemer & Lake Erie, Conneaut Dock Company, and Great Lakes Fleet), as CN wanted control of the DM&IR's Spirit Lake and Interstate Branches to connect its WC property to the DW&P.

Work on Pokegama Yard began in July 1983 and was essentially complete by October 1984, with trains starting to use it a few days prior to the official November 1, 1984, move-in date. The new facility was 210 acres, with 12 miles of welded rail covering two departure and seven classification tracks. A 13,200-square-foot transportation and accounting center plus a locomotive and car repair shop were built, consolidating mechanical and operation functions in Wisconsin.

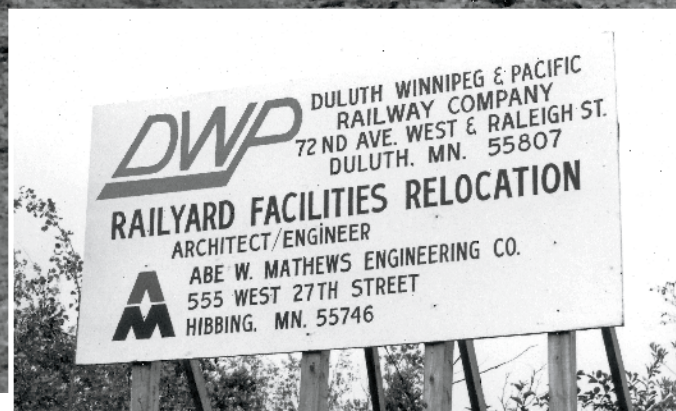
Prior to this, major locomotive repairs had been handled at a small roundhouse at West Virginia, Minn., the halfway point on the railroad. Accounting functions that had been located in downtown Duluth and dispatching that had been done at West Virginia were also moved to Pokegama. The only function not to fully relocate was the track department, which moved into a new building at West Virginia, plus stationed equipment at a few strategic locations along the line.

Pokegama was a far cry from West Duluth. Some of the best changes, accord-





Crews moved mountains of clay to build Pokegama Yard in northwest Wisconsin in the early 1980s. Two photos, Patrick C. Dorin



ing to transportation clerk John Rodberg, who hired out in 1977, were longer yard tracks and better road access, allowing clerks and carmen to drive alongside the switching yard and departure tracks to safely do their work. The yard was also built with a slight bowl, so cars would no longer roll out of the yard like they sometimes did at West Duluth.

The downside, says Rodberg, was the long drive to Pokegama, as many Peg employees lived in or near West Duluth; the longer commute to Wisconsin could be stressful during bad winter weather. Another detractor was the fact that the yard was on the DM&IR, whose dispatchers controlled all movements in and out of Pokegama. When all-rail (non-dock) iron ore trains were running steady, it wasn't uncommon for DW&P switch crews to wait extended periods to make moves in and out of the yard or to connecting railroads along the Interstate Branch.

Interestingly, the trackage rights agreement signed with DM&IR did not allow the DW&P to handle any iron ore

traffic over the line, which eliminated the concern that CN would poach ore trains originating at the Minorca taconite plant and interchange those with BN for movement to their ore dock at Superior or for all-rail moves.

Veteran DW&P engineer John Harney, who hired out in the track department during 1956 and retired as an engineer in 2000, noted a big change for train crews was swapping the DW&P's grade for the DM&IR's line down Steelton Hill in far western Duluth. Although shorter than the Peg's hill line with its 1.15% grade, the Missabe route was nearly 2% and required attentive train handling, especially with heavy lumber and potash tonnage. When John Harney hired, he was joined that year by the railroad's only bought-new freight diesels, 15 Alco RS11s 3600-3614. The diesels were equipped with dynamic brakes, which helped make the descent into West Duluth more manageable for engineers. By the time of the relocation to Wisconsin, the RS11s had been shipped off to sister rail-

road Central Vermont, replaced by EMD SD40s and GP38-2s from Grand Trunk Western, none of which had dynamic brakes. Supplementing the DW&P roster were numerous CN SD40s, also sans dynamic brakes, thus making trips down Steelton Hill a bit more challenging.

The advent of run-through motive power and cabooses on trains was also a change once the shift was made to Pokegama. When operating in Duluth, trains would either stop at West Duluth and have transfer crews deliver cars to connecting railroads or road trains would go directly to Bridge Yard and return with their locomotives and caboose. After the switch, it was common to have DW&P crews deliver entire trains to other railroads and then return to Pokegama in a vehicle. This operating dynamic was common with Milwaukee Road interchange and became even more pronounced after CN signed a haulage rights agreement with BN and later with WC to move trains between Superior and Chicago. By the 1980s, most trains were





**This aerial view of downtown Duluth circa 1971 shows work being done to reconfigure BN's Bridge Yard to better handle long trains of interchange from the DW&P. C&NW's nearly empty 5th Avenue Yard is northeast of Bridge Yard and will also become busy with Peg traffic. Duluth Union Depot is visible above the trackwork.** Basgen Photography, David C. Schauer collection

typically assembled at Winnipeg, with cars put in blocks for connecting railroads, thus reducing the amount of switching needed on the DW&P.

