



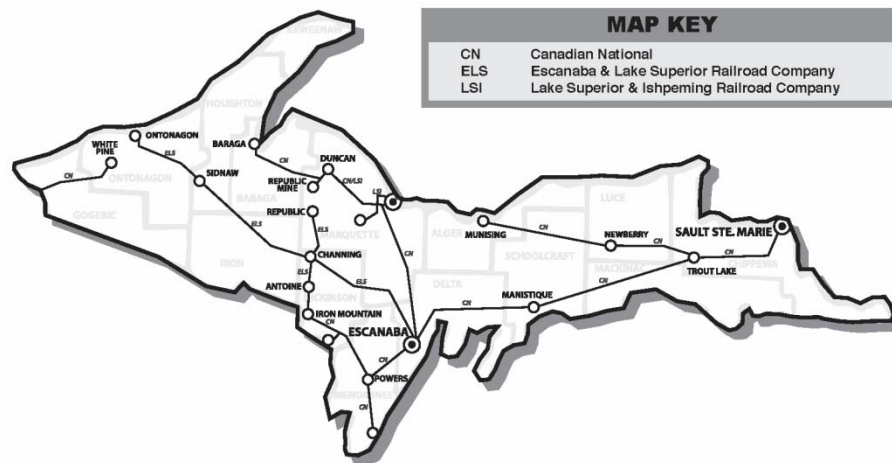
Presentation
To the
Transportation Task Force

MICHIGAN RAILROADS ASSOCIATION

Michigan Railroads Association

- **Bob Chaprnka, President**
- **26 Freight Railroads in Michigan**
 - **4 Class One railroads**
 - **2 Regional railroads**
 - **20 Short line railroads**

