

Pacific Harbor Line REPORT 2025

Message from Otis Cliatt II



News for Customers, Employees & Friends of the Pacific Harbor Line



Why is a southern California railroad important to the success of the U.S economy?

Consider two facts that aren't directly related but that put things in perspective. First, over \$6 trillion

dollars is spent on U.S. goods annually (U.S. Bureau of Economic Analysis). Second, 29% of all containerized international waterborne trade in the U.S. moves through the San Pedro Bay port complex (Port of Los Angeles Annual Facts).

The contents of those containers run the gamut from computers that power commerce, to life-saving pharmaceuticals, to the clothes your family needs.

PHL—that southern California railroad along with the Brotherhood of Locomotive Engineers and Trainmen—keeps this backbone of the U.S. economy functioning safely, reliably, and efficiently 24 hours a day, 365 days a year.

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A "High Level of Trust" between Everport and PHL



Together after an Everport team meeting are (left to right): Rail Department Manager Beatriz Rebollar; Terminal Manager Francisco Morales; PHL Director of Customer Service Diana Turubanova; Rail Assistant Manager Vicente Maglinti; and Rail Superintendent Jonathan Alas.

At a busy marine container terminal like Everport Terminal Services safety comes first, and that commitment also assures efficient and reliable operations.

"We typically have upwards of 90 stacks of cars on our 26,000 feet of track," says Everport Terminal Manager Francisco Morales. "PHL works it with dedicated switch crews, and they use every bit of our capacity every day."

That's why open communications are essential.

"We provide the PHL crew with a switch plan each day," Morales says. "From that point they have face-to-face communications with our ground crew, and they directly discuss concerns or questions. Often PHL's crew will suggest a more efficient way to handle certain aspects of

the plan, and we really appreciate and benefit from their feedback. We have a high level of trust in them, and they are a critical part of our operation."

PHL's crews are normally comprised of individuals who regularly work the Everport facility. Their knowledge of the track layout, their familiarity with the terminal's labor groups, and their dedication to providing the safest and most professional service keep things running smoothly.

"I am responsible for starting Everport's rail operations here in 2015 and, since then, I have really appreciated PHL's flexibility and 'can-do' approach to everything they do," Morales says. "Their service has always been excellent, and we are committed to a long-standing relationship."

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Along with our Class I railroad partners, we do this job so well that we are often invisible to the hundreds of millions of customers who depend on our service. So it was gratifying to receive recent recognition from Los Angeles Port Executive Director Gene Seroka as he commented on October's striking 25 percent increase in loaded container imports. He said, "BNSF, Union Pacific, and Pacific Harbor Line have done a great job trying to hustle out the cargo."

Those of you who interact with us—including community officials and residents, port and terminal staff, and customers—can take pride in our role as the figurative engine that runs the U.S. economy.

We receive tremendous satisfaction each time we hand off a train loaded with hundreds of containers carrying thousands of shipments to Class I partners for delivery to businesses and homes across America.

O.L. Cliatt II, President Pacific Harbor Line

Pacific Harbor Line

REPORT

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Connecting with Kids

The Boys & Girls Club of the Los Angeles Harbor serves at-risk youth with academic, arts, and athletics enhancement programming and at 12 public school campuses with after-school programs.

Recognizing the critical need this organization serves in our community, PHL joined with SA Recycling to provide significant financial support to fund an activity field for the kids and students in the Wilmington area, where our headquarters is located.

The L.A. Boys & Girls Club is one of the oldest such clubs in California, dating back to 1937. Today it is the largest private nonprofit daily services provider to at-risk youth in the Los Angeles harbor area, operating programs at eight year-round club houses.



When YTI hosted Girl Scouts from Troop #1213 it was wonderful to see their enthusiasm and curiosity as they explored our operations. The girls enjoyed learning about our rail and vessel operations and had a fantastic tour of the Pacific Harbor Line engine—all thanks to Mike Croy's coordination and the support of the PHL team! A big thank you to Troop Leader Heather Tomilowitz for her initiative in organizing this visit.

