



# Pacific Harbor Line REPORT 2024

## Message from Otis Cliatt II



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



Among the many things that set PHL apart is our unique management group. Our team reflects the diverse character of the global supply chain. Coming from many backgrounds, each of our managers brings a fresh perspective that strengthens our safe, efficient, and reliable handling of some 40,000 annual carloads and more than 30 daily intermodal train movements.

Our ability to come together and find the best solution benefits customers, Port, Class I railroad partners, and labor relationships. We don't always agree on everything, but everyone is dedicated to collaborative work that ultimately yields positive results.

The strong bonds that have developed between individuals at PHL have brought recognition to our exceptional railroad, including recent major honors from the American Short Line and Regional Railroad Association.

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## "A Special, Solid Relationship"



*Pictured left to right: Brad Dellis, Rail Operations Manager (YTI); Mike Croy, Rail Operations Manager (YTI); Jose Rivas, Locomotive Engineer (PHL); Armando Meza Sr., Locomotive Engineer (PHL); Eric Martinez, Department Manager for Rail Operations (YTI); Diana Turubanova, Manager of Sales and Customer Service (PHL); Stephane Perri, Vice President (PHL); Howard Magana, Director of Transportation (PHL); and Rick VanZee, Superintendent (PHL).*

***Yusen Terminals LLC (YTI)—operating at the Port of Los Angeles—handles some 700,000 container lifts per year. That's almost 2,000 every day. Working in a high-value port footprint of 195 acres, it's essential that those shipments move promptly onward toward their destinations.***

PHL transports hundreds of YTI terminal loads to BNSF and UP daily for their long-haul journeys over the North American rail network.

"PHL is a part of our team," says Erik Crichton, Vice President, Operations, YTI. "They are best in class, and their strong focus on safety is an aspect of what sets them apart."

YTI's state-of-the-art marine container terminal features modern technology, equipment, on-dock rail, storage facilities, and Alternative Maritime Power (AMP®). The facility operates ten Post Panamax

Gantry cranes, including six Super Post Panamax Gantry cranes.

Over the years PHL and YTI have developed a strong relationship based on transparency and mutual trust.

Eric Martinez, Manager of Rail Operations for YTI, has spent 23 years of his maritime career at this facility. Eric says of his team's relationship with PHL, "We take care of each other, and we communicate continuously. The railroad's crew frequently provides advice for our daily switching plan. I've heard them come back and say, 'maybe if we do it this way it would be more efficient and safer.'"

That openness and trust helped smooth the effects of last year's major renewal of PHL's two-track Badger Bridge, over which all of YTI's traffic moves. The

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## Message from Otis Cliatt II

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Last Spring, we received national recognition when Federal Railroad Administrator Amit Bose joined port, civic, labor, supplier, and customer leaders who gathered outside our headquarters at a ceremony for nine new graduating locomotive engineers, and the unveiling of our Progress Rail zero-emission, zero-idle EMD® Joule battery electric locomotive.

Our team successfully blends a laser-focus on detail with a strategic vision for the future. That’s how PHL gets it right, serving as an industry leader in safety, environmental progress, labor relations, and community engagement.

I see all this happening every day, and yet I’m still amazed by—and proud of—the ingenuity, dedication, and thoughtfulness that seems natural to everyone who works here.

**O.L. Cliatt II, President  
Pacific Harbor Line**

*Pacific Harbor Line*

# REPORT

2024

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## Incentive Agreement for “A Common Interest”

***A new Employee Retention Program will support continued safe and reliable operations into 2026. Under a new agreement, members of the Brotherhood of Locomotive Engineers and Trainmen (BLET) Division 214 will be eligible for bonus payments of up to \$18,000 during the next two years.***

The program’s substantial bonus payments are designed to encourage the approximately 200 BLET members who work for PHL to maintain their employment with the railroad.

