

Gary Vontz

Riding the PRB Boom

Editor's Note: NCTA and its predecessor organization, the WCTA, have always had unique membership requirements. Membership is open to North American coal producers, consumers, and others interested in its transportation and related issues—provided they are not entities whose primary business is transporting coal by rail, barge, truck, or pipeline. While that excludes transport companies such as railroads from becoming voting members, their expertise and input has long been valued—and their participation in conferences and Association subcommittees encouraged.

Gary Vontz' career in the coal transport industry coincided with the great boom in mining at the Powder River Basin (PRB) that began in the mid-1970s—and indeed with the rise of the Western Coal Transportation Association itself, as NCTA was then known. Moving coal out of the PRB wasn't always the plan, though.

Graduating from Rockhurst University in 1969 with a bachelor's degree in business administration, Gary first found work with Mobil Oil, served a hitch in the U.S. Army, returned to Mobil, then earned an MBA at the University of Missouri-Columbia before landing at the Ford Motor Company. His journey in the rail transport business wouldn't begin until 1975, when he joined a subsidiary of Kansas City Southern Railway to provide financial analysis and litigation support.

"Back then, I didn't think the railroad was a good place to be," Gary notes. "It seemed like most of them were on the verge of collapsing." At the time, KC Southern was shipping paper, chemicals, and a handful of other commodities—but "probably less than a half-million tons of coal" annually. That would soon change when a utility customer, Kansas City Power and Light, became interested in shipping PRB coal for use in its La Cagne



Gary with wife Bonnie.

plant—which would grow to become 33 percent of KC Southern's carload volume and 25-30 percent of its gross revenue by the time he left the railroad in 1990.

"I think that movement started in 1976 and pretty soon I was leading the team doing most of [KC Southern's] coal work," Gary recalls. "Eventually I ended up with coal, petroleum, coke, and aggregate. And that's how I got into the business and started attending WCTA meetings."

Gary's boss at the time, KC Southern Vice President of Sales and Marketing Mike McClain, wanted everyone on his team to be "experts" in the various industries that they served. And so it was that McClain himself attended his first WCTA conference. "At that first meeting in Denver [PLM Chairman and CEO] Mark Hungerford arranged for a tour of the PRB. They flew all over the PRB to look at mines and on the way back stopped for a tour of PLM's railcar maintenance shop in Alliance, Nebraska," Gary remembers. Alas, McClain came away less than enthusiastic about the up-close view of a railcar repair facility and thenceforth nominated Gary to attend all future meetings.

Thus started Gary's 35+-year tradition of attending NCTA



Bonnie; grandchildren Sam, Antonia, Owen, and Emma; Gary; and grandson Charlie.

conferences. "It was very helpful to me to have so many people to network with and find out what they were doing and how—not just the railroads, but the utilities and the mines also," Gary says. "As the importance of coal grew, I don't think many companies—railroads or utilities—had much experience with long-haul heavy trains like we were moving out of the PRB. So it was kind of a learning experience for everybody in the early days."

Buoyed by 1970 Clean Air Act regulations that sought to reduce coal plants' SO₂ emissions, production of low-sulfur Wyoming coal soared from a meager 7 million tons in 1970 to over 465 million tons in its peak year of 2008. "I think I got in at almost the perfect time," Gary notes. But soon enough opportunity beckoned—specifically, the chance to run his own shop—and so after 15 years with KC Southern, Gary left the railroad and ventured out on his own.

"I'd talked to several utilities and it seemed like a good idea at the time, to both them and me, that I'd run a company that utilized and leased their spare cars to each other. It would be an arms-length transaction between these utilities. I had a half-dozen of them lined up, and everyone seemed agreeable, but after I left KC Southern no one would sign a contract."

Persistence paid off, however, and—doing business as National Car Systems—Gary eventually managed to lease a train from a utility to a railroad and "the rest is history," he says. "Throughout the time I've been involved in the business, we've leased and sub-leased trains, we've bought and sold trains, we've bought cars, and we had our own fleet for a while."

At the time, Bob Kessler was Executive Director of the Association. "Most of the meetings, I think, were based upon an adversarial relationship between the coal miners and the utilities on one side and the railroads on the other," Gary offers. "This moderated somewhat when Tom Canter became Executive Director of the NCTA." As a railroader and an "outsider," Gary



Bonnie; sons Geoff, Tony, and Andrew; and Gary at the USA Rugby Collegiate Championship.

nonetheless found value in the different perspectives that came together under the WCTA umbrella. "When you went to the WCTA, you could see both sides of the equation."

"To me, it was a bit of a lifesaver," Gary continues. "After I went into business for myself, it was one place where you could go and see almost everybody involved in the western coal transportation business. So I could see 30 or 40 guys at one place instead of having to make 25-30 trips to do the same thing. So I looked at it as a great networking event, and the content of the meetings was also very helpful."

These days, Gary has largely retired from the business—the day-to-day running of which he has turned over to his son Geoff. That leaves him more time to cheer on his beloved Kansas City Chiefs, one of two NFL teams he followed while growing up in Nebraska.

"I've been a Chiefs fan since the mid-60s," Gary notes, and adds that he watched the team's first Super Bowl victory in January 1970 while stationed in the Army at Fort Polk, Louisiana. (Coincidentally, that game took place just 200 miles downstate at Tulane Stadium, in New Orleans.) "We commandeered a little 10-inch black-and-white TV, put some tin foil on the antenna, and went up to the second floor of the barracks. We had a pretty snowy picture."

As for Kansas City's recent Super Bowl loss at the hands of Tampa Bay, Gary laments, "you give [Tom] Brady the amount of time he had to throw the ball and he'll kill anybody." Still, Gary's banking on the Chiefs being a force for the next decade. "Patrick Mahomes is the best QB I've ever seen—bar none. I'm looking forward to five more Super Bowls in the next 10 years."

Is he right? Let's just say it's probably best not to dismiss the predictive ability of someone who staked his career—lo those many decades ago—on the idea that long-hauling PRB coal 900 miles across the country would become the "next big thing." ▲