



U.S. CLAY PRODUCERS TRAFFIC ASSOCIATION

HILTON HEAD, SC MARCH 19, 2013

Divisions of Pan Am

- Pan Am Railways
- Pan Am Brands
- Perma Treat
- North Point Development
- Pan Am Services

Film Licensing – Catch Me if You Can (2002)



Television Licensing – Pan Am (2011)



Pan Am Railroad Lineage



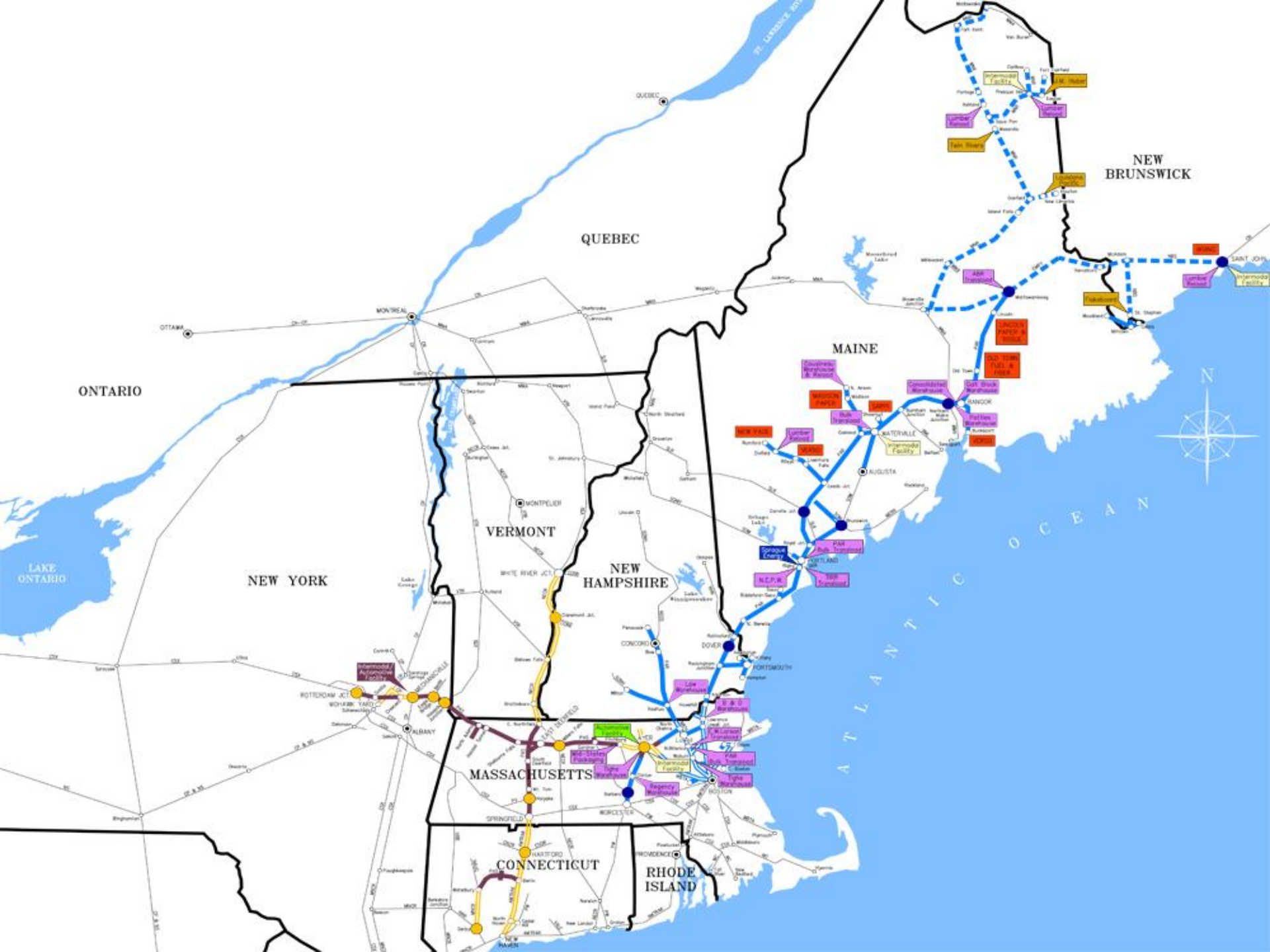
1981 – Maine Central acquired by Guilford Rail System

