

Mineta visits Iowa rail shipper



U.S. Secretary of Transportation Norman Y. Mineta visited La Porte City Sept. 22 to see first hand how one rejuvenated short line railroad is supporting jobs and livelihoods by connecting eastern Iowa farmers, factories and businesses to an expanding U.S. economy.



Secretary Mineta toured the East Central Iowa Cooperative elevator, where local farmers bring grain to be loaded onto Iowa Northern Railway railcars for shipment to processors in Cedar Rapids. Iowa Northern reports handling an average of 1,100 to 1,200 carloads of corn per month, up from an average of 230 carloads 10 years ago. According to Mineta, the upsurge in Iowa reflects a nationwide rise in rail shipments of grain, which have increased 34 percent over last year.

Following many tumultuous decades of instability and neglect, the Iowa Northern Railway turned the corner in 1994 when new owners bought the struggling line. Since then, major investments in infrastructure, reduced shipping rates and efficient service have sparked new opportunities along the 147-mile line.

In the past decade, Iowa Northern has doubled train service to on-line grain elevators, and has increased the available grain car fleet from 64 cars to more than 300 cars. The railway has doubled the number of shippers and nearly tripled the number of locomotives in service, while slashing its grain hauling cost by 20 percent. Farmers along the line are now making up to \$5 million more per year for their crops.

Iowa Northern recently contracted to operate the former Union Pacific line from Waterloo to Oelwein, restoring rail service and competitive grain rates to Fayette County, and preventing the line from being abandoned. As a result, the elevators at Dewar, Dunkerton and Oelwein are shipping corn by rail to processors in Cedar Rapids for the first time in nearly 20 years.

Several new industries are expected to commence construction along the line over the next year, including a proposed new pulp and paper mill that will convert corn stalks into paper and other commodities, and promises to employ more than 200 workers.

In the past 10 years, the new owners have invested \$11.9 million in infrastructure improvements to the railroad. This investment includes \$2.9 million in DOT loans and grants to Iowa Northern for track upgrading. According to the railroad, track improvements planned for the next five years include installing 55,000 new ties, 3,000 new switch ties, 175,000 rail feet of new 115-pound rail, and 18 new switches. The railroad also plans to rebuild 88 road crossings.