



Pacific Harbor Line REPORT 2023

Message from Otis Cliatt II



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



To achieve critical velocity goals, railroads must operate safely.

On PHL, we move some 400,000 tons of traffic across our 96 miles of track through a complex network of terminals, yards, and

switches every day. We're always busy, and there are inevitable volume surges as we handle the world's freight.

During those surges we emphasize following safe practices and procedures rather than speed. That's because we know when safety improves, everything around it improves.

At peak times, we put the word out to managers at our Badger Bridge operations center to slow down the pulse of our crews. They shouldn't feel pressure to accelerate their activity, because that's when mistakes happen.

Though this might seem counter-intuitive at a time of peak volume, emphasizing safety over speed actually

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Top Industry Awards Result from Continuous Focus on Safety

Our strong safety performance was most recently recognized when the American Short Line and Regional Railroad Association (ASLRRA) named PHL the winner of its President's Award—the highest honor in our category for railroads that work 250,000-500,000 annual person-hours.

"Winning this award is a wonderful acknowledgement of the processes, follow-up, and results of PHL's safety culture," says President Otis L. Cliatt II.

PHL was also honored with a 2021 Jake Award from ASLRRA. These awards honor ASLRRA member railroads that perform better than the Class II and III industry average injury frequency rate as reported by the Federal Railroad Administration (FRA) during the prior year.

In addition to our commitment to "focus on safety one move at a time, one shift at a time, and one day at a time," we also provide periodic events to keep everyone working together with a common safety goal.

In November, we hosted a two-day first responder training event that included hands-on experience with one of the industry's safety trains—including tank cars, valve components, and a mobile classroom. We welcomed 68 first responders from seven safety agencies to our property for a first-hand look at what



Photo courtesy of ASLRRA

PHL Superintendent Rick VanZee (left) accepts the President's Regional Award for Safety from Chuck Baker, president of ASLRRA.

they can expect during responses on the railroad.

The development of our strong safety culture starts when new operating employees enter an intense four-month training program that is built around safe practices and operations. In the past year, approximately two dozen new conductors and engineers have completed this rigorous process.

"All this requires hard work on everyone's part," says Steve Moore, Senior Manager, Operating Practices, Rules, and Safety. "Safety doesn't happen accidentally. We're safe because we make it safe on PHL." ♦

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improves our ability to manage through-put. It significantly reduces unscheduled events and permits us to move ahead as planned.

Our unwavering focus on safety once again earned PHL the coveted American Short Line & Regional Railroad Association President's Award. Plus—as this publication is going to press—we are marking two full years of operations without a single track-related derailment. That fact says a lot.

It's this dedication to safety, professionalism, and customer satisfaction that makes me proud to be part of the PHL team.

O.L. Cliatt II, President
Pacific Harbor Line

PHL Team Track Terminal Increases Shipping Efficiency in Congested SoCal

Rail freight provides significant transportation cost savings and reductions in CO2 emissions, but that competitive advantage can be lost for companies without direct rail access. An off-site transloading terminal—where cargo is transferred between long-haul rail and last/first-mile truck—can be the solution.

In traffic-congested Southern California, the most convenient and accessible transload terminal is located near PHL headquarters. At this location, loads are transferred directly between trucks and rail cars. The transfer is quick—as is the connection to Class I railroads, seven days a week.

The strategic location of the team track is also critical in making this the right location for customer use. It is physically located less than two miles

from three major freeways: I-110, I-710, and I-405.

When customers use the PHL team track, they are gaining access to a network that serves points across North America. It combines the efficiency of long-haul rail service with the flexibility of local truck pick-up and delivery for an ideal transload solution. ♦



Anacostia On the Move: SERVICE

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



In this time of crew shortages there are few—if any—North American rail customers who aren't concerned about service disruptions. As a short line holding company, we are constantly working with our Class I partners to plan moves, adjust schedules, and respond with last-mile flexibility.

From my experience, this is what matters:

1. Cooperation within the rail industry must improve. Short lines are responsive because we are local—and we touch a high percentage of customer facilities. We can provide even better service in a more collaborative environment.

