

50 F Street, NW Suite 500 Washington, DC 20001 aslrra@aslrra.org www.aslrra.org

Contact:
Amy Krouse
akrouse@aslrra.org
(Cell) 312-371-6947
(Direct) 202-585-3438

ASLRRA Honors Three Railroads for Business Development Excellence

Allegheny Valley Railroad, CRANDIC Rail, and the Union County Industrial Railroad

ST. LOUIS, May 2, 2022 – As the supply chain continued to experience pandemic-related disruptions

through 2021, short line railroads sought ways to capitalize on opportunities presented in the wake of truck driver shortages, changing customer buying patterns, and manufacturers challenged to keep plants running in the face of uncertain supply. From a strong field of submissions, the American Short Line and Regional Railroad Association (ASLRRA) has selected three 2022 Business Development Award winners: the Allegheny Valley Railroad, CRANDIC Rail, and the Union County Industrial Railroad. These member railroads were honored for creative use of their unique operations to deliver value to shippers; utilizing partnerships with development authorities, Class 1s, and shippers to capture business opportunities; and driving economic success for shippers and the communities they serve. The awards were presented at ASLRRA's Conference & Exhibition in St. Louis, Missouri.

"The Business Development Award honors the hallmarks of short line railroading – having a keen understanding of customer needs, relentlessly seeking opportunities to grow customer business, and executing creative customer service solutions to benefit their customers and the communities they serve," said Chuck Baker, President, ASLRRA. "Our three awardees have each taken a challenging national supply chain disruption and made lemonade out of lemons, finding significant new opportunities to move freight to rail, taking thousands of truckloads off the road."

The three 2022 Awardees are:

Allegheny Valley Railroad - Steels Itself for Challenge Setting Up Transload Facility

The Allegheny Valley Railroad (AVR) identified an opportunity for a transload facility in the Pittsburgh area that would serve the local steel industry. A portion of their Glenwood Yard was available to be developed for this purpose, and the team went to work in early 2020 to scope the project, seeking customers that would require a facility that included an overhead gantry crane. After identifying a key partner - a major steel producer needing to ship plate steel by rail to the area for last-mile distribution by truck – work began to engineer the 4+ acre facility site and the 1000+ foot-long sidetrack that would serve it.

After a \$725,000 investment by the AVR, shipments began in Q1 2021. AVR focused on expediting product offloading to maximize equipment utilization of valuable railcar assets, and delivered material in manageable truckload quantities in a sequence that fit the end customer needs for their last mile delivery. AVR moved 500 carloads into this facility in 2021. This year, the AVR is working to grow their carload business at this facility by focusing on other non-rail served companies, taking trucks off the road, and diversifying the commodity mix served by the Glenwood Yard.

CRANDIC Rail – Takes Advantage of Central Location to Position Itself for Significant Growth

CRANDIC's heritage is loaded with examples of investments in innovative operations that typify the entrepreneurial spirit of the short line industry. CRANDIC continues to anticipate customers' future needs and deliver solutions to the market.

The COVID pandemic and its supply chain disruptions, including the truck driver shortage, were viewed as an opportunity by CRANDIC. The company focused on the 750-mile+ shipment of goods via truck into Cedar Rapids, and used its Logistics Park Cedar Rapids facility, which opened in 2021, to execute. Rail could compete favorably with this typically long-haul truck route, even with the additional costs to transfer the product to a local warehouse, hold until needed by the customer, and truck the final miles to the customer location. The customer could have enough product in a close-by warehouse to smooth out the demand peaks and alleviate the stress of trucks not being available when needed.

CRANDIC next took a hard look at the sub 500-mile market and held a fleet of boxcars ready to capture this business from trucking. In 2021, CRANDIC moved a record amount of boxcar traffic. Key shippers increased shipments by 900 cars or 28% year-over-year, and 42% over levels seen 10 years ago. Despite

having 350 cars in its current pool, the proof of concept has shippers looking for more. CRANDIC is actively pursuing another 100 boxcars for its customers.

CRANDIC looks forward to continued growth in these target markets in 2022.

Union County Industrial Railroad - Building Business with an Emphasis on Customer Service

The Union County Industrial Railroad (UCIR) travels over 18.2 miles in Pennsylvania and serves only eight customers, but it has found a way to grow carloads by 300% over a ten-year period, with zero FRA-reportable injuries. The UCIR drives growth by creating new, innovative methods of providing customer service. They customize business processes to meet the needs of each of their customers, fostering trust and deepening customer relationships.

This relentless drive to be a better partner has opened the doors to a variety of new opportunities including reopening their Delta Place transload siding to service agricultural customers during the pandemic, rehabilitating an unused siding to match new growth at customer Winfield Storage, and working with two new customers to locate along the UCIR line, the most recent customer bringing 60 family-sustaining jobs to the local area. In fact, UCIR maintains an inventory of available properties along their line and markets those parcels when the time and buyer is right - a practice that has proven to work.

The UCIR commitment goes beyond the businesses that they serve. They are an integral part of their community, donating passenger excursions to non-profits, serving on boards and committees of economic development groups, and assisting customers that are new to the area with hiring and connections to area services and businesses, ensuring their long-term success.

For more on ASLRRA's Business Development Awards and criteria, click here.

###

About ASLRRA - The American Short Line and Regional Railroad Association (ASLRRA) is a non-profit trade association representing the interests of the nation's 603 short line and regional railroads and railroad supply company members in legislative and regulatory matters. Short lines operate 47,500 miles of track in 49 states, or approximately 29% of the national railroad network, touching in origination or termination one out of every five cars moving on the national railroad system, serving customers who otherwise would be cut off from the national railroad network. www.aslrra.org