



Shared Track



Carman trainees practice correct observation and communication protocol during a coupling inspection.

Training Strategy Addresses Experience Lost to Retirements

By Neil Ferrone, Chief Risk & Regulatory Compliance Officer, and Tim Tierney, Vice President & Chief Engineer

By 2020, so many long-serving Conrail managers will have retired, taking with them approximately 3000 years of railroad experience. How do you replace three millennia of expertise in five years? The first strategy is to utilize as much of the experience as you can right now, and that's one reason behind the surge of infrastructure projects currently underway throughout our Shared Asset Areas. But the real answer is to invest the newer generation with assets that can compensate for experience: education, training, and a culture of knowledge-sharing.

While Conrail management has always placed great emphasis on training, the established program has generally followed the traditional method: Sit New Hires in a class on basic railroading, and then "kick 'em out onto the rails" to journey from one crew to another, and hopefully pick up what they needed to know. The 58-week training program provided less assurance that the employee had learned railroading than that he had simply survived more than a year of it. Many washed out, and many others would leave within the following year.

Facing a dire need to retain more New Hires, and graduate them into productive service more quickly with qualified skills, Conrail senior management has implemented an entirely new strategic training paradigm to not only produce a greater number of more capable employees in less time, but to transform Conrail into a 21st Century organization. The key elements of the strategy are a more formalized training program focused on gaining particular skills during an orderly progression of classwork, field observation, field assignments, and qualification experience, punctuated by testing at every stage.

Since train operations would face the biggest challenges from retirements, Transportation, Engineering, and Mechanical were selected to lead the effort by implementing transformative training programs tailored to each department's particular priorities and resources.

Transportation

In August 2014, a team led by Joe Price launched a three-phase Conductor training program for New Hires. Mike Lafalce launches the program's learning phase with three weeks of classroom, followed by 2 weeks of field training led by the division Road

Foremen including Brian Baginski and Brian Simon in New Jersey and Bob Collop in Detroit. The second phase consists of several 30-day field assignments, each concluding with a review. Candidates must pass a field test at this juncture in order to continue. The third phase is comprised of two ten-week qualifying assignments in all SAA territories. A feature of the qualifying assignments is accompanying Amtrak, SEPTA, or NJT passenger train engineers, to gain an additional perspective. If the candidate passes the concluding exam, they are marked up to the Conductor Extra List, and enter productive service for the company.

The more intensive training experience produces a larger number of more qualified Conductors who are motivated to continue learning on the job, and accelerate their development of expertise. Price points out that so far, he can measure the improvement in "zeroes": No Trainee has failed the final exam, attendance has vastly improved, and most significantly, no graduate or current participant of the new training program has been responsible for a Human factor derailment or accident. Price says: "The goal is to add safe, productive members to the Conrail team, this new process has allowed us to build stronger relationships and we are seeing the benefit."

Continued on page 8



Book of Rules testing in Detroit ensures that all New Hires are versed in correct rail requirements and protocol.



Transportation trainees return from field assignments to a review session where they are encouraged to share experiences and questions.



T&E trainees are treated as peers by instructors during on-the-tracks classes. Every question is answered, and everyone is expected to ask one.