The agreement was signed by BLET General Chairman Brian Carr with an

announcement that “PHL and its employees represented by BLET share a common interest in the retention of qualified locomotive engineers.”

### **Valued, productive workforce**

“PHL has worked closely with the BLET for years to recruit and train a safe and productive workforce,” said ARH President and CEO Peter Gilbertson. “We initiated the incentive plan to encourage the continued service of these valued employees. We appreciate our employees and the support of BLET.” ♦

## Solid Relationship

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work closed one of the bridge’s tracks for several weeks.

“I’ll be honest,” Martinez says. “I had some anxiety as we approached this project. In the end, effective planning with PHL enabled us to communicate, anticipate impacts, and adjust our operations so that—in the end—we

successfully maintained seamless operations for our customers.”

Crichton agrees, and he adds, “Getting through the pandemic was also a tremendous team effort with our Class I railroads and PHL, who were focused on keeping the economy moving in a time of crisis. We need partners who share our passion for excellence, and we have that with PHL. It’s a special, solid relationship.” ♦

## Anacostia On the Move

*by Eric Jakubowski*

*Vice President & Chief Commercial Officer, Anacostia Rail Holdings*

## Reliable Interchanges

***The critical importance of reliable interchanges is receiving attention on many fronts. As a smaller railroad partner, we rely on scheduled and reliable service from our Class I partners to provide our mutual customers with high quality connections.***

During the crew shortages of the pandemic, this important link was under constant duress. Our job is often to mitigate rail car delivery fluctuations but, as smaller railroads, we have far fewer options and resources in the event that interchange service is delayed.

I am heartened to say that we are

beginning to focus on specific opportunities including:

- visibility of car movements to and from the interchange;
- proactive sharing of information about disruptions; and
- Interchange Service Agreements with real-time and site-specific plans.

Some of our partners are working on process improvements and I am optimistic this will be advantageous to every last mile customer served by Anacostia. We remain committed to advocating for these efforts, and we are always first in line to volunteer our railroads to serve as test cases. ♦



## Landmark Inland Ports Rail Shuttle Studies

*A potential solution that would relieve shipping congestion in Southern California is detailed in landmark reports just released by PHL.*

“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 under 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.

### More Efficient Operations

As the neutral operator of the on-dock rail network for the Ports of Los Angeles and Long Beach, 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 Rail Holdings and PHL retained two consulting firms with expertise in intermodal, rail operations, and supply chain logistics to study this issue: Oliver Wyman, and Leachman & Associates.

### Respected Consultants

Their reports—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 design is a location-agnostic concept based on case studies of comparable operations in North America and Europe. ◆

## PHL Sponsors Derailment Prevention Training

*In support of continued safe rail operations within the Ports of Los Angeles and Long Beach, PHL and Anacostia Rail Holdings sponsored derailment prevention training to railroad professionals who work in the ports. PHL contracted Wolf Railway Consultants to lead the course in mid-January.*

The training program equips participants with knowledge and skills necessary to investigate and prevent train derailments. The first event included the Federal Railroad Administration, California Public Utilities Commission, F&M Rail Services, and Placek Construction.

Anacostia and PHL leadership also participated, including Anacostia’s Chief Safety and Compliance Officer Herman Crosson and President and CEO Peter Gilbertson, along with PHL President Otis Cliaff II.

At the event, Gilbertson noted, “The rail industry must continue to improve. Training like this, with dedicated professionals, ensures that we will be better tomorrow than today.” ◆

## Badger Bridge Renewal Leads CapEx Projects

*Continuous investment in our roadway and equipment keeps PHL safe, efficient, and reliable. Spanning the years 2023 and 2024, a new phase in the renewal of the critical Badger Bridge is in the spotlight, even as other important maintenance work goes on.*

Following the installation of continuous welded rail and new miter joints in 2022, we are midway through a program to replace all crossies, tie plates, and fasteners on the bridge. Last year we completed the replacements on Main Track 1, with Main Track 2 scheduled for work this year. The bridge’s walkway was also reconfigured last year for enhanced security.

