

JUNE 2016



Shared Track



Photo credit: Carl Weber

Conrail's 40th Anniversary

By: Anthony Carlini, Vice President, Chief Admin Officer & Treasurer

In 1976 after a decade long decline in the United States railroad industry the U.S. Government consolidated six bankrupt but long-established rail companies; Penn Central, Erie-Lackawanna, Jersey Central, Lehigh Valley, Reading, and Lehigh & Hudson River Railroad and created Consolidated Rail Corporation.

Conrail began operations on April 1, 1976 as a federally subsidized operation and its mandate was to revitalize rail service in the Northeast and Midwest and operate as a for-profit company. With 100,000 employees, heavy government regulations and unprofitable commuter rail service, Conrail struggled to make any profit in the first years. However, in 1980 and 1981 the government enacted several laws that helped rejuvenate the railway industry. In 1980 the Staggers Act was signed, which largely deregulated railroads and tariff rates for transportation services and in 1981 Congress passed the Northeast Rail Services Act which turned commuter rail operations over to state-run agencies like SEPTA and New Jersey Transit. After these significant changes to regulations in place since the turn of the century, Conrail began to prosper and became the fourth-largest freight railroad in the U.S.

In 1985 the Conrail Privatization Act was passed authorizing a public stock offering to return the railroad to the private sector. When it returned to the private

sector in 1987 it was the largest initial public offering in U.S. history, raising 1.9 billion dollars. The new private company established up to date standards of safety, quality and employee fairness and continued to thrive throughout the 90's when it was acquired by Norfolk Southern Corporation (NSC) and CSX Transportation (CSXT) in 1997.

NSC and CSXT split most of the company's assets with the NS acquiring 58% and CSXT 42%. In July of 1998, the Surface Transportation Board approved the acquisition and restructuring of Conrail, but in order to preserve competition in three critical areas (North Jersey, South Jersey/Philadelphia, and Detroit) a switching and terminal railroad officially named "Conrail Shared Assets Operations" was created and maintains control of more than 1,200 miles of track.

Conrail Shared Assets officially began operating as a switching and terminal railroad on June 1, 1999. It recast itself as a precedent setting service provider on behalf of its owners satisfying the transportation needs of numerous industries ever since.

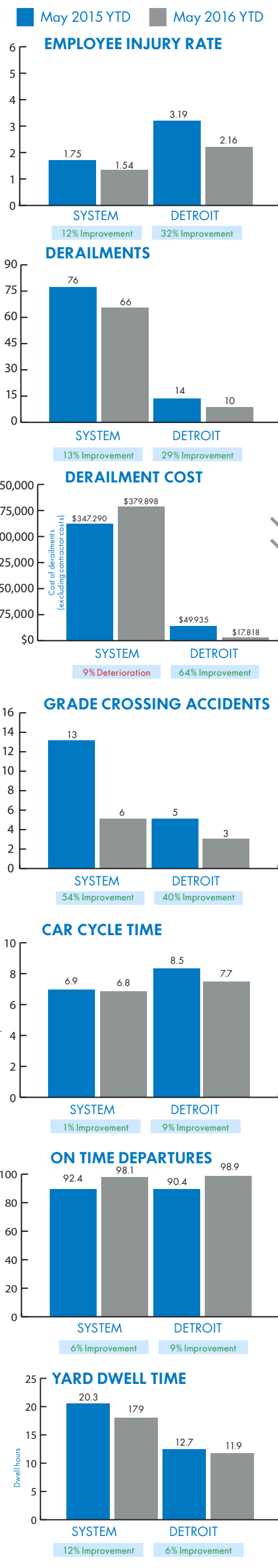
In 2006, like much of the railroad industry, a wave of retirements began at Conrail. Nearly 75% of the current work force has a hire date after 1999, many of them with less than 10 years of service. Conrail has continued to succeed over the years due to its dedicated leadership and hardworking employees. Although Conrail no longer handles commercial matters, it continues to play a critical role to ensure our customers are serviced both safely and efficiently



Detroit Shared Assets Area

New CP Lou Decreases Congestion and Increases Productivity

DETROIT SAFETY AND PERFORMANCE METRICS



By: Tom Szpond, Terminal Track Supervisor and Kory Johnson, Terminal Superintendent

THE CSX handles four intermodal trains daily at their Van Site at Livernois Yard in Detroit. Each train must compete with additional traffic, up to 60 trains per day, from the CP, CN, NS, and Conrail through the busy Ecorse, Delray connection. Improvements were necessary to facilitate the heavy traffic flow through the south end of the Conrail Detroit territory and to prevent trains from losing their momentum. One capital project provided an attractive alternative at a reasonable investment, and that was CP Lou.

CP Lou was first interlocked in April of 2001 as a connection to the CSX via Conrail's Michigan Line and their Mainline. However, in 2015 it was agreed

upon by all necessary parties that a progressive move to the CSX Van Site would help increase productivity. It would provide an alternative route into the Van Site, thus helping to relieve congestion through Delray.

In the summer of that year Detroit's engineering department began construction, installing the #15 crossover to accommodate another access route into the CSXT Van Site. The new interlocking is now fully functioning and all of the hard work and dedication put into CP Lou is paying dividends.

The crossover makes Livernois Yard work far more efficiently; it now has power switches at the west end of the yard which allows for a progressive move out of Livernois yard right thru Lou. This

eliminates crews operating conventional switches to service customers on the west side of Detroit. With the completion of CP Lou, the much anticipated Intermodal auto part loads can be off the train, on trucks, and into the auto plants in half the time, and the affects haven't gone unnoticed.

