

1ST QUARTER 2020

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Conrail Holiday Party

STEPHEN MCGINNIS | Communications Coordinator



Conrail believes it's important that employees realize their hard work does not go unnoticed, and in the spirit of the season, our annual holiday parties were held in appreciation of everyone's dedication throughout the year.

At Cedar Gardens Banquet Hall in Hamilton, New Jersey, area employees and their families celebrated with a delicious brunch buffet. The caricature and face painting artists were kept busy all day, and the balloon twisters' creations were limited only by the children's imaginations.

An exciting magic show and surprise guest Olaf entertained young and old in his performance that included magic tricks, music, dancing, illusions and audience participation from some very eager volunteers. For the fourth consecutive year, the Delaware and Susquehanna Model



Railroad Club awed everyone in attendance with their impressive model railroad display.

In Detroit, the Andiamo Warren Banquet Center was the setting for a holiday celebration that included a tasty buffet and air-brushed face painting, photo booths, balloon artists, Christmas crafts, and raffles. We would like to send a special thank you to the Redford Model Railroad Club for again participating in our holiday party with their model train station display.

Of course, the highlight of both events was Santa Claus, and with the children eagerly awaiting his arrival, he was greeted with open arms.

We would like to thank everyone who joined us to celebrate the holidays and especially those who worked so hard to make this year's festivities another great success.



Communication is the Foundation of Our Success

As we begin 2020 and a new decade, I first want to reflect on the past year and thank all our employees for a successful 2019 and all that has been accomplished to further improvements in our operations and in the services we provide to our customers. The new year ushers in a new set of challenges and opportunities, and it will take all of us working and communicating together to face them. Most importantly, we must continue to maintain our personal commitment to helping one another and supporting a newer and developing workforce, which represents the next generation of railroaders in our company. I have no doubt that together in 2020, we can achieve the goals that we have set that best provide for our customers, our owners, and most importantly, ourselves. Having said that, how do we continue to achieve the goals that we set each year, both individually and collectively, as part of the Conrail organization?

It is my belief that how we communicate with each other will play a large role in our continued success. More frequent and precise communications within all levels at Conrail will not only sustain what we have achieved, but can accelerate the momentum of our company in 2020. I continue to stress that our employees must learn by doing, and must ask questions to gain understanding and experience. This is fundamental but necessary for all employees to not only further develop their skills, but to also perform their jobs safely and efficiently. As you know, members of our Senior Staff as well as key members of our management team are all spending a lot of time in the field in an effort to expand communication and have dialogue with our employees. This will continue this year with the desire to make those casual meetings as productive as possible by listening to employees' concerns, answering questions, addressing employees' curiosity about Conrail's goals and direction, and learning about what is important for our employees' success in the great industry in which we are all employed.

Better communication doesn't happen instantaneously. Communication is a learned skill that involves having a message and being able to deliver it in the workplace to people who carefully listen for clarity and understanding, and then provide valuable and necessary feedback to that discussion. Meeting our goals in 2020 will be challenging; however, better communication at all levels within our company is a very important ingredient for our continued success. If we all commit to improving our communication with each other every day, which sometimes means listening more than talking, I am confident that the jobs we perform every day will be accomplished safely and more efficiently.

Thank you for what you do every day. I look forward to seeing you throughout 2020.



Timothy C. Tierney
President and Chief Operating Officer

We would like to congratulate and thank all of the employees who retired in 2019 for their many years of dedicated service to Conrail

