

Trackage rights

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By Dave Husman, Omaha, NE

"I have always depended on the kindness of strangers"

Blanche DuBois

May 22, 2021

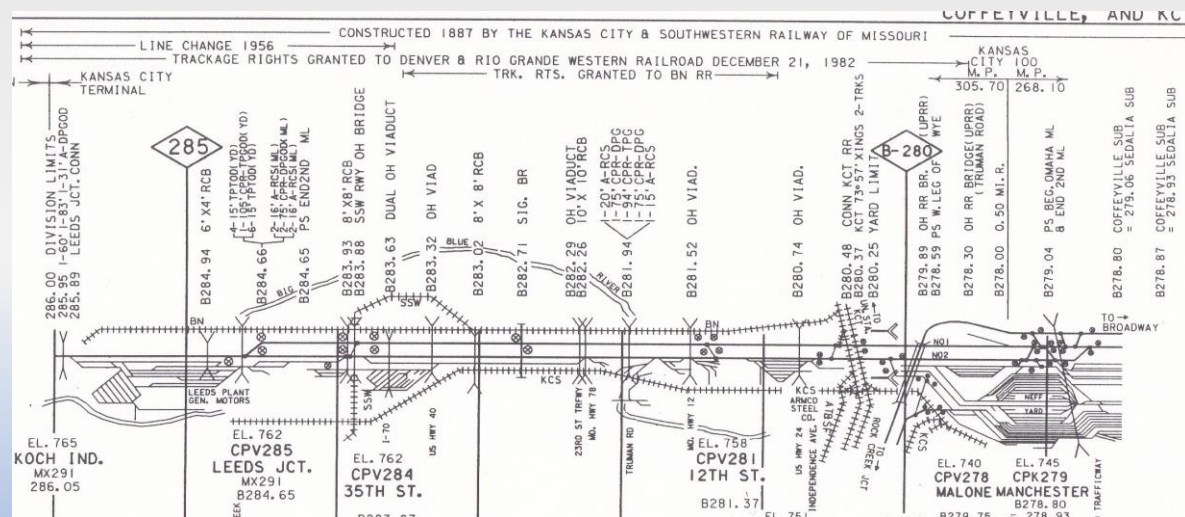
NMRAX

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 interchanges trains to host, host operates them as an agent for the tenant
 - **Reciprocal switch** - host railroad owns the track, tenant railroad interchanges cars to host, host switches them as an agent for the tenant
 - **Emergency Detour** – ad hoc agreement, limited time and scope
 - **Run Through Agreement** – interchange, full ownership (except engines)

What are Trackage Rights?

- 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 car 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 set up a Target store inside a Walmart



Why grant trackage rights?

- Operational benefit
 - Swaps
 - Access for access
 - Access for other benefit (dispatching, facility)
- Improvements
 - CTC, sidings/extensions, multiple main track
 - Bridges, facilities
 - Facility retirements
 - Branch retirement/shortlines
- 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