The CSX and local transportation have said that the benefits are huge now that they have an extra option to pull a train thru Lou, while a train is pulling to Delray. "When you mention the NEW CP LOU to any crew working at Livernois Yard, you will get an automatic smile. In one simple phrase "IT WORKS," this is not always the case with new projects before all the "kinks" are worked out," said Detroit Terminal Superintendent Kory Johnson.



US Steel

SINCE ITS inception in 1901, US Steel has played a major role in United States history. In its inaugural year it accounted for 66% of America's steel output. During World War I, its annual production exceeded the combined output of all German and Austrian firms. To this day it remains the largest integrated steel producer headquartered in the United States.

In 2003 US Steel acquired the Great Lakes Works facility situated along the Detroit River in Ecorse and River Rouge, Mich., it consists of both steel-making and finishing facilities. The majority of products manufactured at Great Lakes Works include hot-rolled, cold-rolled and coated sheet steels that are used primarily by customers in the automotive industry. It has an annual raw steelmaking capability of approximately 38 million net tons, the majority of which is transported by rail.

"We are dependent on Conrail to help us make our shipping numbers for our months end financial goals. It ensures on time delivery to our customers and it all hinges on our rail service from Conrail," said Jay Paterson, Traffic Supervisor, US Steel Great Lakes Works.

"Conrail plays an integral part of our production, we are partners. We ship a lot of rail and that keeps our operations going and keeps our customer operations going strong. Our relationship with Conrail is very good, we work very well together."



Philadelphia/Mount Laurel

RECEIVING YARD
TRACKS 1-9

The 'ID Process' at Conrail

INDUSTRIAL DEVELOPMENT, or "ID", is a vital part of doing business at Conrail. ID is how Conrail coordinates with our parent companies as well as our own engineering and transportation departments to assist customers in getting new rail service or making alterations to expand business at an existing facility. Because so many departments and people are involved, knowing how to get a customer situated can be complicated. In an effort to make this easier, Conrail's engineering department recently documented the "ID Process" so everyone involved can better understand their roles.

Industrial Development begins with the ID Coordinator. When a prospective customer wants rail service, they may contact any number of people at Conrail, NS or CSX. However, they must first speak with the IDC, who will ask them a series of questions: where they would like rail service, what kind of commodities they plan to ship, what kind of volumes they foresee, etc. If a customer is looking at a specific site, the IDC will find out whether we can serve that site, what is needed to start service there (such as sidetrack construction or rehabilitation), and whether a site will work for the commodity and type of rail cars they plan on shipping or receiving. At this point, the IDC will send them a one-page sidetrack application to fill out.

Upon receipt of a returned sidetrack application, the IDC then forwards it onto ID representatives at both parent companies. These representatives will contact the prospective customer and see if either one wishes to "sponsor" them. When a

parent company sponsors a prospective customer, the IDC does three things: lets the customer know they need to submit plans to Conrail's Engineering Design and Construction group, adds them to the official sidetrack log, and lets the transportation department know there's a new customer on the way.

While this process is the desired path, inevitably there are times that it doesn't work out as planned. This tends to occur when the process isn't followed and the prospective customer is given incorrect information. For example, someone may be told a site can be served when it really cannot, or that we can accommodate volumes for which we do not have the capacity. That is why we are a strong effort to ensure the ID process is followed correctly.

The ID process also helps eliminate prospective customers with unrealistic projects. For example, someone may want rail service at a site that doesn't have an existing sidetrack, and building one may be prohibitively expensive. Or, someone may want rail service at a facility where the curvature and clearances are not suitable for the kind of cars they want to receive, and they are not prepared to make the investment.

ID can be complicated, but the process in place makes it simpler for everyone involved. By following this process, we can ensure the smooth addition of new customers or transition of existing ones into the facilities they desire – this allows Conrail to be open for business.

Sidetrack Agreements

By: Maria Bourassa, Manager of Engineering Contracts

WHEN A business is calling for rail service on Conrail Shared Assets Territory, Conrail asks many questions before approving the plans for a new sidetrack or reactivating an existing sidetrack for rail service. Early communication between the customer, the sponsoring parent company and Conrail is paramount to provide an efficient process for initiating new sidetrack rail services. Customers must provide Conrail's Transportation Department with information regarding the type of railcar to be used, service schedule required, and volume of traffic expected to start planning with the customer, who is sponsored by one of Conrail's parent companies, CSX or Norfolk Southern. When all of the information is provided and agreed upon the customer signs a sidetrack agreement.

