

MARCH 2015



Shared Track

The new CONRAIL.COM



CHECK OUT Conrail.com! Our all-new website is a more usable and attractive portal providing an improved Conrail on-line experience from any device. In addition to better functionality on desktop and laptop PCs, Conrail.com is optimized for mobile devices. Smartphone integration means that customers can order and check on service more easily, and Conrail employees can immediately and directly report emergencies, quickly find important contacts and communicate faster along the line. Employees also will enjoy easier and more secure access to vital internal information and tools, including contacts, HR information and company activities.

In its initial launch, Conrail.com content is carried over from the previous version, while design, functionality and usability are validated. As the site develops, there will be more interactive features and opportunities to share pertinent information.

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CONRAIL IS YOUR RAILROAD

CONRAIL HAS never been satisfied with the status quo. Our company was born in 1976 as a turn-around solution to the decadeslong decline of the United States railroad industry. The consolidation of seven bankrupt, but long-established rail companies, was a daunting challenge. It took major changes to operations, U.S. laws and regulations, billions of dollars in track improvements, rationalizing physical plant and headcount, as well as the development of new equipment to remake freight rail as a value-based option in a broadening transportation industry.

After Conrail became profitable by establishing new standards of safety, quality, customer service and employee fairness, we revived competition on the rails in 1999 by splitting the vast majority of assets between two of the most admired railroads in North America, Norfolk Southern and CSX. For the busiest regions that weren't possible to split equitably, Conrail recast itself as a precedent-setting service provider on behalf of its dual ownership, satisfying the transportation needs of numerous industries.

This unusual structure also makes us unique as an organization. Whenever there are new undertakings, there are formations of association that transcend

geographical and legacy challenges. Conrail has evolved as a highly communicative organization, from which the businesses we serve can expect creative solutions and outstanding service, especially as demand for our capabilities picks up in the economic recovery. At Conrail, employees do not back down from a challenge. Problems that may seem insurmountable always are achievable with optimism, hard work and communication.

It's not too much of an exaggeration to say that Conrail is a "family."

Constructive change is best inspired by those who understand the strengths of the people they work with. A creative leader recognizes that relationships can be an efficient change agent, and when combined with the proper tools and support, a passionate individual will naturally succeed. It's not too much of an exaggeration to say that Conrail is a "family" in which members are encouraged to be creative, work hard and address the inevitable challenges, knowing that the rest of the family will back them

up in every way possible.

We are doing a great job, and our aim is to do even better by informing all Conrail employees about "Their Railroad." To strengthen our family, spread creativity, and share challenges and achievements, we are augmenting our daily individual communication efforts with this upgraded Shared Track newsletter and a much-improved website.

In our company, everyone brings something to the table. But because we are dispersed, it becomes easy to hear the voices in attendance and difficult to identify the voices missing. The stronger our connections, the more efficient Conrail will be in 2015 as we enter an era of greater challenge and greater achievement.

In addition to strengthening our family by sharing our stories, Conrail also wants to be a "surprise-free" communication environment, in which employees are informed about what's important to them, and in which they are encouraged to contribute their own ideas. When we have ongoing and candid family conversations, we are stronger in our work and more attentive to the businesses we serve, as well as safer in our jobs and more secure in our futures.

The arrival of the Ringling Brothers and Barnum & Bailey Circus train at Conrail yards is always a delight, and facilitating the "Animal Walk" is one of Conrail employees' favorite tasks. Here, XXXX the Elephant is being gently led out of her car for some exercise after traveling from the last venue. Despite the great care given them by circus employees, Ringling Bros. has determined that continuous travel and performance is especially hard on large animals, and has elected to "retire" all elephants from traveling acts by 2018. All Ringling Bros. Elephants will range freely at the 200-acre Ringling Bros. and Barnum & Bailey Center for Elephant Conservation in central Florida.



Detroit Shared Assets Area

Made in Detroit, shipped worldwide

WHEN THE U.S. economy appeared to be in full recovery in late 2013, auto manufacturers increased their production schedules to meet anticipated demand. But extended winter weather hindered shipments in some regions, leading to larger inventories of new Dodge Ram trucks, Chrysler 200 sedans and Jeep Grand Cherokees at the company's manufacturing plants served by Conrail in the Detroit Service Area. When warm weather finally took hold in May, demand for FCA US products was hot, and a huge challenge arose to get the accrued inventory — along with the full-scale new production — to dealerships nationwide before the late summer changeover for 2015 models.

By mid-June, Conrail Detroit Manager of Field Operations Corey Johnson had assembled enough transporters, locomotives and manpower to maintain around-the-clock loading and departures through North Yard. As many as 200 railcars loaded per day from the three FCA US area plants: Warren Truck, Jefferson North and Sterling Heights.

