

1st
QUARTER
2022

sharedtrack

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www.Conrail.com

Movement Office

MIKE CENTENO | Superintendent of Operations Support Center
STEPHEN MCGINNIS | Communications Coordinator

From the outside, Conrail’s Operations Center at 330 Fellowship Road doesn’t look any different from any other four-story brick office building. However, what takes place inside is critical to managing train traffic in Conrail’s three territories - North Jersey, South Jersey, and Detroit. Conrail opened its new Operations Center in December of 2020. The Operations Center brings together three of its most critical departments under one roof, Train Dispatch, Customer Service and Workforce Management which all operate around the clock, seven days a week.

Michael Centeno, Superintendent of Operations Support Center, and his staff of eight managers, are responsible for overseeing the safe and efficient movements of all trains in its three areas of operation, while providing customers with almost real time information about their service and keeping them updated throughout their scheduled service dates.

Within the Operations Center is a dimly lit Dispatch Center consisting of three consoles, where 16 Train Dispatchers monitor and control the movement of 55 to 60 passenger trains and 88 to 98 freight trains travelling to and from the CSX, NS, CP, CN, NJT, and Amtrak, as well as our own local and yard crews, servicing Conrail’s 344 customers, every day of the year.

Each console is equipped with 11 computer screens that control switches and signal systems as well as a state-of-the-art Positive Train Control (PTC) system. Through the use of the GPS, satellites, and transponders, the system calculates train stopping distance and prompts locomotive engines to slow down, based on each train’s weight, length, speed and

track terrain. It also detects irregularities such as speeding trains and missed signals.

All these movements would not be possible without our Customer Service Representatives (CSR). They supply the necessary documents that are required to move trains throughout our network as well as through our local communities to the customers’ sidings. Our 18 customer service reps, including lead clerks, are also responsible for communicating with Conrail’s 344 customers and ordering and releasing rail cars to ensure safe and reliable service to all our customers’ facilities.

Overseeing our most important asset, our Employees, is Jennifer Ryan, Manager of Workforce Planning, and her staff of seven Clerks and Crew Dispatchers. They have the responsibilities of scheduling vacation, personal and off days, as well as reacting to unexpected mark offs, for Conrail’s 316 Transportation employees, 35 Yardmasters, 16 Train Dispatchers, and five Block Operators. They also issue all Bulletins and Seniority Rosters for all crafts on Conrail to keep its employees informed about all job openings and awards to its employees.

It takes a lot of teamwork and cooperation to keep a 24/7 operation running and Centeno was adamant on exactly what makes Conrail’s Ops Center so successful, “That’s easy, great employees! Let’s face it, Conrail has a lot of moving parts, but at the end of the day we are still a transportation company. It’s our job to supply the best service to our customers. As long as this Operations Center is putting employees on the Engines with the proper documents in their hands and a green light ahead, we are giving our fellow employees the ability to do what they do best, and that’s conduct transportation.”

Message from the President

As we close out the first quarter of 2022, there is a lot that this team should be proud of considering some of the challenges that we have faced already. The economy has not recovered as expected and we are not seeing the carloads return as quickly as we all would like. We also remain extremely tight with our Train and Engine personnel, and we are blanking production and serving jobs almost daily. Our Owners are experiencing very similar crew issues and our on-time arrival performance is less than desirable. As I stated in earlier newsletter articles, help is on the way. We have hired thirty new employees and they are currently on property in North Jersey training. We also have eight new hires that will start class in South Jersey by the end of April, and we are in the process of hiring six more employees in the Detroit area that should start their training by the end of May. I want to give a big Thank You to our Human Resources Team for getting all these people on property and ready to go to work.

First and foremost, let's review our safety performance. Our overall derailments are down 25% from same time last year with the most impressive statistic being our human factor derailments that are down 44% from same time last year (four of our human factors were from foreign crews operating on our property). I want to personally thank you all for this performance and your attention to detail and ensuring that our customers freight is delivered safely and intact. Our personal safety did not fare as well as our equipment safety for we sustained three Reportable Personal Injuries compared to one same time last year. Of those three Reportables, two resulted in lost time injuries. We can never settle for any of our people getting hurt and it must be a daily pursuit to ensure that we always go home safely to our families and loved ones. Whatever task you are performing just take a few extra seconds to ensure that you are keeping you and your coworkers safe from harm.

