



POWER TO MOVE

CONNECTING INDUSTRY – DELIVERING VALUE

VOLUME 2

SUMMER 2008

CHICAGO SOUTH SHORE & SOUTH BEND RAILROAD



Freight Rail Delivers...for EVERYONE!

Safer Roads • Lower Costs
Cleaner Air • Fuel Efficiency



www.SouthShoreFreight.com/EVERYONE



South Shore Freight's newest billboard, located on westbound I-94 near exit No. 34, promotes the rail industry's benefits ... for everyone.

Billboard Shines in Michigan City

As motorists on westbound I-94 pass exit No. 34 to Michigan City, a new South Shore Freight billboard reminds them how important railroads are. Or, perhaps upon seeing it, they realize it for the first time.

"This billboard was designed to educate the public about the positive aspects of railroads, and how they help everyone," said Chuck Compton, Vice President-Business Development.

In addition to plugging South Shore Freight, the billboard, which

Compton designed with the aid of Catalyst Marketing Innovations, Michigan City, advertises the benefit of the rail industry at large: safer roads, lower cost, fuel efficiency and cleaner air.

"The demand for freight transportation is expected to grow tremendously over the next 20 years, and we believe freight railroads will play an even larger role in moving that freight," he said.

Visit the Web site and learn more about how railroads benefit all of us by logging on to <http://www.southshorefreight.com/EVERYONE>.

South Shore Freight Receives Award, Accolades

By reducing their end-of-year 2006 collective injury frequency ratio in 2007, employees of South Shore Freight Railroad earned themselves an American Short Line & Regional Railroad Association Jake Award for the second consecutive year.

In a letter sent to South Shore Freight, alerting employees of their success, representatives of the ASLRRA sing the praises of each of the railroads that qualified for the prestigious award for 2007.

"Your success in promoting safety serves as a model toward which all railroads must

strive in order to achieve our goals of promoting the rail industry as the safest means of transportation," it said. "We thank you for your tremendous efforts in maintaining the high standard of safety towards which the railroad industry is striving."

Ultimately, the Jake Award is meant to recognize short line and regional railroads' safety performance, which is determined, in its simplest terms, by incurring fewer reportable injuries than the industry standard for a railroad comparable in size and man-hours.



Hanging on the wall with South Shore Freight's numerous other awards and recognitions, the 2007 Jake Award represents the company's employees' collective dedication to safety.

Site Attains “Shovel-Ready” Status

With a binder full of completed paperwork and several other responsibilities checked off South Shore Freight’s to-do list, the 105-acre industrial site at Indiana Toll Road and Indiana’s Highway 39 has now attained “shovel-ready” designation from the State of Indiana.

According to Chuck Compton, Vice President-Business Development, the process took nearly nine months. Now that it’s over, he said it was well worth it. South Shore Freight owns one of two shovel-ready sites in LaPorte County.

“This is important because it tells firms that approach the state for property that this land is ready to be built on immediately,” Compton said. “Everything that needs to be done before building can commence is done.”

Some of the pertinent documents that were completed as part of the shovel-ready application process include a title search, Phase I environmental, property and wetland surveys.

Just as having shovel-ready status is important to developers, it’s important to South Shore Freight as the land owner, because it puts the area in Indiana’s economic development database. This



Having acquired a “Shovel-Ready” designation from the State of Indiana, South Shore Freight’s 105-acre plot of land in LaPorte County is ready to be developed.

information is available to developers looking at Indiana as a place they’d potentially like to locate.

Davison Turns Attention Elsewhere

With more than 20 years of welding experience, Ed Davison has the knowledge, skill and precision to mend even the most severe damage. As of his July 30 retirement, however, he doesn’t have the opportunity to use his talents on the job anymore.

Prior to joining South Shore Freight March 21, 1985, Davison worked as a welder, diesel mechanic and part fabricator at Clark Equipment, a job that netted him top-notch ability and unlimited welding card.

