



CONNECTIONS

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

BETWEEN THE LINES

Traffic levels at L&I continue to run ahead of projections with the third quarter closing 668 carloads ahead of budget. Much of the increase is attributable to the movement of pig iron from Jeffersonville to the NS at Indianapolis. However, for the year scrap, cement, plastic and pipe shipments are all up in addition to specialty loads. Those commodities not performing well this year include potash, lumber, pulp board and grain (not including local grain). Though the economy in general seems to have slipped a bit since our last newsletter, L&I is confident that carload and revenue budgets will be met for the year.

We continue to improve the infrastructure of the railroad having completed the installation of 18,500 ties earlier this year. In late September Herzog Company ultrasonically tested the entire line of road between Indianapolis and Louisville. The purpose of this test was to determine any rail flaws that could produce a service interruption through a derailment or other track failure. The total number of rail flaws detected was 130. While many are very small and would not cause a problem for many years, L&I's policy is to change out all problem rails. In the next few weeks L&I's MOW forces will be busy eliminating problems before they develop.

In addition, a contract to replace the antiquated signal system on 1.5 miles of track immediately adjacent to and south of L&I's Ohio River Bridge in Louisville has been let. This project consists of abandoning the existing signal system and installing new wireless technology to control eight switches and the interlocking signals to the lift span. When completed in early 2007 we will have a much more efficient and effective operating system on the southern portion of the railroad.

Plans for the 2007 Capital Program are now being prepared and will include several bridge and road crossing repairs in addition to our annual tie project. Our objective is to continuously improve our rail property to help us serve our customers more efficiently. While we have had great accomplishments since 1994 we still have much more work ahead of us.

John Secor, President

CUSTOMER FOCUS: SILGAN PLASTICS CORPORATION

Silgan Plastics Company, located in Seymour Indiana is division of Silgan Holdings, Inc. To date, Silgan Holdings as a whole has grown to become one of the largest domestic consumer goods packaging companies in the United States with primary business lines consisting of metal food containers, composite and plastic vacuum closures and plastic containers. Silgan Plastics Company specializes in the production of plastic containers. Silgan utilizes the LIRC to deliver in-bound raw materials of plastic in covered hoppers. The plastic is then unloaded and manufactured into plastic containers used by consumers for a variety of applications. A few common products found in containers produced by Silgan are home cleaning agents, lawn and garden chemicals as well as health care products such as lotions, shampoos and hand creams. In recent months, Silgan has re-invested in its rail infrastructure by replacing ties and ballast as well as adding pavement around the railcar unloading area. These infrastructure improvements will allow for the safe and efficient unloading of rail shipments for many years to come.



Unloading staff shown above at Silgan Plastics Corporation are busy placing the finishing touches on their railcar unloading facility which was recently upgraded.



L&I HIRES NEW ROADMASTER



We are pleased to welcome Bill Cox to our staff as Roadmaster. He comes to L&I after 8 years managing projects for RailWorks having previously worked 16 years for NS and 8 years for Central Railroad. Recently Bill and Joan, his wife of 27 years, relocated to Hayden from Frankfort, IN. They have three children; Julie, Jesse and Cory. Bill enjoys hunting and fishing when time permits.

CHANGING TRACKS

Arrivals: Nathan Cole, NCE.
Jerry Kendall, Track Department

Departures: David Cissell, Track Department.

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(812) 288-0940
www.anacostia.com

John K. Secor, President

John H. Sharp,
Genl. Superintendent

Darren M. Wagner, Director of Marketing

LIRC BEGINS SCRAP IRON SHIPMENTS

After a successful trial period during the 2nd quarter of 2006, L&I and Consolidated Terminal and Logistics Company (CTLC), a division of CGB Enterprises, Inc., were able to secure a steady volume of scrap iron from Clark Maritime Center to northern Ohio. According to Director of Marketing Darren Wagner "This movement has been on the board for at least two years now so when the opportunity for test shipments came about we were more than ready for the challenge". The success of the trial runs were a team effort between L&I, CTLC and Norfolk Southern who is responsible for delivering the product to final destination. Although the entire movement consists of much more than just the Jeffersonville leg, one of the major components was securing equipment in a market where demand clearly outweighed supply. Fortunately for L&I our sister company Chicago Southshore & South Bend (CSS) has been a very intricate supplier of equipment for this movement. "Without assistance from CSS this movement could have become somewhat of a nightmare from an operational viewpoint" states Wagner. "We are very fortunate to have the ability to utilize our corporate assets which in turn provides benefits to all parties involved". At this particular time terms and tonnages have not been made available.



The front end loader shown above is busy loading scrap iron into railcars at the CTLC facility in Jeffersonville.