



# Fall 2013 MRA RAIL UPDATE

A Publication of the Michigan Railroads Association

## U.S. Freight Rail Leading the Way

By many measures, the U.S. freight rail system is the safest, most efficient and cost effective in the world. America’s freight railroads greatly enhance our nation’s competitiveness in the global economy. Countries all over the world have restructured their freight rail systems and looked to the United States for guidance.

In fact, some would even say that the U.S. freight railroad industry is the envy of the world. The U.S. is at or near the top among all countries in terms of miles of freight railroad, the condition of rail infrastructure and equipment, the amount of freight carried by rail, rail productivity and other key rail-related measures.

There are seven large “Class I” railroads, with four operating in Michigan, that work in cooperation with hundreds of smaller railroads.

They deliver economic growth, support job creation and provide huge environmental benefits such as reduced highway gridlock and cleaner air.

*“When comparing the total cost to shippers and taxpayers, U.S. freight railroads provide the world’s most cost-effective freight service.”*

Freight railroads are an indispensable part of America’s transportation system, serving nearly every industrial, wholesale, retail, and resource-based sector in our economy.

Freight rail in the U.S. is also the most affordable among the world’s major countries. According to data from the World Bank and other sources, U.S. freight rail rates are less than half of those in major European countries and well below China and Japan as well.

What is the major reason for this success? Because the U.S. has a market-based approach involving minimal government intervention. When comparing the total cost to shippers and taxpayers, U.S. freight railroads provide the world’s most cost-effective freight service.

Additionally, the global dominance of America’s freight rail industry is a direct result of a balanced regulatory system. Railroads can largely decide for themselves what rates to charge, how their infrastructure and equipment is used and what services to offer customers.

*(Continued on page 4)*

## Chaprnka, Smith Retire. Metal Theft Reforms on the Agenda



**From  
The  
President**  
*Jon Cool*

To kick off the 2013 fall Rail Update issue, I wanted to make special mention of Bob Chaprnka. Bob, who headed the Michigan Railroads Association (MRA) for 23 years, recently retired from the association. He

led the freight rail industry through many battles and achieved significant legislative achievements for the MRA during his tenure in Lansing.

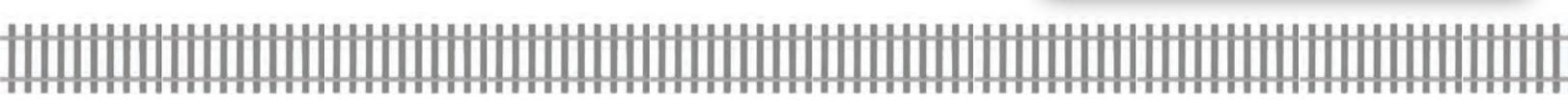
The House of Representatives and State Senate, Michigan Department of Transportation, Operation Lifesaver, and many others touted Bob’s years of service to the MRA during his final weeks on the job. Well respected among his colleagues, Bob excelled at building professional relationships around the Capitol. We wish Bob all the best as he becomes a little more familiar with golf courses throughout South-Central Michigan.

I would also like to mention Dorene Smith, MRA’s longtime office manager, who retired this past May. As many of you know,

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# First Michigan Rail Conference a Success

Michigan Technological University, in conjunction with the Michigan Department of Transportation Rail Office, recently hosted the first Michigan Rail Conference. The day-long event in Lansing was well attended and offered online streaming for those who could not attend.

Members of the Michigan Railroads Association participated in the conference sharing information, networking and offering recommendations from the freight rail perspective. The rail conference included guest speakers, panel discussions and breakout sessions. The goal of the confer-

ence was to review and discuss the latest developments in freight and passenger rail in the Great Lakes State. Planners are looking forward to holding another conference next fall, so keep your eyes out for future announcements.



House Transportation Chairman Wayne Schmidt addresses rail conference audience.



Senate Transportation Chairman Tom Casperson answers a question regarding freight rail in the U.P.

