



# APEX

2024

## Message from Peter Gilbertson



News for Customers, Employees & Friends of Anacostia Rail Holdings



### More Than Moving Cars Around

Short line railroading is sometimes wrongly caricatured as a commoditized offering, just moving a few cars around a few miles of

track. But at Anacostia we are determined to grow rail market share and treat stakeholders fairly, so we do much more.

We start with prioritizing safety for employees and the communities we serve. We invest in people and workforce development. We work cooperatively with organized labor, providing continuing education and outreach to underrepresented groups, veteran hiring, and second career candidates. The common theme is that people are a key value.

To customers we provide added services including transloading, warehousing, and product enhancements such as bagging and labeling.

An embrace of technology is critical to the evolution of rail service, so we implemented on-train technology, enhanced customer tools, and introduced breakthrough locomotive technology.

*Continued on page 2*



*The new PHL Progress Rail EMD® Joule Battery Electric Locomotive was the backdrop for (from left) Mario Cordero, CEO, Port of Long Beach; Peter Gilbertson, President and CEO, ARH; Amit Bose, Administrator, Federal Railroad Administration; and Otis Cliatt II, President PHL, as they recognized the May, 2023 graduating class of PHL engineers.*

## Environmental Leadership

*During 2023 we were honored to be recognized by top government and industry officials for our sustainability practices.*

Among the more notable events, PHL was visited by Federal Railroad Administrator Amit Bose as a new battery electric locomotive joined the railroad's fleet—already the cleanest in the country. (<https://bit.ly/3SxKFC0>)

"PHL's commitment to zero-emissions locomotives embodies its industry leadership," Bose said in an address at the unveiling ceremony. "It will benefit its workers, communities, the state, and the economy." His comments were echoed by many others.

Dignitaries in attendance included the executive directors of the Port of Long Beach and the Port of Los Angeles and Deputy Mayors of Long Beach and Los Angeles as well as leaders from the Brotherhood of Locomotive Engineers

and Trainmen, Yusen Terminals, and Progress Rail.

Across the nation—in Washington, D.C.—PHL received the first American Short Line and Regional Railroad Association Environmental Award. It recognizes Class II or III railroads that have designed and enacted the most innovative and successful environmental initiative in the small railroad industry. (<https://bit.ly/3uHoRAE>)

### Shipping for a Greener World

"PHL has been a leader in the short line industry, in the exploration of sustainability practices," said ASLRRRA president Chuck Baker.

These landmark accomplishments reflect Anacostia's steadfast commitment to environmental stewardship, which includes additional achievements:

*Continued on page 2*

### Inside this issue...

- P2 • On the Move
- P3 • Stronger Together
- P4 • Focus on Customer Success
- P6 • CapEx
- P7 • Safety
- P8 • Inland Ports Studies

## Message from Peter Gilbertson

*Continued from Page 1*

One ongoing project includes the development of an app that will provide emergency responders with GIS data for rail incidents.

As the first U.S. rail firm to join the EPA SmartWay program, we are firmly committed to environmental stewardship. Moreover, we lean into industry solutions, from leadership on The Surface Transportation Board Railroad-Shipper Transportation Advisory Council to sponsoring consultant research on the potential for short haul intermodal.

These themes came together earlier this year when our Pacific Harbor Line hosted U.S. FRA Administrator Amit Bose, Los Angeles and Long Beach officials, customers, rail labor, and Progress Rail to recognize our workforce development efforts as well as our test of the first Progress Joule battery electric locomotive.

It's not just moving cars around. ♦

**Peter Gilbertson**  
President & CEO

**APEX 2024**

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**News from  
Anacostia Rail Holdings**

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## Environmental Leadership

*Continued from page 1*

- All ARH railroads are U.S. EPA Smart-way Transport Partners.
- We have invested \$38 million in new lower-emissions locomotives.
- 73 of our locomotives are upgraded with Auxiliary Power Units (APUs), reducing annual CO2 emissions by approximately 6,190 metric tons.
- We move 160,000 car loads, eliminating approximately 455,000 fuel-intensive truck trips annually\*.
- LIRC was awarded an EPA Diesel Emissions Reduction Act (DERA) grant with the American Lung Association.
- For customer Red Ball Recycling, LIRC saves nearly 3,000 gallons of fuel per 30-car shipment compared with truck

transport between Southern Indiana and Burns Harbor.