“Excellent communications between the marine terminals, Class I Railroads, the port, and our operations team made

this complex project go smoothly last year, and we expect the same in 2024,” says Monte Stokes, Chief Engineer.

Planning is also well underway for the massive Pier B on-dock rail project (detailed elsewhere in this issue).

Other significant maintenance work planned for 2024 includes:

- improvements to the east leg of the WYE crossing;
- 480 Badger Bridge ties;
- switch upgrade at LAXT Loop; and
- rail replacement on the west end of Pier B yard. ◆



*Badger Bridge renewal continues*



# Our Differences Are Our Strengths

*“The strength of PHL comes from our management and labor teams, whose diversity reflects the needs of the global supply chain,” says President Otis Cliatt II.*

Our team successfully melds the strengths of employees from a wide range of social and ethnic backgrounds, cultures, ages, and other attributes. “We don’t all see things the same way,” says Cliatt, “which is what makes it possible for us to develop uniquely effective solutions for our rail, customer, and supplier partners.”

Military veterans—a group that might not typically be seen through the lens of “diversity”—are an important focus of our hiring efforts. PHL was once again recognized last year for its commitment to hiring vets with the first Veteran’s Engagement Award, presented by the American Short Line and Regional Rail Road Association (ASLRRRA).

PHL’s outreach to vets illustrates the philosophy that guides all our efforts to attract a wide range of talents.

## Finding Future Railroaders

During a recent visit to PHL, ARH Senior Director of Human Resources David Hankins observed another opportunity for attracting the best candidates from our diverse Southern California community. He visited the nearby Port of Los Angeles High School, a charter school that integrates a skilled trade theme into a rigorous, college-preparatory curriculum.

“The visit helped us see the benefit of establishing a relationship with the school to support our future hiring efforts,” Hankins said.

## Women in Rail

PHL is also proud of the women who are key to the successful management of our operations. Their contributions were most recently recognized at the *Railway Age Women in Rail* conference in Chicago, where PHL’s Kalena Guimary, Manager of Administration



**PHL’s Diana Turubanova (left), Manager, Sales and Customer Service, joined Kalena Guimary, Manager, Administration and Human Resources at the fall Railway Age Women in Rail Conference.**

and Human Resources, and Diana Turubanova, Manager, Sales & Customer Service joined other women from the ranks of Anacostia Rail Holdings.

Building teams that include the best employees from all walks of life is another reason PHL is recognized as an industry leader. ♦

# A Proven Culture of Safety



**Steve Moore (center), PHL Senior Manager of Operating Practices, Rules and Safety accepts ASLRRRA safety award.**

*“Winning many industry safety awards is a wonderful acknowledgement of the processes, follow-up, and results of Pacific Harbor Line’s safety culture,” says President Otis L. Cliatt II. “I’m extremely honored by the efforts of the Brotherhood of Locomotive Engineers & Trainmen Division 214 and PHL management to achieve this incident/accident rate.”*

Consistently safe operations are critical where we operate—in America’s largest container port. PHL switches some 40,000 freight rail cars annually and dispatches more than 30 intermodal trains a day from nine on-dock intermodal terminals.

## New Training Launched

In addition to a continuous focus on safety, we are always striving to improve. Last year, for example, an additional course of safety training was inaugurated when we put a class of experienced conductors through a refresher course.

“This was different from the training we give new hires,” says Steve Moore, Senior Manager of Operating Practices, Rules and Safety. “Rather than just review rules, we took the conductors through potential scenarios that spurred questions and ideas for the best ways to

handle situations that might occur in our real operations.”

