



# Power To Move

Connecting Industry ♦ Delivering Value ♦ 2022

## Message from Todd Bjornstad



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



Freight service has been provided for more than 100 years on the railroad over which we now serve our customers.

During that period, there has been a Great Depression, World II,

the continuing technological revolution, the current pandemic, and so much more.

We are all proud of this heritage—and the progress made since freight operations were assumed by CSS parent Anacostia Rail Holdings 31 years ago—culminating in another year of strong volume moved in 2021. It wasn't easy to keep things moving, but our dedicated workforce met last year's challenges as they meet every challenge—responsibly and safely, efficiently, and with unwavering attention to providing customers with the best possible service.

While it is very rewarding to have a major shipper summarize his company's experience with us as "fantastic," we must remain focused on adding value every day.

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*Major improvements and new facilities have been added by Omni at its IIPD terminal, including this weigh scale and loading tank. A new scale house was also constructed, including significant technology upgrades.*

## Omni Materials: "It's Been Fantastic"

*Welcoming new customer Omni Materials five years ago was an exciting moment, with a then-planned volume of some 400 annual carload shipments. Even better, it was expected that the business could grow.*

Omni first started converting bulk inbound shipments from truck to more economical rail in 2017 to support its lengthening supply chain. The strategy worked and last year saw delivery of nearly 700 pressure differential (PD) cars by CSS.

Now that the promise of railcar volume growth has become reality, Omni has expanded operations from a single supplier

of lime kiln dust at Superior, Wisconsin to a network of suppliers across the United States. Additional locations include Utah and Iowa, with two more suppliers in Michigan and Ohio expected to come online.

"At present, we bring three products into our Illinois International Port District (IIPD) silos," says Omni Vice President Ward Blakefield. Supply chain integrity is critical for these specific products, each of which have different chemical properties appropriate to different applications.

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## Message from Todd Bjornstad

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To do that we have scheduled and budgeted for another year of capital improvements and locomotive upgrades. We will also maintain our strong commitment to safety training, as well as our laser focus on learning and meeting the needs of our customers.

We make every effort to stay in touch with our team, our customers, and our community. We don't know what's in store during the next 100 years, but by keeping our focus on what's important to our customers, communities, and employees we do know that this railroad will enjoy another century of progress.

**Todd Bjornstad**

## CSS Becomes SmartWay Partner

*In 2021, CSS became a certified partner of the U.S. Environmental Protection Agency (EPA) SmartWay® Transport Partnership.*

Developed by the EPA, SmartWay is a collaborative framework involving industry stakeholders and environmental groups to track and reduce emissions and fuel use in the transportation sector.

All six of Anacostia Rail Holdings (ARH) short lines are now SmartWay partners. Since 2011, ARH and its subsidiaries have invested \$38 million in modernizing services with lower emissions locomotives.

"I am proud of our team," said Anacostia Chairman and CEO Peter



Gilbertson. "They perform a leadership role in the railroad industry, addressing issues that involve the environment and sustainability."

According to the EPA, railroads emit ten times less greenhouse gas emissions than trucks.

"Railroads are cleaner and up to four times more efficient than trucks," Gilbertson said. ♦



## Sustainability

by Peter Gilbertson  
President, Anacostia Rail Holdings



*We face a choice right now about the legacy we'll leave for future generations. We can step up and be part of the solution.*

Last summer, I joined Anacostia customer Marty Muenzmaier—Cargill's Bioindustrial Sustainability and External Affairs Lead—in a presentation to the Minnesota Regional Railroads Association. The subject was "Sustainability as an Industry Opportunity."

Marty described Cargill's commitment to reduce emissions across its supply chain and to "increase awareness of the risk climate change poses to the business of agriculture, to farmers' livelihoods, and to food security."

What Marty was telling us is that climate change threatens the most essential of life's requirements—including food availability.

For that very reason, Anacostia has taken a leadership role on these issues. We are the first railroad holding company

to have each of its railroads join the U.S. Environmental Protection Agency (EPA) SmartWay® Transport Partnership.

We have also taken concrete steps with technology. For example, Anacostia subsidiary Pacific Harbor Line was the first railroad to upgrade its locomotive fleet to Tier 3+, and in 2017 it led the way with the first lease of a Tier 4 unit. Across Anacostia railroads, we have adopted automatic shut-down devices on all locomotives.

For 2022, we will continue to seek opportunities, collaborations, and partnerships to remain at the forefront of emissions reductions progress.

But what is the best near and long term opportunity? Answer: shift from truck to rail.

On average, this results in a 75 percent reduction in greenhouse gas emissions. Railroads account for roughly 40 percent of U.S. long-distance freight volume, but account for just 2.1 percent of transportation-related emissions.

Shippers, let us help meet your environmental goals now. ♦

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## Investing for Growth

*Improvements to our track, structures, and equipment will continue this year, following a successful 2021 program during which we installed over 1,000 new ties, improved public grade crossings, and upgraded three locomotives.*

"We were very successful in 2021 in matching our infrastructure improvements with our customers' growth," says CSS President Todd Bjornstad.