Secondly, our Key Performance Indicators (KPI's) started out slow, but you all have made some great strides over the last six weeks, and we are starting to perform at a level that we have become accustomed to. Our KPI's are on-time performance, 32-hour cars, and delivery performance to

our customers (LOPA/LSM). As for our on-time performance, we stand at 84% against a goal of 90%. The North Jersey team has had the greatest level of improvement over the last month, and they are delivering results not seen in many years. Well Done! I see nothing but upside on delivering our trains on-time moving forward throughout the year. The number of railcars not moving has also decreased, but further work needs to be done. We are averaging 921 32-hour cars against a daily goal of 780. We must keep up the pressure to our customers and our owners to take their cars every single day. Our crew base shortage is not helping our customer delivery measure (LOPA/LSM), we are posting 88.6% compared to a goal of 90%. As we fill our jobs every day, our customer performance index will improve as well. I'm extremely proud on how the entire team is performing. It takes all departments working together to achieve the results that we are seeing. Keep up the great work!

For our financial performance, our business as stated earlier is not where we would like it to be. Our carloads are down approximately eight thousand car loads a month, in turn not helping our financial performance. When the volumes are at this level, we must look at ways to reduce expenses. This does not mean reducing service, or not providing the tools you all need to do your jobs, or not reinvesting into our company. It means that we will be evaluating every aspect of the business and making the right business decisions. All departments play a role in the need to reduce expenses as we continue to deal with the downturn in business. I am hopeful as the year moves on, that we will see our economy recover and in turn have more materials and finished goods being shipped by rail. Stay Tuned!

In closing, our first quarter had mixed results, but we have nothing but upside moving forward. We have people in training, and our transportation employees should start getting some relief by the beginning of the third quarter. Our KPI's are seeing a steady improvement week after week, and our financials are not in need of a replan. I am approaching my first full year as your President and COO, and I couldn't be happier leading this great team. Thank You all for what you do day in and day out, you are making a difference!

Brian E. Gorton,
President and Chief Operating Officer

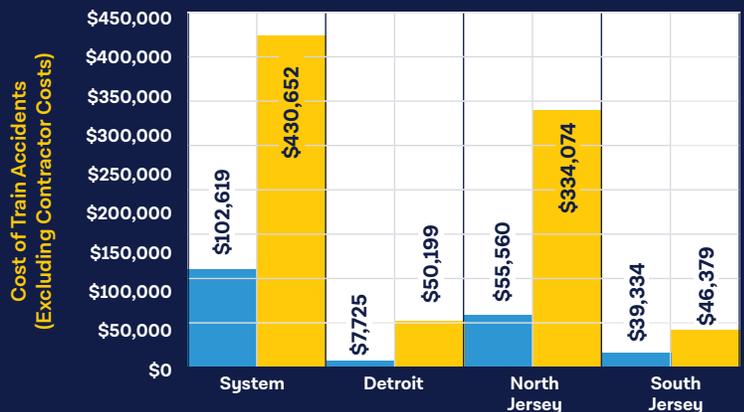
Safety/Service Measures

Maintaining a safe workplace is our # 1 Goal.
Overall, safety performance has declined in 2022.



SYSTEM 200% Increase 2022 vs. 2021
DETROIT 100% Improvement 2022 vs. 2021
NORTH JERSEY 300% Increase 2022 vs. 2021
SOUTH JERSEY No Change 2022 vs. 2021

The cost of Train Accidents has decreased in 2022



SYSTEM 76% Improvement 2022 vs. 2021
DETROIT 85% Improvement 2022 vs. 2021
NORTH JERSEY 83% Improvement 2022 vs. 2021
SOUTH JERSEY 15% Improvement 2022 vs. 2021

How Conrail Makes Money

REBECCA CARLINI | Financial Reporting Specialist

MICHAEL LAKE | Accounting Manager

At Conrail, we strive to provide the most efficient transportation services on the market, but unlike our competition, we operate with a unique money-making structure. There are three main components that demonstrate how businesses make money: Revenue, Expenses, and Net Income. These three components appear on the Income Statement, which is a financial statement that summarizes the revenues, costs, and expenses incurred during a specific period. The Income Statement indicates how revenue is transformed into Net Income through inflows and outflows of money.

