



**Superior Trade Zone  
Meeting Agenda  
June 21, 2016, 9:30 a.m.**

*Bark River Township – Gregg Johnson, Supervisor  
Chocolay Township – John Greenberg  
City of Escanaba – Jim O’Toole, City Manager  
City of Gladstone – Darla Falcon, City Manager  
City of Marquette – Sarah Reynolds, Commissioner  
Delta County – Patrick Johnson, Commissioner  
Ely Township – Carl Hosang, Supervisor  
Ford River Township – Rachel Fountaine, Supervisor  
Forsyth Township – Joe Minelli, Supervisor  
Garden Township – Ray Young, Supervisor*

*Humboldt Township – Thomas Prophet, Supervisor  
Ishpeming Township – James Nankervis, Supervisor  
Maple Ridge Township – Judy Trudell, Supervisor  
Masonville Township – Peter Brock, Supervisor  
Marquette County – Gerald Corkin, Chairman  
Nahma Township – Warren Groleau, Supervisor  
Negaunee Township – Bill Carlson, Supervisor  
Richmond Township – Scott Mills, Supervisor  
Wells Township – Robert Therrian, Supervisor*

**Maple Ridge Township Hall, 3892 W Maple Ridge 37<sup>th</sup> Road, Rock, MI 49880  
June 21, 2016, at 9:30 a.m.**

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLIGIANCE

APPROVAL/CORRECTION(S) TO MINUTES - Regular Meeting – May 17, 2016

APPROVAL/ADJUSTMENTS TO THE AGENDA

CONFLICT OF INTEREST DECLARATION

UNFINISHED BUSINESS

**1. Update – Webpage Creation, Marketing and Branding Strategy.**

**Explanation:** An update will take place concerning the development of the Next Michigan Superior Trade Zone Website and concepts of the marketing and branding strategy, which would be designed to reach target audiences about the benefits of the Next Michigan Superior Trade Zone.

**2. Update – Creation of Sub-Committees.**

**Explanation:** An update will take place concerning the establishment of various sub-committees for specific tasks that may come before the full membership of the Board from time to time and the appointment of members to the 1) Marketing and Branding sub-committee, 2) Infrastructure sub-committee and, 3) Financial Incentive sub-committee.

**3. Update – Existing Renaissance Zones within the Next Michigan Superior Trade Zone Boundaries.**

**Explanation:** An update will take place concerning the future of the regions’ expired and expiring Renaissance Zones and the possibility of having them transitioned into “Next Michigan Superior Trade Zones”.

**4. Update – House Bill’s 4423-4427 – Michigan Transportation Bills.**

**Explanation:** An update will take place concerning the status of HB’s 4423-4427, Michigan Transportation bills which increase the speed limits on State roadways.

PUBLIC HEARING(S) – None

NEW BUSINESS

**1. Presentation – Northwood Rail Program – Wendy Gehloff, Director of the Florence County Economic Development Alliance.**

**Explanation:** Wendy Gehloff, Director of the Florence County (WI) Economic Development Alliance will update the board on the Northwood Rail Program. The Northwood's Rail Program is designed to preserve and enhance the rail system in Wisconsin and Michigan's Upper Peninsula.

MEMBER ANNOUNCEMENTS AND UPDATES

GENERAL PUBLIC COMMENT

AUTHORITY/STAFF COMMENT AND ANNOUNCEMENTS

ADJOURNMENT

The Superior Trade Zone Next Michigan Development Corporation will provide all necessary, reasonable aids and services, such as signers for the hearing impaired and audiotapes of printed materials being considered at the meeting to individuals with disabilities at the meeting/hearing upon a five (5) day notice to the authority. Individuals with disabilities requiring auxiliary aids or services should contact the authority by writing or calling Mr. Scott Erbis at (906) 225-8151 or Mr. James V. O'Toole at (906) 786-9402.

Respectfully Submitted,

Scott Erbis, Chairman  
Superior Trade Zone Next Michigan Development Corporation



**Superior Trade Zone  
Meeting Agenda  
June 21, 2016, 9:30 a.m.**

**NOTICE OF SPECIAL MEETING OF THE SUPERIOR TRADE ZONE BOARD  
OF DIRECTORS**

PLEASE TAKE NOTICE that a Board of Directors meeting will be conducted by the Next Michigan Superior Trade Zone Board of Directors on June 21, 2016, at 9:30 a.m., Maple Ridge Township Hall, 3892 W Maple Ridge 37th Rd, Rock, MI 49880. The purpose of said meeting is to work on a website design and marketing strategies, Creation of Sub-Committees, update on Existing Renaissance Zones within the Next Michigan Superior Trade Zone Boundaries, status of House Bill's 4423-4427 – Michigan Transportation Bills, Presentation on the Northwood Rail Program, and/or any other items for discussion.

**June 21, 2016, 9:30 a.m., Maple Ridge Township Hall, 3892 W Maple Ridge 37<sup>th</sup> Rd, Rock, MI**

This notice is given in accordance with Act 267 of the 1976 Public Acts of State of Michigan and Article VI Corporation Board, Section 6.02 of the Interlocal Agreement creating the Superior Trade Zone Next Michigan Development Corporation. The Superior Trade Zone Board of Directors will provide necessary, reasonable auxiliary aids and services, such as signers for the hearing impaired and audio tapes of printed materials being considered at the meeting, to individuals with disabilities at the meeting/hearing upon five (5) day's notice. Individuals with disabilities requiring auxiliary aids or services should contact the Marquette County Administrator, Mr. Scott Erbisch at (906) 225-8151 or City of Escanaba Manager James V. O'Toole at (906) 786-9402. Public notice will be given regarding any changes of the above meeting.

Scott Erbisch, Marquette County Administrator, (906) 225-8151

Or

James V. O'Toole, City Manager, (906) 786-9402

**SUPERIOR TRADE ZONE  
REGULAR MEETING  
May 17, 2016**

A meeting of the Superior Trade Zone was held on Tuesday, May 17, 2016, at 8:30 a.m. at the Maple Ridge Township Hall, 3892 West Maple Ridge 37<sup>th</sup> Road, Rock, MI 49880.

**PRESENT:** City of Escanaba City Manager Jim O'Toole, City of Marquette Commissioner Sarah Reynolds, Ford River Township Gary Boudreau, Garden Township Supervisor Ray Young, Humboldt Township Supervisor Thomas Prophet, Ishpeming Township Supervisor James Nankervis, Maple Ridge Township Supervisor Judy Trudell, Masonville Township Supervisor Peter Brock, Marquette County Administrator Scott Erbisch, Negaunee Township Supervisor Bill Carlson, and Richmond Township Bill Luetzo.

**ALSO PRESENT:** City of Escanaba Executive Assistant Buffy L. Smith, CUPPAD Executive Director Joel Schultz, Delta County Administrator Ryan Bergman, and City of Marquette CFO Gary Simpson.

**ABSENT:** Bark River Township Supervisor Gregg Johnson, Chocolay Township John Greenberg, City of Gladstone City Manager Darla Falcon, Delta County Commissioner Patrick Johnson, Ely Township Supervisor Carl Hosang, Forsyth Township Supervisor Joe Minelli, Nahma Township Supervisor Warren Groleau, and Wells Township Supervisor Robert Therrian.

Scott Erbisch called the meeting to order at 8:30 a.m.

**ROLL CALL**

Buffy L. Smith conducted roll call.

**APPROVAL/CORRECTION(S) TO MINUTES:** April 19, 2016

A motion was made by James Nankervis, seconded by Sarah Reynolds, to approve the meeting minutes as submitted with one (1) amendment to the submitted website RFP bids cost summary of services sheet; yearly cost listed for Revize should be \$1,900 instead of \$1,800 as stated. Ayes were unanimous.

**APPROVAL/ADJUSTMENTS TO THE AGENDA**

A motion was made by Bill Carlson, seconded by Bill Luetzo, to approve the May 17, 2016 agenda as submitted. Ayes were unanimous.

**CONFLICT OF INTEREST DECLARATION**

None.

**UNFINISHED BUSINESS**

**1. Follow – Up Discussion – Marketing and Branding Strategy.**

Scott Erbisch stated he contacted the Revize group to notify them they were selected to be the Superior Trade Zone (STZ) website developer. He said an agreement is currently being worked on. The agreement is for five (5) years with a condition of approving to pay \$1900 per year for the five (5) years. Mr. Erbisch stated the funds are available for two (2) years and agrees to provide two (2) years payment with the ability to approve each consecutive year after that assuming funding is available. Lastly, he said Revize agrees in the fifth (5<sup>th</sup>) year to give a complete re-do on the website.

Scott Erbisch stated sub-committee members need to be put in place to help with marketing before a lot of work can be put into the website design and creation.

## 2. Discussion – Creation of Sub-Committees.

Jim O'Toole stated the MEDC will be providing a marketing training seminar in June on marketing branding, strategy, and development, which would be a great benefit for the Superior Trade Zone and the local units of government.

Jim O'Toole stated the benefits of establishing various sub-committees for specific tasks that may come before the full membership of the Board from time to time will be established. The first sub-committee for discussion is Marketing and Branding.

Jim O'Toole stated Vicki Schwab volunteered to be a part of this sub-committee at the last meeting.

Scott Erbisch stated Amy Clickner volunteered at the last meeting to be part of the sub-committee and suggested three (3) STZ committee members minimum be part as well.

Jim O'Toole, Sarah Reynolds, and Scott Erbisch volunteered to be part of the Marketing and Branding Sub-Committee. Jim O'Toole stated this sub-committee will focus on marketing the Superior Trade Zone, logo design, catch phrase, highlighting key areas in the two (2) counties, etc. and create awareness of the Superior Trade Zone.

