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**Reading & Northern Smashes All Freight and Passenger Records**

**FOR IMMEDIATE RELEASE**

**January 10, 2023 - Port Clinton, PA** –Reading & Northern Railroad (RBMN), Pennsylvania’s largest privately-owned railroad, once again broke its own records for freight traffic and excursion passenger ridership.

Revenue freight traffic rose over 4,000 carloads, an impressive 15.4%. This compares to the 1.5% decline in overall North American railroad volume. RBMN’s success was driven by anthracite coal shipments and the opening of its new Tunkhannock frac sand terminal.

For RBMN, and much of the world, everything changed when Russia invaded Ukraine. As a result of the invasion and resulting western embargo on Russian goods and raw materials, RBMN saw a huge uptick in demand for Pennsylvania anthracite. Russia and the eastern portion of Ukraine were major international suppliers of anthracite. Without those sources the world looked to Pennsylvania anthracite, and those producers did a great job of meeting much of that global demand in 2022. By the end of the year RBMN’s coal business increased by 2,624 carloads, almost 40%, with much of this additional traffic going to international markets.

To handle the huge surge in export business, RBMN and Norfolk Southern Railroad (NS) worked together to move the business in manifest service, instead of traditional unit train service. This shift allowed more regular shipments to the export terminal and eliminated the need for NS to provide power and crews to move unit trains. RBMN was able to make this alternate transportation plan work because it had purchased 550+ rapid discharge cars for the export market.

RBMN’s domestic coal business also continued to increase as more electric arc furnace facilities expanded and came on-line. Steel mills are increasingly looking to use anthracite as their charge carbon. To meet this growing demand, RBMN continued to invest in purchasing additional rail cars and in expanding its rail-truck transfer network. With new steel facilities opening in Texas and Ontario, and continued growth in the export market, RBMN is forecasting double digit growth in 2023 as well.

As the Russian invasion caused havoc in the international anthracite market, it also caused wild swings in the energy market. As a result, the demand for domestic sources of energy also increased, which led to an increased demand for Marcellus Shale gas. Thus, the opening of

RBMN's new Tunkhannock Marcellus Shale terminal was timely. Completed at a cost of well over \$1,000,000 in 2021, this facility is well on its way to becoming a resounding success. RBMN built this facility in Tunkhannock due to its excellent location and great local truck routes. Over the course of the year more and more drilling companies decided to try the facility, which is run by Texas Sands. Customers were impressed with the superior service, free local storage and excellent location. By the end of the year, RBMN had handled over 2,000 carloads of new business. RBMN expects to triple that volume in 2023.

One of the continuing strengths of RBMN is its diverse traffic base. In addition to coal and now frac sand, RBMN has very successful Forest Products, Plastics, Food Products, Metals and Chemicals business. Those business segments contribute over 20,000 carloads a year to RBMN. In 2022 those market segments were generally flat as RBMN customers dealt with supply chain issues, inflationary pressures and the same problems other businesses had with staffing shortages and difficulties in getting equipment and parts. Nonetheless, these market segments remain critical parts of RBMN's network, and RBMN expects continued growth in these areas.

RBMN's passenger business also took a huge leap as RBMN entertained over 250,000 riders for the first time in its history, an increase of more than ten percent. Under the direction of General Manager Matt Fisher, RBMN added more train trips, more equipment, and more origins.

In 2023, there will be further expansion of RBMN Passenger service as Jim Thorpe trains are now operated year-round. Later this year, RBMN will be starting excursion service from the Wilkes Barre/Scranton area out of Pittston. Also, of much interest to railfans everywhere, RBMN steam locomotive 2102 will continue to operate in train service. As further proof of the commitment to the passenger business, RBMN Owner/CEO Andy Muller, Jr. purchased 3 additional rail diesel cars and 1 passenger coach in 2022. The future looks very exciting for RBMN passenger operations.

All of this growth does not come without continued investment. It is only because Muller purchased an additional 100 rapid discharge cars at the end of 2021 that RBMN had sufficient equipment to handle the export surge in 2022. It is only because Muller built the Tunkhannock sand terminal in 2021 that RBMN was able to handle the surge of sand business in 2022. It is only because Muller continued to purchase conveyors and additional coal cars that RBMN was able to expand service offerings to steel mills across the country.

This year Muller made a substantial real estate investment when he purchased the Nesquehoning Campus of eight buildings on 9 acres along our main line railroad from KME for over \$2 million. The Campus is already being used by many RBMN departments as it offers a centralized location for equipment and parts and repairs. Muller also invests in RBMN's human resources, which are the backbone of RBMN's success. In 2022 RBMN hired over 50 full-time employees to join the company and help it handle the growing business.

In summarizing the year's success, Muller said, "Our performance in 2022 was amazing. Faced with an unprecedented surge in business, our employees stepped up and handled the additional business perfectly. It was all hands on deck. We needed more people and HR found us more people. We needed more equipment and supplies and our Finance and Purchasing people made it happen. We needed to acquire property and protect our existing property to keep our employees safe, and Real Estate and Police delivered. We needed more locomotives, freight cars and vehicles in service, and our shops got it done. We needed our tracks and signal

system kept operational and expanded at the same time, and MOW and Signals delivered. We needed our trains to keep running on time, but with more traffic, and Transportation kept everything running smoothly. And we needed Customer Service and Marketing to keep close to our customers so we could provide the service they needed, and the commercial team made sure we kept our customers satisfied. That's why I always say it starts with our employees. I couldn't be prouder of the men and women of the Reading & Northern for what they did in 2022 to take care of our freight and passenger customers. On to 2023!"

Reading & Northern Railroad, with its corporate headquarters in Port Clinton, is a privately held railroad company serving over 70 customers in nine eastern Pennsylvania counties (Berks, Bradford, Carbon, Columbia, Lackawanna, Luzerne, Northumberland, Schuylkill, and Wyoming). It has expanded its operations over the last 40 years and now handles over 34,000 carloads of freight and 250,000 excursion train riders over 400 miles of track. Reading & Northern operates both freight services and steam and diesel-powered excursion passenger services, owns over 1,700 freight cars, and employs nearly 300 dedicated employees. Reading & Northern has repeatedly been honored as one of the premier railroads in the nation including being named Regional Railroad of the year in 2020 by Railway Age Magazine.