



# Pacific Harbor Line REPORT

2021

## Message from Otis Cliatt II



News for Customers, Employees & Friends of the Pacific Harbor Line



The past year has been one of significant challenges. Fortunately, the PHL team has been up to the task of successfully managing our critical operations in the face of a global pandemic coupled with

record port volumes.

I want to thank everyone at our railroad, the ports, and our connecting Class I railroads for making the required sacrifices to keep American's supply chains moving when they were most needed.

In addition to serving our existing customers, we've also successfully brought on important new business, including the complex operation of an iron ore unit train for SA Recycling.

PHL also passed a significant milestone when we signed a five-year labor agreement with the Brotherhood of Locomotive Engineers and Trainmen, covering about 150 of PHL's 189 employees. This critical agreement was a real bright spot during our difficult year.

We welcome a new member of our management team, following the retire-

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## Unit Train Flexibility for New SA Recycling Traffic

***An innovative use of existing facilities is increasing productivity for SA Recycling and facilitating a renewed business line for the Port of Long Beach.***

SA Recycling's primary business involves recycling, processing, and transporting scrap metal. The company is an industry leader with a clean and efficient process for a wide range of products—from hazardous waste to stormwater, as well as metals.

Now, the company has revived a different capability—transloading unit trains of iron ore onto ships destined for Asia.

When the opportunity was seriously considered in early 2020, an immediate challenge was obvious. SA Recycling's port facility wasn't large enough to handle the 154-car unit trains that would be arriving about every other day from a Utah mine.

How could these trains—over a mile long—be delivered and unloaded?

**Fortunately, PHL had a solution.**

"Their involvement was critical," says David Brown, SA Recycling's General

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## Message from Otis Cliatt II

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ment of Robert Giannoble, who served PHL well as its chief engineer. Ably filling his shoes is Monte Stokes, who joins us from a successful career with CSX and Amtrak.

Despite all the potentially distracting needs of the past year, we've never lost focus on the railroad's most important objective: safe operations that allow everyone to return home after each shift, safely, to their families.

We appreciate the patience our customers have shown during these difficult times, and we pledge to continue providing the best and safest service. You'll learn more about how we are accomplishing this goal elsewhere in this newsletter.

O.L. Cliatt II, President  
Pacific Harbor Line

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# REPORT

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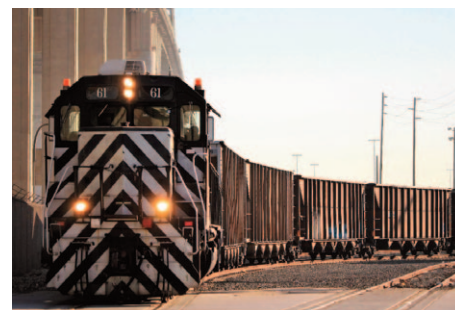
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## SA Recycling, continued from Page 1

Manager. "They found a way to use track outside our facility to break up and store segments of the unit trains. With a train crew dedicated to this job, they deliver 50-car cuts that we can handle at one time and store the additional loads and empties while we complete the process of filling vessels."

PHL provides SA Recycling sufficient advance notice when a train is arriving for the company to plan its daily operations.

The continuous stream of loaded ore cars provided by PHL allows SA Recycling to load ships at a rate of about 20,000 tons a day. To keep things moving efficiently, the company developed



massive scoops that can quickly lift 40 tons of ore at one time for the rapid loading of the ships.

You can watch this amazing operation here: <http://bit.ly/SARecycling>

"This is a labor-intensive undertaking that we would not be able to do without PHL's coordination," Brown says. "Their customer service is great." ♦

## Anacostia On the Move

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

## Collaboration



*My smiling face appears on the Anacostia home page because I was appointed to the Surface Transportation Board (STB) Rail-Shipper Transportation Advisory Council (RSTAC).*

Why should this matter? I believe quite simply there are two very important reasons.

First, we need many more opportunities for rail carriers to interface candidly with their shippers about service performance, long-term trends, and mutual pursuit of opportunities. Kudos to the STB for assembling a very broad constituency of members who have committed to share their issues and concerns in the spirit of identifying patterns and solutions. The STB has five board members now. They are all involved in our bi-weekly calls, and they ask pertinent questions as we all present status of operations updates.