Michigan's Rail Network

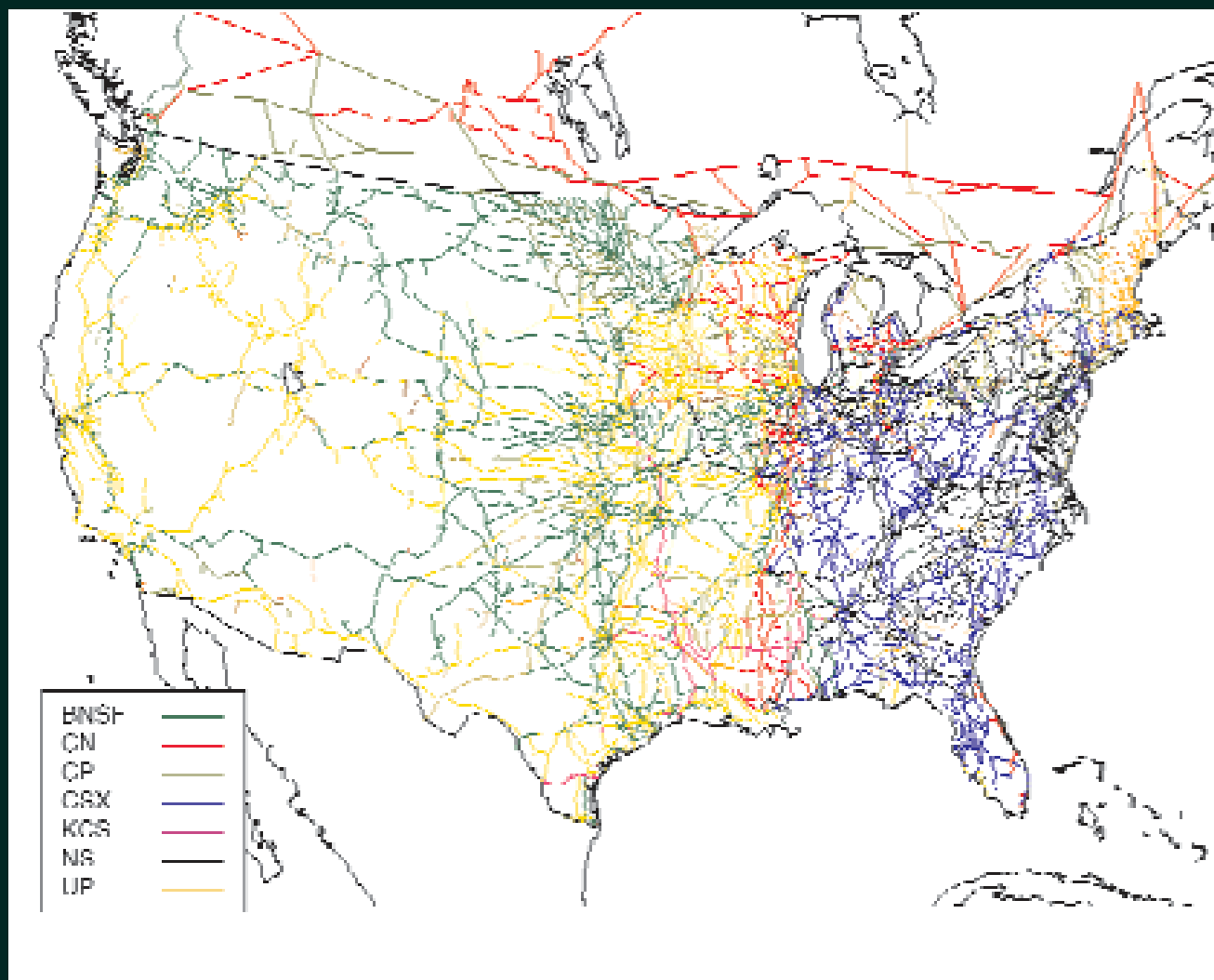


MAP KEY	
CN	Canadian National
ELS	Escanaba & Lake Superior Railroad Company
LSI	Lake Superior & Ishpeming Railroad Company

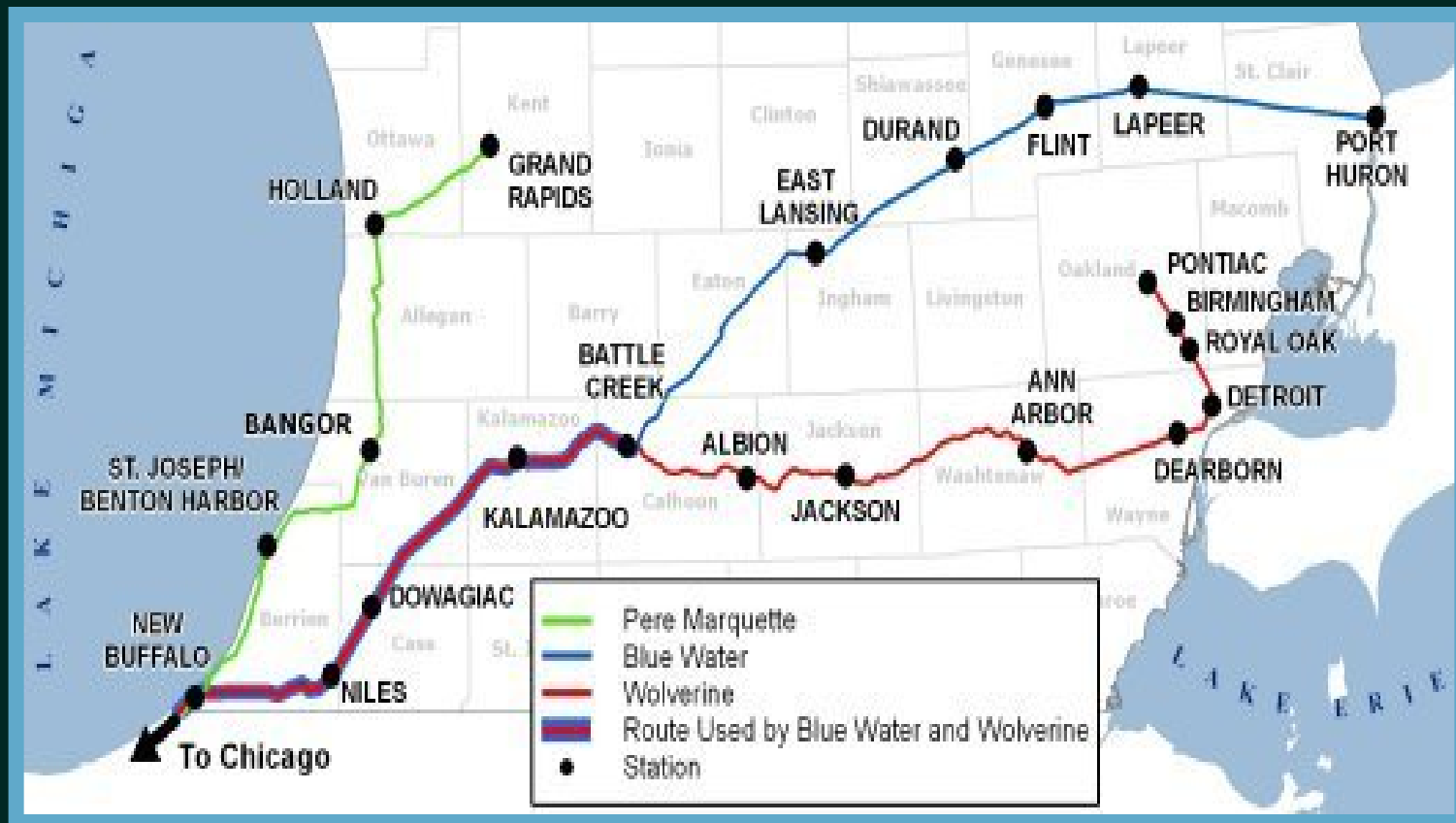
MAP KEY			
AA	Ann Arbor Railroad	IO	Indiana & Ohio Railway Company
ADBF	Adrian & Blissfield Railroad Company	LIRR	Lapeer Industrial Railroad
CHS	Charlotte Southern Railroad	LS	Lake State Railway Company
CN	Canadian National	MAL	Michigan Air-Line Railway Company
CR	Consolidated Rail Corporation (Conrail)	MM	Mid-Michigan Railroad Company
CSX	CSX Transportation	MQT	Marquette Rail Corporation
DC	Delray Connecting Railroad	MS	Michigan Shore Railroad Company
DCON	Detroit Connecting Railroad	MSO	Michigan Southern Railroad Company
GLC	Great Lakes Central Railroad	NS	Norfolk Southern Corporation
GRE	Grand Rapids Eastern Railroad Company	SBS	Saginaw Bay Southern Railroad
HE	Huron & Eastern Railway Company	WMI	West Michigan Railroad Company
IN	Indiana Northeastern Railroad Company	---	Rail Passenger Service (Amtrak)