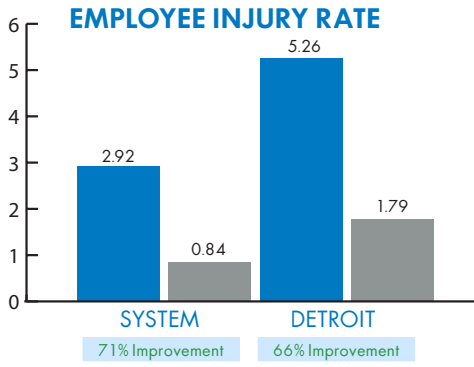
Detroit Shared Assets Area

New Yard Offices at North and Rouge Yards

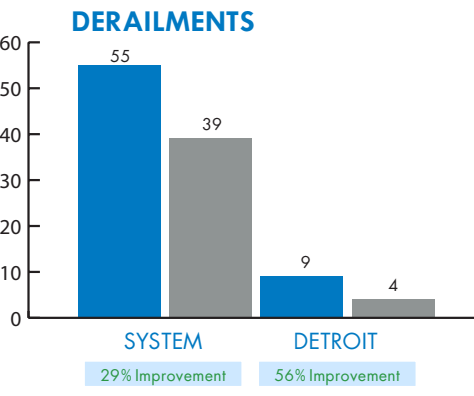
DETROIT SAFETY AND PERFORMANCE METRICS

March 2015 YTD March 2016 YTD

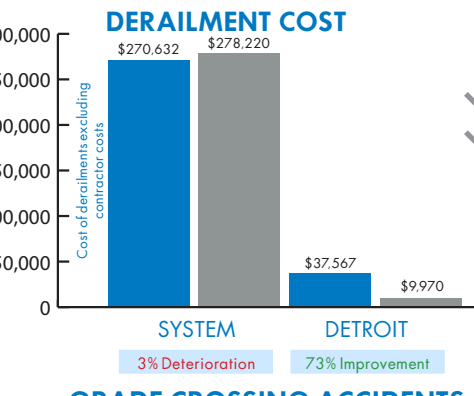
EMPLOYEE INJURY RATE



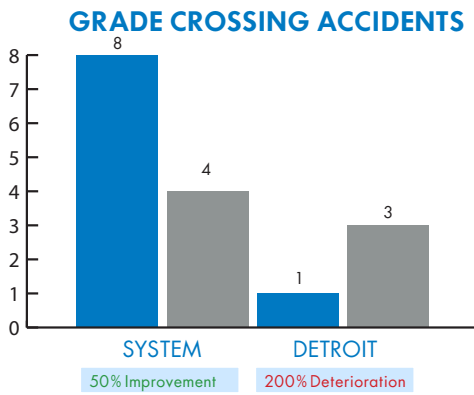
DERAILMENTS



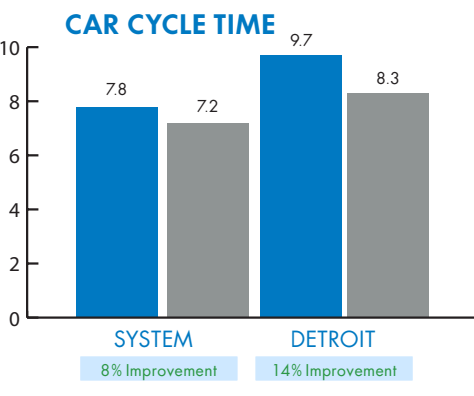
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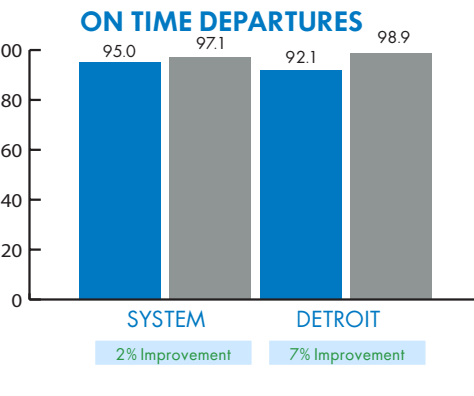
GRADE CROSSING ACCIDENTS



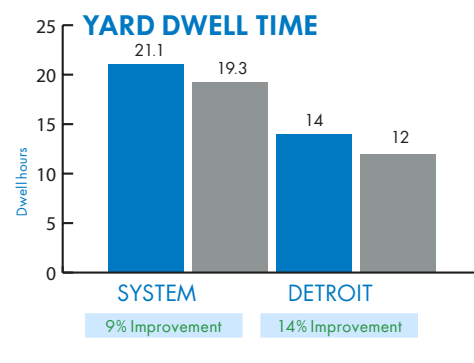
CAR CYCLE TIME



ON TIME DEPARTURES



YARD DWELL TIME



THERE ARE many track and yard projects underway throughout the Detroit Shared Assets Area to help trains and tracks to operate more efficiently. But perhaps the most important project of all is upgrading office and crew spaces to help our people operate more efficiently and comfortably.

A few tears may have been shed when the North and Rouge Yard offices were torn down. But there are plenty of smiles now that the replacement facilities have been completed. These new “homes” for Conrail crews and yard staff are better in every way than the buildings they replace.

The new buildings are of modular design, which not only sped up the replacement process, but allowed for better “tailoring” to the needs of the crews and office personnel. Better locker, changing and lounge facilities, modern HVAC, as well as large windows and bright décor provide a more pleasant workspace for crews returning from outside shifts. Exterior features like bay windows and brick siding give the new Rouge building an attractive appearance.

In addition to upgrading every interior aspect of the facilities, a great deal of thought went into improving their location and use. At the Rouge Yard, the communications hub and compressor have been relocated away from the yard office, reducing noise and improving communications security. The new single-floor North Yard office is farther up the yard, allowing for a reconfiguration of tracks and elimination of several switches to improve the overall operation of the yard.

Both buildings are better in every way than the ones they replaced. Conrail Detroit personnel are better served by their surroundings, and proud of the buildings they enter in the morning. Yard management is more efficient thanks to the more ergonomic layout and updated equipment. All in all, these major Detroit yards have been brought into the 21st Century.



St. Mary's Cement Ships Across Midwest

ST. MARY'S Cement is one of the largest suppliers of concrete products in the Midwest. Based in St. Mary's, Ontario, the company operates manufacturing plants and terminals throughout the Great Lakes region. The Detroit plant plays an important role in the company's success because it produces a wide variety of concrete types, and is served by the Detroit area's robust rail network, where Conrail connects the St. Mary's Detroit plant to by both NS and CSX for transport to major terminals in Ohio and Illinois.

As a bulk product, St. Mary's cement is shipped by weight, and there is lots of competition in the shipping area for

scales-time, to weigh each load. Truckloads are loaded and weighed during the daytime, while railcars are loaded at night. On a typical night, Conrail crews will handle eight to ten carloads. In order to complete the loading, weigh and certify the cars, and clear the yard before the trucks start rolling in again, Conrail crews must spot the cars by 6:00 PM.

Situated in a triangle bound by the Rouge River, Interstate Rte. 75, and Conrail's Delta Yard, the St. Mary's plant ships its products via ship, truck, and rail. Conrail crews have been serving the plant for decades, and the relationship is well-honed.

Philadelphia/Mount Laurel

RECEIVING YARD
TRACKS 1-9

Real Estate: An Important Factor in Conrail's Success

By Rob Winegrad, Assistant Director, Real Estate

CONRAIL OWNS approximately 8,650 acres of land in 9 states. 6,600 acres are currently used by Conrail to operate our 1,200 miles of railroad in five states. Our largest land ownership is in New Jersey with over 4,000 acres. The Michigan SAA comprises 1,700 acres, and our Pennsylvania operations cover 900 acres. Conrail owns approximately 95% of the real estate the company uses, while the remaining 5% is utilized through easement rights.

In addition to the land where we operate our railroad, Conrail owns 1,500 acres of residual property, referred to as Residual Assets (RA's). These properties were not split between CSX and Norfolk Southern in 1999 because there was no operating property in those counties. About half of the RA's are located within current operating states, while the other 750 acres are comprised of parcels in states where Conrail formerly operated: Connecticut, Illinois, Massachusetts, New York, Ohio, and Indiana.

In addition to the Indiana RA's, 550 acres are located in Hammond, Indiana, and operated by the Indiana Harbor Belt Railroad. As detailed in the November '15 issue of Shared Track, the IHB is partly owned by Conrail, and plays a vital role in routing traffic around Chicago.

Adding all of the acreage up, the land area owned by Conrail is over 8,650 acres, and has a current market value of more than \$1.6B. Most, if not all, of Conrail's real estate is zoned for industrial use. In Northern New Jersey, right outside of the New York City market, industrial real estate values have steadily increased since 2009. Values in the Southern New Jersey and Philadelphia markets have also been increasing but not at the rate of the NY metropolitan market. Detroit industrial property has seen no increase in value due to the hard economic times the city has experienced.