Scott Erbisch stated that any STZ members can participate at any given time if they would like to do so. He encourages additional participation.

Peter Brock stated he is an Assessor and can attend the meetings if his work schedule allows.

Jim O'Toole stated the group will ultimately have, as part of the STZ, a Master Plan that will not conflict with other local unit of government Master Plans.

Scott Erbisch stated a motion accepting the nominations for the Marketing and Branding Sub-Committee members to include Vick Schwab, Amy Clickner, Sarah Reynolds, Scott Erbisch, and Jim O'Toole, with Peter Brock as an alternate.

**A motion was made by James Nankervis, seconded by Bill Carlson, to approve the Marketing and Branding Sub-Committee members of Vick Schwab, Amy Clickner, Sarah Reynolds, Scott Erbisch, Jim O'Toole, and with Peter Brock as an alternate. Ayes were unanimous.**

Jim O'Toole stated sub-committee members for the Marketing and Branding Sub-Committees have been chosen and the other two (2) sub-committees, the Infrastructure Sub-Committee and the Financial Incentive Sub-Committee, are up for discussion on volunteers. He stated engineering assistance will be needed for the Infrastructure Sub-Committee and will volunteer the City of Escanaba Engineer for engineering and support services.

Ryan Bergman nominated Patrick Johnson.

Scott Erbisch volunteered for the Infrastructure Sub-Committee and stated Vicki Schwab volunteered to be a part of this sub-committee at the previous meeting.

Joel Schultz volunteered CUPPAD Transportation Planner Peter Van Steen, who is an MDOT specialist.

James Nankervis volunteered. He stated he has a degree in engineering.

Scott Erbisch stated conference calls can be held instead of conducting meetings if needed.

Scott Erbisch stated members will consist of Patrick Johnson, Vicki Schwab, Peter Van Steen, Scott Erbisch, James Nankervis, and City of Escanaba Engineer, Bill Farrell, for services and support.

**A motion was made by Sarah Reynolds, seconded by Jim O'Toole, to approve the Infrastructure Sub-Committee members of Vicki Schwab, Bill Farrell, Patrick Johnson, Scott Erbisch, Peter Van Steen, and James Nankervis. Ayes were unanimous.**

Jim O'Toole stated nominations for the Financial Incentive Sub-Committee is up for discussion. This includes the programs available to assist with economic development. He would like an Assessor to be part of this group. He volunteers the new City of Escanaba Assessor once hired.

Scott Erbisch stated Amy Clickner volunteered for this group previously at the last meeting.

Peter Brock volunteered to be part of this sub-committee.

Ryan Bergman volunteered for this group.

Joel Schultz recommended CUPPAD Community Planner Anne Milne to be part of this group.

Scott Erbisch stated a motion is needed for the recommendation of sub-committee members being the City of Escanaba Assessor, Amy Clickner, Peter Brock, Ryan Bergman, and Anne Milne.

**A motion was made by Bill Luetzo, seconded by James Nankervis, to approve the Financial Incentive Sub-Committee members of Amy Clickner, Peter Brock, Ryan Bergman, Anne Milne, and the new City of Escanaba Assessor. Ayes were unanimous.**

### **3. Follow – Up Discussion – Existing Renaissance Zones within the Next Michigan Superior Trade Zone Boundaries.**

Scott Erbisch stated a follow up in regards to the future of the regions' expired and expiring Renaissance Zones and the possibility of having them transitioned into Next Michigan Superior Trade Zones. He stated he has been in contact with Andrea Robach, the STZ's connection with the Next Michigan Development.

Scott Erbisch stated the way the Next Michigan Development program works is they approve a total of twenty-five (25) Renaissance Zones for the entire state for those that have Next Michigan Development areas. Currently there are six (6) zones, with the possibility of one (1) more. Each specific zone can be up to 200 acres. When Scott Erbisch met with Andrea Robach, she mentioned no one in the state has an approved Renaissance Zone and there aren't any in the works. With that being said, this creates opportunities.

Scott Erbisch questioned Andrea Robach on the possibility of the MEDC allowing an extension of the Delta County Renaissance Zone, which will be expiring within a year or so. Andrea Robach will have to look into this further.

Scott Erbisch stated in discussion with Andrea Robach the potential of Sawyer was mentioned again. He asked her if it had to be project specific. She will have to research this further.

Ryan Bergman suggested a protection be included so current businesses don't qualify for the incentives.

Jim O'Toole suggested incentives being based on the number of jobs created and how much money is being invested.

Scott Erbisch stated all the details have to be finalized.

Ryan Bergman suggested to think along the terms of what other incentives will be created in five (5) years. Incentives should be matched up so there isn't competition with each other. He believes everyone should agree on a standard incentive.

Scott Erbisch stated learning more on the incentives available and creating a couple of Renaissance Zones, will allow a potential project to move quicker.

Joel Schultz suggested pre-approval of a specific area to be considered Renaissance Zones. This area can be activated when a project comes along, this area can be used as a selling point, and it will save time.

Scott Erbisch asked members to think of possible areas with power, etc. that would be a good fit. He suggested a conference call with Joel Schultz, Ryan Bergman, Jim O'Toole, Scott Erbisch, and Andrea Robach to include negotiations of the Renaissance Zones.

Scott Erbisch stated getting something in the hopper ready to roll is a great idea.

Bill Carlson suggested Anne Giroux participate with the Renaissance Zones. He also feels she would be a good member of the Financial Incentive Sub-Committee with her background and experience.

## NEW BUSINESS

### **1. Discussion – Speed Limits – Highway US 2 and Highway M-28.**

Jim O'Toole stated he received an email from Jeff Ratcliff, the Executive Director for Keweenaw Economic Development Alliance, regarding the speed limit bills that have been released. Jeff Ratcliff stated the only Inter-state, I75 between St. Ignace and Sault Ste. Marie, bridges long distances and adds a barrier to the economy that needs to be addressed. Jeff Ratcliff said the added passing lanes certainly help, but the limited speed still has a negative impact. He stated the process for this change has become complicated and he is looking for a resolution of support on two (2) lane highways in the Upper Peninsula to increase the speed limit to 65 miles per hour.

Joel Schultz stated the roads are built to handle the increased speed. He feels it is a matter of preference on what the speed limit in these areas should be.

Scott Erbisch stated he would like an increase in the speed limit.

Sarah Reynolds stated she recently spoke to Representative Kivela and he stated a study was conducted on safety by the Michigan State police about two (2) year ago. Based on this information during their discussion, she would support the change to increase the speed limit.

Jim O'Toole volunteered to draft a letter of support for the increase in speed limit to 65 miles per hour in the mentioned areas on I75 between St. Ignace and Sault Ste. Marie.

**A motion was made by Sarah Reynolds, seconded by Bill Luetzo, to have Mr. O'Toole draft a letter of support for the increase in speed limit to 65 miles per hour on I75 between St. Ignace and Sault Ste. Marie as long as the road conditions warrant the increased speed limit. Ayes were unanimous.**

## MEMBER ANNOUNCEMENTS AND UPDATES

Scott Erbisch questioned each Board Member on their participation in any other committees to see if any members from those committees would benefit in attending the Superior Trade Zone meetings. Scott Erbisch encouraged invitations to anyone from those committees who may add value in attending the STZ meetings.

Gary Simpson stated he would like to eventually find a re-use for the current hospital for in about three (3) years.

Sarah Reynolds said she will check into some possible Brownfield areas that could be used for Renaissance Zones.

Jim O'Toole stated he would like a representative from Northwoods Rail to attend the STZ meeting in June or to participate by conference call if attendance isn't possible.

Joel Schultz will be check into the possibility of a representative participating in the next meeting.

#### GENERAL PUBLIC COMMENT

None.

#### AUTHORITY/STAFF COMMENT AND ANNOUNCEMENTS

Jim O'Toole stated the next STZ meeting is scheduled for June 21<sup>st</sup> at 9:30 a.m. in Rock at the Maple Ridge Hall Township.

Scott Erbisch stated a dark stores update. He said there is interest by the Senate and the next step is to get it passed onto the floor in the House.

Jim O'Toole stated an update in regards to Marcus Abood for Tribunal. In opposing the appointment, a Senate confirmation hearing was conducted and the Senate was short by one (1) vote.

Scott Erbisch stated the key people involved on the sub-committee for this became aware of the realities and issues.

Scott Erbisch stated if the Governor's office supported the bill it would have a positive impact. He suggested sending letters of support to the Governor's office asking if they would publically support the legislation, which would hopefully have a great influence on a lot of the Republicans. He also suggested Speaker of the House Cotter to support the idea and to put it on the floor for vote. The support letter would emphasize this is not an Upper Peninsula issue, but a statewide issue.

Jim O'Toole added the City attorneys in Lansing are working on the issues.

#### ADJOURNMENT

**A motion was made by Sarah Reynolds, seconded by Bill Luetzo, to adjourn the meeting. The meeting adjourned at 9:31 a.m. Ayes were unanimous.**

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Scott Erbisch, Chairperson  
Marquette County Administrator

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Patrick Johnson, Secretary  
Delta County Commissioner



**SUPERIOR TRADE ZONE  
NEXT MICHIGAN DEVELOPMENT  
CORPORATION**

234 W. BARAGA AVE.  
MARQUETTE, MI 49855

Excerpt of the minutes of a regular meeting of the Next Michigan Superior Trade Zone Corporation held on May 17, 2016, at 8:30 a.m. at Maple Ridge Township Hall, 3892 West Maple Ridge 37<sup>th</sup> Road, Rock, MI 49880.

