

INDIANA HARBOR BELT

SAFE START

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"No one intends to get hurt, but there is an element we all must contend with: the unexpected."



General Manager Jim Roots addresses a crowd April 27.

Left: Bob Felgenhauer, Vice President PotashCorp, and General Manager Jim Roots cut the ceremonial ribbon allowing passage of the first trains at Potash Yard.

A grand opening for Potash and IHB

April 27 was a big day in Gibson Yard. IHB welcomed Hammond Mayor Thomas McDermott to an event nearly three years in the making. More than 100 people attended a ceremony dedicating the new PotashCorp facility east of the terminal's new Gibson Yard office.

Guests included IHB employees who constructed the yard, officials from the mayor's office, PotashCorp staff and other project participants. General Manager Jim Roots joined McDermott in addressing the audience.

"The one thing I'm most proud of is there hasn't been a yard like this built in northwest Indiana or Chicagoland in 100 years," said Roots, a 46-year railroader.

After an extensive search, PotashCorp selected northwest Indiana for its location, railroads and skilled labor force. Hammond triumphed over 41 other sites, while IHB was selected for the job over the largest U.S. railroads.

The new facility, for which Gibson Yard has been expanded the past two years, will pave way for an estimated \$130 million in anticipated development, including infrastructure improvements along various Hammond streets.

Specifically, the endeavor is a \$70 million

project to build a 136,000-square-foot new fertilizer storage and transfer facility. It will be the first of its kind built by PotashCorp in North America, giving the Canadian company increased access to its U.S. customers.

In addition to nearly \$10 million invested by the city, yard capacity will expand by 1,000 railcars, utilizing at least 25 permanent employees. Train cars already have arrived at the facilities, with IHB switching them to other rail carriers for national distribution.

Saskatchewan-based Potash Corporation is the world's largest fertilizer company, producing primary crop nutrients potash, phosphate and nitrogen. As the world's leading potash provider, the company is responsible for about 20 percent of global capacity.



A new 2,100-horsepower diesel locomotive pulls fertilizer railcars on the new track April 27.

Project enhances efficiency and safety

The B15 Project is a major undertaking IHB has been involved with for more than a year. Participating in the work are 35 Maintenance of Way, bridge and electrical employees.

Although B15 falls under Chicago's citywide CREATE project, a multi-billion dollar investment in passenger and freight rail infrastructure, IHB's focus is straightforward: enhance the efficiency of train movement through a three-mile area across Blue Island Yard. The project includes changing industrial tracks to main tracks, giving full control to Calumet City dispatchers.

"We'll go from hand-operated to power switches under control of a dispatcher," said Will Geeve, manager communications and signal. "With dispatchers operating switches and making lineups from Calumet City, we eliminate the need for crew members to stop trains to get off to align switches, which slows train traffic and causes backups that could interfere with the public."

IHB received the go-ahead to begin ordering material in December 2010 with construction starting in April 2011. They finished the School Street portion April 14, one year later.

Geeve credits Billy Griffith, assistant supervisor of communication and signal, who is supervising his first project.

"He has done an outstanding job, and I could not ask for a better job from a first-time supervisor," he said. "He's monitored people well, kept up with budget, worked safely and handled himself as a seasoned supervisor."

The project will speed yard movement for local businesses. With less delays, fewer crossings will be blocked. Businesses throughout the region will benefit from CREATE, with trains moving more efficiently through Chicagoland.

"If people were on the edge of deciding whether or not to ship by



Signal installation at CP School Street progresses in December.



A westward view reveals progression of the B15 project in December.

rail, they now see goods will arrive faster," Geeve said.

Perhaps most importantly, the project enhances safety as public crossings are cleared more quickly. With Calumet City dispatchers operating switches, IHB crews remain in the cab for smoother train movement through the Blue Island area.



From left, Gibson Terminal Superintendent Tim Wilkerson and Locomotive Engineer Dan Douglas

Douglas spots cracked wheel

Locomotive Engineer Dan Douglas is praised for making a great save.

The 36-year veteran is required to inspect his locomotive daily in accordance with rules mandated by the FRA and IHB. Before he climbed aboard the IHB 1509 at Michigan Avenue Yard March 16, Douglas looked for defects that could affect the safe operation of the locomotive. He noticed a cracked wheel, which could have caused a potential derailment.

"He was being a vigilant employee and paying attention to detail," said Director of Safety and Training Lou Mayden. "He was not being complacent about everyday matters, and it paid off."

