



APEX

2025

Message from Peter Gilbertson



News for Customers, Employees & Friends of Anacostia Rail Holdings



We enjoy working closely with our customers, our Class I partners, vendors, and others who are critical to the safe and successful delivery of every railcar we handle. Recently we've celebrated the industry's recognition of achievements by several internal leaders:

- Herman Crosson, Chief Safety and Compliance Officer, ARH, has just been named Safety Professional of the Year by the American Short Line and Regional Railroad Association (ASLRRA). Herman cares deeply about the safety of his peers and this is a well-deserved recognition.

- Eric Jakubowski, Anacostia's Chief Commercial Officer, is plenty busy finding innovative ways for shippers to add efficient rail services to their supply chains. He has also spent the past four years as a key member of the Surface Transportation Board's (STB) Railroad-Shipper Transportation Advisory Council. He has helped our industry tremendously.

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At a March gathering of supply chain leaders hosted by PHL were (from left): ARH President & CEO Peter Gilbertson and VP/CCO Eric Jakubowski; STB members Karen J. Hedlund and Michelle A. Schultz; and PHL President Otis L. Clatt II.

ARH Safety, Labor, and Sustainability Leadership

For nearly 30 years Anacostia Rail Holdings has succeeded by leading. Our railroads have each met a unique set of needs and changes by listening closely to shippers and by then finding ways to support them with safe, efficient, and green rail shipping solutions.

Recently we have participated in a number of events that have continued to help industry, government, and academic leaders understand the critical role of railroads in the nation's supply chain.

One of these events was in September at the Surface Transportation Board's (STB) Growth in the Freight Rail Industry hearing where NYA President Marlon Taylor participated. He spoke about how rail/shipper collaboration has converted shipments from truck to rail and boosted New York supply chain efficiency.

Taylor explained that short line railroads can offer a "substantial and flexible" alternative for moving products such as the aggregates being shipped into Long Island by NYA and P&W.

In that case, 7,000 rail carloads of aggregates moved by the railroads in 2023 are estimated to have kept more than 20,000 truckloads off area streets and highways.

Dignitaries Visit ARH

Last fall NYA also hosted New York State Assemblywoman Michaelle Solages at its Fresh Pond rail yard in Glendale, NY, to discuss the economic and environmental benefits of moving goods by rail throughout the area.

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• Otis L. Cliatt II, President, Pacific Harbor Line, participated in a rail panel during the national Clean Fuels Conference in January 2025. As leader of the first railroad to operate a low horsepower battery powered locomotive (with five more on the way!), Otis provided key insights into how rail will continue to be the greenest transportation provider.

• Marlon Taylor, President, New York & Atlantic Railway, provided testimony at a recent STB "Growth in the Freight Rail Industry" hearing. His examples of how short lines can open new opportunities for smaller shippers to gain a competitive advantage with safe and efficient rail service proved how our industry is a crucial link in the nation's supply chain.

While our railroads might be smaller than our Class I partners, we can have a big impact.

Peter Gilbertson
President & CEO

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News from Anacostia Rail Holdings

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Railroad Industry Safety Leadership

In 2024 Pacific Harbor Line once again received the prestigious President's Award for safety from the American Short Line and Regional Railroad Association (ASLRRRA). PHL also received an ASLRRRA Jake Safety Award.

This is the third year in a row that PHL has earned the President's Award. During the past 11 years PHL also earned eight Jake Awards as well as an additional President's Award.

"I could not be prouder of everyone on the PHL team for their dedication to safe and reliable operations," says PHL President Otis L. Cliatt II. ♦



Photo courtesy of ASLRRRA

At the President's Award for Safety ceremony were (from left): ASLRRRA Chairman Matt Walsh; PHL President Otis L. Cliatt II and Superintendent Rick VanZee; and ASLRRRA President Chuck Baker.

Anacostia On the Move

by Eric Jakubowski

Vice President & Chief Commercial Officer, Anacostia Rail Holdings

Collaboration



The discussion at a recent caucus between Class I and short line railroads ended in justifiable optimism. Some of our larger partners are now open to collaboration between themselves, short lines, and the customers with whom we are in close contact.