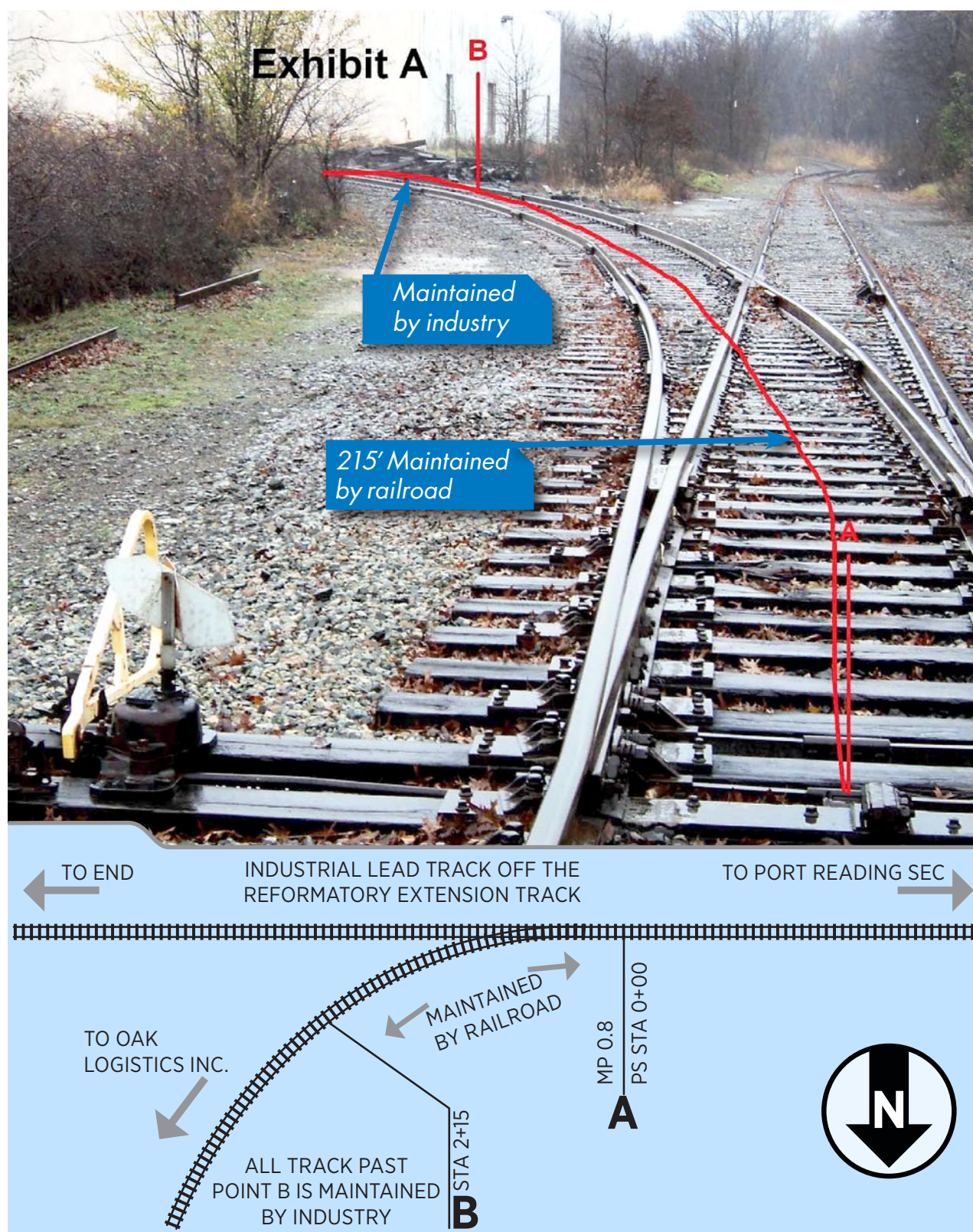
A sidetrack agreement is a legal document made between a railroad and a property owner on whose property a sidetrack has been built. It states, among other things, that the property owner shall maintain the track on his property to a minimum of FRA Class 1 Track Standards, and Conrail agrees to maintain the switch and the portion of track on Conrail's right of way. In the Sidetrack Agreement the customer agrees to pay Conrail a Maintenance Charge if fewer than 7 carloads per year originate or terminate at its sidetrack, and the Agreement specifies a minimum charge for re-railing services. A detailed drawing of the sidetrack is attached as an exhibit to each Conrail Sidetrack Agreement. It also established liability and insurance requirements.

The design for construction or rehabilitation of a sidetrack must comply with Conrail's Industrial Sidetrack Construction Specifications and be approved by Conrail Engineering Design and Construction Department. The design drawings must show horizontal and vertical curves, clearances, track centers, lighting, walkways, fences, gates, derails, building doors, loading docks, bumping blocks, etc. When the design has been approved and built, or existing sidetrack is ready for service, the sidetrack is inspected by a Conrail Project Engineer, a Track Supervisor and a customer representative. Any defects must be remedied before service begins.

A Sidetrack Agreement is entered between the customer and Conrail, and a new Customer Profile is established, then service can begin. Early and open communication between the customer, Conrail, Norfolk

Southern and CSX makes sure the customer knows what Conrail expects and requires, and is a driving

force to expedite the process and to ensure a safe and efficient operation of industrial sidetrack locations.



Connections

Mount Laurel/Philadelphia

Injury Free-Years Of Service

- Ian Connors, Train Dispatcher, 5 years of service
- Brett Fenton, Assistant Real Estate Manager, 5 years of service
- Zachary Maras, Supervisor Information Technology Services, 5 years of service
- John Scullin, Assistant Supervisor Engineering Equipment, 5 years of service
- Steve Scullin, Real Estate Agent, 5 years of service
- Robert Winegrad, Assistant Director Real Estate, 5 years of service

First Anniversary

- Francine Monteleon, Senior Executive Assistant
- Anthony Taylor, Document Specialist

Retirement

- Lawrence Savercool, Electronic Technician, 41 years of service

Detroit

Injury Free-Years Of Service

- Daniel Cotter, Car Inspector, 40 years of service
- Anthony Harvey, Machine Operator, 40 years of service
- Daniel Mallo, Supervisor Mechanical Operations, 40 years of service
- Thomas Szpond, Terminal Supervisor of Track, 40 years of service
- Gary Ennis Jr., Car Inspector, 10 years of service
- Aaron Dobbs, Engineer, 5 years of service
- Justin Lavalley, Conductor, 5 years of service
- Christopher Neys, Conductor, 5 years of service
- Geno Salvatore, Conductor, 5 years of service

First Anniversary

- Michael Kreger, Car Inspector
- Rebecca Regulski, Secretary/Admin Assistant

North Jersey

Injury-Free Years Of Service

- Mark Brooks, Stevedore, 10 years of service
- Michael Buccì Jr., Welder, 10 years of service
- Robert Caruso, Machinist, 10 years of service
- Richard Degraw, Welder, 10 years of service
- Raymond Recio, Foreman, 10 years of service
- Mikal Rutherford, Machine Operator, 10 years of service
- Sean Sowers, Welder Foreman, 10 years of service
- Daniel Carle, Track Supervisor, 5 years of service
- Frank Eorio, C&S Maintainer, 5 years of service
- Michael Escrivao, Foreman, 5 years of service
- Edward Havel, Conductor, 5 years of service
- David Jose, Conductor, 5 years of service
- Ehren Roberts, Assistant Trainmaster, 5 years of service
- Anthony Rose, Machinist, 5 years of service
- George Wolf Jr., Conductor, 5 years of service