## POSTSCRIPT

Little did observers know it at the time, but the DW&P's big move 40 years ago would prove to be the beginning of the end for the shortline feel of the Peg. The railroad's "Delivered With Pride" slogan was reflective of a family environment enjoyed by both management and employees, more typical of a short line than a busy mainline bridge route. This pride was showcased through numerous Harriman safety awards earned by the railroad and its employees, a solid accomplishment considering weather conditions in the Peg's operating territory.

Retirees often reminisce about working at West Duluth and the early years at Pokegama when the Peg would shut down operations on Christmas and New Year's Day so employees could spend time at home. Jackets and hats with the DWP logo were often seen around town, worn proudly by employees. Company-sponsored summer picnics were also

welcomed, as were Christmas parties and Santa passenger trains. It was also common to have family members working for the railroad — both Rodberg and Harney had sons who followed in their footsteps. Harney summed up the family environment best when he said "working for the DW&P in those years was like belonging to a country club."

While employment and operations stayed fairly stable in the 1980s, CN's efforts to assimilate its U.S. properties began on Jan. 1, 1992, when marketing under the banner of CN North America commenced. DW&P accounting and most office functions were moved to Michigan in 1992-93, and employment fell from 389 in 1980 to just 180 in 1992. Rodberg recalls that there were 80 to 90 people on his seniority roster when he was hired, but only a half dozen or so locally when he retired in 2012.

On Jan. 1, 1996, CN took over operational control of GTW and DW&P, effectively eliminating the semi-independent status of the Peg, although freight cars still use DWC reporting marks. Both DM&IR and DW&P territories are now operated under CN's Wisconsin Central

subsidiary, which might explain why CN didn't paint any of its locomotives in Peg or Missabe colors when it introduced a heritage program in 2020. (Bessemer & Lake Erie was also excluded, but surprisingly, the Elgin, Joliet & Eastern had a locomotive painted in its trademark orange scheme.)

The story of Pokegama yard today is one of further consolidation, with a bit of irony. During most of the Peg's existence, its neighbor DM&IR was the big player in northeastern Minnesota. The Missabe was more than happy to have the DW&P locate along its line in Wisconsin, as the trackage rights fees were lucrative. This arrangement became an irritant for CN, especially after the purchase of Wisconsin Central in 2001. It was this 17-mile stretch of DM&IR that would lead CN to buy Great Lakes Transportation in 2004, thus making CN — with its DW&P heritage — the largest player in the region.

The once mighty Missabe now found itself under CN ownership — something never envisioned when owned by U.S. Steel — but ironically, it would be local DM&IR assets that would spell the demise of Pokegama. After the purchase of Great Lakes Transportation, it was determined that most local switching plus locomotive and car repair would be handled by DM&IR's large facility at Proctor, just outside of Duluth. CN invested a substantial amount to reconfigure a portion of Proctor yard to handle increased commercial (non-ore) traffic.

Pokegama has since been relegated to handling transfer runs to Proctor and to other railroads for local interchange, but still remains the primary crew change location for Chicago-Canada trains. A portion of the mechanical department buildings now house maintenance-of-way crews while most of the office buildings are vacant. Unlike the former DW&P mainline, now busier than ever, the yard work at Pokegama is a shadow of its former self, although CN did build an additional long track along the mainline (now called the Superior Subdivision) to help accommodate crew changes.

As for the Peg's old home along the hillside in Duluth, the city has recently improved the grade into a trail, fittingly called the DWP Trail, and cleaned out rock debris in the tunnel so hikers, bicyclists, and snowmobiles can safely transit through the bore. The first of what the city hopes to be many new residential buildings are starting to sprout up near the West Duluth yard site. Long gone are the wood trestle and yard buildings, but



some of the DW&P's Duluth roots live on in the form of rail and ties salvaged from the line north of the tunnel for use on the nearby Lake Superior & Mississippi tourist railroad.

Another interesting connection that carried over from Duluth and lasted many years was the use of Minnesota's 218 area code for telephone numbers at Pokegama, instead of Wisconsin's 715 area code. (Today the yard has a 715 number.) In addition, the former DW&P mainline north of Nopeming Junction to Ranier is known as the Rainy Subdivision, an historical nod to predecessor Duluth, Rainy Lake & Winnipeg.

With CN now owning its own route from Chicago to Canada, one could say the back door has been ripped off, but for those of us that remember, it was the Peg that came knocking on that door once upon a time. 📌



**A view of the former yard at West Duluth looking southwest in October 2023. The area on the left was where the roundhouse and engine service area were located. New residential housing can be seen adjacent to where the yard office was located.**



**A 2023 view of Pokegama Yard in Wisconsin. The DW&P's Duluth line grade can be faintly seen about halfway up the hillside in the distance. This yard is now used mainly for local transfer runs to connecting railroads and for crew changes on mainline trains.**