PUBLIC VERSION

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 35799

RAPID CITY, PIERRE & EASTERN RAILROAD, INC.
-ACQUISITION AND OPERATION EXEMPTION
INCLUDING INTERCHANGE COMMITMENT-
DAKOTA, MINNESOTA & EASTERN RAILROAD CORP.

PETITION FOR REVOCATION OF EXEMPTION

Filed By Brotherhood of Maintenance of Way Employes Division/IBT, Brotherhood of Railroad Signalmen, and International Association of Sheet Metal, Air, Rail and Transportation Workers/Mechanical Division

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The Brotherhood of Maintenance of Way Employes Division/IBT, Brotherhood of Railroad Signalmen, and International Association of Sheet Metal, Air, Rail and Transportation Workers/Mechanical Division ("Unions") petition the Board to revoke the exemption from prior Board approval under 49 U.S.C. §10901, invoked by the Rapid City Pierre & Eastern Railroad, Inc. ("RCP&E) by which RCP&E, a newly formed subsidiary of Genesee & Wyoming Industries ("GWI") plans to acquire certain railroad lines and trackage rights from the Dakota, Minnesota & Easton Railroad Corp. d/b/a Canadian Pacific Railway ("DME/CP"), a subsidiary of the Canadian Pacific Railway ("CP").

The Unions submit that the acquisition the DME/CP lines is actually an acquisition of a rail carrier's lines by a group of carriers and a holding company that controls rail carriers, so it can be effected only after Board approval or exemption under 49 U.S.C. §11323 and subject to employees protective conditions as required by 49 U.S.C. §11326.

I. INTRODUCTION

In 1986 GWI, which owned the 18 mile Genesee and Wyoming Railroad Co. ("GWRR") and the 10 mile Dansville and Mount Morris Railroad Co., formed the Rochester & Southern Railroad Inc. to acquire another103 miles of railroad line from a CSXT subsidiary. The ICC authorized the acquisition under former Section 10901thereby allowing GWI to acquire a rail line from another carrier by use of a wholly controlled subsidiary. *Rochester and Southern Railroad, Inc. And Genesee and Wyoming Industries, Inc. Exemption from 49 U.S.C. §1090, 11301 and 11343*, F.D. 30779 (July 15, 1986) (this decision is unpublished but is included in the Unions' exhibits as Exhibit A).[1] The Commission treated the acquisition as one governed by former Section 10901 of the ICA because, as a newly formed corporation, R&S was a new entity and was not previously recognized as a carrier, even though GWI would control R&S; the Commission noted that together the carriers controlled by GWI would operate about 160 miles of line all within western New York. *Id* at 2.

In 1989 GWI formed the Buffalo & Pittsburgh Railroad, Inc. to acquire another 369 miles of rail lines. The Commission again treated the transaction as a Section 10901 transaction because the acquisition was effected by a new corporation which was not a carrier, and it would be responsible for the line's operation and financial obligations. *Buffalo & Pittsburgh Railroad, Inc.— Exemption– Acquisition and Operation of Lines in New York and Pennsylvania, Genesee & Wyoming Industries, et al – Exemption Control*, F.D. 31116 and 31117 (June 20, 1989) 1989 WL 238919. Because GWI would control B&P after the acquisition, the Commission decided it had to approve or exempt GWI's continued control of B&P once it acquired the lines, so the ICC exempted that continued control of a carrier under former Section 11343. But it deemed the acquisition and control to be separate transactions so the employee protections imposed in the control transaction would not apply to the employees affected by the acquisition.

[1] The Unions' exhibits are being submitted in a separate volume of exhibits. None of those documents contain information designated as "confidential" or "highly confidential" under the protective order issued in this Finance Docket and in Finance Docket 35800.

These two decisions were part of an escalating use of former Section 10901 in the 1980s to authorize new entity acquisitions of rail lines (and to do so without imposition of employee protections), even when the new entities were controlled subsidiaries or affiliates of rail carriers. The surge of authorizations of acquisitions of rail lines to new entities under Section 10901 was driven by ICC determinations and policies that permitting transactions under Section 10901 without employee protections would preserve service on abandonable and "marginally profitable" lines, and would result in operation of endangered lines by locally managed companies that presumably would be more responsive to local shippers. *Ex Parte 392, Class Exemption for the Acquisition and Operation of Rail Lines Under 49 U.S.C. §10901*, 1 ICC 2d 810, 812-814 (1985), 1985 WL 56040*3-*5; *Central Michigan Ry. Co. Acquisition and Operation–Certain Lines of Grand Trunk Western RR. Co. , The Straits Corp.–Exemption from 49 U.S.C. 11343*, F.D. 31059 and 31061(1987), 1987 WL 99287 at *2; *Northwestern Pacific Acquiring Corp. And Eureka Southern RR Co.– Exemption from 49 U.S.C. 10901 and 11301*, F.D. 30555 (1987) 1987 WL 100142 at *2-*4.

Today, GWI is a wholly different entity, the circumstances of the acquisition at issue here are very different from those at issue in the 1980s and the railroad industry today is markedly different from the industry in the 1980s. The GWI group now comprises over one hundred railroads in the United States collectively operating over 9,500 miles of track in 39 States through 8 operating regions. GWI is has grown from owner of railroads operating 28 miles of track in western New York to a multi-national corporation operating over 13,300 miles of track in 5 countries; and the combined revenue of GWI's carrier subsidiaries for 2013 was almost $1.6 billion. GWI 2013 Annual Report (Unions' Ex. B) at 1, 7 and Part I at 4, 7). That amount of revenue would be sufficient to make the GWI group a Class I railroad; indeed the revenue of the

GWI controlled carriers combined exceeds that of several Class I carriers. Moreover, as is demonstrated below, in materials other than those submitted to the STB, GWI presents itself as an integrated enterprise, not as a collection of commonly owned but independent rail subsidiaries. The extent of coordination and integration ranges from organizing the various railroads into regions with centralized management, oversight and support structures, to creation of GWI-wide practices and corporate cultures, to a common style of logos for all GWI railroads.

Notwithstanding all those changes, GWI now seeks to replicate in the instant case what it did in adding another Class III carrier to its small group of small railroads in western New York in the late 1980s. GWI is relying on the 1980s precedent that allowed holding companies that controlled carriers to acquire abandonable or marginally profitable lines through newly formed subsidiaries, to now accomplish an acquisition of over 600 miles of railroad lines from Canadian Pacific that are not remotely abandonable, adding a new Class II railroad to its 101 U.S. railroads. But, while once again asserting that it is engaged in a non-carrier acquisition through a new non-carrier entity, GWI has nonetheless touted its expertise, experience and strength as a group of commonly controlled railroads as reasons why the transaction will benefit shippers and is in the public interest.

The Unions respectfully submit that the Board must reconsider its approach to these transactions and to this transaction in particular. The line of cases from the 1980s on which GWI relies allowed corporate form to dictate application of the Act and ignored the reality of the transactions. This was at odds with Supreme Court precedent that use of subsidiaries by holding companies cannot dictate application of the Act, and that a holding company cannot avoid seeking authorization for acquisition of a carrier's property by use of a subsidiary (*United States v. Marshall Transport Co*., 322 U.S. 31, 36, 40 (1943); *Allegheny Corp. v. Breswick & Co*., 353

U.S. 151, 169 (1957)); that the predecessor to current Section 11323 was amended because its application was being evaded through the use of "elaborate corporate devices" and the "holding company system" (*Gilbertville Trucking Co. v. United States*, 371 U.S. 115, 123, 124 (1962)); and that Commission jurisdiction could not be manipulated by transactions between commonly controlled entities designed to give the appearance of a transaction different from what was actually occurring (*County of Marin v. United States*, 356 U.S. 412, 418 -419 (1958)). The 1980s precedent on which GWI relies was also inconsistent with the rules applied by other federal agencies which do not allow corporate formalities to dictate their application of Federal law. But the ICC relied on its perceived policy imperative to ensure that rail service on abandonable or marginally profitable lines was continued, and the assumption that local ownership would be more responsive to local shippers; and appellate courts that reviewed those decisions deferred to the Commission's rationale and holdings.

There is no reason to apply to the instant transaction the policies of the 1980s when the rail industry was in distress, Class I's were consolidating, branch and feeder lines were being abandoned, acquisitions of abandonable and marginal lines were deemed risky, acquisitions of those lines by newly formed subsidiaries created by small holding companies to insulate the holding companies and their other carrier subsidiaries from the acquisition risks was deemed the only way to save service, and the prospects of the new companies were so uncertain that application of former Section 11343 with its employee protections was viewed as an obstacle to continued rail service on those lines.

GWI is now a behemoth. The combined revenues of its railroad subsidiaries is almost four times the threshold for Class I status and exceeds that of several Class I's.[2] The industry is much healthier, and the lines in question are not in danger of abandonment. Furthermore in presentations to financial analysts, GWI has forecast continued growth and prosperity, and has recognized and promoted its different circumstances today by describing the RailAmerica acquisition as the "[n]atural progression of the evolution of the rail industry since deregulation". However, at the Board GWI seeks to take advantage of old policy rationales to accomplish a transaction very different from the ones it accomplished in 1986 and 1989, when GWI today is a very different holding company than it was in 1986 and 1989. Moreover, if allowed to use the new entity/non-carrier device to acquire a line that will constitute a Class II carrier from a Class I carrier, GWI would have a comparative advantage relative to any Class I which might be interested in this line or in a similar line because a Class I would have employee protection obligations and GWI would not. In actuality the planned transaction is for the sale of assets of a Class I railroad to a group of carriers that collectively constitute a Class I railroad. Such transactions are subject to the *New York Dock Ry-Control- Brooklyn Eastern District Terminal*, 360 ICC 60 (1979) employee protections as modified by *Wilmington Terminal RR-Purchase & Lease- CSX Transportation, Inc*., 6 ICC 2d 799, 814-26 (1990)), and those protective arrangements should be imposed on this transaction.

It is time to end the charade, to revert to an application of the Act consistent with its wording and purpose, consistent with Supreme Court precedent rejecting the use of holding

[2] GWI does not separately report the combined revenue of the 101 United States subsidiaries but since the revenue of the combined subsidiaries in 2013 was almost $1.6 billion, and the threshold for Class I status is $435 million, even with the revenue from the 10 foreign railroads is excluded, the operating revenue for the U.S. railroads is well over the Class I threshold.

companies and the use of corporate devices to manipulate application of the Act, and consistent with the treatment of holding companies and their subsidiaries and affiliates under other Federal laws. The exemption invoked by GWI and RCP&E should be revoked, and any effort by GWI or any GWI entity to acquire the line should be handled under Section 11323 with the *New York Dock/Wilmington Terminal* employee protections imposed under Section 11326 of the Act.

II. FACTS

A. THE LINES AT ISSUE

RCP&E, a wholly owned subsidiary of GWI, proposes to acquire approximately 670 miles of railroad lines from DME d/b/a Canadian Pacific Railway, a subsidiary of Canadian Pacific Railway. Notice of Exemption at 2-3, STB published Notice 3/27/14 in F.D. 35799. The line RCP&E plans to acquire runs from west of Tracy, Minnesota, across South Dakota to Huron South Dakota and into northern Nebraska. RCP&E also plans to acquire approximately 220 miles of trackage rights. The DME/CP is a subsidiary of CP as described in the Agreement and Plan of Merger dated September 4, 2007 among Soo Line Holding Company, Soo Line Properties Company, Canadian Pacific Railway Company and Dakota, Minnesota &Eastern Railroad Corporation. A copy of that agreement is attached to Exhibit D to the Notice of Exemption in Finance Docket No. 35799 (Appendix Volume 2). That agreement identifies Soo Line as a wholly owned subsidiary of CP which would acquire the DM&E and merge into DM&E. *Id* at 1, 14.

B. GENESEE AND WYOMING INDUSTRIES AND ITS RAILROAD SUBSIDIARIES

1. Genesee and Wyoming Industries

GWI is a holding company that owns and operates short line and regional railroads and provides rail car switching and other railroad services in the United States, Canada, Australia, the

Netherlands and Belgium. GWI 2012 Annual Report (Ex. C) Part I at 4, Notice of Exemption at 2, Notice of Exemption in F.D. 35800 at 3-4. The 2013 GWI Annual Report, Unions" Ex. B (available on the GWI website (gwrr.com)) stated: "As of December 31, 2012, we operated in 39 states in the United States, four Australian States, one Australian territory and four Canadian provinces....". 2013 Annual Report Part I at 4. That report continued to state that "we operate one regional and 100 local (short line) railroads in the United States over approximately 9500 miles of track". *Id*. Part I at 7.

The 2013 Annual Report states (at 1) that the combined operating revenue for the GWI railroads in 2013 was approximately $1.6 billion. The 2012 Annual Report acknowledges that the threshold for Class I carrier status in 2012 was $435.2 million. *Id.* Part I at 6. *See also* the Association of American Railroads January 10, 2013 publication (Unions' Exhibit D) which also cites a Class I threshold of $435.2 million. The combined operating revenue for the GWI railroads in 2013 exceeded the operating revenues of three Class I's (KCS Mexico-$.9 billion)(KCS-$1.2 billion, and FXE- $1.3 billion). *Id*.

The 2013 and 2012 reports describe a collection of railroads that are doing well financially and producing good results for GWI shareholders, not a collection of companies in peril. 2013 Annual Report at 1, 3, 19; 2012 Annual Report at 3, 5, 9, 10.

2. The GWI Railroad Subsidiaries

In the United States, the GWI railroads are organized into 8 regions for management, supervision and oversight of the various railroad subsidiaries. *See* map in the 2013 Annual Report; *see also* the powerpoint presentation shown to DME/CP employees and provided to union officers (Unions' Exhibit E) at 6. GWI's regional management oversees, supports and provides administrative, commercial and operational guidance and assistance to the railroad subsidiaries. The 2012 Annual Report (Part I at 4) stated, "our railroads operate under strong local management teams, with centralized administrative, commercial and operational support and oversight". According to the powerpoint presentation GWI provided to DME/CP employees and Union officers, GWI's Chief Operating Officer David Brown provides "Operating Support for Regions" in the areas of safety, and compliance, engineering (track and bridges), mechanical (locomotives and cars), dispatching, purchasing, and service design; and the COO's office standardizes processes and best practices for the railroads. Powerpoint at 7. The powerpoint presentation also demonstrates how the regions provide services to the railroads; using the West region as an example, it shows that the regions provide services in the following areas: safety, finance, human resources, information technology, marketing and sales, transportation, mechanical services and engineering. Powerpoint at 8. The 2013 Annual Report states: "Each Operating Region is under the leadership of a Regional Senior Vice President who has his own regional management team and operates an independent business unit with direct accountablility for safety and business results". 2013 Annual Report at 7. The 2012 Annual Report (at 16) utilizes the Southern Region to demonstrate "how GWI creates regional systems over time via contiguous <u>and nearby</u> acquisitions" (emphasis added); and the 2013 Annual Report (at 7) describes the GWI railroads as being organized in a "regional structure" with a "regional management team". The 2012 Annual Report provides safety performance data and customer satisfaction survey data on a GWI-wide basis. *Id.* at 5, 9. The 2013 Annual Report said (at 3) that in 2013 "we welcomed 2000 new employees to our organization".

The powerpoint presentation provided to DME/CP employees and union officers offers the opportunity to send questions and comments to two e-mail addresses, both of which are @gwrr.com; gwrr.com is the GWI website. Powerpoint at 24-25. The GWI website lists jobs available for all GWI carriers nationally (Unions' Exhibit F). The website also provides a link to the GWI Code of Ethics (Unions' Exhibit G) which states that it applies to all employees, no exceptions. The powerpoint presentation provided for DME/CP employees includes a page on the GWI Code of Ethics which states that it is to be "read and acknowledged annually by every employee". Powerpoint at 12.

Internet searches using the names of the individual GWI subsidiary railroads lead to the GWI website tab for that railroad. For example, a search for the Buffalo and Pittsburgh Railroad leads to gwrr.com/operations/railroads/north_america/buffalo_pittsburgh. Unions' Exhibit H. When one clicks on the "employees" tab on that page, one is directed to the GWI page and the GWI website "employees" tab which in turn directs the reader to gwrr.com/employees. The same is true for the Arizona and Eastern, Otter Tail Valley, New England Central, Columbus and Ohio River Valley, etc. *Id.*

3. GWI Statements And Presentations To Investors And Industry Analysts About GWI And Its Subsidiary Railroads

In publically available industry conference presentations and quarterly earnings calls, GWI has made numerous statements about the structure of GWI, its regional operations, and how its subsidiary railroads are integrated into GWI.

In discussing its acquisition of RailAmerica lines and the integration of RailAmerica into GWI at the Cowen and Company 6^{th} Annual Global Transportation Conference on June 11, 2013 (Unions' Exhibit I), GWI railroads were identified as belonging to nine North American regions (Pacific, Mountain West, Central, Midwest, Southern, Ohio Valley, Northeast, Rail Link and Canada). *Id.* at 11. The presentation also described the re-branding of the 45 railroads acquired through the RailAmerica transaction, by which the logos of those various lines had been replaced with logos that are the same style as the GWI logo and the logos of the pre-existing GWI railroads. *Id.* at 15. The Cowen presentation also illustrated how the acquisition of various railroads created "Regional Rail Systems". *Id* at 22. On a Third Quarter 2013 Earnings Call held on November 1, 2013, GWI Chief Financial Officer T.J. Gallagher explained that GWI had incurred substantial costs getting some of the RailAmerica lines' "safety and operating culture" up to GWI's standards, and was focusing on improvements to the individual railroads' operating conditions. This included replacing approximately 40% of the railroad general managers at the railroads acquired from RailAmerica; GWI CEO Hellman later said that 25 of 45 RailAmerica general managers had been replaced. *See* Declaration of Kelly Beck (Unions' Exhibit P) ¶4 and attachment documenting these statements.

The integration of operations at GWI is laid out in the slideshow accompanying the Third Quarter 2013 Earnings Call. One slide was described as illustrating the "overhead cost synergies" achieved in the RailAmerica acquisition, with operations for safety, finance, HR, IT, marketing/sales, transportation, mechanical and engineering being led at the regional level. Third Quarter 2013 Earnings Call, Nov. 1 2013, Ex. J at 5. The structure of the Central Region with its various centralized management functions is shown at page 5 of the presentation. And at the BB&T 29th Annual Transportation Services Conference on February 13, 2014, GWI's presentation (Unions' Exhibit K) described the acquisition of the DME/CP lines as an acquisition by "G&W", the presentation stated (at 11): "On January 2, 2014, G&W signed an agreement to purchase the assets of the "DM&E West" from Canadian Pacific (CP) for $210 million (expected to close 2Q 2014, subject to STB approval)". *See also* remarks of GWI CEO Hellman at the BB&T conference, Beck Declaration (Unions' Ex. P) attachment, third and fifth paragraphs--describing the acquisition of the DME/CP lines as a GWI acquisition ("our most recently announced acquisition...", "we signed an agreement...", "We paid $210 million...").[3] GWI CEO Hellman also stated that every region has an executive vice president who functions as a local CEO, along with a local finance director, head of transportation, chief mechanical officer and chief engineer. Jack Hellman at BB&T 29th Annual Transportation Services Conference, February 13, 2014. *See* Beck Declaration Unions' Ex. P ¶4. According to Mr. Hellman, each region is an autonomous business unit, and when GWI acquires railroads, "[GWI] folds them straight into the overhead that already exists at the regional level." Hellman at BB&T Conference. In reference to the RCP&E acquisition, Hellman stated that "we'll make sure the G&W business and safety culture is inculcated there as well." *Id.*

In a presentation at the Credit Suisse Global Industrials Conference on December 5, 2013, GWI identified one of its growth strategies as using "Contiguous railroads as building blocks of regional rail systems". Unions' Exhibit L at 20. GWI also referred to the acquisition of RailAmerica as "consolidation of short line industry"; and GWI described its efforts to consolidate lower-density short lines and its technique of eliminating duplicate overhead at these short lines by relying on GWI's extensive regional operations structure, thereby expanding the existing GWI regions. *Id.* at 36. As an example of this strategy, GWI illustrated how through a series of seven small acquisitions from 1985 to 2000, GWI was able to expand the 14 miles of track it owned in 1977 into a regional rail system that stretches from Rochester, New York to Columbus, Ohio. *Id.* at 21. A slide titled "Contiguous Railroads Building Regional Rail

[3] In a March 2014 presentation by GWI CFO T.J. Gallagher to Raymond James (Unions' Exhibit R). Gallagher also described the acquisition of the DME/CP lines as an acquisition by "G&W", his presentation also stated (at 9): "On January 2, 2014, G&W signed an agreement to purchase the assets of the "DM&E West" from Canadian Pacific (CP) for $210 million (expected to close 2Q 2014, subject to STB approval)".

Systems" showed how GWI built a regional rail system from the its base in western New York to Columbus, Ohio by various separate acquisitions effected through different newly formed subsidiaries such as the Rochester & Southern, the Buffalo & Pittsburgh, the Allegheny & Eastern, the Pittsburgh & Shawmut and the "Ohio Lines". *Id.* The Credit Suisse presentation went on to describe the combination of GWI and RailAmerica as the "Natural Progression in the evolution of the rail industry since deregulation". First there was the "rationalization" of dramatic improvements by Class I railroads, then there was the GWI-RailAmerica transaction and the "consolidation of lower density short lines, creating the ability to invest in long-term infrastructure and provide customers world class service from door to door", eliminating duplicative overhead, expanding GWI's regions, and providing a "powerful commercial platform in 39 U.S. states and 4 Canadian provinces. *Id.* at 34-36. And in its 2012 10-K filing with the SEC, GWI stated that it "believe[s] that [its] larger footprint of railroads in North America will increase the number of future opportunities to make contiguous short line acquisitions due to a higher number of touch points with other railroads." GWI 2012 Annual Report*,* 10-K filing (excerpts), Unions' Exhibit M at 6.

4. The Rapid City, Pierre & Eastern

RCPE& E is a newly formed wholly owned subsidiary of GWI which will continue to be controlled by GWI after the DME/CP lines are acquired. Notice of Exemption at 2-3, 5. The Notice of Exemption asserts that the acquisition will be made by RCP&E, even though GWI CEO Hellman and GWI CFO Gallagher told investors and analysts that "G&W signed an agreement to purchase the assets of the DM&E West".

The Notice of Exemption for RCP&E in this proceeding was verified by Allison M. Fergus as Secretary for RCP&E. According to the GWI website (Unions' Exhibit N), Ms. Fergus is also the General Counsel and Secretary for GWI; and Ms. Fergus also verified the notice of exemption filed by GWI in F.D. No. 35800 (GWI's continued control of RCP&E) in her role as General Counsel and Secretary for GWI. [redacted]

As is noted above, RCP&E employees will be subject to GWI's code of ethics which deals with such issues as drug and alcohol use, retaliation claims, discipline, use of company resources and expense reimbursement, claims of discrimination or harassment (Unions' Ex. G); all employees of GWI companies are bound by that Code and must read and acknowledge it annually. Powerpoint at 12 (Unions' Ex. E).