“That card means that if it can be repaired by welding, they expect me to do it,” said Davison, Freight Carman Welder. “They tear things up to where they almost can’t be fixed, and I fix them.”

Even to the untrained or amateur’s eye, Davison’s work yields remarkable results and transforms what resembled a heap of scrap metal back into a refurbished, usable freight car. That particular aspect of his work was Davison’s favorite part of the job.

“I liked fabricating the parts and pieces and putting them together



Davison, left, receives a Bass Pro Shop gift card and a congratulatory handshake from Gary Lied, Chief Mechanical Officer, during his July 30 retirement luncheon.

to make the cars serviceable again,” he said. “It was neat to see what it was and then bring it back to where you couldn’t tell it had ever had any damage.”

Throughout his 23-year career, Davison has come to appreciate the people he worked with as much as the role itself, and they are what he’ll miss



Davison, seated second from left, sits with friends and family members, including Paul Rosentreter, standing left; Korina, 3; Madison 11; Zac and Patricia Davison, and Sue Rosentreter.

most. However, he won’t have time to wonder after his former co-workers.

“I don’t know how I’ve had time to come to work,” Davison said.

Although he won’t be reporting to South Shore Freight’s Mechanical Department, he’ll stay busy canning vegetables with his wife, Patricia, riding his Honda motorcycle and camping. He’ll also travel to Arkansas and throughout Indiana to visit his five children and 12 grandchildren.



Ed Davison will keep plenty busy following his July 30 retirement.



At South Shore Freight's June 26 Centennial Conference in South Bend, sponsored by the Indiana Historical Society, artist Mitch Markovitz unveiled his newly completed poster, commemorating 'one hundred years of enduring tradition.'

Century of Tradition

One hundred years ago, the Grand Canyon National Monument was dedicated, Mother's Day was observed for the first time, and the Chicago Cubs won the World Series.

Even closer to home, the Chicago South Shore & South Bend Railroad got its start, first as a passenger line and as a freight transportation provider shortly thereafter, due to the region's booming industry.

As the area's steel industry prospered, so did related business interest that provided raw materials such as coal, coke, scrap iron, lime and iron ore. This heavy industry was ideally suited to moving products and materials via rail, and South Shore Freight has played an integral role, meeting the region's logistical needs for 100 years.

Today, transporting goods by rail has proven to be more economical, more efficient, safer and more environmentally-friendly. Here's to 100 more years of South Shore Freight tradition!



AEI Reader at Bailly

South Shore Freight's newest Automatic Equipment Identification readers, installed on both sides of the track near Bailly, feed up-to-date information to CSS' train management system in Atlanta in real time as freight cars pass by.

South Shore Freight and its customers may enjoy increased accuracy and efficiency, thanks to a new Automatic Equipment Identification reader near Bailly, Ind.

As railcars pass the AEI, its sensors read data and feed it into South Shore Freight's train management system in Atlanta. Having this information updated in real time benefits the railroad's customers and employees, as the system identifies both inbound cars and empty freight cars released to certain locations to be loaded.

"Before these systems, customer service agents would have to go to the yards and tracks and walk the trains to take inventory," said Paul Lyles, Manager-Customer Service and Technology. "This method is significantly faster and more accurate."

Installed July 17, the AEI near Bailly replaces an older one at Wilson, nearly a mile away.



The 'brains' of the AEI system are located in this metal bungalow.

ELDRIDGE MAKES THE GRADE

Throughout his 10 years on the railroad, Dennis Eldridge has held a handful of jobs, including brakeman, conductor, trainmaster, and, as of April 1, Manager-Train Operations.

Regardless of job title, Eldridge takes pride in his work and gets the job done right the first time.

"Dennis was selected because of his drive, professionalism and his commitment to the railroad," said Jim Thompson, Vice President-Operations. "He's given 100 percent from the get-go, and we appreciate his determination and his ability to run this operation."