Recognizing recent retirees

IHB recognizes and congratulates employees who recently completed their careers. Thank you for your dedication to the industry:

- Sheet Metal Worker Gerald Harwood retired Jan. 5 after 39 years of service.
- Track Laborer Mario Hernandez retired Jan. 27 after 15 years of service.
- Clerk Christine Lux retired March 15 after 37 years of service.
- Signalman Jesus Ordaz retired March 31 after 32 years of service.
- Trainman Martin Quigley retired April 2 after 37 years of service.
- Head Bookkeeper Sue Watts retired May 1 after 38 years of service.
- Mechanic Ricardo Vizacarra retired June 1 after 37 years of service.



Customer Profile: First Logistics

First Logistics' Central Avenue location contains a variety of finished food grade products. Many are shipped to well-known fast food outlets across the globe. Inset: IHB crews regularly deliver products to the First Logistics warehouse on Pulaski Avenue in Alsip, including paper to wrap drinking straws.

First Logistics LLC is a recent addition to the Indiana Harbor Belt family of industries. Founder Dennis Cole started the business in 2003 with BNSF, but changed to IHB when it relocated to Alsip, Ill., in 2006. They currently receive boxcars of paper products, raw material, finished goods and recycled products.

One focus of First Logistics is its environmental philosophy.

"We strive to serve the environment as efficiently as we serve our customers," Cole said.

Their rail shipments arrive from locations across the U.S. and Canada. Some products are immediately cross-docked to truck for local area delivery; others are bar coded and put into stock, then periodically released to manufacturing companies, distributors and other users. Products First Logistics receives by truck are later shipped in boxcars to the southeastern United States.

"With the emphasis on sustainability, this portion of our business is on the rise," Cole said. "We see some manufacturers focused on reducing carbon emissions and using rail more than trucks to move their goods. I estimate this will increase significantly during the next five to 10 years."

First Logistics also has a food grade warehouse in Alsip that is not served by rail. It is the only warehouse in Illinois that requires hair nets. This strict policy, along with other food handling requirements, exemplifies how the company goes the extra mile for its customers in cleanliness and follows sanitation policies mandated by top food producers, which allows them the competitive advantage over other warehouses. They house a variety of ingredients and finished food goods utilized by some of the most well-known fast food outlets. IHB and First Logistics work together to bring in railcars at the other location with food grade commodities, further diversifying both companies.

First Logistics is C-TPAT certified (Customs Trade Partnership Against Terrorism), which allows a major contract customer to bypass some U.S. Customs' inspections. With their strict security and processing procedures, the company has formed a partnership with U.S. Customs division of Homeland Security, following the anti-terrorism regulations for global commerce. C-TPAT and Homeland Security work with companies that regularly import goods into America from known and certified locations across the globe.

First Logistics has been involved in key humanitarian projects. It handled supplies for Hurricane Katrina relief and has a strategic alliance with China for global trade compliance. During a disaster such as Katrina, First Logistics accumulated donated goods and loaded trucks to send much-needed medical supplies, water and other disaster relief items. This was done prior to the creation of ALAN, a volunteer supply chain service group of warehouses and transportation companies of which First Logistics is now a participant. The company also loaded containers for export with supplies such as shoes, books, clothing and computer equipment destined to various parts of the world for a number of charitable organizations, including Share Your Soles, a Chicago-based organization that provides gently worn shoes to those in need.

As a longtime Boy Scouts of America leader and volunteer, Cole received an award for his donation of space and manpower to a local Boy Scouts project, enabling that council to raise funds.

"Both the IHB and First Logistics strive to put the customer first, and I think that is a big reason for the current success," Cole said.

He attributes his success to "a tremendous amount of sales efforts and the ongoing support of the entire Indiana Harbor Belt team in our joint marketing initiatives."

Local kid makes good

Patrick McShane is familiar with life in northwest Indiana. The Dyer, Ind., native gets to remain close to home after joining IHB Jan. 9 as a Marketing Department management trainee.

While working three years for a rental car agency after college, he learned of IHB from a railroader who rented a vehicle. McShane enjoys the change in environment.

"My last job was

sales oriented and often moved too quickly," he said. "I now have time to put projects together."

McShane holds many responsibilities working with more than 30 customers. While he learns about the railroad and its clients, he aids in research for vendors and offers creative solutions for increasing their traffic. It's a different world from his pre-railroad life.

"I used to see trains moving and didn't realize how much of our economy is run through the railroad," he said. "I never understood how detailed the process is and

how big the products are that we move."

Now thriving in his new role, McShane already has referred others to the railroad.

"I can't wait to go to work each day," he said. "My wife and friends say they have never seen me so energetic."

