

Photo Courtesy of Kyle Korinek

FALL 2021 MRA RAIL UPDATE

A publication of the
Michigan Railroads Association

FREIGHT RAILROADS: A CRITICAL & RESILIENT LINK IN THE U.S. SUPPLY CHAIN

Freight railroads operating in Michigan remain a critical part of our nation's supply chain with a proven record of nimbly navigating disruptions such as the COVID-19 pandemic to deliver goods reliably and to bolster the U.S. economy.

As pandemic-related logistic and labor challenges persist globally, freight railroads remain resilient and are doing their part to keep the supply chain moving. In the first half of 2021, freight rail carried greater intermodal volume than in any year prior.

As a part of an interconnected freight network, railroads have been dealing with challenging impacts that originated in other parts of the logistics chain. It is important to keep the following in mind:

Most of the disruptions facing the U.S. supply chain today began due to forces outside of railroads' control and have had spillover impacts on rail operations.

Lingering effects from trade disputes and

shuttered manufacturing operations in the U.S. and Asia due to the pandemic, a lack of shipping containers, a surge in imports, weather events, and a dearth of trucks, container chassis and truck drivers are impacting every phase of the supply network from sourcing to manufacturing to last-mile delivery.

Clearly, no railroad's action can address congested ports, a short supply of trucks and truck drivers, and terminals and warehouses that continue to lack storage space.

Despite these external challenges, the rail industry is maximizing throughput capacity and delivering goods in the most efficient manner possible. During the first half of 2021, railroads



Intermodal Freight Containers

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Jon Cool, *President*
@MI_FreightRail

FROM THE PRESIDENT

Over the last two years the Michigan Legislature has considered whether to create a Local Grade Separation Program. For decades, local governments, communities

and the Legislature have talked about what to do about heavy rail served areas in our state. Putting in place a comprehensive public infrastructure solution would certainly be a win for all.

There have been many conversations, questions, and ideas about setting up such a program here in the Great Lakes State - modeled after the Indiana Local Trax Program.

We are encouraged by the legislative momentum that this issue has received this year. The House and Senate have each overwhelmingly approved similar versions of a Local Grade Separation Program and we are optimistic that final legislation can be approved and sent to the Governor for her consideration by the end of 2021.

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handled the highest volume of intermodal traffic ever moved in a January-June period.

Railroads are doing everything they can to increase capacity, including:

- Stepping up coordination across railroads in busy rail hubs to better manage the flow of traffic and anticipate potential problems ahead of time.
- Managing the flow of intermodal containers into Chicago through a process called metering.
- Increasing storage capacity to offload intermodal containers and keep other trains moving fluidly across the nation.
- Reopening older, shuttered intermodal terminals to increase throughput capacity.

- Restoring services impacted by weather as quickly and efficiently as possible.
- Rapidly recalling rail workers who were furloughed during the pandemic.
- Maintaining idle locomotives so that they can be quickly brought back online.
- Working with trucking partners to move shipments from intermodal terminals as quickly as destination warehousing capacity becomes available.
- Ramping up the hiring of new train operating employees in key markets to handle increased and unpredictable shipping demand.
- Providing bonuses to workers who provide referrals for new hires.