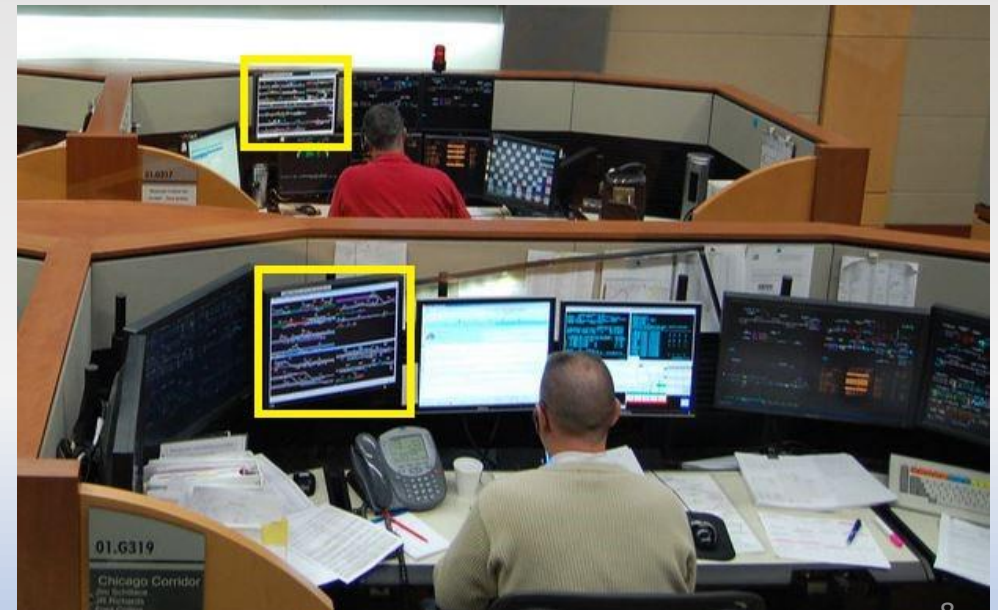
- Prior to “mega mergers” most trackage rights were for operational, improvements or economic benefit, relatively short
 - Joint facilities were common in older eras
 - Reciprocal switching common
- After “mega mergers” trackage rights for merger conditions common
 - Overhead as merger condition or to reduce other railroad opposition
 - Local service to preserve competition at “2 to 1” locations
- 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 – Host fixes, tenant pays

