



a Genesee & Wyoming Company

## An open letter to the communities along the Astoria Line of the Portland & Western Railroad



Over the last several months, there has been an increasing level of interest in the handling of crude oil by rail. As you may already know, the Portland & Western Railroad transports trains of crude oil from Portland to Port Westward over our Astoria Line. It is important that you, as a citizen of Columbia or Multnomah County, understand the facts of this service.

The expansion of hydraulic fracturing of shale formations in our country has created new domestic sources of crude oil and natural gas. This in turn has reduced American demand for foreign crude oil, allowing our country to become less dependent upon importing from distant sources such as the Middle East. The challenge of these new domestic sources of energy is that often there is no existing pipeline network to move the crude oil to U.S. refineries. The American freight rail network has been called upon to fill this need.

The Portland & Western, like all freight railroads in this country, is a “common carrier” railroad. This term has a historically long and significant legal definition. Simply put, it means that the Portland & Western is obligated by federal law to transport any commodity that is properly documented and in an approved freight car.

Along with this common carrier status comes a responsibility that we take very seriously: To safely serve the communities and customers along our railroad. Our employees live and work in these same communities, and safety is the foremost priority in all we do at the Portland & Western. We work with a clear Core Purpose: **To be the safest and most respected rail service provider in the world.** And our success has been demonstrated:

- Our parent company, Genesee & Wyoming, is a leader in rail safety. Over the last five years, G&W railroads have had a combined employee injury rate lower than any large railroad and several times safer than the short line railroad average. Prevention of employee injuries is a key indicator of a railroad's overall focus on safety. The intense attention to detail that is required to eliminate injuries translates to every aspect of the operation.
- Starting in 2005, Portland & Western employees worked more than a million consecutive man-hours without a reportable employee injury – one of the most remarkable achievements ever in the rail industry.
- In 2009 and again in 2012, we won the prestigious E. H. Harriman Award for best safety performance among U.S. railroads.
- Since 2007, customers of all Genesee & Wyoming railroads, including the Portland & Western, have been surveyed biannually by a leading customer-satisfaction research firm. In all four surveys to date, the attribute rated highest by our customers is, “Operating personnel demonstrate a clear commitment to safety.”



Even with these clear accomplishments, we never rest on our past safety performance. We are constantly training, testing, observing, coaching and reinforcing safety with our employees. Portland & Western employees also routinely receive instruction at a world-class training center in Jacksonville, Florida, and take part in a DuPont safety program focused on the relentless elimination of all unsafe behaviors or unsafe conditions on the railroad.

Another critical aspect of continuous safety improvement in the U.S. rail industry and on the Portland & Western is learning from prior rail accidents. Determining the root cause of a rail accident and taking steps to prevent similar incidents by U.S. railroads and government agencies is taken very seriously by all of us in the railroad industry. This includes incorporating operating, testing and training updates to our procedures. For instance, after the last significant derailment on the Portland & Western, which occurred in 2011 outside Scappoose and involved a log car and a parked tank car loaded with ethanol, we instituted additional safety protocols for both types of cars that should prevent a similar incident from ever happening again.

More specifically to our handling of crude oil over the Astoria Line, we exceed all federal regulations and guidance in moving these trains. The best way to handle an accident is to prevent it in the first place, and the Portland & Western has implemented many steps to ensure that these trains are delivered safely to Port Westward:



- We restrict crude oil trains on the Portland & Western to a maximum of 25 mph, or 10 mph in areas like the A Street trackage in Rainier. These speeds are significantly slower than speeds at which the recent derailments and fires have occurred on other railroads.
- Every crude oil train on the Portland & Western is preceded by a track inspector in a hi-rail truck to ensure that the route is intact and free of obstructions, such as fallen trees or rocks.
- Crude oil trains on the Portland & Western do not routinely stop en route to their destination, nor do we leave crude oil or other hazardous materials unattended.
- We inspect our track weekly in accordance with Federal Railroad Administration requirements and then conduct an *additional* weekly track inspection on the Astoria Line.
- Rail bridges on the Astoria Line are professionally inspected on a routine basis by trained railroad employees, expert contractors and the Federal Railroad Administration. We plan our bridge maintenance work based on these inspections.
- We conduct sophisticated tests of track geometry and employ two different test methods to detect flaws inside the rail that eventually could cause a rail to break. Any issues detected are immediately addressed.

I want to assure you that all of us at the Portland & Western Railroad are focused on providing the best possible service to our customers in the safest way possible. This is critical for the region's economy and the environment. Every railcar on the Astoria Line represents four trucks kept off U.S. 30, resulting in less pollution and congestion and improved safety. The importance of this to the overall quality of life for our neighbors along this highway corridor should not be overlooked.

Working with the customers and communities we serve along the Astoria Line, we are certain that our railroad will continue to facilitate job growth in the safest, most environmentally sensitive way possible.

Sincerely,

Joel Haka  
Genesee & Wyoming Senior Vice President, Pacific Region Railroads  
and President, Portland & Western Railroad, Inc.