This is significant because it's the short lines that understand every customer needs to know when to expect a shipment and how any delay can be addressed. Class I railroads have learned from us that high-quality, reliable service is built on effective communication and the use of information to adjust resources. It has become apparent to our rail network partners that this is the way to achieve traffic growth.

I have long advocated that we and our brethren short lines need to be included in trip plans, ETA compliance, and trip disruption communication. Given those tools we can accomplish two important goals: (1)

provide better service; and (2) create trust with our shippers that we will consistently deliver the service they need.

I am happy to report that our progress on data sharing and more timely interaction with operations managers is moving quickly in the right direction.

Stay tuned as we, along with our industry, continue to open greater collaboration and more opportunities to increase our market share, and make it easier and more attractive for shippers to select the safer, more efficient, and sustainable mode. ♦



Steven Hart (left) Vice President, Transportation & Logistics Services, Sysco Corporation in a "Fireside Chat" with our Eric Jakubowski before several hundred MARS Winter Meeting attendees.



Leadership

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"The operations of NYA are crucial to the economic strength and sustainability of the Long Island region and our entire state," said Assemblywoman Solages. "Their leadership in cutting greenhouse gas emissions and building a diverse workforce sets a powerful example for our transportation sector and beyond."

PHL Spotlights Value of Port Complex

In July, PHL hosted a tour for the Transportation and Supply Chain Institute University of Denver Master's Degree students. The visit provided these aspiring professionals with a comprehensive look at the rail operations in the San Pedro Bay Port Complex, highlighting the vital role Pacific Harbor Line plays in the global supply chain.

In June, the railroad hosted a fact-finding tour of the global port complex by United States Surface Transportation Board Member, Robert E. Primus. The tour was led by ARH VP and Chief Commercial Officer Eric T. Jakubowski, who also chairs



Photo courtesy of NYA

NYA President Marlon Taylor (left) with NYS Assemblywoman Michaelle Solages in front of one of several clean emissions locomotives the rail freight line operates.

the STB's Railroad-Shipper Transportation Advisory Council (RSTAC).

In March, PHL brought together top officials to discuss how supply chain operations at North America's largest combined port complex can further strengthen its support of safe, efficient, and green rail transport.

Participants included STB members Karen Hedlund and Michelle Schultz; Port of Los Angeles Executive Director Gene Seroka; Port of Long Beach Executive Director Mario Cordero; Los Angeles Harbor Commissioner Diane Middleton; Alameda Corridor Transportation Authority

CEO Michael Leue; International Longshore & Warehouse Union Local 13 President Gary Herrera; and Brotherhood of Locomotive Engineers and Trainmen Division 214 General Chairman Brian Carr. Other guests included representatives of BNSF, Union Pacific, PHL, and rail industry consultants.

"The exchange of information and ideas that occurs during these events is a tremendous benefit to PHL, as well as our guests," says President Otis L. Cliatt II. "We are delighted and honored to be seen as a rail industry leader that benefits the national economy." ♦

Safety Awards Earned by 27 ARH Team Members

"When we decided to honor outstanding safety performance within the ranks of Anacostia's railroads, we knew we wanted to identify safety leaders, regardless of their 'official' safety duties," says Stephen Moore, Senior Manager of Operating Practices, Rules, and Safety, ARH.

Accordingly, recognition criteria were established that would apply to any ARH employee. To earn the new safety awards, employees must have demonstrated a commitment to workplace safety through proactive measures, adherence to safety protocols, and a six-month record of incident-free performance in three categories, including (1) discipline events; and (2) absentee or tardiness that led to discipline. The third category, ARH Lifesaving Competencies, includes:

- Use of electronic devices
- Blue signal protection/signs projecting equipment/red flags
- Protecting shoving movements and stopping within the half distance last specified
- Restricted speed and movement on other than main track
- Red zone
- Securing equipment
- Position of switches and derails