JAMES W. KEENEN JR.
43 Years of service

PHILIP E. SMITH
20 Years of service

DONALD G. AUDETTE
21 Years of service

DONALD E. JACKSON
20 Years of service

JOHN R. VANEMBURGH
45 Years of service

GERARD BELLINO
41 Years of service

RICHARD A. VOGT JR.
41 Years of service

BART J. WOOD
31 Years of service

MARGARET M. JANAC-COOK
49 Years of service

JAYNE I. CRAIG
43 Years of service

THOMAS E. ROSE
20 Years of service

DOUGLAS L. THOMAS
44 Years of service

TERRY M. TAYLOR
11 Years of service

JAMES J. CONVERY
47 Years of service

JUDITH A. WOLFE
40 Years of service

LINDA M. DOYLE
44 Years of service

ALLEN WARREN RICHTER
24 Years of service

Delray to Waterman Improvement Project

JOSH OSMIALOWSKI | C&S Supervisor

The Delray to CP Waterman Improvement Project is well under way, and is making visible progress along the railroad. The northern most end of the project, CP Waterman, reached its final stages at the end of 2019. Some track and signal work remains; however, the new model layout on the CATDS (Computer Aided Train Dispatching System) was implemented, as well as most of the field changes to the track layout and signal system. In addition to the new track layout to facilitate a third track between Delray and CP Waterman, higher speed turnouts, improved signal aspects, new switch machines, new Electric Switch Heaters, and new wayside interlocking signals were completed. The signal aspects will not only be improved at CP Waterman and Delray, but will also be improved on the Detroit line overall between CP YD and CP George. Additionally, a new AEI tag reader is being installed on the CP Waterman side of Delray, which is the first setup as a three-track tag reader on Conrail. The CP Waterman portion of the project will be completed in the spring, while the CSX Delray Interlocking portion will begin to gain momentum as the end of the year draws near.

The CSX Delray Interlocking Project will mark the retirement of the Historic Delray Tower. Delray still operates with a mechanical interlocking system that has been interfaced over the years to a combination of relays and solid state coded track circuits. The main scope of the upgrade will be to move from an electro-mechanical system to a fully solid state control system. CSX will install the Alstom ElectroLogIXS system, which is the same system that Conrail's Signal Department has recently adopted. The Delray upgrade is an immense task due to its interface with Conrail and Norfolk Southern. Conrail was responsible for the physical track work required to add a switch and connect the third track from CP Waterman. The new switch will be remotely controlled through the new control system for Delray. Conrail currently does not have any indications on its CATDS from the Delray interlocking; there is a void between CP Waterman and CP Bridge on the Conrail CATDS. CSX has agreed to establish a handshake to the Conrail CATDS which will include all indications from the CSX interlocking. The handshake will also allow Conrail train dispatchers to place blocking devices and request signal routes without having to communicate with the CSX dispatcher. These improvements will enhance operations and decrease congestion going through Delray.

Meet the Crew FD07

WILLIAM AYARS | Service Delivery Compliance Officer

FD07 operates on Conrail's Terminal East Industrial Track on Detroit's east side. The Monday through Friday morning job serves Chrysler's Jefferson North Assembly Plant and Kace Logistics, a 3PL provider handling engines for Chrysler. The crew of the FD07 is Engineer Jerry Vettraino and Conductor Donnie Howell. Jerry hired with Penn Central in 1976. "It was PC when I started. I was here for a little while before it became Conrail. I've seen a lot of change, seen 'em come, seen 'em go. This is a good place, good work, good people. There is no place I'd rather be." Donnie Howell joined Conrail in 2000. "I'll be here 20 years February 28th," Howell said, "I love this place!" With 44 years under his belt, Jerry Vettraino understands Conrail's relationship with Chrysler well, "The railroad in Detroit lives by the autos. They used to have a saying, when they catch a cold we get pneumonia."



Customer Highlight Kenwal Steel



Kenwal Steel is located on Conrail's Terminal West I.T. It is serviced Monday through Friday by the FL09 and FL63 crews. Founded in Detroit in 1947, Kenwal Steel is a family owned and operated business that has grown to be a full service steel processing company that serves customers in the automotive, electronics, appliance and tubing industries, as well as other major equipment manufacturers and steel related businesses. Half a million tons of production happen each year between plants in Dearborn, Michigan; Burns Harbor, Indiana; Lebanon, Tennessee; and Stoney Creek, Ontario. Despite challenges in the steel market Kenwal saw marked growth in 2019. "It's about interpersonal relationships," said Mike McGuire, Kenwal Materials Manager, "Conrail has a commitment to service, even in the most challenging times. It is a strong and supportive relationship. Conrail does what needs to be done. This allows us to get our materials to our customers."

PANYNJ, ExpressRail set November Records

The Port Authority of New York and New Jersey (PANYNJ) in November 2019 handled a record 599,626 20-foot equivalent units (TEUs) of cargo, a 4 percent increase over the previous November record of 583,880 TEUS set in 2018.