Dispatching

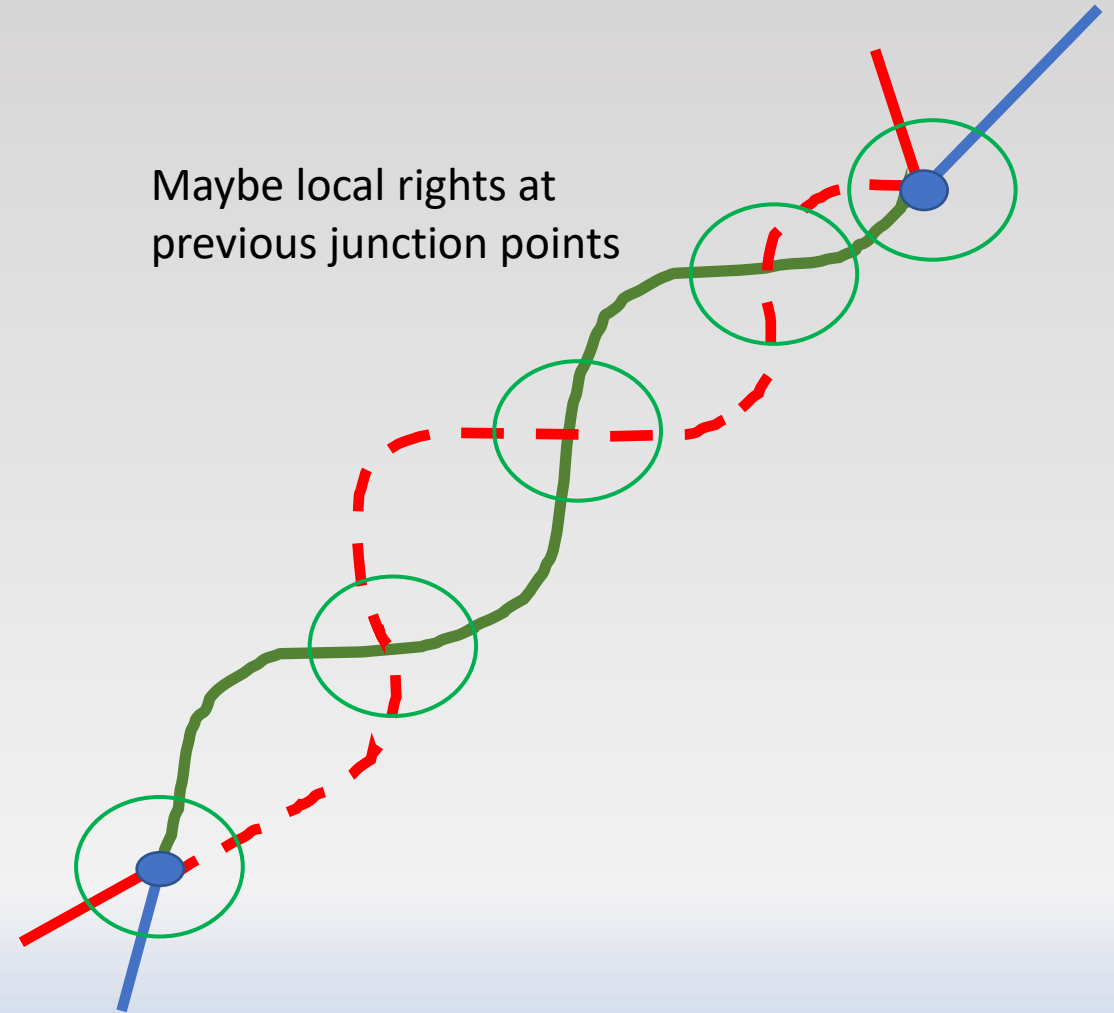
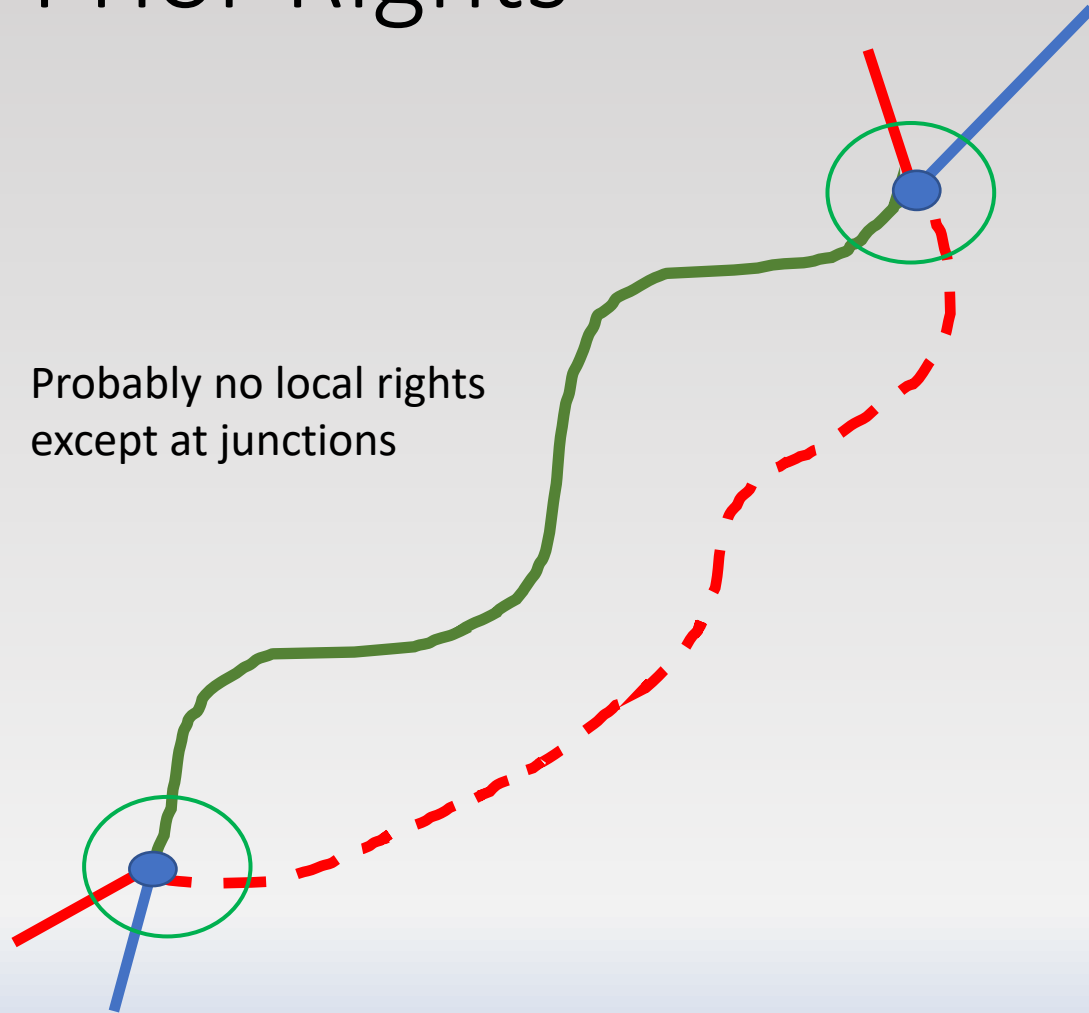
- Trains supposed to be handled “equitably”, as if it was the same class/priority as host road train
- OLD - Tenant railroad notifies host railroad when a train will be operated (line up)
 - At least 8-12 hours in advance
 - Dispatchers update ETA by line up message or phone
 - When crew called, tenant 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)
 - 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
 - Dispatchers may update ETA by message or phone
 - Train sheet info sent electronically or by fax when crew called
 - Warrants/bulletins typically sent to crew on duty location
 - Crew/operator announces at junction or dispatcher has tenant display



