



Connections

Improved planning targets congestion

New planning tools for BRC managers of train operations, trainmasters, dispatchers and humpmasters are poised to enhance hump performance, increasing traffic throughput and capacity.

In January, several new flat screen monitors that display dispatcher screens from all major railroads in the Chicago area went into service. Three 46-inch monitors display traffic from BNSF, Norfolk Southern and Canadian National. Several small flat screens display traffic from Union Pacific, CSX and Indiana Harbor Belt lines.

The new screens allow MTO's and dispatchers to view and track real-time movement live shots of inbound traffic from as close as 27 miles out on NS lines to more than 100 miles out on UP lines.

"Every one of those screens helps us create a plan," said Frank Izzo, senior MTO. "It makes everything more fluid."

Izzo proposed the traffic overview system in April 2008 as a planning tool to ease congestion through what can often be a very congested Chicago Gateway. He believed if command centers could see what traffic was coming in, they could better slot trains through all the lines in the city. Izzo then worked with senior train operations managers from other railroads to gain access to their dispatching screens, which are available on the Web with a password.

He said the system has made an immediate impact on their planning ability because they are able to see trains coming before the train is offered to them.

Frank Izzo, senior manager of train operations, aided with the implementation of two new planning tools for hump performance in January after coordinating with senior MTO's from other railroads to gain access to their dispatching screens.



Another tool implemented in January is a hump planning portal. It is essentially a spreadsheet that lists westbound production on one screen and eastbound on another. The portal helps MTO's, humpmasters and trainmasters quickly and easily plan a sequence for building trains, largely based on priority. Every train run by the BRC has a disciplined operation, including a set time and a departure time. The hump plan is reset every four hours.

"This basically does our homework for us," explained Izzo. "Not only are we looking at how old the trains are, which reflects dwell, but we are looking at making first connections on all our outbounds."

Continuous improvement is the ultimate goal.

Izzo thanked several people who helped make the tools a success,

Continued on page 3.



Three large flat screen monitors display the dispatching screens for Canadian National, BNSF and Norfolk Southern lines. The four monitors on each side of the large screens display UP, IHB and CSX lines. The new system allows dispatchers and MTO's to better plan throughput and capacity needs.

Traffic down, but safety remains key

The economy has hit the railroad industry with great force and the Belt has not been immune to the challenges of a slowing economy.

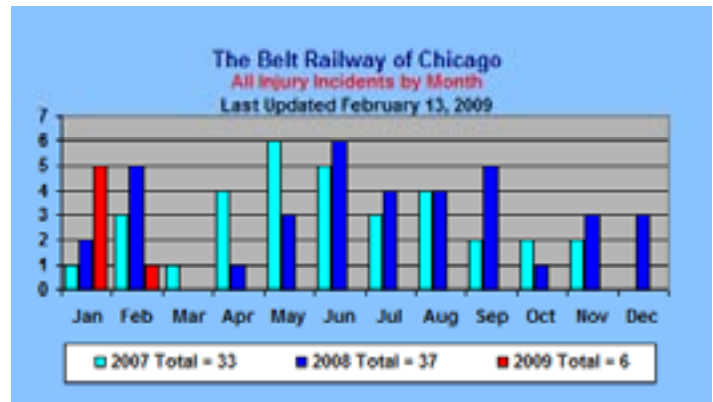
Overall traffic is down approximately 13 percent, which is comparable to the industry average. In other measurements, intermediate traffic is down approximately 16 percent, direct moves are down approximately 11 percent and industry business is down approximately 30 percent. Some Class I railroads have experienced a decline in overall traffic volume as high as 20 percent.

Increased emphasis has been placed on being cost-efficient. We must do this to continue to be a viable entity in the railroad industry. Although we have scaled back on our capital plan, we are following in the footsteps of Class I railroads that have decided to continue with plans to improve their infrastructure. It is important that we are prepared for the inevitable bounce-back in the economy. In April, the Engineering team will begin a tie replacement program in the east receiving and departure yards. We will begin our switch replacement and turnout replacement program in subsequent weeks.