Present: City of Escanaba City Manager Jim O'Toole, City of Marquette Commissioner Sarah Reynolds, Ford River Township Gary Boudreau, Garden Township Supervisor Ray Young, Humboldt Township Supervisor Thomas Prophet, Ishpeming Township Supervisor James Nankervis, Maple Ridge Township Supervisor Judy Trudell, Masonville Township Supervisor Peter Brock, Marquette County Administrator Scott Erbisch, Negaunee Township Supervisor Bill Carlson, Richmond Township Bill Luetzo, CUPPAD Executive Director Joel Schultz, Delta County Administrator Ryan Bergman, and City of Marquette CFO Gary Simpson.

Absent: Bark River Township Supervisor Gregg Johnson, Chocolay Township John Greenberg, City of Gladstone City Manager Darla Falcon, Delta County Commissioner Patrick Johnson, Ely Township Supervisor Carl Hosang, Forsyth Township Supervisor Joe Minelli, Nahma Township Supervisor Warren Groleau, and Wells Township Supervisor Robert Therrian.

"Upon motion made by Member Sarah Reynolds, seconded by Member Bill Luetzo, the following resolution was made:

**Resolution Supporting HB 4423 to 4427  
Michigan's Two Lane Highway Speed Limits**

**WHEREAS**, studies show that a majority of Michigan residents are already traveling above the current speed limits on highways; and,

**WHEREAS**, Motorist generally tend to travel at speeds they feel are safe to travel at, along with environmental conditions; and,

**WHEREAS**, unrealistically low speed limits may create a false sense of security and that studies show that the driving environment, not the posted speed limit, is the main influence on motorists' speed; and,

**WHEREAS**, a 1992 study by the U.S. Department of Transportation Federal Highway Administration found that a majority of motorist do not drive 5 mph above the posted speed limits when speed limits are raised, nor do they reduce their speed by 5 or 10 mph when speed limits are lowered; and,

**WHEREAS**, because of the low population densities and long travel distances from point A to point B in Michigan's Upper Peninsula are long in duration, and a potential hindrance to economic development, the Next Michigan Superior Trade Zone is in support of HB 4423-4427, which would make the necessary changes to various regulations and processes in order to allow the speed limits to be increased on Michigan's two lane highways which has the potential to increase the overall economic situation of the Upper Peninsula with new investment that will stimulate the revitalization of Michigan's Upper Peninsula, create new jobs, increase local and State revenues, and allow the businesses of the Upper Peninsula to bridge the distances much safer and more efficiently.

**NOW, THEREFORE, BE IT RESOLVED** For the reasons stated, the Next Michigan Superior Trade Zone Corporation supports HB's 4423 to 4427, Michigan's Two Lane Highway Speed Limit bills, as written and urges the passage of such bills.

Ayes: City of Escanaba City Manager Jim O'Toole, City of Marquette Commissioner Sarah Reynolds, Ford River Township Gary Boudreau, Garden Township Supervisor Ray Young, Humboldt Township Supervisor Thomas Prophet, Ishpeming Township Supervisor James Nankervis, Maple Ridge Township Supervisor Judy Trudell, Masonville Township Supervisor Peter Brock, Marquette County Administrator Scott Erbis, Negaunee Township Supervisor Bill Carlson, and Richmond Township Bill Luetzo, CUPPAD Executive Director Joel Schultz, Delta County Administrator Ryan Bergman, and City of Marquette CFO Gary Simpson.

Nays: None.

**"RESOLUTION DECLARED ADOPTED."**

I the undersigned, being duly qualified and acting as Chairperson of the Next Michigan Superior Trade Zone Corporation, do hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the Next Michigan Superior Trade Zone Corporation, consisting of the Counties of Delta and Marquette local units of government, at a regular meeting held on Tuesday, May 17, 2016, and that said meeting was conducted and public notice was given pursuant to and in full compliance with the Open Meetings Act, Act 267, Public Acts of Michigan, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

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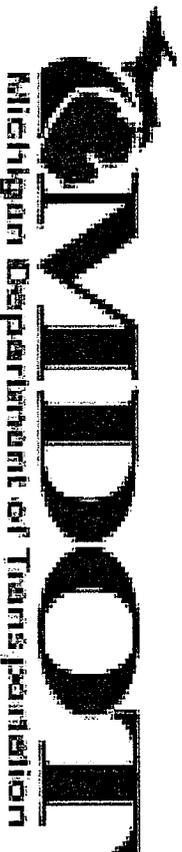
Scott Erbis, Chairman  
Next Michigan Superior Trade Zone Corporation  
234 W. Baraga Avenue  
Marquette, MI 49855

# Upper Peninsula Freight (Rail) Study



Rail Transportation Program  
Michigan Tech Transportation Institute • Michigan Technological University

*NURail Center*



Presenter

**Dr. Pasi T. Lautala, P.E.**

**Assistant Professor, Civil & Env. Engineering  
Director, Rail Transportation Program  
Michigan Tech Transportation Institute**

**p. 906-487-3547**

**[ptlautal@mtu.edu](mailto:ptlautal@mtu.edu)**

**Michigan Technological University**

**1400 Townsend Drive, Houghton, MI**

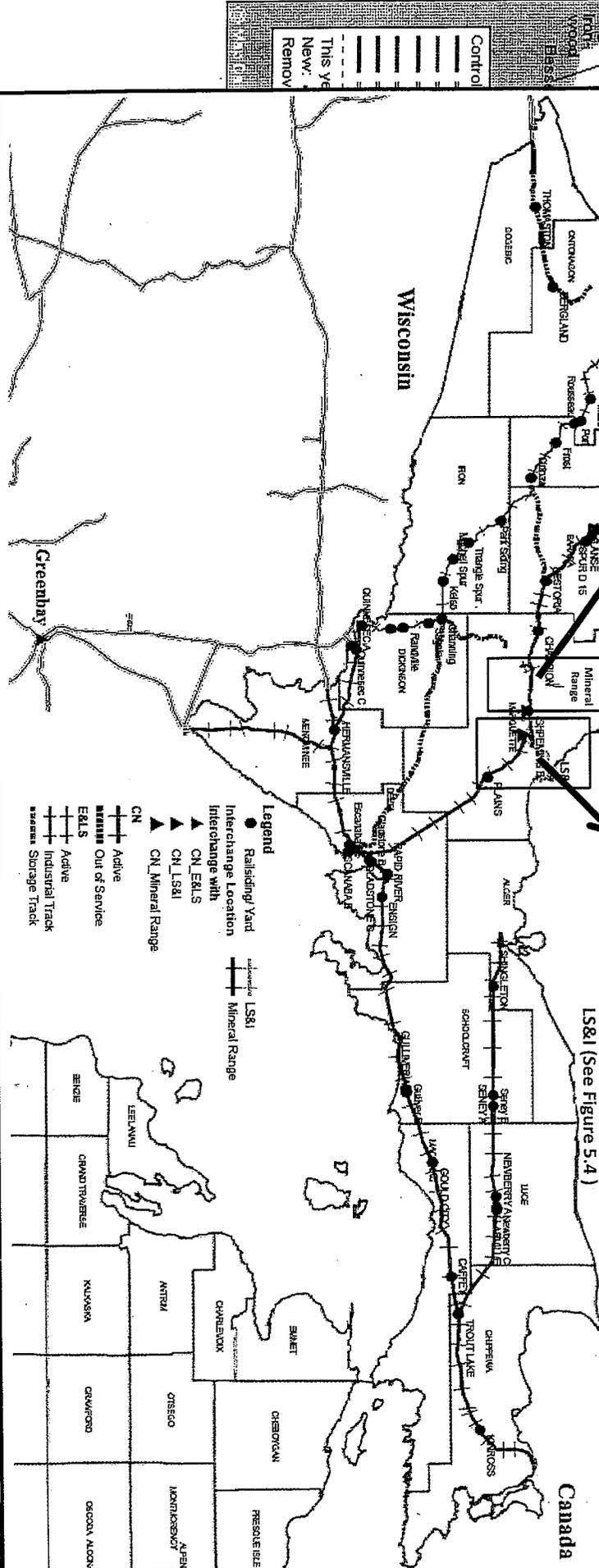
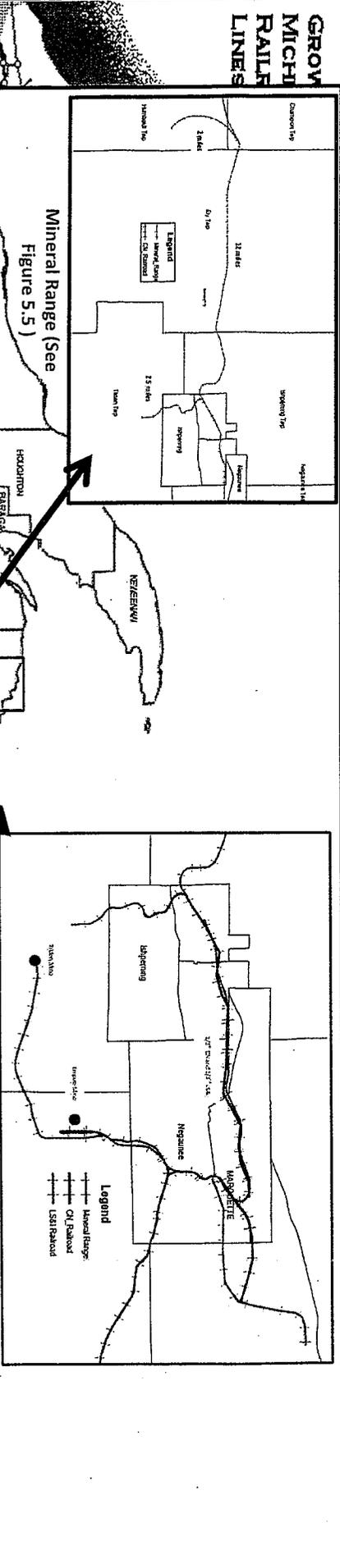
# Report and Tasks