2. We need effective interchange performance built on explicit plans, performance measurement, and with provisions for intervention when necessary. Both Class Is and short lines should designate responsible parties to participate. Short lines are investing in technology for improved ETAs and network connectivity.

3. ETAs must be real-time, with input from experienced railroaders for accurate and frequent adjustments. Already scarce resources can be wasted waiting for deliveries that are not on schedule.

4. More generally, metrics on all service touch points must be readily available. With that data, we can monitor mutual obligations and improve service—from pick-up to delivery, and everywhere in between.

5. We can never have enough well-trained, empowered customer service advocates. A true advocate is someone who is familiar with each individual customer's business, expectations, and management. This is a critical part of our construct as a short line railroad.

As we move through today's challenges, our focus is to build more reliable communication and planning in support of our customers' critical supply chain requirements. It is imperative that we respond effectively and that we apply the lessons learned now, and even when times are a little easier. ♦

Pacific Harbor Line

REPORT

2023

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PHL Welcomes Guests

Commercial, Civic, Media, and Academic Stakeholders Visit PHL

The best way to comprehend the scope of PHL is to see it first-hand. In 2022, we were happy to show our safe, efficient, and sustainable operations to several groups of key stakeholders.

Many civic and commercial partners were onsite in late April to celebrate completion of the double track access project from Pier G to Pier J in the Port of Long Beach. Designed to increase efficiency and lower emissions, the \$34.7 million project added an 8,000-foot second track that enables four terminals in the port's south basin area to simultaneously handle arriving and departing trains.

PHL President Otis Cliatt joined Long Beach city officials, harbor commissioners, labor representatives, and port officials for an official ceremony to mark completion of this critical project.

University of Denver Grad Students

In July, 15 University of Denver Transportation and Supply Chain Institute graduate students visited the area for an intense week-long field study. During a day at PHL, they observed the railroad's critical role in maintaining fluidity at America's busiest intermodal gateway. The students included our own Kimia Khatami, Senior Director of Business Development for Anacostia Rail Holdings.

Gen. Stephen R. Lyons

Last summer, the port and rail facilities were visited by retired Gen. Stephen R.



Photo courtesy of the Port of Long Beach

Inside a PHL railcar, Gen. Lyons met with (l to r): Harbor Commission President Sharon L. Weissman, MARAD Administrator Admiral Ann Phillips, Anacostia President & CEO Peter Gilbertson, PHL Manager of Sales and Customer Service Diana Turubanova, POLB Homeland Security Stakeholder Coordinator Giovanni Sergi, PHL Chief Engineer Monte Stokes, MARAD Director for Mid-Pacific Gateway Region Gustav Hein, Lyons, and PHL President Otis Cliatt II.

Lyons, the recently appointed Port and Supply Chain Envoy to the Biden-Harris Administration Supply Chain Disruptions Task Force. Also visiting from Washington, D.C. was MARAD Administrator Admiral Ann Phillips.

In addition to speaking with leaders from Anacostia Rail Holdings and PHL, Lyons joined Port of Los Angeles Executive Director Gene Seroka on screen to discuss current supply chain issues.

Watch the video at bit.ly/POLA-Lyons

High School Educators

Another academic group visited in the fall as part of a five-day teacher externship hosted by the Port of Long Beach.

The visitors were educators from the Jordan High School's Architecture, Construction, and Engineering (ACE) Academy. This experience was designed to create a greater awareness for Academy students of port-related career opportunities.



PHL President Otis Cliatt welcomes ACE students to a tour of PHL

Trains Magazine

In September, the readers of *Trains* magazine "toured" PHL through the publication's cover story by columnist Bill Stephens.

"Pacific Harbor Line stands in a league of its own," Stephens wrote. "The railroad that serves the ports of Los Angeles and Long Beach is a short line in the sense that its trains roll over 19 route-miles and a grand total of 96 miles of track. But nearly all the railroad's short line similarities end there." ♦



Master's Degree students in the University of Denver's Transportation and Supply Chain Institute toured PHL in July as part of a week-long residency.



Continued Investment, Careful Planning for Safe, Reliable Service

"We coordinate everything we do with the ports and our Class I partners," says PHL Chief Engineer Monte Stokes, "and they do a great job of communicating with PHL to make it easy as possible for us to do our work."

