

Connections

2019

Message from John Goldman



Welcome

I'm incredibly proud of the entire LIRC team, who collectively won the 2019 Short Line of the Year award from *Railway*

Age magazine. Bestowed during our 25th year of operations, this honor is a particularly meaningful recognition of the dedication and hard work that has built a successful, efficient, and customer-focused railroad.

We also see tremendous opportunities in carload traffic, which is why we are undertaking additional physical improvements and service innovations this year. The expansion of our Dutch Lane Yard transload facility last year sets the stage for a next phase of growth that will provide a 175-car capacity facility for shippers of liquid and dry bulk commodities. Our Jeffersonville Transload Yard is also the focus of a project to add capacity.

Continued on page 2

Inside this issue...

- P2 LIRC Industrial Development Video
- P3 What's New on the Ground
 - Flat Rock Bridge Officially Open
- P4 Dutch Lane Yard Expanded
 - Safety Report
- P5 Great Western Malting: New Terminal
- P6 Milestones
 - New Employees
 - Serving the Community

LIRC Named Short Line of the Year

News for Customers, Employees & Friends of the Louisville & Indiana Railroad



In April, LIRC was honored as 2019 Short Line of the Year at the American Short Line and Regional Railroad (ASLRRA) "Connections Convention" in Orlando.

Anacostia Rail Holdings President and CEO Peter Gilbertson and LIRC President John Goldman accepted the coveted award, which is administered by *Railway Age*—the rail industry's oldest trade publication.

Railway Age Editor-in-Chief William Vantuono said 2018 marked the culmination of a significant physical transformation for LIRC, as the short line upgraded its entire 106-mile main line between Louisville and Indianapolis. The upgrade included installing heavier 136-lb. continuous-welded rail and replacing a 119-year-old bridge across the Flat Rock River in Columbus, IN. Next year, completion of a second 10,000-ft. passing siding will expand capacity and finish the \$100 million project.

Vantuono called it "a remarkable

Left to Right, William Vantuono, Railway Age; Peter Gilbertson, Anacostia Rail Holdings; John Goldman, LIRC; Chuck Baker, ASLRRA

story of vision, patience, transformation and execution."

Gilbertson said the recent system upgrade has created a much better railroad for both LIRC and CSX, which is handling increasing train traffic more safely and more efficiently.

"LIRC is much more than this upgrade," said Gilbertson. "It reflects the efforts of an innovative and dedicated group that has consistently grown revenue while conducting safe operations."

LIRC-President John Goldman said, "The Short Line of the Year award is very special, because it reflects success for the entire organization from bottom to top, side to side, and all points in between."

Goldman noted that the 2019 Short Line award comes just as LIRC began to celebrate its 25th anniversary of start-up on March 12.

Message from John Goldman

Continued from page 1

As we grow, so does our effort to keep our people and operations safe. In March, we marked an entire injury-free year, thanks to a continuous focus on safety. A significant upgrade of our highway grade crossings will be undertaken this year, with enhanced warning devices to be installed at 30 locations.

Perhaps the best way to see how LIRC has improved, and what opportunities it offers shippers, is by taking the tour-bydrone video we recently released. You can see for yourself why we're so proud of our railroad and how we are ready to grow with you.

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John D. Goldman President Louisville & Indiana Railroad

Connections

News from the Louisville & Indiana Railroad

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Video Highlights Development Sites

There are so many great opportunities to locate new plants, distribution centers, and other industrial developments on our 106-mile railroad that we've taken to the skies to showcase some of the premier locations.

A new four-minute video provides an informative and engaging tour-by-drone of potential transload locations, marine terminals, industrial parks, manufacturing sites, and more.

Watch the video, and then contact Katie Sackett at ksackett@anacostia.com with any questions or ideas for your next site-selection project. Visit: http://bit.ly/ LIRC-video



Ready for Opportunity

One of the clichés that always resonated for me in my career is this: Success happens when opportunity meets up with preparation.

four to five years ago.

capacity in mind.

As you can tell from many of the

stories in this newsletter, the LIRC has

had an astounding past couple of years.

More importantly, we are poised to handle

far more growth, and much of this is due

to efforts that the commercial team began

customer facilities—we are open for

business and every one of our investments

was made with additional phases for new

New terminals, property acquisition,

More importantly, we have worked hard on forging strategic relationships

Anacostia 'On the Move'

by Eric Jakubowski Chief Commercial Officer, Anacostia Rail Holdings with our host communities, the economic development agencies, and our Class 1 partners.

They know what we prioritize, and we

work hard to be responsive when leads surface.

We have some of the most experienced professionals on the short line side of the railroad business on our Sales and Customer Service team, and I do my part to listen to them when they speak about the future!

If you haven't done so yet, take the four-minute drone video tour (YouTube link noted above) and let us know if you have any questions.



What's New on the Ground at LIRC?

In addition to upgrading its main track infrastructure over the past few years, LIRC has also been improving other parts of its system.

Jeffersonville Terminal

Yard tracks are vital to the operation. These tracks are where we bring inbound trains, classify rail cars, then build the outbound trains destined to our customers.