Cliatt sees this as yet another example of how everyone at PHL lives its motto: “Focus on Safety: one move at a time, one shift at a time, and one day at a time.” ♦

## 16 Years of Safety Recognitions

**ASLRRRA President’s Safety Awards\***  
2013 • 2021 • 2022

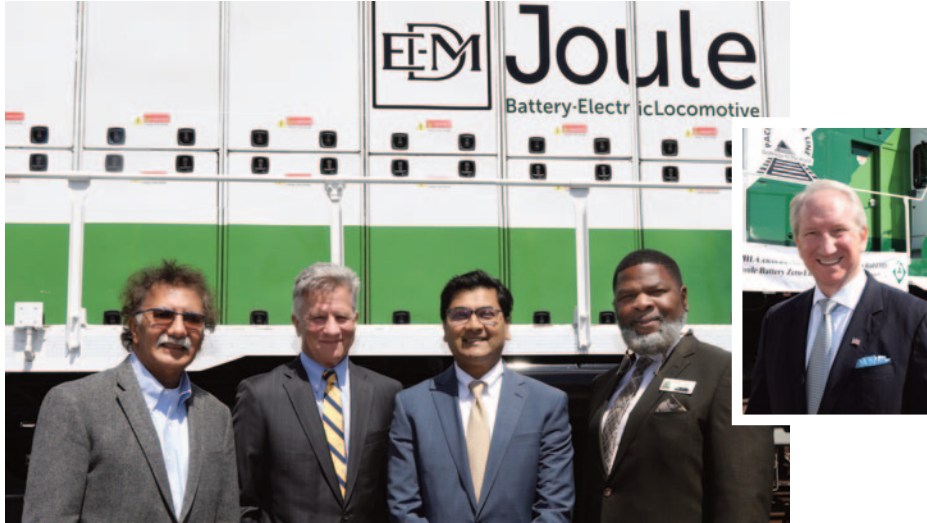
**ASLRRRA Jake Award**  
2008 • 2010 • 2012 • 2014 • 2015 • 2016  
2017 • 2021 • 2022

**ASLRRRA Jake Award with Distinction**  
2013

\*Based on Federal Railroad Administration safety data, the award recognizes railroads with the lowest reportable employee injury-free frequency rates. PHL won the awards for railroads with 250,000–500,000 annual person-hours in the ASLRRRA Pacific Region.



# Industry, Government Leaders Laud PHL Environmental Leadership



**Left to right: Mario Cordero, Executive Director, Port of Long Beach; Peter Gilbertson, CEO of Anacostia Rail Holdings; Amit Bose, Administrator, Federal Railroad Administration; and Otis Cliatt, PHL President, stand in front of the first zero-emission, battery electric locomotive. Inset: Gene Seroka, Executive Director, Port of Los Angeles**

**“PHL’s commitment to environmental responsibility reaches back more than 15 years to our first acquisition of Tier 2 (lower emission) locomotives,” says Steve Moore, Senior Manager Operating Practices, Rules and Safety.**

This was followed by our evolution to Tier 3 locomotives and then a conversion to 100% renewable diesel fuel, expected to slash CO2 emission by some 60 percent.\* Most recently we inaugurated operation

of Progress Rail’s zero-emission, zero-idle EMD® Joule battery electric locomotive.

### FRA Administrator Supportive

During the unveiling ceremony, Federal Railroad Administrator Amit Bose said, “PHL’s commitment to zero-emissions locomotives embodies its industry leadership. It will benefit its workers, communities, the state, and the country.”

Joining him in celebrating this milestone event were top port, civic, labor, and customer leaders.

Industry recognition of our leadership also came from the American Short Line and Regional Railroad Association (ASLRRRA) with its inaugural Environmental Award to PHL.