“We really pulled together to keep our FCA US customers’ products moving so that they could operate at their top rate of production,” Johnson said.

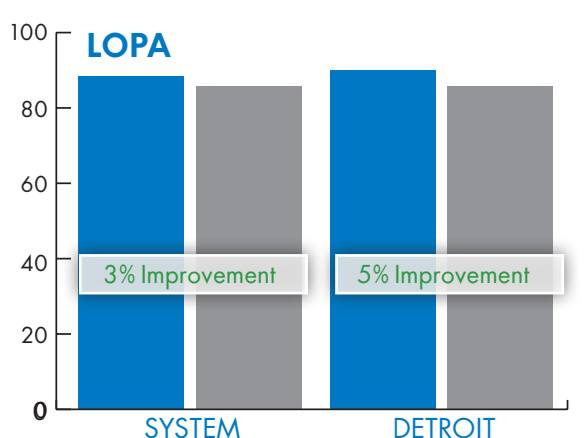
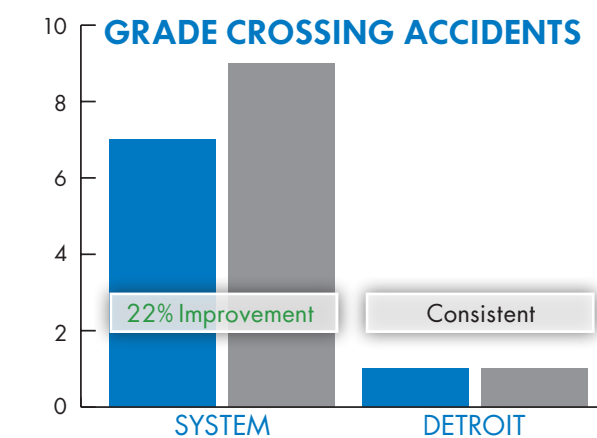
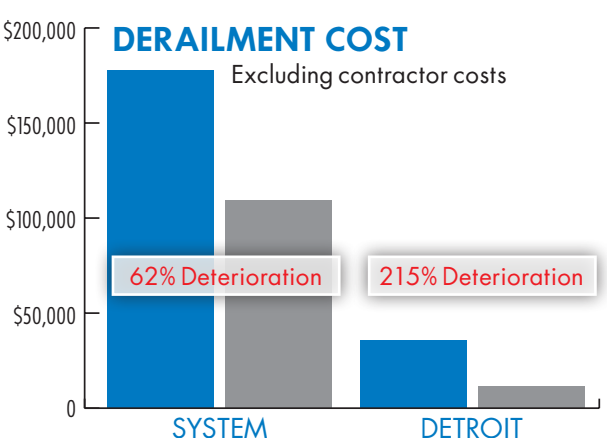
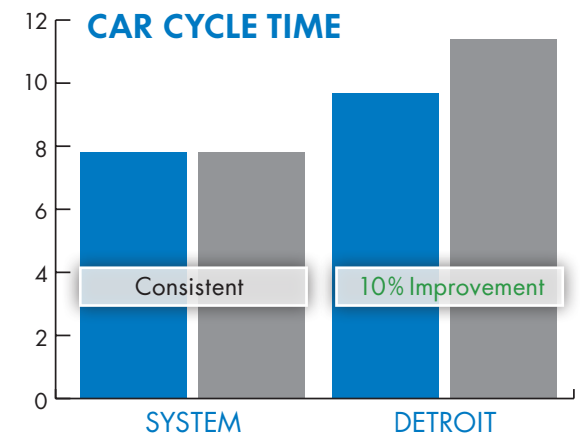
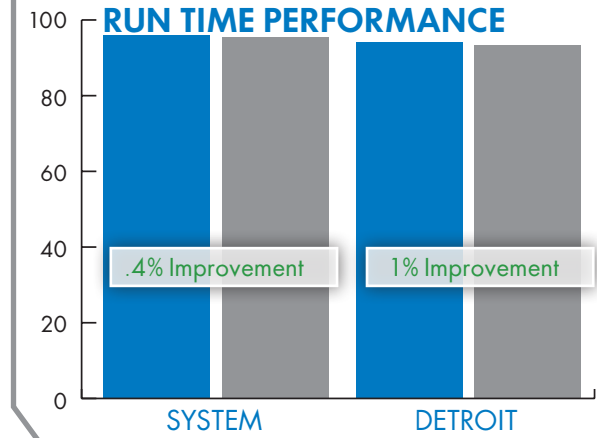
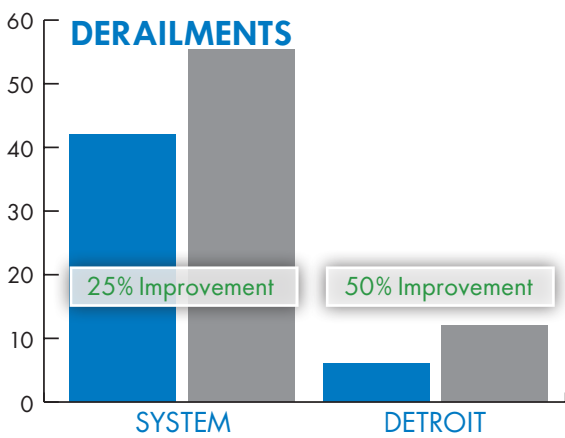