- With customer New Haven Distribution, NYA cuts nearly 9,000 tons of annual CO2 emissions by replacing time-sensitive truck shipments with prompt rail service.
- NYA transports 700,000 tons of MSW annually, eliminating about 32,000 truck trips.

Anacostia is dedicated to leveraging the sustainable advantages of rail. Combined with the operational excellence of our railroads—which provide safe, reliable, and efficient logistics services—we slash CO2 emissions with every shipment converted from highway to rail.

We are proud of our success in helping make our planet greener and more livable for everyone. ♦

\*Source: AAR "Freight Railroads & Climate Change Policies"

## 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 last 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."

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. ♦



# Stronger Together



*As a U.S. Marine Corp veteran David Hankins—Anacostia’s senior director of human resources—understands the importance of bringing together a wide range of backgrounds and viewpoints to create a strong team.*

“Diversity is about more than ethnicity,” says Hankins. “Having a diverse workforce means fully including people from a wide range of social and ethnic backgrounds, cultures, ages, experiences, and other attributes that—when successfully brought together—allow us to attract the best candidates available.”

For these reasons we cast a wide net whenever we search for new employees, seeking to create a workforce that closely matches the diversity of the geographic areas served by each of our companies.

## American Diversity

With operations spread across the U.S., Anacostia needs the full range of talents America offers. A good example of that diversity is embodied in the area served by NYA, which includes the neighborhood of Jamaica in the New York City borough of Queens.

“If you want to see the full diversity of the United States, stand on a corner in Jamaica,” Hankins says. “To reach that community we have partnered with the local state employment office and other local sources, which helps us deepen our candidate pool.”

Anacostia has an arrangement similar to the one it has with New York in California—for PHL—with the state’s employment agency.

At that location Hankins recently visited the nearby Port of Los Angeles High School, a charter school which integrates a skilled trade theme into a rigorous, college-preparatory curriculum.

“At lunchtime I saw a student body that is a great reflection of the local com-



*ARH was well represented at last year’s Railway Age Women in Rail Conference by (from left): Sonia Rodriguez, ARH Benefits Manager; Laura Carrasco, ARH Human Resources and Administrative Assistant; Katie Sackett, Senior Director, Sales & Marketing, LIRC & NLR; Michele Williams, Payroll Manager; Jasmine Manley, ARH Accounting Associate—AP; Melissa Mrozowski, ARH Revenue Accounting Associate; Kalena Guimary, Manager of Administration and Human Resources, PHL; and Diana Turubanova, Manager, Sales & Customer Service, PHL.*

munity,” he says. “This visit helped us see the benefit of establishing a relationship with the school to support our future hiring efforts.”

Hankins’ military background—along with that of PHL president Otis Cliatt II—has much to do with why the railroad’s team includes 25 percent veterans and why it was awarded ASLRRR’s first Veteran’s Engagement Award in 2023.

## Veterans Welcome

“We actively seek and encourage veterans to join our railroads,” says ARH President Peter Gilbertson. “Not only do we appreciate their service to our great nation, but they come to us with a commitment to duty, a strong work ethic, and a can-do attitude that ultimately benefits

our many good customers.”

Another way Anacostia benefits from diversity is the inclusion of women in our network. We celebrated that strength with some of our female staff at a recent conference sponsored by *Railway Age* magazine.

There, Gilbertson participated in a moderated discussion, “Women in Rail from the Short Line Perspective”.

