Railroads have been interchanging shipments regularly since 1870, creating a network that today enables customers to reach markets thousands of miles away with minimum disruption.

While this works well most of the time, last year’s horrific winter, plus congestion at hubs and in some high-density corridors disrupted traffic flows. Trains bunched, connections missed and customer deliveries were delayed, affecting short lines and regionals as well. For this, we’re very sorry and apologize.

Along with strengthening of the national economy, we are beginning to see service improvements among our Class I railroad connections. This is due in part to record spending—adding tracks to increase capacity, eliminating choke points and removing tunnels and other restrictions—all of which are helping to restore reliability to the network. To this, I would add a milder winter has helped significantly.

Making it all work smoothly requires planning and good communication—sharing accurate data with all concerned. Customers can help by remaining flexible, not over- or ordering cars, and staying in touch if they foresee surges or shutdowns.

While declining fuel costs should help offset expenses for railroads and motor carriers alike, tight truck capacity and driver shortages will continue to shift volume to railroads nationally.

Meanwhile, at Anacostia Rail Holdings, we are strengthening our railroads, upgrading locomotives, adding customers and employees. Very important, we are building a strong team. We welcome new additions on the commercial side: Greg Dougherty at the South Shore and Chuck Samul at New York & Atlantic.

We would like to express our thanks for your help and support last year and wish you the very best in 2015.

Eric Jakubowski

Feds OK CSX-L&I track upgrade

The U.S. Surface Transportation Board approved a joint proposal by Louisville & Indiana Railroad and CSX, effective April 10, to upgrade a key freight corridor between Indianapolis, Indiana and Louisville, Kentucky.

L&I President John Goldman says, “Enhancing our rail infrastructure will improve customer connectivity to America’s freight transportation network—supporting local manufacturing, economic development, jobs and competitiveness.”

In a privately funded project, CSX plans to invest about $100 million to improve track to Federal Railroad Administration Class 4 standards. “This will gradually increase operating speeds from 25 up to 49 mph,” adds John.

The entire 106-mile main line will be relaid with continuous-welded rail, which is inherently safer, smoother and quieter, according to John.

An outdated bridge over the Flatrock (See L&I TRACK UPGRADE, page 2).

In this issue:

NORTHERN LINES MOVES PROPANE TO BIGGER MINNESOTA TERMINAL— Wenner Gas and CHS joined forces to quadruple propane shipments to the newly expanded Rockville Propane Terminal, near St. Cloud. (See PROPANE, page 4).

SOUTH SHORE’S NEW MARKETING OFFICER—Greg Dougherty has joined Chicago South Shore & South Bend from CSX as director of sales and marketing. His 20-plus years of rail experience include five years directing marketing and industrial development at Indiana Rail Road from 2007 to 2011. (See DOUGHERTY, page 3).

LOOKING FOR GREENER PAYLOADS—Marketing Project Manager Chuck Samul is New York & Atlantic’s sustainability expert, finding ways to help customers cut their carbon footprints on Long Island, which has a population greater than 38 of the 50 states. (See GREENER PAYLOADS, page 2).
Looking for greener payloads
NY&A’s Samul helps shippers cut carbon footprints

Like a detective, Chuck Samul looks for footprints—carbon footprints to be precise. It’s part of his marketing project manager position at New York & Atlantic Railway.

Chuck searches Long Island for new customers or hopes to reconnect with former shippers who stopped using the railroad before NY&A, when freight wasn’t a priority.

Times have changed on the nation’s most populated island, Chuck notes. Trucks are less in vogue. Highways are jammed. Fuel is expensive and emissions are a serious issue.

Sustainability is the S-word of the day. Businesses everywhere are trying to trim their carbon footprints, turning to railroads for help.

“Rail is the best and easiest way for shippers to reduce their carbon footprints,” explains Chuck.

“Our ability to haul greater tonnages more efficiently using one-fourth the fuel with 75 percent lower greenhouse gas emissions is a winning combination.”