Anacostia On the Move

by Eric Jakubowski Vice President & Chief Commercial Officer, Anacostia Rail Holdings

Collaboration



The discussion at a recent caucus between Class I and short line railroads ended in justifiable optimism. Some of our larger partners are now open to collaboration between themselves, short lines,

and the customers with whom we are in close contact.

This is significant because it's the short lines that understand why every customer needs to know when to expect a shipment and how any delay can be addressed. Class I railroads have learned from us that high-quality, reliable service is built on effective communication and the use of information to adjust resources. It has become apparent to our rail network

partners that this is the way to achieve traffic growth.

I have long advocated that we and our brethren short lines need to be included in trip plans, ETA compliance, and trip disruption communication. Given those tools we can accomplish two important goals: (1) provide better service, and (2) create trust with our shippers that we will consistently deliver the service they need.

I am happy to report that our progress on data sharing and more timely interaction with operations managers is moving quickly in the right direction.

Stay tuned as we—along with our industry—continue to open greater collaboration and more opportunities to increase our market share, and make it easier and more attractive for shippers to select the safer, more efficient, and sustainable mode. •

Industry, Government, Academic Officials Applaud PHL's Safety, Labor, and Sustainability Leadership

Pacific Harbor Line is a place where industry and government leaders come to learn about the progress being made in railroad safety, labor, and sustainability. We're glad to host on-site events that help educate stakeholders about how our best practices translate into a stronger North American supply chain.

In July, PHL hosted a tour for the Transportation and Supply Chain Institute University of Denver Master's Degree students. The visit provided these aspiring professionals with a comprehensive look at the rail operations in the San Pedro Bay Port Complex, highlighting the vital role Pacific Harbor Line plays in the global supply chain.

In June, PHL hosted a fact-finding tour of the global port complex by incoming United States Surface Transportation Board Chairman, Robert E. Primus. The tour was led by ARH VP and Chief Commercial Officer Eric T. Jakubowski, who also chairs the STB's Railroad-Shipper Transportation Advisory Council (RSTAC).

"We were honored that Chairman Primus selected PHL for one of the first rail industry fact-finding tours in his new role," Jakubowski says.

In March, we brought together top officials to discuss how supply chain operations at North America's largest combined port complex can further strengthen its support of safe, efficient, and green rail transport.

Participants included STB members Karen Hedlund and Michelle Schultz; Port of Los An-

geles Executive Director Gene Seroka; Port of Long Beach Executive Director Mario Cordero; Los Angeles Harbor Com-



At a March gathering of supply chain leaders hosted by PHL were (from left), ARH President & CEO Peter Gilbertson and VP/CCO Eric Jakubowski; STB members Karen J. Hedlund and Michelle A. Schultz; and PHL President Otis L. Cliatt II.

missioner Diane Middleton; Alameda Corridor Transportation Authority CEO Michael Leue; International Longshore & Warehouse Union Local 13 President Gary Herrera; and Brotherhood of Locomotive Engineers and Trainmen Division 214 General Chairman Brian Carr. Other guests included representatives of BNSF, Union Pacific, PHL, and rail industry consultants.

In 2023, Federal Railroad Administrator Amit Bose recognized PHL's role in providing essential pandemic service and workforce development as well as for its cooperative relationship with labor and environmental leadership during a ceremony at the ports.

"The exchange of information and ideas that occurs during these events is a tremendous benefit to PHL, as well as our guests," says President Otis L. Cliatt. "We are delighted and honored to be seen as a rail industry leader that benefits the national economy."



At June's fact-finding tour by incoming STB Chairman Robert E. Primus are (left to right): Salvatore G. Di Costanzo, Port Liaison Labor Relations Representative, International Longshore and Warehouse Union—Local 13; Chairman Primus; PHL President Otis L. Cliatt II; and ARH President and CEO Peter Gilbertson. Previously, Federal Railroad Administrator Amit Bose (inset) spoke at PHL recognizing its crucial role in support of port operations.

Moving Toward Zero-Emission Operations Jolle

PHL's zero-exhaust emission EMD® Joule battery-electric locomotive from Progress Rail will be joined by five additional ZE units.