Also in November, the port's ExpressRail system set a record, handling 54,096 containers compared to 53,609 containers in November 2018, PANYNJ officials said in a press release.

Meanwhile, Port Authority Trans-Hudson Corp. (PATH) handled a weekday passenger average of 290,130 riders during the month, the second highest November monthly average weekday ridership on record.

There were five weekdays in November 2019 when the daily ridership exceeded 300,000 passengers.

A Message of Thanks from The Jersey City Firefighters



On behalf of Chief Steven McGill, all of the firefighters in Jersey City and the residents we are sworn to protect, we would like to thank Conrail for their generous donation of needed equipment. This equipment will be used on Engine Companies that respond to areas in Port Jersey and along the National Docks Branch. Thank you.

Track Maintenance – “Undercutting”

MICHAEL A. DIARENZO | Manager of Asset Planning & Administration



Drainage is one of the most important aspects of track infrastructure. It's important to maintain adequate drainage with proper track ballast to ensure proper cross level, surface and alignment of track. This allows the track to support the loads imposed by rolling equipment.

Some sections of track experience degradation of the track ballast and become increasingly fouled with mud that pumps up from the subgrade and reduces the ability to drain effectively. This will eventually affect the ability to maintain proper track surface/structure. “Undercutting” restores the desired track ballast properties and track surface. In a common undercutting process, all the ballast is removed from beneath the track using an excavator equipped with a chainsaw blade. The ballast is cut and replaced and then properly surfaced with a track tamper and ballast regulator.

This type of work requires proper planning so track outages can be minimized and maximum productivity can be achieved. Carlos Santos, Conrail's Project Manager in the North Jersey District, headed our Undercutting Project this past spring and undercut over 3,000 feet of track on the Lehigh Line and Port Reading Secondary. A big “Thank You” goes out to Carlos and the North Jersey Track Department for making our main line tracks safe for train operations.

Meet the Crew BY1

MO MEGALI | Terminal Superintendent



The North Jersey crew BY1 works very hard to provide service to P66 Refinery and NY Terminal at Bayway, and the EDC Waste Transfer Station on the Travis IT in Staten Island, NY.

Conductor James Quarterman and Engineer Matthew Roth have worked together on and off for 19 years and both have 19 years of injury-free service.

Roth and Quarterman provided the following guidance to the new Conrail generation. “Safety is always the first priority,” said Roth. When he's not working Roth loves to spend his time with his wife Tereza and two sons Dylan and Tyler. Quarterman's advice on safety echoes Roth's. “When I think about safety I think about my son and two daughters,” said Quarterman. “I started my career working with Penn Central guys at Linden and Metuchen and it wasn't easy servicing the GM and Ford plant, but they taught me safety always comes first. Some of these guys finished their careers with 40 plus years injury free. I want to finish my career the same way,” he added.

Braskem Lead Track

LARRY HENSHAW | Project Engineer

In the Summer of 2019 Conrail completed construction of the new Braskem America, Inc. Lead Track and Support Yard. The new Lead Track was completed last year prior to construction of the support yard. The 1,600 foot lead track which runs adjacent to the New River and New River No. 1 tracks inside the Sunoco Logistics Marcus Hook Industrial Complex allows train crews to shift the Braskem Support Yard without the moves blocking the main. The Lead Track also helps increase the flexibility and efficiency for the train crew operations for serving Sunoco as well as other customers off the Claymont Industrial Track.

The Braskem Support Yard consists of 18 tracks which provides 17,188' of storage capacity. Conrail completed construction of the yard ladder track and turnouts which breaks the 18 tracks into 4 storage sections. As part of this project Conrail also constructed a crossover lead track off the Claymont IT into the yard to allow train crews to run around train moves in and out of the yard when shifting. The Braskem support yard allows more yard tracks for Braskem to store additional cars for increases in customer demand, while also freeing up yard tracks and siding tracks on Conrail where they were previously stored. The New Lead Track and Support Yard will allow Braskem to increase production of the refined plastic pellets they produce at their Marcus Hook Facility. The refined plastic pellets are used in the plastic manufacturing industry such as clear Coca-Cola soda bottles. Braskem America, Inc. is one of Conrail's South Jersey District Top Ten Customers.