The New York Metropolitan area has a population approaching twenty million. Seven million live on Long Island, which is more people than 38 of the 50 states.

Long Island is a huge market for consumer goods inbound and generates an impressive level of waste and recyclables outbound. Commodities include food, beverages, building materials, municipal waste, scrap and construction debris.

Shippers wanting to compare their carbon savings by rail, versus trucks, can use carbon calculators found on major railroad websites. For example, shipping one carload of sugar by rail instead of truck from Florida to Long Island would emit an estimated three tons of carbon dioxide, versus eight by truck. “That’s a savings of five tons,” says Chuck, “or 62 percent less CO2 being released into the atmosphere.”

River near Columbus, Indiana will be replaced. “It will increase capacity,” he notes, “and eliminate need for trains to greatly reduce speeds through Columbus, sometimes blocking crossings.”

CSX’s direct Louisville-Cincinnati route is constrained by steeper grades and sharper curves that reduce train tonnage and length, while slowing average speeds. CSX determined it is cost-prohibitive to increase the capacity of this line, compared to upgrading the L&I.

CSX President and Chief Operating Officer Oscar Munoz says, “These upgrades will benefit L&I and CSX customers in the Midwest and across the companies’ networks by improving operational efficiency, allowing more direct transit across Ohio, Indiana and Kentucky, and reducing congestion in those states.”

Shipping efficiencies

Scott Lurkins, L&I’s director, marketing and sales, notes, “Track improvements will allow us to handle the larger, 286,000-lb. gross weight freight cars, which are standard on most railroads today. This will improve efficiency, enhance competitiveness and open new markets. For example, the Port of Indiana-Jeffersonville will gain much better rail access to markets north of the Ohio River.”

The transaction will not affect L&I’s franchise rights nor impair its existing rights to interchange traffic with CSX, Indiana Rail Road, MG Rail, Norfolk Southern and the Paducah & Louisville railroads.

L&I will continue to maintain and dispatch trains on the rail line. The transaction will not have any adverse impact on L&I or CSX employees.

CSX and L&I appreciate the diligent review of this project by the Surface Transportation Board.

The two railroads submitted an application on July 2, 2013. After an extensive environmental assessment, the STB on December 31, 2014 reported the transaction would result in no significant environmental impact.

Mitigation measures

However, CSX and L&I have volunteered to take 62 mitigation measures that primarily address potential impacts on traffic, emergency service providers, and train–related noise. The STB ordered 22 additional measures.

The two railroads plan to step up communication and safety programs with affected communities.

The STB will monitor compliance with the mitigation measures for the first three years of operational changes.
CSS, a lower-cost Chicago option
—No pricey PTC payments for industry turnouts

When it comes to industrial development, Chicago South Shore and South Bend Railroad is well situated.

“We offer daily connections with all Chicago railroads, Indiana’s pro-business attitude, and sites in non-PTC (Positive Train Control) territory,” says Greg Dougherty, South Shore’s new marketing director.

Prospective shippers on South Shore’s Kingsbury branch can avoid spending $200,000 or more to install a main-line industry turnout in PTC territory—required where there is passenger service. “That makes the cost of entry more affordable,” says Greg. In addition, South Shore has all the attributes of a short-line: “We’re responsive, we’re flexible and we’re accessible,” he notes.

A better year

Overall, CSS revenues in 2014 were ahead of the prior year, thanks to non-coal traffic. “But, it would be much better if coal were there too,” Greg admits.

PHL’s new home

There’s nothing like a new home. Just ask Pacific Harbor Line employees working in their new Berth 200 general office and locomotive maintenance center.

The 4,800 sq. ft. administration building and 9,000 sq. ft. locomotive shop completed in mid-2014, make maximum use of natural light, energy-efficient windows, and lighting controls with occupancy sensors.

High-efficiency heating, ventilating and air-conditioning equipment maintain optimum temperatures in office areas.

