FALL 2019

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STEPHEN MCGINNIS | Communications Coordinator



Conrail strives to not only set the bar for safety and service performance, but to also recognize employees for their contributions toward Conrail's success. Conrail believes it's important that employees realize their hard work and dedication does not go unnoticed. The company hosts recognition events as a way of thanking their employees and families for their commitment and devotion to the railroad.

In August, our Detroit employees and their families were invited to experience firsthand the sights, sounds and sensations of America's fascinating formation, 300 years of American perseverance at the Henry Ford Greenfield Village. Employees could step foot in the lab where Thomas Edison had his lightbulb moment or the Wright brothers workshop.



The crowd of nearly 400 employees and family members were able to enjoy a ride in a real Model T and a steam locomotive or just enjoy a walk through four working farms. Everyone in attendance received a 20th Anniversary t-shirt and all children received a 20th anniversary lunch bag and a deck of cards. Employees received a Conrail pint glass. They also had the chance to win one of the many items raffled off throughout the day; the grand prizes were a Yeti Cooler and a smokeless grill.

We would like to thank all those who participated in making these events such an enjoyable experience.

We hope everyone who was able to make it had a great time and we encourage everyone to join us next year.

UPCOMING EVENTS

Philadelphia, North Jersey and South Jersey Holiday Party - December 14, 2019, 10 A.M. to 3 P.M.

Detroit Holiday Party - December 15, 2019, 12 P.M. to 4 P.M.

Developing Each Other for the Future

We have a very young workforce that is the next generation of railroaders at Conrail, with many having less than 5 years of service in their current positions. After their initial new hire training, learning how to properly conduct transportation and maintain our railroad assets occurs over time with onthe-job training. Our employees learn best by doing and by working alongside those more experienced who have been successful in their railroad careers.

We work in a constantly changing environment both in our industry and in the services we provide for our customers. Because of that, we need to continue to make adjustments and learn new things to keep pace with an ever-changing environment. We wish we could train each employee on everything that they need to know early in their career, but we can't. That just doesn't work. Whether you have 6 months on the railroad or 50 years of service, we all have to continue to learn and develop new skills and personally take the initiative to ensure that we hone those new skills in order to work safely and productively.

So this is my challenge to everyone. Take the interest and initiative to further develop yourself - find out what you like, recognize your strengths, and acknowledge the things that you don't understand. As I've said many times, we don't know what our young employees don't know in regards to their level of skills and understanding. More importantly, be curious about the job that you perform, the jobs of the people around you, what Conrail does, and seek out the wisdom of those who are experts. I think you will find everyone at Conrail is willing to take the time and make the effort to satisfy your curiosity. We will all gain more knowledge while adjusting to the changes that will continue to occur in our industry and be best prepared for the future.

Senior Staff and key members of our management team are all spending a lot of time in the field meeting and talking to our employees. Let's make those meetings very productive by asking a lot of questions, being curious, and learning about the great industry that we are employed in.

Conrail's #1 core value is people. We must continue to develop each other to strengthen our company so as to provide nothing but the best for ourselves, our families and our customers.

Looking forward to talking to you soon.

Timothy C. Tierney
President and Chief Operating Officer

IN RECOGNITION



DETROIT
William Boonstra, Engineer
25 Years of injury-free service

"You can't let yourself get complacent out here, because the second you do, that's when you start risking everyone around you."



NORTH JERSEY

Shaquan Hancock, Engineer
25 years of injury-free service

"As a second generation railroader, I was raised to always put safety first. It is not just part of my job, it has become part of who I am, no matter where I am or what I am doing."



SOUTH JERSEY
William Wilson, Yardmaster
25 years of injury-free service

"I always make sure to keep my situational awareness on high alert and get the proper rest when I'm off duty so I'm at my best while on the job."

DETROIT SHARED ASSESTS

Detroit Area Golf Outing

KORY JOHNSON | Terminal Superintendent



On Saturday, August 10, 2019, Conrail hosted its annual employee golf outing at Lilac Golf Course in Newport, Mich. More than 20 employees came out to play.

After completing 18 holes, the golfers enjoyed a delicious barbecue lunch, but more importantly, comradery with their fellow employees. Everyone had the opportunity to win some great prizes. We want to thank everyone who came out to enjoy a beautiful day on the golf course.