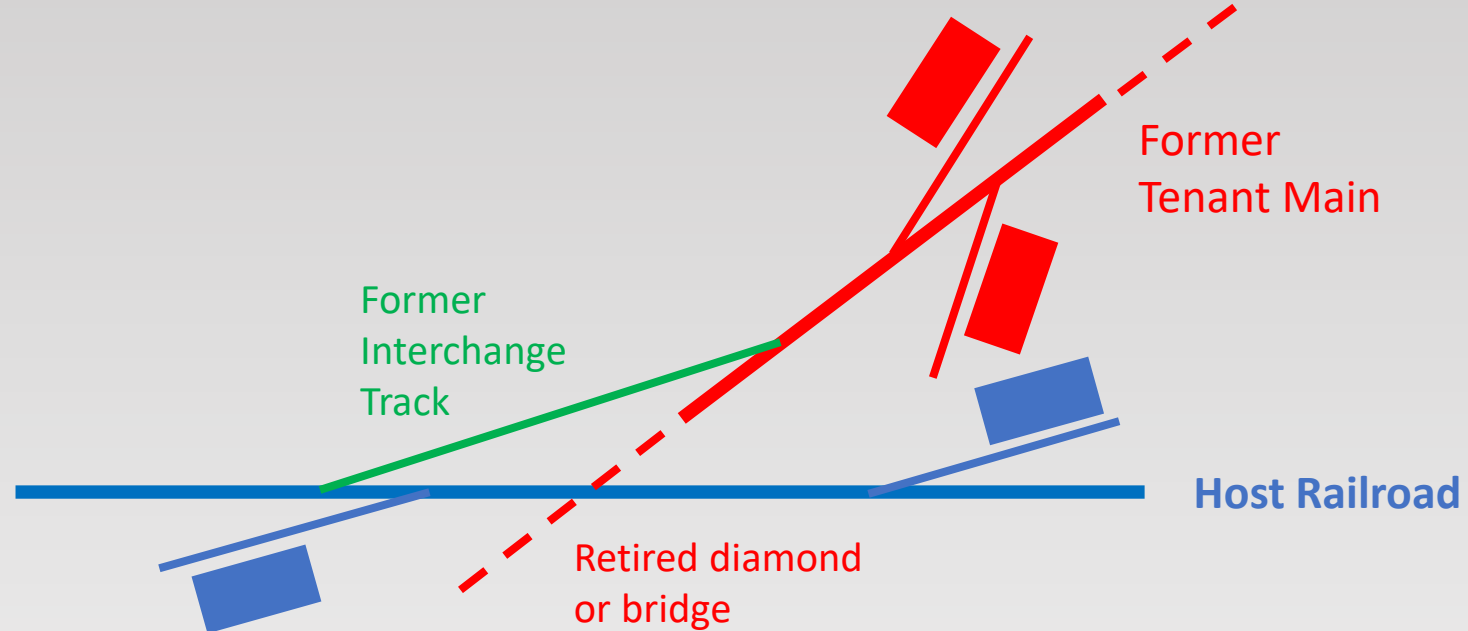
Modeling Trackage rights

- 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 rights
 - Local service more common on merger related trackage rights (2 to 1 location)
 - Reciprocal switching more common (You Tube : “Freight Rail and Reciprocal Switch”)
 - Joint facilities allow multiple road names (terminal company)
 - Multiple railroads in an industry isn’t necessarily “trackage rights” per se
- 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?
 - Long ago - it happened 100 years ago, nobody remembers or is sure why
 - Far away - it was in exchange for something in another part of the railroad
- Operational considerations can provide play value
 - Route limitations – on/off points, which tracks/facilities allowed/prohibited
 - Work event limitations – which industries switched, interchange locations
 - Consider being the tenant instead of the host

Prior Rights



Options



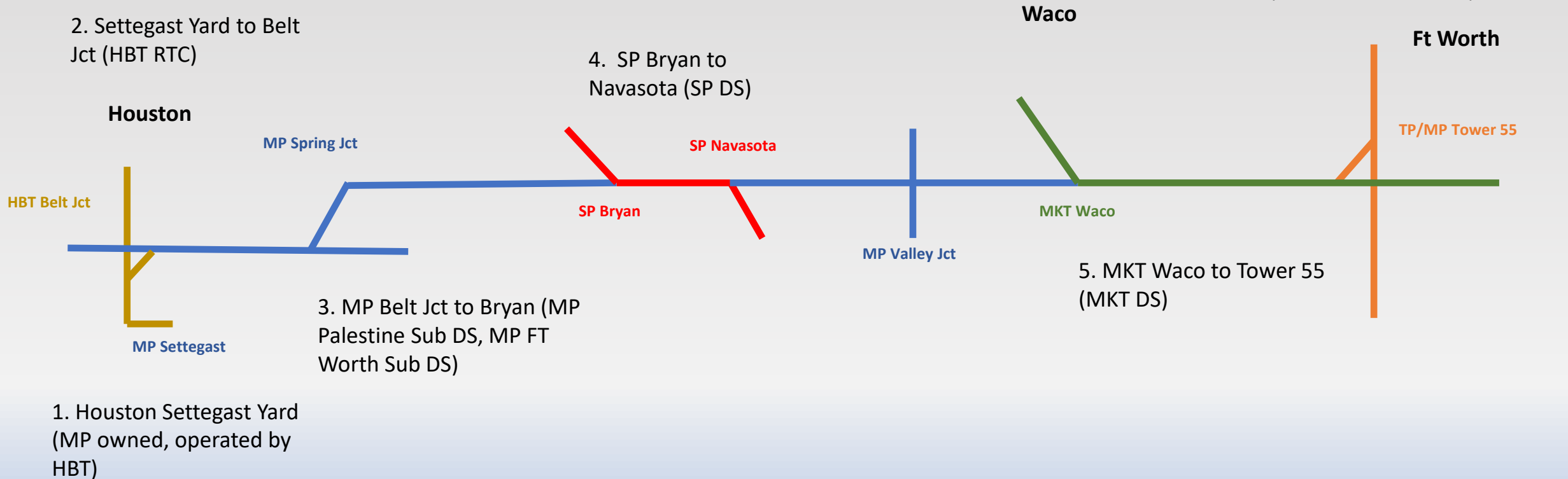
Operating Options

- Tenant switches former tenant (red) industries, host switches host industries (blue)
 - Could be restrictions
- Tenant reciprocal switches tenant (red) industries for both
- Host and tenant swap off reciprocal switching of tenant (red) industries
- Host reciprocal switches all industries