In addition to overseeing and manag-

ing day-to-day happenings of the railroad, Eldridge has tasked himself with improving employee morale, opening lines of communication and generally providing direction and honesty to each and every one of his co-workers.

"I like being able to contribute to the success of this company and its employees," Eldridge said. "This job lets me have more input and be more involved to facilitate that."

When he's not on the job, Eldridge enjoys spending time with his family and pursuing a business degree at Purdue North Central University.

Projects Enhance Customer Service



The siding near Davis, Ind., has been extended 600 feet to the west, subsequently providing more storage space for customers' cars.

A number of recent projects and upgrades throughout South Shore Freight's system allow the railroad to better serve its customers.

By extending the siding in Davis, Ind., from 400 feet to 1,000 feet and tying it back into the main line track, the railroad has rendered this space more useful. It can now be accessed from either direction and is a more optimal area to stage and place 35-40 freight cars.

Two additional projects intended to benefit local customers have been completed in the Michigan City area. The track at Lincoln Yard has been extended, and a crossover from Shops Yard to the Stillwell mainline has been constructed. According to Jim Thompson, Vice President-Operations, these undertakings will help immensely in their respective areas, thus allowing the railroad to continue to meet its customers' needs.



Chicago South Shore & South Bend Railroad Company
 505 North Carroll Avenue • Michigan City, IN 46360-5082
 219.874.9000 • Fax: 219.879.3754
 Toll Free: 800.873.1486
 www.SouthShoreFreight.com



Chicago South Shore & South Bend Railroad Company
 505 North Carroll Avenue
 Michigan City, IN 46360-5082

PRSR STD
 U.S. POSTAGE
 PAID
 MAIL U.S.A.
 68502

Andy Laurent, Manager-Growth Initiatives as of April 1, enjoys his job for the opportunity he has to be involved and have a positive impact.

Laurent contributes to CSS' success

On April 1, Andy Laurent began his role as Manager-Growth Initiatives for South Shore Freight.

Laurent worked six years as an Economic Development Specialist for the City of South Bend, which entailed a number of responsibilities, including railroad coordination.

“The more I learned about the railroad industry, the more I decided it would be a good career path,” Laurent said.

Reporting to Chuck Compton, Vice President-Business Development, Laurent is primarily responsible for expanding and diversifying South Shore Freight’s traffic base, most obviously resulting in an increased carload. He uses his economics background to address inquiries that come into the railroad, many of which entail an interest in development along the railroad’s track. Laurent says South Shore Freight’s growth areas are mainly from Michigan City east, in LaPorte and St. Joseph counties, where there is real estate available to new industry or those looking to expand.

It is this contact with potential customers and developers that Laurent appreciates about the job, because it allows him to contribute to the success and progression of the company.

“The size of this company is such that I can be involved and have an impact, rather than be a cog in a machine, and that is very rewarding,” Laurent said. “Every employee here is an integral part of this organization and that fits my style.”

When he’s not working, Laurent and his wife, Jennifer, enjoy traveling, especially to their families in Alabama and Wisconsin. His hobbies include historical research and outdoor activities, such as backpacking and hunting.



Since returning to service in June, locomotive No. 2002 shines and runs like a dream following its complete overhaul.

NO. 2002 BETTER THAN NEW

Thanks to a major preventive mechanical overhaul, one of South Shore Freight’s 10 locomotives, No. 2002, will produce fewer emissions and receive better fuel economy.

This for less than 10 percent of what it would have taken to buy a new locomotive for the fleet.

According to Gary Lied, Chief Mechanical Officer, the unit was returned to service in June after a six-week overhaul by National Railway Equipment Company in Dixmoor, Ill. The process included replacement of cylinder heads, pistons, rods and bearings, application of a rebuilt air compressor, auxiliary generator and engine cam shafts, as well as substantial car body repairs and a new paint job. Lied says locomotive No. 2001 will receive an identical reconditioning during the first quarter of 2009.