



POWER TO MOVE

CONNECTING INDUSTRY – DELIVERING VALUE

VOLUME 4

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CHICAGO SOUTH SHORE & SOUTH BEND RAILROAD



A Great Partnership

GAF Materials Corporation enjoys its partnership with Chicago South Shore & South Bend Railroad. Seven days per week South Shore provides carloads of roofing granules and asphalt for what has become the most productive shingle line in the U.S. GAF Logistics Manager Wes England says they have a close partnership with the South Shore, and not only because they're located less than a block from the railroads Michigan City headquarters.



It's a very close relationship," England said. "They are critical to our plant operations from the standpoint they handle a large number of raw materials we have here at this facility."

About ten years ago, after an extensive search, Wayne, NJ-based GAF decided on Michigan City as the location of their newest roofing shingle plant, by reconfiguring and expanding a vacant manufacturing facility. The state of Indiana, La Porte County, Michigan City and the South Shore all offered incentives to entice GAF to locate in Michigan City. GAF quickly became a 'Top Five' customer for CSS.

England said South Shore and GAF meet



"They are critical to our plant operations..."

- Wes England

once each quarter to discuss the business forecast, ways to improve service and how their relationship can be more efficient and productive for both companies. "I feel like we have a unique partnership with them," he said.

CN Interchange Now at Goff

Our Kensington, IL interchange with CN (formerly IC) has been moved to Goff, IN (near Gary), effective December 20, 2009, as part of the integration of the EJ&E by CN. As many of our customers know, the CN has struggled to make timely interchange with CSS, causing delays to both coal trains and merchandise traffic. Senior staff from CSS met with senior managers at CN's USA headquarters in Homewood, IL on March 12, in an effort to

improve the timeliness of the Goff interchange. While CSS agreed to a few changes that CN thought would help their operation, CN continues to have problems with both the timeliness and frequency of interchange. CSS customers should advise our customer service department immediately if they need delayed cars that are becoming critical to on-going operations. We will continue to work with CN to improve the movement of cars through Goff.

First-Ever Blood Drive **Success**



Paul Lyles and Melissa Zdyb

It started with one woman's desire to help and it became a reality March 16 for South Shore Railroad employees as they donated blood to the American Red Cross for the first-ever blood drive held at the company office.

Melissa Zdyb, Chief Customer Service Representative, donates blood regularly and thought it would make a difference if everyone at work got involved.

"I thought it would be nice to give back to the community on a grander scale," Zdyb said.

The drive took about four months to plan and was worth every second. During the drive, donors received T-shirts and the American Red Cross provided refreshments.

According to the American Red Cross, every minute of every day, someone needs blood. When people donate blood, they join a select group because only three out of every 100 people in the U.S. donate blood.

"We were trying to get a lot of first-time donors to get involved and save a life," she said. Thirty units of blood were collected.

"It was amazing," Zdyb said.



Melissa Zdyb and Brenda Runnels accounts payable/payroll



Andy Laurent

Donations Recognized

Teamwork was key in raising about \$17,000 for the United Way of LaPorte County.

South Shore Railroad employees were generous with their donations, and the company matched every dollar.

In fact, the railroad was honored with a Cornerstone award for its contribution.

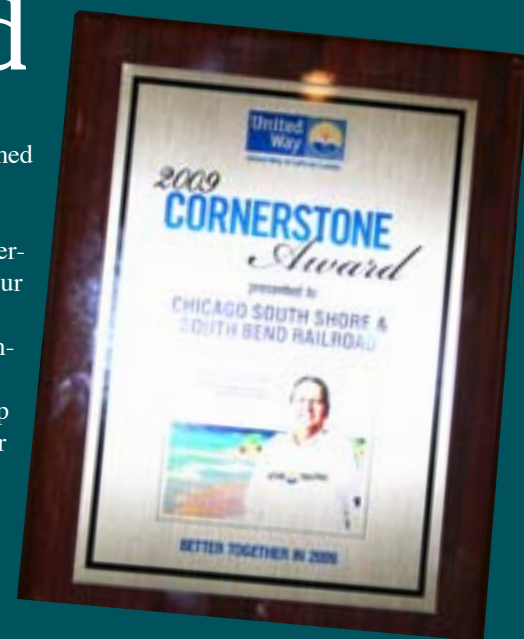
"You can rest assured that every dollar raised through United Way stays here making a difference in people's lives," said President Henry Lampe. "It's not important how large or small your gift is; what matters is that you care enough to want to help your community."

