

# Michigan RAIL UPDATE



A publication of the Michigan Railroads Association

SPRING 2010

## Federal Positive Train Control Mandate To Be Implemented By 2015

In October 2008 the U.S. Congress passed and the President signed the Rail Safety Improvement Act (RSIA) which requires the large U.S. railroads (Class I railroads) to install positive train control (PTC) systems by the end of 2015 on tracks that carry passengers or certain hazardous materials. Additionally, Amtrak and 22 commuter railroads will be required to install PTC on their rail systems. This past December the Federal Railroad Administration (FRA) issued a final rule guiding implementation of PTC.

According to the Federal Railroad Administration, freight railroads will have to spend \$5 billion by the end of 2015 to install positive train control systems in the U.S.

### What is Positive Train Control?

- “Positive train control” (PTC) describes technologies being designed and developed by numerous private firms and sold to railroad companies that **automatically stop or slow a train** before certain accidents occur. In particular, PTC is designed to prevent train-to-train collisions, derailments caused by excessive speed, unauthorized incursions by trains onto sections of track where repairs are being made, and movement of a train through a track switch left in the wrong position.
- A fully-functional PTC system is designed to be able to precisely determine the location and speed of trains; warn train operators of potential problems; and take action if the operator does not respond to a warning. For

example, if a train operator fails to stop a train at a stop signal, the PTC system would apply the brakes automatically.

- Railroads have spent hundreds of millions of dollars testing and evaluating different types of PTC systems, but it’s still an **emerging technology**. To ensure the technology is fully functional and completely safe, much more development and testing are needed. Most critical is developing sophisticated, reliable software that can take into account the complexities of rail operations. The length and weight of a train, train braking system performance, track curvature, the grade (slope) of the tracks, track conditions, the location of other trains—all of these and more must be taken into account by a properly-functioning PTC system.

*(Continued on page 6)*

## Operation Lifesaver Provides Volunteer Opportunities



### From The President

*Robert Chaprnka*

In 1972 a safety organization called Operation Lifesaver (OL) was established in Idaho to combat the growing number of highway-rail grade crossing crashes. Since that time every state has established its own

non-profit Operation Lifesaver organization. OL’s specific goal is to provide continuous public information and education to prevent and reduce vehicle/train crashes mainly through the use of volunteers. Michigan’s state OL coordinator schedules quarterly meetings to discuss and plan OL activities.

Michigan OL has several components such as training courses for local law enforcement officials emphasizing laws pertaining to grade crossings, school bus driver training, production and distribution of safety videos/DVD’s and many others. However, the backbone of the OL safety work gets done by individuals making safety presentations

in local communities to students, driver education classes, civic groups, senior citizen centers and to just about any type of group or organization interested in learning about grade crossing safety.

Those wishing to become an OL presenter should contact Sam Crowl, Michigan Operation Lifesaver state coordinator at:  
samcrowl@comcast.net  
or (248) 823-7037

*(Continued on page 5)*

## New CN Scholarship for MSU Students Choosing Canadian Studies

Michigan State University has announced a new undergraduate scholarship program for students who include the study of the U.S. and Canada connection in their studies.

CN (Canadian National Railway Company) has provided the funding for the scholarship program to MSU's Canadian Studies Center, who will award up to ten \$1,000 scholarships each year for the next five years. CN has committed the funds to encourage young professionals to learn about Canada, which includes its contributions and impact in North America and around the world.

"Many MSU students are studying topics of special importance to the U.S. and Canada working relationship, including trade and transportation, climate change, and food production," said AnnMarie Schneider, director of the Canadian Studies Center. Employers, including CN, believe students with a background in international studies offer added benefit, claiming that few areas of work are untouched by international issues.

The global economy has touched every academic discipline including: business, law, medicine, engineering, agriculture, natural's resources and social sciences. To deepen student's global literacy and understanding, MSU faculty members have infused globally-relevant content into their teaching. This campus-wide effort has produced a variety of courses that can be applied to a specialization and still fit within a student's degree program.

CN has a major presence in Michigan. As a leader in the North America rail industry, the company maintains 925 route miles in 88 Michigan communities and employs 1,229 Michigan residents. CN also serves several major Michigan-based businesses including those in the automotive, manufacturing, and energy sectors.

### For More Information Contact:

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"CN's generous gift recognizes the value of an education that includes an international perspective, a perspective that can have a positive impact on the State of Michigan and its economy," said Jeffrey Riedinger, Dean of International Studies and Programs.

To apply for the CN scholarship students must be:

- in good academic standing with at least a 3.0 GPA and enrolled in at least one of the specialization's required courses for 2010 spring semester

- entering their sophomore year of undergraduate study in areas of science, technology, engineering, math (STEM) fields and be available to visit Canada during a Study Abroad or internship experience approved by the Canadian Studies Center.