Meet the Crew FL13

WILLIAM AYARS | Service Delivery Compliance Officer

The FL13 operates on Conrail's Highland Park Industrial Track on Detroit's west side. The Monday through Friday morning job serves a series of local industries that have had a long standing relationship with Conrail, including PVS Nolwood Chemicals, JSP International, Friendship Brick, and Quaker/Houghton Chemicals.

The crew of the FL13 is Engineer Keven Hurley and Conductor Mark Kubala. Keven has been with Conrail since 1999. Mark joined Conrail in 1978 and has seen the railroad evolve dramatically over time, but still loves coming to work every day. "It's a good job, it has definitely changed over the years I have been here," said Kubala.



Engineer Keven Hurley and Conductor Mark Kubala job brief with Yardmaster Rodney Thomas.

Customer Highlight US Gypsum

WILLIAM AYARS
Service Delivery Compliance Officer



U.S. Gypsum in River Rouge has been a customer of Conrail and predecessor New York Central since 1929. USG is working with Conrail to increase traffic into the plant by adding a track. "We are looking forward to working with Conrail to increase the efficiency of the Detroit plant," said Nicholas Brooks, USG's Detroit Plant Production Manager. USG is utilizing a Michigan Department of Transportation program that allows for up to 50% of track construction to be covered by the State of Michigan, taking freight off the roads and putting it on the rails.

USG holds more than 2,400 active U.S. and international patents that represent innovations that improve the way building materials are used in the places people live and work.

USG has numerous plants, mines, quarries and other facilities in North America and South America.

Customer Highlight TROPICANA

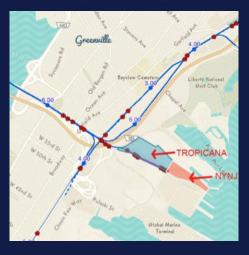
RACHAEL GRAY CRANDLEY
Director of Business Development



Tropicana has been Conrail's largest tenant and a major rail customer since the early 1990s. They originally leased the 48-acre parcel at Greenville Yard in Jersey City, NJ for 30 years with two 10-year renewals. Tropicana is serviced out of the Oak Island Yard 7 days a week by Conrail's Y317/Y310 crew. In 2018 there were 6968 carloads and as of 8/31/19 there are 4507 carloads for Tropicana.

As the end of the 30-year term comes to a close, Tropicana voiced their concern regarding changes in the market that may increase their rent. However, Conrail and Tropicana worked together and executed an agreement and Conrail began servicing Tropicana again in the beginning of August 2019.

Conrail's long-standing business relationship with Tropicana (a subsidiary of PepsiCo) is a great example of how our Real Estate Department creates synergies between our ability to create rent revenue and rail business.



NORTH JERSEY SHARED ASSETS

Meet the Crew PN6

MO MEGALI | Terminal Superintendent



The North Jersey PN6
Crew works hard to
provide service to many
of Conrail's Elizabeth,
New Jersey customers
as well as transferring
Waste Management cars
between Port Newark Yard
and Elizabeth.

Conductor Randy Durant and Engineer Arthur Sharpe have worked

together for a long time and both have many years of injury-free service. Randy has 26 years and Arthur has 23 years.

When asked what advice they would like to pass on to the new Conrail generation, Arthur said, "I do the job right all the time safely, no matter how long it takes. I have two kids home waiting for me to come home." Randy noted, "I take care of all my customers. When the customers see me working any job, they know the work will be done and everyone will go home safe. My son will start training as a conductor soon in the next class, and I want him to be like me... a safe, hard-working conductor at Conrail."

Conrail's Ridgefield Heights Auto Terminal

JOSEPH PEREZ | Director Auto Terminals



Conrail's Ridgefield Heights Automotive Facility is unique being one of two facilities in the country to unload multi-level railcars with railroad personnel. The only other facility to operate the unloading process with rail staffing is CSX's Selkirk operation.

Through July 2019, the facility unloaded an average of 15,066 vehicles per month and 105,459 vehicles year-to-date, serving its two primary customers, Honda and Nissan. That equates to 8,765 railcars unloaded. Although this is a 5.7% decrease compared to 2018, 4th quarter volumes are expected to increase to meet or exceed forecasted projections.