Second, the logistics landscape is changing even more quickly in response to hard lessons learned from disruptions due to COVID. We have to share more data, success stories, and provide color to the forecast for the months ahead. I believe we are all less sure of what to expect from our economy, but are keenly aware that transportation channels will be expected to deliver no matter what the pace.

RSTAC is a revolving commitment built around the perspectives of short-lines, Class 1's and shippers of all sizes and industries. There is no other forum like this that I am aware of where regulators can hear compliments, concerns, and challenges laid out by representatives who do so professionally in a constructive dialogue. NARS and the regional associations regularly host quality meetings that advance the pending agenda before all of us. I believe the Charter of RSTAC takes that one step further by supporting a balanced and representative set of voices willing to speak up for the freight providers/users of this country. ♦

## AzureDEF: Multiplying Environmental Benefits with PHL

*In Southern California—and particularly at its ports—every effort is being made to cut pollution. The use of Diesel Exhaust Fluid (DEF) helps in that effort, by reducing the amount of hazardous NOx emitted from diesel engines exhaust pipes.*

A major producer of this product, AzureDEF, has also reduced its carbon footprint by converting most of its inbound raw material shipments from truck to rail. As an added benefit, AzureDEF's partnership with PHL has also improved the efficiency of its supply chain.

Until recently, raw materials were imported as pellets which were then processed into DEF liquid at AzureDEF's Santa Ana facility. Then last fall, the company began converting to a domestic

source of liquid concentrate DEF, shipped in tank cars.

"It's more efficient for us to dilute from the concentrate we are getting now," says Mike Gekchyan, COO, AzureDEF.

Though this has been a significant change in their production process, Gekchyan says it has gone smoothly.

PHL spots loaded tank cars at a nearby rail terminal, and AzureDEF trucks are dispatched to transload the liquid concentrate for the short trip to their processing location.

"The railroad provides good tracking and prompt notifications when railcars are available for unloading," Gekchyan



says. AzureDEF trucks operate frequently to the rail terminal, seven days a week. "We are very happy with PHL's service. They help us keep things running smoothly."

The future looks bright for this business, too. Volumes have grown about 100 percent this year, and continuing increases of 50 percent annually are anticipated. ♦



### PHL Expresses Gratitude

*2020 marked the retirement of PHL team members Bob Giannoble and Bo Willis (above), who served the railroad for 22 years and 20 years, respectively.*

"PHL is grateful for the dedication and service of both Bob Giannoble and Bo Willis," said Director of Customer Service Kimia Khatami. "They retired with many years of countless memories and contributed greatly to making PHL what it is today. We wish them the best as they take on this next chapter." ♦

## Safety Standards Never Wavered During Pandemic

*In 2020, the COVID-19 pandemic had a huge impact on PHL operations, yet the high bar the railroad sets for safety was consistently achieved.*

"We put 'safety first' with everything we do at PHL, and we applied that immediately to the pandemic," said Director of Operations Rick VanZee. "Right from the beginning, we were ahead of the curve in following guidelines from the Centers for Disease Control (CDC), and the fact that we had no cases transmitted at our worksites is a testament to how careful we've been."

VanZee said employee safety was the focus for PHL in early 2020. The railroad worked with maintenance contractor F&M Rail Services to have equipment

cleaned daily, and hand sanitizing dispensers installed on all PHL locomotives. Social distancing and face covering guidelines were also implemented.

He said the biggest challenge came with a rapid increase of container volumes starting in the summer that lasted into this year—a time when the available manpower was fluctuating due to potential exposure to the virus outside of work.

"There was a lot of traffic and not always enough people to do the work so, in consultation with our union leadership, we operated manager trains to keep the railroad running," said VanZee, "but we did not compromise safety along the way. We take pride in serving our customers the best—and safest—way we can." ♦







## PHL NEWS BRIEFS

### ***BLET, PHL Sign New Contract***

Last fall, PHL and the Brotherhood of Locomotive Engineers and Trainmen (BLET) signed a new five-year labor agreement. The contract went into effect September 20, 2020 and governs rates of pay, benefits and work rules for 150 of PHL's 189 employees.

BLET's Division 214 has represented PHL's employees since the railroad was formed in 1998. Subsequently, union employment has grown from 27 employees to more than 150. For contract negotiations, Division 214 is represented by the BLET's Union Pacific-Western Lines General Committee of Adjustment (UP-WL GCA). ♦

### ***Pier B Rail Facility Planning Underway***

The Port of Long Beach is developing plans for an on-dock rail support facility at Pier B as part of a \$1 billion rail capital improvement program.