The officers of RCP&E are [redacted]

C. THE GWI/RCP&E ACQUISITION OF THE DME/CP RAILROAD LINES AND TRACKAGE RIGHTS

The Notice of Exemption in Finance Docket 35799 states that RCP&E (a newly formed entity created for this transaction), plans to acquire approximately 670 miles of railroad lines from DME/CP along with about 220 miles of trackage rights; however, DME/CP will retain the common carrier obligation for coal shipments on the lines until 2030. Notice of Exemption at 2, 4-5. The Notice further states that the projected annual operating revenue for RCP&E would make it a Class II carrier. *Id* at 2.

In describing RCP&E's service plans, the Notice of Exemption states (at 5) that because it is a wholly owned subsidiary of GWI, "it will benefit from GWI's safety and training programs and from the expansive reach of GWI's national marketing and commercial resources, all of which will supplement the locally based railroad", and that as a GWI subsidiary, RCP&E can bring "focused attention to customer service and safety that are trademarks of the GWI subsidiary railroads" (*id.* at 9). In the Notice of Exemption filed in Finance Docket N. 35800 (at 3-4) GWI states that RCP&E will be able to "take advantage of the administrative, marketing and operational support that GWI can provide, and that " as a long term holder of short line railroads, GWI's ownership of RCP&E should provide shippers with the comfort of stable ongoing rail service". The Notice in FD 35800 also states (*id.*) that "[t]he new operations will broaden GWI's geographic footprint by adding operations in an area where GWI does not have presence".[4] Similarly, the 2013 Annual Report describes the RCP&E acquisition and states "By selling to an operator with G&W's experience, CP is also protecting its business by reducing the operating risk of a large start-up". *Id.* at 12.

[redacted]

[4] The Notice of Exemption in FD 35800 acknowledges that the Otter Tail Valley Railroad Co., which is controlled by GWI operates in Minnesota in which RCP&E will also operate, but the two railroads will not connect. Id at 4 n. 4. But see the 2012 Annual Report (at 16) which utilizes the Southern Region to demonstrate "how GWI creates regional systems over time via contiguous <u>and nearby</u> acquisitions" (emphasis added).

[redacted]

[redacted]

D. THE RELATED FINANCE DOCKET –GWI'S POST ACQUISITION CONTROL OF RCP&E

In Finance Docket 35800, GWI has filed a notice invoking an exemption for its continued control of RCP&E after RCP&E acquires the DME/CP rail lines. However, at about the same

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[redacted]

time this notice was filed GWI CEO Hellman and GWI CFO Gallagher told investors and analysts that “G&W signed an agreement to purchase the assets of the DM&E West from Canadian Pacific”. Unions’ Ex. K at 11, Ex. R at 9.

Because GWI has described the RCP&E acquisition of DME/CP’s lines as a new entity acquisition, rather than an acquisition by GWI or the GWI group of carriers, and GWI has separated the control from the acquisition. GWI has described the control question as one arising only after the acquisition is effected, and it has consequently characterized that transaction as a discrete post-acquisition continuance in control, rather than as an arrangement involving acquisition of DME/CP lines by a group of carriers and by a holding company that controls carriers. GWI has engaged in this fiction so it can invoke the 1980s precedent described above that construed the Act so as to facilitate acquisitions of abandonable or marginal lines at minimal cost in order to preserve service. But the DME/CP lines are not remotely abandonable, and the GWI group is not a small company that might be overwhelmed by review of the transaction under Section 11323, and imposition of employee protections on the acquisition transaction. As a result of engaging in this fiction, although employee protections apply in the control transaction, they would not apply to anyone affected by the acquisition.

E. Effects of the Acquisition on DME/CP Employees

According to the Notice of Exemption, DME/CP estimates that 215 of its employees currently work on the lines to be conveyed. RCP&E expects to hire 180 employees “for various positions” working on those lines. RCP&E has said that it will offer jobs to some number of current DME/CP employees but it has not represented that the 180 jobs it will initially have will be offered to current DME/CP employees. Notice of Exemption at 10. *See also* Declaration of BMWED Unified System Division First Vice Chairman Galen Owen ¶4 (Unions’ Ex. Q). For example, there currently are between 75 and 80 BMWED represented DME/CP maintenance of way employees working on the lines to be acquired; it appears that RCP&E will fill only 45 positions with former DME/CP employees. Owen Declaration ¶5. [redacted] RCP&E represents that it has held "town hall" meetings with current DME/CP employees and that it is accepting applications, though there is no guarantee that RCP&E will accept the applications; and RCP&E is not affording the DME/CP employees a priority in hiring or even a priority of consideration. Notice of Exemption at 10. The powerpoint presentation described a recruiting process, but again gave no indication of a priority in hiring or priority of consideration.

DME/CP employees have been told that RCP&E jobs will have similar levels of pay and benefits as DME/CP jobs, but they have not been told that they will be in the same positions which would have the same rates of pay. Thus far, RCP&E has offered jobs to some junior employees, but not to some more senior employees; and it has offered higher classification employees lower classification jobs (*e.g.* DME/CP foremen and assistant foremen have been offered lower paid track laborer jobs with RCP&E). Owen Declaration ¶7. DME/CP employees who accept jobs with RCP&E will not have the benefit of the work rules established under the collective bargaining agreement between BMWED and DME/CP, and they will be required to significantly increase their health care contributions, while the level of coverage is still unknown. Owen Declaration ¶¶5, 8. Employees who are not offered jobs with RCP&E, or who choose not to work under terms devised unilaterally by RCP&E and GWI, will have to exercise seniority to other DME/CP positions at significant distances from their current jobs, if jobs are available for them to do so; because of the way GWI has structured the transactions, absent Board action, those employees will not be able to receive employee protection benefits to compensate them for losses as a result of the transaction. Owen Declaration ¶6.

The powerpoint presentation describes the RCP&E benefit plans and contribution rates, a few of which are identified as GWI plans (the tuition and scholarship plans and the Mangrove flexible spending account, which is on the GWI website). Powerpoint at 20-23. The powerpoint presentation refers DME/CP employees to the GWI FIRE Code of Ethics and states that it must be read and acknowledged by all employees annually. The powerpoint (at 24-25) encourages those with questions and comments to send them to addresses @gwrr.com, which is the GWI web address.

Because GWI and RCP&E have characterized the acquisition as a non-carrier acquisition under Section 10901(e) they assert that no employee protection obligations are applicable. Notice of Exemption at 11. Of course, if their characterization is incorrect, and this is a transaction governed Section 11323, employee protections are required under Section 11326.

III. STATUTORY PROVISIONS AND DECISIONS INTERPRETING AND APPLYING THOSE PROVISIONS

A. ICA SECTION 11323

Section 11323 governs transactions by which carriers or entities that control carriers may merge, acquire another carrier, acquire the property of another carrier or acquire control of another carrier. Section 113232(a) provides that specified transactions may be carried-out "only with the approval and authorization of the Board. Among those transactions are "consolidation or mergers of the properties or franchises of at least 2 rail carriers"(subsection (a)(1); "purchase, lease or contract to operate the property of another carrier by any number of rail carriers" (subsection (a)(2); "acquisition of control of a rail carrier" by any number of rail carriers (subsection (a)(3); "acquisition of control of a rail carrier" by a "person that is not a rail carrier but that controls any number of carriers" (subsection (a)(5). Section 11323(b) provides that "[a] person may carry out a transaction referred to in Section (a)" or "participate in achieving control or management, including the power to exercise control or management, in a common interest of more than one of those rail carriers, regardless of how that result is achieved, only with the approval and authorization of the Board under this subchapter".

In *County of Marin, supra.*, the Supreme Court noted that former ICA Section 5 [predecessor to current Section 11323] gave the ICC authority over mergers and consolidations of "railway properties" (356 U.S. at 416-417); and in *Marshall Transport , supra.* the Court said that former Section 5 governed acquisitions of control of rail carriers and the purchase of the property of rail carriers by companies that control rail carriers, and specifically acquisitions of property of a rail carrier by a rail carrier controlled by a holding company (322 U.S. 31, 37-40). In *Black v. ICC*, 762 F. 2d 106, 115 (D.C. Cir. 1985) the D.C. Circuit stated that former Section 11343 [immediate predecessor to current Section 11323 (a)] "is concerned not with new, non-carrier entities entering railway market through limited acquisitions such as the one at issue here, but with transactions integrating two or more carriers and with the effect of multi-carrier transactions on competition". In *Chicago Milwaukee, St. Paul & Pacific Railroad Co. v. Railway Labor Executives' Association*, 658 F.2d 1149, 1169 (7th Cir. 1981), the Seventh Circuit held that "[t]ransactions involving transfers or sales between two or more existing carriers, normally termed unifications, are governed by 49 U.S.C. §11343. A significant consequence of a decision as to whether a transaction is governed by Section 11343 or Section 10901 is that Congress has mandated employee protections under Section 11343". Subsequently, the D.C. Circuit observed that "it is well-settled that §11343(a)(2) encompasses acquisitions of *assets* (a 'purchase' of 'property' of another carrier) as well as acquisitions of *equity* (a purchase...of another carrier)". *Redden v. ICC*, 956 F. 2d 302, 304 n. 2 (D.C. Cir. 1992), emphasis and ellipsis in original. *See also Minnesota Transportation Regulation Board v. United States*, 966 F. 2d 335, 339- 341 (8th Cir. 1992)– former Section 11343 governed consolidations and acquisitions of control of carriers as well as a rail carrier's purchase of the property of another rail carrier.

B. ICA SECTION 11326

Under Section 11326, as a condition of approval of a transaction governed by Section 11323, the Board shall require that the carrier provide arrangements for the protection of the interests of employees affected by the transaction that are at least as protective as those imposed under former Section 5(2)(f) of the Interstate Commerce Act and under [49 U.S.C.] Section 24706(c) [the recodified Rail Passenger Service Act]. However, a transaction between one Class II rail carrier and one or more Class III rail carriers are subject to lesser protections (49 U.S.C.§11326(a); and transactions involving only Class II carriers are not subject to employee protections.

C. ICA SECTION 10901

Former Section 10901(a) of the Act provided that a rail carrier may "construct an extension of any of its railroad lines", "construct an additional railroad line, "acquire or operate an extended or additional railroad line" or "provide transportation over or by means of an extended or additional railroad line" if the Commission determined that present or future public convenience or necessity required or permitted the action. The ICC held that former Section

10901 applied to acquisitions of railroad lines by non-rail entities that would become rail carriers. The Commission concluded that since former Section 11343 applied to transactions involving existing carriers, and Section 10901(a) dealt with construction, extension and additions to rail lines and providing transportation over an extended or additional line, former Section 10901(a) applied to “new entrants” to the industry not affiliated with a rail carrier, and governed acquisitions of rail lines by non-carriers that would become carriers upon acquisition of a line. Various Courts of Appeals held that this was not an unreasonable interpretation of the Act. *See e.g People of the State of Illinois v. United States,* 604 F. 2d 519, 525 (7th Cir. 1979)–the predecessor to Section 10901 “was intended to deal with the acquisition, abandonment and extension of an individual line of railroad and was essentially directed at the transportation - oriented activities of a single rail carrier or applicant”; *Chicago, Milwaukee St. Paul and Pacific RR, supra.* 658 F. 2d at 1169–former Section 10901 was “directed at the transportation-oriented activities of single rail carrier or non-carrier, whereas the focus in Section 11343 proceedings is upon the potential effect of multi-carrier transactions”; *Black v. ICC,* 762 F. 2d 106, 115 (D.C. Cir. 1985) -"the acquisition of a single rail line by an entity that is not itself a carrier and that is not affiliated with any other carrier falls under §10901 not §11343"; as well as ICC decisions by those courts.

In 1995, the Act was amended so Section 10901 now provides that a person may construct an extension to any of its railroad lines, construct an additional railroad line, provide transportation over or by means of an and extended or additional line or, in the case of a person other than a rail carrier, acquire a railroad line or acquire or operate an extended or additional railroad line only if the Board authorizes that activity. 49 U.S.C. §10901(a). The Board may impose conditions other than employee protective conditions on any such approval. 49 U.S.C.

§10901(c).

4. 1980s Decisions Concerning Acquisition of Rail Lines by Newly Formed Subsidiaries of Holding Companies That Controlled Carriers

Efforts of newly formed subsidiaries of holding companies that controlled other carriers to acquire rail lines under Section 10901 were contested in a number of cases in the 1980s. The Commission approved handling of the acquisitions under Section 10901, stating that it would treat the new entities as non-carriers, not as agents of the holding companies or as parts of carrier groups if the new entities had sufficient "indicia of independence" and were not formed for the exclusive purpose of evading Section 11343. In assessing the independence of a new subsidiary of a holding company that controlled carriers, the Commission generally looked to whether the new entity would operate under its own name, publish tariffs, directly serve shippers, hire its own employees, acquire equipment and materials under its own name, have officers and directors named in accordance with State law, and be responsible for financial and contractual obligations (although substantial capital contributions and guarantees of loans by the holding companies was deemed irrelevant). And in determining whether the acquiring entity was formed exclusively to evade Section 11343, the Commission generally looked to whether there were valid business reasons for effecting the acquisition through a newly formed subsidiary; such as not saddling the affiliated companies with the risk of losses that might flow from operation of marginally profitable lines, and avoidance of insurance costs and other liabilities related to ownership of the additional lines. *See e.g. Buffalo & Pittsburgh Railroad, Inc, supra.* 1989 WL 238919 at *6-8, *11; *FRVR Corp.–Acquisition and Operation Exemption–Chicago and North Western Transp. Co.,* F.D. 31205 (1989), 1989 WL 237970 at *4-*7; *Southeastern Rail Corp. – Acquisition and Operation Exemption–Gulf and Mississippi RR Corp.*, F.D. 31187 (1989) 1989 WL 239280 at

*3-*7; and ICC cases cited in those decisions.

Consistent with its general handling of Section 10901 transactions (discussed above), the Commission typically noted that the lines being acquired were abandonable or only marginally profitable, and that handling of the acquisitions under Section 11343 would necessitate imposition of employee for the benefit of adversely affected employees of the selling carriers which, the Commission concluded, would imperil transactions involving financially troubled lines that were designed to preserve rail service. *See e.g. Rochester Southern, supra.* where the Commission said that the acquisition by R&S and continued control of R&S by GWI were "an integrated effort to ensure continuation of rail service that might otherwise be lost", and that R&S's lower operating costs and local marketing efforts could bring increased efficiency. *Id*. at 2-3. The agency declined to impose employee protections based on its policy of "not imposing labor protections on newly formed acquiring carriers acquiring carriers" and R&S' assertions that the line was a "marginal operation subject to potential abandonment", and that the cost of employee protections could not be recouped by the line's operation so their imposition would result in termination the purchase agreement. *Id* at 3-4. *See also Buffalo & Pittsburgh Railroad, Inc, supra.* 1989 WL 238919 at *7, *FRVR Corp, supra* . 1989 WL 237970 at *5; and ICC cases cited in those decisions.

With regard to the control relationships, the Commission recognized that the control of the new companies by the holding companies had to be approved or exempted under Section 11343, but it treated the acquisitions and control authorizations as separate transactions and held that any employee protections imposed in the control transactions applied only to those who were affected by the control arrangements–employees of the commonly controlled entities [*i.e*. no one] and not to the employees of the selling carrier because they were not employees of carriers controlled by the holding companies as of the time of the sales. *See e.g. Buffalo & Pittsburgh Railroad, Inc, supra.* 1989 WL 238919 at *8; *Itel Rail Corp. and Itel Corp. –Continuance in Control Exemption–FRVR Corp*., F.D. 31206 (1988) 1988 WL 224748; and ICC cases cited in those decisions.

Several of the ICC's decisions were challenged in the Courts of Appeals which deferred to the ICC's interpretation of the Act. *See e.g. Railway Labor Executives Ass'n v. ICC*, 819 F. 2d 1172, 1173 (D.C. Cir. 1987)-denying review of the *Rochester and Southern* decision and stating that while a finding that GWI was really the acquiring entity would have required that the acquisition by reviewed under Section 11343, the ICC was not compelled to ignore corporate formalities, and that the Commission's finding that R&S was sufficiently independent of GWI was not unreasonable. *See also Railway Labor Executives Ass'n v. ICC*, 914 F. 2d 276 (D. C. Cir. 1990)(denying review of the *FRVR* decision, though not endorsing the exclusive purpose of evasion of Section 11343 test); and *Railway Labor Executives Ass'n v. United States,* 791 F. 2d 994, 998-999, 1006 (2d Cir 1994)--noting the asserted risks associated with acquiring a financially troubled and potentially abandonable line, and accepting the ICC's determination that the subsidiary was independent of the parent corporation. The decision denying review of the *FRVR* decision also deferred to the ICC's conclusion that employee protections imposed in connection with Itel's control of FRVR should not apply to employees of the selling carrier because the seller was not a party to the control case. 914 F. 2d at 280-281.

IV. ARGUMENT

THE ACQUISITION OF THE DME/CP'S RAILROAD LINES <u>SHOULD BE TREATED AS A SECTION 11323 TRANSACTION</u>

A. Introduction

As is demonstrated above, Section 11323(a)(2) governs acquisitions of rail carrier property by any number of carriers; Section 11323(a)(3) and (5) govern transactions involving acquisition of control of a rail carrier by any number of carriers and by a holding company that controls carriers; and Section 11323(b) provides that "[a] person may carry out a transaction referred to in Section (a)" or "participate in achieving control or management, including the power to exercise control or management, in a common interest of more than one of those rail carriers, regardless of how that result is achieved, only with the approval and authorization of the Board under this subchapter". Consequently, if the DME/CP lines were being acquired by one or more of the GWI railroads or by GWI itself, the acquisition would clearly be covered by Section 11323. On the other hand, if the DME/CP lines were being acquired by a true new entity unaffiliated with a carrier, the acquisition would be covered by Section 10901.

The facts outlined above show that the acquisition of the DME/CP lines is anything but an acquisition by a new entrant unaffiliated with a rail carrier. Even though the acquisition and control transactions are structured like a new entrant/non-carrier acquisition by GWI's creation of a 102nd American subsidiary to effect the acquisition, the transaction is in reality an acquisition of railroad lines by the GWI group of railroads.

That the acquisition must be treated as a Section 11323 transaction is demonstrated by the long line of Supreme Court precedent, never overruled or limited, that the agency must look to the reality of a transaction, not the manner in which it is presented; and that use of holding company–subsidiary arrangements and other corporate devices cannot dictate application of the statute. Furthermore, other federal agencies do not allow corporate forms to control their administration of their statutes. Proper application of the Act does not require a finding that the RCP&E is not a bona fide corporation under state law, or that it was illegitimate for GWI to create another corporation to effect the acquisition, only that the use of a newly formed subsidiary cannot dictate application of the Act.

That GWI has filed a separate notice of exemption for its post acquisition control of RCP&E does not satisfy the requirements of the Act. Because the transaction at issue is in reality the sale of railroad lines of a Class I railroad to a group of railroads, the acquisition is subject to Board approval or exemption under Section 11323 not Section 10901. Requiring authorization under Section 11323 necessitates imposition of employee protective conditions on the acquisition pursuant to Section 11326, but it also means that the standards for approval under Section 11323 and 11324 apply, rather than the less rigorous standards that apply to true new entrant acquisitions under Section 10901. Bifurcating what is in reality the GWI group acquiring railroad lines from CP into separate acquisition and control transactions, with the scope of the control transaction limited to post-acquisition control issues, does not satisfy the requirements of the Act because the acquisition is not considered under Section 11323 and 11324 and no employee protections are imposed in the acquisition case. To the extent that ICC decisions from the 1980s sanctioned this sort of arrangement in response to the financial circumstances of the railroad industry at that time, and perceived policy imperatives to preserve rail service on abandonable and marginal lines through acquisitions by small and local new entrants to the industry, despite the *Marshall Transport* lines of decisions, the Board should not follow the 1980s precedent given the circumstances of the industry today and the facts of this case.

B. In Deciding Whether A Transaction Is Governed By Section 11323 Or Section 10901, The Board Must Be Guided By The Actual Nature And Practical Effects Of The Transaction, Not By the Manner In Which The Transaction Is Structured And Presented For Authorization

Section 11323 is a recodification of former Section 11343 which in turn was a recodification of the former ICA Section 5(2)(a).[6] The Supreme Court consistently recognized that proper application of Section 5 required that the Commission examine the practical effects of transactions before it, and that agency decisionmaking should be determined by the true nature of a transaction, not the form in which it was presented, especially with regard to affiliated and subsidiary corporations.

In *United States v. Marshall Transport Co. supra.,* Refiners Transport, a subsidiary of Union Tank Car (a holding company that controlled carriers) sought to acquire the property of another carrier–Marshall Transport. The ICC held that the parent corporation (Union Tank) was required to join the application for approval of the acquisition under Section 5. The reviewing court disagreed, but the Supreme Court reversed and affirmed the ICC's interpretation and application of the Act. 322 U.S. at 36-37. The Court said that if Union Tank had sought to acquire the property and operating rights of Marshall in its own name, approval of the acquisition under Section 5 would have been necessary. The Court rejected the notion that Union Tank could "extend its control indefinitely to other carriers merely by directing the purchase of their property and business by Refiners [the subsidiary] without subjecting itself to the jurisdiction of the Commission as provided in §5(3), so long as Union does not act directly as the purchaser of property or of a controlling interest in such other carriers". *Id.* footnote omitted. The Court stated that "the existence of control must be determined by a regard for the 'actualities' of intercorporate relationships". *Id*. at 38, *citing Rochester Telephone Corp. v. United States*, 307 U.S. 125, 145

[6] The changes in the language of this provision as it was recodified from Section 5 to Section 11343 in 1978 recodification were not intended to have substantive effect. P.L. 95-473, §3, 92 Stat. 1466. *United Parcel Service, Inc. v. United States*, 612 F.2d 277, 278 (7th Cir. 1979). There was no change in the language of that provision when it was renumbered as Section 11323 other than reference to the Board instead of the Commission, and deletion of a reference to pipelines and references to subchapters of chapter 105.

(1939). The Court further stated that "[t]he statute is thus concerned, not merely with the acquisition of control of one corporation by another, but with the acquisition of control of a corporation which is doing the business of a carrier, because such control is in effect control of its carrier business. Control of that business which may be effected by stock ownership, may also be effected through a contract of a controlled carrier to purchase the business of the other carrier...."; and "the purpose of the Act would be defeated if outright purchase, through the medium of a controlled subsidiary carrier, of another carrier's property and operating rights were exempted [from regulation under Section 5], while control by purchase of stock of the other carrier through the same subsidiary remained within the Act". *Id*. at 40.

Allegheny Corporation v. Breswick & Co., 353 U.S. 151 (1957), concerned the merger of several railroads and holding companies by which a non-carrier holding company (Allegheny) came to control other rail carriers. The Commission held that Allegheny, a non-carrier, would nonetheless be "considered as a carrier". A three-judge district court rejected the Commission's conclusion but the Supreme Court reversed and affirmed the ICC. The Court stated (*id*. at 159, 160) "[n]ot labels but the nature of the changed relation is crucial in determining whether a rearrangement within a railroad system constitutes an 'acquisition of control' under §5(2)." The Court further stated that "a non-carrier may not gain 'control' over carriers free of Commission regulation merely by operating through subsidiaries." *Id*. at 169. Additionally, the Court said that the remoteness of the parent from the subsidiary was irrelevant to whether the parent controlled a carrier, because a holding company could always make itself more remote by creating additional subsidiaries. *Id.*

County of Marin v. United States, 356 U.S. 412 (1958), concerned the creation of a new subsidiary that would acquire the property and operating rights of a corporate affiliate where a purpose of the transaction was avoidance of the jurisdiction of a state agency. The Supreme Court held that §5(2)(a) did not require that the Commission assert jurisdiction where the transaction was little more than a "paper transaction" between the two commonly owned corporations for the purpose of avoiding State regulation. *Id*. at 418. The Court concluded that: "There may or may not, in fact, be financial or operational justification for the proposed transaction; that question is not before us. We consider only the applicability of §5(2)(a) as a ground for Commission jurisdiction, and in so doing the question narrows to the nature of the change in relations between the companies." *Id*. at 419, *quoting Allegheny Corp. v. Breswick & Co., supra*, 353 U.S. at 169.

