

Pacific Harbor Line

REPORT

Q3/2025

Celebrating the Strength of the U.S. Supply Chain

The Neutral Connector at the Center of America's Trade Gateway

PHL is the only neutral rail operator serving both ports in the San Pedro Bay complex. We connect two Class I railroads, multiple terminals, and thousands of shippers—without bias, with transparency, and with performance as our priority.

This neutrality means:

- Efficient, fair movement of goods
- Flexibility to meet shifting cargo demands
- Coordination that benefits the entire supply chain

**PHL isn't here to compete—we're here to connect.
And we do it well.**

“The men and women here at PHL, and at railroads across the country, worked tirelessly to ensure American households received the goods and supplies that they needed [during the pandemic].”

Amit Bose
Former Federal
Railroad Administrator

Building Stronger Communities, One Child at a Time

PHL's commitment doesn't end at the yard gate. Our engagement with the community—especially youth—reflects the deep values of our team.

In just the past year—together with SA Recycling—PHL helped fund an activity field for the Boys & Girls Club of the Los Angeles Harbor, serving youth in Wilmington. We also hosted Girl Scout Troop #1213, who toured an engine and learned about rail operations thanks to our team's hospitality and outreach.

These aren't just public relations gestures—they are part of PHL's long-standing tradition of investing in the next generation. ♦



When YTI hosted Girl Scouts from Troop #1213 it was wonderful to see their enthusiasm and curiosity as they explored our operations. The girls enjoyed learning about our rail and vessel operations and had a fantastic tour of the Pacific Harbor Line engine—all thanks to Mike Croy's (YTI's Operations Manager) coordination and the support of the PHL team! A big thank you to Troop Leader Heather Tomilowitz for her initiative in organizing this visit.

**“Not all business relationships turn into partnerships, but the good ones do.

And this [with PHL] is one of those.”**

Alan McCorkle
President & CEO
Yusen Terminals



Message from the President

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



Why does a Southern California short-line railroad matter to the U.S. economy? Because every day, about one billion dollars in goods—computers, electronics, food, clothing, medicine—flow through the San Pedro Bay port complex, much of it on our railroad. And nearly a third of all containerized international waterborne trade in the U.S. comes through these ports.

As the neutral rail operator serving the Ports of Los Angeles and Long Beach, Pacific Harbor Line (PHL) is proud to play a critical role in connecting America to the world. Our around-the-clock operations—alongside our Class I partners—form the hidden but essential link between ships arriving at the port and goods reaching homes and businesses across the country.

Those of you who interact with us—including community officials and residents, port and terminal staff, and customers—can take pride in our role as the figurative and literal engine that runs the U.S. economy. Many of our technology, safety, and service enhancements will add value for our customers and community.

We do our job with efficiency, care, and teamwork, and we take tremendous satisfaction each time we hand off a train loaded with hundreds of containers carrying thousands of shipments to Class I partners destined for American businesses and families. ♦

Leadership in Global Trade Recognized



Accepting the Bob Kleist Leadership Award are PHL's (l-r): Otis L. Cliatt II, Diana Turubanova, and Stephane Perri.

The prestigious Bob Kleist Leadership Award for 2025 was given by the Los Angeles Chamber of Commerce to PHL during the World Trade Week celebration.

Presented annually, the award honors exceptional leaders in the development and promotion of global trade in Southern California. Named after the late Bob Kleist—an icon of international business advocacy—the award recognizes individuals and organizations whose efforts have strengthened the region's role as a global gateway. ♦

“If we didn't have the switching by PHL in our yard, we would have tremendous service failures, and our ultimate customers would not be able to sell their goods.”

Mark Wheeler
General Manager
West Basin Container Terminal

The Short Line with a Deep Bench

PHL parent, Anacostia Rail Holdings, provides the strategic leadership and support we need to successfully serve as an integrated part of North America's 600+ railroads operating over a 200,000-route-mile network.

Just this year, Anacostia has brought on experienced leaders in top-level key executive positions. They are:



Michael Naatz, Chief Operating Officer, whose career has spanned the supply chain industry from Class I, to national motor carrier YRC Worldwide, to regional railroads, and to Westvaco, a global packaging company;



Todd Nuelle, Chief Commercial Officer, brings 25 years of industry experience, most recently with Canadian National Railway where he served as Senior Director of Supply Chain Operations, and;



Mark Nuchurch, Manager of Safety and Compliance, who started his railroad career as a conductor and engineer and, most recently, served as Manager of Safety and Operating Practices for CSX Intermodal Terminals.

Thanks to the industry experience and continuous investment from Anacostia Rail Holdings, PHL is able to focus on running a safe railroad that provides the services our customers need while supporting our local community. ♦



Safety First: Recognized Industry Leader



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

Last year, PHL was again honored with the President's Award for Safety and a Jake Safety Award from the American Short Line & Regional Railroad Association (ASLRRRA) for the 2023 calendar year. PHL had the lowest accident frequency rate reported to the Federal Railroad Administration among Pacific Region railroads with 250,000–500,000 annual hours worked.

