

Trackage rights

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"I have always depended on the kindness of strangers"

Blanche DuBois

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Opsig Virtual Meet Up

What are Trackage Rights?

- Range of options for operation
 - Full ownership – sole ownership and operation of the railroad
 - Joint facility – multiple railroads own track and jointly operate on it
 - **Trackage rights – host railroad owns the track and tenant has rights to operate on it**
 - Haulage rights – host railroad owns the track, tenant railroad has the right to interchange trains to the host, host operates them, originates or terminates traffic as an agent for the tenant
 - Reciprocal switch - host railroad owns the track, tenant railroad has the right to interchange cars to the host, host switches them, originates or terminates traffic as an agent for the tenant

What are Trackage Rights?

- Host railroad owns track and allows another tenant railroad to operate over it's track
 - Host owns track, provides dispatching
 - Tenant does not own track, provides power, crew, cars
- Not interchange – Tenant road provides power and crew, cars and engines remain in the tenant railroad's account
 - Tenant is responsible for liability for commodities hauled
 - Host railroad is not in the route, not originating or terminating carrier
 - Host railroad does not participate in the division of revenue

How are trackage rights established?

- Railroad can't just operate over another, private property
- Contract or Interline Service Agreement
 - Contract between two railroads
 - Specifies conditions of trackage rights
- Trackage rights are like Walmart allowing Target to use part of its store to set up its own store

Walmart 



Why grant trackage rights?

- Operational benefit
 - Swaps
 - Access for access
 - Access for other benefit (dispatching, facility)
- Improvements
 - CTC, sidings/extensions, multiple main tra
 - Bridges, facilities
 - Facility retirements
- Economic Benefit
 - Payments for trackage rights
- Legal/government conditions
 - Local government to reduce congestion or public improvement
 - Required to preserve competition due to merger



Eras

- Prior to “mega mergers” most trackage rights were for operational, improvements or economic benefit, relatively short
- Older trackage rights may driven by financial entanglements and relationships between railroads and financiers
- After “mega mergers” most trackage rights were for legal conditions
 - Preserve competition at “2 to 1” locations
 - Utah
 - 4 railroads – WP, UP, SP, DRGW
 - 2 railroads – WP + UP = UP, DRGW + SP = SP
 - 1 railroad – UP + SP = UP
- Trackage rights continue after mergers, are “inherited”

How Do Trackage Rights Work?

- Contract/Interline Service Agreement
 - On and off junctions/stations/switches and route
 - Service level – overhead (can't serve industries) vs. local access (can serve)
 - Number of trains per day, unlimited, limited or spacing
 - Types of trains – all, premium, local, bulk, no bulk
 - Make up of trains – Length, horsepower, speed, hazmat, restricted loads , etc.
 - Tenant provides power and crew, cars remain in the tenant's account
 - No interchange, host doesn't know load/empty, commodity or customers of tenant cars
 - Operations – Host timetable and operating rules, tenant special instructions
 - Payments – Car mile, ton mile, loaded car mile, per train
 - When things go wrong – generally tenant assumes all liability

Dispatching

- Trains supposed to be handled “equitably”, as if it was the same class/priority as host road train
- OLD - Tenant railroad notifies host railroad when a train will be operated (line up)
 - At least 12-24 hours in advance
 - When crew called, provides “train sheet” information (Federal requirement)
 - Train name/symbol, engines, on duty time, crew names, L-E-T-F, ETA
 - Host road provides train orders (copy to tenant’s operator at origin or on line, or deliver at junction)
 - Dispatchers update ETA by line up message or phone
 - Crew/operator announces at junction
- NEW – Tenant railroad sends symbol/train name info electronically 48 hrs in advance
 - EDI-161 – AAR messaging system
 - ETA may be updated electronically
 - Train sheet info sent electronically or by fax when crew called
 - Warrants/bulletins typically sent to crew on duty location
 - Dispatchers may update ETA by message or phone
 - Crew/operator announces at junction or dispatcher has tenant display
 - PTC considerations – MUST know route
 - Hazmat implications – incidents, TIH/PIH location notifications