"We are fortunate to have so many team members who are true safety ambassadors, and we were happy to have identified 27 individuals for recognition in our first Safety Recognition Program in 2024," says Herman Crosson, ARH Chief Safety and Compliance Officer. ♦



2024 ARH Safety Recognition Program Award Recipients

CSS

Doug Brasseur
Mike Kearsner
Pete Oliver
Mike Polk

LIRC

Nick Adams
Jeff Birge
Will Brock
Donald Crater

NYA

Michael Gonzalez
Vlad Lesnik
Rommel Primus
Andison Rosario

NLR

Stuart Johnson
Joe Kedrowski

PHL

John Applewhite
Shane Basye
Gabriel Calderon
Isaih Castillo
Craig Cherne
Noe Lopez
Jose Rivas
Johnathan Suchan
Steven Wallace
Gilbert Williams

GCS

Aaron Frazier
Brian Martinez
Kevin Prada



FOCUS ON CUSTOMER SUCCESS: **Anacostia Railroads**



CSS PRESIDENT: Todd Bjornstad
LOCATION: Chicago & NW Indiana
Customer Success Story

Double Track Project

Major benefits are anticipated for industry in the wake of the Northern Indiana Commuter Transportation District (NICTD) Double Track Project and the West Lake Corridor. Approximately \$2.7 billion in private investment is expected to result, creating over 6,000 jobs and a total of \$5 billion in economic impact by 2048.

Quote: “The project is transformative for Northwest Indiana”

Challenge: Most CSS operations occur on NICTD tracks and this major mainline construction project required the unending and unwavering support of CSS while minimizing freight service disruptions. Rail managers knew they would need “out-of-the-box” solutions.

Solution: Starting well before ground breaking in 2022, CSS collaborated with NICTD and its contractors to develop a system of advance service interruption notifications to customers, giving them time to adjust their production plans. The railroad also implemented some extraordinary changes of its own, including detours over CN during extended track outages. Now that the Double Track Project is complete, rail users are benefitting from renewed safe and efficient operations.



LIRC PRESIDENT: John Goldman
LOCATION: Southern Indiana & Louisville, Kentucky area
Customer Success Story

Heidelberg Materials

To meet booming demand for the mining output from its Mitchell, Indiana facility, Heidelberg decided to make a major investment in a more technologically advanced operation that would improve efficiency and sustainability performance. As part of that plan, the company's volume of rail cars shipped would explode, from some 100 cars annually to 10,000 cars.

Quote: “LIRC has been very nimble”

Challenge: Heidelberg recognized it didn't have the experience to manage such a large rail operation and that it needed an experienced rail car indexing partner. The company's managers wanted to find a short line railroad operator, but the plant was not served by one.

Solution: LIRC already had a relationship with Heidelberg at its Speed, Indiana facility and the railroad offered to provide the in-plant services needed at Mitchell. Now LIRC crews successfully manage the movement of cars in the facility with consistent services, excellent communications, and safe operations.



NYA PRESIDENT: Marlon Taylor
LOCATION: Nassau & Suffolk counties; Brooklyn; & Queens, NY
Customer Success Story

EWG Glass

For many years EWG shipped its crushed glass to recyclers located in the Northeast U.S., a footprint that could be served by truck. Due to the extraordinarily high quality of its glass, demand led the company to expand to serve a national network of recycling customers. EWG's crushing facility did not have rail access, but it needed to use rail to efficiently serve its growing market.

Quote: “NYA has played a company defining role for EWG”

Challenge: When EWG started expanding its geographic market, the initial volumes requiring rail transport were not large, and the company was not sure how fast demand would grow. Though the company wouldn't be able to bring rail to its facility, it needed rail service.

Solution: NYA stepped up to help find a way for EWG to ship by rail that wouldn't be prohibitively expensive. In addition to the economies of rail service, EWG also recognized that the area's already-crowded highways didn't need extra truck traffic. Today EWG moves its crushed glass a very short distance by truck to a transloading facility where a seamless transfer to rail cars occurs.