Like many railroads, Conrail owns more land than we utilize in our operations. Therefore, the Real Estate Department is tasked with generating money by leasing to third parties. Some leases generate ongoing revenue, while others yield a one-time fee. Of our thousands of lease agreements, the ten largest generated \$4.5M in 2014. Additional revenue is derived from signboards and a vast fiber optic network.

Conrail also often retains subsurface rights, commonly called "mineral rights," to properties we lease or sell. In 2012 an energy company leased 16.5 subsurface acres beneath a rail line we sold in 1992 to an Ohio short line. Having discovered evidence of gas and/or oil, they leased an additional 350 subsurface acres for a total upfront payment to Conrail of \$1.9M.

Trespassing continues to be one Conrail's biggest headaches. Many of our rail lines traverse areas that are inaccessible and difficult to patrol. Often, an adjacent property owner will place rubbish or otherwise encroach onto these unmonitored areas. In the past, it has been difficult to prove an encroachment, but Conrail's new Enterprise GIS program [ST 12/15] can identify the exact boundary of every Conrail location. When an encroachment is identified, Conrail takes one of two actions: where the encroachment does not impact rail operations, leases are sought; when trespassers are disturbing operations or unable to lease the property in question, the railroad police are notified to remove the unauthorized users. It takes the vigilance of every employee to monitor Conrail's property for unauthorized users.

Real Estate Department is comprised of seven people. In addition to managing the real estate to maximize revenue, we assist other departments with projects. If you would like more information on Conrail Real Estate activities, please feel free to contact any of the individuals below.

Real Estate Contacts:

Detroit, South Jersey & Philadelphia Suburbs:

Brett Fenton
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856-231-2262

Philadelphia & Hudson County, NJ, Signboards, Fiber:

Rachael Crandley
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215-209-5027

North Jersey and Residual Assets:

Rob Winegrad
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215-209-5032



Scholarship Opportunities

CONRAIL PARTICIPATES in three scholarship programs to assist the children of Conrail employees pay for college education. The Frank Thomson Scholarship, Women's Aid Scholarship, and W.D. Murphy Scholarship Fund each require a complete application to be submitted by April 1 prior to the first semester of the Fall academic year. Each program has its own eligibility criteria and schedule of awards. For full details and application package, visit conrail.com.

Frank Thomson / Women's Aid Scholarships

The Frank Thomson Scholarships and the Women's Aid Scholarships were established as a memorial to Frank Thomson, a former President of the Pennsylvania Railroad Company, by his children. Eligible applicants are children of active, retired or deceased employees of:

- Conrail
- The Penn Central Corp. or Amtrak, who were employed by Penn Central Transportation Company or the Pennsylvania Railroad Company before April 1, 1976

- National Passenger Railroad Corporation who were employed by the The Penn Central Transportation Company or the Pennsylvania Railroad Company before April 1, 1976
- Norfolk Southern Corporation who were employed by Conrail prior to June 10, 1997
- CSX who were employed by Conrail prior to June 10, 1997.

Eligible applicants must:

- Be a graduate of high school, or a high school senior to be graduated in June or January of the current school year
- Have taken the Scholastic Aptitude Test (SAT) or the American College Testing (ACT)
- Be a prospective college freshman or currently enrolled in an undergraduate course of study

Scholarships may be awarded for up to four years and for varying amounts. The awards may be adjusted annually in accordance with changes in the financial need of the student.

Prior to May 31 each year, scholarship holders must submit a request for renewal of the award for the next academic year. The scholarship holder's academic progress and financial needs will be considered in connection with the request for renewal.

W.D. Murphy Scholarship Fund

The William Dale Murphy Memorial Scholarship Fund provides college/university financial assistance to dependent children of active Conrail employees. Eligible applicants must:

- Be a graduating high school senior in June of the current school year
- Be a dependent of an active Conrail employee
- Be a prospective college freshman
- Complete the application with all supporting documentation
- Demonstrate financial need

The Fund is administered by the Pittsburgh Foundation. Awards are made by the Foundation's Board.

Connections

MOUNT LAUREL/PHILADELPHIA

Retirements

- James Gibson, Customer Service Representative, retired with 41 years of service.
- John Radziak, Chief Clerk, retired with 41 years of service.
- William Garrison, Contract Administrator, retired with 40 years of service.
- Francine Guarino, Sr. Manager Operator Support, retired with 39 years of service.
- Sigmund Zachowski, Telecomm Engineer, retired with 37 years of service.
- David Fuelle, Manager Engineering Corporate, retired with 37 years of service.
- John Enright, Director Business Development & Associate General Counsel, retired with 20 years of service.

Injury-free years of service

- Margaret Janac-Cook, Office Manager, 45 years of service.
- Carol Woodcock, Chief Clerk, 45 years of service.
- David Arnold, Manager Information Technology, 40 years of service.
- Mark Brisgone, Sr. Director of Operations, Planning, 40 years of service.
- Julie Barsh, Document Manager, 5 years of service.
- Douglas Brown, Supervisor Service Delivery, 5 years of service.
- Caitlyn Garlock, Customer Service Representative, 5 years of service.
- Kristyn Lake, Crew Dispatcher, 5 years of service.
- Ashley Lehm, Customer Service Representative, 5 years of service.

First anniversary

- Anthony Dipace, Customer Service Representative
- Markus Koltura, Train Dispatcher
- Amadu Koroma, Communications Network Engineer
- Alexander Kovalev, Communications Network Engineer
- Kelly Large, Crew Dispatcher
- Meghan MacNeill, Customer Service Representative
- Kelly Simpson, Customer Service Representative

New hires

- Traci Ohr, Customer Service Representative
- Corey Grzywna, Customer Service Representative
- Andrea Unterbrink, Administrative Assistant

DETROIT

Retirements

- Daniel Jopek, Welder, retired with 44 years of service.
- Lynn Engle, Senior C&S Supervisor, retired with 41 years of service.
- Jacques Belanger, Machinist, retired with 41 years of service.
- Victor Burke, Car Inspector, retired with 40 years of service.
- Jonathan Winek, Carman, retired with 39 years of service.