Nation's Rail Network



Michigan's Intercity Passenger Rail System



Michigan's Railroads

- 3,590 miles of track
- 2.2 million freight carloads carried
- 88.9 million tons carried
- Railroads carry 40 percent of all intercity ton miles of freight

Source: AAR

Michigan's Railroads

- 4,377 employees
- Average wages and fringes:
\$94,400

Source: AAR

Railroads Are Back Bone of the Freight Transportation Network

- **75 percent of finished automobiles move by rail**
- **65 percent of coal, producing more than half of nation's electricity, is moved by rail**
- **30 percent of nation's grain harvest moves by rail**
- **Intermodal is the fastest growing segment of rail**
- **U.S. freight railroads are the busiest in the world**

source: AAR

MICHIGAN RAILROADS ASSOCIATION

Moving Michigan's Economy Outbound Commodities

Metallic Ores	13.4 million tons
Trans. Equipment	6.9 million tons
Waste and Scrap	2.0 million tons
Farm Products	3.3 million tons
Nonmetallic Minerals	2.0 million tons
Other	9.0 million tons

Tons Originated 2006

Source: AAR

Moving Michigan's Economy

Inbound Commodities

Coal	19.4 million tons
Metallic Ores	12.4 million tons
Chemicals	2.8 million tons
Metal Products	3.1 million tons
Petroleum	3.8 million tons
Other	10.9 million tons

Tons Terminated, 2006

Source: AAR

International Exporter



**\$8 billion worth of autos
and parts to Canada**



**\$3 billion worth of autos
and parts to Mexico**

**North America's freight
railroads can, and should,
play a greater role in meeting
the transportation challenges
of the future. Why?**

Railroads Provide Huge Public Benefits

- **Railroads are fuel efficient:**
 - Trains are three times more fuel efficient than trucks
 - Railroads can move a ton of freight 423 miles per gallon of diesel, roughly the distance from Detroit to Escanaba
- **Railroads are environmentally friendly:**
 - The U.S. EPA estimates that a train emits three times less pollution than a truck per ton unit
- **Railroads help reduce highway gridlock:**
 - A typical train takes the freight equivalent of several hundred trucks off the highway
- **Railroads save wear and tear on the highway system:**
 - Saves approximately \$266 million annually in pavement damage
- **Railroads make Michigan more economically competitive.**

