

RJ CORMAN Railroad Group



Company Overview

RJ Corman Railroad Group



Our Vision . . .

TO BE THE BEST
**service provider to the
railroad and related
industries.**

RJ Corman Railroad Group



R. J. Corman Railroad Group

R.J. Corman Railroad Group

A Limited Liability Holding Company

**Shortline
Operations**

**Railroad
Construction**

**Derailment
Services**

**Material
Sales**

**RJC Distribution Centers
RJC Equipment Co.**

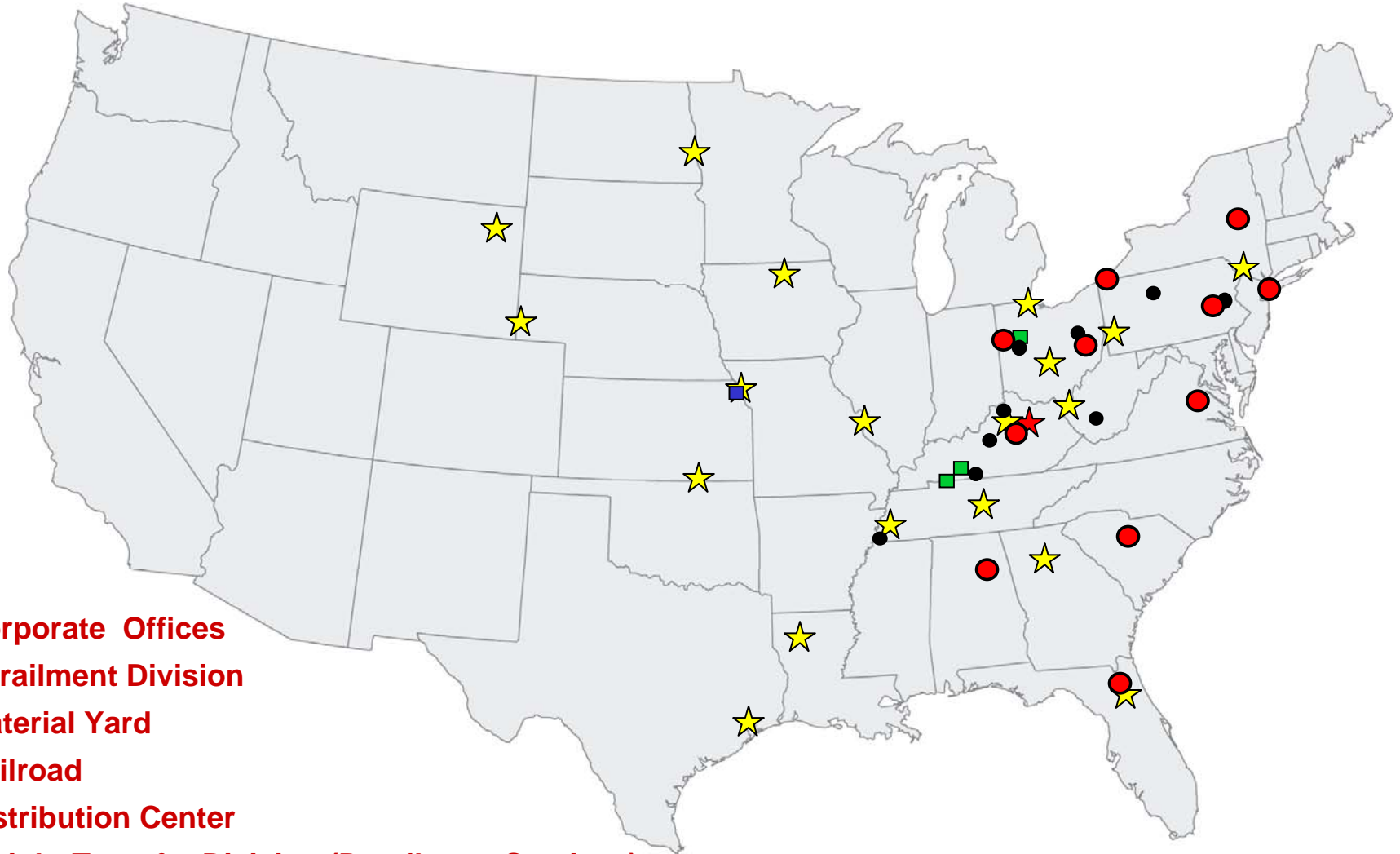
**RJC Aviation Services
RJC Real Estate**

**“My Old KY Dinner Train”
RJC Storm Team**

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R. J. CORMAN RAILROAD GROUP



- ★ Corporate Offices
- ★ Derailment Division
- Material Yard
- Railroad
- Distribution Center
- Freight Transfer Division (Derailment Services)

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Our company today . . .