New Hires

- Rinor Marku, Stevedore
- Hany Mena, Stevedore
- Mark Larwa, Stevedore
- Alexander Reinsmith, Management Trainee Track
- Anthony Stianchi, Stevedore

First Anniversary

- Randie Canlas, Stevedore
- William Dugan, Stevedore
- Oscar Giron, Machinist
- Richard Jackson III, Conductor
- Rocco Masse, Stevedore
- Michael Mendoza, Stevedore
- Joseph P. Monaco, Conductor
- John Peters, Conductor
- Tony Porter, Conductor
- Gregory Quintero Sr., Machinist
- Michael Rose, Carman
- David Smith, Carman
- Thomas Stout, Conductor
- David Thompson, Conductor
- Eric Tice, Machinist
- Tahan Williams, Stevedore
- Stephen Zipp, Stevedore

Retirement

- Khalil Khan, Electrician, 23 years of service

South Jersey

Injury-Free Years Of Service

- Patrick Macneill, Foreman, 40 years of service
- Patrick McWilliams, Trainmaster, 10 years of service
- Michael Gaull, Engineer, 5 years of service
- Zachary Gaull, Conductor, 5 years of service
- Richard Haynes III, Conductor, 5 years of service
- Justin Kania, Train Dispatcher, 5 years of service
- Casey Taylor, Assistant Trainmaster, 5 years of service

First Anniversary

- Kyle Binder, Conductor
- Eric Blade, Trackman
- Scott Grueneberg, Conductor
- Brett Hauser, Conductor
- Patrick Kelly, Machine Operator
- Robert Kilchrist, Conductor
- Robert King, Conductor
- James Pennington, Conductor
- Brandon Reitz, Machine Operator
- Richard Smith, Trackman

New Hires

- Jared Little, M&W Repairman

Gone, But Not Forgotten

Martin "Marty" J. Porrini, Jr. March 7, 1966 – November 22, 2015



"Marty" was known for his hard work, dedication, great driving/operating skills and his big smile. His attitude and sense of humor made him fun to work with and be around. Marty was only with Conrail for a short period of time, but made a big impact on his fellow co-workers. Marty loved his job and showed it with the quality of his work.

Marty will truly be missed.

Ronald "Uncle Ronnie" Commander July 21, 1954 – June 27, 2015



"Uncle Ronnie," a nickname given to him due to his adoptive nature, began his Conrail career in 1979. Throughout it he held various positions, from trackman to foreman, but no matter what job or title he held, day in and day out he gave it his all and he required the same from everyone around him. He was always willing to teach and share his wealth of railroad knowledge and life experiences. He cared so much for us that he made us his namesake nephews. Uncle Ronnie will be forever missed and the locker room will never be the same.

Joseph Marsh

February 19, 1991 – January 16, 2016

Talented mechanic Joseph "Joe" Marsh lost his life at such a young age. Joe was always there when you needed a "good wrench." Joe was never afraid of a challenge and was willing to lend a hand day or night. His knowledge of machinery gained the respect of his peers in the short time he was with Conrail.

Joe, may you Rest in Peace.



**Gentlemen, thank you for your
dedicated service to Conrail.
You may not be with us, but you
are not forgotten.**

Connections

Dan Lyons MTL/PHL

DAN LYONS, Manager of Information Technology Services, was recently recognized by Railway Age Magazine, in their inaugural Fast Trackers Competition. Lyons was named one of the Top 10 railroad employees throughout the entire United States under the age of 40. The selection process was based on employees who have made a major impact in their respective field or within their company.

Lyons began his career at Conrail during his senior year at Temple University as an intern in the IT



department. Upon graduating in 2012 he hired on full-time, and he hit the ground running accomplishing several feats in his short tenure.

“Dan has designed and built a mobile workforce, to enable employees to work remotely from multiple platforms like tablets, laptops, and smart phones. He is an influential team member of the Positive Train Control Design and Implementation Team. He has helped to upgrade the Conrail network that included security and reliability that resulted in uptimes of close to 99.8%. Dan runs IT training seminars at every level of the company. He has created an IT disaster recovery plan for continued train operations in case of an emergency,” said David Arnold, Manager of Information Technology.

Throughout all of the acknowledgments and praise for his efforts, Lyons’ dedication has not been motivated by self interest, but rather by what is best for Conrail and its employees. “It feels great to be recognized and I hope other Conrail employees get recognized in the future. It’s great to work with people who help you along the way, and I don’t feel that I was just recognized, I feel that all of Conrail was recognized. My goal is to make it easier for employees to perform their jobs to the best of their capabilities,” said Lyons.

Matt Joynes South Jersey

By: Stephen McGinnis

CUSTOMER SERVICE plays an integral role in any service based industry, no matter what service it provides. It can play a major role in the success or failure of any organization. In Matt, “Mattie” Joynes, South Jersey Yard Master’s case it has played a pivotal role in the success of Conrail and its customer Kimberly Clark.

Kimberly Clark’s facility in Chester Pa. had a hallmark year in 2015, and because of this they wanted to recognize the employees that helped accomplish such great results. Patrick Tobin, Hourly Leader of Final Preparation at Kimberly Clark, spearheads KC’s railroad operations and knew that “Mattie’s” hard work and dedication had to be recognized. “He always goes above and beyond to help us. We knew we had to recognize him as a big part of our success,” said Tobin.