Supporting a strong and growing U.S. economy, Anacostia's railroads provide shippers with collaborative and efficient first/last mile services that open new opportunities for adding safer, more efficient, and greener rail logistics to global supply chain operations.



NLR PRESIDENT: Quentin Schulte
LOCATION: Central Minnesota

Customer Success Story

Maiers Transport & Warehousing

As a trucking company that has been serving St. Cloud, Minnesota shippers for over a century, Maiers is proud of its reputation for reliability. Many of its customers depend on Maiers to pick up or deliver loads that are transloaded to/from long-haul rail carriers. This service combines the flexibility of trucking with the efficiency of rail to or from destinations across North America.

Quote: "We see NLR as a partner in our success"

Challenge: Maiers handles a wide variety of shipments, from its 2020 delivery of some 27,000 large and heavy crane stabilization mats transloaded from rail, to a steady and lower-volume of aluminum billets to a St. Cloud extruder. The trucker needs a rail partner that has the agility and resources to keep customers satisfied.

Solution: Maiers works closely with NLR to move cargo safely, efficiently, and on-time, no matter how unique. The trucker has found that NLR's local focus and expertise makes it much easier to connect all its customers with the Class I railroads that provide the long-haul service they need.



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

Customer Success Story

Everport

At a busy marine container terminal like Everport Terminal Services safety comes first. That commitment also assures efficient and reliable operations. The facility typically has upwards of 90 stacks of railcars on its 26,000 feet of track.

Quote: "PHL's service has always been excellent"

Challenge: Flexibility is key to the success of daily operations at Everport because inbound ships discharge large numbers of containers destined for a wide variety of locations, and with varying service commitments. At the same time, managers must coordinate with the Class I railroads to make sure they are ready to handle the loads to prevent terminal congestion.

Solution: Open communications are essential, and PHL provides crews who are empowered to work directly with Everport ground crews and immediately address any concerns or questions. The railroad's crews are normally comprised of individuals who regularly work the Everport facility. Their knowledge of the track layout, their familiarity with the terminal's labor groups, and their dedication to providing the safest and most professional service keeps things running smoothly.



GCS PRESIDENT: Leigh Walters
LOCATION: Dayton, Texas

GCS operates and performs the track maintenance for Union Pacific's 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.





Strategic Overview Strengthening Capital Programs

Continuous investment in our railroads' physical assets has put them in great shape. Safe, efficient, and reliable operations require that we not only continue to maintain track and equipment, but that we also make improvements to keep pace with changing customer needs and technology advancements.

In his role providing strategic oversight over all six of our railroads since early last year, Chief Engineer Monte Stokes has already implemented new ways to make optimal use of capital dollars.

Out on the road, you'll see battery-powered tools replacing traditional hydraulic equipment being used by our work crews.

"Primary benefits of this change," Stokes says, "are a reduction in tripping hazards as well as the risk of hand burns from touching hot hydraulic hoses."

Battery power is now being used for a wide range of maintenance tools including spike drivers and pullers, rail saws, and more. These tools also offer a potential sustainability advantage since they can be charged with electricity that is generated from renewable resources.

Behind the scenes we have also invested in a new track inspection reporting system that standardizes and improves this process. In addition to providing Anacostia with an optimized method for collecting and analyzing track condition data for capital spending forecasting, the system also makes it simpler and less time consuming to comply with regulatory reporting requirements.

Along with the implementation of strategic, systemwide capital projects, Stokes oversees capital projects on each railroad including:



A Minnesota Rail Service Improvement Program grant supported significant NLR right-of-way improvements in 2024.

Chicago South Shore & South Bend Railroad

The railroad's locomotive upgrade program passed its half-way milestone in 2024 with a "below the deck" rebuild of two SD38s, joining four GP38s that were upgraded in previous years. Out on the railroad two Hot Box/Dragging Equipment detectors were installed, and the successful completion of the Northern Indiana Commuter Transportation District Double Track Project cleared the way for the return of normal, safe, efficient, and reliable operations.

In 2025, plans call for the replacement of 2600 cross ties, 90 switch ties and two switches.