“It was great to see how far women have advanced in an industry that—until recently—had been largely

managed and run by men,” Gilbertson said. “Anacostia and its railroad partners are now benefitting from new strengths that result from the creation of a workforce that is far more reflective of our country’s diverse population.” ♦



# FOCUS ON CUSTOMER SUCCESS: Anacostia Railroads



**CSS PRESIDENT:** Todd Bjornstad  
**LOCATION:** Chicago & NW Indiana

## Customer Success Story

### Cleveland-Cliffs

At its second-largest U.S. steel production facility—employing 3,170 workers—Cleveland-Cliffs requires superior service from providers of outbound transportation. Whenever the plant’s heavy shipments can be transported by rail there are significant cost savings. It relies on CSS as a critical connection to the North American rail network.

**Quote:** “They really make it easy for us”

**Challenge:** A single track “choke point” at this major steel producing facility resulted in cars sometimes filling storage space and conflicting with switching operations.

**Solution:** CSS made a significant investment and constructed a 2,000-foot second track with storage capacity for an additional 32 cars. This created new flexibility to manage car movements efficiently.



**LIRC PRESIDENT:** John Goldman  
**LOCATION:** Southern Indiana & Louisville, Kentucky area

## Customer Success Story

### Superior River Terminals Indiana (SRTI)

SRTI needed a strong rail partner at its new operation in the Ports of Indiana at Jeffersonville. There, SRTI handles a variety of coiled steel products, steel bar, and wire rod coils as well as super sack loads. Reliable delivery of rail shipments was essential to a successful start-up and continued operations for our joint customers.

**Quote:** “It’s fun to work with LIRC”

**Challenge:** Provide excellent customer service for rail shippers in support of the Port’s mission to generate economic growth for the State of Indiana.

**Solution:** LIRC leveraged its strong reputation with Class I railroads as a safe, reliable, and efficient rail partner to facilitate the start-up of SRTI’s facility, and by helping retain and attract customers.



**NYA PRESIDENT:** James Bonner  
**LOCATION:** Nassau & Suffolk counties; Brooklyn; & Queens, NY

## Customer Success Story

### Astro Aggregates

When Astro Aggregates entered the high-volume aggregates market on Long Island it located rail-served distribution points no further than 15 miles from any customer. This created benefits including reduced truck volumes for lower carbon emissions, increased safety, and the combined efficiency of long-distance rail and flexible last-mile truck.

**Quote:** “Transparency is key”

**Challenge:** Avoid highway congestion to efficiently move expanding volumes of aggregates that supply highway, ready mix, building, and other major Long Island projects.

**Solution:** NYA delivers a steady stream of material to Long Island locations by rail, minimizing the length of final truck delivery and providing continuous, real-time customer communications that allow Astro Aggregates to meet its delivery deadlines.



*During a year of rapid change, Anacostia’s railroads have done what they do best by staying in close contact with customers and developing innovative solutions.*



**NLR GENERAL MANAGER:**  
Quentin Schulte  
**LOCATION:** Central Minnesota

### Customer Success Story

#### Martin Marietta

Martin Marietta’s aggregate quarry typically loads trains of 50 cars and has worked with NLR since 2005. Company managers believe that the local focus of this short-line railroad is key to moving its loads effectively. Excellent communications and operational flexibility have resulted in a strong relationship between the two companies.

**Quote: “NLR is great to work with”**

**Challenge:** Safely, quickly, and efficiently cycle trains through the Martin Marietta aggregate quarry and production facility and then promptly interchange them for delivery to customers.

**Solution:** NLR has crews continuously ready to deliver empty cars to the quarry as soon as an hour after receipt from BNSF. The crew stays with the train, moving it under the tipple and then immediately returning it to BNSF. This process enables as many as three or four trains to be turned daily.



**PHL PRESIDENT:** Otis Cliatt II  
**LOCATION:** Port of Los Angeles & Port of Long Beach

### Customer Success Story

#### Yusen Terminals LLC (YTI)

YTI—operating at the Port of Los Angeles—handles some 700,000 container lifts per year. Working in a high-value port footprint of 195 acres, it’s essential that those shipments move promptly toward their destinations. This state-of-the-art marine container terminal is a key link in North America’s supply chain.