In *Gilbertville Trucking, supra.*, the Commission rejected an application for merger of two carriers after it found that the two companies had effectively been jointly controlled through family relationships without prior ICC approval. The Supreme Court affirmed, concluding that the Act was intended to reach "de facto relationships" and the applicants had therefore violated Section 5. Among other things, the Court noted that the ICA was amended in 1940 because the 1920 Act "proved inadequate to reach the holding company system". 371 U.S. 124-125. And in In *Schenley Distillers Corp. v. United States*, 326 U.S. 432 (1946), the Court held that a parent corporation which had created a separate subsidiary corporation for certain purposes could not, for other purposes, claim that the parent and the subsidiary were a single entity. Although *Schenley Distillers* involved the reverse of the situation in this case (there a parent corporation argued that it and a subsidiary must be considered as one entity for regulatory purposes), the Supreme Court applied the same principle relied it had applied in other cases: that the corporate structure of regulated parties can not dictate the application of the Act. *Id.* at 437.

Thus, the Supreme Court has consistently held that proper application of the Act requires analysis of the true nature and actual effects of a transaction, and that regulation should not be determined by the manner in which a transaction is presented, or the use of corporate devices such as a holding company's use and/or creation of a subsidiary.

C. Corporate Formalities Are Generally Disregarded If They Impede Effectuation Of Federal Law

In numerous contexts the Supreme Court has held that while the corporate form is normally respected, it may not be used to defeat legislative mandates. Under many other regulatory regimes, agencies and courts have not allowed the use of corporate devices to dictate application of federal law, regardless of whether the separate corporations were created or used with bad intent. And the willingness of other agencies and the courts to ignore corporate forms does not depend on findings that a subsidiary was created for the express and sole purpose of evading federal law and regulation. The impact of the use of the corporate form on proper administration of a statute is determinative.

In deciding whether corporate formalities must be disregarded in order to effectuate the policies of the Federal Reserve Act, the Supreme Court stated that "[w]e are not concerned with any question of good intention [in establishing the corporation]. The question is whether the parties did what they intended to do and whether what they did contravened the policy of the law". *Anderson v. Abbott*, 321 U.S. 349, 358(1943). The Court said that while cases of fraud were a subset of the cases in which corporate form is ignored, they are not the only such cases; and "[i]t has been often been held that the interposition of a corporation will not be allowed to defeat a legislative policy, whether that was the aim or only the result of the arrangement... 'the courts will not permit themselves to be blinded or deceived by mere forms of law' but will deal 'with the substance of the transaction involved as if the corporate agency did not exist and as the justice of the case may require'". *Id*. at 363, citations omitted. In *Bangor Punta Operations v. Bangor & Aroostook Railroad Company*, 417 U.S. 703 (1974), which concerned alleged violations of the Clayton Anti-trust Act and the Securities and Exchange Act, the Court found that the parent corporation of the plaintiffs would have been estopped from bringing the action against the defendants, so the action could not be brought by its subsidiaries where the parent would be the ultimate beneficiary of any recovery. The Court stated that "[i]n such cases, courts of equity, piercing all fictions and disguises, will deal with the substance of the action and not blindly adhere to the corporate form." *Id.* at 713. And, in *Electric Bond & Share Company v. Securities and Exchange Commission*, 303 U.S. 419 (1938), the Court held that certain holding companies which owned other companies, which in turn owned public utility companies in various states, were subject to regulation under the Public Utilities Holding Company Act (15 U.S.C. §79); the Court stated:

> That [the holding companies] conduct such transactions through the instrumentality of subsidiaries cannot avail to remove them from the reach of the federal power. It is the substance of what they do, and not the form in which they clothe their transactions, which must afford the test. The constitutional authority confided to Congress could not be maintained if it were deemed to depend upon the mere modal arrangements of those seeking to escape its exercise.

Id. at 440 (citations omitted).

In the antitrust realm, the courts have refused to be handcuffed by corporate formalities when applying antitrust statutes. *E.g Bangor Punta, supra.* In *Consolidated Gold Fields PLC v. Minorco, S.A.*, 871 F.2d 252 (2d Cir.) *cert. dismissed*, 492 U.S. 939 (1989), a corporation called Minorco attempted to acquire stock of Gold Fields. When the District Court examined Minorco's market share, it included the market share of entities not owned by Minorco, but owned by Minorco's owners. The Second Circuit agreed with this approach, holding that the "intertwined relationships" among Minorco's owners and other competing firms warranted attributing all of those firms' market power to Minorco. *Id.* 871 F.2d at 261. *See also Community Publishers, Inc. v. Donrey Corp.*, 892 F. Supp. 1146, 1172 (W.D. Ark. 1995) *aff'd sub nom. Cmty. Publishers, Inc. v. DR Partners*, 139 F.3d 1180 (8th Cir. 1998).

The Hart-Scott Rodino Antitrust Improvements Act requires mandatory notifications to the Department of Justice and the FTC prior to proposed acquisitions or mergers, and stays of those transactions while the DOJ and FTC investigate their antitrust implications. *See generally*, Irving Scher, *Emerging Issues Under the Antitrust Improvements Act of 1976*, 77 Colum. L. Rev. 679 (1977). Hart-Scott-Rodino added a clause to Section 7 of the Clayton Act, establishing that in evaluating proposed mergers or acquisitions, "the amount or percentage of voting securities or assets of a person which are acquired or held by another person shall be determined by aggregating the amount or percentage of such voting securities or assets held or acquired by such other person <u>and each affiliate thereof</u>." (Emphasis added). 15 U.S.C.A. § 18a(b)(3)(B). The Federal Trade Commission has interpreted this language to mean that "any assessment of the legality of a merger must take account of the relationship between the acquiring and the acquired firms…from the perspective of their overall operations." *In the Matter of Jim Walter Corp.*, 90 F.T.C. 671 (1977). In *Jim Walter Corp*., the FTC examined the acquisition of the stock of Panacon Corporation by Celotex. Celotex was a wholly-owned subsidiary of the Jim Walter Corporation (JWC). JWC believed that it was not subject to Section 7 because it was not engaged in interstate commerce within the meaning of Section 7 and that its subsidiary, Celotex, was the proper party in the matter. The FTC disagreed, finding that for the purposes of Section 7, "the statutory policy at stake here transcends the legal distinctions that might be relevant in other contexts." *Id*. at 52. In reaching this conclusion, the FTC pointed to the "considerable control and influence over the financial, legal and promotional affairs of Celotex," that JWC exercised. The Court noted the overlap between officers and directors of JWC and Celotex, the fact that Celotex's employment policies were set by JWC, and the fact that JWC promoted the JWC name in favor of that of Celotex or its other subsidiaries. *Id.* This decision was affirmed by the Fifth Circuit. *Jim Walter Corp. v. F.T.C.*, 625 F.2d 676, 681 (5th Cir. 1980).

This functional view of application of Federal law to affiliated corporations has been applied by various courts of appeals under other Federal statutes. In *In Re Pittsburgh Rys. Co*., 155 F.2d 477 (3rd Cir.1946), the Court of Appeals for the Third Circuit held that the corporate affiliates of a bankrupt urban transit company were required to participate in the reorganization of the bankrupt company because the various companies constituted a unified transit system. The Court noted that the affiliates were not insolvent and had "maintain[ed] separate books of account, [had] separate directors and in fact performed all the ritualistic acts which a careful lawyer would advise a corporation to do in order to maintain its appearance of corporate individuality (id. at 481) and stated that "[w]e thus have a highly interesting contrast between a legal theory of corporate personality and the facts of transportation life as life is lived in Pittsburgh." *Id.* at 482. The Court concluded that despite the corporations' observance of corporate formalities, all of the affiliates should be included in the reorganization, stating that: "the corporate function can be given effect in some instances and with perfect consistency be disregarded in other instances. *Id.* at 484. *Bowater Steamship Company v. Patterson,* 303 F.2d 369, 372 (2d Cir.1962) concerned whether picketing of one subsidiary corporation which was related to a labor dispute involving a second subsidiary corporation could be enjoined. The

Second Circuit said that whether the two corporations would be deemed separate under State law in contract or tort actions, did not determine application of the Norris- LaGuardia Act. The Court stated "[w]hether a subsidiary corporation is to be considered a separate entity 'cannot be asked or answered in vacuo'. . the issues in each case must be resolved in light of the policy underlying the applicable legal rule. . . ." *Id*. at 372 (citations omitted). The Court further stated that "The policy behind the Norris-LaGuardia Act was a strong one; we cannot think Congress would have meant this to be defeated by the fragmentation of an integrated business into congeries of corporate entities, however much these might be respected for other purposes. *Id.* at 373.

In *North American Telcommunications Ass'n. v. FCC.*, 772 F.2d 1282 (7th Cir. 1985), the Court of Appeals for the Seventh Circuit upheld the FCC's examination of the activities and capitalization of non-operating equipment subsidiaries. The Court stated that the use of regulated telephone operations to support the unregulated equipment businesses "would be an abuse of the holding company form that the Commission would have the duty to correct, and no lack of statutory power to do so...the Commission cannot be prevented from regulating within its proper domain by the creation of paper entities; it can pierce the corporate veil in order to prevent frustration of its regulatory tasks." *Id*. at 1293. And the Court of Appeals for the Fifth Circuit held that the Federal Communications Commission could regulate telephone companies with regard to cable television service when the services were being offered by corporations that were affiliated with the telephone companies, but were not themselves "carriers" within the FCC's jurisdiction. *General Telephone Co. v. United States*, 449 F.2d 846 (5th Cir. 1971). The Court stated:

> Under these circumstances the activities of the non-common carrier affiliates may be imputed to the common carrier parent. To hold otherwise would balk the Commission in

> the execution of its statutory duties. The anticompetitive practices, real and potential, which the Commission sought to eradicate through its rules are effected through the instrumentality of an affiliated CATV company. Where the statutory purpose could thus be easily frustrated through the use of separate corporate entities, the Commission is entitled to look through corporate form and treat the separate entities as one and the same for purposes of regulation.

Id. at 855 (citation omitted).

Use of corporate devices also will not allow circumvention of the Federal Gun Control Act. *Casanova Guns, Inc. v. Connally*, 454 F.2d 1320, 1322 (7th Cir. 1972). Casnaova's Inc., was indicted and later convicted for possession of unregistered firearms, making it ineligible to renew its federal firearms license. After Casanova's was indicted but before its conviction, the son of the President of Casanova's Inc. formed a new company, Casanova Guns, with other members of the Casanova family as officers. The two companies maintained separate books and accounts, but the son was the only employee of Casanova Guns and his salary was paid entirely by Casanova's, Inc. After conviction of Casanova's, Inc., Casanova Guns took over Casanova's, Inc.'s business and sought to renew its federal firearms license. The application was denied by the ATF which found that Casanova's controlled or had the power to control Casanova Guns. The District Court upheld that decision, and the Seventh Circuit affirmed, finding that "a substantial purpose for the incorporation of Casanova Guns was the circumvention of the statute restricting issuance of firearms licenses to convicted felons," and that "the fiction of a corporate entity must be disregarded whenever it has been adopted or used to circumvent the provisions of a statute." *Id.* at 1322. *See also Mew Sporting Goods, LLC v. Johansen*, 1:13CV10, 2014 WL 222114 (N.D. W.Va. Jan. 21, 2014).

Courts and agencies have adopted a similar "real world", practical approach to holding company/parent company-- subsidiary/affiliate arrangements under a variety of other Federal statutes. *E.g. Kavanaugh v. Ford Motor Co.*, 353 F.2d 710, 716 (7th Cir. 1965) (Automobile Dealers Franchise Act); *Ohio Tank Car Co. v. Keith Ry. Eguipment Co.*, 148 F.2d 4, 7-8 (7th Cir. 1945) (Elkins Act); *Corn Products Refining Co. v. Benson*, 232 F.2d 554, 565 (2d Cir. 1956) (Commodity Exchanges Act); *Sebastopol Meat Co. v. Secretary of Agriculture*, 440 F.2d 983, 985 (9th Cir. 1971) (Packers and Stockyards Act); *Baker v. Stuart Broadcasting Co*., 560 F.2d 389, 392 (8th Cir. 1977) (Equal Employment Opportunity Act).

These decisions under different Federal statutes all demonstrate the fundamental point that corporate formalities should be disregarded if they impede effectuation of Federal legislation. But disregarding the corporate form for purposes of enforcement of Federal law does not require a finding of impropriety, or that the corporation involved was not lawfully incorporated under the law of the State of its incorporation. Nor does disregarding of the corporate form require a finding that the corporation is an "alter ego" of its parent thereby negating the legal distinction between subsidiary and parent. As the cases above demonstrate, the corporate form should be disregarded when respecting such formalities impedes effectuation of Federal law. Disregarding the corporate formalities for purposes of Federal law does not invalidate the separate corporation for other purposes, but legitimate business reasons for creation of a separate corporation and full compliance with State corporate law requirements will not allow a Federally regulated entity to use the corporate fiction to obtain a result that would impede enforcement of Federal law.

D. The Acquisition of the DME/CP Lines Should Be Treated As Acquisition Of The Lines Of Rail Carrier By A Group Of Rail Carriers

Applying the rule established in the Supreme Court's *Marshall Transport* line of cases under the ICA, and the standards applied under many other Federal statutes, the sale of the

DME/CP lines and the related trackage rights arrangements should be treated as transaction between CP and the GWI group of carriers.

The facts regarding the relationship between GWI and RCP&E, the relationships among the GWI railroads and the involvement of GWI in the operation and management of the GWI subsidiaries described above demonstrate that the RCP&E transaction is really acquisition of a Class I rail carrier's lines by a group of rail carriers and their holding company parent which together are the size of a Class I carrier. Furthermore, virtually everywhere other than the STB, GWI describes itself as an integrated group of rail carriers, and it touts the experience, expertise, corporate culture and size of the collection of rail carriers under its control as advantages for investing in, working for, and doing business with GWI railroads. Indeed in two recent presentations to investors and financial analysts GWI's CEO and CFO described the transaction as one between "G&W" and CP. And even in its filings in this case, and in the control transaction, GWI could not resist trumpeting the advantages of its integrated subsidiaries and the benefits its stewardship over the operation and management of its subsidiary railroads, while simultaneously asserting that RCP&E is an independent entity that will be self-sufficient.

In the 2012 and 2013 Annual Reports, and on its website, GWI does not describe 100 independent and autonomous carriers that GWI just happens to own. In both, GWI explicitly shows its subsidiaries grouped into regions for management, support and oversight. Additionally, the 2103 Annual Report states "As of December 31, 2012, we operated in 39 states in the United States, four Australian States, one Australian territory and four Canadian provinces....", and that "we operate one regional and 100 local (short line) railroads in the United States over approximately 9500 miles of track". *Id*. Part I at 4,7. And the 2012 Annual Report provided safety performance data and customer satisfaction survey data on a GWI-wide basis and touted those statistics as flowing from the GWI culture. *Id.* at 5, 9. The powerpoint presentation GWI provided to the DME/CP employees and their unions shows that GWI's Chief Operating Officer provides "Operating Support for Regions" in the areas of safety, purchasing, service design, and the major railroad functions: maintenance of way and signal, maintenance of equipment, and dispatching; and regional managers provide the same type of oversight and support for the railroads, as well as services in finance, human resources, information technology, marketing and sales. Powerpoint at 7,8. The 2013 Annual Report states: "Each Operating Region is under the leadership of a Regional Senior Vice President who has his own regional management team and operates an independent business unit with direct accountablility for safety and business results". 2013 Annual Report at 7.

In the BB&T conference GWI described regional executive vice presidents as local CEOs and other regional managers as regional finance directors, chief mechanical officers and chief engineers. Beck Declaration ¶4 and attachment. Additionally, the 2012 Annual Report (at 16) describes the contiguous and nearby railroads within regions as functioning as "regional systems". In the Credit Suisse presentation (Unions' Ex. L) GWI explained that it uses individual railroad acquisitions to create such regional systems, and it illustrated its methodology by citing a series of seven small acquisitions from 1985 to 2000 that expanded GWI from the GWRR's 14 miles of track it owned into a regional rail system that stretches from Rochester, New York to Columbus, Ohio though purchases like the R&S, B&P and the Ohio railroads. This was shown on a slide titled "Contiguous Railroads Building Regional Rail Systems". *Id.* at 21. The presentations also describe achieving "overhead cost synergies" among the railroad subsidiaries and “fold[ing]” new subsidiaries and their overhead into existing regions. BB&T presentation, Beck Declaration attachment. And all of the GWI railroads have logos that are similar to each other and modeled on the GWI logo; indeed the logos for all the former RailAmerica railroads were switched to GWI template logos. Cowen Presentation (Unions’ Ex. I) at 15. The GWI presentations to investors and analysts describe using contiguous railroads as “building blocks of regional rail systems”, and refer to inculcating GWI safety and operating culture and GWI standards in the former RailAmerica carriers as well as RCP&E . *See* statements of CFO Gallagher, Beck Declaration ¶3 and attachment. At the BB&T Conference GWI CEO Hellman referred to the RCP&E acquisition and stated “we’ll make sure the G&W business and safety culture is inculcated there as well.” Beck Declaration ¶4 and attachment. Beyond merely inculcating GWI corporate an safety cultures at the former RailAmerica railroads, GWI has replaced 20 of the 45 general managers at those railroads. The subsidiary railroads are plainly not merely commonly owned independent entities, they are managed and operated as related parts of the GWI enterprise.

The webpages for the various railroads are accessed through the GWI website; and clicking on any tab on a subsidiary railroad page (*e.g.* employees, suppliers) results in being re-directed to the GWI webpage. GWI promulgates a Code of Ethics applicable to every employee at every GWI controlled railroad; the employee tabs on the railroad webpages transfer the reader to the GWI employees page. Job listings for all of the railroads are listed on the GWI website rather than on the railroad webpages; and the jobs are listed by title, department and geographic location, not by railroad. From the standpoint of employees, future employees, suppliers and others who deal with the railroads, they are not dealing with separate railroads, they are dealing with a railroad group.

The integration of GWI and its railroad subsidiaries is also shown by key documents relating to the acquisition the DME/CP lines and trackage rights through its subsidiary RCP&E. The Notice of Exemption for RCP&E was verified by Allison M. Fergus as Secretary for RCP&E, she is the General Counsel and Secretary for GWI and she also verified the notice of exemption filed by GWI in F.D. No. 35800. Documents in the appendix to the notice of exemption reveal that the officers of RCP&E are [redacted]

[redacted]

[redacted]

Finally, despite arguing that RCP&E is a separate entity and new entrant to the industry, the Notice of Exemption in F.D. 35799 expressly states that RCP&E "will benefit from GWI's safety and training programs and from the expansive reach of GWI's national marketing and commercial resources", and that as a GWI subsidiary, RCP&E can bring "focused attention to customer service and safety that are trademarks of the GWI subsidiary railroads" (*id.* at 9). And the Notice of Exemption in FD 35800 (at 3-4) states that RCP&E will be able to "take advantage of the administrative, marketing and operational support that GWI can provide, and that "as a long term holder of short line railroads, GWI's ownership of RCP&E should provide shippers with the comfort of stable ongoing rail service".[7] Thus, GWI seeks to benefit from accomplishing the acquisition through a new subsidiary, but in seeking support for the transaction and in attempting to establish credibility with shippers and demonstrate public benefits of the transaction, GWI trades on its own name and reputation. And in describing the transaction to

[7] Indeed, one shipper that filed comments in support of the acquisition (Bentonite Performance Minerals LLC) specifically stated that it was supporting the transaction after have been reassured by dealings with GWI. Bentonite stated: "We are encouraged by visits from GW's management at our plant; at our General Offices in Houston, TX and with CP personnel as prospective employees in the affected areas". This shipper understands the true parties to this transaction.

investors and analysts GWI's CEO and CFO both described it as a transaction between GWI and CP.

The Unions submit that, under the *Marshall Transport* lines of cases, the basic relationships between and among GWI and its subsidiaries, and between them and RCP&E in particular, requires that the acquisition of the DME/CP lines and the trackage rights arrangement be treated as a Section 11323 transaction. But any possible doubt in that regard is removed by the facts about the integration and coordination among the GWI railroads, GWI's involvement in the governance, management, and direction of the railroad subsidiaries, GWI's direct involvement with the acquisition of the DME/CP lines, and GWI's reliance on its own reputation and promotion of its own successes and those of its railroads in order to gain support for the transaction. GWI and the GWI group are the true acquiring entities here and under *Marshall Transport* and *County of Marin*; the Board should not allow the manner in which GWI structures and presents the transaction, or its decision to file notices in two Finance Dockets to dictate how the Board views and treats the transaction. This functional approach is required not only under the ICA and decisions applying the ICA, under other Federal laws the use of a subsidiary would not control application of the statute. As the ICC once realized with the endorsement of the courts, and as other agencies recognize, an agency cannot do its job, and is not performing its statutory role, if it allows regulated parties to determine their own treatment under the law by use of corporate devices and artful filing of cases.

E. The GWI Acquisition Of The DME/CP Lines Through RCP&E Is Not A Section 0901 Transaction

The GWI acquisition of the DME/CP Lines through RCP&E is not a Section 10901 transaction under the language of Section 10901 or precedent concerning the application of Section 10901 and Section 11323 (and former Sections 5 and 11343).

As is described above, former Section 10901 was interpreted as applying to acquisitions of railroad lines by non-rail entities that were "new entrants" to the rail industry, not affiliated with a rail carrier, that would become rail carriers. *E.g. People of the State of Illinois* 604 F. 2d at 525 -the predecessor to Section 10901 "was intended to deal with the acquisition, abandonment and extension of an individual line of railroad and was essentially directed at the transportation -oriented activities of a single rail carrier or applicant"; *Black v. ICC,* 762 F. 2d at115 -"the acquisition of a single rail line by an entity that is not itself a carrier and that is not affiliated with any other carrier falls under §10901 not §11343". Section 10901 as amended in 1995 incorporated that interpretation; it now expressly states that it applies when a person <u>other than a rail carrier</u>, acquires a railroad line. 49 U.S.C. §10901(a)(4). By contrast, Section 11323 (which was not amended in 1995 other than to conform to other changes in the Act and not in ways relevant to this case) "is concerned not with new, non-carrier entities entering railway market through limited acquisitions..., but with transactions integrating two or more carriers and with the effect of multi-carrier transactions on competition". *Black v. ICC*, 762 F. 2d at 115. *See also Chicago Milwaukee, St. Paul & Pacific Railroad Co. v. Railway Labor Executives' Association*, 658 F.2d at 1169 -- "[t]ransactions involving transfers or sales between two or more existing carriers, normally termed unifications, are governed by 49 U.S.C. §11343"; *Redden v. ICC*, 956 F. 2d at 304 n. 2-- "it is well-settled that §11343(a)(2) encompasses acquisitions of *assets* (a 'purchase' of 'property' of another carrier) as well as acquisitions of *equity* (a purchase...of another carrier)"; *Minnesota Transportation Regulation Board v. United States*, 966 F. 2d at 339-341– former Section 11343 governed consolidations and acquisitions of control of carriers as well as a rail carrier's purchase of the property of another rail carrier.