Gulf Coast Switching

In 2024, GCS work in the Dayton Yard included re-profiling 23,240 feet of track; surfacing 42,195 feet of track; replacing 15,000 track ties and 200 switch ties; relaying 6000 linear feet of rail; replacing 20 switch stands; and eliminating 75 joints.

For 2025, in Dayton Yard, GCS will undercut four switches and 1800 feet of track; surface thirteen tracks and two leads; replace 7,000 cross ties and 500 switch ties; replace four switch points and stock rails

and eight frogs; and clean all the major ditches and vegetation in the yard.

In Angleton Yard, the railroad will tamp and surface 3000 feet of track; undercut 460 feet of track; replace three stock rails and switch points; replace 200 crossties and 100 switch ties; relay 1040 feet of rail; and do vegetation control on the yard.

Louisville & Indiana Railroad

LIRC was awarded a matching grant of \$6,492,000 for improvements to the railroad's Clagg lift span in its Ohio River Bridge. Funding for the improvements will be provided through a U.S. Department of Transportation (USDOT) Consolidated Rail Infrastructure & Safety Improvements (CRISI) Program grant. LIRC will contribute the 50 percent non-Federal match. In addition, LIRC continued its self-funded upgrading of the bridge with Phase III work replacing timbers on 835 feet of bridge spans.

Other CRISI grants were received as well. One provides \$335,361 for the development of a Mobile Device Emergency Responder Access App. Another funded the rehabilitation of 19,000 feet of track on the Columbus Industrial and Dutch Industrial Lead tracks. In addition, an



Indiana Rail Service Grant provided 60 percent of the cost for upgrading 4,900 feet of track in the main Jeffersonville Yard.

2025 plans include timber and walkway replacement, along with grill and concrete repairs on the Ohio River Bridge. Elsewhere LIRC will procure, replace, and dispose of some 5,000 crossties; surface approximately 23,760 feet of mainline track; and undertake eight crossing improvements.

New York & Atlantic Railway

In 2024, NYA added a 10,000-foot track to increase capacity at its CSX interchange, with 80% funding from New York State. The railroad's multi-year locomotive overhaul program continued with upgrades to two GP-38 units. Plus, crews replaced 800 feet of rail and replaced 1000 ties; renewed Varick crossing; and embarked on a new program to keep its right of way clear, together with the Metropolitan Transportation Authority and the New York City Department of Sanitation.

Plans for 2025 include: finishing the 5 and 1 interchange connector project; replacing 100 crossties and 50 switch ties; surfacing Pine Aire Backtrack; and extending one West Yard track from 600 feet to 1,400 feet.



Significant upgrades are underway on the LIRC Ohio River Bridge.

ARH Adds RailPulse Technology

With the addition of RailPulse technology to 100 new steel coil cars recently acquired by our Chicago South Shore & South Bend Railroad (CSS), Anacostia has become a RailPulse subscriber.

Now, all Anacostia's railroads have access to telematics for all tagged cars that are routed to or from online customers, regardless of car ownership.

"We have supported RailPulse since its 2020 inception, and are enthusiastic about the coalition's initiative to create an industry-wide opportunity to increase both shipment visibility and rail car safety," says Eric Jakubowski, ARH VP & Chief Commercial Officer.

Application of RailPulse technology



RailPulse technology on 100 new CSS Steel Coil cars will create greater visibility in support of safety and optimized equipment utilization.

to the new CSS coil cars will support the most efficient utilization of this equipment for shippers. The 48-foot, 115-ton capacity, transverse-style cars each hold up to five steel coils and are equipped with covers for all-weather transport. ♦

Northern Lines Railway

In 2024, track, switches, and a concrete grade crossing were upgraded thanks, in part, to a \$381,000 grant from the Minnesota Rail Service Improvement Program and additional funding from the City of Waite Park. NLR also provided support to the City of St. Cloud to improve pedestrian safety near the Lake Wobegon Trail.

Additional programs included the installation of 1,700 ties on the St. Joseph Sub and new ties and rail on yard tracks, as well as the engine track.