The new facility will shift more cargo to "on-dock rail," where containers are taken to and from marine terminals by trains, significantly reducing truck trips throughout the region. No cargo trucks would visit the facility. Instead, smaller train segments would be brought to Pier B and joined together into a full-sized train.

Construction is set to begin in 2023. For more information, visit [www.polb.com/pierb](http://www.polb.com/pierb). ♦

### ***Battery Electric Locomotive to Demo at PHL***

Progress Rail reached an agreement with Pacific Harbor Line (PHL) last fall to supply its new EMD® Joule battery electric locomotive for a demonstration project at the Ports of Los Angeles and Long Beach.

The new, six-axle locomotive will feature the latest lithium-ion battery technology and battery management system, alongside AC traction and state-of-the-art electronics.

The zero-emission, zero-idle and low-noise EMD® Joule locomotive—capable of 3,200 horsepower in this application—will be rigorously tested in all types of service at PHL. The locomotive is expected to be delivered in the second half of 2021.



"The Joule is the first battery electric switcher locomotive designed by a major locomotive supplier for North America that appears robust enough for the demanding PHL environment," said PHL President Otis Cliatt II. "What Progress Rail and PHL learn from this demonstration will hopefully advance the prospects for zero emission locomotive solutions in the San Pedro Bay ports." ♦



Photo Courtesy of the Port of Long Beach

### ***Desmond Bridge Completed***

The new Desmond Bridge serving the Port of Long Beach opened in October of 2020. The redesigned grade offers a smoother ride for trucks and vehicles, while the taller span allows vessels of greater container capacity to pass under.

The \$1.47 billion bridge project is part of a 10-year, \$4 billion set of improvements enabling the Port of Long Beach to remain modern, competitive and big-ship ready. ♦



**In December 2020, PHL President Otis Cliatt III was appointed to the board of trustees of his alma mater—Florida Agricultural & Mechanical University (FAMU)—by Florida Gov. Ron DeSantis.**

Based in Tallahassee, FAMU was founded in 1887 and is the third-largest historically Black college and university (HBCU) in the United States. In 2021, FAMU was recognized by US News & World Report as the highest-ranked public HBCU, and in 1997-98 named "College of the Year" by TIME Magazine/The Princeton Review.

Cliatt graduated from the university in 1987 with a degree in business eco-

nomics and a minor in Labor Relations. In 2019, he was named a FAMU National Alumni Association Distinguished Alumni honoree. A former FAMU scholarship football player, Cliatt served eight years in the Army's Special Operations Command Airborne, earning a Bronze Star in Operation Desert Storm.

Cliatt joined PHL as vice president in 2010 and has served as president since 2012. He previously held senior management roles at Union Pacific Railroad and CANAC Railway Services.

He has served on the board of directors of the California Short Line Railroad Association and currently serves on the executive board of the American Short

Line and Regional Railroad Association based in Washington DC. He also has been chairman and vice chairman of World Trade Week, a global annual business conference sponsored by the Los Angeles Chamber of Commerce. ♦



## Harbor Association Adapts to a New Normal

***"It was an impactful year to be president of the Harbor Association of Industry & Commerce [HAIC]," says Kimia Khatami, PHL director of customer service.***

"The major challenge that faced us soon after I became HAIC president in January 2020 was to work with our association management agency and board of directors to continue providing membership value without any in-person events," Khatami says.

Under her leadership, the group was able to step up to that challenge.

"Technology has played a key role in our ability to bring our members together with industry experts," she says.

The group started with events on Zoom, but quickly moved to a more interactive platform that allows event participants to participate both in the main event, and with smaller groups where communications are less formal and, often, more productive.

"The success of this structure suggests that as we return to in-person meetings, there will be a new hybrid, including on-line participation," she says. "Ultimately, it was exciting and rewarding to serve HAIC's membership during a time of dramatic change." ♦



Photo Courtesy of LBCT

## LBCT Capacity Increasing This Year

***Completion of Long Beach Container Terminal's (LBCT) Middle Terminal Phase 3 will add significant container-handling capacity and greatly increase on-dock rail capabilities.***

"We will have the largest on-dock facility in North America, adding another wharf, more storage, more cranes, and more of everything our users need," says Anthony Otto, LBCT president. "When finished, Phase 3 will be the most innovative, efficient, and clean terminal in the Americas."

