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 June, employees and their families were invited to attend the 2018 Conrail Family Picnic hosted at Frogbridge day camp in Millstone, NJ.

Every one of the 650 people in attendance received a t-shirt and employees received a Conrail Beach Bag.

The venue provided various activities and games for all ages. Families enjoyed the day swimming, playing miniature golf, kayaking, playing tennis, basketball, and riding bumper and paddle boats. There were also a handful of games and friendly competitions hosted every hour by the event staff. The picnic was fully catered and a DJ provided musical entertainment throughout the day.

In Detroit, employees 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. We would like to thank all that participated in making these events such an enjoyable experience. We strongly encourage you to take advantage of future appreciation events to reward you and your families for the important role we all have in Conrail’s continued success.
A Sincere Message of Thanks

The end of one year and the beginning of another is a time to step back and reflect on the past year so as to better evaluate what is important and what our focuses should be. This year, as well as in past years, I feel very fortunate to have met and spoken with so many of you, my Conrail colleagues, and I continue to marvel at the experience, dedication and energy you bring to your work every day. Each of you has demonstrated time and again that no challenge is too daunting and no amount of effort too demanding.

While it is always valuable to look back on our achievements in 2018, it is of greater importance to ensure that we sustain what has been accomplished while always furthering improvements, especially in the areas of safety, service, and efficiencies. January ushers in a new year and a new set of challenges yet opportunities, and it will take all of us working together to face them. Most importantly, we must continue to maintain our personal commitment to helping one another and supporting the growing talent, which represents the next generation of railroaders in our company. I have no doubt that, together in 2019, we can achieve the goals that we set to support our customers, our owners, and most importantly, ourselves.

At this time of year, it is critical that we stay focused on the task at hand and on working safely so that we can enjoy the holidays and time spent with family and friends.

I look forward to working with all of you in the upcoming year, and I wish you and your families a safe, healthy and happy New Year.

Sincerely,

[Signature]

Tim Tierney
President and Chief Operating Officer

We would like to congratulate and thank all of the employees who retired in 2018 for their many years of dedicated service to Conrail.

<table>
<thead>
<tr>
<th>Name</th>
<th>Years of Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gary Bodyl</td>
<td>45</td>
</tr>
<tr>
<td>Mark Brisgone</td>
<td>42</td>
</tr>
<tr>
<td>Philip Callindrillo</td>
<td>44</td>
</tr>
<tr>
<td>Frank Cappelluti</td>
<td>42</td>
</tr>
<tr>
<td>Neil Cavalier</td>
<td>30</td>
</tr>
<tr>
<td>William Curdy</td>
<td>13</td>
</tr>
<tr>
<td>Robert Dalton</td>
<td>48</td>
</tr>
<tr>
<td>Paul Desantis</td>
<td>43</td>
</tr>
<tr>
<td>Joe Garofolo</td>
<td>39</td>
</tr>
<tr>
<td>Paul Meyer</td>
<td>5</td>
</tr>
<tr>
<td>Neil Ferrone</td>
<td>44</td>
</tr>
<tr>
<td>James Friedlund</td>
<td>42</td>
</tr>
<tr>
<td>Richard Greiner</td>
<td>40</td>
</tr>
<tr>
<td>William Lawlor</td>
<td>11</td>
</tr>
<tr>
<td>Michael Long</td>
<td>42</td>
</tr>
<tr>
<td>Dennis McCaffery</td>
<td>41</td>
</tr>
<tr>
<td>Frank Meyer</td>
<td>42</td>
</tr>
<tr>
<td>James Mooney</td>
<td>43</td>
</tr>
<tr>
<td>Joseph Rybczynski</td>
<td>42</td>
</tr>
<tr>
<td>Frederick Shipp</td>
<td>39</td>
</tr>
<tr>
<td>Mike Silpoch</td>
<td>40</td>
</tr>
</tbody>
</table>
The Daniel B. Harrington narrow-gauge steam engine was built in 1878 and was used by Port Huron and Detroit Railroad lumber camps.

One of the shortest moves in the Daniel B. Harrington’s long existence was probably one of the most momentous.

Workers and volunteers recently loaded the narrow-gauge steam engine onto a flatbed trailer and moved it less than a mile from the Port Huron Museum to the metal shop at St. Clair County Community College.