The campaign started Oct. 5 and ended with a total that surpassed last year's employee contribution of \$7,099. With the company's matched portion, the total in 2008 came to \$14,198.

The collaborative effort helps the United Way support local services that nurture and develop youth; build strong, self-sufficient families; promote healthy lifestyles, provide independence for seniors with disabilities; and encourage safe and supportive neighborhoods.

"When it comes to giving back to our community, I can think of no organization better to team with than United Way of LaPorte County," Lampe said.

South Shore employees helped get to the heart of what matters, he said.



Green Locomotive Good To Go

For the first time in real conditions, an environmentally friendly GP-22ECO EMD locomotive was pushed to the limit by South Shore Railroad employees in March.

Gary Lied, Chief Mechanical Officer, said the railroad was asked to test the infant locomotive because of the location of its tracks and its expertise to handle a n y -



thing that might come up during shakedown tests. But, there was no need for troubleshooting, as the locomotive shined during testing and was found to have no defects.

“The shakedown tests were excellent,” Lied said. “There’s no reason to keep it here if it’s working perfectly.”

The locomotive was shipped back March 11, but had left its mark on employees.

“We’re interested in environmentally friendly locomotives,” he said.

This particular locomotive featured increased fuel efficiency, lower emissions, microprocessor control and a fully-integrated Automatic Engine Start Stop system.

“It uses approximately 25 percent less fuel than our current model locomotive,” Lied said.

This type of locomotive also is EPA tier two compliant for emissions. The emissions are 40 percent better than vintage locomotives.

Speaking Out

Andy Laurent, Manager of Growth Initiatives, enjoys informing people about the railroad industry. He gives a presentation to the Certified Logistics Associate Course at Ivy Tech Community College’s Gary campus.

The course, which began last fall, gives students a broad overview of different industries’ warehouse functions.

The class was created primarily for people who may have lost their job or are looking to enter the logistics and transportation industries.

“They’re eager to learn and always have lots of questions,” Laurent said. “It’s nice because railroading can be a technical field with a lot of lingo. I think it interests

them because they haven’t really been exposed to it.”

The class size is about 18 and the students are non-traditional ranging from age 30 and up, he said.



Andy Laurent, Manager of Growth Initiatives

Perfect Attendance

Not one, but three employees had perfect attendance in 2009. As a thank you, South Shore Railroad gave each employee \$365.

Brian Zebell, Conductor, and Charlie McLemore and Steve Kincaid, Locomotive Engineers, were honored for not missing any days of work.



Steve Kincaid

Kincaid said the money wasn’t necessary, but he appreciated the extra recognition and honor.

“My mind set is come to work, go to work,” he said, “If that’s my goal, I have to be healthy in order to do that.”



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



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 505 North Carroll Avenue
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South Shore gave Cub Scouts a chance to board a locomotive and caboose March 20. In the midst of the fun, the youth also were taught how to stay safe around railroad crossings and tracks.

“It gives these young children the opportunity to come onto the railroad and show them how to be safe,” said Jim Thompson, Vice President Operations.

In fact, educating youth about rail safety is important because Indiana has dealt with 98 rail crossing-related accidents and Illinois had 101 in 2009.

According to the FRA, 1,880 highway-rail grade crossing collisions occurred last year.

This number is why railroads, like South Shore, have groups of children visit. Employees teach them how to behave around tracks and crossings in order to greatly reduce their chances of being injured, Thompson said.



Track Facts

- There are approximately 218,000 miles of railroad track in the United States.
- Since 1994, almost 6,500 people have been killed while trespassing on railroad rights of way and property.
- The only legal and safe place to cross tracks is at designated pedestrian or roadway crossings. Observe and obey all warning signs and signals.
- A freight train moving at 55 miles per hour, or an eight-car passenger train moving at 79 miles per hour, can take a mile or more to stop.



Chicago South Shore & South Bend Railroad hosted an Operation Lifesaver event March 20.