

The new Rapid City, Pierre and Eastern Railroad

by Milo Dailey, Rapid City Journal

Rapid City will be the new headquarters of the former DM&E Railroad, according to the general manager for the new Rapid City, Pierre, and Eastern Railroad. Todd Bjornstad said Wednesday in Belle Fourche that the new ownership is prepared to take over the line from Canadian Pacific as early as June 1. He said there will be more than 40 Rapid City area people staying with the new company. "Plus what we're adding, there are going to be about 50 people in the Rapid City area that are going to be part of the new railroad," he said.

Bjornstad and an assistant general manager already operate out of Rapid City. An office manager has been hired for the new Rapid City headquarters, he said. And there may be additional hiring as the new railroad takes over the rails and rolling stock.

The operation runs from western Minnesota through Pierre, Rapid City, and Belle Fourche to Colony, Wyo., and western Nebraska.

The move to Rapid City is part of a major shift of management philosophy by a longtime short line operator, Genesee and Wyoming, compared to CP. The continental-class company had offices in Sioux Falls and in Minnesota after buying the former South Dakota based DM&E. Bjornstad said the new company, RCP&E, is making a new start for railroading in the region. Genesee & Wyoming is the holding company, but it

operates many similar short lines in the United States that are aggressive in local management and marketing.

Bjornstad was in Belle Fourche on Wednesday for a forum on plans for a full rail terminal at the city's new Industrial Rail Park. Moving the railroad headquarters to Rapid City offers insight into the railroad's operations. Currently, about a quarter of the former DM&E cargo is bentonite from the Belle Fourche area. Much of the rest is agriculturally oriented. Other West River mining interests already are looking at potential rail shipping through RCP&E.

Bjornstad said there will be some major investments in the new Rapid City-based railroad. "We're bringing on 50 locomotives to run the railroad, and over 3,000 rail cars," he said. "We're going to be investing \$6-8 million for annual capital expenditures to keep the railroad infrastructure in good shape so we can grow the business. We're going to keep investing in the railroad so customers that we serve can grow for years to come," he said.

Bjornstad said he listened carefully to Belle Fourche plans for a transshipping terminal, but didn't comment on possible roles that the company may play in the new Industrial Rail Park. "Everything is open for discussion," he said. "We certainly love the opportunity to grow the biz up there."

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Rick Mills Museum Director
South Dakota State Railroad Museum, Ltd.
222 Railroad Avenue, Building A PO Box 1070
Hill City, South Dakota 57745-1070