Owens & Operates Shortline Railroads

WE KNOW
our success is
dependent
upon the
success of
our customers.



RJ Corman Railroad Group



Shortline Railroad Operations . . .

- 9 Shortline Railroads
- Located in 6 States
- Approximately 800 Miles of Track
- Over 94,000 Car Loads Annually

MAJOR SEGMENTS

<u>Line</u>	<u>Year</u>	<u>Mileage</u>	<u>Car Loads</u>	<u>Interchanges</u>	<u>Major Commodities</u>
Memphis	1987	110	17,000	CSX	Aluminum, Steel, Wallboard, Chemicals, Paper
Cleveland	1988	55	3,000	CSX, NS, WLE, OHCR	Chemicals, Soybean Oil, Steel Scrap
PA Lines	1995	350	24,000	NS	Coal
Western OH	1994	108	4,000	NS, CSX	Grain, Fertilizer, Rubber, Steel
Allentown	1997	7	500	NS	Paper, Brick, Lubricants
Bardstown	1987	20	300	CSX	Plastic, Brick, Steel, Passengers
Central KY	2003	106	15,000	CSX, NS	Sand, Plastic, Paper, Steel, Aluminum, Coal
West VA	2005	16	15,000	CSX	Chemicals, Paper, Lumber, Coal
TN Terminal	2006	46	16,000	BNSF	Plastics, Chemicals, Transload

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Benefits of Railroads

Railroads are leaders in conserving environmental resources. They have introduced new technologies and implemented cutting-edge solutions to make freight rail transportation “cleaner and greener” and safer than ever. Railroads are committed to further improvements in:

- Boosting fuel efficiency
- Reducing emissions
- Alleviating traffic congestion
- Improving overall safety performance and safely transporting hazardous materials

Source: <http://www.tomorrowsrailroads.com>

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Benefits of Railroads

Railroads: The Best Choice For the Environment

Rank	Oxides of Nitrogen	Volatile Organic Compounds	Particulate Matter	Carbon Monoxide	Carbon Dioxide
1 Most Desirable	Rail	Rail	Air	Rail	Rail
2	Water	Water	Rail	Water	Water
3	Truck	Air	Water	Air	Truck
4 Least Desirable	Air	Truck	Truck	Truck	Air

Source: Environmental Canada, Transportation Systems Division

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Benefits of Railroads

Railroads are more than three times more fuel-efficient than trucks. If just ten percent of the freight moved by highway were diverted to rail, the nation could save as much as 200 million gallons of fuel each year. *[U.S. Department of Transportation (DoT) and Association of American Railroads]*



Benefits of Railroads



The EPA estimates that for every ton-mile, a typical truck emits roughly three times more nitrogen oxides and particulates than a locomotive.

Source: <http://www.tomorrowsrailroads.com>

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Benefits of Railroads

According to the American Society of Mechanical Engineers, if ten percent of intercity freight now moving by highway were shifted to rail, 2.5 million fewer tons of carbon dioxide would be emitted into the air annually.

Source: <http://www.tomorrowsrailroads.com>

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Benefits of Railroads



- **A single boxcar can transport approximately as much as three trucks**
- **A single truck can require the same highway capacity as four automobiles**
- **A single freight train can mean the equivalent of more than 1,000 fewer cars on the highway**

Leading to...

