



From the President...

all is a special time of year here in Michigan with the changing of the leaves, visiting apple orchards and pumpkin patches, celebrating Thanksgiving or simply hanging with friends around a

bonfire. Whatever your favorite traditions may be, please

take a moment this Veteran's Day on November 11th to thank the members of our military for the sacrifices they have made make it possible for all of us to continue enjoying these traditions. So often we take for granted the freedom we have in this country and forget to honor the men and women of our Mili-

LSRC BRAVE

tary who fought bravely to give us this freedom.

Lake State Railway is a proud employer of 16 United States Military Veterans. I want to take this opportunity to acknowledge each of them for their service:

> Jack Laurin—Marine Corps Dave Murringer—Marine Corps Mike O'Sullivan—Marine Corps Quinton Huff—Navy Michael Keenan—Marine Corps Troy Mott—Army Gregg Campbell—Navy Travis Smith-Navy Kevin Filarski—Army **Dylan Wiggins**—Army Darrell Collins—Army Joshua Johnson—Navy Ed Currie—Air Force Michael Van Allen—Army Ralph Rogers—Marine Corps

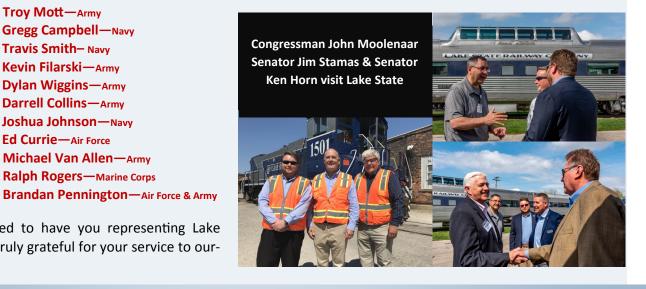
We are honored to have you representing Lake State Railway and are truly grateful for your service to ourcountry.

As Americans, we have the privilege of living in a country where democracy remains. Democracy literally means "rule by the people", where the citizens exercise power by voting. As this Election Day, November 6th, approaches I would encourage everyone to take advantage of the privilege we all have to be able to participate in the decisions being made for America's future. So often we

> rely on television advertisements or social media to be our main source of information. Mγ challenge for everyone is to take the time to research the important issues being brought to the ballots and your vote cast based on an informed and educated decision. Get acquainted the candidates.

their values, their positions on the issues and how they will represent the future of our businesses and the lives of our children and grandchildren. We may at times become complacent or discouraged with our political system and believe that one vote won't make a difference, but collectively every vote matters, let's make it count.

-John Rickoff **President & CEO**



Business Development



his summer, we have seen continued customer growth. Stone loads are up two and a half times levels from five years ago. Northern customers like Georgia Pacific and Stella Jones are up significantly over last year, and we have seen our highest level of military traffic in years. The third quarter

also saw the first railcars for new online customer Bit-Mat in Bay City (photo below). LSRC's traffic mix has changed drastically over the last five years, which is causing significant changes in our operating plan and allocation of resources. In 2013, approximately 60% of our traffic was unit train traffic, in 2018 year to date, less than 25% of our traffic is moved in unit trains. The single car traffic has grown significantly, resulting in longer and more frequent trains and additional classification work. Our team has done a great job of coming together, working long hours, and providing excellent service to our customers. From T&E employees volunteering for a sixth consecutive day of work and managers stepping in to run trains where needed, mechanical forces

keeping high availability numbers on our railcar and locomotive fleets to customer service and dispatchers keeping everyone informed. I'm

very proud of how the LSRC team has come together.

Another significant source of pride is safely handling over 400 loads of military equipment to support Exercise Northern Strike. The operation this year was aided with a new unit train unloading facility and yard tracks in Grayling, allowing for nearly 7 miles of railcars to be transported and delivered during a 3-week span at Camp Grayling this year. Our team was able to work with National Guardsman, Enlisted Soldiers and Marines to load or unload up to a mile's worth of equipment per day. We look forward to building on our partnership with the Michigan National Guard to grow our rail traffic in and out of Camp Grayling.