Intermodal Transportation

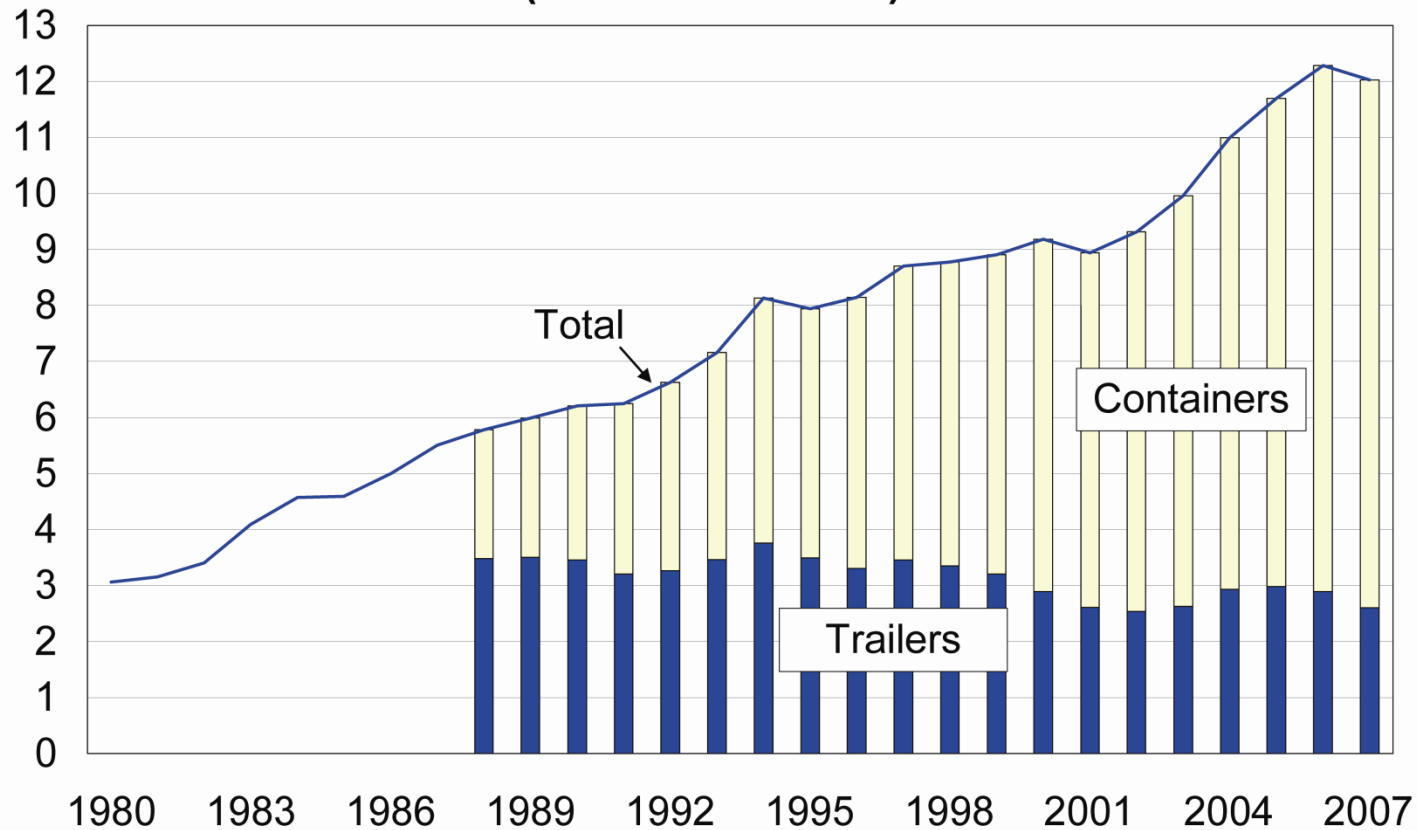
- Long-haul movement of shipping containers by rail
- Short-haul movement by truck at one or both ends
- Transports all types consumer goods
- Double-stack containers can move 280-300 truck loads on one train

Intermodal Transportation

- **Rail and trucking companies creating partnerships**
- **Rail's single largest customer is UPS**
- **Intermodal is the fastest segment of rail's business.**

U.S. Rail Intermodal Traffic

U.S. Rail Intermodal Traffic: 1980-2007
(Millions of Units)