Source: <http://www.tomorrowsrailroads.com>

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Benefits of Railroads



- Reduced demand for more highway capacity
- Reduced wear and tear on highways

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Benefits of Railroads



Safety

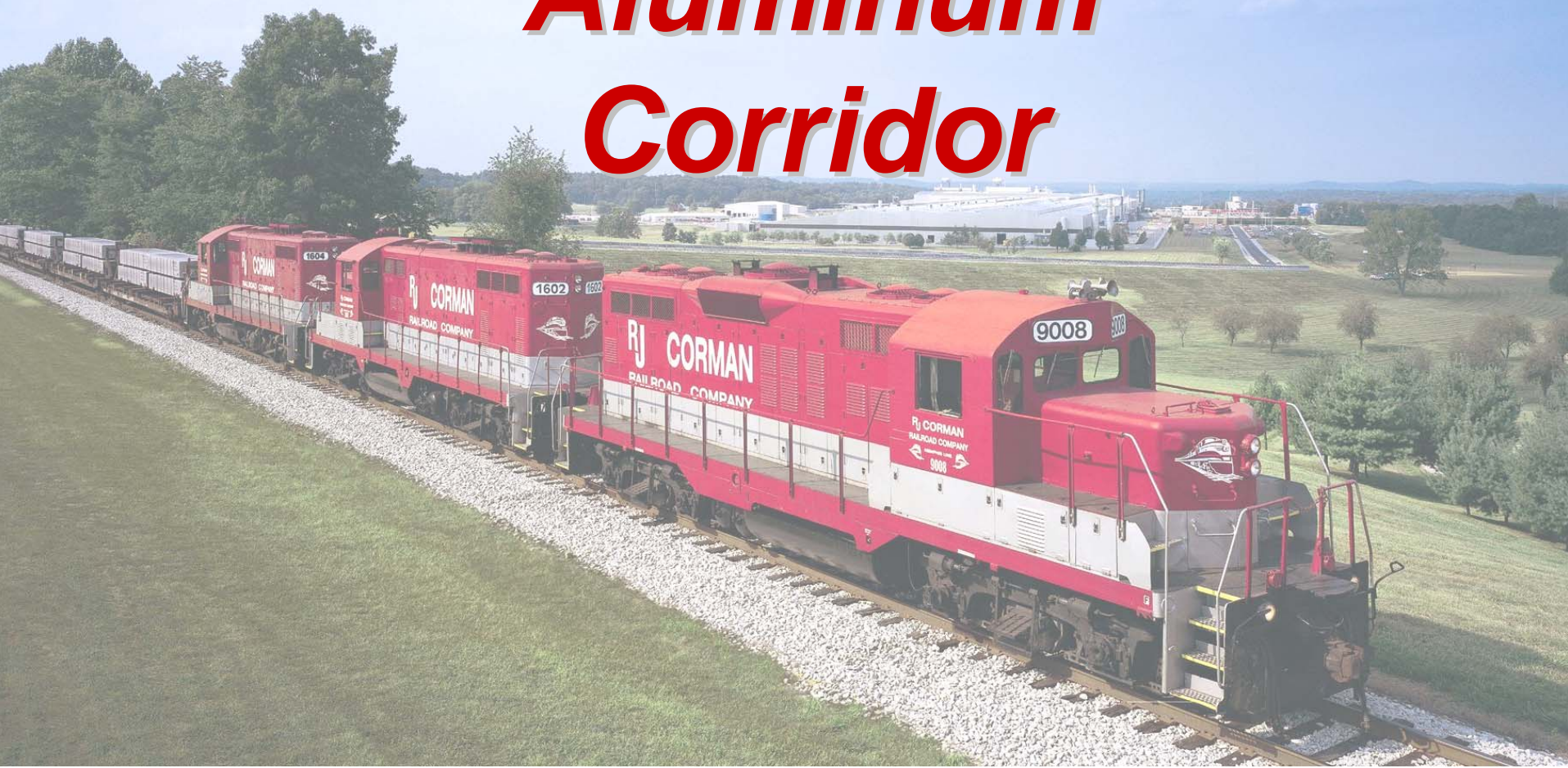
- **Fatality rates associated with intercity trucking are four times those associated with freight rail transportation**
- **Railroads also have lower employee injury rates than other modes of transportation.**
- **Railroads and trucks carry roughly equal ton-miles of hazardous materials, but trucks have 16 times more hazmat releases than railroads**

Source: <http://www.aar.org>

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The Kentucky Aluminum Corridor



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Novelis Train



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Novelis

Recycling Facility (Berea, Kentucky)

- **Largest dedicated aluminum can recycling facility in the world**
- **Recycles over 11 billion cans each year**
- **Ranked among the top ten manufacturers in Kentucky (as numbered by the Kentucky Cabinet for Economic Development)**
- **Employs over 2400 Kentuckians (110 in Berea)**



Logan Aluminum

(Russellville, Kentucky)

- Ranked as top can sheet plant in the world
- Ranked among the top 100 manufacturers of Kentucky (as numbered by the Kentucky Cabinet for Economic Development)
- Employs 940 Kentuckians
- Manufacturers primarily aluminum beverage can sheet
- Produces material for one third of all aluminum cans used in the U.S.