Injury-free years of service

- Linda Doyle, Chief Clerk, 40 years of service.
- Brian McBain, Engineer, 40 years of service.
- Jerry Vettrano, Engineer, 40 years of service.
- Todd Moriarty, Engineer, 15 years of service.
- James Dixon, Car Inspector, 10 years of service.
- Daniel Doyle, Yardmaster, 10 years of service.
- Christopher Kovalchik, Welder - I, 10 years of service.

- James Kuczek, Engineer, 10 years of service.
- Jeffery Moroney, Engineer, 10 years of service.
- Mark Sobush, Conductor, 10 years of service.
- John Young, Wreckmaster, 10 years of service.
- Scott Beutner, Car Inspector, 5 years of service.
- Jeffrey Binkley, Electronic Technician, 5 years of service.
- David Bowles Jr, C&S Maintainer, 5 years of service.
- Christian Gray, Engineer, 5 years of service.
- Christopher Holmes, Electrician - I, 5 years of service.
- Phillip McGaha Jr, Foreman, 5 years of service.
- Joshua Osmialowski, C&S Supervisor, 5 years of service.
- Thomas Ott, C&S Maintainer, 5 years of service.
- Matthew Reed, Carman, 5 years of service.
- David Schwark, C&S Maintainer, 5 years of service.
- Kyle Van Stone, Machinist, 5 years of service.
- James Winslow, Engineer, 5 years of service.

First anniversary

- Daniel Grosshans, Vehicle Operator
- Eric Hixson, Foreman
- Joshua Kraniak, Trackman
- Anthony McGruder, Trackman
- Darrick Satcher, Car Inspector
- Paul Thoma, Electronic Technician - Communications

New hires

- Nathan Dreifus, Block Operator
- Michelle Harris, Block Operator

SOUTH JERSEY

Retirements

- James Cassidy, Conductor, retired with 42 years of service.
- Gerard Goodyear, Car Inspector, retired with 41 years of service.
- William Stanowski, Plumber, retired with 39 years of service.
- William Eden, Car Inspector, retired with 39 years of service.
- James Fleming, Foreman, retired with 38 years of service.
- Joseph Pezzella, Mechanic, retired with 36 years of service.

Injury-free years of service

- Michael Delia, Maintainer/Repairman, 15 years of service.
- Keith Fee, Engineer, 15 years of service.
- Timothy Grzywna, Assistant Supervisor Mechanical, 10 years of service.
- Joseph Lucidi Jr, C&S Maintainer, 10 years of service.
- Charles Hanby, Electrician, 10 years of service.
- Corey Carrabino, Mechanic, 10 years of service.
- Daniel Cogan, Mechanical Supervisor, 5 years of service.
- Bret Davison, Foreman, 5 years of service.
- James Farruggella, Conductor, 5 years of service.
- Michael Lynch, Electrician, 5 years of service.
- William Robertson, Car Inspector, 5 years of service.

First anniversary

- Jesse Baginski, Car Inspector
- Tawney Famous-Benner, General Clerk
- Mark Lombardo, C&S Maintainer
- Vladislav Shpats, Machine Operator
- Michael Unterbrink, C&S Maintainer

New hires

- Brian Benitez, Conductor Trainee
- James Carr, Carperson
- Stephen Decker, Conductor Trainee
- Thomas Eden, Carperson
- Kaashif Hopkins, Conductor Trainee
- Ryan Hughes, Conductor Trainee
- Kurt Jordy, Conductor Trainee
- Michael O'Malley, Carperson
- Matthew Parks, Conductor Trainee

NORTH JERSEY

Retirements

- Robert Casey, Engineer, retired with 44 years of service.
- Robert Hancock, Conductor, retired with 43 years of service.
- Gary Campbell, Electrician, retired with 42 years of service.
- Steven Botsford, Manager Program Management, retired with 41 years of service.
- James Whitford, Conductor, retired with 41 years of service.
- Roger Rinfret, Foreman, retired with 37 years of service.
- Tommy Golson, Conductor, retired with 25 years of service.

Injury-free years of service

- Ronald Martz, Engineer, 40 years of service.
- R.J. Pomponio, Foreman, 40 years of service.
- Michael Richardson, Conductor, 15 years of service.
- Greg Scalcione, Conductor, 15 years of service.
- Donovan Freeman, Shipper/Receiver, 10 years of service.
- Steven Moeck Jr, Carman, 10 years of service.
- James Tlamsa, Engineer, 10 years of service.
- Michael Cabelle, Maintainer/Repairman, 5 years of service.
- Christopher DaSilva, Engineer, 5 years of service.
- Mickey DaSilva, Engineer, 5 years of service.
- Tristan Forde, Engineer, 5 years of service.
- Robert Hughes, Machinist, 5 years of service.
- Brian Keitt, Stevedore, 5 years of service.
- Anthony Lomagno, B&B Foreman, 5 years of service.
- Terence O'Brien, Inspector, 5 years of service.
- Jose Padilla Jr, Stevedore, 5 years of service.
- Richard Perez Jr., B&B Foreman, 5 years of service.
- Frank Raffa, Inspector, 5 years of service.
- William Scanlon, Engineer, 5 years of service.
- Frank Toti III, Engineer, 5 years of service.

- David Velez, Conductor, 5 years of service.
- Warren Wabst, C&S Maintainer, 5 years of service.
- Jordon Walsh, Engineer, 5 years of service.
- John Wittenberger, Signalman, 5 years of service.
- Desmond Wright, Electronic Technician, 5 years of service.