## *(Continued from page 1) From the President*

Dorene worked with legislators, MDOT rail personnel, legislative staff, and member companies solving problems. She provided efficient service and effectively orchestrated the day-to-day operations at the MRA. Thank you, Dorene!

This fall in Lansing, the MRA will continue working on scrap metal reform legislation. We are part of a large coalition seeking changes in current state law to counter the outrageous and increasing scrap metal theft problem across Michigan, which negatively impacts

railroad companies in particular. This is also an important public safety issue.

This past spring, railroad police officers testified in the House Regulatory Reform Committee sharing numerous incidents involving metal theft of rail property. They also discussed significant public safety concerns when rail signal wire and other metal parts from rail lines are stolen creating dangerous situations. We encourage you to contact your state legislator to discuss how scrap metal theft impacts you, your profession

and your community. We are hopeful that the legislature will complete work on this important reform this fall.

We are making a few changes to the newsletter. Please send us an email if you would like to receive the Rail Update electronically and we will move you or your organization to our email subscriber list. For those using Twitter, feel free to follow the MRA @MI\_FreightRail for freight rail information and updates. Let us know what you think!

## In The News

College student and part time rail worker, Chris Bagwell, was so moved by the events of September 11, 2001 that he enlisted in the United States Army, serving with the 101st Airborne Division. During his two tours of duty in Iraq, spanning five years, Chris was honored with a Purple Heart for wounds received and the Bronze Star, for bravery. After his military service, Chris returned to his first love: railroading.

Chris had held many responsibilities in his railroading career, including maintenance-of-way worker and contractor. He currently serves

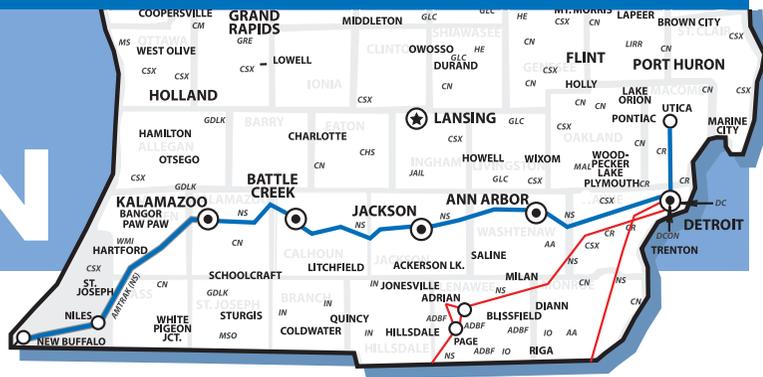
as project manager at GLC Railroad; overseeing the passenger division, now contracted to build passenger-rail equipment for the Michigan Department of Transportation's commuter-rail projects. Outside of work, Chris has partnered with his Alma Mater, Baker College, to create a certificate program for those interested in railroad careers.

Chris lives his life as an example for others, serving his country, his company and co-workers, and his community. We appreciate his efforts and extend best wishes for continued success!



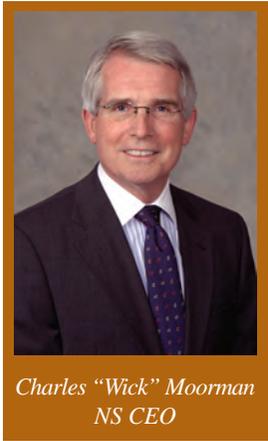
Chris Bagwell, Project Manager  
Great Lakes Central Railroad

# MOVING MICHIGAN



— Norfolk Southern Trackage Rights  
 — Norfolk Southern Line

## Introducing Norfolk Southern



*Charles "Wick" Moorman  
NS CEO*

Norfolk Southern and its predecessor railroads have been strong contributors to the success of Michigan for more than 160 years, and today, NS remains a prominent fixture in the freight transportation network in the Great Lakes State. Through first-rate service,

logistical expertise, safe practices and vigorous public-private partnerships, Norfolk Southern will be there for Michigan's economy today and for the future.