Together with the California Air Resources Board (CARB), we made our most significant step yet toward zero-emission (ZE) operations last fall. Funding for five ZE locomotives has been awarded through a U.S. Department of Transportation (USDOT) Consolidated Rail Infrastructure & Safety Improvements (CRISI) Program grant.

PHL is contributing \$6.37 million toward the \$34.2 million cost to acquire five ZE locomotives and two charging stations.

PHL President Otis L. Cliatt II, says, "This is a transformative step that will support our continuing commitment to reducing emissions at the Ports of Los Angeles and Long Beach, the busiest port complex in the U.S."

PHL has long been a sustainability pioneer. We were the first railroad to upgrade our entire fleet to EPA Tier 3+ locomotives, and we also operate a Tier 4 locomotive—in addition to the ZE EMD® Joule battery-electric locomotive from Progress Rail, a Caterpillar company unit now in service.

The ZE locomotives—which will be operating inside of neighboring transportation disadvantaged communities—help California meet its air quality goals and advance environmental justice and equity by reducing the health impacts on communities already exposed to higher pollution.

The new PHL locomotives will be manufactured in the United States by Progress Rail.

The program is also expected to accelerate adoption of ZE technology in the railroad industry, already the most fuel-efficient way to move freight over land.

Strong Support from State, Environmental Leaders

Peter Gilbertson, ARH president, says, "We are grateful for the grant from the Federal Railroad Administration and appreciate the key role of the California Air Resources Board. We also value the assistance of many key stakeholders who helped secure the CRISI grant." Among the Federal and State leaders and organizations that supported the grant application were:

- U.S. Senator Laphonza Butler
- U.S. Senator Alex Padilla
- U.S. Representative Nanette Barragán
- California State Senator Lena Gonzalez





- California State Assembly Member Laura Friedman
- California State Assembly Member Mike Gipson
- Coalition for Clean Air
- Trade, Health, & Environment (T.H.E.)
 Impact Project

T.H.E. members, include:

- Center for Community Action and Environmental Justice
- Earthjustice
- Long Beach Alliance for Children with Asthma
- National Resources Defense Council
- Pacific Environment
- Sierra Club

Continuous Investment is "Key to Our Success"

The fact that PHL operates 19 miles, though true, does not tell our story.

Within those 19 miles of route there are 96 miles of track on which we build and dispatch some 30 intermodal trains each day and 40,000 carloads of freight every year. That's a very busy railroad, by any standard.

"Key to our success is a continuous investment in track, bridges, and other critical infrastructure," says Monte Stokes, PHL's Chief Engineer. He reports that 2024 was another year of renewal and improvement. Work included ACTA projects that are funded by both Class I railroads:

- new rail, ties, concrete crossing panels, and asphalt pavement on the busy east leg of the Wilmington Wye;
- 2,000 feet of new rail in the heavily trafficked Mead Yard lead;
- new rail on Pier B track 8 extension due to heavy tonnage use;
- remove 700 feet of Manuel Yard jointed rail and replace with welded rail;
- replace switch points, stock rails, and frogs on the APL Lead, TICTIF Leads and LAXT Loop; and
- rail grinding to renew rail profile and extend rail life.

"One of our largest projects this year was to resolve radio interference in the LBCT area," Stokes says. This will give train crews more reliable radio service in that area.

For 2025, plans are no less robust. Switch points and stock rails will be replaced in several locations, the Tosco crossing will be rebuilt, and bridge ties replaced on the Dominguez Channel Bridge. In addition, a nine-year project to update all control points will be initiated at CP Goodwin. Switch stands, signal houses, relays, batteries, and recorders will all be replaced and fiber optics installed to provide uninterrupted power.

"We are making sure we have the safest railroad for the benefit of the community where we operate," says Stokes. •



"Year of Rail" at Port of Long Beach

The Port of Long Beach recognized 2024 as the "Year of Rail," noting that the Port is "laying the tracks for a sustainable future by modernizing rail facilities and enhancing air quality."