- Mike Stickel EVP & Chief Operating Officer



UPCOMING EVENTS

State Kaili



& Grayling, MI December 1st

Go to: www.lsrc.com
For more details

Columbus Day10/08
Employee Train Ride10/20
Halloween10/31
Santa Train12/01
LSRC Christmas Party12/15

Roundhouse Report



Quin Huff and Dave McKnight in LSRC's Locomotive Shop came up with the idea for a military themed locomotive. Collectively, the Mechanical Department discussed different ways to honor their fellow vets. Working with photographer Kevin Burkholder, they came up with the Operation Northern Strike decals seen above and oversaw the application by Agnew Productions. The soldiers at Camp Grayling were very honored.

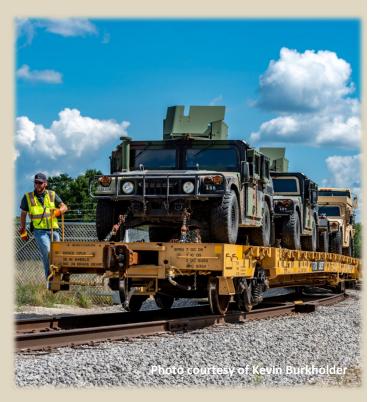
Customer Spotlight

CAMP Grayling was founded in 1913 when a local lumber baron, Rasmus Hanson, donated over 13,000 acres to the State of Michigan for military training. Camp Grayling has since grown to 147,000 acres that spans over three counties (Crawford, Kalkaska, Otsego) and employs more than 200 full time

workers, making it one of the largest employers in Crawford County. With state-of-theart ranges and modern support facilities. Camp Grayling is the largest National Guard training center in the country providing training for over 10,000 military personnel annually.

Northern Strike is a robust military readi-

ness event that is hosted annually at Camp Grayling for all who serve to protect freedom and democracy. With approximately 5,000 participating Soldiers, Airmen, Sailors, and Marines, joined with international partners that include Great Britain, Latvia, Poland, Germany, Hungary, Lithuania, Jordan and Estonia; Northern Strike is one of the largest reserve component exercises supported by the U.S. military.



Lake State Railway is honored to support Camp Grayling and our military by railing in various types of military equipment that supports large artillery, mortar, tank ranges and maneuvering courses that are all necessary for training exercis-



es. With over three unit trains and standby switching, LSRC train crews executed specific instructions for handling of each train in record time.

All involved declared the Summer 2018 Northern Strike exercise a success and look forward to training exercises in 2019 and beyond!

"PEACE THROUGH STRENGTH" - USS Ronald Reagan (cvn-76)

Shasta DuffeyVP Sales & Marketing

SSEALLY COUNT

The railroad industry has put a focus on hiring Veterans in recent years. Nationally, 21-25% of all railroad employees have served or are currently serving in the US military. Veterans bring unique qualities to the railroad environment to include self-discipline, a strong work ethic, the ability to work long strenuous hours, the importance of quality communication, an understanding of the team concept, command structure and perhaps most important, they understand the need to watch out for each other to ensure personal and group safety. Much like the military, simple mistakes on the railroad can result in life altering consequences. We, at the LSRC, are much like the 'Band of Brothers'. There is a team camaraderie here. We take our jobs seriously, enjoy a good laugh and get together several times each year at one or more of our company outings, and when one of us suffers, we suffer as a group. I'm proud of my military service and have been privileged to work with this group of professional railroaders.

Lake State participated in the annual 2018 Operation Lifesaver "Officer on a Train" event in September to help raise public awareness of railroad safety. Thank you to Sam Crowl, the OLI State Coordinator, LSRC Engineer Andrew Esseltine and Conductor Dylan Wiggins for participating along with the



As featured on WNEM TV5

Michigan State Police. Many drivers are either unaware of railroad crossing laws or simply choose to ignore them even when the laws are meant for their own health and safety. During the 3-hour operation, Police issued 4 citations to drivers for failure to stop or yield at a railroad crossing signal. Fortunately, there were no incidents and no one was hurt.

-Michael O'Sullivan Safety & Training Manager



https://www.wnem.com/ news/new-program-aimsto-decrease-railroadinjuries-deaths/ video_27d2b7d8-6655-581b-b9f4-5e695e7658e5.html



Randy Bessey—Maintenance of Way





Randy Bessey has been a loyal Lake State Railway employee in our Maintenance of Way department for over 18 years now. Randy was born in Standish, MI, the middle child of 3 brothers and 3 sisters. He traveled a bit for work in the earlier years from Alpena to Tennessee to Florida finally settling in Omer, Michigan where he resides today. Before coming to Lake State, Randy or "Bessey" as the guys call him, was employed by Gerace Construction for 3

years . Prior to his employment at Gerace, he worked in many capacities pouring concrete, laying underground telephone cable and working in the sawmills. In his younger adult years, Bessey worked for Shell Oil in the seismography department. We have to question Shell Oil's judgment for letting him handle dynamite.

