



POWER TO MOVE

CONNECTING INDUSTRY – DELIVERING VALUE

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CHICAGO SOUTH SHORE & SOUTH BEND RAILROAD



Safety committee members present at the Jan. 22 meeting include Bill Wilkinson, Customer Service Representative, left; Tim Harvey, Car Inspector; Dennis Eldridge, Manager-Train Operations; David Zdyb, Chief Train Dispatcher; Jim Thompson, Vice President-Operations; and Terry Sydow, Conductor. Not pictured: Don Buford, Locomotive Engineer; Steve Gropp, Assistant Manager-Maintenance of Way; and Don Hertzberg, Manager-Maintenance of Way.

PLAYING IT SAFE

Chicago South Shore Freight's safety committee is small but mighty.

Since the group's inception, its members have worked to enhance safety throughout the railroad, and they intend to continue doing so.

"We've identified a lot of problems and closed out a lot of items, and we're proud of that," said Dennis Eldridge, Manager-Train Operations. "We're always looking for ideas and suggestions to improve safety, because input from employees can only help."

At each of the team's monthly meetings, participants from various departments review the status of open safety items, determine a time line to address them, discuss newly submitted safety issues and concerns, and identify ways to communicate their findings to all employees.

"Our goal is to promote and increase awareness about safety in day-to-day

operations among everyone out there," said David Zdyb, Chief Train Dispatcher and five-year safety committee member. "If we can get people to think about safety as they go about their jobs, we've been successful."

During the Jan. 22 meeting, those present elected to become much less lenient on the correct and consistent use of PPE, to create and maintain the safest possible working environment. They also considered completing more safety job briefings with crews, discussed audits of the 21 industries served by CSS employees and noted some changes made to the 2009 Safety Action Plan. Eldridge also mentioned providing CSS hooded sweatshirts to all employees for an injury-free fourth quarter last year.

"We're shooting for zero, like we always do, and that means zero injuries and zero incidents," Eldridge said. "If there's ever any

doubt as to how to complete a task, always take the safest course of action."

Regardless of job title, department or duration of service, each safety committee member seeks to help his co-workers complete each task, project and shift without incident or injury. Fortunately and with good reason, CSS employees agree as they work together to get their work done safely.

"With as much emphasis as there is on safety, we get an occasional eye-roll, but for the most part, they do what they can do to be safe," said Terry Sydow, Conductor. "I care about people's safety and don't want anybody to get hurt out here, and that's why I choose to be a part of this committee."

Additional good news is that anyone who agrees with Sydow's sentiment and wants to further the safety committee's cause may join the group or provide input to it.

Lampe Shares Experience, Insight With RSTAC

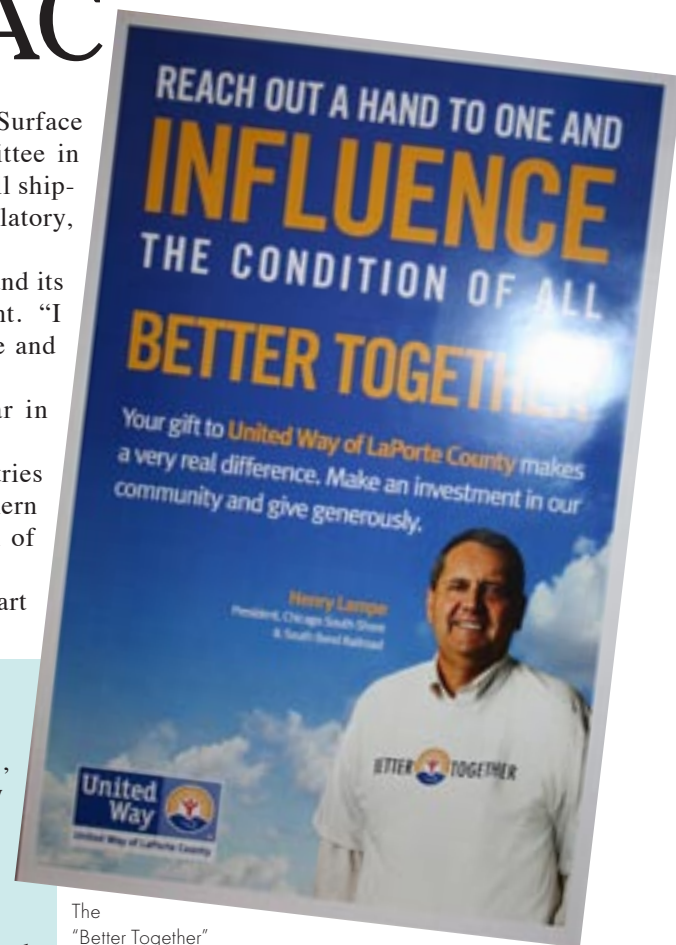
Upon being nominated and approved for membership as part of the Surface Transportation Board's Railroad-Shipper Transportation Advisory Committee in January, Henry Lampe joins 14 other appointees, representing large and small shippers and railroads, tasked with advising a number of Federal agencies on regulatory, policy and legislative matters.