Unfortunately, the economic crisis has forced some difficult decisions, including furloughs. We tried to keep everyone working as long as possible, but like other companies, we have reached a point of furloughing employees, including 48 in the Transportation Department.

Everyone is asking the question of when the economy will recover and when can we start to bring furloughed employees back. Unfortunately, we don't have any answers yet. We want to keep as many people working as possible and continue to explore new business opportunities in addition to pursuing other cost-saving measures. KCBX is expected to resume service soon after its yearly maintenance program, so we will be getting our coal business back. This may allow us to call back some furloughed employees.

Do not become discouraged during these economic times.



We have faced tough economic times before. The Belt Railway is here for the long run. We have the right team of employees working together to keep us strong. Working safely and meeting our customer's requirements will allow us to be ready when business levels pick up again.

Maintaining a commitment to safety is imperative. Our families expect it, our fellow employees expect it, our customers expect it and our owners expect it. Promoting a rules-compliant environment leads to safe production. Safe production, in turn, allows us to meet our customer's service expectations.

The Belt Railway has experienced three reportable injuries in 2009, including two in the Transportation Department and one in the Engineering Department. The three injuries involved procedures, pinch points, and ascending/descending according to the BELLCAPP.

Key elements in working safely include concentrating on the task at hand, 100 percent rules compliance and situational awareness. If we do those things, we will continue to be successful. A safe operation leads to good service.

Mike Paras
General Manager

Lucio joins OL

John Lucio, car inspector and safety committee chairman, joined Joe Chacon and Sam Canerday on the Operation Lifesaver presentation team for the Belt Railway in January.

The first presentation of the year was held at Costello School in Lyons. They aim for at least two presentations per month.

Lucio was interested in Operation Lifesaver because he saw a need in educating his own children on railroad safety and wants to prevent other children from being fatally injured by a train. He has three children: Danielle, 13; Luke, 11, and Jake, 9.

"It is nice to see the look on these kids' eyes when you get their attention of how big these trains are and the importance of staying away from them," Lucio said. "I am glad I am on it and hope we can make a difference in preventing accidents."

Lucio has worked for the Belt since 1994.



John Lucio joined the Operation Lifesaver team in January, making his first presentation at Costello School.

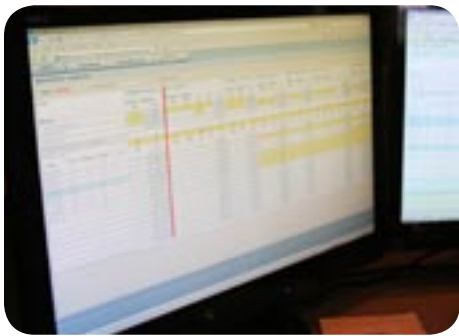


Sam Canerday, BRC police officer, also presented at Costello School.

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Continued from page 1.

including Mike Paras, general manager; Mike Shore, superintendent; Rich Picken, assistant superintendent; Roy Gelder, process manager; Wayne Casemoore and Uri Pesok, consultants; Bob Hardwidge, train dispatcher; Ted Streit, information technology; and Charlie Ridgeway, Joe Quinlan, Abe Gibson and Jorge Guerrero from the Signal Department.



A planning portal updated every four hours allows managers to quickly see train building and priority.

Switchman retires

Michael Beyer looks forward to getting to work — on his retirement plans.

Beyer, a 41-year railroading veteran, retired from the Belt Railway Jan. 31 after working as a switchman and locomotive engineer since 1993.

Beyer hired with the Elgin, Joliet & Eastern Railway as a switchman in 1967. A second generation railroader, his father had more than 25 years on the EJ&E. He also served as a machinist mate in the United States Navy from 1968 to 1972.

He enjoyed the job for the opportunities it offered him to provide for his family. He said working in the elements was a challenge, but when summer rolled around, it was nice work.