LBCT's state-of-the-art cargo handling equipment runs on electricity or alternative fuels.

The expansion couldn't come at a more welcome time. The surge in volumes through Southern California ports in the past year, combined with labor

constraints resulting from the pandemic, have resulted in massive supply chain backlogs and delays.

"As soon as we were hit by COVID, we acted quickly to make sure we had enough PPE, moved to

24/7 shifts, and implemented stringent cleaning measures on our cranes and material handling equipment to keep our workforce safe," Otto says.

Even with all those measures, workforce constraints developed at the same time volumes surged. At one point, dozens of ships were at anchor off Southern California's ports. Otto says those backlogs have significantly improved, and the addition of capacity this summer is expected to provide more relief.

Rail will play an important part in both improving throughput, as well as the facility's environmental impacts.

"Our target is for 35 percent of our volume in the Middle Terminal to be handled as on-dock rail," Otto says. "That will take a lot of trucks off the streets and highways." ♦





## 2020 Employees of the Month



**January**  
Jimmy Rodriguez



**February**  
Johnny Pardo



**March**  
Eric Fernandez



**April**  
Esteban Guerrero



**May**  
Gabriel Calderon



**June**  
Dallas Daeley



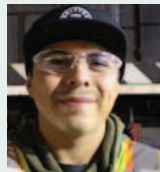
**July**  
Alfredo Ortiz



**August**  
Richard Magallanes



**September**  
Ramon Munoz



**October**  
Lance Kaplan



**November**  
Sam Rodriguez



**December**  
Fernando Hernandez

## New Hires Ready to Serve

***PHL acknowledges that our customers are the reason we exist, and excellent service is what they expect. During 2020, the COVID pandemic created many service challenges—including staffing shortages.***

In late-October, PHL hired a new employee class to support our commitment to excellent customer service. PHL has an in-depth, on-boarding training process for new assistant engineers that prepares them to provide many years

of safe and customer-focused service. That class of assistant engineers was qualified in May, and they are now full-time members of PHL's team.

We plan to hire another class of assistant engineers early this summer. We appreciate the patience our customers have shown as we continue providing the first and last mile in the global supply chain. ♦

## On the Right Teams, from SC State Bulldogs to PHL



***"PHL's great customer service and strong safety focus are what made me want to be a part of this team," says Monte Stokes, the new chief engineer at PHL.***

His previous industry experience with large railroads prepared him well for PHL.

Since starting with PHL in February, Stokes has familiarized himself with our operations and is overseeing a range of

engineering projects. In 2021, they include a highway crossing renewal, installing a new switch on Pier S, installing new rail lubricators, and the replacement of worn rail on the LAXT loop and other locations.

Stokes started his railroad career with CSX as a management trainee in 2011, then joined Amtrak in 2017 where he advanced to deputy division engineer at Washington, D.C.

Along the way, he says he has enjoyed

"being able to form a team that accomplishes its goals, starting with safety and ending with the successful completion of repair and maintenance projects."

His college experience as a record-breaking wide receiver with the South Carolina State University Bulldogs has also been helpful in his profession.

"It taught me a work ethic and to constantly want to do better," he says. ♦

## Milestones

***PHL employees celebrated these milestones in 2020***

***We thank you for your service***

### ***Anniversaries***

#### ***20 Years***

Jason Bengel	Luis Rodriguez
Artrie Gatewood	Stephane Perri

#### ***15 Years***

Juan Saldana	Richard Garibay
Dallas Daeley	Frank Carter
Jose Huerta	Jehtan Thomas
Richard Briscoe	Frederick Calloway
David Morn	Juan Pardo
Michael Gearhart	Chad McIlwain
Joel Toston	

#### ***10 Years***

Hudie Hawkins	Sean McCarthy
Baron Briscoe	Justin Downer
Christopher Hale	Amadio Maestas
Vincent Rivas	Alexander Moffit

#### ***5 Years***

Gregory Abalos	Johnny Fraijo
Alberto Herrera	Lance Kaplan
Mario Maciel	Johan Morales
Justin Salazar	

### ***Promotions***

David Gonzales, Trainmaster
Alan Jackson, Sr. Manager of Operations

### ***2019 Eagle Eye Honors***

January	Thomas Quinzel
March	Gregory Dixon
April	Michael Gearhart
May	Steven Wallace
	Mario Maciel
September	Antonio Flores
	Sean McCarthy
December	Jason Bengel