Meet the Crew

STEPHEN MCGINNIS | Communications Coordinator



With almost 30 years at Conrail, South Jersey Yardmaster George McNelia knows what it takes to run a railyard. His ability to communicate with his crews and provide precise and clear instructions ensures that everyone works safely, and provides our customers with timely and accurate service.

“The trainmasters can't be at every yard at the same time, so it's the yardmaster's job to make sure to keep the operations going throughout the day. We are all out here together and when someone doesn't do the job safely and correctly it affects every one of us,” said McNelia.

“I take great care in servicing our customers and guiding our crews. We are all responsible for each other's safety. When they see me working the job, I want everyone to know the work will get done and I'll do everything I can to make sure everyone goes home safe,” he added.

Customer Highlight SMS Rail Lines

STEPHEN MCGINNIS
Communications Coordinator



SMS Rail Lines strives to be the leader in the short line railroad freight service industry. “We're driven to consistently exceed our customers' expectations. The strategic partnerships we develop with other modes of freight transport and service providers are shaped by our commitment to satisfying our customers' needs,” said General Manager Brian Murray.

SMS Rail Lines operates 6.5 miles of track throughout the 3,000 acre Pureland Industrial Park in Bridgeport, New Jersey.

SMS provides a level of flexibility, reliability, and safety that enables their customers to enjoy the benefits of an economical and ecologically sound means of managing their supply chain.

“We're committed to the continuous growth and improvement of our level of service. This, coupled with the belief that our strength lies in our people, is the very foundation of the SMS Rail Lines culture,” added Murray.

SMS is a proud member of Operation Lifesaver and has recently hosted the DOW Safety train to help train local first responders on reacting to an incident involving railroad operations.

Every Week is Rail Safety Week

Here are some tips to stay safe:

- Always expect a train; freight trains don't follow published schedules.
- A typical freight train can take more than a mile to stop.
- The train you see is likely closer and faster-moving than you think.
- The only safe place to cross the tracks is at a designated crossing.
- Being on railroad tracks and property is not only dangerous – it's illegal!

Injury Free

DETROIT

Paul Thoma, Electronic Technician, *5 Years of service*
Darrick Satcher, Car Inspector, *5 Years of service*
Scott Brenamen, Engineer, *15 Years of service*
Bryan Burke, Conductor, *15 Years of service*
Scott Cyrus, Senior Trainmaster, *15 Years of service*
Michael Donahue, Engineer, *15 Years of service*
Ronald Parr, Conductor, *15 Years of service*
Bradley Fettig, Yardmaster, *20 Years of service*
Eric Grimson, Engineer, *20 Years of service*
Russell Henson, Yardmaster, *20 Years of service*

MOUNT LAUREL / PHILADELPHIA

Tawney Famous-Benner, CSR, *5 Years of service*
Michael Centeno, Dir. Ops. Support, *30 Years of service*
Kelly Simpson, CSR, *5 Years of service*
Anthony DiPace, CSR, *5 Years of service*
Brian Richter, Crew Dispatcher, *10 Years of service*
Markus Koltura, Train Dispatcher, *5 Years of service*
Anthony Lomagno, CSR, *10 Years of service*
Meghan MacNeill, Records Specialist, *5 Years of service*
Kelly Williams, Workforce Planning Sup., *5 Years of service*

NORTH JERSEY

Robert Dutcher, Sup. Comm., *5 Years of service*
Agustin Cordova, Foreman, *15 Years of service*
Joseph McNair, Engineer, *20 Years of service*
Robert Austin, Engineer, *25 Years of service*
Dordy Joseph, Engineer, *25 Years of service*
Edward Rivera, Engineer, *25 Years of service*

SOUTH JERSEY

Jake Keenen, Welder, *5 Years of service*
Gerald Devlin, Inspector, *10 Years of service*
Dustin McIntire, Machine Operator, *10 Years of service*
Daniel Amaya, Engineer, *15 Years of service*
Kevin Brophy, Engineer, *15 Years of service*
William Bendig, C&S Maintainer, *15 Years of service*
Kevin Rivell, Foreman, *15 Years of service*
Leroy Hurley, Engineer, *20 Years of service*
Robert Rebenski, Conductor, *20 Years of service*
Edward Verdi, Conductor, *20 Years of service*

Mechanical Department Safety Milestones

BRIAN TAYLOR | Director Mechanical Operations



On September 30, 2019 Conrail's Locomotive and Car Departments cumulatively celebrated two years injury free. This milestone was attainable only through the hard work and safe practices of the nearly 150 railroaders who inspect, repair, and maintain locomotives and railcars traversing Conrail's lines. Their daily dedication to working safely, while maintaining train schedules, has been one of the driving forces of the success of Conrail. Each railroader who played a part in this success should be proud of their accomplishment.