MP : Houston to Ft Worth

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

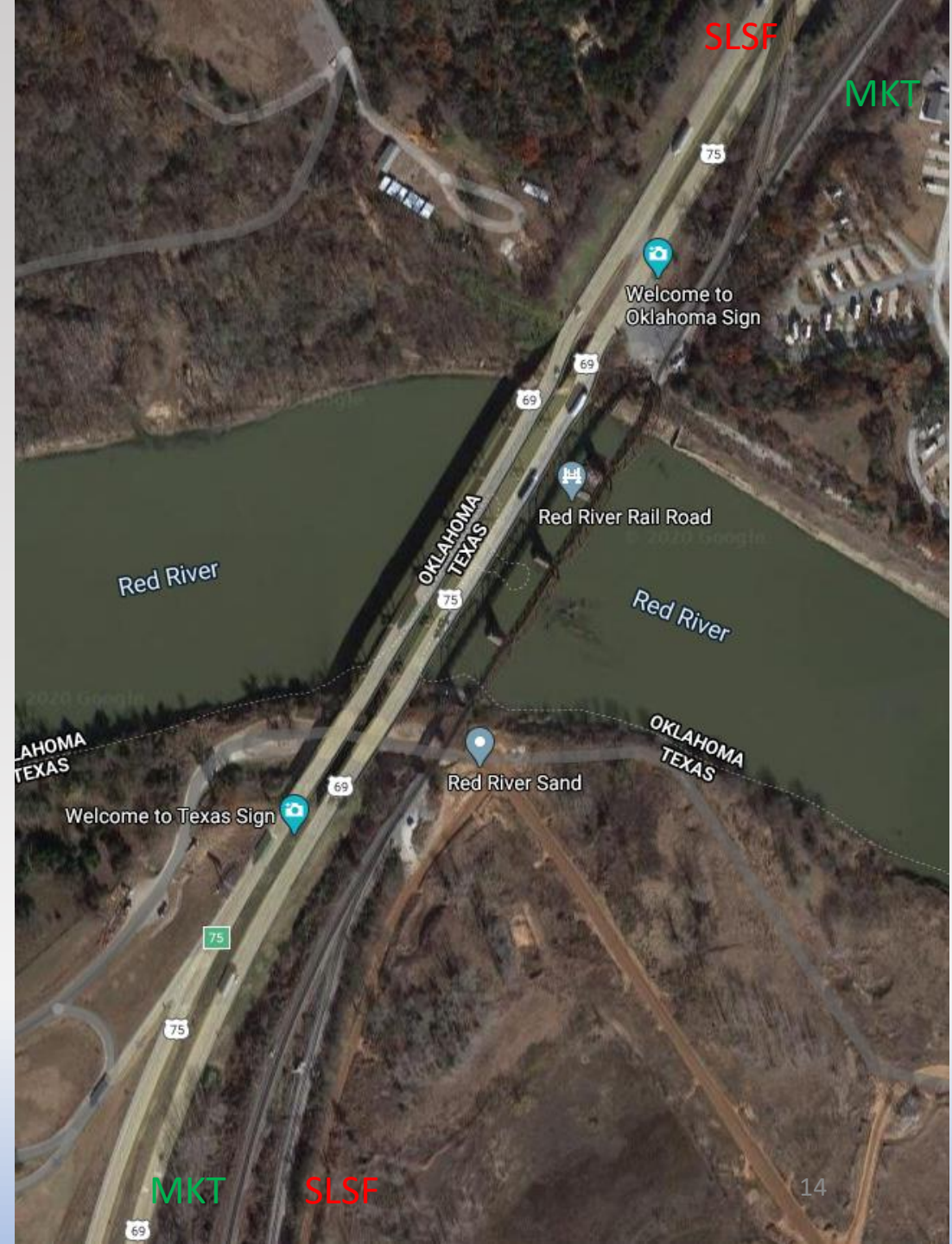


Two right of ways a block apart
City drove consolidation
SSW able to abandon line to NLRK

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)



Summary:

- Trackage rights have a host and a tenant
- Host owns, maintains, and dispatches track
- Tenant owns it's train (engines, cars, crews)
- Maybe overhead (common) or local (rare)
- Controlled by a contract or ISA
- Tenant communicates line up of trains to the host
- May be short and simple or long and complicated
- You can be host or tenant
- Trackage rights can be layered

Questions?

Presented :
August 16, 2020 : Opsig Virtual Meet Up
May 22, 2021 : NMRax

Link to presentation at : www.wnbranch.com in "How To" section

Back to Questions

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