**Quote: “A special, solid relationship”**

**Challenge:** Maintain excellent customer service while a key rail bridge artery was significantly restricted during a major renewal project that would last several weeks.

**Solution:** Drawing on the trust established during years of open communications and successful operations, PHL and YTI collaborated to provide the seamless movement of hundreds of daily containers by rail for national distribution.



**GCS PRESIDENT:** Leigh Walters  
**LOCATION:** Dayton, Texas

GCS operates and performs the track maintenance for Union Pacific Storage in Transit (SIT) yards in Dayton and Angleton, Texas which include 60 miles of continuous welded rail track and 128 switches. The railroad handles an annual volume of 30,000 plastic hopper cars. It is also a SIT facility for many of the local chemical plants in the Houston area.



# CapEx Investment Continues

*Since we can't predict the future, we prepare our railroads for change by keeping them in excellent condition.*

For nearly 30 years Anacostia has maintained a conservative balance sheet that supports a continuous program of roadbed, track, structures, and equipment maintenance regardless of economic and market changes.

Here's a summary of what we've been doing to keep shipments moving safely and on time for customers across our system.

## Chicago South Shore & South Bend Railroad

A unique challenge has been successfully met and freight shipments have moved while the Northern Indiana Commuter Transportation District (NICTD) implemented a major double tracking project between Michigan City and Gary, Indiana. CSS and NICTD coordinated several multiple-day outages to allow for construction of culverts, realignment, and cutover of track segments. Thorough planning and coordination will continue through program completion in mid-2024 when improved operations for both passengers and freight will result.

## Gulf Coast Switching

To support safe, efficient operations of two major Union Pacific Storage-In-Transit (SIT) yards in Dayton and Angleton, Texas, GCS continued its robust maintenance program in 2023 including installation of 19,000 cross ties, 1,500 switch ties, 25 switch stands, 3,100 feet of rail, and surfacing 37 storage tracks, plus numerous other projects to improve drainage and renew the track structure.

## Louisiana & Indiana Railroad

Work continues on the railroad's massive steel bridge across the Ohio River with over 2,000 cross tie replacements on spans

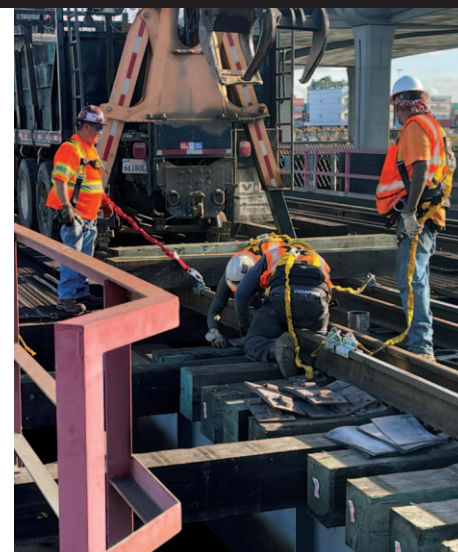
12 and 16 in 2023 and spans 17 and 14 in 2024. The project will continue into 2026. Other important maintenance projects include improvements to industrial leads at Columbus and Jeffersonville funded by Consolidated Rail Infrastructure and Safety Improvement (CRISI) grant in 2024 along with installation of solar panels at these facilities, and conversion of an old engine house to an MoW facility. A signaling project is also slated for 2024.

## New York & Atlantic Railway

A significant in-house rebuild of GP unit cabs—adding air conditioning, upgraded heating, and new seating and flooring—continues locomotive programs that have been underway for several years. Our successful application for a New York State 80% grant will help fund construction of a new track at our main CSX interchange, adding capacity to hold a 10,000-foot train while conducting other movements at this critical location.

## Northern Lines Railway

Work with government leaders set the stage for a successful Minnesota Rail Service Improvement (MSRI) grant application.