Typically, revenue is earned through the sales or services provided by a company. As for Conrail, revenue derives directly from the expenses, rather than customer payment for transportation services. All of Conrail's current day operations are classified as CSAO revenue and expenses. The total cost to run the railroad returns to Conrail as CSAO revenue. As such, Conrail makes money through multiple streams of revenue, including Operating and Capital Expense Reimbursement, Interest Rental, Rental Income, Fiber Optics, Interest, Investment Returns, and Property Sales.

Conrail's largest revenue item is CSAO Expense Reimbursement. After CSAO expenses are allocated to NS and CSX based on usage, they are billed back to the owners at a 2% markup. The next revenue item is Capital Expense Reimbursement, which is split 50/50 between NS and CSX. Capital Expense Reimbursement is the depreciation expense on capital

expenditures, plus a 2% markup. The third revenue item is Interest Rental. Interest Rental acts as revenue for Conrail by charging NS and CSX a 58/42 split for the joint and exclusive access to the shared asset areas. When you combine Expense Reimbursement, Capital Expense Reimbursement, and Interest Rental, you determine CSAO revenue.

The last piece of CSAO income is Rental Income. Unlike Interest Rental, Rental Income makes Conrail money by leasing out land that we own. Rental Income is the only portion of CSAO income that is a non-operating revenue item.

In addition to current day operations, Conrail generates income and expenses through Continuing Conrail (CCR). The main components of CCR income are fiber optics, interest (from NS and CSX), investments, and property sales. CCR's expenses include pension, occupational claims, and legal fees. Unlike CSAO, CCR inflows and outflows of money are not based on the cost to operate the railroad.

To summarize, Conrail makes money through a complex blend of multiple revenue streams, including Operating and Capital Expense Reimbursement, Interest Rental, Rental Income, Fiber Optics, Interest, Investment Returns, and Property Sales that provides a continuous flow of revenue to support operations.

New Yard Office Browns Yard

RYAN WAGNER | Supervisor Structures



Browns Yard is one of Conrail's critical North Jersey serving yards located off Bordentown Ave in Sayreville, NJ. In December 2021, Browns Yard received a new modular building replacing the longstanding yard office. Along with the new headquarters, important utility and technology functions were enhanced to

provide increased reliability and improved experience for all facility users. This capital improvement project is consistent with Conrail's continued efforts to upgrading facilities and maintaining an overall improved standard

of property conditions. Browns Yard is the sign-up location for T&E crews SA-3, SA-31, SA-22, PR-52 as well as mechanical department employee(s). These crews serve various customers including International Paper, Wood Haven Lumber, Builders General, BWay Corporation, Tulnoy Lumber, West Rock, among others. Providing service to these customers requires traversing combinations of the Amboy Secondary, Freehold Secondary, Southern Secondary, Sayreville IT, Gillespie IT, and Hightstown IT. In addition to supporting daily operation personnel, the new building also has a classroom that will allow for future training opportunities to small groups of current and prospective Conrail employees. The overall investment in this location will support continued improvement in providing safe, efficient service to customers and is a testament to the hard-working employees that operate out of Browns Yard.

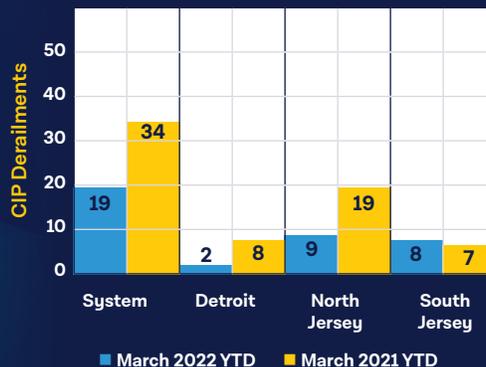
Safety/Service Measures

The number of Train Accidents has decreased in 2022 vs. 2021



SYSTEM 31% Improvement 2022 vs. 2021
DETROIT 63% Improvement 2022 vs. 2021
NORTH JERSEY 33% Improvement 2022 vs. 2021
SOUTH JERSEY 14% Increase 2022 vs. 2021