Now in his second year at PHL, Stokes has been impressed with the level of cooperation he experiences with stakeholders. They supported the engineering group's efforts in performing last year's Capital Track Work and the planning for 2023's Capital Track Work.

Significant projects in 2022 included:

- Badger Bridge: replaced Conley Joints with lower-maintenance mitered rail joints where the lift span and fixed tracks join; installed 136-lb continuous welded rail on both tracks (removed jointed rail).
- Removed hand-thrown switches at CP Dominguez and replaced with remote-controlled power switches to extend the CTC in that location.
- Replaced Pier S lead turnout at Badger Bridge.
- Installed 1,200-feet of new 136-lb rail on Pier J Leads 1 and 2.

- Upgraded Fast Lane crossing with new rail, ties, and concrete crossing panels.

Included in our plans for 2023 are the following capital projects:

- Badger Bridge: replace bridge ties on Main Track 1 (Main Track 2 bridge ties scheduled for 2024), lift cables, handrails, and walking grate.
- Install new switch on the heavily used west leg of the Wilmington Wye. ♦



Above: New 136-lb continuous welded rail replaced jointed rail on both tracks.

Left: New mitered rail joints at the juncture of lift span and fixed track.

Below: An old Conley joint



Greener Days Ahead

Continued investment, along with careful planning, for safe and reliable rail service operations at the Ports of Los Angeles and Long Beach start out with a sustainability advantage since freight trains are three to four times more fuel efficient than trucks* on average.

We aren't satisfied with "average" performance in any of our operations, and sustainability is no exception. We have led the industry in the adoption of lower-emissions diesel locomotives, and we are continuously working to lower our environmental impact in many other areas.

Chief Engineer Monte Stokes notes



The new Joule locomotive is in the United States and will arrive at PHL this spring. Photo by Kevin Masters

that PHL vendors are also challenged to provide products and services that attain best-in-class environmental performance—from fuel to track materials.

"We are constantly striving to improve our already-low environmental footprint in the ports," he says.

The next significant advance in our locomotive technology will be the arrival of a Progress Rail EMD® Joule battery electric locomotive, expected in mid-2023. The new, six-axle unit will feature the latest lithium-ion battery technology and battery management system, alongside AC traction and state-of-the-art technology.

"We look forward to its arrival, which will move PHL to the next level of sustainability leadership," Stokes says. ♦

*Source: Association of American Railroads sustainability fact sheet—bit.ly/RailSustainability



Saluting Our Veterans!

At PHL, we are proud that we have so many military veterans on our team.

We strive to have vets comprise 25 percent of the workforce. Not only have they earned this opportunity—their dedication to excellence is a tremendous benefit to our performance and customers' satisfaction.

★ AIR NATIONAL GUARD ★

Eliapsar Mejia

★ COAST GUARD ★

Lyle George

★ NATIONAL GUARD ★

Washington Chun

★ NAVY ★

Justin Downer
Johnny Fraijo
Danny Knight
Joe Watson

★ ARMY ★

Greg Abalos
James Caddell
Frederick Calloway
Otis Cliatt II
Donovan Davilla
Cipriano Lopez
Frank Pena
Joey Perez
Jeff Robinson
Juan Saldana
Robert Stone

★ MARINES ★

Allan Carbajal
Mike Fuentes
Guillermo Guerra
Patrick Leach
Sergio Padilla
Jesus Ramirez
Sean Daly
James Walden
Eric Williams

New Pier B Rail Support Facility Moves Forward

The first major project to expand rail capacity on the Port of Long Beach Pier B received federal environmental approval in 2022. The initial phase is scheduled for completion in 2025 and includes a facility to support locomotive fueling and light maintenance.

The work is the beginning of a long-range \$1.567 billion on-dock rail investment that will allow longer trains to be assembled with greater frequency

to streamline rail operations and maximize the use of trains as cargo volume grows.

A modernized and expanded Pier B Yard allows the Port of Long Beach to achieve its longstanding goal of moving at least 35% of cargo by on-dock rail for efficiency and environmental advantages.