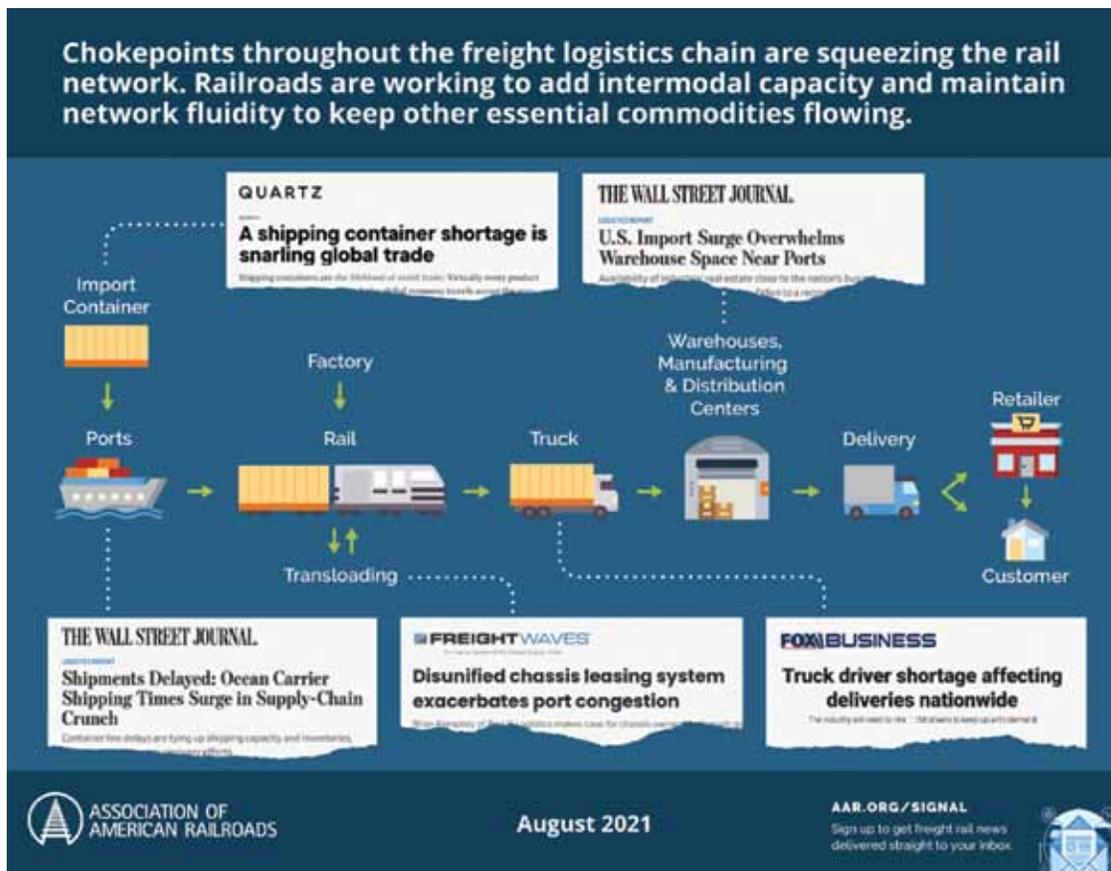
MOVING FORWARD

Railroads are taking additional steps to keep the economy moving as the recovery has stimulated demand and presented supply chain challenges for other modes:

- Adapting to Traffic Shifts: A [report from the Northwestern University Transportation Center](#) predicts that “post-pandemic, freight rail can lead the logistics industry and its customers forward in what is certain to be a volatile future.” Freight rail responded with speed and reliability as intermodal freight traffic exceeded its 2018 and 2019 levels in late 2020. As consumers continue pivoting to e-commerce in the years to come, railroads stand ready to continue being as responsive as they possibly can to the needs of our customers regardless of the nature of a particular crisis.
- Keeping Americans Safe & Goods Moving During COVID-19: As part of the integrated supply chain network that ships around 57 tons of goods per American annually, railroads moved intermodal containers filled with consumer goods and e-commerce purchases, plastics for food packaging and personal protective equipment (PPE), grains, lumber and everything in-between during the pandemic.

Railroads operating in Michigan are a critical part of the nation's economy, supporting approximately 1.1 million workers across our customers' industries and helping them navigate supply chain challenges quickly and reliably. Though many of today's supply chain disruptions temporarily persist, the industry remains committed to a shared goal while navigating them: delivering the best possible service product for customers and consumers.

Information provided by the Association of American Railroads.



► CONTINUED FROM PAGE 1: **FROM THE PRESIDENT**

Thank you to Sen. Dale Zorn and Rep. Darin Camilleri for tirelessly working on this issue.