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

Superintendent Rick VanZee said it best: "The fact that we are so often a recipient of the industry's highest safety awards is a direct result of our focus: 'One move at a time, one shift at a time, one day at a time.'"



Top Recognition for Top Safety Professional

Herman Crosson, Chief Safety and Compliance Officer, ARH was awarded the prestigious ASLRRRA Safety Professional of the Year Award at the ASLRRRA 2025 Annual Convention, April 6–8.

"This honor belongs to everyone in the Anacostia family," Crosson said. "From new hires to our veterans, all are focused on the safety of their fellow workers, community, and shippers."

"We know Herman as someone who cares deeply about the safety of our team," says Peter Gilbertson, President and CEO, ARH. "This is a well-deserved recognition, and we couldn't be prouder." ♦

“Over the years our business has been able to grow due, in part, to the dependability, reliability, and consistency of the service by PHL. They truly are second to none, and they are in a class of their own.”

Dwight Robinson | Vice President & General Manager, Los Angeles Harbor Grain Terminal

A New Record!

Record monthly volumes at the Ports of Long Beach and Los Angeles were handled safely, efficiently, and without delay by PHL.

"The credit for this accomplishment goes to our experienced and hard-working team," says PHL President Otis Cliatt II.

The Port of Los Angeles experienced the busiest month in its 117-year history, notching the movement of 1,016,837 TEUs. At the Port of Long Beach, the month was its busiest July ever and the third busiest month in its 114th year of operations, with TEU volumes of 486,081 imports, 91,328 imports, and 384,824 empties. ♦

PHL Leads Derailment Prevention Training

Through the sponsorship of derailment prevention training by PHL, the Ports of Los Angeles and Long Beach experienced enhanced safety measures enabling professionals to prioritize safety, increase efficiency, and ultimately improve overall railroad safety standards.

"Though railroads have made tremendous safety advances, the industry must continue to improve. Training like this for dedicated professionals ensures that we will be better tomorrow than today," says Peter Gilbertson, CEO, Anacostia Rail Holdings.

PHL took the initiative to invite representatives from the Federal Railroad Administration (FRA), California Public Utilities Commission, F&M Rail Service, Harbor Services, J.A. Placek Construction, mechanical car inspectors, and repairs contractors to join us for the training.

"We look forward to continuing our collaboration and building upon the knowledge shared during this training," says Otis Cliatt II, President, PHL. ♦

“PHL’s decades of experience, leadership, and safety record is what makes them the ideal provider of rail services for the Port of Long Beach.”

Mario Cordero
Executive Director
Port of Long Beach

Navigating Global Disruption with Strength & Strategy

The amazing value our men and women deliver was never more obvious than when the world shut down, and the people of Pacific Harbor Line stepped up. From the early shockwaves of the COVID-19 pandemic to the supply chain congestion that followed, PHL provided resilient, responsive rail services that ensured essential goods—like food, medicine, and electronics—kept moving.

PHL President Otis Cliatt II recalls: “The complex events that confronted us went beyond ‘the perfect storm.’ That’s why I’m so proud of our team and our partners.”

During those tumultuous two years, PHL remained fully operational despite workforce and logistical constraints.

PHL’s team overcame:

- Global shutdowns and shipping volatility
- Civil unrest that affected access and staffing
- Surging import volumes and port congestion
- Personal loss and community challenges

And we emerged stronger. ♦

The Power of People: Local Roots, National Impact

PHL’s 180 employees are more than workers—they are neighbors, volunteers, and mentors in the harbor communities we serve. Many have been with the company for 15, 20, or even 25 years.

We contribute to the local economy not just through payroll, but through purchasing, contracting, and community support. And we take pride in the personal and professional growth of every team member.

As Vice President Stephane Perri says: “Hard-working, committed to one another’s well-being, and continuously learning and growing—**our people are the foundation of everything we accomplish.**” ♦

COVID Heroes



Here are just a few of the people who keep your business rolling at PHL. We salute and thank all our dedicated employees for their hard work.



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.

Strength in Stability: Labor Leadership & Collaboration

PHL's long-standing partnership with the Brotherhood of Locomotive Engineers and Trainmen (BLET) is a model of labor-management collaboration. The most recent three-year agreement extension was:

- Approved by 91% of members
- Finalized ahead of schedule
- Structured to ensure fairness and continuity

General Chairman Brian Carr remarked: "PHL and the organization have worked well together through this process to ensure no disruptions to the Ports of Long Beach and Los Angeles."

President Otis Cliatt II added: "Our employees are the backbone of our operations."

Recognizing the dedication of our team comes in many ways, including daily acknowledgement of the jobs well done as well as periodic events:

- Recognition of our U.S. military veteran employees, who play a key role in our workforce
- Eagle Eye Honors to employees for going above and beyond their normal duties to prevent a workplace incident or injury
- Employee-of-the-Month
- Complimentary In-N-Out Burger food truck visits ♦

Investing in Tomorrow: Environmental Excellence in Action

Our zero-emissions locomotive program isn't just a milestone—it's a model. As the first rail operator in the region to adopt battery-electric switchers, we're not only meeting air quality goals, but we're also setting them.

PHL has long led the way in green rail. Our early adoption of EPA Tier 3+ and Tier 4 locomotives set a high bar, and we're going even further.