In a statement on construction plans, the Port noted, "The [Pier B] facility is primarily used by Pacific Harbor Line which...has been recognized as America's 'greenest' railroad for converting its fleet to clean diesel locomotives that dramatically reduce pollution and save fuel." ♦

PHL's operations will expand at Pier B as various phases of the overall project are completed. More information at: www.polb.com/pierb



A Job, or a Career?

"If you are here for a job, you are in the wrong place," says PHL President Otis Cliatt. "This is a career, rather than just a job."

As a career choice, Cliatt thinks it's an excellent one—for the right people.

"It requires a level of dedication that many other careers don't," he says. "Look at the endless sacrifices made by our members of the Brotherhood of Locomotive Engineers & Trainmen (BLET) over the past 30 months. I'm proud of them."

"What makes a career here rewarding is that we are all doing something that really matters," he says.

To bolster our team's growth, PHL is committed to supporting employee education. Currently, several managers and employees attend higher education programs at UCLA and Michigan State, as well as other bachelor-degree programs. ♦



Photo courtesy of the Port of Long Beach



2022 Employees of the Month

January Jeff Robinson	May Frank Gutierrez	September German Alvarez
February Frederick Calloway	June Washington Chun	October Duc Do
March Sergio Padilla	July Armado Madrid	November Justin Salazar
April Vondrick Jenkins	August Jacob Mier	December Bobby Newman

Saying More Than 'Thanks!'

We can never thank our PHL team members enough for the great work they do, particularly during the challenges of the past few years.

"Our employees were working at the highest levels dealing with record years of volume, all while maintaining the highest safety standards," says PHL Vice President Stephane Perri. "Their effort is noticed—and always appreciated." ♦



Twice this year, we brought in food trucks to thank our employees for all they do.

Eagle Eye Honors 2021-2022

PHL employees are recognized for going above and beyond their normal duties to prevent a workplace incident or injury.

December 2021

Kernel Lawrence
Mario Lopez
T.R. Quinzel

January 2022

Osbaldo Contreras
Esteban Guerrero
Vondrick Jenkins

February 2022

Mike Casey
Lyle George

March 2022

Alex Gomez

April 2022

Mike Casey

May 2022

Alfredo Ortiz
T.R. Quinzel

June 2022

Henry Henriquez
Robert Stone

August 2022

Eubaldo Contreras

September 2022

Joe Gonzales

October 2022

Jeff Robinson

November 2022

Mike Casey
Joe Gonzales

December 2022

Dallas Daeley

New Hires in 2022

MANAGEMENT

Cyril Washington
Ann Gage

TRAIN SERVICE

Kyler Elmore	Andrew Mendoza
Adrian Esparza	James Real
Darnell Graham	Isaac Rodriguez
Javier Guillen	Josiah Watson
Desmond Lacy	Casta Welch
Juan Mendez	

In Memoriam



Eubaldo Contreras
1957–2022

Eubaldo began his career with Pacific Harbor Line in August of 1999 as a track laborer. His warm personality and constant smile were always a welcome sight. He will be greatly missed. Our thoughts are with his family, coworkers, and especially with his son, PHL employee Osbaldo Contreras.

Milestones

PHL employees celebrated these milestones in 2022.

We thank you for your service.

ANNIVERSARIES

20 Years

Eric Flores	Alfredo Ortiz
Fernando Macias	Jose Vargas

15 Years

Keith Reed	Kevin Buffington
Cipriano Lopez	Kernel Lawrence
Craig Cherne	Mario Lopez
Benjamin Ascencio	Duc Do

10 Years

Eric Williams	Santiago Moya
Josh Graffam	Jesus Ramirez
Thomas Quinzel	Joseph Watson
Pedro Granados	Ramon Munoz
Washington Chun	Esteban Guerrero
David Gonzales	Eduardo Mendoza
Alan Jackson	Steven Wallace

5 Years

Jacob Gamboa
Juan Jurado
Raymond Alfaro

PROMOTIONS

Rick VanZee
Superintendent

Craig Denny
Senior RFE

Allan Carbajal
Trainmaster

Gilbert Williams
Senior Assistant
Trainmaster, Badger Bridge

Robert Stone
Assistant Trainmaster

Richard Magallanes
Assistant Trainmaster