The MRA remains very concerned with a legislative effort that would impact utility permitting for safely digging under railroad right of way. Railroads are federally obligated to operate safe railroad corridors and this legislation would negatively impact that responsibility. We continue to review and discuss ideas on how the Michigan Railroad Code could be updated to maintain railroad property rights, not shift utility project

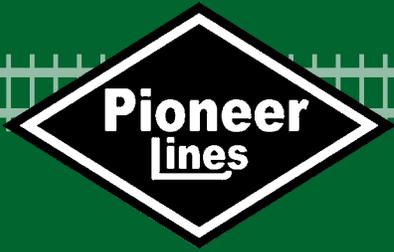
costs onto railroads and to guarantee federally mandated safe railroad construction practices.

We additionally seek to add into the Railroad Code new language that would address the ever-increasing utility trespass activity that railroads routinely experience. It is common for freight and passenger trains to come upon utility crews who are working on, or very close, to railroad property. Railroad companies also find work that has already occurred without any notice to the railroad. These issues must be addressed.

Rail Safety Week happens every fall and we look forward to numerous media and public events promoting safety near railroad property. Michigan Operation Lifesaver – Curtis Stewart and Sam Crowl – do an outstanding job working with railroad and law enforcement partners sharing rail safety messaging. Thank you to the entire Operation Lifesaver volunteer team for helping with this safety effort.

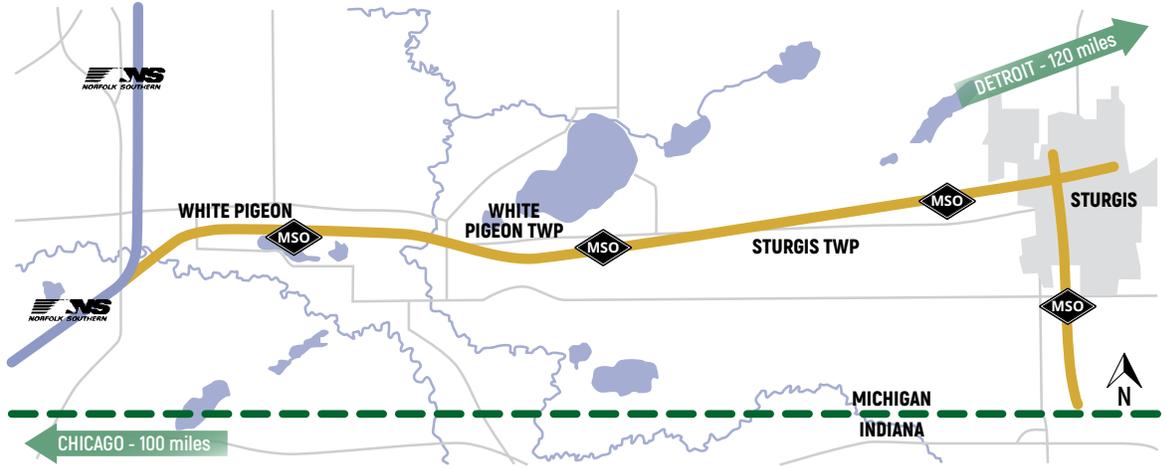
MOVING MICHIGAN

FEATURING



The Michigan Southern Railroad (MSO) can trace its roots back to Michigan's first railroad, the Erie and Kalamazoo Railroad. The railroad's name derived from its plan to connect goods and people from the east side of the state to locations on Lake Michigan. The railroad was commissioned in 1832, started construction in 1835 and by late 1836 had its first – and what became its only – portion finished of thirty-three miles of rails. It ran from Port Lawrence (modern day Toledo), Ohio to Adrian, Michigan.