Given the nature of this transaction, the interrelationships among GWI and its railroad subsidiaries; the management, supervision, and oversight of the railroad subsidiaries by GWI and its regional managers; GWI's centralized policies and practices; GWI's authority (and use of that authority) to direct the actions of the railroad subsidiaries (including replacement of their general managers); the combined revenues of the GWI railroads; and GWI's acknowledgment that it used the subsidiary acquisitions to create regional rail systems; this transaction does not remotely resemble the sort of transactions that prior decisions have described as Section 10901new entrant acquisitions.

Furthermore, once the true nature of the acquisition transaction is recognized and it is apparent that this transaction is really an acquisition lines of a carrier by a group of carriers, it become clear that consideration of the transaction under Section 11323 is appropriate; whereas consideration of the transaction under Section 10901 is plainly not. Under Section 11323, approval of a transaction is subject to review under Section 11324, under which the Board is to consider the effect of the transaction on adequacy of transportation, the effect on the public interest of including or not including other carriers, fixed charges that will result from the transaction, the interests of rail carrier employees affected by the transaction, whether the transaction will have an adversely effect on competition in the region or nation and whether the transaction is consistent with the public interest. 49 U.S.C. §11324(a) and (b). By contrast, because Section 10901 applies to new construction and to acquisitions by new entrants to the industry, the Board is to approve a transaction unless the Board finds it is inconsistent with the public convenience and necessity. 49 U.S.C. §10901(c). The GWI group's acquisition of the DME/CP lines, by addition of a 102nd railroad to the group is not an acquisition by a non-carrier under Section 10901, but is a "multi-carrier transaction[]" by which the assets of a carrier are being acquired by a group of carriers, that involves "integrating two or more carriers"; and it does not involve "the transportation -oriented activities of a single rail carrier or applicant", or "acquisition of a single rail line by an entity that is not itself a carrier and that is not affiliated with any other carrier".

Furthermore, the policy determinations and mandates from the 1980s that drove the decisions applying Section 10901 to acquisitions of rail lines are no longer applicable generally, and certainly not in this particular case. The lines involved here are not abandonable, there is no danger of loss of rail service if GWI does not buy the lines, and GWI is a multi-national profitable corporation that has grown exponentially since the early acquisitions in the 1980s, it plans continued growth and it has projected continued good financial performance. GWI is not a small local entity so marginal that any increase in costs or regulation is going to drive it away from this transaction. GWI group is well above the threshold for Class I status, and the combined revenue of the GWI railroads is greater than that of several Class I's. Additionally, GWI acts like a Class I. It is organized into regions, has centralized departments that support operations at all parts of the various regions. GWI has established and promotes its own business culture, code of ethics, and safety culture. GWI has centralized employee recruitment, purchasing, marketing, and dealings with shippers. There is no valid policy reason for GWI to receive the same treatment as so-called "Mom and Pop" operations and the small local companies that acquired lines under Section 10901 in the 1980s.

Indeed, allowing GWI to be treated as it was in 1980s provides a competitive advantage to GWI over any Class I that might seek to acquire the DME/CP lines or similar lines which would have employee protection obligations if they acquired, even though GWI is of similar size and rank to a number of Class I's. There is simply no reason to avoid application of the *Marshall Transport* line of cases in the context of the industry today and the circumstances of GWI and the GWI carriers.

GWI will presumably respond to this petition by relying on the precedent from the transactions when it originally began to expand; when it acquired lines in western New York and Pennsylvania using the Rochester and Southern and Buffalo and Pittsburgh subsidiaries. And GWI may cite the "indicia of independence" test developed in that line of cases. But those decisions should not be followed here. Those decisions were always dubious given the language of the Act and the *Marshall Transport* line of cases, but as is described above, they were driven by perceived transportation policy objectives, and reviewing courts afforded deference to the ICC's rationale. But the policy considerations behind those decisions are no longer applicable. Furthermore, the indicia of independence test was never a meaningful test; it was always an empty shell. As is apparent from review of the items considered under the test, it looked to relatively inconsequential and superficial factors and gave little weight to actual consequences of the intercorporate relationships; the test mostly provided a rationale for policy-based decisions. And subsequent events have shown that the test was fundamentally flawed; the new subsidiary transactions were generally acquisitions by affiliated carriers or groups of carriers rather than acquisitions by true new entrants. That is shown by GWI's regional structure and creation of regional systems by multiple subsidiary acquisitions, which GWI itself describes as building blocks for regional systems. GWI's annual reports and other public presentations candidly describe sequential acquisitions of lines by separate rail subsidiaries as its method for creating regional systems. Perhaps most brazen is the part of the Credit Suisse presentation titled "Contiguous Railroads Building Regional Rail Systems" which explains how GWI extended its original line, the GWRR, to Rochester, through Buffalo, and Pittsburgh to Columbus, Ohio; creating a regional rail system by separate acquisitions by different newly formed subsidiaries such as the Rochester & Southern, the Buffalo & Pittsburgh, the Allegheny & Eastern, the Pittsburgh & Shawmut and the "Ohio Lines". Unions' Ex. L. Of course, the Rochester & Southern and Buffalo & Pittsburgh transactions were the ones challenged by Rail Labor in cases where the ICC rejected the contention that the new subsidiaries were making the acquisitions on behalf of GWI and the rail carrier affiliates. That GWI now acknowledges that these transactions were really extensions of the GWRR and the initial steps toward a regional system and the hundred carrier, Class I size, GWI carrier group further demonstrates the inadequacy of the indicia of independence test described in the *Buffalo and Pittsburgh* and *FRVR* cases. Furthermore, GWI does not even limit its definition of regional systems to contiguous lines, GWI also includes nearby railroads in regional systems. 2012 Annual Report, Unions' Ex. C at 16.

Whatever may be said about the decisions from the 1980s, the Board should recognize that subsequent events and admissions by GWI demonstrate that those transactions were not as they were described then, and the Board should reject any reliance on those decisions by GWI given the facts about the acquisition of the DME/CP lines, the changed circumstances of the industry, the facts about the relationships among and between GWI and its subsidiaries and the absence of the policy mandates that drove those decisions.

Handling of the transaction under Section 11323 means that the employees of DME/CP will be eligible for employee protections if they are adversely affected by the transaction –if they are unable to remain employed with DME/CP or suffer a loss of compensation as a result of the transaction. Because of GWI's size, growth and increasing profitability; and because the lines at issue are by no means abandonable or in danger of abandonment, none of the considerations on which the ICC relied in denying employee protections in Section 10901 transactions, and in refusing to treat acquisitions of lines by new formed subsidiaries as Section 11343 transactions subject to employee protections are present here. [redacted]

Recognition that the acquisition of the DME/CP lines and related trackage rights is a Section 11323 transaction means that employee protections are required under Section 11326. Any predisposition to deny protections cannot overcome the statutory mandate; but, in any event, none of the considerations that were previously seen as militating against employee protections is a factor in this case.

As the Unions have shown, this transaction involves the acquisition of lines of a Class I railroad by the GWI group of carriers. Even presentations given by GWI CEO Hellman and CFO

Gallagher described the transaction as one between GWI and CP. *See* Unions' Ex. K at 11, Ex. R at 9. Because the revenue of the combined GWI railroads significantly exceeds the Class I threshold, this transaction is properly treated as one between two Class I's, and the *New York Dock/ Wilmington Terminal* protections are the appropriate protections.

F. GWI's Invocation of an Exemption from Section 11323 for its Control of RCP&E After the Acquisition Is Effected Does Not Satisfy the Requirements of the Act.

GWI may assert that it has complied with the Act by seeking exemption from the requirements of Section 11323 for its continued control of RCP&E after RCP&E acquires the DME/CP lines and becomes a carrier. But it is not enough that GWI seeks authorization for control of RCP&E after the acquisition. By separating what is really one transaction into two transactions, and by dealing with each as separate and self-contained, GWI is attempting to obfuscate the true nature of the transaction and to suggest that it has done what is necessary under the Act to effect that transaction.

Treating the ostensibly different transactions as one 11323 acquisition is necessary because, as the Unions have shown, the whole arrangement really is the acquisition of rail lines and trackage rights from a carrier by a group of carriers. This transaction is actually one between carriers and involving multiple carriers, that is being orchestrated by a holding company that uses individual subsidiary acquisitions to create regional rail systems. It is therefore necessary that the acquisition be authorized by approval in accordance with Section 11323 and the standards of Section 11324, or by exemption from approval under those provisions. Additionally, because the acquisition involves the acquisition of a rail carrier's lines by a group of carriers, employee protections for the benefit of employees affected by the acquisition are mandatory under Section 11326. If GWI is allowed to artificially bifurcate the transaction into separate acquisition and control transactions, the protections imposed in a contrived control-only finance docket will not apply to the DME/CP employees, even though they will be adversely affected by the acquisition, solely because of GWI's filing of two proceedings instead of one.

As the Unions have shown, the decisions in *Marshall Transport* and *County of Marin,* etc. held that the agency must deal with the actual nature and real effect of transactions; and it may not allow corporate devices or the manner in which a transaction is presented to dictate application of the Act or the agency's handling of the transaction. And it does not matter that here GWI has filed something with the Board whereas Union Tank filed noting in connection with Refiners' acquisition of Marshall Transport. The point of that decision was not only that Union Tank had to submit to the jurisdiction of the ICC, but that the agency's consideration of the acquisition of Marshall Transport had to include not only the acquisition by Refiners, but also the consequences Union Tank's effective acquisition of control of a carrier by Refiners' purchase of Marshall. As the Court noted, the Act was not concerned solely with Union Tank's control of another corporation, but also with its control of Marshall's business of providing carrier service. And in *County of Marin*, the ICC and the Supreme Court made it clear that the agency's processes may not be manipulated by the mere act of a form of filing with the Commission. Bifurcation of the one transaction here into two ostensibly separate and distinct transactions in two finance dockets with decisions confined to each (and employee protections limited to the control transaction) would simply ignore the reality of the transaction and fail to satisfy the Act's requirement that transactions between carriers be approved or exempted under Section 11323. The Board should not allow GWI's filing of notices in two finance dockets to determine its handling of the case.

V. CONCLUSION

The Unions respectfully submit that because of the language of the statute, the actual nature of the transaction, the reality of the GWI organization, changes in the industry over the past twenty years, and changes in the GWI group, the sale of DME/CP's lines and the trackage rights arrangement can not be effected without approval or exemption under Section 11323 and imposition of employee protections under Section 11326. Because of the importance of the issues in this case, and the long term consequences of the decision in this case given GWI's intention to continue to expand and extend its system, the Unions request that the Board hear oral argument in this case.

Respectfully submitted,

/s/ Richard S. Edelman

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Dated: April 18, 2014

CERTIFICATE OF SERVICE

I hereby certify that I have caused copies of the foregoing Petition for Revocation of Exemption of the Brotherhood of Maintenance of Way Employes Division/IBT, Brotherhood of Railroad Signalmen, and International Association of Sheet Metal, Air, Rail and Transportation Workers/Mechanical Division with supporting exhibits, to be served by First Class Mail, to the offices of the following (except as noted, all received the public versions):

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April 18, 2014

/s/Richard S. Edelman
Richard S. Edelman

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 35799

RAPID CITY, PIERRE & EASTERN RAILROAD, INC.
-ACQUISITION AND OPERATION EXEMPTION
INCLUDING INTERCHANGE COMMITMENT-
DAKOTA, MINNESOTA & EASTERN RAILROAD CORP.

EXHIBITS TO PETITION FOR RENOVATION OF EXEMPTION
Filed By Brotherhood of Maintenance of Way Employes Division/IBT, Brotherhood of Railroad Signalmen, and International Association of Sheet Metal, Air, Rail and Transportation Workers/Mechanical Division

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Dated: April 18, 2014

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3392

INTERSTATE COMMERCE COMMISSION

SERVICE DATE

JUL 18 1986

DECISION

Finance Docket No. 30779

ROCHESTER AND SOUTHERN RAILROAD, INC., AND GENESEE AND WYOMING INDUSTRIES, INC. - EXEMPTION FROM 49 U.S.C. 10901, 11301, AND 11343

Decided: June 27, 1986

This decision grants the joint petition filed January 21, 1986, by the Rochester & Southern Railroad, Inc. (RS), and Genesee and Wyoming Industries, Inc. (GWI), for exemption under 49 U.S.C. 10505 from the prior approval requirements applicable to the following transactions:

> (1) Under 49 U.S.C. 10901, (a) RS's acquisition and operation of about 103 miles of rail line, owned by the Buffalo, Rochester and Pittsburgh Railway Company (BRP) and operated by the Baltimore and Ohio Railroad Company (B&O),1/ between Rochester, NY (milepost 0.00), and Ashford, NY (milepost 93.63), between milepost 0.00 and milepost 6.90 (the Rochester Belt Line), and between milepost 0.00 and milepost 2.27 (the Silver Lake Branch); and (b) RS's acquisition of incidental trackage rights over 14.3 miles of line owned by BRP and operated by B&O, between Ashford (milepost 93.63) and East Salamanca, NY (milepost 107.93);
>
> (2) Under 49 U.S.C. 11301, RS's issuance of up to 10,000 shares of common stock; and
>
> (3) Under 49 U.S.C. 11343, continued control of RS by GWI, through stock ownership.2/

Comments were filed by the Railway Labor Executives' Association (RLEA), the United Transportation Union, the Brotherhood of Locomotive Engineers, and four members of the New York State Assembly. RLEA also submitted a supplemental statement in opposition which among other things, requested that the petition be assigned for oral hearing. Petitioners replied. The hearing request will be denied since there are no material issues that cannot be properly resolved on the basis of the existing record.

1/ BRP is owned, controlled, and operated by B&O under an agreement approved in Buffalo, R.&P. Ry. Co. Control, 180 I.C.C. 14 (1931).

2/ Most acquisitions and operations under section 10901, and most securities issuances under section 11301 have been made the subject of class exemptions. See Ex Parte No. 392 (Sub-No. 1), Class Exemption--Acq. and Oper. of Rail Lines Under 49 U.S.C. 10901, 1 I.C.C. 2d 810 (1985), and Ex Parte No. 397, Exemption--Railroads Regulation Under 49 U.S.C. 11301, 1 I.C.C. 2d 915 (1985). We are considering the instant requests individually because they were submitted prior to the effective dates of the class exemptions and were accompanied by another exemption request as part of a single consolidated project. Ashland Ry., Inc., and G. David Crane-Exemp. from 49 U.S.C. 10901, 11301, and 11343 (not printed), served March 13, 1986.

EXHIBIT A

RS is a newly formed, wholly owned subsidiary of GWI.[3] It is not a carrier but will become one upon commencing operations. B&O and BRP have agreed to sell the lines, because their operations over the last few years have produced only marginal results and because the line bears a limited relationship to the remainder of their system. In their view, a new, local carrier can operate the lines more efficiently. RS intends to operate two trains, one in each direction, between Rochester and East Salamanca, 6 days a week. The proposed trackage rights between Ashford and East Salamanca will enable RS to interchange traffic with B&O at East Salamanca.[4]

A noncarrier may acquire and operate a rail line only with prior approval of the Commission pursuant to Section 10901. See 49 C.F.R. 1150.1(a). RS as a noncarrier may also acquire trackage rights over BRP's 14.3-mile line between Ashford and East Salamanca under the provisions of Section 10901. Alabama Southern R. Co. Inc., et al.--Exemption, 1 I.C.C. 2d 298, 299 (1984)(Alabama Southern); Railway Labor Executives' Ass'n v. United States, No. 85-4093 (2nd Cir. May 22, 1986)(RLEA II).

The acquisition will be financed through debt instruments and the issuance by RS of 10,000 shares of common stock to GWI in exchange for cash and other assets having a total value of at least $750,000. RS's issuance of stock requires approval under section 11301.

Because RS will become a carrier upon commencing rail operations, its continued control by GWI requires approval under section 11343. See Finance Docket No. 30629, Staten Isl. Ry. Corp.-Exemp. from 49 U.S.C. 10901; Del. Otsego Corp. and Staten Isl. Ry. Corp.-Exemp. from 49 U.S.C. 11301 (not printed), served April 12, 1985.

Under 49 U.S.C. 10505, we must exempt a transaction from regulation if we find that (1) regulation is not necessary to carry out the rail transportation policy of 49 U.S.C. 10101a; and (2) either (a) the transaction is of limited scope or (b) regulation is not necessary to protect shippers from an abuse of market power.

Detailed scrutiny of the proposed transaction is not necessary to carry out the rail transportation policy. These transactions, together, represent an integrated effort to ensure the continuation of rail service that might otherwise be lost.

3/ GWI also owns all the stock of the Genesee and Wyoming Railroad Company (GWRR) and the Dansville and Mount Morris Railroad Company (DMM). DMM operates 10 miles of rail line between Dansville and Groveland, NY, where it interchanges traffic with GWRR. GWRR operates over 18 miles of track between Groveland and Caledonia, NY, an intermediate point on BRP's line. It holds traffic rights to operate over a 22-mile segment of BRP's line between Caledonia and Rochester to enable it to interchange traffic at Rochester with Consolidated Rail Corporation (Conrail). GWRR also operates trains for the account of the Delaware and Hudson Railway Company (D&H) from Caledonia to Silver Springs, NY, another intermediate point on BRP's line. GWI, GWRR, DMM, and RS will share common officers and directors.

4/ Although traffic could be interchanged at Ashford, without need for the trackage rights, interchanging at East Salamanca is more practical and efficient because of its interchange track and other facilities, B&O's past operations at the East Salamanca Yard, and the minimal track capacity at Ashford.

RS, as a carrier with anticipated lower operating costs and concentrated local marketing efforts, will bring increased efficiency to rail transportation in the area. Accordingly, acquisition of the line and related trackage rights by RS will foster sound economic conditions in transportation and encourage efficient railroad management. Exemption of the financing[3/] and control matters, as related transactions required to carry out the acquisition and operation, likewise will foster and encourage those same benefits. Furthermore, each of these exemptions will minimize the need for Federal regulatory control, expedite decisions when regulation is not necessary, and reduce regulatory barriers to entry.

The transactions are of limited scope since they involve the financing, acquisition, and operation of approximately 117.3 miles of rail line and trackage rights for what is essentially a local rail operation in a single State. Moreover, the line has minimum potential as a bridge carrier for significant current or future overhead traffic. Since most of the line's traffic historically originated or terminated on the line, RS will have little influence on the routing of cars and little impact on areas outside that served directly by the line. The continuance in control, when RS becomes a carrier, will involve only three small carriers with limited operating areas and less than approximately 160 miles of integrated rail line in western New York State. No change in basic operations is contemplated.

Regulation is not necessary to protect shippers from the abuse of market power and no shipper oppose the transaction at issue. RS's entry as a new rail carrier will preserve competition by maintaining the connection between B&O and the Rochester, NY, market and should increase transportation competition in its marketing area by providing access to additional carriers.

Although RS will connect with GWRR at Caledonia, there is no prospect of market abuse growing out of the common control. GWRR's traffic primarily is outbound loads of rock salt from International Salt Co. The majority of the outbound salt is destined for delivery to Conrail at Rochester and none will terminate on the line to be acquired. DMM's operations and traffic base are limited, and none of the traffic to or from DMM originates or terminates on the line to be acquired.

RS, on the other hand, will be serving a variety of customers in the Rochester area and along the route between Rochester and Ashford. As already noted, petitioners do not envision any changes in the operations of GWRR or DMM as a result of the proposed acquisitions. RS's entry essentially will preserve and increase competition in the market area. It will aggressively market its services to increase its customer base, particularly in the Rochester area, and to increase freight volume from current customers. RS will rehabilitate the line and otherwise expects to provide rail customers with significant benefits in its role as a transportation provider.

3/ Forms of indebtedness of carriers that are not akin to stocks and bonds have been determined in numerous recent cases not to be "securities" as that term is used in 49 U.S.C. 11301. See, e.g., Finance Docket No. 30660, Indiana & Ohio R. Co., Inc.-- Exemp. -- From 49 U.S.C. 11301 (not printed), served August 28, 1985; and Finance Docket No. 30711, Missouri-Kansas-Texas R. Co., -- Assumption of Obligation -- Exemp. From 49 U.S.C. 11301 (not printed), served November 1, 1985. The specific nature of the debt proposed by RS is not disclosed. Accordingly, the exemption of equity and debt finance transactions granted in this decision applies only to the extent those transactions are within our jurisdiction.

RLEA contends that the exemptions should be denied because the financing structure of the proposed transactions had not been determined at the time the petition was filed. However, in their reply to RLEA's supplemental statement in opposition, petitioners state that the financial structure of the transaction has been firmly established in the form of an outright purchase by RS. There is nothing of record to indicate that RS, as a new carrier, is financially unfit to commence rail operations. While financial fitness is not a specific criterion under section 10505,[5] the record demonstrates that RS will be owned and operated by experienced rail management and provides no support for allegations that the financial structure is in any way inadequate to permit successful operations. To the contrary, RS is receiving a substantial capital contribution from its corporate parent and has received a firm financial commitment for the remainder of the capital necessary to acquire and operate the line from an institutional investor.

LABOR PROTECTION

The acquisition transactions. — Under 49 U.S.C. 10505(g)(2), we may not relieve a carrier of its obligations to protect the interests of employees. However, in transactions under section 10901 or petitions seeking exemption from its requirements, the imposition of labor protection is discretionary. Black v. ICC, 762 F.2d 106, 111 (D.C. Cir. 1985). In Alabama Southern, supra, at 300, and in numerous other decisions, we have referred to our long standing and judicially approved policy of not imposing labor protective obligations upon newly formed acquiring carriers. The burdens on new operators are great enough without the additional cost of labor protection. See, e.g., In re Chicago, M. St. P. & Pac. R. Co., 658 F.2d 1149, 1171 (7th Cir. 1981), cert. denied, 455 U.S. 1000 (1982). This policy was most recently approved in Railway Labor Executives Ass'n. v. ICC, 784 F.2d 959 (9th Cir. 1986) (RLEA I).

In this instance the evidence suggests that the imposition of labor protection would force RS to assume in excess of $11,400,000 in debt, more than double the purchase price, in return for the authority to acquire and operate a marginally profitable line. RS contends that the cost of a labor condition could not be recouped through the line's operation and that its imposition effectively would terminate the purchase agreement. Based on the evidence of record, we conclude that the imposition of burdensome employee protective conditions on RS would be inappropriate.

Nor do we find reason to exercise our discretionary power under section 10901 to impose labor protection on B&O. We noted in Ex Parte No. 392 (Sub-No. 1), Class Exemp. for the Acq. and Oper. of Rail Lines Under 49 U.S.C. 10901, that discretionary labor protective conditions are not imposed on a selling carrier because the associated costs would indirectly be borne by the acquiring carrier through the selling price. This would diminish or negate the economic justification for transferring marginal lines.