"I'm happy to contribute to the dialogue between the railroad industry and its government regulators," said Lampe, President-Chicago South Shore Freight. "I think my 40-plus years in the railroad business will allow me to contribute and offer perspective to the group."

As an RSTAC member, Lampe will attend four meetings each year in Washington, D.C., each of the three years of his membership.

The group is comprised of individuals from various companies and industries located throughout the country, including Union Pacific, Kansas City Southern and CSX railroads, Chrysler, Exxon Mobil and the Packaging Corporation of America.

"I was honored to accept the nomination, and I look forward to being a part of this group," he said.



United Way Success

The LaPorte County United Way exceeded its campaign goal by \$5,740, raising a total of \$1,107,748. The success was due, in part, to the generosity of Chicago South Shore and South Bend Railroad employees.

According to Lance Werner, Controller/Treasurer, Chicago South Shore Freight, employees collected \$7,100. Subsequently, the company matched that amount, bringing the total United Way contribution to \$14,200.

Werner says the number of employees who participated this year increased 77 percent compared with 2008, and their donations increased by 32 percent.

The "Better Together" slogan on Lampe's shirt points to the cooperative success of LaPorte County United Way and the Chicago South Shore and South Bend Railroad United Way campaign.

From The Desk Of Henry Lampe

As we reflect on the past year, it's clear we have much to be proud of and celebrate: As we look toward the coming months, it becomes evident that we have significant challenges.

Chicago South Shore & South Bend Railroad enjoyed a successful 2008. With the current economic conditions being what they are, we will strive even more and work even harder in 2009 to do the jobs and maintain the standards that our customers expect of us.

Despite the nation's economic downturn, the capital improvements we've made on our railroad throughout the last few years will allow us to weather this economic downturn well. In other words, the railroad is in excellent condition, with regard to our people, equipment and facilities. We've invested heavily in all three areas and look forward to continued success and a renewed sense of growth and prosperity.

Thank you, CSS customers, employees and investors, for your support and contributions, which have allowed Chicago South Shore & South Bend Railroad to consistently improve and achieve success.

Providing To

With transloading capabilities in LaPorte, Michigan City, Gary, the west side of South Bend, Burnham Yard at the state line, and the Illinois International Port of Chicago, transport opportunities abound for Chicago South Shore Freight Railroad and its customers.

Andy Laurent, Manager-Growth Initiatives, says transloading is an effective way to expand CSS' market by 20-30 miles off its track, without relying on new customers to locate along the rail lines.

He adds that new customers, of course, are always welcome, and transloading is an ideal way for potential customers to investigate rail service without making the capital investment to build a rail spur.

One of CSS' newest transloading customers is Michigan City's Fas-Pak, Inc., which received its first car in December.

Fas-Pak provides production, packaging and warehousing to its customers. The company receives petroleum products in tank cars from a Chevron refinery in Texas, which is then blended with other chemicals to produce Meguiar's Hot Shine, a tire cleaning spray.

From each tank car spotted by Chicago South Shore Freight employees, Fas-Pak can fill more than three trucks and produce ap-

GETTING CARDED

In an effort to provide a more secure environment at the country's port locations, the Transportation Security Administration requires people with access to these ports to carry additional identification to gain entry.

Because Chicago South Shore Freight employees serve the Illinois International Port of Chicago, all ground-service employees must apply for and obtain a Transportation Worker Identification Credential, or TWIC, card.

Each employee's TWIC card will contain their photo and a computer chip containing biometric information that will eventually be used to gain entry to the secured area of the Port of Chicago.

Although employees will not be compensated for time consumed to obtain their TWIC cards, they may submit an employee expense form to be reimbursed the cost of the card. Employees may also request the use of a company vehicle for travel and transport to Hammond. It will, however, be the responsibility and at the cost of the card holder to replace it if lost, stolen or damaged.

Employees who fail to obtain or are denied a TWIC card must advise their supervisor. Employees must be aware that failure to meet TWIC requirements will render those persons ineligible to perform service on jobs into or within the Port of Chicago.



A Transportation Worker Identification Credential, or TWIC, card, contains a photograph and biometric information of its owner.

