



Power To Move

Connecting Industry ♦ Delivering Value ♦ 2021

Message from Todd Bjornstad



News for Customers, Employees & Friends of the Chicago South Shore and South Bend Railroad



Our hard-working railroad has been successful for more than 30 years because we never forget what is most important: Serving our valued customers safely, efficiently, and reliably.

That's why we continue investing, improving, and innovating. Despite the challenges we all faced living and working during a worldwide pandemic, our dedicated team kept its focus on those priorities in 2020. We are truly grateful for the dedication of everyone on the railroad to keep things moving.

At the start of this year, we successfully made the transition to operations under federally-mandated Positive Train Control (PTC). Meeting this deadline required a hefty effort from key personnel within the CSS team, as well as our vendors and partners at NICTD. Thank you all!

A bright spot last year was the opening of a major new customer on our lines, Alliance Steel in Gary, Indiana. It's great to see another significant industrial development in Northwest Indiana, adding some 150 jobs to the region. The

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Alliance Steel: We Feel Very Welcome by CSS



Alliance Steel opened a new, rail-served facility in Gary, Indiana in 2020.

The steel industry is a major economic force in Northwest Indiana. Its strategic location on the Great Lakes, close proximity to Midwest appliance and auto manufacturers, and experienced labor force combine to make Indiana the nation's biggest steel producer, accounting for about a quarter of national production.

The area continues to attract new business, and one of its most recent significant wins is also a new CSS customer, Alliance Steel in Gary.

The company is not new in the steel business, though. In fact, it has enjoyed significant growth over the past 20 years from its start as a toll processor (providing contract finishing services for steel mills) to a full-range provider of flat-rolled coil and sheet steel. As the company now puts

it: "If Alliance Steel doesn't have it, we can get it."

The business started in Bedford Park, Illinois, in a 74,000-square-foot facility. As it grew, says President and CEO Andrew Gross, "we started occupying additional buildings in our industrial park home. Eventually, it became a significant logistical challenge because we had to move and process steel from building to building, only one of which had the rail access to bring in raw coils."

He says it was natural to look toward Northwest Indiana for a new home because of its central location for the steel industry. An additional improvement for

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company invested in a major renovation of its 300,000-square-foot facility.

We also welcome Director of Sales & Marketing Tony Kazakevicius. Tony is the newest addition to our management team and has put his rail industry experience and connections to good use in helping Alliance Steel start its Gary rail operations. Tony brings value to the CSS team and our other customers.

And, we note the departure of a valued team member this year—Car Hire Accountant Anita Mizia, who is concluding 41 years of rail industry service.

We'll continue to make the investments necessary to keep our railroad strong and healthy for decades to come, and we take great pride in the trust our customers place in CSS to keep their supply chains strong.

Todd Bjornstad

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News from the
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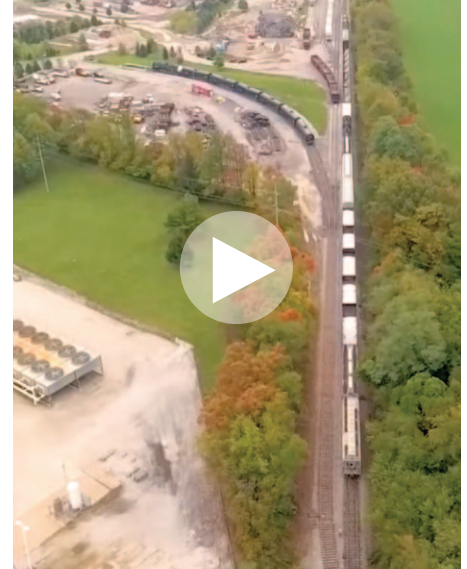
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South Shore Freight: The Right Location

CSS connects markets and delivers value providing reliable service, daily Class I interchanges, and unique partnerships with capable transloaders and warehouses.

For an aerial tour of the many opportunities available to manufacturers, distributors, shippers, and others who need access to Chicago and Northwest Indiana—one of the world's most dynamic business markets—view our four-minute industrial development video at bit.ly/ARH-CSSVideo.

CSS is the regional railroad that will support the profitable growth of your company for decades to come. ♦



Lessons Learned

Anacostia 'On the Move'

by Eric Jakubowski
Vice President & Chief Commercial Officer
Anacostia Rail Holdings

Defining the "new normal" may prove to be impossible, but here are some things we know about freight rail service going forward.