*An ongoing program to modernize PHL's key Badger Bridge includes a tie replacement program that will be completed in 2024.*

With added funding from the City of Waite Park, NLR has undertaken an important highway crossing renovation as well as preventative maintenance of main yard track 11 with tamping, fixing joints, and adding ballast.

## Pacific Harbor Line

Numerous maintenance projects include: a major ongoing program to modernize the key Badger Bridge with new ties in 2023 and 2024; new switches installed in the Wilmington wye track and upgrades to the east leg of the wye; cross tie replacements at the Farragut crossing to increase operating speed from 10 to 20 mph; and improvements to the Tosco crossing. ♦



**Monte Stokes**  
Chief Engineer  
ARH

**N**ew this year is a systemwide focus on maintenance-of-way, as Monte Stokes will be widening his responsibilities from PHL Chief Engineer to provide strategic oversight for all six ARH railroads.

When he came aboard in 2021 Monte brought new insights and improved processes based on his experience with Class I railroads.

"I am fortunate to start this responsibility with railroads that are already in great shape," Stokes says. "I will look for opportunities to share best-practices developed at each railroad, as well as identify synergies between them that will improve efficiency." ♦



# Creating a Safer and More Secure Future

By Herman Crosson / Chief Safety and Compliance Officer, ARH



*Ensuring workplace safety is a top priority for employees, customers, and Anacostia. This is why all ARH railroads diligently implement comprehensive safety protocols, offer thorough training, and continually improve safety equipment to foster a strong safety culture. We also conduct regular safety culture assessments to confirm that our programs are meeting their intended safety objectives.*

We invest in workplace enhancements such as remote-control locomotives and yard cameras to reduce walking required by rail crews. This has resulted in Gulf Coast Switching Company exceeding five years of reportable injury-free performance.

Throughout 2023, ARH actively engaged public safety representatives through the training of first responders. LIRC held several emergency response training events aimed at teaching the logistical demands of emergency response. NYA trained the New York Fire Department on hazardous material spill response. NYA also used the training as an opportunity to train fire personnel on the various parts of tank cars. PHL conducted rail safety, hazmat and locomotive familiarization training with Port Police.

## From Tunnels to Tabletops

CSS participated in a large-scale tabletop exercise with LaPorte EMA simulating a leaking tank car. Public safety initiatives encompass disaster preparedness, response protocols, and situational awareness. ARH partners with first responders to ensure all bases are covered.

ARH has witnessed numerous safety improvements over the years including locomotive monitoring technologies such as Witronix and vehicle surveillance opportunities with Samara that have sup-



*First responders training in an East New York subway tunnel*

ported our safety success. Additionally, ARH conducted a technical review of all properties and the placement of defect detectors on our lines. Once complete, it was reassuring to know that ARH had added significant protection for the communities we serve.

Safety improvements in our society have played a pivotal role in protecting lives and enhancing well-being. Comprehensive safety protocols, advanced technologies, and proactive measures from workplace safety to personal transportation, homes, and public spaces have significantly reduced accidents, injuries, and fatalities. However, the pursuit of safety improvements is an ongoing endeavor, as emerging risks and challenges necessitate continuous adaptation and innovation. By prioritizing safety and embracing

advancements in technology and best practices, we can strive for a safer and more secure future. ♦

## Our Safety Record Draws Industry Recognition

**Anacostia's railroads received two of the industry's most coveted safety honors in 2023:**

- ASLRRRA President's Award to PHL •
- ASLRRRA Jake Award with Distinction to NLR •