PHL was the first short line railroad to become a member of the EPA Smart-Way program in 2009. Many additional environmental initiatives have been undertaken by PHL including:

- emissions reductions of 130 metric tons of CO2 with solar panels on the mechanical shop;
- replacement of gasoline vehicles with EZGO golf carts for in-terminal use;
- replacement of all light bulbs with LED or low-energy bulbs;
- strict no-idling policy for locomotive and highway vehicles;
- paper, cardboard, and plastics recycling;
- installing auto shut-off systems on all locomotives and on office lighting;
- use of biodegradable track grease; and
- installation of locomotive-mounted flange lubricators which reduce rolling resistance on curves to cut fuel consumption and track replacement frequency. ♦

*\*Based on California Air Resource Board energy conversion rates.*

## PHL Supporting Major On-Dock Expansion

**The Port of Long Beach (POLB) will go out for bid in early 2024 on its \$1.567 billion project to build an expanded, state-of-the-art Pier B On-Dock Rail Support Facility.**

According to Chief Engineer Monte Stokes, “PHL is assisting POLB by providing design and engineering support. We are working collaboratively to develop a 39-track facility that will do more than increase capacity. It will give us greater flexibility to serve the port’s terminals more efficiently.”

“We are in regular and close communication with POLB and, as they move forward with planning, we will

continue to facilitate a safe, on-time, and efficient operation,” Stokes says.

More than 15 years in the planning, the Pier B project is scheduled for final completion in 2032. During that time, expanded facilities will be opened in phases. The first phase will add a facility for locomotive fueling and light maintenance.

Ultimately the project will more than double the size of the existing Pier B rail yard from 82 to 171 acres and more than triple the volume of on-dock rail cargo the Port can handle annually—from 1.5 million to 4.7 million TEUs. ♦



**Darker yellow represents approximate project footprint. Lighter yellow depicts street reconstruction. Source: Port of Long Beach**



# Thanks for a Great Year!



Our success is built around the efforts of PHL's people. We are grateful for the work all our teams do to keep us safe, efficient, and popular with our customers! To celebrate our successes, we held an employee appreciation event with In-N-Out Trucks. It's always a favorite by all!

## 2023 Employees of the Month

<b>January</b> John Applewhite	<b>May</b> Alex Gomez	<b>September</b> Danny Martinez
<b>February</b> Eric Williams	<b>June</b> Sean Daly	<b>October</b> Mike Casey
<b>March</b> Miguel Barba	<b>July</b> Memo Guerra	<b>November</b> Moises Lopez
<b>April</b> Kernal Lawrence	<b>August</b> Dwight Parker	<b>December</b> Frank Pena

## Eagle Eye Honors 2022-2023

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

**December 2022**  
Jeffery Robinson

**July 2023**  
Jason Bengal

**January 2023**  
Robert Burris

**September 2023**  
Roy Garcia

## New Hires in 2023

### TRACKMEN

Danny Hernandez

Francisco Malta

Johnny Vasquez



## Milestones

PHL employees celebrated the following milestones through December 2023.

We thank you for your service.

### ANNIVERSARIES

#### 25 Years

Robert Burris	Joaquin Oropeza
Lyle George	Gregory Peters
Howard Magana	Jose Rivas

#### 20 Years

Sergio Beltran	Stephen Moore
Ronald Blake	Bobby Newman
Gregory Craver	Harvey Reyes
Osvaldo Espana	Gilbert Williams

#### 15 Years

Kim Briscoe	Edward Martinez
Eric Carroll	Ricky Rico
Carlos Maravilla	Rodney Williams

#### 10 Years

German Alvarez	Michael Miles
Scott Doyle	Rick Ortega
Fernando Hernandez	Leroy Pasis
Jacob Hernandez	Jose Perez
Eliapsar Mejia	Robert Stone

#### 5 Years

Francisco Barrios	Roberto Paz
Timothy Herron	Alejandro Rodriguez
Joseph Maes	Ramon Uribe
Richard Magallanes	James Walden
Michael Moreno	

### PROMOTIONS

**Dan Anderson**  
Trainmaster

**Carlos Fernandez**  
Trainmaster

**Jose Huerta**  
Assistant Trainmaster

**Eliapsar Mejia**  
Assistant Engineer