In this instance as in Finance Docket No. 30439, Gulf & Mississippi R. Corp. Purchase (Portion) - Exemption - Illinois C.G. R. Co. (not printed), served January 2, 1985, the labor representatives make general allegations of potential harm to employees but fail to quantify the harm. On the other hand, B&O

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[5] See Knox & Kane R. Co. - Pet. For Exemp., 366 I.C.C. 439, 440 (1982).

contends that the line is being sold to RS at substantially less than half the projected cost of labor protection. Like RS, it asserts that the imposition of labor protection would make the proposed sale uneconomic. The costs to RS and B&O of labor protection allegedly cannot be justified by the gain either carrier would derive from the sale.

It appears that some of the 43 people employed by B&O to operate the line may be adversely affected. However, RS has stated that it intends to hire at least 28 non-management B&O employees at the outset and will rely on the former employees to fill vacancies and new positions as they are created. RS plans to offer non-management employees an hourly wage that allegedly is competitive with or greater than the wages paid by other New York short lines, and an annually distributed, incentive bonus plan supported by a revenue sharing formula. In addition, RS asserts that it will offer its non-management personnel a complete and fair package of benefits and other terms and conditions including holidays, seniority based vacation leave, paid medical and life insurance, jury duty and bereavement leave, a seniority system, and other conditions common in the industry.

While there may be some loss of employment by B&O employees, it is nevertheless clear that the transaction overall is in the public interest and that the equities do not weigh in favor of imposing labor protection as a discretionary matter. The bulk of the B&O employees will be hired by RS and will be compensated with a fair package of wages and benefits for work actually performed. The shippers and the community will benefit from the preservation of rail service. Instead of a marginal operation subject to potential abandonment or cessation of service, the community will obtain a more efficient, streamlined operation by a locally managed, service oriented carrier. RS will be positioned to be more responsive to the needs of the community and more aggressive in its pursuit of traffic.

RLEA argues that the acquisition of the line by RS is subject to 49 U.S.C. 11343 because of its interlocking relationships with GWRR and DMM. It contends that RS has been incorporated by GWI and its subsidiaries as a vehicle to bring the transaction under section 10901, but that after the transaction is approved, GWI can either merge RS with GWRR and/or DMM and operate them under one name or elect to keep them nominally separate.

RS's reply shows that it is a separate corporation organized under the laws of the State of New York for the purpose of conducting railroad operations and its officers and directors will be duly elected and appointed in accordance with that State's laws. It will own and operate the line as a common carrier by rail, publish tariffs and stations, directly serve the line's patrons, and be responsible for financial and contractual obligations in its own name and for its own account. Similarly, it will acquire its own locomotive power, equipment and supplies, and employees and supervisory staff in its own name and account.

Although a control relationship exists between RS and GWI, it does not warrant a finding that they are one and the same and that section 11343 applies. There is no evidence to suggest that RS was formed exclusively to elude the otherwise applicable provisions of section 11343. To the contrary, the evidence suggests that RS was formed to distance GWI from the risks RS would assume upon commencing operations. RS has assumed all the risks of the venture on its own and is not financially guaranteed by its parent. Given the above indications of independence, we must conclude that RS is a new enterprise and a noncarrier with respect to this section 10901 acquisition from BRP/B&O. See RLEA II, supra. Moreover, the plain language of section 11343 shows that it applies to the purchase of property of another carrier by a carrier or carriers. RS is not a carrier. Therefore, RS's acquisition of B&O's line falls squarely within the ambit of section 10901 since a noncarrier is acquiring a line of railroad. Application Proc. - Cons., Acq. or Oper. R. Lines, 365 I.C.C. 516, 518 (1982).

Relying on legislative history, RLEA argues that the acquisition of 14.3 miles of trackage rights over the line owned by BRP and operated by B&O should be subject to 49 U.S.C. 11343(a)(6). In Alabama Southern, supra, at 299, we rejected this RLEA argument and overruled prior Commission cases holding that a new company acquiring a line but which has not yet commenced operations is a carrier for purposes of section 11343 jurisdiction because it will become a carrier. See also Ex Parte No. 392 (Sub-No. 1), supra, slip op. at 8. In RLEA I, supra, at 968 n. 11, the Ninth Circuit determined that our Alabama Southern decision "clearly comports with a plain reading of the statutory definition of 'carrier' within 49 U.S.C. §11343." Even more recently, in RLEA II, supra, slip op. at 3496-3501, the Second Circuit squarely rejected RLEA's analysis.

It is clear that the trackage rights are also subject to section 10901. However, for the reasons expressed in our analysis of RS's acquisition and operation of the Rochester-Asnford line, we must also decline to exercise our discretion to impose labor protection on RS's proposed acquisition of these trackage rights.

We do not agree with RLEA that section 10903 employee protection conditions should be imposed on B&O because the sale of the line is equivalent to an abandonment by B&O. RLEA acknowledges that Railway Labor Executives' Ass'n v. United States, 697 F.2d 285 (10th Cir. 1983), takes a view contrary to its position that transactions such as this are within the scope of both sections 10901 and 10903. However, it claims that the 10th Circuit case contradicts Smith v. Hoboken R. Co., 328 U.S. 123 (1946) (Smith). We discussed a similar argument by RLEA in Finance Docket No. 30457, San Diego & Imperial Valley R. Co., Inc.--Exemption, 1 I.C.C. 2d 941 (1985).

While the "strict logic" of Smith "would seem to dictate *** that the questions [of] whether one railroad should be allowed to abandon a line and another should be allowed to operate it are distinct," Railway Labor Executives' Ass'n v. ICC, 735 F.2d 691, 702-703 (2d Cir. 1984), Smith involved a debtor in reorganization under the Bankruptcy Act and the Court's principal concern was prior consideration by the Commission of a forfeiture issue involving ouster of a lessee and resumption of operations by the lessor. At page 132 of the Smith decision it is stated:

> The point is that if the reorganization court decrees a forfeiture in advance of consideration of the problem by the Commission, it interferes with the functions entrusted to the Commission under §77.

In Illinois v. ICC, 604 F.2d 519 (7th Cir. 1979), cert. denied, 445 U.S. 951 (1980), the Court specifically held, at 524, that

"It is immaterial whether a corresponding abandonment application for the line of track to be acquired has been filed by the existing operating carrier or has been denied." Moreover, the Ninth Circuit in RLEA I, supra, at 967 stated that "There seems to be general agreement that Smith ultimately stands for no more than the general proposition that a court should normally defer to the initial authority of an agency." Thus, the sale of the line is not equivalent to an abandonment, and the section 10903 employee protection conditions are not applicable.

Finally, we reject RLEA's argument that labor protective conditions should be imposed to carry out the rail transportation policy of section 10101a(12) pertaining to the encouragement of fair wages and safe and suitable working conditions. RLEA has not demonstrated that the employees hired by RS or retained by B&O would receive less than fair wages or be subjected to unsafe or unsuitable working conditions. To the contrary, RS has argued persuasively that it has developed a complete and fair package of wages, benefits, and other terms and conditions of employment for non-management personnel to be employed by it.

The securities and control transactions. -- Employee protection is not an issue in the issuance of securities under section 11301. However, standard employee protective conditions will be imposed on the continuance in control under section 11343 to protect employees harmed by that transaction. The applicable conditions are those in New York Dock Ry. - Control - Brooklyn Eastern Dist., 360 I.C.C. 60 (1979).

OTHER ISSUES

Petitioners request that the exemptions be made effective immediately. An immediate effective date assertedly would permit the completion of a number of related projects before the onset of cold weather, would permit RS to conserve on certain carrying charges associated with its financial commitments, and would offer RS a better opportunity to turn the rail operation around and reverse the declining traffic levels. Petitioners' request will be granted.

This action will not significantly affect the quality of the human environment or energy conservation.

It is ordered:

1. Under 49 U.S.C. 10505, we exempt (a) from the prior approval requirements of U.S.C. 10901, the acquisition and operation by RS of the lines described above and the acquisition by RS of related trackage rights; (b) from the prior approval requirements of 49 U.S.C. 11301, the issuance by RS of 10,000 shares of common stock and such debt instruments as may be subject to Commission jurisdiction; and (c) from the prior approval requirements of 49 U.S.C. 11343, the continuance of control and management of RS by GWI, subject to the employee protective conditions in New York Dock Ry. - Control - Brooklyn Eastern Dist., 360 I.C.C. 60 (1979).

2. The request for an oral hearing is denied.

3. Notice will be published in the Federal Register on July 21, 1986.

4. This decision will be effective on July 21, 1986.

5. Petitions to reopen must be filed by August 8, 1986.

By the Commission, Chairman Gradison, Vice Chairman Simmons, Commissioners Sterrett, Andre, and Lamboley. Vice Chairman Simmons concurred in the result. Commissioner Lamboley dissented in part with a separate expression.

(SEAL)

Noreta R. McGee
Secretary

COMMISSIONER LAMBOLEY, dissenting in part:

I concur in the decision to exempt this transaction under 49 U.S.C. 10505.[1]

However, I disagree with the majority's disposition on this record of the issue regarding imposition of labor protective conditions on the vendor. Without contradiction, it is evident that at least 43 B&O employees may be adversely affected.[2]

1/ It is not necessary to find that these transactions are of limited scope. See 49 U.S.C. 10505(a)(2). This is particularly true since the nature of these several integrated and interlocking transactions may elevate form over substance when considering common control/single enterprise issues associated with shortline acquisitions and consolidations.

2/ Additional evidence suggests that between 75 and 100 employees could be directly and indirectly affected. Contrary to the majority, labor specifically demonstrates harm by identifying by name and classification the employees directly affected.

The potential for employment by the acquiring new "carrier" operation, coupled with provision for labor protective conditions by the vendor for those not so employed, could effectively ameliorate the negative impact and dislocation on B&O employees. Significantly, the alleged cost of labor protective conditions submitted by petitioners is based on the fact that no B&O employees will be employed by the new carrier.3/

Moreover, I continue to believe that the consistent refusal to impose labor protective conditions on the vendor under Section 10901 discretion is contrary to both statutory policy and precedent. In my view, the underlying assumption and analysis offered to support denial of conditions are flawed in this as in other cases.4/

Recently, in a case relied upon by the majority, the 9th Circuit remanded for failure of the Commission to articulate an adequate premise for refusal to impose conditions on the vendor under Section 10901. See RLEA v. I.C.C. 784 F2d 959 (9th Cir. 1986).

3/ As a procedural matter, petitioners' estimate of vendor's costs for protective conditions was improperly submitted and received as rebuttal evidence rather than accompanying the initial application. As a part of the burden of proof, the obvious labor protective condition issues were originally raised and argued by the petitioners, but without this evidence. Consequently, petitioners' assumptions and evidence have not been subject to review and responsive comment by opponents. Procedural fairness at a minimum requires that opponents either have the opportunity to reply or have the evidence stricken.

4/ See Ex Parte No. 392 (Sub-No. 1) Class Exemption for Acquisition and Operation of Rail Lines Under 49 U.S.C. Section 10901, ___ ICC 2d ___ (served January 15, 1986) Commissioner Lamboley, dissenting in part; Finance Docket No. 30628, Lackawanna County Railroad Authority Inc. - Exemption from Regulation, (served January 24, 1986) Commissioner Lamboley, dissenting in part.

Previously, in other cases also relied upon by the majority, the courts recognized that the Commission, when warranted, routinely excercised discretion to impose labor protective conditions on the vendor under Section 10901 and its predecessor, Section 1(18). See People of the State of Illinois v. U.S. 604 F2d 519 (7th Cir. 1979) RLEA v. U.S., 697 F2d 285 (10th Cir. 1983).

Most significantly, the Commission, after some review of rail transportation policy factors in a Section 10901 case, concluded that although the imposition of labor protective conditions on the vendor may at times be justified, there are countervailing considerations which dictate that this policy not be reflexively applied. Knox & Kane R. Co. - Petition for Exemption, 366 ICC 439 (1982).

While Knox announced a balancing test, and while it may be argued whether a sufficient distinction exists between "sale" and "abandonment" transactions, I doubt whether there is justification for the uniform refusal to impose protective conditions on the vendor in Section 10901 cases.

Here, notwithstanding the admitted loss of employment, the majority concludes that "it is nevertheless clear...that the equities do not weigh in favor of imposing labor protection as a discretionary matter."

As to the vendor B&O, the majority premise for declining to impose conditions is that borrowed from Ex Parte No. 392 (Sub-No. 1) supra, i.e., the "associated costs would indirectly be borne by the acquiring carrier through the selling price," and "this would diminish or negate the economic justification for transferring marginal lines."

Not only does this conclusion not have evidentiary support in this record, but did not in Ex Parte No. 392 (Sub-No. 1). Repetition of assumption does not give rise to fact here anymore than did its original proclamation in Ex Parte 392 (Sub-No. 1).

National rail transportation public interest considerations are not circumscribed by buy-sell agreements, nor limited to economic interests.5/

While carrier interests argue against protective conditions, no shipper or community interests do so here. Indeed, evidence from state representatiives in this record supports and requests imposition of employee proctective conditions.

In my view, neither an adequate cost-benefit analysis nor fair balancing of countervailing interests has been employed to determine whether employee protective conditions should be imposed on the vendor in the circumstances of this case.6/

Finally, unless the majority is prepared to articulate the standard by which it measures "a complete and fair package of wages, benefits and other terms and conditions of employment for non-management personnel" in these cases, it should refrain from attempting to reach that conclusion as it does here. Terms and conditions of employment are best left to the marketplace processes.

5/ At a time when labor protection was not required, imposition of such conditions was nevertheless found to be a matter of public policy. Justice Black wrote:

> "And if national interests are to be considered in connection with an abandonment, there is nothing in the Act to indicate that the national interest in purely financial stability is to be determinative while the national interest in the stability of the labor supply available to railroads is to be disregarded. On the contrary...the unstabilizing effects of displacing labor without protection might be prejudicial to the orderly and efficient operation of the national railroad system." I.C.C. v. Railway Labor Assn., 315 U.S. 373 (1942).

6/ See Durango & Silverton N.G.R. Co. - Acq. & Oper., 363 I.C.C. 292 (1979), aff'd RLEA v. U.S., 697 F2d 285 (10th Cir. 1983); Prairie Trunk Railway - Acq. & Oper. 348 I.C.C. 382 (1977), aff'd People of State of Illinois v. U.S., 604 F2d 519 (7th Cir. 1979); Cadillac & Salt Lake City Ry. Co. - Acq. & Oper. 320 I.C.C. 517 (1964); See also RLEA v. I.C.C. 734 F2d 959 (9th Cir. 1986).

Genesee & Wyoming Inc. 2013 Annual Report

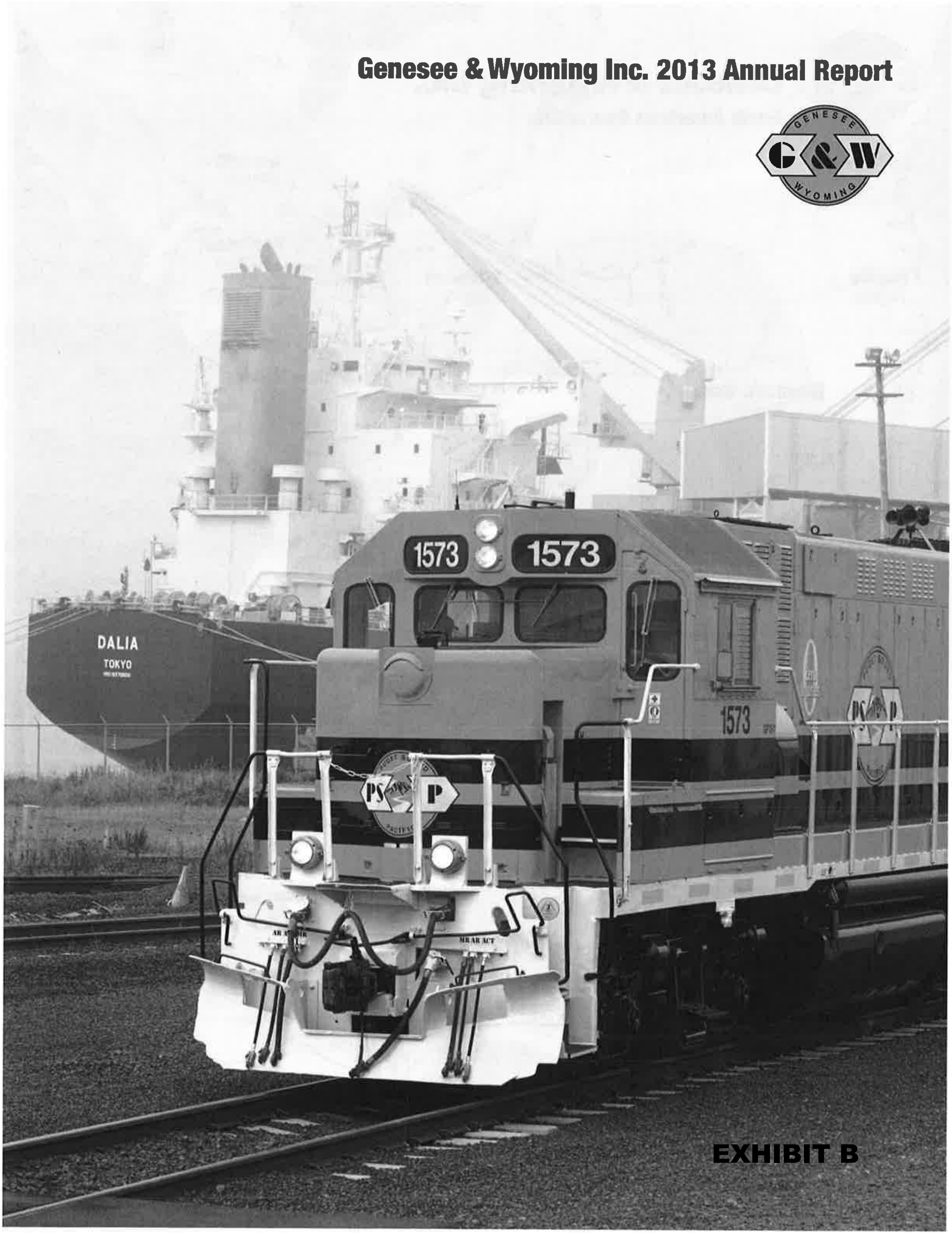
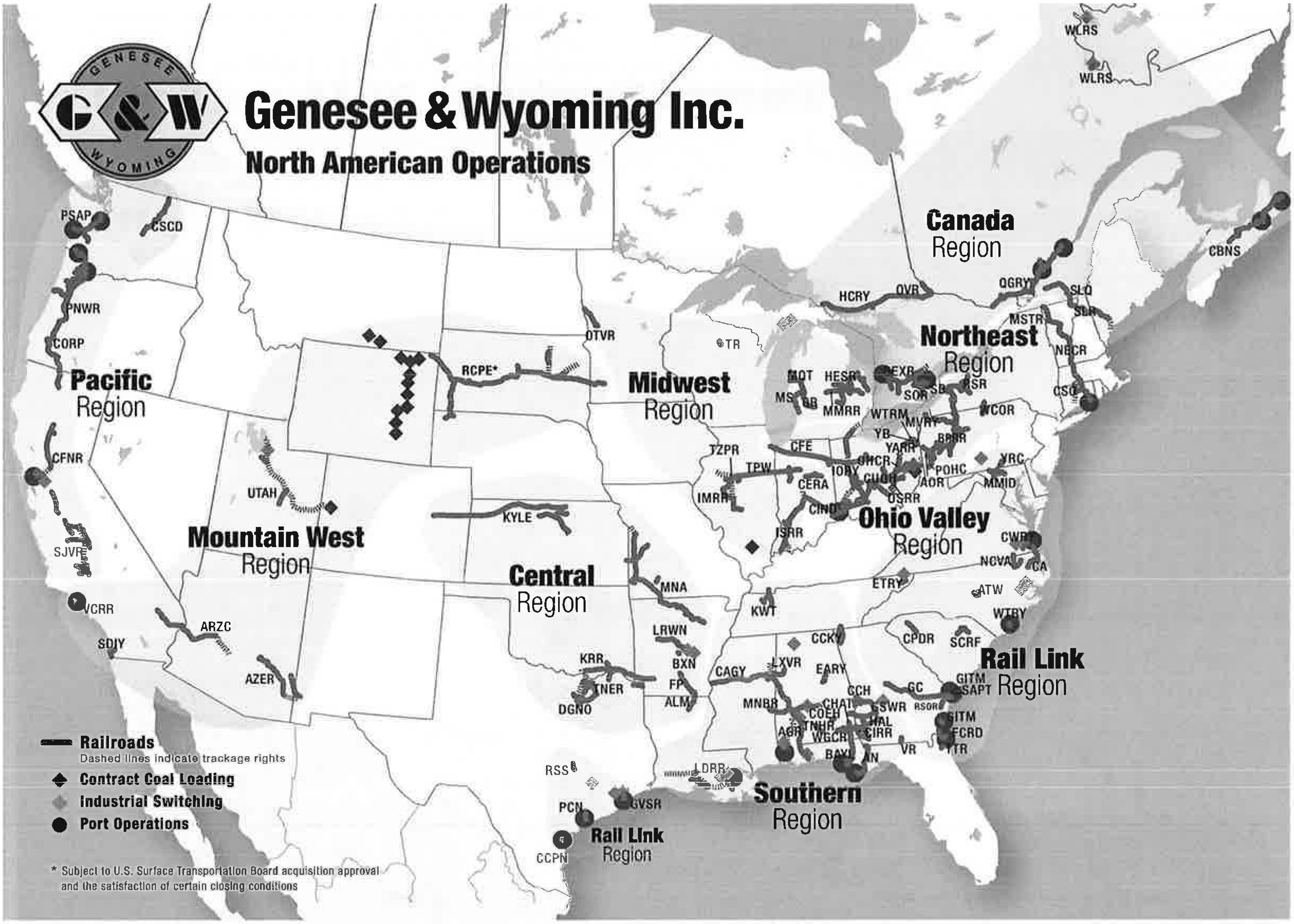


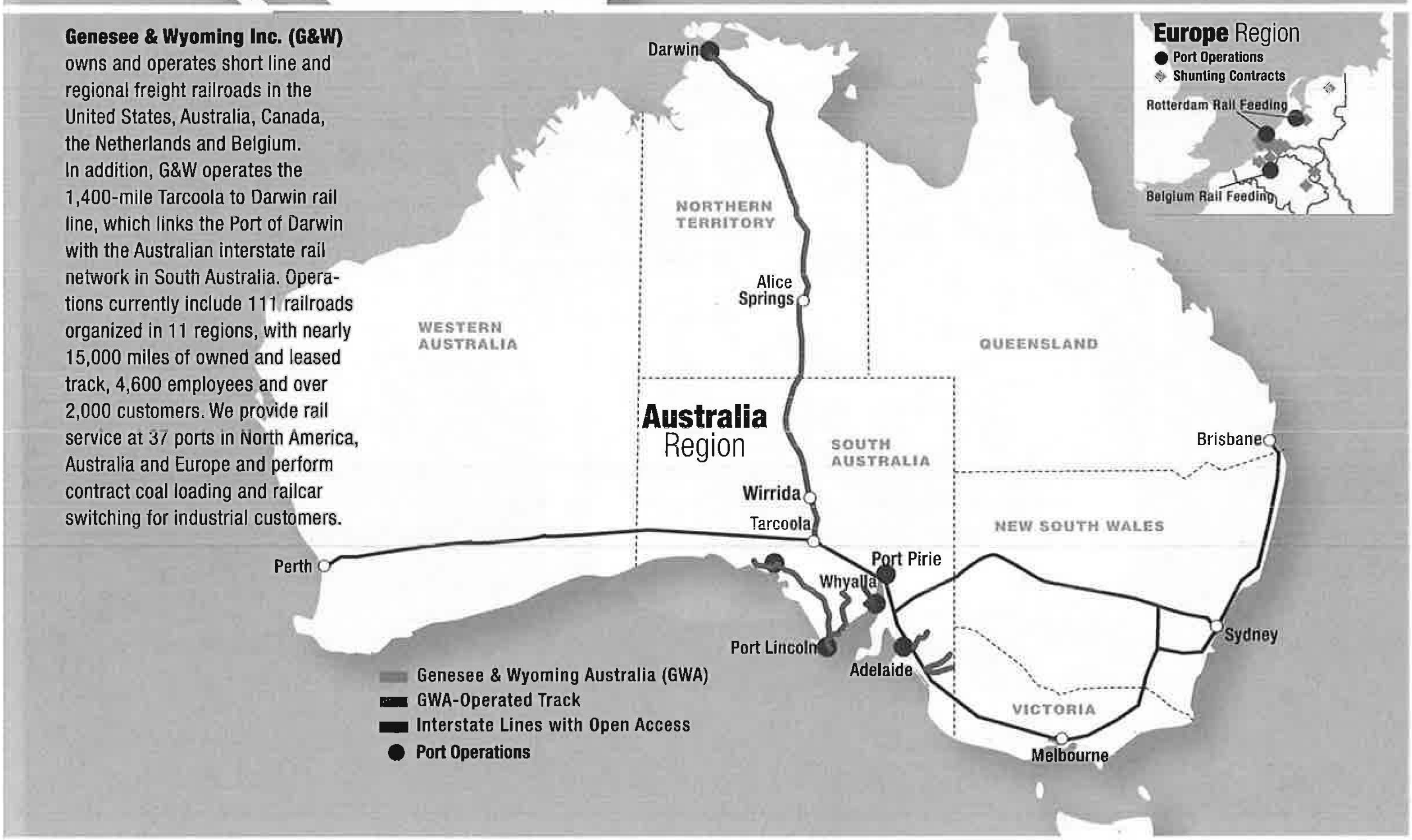
EXHIBIT B

Genesee & Wyoming Inc.