First anniversary

- John Bodyl, C&S Maintainer
- Robert Dutcher, Management Trainee
- Nicholas Glassmire, C&S Maintainer
- Brian Lutomski, C&S Maintainer
- Luis Rodriguez, Conductor
- Terrance Simpson, C&S Maintainer
- Nicholas Stewart, C&S Maintainer
- David Swientnicki, Conductor
- Dawid Wawro, Signalman

New hires

- Bashir Abdul-Wahid, Signal Maintainer Trainee
- Fabio Cancelinha, Trackperson
- Corey Lenn, Conductor Trainee
- Matthew Mancuso, Conductor Trainee
- Malcolm Robinson, Conductor Trainee
- Kelly Rozing, Conductor Trainee
- Taylor Smith, Signal Maintainer Trainee
- Edward Stukel, Conductor Trainee
- Mathew Tavares, Conductor Trainee
- Richard Vaughan, Conductor Trainee
- Christopher Wallace, Conductor Trainee

Connections

Novakowskis Hit it Big at Detroit Autorama

By Stephen McGinnis

DETROIT'S "CONRAIL Couple," Signalman Mike Novakowski and Block Operator Kelly Novakowski, won big at the 64th annual Meguiar's Autorama, held at Detroit's Cobo Center in February. Mike won first place in the Mini Utility Wagon category for the couple's 1994 Chevrolet S-10 Blazer, and Kelly won second place in the Sport Bike category for their 2006 Kawasaki Ninja.

The duo each grew up with a love of working on any kind of vehicle. Since they started dating more than seven years ago, they have pursued this passion side-by-side. Their success speaks for itself, but it's not always a smooth ride to victory lane. "This is the first project we have worked on together and got along during the whole process," joked Kelly. "There was a 50/50 mix on the work for the Blazer. We always have different ideas on things, and it's cool to have two completely different things going on with one vehicle and have it work out." The 1st place-winning Blazer has been renovated so much that the only thing that hasn't been changed or modified is the body and the paint job according to Mike.

Earning awards for both vehicles is a proud accomplishment for the Novakowskis, but others also benefit from their automotive passion and talent. Hypnotic Kreationz, the hot-rod club that Mike and Kelly belong to, participates in seven different car shows, all of which donate their proceeds to various charities. "The majority of the



events we participate in are to support charitable causes," says Mike. "We had the Blazer down on Ford field for an event, and raised \$1,500." Kelly enjoys contributing her efforts to a good cause, and recently found one that supports families who have lost their children to cancer. "They send families on vacations to places like Disney World."

Geis' Gridiron Gang Letter Campaign

North Jersey's Jimmy Geis' Pop Warner players cheer cancer patients

By Jimmy Geis

CONRAIL NORTH Jersey M of W Log Loader Operator Jimmy Geis dedicates most of his free time to coaching youth football, wrestling and other sports for his grade-school children. His philosophy is that it is as important for an athlete to shine off the field as on it.

Currently, Geis is coaching his son's 7-9 age group tackle football team, the Mighty Mites. In 2014, his players asked him why the NFL players were wearing pink gloves and cleats. Geis faced the daunting task of explaining the horrors of breast cancer to young children. "I told them its awareness for breast cancer and explained to them that both men and women get it, which really surprised them," said Geis.

Geis later got an idea that could help the

children develop as young men, to improve their capabilities in school, and to raise the spirits of local cancer patients. "I contacted St. Peters Hospital in New Brunswick and explained that I wanted to have the kids write letters to patients at the hospital fighting cancer. The hospital thought it was the greatest thing."

The letters were such a big hit with the patients that the hospital reached out to Geis and requested him to continue the program every year. Geis' son will soon grow into the next age group raising his coach-father to the next level, but the letters will continue to be written every year by the current 7-9 year-olds' team. Geis plans for his new team's letter campaign to reach out to U.S. Military personnel serving overseas.



Licensed to Engineer

By Vincent Milano

CONRAIL PROJECT Engineer Vincent Milano recently passed the rigorous Principles and Practice of Engineering exam to earn the distinction of being a Licensed Professional Engineer (PE). Milano graduated in 2009 from the Wentworth Institute of Technology in Boston, Massachusetts, with a degree in civil engineering. He joined the Conrail team in December of 2011 as a management trainee and within a year began working in the engineering department.

Working in the field under a licensed PE made Milano eligible to take the PE license exam. "You have to get a four-year degree in Engineering, and then spend four years in the field to qualify for the Pennsylvania exam. Once I completed the field training, I took the exam in October of 2015 and found out around the holidays that I had passed," said Milano.

In addition to the four years of post-graduate full-time work experience, prepping for the exam requires as much as 200 hours of study. Milano accomplished the study demands while fulfilling his daily responsibilities at Conrail. Milano is responsible for reviewing any requests from outside contractors to perform any work that is involved with real estate owned by Conrail. "All sorts of people need to put pipes under us, or bridges over us, and they send those requests to me to review and approve. We also review and approve customer side track agreements," said Milano.

The PE license gives Milano more credibility in his field and now authorizes him to review and sign off on any construction projects that Conrail may want to conduct in the future.



South Jersey Shared Assets Area

SOUTH JERSEY SAFETY AND PERFORMANCE METRICS



First Aid/ CPR Training: A Valuable Investment

By Kathy Pitt, Office Manager, Engineering

"SAFETY" IS not only about preventing accidents and injuries; it's about limiting the damage and suffering when an injury occurs, or when someone is struck by cardiac arrest. Medical emergencies can happen anytime, anywhere. Each year in the United States, more than 100,000 people die from unintentional injuries, and more than 300,000 people die from sudden cardiac arrest. If you were faced with an emergency situation during which you are called upon to save the life of a loved one or co-worker, would you know what to do? If you have taken advantage of Conrail-sponsored CPR (Cardio-Pulmonary Resuscitation) and First Aid certification classes, the answer would be "yes," and a life might be saved.

Each year, Conrail partners with the Red Cross of New Jersey and Rescue Me First Aid Training in Michigan to provide employees with this essential training. In addition to increasing workforce safety, CPR/First Aid certification is a valuable employment qualification.

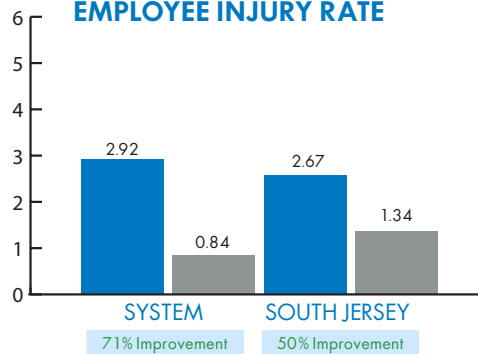
During this 6-hour intensive training, Conrail employees learn basic First Aid skills to treat burns, wounds, bone breaks, head/neck/back injuries, bites, poisoning, extreme temperature-related emergencies, and how to handle sudden events such as strokes, seizures, and choking. In the CPR portion of the training, participants learn to recognize the signs of cardiac arrest, perform CPR, and care for the victim until help arrives.