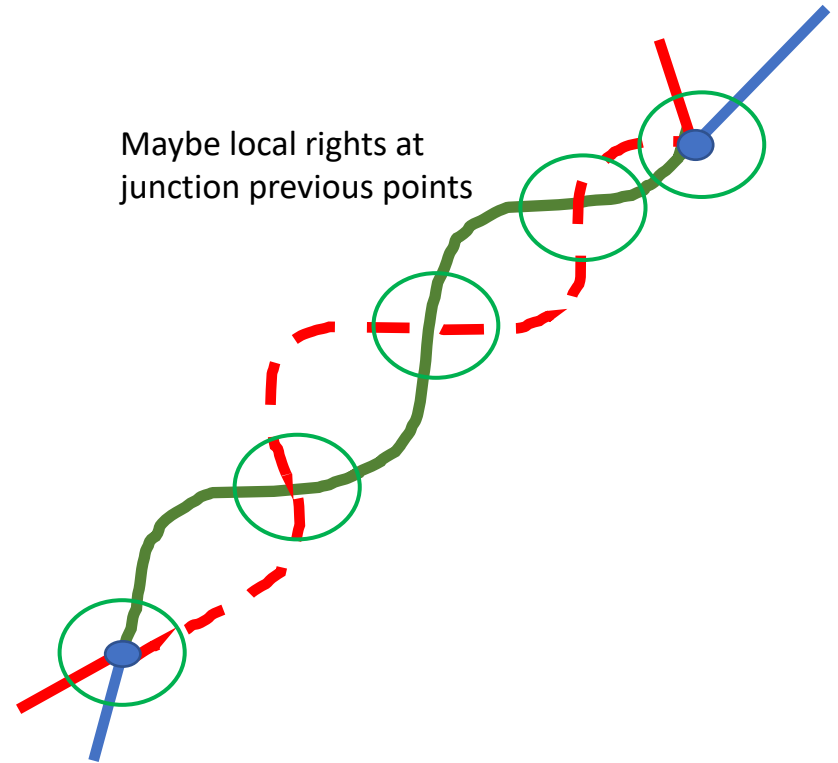
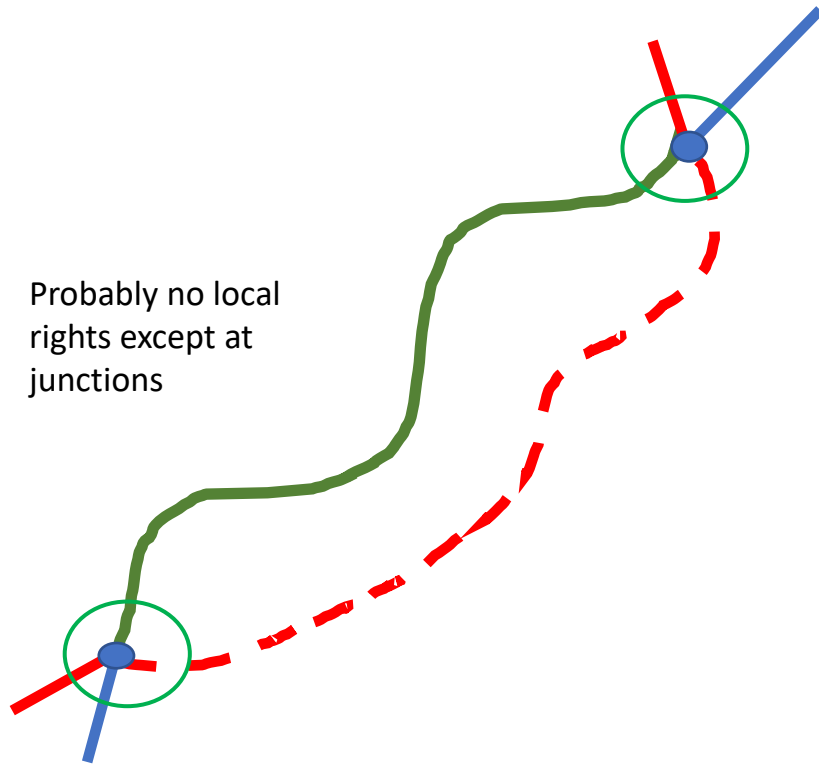
What's not trackage rights

- Detours due to derailments
 - “Superintendent’s agreement”
 - Ad hoc duration and route
 - Ad hoc limits and make up
 - Not permanent rights, may be granted, modified or revoked at any time
 - Host railroad typically provides pilots (with tenant crew) or crews
- Run through trains
 - Trains ARE interchanged
 - Operating railroad provides crew, cars/engines in operating railroad account
 - Railroads not really “Host and “Tenant”
 - Railroad owning the track participates in the revenue

Modeling

- Typical model reason it to allow multiple railroads to switch locations
- Not a common prototypical practice (Walmart-Target analogy)
 - Local service not common on older trackage rights, unless prior service
 - Local service more common on merger related trackage rights
 - Reciprocal switching more common
- Can result in a complicated back story
 - Just because a railroad has a bridge out or a tunnel collapse, other railroad isn't obligated to give them trackage rights (too bad, so sad)
 - What's the carrot? What's the stick?
 - Modeler's option : It is what it is, it's my railroad, or it happened 100 years ago, nobody remembers
- Operational considerations can provide play value
 - Route limitations – on/off points, which tracks/facilities allowed/prohibited
 - Work event limitations – which industries switched, interchange locations