The focus of NS operations in Michigan centers on two operating divisions. The Dearborn Division, based in Dearborn, supervises train movement in Michigan, serving Chicago, Toledo, and Cleveland; it's one of the busiest freight corridors in the nation, often with more than 100 freight trains moving daily. The Lake Division, based in Fort Wayne, Ind., dispatches NS trackage in and out of the state from Melvindale to Montpelier, Ohio. Additionally, NS interchanges with shortline partners such as Grand Elk Railroad, providing service between Grand Rapids and Elkhart, Ind., and the Jackson and Lansing Railroad, providing service between Jackson and Lansing. NS provides freight service on Amtrak's Kalamazoo to New Buffalo Line.

During 2012, about 400,000 carloads of freight traveled through, originated in or were delivered in Michigan. As part of that number, Norfolk Southern is the largest rail carrier of

auto parts and finished vehicles in the United States. In Michigan alone, NS operates five auto distribution centers in locales such as Detroit, Wayne, Melvindale and the Detroit Distribution Terminal, a Just-In-Time rail trans-dock facility. Additionally, the company operates a classification yard in the Detroit area and a bulk transfer facility at Willis, offers intermodal service at two terminals in the Detroit area, and NS subsidiary Triple Crown Service operates a terminal in Michigan.

Norfolk Southern employs about 700 people in Michigan, including train crews, track maintenance employees, signal maintainers, dispatchers and more, with a 2012 payroll of \$51.9 million. Of those employees, about 14 percent are active duty military personnel or have retired from the Armed Services. More than 330 NS retirees make Michigan their home.

Norfolk Southern, throughout its 22-state network, has engaged in vigorous public-private partnerships which deliver clear, measurable public benefits. One prime example is how, earlier this year, NS transferred ownership of more than 135 miles of NS railroad to MDOT to facilitate the development of enhanced speeds for Amtrak operations between Kalamazoo



and Dearborn. The transaction is good for the Michigan economy because it not only will it enhance its passenger service, it will also protect NS' ability to provide freight service to its customers on this line.

NS traces its Michigan roots back 160 years to three sources: The Michigan Central, the New York Central and the Wabash Railroad, a trio of companies and their successors, that established a rich railroad history and laid the groundwork for Norfolk Southern's success today. Two of these predecessor railroads –

*(Continued on page 4)*

<i>MI Headquarters:</i>	<b>NS Dearborn Division (313) 323-5000</b>
<i>Chairman:</i>	<b>Wick Moorman</b>
<i>NS CEO:</i>	<b>Charles "Wick" Moorman</b>
<i>Employees in MI:</i>	<b>700</b>
<i>Miles of Track:</i>	<b>400</b>
<i>Major Commodities:</i>	<b>Automobiles, Auto Parts, Metal Products, Agriculture</b>

*(Continued from page 3) Norfolk Southern*

the New York Central and the Wabash – are featured on heritage locomotives which NS released to its network last year, part of Norfolk Southern’s 30th anniversary.

Conrail remains in operation today as a jointly owned subsidiary of NS and CSXT, providing local switching service in the Detroit area.

As America’s economy improves, Norfolk Southern will be there to help it soldier on by aggressively pursuing business opportunities and making investments that sustain both railroad and non-railroad jobs. During 2013

alone, NS plans to make \$2 billion worth of investment in support of its rail service on projects like expanding carload capacity at existing terminals and enhancing computer systems to supporting safety and logistics. And during 2012, NS participated in the location of 64 new industries and the expansion of 30 existing industries along its lines. This led to \$2.1 billion in new investment by NS customers, expecting to generate more than 6,100 jobs and more than 141,000 carloads of new rail traffic annually.



Finished automobiles leaving Michigan on the NS Line

## Railroads are Hiring!

Michigan’s freight railroads are hiring! These are well paying jobs that often lead to long careers in railroading. Freight rail employee compensation, including benefits, averages \$108,900 per year, with jobs ranging from engineers and dispatchers, to law enforcement, information technology and industrial development.