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Yesterday

**For 10 years approximately 11,000
overweight trucks per year
transported aluminum ingots from
Berea, KY to Russellville, KY.**

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Today

**Today these aluminum ingots
move by rail.**

***CSX & RJC have entered into a long-term
agreement with Novelis.***

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Legend

Railroad Lines

—+— Other Railroads

Subject Railroads

— CSX

— CSX Aluminum Route

— NS

— RJ Corman

— RJ Corman Aluminum Route

- - - Abandoned Lines

Aluminum Truck Route

— Interstates

— US Routes

— State Routes



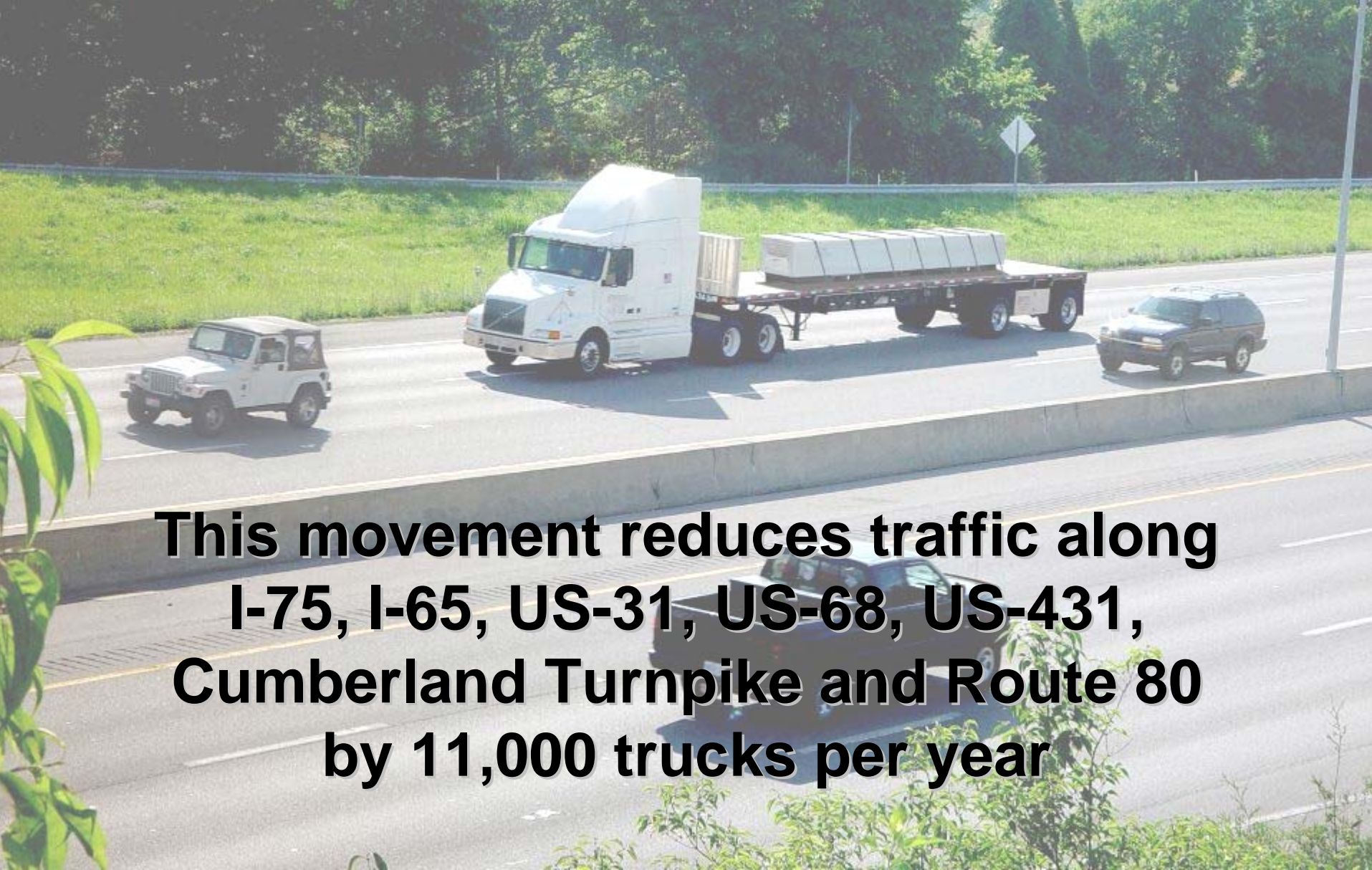
RJ Corman - CSX
Aluminum Movements

0 15 30 60 Miles



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**This movement reduces traffic along
I-75, I-65, US-31, US-68, US-431,
Cumberland Turnpike and Route 80
by 11,000 trucks per year**

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Public benefits also include reduction in:

- Wear and tear on highways
- Safety concerns
- Pollution
- Congestion



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Novelis Train

- **Approximately 15 loaded trains per month**
- **Approximately 30 cars per trip**
- **2 aluminum ingots per car**
- **800-900 trucks per month off Kentucky's highways**
- **10,000 trucks per year off Kentucky's highways**



Sand Train



- Approximately 10 loaded trains per month
- Approximately 35 cars per trip
