



CONNECTIONS

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

Between the lines

We are pleased to welcome Dan Rickel on board as our new vice president. He brings a wealth of rail and leadership experience that will prove invaluable as the Louisville & Indiana moves forward in the years ahead.

L&I is undergoing some timely changes to modernize operating and train dispatching practices to ensure more efficient operations. Making these efforts now will pay dividends when traffic returns to historic levels and will better prepare L&I for the anticipated tremendous growth in rail traffic projected by the U.S. Department of Transportation by 2035.

We are encouraged by the number of new business opportunities that we are currently working on. These give hope that the recession is in its final stage and that the economy will start to move forward once more.

L&I continues to reinvest in its infrastructure and though business levels are depressed, the capital spending this year is at one of the highest levels ever. In addition to the tie project discussed elsewhere, we have a significant amount of work taking place currently on the Ohio River Bridge—our single biggest structure and key to our operation. Projects include tie renewal on six spans that will complete the redecking of the bridge, safety improvements on the lift span, and an encapsulation project to repair a deteriorating stone pier on the Indiana span of the structure.

Also, L&I has renewed several high profile crossings on its system including Shelby Street in Indianapolis and Southport Road at Southport, among others. This year, we will spend more than \$400,000 on crossing improvements that provide no return on investment for the company.

The outlook for 2012 continues to be uncertain as many of our customers focus on efficiency rather than top line growth.

Lastly, we want to thank you, our customers, for your business and loyal support. We are here to serve you and, if we are not doing that effectively, we need to know about it.

John Secor
President

Shippers returning to rail

A number of shippers have either increased or resumed moving freight over the Louisville & Indiana.

"We've been seeing more shipments of plastics, grain and forest products," notes Marketing Manager Amanda Malthaner. "Pretium Packaging, Seymour, which had not used L&I for nearly two years, has started receiving rail cars of plastic."

This summer, Kokomo Grain doubled its shipments to Florida and Tennessee via L&I. "The customer said it was service," says Amanda. "We were able to turn the cars really quickly."

Service improvements

Train schedules have been adjusted recently to improve service. L&I Trainmaster, Jason Sprinkle has been working with Customer Service Manager Leah Windell to fit customer needs into the train schedules. "It was a needed change," Amanda adds.

Traffic levels through September are 20 percent less than a year ago, reflecting an overall de-

cline in production—particularly in the housing industry. Nevertheless, Carter Lumber, Franklin, Ind., is increasing inbound shipments of lumber—mostly from Canada, along with a new move from Alabama. Carter manufactures pre-fab buildings, including houses.

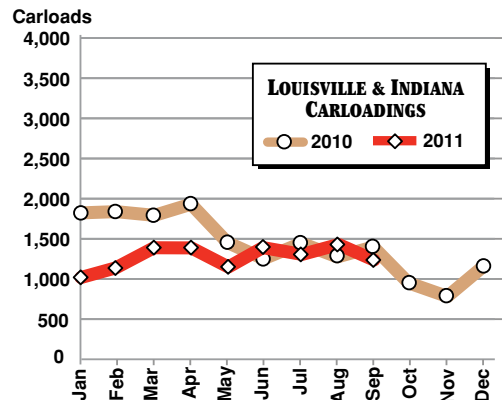
New brochure

L&I has a new brochure, "Go anywhere," tailored to customers and describing the railroad's ability to move freight via North America's 170,000-mile rail network. "Reaction has been very positive," reports Amanda. "One customer told me, 'What a really good idea. It doesn't look like a typical

brochure. I didn't realize how connected we are."

More shippers are discovering that railroads are a money-saving, environmentally friendly alternative to long-haul trucks—steering clear of

driver shortages, rising fuel prices and traffic congestion. ■



Mike Fender joins L&I

Michael Fender has been appointed trainmaster and training supervisor for the Louisville & Indiana, effective August 8.

Mike has 41 years of rail experience with Penn Central, Conrail and Norfolk Southern serving as block operator, train dispatcher, trainmaster and district superintendent.

He subsequently served as a consultant, screening and training new hires. ■

Arrivals & Departures

Mike Fender, trainmaster/training supervisor

Darrell Martlett, conductor

Dan Rickel, vice president

Brett Von Dielingen, conductor

Ken Hamilton, track inspector

Gary Heid, chief dispatcher

Andrew Jackson, trackman

Ken Phillips, conductor

Shawn Watt, engineer

Marvin Whitis, track inspector



On Line:

Track projects

Louisville & Indiana completed its annual tie replacement program in June installing 14,834 new crossties for safe and smooth operation.

"We really take care of our ties," says Bill Cox, L&I's roadmaster. "We go over the entire line every five years, installing ties on 20-to-25 mile segments."

This year's program replaced ties on the southernmost quarter of the railroad from Jeffersonville to just south of Scottsburg.

A tamping machine and ballast regulator follow the tie crews, surfacing or smoothing the track, which also receives crushed rock ballast to strengthen the roadbed and facilitate drainage.

Roadway spending for ties was more than \$1 million this year, says Bill.

Ultrasonic track inspection

Louisville & Indiana contracted with Sperry Rail Service, which uses ultrasonic detection to scan all main-line rails for any hidden flaws. "If there are any defects, we replace the rail immediately," says Bill. Sperry spent seven days inspecting the line. "We stayed right with it so there was no track out of service or slow orders."

Bill began railroading with the Norfolk & Western (now Norfolk Southern) in 1974 and has been with the L&I for five years.

"Overall, we're in pretty good shape for the shape we're in," says Bill. "When I first came here, I was really impressed with a short line that does so much tie work. Despite tough times, they haven't let it go."

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www.anacostia.com/lirc/lir.html

John K. Secor, President
Amanda Malthaner, Marketing Manager

New rail customer, Bridgewell Resources



BRIDGEWELL RESOURCES—Tigard, Ore., started receiving utility poles in June 2011 at Jeffersonville, Ind. for distribution to electric companies and co-ops in Kentucky, Ohio and Indiana.

Rickel named vice president

Daniel C. Rickel has been appointed to the newly created position of vice president, effective September 11, reporting to L&I President John Secor.

Dan joins the L&I from Northern Lines Railway (NLR), St. Cloud, Minn., where he has been president since 2004. He'll continue to hold that post.

Both L&I and NLR are units of Anacostia & Pacific Company, Inc., Chicago, which also owns the Chicago South Shore & South Bend railroad in northern Indiana.

Initially, Dan has been getting out on the railroad, familiarizing himself with operations, meeting employees and customers. "Everyone has been very welcoming—which I appreciate," says Dan. He and his wife, Coral, plan to relocate in Indiana.

A native of Minnesota, Dan has more than 30 years of railroad experience starting with the Chicago and North Western in St. Paul, Minn. as a switchman and locomotive engineer. He subsequently served as trainmaster and assistant terminal superintendent with the C&NW before advancing to manager, terminal operations at the Union Pacific's Proviso yard in Chicago.

In 1997, he became general manager of operations for the Twin Cities & Western, a regional railroad based in Glencoe, Minn., and its affiliate Minnesota Prairie Line.

Dan has a B.S. degree in logistics management from the University of Minnesota's Carlson School of Management. He is qualified as a designated supervisor of locomotive engineers.



DAN RICKEL—New vice president