The success of this facility would not be possible without the hard work and dedication to both safety and quality put forth by the workforce. Ridgefield's Stevedores boast a safety record of 818 days, which is a remarkable accomplishment for a demanding occupation. This accomplishment was achieved by a workforce with an average of 5.6 years of service and 13 Stevedores with less than 5 years of service.

SOUTH JERSEY SHARED ASSETS

Conrail Working to Transform Delaware River Waterfront in Philadelphia

JONATHAN M. BRODER

Vice President Corporate Development and Chief Legal Officer

On June 3, 2019, Conrail and the Delaware River Waterfront Commission announced an agreement in principal to transfer about 6 acres in Port Richmond Yard in Philadelphia for a potential future park connecting the Delaware Avenue trail system north into the Fishtown section of the City.

The southeast corner of the Yard contains the former Pier 18, the old Reading Railroad's coal pier in Philadelphia. Mothballed around 1980, the Pier has become a destination location for artists around the country and is now an iconic outdoor art installation.

Conrail has agreed to work with DRWC on a plan to transform the property and preserve what is better known as Graffiti Pier into a permanent greenspace, opening access to the river and securing what has long been an area of significant trespassing. DRWC has obtained a grant from the William Penn Foundation to study and plan the project over the next year, with significant community input.

"For years we have explored a variety of opportunities to reactivate Pier 18 as a public space to preserve and expand the inherent cultural value of Graffiti Pier," said Jonathan Broder, Vice President of Corporate Development and Chief Legal Officer at Conrail. "DRWC is the right partner with a proven track record of engaging residents to create vibrant public spaces, and we are proud to be a part of the fabric of success."

"This project sends a strong statement that we value the dynamic cultural impact of Graffiti Pier. It not only increases access to the Delaware River waterfront for the Port Richmond community, but also for all Philadelphia residents and visitors," said Mayor Jim Kenney.

This project is another example of strong team collaboration by Conrail, including Director of Business Development and Planning Rachael Crandley and General Counsel Jocelyn Hill.

It is proof positive of Conrail's participation in the communities it serves and commitment to the public as a strategic community partner.

Customer Highlight COIM USA

JOHN HIGGINS
Terminal Superintendent



Coim is an international group leader in the production of polyesters and polyols, polyurethanes (coatings, adhesives, sealants and elastomers), and specialty resins for composites and coatings.

High modern technology plants, tight procedures, a commitment to research and development and a healthy passion for the job are all factors to guarantee a quality standard in line with the expectations and the needs of the most demanding users.

Their passion for what they do is reflected in proactivity, an innovative flexible approach, and a preference for working in direct partnership with customers.

Meet the Crew CA11

CASEY TAYLOR | Trainmaster



Engineer Joe Wexler and Conductor Bryan Rainey

The CA11 is a daily assignment out of Pavonia Yard that supports multiple customers on the Pennsgrove Secondary, which is one of the lifebloods of the South Jersey Terminal. This train carries cars for some of the largest customers on Conrail: Exxon Mobil, Paulsboro Refinery, Oxy Vinyl, SMS Rail Lines and Dupont. The CA11 carries multiple commodities for customers that produce everything from automotive motor oil, material used in plastic and foam manufacturing for a number of products as well as chemicals used in everyday goods sold throughout the world and fuels to power automobiles and heat homes.

The success and on time performance of this train is vital for the success of the South Jersey Terminal and all the customers supported by the safe, efficient movement of the goods and commodities it carries daily.

Engineer Joe Wexler is a second generation railroader with 27 years injury free service. Bryan Rainey is also a second generation railroader with 19 years injury free service as a conductor. Joe and Bryan have worked together off and on for many years. When asked about crew safety, Bryan said, "We take pride in taking care of each customer we serve with safe and reliable service."