First, we can never be too close to our customers, whether it's virtually or in person. Uncertainties continue to prevail, so it makes sense to check in at multiple levels—and often. We know our customers will appreciate that we are striving to meet their needs.

Forecasts change quickly in difficult circumstances, so we need to ask about anything that's not clear. No one is certain what next month will be like, but everyone is watching their pipelines closely. We need to know about changes as they occur.

If either we or our customers need to

scale back resources, no one should be shy about initiating plans collaboratively. Scaling operations is a necessary aspect of today's business climate. Our commercial survival is now intrinsically tied to our adaptability—something railroads aren't traditionally known for.

Since communications with customers can't always be face-to-face, we need to keep every useful channel open, including the phone, on-line chat, email, and even our newsletters.

Everyone is looking for clues about what's around the corner, so we rely on our full network to exchange marketing intelligence. This includes our company and customers, of course, but also extends to vendors, knowledgeable professional friends, and even competitors.

Finally, we celebrate success now more than ever. Congratulations and thanks to employees, vendors and partners should never be in short supply. And when our customers compliment us, we will take a moment to let it sink in.

From everyone at Anacostia, we thank you for your business. ♦



Investing for a Strong Future

Photo by Kevin Ebi



Successful rail operations are built, literally, on a solid foundation. This is why CSS and our parent, Anacostia Rail Holdings, make annual investments in track and structures as well as rolling stock. 2021 will be no different.

Key projects we will undertake this year:

BURNHAM YARD Install ties at this primary classification facility to maintain reliable and safe movement of customer shipments.

GOFF INTERCHANGE Install ties at our major interchange location for traffic moving to and from CN, whose 20,000 miles of track span Canada and the Central U.S.

HIGHWAY GRADE CROSSINGS Upgrade four public grade crossings that will help maintain safe operations for the general public.

LOCOMOTIVES Upgrades to three locomotives will maximize their productivity and minimize service delays to our customers.

CSS takes great pride in our ongoing investment to keep our infrastructure in good condition for the expanding service demands of all our customers. ♦



Anthony "Tony" Kazakevicius joined the CSS team last fall as the director of sales and marketing. He has been in the rail industry for 23 years, serving in a variety of business development and marketing positions.

"Tony's experience in the Chicago area—and his marketing career throughout his many years in the railroad industry—

Kazakevicius Brings Broad Experience to the CSS Team

try—bring a really strong addition to our leadership team on the South Shore that will benefit our railroad," says CSS President Todd Bjornstad. "And more importantly, it benefits our customers because Tony is just great to work with."

Kazakevicius began his career at Iowa Interstate Railroad, then moved to Rail America, Indiana Rail Road, and was assistant director of business development at Indiana Harbor Belt Railroad prior to joining CSS.

He says the transition into his new job has gone very smoothly, mostly because of the great group of people he is working with both at CSS and Anacostia Rail Holdings headquarters.

Kazakevicius said he already knew

some CSS customers and is getting to know others. He looks forward to being able to meet in person with people again.

"COVID has changed how we all interact. Video chats and phone calls aren't the same as meeting face-to-face," said Kazakevicius. "But, the goals are the same. We want to help our customers develop their customer base by increasing transportation flexibility, whether it be new rail options or more transload opportunities."

Kazakevicius has a bachelor's degree in business administration from Marian University in Indianapolis. He was born and raised in Chicago, and now lives in Northwest Indiana with his wife and three children. ♦



PTC Implemented for Safer Operations

The official regulatory kick-off of Positive Train Control (PTC) operations on CSS occurred on January 1, 2021. This endeavor was launched in October, 2017, when we partnered with the Parsons Corporation to oversee the design, installation, testing, and implementation of our PTC system.

PTC is a collision-avoidance technology that monitors and controls train movements. It is intended to prevent train-to-train collisions, over-speed derailments, incursions into work zones, and movement of trains through switches left in the wrong position.

To improve railroad safety in the United States, federal legislative mandates required passenger railroads—along with many freight railroads—to install positive train control on all main line track where intercity railroads and commuter railroads operate, as well as on lines carrying hazardous materials.

Because CSS operates on a passenger railroad owned by the Northern Indiana Commuter Transportation District (NICTD), we were required to install and implement PTC train operations by January 1, 2021. Meeting this deadline required a hefty effort from key personnel within our team, as well as our vendors and partners at NICTD. We thank all of them for their support and commitment.