Applicants must submit a class transcript and a two-page essay that provides the candidate's plan to apply their studies to the U.S. and Canada connection. A pool of applicants will be selected for follow up interviews. **Completed applications must be submitted to the Canadian Studies Center on or before May 14, 2010.** The Canadian Studies Center is located at 306 International Student Center, Michigan State University, East Lansing, Michigan 48823.

Recipients will be announced prior to the beginning of the 2010 fall semester. Awards will be credited during the tuition payment process.

In addition to this scholarship program, CN also sponsors an annual CN Forum at MSU. The CN Forum brings together students, researchers and community leaders around contemporary issues that impact academics, policy, and business within the United States and Canada.



## Amtrak Makes Investments to Increase Speeds on Michigan Lines

Amtrak continues an aggressive plan to install Positive Train Control (PTC) technology on the route the passenger railroad owns in Michigan and Indiana. The American Recovery and Reinvestment Act of 2009 (ARRA) provided Amtrak with \$1.3 billion for capital investments, including \$446 million for security and life-safety improvements and \$842 million for rebuilding and modernizing infrastructure and equipment. Amtrak is using \$25 million of those funds to continue implementation of PTC technology on the 97 mile Amtrak-owned Porter, Indiana to Kalamazoo, Michigan Line. Forty-five miles of the route now allow passenger train speeds up to 95 mph. Complete installation of PTC and

Federal Railroad Administration (FRA) certification of this Positive Train Control system will allow upgrading of all 97 miles of the route to 110 mph operation by the end of 2012, three years ahead of a Congressionally mandated deadline for installation of such systems on railroads that host passenger trains. In addition to its continued roll-out of PTC, Amtrak is installing fiber optic cable along the track to significantly improve communications.

Amtrak also continues to invest its own capital dollars on an aggressive maintenance program to support smooth, safe, higher speed running along the route. In 2010, \$5.6 million will be spent to resurface 30 route miles, design and

permitting to replace culverts, renewal of rails, ties and resurfacing at 10 grade crossings, and replacing the last jointed rail. Amtrak will also begin design work and procurement for rehabilitation of the St. Joseph River Bridge in Niles, Michigan.

Increases in speed along the Porter, IN-Kalamazoo, MI portion of the Amtrak Pontiac-Detroit-Chicago route brings closer the realization of an important component of the Midwest Regional Rail System (MWRRS). The Midwest Regional Rail System is a joint effort of nine Midwestern states to develop a network of higher speed, frequent passenger rail services connecting the business, educational, and cultural

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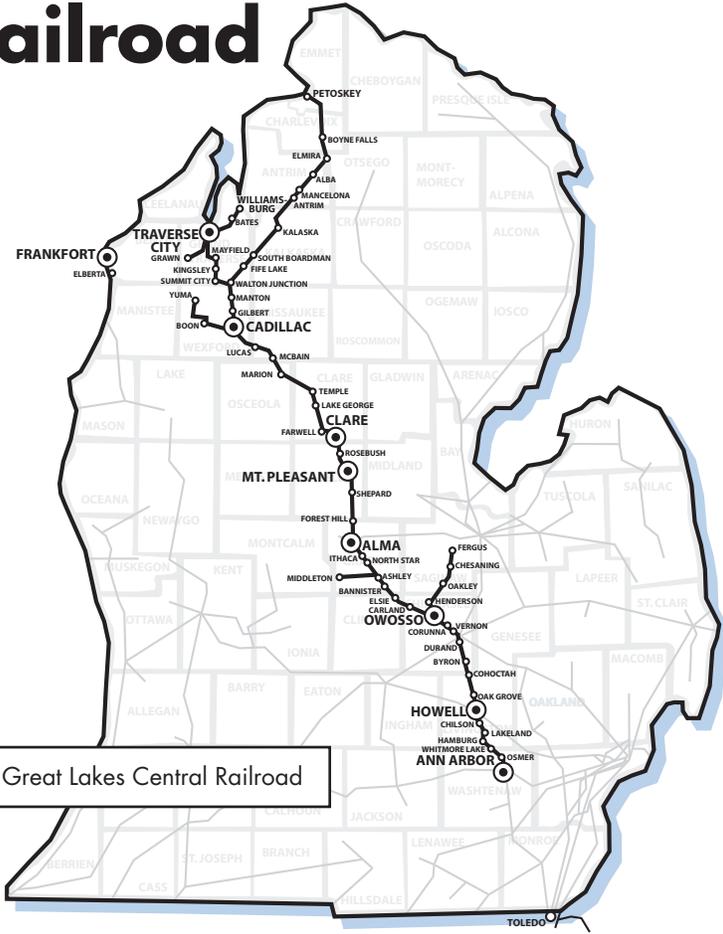
# MOVING MICHIGAN