Certification training is sponsored by the Engineering Department, and all Conrail employees are eligible for the course. Several classes per year are held in the Bellmawr, New Jersey, classroom, and the Detroit Livernois Yard. All participants who complete the training receive a First Aid/CPR certification card, which is valid for two years.

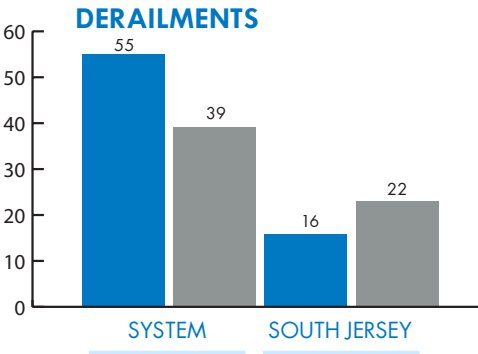
Currently, 98 Conrail employees are certified in CPR/First Aid, and we all feel safer for their presence. But a higher percentage of certified Conrailers would benefit everyone, and all are encouraged to sign up for the next CPR/First Aid training and certification course by contacting Kathy Pitt at kathy.pitt@conrail.com.

March 2015 YTD March 2016 YTD

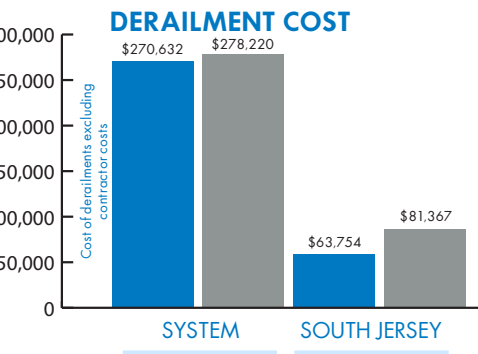
EMPLOYEE INJURY RATE



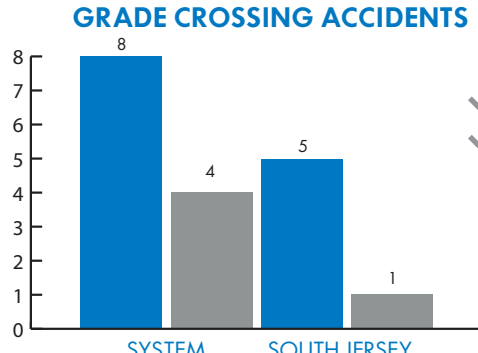
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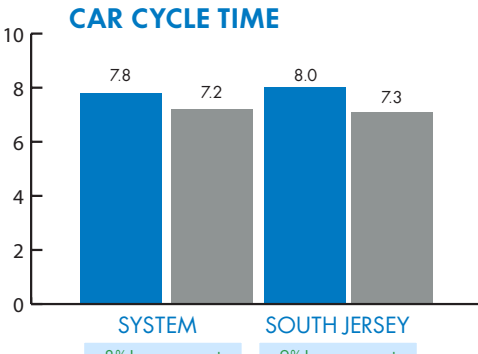
DERAILMENT COST



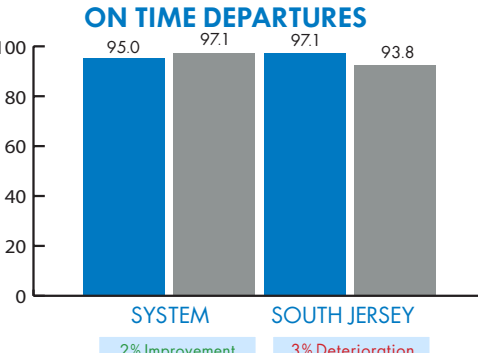
GRADE CROSSING ACCIDENTS



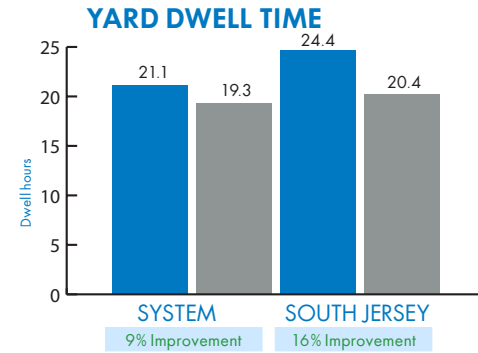
CAR CYCLE TIME



ON TIME DEPARTURES



YARD DWELL TIME



Conrail Keeps Serving Amoroso's Baking in New Location

151
FOODS

WHEN AMOROSO Baking Company joined forces with Ginsburg Baking last year to form 151 Foods LLC, the Philadelphia institution underwent many changes in a brief period.

Len Amoroso had developed the bakery that his grandfather Salvator had founded into a national brand, and knew that the transition would pose greater challenges and changes than the company had ever faced. Nonetheless, Amoroso breads and rolls would need to keep popping from the ovens each morning through the move in order to keep grocery chains and food service customers nationwide stocked with Amoroso products.

The combined company's most urgent need was a newer, more efficient plant. For Amoroso's, it would be only the third move in 111 years. The list of requirements for the merged company's needs was long.

"We had received our flour by rail at the old bakery for decades," explains Len Amoroso. "We've been with Conrail for 55 years – before the railroad's 1976 formation – so rail supply is 'baked in' to our business model as an important cost advantage." But in the face of the many conflicting criteria that the new company weighed in its building-selection process, Amoroso was open to trucking flour in. Still, "a rail siding was on my wish-list."

When a suitable new property with a siding was found, Len was relieved

to know that the supply of the company's key product ingredient would ultimately be able to continue in the familiar mode. Even better, it was along a Conrail line. But it wasn't simply a matter of rerouting the cars to the new facility. The track was dilapidated, and none of the neighbor businesses in the commerce park were willing to participate in its rehabilitation. "Conrail really stepped up to bring the spur and siding track up to our standards." Conrail Real Estate also negotiated with the other residents of the commerce park to remunerate 151 Foods for part of the expense for upgrading the spur should they decide to utilize rail service.