- ✓ Link to Final Report: [https://mail.google.com/\\_/scs/mail-static/\\_/is/k=gmail.main.en.ISbZwJXcv8A.O/m=m\\_i,t,it/am=PDUgOxn7g5gx36VPqP3772eWF95T8VPmABI9gLA\\_2b\\_D-CvAX1qxww/rt=h/d=1/t=zcms/rs=AITRSTPje9FaikQzqEuy1cx32CPUaZLDbg](https://mail.google.com/_/scs/mail-static/_/is/k=gmail.main.en.ISbZwJXcv8A.O/m=m_i,t,it/am=PDUgOxn7g5gx36VPqP3772eWF95T8VPmABI9gLA_2b_D-CvAX1qxww/rt=h/d=1/t=zcms/rs=AITRSTPje9FaikQzqEuy1cx32CPUaZLDbg)
- ✓ Scope
  - ✓ Task 1 : GIS based Rural Rail Infrastructure Map
  - ✓ Task 2 : Commodity Flow Analysis
  - ✓ Task 3 : Railroad Interviews
  - ✓ Task 4 : Shipper Survey
  - ✓ Task 5 : Analysis of Shipper/ Rail Service Provider Concerns
  - ✓ Task 6 : Case Studies and Comparative Analysis



# UP Rail Network

GROW  
MICH  
RAILS  
LINES



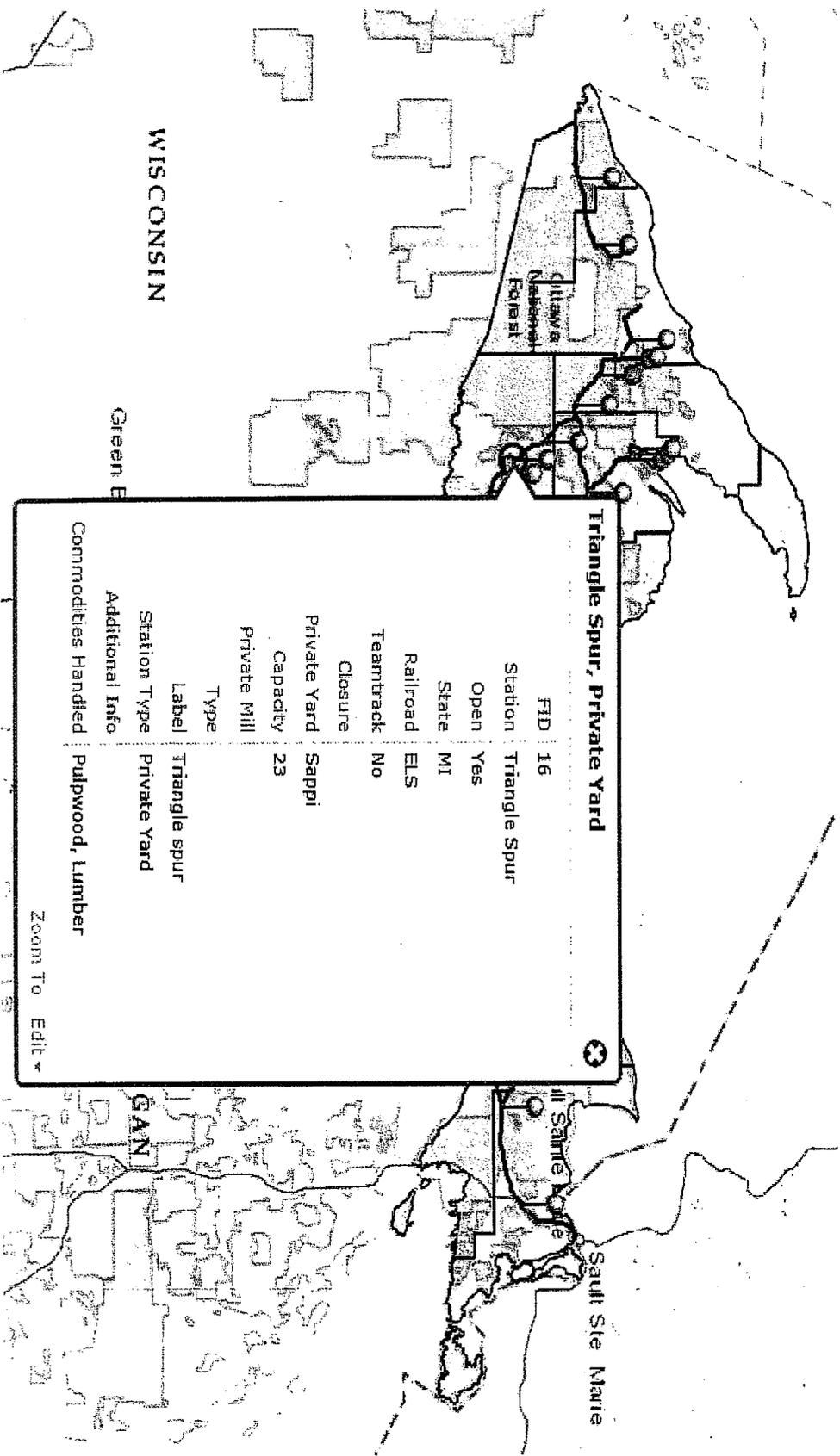
Control  
This Year  
New  
Remov

- Legend**
- Rail siding/ Yard
  - Interchange Location
  - △ Interchange with
  - ▲ CN\_ERLS
  - ▲ CN\_LSRI
  - ▲ CN\_Mineral Range
  - CN
  - Active
  - Out of Service
  - E&LS
  - Active
  - Industrial Track
  - Storage Track
  - LSRI
  - Mineral Range

**Legend**

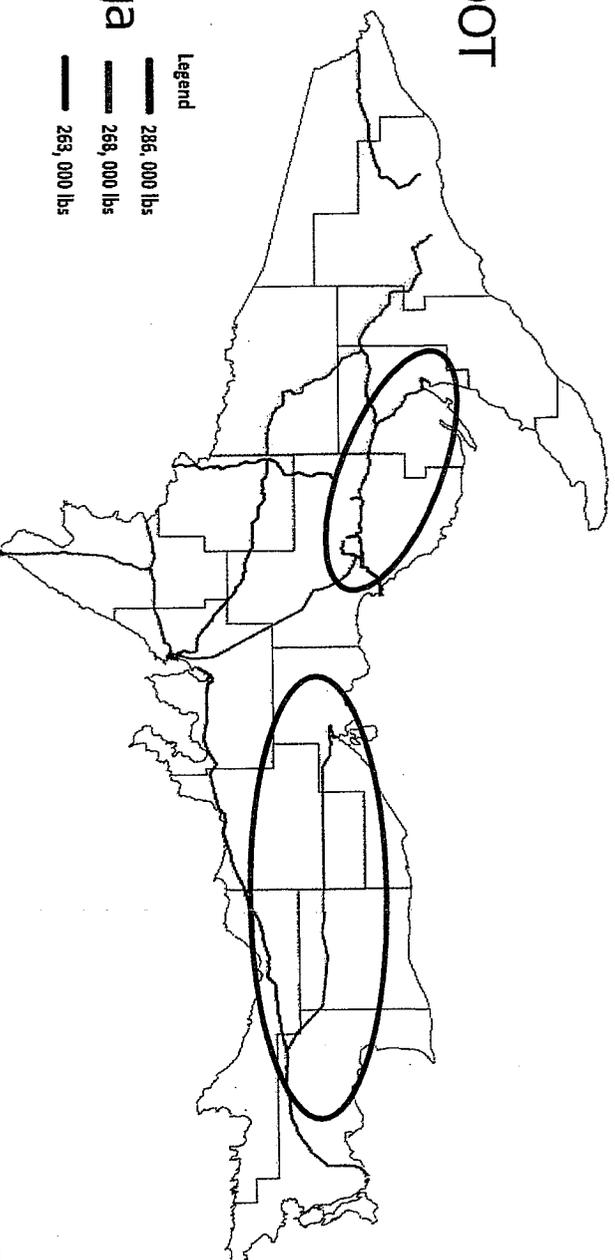
- Mineral Range
- On Railroad
- LSRI Railroad

# Task 1. GIS Infrastructure Map



# Infrastructure Challenges

- ✓ Weight limits / facilities
- ✓ LS&I
- ✓ Marquette yard capacity
- ✓ Mineral Range
- ✓ Track condition (MDOT Grant)
- ✓ CN
- ✓ Branch lines (Ishpeming – Baraga and Trout Lake – Munising)



# Task 2. Commodity Flow Analysis - Trucks

Commodities	STIC	Inbound		Outbound		Internally in the US	
		2009	2030	2009	2030	2009	2030
Agriculture	1	268,608	241,708	38,218	276,197	0	5,936
Iron Ores	10	264,050	233,297	0	2	12,451	20,029
Nonmetallic Ores and Minerals	14	418,265	651,703	64,296	137,470	220,649	595,035
Food Products	20	338,867	435,473	75,056	112,928	0	11,763
Lumber and Wood Products	24	149,875	444,296	1,713,462	1,925,218	3,288,699	7,815,825
Pulp and Paper Mill Products	26	138,128	212,382	299,795	411,036	0	5,708
Chemical Products	28	242,987	270,453	194,486	258,912	0	2,638
Petroleum or Coal Products	29	219,072	205,274	216,511	206,083	22,663	70,634
Rubber and Plastics	30	31,286	55,537	16,965	29,050	0	1
Clay, Cement, Glass, Stone Products	32	153,794	305,823	137,063	221,060	71,044	381,507
Primary Metal Products	33	105,414	148,866	54,732	98,262	0	399
Fabricated Metals	34	55,229	94,104	55,111	76,307	0	337
Machines	35	31,294	67,495	34,814	63,612	0	0
Secondary Traffic	50	550,150	1,365,482	81,441	175,472	0	1,103
Other		222,241	387,453	364,271	343,527	6,092	112,350
% increase			61		30		149

