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GREAT LAKES FORESTS LOG CAR FLEET – OUR VISION
Including Northwoods Rail Transit Commission (“NRTC”)
TIGER VI Grant Application Due April 28, 2014

The health and safety of the Forests and their communities and competitiveness of their forest products industries requires a sustainable, competitive rail system.

Great Lakes Forests Region (“GLFR”) Log Car Fleet.

- Add a minimum of 300 to 450 new log cars (2015-2017), **beginning with NRTC's TIGER VI application for 150 log cars**, avoiding further net attrition in the GLFR log fleets (currently, railroad owned) and avoiding increased reliance on over-the-road (“OTR”) trucking.*
- Create full supply chain visibility for loggers, log truckers, railroads and mills to optimize the roles of rail and truck for transporting raw forest products.
- Establish an integrated log car fleet, by agreements between and among the serving railroads, to provide virtual single line service throughout the Region

Private Sector Investment Constrained by Competition.

- Logs are at a disadvantage. Within railroads, competition for capital – with many high returns to choose from – is and will remain at all time record highs.
- Benefits of rail transport of logs flow disproportionately to the public – *i.e.*, do not show up on the bottom lines of private sector shippers and rail carriers.

Public Sector Benefits Alone More Than Support the Investment.

- Begin conversion to rail of hundreds of thousands of OTR log truck trips to the mills and mostly empty returns that will:
 - Reduce highway and bridge maintenance, affording the opportunity to return part of the savings to support routes moving logs to rail;
 - Reduce exposure to tourist and local traffic (*e.g.*, increasing school bus miles due to school consolidations), improving highway safety generally; and
 - Provide advanced supply chain visibility permitting more effective allocation of highway funds to routes for logs and other freight in the GLFR.
- Better access to distant markets, will increase log value and return to landowners – *e.g.*, county forests that support schools and other public needs – by assuring each species, tree and bolt achieves its highest and best use and value.
- Increasing the harvest will reduce the risk, cost and resource loss to forest fires, disease and death in the forest releasing sequestered carbon.

* Absent a substantial change in circumstances (*e.g.*, our successfully adding other freight to the GLFR light density lines), over time, based on public benefit from reducing reliance on OTR trucking, we anticipate the integrated, publicly owned, GLFR log fleet will replace up to 100% of the current 1,200 (approx.) car railroad-owned fleet and provide 100% of fleet expansion.