U.S. freight railroads have more than a century-long commitment to the nation’s service men and women, and continue to hire veterans at a robust pace. About 20% of current employees will likely have served in our military.

Please visit our website at [www.michiganrailroadsassociation.com](http://www.michiganrailroadsassociation.com) for rail job information.



*(Continued from page 1) U.S. Freight Rail Leading the Way*

At the same time federal regulators monitor the railroad industry for conduct and pricing.

When pieced together, this ensures that freight rail in the U.S. is fair and competitive, and that railroads are held accountable for their actions.

### U.S. Freight Rail Invests

Generally speaking in the U.S., railroad companies own both the track and operate the trains over that track. This model has resulted in significant productivity gains, sharply lower average rail rates, and massive reinvestment by railroads back into their systems.

From 1980 to 2012, U.S. freight railroads reinvested \$525 billion - more than 40 cents out of every revenue dollar – back into rail networks. Rail reinvestments in recent years have been higher than ever.

The reinvestment by freight rail into their infrastructure, technology and equipment is intended to meet the increased freight demand forecasted for tomorrow – nationally and here in Michigan. The Federal Highway Administration finds that total U.S. freight shipments will rise from as estimated 17.6 billion tons in 2011 to 28.5 tons in 2040 – a 62% increase. Railroads are enthusiastically preparing to meet this future growth across the U.S. and here in the Great Lakes State.

***“Freight railroads plan to spend \$23 billion on America’s rail network this year alone so tax payers don’t have to.” AAR***

Here in Michigan Governor Rick Snyder has stated that “improving passenger and freight rail service paves the way for growth in agriculture and manufacturing, enhances property values and stimulates local economies.” Michigan is well-positioned to become a major transportation hub linking the economies of Montreal and Toronto in Canada to Detroit, Chicago and St. Louis.



For freight rail information and updates, please follow us on

**twitter**  
@MI\_FreightRail

# Michigan Operation Lifesaver Update

Michigan Operation Lifesaver (OL) is a volunteer based statewide organization committed to raising awareness and improving public safety on and around highway-rail grade crossings. The goal of OL is to reduce and eliminate train/vehicle grade crossing crashes and trespasser incidents.

Michigan Operation Lifesaver is proud to be part of the most improved safety record in recent history as Federal Railroad Administration records show only one fatality in a crash in 2013. In comparison, there were 40 persons killed in 1985. However, trespassing incidents are on the rise. In Michigan 7 people have died in trespasser incidents so far this year. This is a national trend as trespassers now account for more fatalities than those killed in crashes. Many of those killed were walking on tracks with headphones. The average age for those killed in trespasser fatalities is 35.

Why has there been a steady reduction in crashes and fatalities at Michigan's 4000 grade crossings? Part of the answer most likely is attributable to MDOT's program in identifying certain grade crossings for improved warning devices. This is a highly detailed process to prioritize locations that need work or upgrades. Other factors include: better enforcement of rail statutes, grade separation work and the closing of several crossings. Also, railroads

have improved safety with PR efforts, training programs and equipment such as the installation of ditch lights on locomotives in the 1980's for higher visibility.

Extensive training and education programs are available through OL to educate drivers about potential dangers associated with grade crossings, including on site presentations and special events. In addition, programs are available for

***“Operation Lifesaver shared its safety message with over 14,000 people across Michigan in 2012. So far this year, over 11,000 OL contacts have been made.”***

other groups including law enforcement officers - called Grade Crossing Collision Investigation (GCCII). This program is designed to teach officers about proper procedures to follow during a crash investigation and the laws pertaining to railroad property and trespassing.

Another program that is available is the Officer on the Train (OOTT) enforcement detail where a police officer, in the cab of a moving train, communicates by radio to a waiting patrol chase

unit at the highway-rail grade crossing citing those who break the law.

The backbone of Michigan's Operation Lifesaver organization is the 24 specially trained volunteer presenters across the state whose activities include: making presentations to elementary students in our schools, hosting truck drivers' classes and presenting at service clubs. This OL education and safety effort is carried out at no cost. Also, presenters provide information at fairs, safety gatherings, rail fan events and other special occasions.

