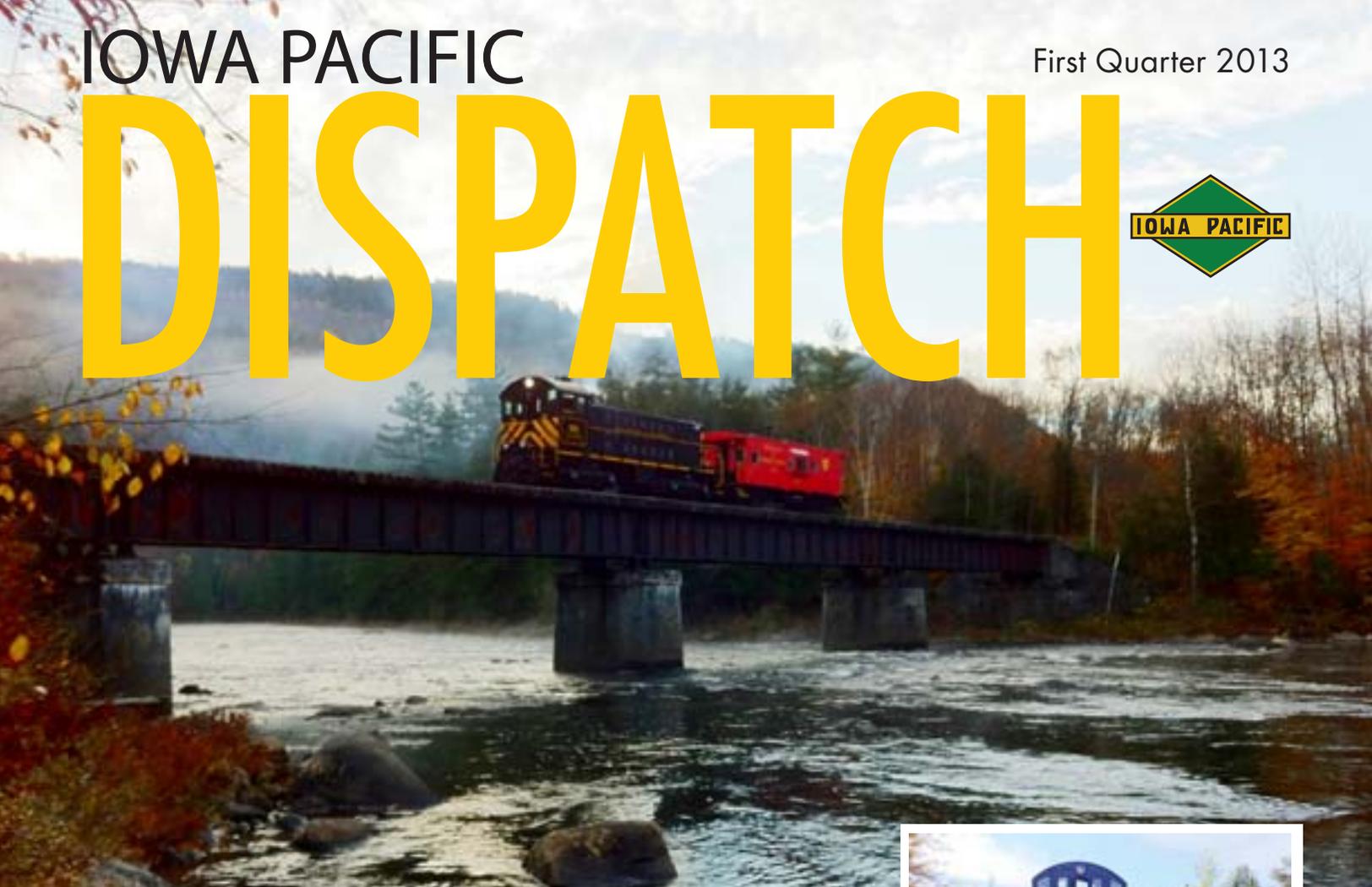


DISPATCH



Tahawus Line reopens

The test train travels over the Hudson River Bridge.

Iowa Pacific Holdings recently reopened Saratoga & North Creek Railway's Tahawus Line, which runs between North Creek and Tahawus, N.Y. The tracks, which have sat unused 23 years, required a significant amount of brush-cutting and small-scale survey work before coming online.

