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CN/WCGroup Log Committee Initial Project Two
L'ANSE-BARAGA SUBDIVISION – WORK PLAN

Objectives: Increase log and other freight to/from the L'Anse-Baraga line to fully utilize existing capacity and progressively support investment and operational change to attain sustainable, compensatory and truck-competitive service levels.

Work Plan – Initial Elements:

1. Identify freight revenue, existing and potential.

- Known, stable freight lanes, originating/terminating on L'Anse/Baraga sub?
- Use ASD ("Actionable Shipper Data") approach, focused on L'Anse/Baraga?
- Logs – current/potential v. increase based on changed operating scenarios?
- Lanes for other non-log freight:
 - Prioritize extended use of CN system (e.g., to Memphis)?
 - Other higher margin freight?
- Potential contribution through transloading and/or remote intermodal?
 - Current/future capacity available beyond the hill?
 - Consider Nestoria, Ishpeming, other locations?
- Need to double cars/mile/yr to get to 100?
- Real benchmark is revenue contribution?

2. Detailed profile of existing operations:

- Locomotive/crew balance, operational challenges and costs?
- Underutilized capacity in existing operations?
- Improving capacity utilization based on changes in shipper practices?
- Other change potential without significant investment?

3. Detailed profiles and impacts of potential facilities/operations changes?

- Operational impact (capacity & cost) from operating at 25-40 mph?
- Capital cost, ballpark estimate, for achieving 25-40 mph?
- Capital cost, transload facilities? Improved industry track capacity, facilities?
- Revenue needed to sustain changed operations on-going?
- Revenue needed to support ROI on private shares of capital investments?
- Identify private and public benefits/beneficiaries & sources of investment?

4. Based on identified freight revenue and detailed profiles:

- Strategic plan for the overall Project?
- Project plans for staged or tiered development to achieve overall objectives.