Joynes began his career with Conrail in 1990 and in 1993 he was promoted to Yard Master, and throughout the years has built and maintained strong relationships with many of Conrail’s customers. “Mattie has built an amazing customer relationship with us at KC. He exemplifies behaviors that are taught to our employees. He is truly the foundation for Conrail when it comes to our relationship with them,” added Tobin.

Even after the recognition and praise Joynes remained humble. “I just want to do my job the best I can and keep our customers happy, that’s what I am here to do,” said Joynes. He went on to share the accolades with his fellow employees. “We have a lot of great guys here at Stony Creek, everyone likes to work hard, get the job done right, and when its all said and done we can laugh and have a good time. That’s the best part.”

His efforts go far beyond just the service he provides to Conrail’s customers, it is the image and standard he has set for all to follow that earned him and Conrail the admiration and recognition from Kimberly Clark. “I’m not sure if this is something Conrail teaches or if it’s just Mattie, we all love him and his customer service. Danny McHugh, South Jersey Yard Master was the same way when he was our ‘Yardie.’ All of the Conrail people we deal with are great. Conrail is either doing great training or hiring great people who care and just want to do the job right and we can’t thank them enough.”



Mark Primamore and Ed Risher North Jersey

By: Stephen McGinnis

WITH A combined experience of 41 years in T&E, it’s no surprise that Engineer Mark Primamore, and Conductor Ed Risher, can spot something out of the ordinary while out on the rails. “You always have to be aware of your surroundings, you have to make sure no one is hiding in the weeds, that no kids are walking along the tracks, or for any type of issues that could impact our safety,” said Risher.

On a particularly cold morning while working on the Pt. Reading secondary, the crew and Conductor Trainee Tony Porter spotted something in the distance that looked out of place. “As we were on our way to service a customer, Mark said he saw something, so we backed the train up and realized that it was a dog and it looked like it was trapped,” said Risher. “We walked about 250 feet into the woods and saw that it still had a leash on and it was wrapped around some branches. We could see that it was very emaciated and scared, so we talked to it for a little and it let us untangle the leash and even put it inside the engine out of the cold. We gave it some water and that’s when Ed saw the St. Hubert’s Animal Welfare Center tag on its collar,” said Primamore.

The crew notified North Jersey’s Terminal Superintendent Moe Megali and Train Master Doug Robertson of their situation, and they made it clear, the crew was to stay with the dog until someone arrived to make sure it made it home safe. “Our supervisors always encourage us to take the time necessary to do our jobs the right way and to do the right thing for the community,” said Primamore.

Risher called St. Hubert’s, who was aware that the dog had gone missing from its owner, but they couldn’t believe that someone found it and reached out to them. “They were ecstatic that we found the dog, they contacted the Piscataway Police Department and arranged for an officer to meet us at the next crossing,” said Risher.

Long time dog owners themselves the crew was happy they could help return this one to its owner. “It’s nice to be helpful, we are happy we could reunite someone with their dog. We just tried to do the right thing,” said Primamore.

That’s exactly what they did, and JoJo was reunited with her family. Owner Paul Carlet was extremely grateful. “All I can say is they must have some pretty big hearts to do everything they did to make sure she made it back to us. I can’t thank them enough.”



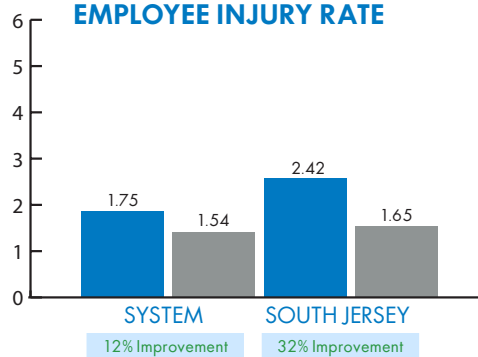
Owners Melissa Estrella and Paul Carlet reunited with JoJo.

South Jersey Shared Assets Area

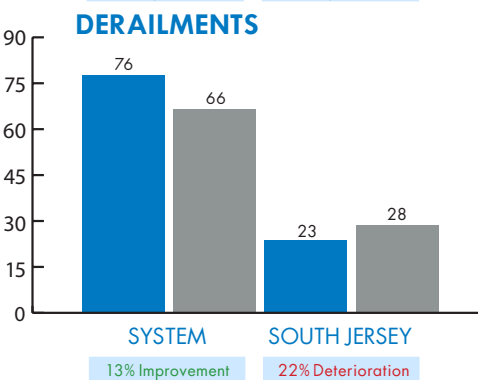
SOUTH JERSEY SAFETY AND PERFORMANCE METRICS

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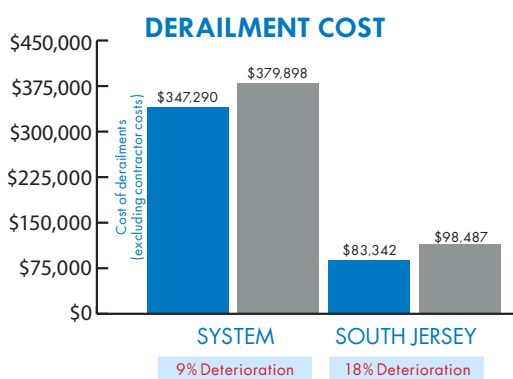
EMPLOYEE INJURY RATE