In 2018, we installed relay rail on tracks 3 and 4 at the Jeffersonville Terminal. Work will continue with the systematic improvement of our non-main line infrastructure this year with the installation of relay rail on tracks 5, 6, 7, and 8. This includes tamping, regulating, and adding smaller walking ballast between these tracks and on the switching lead.

This investment in our future will provide a safer and more efficient switching operation.

In 2019, we will also extend our car repair facility track by 250 feet, which will increase efficiency in processing rail cars for repair.

Hotstarts

Louisville & Indiana Railroad completed installation of 12 Hotstart auxiliary power units on its fleet of 12 locomotives in March. These units were purchased through a cooperative effort between the American Lung Association and LIRC via the Diesel Exhaust Reduction Act Grant program.

These small, self-contained units heat the diesel prime mover's water and lubricating oil when the locomotive is not in use. The unit only uses 0.4 gallons of fuel per hour. Without these units, LIRC is required to keep its locomotives idling in temperatures below 40 degrees to prevent freeze-up, which requires at least eight gallons of fuel per hour.

These units allow LIRC to become a greener partner for its customers and surrounding communities.

Railroad Crossing Warning Update

Through federal, state, and local efforts, more than 30 grade crossings across the LIRC network will receive enhanced grade crossing warning devices in 2019.



Flat Rock Bridge Officially Opened

In November 2018, LIRC hosted a ribbon-cutting ceremony for the new Flat River Rock Bridge in Columbus, Indiana. Replacing the bridge was part of the system-wide South Wind project that made LIRC fully compliant to handle 286,000 pound gross weight rail cars.

Attending the ribbon cutting were, from left: Eric Hendrickson, CSXT; Joe McGuinness, INDOT; John Goldman, LIRC; James Connolly, LIRC; Jim Lienhoop, Mayor of Columbus, IN; Pam Lienhoop; Dave Hayward, City of Columbus, IN; and Anthony Richie, LIRC.



An Anacostia Company





Trucks and Trains Team Up at Expanded Dutch Lane Yard

The story of LIRC's Dutch Lane Yard is one that illustrates the renaissance in railroad shipping.

The yard was abandoned in the 1940s and sat idle until LIRC made a significant investment some 70 years later. Initially, two new tracks with a 60-car capacity were opened. Rapid growth prompted last year's expansion with two additional tracks, bringing total capacity to 100 cars. Plans are being made for a third phase expansion to 175-car capacity.

The yard reopened in 2015 and expanded in 2018. And, it continues to see growth in transloading operations particularly for rail-to-truck plastic pellets. LIRC provides the efficient longhaul transport, and trucks handle "final mile" distribution. The yard serves Kentucky and Indiana customers in automotive and other markets.

"Our strong relationship with motor carriers, such as First Class Services, is what makes this operation work for customers," says Scott Lurkins, Senior Director of Business Development, Anacostia Rail Holdings Company. "They specialize in the transport of liquid and dry bulk commodities, making them ideal partners to provide reliable and cost-effective service."

Dutch Lane is a model transload facility, with 24-hour access, modern lighting,



Photo by Scott Lurkins

a truck scale, and new office. Already, the facility is one of the largest and most efficient 24/7 plastic transload terminals in the Louisville/Southern Indiana marketplace.

LIRC has successfully grown unit train volume on its lines, while keeping a strong focus on the development of carload traffic—much of which results from new and upgraded transload facilities up and down the railroad.

"Transload customers require seamless transport operations for their critical product supply chains," says Lurkins. "We deliver on our promise each and every day, and we are excited about the future for the shippers we serve."



New Logo Unveiled for 25th Anniversary

Based on a previous successful campaign to design the LIRC Veterans Logo, the railroad reached out to interested individuals to submit designs for a potential 25th anniversary logo.

More than a dozen designs were received and voted on by employees to come up with the final choice.

A few small modifications were made, and Tyler Hardin's submission was officially chosen to represent the Louisville & Indiana Railroad's 25th anniversary.

Safety is No. 1 with LIRC

Our emphasis on safety never wavers, and this year we are continuing to reward safe operations and behavior on—and near the railroad.

On March 29, LIRC marked an entire year without a significant on-the-job injury. We celebrated by providing a BBQ lunch to all LIRC employees in both Jeffersonville and Columbus. We handed out hats with a special injury-free insignia. Notably, our engineering department has gone six-plus years injury free.

We are sponsoring an Operation Lifesaver multimedia campaign similar to last year's very successful efforts. It achieved millions of impressions last year and exceeded expectations. Outreach in the community also includes one-on-one presentations, spearheaded by Jeremiah Fletcher with help from new volunteers Karen Walker and Dan Watson.



Additionally, we have conducted two safety trainings with first responders this year, as well as hosting a Grade Crossing Collision Investigation Course for local law enforcement and Indiana State Troopers in January.

"This is a really great training exercise for them to get to know the railroad and for them to be able to take the message of safety back into their communities, and hopefully save a life down the road," LIRC's Jeremy Kramer told Louisville television station WDRB. \blacklozenge

New Terminal is a Smooth Ride for Great Western Malting



Malt is the basic ingredient of beer and whiskey, as well as a number of foods. Though it is transported in large quantities, its purity and quality cannot be compromised during transport.