At first, horses were used to pull cars. Quickly, however the decision was made to use a steam powered engine which arrived in Port Lawrence in June of 1837. The finances for this venture proved difficult, and in May 1849 the railroad was "leased in perpetuity" to the Michigan Southern Railroad Company, which had just purchased Michigan's state owned "Southern Line" that travelled from Monroe west to Adrian. The Erie and Kalamazoo connected with the southern line in Adrian and became the Michigan Southern Railroad's entrance (or origin) from Toledo going as far west at the time to Hillsdale. As a young American nation began its westward expansion, the Michigan Southern (now, The Lake Shore and Michigan Southern Railway) continued to grow



towards Illinois. The line ultimately became part of the "Old Road" between Toledo and Chicago, via Adrian, Hillsdale, Coldwater, White Pigeon, Elkhart and South Bend, which in 1852, was the first railroad from the East Coast to reach Chicago.

The line evolved many times over the years, eventually folding into the New York Central Railroad, the Penn Central Railroad and was subsequently abandoned by Penn Central Railroad's successor Conrail. However, remnants of the "Old Road" are preserved as the present-day Michigan Southern Railroad, which continues to operate 21 miles between Sturgis and White Pigeon.

The pioneering efforts of the early railroads were – and remain – major players in the economic growth of southern Michigan. The MSO provides a vital link for many industries, many of them

small businesses, to regional and global markets. Interchanging with Norfolk Southern in White Pigeon, the MSO track primarily handles plastics, aggregates, food products, grain, lumber and paper products.

Under new ownership since 2019, MSO's parent company, Pioneer Lines, has placed significant resources to support business growth by modernizing and addressing years of deferred maintenance on the MSO. In the last two years, 350 ties have been replaced to improve the conditions of the mainline allowing the MSO to safely handle a variety of shipments. Utilizing Michigan Department of Transportation's (MDOT) Freight Economic Development Program, the MSO worked in partnership with several customers

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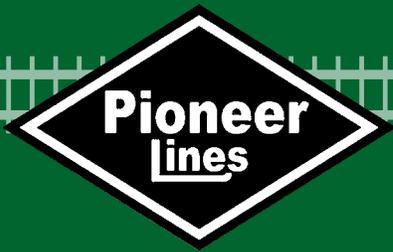
Michigan Southern locomotive 1603 crossing the Fawn River near White Pigeon.



Michigan Southern crew on locomotive (L-R): Cory West, Nate Bowers, David Baker, Gino Agostini and Chad Schwaiger. In front (L-R) Brice Travis, Regional GM and Jodi Heath, Director of Business Development - Northern Region.

MOVING MICHIGAN

FEATURING



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to expand facilities and construct new sidings which will increase rail shipments and bring new jobs to the local economy beginning next year. And, later this year, two new crossings will be rehabilitated with the assistance of MDOT's Local Grade Crossing Surface Program.

The upgraded crossings not only provide a smooth and serviceable crossing for the motoring public, but also considerable safety improvements, which has been a priority for Pioneer since new ownership took the helm. By providing the right tools to team members and creating a safety culture, the MSO has been able to bring the incident rate below industry average, with no reportable injuries in the two years since new ownership. Earlier this year, the MSO was recognized with distinction for this accomplishment by

the American Short Line and Regional Railroad Association (ASLRRRA) annual Jake Safety Awards. The MSO's unwavering focus on safety and flexible local service has been a key driver of success in creating economic vitality in the local community. Despite the myriad of challenges of the global pandemic, since 2019 the line has seen a 68% increase in shipments. Today, over 1,600 jobs are directly or indirectly supported by the railroad in the community. Further growth is expected with adjacent industrial sites and large transloading capabilities to attract new business and support the growth of existing customers. MSO's innovative solutions and a dedication to providing safe, reliable, and cost-effective freight services are aimed at keeping this "Old Road" working well into the future.

MICHIGAN SOUTHERN RAILROAD (MSO)
PARENT COMPANY: PIONEER LINES

ROUTE MILES
21

COMMODITIES
AGGREGATES, CHEMICALS, FOOD PRODUCTS, GRAIN, LUMBER, PAPER AND PLASTICS

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CONGRESSMAN DAN KILDEE TOURS CN FLINT RAIL OPERATIONS



Congressman Dan Kildee

Congressman Dan Kildee joined Stacey Lyons - CN Manager, Government & Public Affairs - and the local CN team in May for a tour of the CN Flint Terminal. We appreciate Congressman Kildee spending time with us discussing a wide array of issues impacting Michigan, CN specifically and the entire freight rail industry.