Veronica Campbell, director of collections and exhibits at the museum, said the steam engine had been housed behind the Carnegie Center in a greenhouse for about 25 years.

“Those who were really passionate about trains in the area always knew where to find it,” she said. “It’s been kind of a hidden gem.”

It’s a hidden gem that is being brought out into the open and given a new setting. Thanks to the Community Foundation of St. Clair County and a $25,000 grant from CN, the Harrington will be cosmetically restored and placed in a new building where it will be more accessible to the public, said Campbell, most likely at the Thomas Edison Depot Museum near the Blue Water Bridge.

The small steam engine pulled cars on tracks 3 feet apart instead of the standard 4 feet, 8.5 inches. It was built in 1878 by Porter, Bell & Co. of Pittsburgh, Pennsylvania, and was used by the Port Huron and Detroit Railroad in lumber camps in the Thumb.

“This is the engine that opened up the interior of the Thumb,” said T.J. Gaffney, Conrail Car Inspector, local historian and railroad enthusiast. He owns Streamline Historic Services LLC in Port Huron.

“Think of your major and smaller cities in Sanilac and Huron counties and this was the first train they ever saw,” he said.

The Harrington worked for years in the Thumb, and then moved to the lumber camps near Cadillac and Traverse City.

“From a Michigan history perspective, this one of the few connections we have to our lumbering heritage,” Gaffney said. “When it left here, it was used all over northern Michigan.”

He said the reason it survived is because the last family to own it used the Harrington as a boiler for their fruit cannery.

It later was an attraction at the Cedar Point amusement park in Sandusky, Ohio. The amusement park gave it to the Henry Ford in Dearborn, and the Henry Ford returned it to its first home in Port Huron.

“What’s unique about it is, in its day it wasn’t unique,” Gaffney said. “There were hundreds just like it, but it survived. They had a very short life span.”

Workers used a fork lift to load the engine onto a flatbed trailer for the short trip to SC4. They also loaded the engine’s tender – the small open car that carried fuel such as wood or coal – onto a second flatbed for a trip to an Ohio metal shop where it will be restored.
Since the beginning of this year, Conrail has been following through with a capacity improvement initiative on the National Docks Branch in Jersey City. A large amount of this project has been funded by the Port Authority of NY&NJ due to their anticipated intermodal volume increases. To date, on the east side of the project, we have built a 9,500 foot passing siding between Linden and Johnson Avenue to accommodate high volume traffic on what is mostly single track railroad. The siding includes two brand new end-of-siding Control Points known as CP Chapel and CP Liberty. The new CP’s are controlled by the North Jersey Dispatcher, these two new Control Points allow the dispatcher to move trains into the siding with ease when it is required to pass trains through on the main track. To accommodate future traffic and the re-construction of CP Green, a new Control Point, east of the Upper Bay Bridge was constructed. The new Control Point, CP Canal, provides train dispatchers with the flexibility as a mid-point to move trains over the different routes during the construction process and for future volume. The Control Point, formerly known as CP Green, has been retired temporarily to facilitate the construction of the new CP Green. New CP Green will be approximately three times the size, will provide two more tracks into Greenville Yard and will include a new third track between CP Green and CP Canal. The newly designed Control Points, CP Liberty, CP Chapel, and CP Green will include the latest in solid-state signaling technology. This new equipment provides C&S Employees the best tools to help diagnose technical issues in the field.
The Engineering Track Maintenance group had an opportunity to tour Dyer Quarry in Birdsboro, PA. Fourteen Conrail officers were in attendance and the trip provided an educational opportunity for all who participated. This staff meeting provided the track maintenance team an opportunity to interact with their peers from both North and South Jersey territories, as well as representatives from Detroit and Mount Laurel as well.

The quarry is located along one of Norfolk Southern’s main line routes and provides multiple customers direct access to their products via bulk railcar shipments. Conrail gains the benefit of handling carloads for James J. Anderson Construction Company in Philadelphia where various aggregates are used for construction projects such as the I-95 revival project currently underway.

