



ANACOSTIA RAIL HOLDINGS



Northwestern Sandhouse 2018

South Shore Freight Public Private Partnership Success Story



Agenda

- ◆ CSS & SB History
- ◆ PPP
- ◆ Challenges
- ◆ Our Approach Moving Forward
- ◆ Questions



Anacostia Experience in PPPs

Chicago South Shore

90 mile joint use with Northern Indiana Commuter Transportation District
Freight-passenger corridor with 50 daily passenger trains and
50,000 plus annual freight carloads-*since 1990*

New York & Atlantic

269 mile shared with Long Island Railroad
Freight-passenger network with 600+ daily passenger trains and
30,000+ annual freight carloads-*since 1997*

Pacific Harbor Line

Concession to operate publicly-owned
Ports of Los Angeles and Long Beach
Rail facilities in largest port complex in North America-*since 1998*



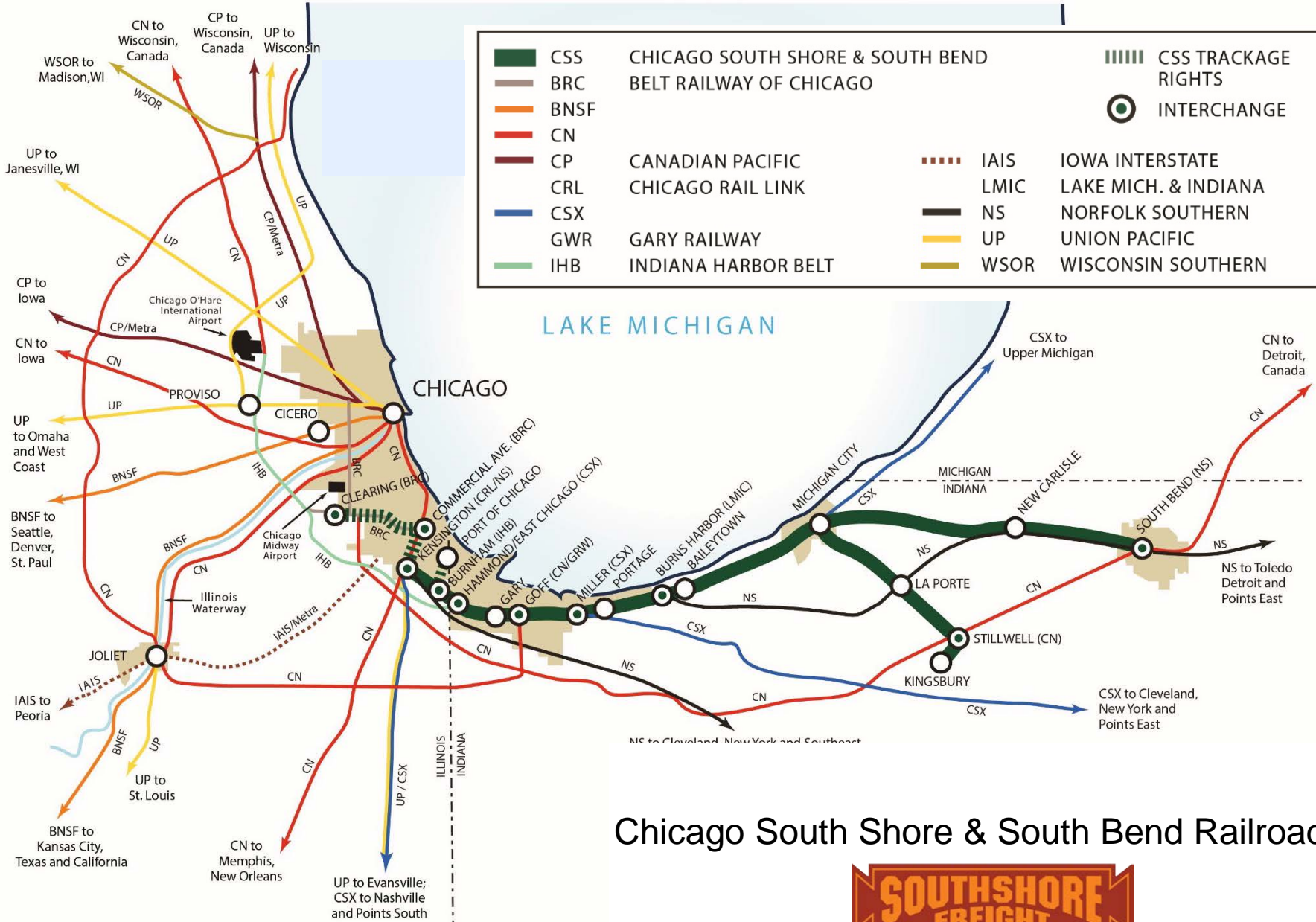
Chicago South Shore & South Bend Railroad