The investments we've made in improved and new sustainable technology affirm our role as an environmental innovator.

We're proud to be making clean rail technology real—not just for today, but for the future of the entire freight network. ♦

Integrating Technology for Reliability & Efficiency

From the moment PHL started operating in the San Pedro Bay ports complex we've made capital improvements that have improved safety, reliability, and efficiency.

On the technology front, we deploy digital tools and communications systems that:

- improve switch planning;
- enhance visibility for terminal operators;
- optimize yard management; and
- provide real-time data for decision-making.

This tech-enabled approach ensures we move every container with maximum efficiency and precision.

At the same time, our maintenance and renewal program on the ground is robust. In the past five years, for example, PHL has planned and managed significant capital projects—all while maintaining safe and reliable service—including:

- long-term renewal of the critical Badger Bridge with the replacement of the lift cables; elimination of jointed rail with new continuous welded rail; all new bridge ties, reconfigured walkways and hand-rail replacement for improved safety; and installation of new, lower maintenance mitred rail joints at the juncture of the lift span and fixed tracks;
- 17,000 feet of continuous welded rail; and
- 946 bridge ties, 578 mainline ties, 100 yard ties, and 323 switch ties. ♦

“The customer service group has a broad wealth of knowledge.”

Andrew Prior | Operations Manager
Wallenius Wilhelmsen Solutions

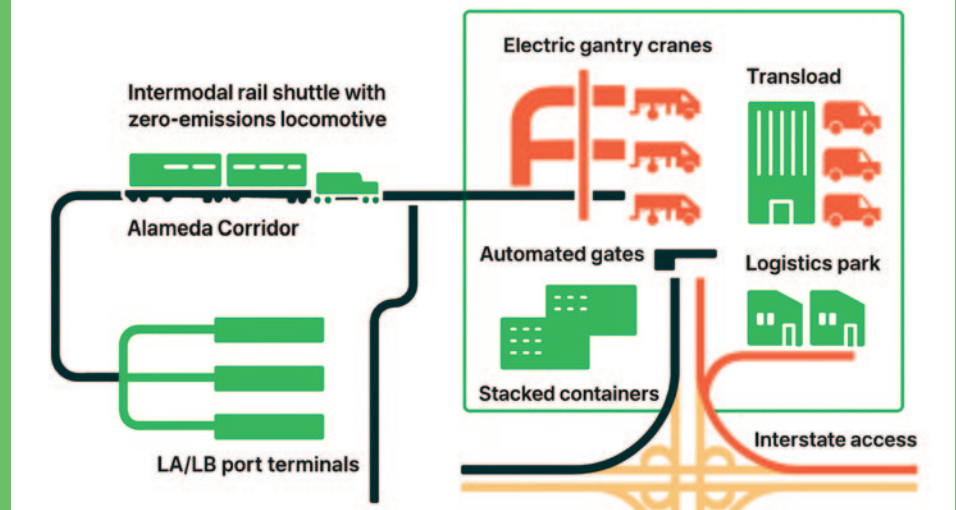
Innovation in Motion: The Inland Port Shuttle Solution

Congestion relief and greater fluidity in freight movement are top priorities at the San Pedro Bay Port Complex—and Pacific Harbor Line is leading efforts to achieve both. Recent studies commissioned by PHL and Anacostia Rail Holdings, conducted by Oliver Wyman and Leachman & Associates, propose a forward-thinking solution: a short-haul rail shuttle system to inland ports within 150 miles.

This intermodal concept is designed to:

- alleviate congestion near port areas;
- increase rail's share of cargo movement;
- cut emissions and reduce truck traffic; and
- streamline container through put and dwell times.

Vision for a Southern California Intermodal Rail-Shuttle-Inland Port Service



Based on proven models in North America and Europe, the inland port shuttle system could provide scalable solutions to meet growing cargo volumes—while aligning with regional climate and congestion goals.

As the neutral operator of on-dock rail, PHL has taken the initiative to advocate for this kind of integrated logistics innovation. ♦

Industry Leaders Look to PHL for Best Practices

PHL regularly hosts transportation professionals, regulators, and academic groups to provide insight into modern rail operations. We've recently welcomed:

- University of Denver graduate students
- Surface Transportation Board Chairman Robert E. Primus and members Karen Hedlund and Michelle Schultz
- FRA Administrator Amit Bose
- Port, labor, and freight leadership

At one of our recent events, we 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.

These visits offer a window into what makes PHL different: open communica-



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

tion, commitment to safety, and collaboration across modes and industries.

As PHL President Otis Cliatt II notes, "We are honored to be seen as a rail industry leader that benefits the national economy." ♦

Ready for What Comes Next

From surging imports to supply chain shocks, the last few years have shown the value of resilience and reliability. PHL has delivered both—consistently, collaboratively, and with care.

We continue to:

- Strengthen partnerships
- Lead in sustainability
- Invest in labor and innovation
- Serve our communities

And we are proud to be part of something bigger: the seamless, quiet, vital movement of goods that keeps America running.

Whatever comes next, PHL is ready. ♦

 **Connect with us!**