The number of Derailments has decreased in 2022 vs. 2021



SYSTEM 44% Improvement 2022 vs. 2021
DETROIT 75% Improvement 2022 vs. 2021
NORTH JERSEY 53% Improvement 2022 vs. 2021
SOUTH JERSEY 14% Increase 2022 vs. 2021

Average Daily 32 Hour Cars has increased in 2022 vs. 2021



SYSTEM 2% Deterioration 2022 vs. 2021
DETROIT 8% Improvement 2022 vs. 2021
NORTH JERSEY 2% Improvement 2022 vs. 2021
SOUTH JERSEY 22% Deterioration 2022 vs. 2021

What's the Scoop, Sup?

Message from Detroit District Superintendent



Like me, I'm certain many of you are excited to transition from the cold wintery days into the warm sunny days of spring. As we move into the spring months, I want to remind everyone to remain focused on the jobs that we perform each day. It's easy to become complacent and being in a hurry or thinking about after work tasks and events, can lead

to injuries or incidents.

In 2021, we struggled to successfully manage our safety incidents ending the year with 5 FRA reportable injuries. This year we are on pace to reverse that trend and must maintain focus related to all aspects of safety. Remember to always remain vigilant and report any questionable hazards you may see in the field; you're our best eyes and ears.

As we see the pandemic taper down and to keep up with supply and demand, in the last six months we have seen many of our customers increase production. Additionally, new customer FCA Universal has

steadily increased their parts distribution resulting in more vehicles being produced from all FCA assembly plants.

While our customers growth progresses, we must secure the support that is needed to sustain a safe and efficient operation. To meet these demands, in January 2022 we called back five furloughed employees and are exploring the possibility of hiring. Once these employees are qualified and along with all of you both in the field and abroad, we will continue to support customer expectations with a concentration on meeting and exceeding our goals.

Thank you all for your efforts. Let's continue to stay focused and keep Conrail's Detroit District a productive operation that makes all of us proud.

Kory S. Johnson
Detroit District Superintendent

Message from North Jersey District Superintendent



As we complete the first Quarter of 2022, the North Jersey Conrail Team remains focused on our 2022 goals and keeps working to exceed our 2021 performance. To help us realize our goals, Conrail has offered new conductor positions to 32 individuals. The first class started in March and the second class started mid-April. New hire pay has also been increased to 100% of the daily rate once they are promoted. In addition to the conductor positions, on April 1st we welcomed new Management Trainees in Transportation, Mechanical and Engineering.

We are working hard on ways to improve the quality of life in the workplace. Conductors play a very important role in training our new hires, and to recognize their efforts they will soon receive training pay

while training new hires. Moving forward, new engineer training will be held in-house instead of sending Conrail employees to CSX or NS engineer school.

With a host of Global uncertainties including rising fuel costs, we must identify cost saving opportunities through fuel conservation. Area Road Foreman are being utilized to download engine tapes to find new opportunities for savings and efficiencies. This program is not intended to be used for a disciplinary measure, it is to help us find efficiencies.

As the weather becomes more favorable, cookouts will be planned for the North Jersey area to acknowledge and discuss our accomplishments from 2021. I look forward to seeing many of you at these cookouts and as always, my door is open to discuss any issues that may arise.

Mo Megali
North Jersey District Superintendent

Message from South Jersey District Superintendent



As we move from the winter season into spring, South Jersey has a lot to look forward to for the next few months. South Jersey has welcomed a new member to our management team, Liam Duffey. Liam began his career at Conrail as a conductor where he has worked all over the South Jersey Terminal for the past 13 years. We are excited to have Liam join the management team and look forward to his contributions

to the South Jersey Terminal's success.

South Jersey is gearing up for the busy season in some of the seasonal commodities that we move across the network. We have the right Team

in place to make our customers successful and in turn make Conrail's performance top notch.