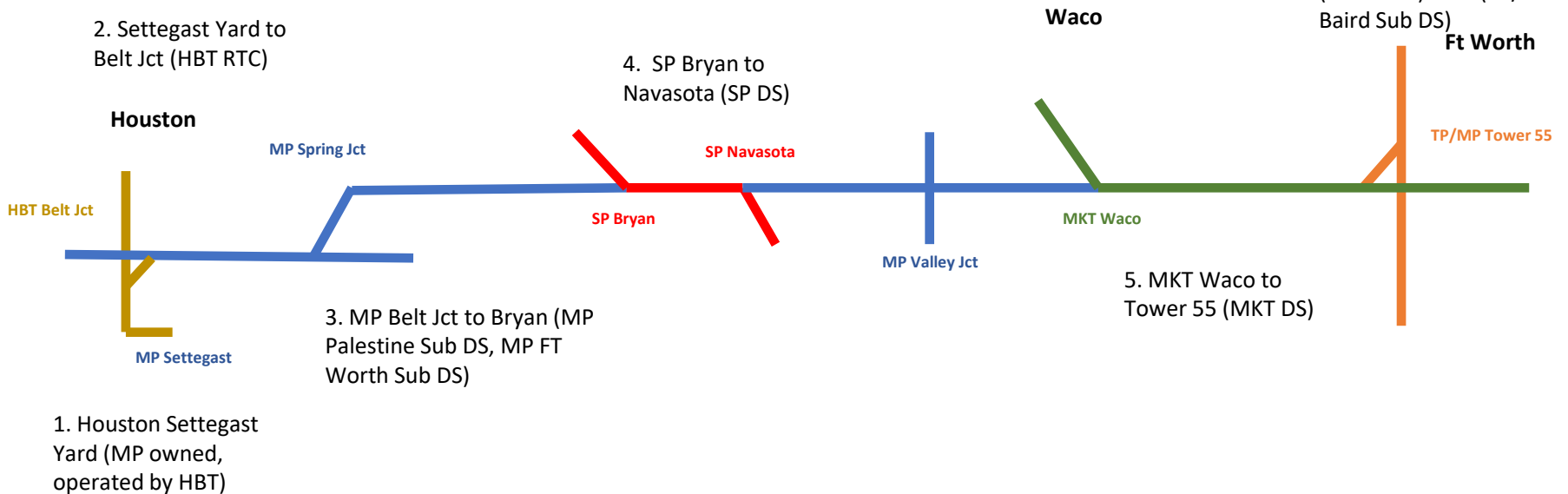
Prior Service



MP : Ft Worth to Houston

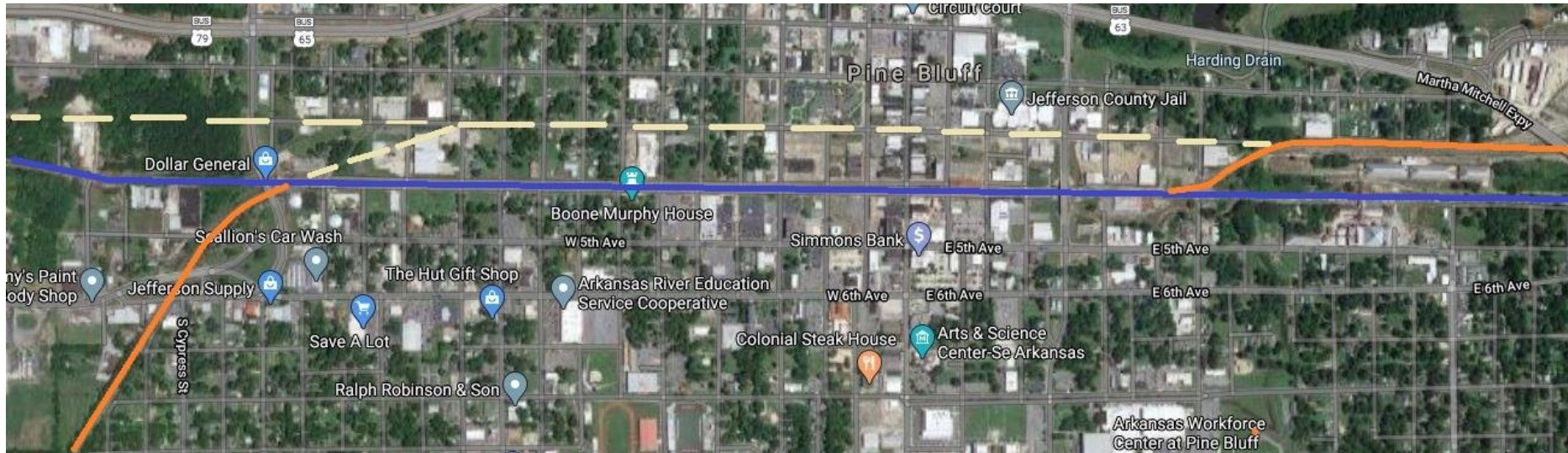
MP Houston to Ft Worth (touched by 4-5 railroads, 6 dispatchers)

No local service on trackage rights, all overhead



Pine Bluff, AR

SSW and MP in Pine Bluff, AR



Two right of ways a block apart
City drove consolidation
SSW able to abandon line to NLRK

MP alignment chosen, MP dispatched
Reciprocal switch at Planters, all MP
Reciprocal switch at Paperton Lead, swap every year

Joe Jct.

- MKT/UP and SLSF/BN/BNSF at Joe Jct near Denison, TX
 - Just across the bridge over the Red River (granted 1926)
 - Was a double track bridge (ret.'1956)
 - Avoided a diamond
 - SLSF from NW to SE
 - MKT from SW to NE
 - MKT/UP dispatched
 - Technically a big interlocking
 - MP also had trackage rights over MKT
 - South of bridge line change Lake Texoma (1949)

