



CONNECTIONS

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

BETWEEN THE LINES

Now that 2009 is well behind us we can look back on the results and draw several conclusions. There were no records set, no earth-shattering, catastrophic acts of nature and certainly no bragging rights on how well we performed for the year. While we did make budget, it was ugly getting there and that achievement seems shallow in the light of previous years. We anticipated that it would be a challenging year but underestimated the magnitude of the challenge.

We closed the year in positive fashion with one of the best fourth quarters ever racking up 1,136 cars over budget in that period. In the book for 2009 we post 16,633 loads and

15,825 carloads of haulage for other carriers. Several shippers fortunately exceeded budget estimates which



made up for those that struggled throughout the year and fell short of anticipated loads. Included among the companies that performed better than budget are CGB-Louisville, Essroc, Steel Dynamics, and Voss Industries. Had it not been such a poor year for

potash the year as a whole would have been close to normal. Fast forward to first quarter 2010 which closed with even more loads than the previous quarter. Fueled by the previously unaccounted for potash and grain, carloadings between January and the end of March equaled just over one-third of the 2009 annual total divided almost equally between L&I loads and haulage. Overall, the last six months have been very good and gives us hope that a return to more historic traffic levels is not far off signaling a return to more normalized operating and maintenance routines.

John Secor,
President

MOW

With the cold winter months behind us our Maintenance of Way Department is gearing up for a busy spring season. Warmer weather means more work and this year is no different. To prepare for the arrival of AllTrack's Tamper and Regulator the MOW department has been busy spreading ballast. So far, 800 tons of ballast have been spread between the Jeff Yard Board and Speed, IN.

In conjunction with Atlas Railroad Construction Company this year's tie program will cover 20 consecutive miles starting at mile post 35 and ending at mile post 55. Twenty miles of work equates to approximately

10,000 ties. This is no small feat and will require a strong team effort.

We would like to tip our hats to the Maintenance of Way Department for all of their hard work, dedication, and for making safety the number one priority!



Unloading ballast at Jeff Yard

SIGNAL DEPARTMENT

The Signal Department uses winter time to catch up on deferred maintenance, which has made for a busy past six months. Attempts at completing our pole line renewal initiative have gone slower than originally predicted. Weather, bucket truck breakdowns and other high priority items have slowed development of the project. Some bonding was completed, with more planned for the 2010 year. A new pedestal or production grinder has been purchased in an attempt to speed up the process.

Of particular interest this year are upgrades to existing protection at County Road 450S Bartholomew County and to Hanna Avenue at Indianapolis. The Hanna job will cause us to also make upgrades and changes to Windmere, Shelby, Edwards, Lawrence and Thompson. The months ahead appear to be productive and full of opportunity. Time will be devoted to finishing our pole line, bonding, security lights, and other projects that come up.





CONNECTIONS

Marketing Update

While first quarter of 2010 has definitely shown improvement in comparison to 2009, L&I is still expecting the overall year to remain soft with growth limited to certain commodity groups. First quarter improvements were seen in fertilizer where potash and diammonium phosphates have increased dramatically but this is seasonal traffic and the end of the shipping season is currently upon us. With consumer spending inching upward coil steel has also seen substantial increases with auto manufacturing being the principal driver. Paper and Forest products have improved in 1Q 2010 with pulpboard for corrugated box manufacturing supporting a majority of the increased



Kokomo Grain Edinburg, IN

shipments. Although plastic, cement and chemical shipments show slight improvement versus 2009, L&I forecasted loadings are lower than anticipated. While difficult to budget, government traffic is substantially lower than expected but we feel certain shipments will increase throughout the second half of 2010.

Although certain portions of the states of Indiana and Ohio were affected with higher vomitoxins than normal, the corn harvest in our area was above average and L&I expects to see rail shipments at or above forecasted levels for year 2010.



Grain, steel and potash unit trains have kept us busy starting in the last quarter of 2009 and the first quarter of 2010. Because of this we have leased two GMTX engines on a temporary basis to relieve some of the pressures we have been feeling. The leased engines have helped give us time to do preventative maintenance on our existing fleet.

Kentucky Derby

Saturday, May 1st marked the 136th Kentucky Derby at Churchill Downs in Louisville, KY. Jockey Calvin Borel lead Super Saver through the mud to win his third Kentucky Derby in four years. Time will tell if Super

Saver will be the next Triple Crown Winner since Affirmed in 1978.

In light of the Run for the Roses, Amtrak ran an annual Derby Train consisting of Amtrak engines and private passenger cars across the L&I. The train originated in Chicago, IL and made the journey to Louisville, KY entering L&I tracks in Indianapolis, IN on April 29, and departed following the Derby.



Upcoming Industry Functions L&I will Attend

- May 2 - 5 ASLRRA Convention in Orlando, FL
- May 12 - 14 ACACSO Meeting in Kansas City, MO
- May 19 CSX Hazardous Materials, Emergency Safety Training in Cincinnati, OH
- June 13 - 15 RMI's Annual Users Group Meeting in Atlanta, GA
- June 24 - 25 FRA Region 4 Short Line CFR Seminar in West Lafayette, IN

CONNECTIONS

PUBLISHED BY:

LOUISVILLE & INDIANA RAILROAD

(812) 288-0940
www.anacostia.com

John K. Secor
President

Amanda Malthaner
Marketing Manager

PEOPLE MOVES

Arrivals:

Larry Bloyd - T&E

Departures:

Gary Giles - T&E

Loran "Pudgy" Mitchell - T&E