The Maryland and Delaware Railroad Company

Eric Callaway
President
Company Profile

• Incorporated in 1977 as a Private Class III Railroad

• Headquartered in Federalsburg, MD with 16 employees

• Six (6) locomotives, all EMD four-axles

• Operate Monday-Friday, 7am-7pm, weekends as required
Company Profile

- 120 track miles with rail ranging from 85 lb. jointed to 132 lb. welded

- 30% of track is cleared for 286K rail cars, the new standard

- Eight (8) bridges, (115) public grade crossings (44% signalization)

- MOW budget of $1.5 Million
Company Profile

- Traffic is 64% Agriculturally-related, 83% Inbound loads
- Large customers include Perdue (4 locations), Dart Container, Eastman Specialties and Tri-Gas & Oil
- Transload facility at Federalsburg, MD
- Interchange with Norfolk Southern at three (3) locations
Mid-Atlantic Corn

• Hybrid corn seeds are producing better yields
• More irrigated land
• Transfer losses are decreasing
• Harvesting methods are improving, adding to yields
• Chickens are eating less corn
• Trucks have gained efficiencies, allowing further reach
• Corn storage innovation
• Competition across all transportation modes
• International markets
Crop Production Services and Southern States at Federalsburg, MD
Transload

Koski Enterprises at Federalsburg, MD care of B&G Foods
Transload

Koski Enterprises at Federalsburg, MD care of B&G Foods
Tri-Gas & Oil at Williamsburg, MD
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Unforeseen Consequences

- Pre-pipeline
- Standard Oil v. NYC/PRR
- Pipelines are Created
- NO crude by rail
- And then…
- Fracking Technology
Fracking Technology

- Increased NGL Production / Increased Environmental Regulations
- Bakken Transportation Challenges
- COAL USAGE DECLINES
- Crude by Rail
Crude by Rail

U.S. Oil Production Increases

Increased Dollar Strength

Cheaper Fuel

LOWER FUEL SURCHARGE REVENUE

COAL / AG EXPORTS DECLINE
COAL / AG EXPORTS DECLINE

COAL USAGE DECLINES

LOWER FUEL SURCHARGE REVENUE

LOWER RAIL FREIGHT REVENUES
Regulation

Chatsworth, CA (Metrolink)
- Cell Phones
- PTC

Philadelphia, PA (Amtrak)
- To Be Determined
- PTC

Crude Oil Derailments (U.S. and Canada)
- Tank Car Safety Standards
- PTC
Automation of Transportation

PTC

Google Car
In Testing!

Google Truck
In Testing!

Drone Delivery Services
Already in Use Abroad!