# Task 2. Commodity Flow Analysis - Rail

Commodities	STCC	Inbound		Outbound		Internally in the UP	
		2009	2030	2009	2030	2009	2030
Iron Ores	10	0	0	1,460,308	2,793,444	8,334,341	24,722,228
Lumber and Wood Products	24	193,920	383,343	576,560	581,918	257,640	604,043
Pulp and Paper Mill Products	26	105,480	155,994	908,160	1,030,201	56,360	82,663
Chemical Products	28	0	203,309	0	0	0	0
Clay, Cement, Glass, Stone Products	32	499,680	859,900	68,600	76,468	0	0
Primary Metal Products	33	67,920	148,091	38,080	20,923	0	0
Waste or Scrap Material	40	2,800	2,871	49,200	76,918	0	0
Other		306,928	138,200	4,080	5,163	322,184	136,766
% increase			61		48		185

✓ LS&I = 8.5 million tons

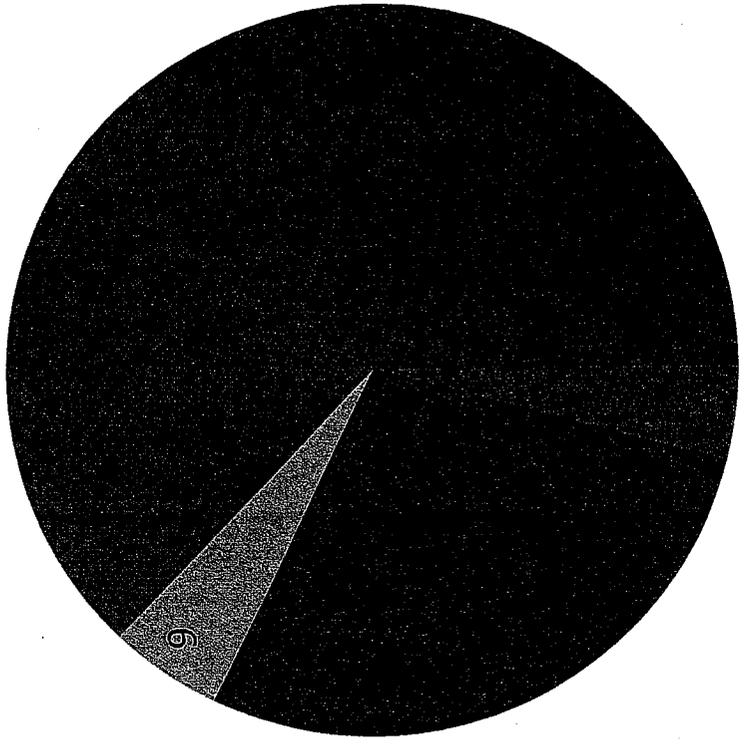
✓ CN = 80,000-95,000 carloads

✓ E&LS = 4,000+ carloads

# Task 4. Shipper Survey (Contd..)

## Mode Used

Answered : 121



- All - Rail, Truck and Water modes
- Rail and Truck
- Truck and Water
- Truck only

# Quantities - Survey vs. Transearch

Table . Comparison of TRANSEARCH Database (2009) with the Ongoing Shipper Survey in the UP

County	Inbound (Tons)			Outbound (Tons)		
	Rail	Truck	Total	Rail	Truck	Total
Alger	TRANSEARCH (2009)	Shipper Survey	TRANSEARCH (2009)	TRANSEARCH (2009)	Shipper Survey	TRANSEARCH (2009)
Baraga	38,400	11,520	177,120	110,131	64,493	4,800
Chippewa	43,760	23,280	28,800	94,040	39,175	3,160
Delta	12,900	460,680	94,425	464,228	27,240	30,760
Dickinson	0	418,768	26,130	676,158	567,600	16,640
Gogebic	0	0	83,437	210,292	10,600	407,720
Houghton	0	0	43,710	173,661	7,200	567,600
Iron	0	0	136,489	136,489	4,300	10,600
Keweenaw	0	0	5,601	5,601	0	45,040
Luce	13,500	30,800	33,910	76,120	258,000	46,840
Mackinac	0	0	46,052	46,052	2,920	150,980
Marquette	5,000	95,480	296,200	678,394	385,440	1,607,348
Menominee	24,280	565,053	350,258	60,531	96,000	95,000
Ontonagon	67,920	140,400	42,810	1,000	176,240	87,920
Schoolcraft	15,600	7,920	149,248	3,189,258	815,955	3,104,988
Total	129,160	1,176,728	1,492,485	3,189,258	815,955	3,104,988
% captured	11	47	26	64		

# Rail Shippers - Positive Trend??

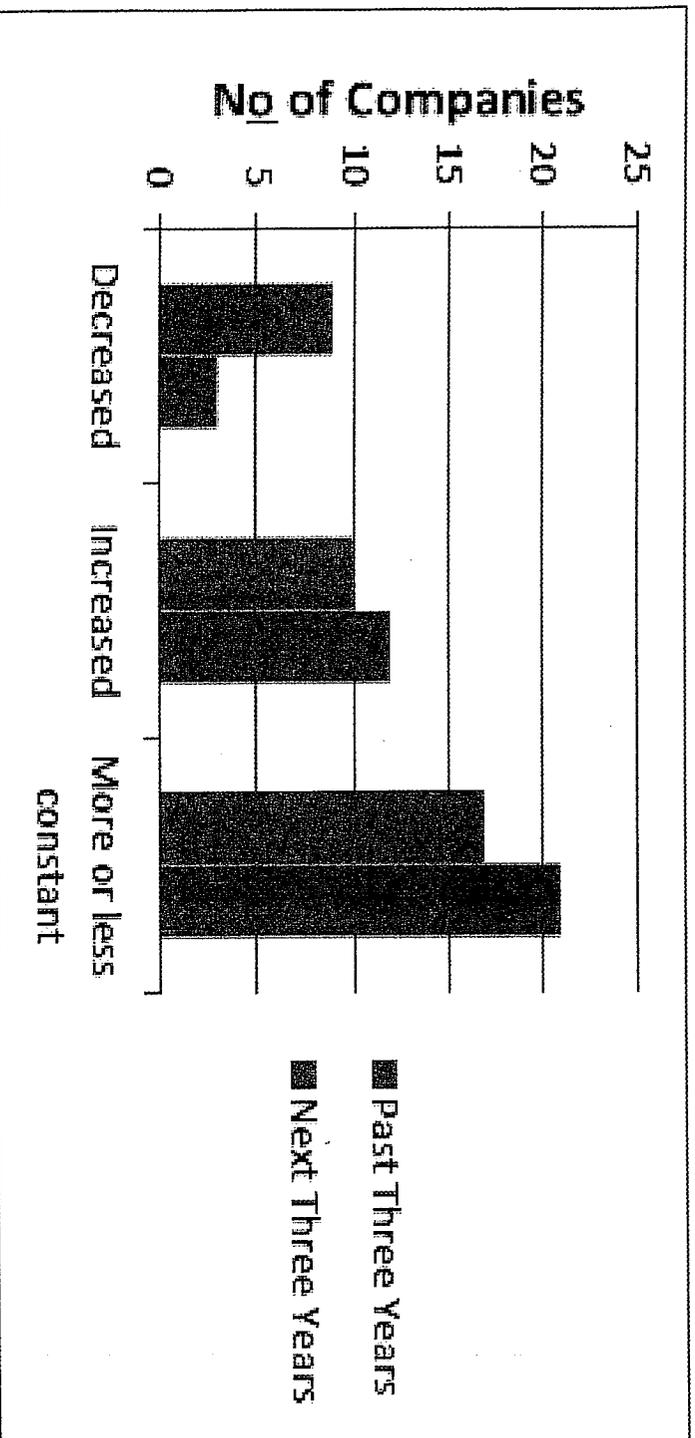
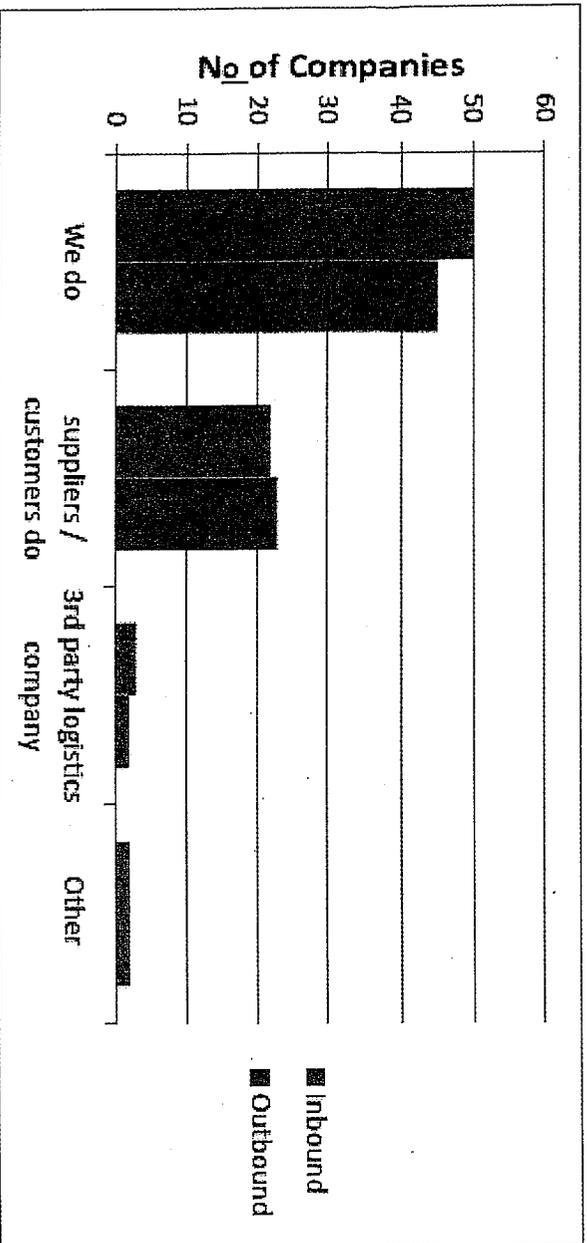
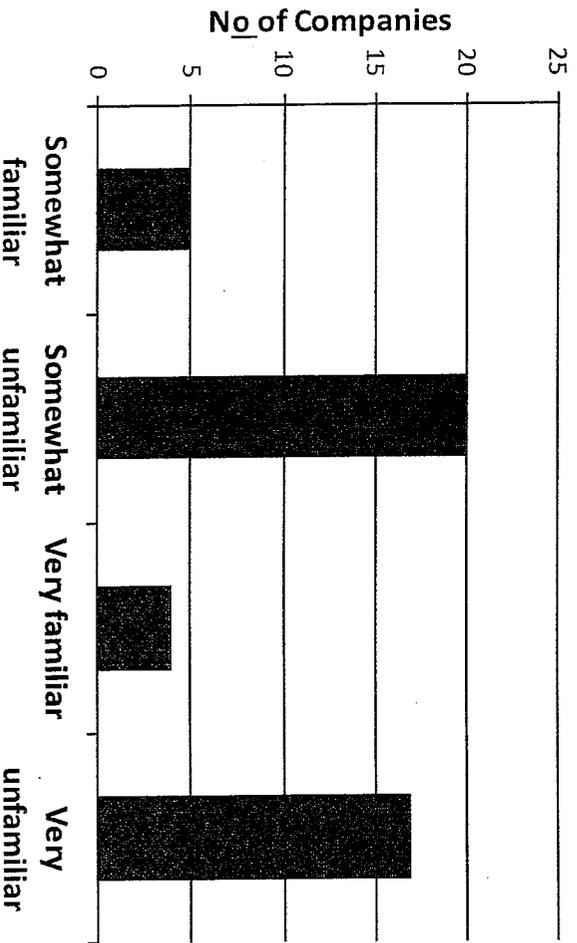