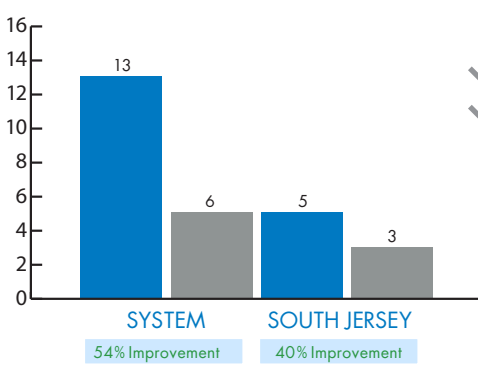
DERAILMENTS



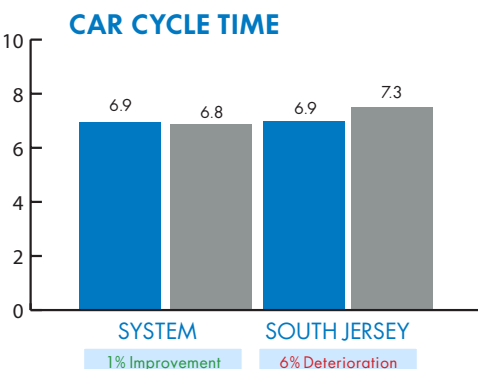
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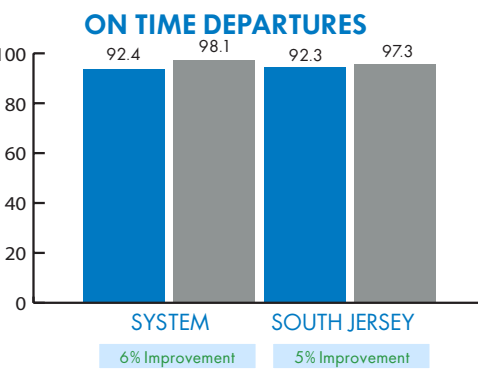
GRADE CROSSING ACCIDENTS



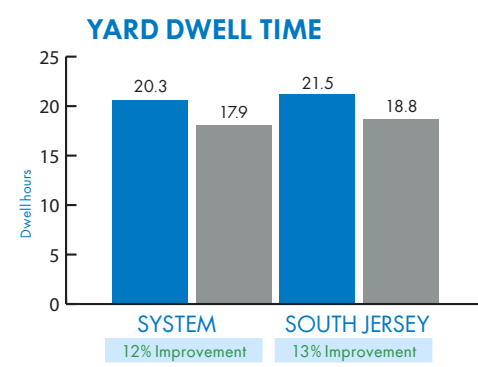
CAR CYCLE TIME



ON TIME DEPARTURES



YARD DWELL TIME



Delair Bridge Rope Replacement Project

By: Bob Baylor, Manager of Bridges and Buildings

IN ORDER to carry the railroad over the Delaware River, The Pennsylvania Railroad from 1895 to 1896 built the Delair moveable swing bridge. In 1958-1959 the railroad closed the swing span and installed a vertical lift span in order to increase the horizontal navigational channel clearance. This segment of double track carries both New Jersey Transit passenger trains and Conrail trains. The river bridge and its approaches total over 4000 feet including the 533 foot channel lift span. The bridge is the only railroad link between Philadelphia and Southern New Jersey.

With the increasing age of the bridges infrastructure, Conrail regularly carries out various types of inspections including underwater, ultrasonic pin and a detailed inspection of the counterweight wire ropes on the lift span. The last wire rope inspection revealed that the ropes are still in generally good condition but are exhibiting typical wear conditions and have corrosion in certain areas. It was determined that 96 counterweight ropes were to be replaced. When engineering began, the project was estimated to cost approximately 6 million dollars and would be completed in two phases broken down by year: 2015 for procurement of material and 2016 for construction. Conrail was able to take advantage of a Tiger III Grant under the direction of the South Jersey Port Authority to help fund the project. Under the Tiger III Grant Conrail is eligible for 50% reimbursement of the total project cost.

In 2015 the procurement of materials progressed as well as the planning and coordination with the many entities involved in the construction process. The United States Coast Guard, Marine Advisory Committee, New Jersey Transit, Jacobs Engineering, Cornell and Conrail collectively began to work together to initiate and complete the wire rope replacement. A total of 96 wire rope assemblies were fabricated on 8 foot by 5 foot spools as well as 96 take up assemblies, which provide an attachment between the wire ropes and the counterweights. The construction on the wire rope replacement was underway.

Conrail engineering in coordination with the USCG and MAC determined that the new wire rope replacement construction would require the lift span to be in the down

position for a two week sequence scheduled for April 30th – May 7th and May 14th – May 21st. This put the waterway out of service for marine traffic needing a bridge opening. In order to complete the wire rope replacement under this limited timeframe, New Jersey Transit's track as well as Conrail's track was taken out of service for some duration during those weeks as well. The replacement of 48 ropes at the east tower of the lift span was completed between April 30th – May 7th and the

replacement of 48 ropes at the west tower of the lift span was completed between June 4th and June 10th.

With the inevitable aging of the railroad's infrastructure, freight railroads in recent years have seen an increase in capital investment in its infrastructure. Conrail is following suit and continues to effectively and efficiently maintain its tracks, right of way, bridges and tunnels. This project has renewed and will help sustain the Delair's infrastructure for years to come.

Braskem America

By: Stephen McGinnis

BRASKEM IS the world's leading biopolymer producer and the largest thermoplastics resin producer in the Americas. The industrial units in the United States continue to pursue opportunities to push more volume through their assets through enhancements in process technology, logistics, sourcing and supply chain. The Marcus Hook site has set production records for three years in a row. These improvements require uninterrupted logistical support to ensure both feedstock and product move in and out of the facility in an efficient and timely manner to satisfy both plant and client demands.

Based in Sao Paulo, Brazil, Braskem has facilities throughout South America, Europe, and North America. Braskem America is headquartered in Philadelphia, with one of their five U.S. polypropylene plants located in Marcus Hook which is serviced by Conrail out of Stony Creek Yard.