In 2025, NLR will replace 1,300 crossties and surface St. Joe Sub, as well as replace 400 crossties in the NLR yard.

Pacific Harbor Line

A major project was undertaken to resolve radio interference in the LBCT area.

Additionally, work on Special Projects funded by both Class I railroads serving the ports included: crossing upgrades on the east leg of the busy Wilmington Wye; 2,000 feet of rail in the heavily trafficked Mead Yard lead; 1500 feet of new rail on 8 Extension in Pier B yard; replace jointed with welded rail in the Manuel yard; replace switch points, stock rails, and frogs on APL lead, TICTIF lead, and LAXT; and rail grinding.

In 2025, a nine-year project to update all control points will be initiated at CP Goodwin. Additionally, switch points, frogs, and stock rails will be replaced in several locations; two crossings will be upgraded; bridge ties replaced on the Dominguez Channel Bridge; 4000 feet of rail will be relayed; and rail grinding. ♦



PHL Goal: Zero-Emission Operations

Together with the California Air Resources Board (CARB), PHL made its most significant step yet toward zero-emission (ZE) operations last fall. Funding for five ZE locomotives has been awarded through a U.S. Department of Transportation (USDOT) Consolidated Rail Infrastructure & Safety Improvements (CRISI) Program grant.

PHL is contributing \$6.37 million toward the \$34.2 million cost to acquire five ZE locomotives and two charging stations.

PHL President Otis L. Cliatt II says, "This is a transformative step that will support our continuing commitment to reducing emissions at the Ports of Los Angeles and Long Beach, the busiest port complex in the U.S."

PHL has long been a sustainability pioneer. We were the first railroad to upgrade our entire fleet to EPA Tier 3+



PHL's zero-exhaust EMD® Joule battery-electric locomotive from Progress Rail will be joined by five additional ZE units.

locomotives, and we also operate a Tier 4 locomotive—in addition to the ZE EMD Joule battery-electric locomotive unit now in service. That locomotive is from Progress Rail, a Caterpillar company."

The ZE locomotives—which will be operating inside of neighboring transportation disadvantaged communities—help California meet its air quality goals and advance environmental justice and equity by reducing the health impacts on communities already exposed to higher pollution.

The new PHL locomotives will be

manufactured in the United States by Progress Rail. The program is also expected to accelerate adoption of ZE technology in the railroad industry, already the most fuel-efficient way to move freight over land.

Peter Gilbertson, ARH president, says, "We are grateful for the grant from the Federal Railroad Administration and appreciate the key role of the California Air Resources Board. We also value the assistance of many key stakeholders who helped secure the CRISI grant." ♦

Labor Contract Extension Ratified Amicably and Early

It was a win all around. Pacific Harbor Line's (PHL) operating employees, ocean carriers, ports, connecting railroads, and the nation's shippers all benefitted from a landmark three-year extension to the Collective Bargaining Agreement (CBA) between the Brotherhood of Locomotive Engineers and Trainmen (BLET), Division 214, and PHL well ahead of any deadline.

The agreement represents a step forward in labor relations and underscores the commitment of both parties to fair working conditions and operational excellence.

The extension—effective through September 20, 2027—covers 145 of PHL's 180 employees.

Key highlights include wages and benefit provisions. The CBA extension

sets competitive wage structures, while maintaining the same lower-than-rail-industry employee contributions for health benefits, so that the PHL workforce receives fair compensation for their critical role in the nation's supply chain at the busiest port complex in North America.

"This is a great win for the organization and our members," General Chairman Brian Carr said. "The contract contains no changes to our health and medical plan and provides 13 percent wage



Attending the signing of a landmark three-year CBA agreement extension between PHL and the BLET were (left to right): PHL BLET Division 214 Local Chairman Jose Covarrubias; BLET General Chairman Brian Carr; PHL President Otis L. Cliatt II; and PHL Vice President Stephane Perri.

increases over two years. PHL and the organization have worked well together through this process to ensure no disruptions to the ports of Long Beach and Los Angeles, and we look forward to working together in the future." ♦