The meeting was graciously hosted by Mr. Greg Barwis from James J. Anderson Construction Company, and Mr. Eric Friend, General Manager of Dyer Quarry. They provided an intimate look at how the facility operates both inside and out. We were able to see the drilling and blasting operation where the solid rock formations are broken down into manageable pieces that can then be crushed down to smaller sizes dependent on the application. One of the primary rock crushers in operation is an original unit manufactured in 1919 and still performs at an unbelievably reliable pace to its gyratory crusher counterpart which was installed in 2015. Secondary and tertiary crushers allow the rock to be screened and broken down to smaller aggregates such as pea gravel and coarse sand.

The scale of this facility is one that is hard to comprehend for those who are not familiar with such an operation. Piles of stone stand four and five stories high and would consume half the size of a football field in area. The network of conveyors, screening wash plants, and crushers were assembled with efficiency in mind and everything operates in harmony with one another. This quarry operates at over a 90% efficiency factor and necessitates very little down time. During the winter season a rigorous maintenance regimen is executed and the entire operation shuts down completely for about two weeks. This industry, much like the railroad, understands that a well-executed maintenance plan results in reliable operating efficiency and quality customer service.
DETROIT
Ahmad Elatrache, Trackman 5 years of service
Matthew Hasler, Foreman, 5 years of service
Paul Holt, Car Inspector, 5 years of service
Paul Meyer, Mechanic, 5 years of service
Thomas Zuccaro, Machine Operator, 5 years of service
Jesse Dick, Foreman, 10 years of service
Terry Taylor, Machine Operator, 10 years of service
Donald Audette, Engineer, 20 years of service

MT. LAUREL/PHILADELPHIA
Amber Bednarik, Chief Clerk, 5 years of service
Mark Gallagher, Electronic Technician, 5 years of service
Rodney Gordon, Asst. Superintendent Operations, 5 years of service
Danielle Morrison, Administrative Assistant, 5 years of service
Michael Lafalce, Training Supervisor Operations, 10 years of service
Philip Meyers, Train Dispatcher, 15 years of service
Ryan Keating, Rules & Regulatory Specialist, 20 years of service
Bart Wood, Train Dispatcher, 30 years of service
Kathleen Durso, Executive Assistant, 40 years of service
Timothy Tierney, President & Chief Operating Officer, 40 years of service

NORTH JERSEY INJURY FREE YEARS OF SERVICE
Steven Castro, Welder, 5 years of service
Eladio Cosme, Welder Foreman, 5 years of service
Samuel Dias, Foreman, 5 years of service
Peter Holub, C&S Maintainer, 5 years of service
Michael Martin, Foreman, 5 years of service
Julio Perez, C&S Maintainer, 5 years of service
Alfonso Resende, Electrician, 5 years of service
Bruno Tavares, Welder Foreman, 5 years of service
Mark Davis, Engineer, 10 years of service
James Demarco, Engineer, 10 years of service
Daniel Fonseca, Foreman, 10 years of service
Victor Fonseca, Terminal Engineer, 10 years of service
James Graham, Conductor, 10 years of service
Ronald Jimenez, Inspector, 10 years of service
Stephen Kempski, C&S Maintainer, 10 years of service
Brian Lutonski, C&S Maintainer, 10 years of service
Willie Manley, Foreman, 10 years of service
Daniel Medina, Carman, 10 years of service
Hector Perez, Carman, 10 years of service
Hugo Rodriguez, C&S Maintainer, 10 years of service
Efrain Ruiz, Machine Operator, 10 years of service
Shawn Ryan, Yardmaster, 10 years of service
Nerio Saludes, Machinist, 10 years of service
Barry Sanders, Machine Operator, 10 years of service
Shariff Scruggs, Trainmaster, 10 years of service
Eddie Brown, Conductor, 15 years of service
John Nabozy, Conductor, 15 years of service
Leonard Pugliese, Conductor, 15 years of service
Sandro Almeida, Foreman, 20 years of service
Jason Bawiec, Machine Operator, 20 years of service