With the system now installed and fully functioning, train crews can operate their trains more safely than ever. When a train is in an active PTC state, its position on the railroad is depicted, as well as its speed and proximity to locations that might require the engineer to take action such as slowing or stopping the train. This information protects train crews, contractors, and the public.

There are several PTC components that communicate with one another to



make the integrated system work. They include the field (or signal) system, the onboard locomotive component, and office components including the server and the dispatching system.

The onboard component required the most effort to implement for the CSS PTC project. This portion of the system included all the hardware and software for the system to govern the actions of the locomotive, identify where it is located, and to enable communications and interfaces with other components in the system.

Now that the system is fully implemented, we are able to operate an even safer railroad. ♦

Alliance Steel, Continued from Page 1

Alliance Steel is the service it receives from CSS.

"We like rail," Gross says. "The big steel coils we receive from U.S. and Canadian locations aren't as easy to move as, say, ping pong balls," he notes. "Our rail deliveries are efficient, because it takes



Attending the ribbon-cutting were (from left): President and CEO Andrew Gross; Indiana Gov. Eric Holcomb, and Corporate VP Drew Gross.

a lot of trucks to move the same amount of weight."

Moreover, working with CSS as its new rail service provider has been a very good experience.

"They are user-friendly, and we feel very welcome," Gross says.

Though the company's new location is adjacent to the CSS "City Track" in Gary, a new switch and a 680-foot spur was needed. That track was constructed by Alliance starting in 2018, and Gross says the railroad was helpful from the start with inspections and approvals handled reasonably and efficiently.

The company's multi-million dollar investment resulted in the opening of a 300,000-square-foot facility in March, 2020.

"It has proven to be a welcome improvement for our customers and our 150 employees," says Gross.

Railcars are delivered by CSS as often

as needed, and steel loading/unloading is handled on a two-car dock inside the Alliance facility, protected from weather.

Rail is used primarily by Alliance for delivery of inbound coils from locations as far away as Arkansas and Canada.

"CSS is a refreshing rail partner for us," says Gross. "They are fully transparent and easy to do business with. We've been able to use their shipping tools, including bills of lading, tracking, and overall communications seamlessly."

Gross credits Tony Kazakevicius, director of sales and marketing at CSS, with having the knowledge necessary to help make things work so well.

"The handshake between us and the railroad is very good," he says. "We have not experienced any shipment delays since we started working with CSS. If I could use rail for 100 percent of my transport, I would. That's why we promote it with our suppliers." ♦



Safety Honor for CSS

For the sixth year in a row, CSS has won a Jake Award from the American Short Line and Regional Railroad Association (ASLRRA).

The prestigious award is given out annually for previous year's safety efforts. ASLRRA member railroads that perform better than the Class II and III railroad industry average for injury frequency rate, as reported by the FRA during the calendar year, receive the "Jake" safety award.

The award is named for Lowell "Jake" Jacobson, Copper Bain Railway's president and chief operating officer who established the honor in 1993 to recognize the safety accomplishments of Class II and III railroads.

The most recent award for CSS was based on 2019 data. ♦

Anita Mizia Has Done It All for CSS



Anita Mizia was still a teenager when she went to work for the railroad in Michigan City. Now, three owners and 41 years later, she's ready to retire from a career that took her to every corner of the industry.

"I hired on in a vacation-relief position when CSXT owned the railroad and operated both passenger and freight," said Mizia.

"My assignments ranged from being a janitor to the president's secretary."

When the railroad was reorganized in the late 1980s, Mizia stayed with the freight side and moved into accounting in 1994. For the past 27 years, she has served as the CSS car hire accountant.

The job involves tracking all of the railcars coming on and off CSS property, and managing the leasing fees for the CSS cars hired out to other railroads and cars that CSS leases.

"I enjoy this job," said Mizia. "It's always changing, you meet interesting people, and it's been a good living. Through the years, I learned about all the aspects of a railroad instead of just one piece."

She will retire this June and is looking forward to a little more relaxation and a little less responsibility—plus more leisure time with her husband, children, and grandkids.

"I'd like to give Anita a tip of the cap for all she's done here, and how well she's kept us organized," said CSS President Todd Bjornstad. "We are going to miss her." ♦



"Taking care of business"

New SouthShore poster

A new SouthShore freight service poster is now available to the railroad's customers and friends.