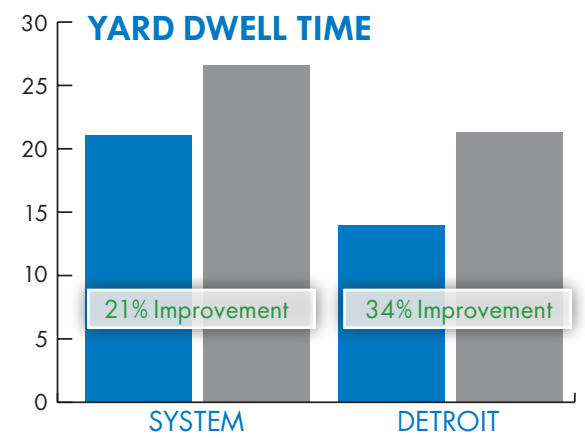
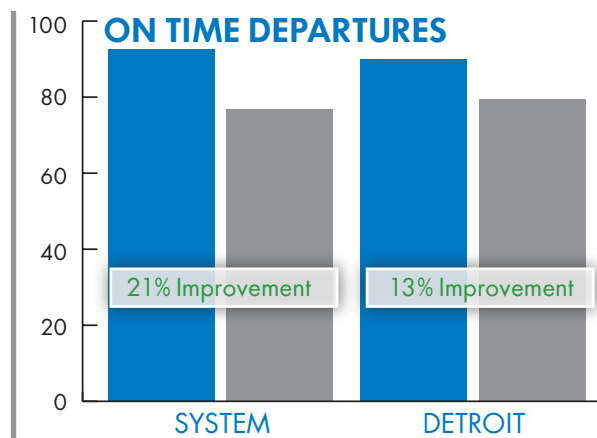
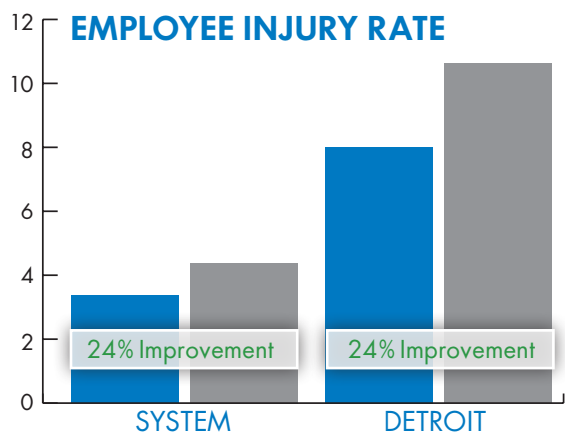
Altogether, Conrail teams loaded some 50,000 vehicles in the crucial June-through-August period, helping to fill dealer lots around the country just as auto sales started to reach pre-Recession rates for the first time since 2008.