These improvements—and those we've made in previous years—are all designed to make sure our privately owned and funded infrastructure continues to keep pace with our customers' growing needs.

### 2022 INFRASTRUCTURE IMPROVEMENTS

#### • MAINLINE

Install 3,000 crossties between Michigan City and Kingsbury.

#### • STATE ROUTE 4 GRADE CROSSING

Renew signal bungalow control components and install new flashers in LaPorte, Indiana.

#### • PARK STREET GRADE CROSSING

Upgrade the safety signals at the crossing in LaPorte.

#### • LOCOMOTIVES

Upgrades to 10 units (see related article, right).

We will also be working during the next two years with our public partners to support the addition of 17 miles of double-track mainline that will improve CSS freight and Northern Indiana Commuter Transportation District operations.

"We are working very closely with our double-track project partners to maintain high service levels for CSS customers," says Bjornstad. ♦



## Locomotive Fleet Upgrades for Continued Reliability

CSS will undertake significant upgrades to most of our locomotive fleet this year.

The 10 mainline GP38s targeted for this round of refurbishment were already renewed "above the deck" five years ago. Now, we'll put everything below in tip-top shape.

The project includes:

- Complete inspection to identify all needed upgrades
- Sandblast all metal, and replace as necessary
- Replace flooring in cabs and lavatories
- Replace air compressors as necessary

To keep our service rolling without interruption during this program, only one unit will be removed from service at a time, and two leased units will be added to our fleet for the duration of the program.

"Our customers rely on CSS for uninterrupted service," says Vice President Mike Shore, who is overseeing the upgrade program. "This year's locomotive improvement program was designed to assure that we can meet our commitment to do more than maintain our capabilities. These rebuilt locomotives will help us grow with our customers." ♦

### OMNI Materials, Continued from Page 1

"Since we've switched to rail, it's lived up to our expectations," Blakefield says. "I expect an increase of about 10 percent this year, and maybe even more than that in 2023."

#### Improving for Growth

Omni is keeping up with the growing demand by making significant improvements at the terminal.

"We've both added to and upgraded the facilities at the silos," says Blakefield.

"The improvements include new loading tanks, a scale and scale house, compressor, and a dust collection system." At the same time, new technology has been added to monitor and control the flow of products.

Another critical partner in Omni's success at this location has been the port. "We have a nice relationship, and they've been very open with us," Blakefield says.

IIPD Executive Director Erik A. Varela says Omni is just the type of user that fits well at these facilities.

"I think Omni Materials and many of our tenants recognize that the IIPD's strongest freight-related asset is our multimodal connectivity," Varela says. "Our location at Lake Calumet provides manufacturers and shippers with unique access to all Class I railroads and short lines such as CSS, non-residential access to interstate highways, as well as to the Chicago Area Waterways System which, in turn, provides navigable connections to the Mississippi River System."

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## Strong Safety Performance Starts with Robust Training

*Despite the significant challenges to maintaining best practices during the pandemic, our employees kept their sights on what was most important—safe operations that protect each of us, our customers, and our community.*

The result is that there were no reportable injuries in 2021. In fact, by the end of the year our injury-free record had streaked to 655 days.

"Years of focus on safe operations and continuous training have created a strong safety culture on our railroad," says Vice President Mike Shore.

Employees concentrate on the fundamentals of safety every day—performing their jobs the right way with the right tools. Annual rules classes for each craft provide the opportunity to refresh knowledge, as well as to stay up to date on best practices and rules changes.

### Safety Trainers Are Experts

The foundation of this strong safety culture is continuously renewed when our highly experienced safety experts put new hires through a robust initial training process. We are fortunate to have two of the industry's safety leaders as our trainers:

- Mark Barnum, AVP, Operating Practices and Rules, Shasta Transportation Consulting Services; and



**Stephen Moore trains new hires for best-practices in safety, drawing on decades of real-world rail operations experience.**

- Stephen Moore, Senior Manager of Operating Practices, Rules & Safety, Pacific Harbor Line.

Between them, Barnum and Moore bring 79 years of real-world railroading to our employees. The classroom and field training program puts new operating employees through an intense curriculum of rules and operations education that features classwork, homework, field tours, quizzes, and tests.

Introducing a CSS January class to their initial two-week training regimen, Moore explained, "Railroad equipment is big and heavy, and it is very unforgiving. Your first priority is your own safety,

then that of your train, and then serving our customers."

Moore draws heavily on his experience as a railroader since 1985 when he started working on a maintenance-of-way crew, then progressing through responsibilities as a conductor, engineer, and road foreman—all leading to his current role.

His training class starts with an introduction to basic railroad operating practices and rules. It then moves into a course that covers every aspect of railroad safety, including: specific terminology that is essential to safe operating practices; a myriad of critical rules; and how railroad dispatching and signaling works to keep trains operating without incident.

### Classroom Meets Real World

Their training won't end after his two-week class, however. Each student will be required to work with other experienced operating personnel for six months before they can become qualified to work on their own. Though challenging, the training of these new hires—and all those who have preceded them—allows us to continue to serve our customers and our community safely. None of us would have it any other way. ♦

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"IIPD's multimodal connections provide a strong competitive advantage to our current and future tenants who operate in these growing markets," he concludes.