Figure . Rail usage. Answered: 36

# Shipping Decisions.....



**Figure .**  
Shipping mode decision  
(answered: inbound: 77,  
outbound: 72)



**Figure. Familiarity & Rail Usage**  
Answered: 46

# Concerns with Rail

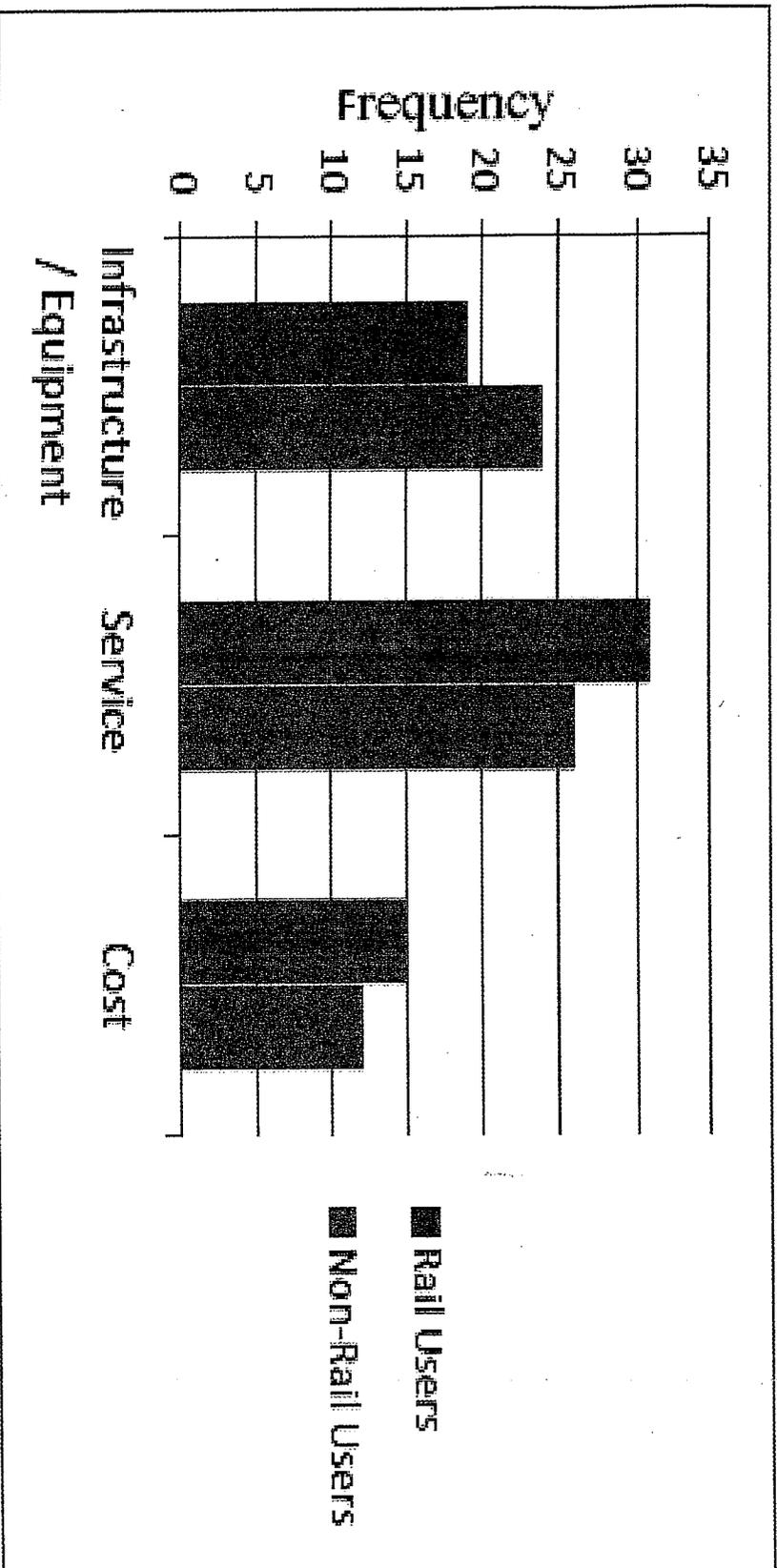


Figure . Overall rail concerns

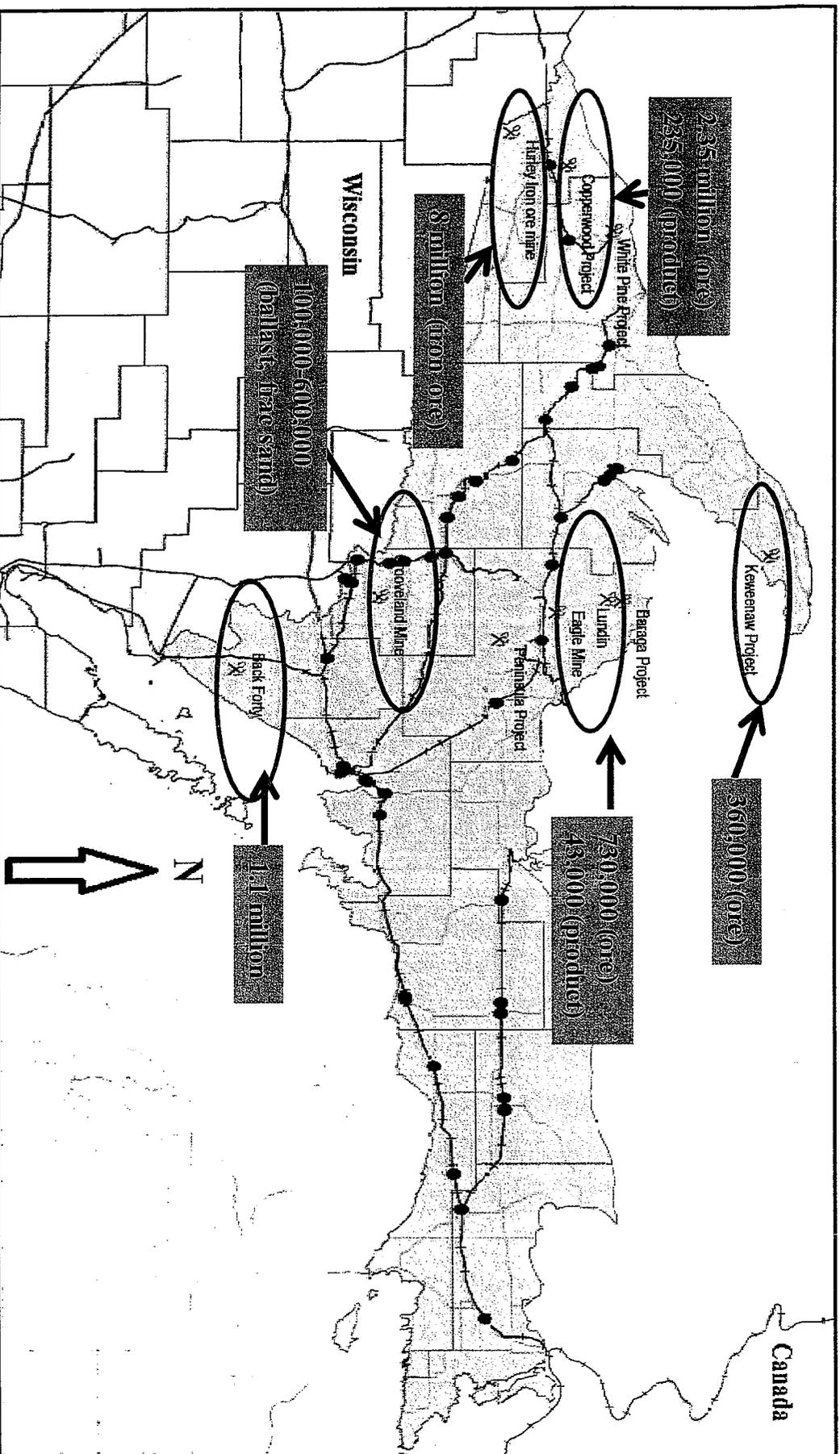
# Task 5 - Concerns

Category	Shippers	Railroads	Research Team Comments
Cars	Provide cars in good shape.	Abuse, damage, cleaning cars.	Methodology to determine responsibility & inspection?
Operations	Reliable and consistent car delivery. Timeliness and frequency.	Loading patterns. 24/7 operations / access. Managing product pipeline.	How to develop service efficiency and economies of scale?
Loading /Unloading	Realistic demurrage period.	Long loading and unloading periods. Loading cars improperly.	Tracking mechanisms and education/training.
Infrastructure / Utilization	Improved and expanded infrastructure and better utilization of existing tracks	Not maintaining their side track properly.	How to make best use of expensive infrastructure.