In his seventh State of the Port Address, CEO Mario Cordero said, "At the end of this decade, the Port of Long Beach will be on the cusp of not only operational transformation given our rail investment, but also environmental transformation—to a zero-emission port."

PHL has been proud to be a partner in the development of low and zero-emission operations in support of sustainability initiatives across the San Pedro Bay port complex.

3 in a Row: PHL Receives Top Safety Award



At the President's Award for Safety ceremony were (from left) ASLRRA Chairman Matt Walsh; PHL President Otis L. Cliatt II and Superintendent Rick VanZee; and ASLRRA President Chuck Baker. (ASLRRA photo)

PHL was presented with the prestigious President's Award for Safety from the American Short Line and Regional Railroad Association (ASLRRA)—along with a Jake Safety Award—in October. This is the third year in a row that PHL has earned the President's Award. During the past 11 years PHL has also earned eight Jake Awards as well as an additional President's Award.

"I could not be prouder of everyone on the PHL team for their dedication to safe and reliable operations," PHL President Otis Cliatt said at the presentation ceremony. "We have a strong culture of safety for the well-being of all our valued employees, and to assure our customers and community that we can be trusted to deliver the nation's freight without incident."

PHL had the lowest accident frequency rate reported to the Federal Railroad Administration among Pacific Region railroads with 250,000–500,000 annual hours worked.

"It was an honor to accept this award on behalf of everyone at PHL," Superintendent Rick VanZee said. "The fact that we are so often a recipient of the industry's highest safety awards is a direct result of our basic focus on safety: 'One move at a time, one shift at a time, one day at a time.'"



Yusen Terminals (YTI) recognized the "outstanding commitment to safety" of **PHL Trackman Luis Diaz** and presented him with a Safety Coin.

According to YTI's Operations Manager Rail Operations Brad Dellis, "Diaz effectively communicates with IWLU Labor, switch crews, YTI and Evergreen, and consistently monitors traffic on the main line. All train traffic is routed through him, and his strong relationships and clear communication with all parties ensure the safe transit of both our IWLU workforce and management from the TICTF yard."

Labor Contract Extension Ratified Amicably and Early

It was a win all around. PHL's operating employees, ocean carriers, ports, connecting railroads, and the nation's shippers all benefitted from a landmark three-year extension to the Collective Bargaining Agreement (CBA) between the Brotherhood of Locomotive Engineers and Trainmen (BLET), Division 214, and Pacific Harbor Line, Inc. (PHL) well ahead of any deadline.

The agreement represents a step forward in labor relations and underscores the commitment of both parties to fair working conditions and operational excellence.

The extension—effective May 1, 2024 through September 20, 2027—covers 145 of PHL's 180 employees. It was ratified on July 12 by a record number of eligible BLET members who participated in the ratification vote, with more than 91% voting in favor of the agreement.

Key highlights include wages and benefit provisions. The CBA extension sets competitive wage structures, while maintaining the same lower-than-rail-industry employee contributions for health benefits, so that the PHL workforce receives fair compensation for their critical role in the nation's supply chain at the busiest port complex in North America.

"This is a great win for the organ-

ization and our members," General Chairman Carr said. "The contract contains no changes to our health and medical plan and provides 13 percent wage increases over two years. PHL and the organization have worked well together through this process to ensure no disruptions to the ports of Long Beach and Los Angeles, and



Attending the signing of a landmark three-year CBA agreement extension between PHL and the BLET were (left to right): PHL BLET Division 214 Local Chairman Jose Covarrubias; BLET General Chairman Brian Carr; PHL President Otis L. Cliatt II; and PHL Vice President Stephane Perri.

we look forward to working together in the future."

PHL President, Otis Cliatt II, said, "Our employees are the backbone of our operations. This CBA extension ensures that they are fairly compensated and that we maintain a safe and reliable rail network."

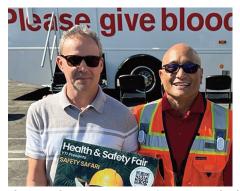
Our Homegrown Team Serves the Nation

While the 180 members of PHL's team are keeping the nation's supply chain moving, they are also delivering big benefits at home.

