

## RAILAMERICA, INC. TO CUT JOBS



RailAmerica, Inc., is a name that many of you outside of the transportation industry may not know at all. That is why today, before we talk about the job cuts being made by the company, we are going to take a moment to look at how they have chosen to [describe themselves](#). “RailAmerica, Inc., owns leading short line and regional railroads providing rail service to customers across North America. In 2008 RailAmerica relocated its Corporate Office to Jacksonville, Florida. The Company’s 45 affiliated railroads operate in 28 states and 3 Canadian provinces with approximately 7,500 miles of track. RailAmerica’s objective is to provide local rail freight customers with services that facilitate the prompt pick-up and delivery of goods. RailAmerica’s properties haul major carload commodities such as coal, aggregate, grains, lumber and paper throughout the United States and Canada using Class 1 relationships to extend their customers’ reach to meet market demands. National customers enjoy the advantages of using RailAmerica’s local relationships to expand their businesses beyond the major distribution centers and into the local customers’ doors.” Now that we are all up to speed let’s talk about job cuts. The company is getting ready to cut back on about 50 workers, in a move that is part of the sale of one of its lines to Genesee & Wyoming Inc., another railway company. The buying organization, which may or may not rehire the workers under new terms, filed a mass layoff action notice with the state. RailAmerica, Inc. put out a [recent release](#) about its sale to Genesee & Wyoming Inc. that outlines a little bit of the fiscals behind the deal and how it is impacting the company, “On October 1, 2012, RailAmerica, Inc. (RailAmerica) was acquired by Genesee & Wyoming Inc. (GWI) (NYSE: GWR) and deregistered its common stock and delisted from the New York Stock Exchange. Immediately following the closing of the acquisition, control of RailAmerica was placed into a voting trust with R. Lawrence McCaffrey appointed as trustee. The trust will remain in effect until the U.S. Surface Transportation Board (STB) issues its decision on GWI’s application to control RailAmerica and its railroads, which decision could be as early as the fourth quarter of 2012 or as late as the first quarter of 2013. For the pendency of the trust, GWI will account for its ownership of RailAmerica under the equity method of accounting. RailAmerica financial results for the third quarter of 2012 are for periods prior to GWI’s ownership of RailAmerica and will not be included in GWI’s financial results for such periods. This press release and a presentation containing supplemental information for the third quarter and year to date results will be posted on RailAmerica’s website <http://www.railamerica.com/>. RailAmerica today reported financial results for the quarter ended September 30, 2012. Third quarter 2012 revenue increased 11% to \$155.4 million from \$139.7 million in the third quarter of 2011. Freight revenue increased 8% to \$113.0 million with carloads up 4% and average revenue per car up 4%. Non-freight revenue increased 21% to \$42.4 million.”