According to Saratoga & North Creek Railway General Superintendent Justin Gonyo, the line was built between 1942 and 1944 to access the iron mine at Tahawus. During the war effort, titanium impurities in the iron were used in aircraft construction. The Tahawus Line remained active until Nov. 17, 1989, following the discovery of a less expensive titanium source in Utah.

"About 23 years of not using these tracks has allowed for considerable vegetation growth along the line," Gonyo said.

This past autumn, trees, saplings and brush were cut away from the once-tattered 29.5-mile industrial line. A test train

ran over the line on Nov. 10, deeming it available for use again.

There are a few customers in the works for Saratoga & North Creek Railway to serve. One is Barton International, which is an industrial garnet or ruby mine for abrasive use in waterjet cutting. The railway also will haul their salt and pepper sand bi-product, various sizes of the highly prized Adirondack high friction granite, and the powdered tailings, which may be used as an abrasive product for industrial applications.

Other customers are Richards Forest Products, whose main product is hardwood pulp logs for paper; and Aggregates America, LLC, a broker for National Lead, to locate markets for the aggregate overburden from the mining process, and the iron ore.

Saratoga & North Creek Railway took its first carload of freight Feb. 11 for Barton International.

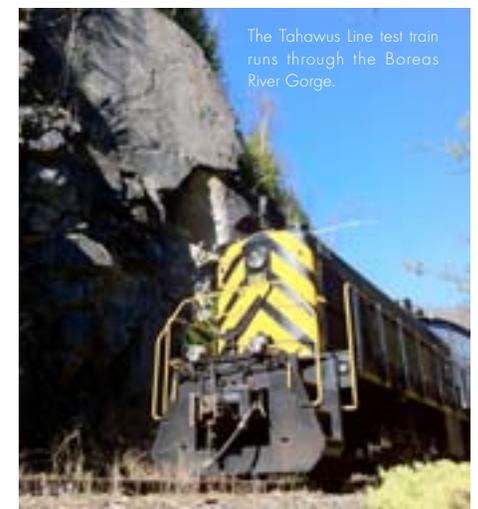
"We look forward to serving customers on the Tahawus Line again," Gonyo said.



A test train runs over Sanford Lake Branch of Saratoga & North Creek Railway's Tahawus Line.



Saratoga & North Creek Railway test train awaits its duties in the Tahawus yard.



The Tahawus Line test train runs through the Boreas River Gorge.



Crude oil unit trains commence on Texas-New Mexico Railroad.



A LogiBio crude oil unit train, left, and Genesis crude oil unit train, right, pass through the Genesis facility near Wink, Texas.

TNMR begins crude oil unit train service

Operations of crude oil unit trains have commenced on Texas-New Mexico Railroad, an Iowa Pacific Holdings subsidiary and key rail line in the Permian Basin oil field.

The first train, which departed Jan. 22, originated at a Genesis Energy L.P. facility near Wink, Texas, and was destined for the Gulf Coast.

“The facility is set up for 70-car unit trains,” said Bruce Carswell, vice president of Permian Basin Logistics. “We

have worked closely with Genesis to develop the facility on our rail line. We’re happy to be able to provide the rail transportation that allows Genesis to extract oil out of the Permian Basin in a cost-effective fashion.”

TNMR has experienced massive growth in rail carloads resulting from the vast expansion of gas and oil drilling and production in the Permian Basin. The initiation of crude oil unit trains represents the latest milestone in major

revitalization of this critical rail link.

“We are excited about this new unit train service,” Carswell said. “We have several more unit train facilities either already under construction or under development.”

TNMR operates between a connection with Union Pacific in Monahans, Texas, and Lovington, N.M., about 100 miles away. The line was built in the 1920s when the Permian Basin oil field was first developed.

Second crude oil unit train facility for TNMR

Iowa Pacific Holdings announced a new terminal for loading crude oil unit trains in Lovington, N.M. The second crude oil facility, LogiBio LLC, is the second unit train facility now located on the Texas-New Mexico Railroad.

IPH worked closely with LogiBio to design facilities to accommodate their operation requirements and the first train departed from the facility Feb. 4 for the Gulf Coast.

“We assisted LogiBio in developing an efficient and cost-effective loading terminal,” said Bruce Carswell, vice president of Permian Basin Logistics. “We want to handle their business from an operational standpoint, such as how much oil to ship, the size of trains and frequency of operation, while minimizing upfront capital investment.”