# Task 5 – Concerns cont....

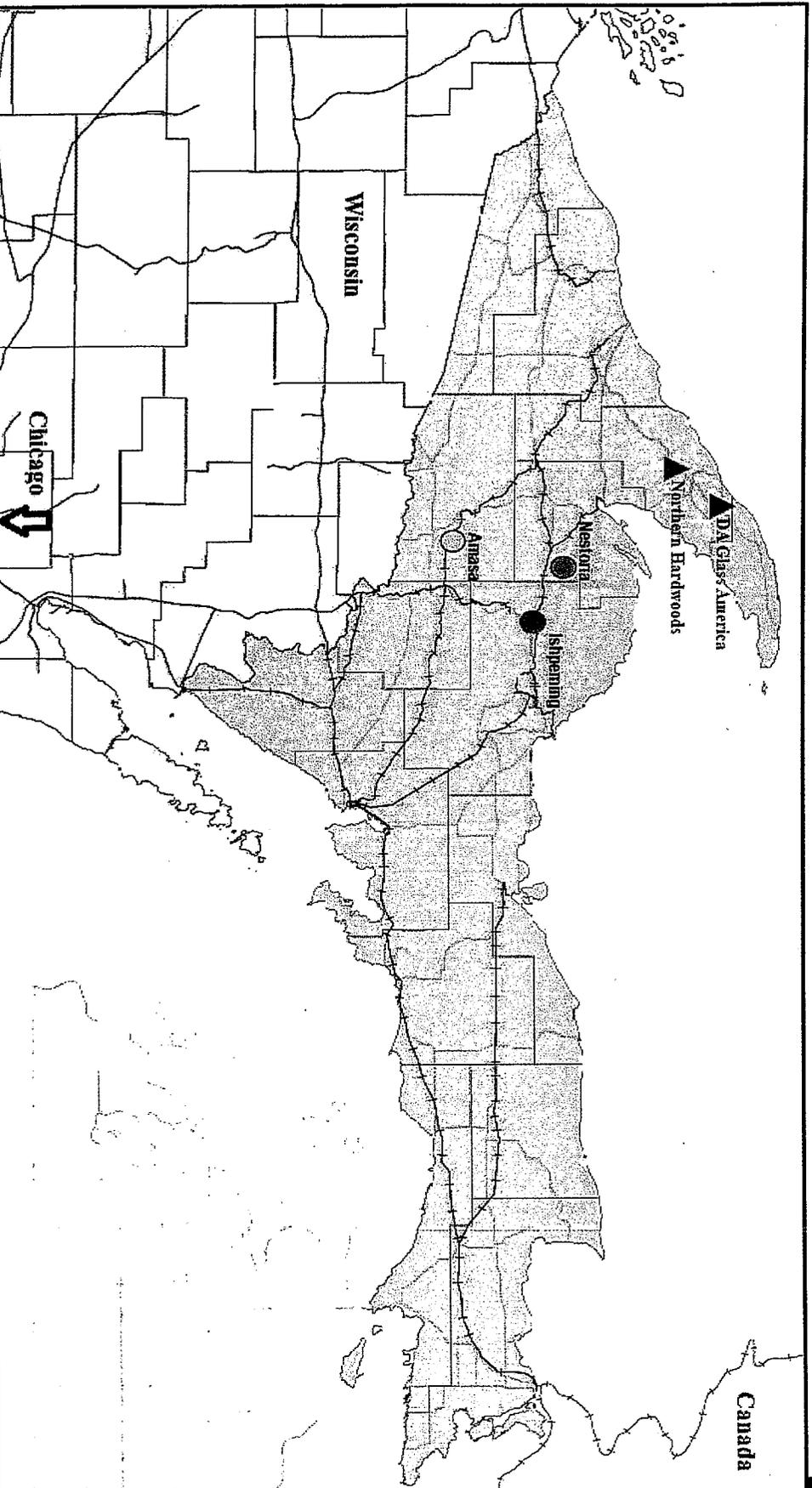
Category	Shippers	Railroads	Research Team Comments
<b>Rates</b>	Reasonable rates.	Shipping before rate is published.	Rate transparency (tariffs)
<b>Quantity</b>	Shipping small volumes.	Add volume.	Flexible Transload/ (rural intermodal) facility
<b>Intermodal /Transloads</b>	Intermodal service within a reasonable distance		Flexible Transload/ (rural intermodal) facility
<b>Information</b>	Quote times, accurate billing and car tracking.	Lack of proper shipping instructions.	Use of technology for better communications.
<b>Customer Service/Communication</b>	Improve customer service and ease of doing business. Better communication.	Designate a single “go-to” person for billing and status of cars information.	Collaborative groups (W/C group). Advise by CN.

# Anchor Customers - Future Mining Development (tons/year)



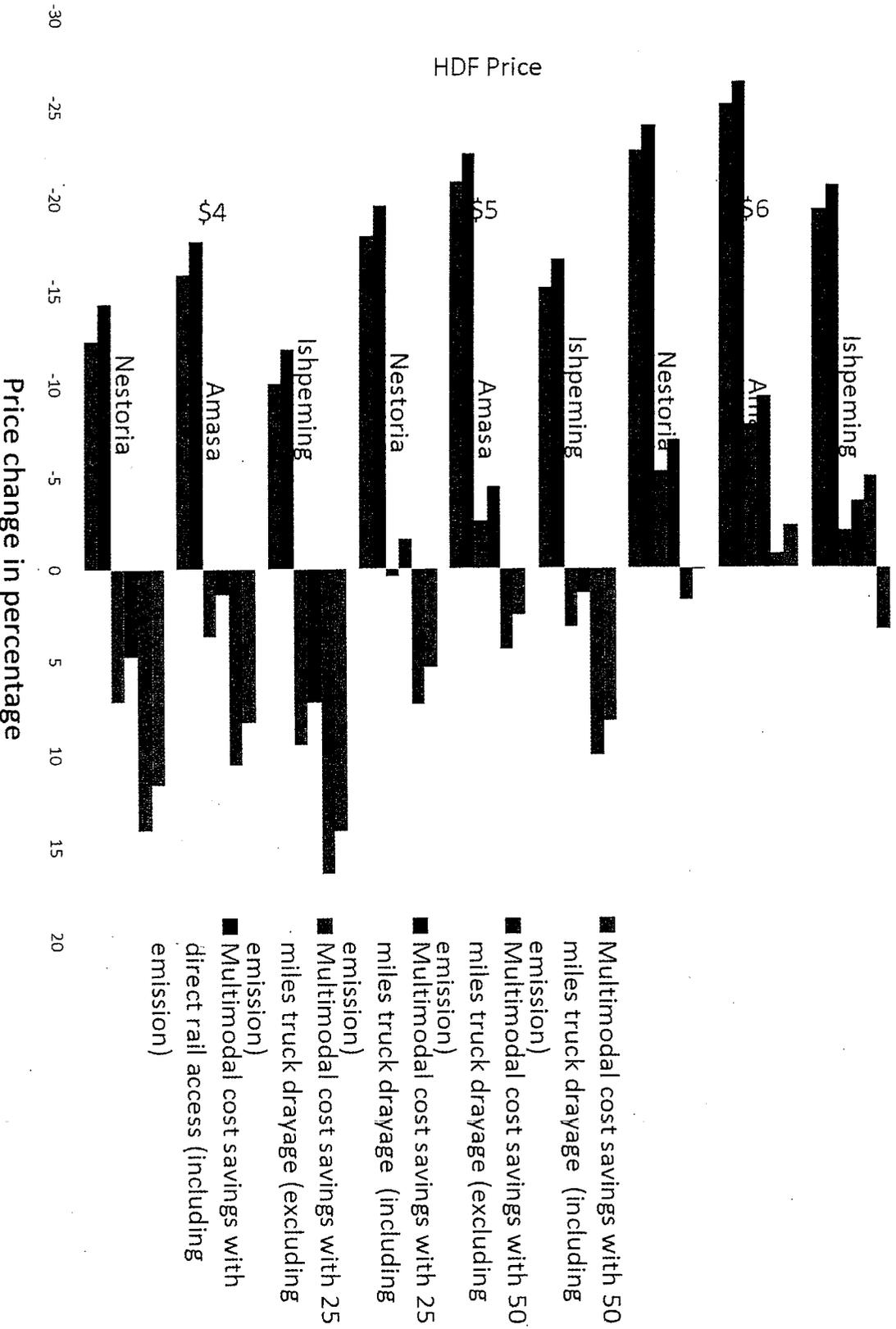
# Transload Facility

- ✓ Location?
- ✓ Do we have the volumes?
- ✓ Trucker perspective?