When Great Western Malting recently started serving Kentucky's famous distilleries, the company knew it would need a reliable, safe supply chain. As part of one of the world's largest brewing and distilling malt producers, Great Western sought transportation providers that would match its high standards.

It soon learned of LIRC and its excellent reputation among other railroads—as well as motor carriers and shippers

"We were first connected to LIRC by one of our established transload operating partners, Arrow Material Services," says Mike O'Toole, Great Western president. "We then visited the railroad's facilities in Jeffersonville and were very impressed with how they manage their rail yard."

O'Toole and his team also liked the fact that the railroad offered a greenfield location, where a transload facility could be designed and built to specification.

"The new facility is clean, and it provides pneumatic or gravity unloading from railcars to trucks," O'Toole says.

Product is shipped from Great Western's Pocatello, Idaho facility, which has easy access to some of the best quality barley and most reliable crops grown anywhere in the world. The railcars arrive at Jeffersonville within two weeks of shipment, with LIRC providing a reliable delivery schedule to the transload facility.

"It's important that we maintain a consistent product flow because the distilleries don't hold a large malt inventory," O'Toole says. "Their process requires much larger volumes of corn or rye, so there just isn't room to keep a lot of malt on hand. We know we can count on LIRC, and the delivering trucker—First Class Services to do the job."

Now in its first year of operation, the terminal will ramp up to a pace of 120 annual carloads for Great Western, with even higher volumes anticipated in later years.

"The railroad is very responsive and easy to work with," O'Toole says. "We look forward to a long and successful relationship."

Transloading operations at Jeffersonville, IN for Great Western Malting were recently improved by construction of a shed to protect pneumatic and gravity product transfer from the elements. Connections—News from the Louisville & Indiana Railroad

Milestones

Employee Anniversaries

25 Years Curt Leslie

20 Years Marvin Greer

15 Years Troy Daily Mike Gary

5 Years Jeremy Kramer Antoine Preston

Congratulations for all your accomplishments! We thank you for your service and dedication to the LIRC.

Welcome

The LIRC would like to welcome the following new employee who joined us in the past year.

Justin Cole Conductor/NCE

Promotion



Jeremy Kramer Promoted to VP

LIRC is pleased to announce that Jeremy Kramer has been appointed as the railroad's new vice president.

Most recently Kramer

served as director of transportation. He came on board with LIRC in 2014 as a trainmaster. In 2016, he was named a "Rising Star" by *Progressive Railroading* magazine.

"Jeremy has been a leader and innovator for us," said LIRC President John D. Goldman. "In his new role, he will be responsible for all railroad transportation processes including train operations, dispatching, locomotive maintenance, and Clagg Bridge operations.

Prior to joining LIRC, Kramer held a number of management posts with the Canadian National Railroad. He also served 10 years as Staff Sergeant in the US Army 1152nd Transportation Company.

Customer Service Team Ready to Serve

When it comes to helping customers overcome transportation challenges, there's no better dynamic duo than Leah Windell and Wayne Grant—LIRC's customer service team.

Neither arrived at LIRC with a railroad background, but both jumped right in to their new world with enthusiasm.

"I love being part of the LIRC team," said Windell. "I work with some of the finest, most knowledgeable people in the railroad industry."

She said over the past 11 years, she has learned how to troubleshoot data issues, create and manage blocking rules, implement a wide array of automated procedures, and been exposed to many different computer platforms.

For Grant, his four years at the short line have been rewarding, and also reconnected him to his childhood and his father.

A job recruiter told him working at LIRC would be an interesting, challenging opportunity.

LOUISVILLE

INDIANA



"It has absolutely been those things, in addition to a wonderful reminder of something I loved and thought I'd lost from my childhood," he said. "As a kid, some of my greatest memories are of my dad and I playing with little electric train sets."

Windell and Grant say LIRC's recent upgrade of the mainline has been a challenge for all, but they think they've been able to smooth out the bumps for customers.

"I hope we have been instrumental in assisting our customers navigate this process while keeping their internal operations fluid," said Windell.

Community Counts with LIRC

LIRC and its employees are very involved in sponsoring community celebrations, youth athletics, and local charities each and every year. These are some examples of our ongoing activities.

• In July, LIRC will be supporting the National Veterans Wheelchair Games with volunteers. The annual event is being held in Louisville to bring together veterans who participate in wheelchair sports. For most, it is part of their rehabilitation to improve function, independence, and become active in their home communities through sports and fitness.

• LIRC employees are continuing their internal charitable campaign to fund projects and activities at Norton Children's Hospital in Louisville, Kentucky. The employee donations are matched by the railroad. This year, LIRC's efforts will help the hospital operate a Children's Christmas Train.

• Over the past year and throughout 2019, LIRC is sponsoring Little League teams, Boy Scout troops, the Jeffersonville Fire Department, the Greater Clark County Schools Educational Foundation, and providing ongoing support for veterans' activities.



