



POWER TO MOVE

CONNECTING INDUSTRY – DELIVERING VALUE

VOLUME 1

SPRING 2007

CHICAGO SOUTHSHORE & SOUTH BEND RAILROAD



Henry Lampe, president of SouthShore Freight, is all smiles about the company's new newsletter, "Power to Move."

A word from the President

Welcome to the inaugural issue of "Power to Move," a newsletter established, created and distributed to bring customers, employees and interested parties up to speed on what's happening with our railroad.

Topics covered in this and subsequent issues will range from accomplishments and enhancements in safety to employee features and recognitions. We'll identify goals and the strategic initiatives developed to meet them. We'll communicate how we intend to provide the best, most reliable service to our customers.

The focus at SouthShore Freight is on providing the utmost in customer service, ensuring a safe and secure work environment for employees, and delivering outstanding returns for our shareholders and owners.



Many SouthShore Freight employees enjoyed a cookout May 5, celebrating the railroaders' achievement of an injury-free first quarter.

Safety milestones

SouthShore employees have worked hard with their managers to improve safety overall. From improved work conditions, safety gear and training, everyone has stepped up to the task of getting things corrected and getting the job done safely.

Since Sept. 8, 2006, there have not been any reportable injuries. In the first quarter of 2007, employees have continued to improve in the reporting of unsafe exposures, further preventing incidents that lead to injuries.

"Our employees are really in tune with their surroundings, and they make a conscious effort to avoid problematic situations," superintendent Dave Malay said.

When it comes to working safely, Malay credits SouthShore Freight employees with communicating well, conducting thorough job briefings, and bringing safety issues and concerns to the table. He also says they are more committed to safety than any other railroad he has ever seen.

"We're doing a better job every day and I really appreciate the work our employees have done and continue to do," Malay said. "The pride and culture of this railroad will no doubt be the proudest and safest in the country in no time with the collaboration of good quality improvements from all the staff at the SouthShore."



90 YEARS AND COUNTING

The year 1916 saw the Boston Red Sox beat the Brooklyn Dodgers four games to one in the World Series, the completion of Monet's "Water Lilies" series and the publication of Albert Einstein's "Relativity." It was also the year Chicago SouthShore & South Bend Railroad began freight service in Northwest Indiana and Northeastern Illinois.

To commemorate its 90th anniversary, SouthShore Freight chartered two privately owned passenger cars, the Warren R. Henry and the Evelyn Henry, built for Union Pacific in 1955 and 1954, respectively. The cars, which are owned and operated by Creative Charters Inc. of Houston, were pulled by two of SouthShore Freight's GP38-2 locomotives, No. 2000 and No. 2007.

The festivities included eight trips over the course of four days, with an afternoon and evening trip each day.

Passengers could ride from the railroad's depot in Michigan City to South Chicago's 124th Street stop.

Upon returning to Michigan City, passengers received commemorative medallions, bearing the railroad's name, slogan and the years that bookend its 90th anniversary.

In an article published in the American Association of Private Railroad Car Owners' newsletter, "Private Varnish," Chuck Compton, Vice President-Business Development, expressed his appreciation of SouthShore Freight employees and a job well done.

"The trips went off without a hitch, and we couldn't have been more proud of our employees," Compton wrote. "The pride our employees have in their company has never been more evident than it was for this event, which was a smashing success."

Bradford still going strong

Bittersweet: adjective — evoking happiness tinged with sadness or pain, a word Ron Bradford uses to describe his feelings regarding his job and retirement.

"If you don't like your job, I guess leaving it would just be sweet," Bradford said. "For me, though, I've been blessed that I've always enjoyed my job, so it will be difficult to simply quit working one day."

Bradford originally hired on in June 1966 as a collector/brakeman in Michigan City. Since then, he has worked as a train dispatcher, assistant trainmaster, assistant road foreman, trainmaster, road foreman/rules examiner and, currently, locomotive engineer. He resigned from supervisory roles and returned to train service in 1990.

"I've enjoyed it all — every facet of the railroad and every experience — but running trains is what I like most," Bradford said. "It's challenging and interesting, and every day, even though you might do the same thing, is always different."

Regardless of the job, role or responsibility at hand, Bradford has managed to accomplish everything without injury or incident. His secret to success: follow the rules, and pay attention to the task at hand.

"When I started with the railroad, there were fewer rules and regulations," Bradford explained. "The company has established rules to keep us safe. They're there to be followed and that means you can go home safely."

With more than 40 years of injury-free railroading under his belt, Bradford has considered retirement but says that is on hold; for now, he will continue to enjoy his job.

When he is not working, Bradford spends time with Terry, his wife of 42 years, their six children and 11 grandchildren. He also enjoys fishing, golfing and traveling.

Ron Bradford says although retirement is an option, he'll keep running trains because he enjoys it.



SouthShore Freight's eye-catching billboard conveys an important message to passers-by in Northwest Indiana.