SOUTH JERSEY INJURY FREE YEARS OF SERVICE
Ryan Derock, Inspector, 5 years of service
Matthew Eichinger, Carman, 5 years of service
Jacob Stroman, Yardmaster TRAINEE, 5 years of service
Ian Tovey, C&S Maintainer, 5 years of service
Jason Worrull, Conductor, 5 years of service
George Appenzeller, Terminal Engineer, 10 years of service
Chad Brinker, Engineer, 10 years of service
Alex Martinez, Conductor, 10 years of service
Robert Micun, Conductor, 10 years of service
Courtney Mills-Stewart, Asst. Trainmaster, 10 years of service
Harry Misichronis, Janitor / Messenger, 10 years of service
Jeffery O’Rourke, Conductor, 10 years of service
Thomas Princiotta, Conductor, 10 years of service
Sean Walsh, Conductor, 10 years of service
Michael Cavanaugh, Yardmaster, 15 years of service
Mark Petrowski, Yardmaster, 15 years of service
Kenneth Bowens, Engineer, 20 years of service
Almond Harris, Engineer, 20 years of service
Micheal Meckeen, Engineer, 20 years of service
Gregory Skomsky, Engineer, 20 years of service
Eric Volbrig, Mechanic, 30 years of service

NORTH JERSEY ONE YEAR ANNIVERSARY
Jeremy Montanez, Trackman, 1 years of service
Michael Pires, Trackman, 1 years of service
Ronald Tyminski, Signalman, 1 years of service
Manuel Vila, Trackman, 1 years of service

Stephen Devaney, Engineer, 20 years of service
Mark D’Oliveira, Engineer, 20 years of service
Michael Gnapp, Car Inspector, 20 years of service
Mohamed Megali, Terminal Superintendent CR, 20 years of service
Andrew Smart, Yardmaster, 20 years of service
Ronald Materowski, Engineer, 30 years of service

August - December 2018
On Saturday, September 29, 2018, Conrail hosted its annual employee golf outing at Ramblewood Country Club in Mount Laurel, New Jersey. 58 employees from Mount Laurel, North Jersey, and South Jersey participated in the event. Although the playing conditions were less than ideal due the amount of rainfall the area had received the previous week, the soggy greens and soaked shoes did not dampen the spirits of everyone who played. After completing 18 holes, the golfers enjoyed a delicious barbeque lunch, but more importantly, comradery with their fellow employees. Raffle tickets purchased at the start of the day gave everyone the opportunity to win some great prizes, but more importantly, to help a worthy cause. Because of the generosity of our employees, Conrail raised $500 to benefit the Multiple Sclerosis Foundation, and on their behalf, we say “Thank You.”

Pictured right: Chris Rinker, Mike O’Malley, Tim Grzywina and Don “Moe” Martin were a few of the lucky raffle winners at this year’s golf outing.

On October 9, 2018, Conrail was honored with the American Short Line and Regional Railroad Association’s prestigious President’s Award. Presented annually, this award recognizes the railroad that achieves the lowest accident frequency rate in the Eastern Region. By working over 500,000 man-hours in 2017 with an accident frequency rate of 1.52, Conrail fell well below the industry average of 3.04.

Tim Gardner, Director of Operations Planning, and Brian Baginski, Manager Operating Rules & Regulatory Compliance, accepted the award on behalf of Conrail at a ceremony held in Burlington, Vermont.

Many thanks to all our employees whose safe work practices made this award possible.

From left: Brian Baginski, Judy Petry, ASLRRA Chair, and Tim Gardner
The Center for Scholarship Administration ("CSA") will facilitate Wells Fargo's administration of the Frank Graham Thomson Scholarship Fund and Women's Aid Scholarship for the 2019-2020 academic year.

Conrail will advertise the scholarship in the quarterly newsletter, on Conrail TV, and a link will be provided on our website with program information and marketing materials provided to them by CSA. Scholarship candidates should complete the online scholarship application and submit it with any required additional documentation.

The online application and information pertaining to the application process will be available at www.csascholars.org. The online application will open on February 28, 2019 and close on April 30, 2019.

As in previous years, a selection committee shall give consideration to the respective ability, academic merit, educational goals, career ambitions, and the relative financial need of the applicants. Once final approval has been given by the Trustee, award letters will be sent to the recipients with detailed information about the scholarship.

Please note that applicants will not be able to apply online until the "live" date of FEBRUARY 28, 2019. Please look out for specific details and eligibility requirements regarding the scholarships in the upcoming weeks. If you have any questions about the scholarship application requirements, you may contact Ellen Holder at the Center For Scholarship Administration at 864-268-3363 or ellen@csascholars.org.