- ◆ 75 mile joint use with Northern Indiana Commuter Transportation District
- ◆ Freight - passenger corridor
 - 43 daily passenger trains
 - 50,000+ annual freight carloads since 1990



	CSS	CHICAGO SOUTH SHORE & SOUTH BEND		CSS TRACKAGE RIGHTS
	BRC	BELT RAILWAY OF CHICAGO		INTERCHANGE
	BNSF			
	CN			
	CP	CANADIAN PACIFIC		IAIS IOWA INTERSTATE
	CRL	CHICAGO RAIL LINK		LMIC LAKE MICH. & INDIANA
	CSX			NS NORFOLK SOUTHERN
	GWR	GARY RAILWAY		UP UNION PACIFIC
	IHB	INDIANA HARBOR BELT		WSOR WISCONSIN SOUTHERN



Chicago South Shore & South Bend Railroad



CSS: Vital Information

- ◆ **Established** 1990, purchased from bankruptcy
- ◆ **Serves** Chicago and Northwest Indiana
- ◆ **Connections** All Chicago railroads (directly or via BRC)
- ◆ **Commodities** Steel, coal, chemicals, building materials, grain, food products
- ◆ **Route Miles** 100 (75 shared with NICTD)
- ◆ **Carloads** 55,000
- ◆ **President** Mr. Todd Bjornstad



CSS: Customers

Steel/Metals



Precoat Metals

kloeckner metals



PSC METALS, INC.



Fuel/Energy



KL-CHEMPAK
Transportation • Warehousing • Production • Rail Services

Chemicals



Paper



Minerals



Lumber/Building



CSS: Structure

- ◆ Public Partner:
Northern Indiana Commuter Transportation District (NICTD)
 - Ownership of mainline, catenary and other joint use track infrastructure
 - Dispatching and maintenance of joint use track
 - All passenger operations

- ◆ Private Partner:
The Chicago South Shore & South Bend Railroad (CSS)
 - All common carrier freight operations; ownership of all freight locomotives and cars
 - Ownership of certain joint use track infrastructure
 - Maintenance/capital for freight-only track infrastructure



CSS: Structure

- ◆ Anacostia formed new company to buy assets of bankrupt railroad.
- ◆ Pursuant to agreement, responsibility for passenger operations transferred to transit agency that previously only subsidized service.
- ◆ CSS assumed existing labor agreements.
- ◆ Joint track ownership is a hybrid of CSS and NICTD ownership; where NICTD owns track, CSS has permanent property interest.
- ◆ Joint track (regardless of ownership) maintained by agency, the entity with the highest track speed parameters.
- ◆ Dispatching conducted by NICTD, but chief dispatcher position is “joint employee”.
- ◆ CSS pays agency car mile fee for use of track owned by NICTD.

