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: 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: 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
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

1990 vs 2016 Revenue

- 1990: $10,000,000
- 2016: $25,000,000
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!