- 100 tons per car
- 1,750 trucks per month - 21,000 trucks per year off Louisville Metro and Northern KY streets and highways

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Sand Train



- **300,000 tons (15,000 trucks) transported by rail in 2005**
- **420,000 tons (21,000 trucks) projected in 2006**

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Frankfort Tunnel



RailPictures.Net - Image Copyright © Steve Blake

**Expansion of the tunnel
will translate into ability for
RJ Corman Railroad's
Central Kentucky Line to
handle all varieties of
freight rail cars.**

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Frankfort Tunnel



Tunnel expansion will allow for CSX auto rack traffic to travel more efficient route from Louisville to Atlanta (via Winchester, KY), easing congestion on two of CSX's busiest terminals in Louisville and Cincinnati.

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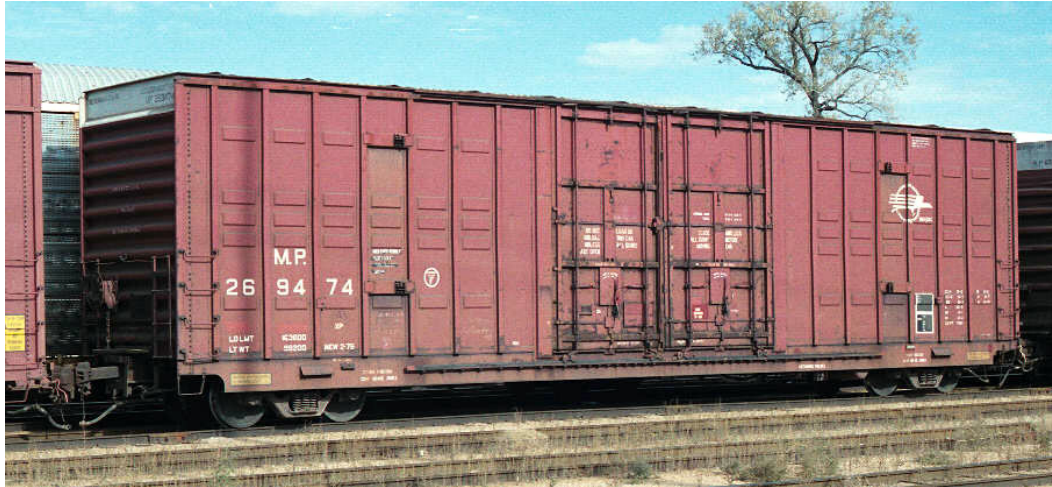
Frankfort Tunnel



Less congestion on CSX rail line from Louisville to Cincinnati would improve operational efficiency and expand capacity, giving CSX the ability to take on additional business, business which is currently congesting Kentucky's roads.



Frankfort Tunnel



**RJ Corman Railroad Company
will also gain the ability to
transport “high cube” box cars...**

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Frankfort Tunnel



**... and double
stack trailer cars.**

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