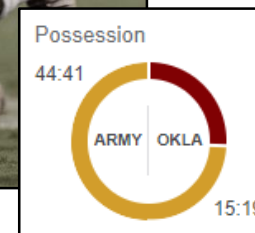


# THE VALUE PROPOSITION SHORT LINES WILL DELIVER TO SWARS MEMBERS IN THE AGE OF PSR

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September 2019





Army Black Knights

2-2, 0-2 Away



21

Final/OT

	1	2	3	4	OT	T
ARMY	7	7	7	0	0	21
OKLA	14	7	0	0	7	28

▶ 28



5 Oklahoma Sooners

4-0, 3-0 Home

Army Black Knights

1-1, 0-1 Away



21

Final/2OT

	1	2	3	4	OT	T
ARMY	7	7	0	0	7	21
MICH	7	0	7	0	10	24

▶ 24



7 Michigan Wolverines

2-0, 2-0 Home



**RAIL MADE**

**EASY**



# PRECISION SHORT LINE RAILROADING

**LEAN, NIMBLE & ACCOUNTABLE**

## Organizational Optimization

- Place the fewest possible layers in the chain of command between the CEO and property-level employees
  - Condense headquarters and focus on field operations
  - Utilize “Line of Sight” metrics to ensure every employee is aware of their role within the operating plan
- Delegate decision making to the lowest levels within the confines of the operating plan

## Service Plan Optimization

- Create a detailed operating plan for each railroad
- Deploy Process Improvement Teams to each property to evaluate current service
  - Evaluate longer trains & less frequent service vs. daily service for customers
- Plan around the car, not the train
- Stay on schedule: Arrival & departure times are sacrosanct
- Minimize car “touches” to and from the customer to maximize asset velocity
- Operate interchanges 7-days per week

## Asset Optimization

- Stay on schedule by moving more cars with fewer locomotives on longer trains in less time
- Create and execute a Fit-for-Purpose strategy
  - Review of all assets (personnel, track, locomotives, equipment, etc.)
- Maintain car supply at or just below demand
- Implement HP/ton efficiency requirements for each assignment
- Reduce locomotives

**Alignment:** Buy-in between every employee, from the C-Suite down to the conductors

**Culture**

**Accountability:** Honestly evaluating results, not just paying lip service to concepts

*When your organization, service plan, and assets are optimized, you can drive more revenue while maintaining lower operating expenses*

Growing Volumes, Pricing, and Ancillary Revenues...

*Mutually Reinforcing*

...While Controlling Costs



# Fulton County Railroad

- Change in operating plan for all customers
  - ✓ Assignment start times aligned with customer order cutoff times
  - ✓ Cars received in interchange flow to immediately to customer
  - ✓ Significantly reduced handling, increased velocity, and decreased accessorial

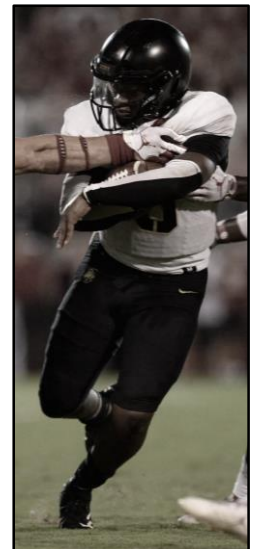


## Alabama & Tennessee River Railway

- Change in operating plan for a specific customer
  - ✓ Cars interchanged within 10 hours of release
  - ✓ Developed consistent interchange plan with Class 1 Partners
  - ✓ Significantly improved turn times of a dedicated fleet of cars

# OMNITRAX UNLOCKS VALUE AND EFFICIENCY

- ✓ By understanding the supply chain impact
  - *Strategic support & communication*
  
- ✓ Superior customer service
  - *Reliable, consistent interchange & operating plan*
  
- ✓ Relationships
  - *Bridge the gap between the local and national level*



***OmniTRAX***<sup>®</sup>