"We've had a great relationship with Conrail for decades," says Len Amoroso. "I can't count the times they have stepped up in the face of weather or traffic issues to make sure we were served. But the effort they put in to our location change has been critical in keeping 151 Foods 'on the rails' going into a new era. I'm very glad to be able to continue counting on Conrail in this new stage."



Penns Grove Secondary Upgrades

By Kris Kneib, Assistant Signal Engineer

IN ORDER to enhance safety and operation of our system, serve our customers better, and manage the evolving demands facing our industry, Conrail has been actively "hardening" its infrastructure throughout the Shared Assets Areas to enhance train movements and minimize train delays. Among the most essential improvements is the installation of TCS (Traffic Control System) signaling through vital high-traffic segments, and upgrading running tracks with continuous welded rail (CWR).

Conrail's Penns Grove Secondary line runs along the east bank of the Delaware River between Woodbury to Penns Grove. The line directly serves 20 customers and several spurs all the way to Carney's Point. Individual customers along the line generated more than 27,000 loads in 2015. The 5-mile stretch of the Penns Grove Secondary between Mile Post 9 (CP Woodbury), where it meets the Vineland Secondary and Salem Industrial Track,

and Mile Post 14 at the East entrance to Paulsboro Yard, is some of the most heavily-used track in the South Jersey SAA.

In 2012, Conrail applied for a USDOT TIGER (Transportation Investment Generating Economic Recovery) Grant, which included upgrades of the Penns Grove Secondary by installing back-to-back automatic two-way signals at MP 9.6 (9N & 9S), and MP 12.0 (12N & 12S), and CWR 136RE rail between MP 9 and MP 14. USDOT granted 50 percent of the Penns Grove Secondary project cost, with Conrail responsible for the remaining 50 percent. The two primary project upgrades were the installation of the CWR, and extension of the TCS from CP Woodbury to CP Paul.

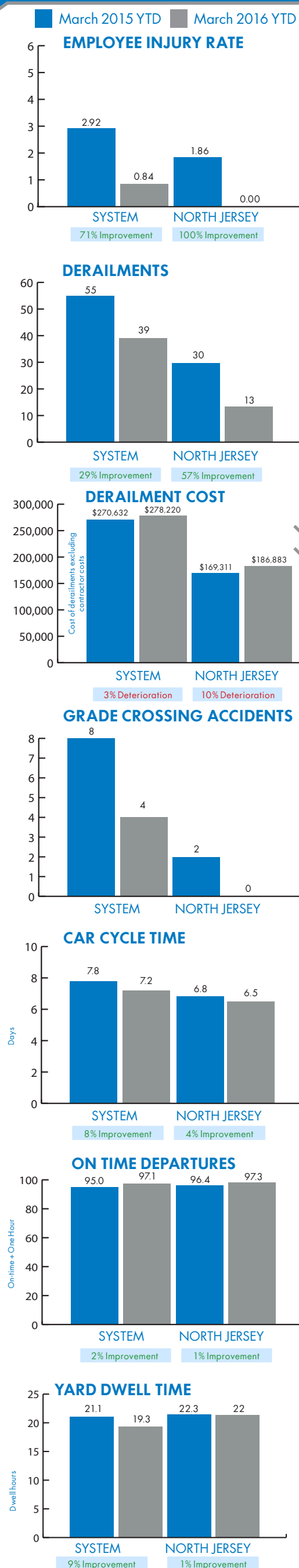
TCS increases the safety, reliability and ease of movement along busy lines by providing real-time train location information to expedite dispatch authorization, while providing continuous broken rail protection as well as switch protection for the hand operated switches on the line.

North Jersey Shared Assets Area

RECEIVING YARD
TRACKS 1-9

Conrail Radio System Ready for PTC Era

NORTH JERSEY SAFETY AND PERFORMANCE METRICS



To CHARACTERIZE Conrail's unique role in the rail industry, Communications engineer Bob Carter borrows an airplane pilot's motto: Flying is easy – taking off and landing is the hard part. Likewise, keeping a train on-time across long stretches of mainline is relatively simple; most delays occur in the yards where the train begins and ends its journey.

Delays and mistakes on our rails can affect traffic all the way to Chicago and beyond. Numerous T&E, B&B, and operational training projects are active throughout the Conrail system to eliminate failure points. One of the most vital improvements is nearly invisible to all but the 14 employees involved in the Radio Communications function.

The E'Port Radio Communications serves as the nerve center for communications throughout the North Jersey Conrail system. The facility had evolved as a network of new and old equipment and technologies tucked away in back rooms and otherwise unusable spaces at the Division St. facility. Thanks to careful operation by Supervisor [Rui Silva] and six employees, the facility has generally met our needs.

The Port Newark expansion and Positive Train Control seemed certain to strain the existing facility, and another Hurricane Sandy or a cyber attack could put it out of commission, eliminating one of the main tools for the recovery of train operations. Survivable, reliable, standardized radio communication has become vital to maintaining Conrail's role in our evolving industry. Everything about the E'Port radio room had to be harder, faster, more durable, more functional, and maintain six-sigma up-time reliability.

To meet these criteria at a reasonable cost, Carter looked to industries that were already meeting these types of requirements. Rapid change in the cellular industry forces network providers to discard perfectly good equipment. When their industry-standard remote equipment structures became inadequate for their own needs, they became a perfect solution for ours – a hardened, weatherproof "pillbox" concrete structure equipped with independent climate control and mounting racks for arrays of electronic equipment.

Redundancy is the byword for everything inside the structure: Back-up generator, multilayered security systems, buried fiber-optic cable access, and 20 racks of communications equipment. In addition, a fully-capable back-up site is being built to be housed at the Bellmawr maintenance facility.

As a "terminal and switching railroad with Class I responsibilities," Conrail's daily departure performance affects traffic far beyond our own rails. We are committed to improving our already excellent on-time numbers while managing major changes in our industry and the environment.