During the second half of 2019, these departments hit notable milestones:

- Oak Island Engine House – 20 years injury free
- North Jersey Car Department – 2 years injury free
- Pavonia Engine House – 3 years injury free
- South Jersey Car Department – 2 years injury free
- Detroit Mechanical – 2 years injury free

The Oak Island Engine House should be particularly proud of their incredible run of twenty years injury free. Their consistent safety record is one to be commended and an inspiration for all of us to emulate. According to Dustin Craven, "The Oak Island Engine House is like family. Everyone is proud of what they have accomplished over the last twenty years. Everyone looks out for each other and makes sure that their fellow machinists and electricians are doing the job right and doing it safely. I couldn't be more proud of what I see day in and day out."

On behalf of Conrail, we thank each and every carman, clerk, electrician, foreman, and machinist for their safe work ethic and wish you continued success as you build on the milestones achieved.

Conrail Women Receive 2019 Women in Rail Awards

KATHY DURSO | Executive Assistant



Since 2016, Railway Age Magazine has been recognizing women for their contributions to the railway industry. This year, 12 women from freight, transit, and supplier companies were selected for their vision, ability, and leadership. We are happy to announce that Deputy General Counsel Janet Scagnelli has been chosen as one of Railway Age's Women in Rail for 2019. Janet has distinguished herself by being one of the first full-time environmental lawyers in the rail industry as well as being a key member of the American Association of Railroads' Environmental Lawyers Working Group.

Tabetha Bolton, Director Labor Relations, received Honorable Mention for her accomplishments during her 29-year railroad career working primarily as a Labor Relations professional at Conrail and Norfolk Southern.

In recognition of their dedication to Conrail's Core Values – People, Risk, Service, Productivity, and Initiative, we say "Congratulations, Janet and Tabetha!"



Consolidated Rail Corporation
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 4th Floor
 Mt. Laurel, NJ 08054

PRSR
 FIRST CLASS MAIL
 U.S. POSTAGE
PAID
 Permit No. 28
 Bellmawr, NJ 08031

RECIPIENT
 XXXX STREET STREET
 CITY, STATE, ZIP



In recognition of her dedication to Conrail's Core Values -
People, Risk, Service, Productivity and Initiative

Conrail congratulates



Janet Scagnelli

Deputy General Counsel

on being named one of Railway Age's

Women in Rail

CONSOLIDATED RAIL CORPORATION
www.conrail.com

The Frank Graham Thomson Scholarship Fund and Women's Aid Scholarship

The Center for Scholarship Administration ("CSA") will facilitate Wells Fargo's administration of the Frank Graham Thomson Scholarship Fund and Women's Aid Scholarship for the 2020-2021 academic year.

Conrail will advertise the scholarship in the quarterly newsletter, on Conrail TV, and a link will be provided on our website with program information and marketing materials provided to them by CSA. Scholarship candidates should complete the online scholarship application and submit it with any required additional documentation.

The online application and information pertaining to the application process will be available at www.csascholars.org/waid. The online application will open on February 27, 2020 and close on April 30, 2020. As in previous years, a selection committee shall give consideration to the respective ability, academic merit, educational goals, career ambitions, and the relative financial need of the applicants. Once final approval has been given by the Trustee, award letters will be sent to the recipients with detailed information about the scholarship.

Please note that applicants will not be able to apply online until the "live" date of FEBRUARY 27, 2020. Please look out for specific details and eligibility requirements regarding the scholarships in the upcoming weeks. If you have any questions about the scholarship application requirements, you may contact Ellen Holder at the Center For Scholarship Administration at 864-268-3363 or ellen@csascholars.org.