In the realm of safety, Beyer offered some words of wisdom that rail cars can be unforgiving.

“You have to keep your mind on what you are doing,” he said. “You can’t come to work tired or thinking about your family.”

In his retirement, Beyer plans to complete home projects, travel, bowl and golf. He and his wife, Kathleen, have one daughter, Elizabeth.

Steinway joins the Belt team



Chris Steinway, manager of labor relations and human resources, joined the Belt in February.

Belt employees welcomed Chris Steinway, new manager of labor relations and human resources, Feb. 23.

A northwest Indiana native currently residing in Whiting, Steinway is a May 2008 graduate of Loyola University Law School in Chicago. After passing the bar exam in July and being sworn in as an attorney in November, he applied with the Belt.

He interned as an in-house counsel for Commonwealth Edison, the electric utility in Chicago.

With only two weeks on the job, he sees his new role as a good fit due to his variety of responsibilities.

“What I really like is the multifaceted aspect,” he said.

“I am not just doing legal things, I am also doing labor relations and human resources. Since ComEd is a much bigger company, they have separate positions for different jobs. It is neat that I get to do all three of those jobs rolled into one because there is something different to do everyday.”

He will work closely with Tim Coffey, general counsel, secretary and director of HR, in resolving union claims, negotiating with unions and communicating with department heads to resolve any labor or human resources issues. Other responsibilities include hiring, setting and enforcing employment policies, and handling health insurance, fringe benefits and retirement matters.

In his free time, Steinway enjoys running, sailing on Lake Michigan and cheering on the Chicago Cubs.

“What I really like is the multifaceted aspect.”

– Chris Steinway

Get your ID card

Employees who do not have an identification card with their picture displayed should contact Mike Romano, director of police and risk management, at 708-496-4076 or mromano@beltrailway.com.

It is vital for employees to do this as soon as possible to enhance security at the Belt.

If anyone has a suggestion for methods to display their ID cards, such as wristbands or lanyards, please contact a safety committee member.

Franke hangs up hard hat



Hank Franke, electrician, retires in December after a 33-year career with the Belt.



Hank Franke is congratulated by Mike O'Donnell, mechanical superintendent, during a surprise retirement party.

Friends and coworkers wished Hank Franke a fond farewell in December as he began his retirement.

Franke retired Dec. 31 as an electrician on third shift. He was hired July 14, 1975, and previously worked as an electrician for Local 134. He also served in the United States Army from 1964 to 1969 and was stationed in Germany and Vietnam.

He was a third generation railroader. His grandfather worked for the former Denver Rio Grande Western Railroad, while his father and brother worked for the former Wabash Railroad, a predecessor of Norfolk Southern.

He enjoyed the friendships he made with his coworkers on and off the clock.

“Your relationships didn’t end when your shift ended,” he said. “It’s always been like family.”

Technology has made a lasting impact on the railroad industry, he said. He remembers a time when he filled kerosene lanterns for the blue lights outside the stop. Now they use solar blue lights.

He also remembers a time when he operated the shop’s

former 150-ton overhead crane, which could pick up a locomotive. Now they use a drop table, which provides a safe operation.

He served on the safety committee from 2002 to 2006. He also traveled to Washington, D.C., with other BRC representatives to accept the E.H. Harriman Safety Award.

With traffic volumes down, Franke understands the importance of the Belt Railway to the industry and that there have been down periods before, but the Belt is a well-established company.

In his retirement, he plans to stay active through gardening, wood-working and riding his bicycle.

He and his wife, Linda, have been married 38 years. They have one daughter, Diane, 24.

Reflecting on his career, he said the Belt was the best place he could be.

“The Belt went above and beyond a lot of times for me and I appreciated it,” he said. “I wish I could stay around longer, but you have to go sooner or later.”

I chose to look the other way

This poem written by Don Merrell, a poet specializing in safety, shows how “speaking up” about unsafe acts can save lives and help develop a positive safety culture. Merrell was an

employee of the J.R. Simplot Co. Plant and safety committee member of the Oil, Chemical and Atomic Workers (OCAW) Local 2-632.