The Marcus Hook facility produces 350,000 metric tons of polypropylene a year and relies heavily on the NS, CSX and Conrail as the delivering carrier for timely delivery of its railcars to support its 24/7 operation and ever increasing production targets. At Marcus Hook, Braskem brings in roughly half of its feedstock volume and ships out most of its finished product by rail. "Rail is so crucial to our operation; we are dependent on Conrail to maintain our production rates. We don't exist without it," said Braskem Senior Transportation Specialist, Danielle McKee.

First, propylene (monomer) is sourced from various petroleum refineries and delivered via rail and truck to the Braskem Marcus Hook site, where the material is further refined. The purified propylene is stored in an underground cavern until it can be fed into Braskem's polymerization plant to be reacted into polymer resins, and further processed with additives to create various types of finished product in the form of small pellets. The finished product pellets are then shipped by railcar to various Braskem clients who transform the polypropylene into items such as diapers, storage containers, film and automotive parts.

Conrail services Braskem's facilities on all three of their daily shifts, pulling and spotting roughly 15 tank cars and 15 hopper cars per day depending on production needs. In 2015, approximately 5,000 railcars were placed at Braskem's facility. The improved relationship built between Conrail and Braskem has helped ensure operations run smoothly for all parties. "I feel that we both have benefited from improved communications and there is a sense of team work between the Braskem and Conrail operation teams," said McKee.

Braskem is looking to expand their Marcus Hook operations in the future which will involve increased production and increased rail volume moving into and out of the facility. Conrail looks forward to growing and expanding their partnership with Braskem.



Braskem's Dani McKee and Mike Hughes admiring Conrail crew servicing their Marcus Hook facility.

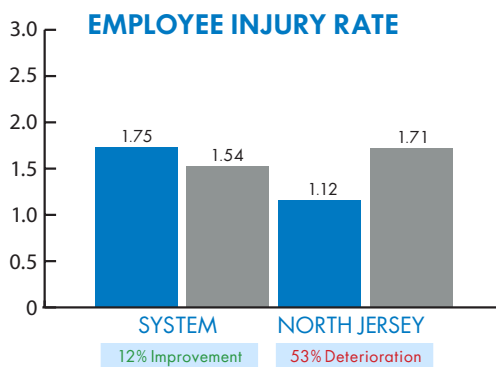
North Jersey Shared Assets Area

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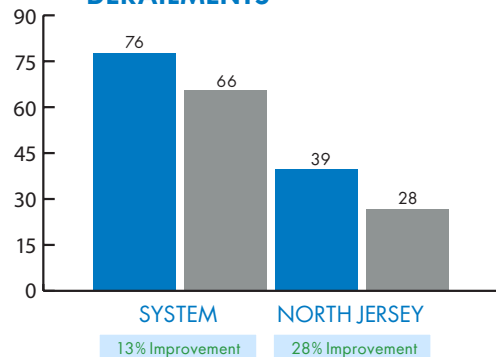
NORTH JERSEY SAFETY AND PERFORMANCE METRICS

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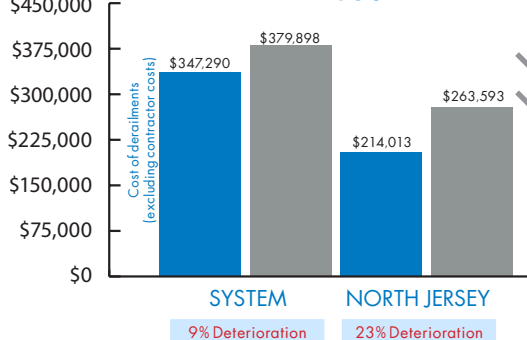
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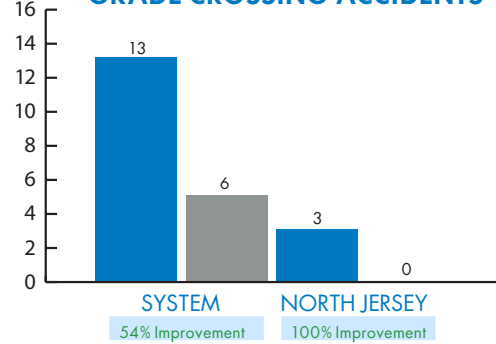
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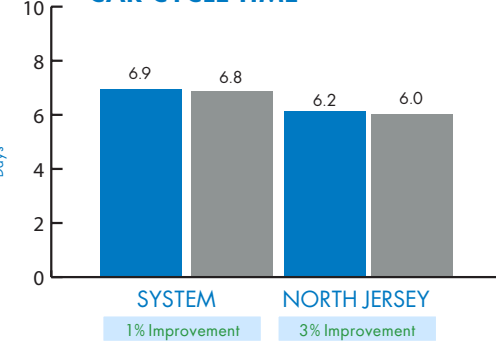
DERAILMENT COST



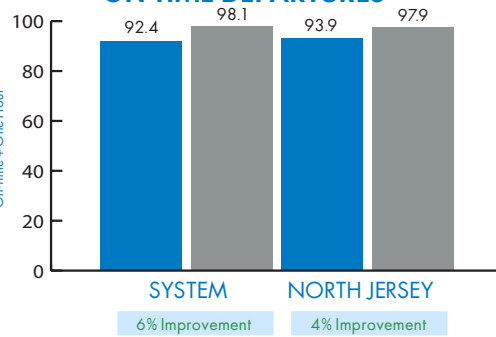
GRADE CROSSING ACCIDENTS



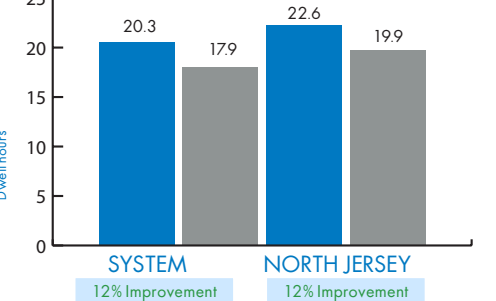
CAR CYCLE TIME



ON TIME DEPARTURES



YARD DWELL TIME



Covanta's Pollution Solution

By: Stephen McGinnis

WITH THE increasing interest in clean energy and proper waste disposal, Conrail's North Jersey customer Covanta has teamed up with New York City's Department of Sanitation (DSNY) to sustainably dispose of some of the 1,500 tons of residential and institutional municipal solid waste collected daily by the DSNY, and convert it into clean energy.