1982 – Boston and Maine acquired by Guilford Rail System

1982-2006 – Guilford Rail System operates as New England's Largest Rail Network

2006 – Guilford Rail System becomes Pan Am Railways





Pan Am's 12 Pulp & Paper Mills

- Sappi Fine Somerset & Westbrook
- Verso Androscoggin & Bucksport
- Irving Paper/Lake Utopia
- NewPage Rumford
- UMP Madison
- Woodland Pulp
- Old Town Fuel & Fiber
- Lincoln Paper & Tissue

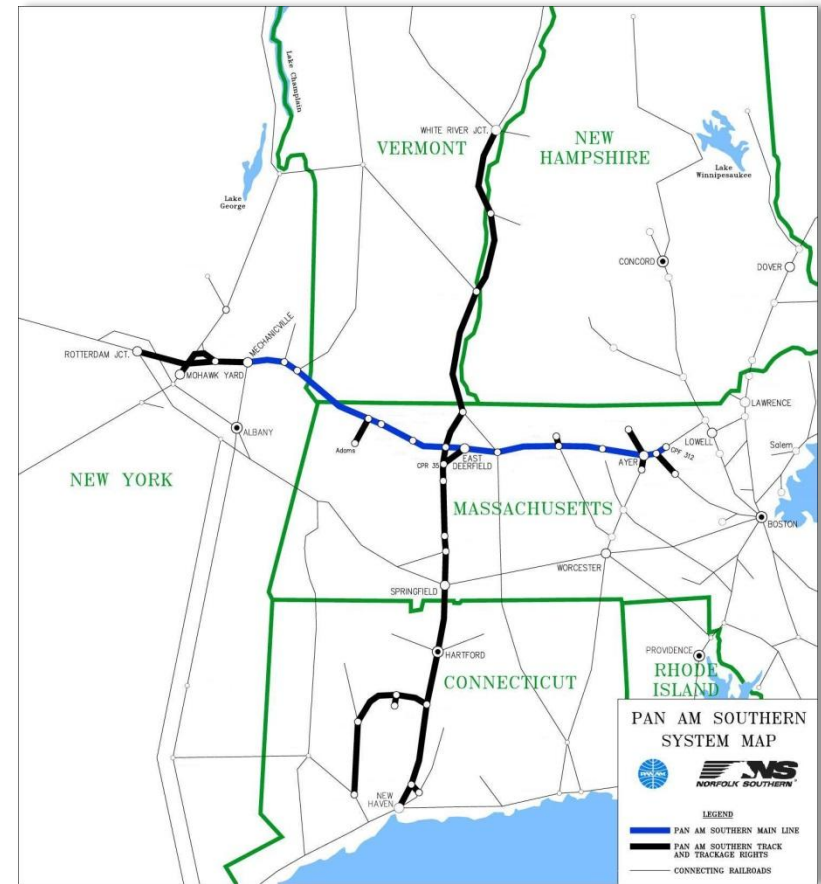


Pan Am's Class 1 Connections



Pan Am Southern

- \$150M Joint Venture between PAR/NS
- Upgraded main line from Ayer, MA to Albany, NY
- Two intermodal facilities with 300,000 container/year capacity