IT'S A SIGN

Relieving Highway Congestion Since 1916 is not just a good slogan, it's the truth.

For this reason, the catchphrase — along with tag lines "Good for Business" and "Good for Northwest Indiana" — was selected to represent SouthShore Freight on a billboard on Interstate Highway 94. According to Chuck Compton, Vice President - Business Development, the motivation behind the message was twofold: to distinguish the freight operation from the commuter rail service and to foster a positive image of the freight rail industry in general.

"We decided a billboard marketing campaign would reach hundreds of thousands of regional residents and truck drivers traveling the busy I-80/94 and I-90 corridors in Northwest Indiana," Compton said. "We're pleased with the positive response to the campaign, both from the public and other local railroad personnel."

Compton says plans for future billboards may include messages regarding SouthShore Freight's transloading operations, the environmental benefits of railroads and the industrial and economic development opportunities of locating on the SouthShore Freight line.

"We are hopeful that our success with this campaign will encourage other short lines and Class I carries alike to convey similar themes in their communities," Compton said. "Considering the estimated future demands on our nation's already overburdened highway infrastructure, there has never been a greater nor more urgent need for such a message."

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The exterior of the car shop was recently redone, providing a fresh look for the building.

Coil Cars keep coming

The Chicago SouthShore & South Bend Railroad made nearly \$9.5 million dollars in capital improvements in 2006. The largest purchase was 100 covered coil cars acquired in June to enhance the company's freight service for its steel customers.

The 112-ton capacity, 42-foot cars are equipped with end-of-car cushioning and insulated one-piece covers. They also feature a continuous trough with moveable crossbars to accommodate steel coils ranging from 30 to 84 inches in diameter. Considering the significant volumes of steel manufactured in the area — nearly one-fifth of America's total steel production — South Shore Freight's ability to transport various coil sizes is essential.

SouthShore Freight serves several major steel customers including Mittal Steel, formerly Bethlehem Steel; U.S. Steel; Primary Steel-Chicago; and Roll Coater Inc.

Since beginning operations as an independent freight carrier in January 1990, South Shore Freight has acquired a fleet of approximately 500 freight cars, many of which are utilized by and for the steel industry.

The 2007 budget and foreseeable capital expenditures for SouthShore Freight reflect plans for a bright future with \$1 million being dispersed among departments and projects, including:

- the continuation of the shop rehabilitation, including roof work and a new concrete floor. Upon completion, the facility will have undergone the refurbishing necessary for the next 50 years.
- tie replacement project on Kingsbury Subdivision and CSXT connection track.
- computer software systems upgrade.
- modification of two of the fleet's 10 locomotives.
- addition of updated locomotive data transmission devices, which will allow train crews to provide customers with the most current real-time data.



Brett Hendrix, conductor and 23-year railroad employee, fills out a safety notification form in the crew room.

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Committed to concerns

Every month, representatives from various crafts and departments meet to discuss one of the most important aspects of railroading: safety.

Dennis Eldridge, trainmaster and chairman of the SouthShore Freight Safety Committee, facilitates the monthly meetings, which are attended by employees from the Maintenance of Way and Mechanical departments, managers, clerks and any other employee who wants to provide input. Eldridge is pleased with union participation because it fosters teamwork, cooperation and an understanding among all parties.

“A culture change is coming, and I think everyone is buying into safety throughout the railroad,” Eldridge said. “We make a concerted effort to take care of employees’ concerns as expediently as possible, because their safety is our No. 1 priority.”

Eldridge notes that the committee’s projects have ranged from fixing difficult switches to repairing rail to improving visibility by eliminating weeds. He emphasizes that no concern is too minor or insignificant.

“Thanks go to the employees for embracing the safety culture we’re trying to implement,” Eldridge said. “I hope they continue to do what they’re doing because it’s clearly effective, and the work is getting done safely.”

Safety questions, comments or concerns should be noted by filling out a safety notification form and submitting it to any supervisor or safety committee member. The forms are located in the crew room, and progress on every safety item is posted on the bulletin board.

“We update this board to ease people’s minds and let them know that, yes, their concerns are important and are being addressed,” Eldridge said.

Grounds for additions

“Buy land. They’re not making it anymore.”

Nearly 100 years after his death, the words of American writer Mark Twain are acknowledged, appreciated and applied by individuals and companies alike.

At the end of March, SouthShore Freight closed on 105 acres of land in LaPorte, Ind., near the Indiana Toll Road and Indiana’s Highway 39. Space within the SouthShore Rail Industrial Park is now available for sale or lease to parties needing rail service.

“We now have additional space for new customers or current customers who want to expand,” said Chuck Compton, Vice President-Business Development. “We’re enthusiastic about the opportunities this space will provide.”

Those interested in additional information about the site — which is on SouthShore’s branch line, serving Kingsbury Industrial Park — should contact Compton at (219) 874-9000, Ext. 210.

An aerial view of what will soon become the SouthShore Rail Industrial Park shows plenty of space for sale or lease to interested parties.