Operation Lifesaver shared its safety message with over 14,000 people across Michigan in 2012. So far this year, over 11,000 OL contacts have been made.

Anyone interested in becoming a volunteer with Operation Lifesaver can contact Sam Crowl - State OL Coordinator - at [samcrowl@comcast.net](mailto:samcrowl@comcast.net) or 248-823-7037. Also, please visit MI-OL on the web at [www.mi-ol.org](http://www.mi-ol.org)

Informative quarterly meetings for presenters, supporters and those interested in learning more about OL are invited to attend upcoming meetings which will be held at the Durand Union Station, 9:30am, on November 8, 2013 and February 14, 2014.



From left, Sam Crowl, Michigan Operation Lifesaver State Coordinator, presents Shaun Alcodray with the August outstanding presenter award. Shaun is a Special Agent with CN Railroad. (Photo taken by Rahn Stokes)



From left, Gerald Murray, receives the April 2013 outstanding presenter award from Sam Crowl, Michigan Operation Lifesaver State Coordinator. (Photo taken by Rahn Stokes)

## Reactivation: Michigan Trail Converted Back to Rail in U.P.

Michigan leads the nation in the number of recreational trail miles converted from abandoned railroad tracks, at 2,653. That number may shrink by nearly 2 miles if a stretch of trail between Ishpeming and Republic is converted back to rail - or reactivated. A provision in the federal

Rails to Trails law of 1976 states that if the transportation corridor is ever needed it will be converted back to rail.

Lundin Mining of Toronto plans to use the short stretch of rail for transporting nickel and copper for the Eagle Mine northwest

of Marquette. The materials will be sent to a processing facility in Humboldt. The Michigan DNR must give final approval for the reactivation.

# Rail Insider Spotlight



**Murray D. Van Wagoner**  
State Office Building  
425 W. Ottawa

**Deb Brown, Manager  
Economic Development,  
Budget and Contracts  
MDOT Rail Office**



**Q: Share a railroad story from growing up:**

I grew up in Nebraska and remember that trains seemed to be everywhere. I remember a rail car derailed alongside my cousin's farm, scattering beer kegs and cases all over the place.

**Q: Tell us about your position.**

I'm still trying to figure it out myself...kind of a little bit of everything.

**Q: How many years have you been with the MDOT Rail Office?**

A little over 18 - in one capacity or another.

**Q: How does your position impact freight rail?**

My staff and I are responsible for putting funding and contracts in place for almost every rail project the Department undertakes, but the most direct impact is probably through the Freight Economic Development Program and MiRLAP.

**Q: Tell us something we don't know about the MDOT Rail Office.**

We've only been in existence as a combined office for a little over a year...prior to that rail functions were spread around in four separate areas of the Department.

**Q: Does the freight rail industry interact well with MDOT?**

Yeah, I think so, but we would probably both benefit from some more organized interaction (joint meetings, conferences, etc).

**Q: How can readers follow you (or the MDOT Rail Office)?**



We're on Twitter at  
**@MDOT\_Rail.**

Michigan Rail Update is a publication of the Michigan Railroads Association, 120 N. Washington Square, Suite 601, Lansing, Michigan 48933. President: Jon Cool. Phone (517) 482-9413. Members of the Michigan Railroads Association are Ann Arbor Railroad, CN Railroad, Consolidated Rail Corp. (Conrail), CP Rail System, CSX Transportation, Escanaba & Lake Superior Railroad Co., Genesee & Wyoming Inc., Grand Elk Railroad, Grand Rapids Eastern Railroad Co., Great Lakes Central Railroad, Huron & Eastern Railway Co., Lake State Railway, Lake Superior & Ishpeming Railroad Co., Marquette Rail, Michigan Shore Railroad Co., Mid-Michigan Railroad Co., Norfolk Southern Corp, Walco Co.



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