There is a lot of anticipation for the upcoming Conrail Summer Picnic at Six Flags Great Adventure in June and everyone's families seem excited and ready to experience some of the biggest roller coasters in North America.

We closed the first quarter of 2022 with a strong performance and prepare to ride that wave into the summer. #TEAMCONRAIL

John E. Higgins
South Jersey District Superintendent

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!



We would like to recognize all of our employees who have reached injury free milestones. Thank you for your dedication to safety.

Injury Free

DETROIT

- William Ayars, Trainmaster, 10 Years of service
- Codee Bennett, Conductor, 10 Years of service
- Andre Chalk, Brakeman/Switchman, 10 Years of service
- Jeffrey Diegel, Yardmaster, 10 Years of service
- Frank Palazzolo, Senior Trainmaster, 10 Years of service
- Robert Regulski, C&S Maintainer, 10 Years of service
- Gary Stocker, C&S Maintainer, 10 Years of service

NORTH JERSEY

- Alec Koegler, Electrician, 5 Years of service
- Richard Richter, Engineer, 10 Years of service
- Donald D'angelo, Maintainer/Repairman, 15 Years of service
- Kevin Gabriel, Engineer, 15 Years of service
- Nicholas Nordhoff, Signal Supervisor, 15 Years of service

SOUTH JERSEY

- Perry Bascou, Engineer, 10 Years of service
- James Bowman, Engineer, 10 Years of service
- Carlos Dasilva, Conductor, 10 Years of service
- John Dimatteo, Engineer, 10 Years of service
- David Florian, Engineer, 10 Years of service
- Matthew Middleton, Laborer, 10 Years of service
- Jonathan Schulak, General Foreman, 10 Years of service
- Shalon Wilson, Trainmaster, 10 Years of service
- Paul Henry, Foreman, 15 Years of service
- Michael Rizzo, Electronic Technician, 15 Years of service
- Samir Vaughan, Conductor, 15 Years of service

Safety/Service Measures

On Time Road Train Departure performance has improved in 2022 vs. 2021



SYSTEM 14% Improvement 2022 vs. 2021
DETROIT 3% Improvement 2022 vs. 2021
NORTH JERSEY 26% Improvement 2022 vs. 21
SOUTH JERSEY 2% Improvement 2022 vs. 2021

Yard Dwell Time has deteriorated in 2022 vs. 2021



SYSTEM 29% Deterioration 2022 vs. 2021
DETROIT 11% Deterioration 2022 vs. 2021
NORTH JERSEY 39% Deterioration 2022 vs. 2021
SOUTH JERSEY 11% Deterioration 2022 vs. 2021

Meet the Signal Inspector

STEPHEN MCGINNIS | Communications Coordinator

As you might guess a railroad signal maintainer does just that, maintains and oversees a number of signals within his or her territory of coverage.

The position also maintains “active” grade crossings, or those locations which have operating lights and gates which protect roadway/railroad crossings.

To be qualified for the position one must have an intimate knowledge of electrical applications and railroad signaling systems in particular.

“I have to make sure to conduct tests on all my crossings. I have to make sure all the arms are working, the lights are working and bells are working, and that all my signs are up. This isn’t the kind of job that you can take lightly. If I don’t do my job 100% it could cost people their lives. A Maintainer has to be self motivated and disciplined to handle the responsibilities of the job,” said South Jersey Signal Inspector John Freni.

Freni has been with Conrail for 11 years and takes great pride in his craft and working for Conrail. “I love my job, it carries a lot of responsibility, but I love knowing that everyday I’m doing something that protects people. It protects my fellow employees, but more importantly the people in the communities that we operate in, we have crossings near schools and playgrounds, and we make sure it’s safe for us and for them.”



Detroit’s C&S Inspector Jeff Binkley echoed Freni’s statements especially the high level of responsibility that comes with their position. “I am ultimately responsible for more than 120 crossings and 20 interlockings, and if any of them aren’t functioning properly the implications could be catastrophic. There’s a lot that goes into the job, but ultimately the biggest responsibility in my mind is the safety of my fellow employees and the people in our communities.

I think about it everyday from the minute I wake up, I really do,” said Binkley. Binkley has also been with Conrail for 11 years and is a veteran of the Air Force.