Continuous Welded Rail Strengthens Port Reading Secondary

By Adam Baginski, Assistant Terminal Engineer

OVER RECENT years, Conrail, like the railroad industry as a whole, has experienced changing traffic patterns and the rapid growth of different commodities such as ethanol and crude oil. In North Jersey, facilities receiving these crude and ethanol shipments are generally located along the Garden State Secondary from Linden to Perth Amboy. For trains entering New Jersey from the west, the most direct way to enter this section of the Garden State Secondary is via the Port Reading Secondary, which splits from the Lehigh Line at Bound Brook and connects with the Garden State Secondary in Woodbridge.

This changing traffic pattern has led to a rigorous focus on and numerous investments in the Port Reading Secondary, a former Reading line, which was at one time a major coal artery but had since seen a significant decline in traffic. In 2015, the largest investment in the Port Reading Secondary was in the replacement of existing rail with new Continuous Welded Rail (CWR).

When it comes to track projects of this magnitude, Conrail is fortunate to work with the production gangs of Norfolk Southern and CSX. In this case, a CSX gang

performed the removal of existing rail and installation of the new rail, while Conrail departments provided support. Ultimately, 62,556 linear feet – nearly 6 track miles – of new 136RE CWR was installed.

Numerous other projects along the Port Reading Secondary were completed in 2015, including rehabilitation of the grade crossing at Stelton Ave. in Piscataway, and installation of relay rail on the Durham Runaround. CWR is also an important element of the Train Control System (TCS) signaling upgrades completed on the line in 2012. While TCS can be installed on any track, CWR contributes to the integrity of the TCS system by supporting a more consistent signal and reducing maintenance.

While some stretches of the old rail dated to the 1930s, the rail had been flash-butt welded and well maintained over the years. Elizabethport Track Supervisor John Gomes says that there were no particular problems with the pre-existing track, and this line had been cleared for double-stack traffic since 1999. Nonetheless, the rise of ethanol and crude traffic on the line meant that upgrading the rail to support a demanding capacity made good sense. In fact, most of the old rail is still in very good condition, and will be repurposed on lower-density tracks in the near future.

The Conrail Store is Open for Business!!

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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Go to Conrail.com, click the menu icon, and then click on the Conrail Store button to shop for shirts, jackets, and caps, pens, clocks, and watches, as well as mugs and umbrellas.



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Training Strategy Will Make Up For Retirements

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Maintenance of Way

M of W has been proud of its record of elevating numerous hires into supervisory positions in a relatively short time. In general, the department training program was acknowledged to be producing competent employees. However evaluating whether the existing training program could meet the challenge to fill the retirement gap, the new hire training development team identified a contrary trend: New Hires who had recently completed training seemed more narrowly-focused than in the past. Mere competency was no longer a valid basis for the expanded acquisition of expertise that would be necessary to compensate for the lost experience.

Reorienting the M of W training program to meet the strategic priorities required two significant changes in design and execution. First was to develop a standardized curriculum in the form of an Instructor Manual that lays out the entire eight-week course on a day-by-day basis. The program consists of four, two-week modules, each concluding with performance testing.

Following the imposition of the standardized course of study, the second change had more to do with making better connections to overcome a communication gap that had developed between instructors and students, whereby Instructors taught what they considered important, and assumed that the Trainees learned. In addition to presenting railroading progress, the performance tests stimulate interaction. By encouraging a closer bond between instructor and trainee, interaction in and out of the classroom has become more normal, and trainees are more at ease exposing what they don't know.

"Asking questions is a hard thing for a lot of people," says Adam Baginski. "But it's the essence of learning. How to ask questions is the most important thing our instructors teach."

Mechanical

Locomotive and car departments utilize different training methods to develop qualified trainees, relying primarily on mentored, hands-on methods.

While most crafts seek candidates who exhibit interest and ability in learning a new trade, John Curdy, Director of Motive Power begins with candidates who already possess demonstrable mechanical or electrical skills. The training program is designed for new hires to adapt their prior expertise to Engine House practices and operations.

A new hire spends his first week in the classroom, watching videos about Rail Security, Blue Flag Rules, engine house movement, SPCC, daily inspection, etc. Since the videos often raise as many questions as they answer, a gang foreman or manager will watch alongside the employee to ensure understanding and focus.

The classroom knowledge is then reinforced with the noisy, dirty reality in the course of a nuts-and-bolts tour of the facility led by Curdy. Trainees experience how things work on the floor, witness the paramount importance of Safety culture, and basic locomotive information. While a trainee may have years of truck or naval power experience, rail-specific knowledge such as the F-End of a locomotive, component position assignments, etc. are new.

With confidence established, the employee will begin to work as an observer under strict scrutiny of a gang foreman. Mentoring continues as the employee

gradually assumes a limited active role, gains familiarity, and achieves basic proficiency in their skills. Once the 60-day probationary period has been successfully completed and the trainee becomes an active employee, management will explore additional training at CSX's REDI Center in Atlanta to enhance locomotive troubleshooting and repair skills.

Carman trainees also undertake a 60-day training period. They spend the first 30 days in the Car Shop studying numerous videos and books pertaining to the craft and gaining hands-on experience with rail-car types and components. Once familiar with the cars, the training becomes more functional, focusing on specific actions like applying different types of handbrakes, operating doors, and using tools such as a come-along and shoe bar.

The second is spent in the yard learning the skills and expectations of a Car Inspector. A week is spent working A-tour with a team of seasoned veterans, learning essential yard operations such as applying Blue Signal Protection, and performing an initial terminal airbrake test. A great deal of time is also spent learning to determine what types of yard repairs to look for, and perhaps most importantly, how to judge the layout of the yard for close clearance points and other potential hazards. The following weeks are spent with B- and C-tour reviewing and reinforcing the yard training. Safety is strongly emphasized at every stage.

"Establishing a bond of trust is critical" with a trainee, says Bob Rose, Director of Freight Car Repair. "During their 60 days of training, I meet with each new employee every Friday to discuss where they are in the training process. At the end of the 60 days I also review with each of them what they know or what help they may need going forward."