However, aside from the explosives, Bessey's work experience has made him a great fit for our Maintenance of Way Department where he can quickly recognize rail issues or defects and work to get them quickly resolved. When asked what he enjoys most about his job he replies, "the outdoor physical labor and eating donuts with the guys".

In his free time, Bessey also enjoys hunting and fishing, riding his Harley, spending time with his girlfriend Brandi and his grandkids (Jaben-8, Skylar-6 & Ellie-3) and..... wait for it.......... cutting firewood! Yes, he really enjoys cutting firewood. Bessey also enjoys taking time out for a fun vacation once a year to either an all-inclusive resort or cruising the Caribbean or the Mexican Riviera.

His co-workers describe Bessey as having a great work ethic with a good sense of humor. He genuinely cares about the railroad and doing the job right. Lake State is proud to have Randy on our team and thank him for his years of commitment to the Railroad.

—Deanna Hennessy

Welcome

We want to give a warm welcome to our newest team members who joined Lake State July-September 2018. Welcome aboard! We look forward to all the great knowledge and workmanship you will bring to LSRC.

Andrew Weise - Dispatcher
Brian Hammond - Car Shop
Kyle Reilly - Train Service
Nickolaus Pickett - Train Service

Mike Hnatiuk - Director of Business Development

Justin Snyder - Car Shop

2018 4th Qtr. Birthdays

Ed Currie	10/07
Zach Valeck	10/11
Mark Eickholt	10/18
Ray Stomberski III	10/18
Melissa Podgorski	10/20
Richard Hanson	10/23
Richard Ruse	11/06
Elliott Hubbard	11/15
Sandy Miller	11/18
Derrick Talaga	11/18
Louie Tremble	11/25
Brian Benson	12/03
John Bolesky	12/06
Allen Gooch	12/09
Travis Smith	12/09
Trista Wolgast	12/16
Joe DeWaele IV	12/19
Alec McLennan	12/20
Kevin Podgorniak	12/23
Michael Davis	12/27

2018 4th Qtr. Work Anniversaries

Brian Balenda	19 years
Jesse Erickson	17 years
Jack Laurin	13 years
Gregg Campbell	13 years
Steven Rainey	13 years
Rick Krajniak	13 years
Louie Tremble	13 years
Chris Copp	8 years
David McKnight	8 years
Dora Fitzgerald	4 years
Brandan Pennington	3 years
Quentin Johnson	2 years
Derrick Talaga	2 years
Joe DeWaele	2 years
Alec McLennan	2 years
Shasta Duffey	2 years
Nickolas Wirtz	1 year
Nathan Beach	1 year
Michael Keenan	1 year
Mike Rose	1 year
Dylan Wiggins	1 year
Michael Edwards	1 year

Trivia

AND HIS AND HIS

FUN FACT:

During the Civil War (1861-1865) — often called the 'first railroad war' — railroads became the vital new technology for both Union and Confederate forces. They moved unprecedented numbers of troops and supplies while introducing ironclad railcars — capable of carrying big guns and artillery — that later evolved into modern armored combat vehicles.

As World War II unfolded, railroads moved approximately two million troops a month for deployment following the attack on Pearl Harbor and were instrumental in hauling the coal, iron ore and steel needed to produce military supplies, as well as the finished products themselves.

Today, railroads continue to support U.S. combat efforts with innovative technologies that strengthen military operations and help America's brave achieve victory. Lake State is honored to be among them.

Source: https://www.aar.org/article/freight-rail-military/



<u>LSRC</u> <u>Promotions:</u>

Shasta Duffey—VP Sales & Marketing





Congratulations

Congratulations to all the Lake State Employees who welcomed new additions to their families this last quarter.





Meet Arya Sue Valeck

Congratulations to first-time parents Zach

(Transportation) & Jennifer Valeck on the birth of their daughter Arya Sue weighing in at 5 lbs. 15 oz. and 17 inches long. Arya was born on September 5th a little earlier than expected.





"The Turntable" - Lake State Railway Company's official newsletter

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