An attractive feature of moving crude oil by rail is traveling anywhere the railroads go, which has kept Permian Basin Logistics busy.

“With the rapid expansion of oil drilling and production the past few years, producers and traders have found shipping crude



Texas-New Mexico Railroad now has two operating crude oil unit train facilities: LogiBio LLC, in Lovington, N.M.; and Genesis Energy L.P., near Wink, Texas.

oil by rail to be a viable alternative to pipelines and trucks,” Carswell said.

In a recent press release, IPH President and CEO Ed Ellis stated, “The strategic location of our two railroads in the Permian Basin has been providing crucial support to the ongoing demand for drilling activity for the past several years. We are pleased to now be supporting the transportation of crude oil out of the region in highly efficient unit trains.”

LogiBio LLC, an affiliate of BioUrja Trading LLC, focuses on developing ethanol, crude oil and other fuel commodity logistics solutions that add value and improve efficiency. Its business currently concentrates around the operation and management of ethanol and crude storage and transloading terminals, with an emphasis of growing in the midstream sector of the fuel supply industry. Its current handling capacity exceeds 60,000 barrels per day.

New Iowa Pacific transportation safety rules

After about 55 generations of photocopies, Iowa Pacific Holdings has updated and made additions to a new set of Transportation Safety Rules and Personal Protective Equipment Guidelines.

“Iowa Pacific has been using a package of rules inherited from the company from which we bought our original railroads,” said Art Miller, director of safety and operations standards. “The new rules package replaces a set from 2002 and 2004 that have been photocopied many, many times.”

More than a dozen IPH employees and managers assisted in the nearly yearlong effort. Rules have been revamped to apply to various situations, such as switching operations safety, operating crew communications, and loading and unloading railroad cars and other vehicles.

“Our people will be well-trained, and I have every confidence that operating crews and company officers will easily apply these rules to their daily work activities or processes,” Miller said. “These rules reflect changes in both the company’s operations, changes in regulations and new technology.”

Unique to IPH’s rulebook are the historic steam locomotive and historic diesel-electric locomotive operations section. It also includes passenger and passenger train safety rulings.

“This is one of the few safety rulebooks in the country that also deals with historic locomotive operations in addition to the modern technology,” Miller said.

All IPH railroad employees will be trained on the new set of transportation safety rules this spring during the Annual Recurrent Training Program. The rules package officially will go into effect when all IPH employees have been properly trained and qualified.



SAFETY. IT'S A GREAT WAY OF LIFE.

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Texas State Railroad completes familiarization trip

Texas State Railroad recently tested a new section of track that was completed in November. The 2.8-mile section connects Texas State Railroad’s line to a Union Pacific line in Palestine, Texas.

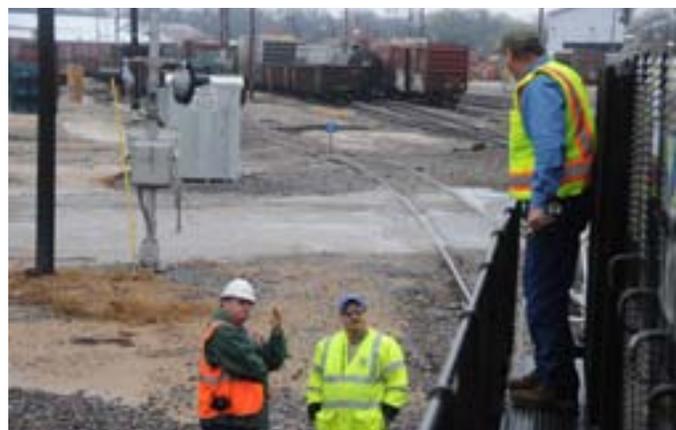
The familiarization trip was completed Jan. 8 and represented achievement of full FRA certification training of the Texas State Railroad operating crews. The test run enabled locomotive engineers to familiarize themselves not only with UP’s line, but also the yard — and to learn dispatching protocols for a Texas State Railroad train when it’s operating on Class I tracks.

“The crews had all worked hard and did well in an 50-plus-hour training program through most of December,” said Art Miller, director of safety and operations standards.

The last time the line had been used commercially was by Texas South-Eastern Railroad in December 1969. Iowa Pacific Holdings acquired Texas State Railroad in August. It had operated under American Heritage Railway of Texas and through a contractual agreement was renamed Rusk, Palestine & Pacific Railroad, but still continues business as Texas State Railroad.