Thank you, Congressman Kildee, for the valuable dialogue.

From L to R, Jeffery Price - CN Special Agent, James Golombeski - CN Superintendent, Dave Foster - CN Transportation Manager, Congressman Dan Kildee, Stacey Lyons - CN Manager of Government and Public Affairs.



INDUSTRY RECOGNIZES CN'S ANDREA NEITHOLD



Andrea Niethold - Director of U.S. Government Affairs CN

Andrea Niethold, Director of CN's Government Affairs office in Washington DC, has been named a Progressive Rail "Rising Star." Andrea not only lobbies the halls of Congress and keeps tabs on federal legislation and regulations impacting the freight railroad industry, she also comes back to her native state of Michigan for tours of CN operations

with state officials. Of special note - as part of this award - was Andrea's intense work during the negotiations of the United States-Mexico-Canada free trade agreement (USMCA). Andrea worked tirelessly on Capitol Hill to have freight railroad priorities written into the agreement, voted upon, and signed trilaterally. Congratulations Andrea!

MICHIGAN OPERATION LIFESAVER UPDATE



Michigan Operation Lifesaver is pleased to announce that Curtis Stewart has been promoted to State Coordinator as of July 1, 2021. Sam Crowl, who was State Coordinator, has taken on a supporting role with MI-OL. Thank you Sam for your tremendous, impactful hard work and years of dedication to MI-OL.

Curtis Stewart is a US Army veteran and a retired Lansing Fire Department Captain. Mr. Stewart has been with Operation Lifesaver for over 20 years as a Presenter, Operation Lifesaver Authorized Volunteer (OLAV), Rail Safety for Emergency Responders & Grade Crossing Collision Investigation Instructor, OLAV Coach and Assistant State Coordinator. Mr. Stewart also volunteers at the Michigan Railroad History Museum in Durand. Stewart has one son, Darian and resides in Lansing.

Stewart's continued and future goals are to sustain the effort to reduce highway/rail incidents and trespasser injuries and deaths on railroad property. In addition, continue to recruit and retain new OLAVs.

New data from the Federal Railroad Administration (FRA) reveal an equal number of

crashes and trespasser incidents for this year compared with 2020; with 20 crashes and 2 trespasser fatalities in the state.

Some of MI-OL special events held - and to be held - in which OL has participated are: farmers markets, county fairs, trade shows, festivals, train shows, safety towns and rail incident safety course classes. Virtual and in person presentations for new drivers, school bus drivers and transit employees will be planned.

MI-OL is also continuing to paint "See Tracks See Trains" signs on the sidewalks leading up to rail crossings in high traffic areas. MI-OL also held a safety blitz between Albion and Kalamazoo in May to educate area residents about the increase in speed for Amtrak trains running through their communities at up to 110 MPH.

MI-OL will hold an OLAV face to face class to train new OLAVs on November 5, 2021 at the Durand Union Station starting at 9:00 am. Contact Curtis Stewart at: frmn2009@sbcglobal.net for more information on either event.



Curtis Stewart, MI-OL State Coordinator



CSX Special Agent Paul Brady (L) receives a special recognition plaque for his outstanding contributions in support of MI-OL from Sam Crowl, Asst. State Coordinator.

REP ABRAHAM AIYASH CSX ONSIGHT VISIT

The MRA would like to thank Rep. Abraham Aiyash for meeting with Rusty Orben, Director - State Relations CSX, at a local rail crossing to discuss utility permitting and other rail related items.

We appreciate the conversation and your willingness to discuss this topic, Representative Aiyash.



(L-R) Rep. Aiyash visits a CSX crossing with Rusty Orben, VP Resident - CSX



MRA

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