“Conrail plays an integral role in the supply chain for Warren Truck,” said David Askew, Warren Truck Assembly Plant production control manager. “They make sure that some of the most important components for the Ram truck, including engines and frames, arrive at the plant on time. Once built, Conrail completes the process by delivering the finished product to our dealers.”



DETROIT SAFETY AND PERFORMANCE METRICS

■ February 2015 YTD ■ February 2014 YTD



Philadelphia/Mt. Laurel

Conrail's Philadelphia Arch Street headquarters

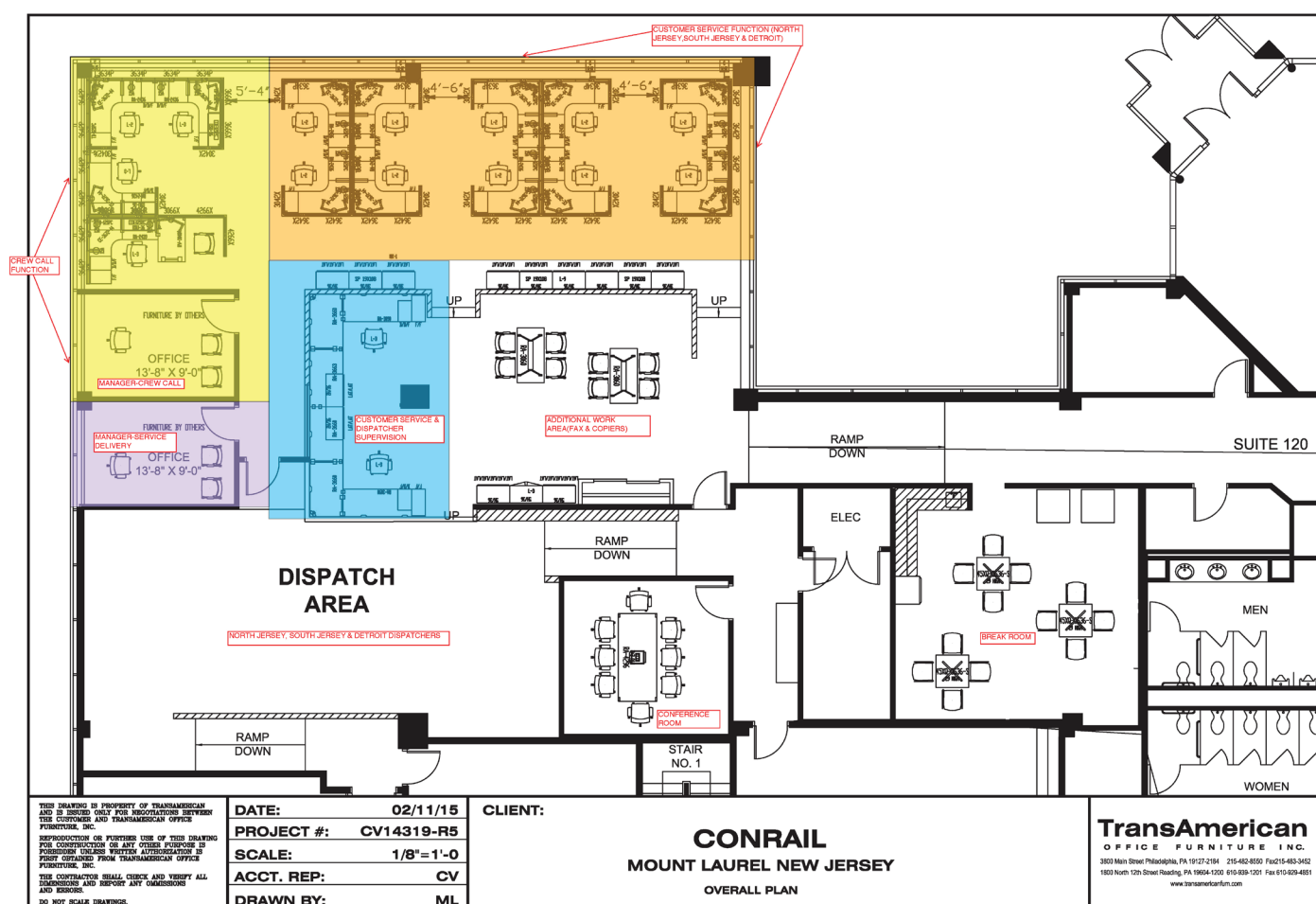
THE ARCH Street corporate headquarters of Conrail houses approximately 25 employees of the corporation's General and Administrative functions. Conrail occupies half of the 13th floor in what is called 3 Logan Square, across the street from Philadelphia's iconic Comcast Center.

While Conrail operates primarily in New Jersey and Michigan, it is a Pennsylvania corporation and has been headquartered in Philadelphia since 1976. Conrail moved to Arch Street in 2008 at the conclusion of the longtime lease at our former headquarters at 2001 Market Street (2 Commerce Square).

Conrail's Arch Street offices include the company's Corporate Development, Law, Human Resources, Labor Relations and Finance departments.

Corporate Development includes the members of the real estate, law, compliance and public affairs groups, as well as the corporate secretary's office. The Finance Department incorporates accounting, and the capital and budget planning departments. Labor Relations manages Conrail's relationships with its collective bargaining units and administers those agreements. The Human Resources Department handles employee benefits as well as the hiring function.

With easy access to the 30th Street Amtrak Station and Philadelphia International Airport, Arch Street is a convenient place for government, union, industry, benefits, legal, and other officials and visitors to interact with the company's governance and administration teams.



Mt. Laurel: A new era in customer service

CONRAIL SHARED Assets Operations Center has been located on the first floor of 1000 Howard Boulevard in Mt. Laurel, New Jersey, since 1999. With the current lease expiring in June, Conrail Real Estate Services (RE) took the opportunity to undertake a major update of the facility to improve employee comfort and productivity.

In negotiations for a new lease through third quarter 2020, Conrail RE negotiated a substantial Tenant Improvement Allowance (TIA) with the building managers, Brandywine Realty Trust. Typically, TIA funds are applied exclusively to "fixed" improvements of the property, such as drywall, paint, carpeting, windows,

HVAC, electrical and plumbing. As a longtime tenant, the Conrail RE team was able to get a substantial portion — 35 percent — of the TIA allotted toward new workstation furnishings that incorporate the latest personal ergonomic and comfort advances.