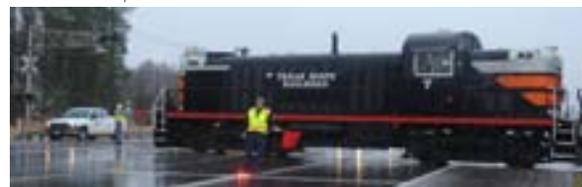
Texas State Railroad General Manager Earl Knoob, left, and Union Pacific Manager-Operating Practices Dan Gardner talk Jan. 8 during the UP line familiarization trip.



From left, Texas State Railroad General Manager Earl Knoob, Union Pacific Manager-Operating Practices Dan Gardner and Rusk, Palestine & Pacific Railroad Superintendent Jerry Burford talk Jan. 8 during the familiarization trip.



From left, Rusk, Palestine & Pacific Railroad Trainmaster/DSLE Scott Rohal, Texas State Railroad General Manager Earl Knoob, Union Pacific Manager-Operating Practices Dan Gardner and RPPR Conductor Clay Argenbright discuss familiarization trip procedures.



Rusk, Palestine & Pacific Railroad Superintendent Jerry Burford flags Texas Loop 253 on the first run toward UP route into Palestine.

This newsletter appears under the direction of the president. For news coverage, contact Ashley at the newsletter office by phone at 402-475-6397, mail to 2201 Winthrop Rd., Lincoln, NE 68502-4158 or email ashley.reinsch@newslink.com. This material is intended to be an overview of the division news. If there are any discrepancies between this newsletter and any collective bargaining process, insurance contracts or other official documents, those documents will govern. Iowa Pacific Holdings 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. Thanks to everyone at Iowa Pacific Holdings who took time to contribute to this newsletter, including but not limited to, Bruce Carswell, Justin Gonyo, Ron Kaufman and Art Miller.

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Mount Hood Railroad: Murder Mystery Dinner Train

Dinner is served with a side of mystery. A classic Murder Mystery unfolds on board with a great cast of characters where audience participation is encouraged. See if you can solve the mystery before the last bite of dessert disappears. A great whodunit puzzler that will be fun for all — case closed.

When: Saturdays, April 20 through Oct. 26, except Aug. 10

Where: 110 Railroad Ave., Hood River, OR, 97031

Times: 5:30 to 9:30 p.m. (April-September), 4:30 to 8:30 p.m. (October)

Tickets: \$82, ages 13 and up. Four-course fine dining included.

For more information, call 800-872-4661 or visit <https://www.mthoodrr.com/murder-mystery-dinner-train.html>.

Saratoga & North Creek Railway: Teddy Roosevelt Weekend

SNCRF welcomes renown Theodore Roosevelt re-enactor Joe Wiegand for a series of themed events in North Creek to commemorate the president's history with the region — and the 1901 ride on horse-drawn buckboard when he learned he would become president following the assassination of President William McKinley. Activities include:

- Historic crafts and trade demonstrations
- “First-person” talks by Roosevelt
- “Rough Rider” pony rides
- Olde Tyme BBQ in Kellogg Park with barbershop quartet performances
- Teddy bear tea and story time for children

Many events are free and take place rain or shine. Hop on board and meet the 26th president!

When: Sept. 13-15

Where: 26 Station Lane, Saratoga Springs, NY, 12866-6067

Times: All day

Tickets: Standard

For more information, call 877-726-7245 or visit <https://www.sncrr.com/trips/special-events/teddy-roosevelt-weekend.html>.

This just in: FRA approves
IPH Conductor Certification
Program, effective
April 1, 2013. Details in
next Dispatch edition.

Texas State Railroad: Railfan Photographers Special

Railfans will have the opportunity to photograph a TSRR steam engine at locations along the track. Please wear close-toed shoes as you will encounter rough and rural terrain in some locations. Coffee, juice and pastries will be served on board along with drinks throughout the day. Lunch is included and will consist of a half-pound smoked turkey or BBQ chopped beef sandwich, chips and beverage.

When: May 11

Where: Palestine Depot

Times: 9 a.m. to 5 p.m.

Ticket Prices: \$85, ages 13 and up

For more information, call 877-726-7245 or visit <https://www.texasstaterr.com/events.php>.