The waste is loaded into containers and onto barges at the North Shore Marine Transfer Station in Queens, NY. The barges are sailed to Global Containers Terminal - New York (GCT) where they are offloaded. "GCT's responsibility is to offload the barges, load the trash containers onto trains and deliver the loaded cars to Conrail in Arlington Yard. Conrail pulls the loads to go to Wilmington, DE., or Niagara Falls, NY via the CSXT and also returns the empty containers to GCT. Upon arrival, the containers trash is processed at our energy-from-waste facilities and converted into electricity," said Covanta's Robert Balbierz, Director, Logistics Sustainable Solutions.

Covanta plays a pivotal role in protecting the environment, using waste to create clean energy. According to their website Covanta's Energy-from-Waste facilities throughout the US annually convert approximately 20 million tons of waste into power for one million homes. Their North Jersey operation, with the

coordination of the DSNY, GCT-NY, Conrail and CSXT, ship and receive 920 tons of trash in 12 railcars per day and are projecting to ship 400,000 tons of waste, approximately 5,000 railcars, to their plants in 2016.

"Conrail is extremely important partner to Covanta and the service into Arlington Yard is pivotal part of this complex project. Our facilities operate 24 hours a day, seven days a week so it is extremely important that we get the daily places and pulls. Conrail helps keep

our facilities supplied with waste and the service has been extremely good," said Balbierz. "Without reliable service, we would not only jeopardize our facility operations but we would not be able to supply our client, DSNY, with empty containers to load trash into," he added.

Covanta will process waste from a second DSNY Marine Transfer starting in 2018. The second transfer station will increase the output of trash to 600,000 tons through Conrail's North Jersey territory.



Staten Island Railroad

By: Jonathan Broder, Vice President-Corporate Development and Chief Legal Officer

SINCE 1999, Conrail has efficiently and effectively serviced the shared asset areas established as a result of the Conrail merger transaction. However, when an opportunity arose for an expansion of Conrail's franchise into an adjacent and complementary market, Norfolk Southern and CSX did not hesitate to jump at the opportunity. Thus, in the early 2000's the New York Economic Development Corporation (a New York City related agency) put out a bid to operate and manage the Baltimore and Ohio's former Staten Island Railroad in New York City, NS and CSX put in successful bids and designated Conrail to reintroduce operations back into New York.

The SIRR itself has a long and storied history dating back to the 19th century. In more recent times, the NYS&W operated the railroad throughout the 1980's to 1991. CSX then sold the railroad to New York in the mid-1990s. New York City spent more than \$70M from 2003 to 2007 to reactivate service. NS, CSX and Conrail negotiated an operating agreement with NYEDC in 2006 and service was reinstated on April 2, 2007.

Perhaps the key physical feature of the SIRR is the Arthur Kill Lift Bridge. It was reconstructed by the B&O in 1959 and has the longest lift span of any vertical-lift bridge in the world, with two 215-foot (66 m) towers and a 558-foot (170 m) truss span that allows a 500-foot (150 m) channel. It clears mean high water by 31 feet (9.4 m) when closed and 135 feet (41 m) when lifted. It connects from Conrail's Garden State Secondary near Bayway Yard in Linden, NJ across the Arthur Kill to the Howland Hook Marine Terminal in Staten Island. Conrail remote-controlled the bridge and it is now operated along with Conrail's HACK lift bridge from the Upper Bay Bridge, a short distance away.

In addition to the Bridge, all traffic is moved to the Arlington Yard where it is exchanged with New York Global

Container Terminal for intermodal traffic to/from the HHMT. Traffic also moves down the 4.5 mile long Travis Branch to the New York Department of Sanitation's municipal waste facility from Arlington Yard.

In the ten years that Conrail has operated and maintained the SIRR, we have handled more than 30,000 carloads of freight and almost 360,000 containers. Conrail along with NS and CSX recently exercised a second, ten year renewal option which will take Conrail's presence in New York out to 2027 at a minimum.

Future opportunities include moving up to 2 million tons of municipal solid waste (MSW) off of Staten Island. New York City's long term waste plan includes barging much of the MSW generated in Queens, Brooklyn and Manhattan to Staten Island, and is expected to start moving 20,000 carloads a year by 2018. As business to the Port of New York continues to grow, the HHMT's business should also gradually improve.

Conrail's operation of the SIRR has been a real success. Future challenges include the renewal of 1950's vintage infrastructure and carefully coordinating traffic growth with the North Jersey Terminal's business flows.



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Check out the full line of official branded merchandise featuring the logos of Conrail and predecessor railroads. Great for gifts, or your own use.

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Front

40th Anniversary



Back

Commemorative Plate

40th Anniversary Plate

This plate is one of 1,500 made to commemorate the 40th Anniversary of Conrail. Born on April 1, 1976, Conrail continued the rich traditions of its predecessors as a premiere Class I carrier and one of the great success stories in railroad history. Its success continues today as a unique terminal switching service provider for CSX and NS. This plate is dedicated to all of the employees, past and present, who made Conrail a leader in the industry for 40 years.

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