



Northern Lines

2023

Message from Quentin Schulte



News for Customers, Employees & Friends of the Northern Lines Railway



While I have very much enjoyed my career as a Class I railroader, I have been impressed by the dedication of our team to provide customers

safe and efficient service since my first day on the property as NLR General Manager earlier this year.

The articles in this newsletter about two of our customers speak to the value of our focus on safety and service. The creative and responsive ways we've met the differing needs of Martin Marietta and Tamarack Materials have given me an appreciation for how resourceful even a smaller railroad can be.

Our parent company, Anacostia Rail Holdings, provides support and guidance that keeps NLR strong. This year will be another of investment in our critical infrastructure. The great condition of our equipment and track helps us meet our customers' high standards.

Perhaps best of all is our safety record. I'm proud to be part of a team that earned the 2022 ASLRRRA Jake Award with Distinction.

I look forward to a great future with NLR.

**Quentin Schulte, General Manager
Northern Lines Railway**

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NLR's quick turnaround of aggregate trains supports Martin Marietta's productivity.

NLR Does It Best

The St. Cloud Martin Marietta quarry has been producing aggregate materials for nearly 80 years and—in the opinion of the local management team—NLR is the best provider of rail services the facility has had.

"When NLR took over operations of the BNSF local rail network in 2005 we saw improvements in our service that came from using a locally focused short-line railroad," noted Martin Marietta.

Then, at one point, the company tried handling internal plant rail operations with its own staff but soon determined that—once again—NLR was the best way to go.

NLR takes control of empty trains—typically about 50 cars—when BNSF

delivers them at St. Cloud. Often the train is moving to the quarry within an hour, and the engineer takes it directly into the aggregate plant for careful and slow movement under a tipples that produces a steady stream of rock.

The NLR crew immediately takes the train back to the interchange for BNSF. This process occurs at least once most days and sometimes two, three, or even as many as four trains circulate through in a single day.

Martin Marietta also expressed, "NLR is great to work with, and we have excellent communications with them as well as BNSF. Most important, safety is never compromised by NLR or our team." ♦

Cap-Ex Update: Private/Public Investment Helps Keep NLR Strong



The important role NLR plays in the Minnesota economy has resulted in state and civic financial support for this year's planned renovation of a highway crossing in Waite Park, as well as track and switch modernization on the railroad.

Our work with government leaders added support to our application for a 2023 Minnesota Rail Service Improvement Program (MSRI) grant, as well as funding that was approved in June from the City of Waite Park.

The MSRI program provides grants for freight rail service improvement proj-

ects that support economic development in the state.

Additionally, NLR will be tamping, fixing joints, and adding ballast as part of its regular preventative maintenance program on Track 11 in our main yard.

"We greatly appreciate the support from Waite Park, as well as the state," says General Manager Quentin Schulte. "We're also doing some work on our office and shop locations to keep things tidy. We know that safe operations and good customer service require a continuous investment in our facilities." ♦

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601 20th Ave. North, Suite C
St. Cloud, MN 56303

General Inquiries: (320) 253-8130
Fax: (320) 253-8095

Visit us at:

www.anacostia.com/railroads/nlr

General Manager
Quentin Schulte
Phone: (320) 253-5983

Sales & Marketing
Katie Sackett, Senior Director
Phone: (502) 216-3129
Email: ksackett@anacostia.com



Anacostia On the Move

by Eric Jakubowski

Vice President & Chief Commercial Officer, Anacostia Rail Holdings

Leadership

Shippers and railroads don't always communicate effectively, but there are opportunities for a real exchange of ideas that bring meaningful and positive change. Such a forum exists in the National Association of Rail Shippers (NARS) which holds national and regional meetings. At this summer's meeting on MARS (Midwest Association of Rail Shippers) I enjoyed being part of such an exchange.

The industry is fortunate to have customers who care enough to take time from their many responsibilities to provide insights and criticisms intended to help railroads better understand the needs of customers. Monica Freeman, Director of Rail Transportation, CHS Inc; Doug Grewe, Manager of Transportation-Corrugated Mills, Packaging Corporation of America (PCA); and Joseph M. Monfredi, Director, Logistics Operations, United States Steel Corporation participated in a panel I moderated for an audience of several hundred industry executives on "Supply Chain Success with Rail"



Pictured (left to right) are panelists Monica Freeman, Doug Grewe and Joseph M. Monfredi along with moderator Eric Jakubowski.

The creation of such a powerhouse shipper panel is a testament both to MARS and the panelists. The shippers provided their candid perspectives on a wide range of issues including less-than-stellar customer relations, service that could be better, and shipment data visibility.

While these were valuable points, the main lesson the shippers provided to their industry peers was that this is what real leadership looks like.

We owe them our thanks—and improving performance. ♦



Tamarack's spur track (in red) facilitates transloading from efficient rail to last-mile truck.

Transloading Triumphs for Tamarack

As a receiver of building supplies, Tamarack Materials recognizes the benefits of using safe, efficient, sustainable rail transport.

Trouble was, Tamarack's St. Joseph facility is located a few miles from the nearest NLR rail line. Following discussions with the railroad, Tamarack decided to solve the problem by acquiring property along the NLR right-of-way. There, a spur was installed and transloading operations started six years ago. The service has worked well, according to Tamarack's St. Joseph Yard Manager Brian Kisor.

"As railroads go it's much easier to deal with NLR," he says. "That helps us because rail provides more competitive transportation service compared with truck."

NLR delivers drywall to the transload location aboard center beam flat cars which can handle the equivalent of three or four truckloads. Last mile delivery is provided by Tamarack's trucks or those of a local trucker.