## Great Lakes Central Railroad



### GLC Stats:

<i>Headquarters:</i>	<b>Owosso, MI</b>
<i>Chairman:</i>	<b>Louis P. Ferris</b>
<i>President &amp; CEO:</i>	<b>Michael W. Bagwell</b>
<i>Employees:</i>	<b>42</b>
<i>Miles of Track:</i>	<b>400</b>
<i>Major Commodities:</i>	<b>Sand, plastics, agricultural products, fertilizer</b>



*Michael W. Bagwell  
President & CEO*

The railroad industry is moving toward a growth phase as it emerges from the recession that has hit the country. Many groups are looking for ways to move to “green” technology, commuter solutions, and diversifying industrial

development. With all of these movements coming to the forefront at the same time, it is only a matter of time before the railroads are declared a major part of the solution to Michigan’s economic difficulties. Key partnerships that support passenger rail service, utilizing green technology, expanding Michigan’s contribution to American industry, while at the same time maintaining or improving the condition of Michigan roads, has been the foundation for the growth potential of Michigan railroads.

Formerly known as the Tuscola Saginaw Bay Railway, the Great Lakes Central Railroad (GLC) was purchased in March 2006 by Federated Railways, a wholly owned subsidiary of Federated Capital Corporation. The Great Lakes Central Railroad, under the leadership of Michael Bagwell, President & CEO, is strategically positioned to accommodate the



*Processed sand being loaded into rail cars in Yuma, Michigan at the Wexford Sand Company destined for locations in northeast U.S. used in drilling for natural gas and to foundries for auto manufacturing.  
(Photo – Wexford Sand Company)*

*(Continued on page 4)*

push to go green, to diversify the customer base, and pursue new revenue streams while working through the difficult economic times in Michigan.

GLC partners with not only their customer base, but the end user to ensure energy saving measures and quality service. The following are measures being taken to accomplish these goals:

- While locomotives are more fuel efficient than trucking, GLC also has expanded the car and locomotive shop in Cadillac to house locomotives in lieu of having them idle during down times when temperatures drop, to further reduce fuel usage.
- GLC transloads to truck to move commodities to the remote end users not served by rail from 4 active transload sites, the largest of which is centrally located in Clare, MI. Transloading keeps freight costs down, while making rail available to more shippers/receivers.
- Energy efficient heat as well as additional insulation and lighting will be incorporated in the Owosso locomotive and car shops in the near future.

GLC has also pursued additional revenue streams to diversify the customer base and look to the future. While many long-term customers are still shipping products such as foundry sand, plastics, agricultural products,

and many more, growth and diversity provide GLC the opportunity to adapt to the changing needs of Michigan. Investing time and assets has allowed GLC to transition to new industries along side our customers, such as;

- Wexford Sand, and its parent company, Fairmount Minerals, are now providing sand for the oil & gas industry for the Fracing process used in drilling for natural gas, while still providing foundry sand to Ford Cleveland. GLC is the destination carrier for Frac sand originating in Wisconsin to be blended with on-line customer Wexford's Frac sand at the Wexford site. GLC then originates blended sand for the end user located in the South and Northeastern parts of the US.
- Hybrid storage/switching contracts for off line customers adds to our customer base.
- GLC is the origination carrier for six online grain elevators and an overhead carrier for several other grain elevators. Grain products remain a large part of our rail traffic mix. The tracks at two online elevators will be extended in 2010 to provide larger load out capabilities for the elevator operators.

GLC is still very much involved in the commuter rail project that boasts both green technology and diversified operations. WALLY, as it has come to be known is the proposed commuter service running between Howell and Ann Arbor. GLC has supported

this venture from its beginning stages, and continues to be involved. To date, many steps have been completed by GLC to move the WALLY project forward:

- GLC was the successful bidder for the refurbishment of passenger cars, owned by GLC, to the specifications by the State of Michigan, Ann Arbor Transportation Authority, and SEMCOG;
- GLC will initially be adding an evening shift in the car shop followed by a third shift to accommodate the additional workload for the passenger car refurbishment program.
- State owned, GLC operated track will be utilized for the WALLY commuter rail system. Before implementing the service, the track and signals will be upgraded.

While Michigan has suffered in these hard economic times, the growth of the railroad industry is inevitable. Rail growth involves adapting to new standards while embracing diversity. The Great Lakes Central Railroad is strongly positioned and committed to do just that. GLC's relationships with customers, end users, other railroads, local entities, the State of Michigan Department of Transportation among others, all work together in Great Lakes Central Railroad's position to move Michigan forward.

institutions of the region with Chicago as the hub. The Pontiac-Detroit-Chicago route has also been designated a future High Speed Rail Corridor by the FRA. The goal of Amtrak, Michigan Department of Transportation and the MWRRS is for a 3 ½ - hour scheduled trip time from end to end along the corridor.