The 36 x 26 inch oil painting, entitled "Taking Care of Business," is the work of Gary, Ind. artist Mitch Markovitz. It depicts a pair of SouthShore's GP38-2 locomotives within the confines of a steel mill served by the railroad. Customers may obtain a copy of the poster by contacting their SouthShore marketing representative.

About the artist

Markovitz is an employee of NITCD, where he is currently breaking in as an engineer, and served as a SouthShore trainman from 1988 to 1989. In the past, Markovitz has worked in locomotive service for the Milwaukee Road and Chicago and North Western railroads. He has an interest in gourmet cooking, and has served as a maitre de and chef on private railroad cars.

Markovitz has been sketching since he was 18 months old and later attended the American Academy of Art in Chicago. He credits his interest in painting and trains to his father, who was an illustrator and did many works of Illinois Central trains.

Markovitz has four of his works in the SouthShore collection, including a 1984 painting titled "Faithful Service," commemorating SouthShore's commuter service. He has painted 15 SouthShore related subjects.

Markovitz says "Taking Care of Business" is a re-enactment of the classic poster art: "It is meant to convey massive power, with the sky being 'WPA powerful' like the posters of the 1930s created for the Works Progress Administration."

In addition to work for the SouthShore, Markovitz has had several showings at New York galleries, and has painted three postcards for the New York subway system. He is also part of a group putting together an artists gallery and center in Miller, Ind.

The poster's title: "Taking care of Business," was chosen from those submitted by employees, who were asked to suggest a name for Markovitz's latest work.



POSTER CONTEST WINNER—Anita Mizia, accountant, is congratulated by SouthShore President Terry Hearst for submitting the winning name.

Did you know that?

♦ The Chicago South Shore & South Bend Railroad serves northern Indiana's industrial complex and connects with 22 transcontinental, regional, and local railroads, including all those within the Chicago Switching District.

New phones, marketing guide

A more efficient and easier-to-use phone system was installed at SouthShore's offices in mid-May. Included is a toll-free number for customers, new extensions for all employees, and a voice mail system.

The changes are being made to give SouthShore shippers easier access to the railroad, and to separate SouthShore from the NICTD commuter train operation. Shippers and rail passengers have sometimes confused the two.

A listing of new phone extensions has been mailed to customers, connecting carriers, and others who interact regularly with the railroad.

(219) 874-9000

Toll free number:
1-800-873-1486

New marketing guide

SouthShore marketing guide has been updated. Copies can be obtained from the railroad's marketing staff—either Bill Clark, chief marketing officer, or Valerie Rentner, marketing manager.

The guide contains a system map, phone directory, management profiles, brief descriptions of the railroad operations including transportation, employees, equipment, and track structure, history of the SouthShore, listing of major customers, freight cars, railroad connections including interchanges, and industrial development potential.

Mizia's winning poster design was featured in the 1992 CSS newsletter, "South Shore Lines."



Milestones

Congratulations to our employees for their service, especially those who are celebrating the following accomplishments in the past year.

Anniversaries

5 years

Todd Bjornstad
President

Tyler Bohle
Carman

Robert Novotny
Carman

Spencer West
Conductor

10 years
Garrett Cadwell
Carman

15 years
Anthony Wojasinski
Engineer

25 years
Timothy Carr
Engineer

Adam Dozier
Carman

Leroy Kloss
Conductor

Charles Stantz
Engineer

Retirements

Anita Mizia
Car Hire Accountant
41 years (retiring June, 2021)

Arnold Niederer
Customer Service Manager/Train Service
34 years

Terry Sydow
Train Service
41 years

Brian Zebell
Train Service
41 years

New Hires

Mellisa Dodrill
Customer Service
Representative

Tony Kazakevicius
Director—Sales &
Marketing

Railroad Supports Salvation Army During Pandemic

In 2020, Anacostia Rail Holdings and its railroads began a COVID-relief outreach program to the local communities they serve. The corporate office and regional railroads collectively donated more than \$25,000 to help relief efforts during the pandemic.



At CSS, the focus was on supporting the Michigan City, Indiana Salvation Army for regional needs.

"Supporting our railroad communities has always been important to Anacostia," says President Peter Gilbertson.

"Anacostia communities have felt the far-reaching impact of the COVID-19 pandemic. Our customers, business partners, neighbors, friends, and our own employees are affected by economic and medical issues. That's why we wanted to help relief efforts at the community level," said Gilbertson. ♦