North American Operations



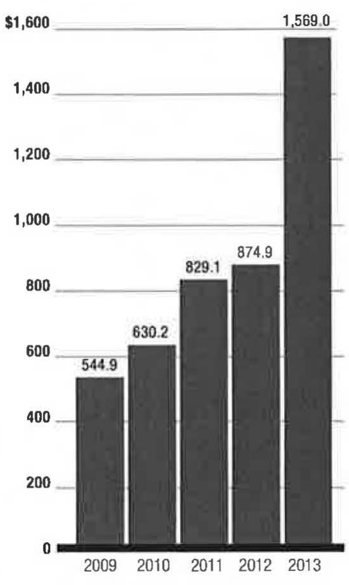
Genesee & Wyoming Inc. (G&W) owns and operates short line and regional freight railroads in the United States, Australia, Canada, the Netherlands and Belgium. In addition, G&W operates the 1,400-mile Tarcoola to Darwin rail line, which links the Port of Darwin with the Australian interstate rail network in South Australia. Operations currently include 111 railroads organized in 11 regions, with nearly 15,000 miles of owned and leased track, 4,600 employees and over 2,000 customers. We provide rail service at 37 ports in North America, Australia and Europe and perform contract coal loading and railcar switching for industrial customers.



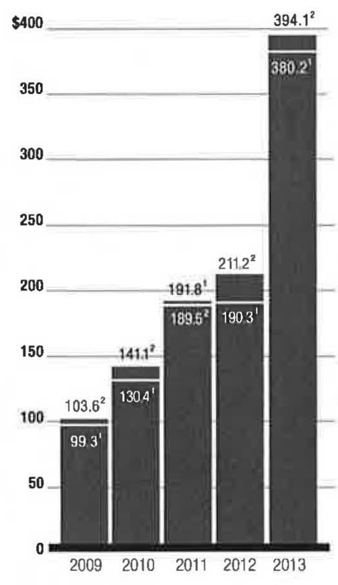
Financial Highlights

(In thousands, except per share amounts)	Years Ended December 31				
Income Statement Data	**2013**	**2012**	**2011**	**2010**	**2009**
Operating revenues	**$1,569,011**	$874,916	$829,096	$630,195	$544,866
Income from operations	**380,188**	190,322	191,779	130,410	99,322
Net income	**272,091**	52,433	119,484	81,260	61,473
Net income available to common stockholders	**269,157**	48,058	119,484	81,260	61,327
Diluted earnings per common share attributable to Genesee & Wyoming Inc. common stockholders:					
Diluted earnings per common share (EPS)	**4.79**	1.02	2.79	1.94	1.57
Weighted average shares - Diluted	**56,679**	51,316	42,772	41,889	38,974
Balance Sheet Data as of Period End					
Total assets	**$5,319,821**	$5,226,115	$2,294,157	$2,067,560	$1,697,032
Total debt	**1,624,712**	1,858,135	626,194	578,864	449,434
Equity	**2,149,070**	1,500,462	960,634	817,240	688,877

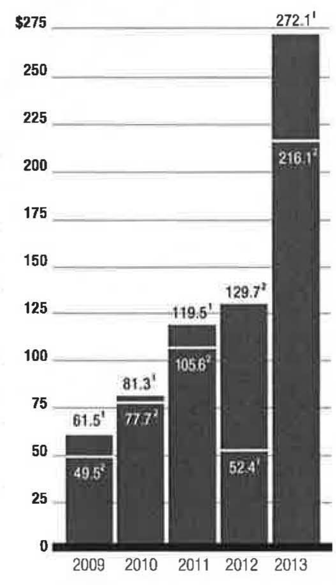
Operating Revenues
($ In Millions)



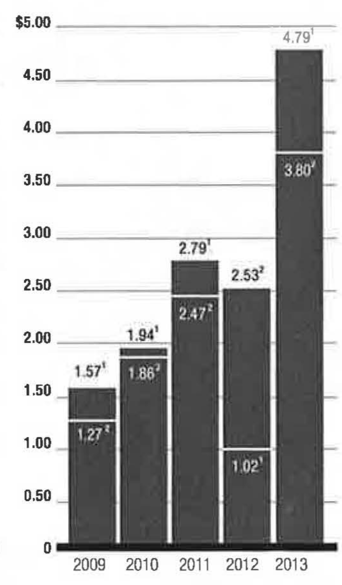
Income from Operations
($ In Millions)



Net Income
($ In Millions)

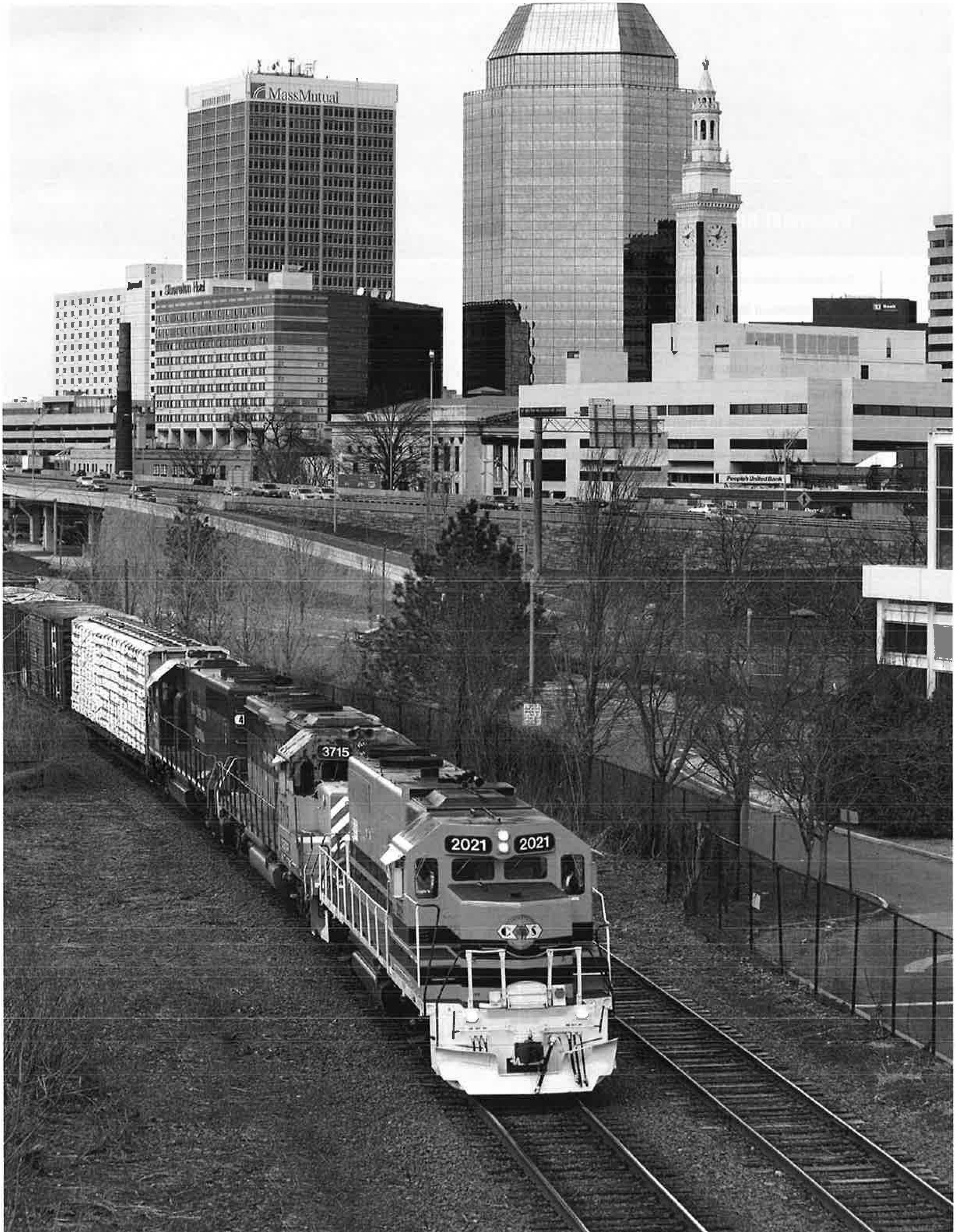


Diluted Earnings Per Common Share

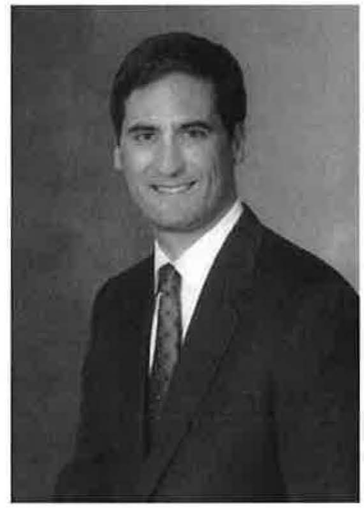


(1) As Reported

(2) Adjusted income from operations, adjusted net income and adjusted diluted EPS are non-GAAP financial measures and are not intended to replace income from operations, net income and diluted EPS, their most directly comparable GAAP measures. The information required by Item 10(e) of the Regulation S-K under the Securities Act of 1933 and the Securities Exchange Act of 1934 (Item 10(e)) and Regulation G under the Securities Exchange Act of 1934, including a reconciliation of non-GAAP financial measures to their most directly comparable U.S. GAAP measures, is included on pages 18-23.


MassMutual
Sheraton Hotel
People's United Bank
3715
2021
2021

From the CEO



John C. Hellmann
President and Chief Executive Officer

To Our Shareholders:

In 2013, Genesee & Wyoming completed its first year of operations following our $2 billion acquisition of RailAmerica, a transaction that added 45 new railroads and doubled the size of our business in North America. While the successful integration of RailAmerica was a significant achievement in 2013, the year was marked by several other important accomplishments. First, we led the rail industry in safety for the fifth consecutive year, which is remarkable in a year that we welcomed 2,000 new employees to our organization. Second, our financial performance was strong as we increased adjusted diluted earnings per share by 50% and used record free cash flow to pay down more than $200 million of debt, reducing our leverage to less than 3.0x debt to adjusted EBITDA.[1] Third, our Australian operating team seamlessly implemented a major expansion of our iron ore service, hauling a record 11 million tons of iron ore to a customer's port facility in South Australia for export primarily to China. Fourth, with our newly expanded company performing well, we focused on investment and acquisition opportunities, culminating in our January 2014 agreement with Canadian Pacific Railway to purchase a 670-mile railroad located in South Dakota, Minnesota, Wyoming and Nebraska for $210 million. Our newly formed Rapid City, Pierre & Eastern Railroad (RCP&E) is one of the largest proposed Class I spinoffs in recent history and, following expected approval by the U.S. Surface Transportation Board (STB), we are excited about its anticipated contribution to G&W's long-term growth.

Safety

In 2013, G&W's overall injury frequency rate of 0.80 per 200,000 man-hours was once again better than any Class I railroad and more than three times safer than the short line industry average. Although our 2013 results were impressive in the context of our industry, we fell short of our target of 0.45. Nonetheless, we are confident in our ability to continuously improve our safety performance and have established our 2014 target once again at 0.45. It is noteworthy that 91 of our 111 railroads worldwide did not have a reportable injury in 2013, so our ultimate objective of being an injury-free company is also in reach. Visit any of our operations – from Corpus Christi to Labrador City, from the Port of Rotterdam to Australia's Northern Territory – and you will find the same language and culture of safety that binds the entirety of G&W.

[1] Adjusted diluted EPS, free cash flow and adjusted EBITDA are non-GAAP financial measures and are not intended to replace diluted EPS, cash provided by operating activities and net income, their most directly comparable GAAP measures. The information required by Item 10(e) of Regulation S-K under the Securities Act of 1933 and the Securities Exchange Act of 1934 (Item 10(e)) and Regulation G under the Securities Exchange Act of 1934 (Regulation G), including a reconciliation of non-GAAP measures to their most directly comparable U.S. GAAP measures, is included on pages 18-23.

Financial Results

In 2013, G&W achieved record financial results in operating revenues, adjusted income from operations, adjusted diluted earnings per common share and free cash flow.[2] Highlights include:

Operating Revenues increased 79.3% from $874.9 million in 2012 to $1.57 billion in 2013. Assuming G&W had controlled and consolidated RailAmerica for the full year of 2012, which we refer to as the "Combined Company" basis, our 2013 revenues increased 7.4%.[2]

Adjusted Operating Ratio (adjusted operating expenses divided by operating revenues) improved from 75.9% in 2012 to 74.9% in 2013;[2] Reported Operating Ratio improved from 78.2% in 2012 to 75.8% in 2013.

Adjusted Income from Operations increased 86.6% from $211.2 million in 2012 to $394.1 million in 2013;[2] Reported Income from Operations increased 99.8% from $190.3 million in 2012 to $380.2 million in 2013.

Adjusted Diluted Earnings per Common Share (EPS) increased 50% from $2.53 in 2012 (with 51.3 million average shares outstanding) to $3.80 in 2013 (with 56.7 million average shares outstanding);[2] Reported Diluted EPS increased from $1.02 in 2012 (with 51.3 million average shares outstanding) to $4.79 in 2013 (with 56.7 million average shares outstanding).

Free Cash Flow increased from $33.2 million in 2012 to $217.6 million in 2013. Before investments in equipment and facilities to support new business, free cash flow increased from $135.0 million in 2012 to $251.8 million in 2013.[2]

While our growth metrics were strong due to the absolute size of the RailAmerica acquisition, in order to better understand trends in our business, it is also useful to analyze our same railroad revenue trends for 2013 versus the prior year. The following discussion highlights our revenue trends on a *Combined Company, same railroad* basis as though the RailAmerica railroads were owned by G&W during 2012. G&W's Combined Company same railroad freight revenues were up 10.1% in 2013, driven by a 5.8% increase in carloads and a 4.2% increase in average freight revenues per carload.

[2] To provide comparative context for 2013 consolidated operating revenues and traffic volumes, G&W is providing "Combined Company" comparisons for those items as though the RailAmerica railroads were owned by G&W during 2012. In doing so, G&W has amended RailAmerica's 2012 information to conform with G&W's reporting methodology. Combined Company operating revenues include both RailAmerica and G&W operating revenues for 2012. Combined Company operating revenues, adjusted operating ratio, adjusted income from operations, adjusted diluted EPS and free cash flow are non-GAAP financial measures and are not intended to replace operating revenues, operating ratio, income from operations, diluted EPS and net cash provided by operating activities, their most directly comparable GAAP measures. The information required by Item 10(e) of Regulation S-K under the Securities Act of 1933 and the Securities Exchange Act of 1934 (Item 10(e)) and Regulation G under the Securities Exchange Act of 1934 (Regulation G), including a reconciliation of non-GAAP measures to their most directly comparable U.S. GAAP measures, is included on pages 18-23.

Highlights of 2013

Industry-Leading Safety

Zero Injuries

Our Goal Every Day

G&W's 2013 consolidated injury frequency rate (IFR) led the rail industry for the fifth consecutive year – remarkable in a year that we welcomed 2,000 new employees and 45 railroads to our organization. We did not achieve our internal target in 2013; however, by instilling the G&W safety culture, we have improved the combined company's IFR vs. 2012. Of our 111 railroads, 91 had no injuries in 2013, so our objective of being an injury-free company is in reach.

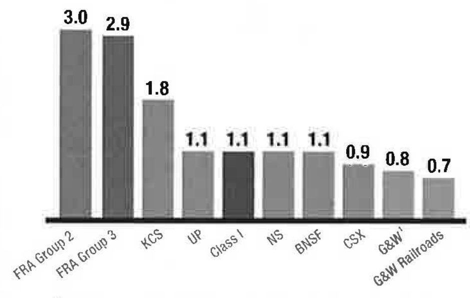
"Safety is the No. 1 priority at G&W, and the safety goal is as simple as it is important: Work Injury Free Every Day.
That goal may also apply to other railroads or companies in other industries. What sets G&W apart is the *passion* with which that goal is pursued at our company."

Tyrone C. James, Senior Vice President Safety and Compliance

Injury Frequency Rate per 200,000 Man-Hours
as reported to the Frederal Railroad Administration (FRA)

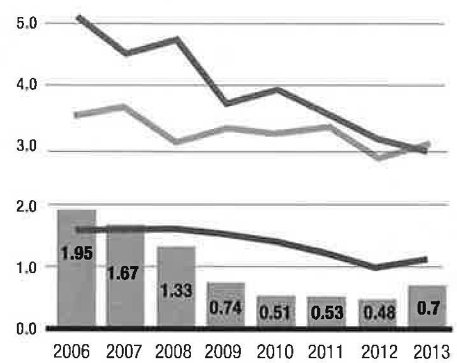
- **FRA Group 3** (Avg) Short Line Railroads
- **FRA Group 2** (Avg) Regional Railroads
- **Class I** (Avg)
- **G&W**

2013 Safety Performance

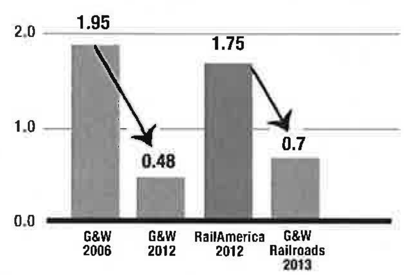


[1] Includes non-railroad businesses (e.g., construction and transload).

2006-2013 Safety Performance



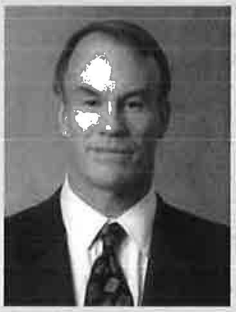
Cultural Changes in Safety



Highlights of 2013

Successful Integration of RailAmerica

During 2013, the 45 former RailAmerica railroads were instilled with the G&W safety culture, improved with investments in track and facilities, and rebranded with new logos and freshly painted locomotives.



“On behalf of the Board of Directors, I want to welcome the 2,000 new employees of Genesee & Wyoming who joined the company in 2013. We look forward to working together to achieve our Core Purpose: to be the safest and most respected rail service provider in the world.

I want to acknowledge and thank the Mountain West and Central regions for working injury-free in 2013 and setting the example for all of G&W and its goal to be injury-free.

I also want to thank our senior executives for their leadership and acknowledge the extra time, effort and personal sacrifice made by many to accomplish the successful integration of RailAmerica into G&W.”

Mortimer B. Fuller III
Chairman of the Board of Directors

A few of the 45 rebranded company logos

Metallic Ores revenues were up $44.4 million (+54.5%) led by the start-up of a new iron ore mine in South Australia. Metals revenues were up $13.2 million (+11.6%) primarily in North America where increased auto production and increased demand for steel pipe in the energy sector helped drive strong output at several steel mills served by G&W. Petroleum Products revenues were up $11.6 million (+21.8%) led by increased shipments to destination crude oil terminals in our Pacific and Southern regions and increased shipments of liquefied petroleum gas (LPG) originating in our Ohio Valley Region. It was also good to see freight revenues for Coal & Coke up 8.7%, Lumber & Forest Products up 9.4% and Pulp & Paper up 6.8% after years of limited or negative growth, which bodes well for the general economy. Finally, it is worth noting that our freight revenues would have been even stronger; however, the depreciation of the Australian and Canadian currencies versus the U.S. dollar in 2013, down 14.2% and 6.5% respectively, negatively impacted the translation of our foreign revenues into U.S. dollars.

Strong Free Cash Flow

We generated free cash flow of more than $250 million in 2013, prior to capital expenditures to support new business. The strength of G&W's free cash flow is derived from a customer base that is unique in its diversity by commodity and geography. In 2013, no single customer represented more than 6% of our total revenues, and no single commodity group represented more than 9% of our total revenues. Meanwhile, our revenue base spans more than 2,000 customers in 39 U.S. states, four Canadian provinces, Australia, the Netherlands and Belgium.

As demonstrated in 2013, our longstanding philosophy has been to use free cash flow to pay down debt and strengthen our balance sheet until we identify attractive new investment opportunities. In some years, such as the period of aggressive institutional lending that preceded the global financial crisis in 2008, we made no acquisitions because we concluded that valuations were unreasonably high. In other years, when valuations have been attractive to us, we have made multiple acquisitions. Over my 14 years at G&W, I have seen an almost steady pipeline of potential transactions and believe this will continue, especially given our wider geographic coverage. Nevertheless, we will remain patient and disciplined in our approach to acquisitions and will only deploy capital where we anticipate significant long-term benefits to our shareholders.