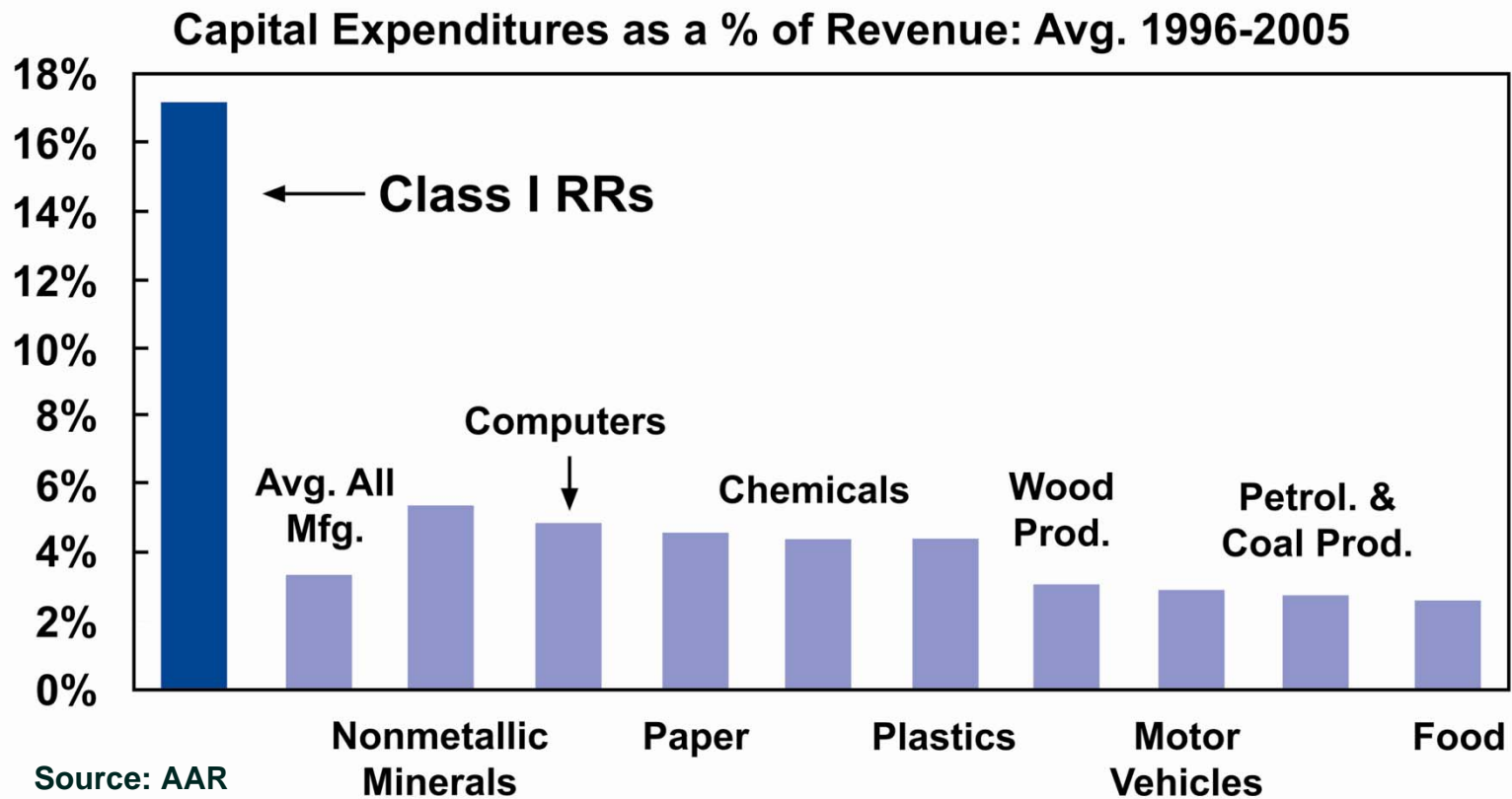
Source: AAR

Railroading is Extremely Capital Intensive

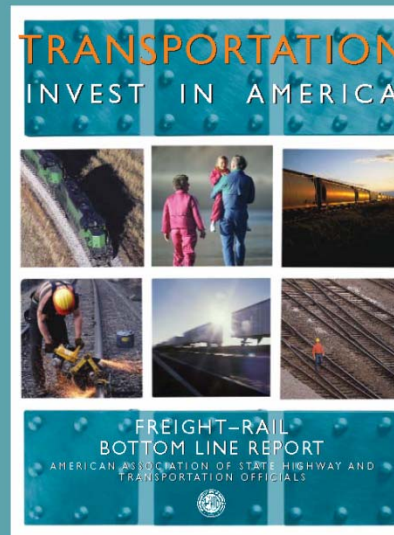
Michigan Railroad Companies:

- Maintain their own “roads”
- Spend over \$100 million annually on tracks

Railroading Is Extremely Capital Intensive



American Association of State Highway and Transportation Officials (AASHTO) Freight-Rail Bottom Line Report



MICHIGAN RAILROADS ASSOCIATION

AASHTO Freight Bottom Line Report

- Domestic freight tonnage will increase by 57 percent by 2020 (import-export tonnage by 100 percent)
- Federal and state government will have to invest heavily in rail in the next 20 years to help relieve forecasted congestion on highway system
- Public investment in the private rail system makes sense where there are public benefits to be gained.

Railroads Need Assistance to Repair Highway/Rail Grade Crossing Surfaces

- Railroads responsible for crossing surface repair since 1800's
- Highways have expanded while railroads have contracted since the 1800's
- Over 800 highway/rail grade crossings need surface repair at cost of approximately \$27 million
- State matching program needed

Retain State Rail Programs Within MDOT

- **Michigan Rail Loan Assistance Program (MiRLAP)**
- **Freight Economic Development Fund**

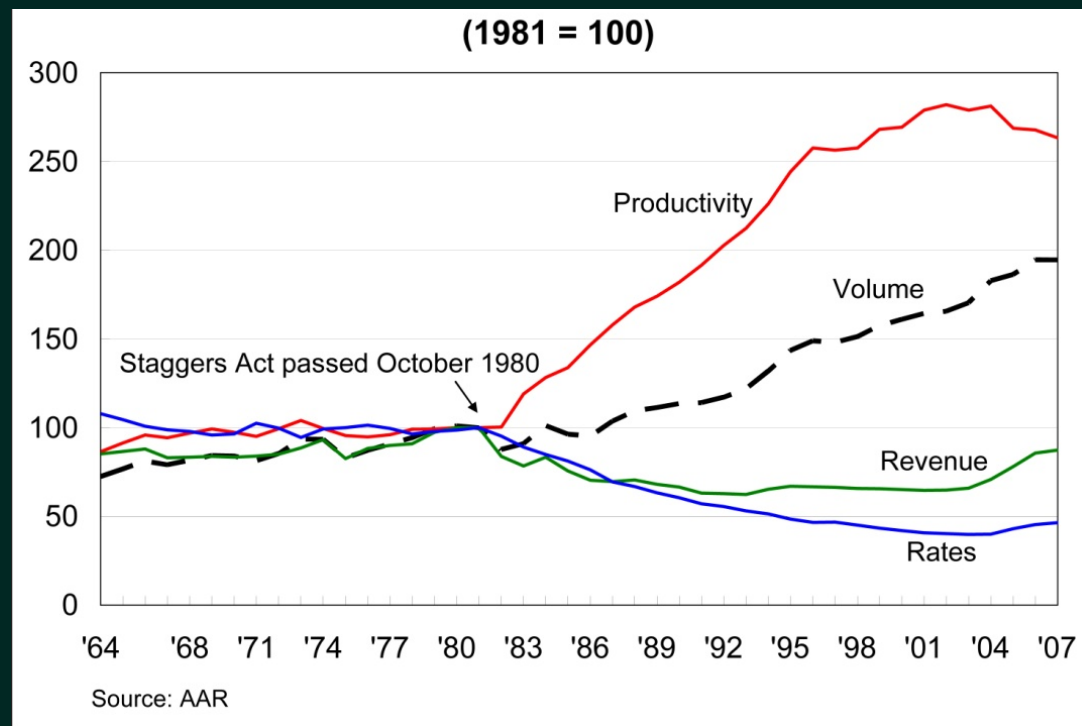
Federal Rail Programs

- **Extend short line tax credit providing economic incentives for track rehab (S.881 & H.R. 1584)**
- **Pass similar tax credit for Class 1 railroads (S.1125 & H.R. 2116)**

Oppose Federal Regulation of Railroads

- **Defeat S. 953 and H.R. 2125**

U.S. Freight Railroad Performance Since Rail Deregulation (Staggers Act)



Railroads can move a ton of freight 423 miles on average per gallon of diesel—roughly equivalent to the distance from Detroit to Escanaba.