



## **A Brief History of the North Carolina Railroad Company**

The North Carolina Railroad Company (NCRR) owns and manages the 317-mile rail corridor that extends across 16 counties from the Port of Morehead City to Charlotte and impacts nearly a quarter of the state's economy. The railroad carries 50-60 freight trains and 10 passenger trains daily. As the oldest extant private business corporation in the state, NCRR remains at the forefront of rail improvements and partnership development to promote job growth, and attract and retain rail-served industry in North Carolina.

The North Carolina Railroad, chartered in 1849 as a 223-mile long corridor between Charlotte and Goldsboro, merged in 1989 with the Atlantic & North Carolina Railroad (A&NCRR) to create the current 317-mile long corridor between Charlotte and Morehead City, North Carolina.

### **The Early Years:**

In 1848, the North Carolina legislature authorized an east to west railroad that would connect the coastal plain with the piedmont for the purpose of opening the state for economic and industrial development. The 1849 charter called for the NCRR to run *"from the Wilmington and Raleigh Railroad where the same passes over the Neuse River in the county of Wayne, via Raleigh, and thence by the most practical route, via Salisbury, in the county of Rowan, to the town of Charlotte in the county of Mecklenburg."* Walter Gwynn, a native of Virginia, served as chief engineer of the line from 1850 to 1856 performing much of the initial surveying and planning for the railroad.

NC Senate President Calvin Graves received the honor of lifting the first shovel of dirt at a groundbreaking ceremony in Greensboro on July 11, 1851. He had cast the deciding vote for legislative approval, ensuring the railroad would be built, but ending his political career because it would not pass through his district.

Beginning in January 1852, construction occurred simultaneously from each terminal point of the railroad with local landowners contracting the labor to clear forests and grade the roadbed. Trains ran the two finished ends of the road during construction until work crews finally met between Greensboro and Jamestown. On January 21, 1856, the first train ran the completed length of the 223-mile corridor from Charlotte to Goldsboro. Trains soon began hauling passengers and freight including tobacco, cotton, corn, wheat, bacon, lumber, naval stores, iron and machinery.

To finance construction, the 1848 North Carolina Railroad bill authorized the State to purchase \$2 million of NCRR stock leaving \$1 million for purchase by private citizens. Construction costs exceeded expectations due to the rising cost of iron and in 1854, John Motley Morehead, first President of the

North Carolina Railroad and former state governor, called upon the legislature to provide increased funding describing the railroad as a “tree of life” for North Carolina. The legislature approved the State purchase of an additional \$1 million in shares, making the railroad 75% owned by the State and 25% owned by private stockholders.

In 1856, the railroad built workshops on 632 acres of land purchased in Alamance County, the mid-way point on the line. The community that sprang up around these rail car and track repair shops was known as Company Shops and later became the town of Burlington, North Carolina. Company Shops included machine shops, a carpenter shop, a blacksmith shop, dry kiln, foundry, passenger shed, engine shed, an outdoor turntable, houses for officials and laborers and a later addition of the Railroad Hotel to accommodate passengers and train crews. A fire in June 1918 burned all of the shops except for the engine house.

In addition to Burlington, several other towns, including Thomasville, Mebane, High Point, Durham, Clayton and Selma, developed at stops along the rail line. The NCRR proved to be a central component of the transportation backbone of the state’s economy and North Carolina, previously characterized as the Rip Van Winkle state, asleep while progress passed it by, flourished.

During the Civil War, railroad traffic multiplied and maintenance became difficult. The rails began to deteriorate, new rails were unattainable and the railroad lacked the capacity to recondition old ones. The railroad made do by reusing rails pulled up from 17 miles of sidetrack, and operating the trains at slower speeds. The rolling stock suffered from poor maintenance, increased use and unaccustomed usage. With passenger cars in short supply, soldiers often travelled in boxcars refitted with windows and rude plank board seating.

The war’s conclusion in 1865 saw the railroad in a state of disrepair. Seven bridges and railroad depots at Goldsboro, Raleigh, High Point and Salisbury were burned. Railroad superintendent Edmund Wilkes declared the road unsafe for travel above twelve miles per hour.

The railroad east of Raleigh remained under active federal government management until October 1865. During this time, the United States Military Railroads (USMRR) Construction Corps made only temporary repairs to the line using low cost materials. These repairs had to be fixed again after the railroad’s return to the company.