### Promises Kept

Looking back at the initial planning for this service, Blakefield credits CSS for playing an important role.

"We bring in materials hauled by Union Pacific, CSX, and BNSF," he says. "But it all ends up on CSS, which is why we met

with them first. They were great and walked us through all the steps for getting service started."

Since then, Omni has not been disappointed.

"One of the strengths of CSS is their extraordinarily good customer service," according to Blakefield. "We get helpful feedback on a daily basis about the cars that are coming and when they will arrive, what's being picked up, and the paperwork always goes smoothly. It's been fantastic." ♦





Photo by John F. Humiston



## One Carload Moves and Prosperity Endures for More Than 100 Years



***Starting with a single carload—reportedly hauled from South Bend on August 1, 1916—our railroad has been meeting the needs of shippers for more than 100 years.***

“From that humble beginning, a profitable freight business prospered,” says Andrew Fox, former CSS president and a member of the Anacostia Advisory Board.

Fox recently published an article about

our long and successful history that resulted in the creation of modern-day CSS 31 years ago. The article appears in the [Winter 2021 edition of \*First & Fastest\*](#) published by the Shore Line Interurban Historical Society.

Since CSS took over operations, there have been numerous improvements to support growing traffic from our customers. The biggest expansion came

in 2000 with the acquisition of 25 miles of track south from Michigan City to Kingsbury.

### More Double Track Next

This year will start another significant advance, as Fox notes: “The future is bright for South Shore Freight. The upcoming NICTD double track project comes with some benefits for the freight operations.”

Some of those benefits include:

- our service at the Cleveland-Cliffs' Burns Harbor steel mill will be smoothed by a new track configuration that separates freight from passenger train operations;
- we will increase our yard footprint near our largest customers; and
- an additional main track through Michigan City will give NICTD dispatchers more flexibility in moving freight and passenger trains.

In other words, the stage is being set for another 100-plus years of successful freight service. ♦



***Photos clockwise from top:***  
***At mid-century a South Shore freight train in East Chicago; and two scenes of trains in Burnham Yard, one powered by an 800-class engine and the other by box cabs. Courtesy of the South Shore Line Interurban Historical Society.***





## MILESTONES

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

### Anniversaries

#### 1 year

**Michael Dobbelaere**  
Carman

**Christopher Felske**  
Conductor

#### 5 years

**Dalton Dabkowski**  
Conductor

**Brian Nussel**  
Trainmaster/DSLE

**Kevin Holzer**  
Conductor

**Michael Polk**  
Engineer

**Justin Moon**  
Chief Mechanical Officer

**Evan Poppe**  
Conductor

#### 10 years

**John Means**  
Conductor

**Joseph Moore**  
Conductor

**Mike Shore**  
Vice President

#### 20 years

**Steve Kincaid**  
Engineer

### New Hires

**Nathan McDaniel**, Carman

**Lisa Skorupa**, Customer Service Representative

**James Graham**, Student Conductor

**Justin Jaracz**, Student Conductor

**Gage Koepke**, Student Conductor

## Honoring Steve Staley by Supporting Military Veterans

*In March, CSS once again remembers former employee Steve Staley by contributing to veterans' charities in his name.*

Staley worked for the railroad for 24 years prior to his death on March 23, 2020. He was also a decorated military veteran and Army reservist.

"Steve devoted a big part of his life to serving our country," says Vice President Mike Shore. "Many of our employees are also veterans, and it's important to CSS that we support them and honor Steve's memory."

This year, CSS will make donations to three organizations:



**WOUNDED WARRIOR PROJECT®**

**Wounded Warrior Project**—This group supports veterans and service members who incurred a physical or mental injury, illness, or wound while serving in the military on or after September 11, 2001. It provides a variety of veteran programs and services to help veterans meet their individual challenges.



**Homes for Our Troops**—This organization builds and donates specially adapted custom homes nationwide for severely injured post-9/11 veterans to enable them to rebuild their lives. The goal is to build a home for every veteran who qualifies.



**Gary Sinise Foundation**—This charity and veterans service organization offers a variety of programs, services, and events for wounded veterans of the military and others. Actor Gary Sinise, who founded the group, believes in serving "our nation by honoring our defenders, veterans, first responders, their families, and those in need." ♦

## CSS Onboarding New Employees



*As CSS President Todd Bjornstad marks another year of strong volume handled by the railroad in 2021, he is quick to give credit where it is most due.*

Despite the various Covid-related challenges in 2021, our dedicated workforce kept service disruptions to a minimum," said Bjornstad.

He said when staffing was stretched thin last year, the employees stepped up to get the work done while following

health and safety protocols to meet customer needs.

With more growth expected in 2022, CSS is looking to expand its staff. As noted in the article on the top of page 4, they will undergo robust and thorough safety training.

"In 2022, we will be hiring more train service employees to stay ahead of those types of challenges and to keep up with our customers' growth," says Bjornstad. ♦