Amtrak contractors installing conduit for fiber optic cables along their Michigan line near Galien, Michigan. Installation of the fiber optic will significantly improve communications. (Photo - Amtrak)

Bill Barringer, director of Grade Crossing Safety for Norfolk Southern (NS), addressed those attending the February 2010 quarterly Michigan Operation Lifesaver meeting in Durand, Michigan. Barringer outlined the many initiatives that have been put in place to improve safety at NS highway/railroad grade crossings.

(Photo - Rahn L. Stokes)



To become an OL presenter a person needs to attend an all-day training session provided free of charge. Training sessions are conducted by certified rail safety officials. Sam Crowl, Michigan OL state coordinator and lifelong rail safety advocate, says "those who have become OL presenters find it extremely rewarding to know that they have made a difference in their community."

Becoming an OL presenter is an excellent way for people to contribute to the well-being of their community. If you would like to become involved, or know of a friend or co-worker who has a special interest in railroads or safety, please contact Sam Crowl at [samcrowl@comcast.net](mailto:samcrowl@comcast.net) or (248) 823-7037.

## Operation Lifesaver Presenter Receives Award



Paul Buckman, CSX Engineer/Conductor receiving outstanding presenter award from Sam Crowl, Michigan Operation Lifesaver State Coordinator, at the February, 2010 OL quarterly meeting. (Photo - Rahn L. Stokes)

Paul Buckman has been working for the railroad for ten years and has been an Operation Lifesaver safety presenter for the past two years. In 2009 Paul made 70 safety presentations mostly to driver education classes. Paul shows the young drivers what signs to look for and what they mean in order to keep themselves and their passengers safe as they cross the railroad tracks. The students also view a DVD to reinforce the safety message. At the end of each safety presentation he hands out a key ring as a reminder of the safety message they just heard and as a reminder to operate their vehicle safely.

Paul says "the only way I'm able to be in front of so many young drivers is due to the support from the CSX Railroad. CSX is committed to safety and it's evident with the support they give to Operation Lifesaver".

"One of the main efforts of Operation Lifesaver is getting the safety message to impacted groups like driver education classes" says Sam Crowl, State Coordinator of Operation Lifesaver. "Presenters like Paul are the backbone of our organization. They get the rail safety message out to groups one-on-one."



Tina Hissong, Rail Safety Section manager at the Michigan Department of Transportation, and Bob Chaprnka, president of the Michigan Railroads Association, present an "Outstanding Service Award" to Al Bard for his tireless work as State Coordinator of Michigan Operation Lifesaver. Mr. Bard retired in 2009 after seven years as state OL coordinator. (Photo - Bruce Quinn)



### Costs to Develop and Install PTC are Huge

- According to the Federal Railroad Administration, Class I freight railroads will have to spend more than **\$5 billion** to install PTC systems throughout the country, plus **hundreds of millions of dollars more each year** thereafter to maintain them. It will cost tens of millions of dollars to install PTC systems on railroads in Michigan. The FRA estimates that total costs of PTC nationwide to railroads over 20 years will be **\$10 billion to \$14 billion**.
- The \$5 billion that Class I freight railroads will have to spend just to install PTC by 2015 is roughly equal to a **full year's worth** of their infrastructure-related **rail capital spending**. Because railroads have limited funds to devote to infrastructure projects, **expenditures on PTC will necessarily mean reduced expenditures on other projects** that would increase rail capacity, improve service, provide environmental benefits, and enhance safety of other parts of the rail infrastructure/system.

### Assisting With the Extraordinary Costs of the PTC Mandate

- America's demand for freight and passenger transportation will surge in the years ahead. Railroads are the most **affordable** and **environmentally-responsible** way to meet this demand. They've been re-investing record amounts back into their networks, creating the world's best freight transportation system.
- However, the PTC mandate threatens railroads' unparalleled potential to lower shipping costs, make our economy more efficient, take trucks off the highway, save fuel, and reduce harmful emissions. The reality is, money railroads spend on PTC can't be spent on other safety measures or capacity, environmental, or service improvements.
- Given the rail industry's limited investment capital and the tremendous demands the PTC mandate imposes on railroads' investment capabilities, Congress should consider

various funding mechanisms to offset PTC's huge costs. Options include:

1. Enact a federal 25 percent infrastructure tax incentive to help offset the initial start-up costs of PTC installation;
  2. Fully fund and expand the RSIA's Rail Safety Technology Grant program.
- Funding assistance would help the railroads continue to expand needed capacity to meet both freight and passenger demands while still complying with the PTC mandate. The benefits to our economy and environment are real, measurable, and well worth it.

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