McShane is married to Kelly, a nurse practitioner. The couple have a 9-month-old daughter, Allie.

He enjoys skiing, biking, hiking and camping, especially in national parks. While growing up, his family had season tickets to Notre Dame football games, so he remains a Fighting Irish fan.



Patrick McShane enjoys learning the railroad through IHB's Marketing Department.



Six classes of managers participate in detailed training on a range of topics in March.

Managers' training addresses leadership

Throughout March, IHB provided voluntary training classes for managers.

Instruction covered basic supervisory skills including how to motivate employees, sound decision making, effective communication, and how to professionally and respectfully handle performance issues. Employees also underwent diversity training and learned to relate with peers.

The five-day, 35-hour sessions were targeted to operations managers and supervisors. Attendees included nearly all IHB supervisors, including track foremen, assistant supervisors, supervisors, signal supervisors and Maintenance of Way managers. Other attendees included Transportation managers, including yardmasters, trainmasters, assistant superintendents and managers of train

dispatch operations; and car and locomotive supervisors.

Training the class were Milt Leppert and Joe Micelli, who share more than 80 years of operations experience. Classes were specifically geared toward managing railroad employees and responding effectively to challenges and opportunities faced on the railroad.

With an overwhelmingly positive response from attendees, IHB plans to repeat the training as needed.



Certificates are presented upon completion of the management course.

Marshall still enjoys the ride

Rick Marshall has two big passions in life, both of which involve transportation. The conductor with more than four decades of experience enjoys trains and motorcycles.

Although nearing retirement, he wants to keep working to ensure his 13-year-old son can enjoy a college education.

Marshall has seen changes during his time on the railroad. These include the physical characteristics of the train, new tracks, enhanced bridges and advancements in radio technology. He said the emphasis on safety also has evolved.

"There's a stronger focus on it, which is good," he said. "We have more job briefings before going out."

Prior to joining IHB in 1971, Marshall's family traveled to accommodate his father's service in the U.S. Air Force. Stops included

pleasant locales such as Puerto Rico, Cape Cod, Florida and South Dakota's Black Hills.

While in South Dakota, he began riding motorcycles. Today, he still enjoys returning to that state's badlands and Colorado's mountains during summer months. He has attended the annual Sturgis, S.D., Motorcycle Rally many times.

When not riding or working at Blue Island Terminal, Marshall is probably on the golf course, at a health club or helping his church.

He has straightforward advice for future and current railroaders.

"Be safe and stay out of trouble," he said. "I'd recommend the career for people who seek stability in comparison to many other jobs."



Rick Marshall, conductor, enjoys being on the road, no matter the mode of transportation.



Employees who received Summer Spike T-shirts May 2 for exhibiting strong safety performance include, from left, Pipefitter Carl Meyers, Laborer Eddie Barnes, Machinist Jim Hedrick and Boilermaker Mike Christenson. Track Foreman Fabin Bermudez, Electrician Mike Noland, Machinist Tim Obermeyer and Laborer Jonathon Toney received shirts in April.

Preparing to drive down the spike

Employees were reminded of summer's potential hazards when they received shirts inscribed with the slogan "Drive Down the Summer Spike" during briefings April 13, April 16 and May 2.

"We are looking at overall behaviors of employees in complying with safety and operating rules," said Director of Safety and Training Lou Mayden. "Consistent compliance during 2012 is key."

Criteria to receive a shirt included consecutive months being observed with no failures in IHB's observation program.

In Memoriam: Randy Gierling

IHB mourned the death of Randy Gierling, 56, in January. He was a well-respected employee who joined the railroad in 1998.

Co-workers remember him fondly, using terms like "generous," "funny," and "fabulous to have around."

Gierling served as a general foreman for inspection and repair the past seven years. He also spent a lot of time surveying and designing in the field. Inside the office, he often helped co-workers with technical issues.

"Randy dedicated his life to railroading," said

General Foreman Design and Reporting Eduardo Garcia, who worked closely with Gierling. "He was very hard working. Everyone would call on his knowledge."

Among Gierling's many hobbies were building model trains, restoring cars and watching movies. He also was an avid outdoorsman who enjoyed hunting and photographing wildlife.



Randy Gierling loved railroading and will be deeply missed by his IHB co-workers.

Locomotive Department hits mark, seeks longer streak

Locomotive shop employees marked one year without a reportable injury April 16. A May 9 cookout recognized the 56 employees responsible for the feat.

This is not the first time shop employees have accomplished such a milestone. They worked without a reportable injury from January 2006 through February 2011.