In addition to bright new surroundings and upgraded infrastructure, Conrail employees will benefit from new ergonomic Haworth workstations and task chairs. Desktops will be freed up, thanks to Humanscale pole-mounts that will elevate monitors, and under-desk caddies for CPUs. The renovated facility is expected to be operational in the spring.

Paterson, Flanley to retire

Joe Flanley, 38 years

JOE'S EXPECTED retirement is most deserved after a career of accomplishment in the Conrail Labor Relations Department. His candor and integrity are personal attributes that fostered his unique style of maintaining a collaborative, "surprise-free" atmosphere between management and union officials. Joe came aboard Conrail in November 1977 in Bethlehem, Pennsylvania, as a trackman, moving up to crew supervisor in 1982. He entered Labor Relations in 1985, becoming director in 1997, and senior director in charge of all Labor Relations matters in 2011. Although Joe will be missed at Conrail, he has transferred his wealth of knowledge to his LR colleagues, and we can expect his manner and style to endure in the Labor Relations office. - RB

Bruce Paterson, 37 years

BRUCE IS an institution of knowledge for all scheduled and nonscheduled employees within the Conrail Transportation Department. He has tirelessly made himself available to everyone from the "day-one" new hire to the imminent retiree and all those rostered in-between, resolving the numerous and complex employment administration needs that present themselves daily. Bruce began with Conrail in September 1978 as a Transportation trainee, rising to supervisor in less than two years, serving in Buffalo and Albany. In 1988, he permanently switched to manpower planning and will retire as director of operations planning and performance. Bruce's unique grasp of the nature of each job and of each railroader's capabilities is the basis for the numerous close personal relationships he holds throughout Conrail. The culture of personal connection that Bruce has woven into our business culture is a permanent feature. - RB

Connections

MOUNT LAUREL/PHILADELPHIA

Retirements

- Richard Maher, director asset planning and administration, retired with 39 years of service.
- Susan Tracey, manager HR planning, retired with 36 years of service.

Injury-free years of service

- Linda Mayover, 35 years of service
- Michael Centeno, 25 years of service.
- Anthony Lomagno, 5 years of service
- Brian Richter, 5 years of service
- Michael Zin, 5 years of service

First anniversary

- Rodney, Gordon, Asst Superintendent Operations

- Joseph Soto, Asst Superintendent Operations
- Pasquale Tursi, Records Specialist

New hires

- Nicole Bate, customer service representative
- Anthony Dipace, customer service representative
- Tawney Famous-Benner, customer service representative
- Markus Koltura, customer service representative
- Amadu Koroma, communications network engineer
- Alexander Kovalev, communications network engineer
- Kelly Large, customer service representative
- Meghan Macneill, customer service representative
- Eric Migala, customer service representative
- Kelly Simpson, customer service representative

DETROIT

Retirements

- Bruce Clarey, carman, retired Jan. 3 after 40 years of service.
- Charles Cumby, yardmaster, retired Feb. 16 after 38 years of service.
- Jeffrey Plante, conductor, retired Jan. 10 after 42 years of service.

Injury-free years of service

- Russell Henson, yardmaster, 15 years of service.
- Scott Brenamen, engineer, 10 years of service.
- Bryan Burke, conductor, 10 years of service.
- Scott Cyrus, senior trainmaster, 10 years of service.
- George Ditzhazy, mechanic, 10 years of service.
- Jeffery Lasky, conductor, 10 years of service.

First anniversary

- Daniel Collop, conductor
- Brian Dennis, conductor
- Chad Hotchkiss, conductor

- Paul Ishel, conductor
- Dustin King, conductor
- Broderick Knight, conductor
- Nikko Nuculaj, conductor
- Cody Root, conductor
- Andrew Schoener, C&S maintainer
- Cody Wiseheart, conductor

New hires

- Paul Grech, carman
- Daniel Grosshans, trackman
- Eric Hixson, trackman
- Joshua Kraniak, trackman
- Anthony McGruder, trackman
- Miguel Perez, signalman trainee
- Darrick Satcher, carman
- Paul Thoma, communication maintainer
- William Thornton, carman

SOUTH JERSEY

Retirements

- George Bell, machinist, retired with 39 years of service.
- Donald Burnham, head clerk, retired Oct. 2 after 37 years of service.
- Tod Campbell, trainmaster, retired Nov. 1 after 39 years of service.
- Pat Digiaco, mechanical supervisor, retired Oct. 5 after 41 years of service.
- Roger Johnson, machine operator, retired Dec. 2 after 38 years of service.
- Carl Miller, machine operator, retired Nov. 1 after 39 years of service.
- David Pawlowski, C&S maintainer, retired Oct. 2 after 38 years of service.
- Thomas Romeo, carman, retired after 41 years of service.
- William Shaw, conductor, retired Nov. 4 after 40 years of service.
- James Williams, conductor, retired Dec. 13 after 40 years of service.
- Hans Ziegler, engineer, retired after 51 years of service.