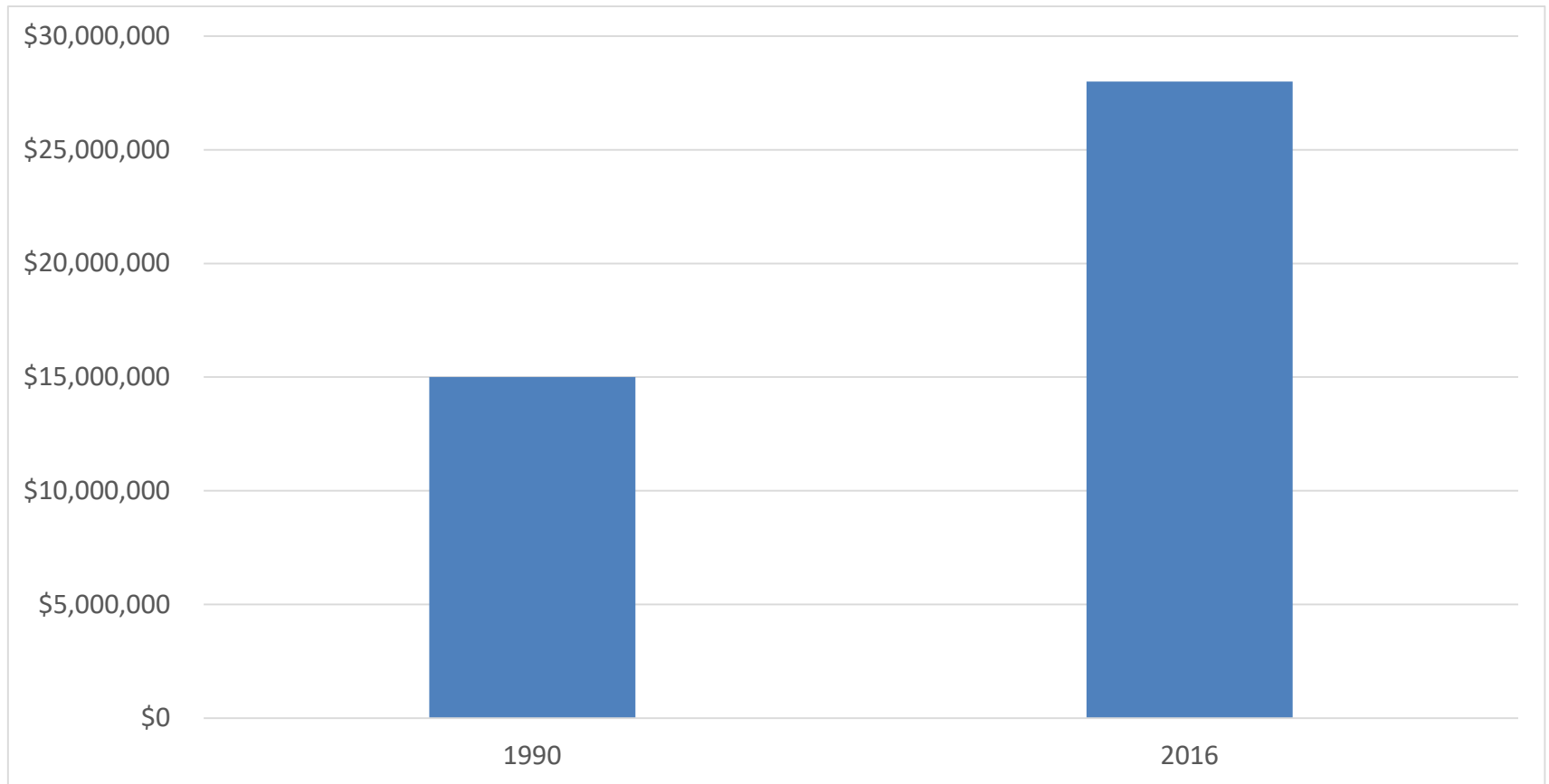


CSS: Results

- ◆ Twenty six years of successful joint operations
- ◆ Excellent CSS safety performance with 8 “Jake” awards
- ◆ Revenue growth of over \$10 M since start up; maintain carloads despite pressure on coal, steel industries
- ◆ Transit agency has leveraged federal funds to improve joint infrastructure: CTC, double track, new bridges.
- ◆ Continuation of union representation of employees through bankruptcy reorganization until today
- ◆ Negotiated access to Port of Chicago after start-up; have achieved a 90% plus market share vs. incumbent rail carrier
- ◆ Contributed over \$80M to reduce state subsidies and stabilize passenger fares for NICTD



CSS: Revenue



Anacostia Approach

- ◆ Operational depth and experience providing quality service while operating in complex environments.
- ◆ Excellent industry and Class I relations.
- ◆ Strong franchises serve significant markets.
- ◆ Outstanding customer service and business development support.
- ◆ Significant ongoing capital investment.
- ◆ Industry leadership roles by our team.
- ◆ Conservative capital structure and industry-leading returns.
- ◆ Creator of innovative transaction structures.







ANACOSTIA RAIL HOLDINGS

We know how to help you grow!