Dougherty named CSS&SB sales and marketing director

Gregory J. Dougherty has been appointed director of sales and marketing at the Chicago South Shore and South Bend Railroad, effective December 1, 2014.

He succeeds Andrew Laurent and reports to Eric Jakubowski, chief commercial officer at Anacostia Rail Holdings, South Shore’s parent company.

Based at South Shore’s Michigan City, Indiana headquarters, Greg is responsible for all of the railroad’s commercial and industrial development activities.

20 years of rail experience

He has more than 20 years of railroad experience, most recently as supervisor of Pier Operations for CSX in Baltimore, Maryland. Greg was director of marketing and industrial development for the Indiana Rail Road from 2007 to 2011.

Greg started his railroad career in 1984 as a sales representative for Conrail in Chicago. After holding a variety of marketing and industrial development posts, he was promoted in 1997 to regional area manager, local area management team in Indianapolis, Indiana.

From 1999 to 2005, he was economic development coordinator and key accounts manager at Hoosier Energy, Bloomington, Indiana.

From Philadelphia

Greg is native of Philadelphia and has a bachelor’s degree in business logistics and petroleum and natural gas engineering from Pennsylvania State University.

Eric Jakubowski said, “Greg’s extensive rail, power and industrial development background and diverse commercial experience make him ideally suited to build relationships and grow commercial activities at CSS&SB.”

Greg is excited to join Anacostia Rail Holdings. “I’ve heard good things about South Shore’s customer focus and service flexibility.”
Northern Lines handled more than 1,000 carloads of propane in 2014, a four-fold increase from the prior year. “It was huge for us,” says NLR President Justin Chalich, “and we expect to hit 1,500 cars in 2015.”

The rise was prompted by Wenner Gas Co. and CHS partnering to expand the Rockville Propane Terminal, less than two miles off Interstate 294, near St. Cloud, Minnesota.

Reportedly one of the largest rail-propane transfer facilities in the U.S., the 11-acre Rockville site can unload ten rail tank cars simultaneously and store 620,000 gallons of propane in 16 tanks. Two truck loading bays can fill up to six tankers per hour.

Expanded track capacity will accommodate 57 loaded tank cars and 47 empties. “It’s a $10 million expansion,” says Justin. “We had to purchase another locomotive to help make this run.”

Minnesota’s propane sourcing changed dramatically in 2014 when the 1,900-mile Cochin pipeline was reversed from bringing in propane from Canada to pumping light condensate to Alberta to dilute oils sands bitumen.

Northern Lines marks its 10th anniversary April 23, operating 17 route miles connecting with BNSF at St. Cloud, Minnesota and handling approximately 10,000 carloads annually.

Gulf Coast Switching Company, Anacostia’s mile-long short line, marked its sixth anniversary October 1, 2014. “We have seen about a 25 percent increase in volume since we started,” says GCSC President Leigh Walters.

Based in Dayton, Texas, northeast of Houston, GCSC is a marshalling center for plastics manufactured at Exxon’s nearby Baytown plant—served by Union Pacific. In October, GCSC completed its fourth project in a five-year plan working with the UP to upgrade the company’s 74-track facility. “We have been able to bring the yard back up to premier condition,” Leigh says.

GCSC’s nine employees and three locomotives switch about 3,000 cars monthly.

Louisville & Indiana is getting ready for action following the Surface Transportation Board’s approval of the 106-mile track upgrade project with CSX.

L&I is moving ahead with projects to upgrade the Flatrock River bridge at Columbus, modernize controls for the Ohio River drawbridge at Louisville, and build a separate train dispatching facility at Jeffersonville, Indiana.

“We have selected a contractor for the Columbus bridge so they can start design and permitting,” says John Goldman, L&I president.

In a two-year project to improve reliability and safety of the Ohio River bridge, the railroad is equipping Clagg Tower with new electronic controls for the 644-ft. lift span.

Dispatching equipment is being installed in a new building, which was erected in mid-December 2014. Radio towers still need to be upgraded. “We expect to go live this June,” John adds.