Injury-free years of service

- John Boyle, car inspector, 40 years of service
- Norman Parris, mechanic, 35 years of service
- James Waters Sr., engineer, 25 years of service
- Michael Keys, conductor, 20 years of service
- Philip Delisi, trainmaster, 20 years of service
- Leroy Hurley, engineer, 15 years of service
- Timothy Hart, maintainer/repairman, 15 years of service
- Rickey Smith Jr., conductor, 15 years of service
- Daniel Amaya, engineer, 10 years of service
- William Bendig, C&S maintainer, 10 years of service
- Gerald Devlin III, maintainer/repairman, 5 years of service

- Dustin McIntire, machine operator, 5 years of service

First anniversary

- David Batchelor, conductor
- Joe Bongiorno, engineer trainee
- Ryan Derock, C&S maintainer
- Samuel Dias, Foreman
- Mark Gallagher, electronic technician
- Andrew Guenther, conductor
- Christopher Hicks, conductor
- Marcus Jackson, conductor
- Marc Johnson, conductor
- Joseph Marsh, maintainer/repairman
- Omar Peralta, conductor
- Orlando Peterson, conductor
- Joseph Russello Sr., carman
- Joshua Schwartze, conductor
- Metz Searles III, conductor
- Jacob Stroman, conductor
- Ian Towey, C&S maintainer
- Jason Worrell, conductor

New hires

- Jesse Baginski, carman
- John Dowd, trackman
- Jake Keenen, trackman

NORTH JERSEY

Retirements

- John Keim, conductor, retired Jan. 6 after 40 years of service.
- Jeffrey Campbell, foreman, retired Jan. 10 after 37 years of service.
- Martin Frentz, shop manager, retired Dec. 4 after 35 years of service.
- Redmond Wilson, conductor, retired Dec. 18 after 15 years of service.
- William Rizzolo, carman, retired after 40 years of service.
- Douglas Uram, machinist, retired after 36 years of service.

Injury-free years of service

- Michael Rohatsch, auto inspection clerk, 40 years of service.
- Thomas Sculthorpe, carman, 40 years of service.
- Stephen Grogan, stevedore, 40 years of service.
- Clarence Jones, Engineer, 30 years of service.
- Robert Austin Jr, engineer, 20 years of service.
- Guy Cirelli, conductor, 20 years of service.
- Dordy Joseph, engineer, 20 years of service.
- Joseph McNair, engineer, 15 years of service.
- Mark Davis, conductor, 15 years of service.
- Thomas Pilger, senior trainmaster, 15 years of service.
- Joseph Daniels, conductor, 10 years of service.
- Nuno Amaro, electronic technician, 5 years of service.
- Jorge Velazquez, carman, 5 years of service.
- Michael Zin, foreman, 5 years of service.

First anniversary

- Victor Carballo, trackman
- Steven Castro, welder
- Eladio Cosme, welder
- Matthew Eichinger, car inspector
- Peter Holub, C&S maintainer
- Michael Martins, welder foreman
- Ryan Massett, carman
- Julio Perez, C&S maintainer
- Alfonso Resende, B&B worker
- Thomas Scanlon, mechanic
- Bruno Tavares, general clerk

New hires

- John Bodyl, signal maintainer trainee
- Robert Dutcher, communication maintainer
- Nicholas Glassmire, signal maintainer trainee
- Jorge Hernandez, conductor trainee
- Robert Hillery, conductor trainee
- Joseph Lax, conductor trainee
- Mark Lombardo, signal maintainer trainee
- Luis Rodriguez, conductor trainee
- Vladislav Shpats, B&B helper
- Terrance Simpson, laborer
- Nicholas Stewart, signal maintainer trainee
- David Swientnicki, conductor trainee
- Michael Unterbrink, signal maintainer trainee
- Jason Viana, conductor trainee
- David Warwo, signal maintainer trainee

South Jersey Shared Assets Area

Port Richmond clearance project

Performance helps Gloucester Terminal contract

WITH A resurgence in U.S. durable-goods manufacturing, Holt Logistics Corp.'s Gloucester Terminals facility has seen slab-steel imports rise quickly to the point where volume had maxed-out the loading yard's track capacity. When business started to rise, GT Terminal Operations Manager Pete Oakland saw the need to increase car capacity. Adding an additional track in the congested yard wasn't feasible.