In North Jersey, Signal Inspector Joe McGlynn is responsible for the Lehigh Line, The Port Reading Secondary, The Southern Secondary, and Amboy Secondary. He has been with Conrail since 2005 and during his 17 years he still learns something new every day, but there is one thing that he believes is the most important thing he’s learned. “We have the lives of people in our hands, if you don’t do your job right, you’re going to put a train on the ground that’s going 50 MPH. I have mainline crossings, quite zone crossings, there are real life consequences, its not just oh I screwed up I could lose my job, NO! People’s lives are in our hands, and you must think about the safest possible way to do the job better than the best of your capabilities. I pride myself in this job as serious as humanly possible and to try and teach the younger guys to understand what and why we do what we do, and why its important to take pride in everything they do,” said McGlynn. McGlynn is a volunteer firefighter in South Brunswick NJ and served in the Army and is a veteran of Operation Iraqi Freedom.



Celebration



Station



Congratulations to Noah Caccamo, (12) son of Joe Caccamo (Manager of Hazardous Material, Env. And Security Compliance) and his Travel Soccer club the Thunderbolts. They won their Division in the Monmouth Ocean Soccer Association MOSA U-13 Group.



Conrail's Supervisor of Structures, Ryan Wagner, recently passed the rigorous Principles and Practice of Engineering exam to earn the distinct honor of being a Licensed Professional Engineer (PE). Wagner graduated from the University of Maryland with a BS in Civil Engineering.



Congratulations to Jaclyn Whelan, Project Manager Design for being named 2022 member of the year of the Women in Transportation Organization. Thank you for the great example you set for all railroad employees!



Congratulations to Andrea Unterbrink, Executive Assistant and Office Manager on celebrating her 36th wedding anniversary to husband Scott.



Congratulations to Kevin Christy, Director of Financial Planning and Reporting, and his wife, Kerri, on the birth of their son Jack!

LEMON RICOTTA COOKIES WITH LEMON GLAZE

Keilla Oliveira, Customer Service Representative

INGREDIENTS

COOKIES:

- 2 1/2 cups all-purpose flour
- 1 teaspoon baking powder
- 1 teaspoon salt
- 1 stick unsalted butter, softened
- 2 cups sugar
- 2 eggs
- 1 (15-ounce) container whole milk ricotta cheese
- 3 tablespoons lemon juice
- 1 lemon, zested

GLAZE:

- 1 1/2 cups powdered sugar
- 3 tablespoons lemon juice
- 1 lemon, zested

DIRECTIONS

Preheat the oven to 375 degrees F.

COOKIES:

In a medium bowl combine the flour, baking powder, and salt. Set aside.

In the large bowl combine the butter and the sugar. Using an electric mixer beat the butter and sugar until light and fluffy, about 3 minutes. Add the eggs, 1 at a time, beating until incorporated. Add the ricotta cheese, lemon juice, and lemon zest. Beat to combine. Stir in the dry ingredients.

Line 2 baking sheets with parchment paper. Spoon the dough (about 2 tablespoons for each cookie) onto the baking sheets. Bake for 15 minutes, until slightly golden at the edges. Remove from the oven and let the cookies rest on the baking sheet for 20 minutes.

GLAZE:

Combine the powdered sugar, lemon juice, and lemon zest in a small bowl and stir until smooth. Spoon about 1/2-teaspoon onto each cookie and use the back of the spoon to gently spread. Let the glaze harden for about 2 hours.





330 Fellowship Road
Suite 300
Mt. Laurel, NJ 08054



NJ/SJ Company Picnic 2022



Saturday June 11th

Please RSVP by Friday May 13th

RSVP to: NJpartyRSVP@conrail.com

(Include Name, EID, Phone #, total guests, and age of children)

Private Conrail Tent 12:00 PM – 2:00 PM

1 Six Flags Boulevard, Jackson, NJ 08527

DETROIT Company Picnic



August 20th, 2022

Please RSVP by Thursday June 30th

RSVP to: detroitpartyrsvp@conrail.com

If you have any article suggestions, announcements, or recipes please e-mail newsletter@conrail.com