**Congratulations to all our teams for constantly improving our safety performance.**



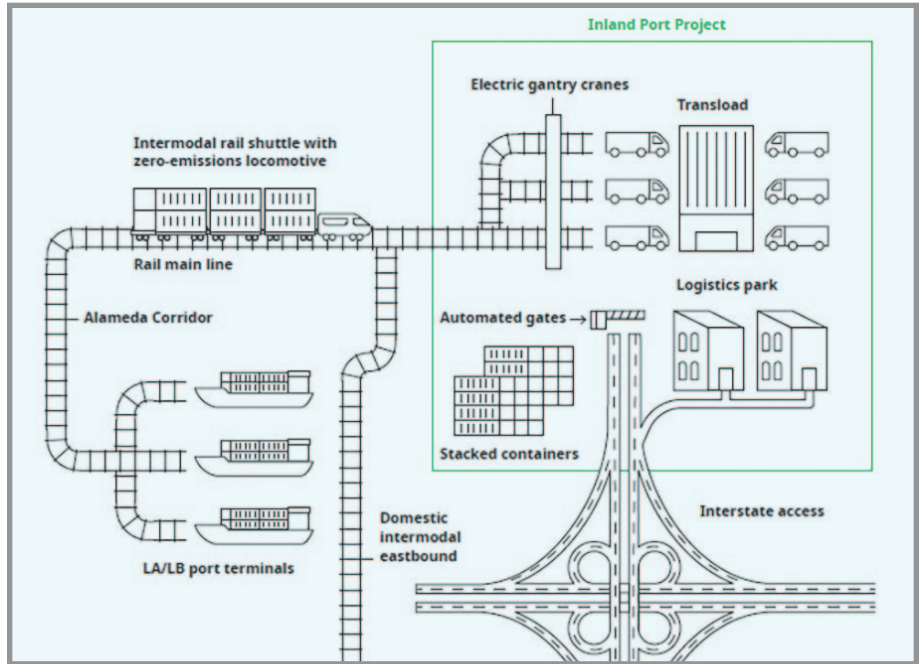
# Inland Ports Rail-Shuttle Studies Commissioned by Anacostia

**A potential solution that would relieve shipping congestion in Southern California is detailed in landmark reports being released by Anacostia Rail Holdings in January 2024.**

“The short-haul intermodal service as envisioned is an extraordinary undertaking, but it would provide extraordinary benefits to the public, to importers and exporters, and to supply chain participants,” according to one of the reports.

A variety of logistical and environmental problems are associated with containerized freight moving to and from large container ports to relatively close destinations. Besides the significant volume of goods that are consumed in a local radius around seaport cities, American supply chain planners increasingly favor strategies in which goods are de-vanned from marine containers in the hinterlands of the ports. They are then reconsolidated in domestic containers or trailers for movement to distant points.

As the neutral operator of the on-dock



**Vision for a Southern California intermodal rail-shuttle port service. Source: Oliver Wyman.**

rail network for the Ports of Los Angeles and Long Beach, Anacostia’s Pacific Harbor Line (PHL) is aligned with the

Ports’ objective to increase market share. Principal objectives are to grow rail share of port traffic, to provide more efficient port operations through more consistent container throughput and reduced dwell times, and to reduce congestion and emissions in the San Pedro Bay basin.

To this end Anacostia and PHL retained two consulting firms with expertise in intermodal, rail operations, and supply chain logistics to study this issue: Oliver Wyman, and Leachman and Associates.

Their reports, being released to key stakeholders, examine the economics of operating an inland port for intermodal containers within 150 miles of the Ports of Los Angeles and Long Beach. The reports look at the markets, possible operations, and benefits of an intermodal rail-shuttle service to transport containers to/from the existing on-dock rail terminals to the inland locations. The reports provide a location-agnostic design concept based on case studies of comparable operations in North America and Europe. ♦

## Welcome to Our New Website

Fast Track to the Right Resources



**“We’ve streamlined access so customers can quickly get the help they need during a visit to our website,” says Katie Sackett, Senior Director, Sales & Marketing. The new ARH site was launched in early 2023 with simpler navigation that guides users to the right person who can best handle their inquiries at any of our eight rail and terminal services companies.**

**“During a visit to our Contact Us page (<https://www.anacostia.com/contact-us/>), users will be put in touch with one of Anacostia’s experts in rail and transload shipping, procurement, engineering, and other supply chain services,” Sackett says. “From there we’ll work collaboratively to help your business succeed.” ♦**