"We have great communication and coordination with Conrail," Oakland said. "They came up with a solution of dedicated crews and spotting cars on a nearby siding, so they can pull loads and place empties efficiently."



Success breeds success, and the manufacturer tendered a new \$15 million contract to Holt Logistics for transfer of additional steel slabs — which doubles the current volume. Conrail South Jersey Assistant Trainmaster Casey Taylor oversees the Gloucester Terminal slab-steel traffic.

"We will assemble the additional crews and continue to manage the rapid spotting that has worked well for Gloucester Terminal in order to keep up with their high expectations," he said.

Oakland is confident about further growth.

"We know the Conrail team will work out a solution to keep freight moving in and out at maximum efficiency," he said. "We can call them any time and know that they'll get back to us ASAP with a solution."

THE GENERAL rise in economic activity has substantially increased demand for freight volume in the Conrail South Jersey Shared Asset area. A new contract to land Brazilian eucalyptus pulp and paper at the Tioga Marine Terminal raised the necessity for 17-foot-high "Plate F" high-roof boxcars to economically handle the bulky product.

The Richmond Industrial Track and Philadelphia Belt Line that serves Tioga runs under numerous vehicle bridges and Amtrak's Northeast Corridor through several built-up Philadelphia neighborhoods. In order to provide the necessary 17-foot, 4-inch clearance for the taller cars, the Port Richmond Industrial Track would need to be lowered beneath the bridges along a 3-mile stretch. With cooperation of the Philadelphia Regional Port Authority (PRPA) and Pennsylvania Department of Transportation, the Conrail Engineering Department — with a lot of coordination and assistance from Conrail Transportation — undertook lowering the trackbed below six overhead highway bridges in Philadelphia. Structural modifications to the Somerset Avenue bridge and removal of one overhead railroad bridge also was necessary to provide Plate F clearance.

During the construction work, service was maintained to our existing customer base and the new Tioga Marine customer that began pulp and paper business in September 2014 utilizing smaller Plate C boxcars until Plate F clearances are available. The project required coordination with the city of Philadelphia and Amtrak, along with engineering design and construction assistance from Jacobs Engineering.

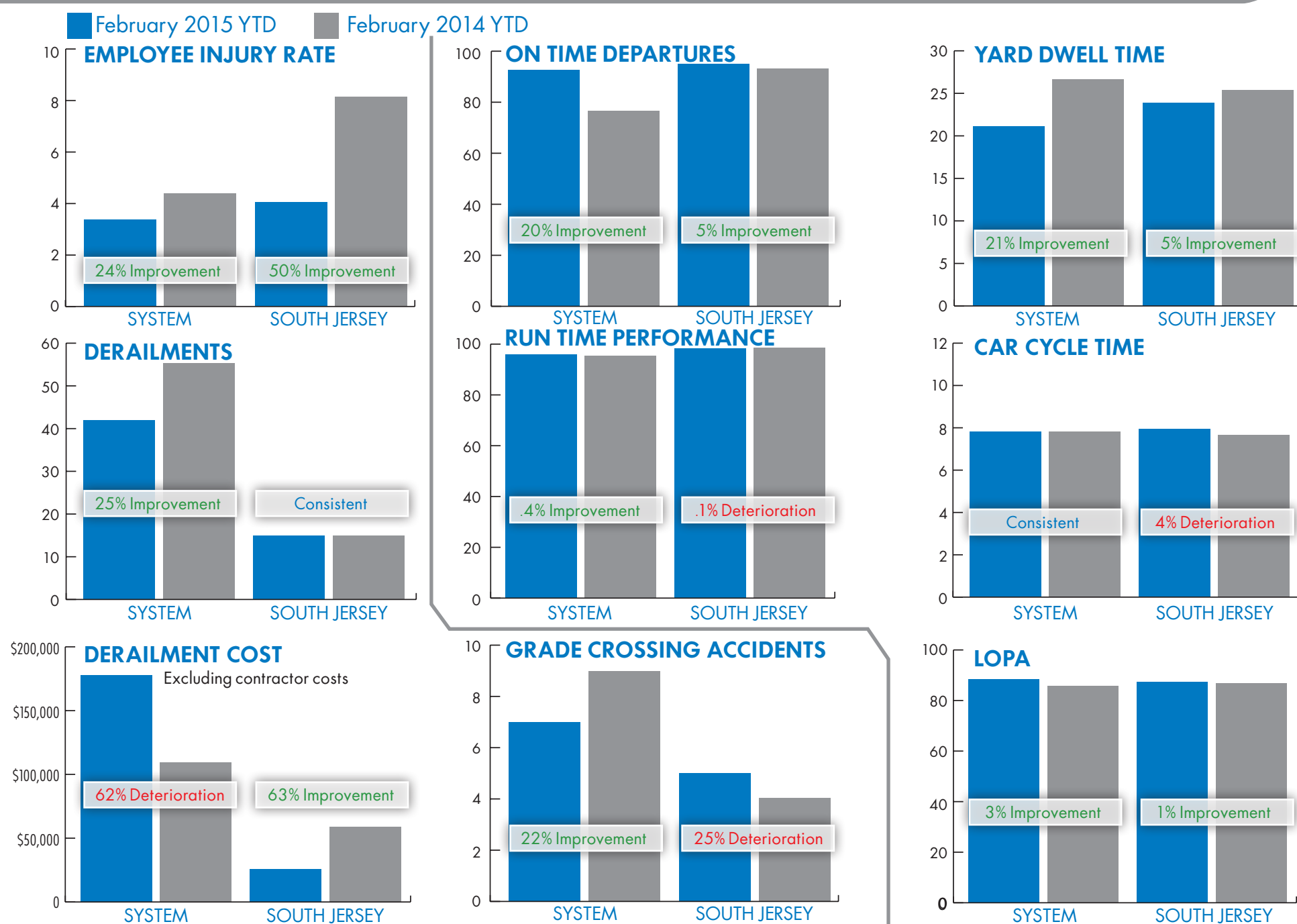
From July 2014 through March 2015, five track outages