Yes, our impact on the local economy is "above our weight" with good-paying, skilled union jobs and the use of area businesses for big-ticket needs like information technology, fuel, railroad maintenance, and more. Yet the positive contribution of PHL's dedicated employees goes beyond our terminals, tracks, and trains.

It is the involvement of all our employees in family, community, and charitable activity that contributes to the vitality of the San Pedro Bay area. As you'll see on the back page of this newsletter, our team members are in it for the long haul, with many celebrating 15-, 20-, and 25-year anniversaries with PHL!

Hard working, committed to one another's well-being, and continuously learning and growing, we are proud of the examples set by PHL's people and the important roles they play in keeping their communities strong.





Exemplifying our team's commitment to professional development is Diana Turubanova (center), Director of Customer Service, PHL, at the Chicago ceremony marking her completion of the 2024 Michigan State University Railway Management Certificate Program. Anacostia Rail Holdings peers Quentin Schulte (left), President, Northern Lines Railway, and Raul Sanchez (right), Superintendent, New York & Atlantic Railway also completed the program.

The San Pedro Bay ports community came together last Fall to enjoy the hospitality of Yusen Terminals and to support their record-breaking blood drive. Attendees at YTI's Health and Safety Fair exchanged greetings and shared ideas at a large vendor fair. Many took time to donate blood at several on-site American Red Cross mobile units. Blood donors received a Starbucks gift card. Joining YTI Department Manager, Rail Operations, Eric Martinez (at right), is PHL's Vice President, Stephane Perri.

2024 Employees of the Month		
<i>January</i>	<i>May</i>	September
Jonathan Rodriguez	Danny Hernandez	Francisco Malta
February	June	October
Juan Mendez	Isaac Rodriguez	Fernando Hernandez
<i>March</i>	July	<i>November</i>
Washington Chun	John Pardo	Shane Basye
April	August	December
Jason Bengel	Isaih Castillo	To be announced

New Hires in 2024

ASSISTANT ENGINEERS

Juan Arreola

Michael Estrada Alvarez

Wyatt Holman

Lolagi Lavatai

Hugo Lemus

Bryan Lemus Calderon

Malaki Mailo

Anderson Makiphie

Nicolas Martin

Justin Narro

Yonathan Perez Contreas

Cordaryle Ramirez

Andrew Reyes

Devin Roque

Ashley Sandoval

Jose Vargas

MANAGEMENT

Robert Rollins

Assistant Trainmaster

Dameisha Wilson

Assistant Trainmaster-Badger Bridge

Eagle Eye Honors 2023-2024

PHL Employees are recognized for going above and beyond their normal duties to prevent a workplace incident or injury.

December 2023

Donovan Davila

January 2024

Santos Garcia

March 2024

Jacob Meir

June 2024

Chris Hale

David Morn

August 2024

Ian Brown

John Rodriguez

December 2024

Fernando Hernandez

Thanks to our employees for all you do!



Gateway to the World

PHL employees celebrated the following milestones through November 2024.

We thank you for your service.

ANNIVERSARIES

25 Years

Jeffrey Robinson Jose Rodriguez Rick VanZee

20 Years

Craig Denny Eric Fernandez Alejandro Gomez Gregory Jelks Vondrick Jenkins Noe Lopez

15 Years

Michael Casey Peter Figueroa Sergio Padilla

10 Years

Daniel Anderson Luis Diaz Fabian Garcia Jared Houchen Justin Ward

5 Years

James Caddell Gino Cutri

PROMOTIONS

Miguel Barba

Assistant Trainmaster

David Gonzales

Manager of Transportation-Badger Bridge

Richard Magallanes

Trainmaster

Edward Martinez

Assistant Trainmaster

Dwight Parker

Assistant Trainmaster

Justin Salazar

Assistant Trainmaster

Robert Stone

Trainmaster

Diana Turubanova

Director of Customer Service

Joseph Watson

Assistant Trainmaster