Organizational Evolution

The company I joined in 2000, with 21 railroads and $175 million in revenues, was dramatically different in size and geographic reach than today's G&W, with 111 railroads and $1.6 billion in revenues. Although each of our operating regions now has a larger number of railroads (10 railroads on average), it is remarkable how little our organizational structure has changed over the years. Each operating region is under the leadership of a Regional Senior Vice President who has his own regional management team and operates an independent business unit with direct accountability for safety and business results. Within the region, each discrete railroad has a General Manager who reports to regional management and is responsible for the safety and efficiency of daily operations and the quality of customer service. The essence of G&W's regional structure is to be as close as possible to our customers and to cultivate a local culture of service, cost control and entrepreneurship that has characterized the success of the short line industry.

Although the independence of our regional organizational design has been unchanged as we have grown larger, we also have added or enhanced specialized corporate functions such as industrial development, customer service, track and structure engineering and mechanical to provide centralized support and expertise to the operating regions. As the regions are fully accountable for their business performance, they draw upon the specialized knowledge within these corporate functions to maximize performance.

To illustrate how we have continued to strengthen the G&W senior management team, I would like to highlight some of the key changes that we made among our Regional Senior Vice Presidents over the past 12 months:

- Joel Haka, formerly Chief Operating Officer of Florida East Coast Railway and CMA CGM North America (container shipping), joined us as Senior Vice President of G&W's Pacific Region.

- Jim Irvin, formerly Senior Vice President of our Oregon Region as well as Vice President of New Business Operations in Australia, returned from Adelaide and is now Senior Vice President of our Rail Link Region.

- Bill Jasper, formerly Senior Vice President and 25-year veteran of our Rail Link Region, was named Senior Vice President of our Southern Region.

- Gary Long, formerly President of Omnitrax, joined us as President of our Atlas Railroad Construction subsidiary.

- Greg Pauline, formerly Executive Director of Development and Corporate Affairs of Lend Lease Group's Infrastructure Services business, joined us as Managing Director of Genesee & Wyoming Australia, our largest operating region.

- Dewayne Swindall, formerly Vice President of Transportation of our Southern Region, was promoted to Senior Vice President of our Central Region.

The list of personnel appointments above is merely a snapshot of the hiring, development and succession planning that takes place at all levels of G&W. In order to ensure that we continue to attract and develop great people, we hired an outstanding Chief Human Resource Officer, Mary Ellen Russell. As an executive recruiter, Mary Ellen previously helped place several senior executives at G&W and demonstrated a perfect understanding of the right people for G&W's business culture. She also brings deep human resource experience from her previous background in the container shipping and trucking industries. Building on the success of the transportation training centers that we have developed in both Jacksonville, Florida, and Adelaide, South Australia, Mary Ellen is also spearheading new education and training initiatives for all disciplines within G&W.

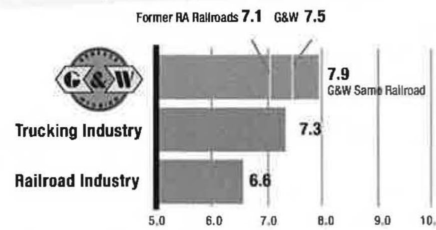
Highlights of 2013

Customer Satisfaction

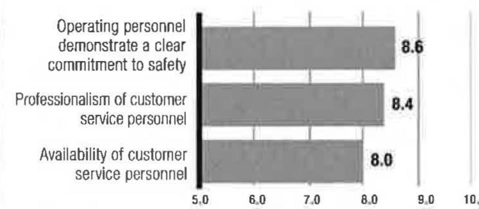
In November 2013, we conducted our biennial survey of our 2,000 customers worldwide. Good news: same railroad customers scored our overall service 7.9 out of 10, ever closer to our target of 8.0. Bad news: our overall score declined slightly to 7.5, mainly due to former RailAmerica railroads scoring 7.1. We view this as an opportunity to improve service, earn the trust of customers and increase future carloads. Of two dozen G&W attributes rated by customers, commitment to safety scores highest, followed by the professionalism and availability of customer service personnel.

November 2013 Survey by a Leading Customer-Satisfaction Research Firm

Overall Customer Satisfaction with **Genesee & Wyoming** vs. **Other Transportation Service Providers**



Genesee & Wyoming's Top Three Highest Rated Attributes by Customers:



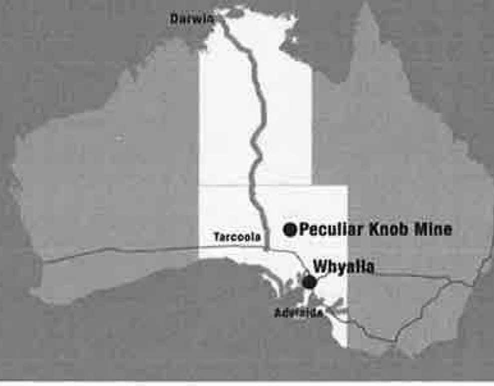
"The ultimate goal of customer service is to build trusting, long-lasting relationships that help grow our customers' businesses, because if they grow, we'll grow."

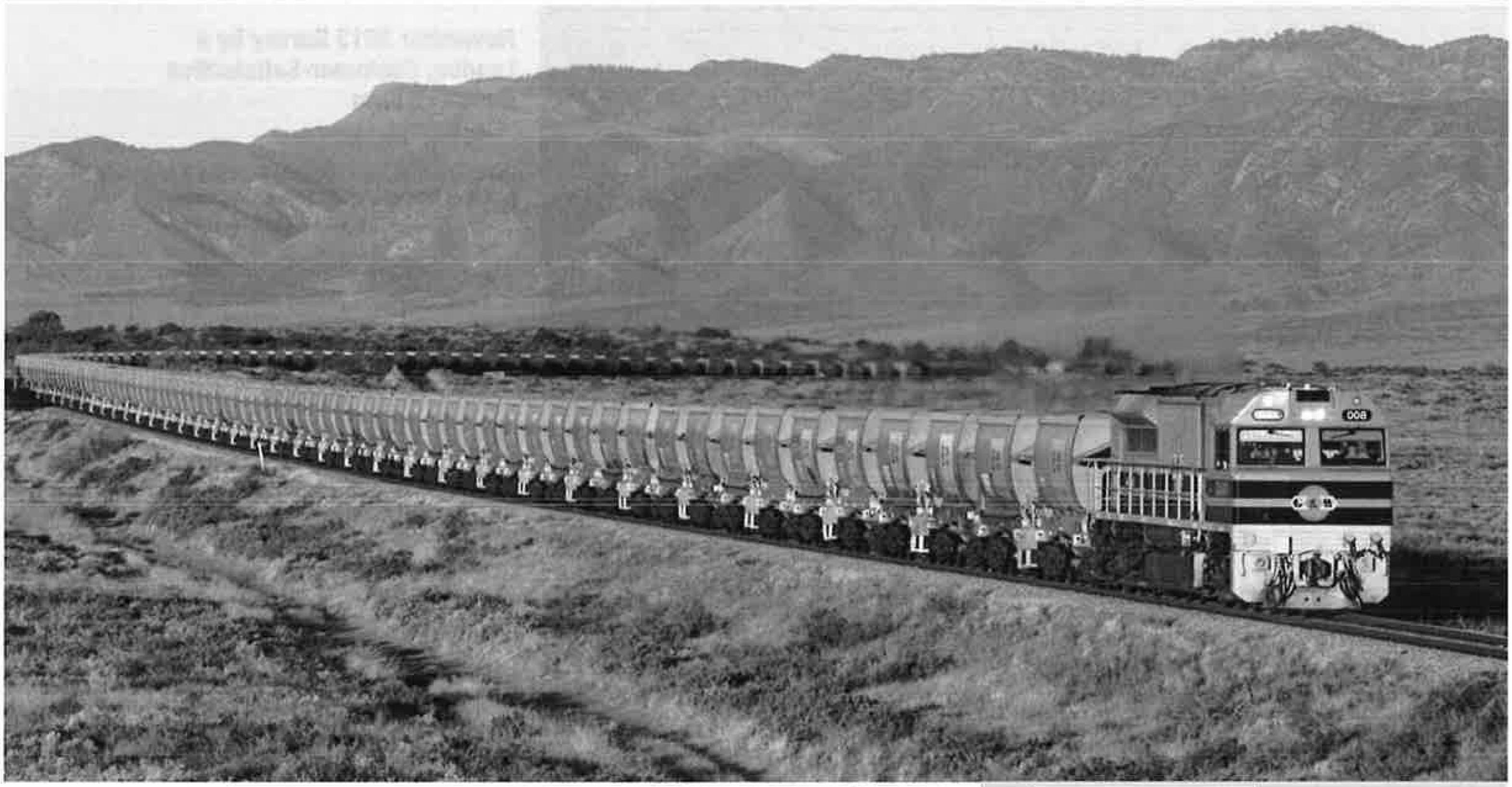
Andrew T. Chunko, Senior Vice President Customer Service

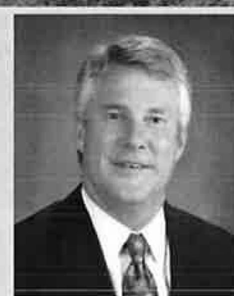
Highlights of 2013

Expanded Iron Ore Service

In 2013, Genesee & Wyoming Australia (GWA) expanded a customer's narrow-gauge iron ore service to 8 million tons annually and ramped up a new standard-gauge service hauling 3 million tons of iron ore annually from the customer's Peculiar Knob mine to its Whyalla port facility. Since 2011, GWA has invested over A$130 million to support this business, purchasing five new narrow-gauge DC locomotives and 11 new AC 4,400-horsepower standard-gauge locomotives and constructing a standard-gauge rolling-stock maintenance facility. The standard-gauge service operates in distributed power configuration with electronically controlled pneumatic (ECP) braking, utilizes in-line fueling and required the hiring and extensive training of more than 30 new employees.







"The planning, procurement, hiring and training for this service expansion was an immense undertaking, executed with outstanding teamwork by GWA. It is a perfect example of our ability to make investments in support of customer growth projects."

David A. Brown, Chief Operating Officer, Genesee & Wyoming Inc. and Director, Genesee & Wyoming Australia Pty Ltd

Commercial Development

One of the most important changes to G&W since the acquisition of RailAmerica has been the creation of a strong corporate commercial team under the leadership of our Chief Commercial Officer, Michael Miller. We believe that we can generate additional revenue growth in our regions with the support of centralized commercial expertise that includes:

- **Industrial Development:** Our objective is to be the first company anyone calls when seeking to locate a new industrial facility on a railroad in North America. To achieve this, we hired Mike Peters, who has a deep background in logistics, real estate development, railroads and siting industrial plants, as our Senior Vice President, Real Estate & Industrial Development.

- **Real Estate:** Our objective is to maximize the value of our right-of-way and other properties. Under Mike Peters' leadership, we are developing a comprehensive Geographic Information System and a team that will ensure the best use of our real estate assets and also support the needs of our industrial development team.

- **Transload:** Our objective is to efficiently transfer freight shipments from other modes of transportation to and from our railroads. As a result, we hired Mike Webb, who spent 14 of his 24 years at Norfolk Southern as a transload expert, to add new distribution facilities at select locations on our national footprint and to extend our reach to non-rail-served industries. Mike joined us as Senior Vice President, Distribution Services.

Another addition to our commercial capabilities is our Atlas Railroad Construction subsidiary, acquired as part of the RailAmerica transaction. Under the leadership of Gary Long, we are now able to offer a turnkey solution for customers whereby Atlas builds and we operate rail infrastructure for new mines and industrial plants. By bundling Atlas' track construction expertise with G&W's safety and service excellence, we have developed an offering that we believe will be attractive to customers in multiple industries.

Our ability to increase the growth rate of our railroads is ultimately dependent on the quality of our rail service. In November 2013, we conducted our biennial survey of our 2,000 customers worldwide. The good news is that our *same railroad* customers scored our overall service 7.9 out of 10, ever closer to our target of 8.0. The bad news is that our overall customer service score declined slightly to 7.5. The main reason for the decline was that the former RailAmerica railroads scored 7.1, an outcome that we view as an opportunity to improve service, earn the trust of customers and increase future carloads. For those railroads with lower scores, our regions are executing specific plans to address customer concerns, and we intend to re-survey these customers in the near future.

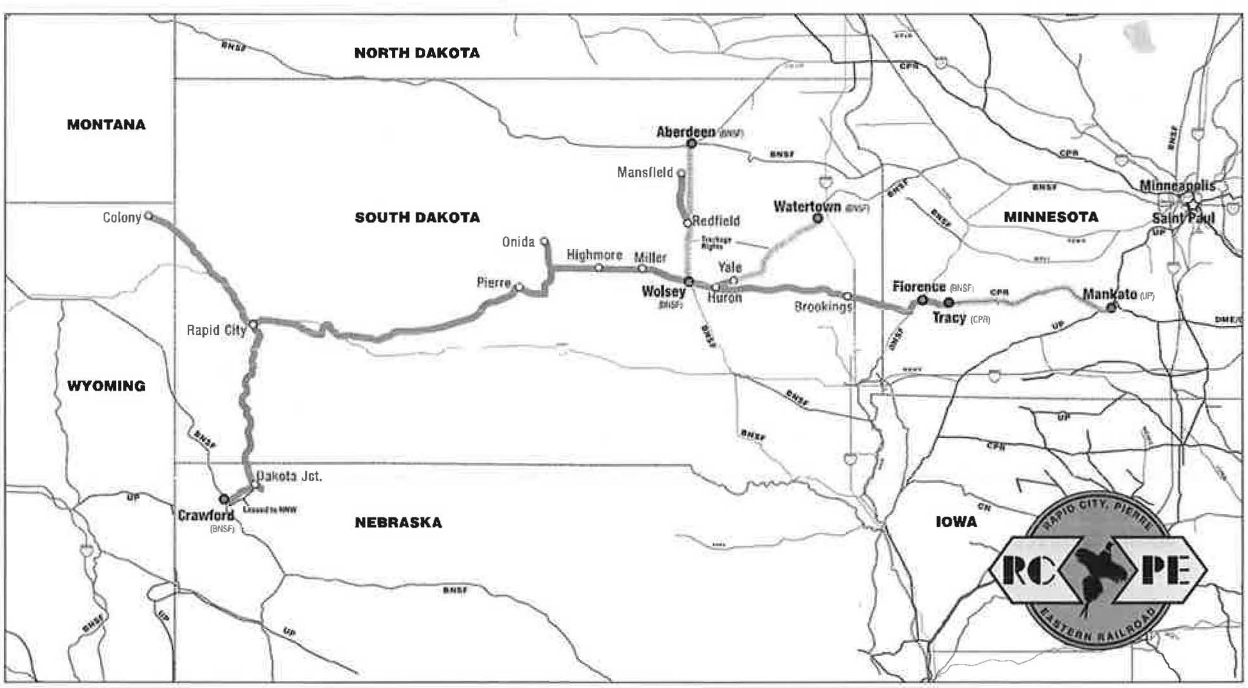
In reviewing our commercial outlook, it is important to note that we continue to see considerable upside for the company from further improvement in the North American economy. For perspective, in 2013, our Combined Company, same railroad carloads were still down 14% versus 2008. Given the potential benefit from economic recovery, the scope of our new commercial capabilities and the ongoing opportunity to improve service at the former RailAmerica railroads, we are confident in our ability to increase G&W's long-term rate of growth.

Rapid City, Pierre & Eastern Railroad

While still subject to approval by the U.S. Surface Transportation Board, we hope to close the RCP&E acquisition in the second quarter of 2014. The railroad is initially expected to generate approximately $65 million in annual revenues for G&W, serving two of the largest bentonite mines and one of the largest ethanol facilities in North America, a major cement producer and major agricultural producers throughout South Dakota. South Dakota is one of the top 10 states in the production of many crops, including wheat, soy beans, corn and seeds and, subject to Mother Nature, we expect long-term volume will continue to rise from a combination of increasing crop yields and greater demand from Asian markets.

Canadian Pacific's spinoff of the railroad is a classic short line opportunity. From CP's perspective, the transaction allows them to sell off a lighter density line that was isolated at the western end of their U.S. network but still permits them to compete for a majority of the originating traffic for the longer haul. By selling to an operator with G&W's experience, CP is also protecting its business by reducing the operating risk of a large start-up. For G&W, similar to most Class I spinoffs, we expect to unlock latent customer demand due to increased local service and intense local marketing. The fact that the RCP&E will interchange with three Class I railroads – Canadian Pacific, BNSF and Union Pacific – should enhance our carload conversion opportunity, and we expect all connecting Class I carriers to benefit relative to the status quo. In addition, thanks to the significant investments that CP made in the rail line over the past few years, the track infrastructure is positioned well for the long term.

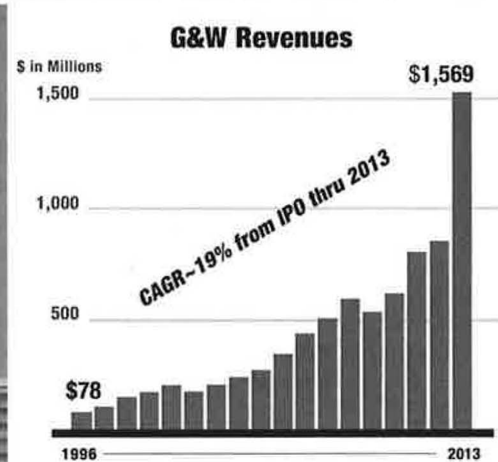
Having spent considerable time on the ground in South Dakota with customers, potential employees and government officials, our integration team is rapidly advancing preparations for the start-up. We expect to hire approximately 180 new employees, primarily from the existing employee base, and we are working closely with Canadian Pacific and the State of South Dakota to ensure a smooth transition following STB approval.



Highlights of 2013

Organizational Evolution

G&W in 1999, with 21 railroads and $175 million in revenues, was dramatically different in size and geographic reach than today's G&W, with 111 railroads and $1.6 billion in revenues. Yet it is remarkable how little our organizational structure has changed. The essence of our regional structure is to be as close as possible to customers and to cultivate a local culture of service, cost control and entrepreneurship that has characterized the success of the short line industry.



Regional Operating Structure: Designed to be Close to Customers

Centralized Corporate Support

G&W Railroad Services, Inc.

Safety & Compliance • Finance • Legal • HR • IT • M&A • Commercial Communications • Engineering • Gov't. Affairs • Mechanical • Purchasing • Operations

Regional Leadership

G&W Mountain West Region

Safety • Finance • HR • IT • Marketing/Sales • Transportation • Mechanical • Engineering

Intense Customer Focus

Mountain West Region Railroads

Customers

"Achieving our Core Purpose requires living our Core Values: focus, integrity, respect and excellence. Those may sound clichéd, but here they're very real. That's how G&W has maintained its culture through the acquisition of 110 railroads."

Mary Ellen Russell, Chief Human Resource Officer

Update on the North American Energy Market

In last year's letter to shareholders, I wrote about the dramatic evolution of the North American energy market and promised an update on how it is impacting our business. The extraction of oil and natural gas from shale formations through hydraulic fracking technology, the development of oil sands in Canada and the relative decline in the use of coal for power generation in the U.S. have each had a direct impact on our rail shipments, and we have been seeking to optimize our position as long-term shipment patterns become clearer. As powerful market forces continue to transform the North American energy market, it is important to recognize that the long-term outcome for G&W also will be significantly influenced by non-market forces including federal and local politics and/or legislation, environmental and safety regulations, political conditions in other energy rich nations, as well as weather patterns that powerfully impact energy consumption. Now turning to some details for G&W:

- **Coal:** In 2013, our Combined Company same railroad coal revenues were up 8.7% to $110.8 million, due to investments in emissions controls at several of our coal-fired power plant customers as well as more favorable weather conditions for electricity consumption.[3] This growth followed a 14.8% decline in our coal revenue in 2012, as declining natural gas prices, increased environmental regulation and specific facility maintenance negatively impacted our coal business. As of today, higher natural gas prices and a cold U.S. winter have reduced utility coal stockpiles to low levels that should result in strong coal shipments for G&W in 2014.

- **Petroleum Products:** In 2013, our Combined Company same railroad petroleum products revenues were up 21.8% to $65.0 million. Of this increase, two-thirds was crude oil, primarily to destination terminals, and one-third was LPG traffic in the western United States.

  – *Utica Shale:* Our Ohio Valley Region has the geological good fortune of sitting on top of much of the Utica Shale. We expect to benefit primarily from outbound LPG traffic as new natural gas liquids processing and fractionation plants are constructed at locations served by our railroads, and also from increased inbound sand and pipe as drilling in the region continues to ramp up. In August 2013, a $900 million natural gas liquids fractionation hub in Scio, Ohio, commenced operations with the first of three planned fractionation units, and we expect to ship between 10,000 and 15,000 carloads per year when the three units are fully operational. The second and third fractionating units are currently under construction, and both are expected to be operational by the end of 2014. Some of the outbound natural gas liquids that we carry are destined for Canada for use as a diluent in the processing of heavy crude oil that is subsequently exported to the United States.

[3] Adjusted free cash flow and Combined Company freight revenues are non-GAAP financial measures and are not intended to replace cash provided by operating activities and freight revenues, their most directly comparable GAAP measures. The information required by Item 10(e) of Regulation S-K under the Securities Act of 1933 and the Securities Exchange Act of 1934 (Item 10(e)) and Regulation G under the Securities Exchange Act of 1934 (Regulation G), including a reconciliation of non-GAAP measures to their most directly comparable U.S. GAAP measures, is included on pages 18-23.

– *Marcellus Shale:* Our Northeast Region, which includes western New York and western Pennsylvania, is focused primarily on the natural gas producing Marcellus Shale and was our first region to benefit from the energy revolution, initially with sand and pipe traffic. Although drilling activity moved west from the Marcellus to the Utica Shale over the past few years, higher natural gas prices could lead to increased Marcellus drilling activity and an associated increase in frac sand traffic. Also, as natural gas liquids production in the Marcellus Shale increases, we expect to increase our propane traffic in the Northeast.

– *Crude Oil:* While G&W does not originate meaningful amounts of crude oil, customers have developed destination terminals to receive crude oil on our railroads, and we also serve some refineries directly. In 2013, we handled approximately 37,000 carloads of crude oil largely due to growth at two major terminals: (i) Genesis Energy increased traffic to its recently constructed destination crude oil terminal on our Alabama & Gulf Coast Railroad in Walnut Hill, Florida, where it transfers the crude oil into a pipeline to serve Gulf Coast refineries, and (ii) Global Partners purchased a dormant crude oil and ethanol facility located on the Columbia River in Oregon and served by our Portland & Western Railroad. The facility receives inbound crude via rail, which is then barged to West Coast locations that are not accessible by pipeline.

The level of crude oil traffic carried by rail is heavily influenced by the relative price differences, or "spreads," between crude oil produced in different regions (e.g., Brent crude oil produced in Europe versus West Texas Intermediate crude oil) and the relative transportation costs to deliver the crude oil to market (e.g., rail versus pipeline). Fluctuations in these price spreads contributed to volatility in levels of crude oil traffic that we handled in 2013, and we expect these fluctuations to impact our crude oil rail traffic in the future.

The increase in crude oil being shipped by the rail industry in North America has been extraordinary, with approximately 400,000 carloads shipped in 2013 versus 9,500 in 2008. Even with the eventual construction of new pipelines to handle surging crude oil supply, rail is expected to play an important long-term role in the crude oil supply chain, particularly east-west across the continent. The shipment flexibility of the rail network combined with the continued commitment of the rail industry and G&W to strict operating procedures and tighter standards for tank cars will further enhance the safety of rail transportation for this vital energy resource.