were scheduled. Preliminary projects included advance clearing and grubbing, and the removal of the out-of-service Berks Industrial Track Railroad Bridge. In order to minimize the impact of each outage, ditch excavation and other preparations, including retaining walls, rip-rap ditches and reinforced concrete pipe installation, were done ahead of time, so that the track sections could be removed, excavated and reinstalled quickly in the course of each four-day track outage.

The clearance for high-roof cars will expand the Tioga Marine Terminal's freight capacity and flexibility. Four new yard tracks to support the business growth at Port Richmond are underway, two funded by PRPA and two by Conrail. These tracks will provide an additional 160 cars of capacity. Both the clearance work and the four new yard tracks will be completed by April 2015.

SOUTH JERSEY SAFETY AND PERFORMANCE METRICS



North Jersey Shared Assets Area

Close inspection prevents problem

CAR INSPECTOR George Cross has been making sure Conrail trains are safe to travel for eight years. But he still checks each wheel and freight car as if it was his first day — knowing that many safety problems aren't apparent on a first look, and it is imperative to look at all the angles.

On a February night on the east track at Port Reading Yard, Cross was inspecting an 81-car train of empty tankers. Aware that the winter's extraordinarily cold temperatures can increase the running gear's brittleness, he was taking an extra-close look at everything. From a half-car's distance, his inspection light's beam snagged some unusual shading on a wheel rim. As he got closer to the wheel, Cross could see that the outer rim was cracking on its face and had even begun to shatter. Had the train been allowed to go, the car would quite possibly have derailed.

He tagged the car and notified the yardmaster to have it removed from service. By the time the 81-car train rolled the next morning, the damaged car had been removed and was waiting for repair.

Cross knows that, had he not been so attentive, the light may not have caught the wheel in the same way and "snagged" so obviously on the crack.

"That's why I work carefully along every inch of a car," he said. "I don't rush an inspection, no matter how cold or dark it is — or how warm and bright. I take a close look at everything."



Judge Organization sticks with Conrail

IN 2013, the Port Newark Container Terminal commenced its \$650 million expansion to double the number of containers handled. An important part of the plan is to develop an 80-acre attached parcel for container stacking. For the Judge Organization's Port Newark warehousing operation, the expansion presents a tremendous growth opportunity, but also required moving its largest facility. With large industrial facilities becoming harder to find, it seemed likely that the relocation would be outside of the Conrail North Jersey Shared Asset region.

"One of the things we worried about most in the move was whether our rail connection would be as smooth and responsive as it has been with Conrail," said Judge Organization Director of Operations Bob Tighe. "We've really come to count on them to keep our busiest operation functioning efficiently."

Judge Organization in Port Newark warehouse is an important asset to North Jersey's operation.

"We do the best we can for every business we serve," said North Jersey Manager of Field Operations Moe Megali. "It takes awhile to establish the level of confidence in our service."

In order to keep that vital relationship alive, Judge and the Conrail North Jersey team looked for ways to keep Judge in the North Jersey Shared Asset area.

Exploring all options, Megali's team located a suitable, well-located facility that connects to Conrail track by a short line partner that Conrail already works with, that can meet the Judge warehouse's current daily 34-car requirement and can expand that count as needed.

"We were able to continue operating smoothly right through the move, and our customers never noticed a thing," Tighe said. "We're glad we could stick with Conrail and can maintain our advantage in the expanded terminal facility."



NORTH JERSEY SAFETY AND PERFORMANCE METRICS