I could have saved a life that day,
But I chose to look the other way.
It wasn't that I didn't care;
I had the time, and I was there.

He took the change, I closed an eye;
And with that act, I let him die.
I could have saved a life that day,
But I chose to look the other way.

If you see a risk and walk away,
Then hope you never have to say,
'I could have saved a life that day,
But I chose to look the other way.'

But I didn't want to seem a fool.
Or argue over a safety rule.
I knew he'd done the job before;
If I spoke up he might get sore.

Now every time I see his wife,
I know I could have saved his life.
That guilt is something I must bear;
But isn't something you need to share.

—Don Merrell

The changes didn't seem that bad;
I'd done the same, he knew I had.
So I shook my head and walked by;
He knew the risks as well as I.

If you see a risk that others take
That puts their health or life at stake,
The questions asked or thing you say;
Could help them live another day.

Safety improved in 2008

In 2008, the Belt observed its best year in safety since 2000.

The frequency-severity index ratio for personal injuries was 1.52, the best since the .96 posted in 2000.

"It can always be better," said John Lucio, safety committee chairman. "We are hoping for zero injuries the rest of this year."

The safety committee has already gone to work, having job briefings with employees and talking up safety and awareness after their monthly safety meetings. They also conduct behavioral audits and encourage employees to call the 24-hour safety hot line so any concerns can be recognized and handled. Lucio said the hot line is used frequently.

"It is getting better and better because people are seeing that problems are getting taken care of in a timely manner," he said.

Frank Izzo, senior manager of train operations, said safety at the Belt shows customers that the company is being cost-effective.

"With good safety, you have good production and good service," he said.

2009 Transportation Targets

| | |
|------------------------|------------------------|
| Personal Injuries | 20 percent improvement |
| Run Through Switches | 10 percent improvement |
| Run Outs | 10 percent improvement |
| Derailments | |
| Frequency | 5 percent improvement |
| Human | 15 percent improvement |
| Bypass | 5 percent improvement |
| Reportable Derailments | 10 percent improvement |
| Cost | 10 percent improvement |

While these are our targets, our safety culture demands an expectation of zero injuries and zero human factor incidents.

Did you know?

More than half of the human factor derailments in 2008 were related to run through switches.

Q&A
How will you contribute to safety in 2009?



"Be consistent with what I do. Don't step on the rails or spikes. Take care of my fellow employees."
-Purvis Morris, switchman



"Obey the rules. Watch for slip, trip and falls."
-William Schmeier, car inspector



"Keep focused on the job. Eyes on path and concentrate."
-Charles Pickett, switchman



"Always wear my safety gear."
-Frank Horn, car inspector

SERVICE ANNIVERSARIES

Congratulations to the following employees on their service anniversaries.