TWIC Application Process:

- Pre-enroll on the computer at <http://twicinformation.tsa.dhs.gov/twicinfo/>. When completed, print the form, as there is a bar code on the bottom which allows the local office in Hammond to access the information. The process takes about 20 minutes if not pre-registered.
- Set up an appointment at the TWIC Enrollment Center by calling 866-347-8942. Employees can walk in without an appointment, but people with an appointment will have preference.
- Bring two (2) forms of ID (i.e. driver's license, DOT, social security card, passport, etc.)
- Upon receiving notification from the TWIC enrollment center in six to eight weeks, stop by and pick it up. This takes approximately 10 minutes, as they check to make sure the card works correctly.
- Employees will need to make the TWIC payment to U.S. Customs via money order, VISA or MasterCard. Cash or personal checks are not accepted. Additional information on the TWIC program can be found on the TSA Web site, and informational bulletins from the TSA are also available.

Top-Notch Transloading

proximately 200,000 bottles of Meguiar's Hot Shine which they then disperse to distribution warehouses and retail stores.

Another mutually beneficial relationship that has developed because of CSS' capacity to transload is with E&L Paving and Construction, Inc., in LaPorte. The company built a spur to its concrete-crushing plant nearly two years ago.

Laurent appreciates E&L Paving and Construction's willingness to host transloading operations, and notes that the company's owner recently purchased a new truck scale and has plenty of on-site land for outdoor storage space.

"We're starting to see the fruits of this partnership now, as customers begin seeking transloading opportunities,"

Laurent said.

CSS is investigating several additional opportunities for transloading in LaPorte, such as outbound biodiesel and tallow, and inbound wooden poles and methanol.

The short line hopes to join forces with a Westville, Ind.-based bulk liquid trucking company to transport methanol. Superior Carriers' routes go throughout the Midwest, making them an excellent strategic partner for Chicago South Shore Freight.

"We're hop-

ing that by building on this relationship, we can get into more liquid commodity transloading," Laurent said. "This is one of many alliances we'd like to have with local trucking companies that we can be confident in recommending to current and potential customers."



A transloading operation in full swing at Fas-Pak, Inc., in Michigan City.



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The relationship between Chicago South Shore & South Bend Railroad and the Lubeznik Center for the Arts brings a must-see art exhibit at the LCA come May.



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Railroad Art Display on Horizon

Whether a person works for a railroad, depends on it for travel and transport or merely appreciate the industry’s history, they understand the importance and impact railroads have on communities, cities, states, regions and countries.

In partnership with the Chicago South Shore & South Bend Railroad and other community and state-wide organizations, the Lubeznik Center for the Arts in Michigan City will feature railroad-inspired artwork in one of its upcoming exhibits, “Interurban Trains & Tourism: Reclaiming the Past for the Future.” Open May 23-July 26, this exhibit will provide another way for the public to appreciate railroads from a different perspective.

According to Carolyn Saxton, executive director of LCA, the exhibit will include Chicago South Shore Freight posters, which were developed from original lithographs commissioned in the late 1920’s to promote tourism and economic development between Chicago and South Bend.

There also will be original paintings depicting Chicago South Shore Freight by local artist Mitch Markovitz, as well as a large collection of photo reproductions ranging from construction to present of the Chicago South Shore Freight line from Chicago to Michigan City. Saxton believes these pieces will make a great exhibit and correlate well with the Burnham Centennial festivities.

“Shortly after agreeing to participate in the Burnham Centennial celebration, I saw the posters and the large oil painting illustrating the expanse of the South Shore line from Wisconsin into South Bend, and it all made sense and came together,” Saxton said. “This is exciting because it gives us the opportunity to educate the public on the industry, and build a stronger relationship with the South Shore Freight Railroad.”

Although the “Interurban Trains & Tourism: Reclaiming the Past for the Future” display opens at the Lubeznik Center for the Arts May 23, all are invited to attend a reception celebrating the exhibit the following week.

What: Opening reception for “Interurban Trains & Tourism: Reclaiming the Past for the Future” display — Wine and cheese provided, casual atmosphere, families welcome

When: Saturday, May 30, 7-9 p.m.

Where: Lubeznik Center for the Arts; 101 W. 2nd St., Michigan City Why: It’s a great way to see the works and mingle with the artists and others who are involved with the exhibit.

New Flatcars Join Fleet

Because flatcars are an integral part of business for Chicago South Shore Freight and its plate steel customers, the railroad is proud to announce the addition of 90 flatcars to its fleet.

The 100-ton, 60-foot cars, leased from First Union Rail and acquired in August and September, have been rebuilt to extend their service lives by at least 10 years.

“These are the car of choice for plate loading,” said Chuck Compton, Vice President-Business Development. “We’re looking forward to using these cars to move our customers’ freight.”

Plate steel is commonly used for pipe, construction machinery and ships.