"We now are back on track, and the crews want to pick up where they left off to exceed that five-year mark," said Mark Hansen, superintendent locomotives. "If they continue to do a great job focusing on their work, I know they'll succeed."

A 40-year railroader with 15 years management experience, he said maintaining focus is a big part of working injury free.

"Any safety issues brought up are dealt with immediately," Hansen said. "Supervisors have done a great job giving attention to safety issues that arise."



One of the new genset locomotives sits at Roundhouse Track 10. Locomotive shop employees celebrate one year without a reportable injury April 16.



IHB employees work to get the building operational March 29.



Iron workers erect steel framing on the new Gibson Yard building Dec. 20.



Iron workers erect steel framing on the second floor of the Gibson Yard building Dec. 29.



Crews completed the new Gibson Yard office earlier this spring.



The adjacent parking lot is prepared for pavement April 12.

Gibson Yard opens doors to new building

Opened March 29, the new Gibson Yard office not only enhances employees' control over operations and the work environment, but also accounts for future business growth.

Under the supervision of Dave Glidewell, general foreman right of entry and 35-year employee, the project took more than 120 people four months to complete.

SAFETY BOARD NUMBERS

Days injury free as of May 4:

Argo Terminal:

T/E 406
M/W 1024
M/E 5598

Gibson Terminal

T/E 245
M/W 199
M/E 383
G/A 726

Blue Island Terminal

T/E 32
M/W 69
M/E 528

Norpaul Terminal

T/E 100
M/W 3436

This newsletter appears under direction of the Indiana Harbor Belt Railroad management. For news coverage, contact Ari at the newsletter office by phone at 402-475-6397, fax 402-475-6398, mail information to 1845 S. 11th St., Lincoln, NE 68502-2211, or email ari.kaufman@newslink.com. This material is intended to be an overview of the news of the IHB. If there are any discrepancies between this newsletter and any collective bargaining process, insurance contracts or other official documents, those documents will govern. IHB continues to maintain and reserves the right, at any time, to alter, suspend, discontinue or terminate all plans and programs described in this newsletter. This newsletter is not an employment contract or any type of employment guarantee. Any photo submitted may be used. Anyone who submits a photo retains all rights to the image. However, by submission you give the newsletter permission to use your photo(s) in all related media. Thanks to everyone who contributed to this newsletter, including but not limited to, Joe DeMike, Linda Keating, Dave Newkirk, Leo Pauwels and Paul Wratten.

Indiana Harbor Belt Railroad Co.

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Year by year comparison of mishaps:

Total incidents	Total reportable injuries	Number of days lost
2012	2012	2012
Jan. 1	Jan. 1	Jan. 7
Feb. 2	Feb. 2	Feb. 38
March 4	March 2	March 100
2011	2011	2011
Jan. 4	Jan. 1	Jan. 0
Feb. 9	Feb. 4	Feb. 31
March 11	March 5	March 131
2010	2010	2010
Jan. 0	Jan. 0	Jan. 0
Feb. 5	Feb. 1	Feb. 11
March 8	March 2	March 53

Spano settles into general superintendent role

Joe Spano's career is as lengthy as it is impressive. The 41-year veteran became Indiana Harbor Belt Railroad's general superintendent March 12.

The Chicago native came to IHB from nearby Belt Railway Company. A fourth-generation railroader, his father was a BRC chief dispatcher, his grandfather a patrolman and his great-grandfather a carman. Spano's brother is a dispatcher, and his son, Nick, carries on the tradition as a conductor.

Spano joined the railroad at 17 with a BRC summer job. By 1971, he was working as a clerk.

He held numerous assignments while working on Chicago's South Side, including assistant general superintendent, trainmaster and superintendent. He became BRC general superintendent in 1999, then temporarily retired in 2005.

Seeking an opportunity to return to his roots with a terminal short line, Spano returned to the industry with IHB.

"I was familiar with many of the managers from working with them on various agreements through the years," he said.

Spano seeks to make IHB America's safest railroad. To accomplish this, he relies on tools such as job briefings, eye-to-eye observation, memos, bulletins and goal setting.

He is aware of the differences he will encounter at IHB, particularly on the automotive side.

"Here, we are more industry and automotive based," he said.

Spano plans to meet these tasks head on, continuing IHB's tradition as a premiere railroad.

He and his wife of 37 years, Isabel, have two children and five grandchildren. Their son, Joe, is a teacher and coach, and daughter, Gina, is a stay-at-home mother.

Spano enjoys golf and watching sports, particularly hockey and baseball. He is a longtime Chicago Cubs fan.



Joe Spano,
new general
superintendent