Tamarack's success is another example of how transloading can bring rail benefits within reach of "landlocked" shippers. ◆

Ferryman: Customer-Focus an NLR Heritage

Newly named Anacostia Rail Holdings Chief Operating Officer, David Ferryman, hit the road as soon as he joined the company in mid-June.

"My impressions of short lines changed the day I started here," he says. "All the Anacostia railroads are in great shape, well run, and operated by a team of experienced and dedicated professionals."



He could immediately see that the company is in good hands.

Entrepreneurial energy

"My mission is to add value to an already great company," Ferryman says. "The management team here has valuable Class I experience, combined with an entrepreneurial energy that is inspiring."

He brings deep industry knowledge, having started as an engineering intern with Burlington Northern Railway in 1989 and rising through the ranks in various operating positions to become the Vice President Engineering for CN Railway in his last 12 years as a Class 1 officer. Most recently, Ferryman was Senior Vice President, Evraz Rocky Mountain Steel, in Pueblo, Colorado. On top of that he is a fourth-generation railroader, following in the footsteps of his father, grandfather and great, great grandfather who all worked for the Great Northern Railway.

Following his first tour of NLR, Ferryman said, "There is deep railroad history in St. Cloud that goes back to the Great Northern Railway and the Empire Builder himself, James J. Hill. It's inspiring to see our NLR team carrying on that history by providing exceptional service to the customers in this area." ◆

NLR Wins Jake Award with Distinction

There are fewer honors higher in the regional and short line industry than the annual Jake Safety Award.

Presented by the American Short Line and Regional Railroad Association (ASLRRA), the Jake Award goes to railroads that perform better than the Class II and III industry average. There is an even higher bar to win the Jake Award with Distinction which also requires that the railroad have no FRA reportable injuries for the year of the award.

It was with great pride that NLR accepted the higher-level award for our 2022 performance at the ASLRRA's Annual Conference in April.

To top it off, as of this writing NLR has been injury-free for more than two years.

Anacostia Chief Safety and Compliance Officer, Herman E. Crosson, said of the honor: "Northern Lines Railway is a Safety

Leader that understands the importance of safety in the lives of its employees and business partners. Northern Lines Railway has had a single reportable injury in 11 years. Congratulations once again!"

The annual award is named in honor of Lowell S. "Jake" Jacobson, former president and general manager of the Copper Basin Railway.

"He was passionate about promoting safety, and that passion inspired a generation of short line railroaders," according to ASLRRA.

NLR continues to place a strong emphasis on safety in 2023.

We have implemented new safety protocols including more frequent inspections of track that handle hazmat shipments, and we have adopted more rigorous initial terminal inspections in place of the required transfer tests. ◆





Here are a few notes about what's new with our railroad over the past year.

NLR Welcomes General Manager Quentin Schulte

Our new General Manager, Quentin Schulte, brings a wealth of railroad operating experience to NLR along with enthusiasm for a new challenge.

His railroad career started with BNSF Railway in 2005 as a conductor, yardmaster, engineer, and progressing to the position of Trainmaster based in the Twin Cities.

As such, he had some knowledge of NLR, but it wasn't until he came to us as general manager this May that he saw how impressive a short line railroad can be.

"I didn't really know what to expect until I got here," he says. "The close work between our team and our customers makes the experience enjoyable even though the work can be challenging. My focus is on providing positive inspiration for safe, risk-mitigating, and efficient operations."

As a St. Cloud native, he's familiar with the area, and he's quickly become familiar with the operations and requirements of NLR.

Schulte, who has a strong work ethic and a drive to exceed customer expectations is a good fit with our culture and that of parent company Anacostia Rail Holdings. As a veteran railroader Schulte is committed to safety, and he will be closely watching for any areas where we can improve on our already excellent record.

Peter Gilbertson, Anacostia Rail Holdings president and CEO said, "We are very pleased to have experienced railroader Quentin Schulte step up to the position of General Manager at NLR. Quentin is focused on safe operations and customer service and will help NLR grow." ◆

Milestones

The small and powerful workforce at NLR provides great service to our customers, protects our communities, and supports advancements in the freight rail industry.

NLR employees celebrated the following milestones through August 2023. We thank you for your service.

Employee Anniversaries

Brian Butkowski

17 Years—Engineer

Mark Muraski

12 Years—Compliance Coordinator

Joe Kedrowski

8 Years—Track Supervisor

Stuart Johnson

2 years—Engineer

New Hires

Jordan Przybilla, Engineer

Quentin Schulte, General Manager

Thanks to our employees for all you do!

NLR in the Community

NLR likes to lend a helping hand in the community. It's important for us to give back to the areas in which so many of our employees live. We enjoy supporting Fisher House Foundation, which provides services for veterans and their families, and look forward to the annual Walk to End Alzheimer's every year.

It is gratifying to know when our help has made a difference, as described by Jackie Millerbernd, Director, D² Robotics team.

"Ambitious, dedicated, inventive, persistent: these are just a few of the adjectives one could use to describe D² Robotics team members Michael K. and Nathan M. After earning a Vex World Invite at the 2022-2023 Minnesota State Competition,

their former coach decided to end the program. The boys knew they wanted to continue to compete in the upcoming 2023-2024 season so they started a new team, Dumb & Dumber aka D² Robotics! With your generous support/donation, they were able to purchase the parts needed to begin building a robot for this season's game, Full Volume...They have their sights set on another MN State Championship and Vex World's Invite. Thank you again for your generous support!" ◆



D² Robotics team members Michael K. (left) and Nathan M.