Injury Free 3rd Quarter 2019

DETROIT

Randy Cronenwett, Car Inspector, 5 Years of service Michael Dodge, Carman, 5 Years of service Matthew Eurich, Foreman, 5 Years of service Thomas Gaffney, Car Inspector, 5 Years of service Joseph Kaminski, Car Inspector, 5 Years of service Freddie Nicholson, Engineer, 15 Years of service Matthew Sharp, Track Supervisor, 15 Years of service Jason Thomachefski, Engineer, 15 Years of service Derek Velasquez, Engineer, 15 Years of service William Boonstra, Engineer, 25 Years of service

MOUNT LAUREL / PHILADELPHIA

Jacob Fenno, Project Engineer, 5 Years of service
Timothy Gardner, Train Dispatcher, 5 Years of service
Jennifer Small, Customer Service Rep., 5 Years of service
Kristopher Kneib, Asst Chief Engineer C&S, 20 Years of service
Jon Havlicek, Train Dispatcher, 25 Years of service
William Judge, Director HR & Pensions, 40 Years of service

NORTH JERSEY

Jorge Dacunha, Welder Foreman, 5 Years of service Matthew Dantas, General Clerk, 5 Years of service Mateusz Garncarz, Engineer, 5 Years of service

NORTH JERSEY (CONTINUED)

Rory King, Machine Operator, 5 Years of service Gregory Quintero, Machinist, 5 Years of service Derrick Thurman, B&B Foreman, 5 Years of service Christopher Driscoll, Inspector, 10 Years of service Bryan Scott, Yardmaster, 15 Years of service Joel Stover, Engineer, 15 Years of service Eric Bell, Conductor, 20 Years of service Glenn Cooper, Conductor, 20 Years of service Paul Kyser, Conductor, 20 Years of service Richard Mercado, Yardmaster, 20 Years of service Shaquan Hancock, Engineer, 25 Years of service

SOUTH JERSEY

Frank Mangold, C&S Maintainer, 10 Years of service
John Higgins, Terminal Superintendent, 15 Years of service
William Ladzinski, Engineer, 15 Years of service
Pedro Rodriguez, Engineer, 15 Years of service
Daniel Sanchez, Engineer, 15 Years of service
Christopher Vessels, Engineer, 15 Years of service
Charles Fenton, Electronic Technician, 20 Years of service
Richard Canfield, Engineer, 25 Years of service
Robert Converse, Mechanical Supervisor, 25 Years of service
Donald Martin, Electrician, 25 Years of service
William Wilson, Yardmaster, 25 Years of service

Conrail Real Estate

BRETT FENTON | Assistant Real Estate Manager

Conrail operates over 570 route miles of railroad and owns nearly double the acreage those miles represent in non-operating and residual, retained assets. These assets are maintained by the Real Estate Department and throw off over \$70 million dollars in annual income. This income is generated from the various sources listed below

Sales: Conrail owns many acres of land in industrial areas, which makes them prime targets for businesses that are looking to acquire property to expand or relocate their operations. Many times they are looking to become rail customers as well. However, as a general rule, we are not looking to sell property.

Leases: This is a prime way the Real Estate Department can generate recurring, annual cash flow while still preserving ownership of its assets. The Real Estate Department's rent roll spans over 600 active land leases which generate close to \$15 million dollars per year.

Billboards: Railroad right of ways are often located near major transportation routes, including major interstate highways, making our property a prime location for outdoor advertising. Currently, Conrail hosts several hundred billboards (static and electronic) on its property, which generates an annual income of over \$2.5 million dollars per year!

Fiber Optics: Another key industry that utilizes the length of railroad right of way is the telecommunications industry. With access to be able to run long cables along a right of way with the least amount of interference, telecommunications companies have partnered up with Conrail to allow for underground and overhead fiber optics. This is one of the largest cash flows that the Real Estate Department has, as it generates about \$47 million dollars in recurring income a year!

Residual Rights: We also have started an initiative to make sure we are collecting money on all of our occupancies. Many utilities over the years have strung line or built pipe and wire without our permission or knowledge. We have a third party doing a survey now and have collected over \$1 million already with a limited, initial survey utilizing our new GIS system to confirm property ownership.

2019 Conrail Capital Investments

ALEXANDRA BAGINSKI | Project Engineer

In 2019, Conrail will be spending \$37.6 million on Capital investments. Capital investments are made to improve track infrastructure, add track capacity, purchase and maintain physical assets to include work equipment, vehicles, computer hardware and software. These assets typically have a useful life of more than 5 years. Capital investments are key in improving our yards and main line tracks to better support existing and new rail business. Each fall, proposed projects are presented for the following year to our owners, CSX and Norfolk Southern, and are approved based upon justification, overall benefit, and timeliness of the investment.