Within two years of the war’s end, the roadbed, track and bridges on the whole line had been returned to reasonably good repair and the burned structures were reconstructed. The NCRR purchased both used and new equipment to return rolling stock inventory to pre-war levels.

### **The Lease Years:**

In 1871, NCRR signed a 30-year lease for operations and equipment with the Richmond and Danville Railroad (R&DRR). J.P. Morgan’s Southern Railway System acquired the R&D in 1894, and NCRR then entered into a 99-year lease with Southern Railway (now Norfolk Southern Railway Company.) commencing on January 1, 1896. Needing a “back shop” service facility on their eastern main line

between Washington, DC and Atlanta, Southern Railway opened its own shops in 1896 in Spencer, North Carolina just north of Salisbury and NCRR's Company Shops fell permanently out of use.

On September 29, 1989, the NCRR merged with the Atlantic & North Carolina Railroad (A&NCRR), consolidating a 317-mile east-west corridor from Charlotte to the Port of Morehead City, North Carolina. The merged railroads retained the name "North Carolina Railroad". The A&NCRR, chartered in 1854, originally linked Shepard's Point (now Morehead City) with the NCRR terminus in Goldsboro. The A&NCRR had leased out operations of the railroad several times starting in 1881, culminating in a 1939 lease to the Atlantic & East Carolina Railroad, sub-leased to Southern Railway.

In 1998 the State of North Carolina bought out the 25% of privately held shares of NCRR stock making the NCRR a privately run company, with the state of North Carolina being the sole shareholder. At the time of the state's acquisition of NCRR in 1998, the total stock value of the NCRR was \$282 million.

In 1999, Norfolk Southern Railway Company (NSR) (previously Southern Railway) and NCRR reached an exclusive trackage rights agreement for Norfolk Southern to continue freight and maintenance operations on the NCRR line for 15 years renewable for an additional 30 years. NSR operates with its own crews and rolling stock over lines and property owned by the NCRR. The agreement also allows for operations of the National Railroad Passenger Corporation (Amtrak) on the NCRR line.

#### **A Decade of Progress:**

Where leases during the previous century had given Southern Railway full control of NCRR's assets, after the 1999 trackage rights agreement, the North Carolina Railroad Company was once again in charge of its own corridor and assets. In 2000, the General Assembly established a statute enabling the company to reinvest dividends into crucial improvements to the NCRR line and in 2001 the railroad implemented a Corridor Improvement Program to serve as a blueprint to improve the maintenance, integrity and economic potential of the railroad corridor.

In a partnership that is unique nationwide, NCRR, Norfolk Southern and the North Carolina Department of Transportation work together, to improve the quality of crossings and bridges, add double track and sidings, realign curves, and improve signaling and other infrastructure along the corridor. Through these improvements, the NCRR seeks to promote safety, improve capacity, increase train speeds and decrease passenger travel times.

NCRR's corporate capital improvement program is funded from NCRR revenue generated through its lease agreement with Norfolk Southern. NCRR does not receive any state appropriations, and its properties are subject to North Carolina city and county property taxes, most but not all of which are paid by Norfolk Southern under the agreements.

In the first decade after the new lease agreement with Norfolk Southern, NCRR invested more than \$64 million to improve the rail corridor, particularly in the eastern part of the state. Prior to 2000, Norfolk Southern was operating 10-20 car trains east of Goldsboro at speeds of 10-25 mph. Subsequent to the NCRR capital investment program, Norfolk Southern now operates 150 car trains at 40 mph. As a result

of increased rail capacity and efficiencies, rail-served industry continues to increase and expand in the area.

Between Raleigh and Selma, a distance of approximately 30 miles, passenger trains were operated at 49 mph. After a reasonable expenditure to install some ties and surfacing, the speed was increased to 59 mph, the maximum allowable without signals. Signals were also installed between Raleigh and Selma during this ten year period and passenger train speeds were increased to 79 mph. In addition, three passing sidings were constructed in this area providing capability for passenger and freight trains to pass.

NCRR's history is rooted in economic development. As the North Carolina Railroad Company looks to the future, it continues its commitment to ensuring the rail line is prepared to meet future capacity needs. The Company is also building on its economic development foundation by making targeted investments in rail infrastructure needs that will enhance the state's efforts to recruit and retain rail-served industry.

To learn more about NCRR's current infrastructure improvements and economic development initiatives visit [www.ncrr.com](http://www.ncrr.com).

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