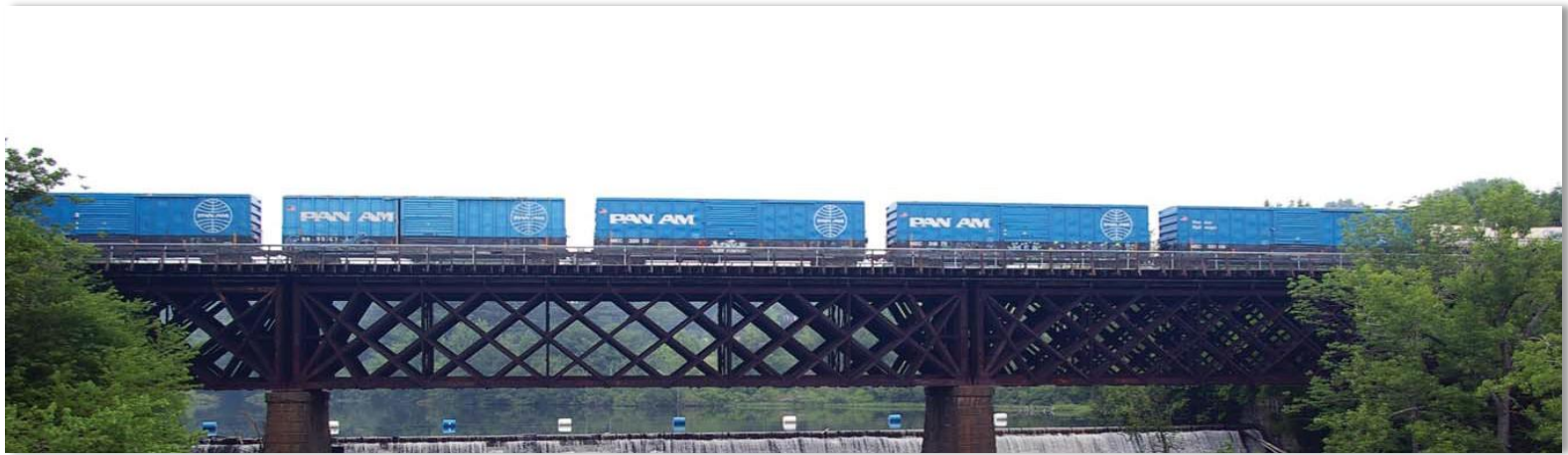


5 Year Capital Investments

- **2008-2012** –\$38M Downeaster Expansion
- **2008-2012** – \$80M System wide upgrades to track, rolling stock, and locomotives
- **2008-2010** – \$5M Danville Junction Rebuild w/CN Interchange
- **2009** – \$150M Patriot Corridor/PAS Project
- **2011-2012** – \$70M Knowledge Corridor Project
- **2012-** \$3.5M CSXT Barber Station Interchange
- **2012-2013** - \$3M Hoosic Tunnel Expansion Study

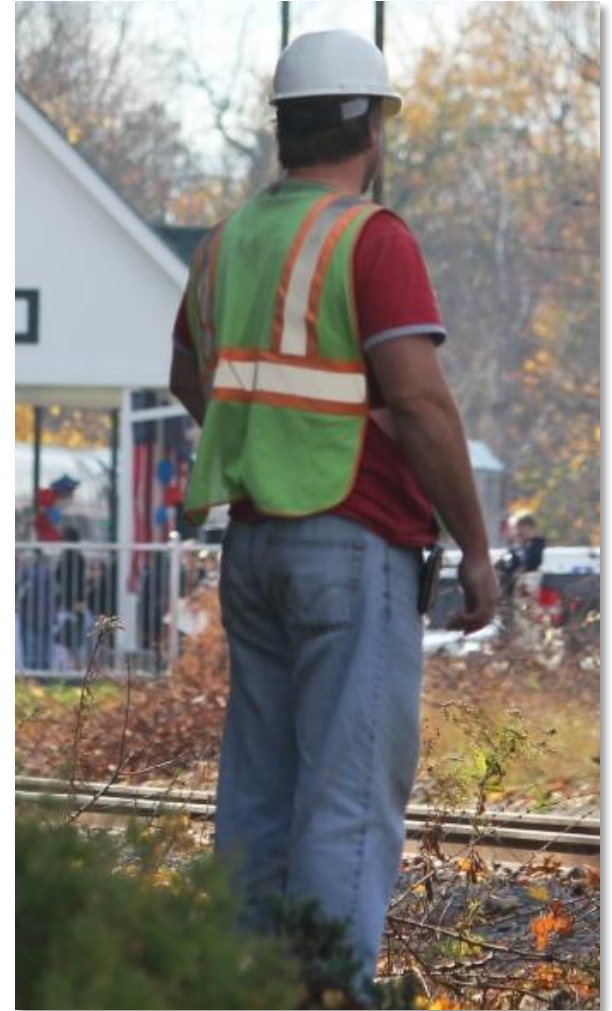
Results of Investments

- Major reductions in transit times for freight traffic and reduced terminal dwell
- Increased on time performance and consistency
- Volume Growth 2010-2012, 1st Time since 1938-1941 with 3 years consecutive growth



The Changing Workforce

- 28% of Pan Am workforce under 5 years of service
- 58% of Pan Am workforce under 10 years of service
- Encouraging employee feedback to meet new challenges and create new ideas relating to operations and safety



How Pan Am is Approaching the New Workforce

- Executives seeking insights from operating staff
- Developing new methods of implementing safety program
- Working with employees to implement new technologies
- Fostering new methods of employee/customer collaboration



Workforce Investment

- Increase in clerical staff in 2012 to allow for 24/7 billing, customer service, and car movement updates.
- Major increase in Train and Engine Service to add additional service and complete spare board roster



Imery's Portland Terminal



- Less than 1 mile to Pan Am's 1400 car capacity Rigby Yard (Portland, ME)
- Daily switching
- 7 Day a Week Train Service to Pan Am's Paper Mills and Class 1 Connections
- Mobile Mechanical Repair

PAN AM®



We Are New England