40 years

Jan. 21, William J. Blonda,
Mechanical Department

35 years

Nov. 21, Austin F. Morgan,
Car Operations

Dec. 3, Raymond J. Barnat,
Car Operations

Jan. 14, Jesus N. Santoyo,
Track Department

Jan. 22, Ernesto Antillon, Jr.,
Track Department

Feb. 15, George M. Miller,
Transportation Department

Feb. 24, James P. Hayes,
Transportation Department

March 12, John S. Bugai,
Transportation Department

March 12, James F. Elam,
Transportation Department

March 18, Michael S. O'Donnell,
Mechanical Department

30 years

Feb. 18, James J. Weyhe,
Transportation Department

Feb. 20, Charles R. Pickett,
Transportation Department

March 1, Frank A. Carasotti,
Transportation Department

20 years

Feb. 01, Joseph J. Giacobelli,
Accounting Department

15 years

Jan. 10, Daniel J. Lawler,
Signal Department

Jan. 16, Richard A. Blonda,
Car Operations

Jan. 18, Michael P. Dawson,
Transportation Department

Jan. 18, John A. Hahn III,
Transportation Department

Jan. 18, Michael J. Pye
Transportation Department

Jan. 19, Michael R. Haddiz,
Transportation Department

Jan. 19, Anthony M. Long,
Transportation Department

Jan. 19, Kevin J. Wern,
Transportation Department

Feb. 16, James M. Ford,
Transportation Department

March 4, Nicholas D. Taylor,
Transportation Department

March 8, Stelios Paras,
Transportation Department

March 10, Eugene A.
Kleczewski Car Operations

March 11, Robert M. Holic
Transportation Department

This newsletter appears under direction of The Belt Railway of Chicago. To include information, call Stephanie at the newsletter office, 1845 S 11th St., Lincoln, NE 68502-2211. Phone 402-475-6397. Readers also can submit articles via e-mail at stephanie@newslink.com. This material is intended to be an overview of the news of The Belt Railway of Chicago. If there are any discrepancies between this newsletter and any collective bargaining process, insurance contracts or other official documents, those documents will govern. The Belt Railway of Chicago continues to maintain and reserves the right, at any time, to alter, suspend, discontinue or terminate all plans and programs described in this newsletter. This newsletter is not an employment contract or any type of employment guarantee.

The Belt Railway Company of Chicago

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Retirements

Michael Beyer, Switchman, Hired Feb. 12, 1993

Aurelio Breceda, Machine Operator, Hired April 26, 1974

Henry Franke Shop Electrician, Hired July 14, 1975

John Lawrence, Welder, Hired April 9, 1974

Timothy Robinson, Switchman, Hired April 22, 1984

BRC supports 'yes' vote on SB 148

The Illinois Railroad Association, comprised of the BRC and 14 other member railroads, was in support of Senate Bill 148, which would allow the Commerce Commission to establish an automated railroad crossing enforcement system at any railroad crossing designated by the local authorities.

The Senate Transportation Committee approved SB 148 Feb. 25.

The idea behind the measure is that motorists may think twice about making a possibly deadly mistake if they know they are being recorded by the proposed system. The bill requires local authorities to initially pass a local ordinance in support of initiating the camera system. The legislation provides for automated

recordings of vehicles that either enter a railroad crossing against the signal or obstruct traffic at a railroad crossing.

"Thanks in large measure to attention to detail and an emphasis placed on safety by railroad employees and railroad management, grade crossing incidents have diminished through the years, yet still remain a major safety concern for the industry as a whole," wrote Joseph Ciaccio, president of the Illinois Railroad Association.

SB 148 institutes an initial fine of \$250, and a maximum fine of \$500 for repeat offenders. The devices would be similar to automated traffic enforcement lights approved in Cook County and surrounding areas.

Grants would enhance security

The Belt has applied for a grant from the United States Coast Guard to install surveillance cameras on the railroad bridge northwest of I-55 and Central Avenue, across the Chicago Sanitary Canal.

The grant would give a 75 percent match for the purchase of a camera system and other security items such as sensors on the sides of embankments.

The bridge is used by most major railroads in Chicago, so any incidents could affect the entire Chicago Gateway.

Mike Romano, Belt chief of police, expects to hear a response on the application in March.

A grant for training on rail security is also in the application stage. The \$230,000 grant would cover classroom, video and hands-on training for terrorist attacks. The grants falls under the Department of Homeland Security. Romano said that once approved, the grant would likely open the door for more funding for security improvements. Case Management is aiding with the grant writing process.

By the Numbers: At-grade crossing collisions

| | |
|------------|--|
| 74 percent | Decline in at-grade crossing collisions since 1980 |
| 52 percent | Decline in at-grade crossing collisions since 1990 |
| 41 percent | Collisions resulting from motorists not stopping at a crossing |
| 29 percent | Collisions resulting from motorists stopping on tracks |
| 17 percent | Collisions resulting from motorists driving around gates |
| 6 percent | Collisions resulting from motorists stopping and then proceeding |