



CONNECTIONS

News for customers, employees, and friends of the Louisville & Indiana

BETWEEN THE LINES

After the worst winter we have experienced since 1994, we are excited to have Spring arrive and look forward to a rewarding year in 2003. LIRC has scheduled another busy track work season as you will read elsewhere in this newsletter and remain committed to investing in the property to improve our reliability. This year, we will invest over \$1.3 million dollars in track and other capital improvements in addition to the \$1.5 million maintenance of way operating budget scheduled for the year.

The economic woes of last year coupled with skyrocketing fuel prices were interesting and sometimes trying times for the railroad industry and L&I was no exception. But, we are now just recently starting to see shipments inching upward across our customer base as the economy starts to pick up this spring. And, for the first time in months diesel fuel is below one dollar per gallon. Gasoline prices however continue to fluctuate between high and higher raising havoc with our budget.

The interchange delays in Louisville that we were experiencing with NS seem to have been corrected and transit times have improved as a result. Though the volume of traffic through the interchange with NS remains lower than normal, we anticipate that the volume will increase as a result of the building economy.

We recognize that the woes of the economy are not entirely behind us yet, but nonetheless we look forward to the return of more normal business levels as the country begins to recover in 2003. Thank you for your continued business.

John Secor President

G-R-O-W-I-N-G THE BUSINESS

We are pleased that several on-line customers are expanding their operations to take advantage of shipping by rail. Cerro Wire in Crothersville, Cosco in Columbus and Holm Industries in Scottsburg are all expected to increase rail shipments this year through plant expansions and in some cases installing additional track capacity. Cosco and Holm receive plastic pellets by rail while Cerro will begin receiving its plastic by rail this year. Cerro already uses rail for its inbound shipments of wire.

Since Amtrak vacated the Express facility in Jeffersonville last fall, several companies have expressed an interest in moving material over the dock. If you are interested in moving freight from rail to truck or vice versa, please give us a call. The dock is conveniently located adjacent to I-65

in Jeffersonville and is less than 2 miles from I-71 & I-64. The covered dock, built in 2001, has a capacity of six rail cars on two tracks and measures 250' by 50' designed with six trailer docks and fork lift ramp. Expansion possibilities are available if required. In addition, a new independent cross-dock facility is available in Seymour. Call Darren Wagner or Josh Murphy at 812-288-0940 for information on transload opportunities.

If you are thinking about expanding your rail service or upgrading or otherwise improving your rail facilities, please let us know about your plans. To avoid State compliance issues and operational difficulties, our staff can provide detailed information regarding all aspects of track construction.

UNIT TRAINS KEEP JEFF YARD BUSY

With almost 1900 carloads of Potash and six unit grain trains combined with our normal first quarter traffic, L&I's Jeffersonville Yard has been kept busy this year. "Although these traffic patterns are expected this time of year, operations can never plan for the unexpected" states Darren Wagner, Director of Marketing. "One of the biggest hurdles our operating department has had to overcome early on this year was Mother Nature herself and they did an outstanding job of planning, executing and communicating with our customers to ensure seamless service" says Wagner. Although unit train business remains an intricate part of L&I's overall business plan, L&I will also continue to meet all the goals and challenges of our customer's requirements.



Unit potash trains such as the one above have kept Jeffersonville Yard a busy place.



TRACK PLANS FOR 2003

Maintenance plans for the 2003 work season are starting to unfold after the long winter. The unseasonably cold weather delayed our track projects by almost thirty days as we entered April and we are just now kicking off our track program for the year.

Scheduled for this year is the installation of over 10,000 ties in the main track. This year's program will include a seven mile stretch between MP 80 and MP 87 near Scottsburg and from MP 106 through the end of track at MP 110.5 including both main tracks. At the completion of this work season, L&I will have installed nearly 110,000 new ties in its main track and over 20,000 ties in its yard tracks and sidings since 1994.

RailWorks Track Services will perform the surfacing work for this season with the goal of tamping and regulating over forty miles of main track during the year. In addition, this crew will surface behind the tie installation project to complete the program and raise, align and tamp several yard tracks in Jeffersonville. During 2003, we also have four bridges that will have all timbers replaced this summer. Bridges included in this program are 55.77 near Rockford, 72.58 near Austin, 107.82 in Clarksville and 108.11, the Ohio River Bridge at Louisville. We have been systematically working through each span on the mile-long Ohio River bridge for the last two years and have now completed three spans of that facility.

For those tracking the progress of the new I-65 bridge in Jeffersonville, progress has been slow for a variety of reasons. After two years of work we are still operating with one bridge over the interstate.

On Line:

DAVIDSON INDUSTRIES

Davidson Industries located in Franklin, IN has been a lumber supplier to the Indianapolis area since 1929 and a customer of L&I since 1994. This family owned business, now in its third generation, has been a steady user of the railroad for receipt of lumber products. Davidson averages 400-450 carloads annually utilizing flatcar and boxcar equipment. Their ability to manufacture wall panels and roof and floor trusses combined with their window and door manufacturing facility allows Davidson's to be a "complete

package" supplier to the building trade industry. Space Concepts, a Davidson division, sells and installs wire and laminated closet shelving, shower doors, mirrors and bath fixtures. "It's not just a coincidence that Davidson Industries is a major supplier in the Indianapolis area" says Darren Wagner, "with their diverse operation and professional management team, we look for Davidson to provide this region with multi-component manufacturing for years to come."

To learn more about Davidson Industries, please visit their website at dilumber.com.

WORKING ON THE L&I

Chris Ramey joined the L&I's signal department in Jeffersonville in January 2002. Chris comes to L&I after a stint with Safetran Systems, a supplier of railroad signal equipment and communications products. In July, 2002, Ted Folger joined the L&I as a signal maintainer headquartered in Jeffersonville. Ted joins us with 13 years of rail experience with the Rock Island Lines and Iowa Interstate Railroads. Folger owned and operated T&F Electronics in IL just prior to joining L&I.

Ramey and Folger will share responsibility for the crossing signals south of Seymour, IN as well as the interlocker in Louisville and the Ohio River Bridge.

MEET NICK HESSE



Nick is an NCE currently assigned to the Dutch Lane/Colgate Switcher, a six-day per week assignment that provides service to all L&I customers in Jeffersonville. Hesse joined L&I in August 2001 in the track department and transferred to the Transportation Department in March 2002. Nick's positive attitude, hard work and eagerness to learn has made him an outstanding employee.

Nick and wife, Kristina, have been married for two years and reside in Henryville. They have one two year old and are expecting their second child in September. In his spare time Nick enjoys fishing and hunting.

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