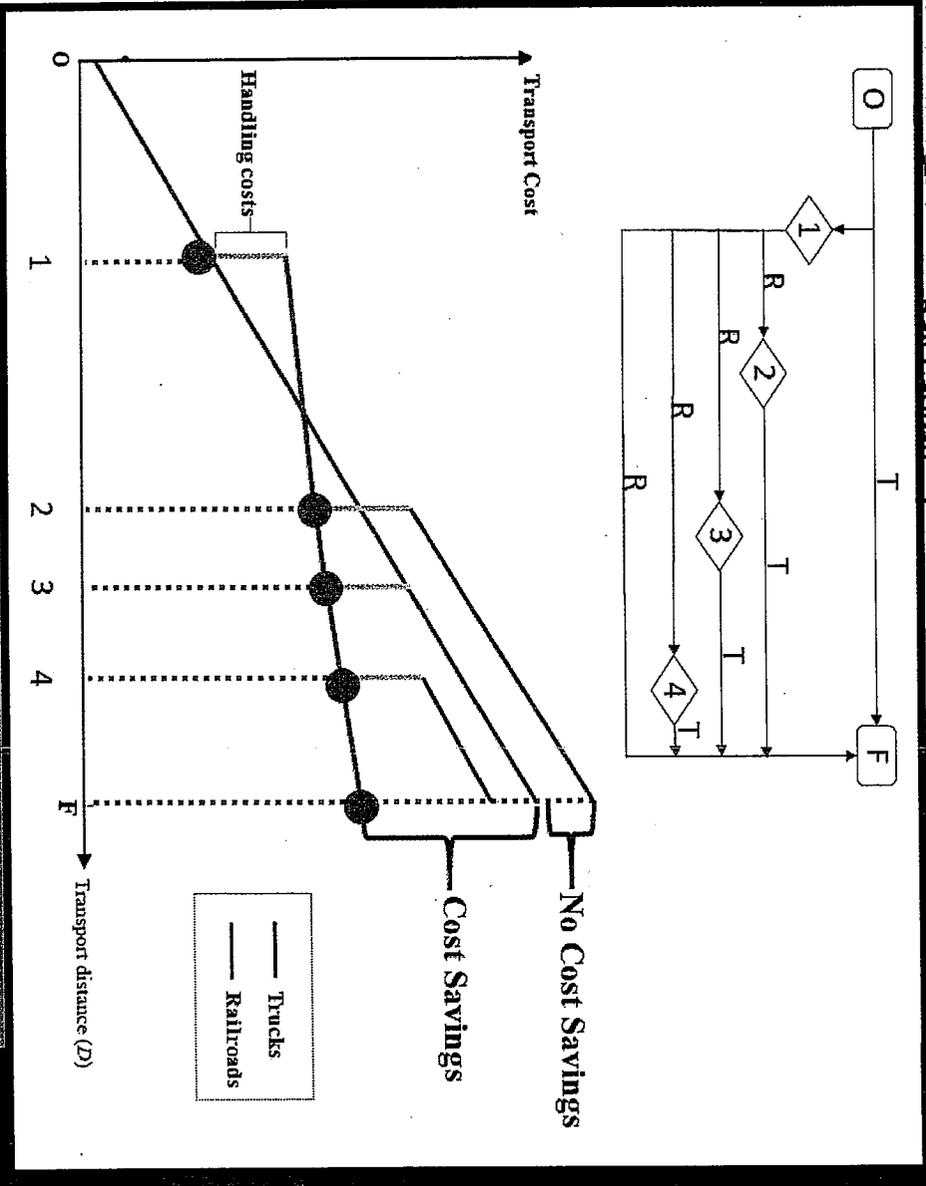
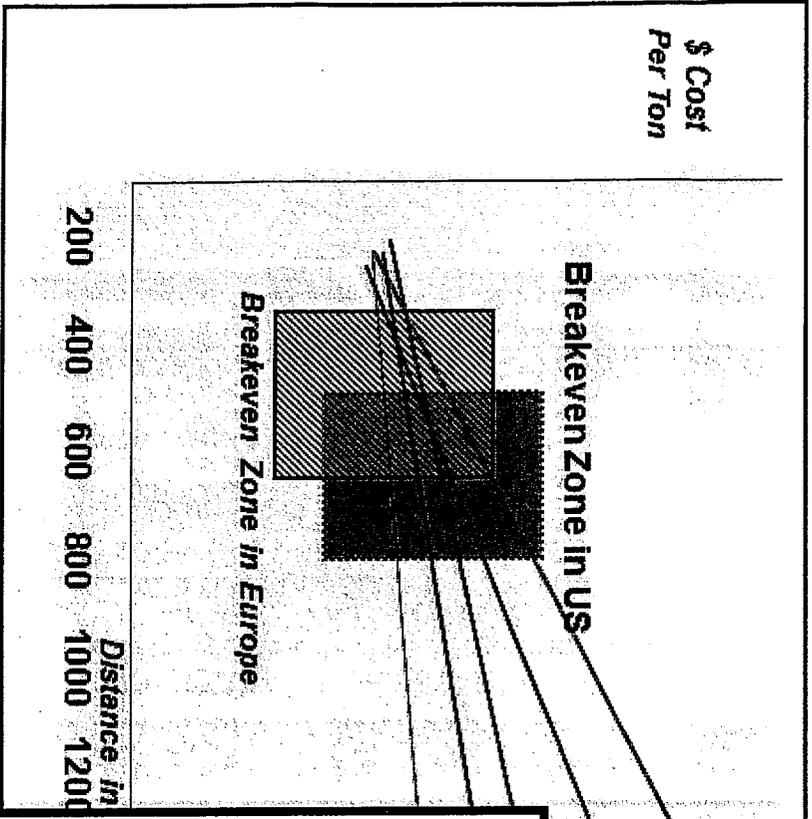


# Northern Hardwoods

Percent cost savings for Northern Hardwoods for Minneapolis movements



# When is Rail Economical?

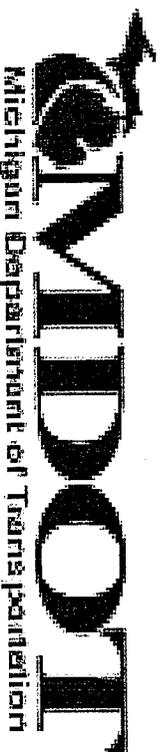


# Conclusions

- ✓ Rail Infrastructure
  - ✓ Opportunity – lack of interstates
  - ✓ “Healthy”? – excluding two spur lines
- ✓ “Data Deficiency” – Understanding Businesses / Freight
- ✓ Railroads / Shippers Concerns and Challenges
  - ✓ Shippers expect increase in rail shipments
  - ✓ Car availability, service and accessibility
  - ✓ Common concerns - Is it lack of understanding / communication?
- ✓ Transload facility
  - ✓ Volumes “might” be there (intermodal challenging)
  - ✓ Collaborative – no major anchor customers
  - ✓ Turning high truck weight into “opportunity”

## **Acknowledgements:**

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- **Shipper Community**
- **Economic Development Agencies**



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Transportation Center"*



U.S. Department of Transportation  
Research and Innovative Technology  
Administration



Michigan

# Michigan House approves 75 mph speed limit hike

By **Brian McVicar** | [bmcvicar@mlive.com](mailto:bmcvicar@mlive.com)[Follow on Twitter](#)

on June 01, 2016 at 4:23 PM, updated June 02, 2016 at 9:16 AM

Motorists could travel 75 mph on stretches of Michigan's rural highways under legislation narrowly approved Wednesday in the state House of Representatives.

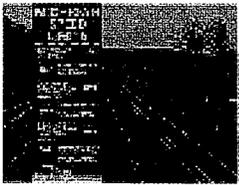
"Our roads were designed for 75 mph," said Rep. Bradford Jacobsen, an Oxford Republican who sponsored the legislation. "That's the speed that people feel safe traveling."

Under the legislation, the speed limit could be boosted to 75 mph on rural freeways – or 65 mph on state trunkline highways – after an engineering and safety study is completed.

The legislation, part of a multi-bill package, was approved 56-53.

A **previous version of the legislation** left open the possibility of 80 mph speed limits after further study. But that provision was struck from the legislation Wednesday, with Jacobson saying Michigan roads weren't built for speeds that high.

"A new road would have to be constructed with different arcs, different curves and such," he said.



**Michigan's proposed 75-80 mph speed limit would be highest in Midwest**

Rep. Marilyn Lane, D-Fraser, voted against the measure. She said Michigan's roads are "riddled" with potholes, and giving residents the ability to drive faster on those roads could be hazardous.

"Raising the speed limits and driving faster on riddled potholes doesn't make them safer for anybody," she said.

The legislation now goes to the Senate for approval.

Other highlights of the legislation:

- The speed limit on unpaved, gravel highways without a fixed speed limit would be set at 55 mph. In a county with a population of 1 million or more, the speed limit would be set at 45 miles per hour. The speed limit on such roads could be lowered to 35 mph if done in cooperation with the county's road commission, the Michigan State Police and the municipality in which the road is located.

*Brian McVicar covers education for MLive. Email him at [bmcvicar@mlive.com](mailto:bmcvicar@mlive.com) or follow him on [Twitter](#)*

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