The following is a summary of the 2019 Conrail Capital Projects:

DETROIT	SOUTH JERSEY	NORTH JERSEY	SYSTEM
• 11,750 Ties	• 11,520 Ties	• 9,817 Ties	• Acquisition of three new
• 1,440 Feet of rail	• 2,880 Feet of rail	• Seven turnouts	vehicles
• Four turnouts	• Four turnouts	• Five bridge rehabilitations	 Rehabilitation of four vehicles
• Five bridge rehabilitations	Three grade crossing	 Three grade crossing 	Rehabilitation of M/W
• Three grade crossing	replacements	replacements	tamper
replacements			'

Larger Capital investments in each territory include:

Detroit- The modernization and reconfiguration of Delray interlocking, an interlocking that is currently tower controlled which will go to remote control as part of the interlocking upgrades, and the remote implementation of Conrail's River Rouge Bridge.

South Jersey- A north leg of the Paulsboro Wye will be constructed, which will allow for a progressive train move into the Port of Paulsboro.

North Jersey- Replacement of Bridge 3.08 on the P&H Line and preliminary engineering designs for the future replacement of Point No Point Bridge. We will begin the construction of the new Waverly Loop, creating a connection between the Greenville Running Tracks at CP Pike and the P&H Line at CP Stock. We will complete construction of two support tracks that will accommodate trains between Upper Bay interlocking and CP Garden, as well as a new hump system, electrical service upgrades, and relocation of engineering personnel from Elizabethport to Oak Island. These projects are all part of Conrail's continuing initiatives. Additionally, in conjunction with NJ Transit, we will continue infrastructure investments along the Lehigh Line, between CP Newark and CP Aldene interlockings for Positive Train Control.

Wheel Impact Load Detector

RUI SILVA | Supervisor Communications



The Wheel Impact Load Detector (WILD) is a widely used system in the world today. WILD is used to identify defective wheels by detecting excessive wheel impacts for the targeted removal of defective wheels. An essential component of any performance-based wheel management program, the WILD continually monitors rail vehicle wheel health to ensure safe and productive train operations.

The WILD system is a hardened electronic data collection device which measures vertical wheel forces on the rail via rail mounted strain gauges. The Wheel Impact Load Detector measures

impact forces of damaged wheels. These high impact forces result in damage to vehicles, cargo and infrastructure.

The Association of American Railroads (AAR) has established industry-wide standards regarding how freight cars with wheels that have peak vertical load (kips) above certain thresholds should be handled.



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RECIPIENT
XXXX STREET STREET
CITY, STATE, ZIP

Conrail Donates to Local Police Department

STEPHEN MCGINNIS | Communications Coordinator



South Jersey Terminal Superintendent John Higgin's presents a check to the Gloucester City PD. The donation is going to be used to purchase 3 armored tactical boxes for vehicles that respond to major incidents. Gloucester City PD was chosen because we move multiple trains through downtown Gloucester City daily and we travel over 11 road crossings though downtown. "Conrail has always had a good working relationship with the GCPD and we wanted to gift them this donation as a token of our appreciation," said Higgins.

Penn State University's Rail Transportation Engineering Program

ALEX REINSMITH | Assistant Supervisor Structures

Penn State University's Rail Transportation Engineering program (RTE) is a four year Bachelor of Science degree program suited for students who want to jump start his or her career in the rail industry. The program is structured similar to a four year Civil Engineering program and is offered at Penn State Altoona's satellite campus. The last two years consist of purpose built courses, which cover topics like Track Design and Analysis, Project Management, and Train Operations and Analysis.

One of the biggest benefits from attending the RTE program is getting early exposure to operations and work practices in the field. The Altoona campus hosts many opportunities for "in-field labs" to be integrated into courses, at the Norfolk Southern Juniata Locomotive Shops, on the Everett Railroad, or at Norfolk Southern's Rose Yard.

This exposure helps students gain an early understanding of in-field practices, and helps accelerate the learning curve when pursuing a career on the railroad. Another benefit is getting to attend the annual American Railway Engineering & Maintenance-of-Way Association (AREMA) Conference as a Junior and Senior.