Outlook for 2014

We expect our positive business momentum to continue in 2014, although the year is starting slowly due to severe winter weather impacting our business across most of North America. As a result of multiple snowstorms and extremely cold temperatures, our first quarter shipment levels will be lower than normal due to service disruptions on our railroads and congestion across the entire North American rail network. In addition, our costs will be higher than normal due in part to snow clearing costs, overtime expense and higher locomotive fuel consumption. We hope to recover a portion of our lost traffic in March, weather permitting, and the general sentiment among our customers is for good economic growth this year.

In 2014, we expect growth from most of our commodity groups including, (i) crude oil and LPG shipments in the United States as several new projects come on line; (ii) iron ore shipments in Australia, where we commenced a major new contract in 2013, and in Canada, where we expect to start service on a rail line that we are constructing to a new iron ore mine in Labrador; (iii) steam coal shipments in the United States where the severe winter has led to the significant depletion of stock piles at electric utilities; (iv) salt shipments in the United States where the extreme winter weather has depleted stockpiles of road salt for highway de-icing; and (v) shipments on the RCP&E following acquisition approval by the STB. Partially offsetting our favorable outlook is the expected negative impact of the weaker Canadian and Australian dollars, which will reduce the translation of our revenues from foreign operations into U.S. dollars.

As we enter 2014, G&W has five main priorities. First, we are focused on achieving our safety target of 0.45 on the way to becoming an injury-free company. Second, we are targeting 20% growth in pre-tax income and to de-lever our business to 2.5x debt/EBITDA after the purchase of the RCP&E (absent attractive new investment opportunities). Third, we are preparing for a successful integration of the RCP&E and solidifying the G&W culture within the former RailAmerica railroads. Fourth, we are focused on building congressional support for another renewal of the U.S. short line tax credit, which provides approximately $26 million of benefit to our track improvement programs and has strong bipartisan support in both the House and Senate. Fifth, we will continue to pursue new acquisition and investment opportunities within the broad international footprint of G&W railroads.

Special Recognition

Reflecting upon 2013, I would like to thank my fellow employees at G&W for the intense focus and dedication that enabled us to successfully integrate the largest acquisition in our history while simultaneously positioning us for future growth. Whether in local railroad operations or corporate staff functions, the entire G&W team has been imparting the business culture that has underpinned our success for many decades: unwavering commitment to safety, intense commercial energy, entrepreneurial spirit, local accountability and professionalism.

One of my colleagues deserves special recognition for his contributions. Over the past 36 years, Mark Hastings has been a tireless architect of G&W's growth from one railroad to 111 railroads, serving as Chief Financial Officer, as Executive Vice President of Corporate Development and most recently as Executive Vice President of International Business Development based in South Australia. While not fully retiring, Mark is now returning to the United States and will work for us on select projects. His leadership, integrity, business acumen, respect for others and tremendous work ethic have been essential in building G&W. On behalf of the Board of Directors and all of our employees, I would like to thank Mark for his immeasurable contributions to G&W. The value created for shareholders during Mark's tenure has been extraordinary, and our entire team is committed to delivering similar shareholder value in the years to come.

Mark W. Hastings, Executive Vice President, International Business Development

Jack Hellmann
President and Chief Executive Officer
March 19, 2014


2004
2004

Adjusted Income from Operations and Adjusted Operating Ratio Description and Discussion

Management views its Income from Operations, calculated as Operating Revenues less Operating Expenses, and Operating Ratio, calculated as Operating Expenses divided by Operating Revenues, as important measures of G&W's operating performance. Because management believes this information is useful for investors in assessing G&W's financial results compared with the same period in prior years, the Income from Operations and Operating Ratio for the year ended December 31, 2009 used to calculate Adjusted Income from Operations and Adjusted Operating Ratio are presented excluding net gain/(loss) on sale and impairment of assets, gain on insurance recoveries, legal expense associated with resolution of an arbitration proceeding and restructuring charges. The Income from Operations and Operating Ratio for the year ended December 31, 2010 used to calculate Adjusted Income from Operations and Adjusted Operating Ratio are presented excluding net gain on sale of assets, gain on legal settlement, FreightLink acquisition-related costs and the reversal of restructuring charges. The Income from Operations and Operating Ratio for the year ended December 31, 2011 used to calculate Adjusted Income from Operations and Adjusted Operating Ratio are presented excluding business development and financing costs, net gain/(loss) on sale and impairment of assets, gain on insurance recoveries and Edith River derailment costs. The Income from Operations and Operating Ratio for the year ended December 31, 2012 used to calculate Adjusted Income from Operations and Adjusted Operating Ratio are presented excluding RailAmerica integration and acquisition-related costs, business development and financing costs, net gain on sale of assets, gain on insurance recoveries and contract termination expense in Australia. The Income from Operations and Operating Ratio for the year ended December 31, 2013 used to calculate Adjusted Income from Operations and Adjusted Operating Ratio are presented excluding RailAmerica integration and acquisition-related costs, business development and financing costs and net gain on sale of assets. The Adjusted Income from Operations and Adjusted Operating Ratios presented excluding these effects are not intended to represent, and should not be considered more meaningful than, or as an alternative to, the Income from Operations and Operating Ratios calculated using amounts in accordance with GAAP. Adjusted Income from Operations and Adjusted Operating Ratio may be different from similarly titled non-GAAP financial measures used by other companies.

In accordance with Regulation G, the following table sets forth a reconciliation of G&W's Income from Operations and Operating Ratio calculated using amounts determined in accordance with GAAP to the Adjusted Income from Operations and Adjusted Operating Ratios as described above for the years ended December 31, 2009, 2010, 2011, 2012 and 2013 ($ in millions):

	2009	2010	2011	2012	2013
Operating revenues	$ 544.9	$ 630.2	$ 829.1	$ 874.9	$ 1,569.0
Operating expenses	445.5	499.8	637.3	684.6	1,188.8
Income from operations	$ 99.3	$ 130.4	$ 191.8	$ 190.3	$ 380.2
Operating ratio	81.8%	79.3%	76.9%	78.2%	75.8%
Operating expenses	$ 445.5	$ 499.8	$ 637.3	$ 684.6	$ 1,188.8
RailAmerica integration/acquisition costs	-	-	-	(29.5)	(17.0)
Business development and financing costs	-	-	(2.6)	(2.3)	(1.6)
Net gain/(loss) on sale and impairment of assets	(4.0)	6.4	5.7	11.2	4.7
Gain on legal settlement	-	8.7	-	-	-
Gain on insurance recoveries	3.1	-	1.1	0.8	-
Contract termination expense in Australia	-	-	-	(1.1)	-
FreightLink acquisition-related costs	-	(28.2)	-	-	-
Legal expense associated with resolution of an arbitration proceeding	(1.1)	-	-	-	-
Restructuring charges	(2.3)	2.3	-	-	-
Edith River derailment costs	-	-	(1.8)	-	-
Adjusted operating expenses	$ 441.3	$ 489.0	$ 639.6	$ 663.7	$ 1,174.9
Adjusted income from operations	$ 103.6	$ 141.1	$ 189.5	$ 211.2	$ 394.1
Adusted operating ratio	81.0%	77.6%	77.1%	75.9%	74.9%

Adjusted Net Income and Adjusted Diluted Earnings per Common Share

Management views its Net Income and Diluted Earnings Per Common Share (EPS) as important measures of G&W's operating performance. Because management believes this information is useful for investors in assessing G&W's financial results compared with the same period in prior years, Net Income and Diluted EPS for the year ended December 31, 2009 used to calculate Adjusted Net Income and Adjusted Diluted EPS are presented excluding net gain/(loss) on sale and impairment of assets, gain on insurance recoveries, legal expense associated with the resolution of an arbitration proceeding, restructuring charges, gain on sale of investment and the short line tax credit for 2009. Net Income and Diluted EPS for the year ended December 31, 2010 used to calculate Adjusted Net Income and Adjusted Diluted EPS are presented excluding net gain on sale of assets, gain on legal settlement, FreightLink acquisition-related costs, the reversal of restructuring charges, financing-related costs, discontinued operations gain from insurance and the short line tax credit for 2010. Net Income and Diluted EPS for the year ended December 31, 2011 used to calculate Adjusted Net Income and Adjusted Diluted EPS are presented excluding acquisition-related income tax benefits, gain on insurance recoveries, net (gain)/loss on sale and impairment of assets, Edith River derailment costs, business/corporate development costs, short line tax credit for 2011 and gain on sale of investment. Net Income and Diluted EPS for the year ended December 31, 2012 used to calculate Adjusted Net Income and Adjusted Diluted EPS are presented excluding RailAmerica integration and acquisition-related costs, business development and financing costs, acquisition costs incurred by RailAmerica, gain on insurance recoveries, net gain on sale of assets, contract termination expense in Australia and contingent forward sale contract mark-to-market expense. Net Income and Diluted EPS for the year ended December 31, 2013 used to calculate Adjusted Net Income and Adjusted Diluted EPS are presented excluding RailAmerica integration and acquisition-related costs, business development and financing costs, net gain on sale of assets, the retroactive short line tax credit for 2012 and foreign tax credit valuation allowance and are further adjusted to exclude the 2013 short line tax credit. The Adjusted Net Income and Adjusted Diluted EPS presented excluding these effects are not intended to represent, and should not be considered more meaningful than, or as an alternative to, Net Income and Diluted EPS calculated using amounts in accordance with GAAP. Adjusted Net Income and Adjusted Diluted EPS may be different from similarly titled non-GAAP financial measures used by other companies.

In accordance with Regulation G, the following table sets forth a reconciliation of G&W's Net Income and Diluted EPS calculated using amounts determined in accordance with GAAP to the Adjusted Net Income and Adjusted Diluted EPS as described above for the years ended December 31, 2009, 2010, 2011, 2012 and 2013 (in millions except per share amounts):

Year Ended December 31, 2009	Net Income	Diluted shares	Diluted Earnings/(Loss) Per Common Share Impact
As reported	$ 61.5	39.0	$ 1.57
Add back certain items, net of tax:			
Net (gain)/loss on sale and impairment of assets	2.2		0.06
Gain on insurance recoveries	(2.0)		(0.05)
Legal expense associated with resolution of an arbitration proceeding	0.7		0.02
Restructuring charges	1.4		0.04
Gain on sale of investment	(2.8)		(0.07)
Short line tax credit for 2009	(11.4)		(0.29)
As adjusted	$ 49.5	39.0	$ 1.27

Year Ended December 31, 2010	Net Income	Diluted shares	Diluted Earnings/(Loss) Per Common Share Impact
As reported	$ 81.3	41.9	$ 1.94
Add back certain items, net of tax:			
Net gain on sale of assets	(4.3)		(0.10)
Gain on legal settlement	(5.1)		(0.12)
FreightLink acquisition-related costs	19.2		0.46
Reversal of restructuring charges	(1.5)		(0.04)
Financing-related costs	1.1		0.03
Discontinued operations gain from insurance	(2.8)		(0.07)
Short line tax credit for 2010	(10.2)		(0.24)
As adjusted	$ 77.7	41.9	$ 1.86

Year Ended December 31, 2011	Net Income	Diluted shares	Diluted Earnings/(Loss) Per Common Share Impact
As reported	$ 119.5	42.8	$ 2.79
Add back certain items, net of tax:			
Acquisition-related income tax benefits	(1.9)		(0.04)
Gain on insurance recoveries	(0.7)		(0.02)
Net (gain)/loss on sale/impairment of assets	(3.9)		(0.09)
Edith River derailment costs	1.3		0.03
Business development and financing costs	2.3		0.05
Short line tax credit for 2011	(10.2)		(0.24)
Gain on sale of investment	(0.8)		(0.02)
As adjusted	$ 105.6	42.8	$ 2.47

Year Ended December 31, 2012	Net Income	Diluted shares	Diluted Earnings/(Loss) Per Common Share Impact
As reported	$ 52.4	51.3	$ 1.02
Add back certain items, net of tax:			
RailAmerica integration/acquisition costs	21.0		0.41
Business development and financing costs	11.0		0.21
Acquisition costs incurred by RailAmerica	3.5		0.07
Gain on insurance recoveries	(0.5)		(0.01)
Net gain on sale of assets	(8.6)		(0.17)
Contract termination expense in Australia	0.8		0.02
Contingent forward sale contract mark-to-market expense	50.1		0.98
As adjusted	$ 129.7	51.3	$ 2.53

Year Ended December 31, 2013	Net Income	Diluted shares	Diluted Earnings/(Loss) Per Common Share Impact
As reported	$ 272.1	56.7	$ 4.79
Add back certain items, net of tax:			
RailAmerica integration/acquisition costs	10.7		0.19
Business development and financing costs	1.4		0.03
Net gain on sale of assets	(3.2)		(0.06)
Retroactive short line tax credit for 2012	(41.0)		(0.72)
FTC valuation allowance	2.0		0.03
As adjusted	242.0	56.7	4.26
Impact of 2013 short line tax credit	(25.9)		(0.46)
As adjusted (excluding the short line tax credit)	$ 216.1	56.7	$ 3.80

Free Cash Flow Description and Discussion

Management views Free Cash Flow as an important financial measure of how well G&W is managing its assets. Subject to the limitations discussed below, Free Cash Flow is a useful indicator of cash flow that may be available for discretionary use by G&W. Free Cash Flow is defined as Net Cash Provided by Operating Activities less Net Cash Used in Investing Activities, excluding net cash used for acquisitions/divestitures. Key limitations of the Free Cash Flow measure include the assumptions that G&W will be able to refinance its existing debt when it matures and meet other cash flow obligations from financing activities, such as principal payments on debt. Free Cash Flow is not intended to represent, and should not be considered more meaningful than, or as an alternative to, measures of cash flow determined in accordance with GAAP. Free Cash Flow may be different from similarly titled non-GAAP financial measures used by other companies.

In accordance with Regulation G, the following table sets forth a reconciliation of G&W's Net Cash Provided by Operating Activities to G&W's Free Cash Flow ($ in millions):

		2012		2013
Net cash provided by operating activities	$	170.7	$	413.5
Net cash used in investing activities		(2,101.7)		(208.7)
Net cash used for acquisitions/divestitures [a]		1,964.2		12.9
Free cash flow		33.2		217.6
New business investments		101.9		34.2
Adjusted free cash flow	$	135.0	$	251.8

[a] The 2012 period included $1.9 billion in net cash paid for the acquisition of RailAmerica, Inc. as well as $38.9 million in cash paid for incremental expenses related to the purchase, integration and financing of the acquisition. The 2013 period included $12.9 million in cash paid for incremental expenses related to the integration of RailAmerica, Inc.

EBITDA and Adjusted EBITDA Description and Discussion

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) and Adjusted EBITDA are widely used non-GAAP financial measures of operating performance. They are presented as supplemental information that management believes is useful to investors in assessing G&W's financial results. EBITDA is calculated by adding back to Net Income provision for income taxes; other income, net; interest expense; interest income and depreciation and amortization expense. Adjusted EBITDA is calculated by adding back to Net Income provision for income taxes; other income, net; interest expense; interest income; depreciation and amortization expense; non-cash compensation expense related to equity awards; RailAmerica integration and acquisition-related costs; business development and financing costs and net gain on sale of assets. EBITDA and Adjusted EBITDA should not be considered as substitutes either for Net Income, as an indicator of G&W's operating performance, or for cash flow, as a measure of G&W's liquidity. EBITDA and Adjusted EBITDA may be different from similarly titled non-GAAP financial measures used by other companies.

In accordance with Regulation G, the following table sets forth a reconciliation of G&W's Net Income calculated using amounts determined in accordance with GAAP to EBITDA and to Adjusted EBITDA each as described above for the year ended December 31, 2013 ($ in millions):

		2013
Net income - as reported	$	272.1
Add back:		
Provision for income taxes		46.3
Other income, net		(2.1)
Interest expense		67.9
Interest income		(4.0)
Depreciation and amortization expense		141.6
EBITDA	$	521.8
Add back certain items:		
Non-cash compensation expense related to equity awards		17.0
RailAmerica integration/acquisition costs		17.0
Business development and financing costs		1.6
Net gain on sale of assets		(4.7)
Adjusted EBITDA	$	552.7

Combined Company Operating Revenues Description and Discussion

Management views Operating Revenues as an important financial measure of G&W's operating performance. Because management believes this information is useful for investors in assessing G&W's financial results, compared with the same period in the prior year, the 2012 Combined Company Operating Revenues are presented excluding non-freight revenues earned during the year ended December 31, 2012 by a subsidiary of RailAmerica for work performed for various subsidiaries of G&W and including reclassifications of certain revenues of RailAmerica to align with G&W's accounting policies. Likewise, the 2013 Combined Company Same Railroad Operating Revenues are presented excluding operating revenues through the one-year anniversary of operations from Marquette Rail, LLC, which RailAmerica acquired on May 1, 2012, and Columbus & Chattahoochee Railroad, Inc. (CCH), which G&W commenced operations on July 1, 2012. Certain revenues of RailAmerica have been reclassified to align with G&W's accounting policies. The Combined Company Operating Revenues and the Combined Company Same Railroad Operating Revenues excluding these effects are not intended to represent, and should not be considered more meaningful than, or as an alternative to, Operating Revenues calculated using amounts in accordance with GAAP. Combined Company Operating Revenues and Combined Company Same Railroad Adjusted Operating Revenues may be different from similarly titled non-GAAP financial measures used by other companies.

In accordance with Regulation G, the following tables set forth a reconciliation of Operating Revenues to the Combined Company Adjusted Operating Revenues as described above for the year ended December 31, 2012 and Operating Revenues to the Combined Company Same Railroad Adjusted Operating Revenues for freight revenues and certain commodity groups within freight revenues as described above for the year ended December 31, 2013 ($ in millions):

Year Ended December 31, 2012	G&W As Reported	RailAmerica As Reported	Eliminations/ Adjustments [a]	Combined Company
Freight revenues	$ 624.8	$ 447.6	$ (8.7)	$ 1,063.6
Non-freight revenues	250.1	158.5	(10.8)	397.7
Operating revenues	$ 874.9	$ 606.0	$ (19.5)	$ 1,461.4

[a] Includes the elimination of non-freight revenues earned during the year ended December 31, 2012 by a subsidiary of RailAmerica for work performed for various subsidiaries of G&W and reclassifications of certain revenues of RailAmerica

Year Ended December 31, 2013	G&W As Reported	G&W New Operations [a]	RailAmerica New Operations [a]	Combined Company Same Railroad
Freight revenues	$ 1,177.4	$ (3.5)	$ (2.6)	$ 1,171.3
Coal and coke revenues	$ 110.8	$ -	-	110.8
Petroleum products revenues	$ 65.2	$ (0.2)	$ (0.1)	$ 65.0

Year Ended December 31, 2012	G&W As Reported	RailAmerica As Reported	Adjustments [b]	Combined Company
Freight revenues	$ 624.8	$ 447.6	$ (8.7)	$ 1,063.6
Coal and coke revenues	$ 70.1	$ 31.8	$ 0.1	$ 102.0
Petroleum products revenues	$ 25.3	$ 25.1	$ 3.0	$ 53.4

[a] G&W New Operations: Columbus & Chattahoochee Railroad, Inc. (CCH); RailAmerica New Operations: Marquette Rail, LLC (MQT)

[b] Includes the reclassifications of certain revenues of RailAmerica to align with G&W's accounting policies

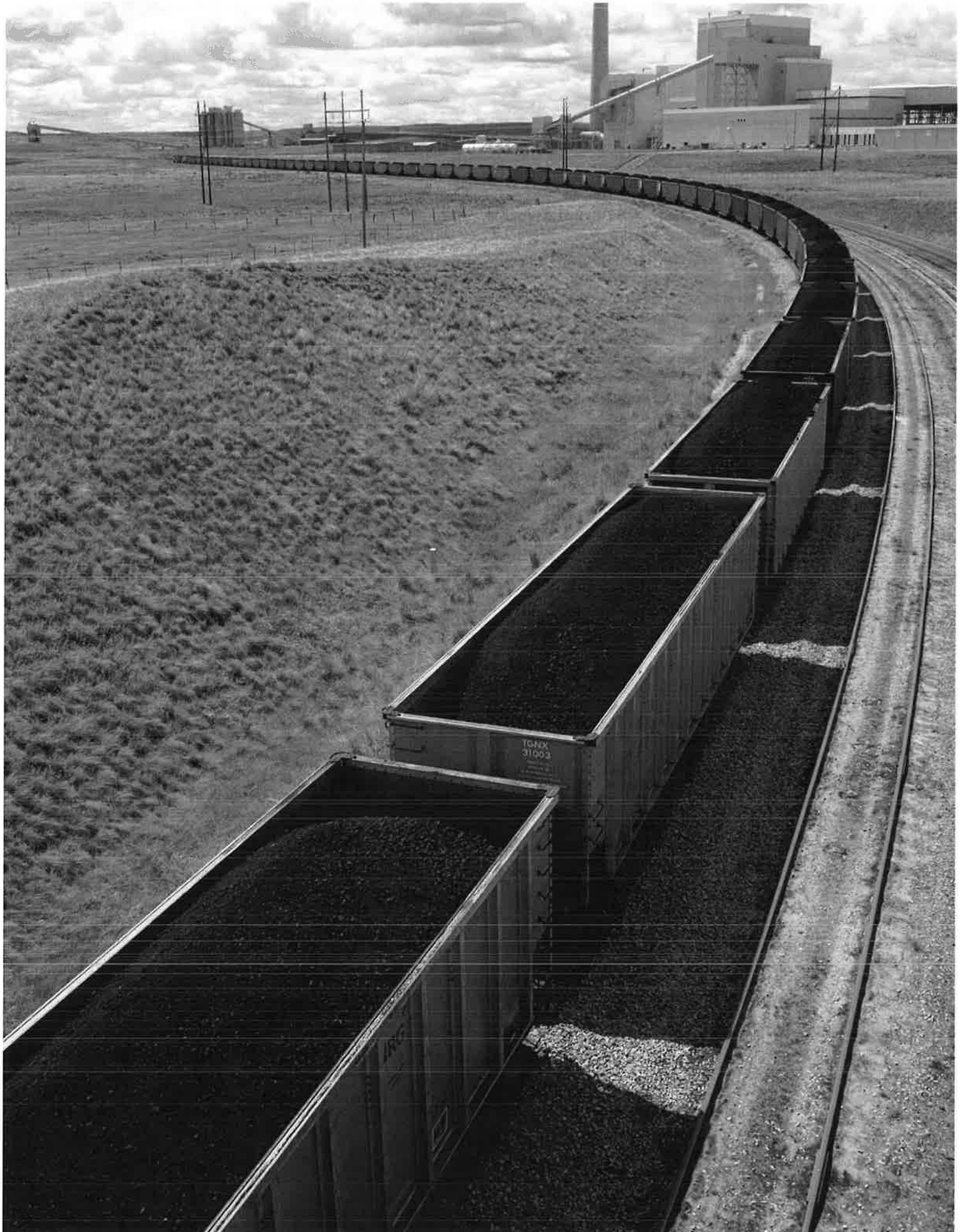
Combined Company Average Revenues per Carload Description and Discussion

Management views Average Revenues per Carload as an important financial measure of G&W's operating performance. Because management believes this information is useful for investors in assessing G&W's financial results, compared with the same period in the prior year, the Average Revenues per Carload for the year ended December 31, 2012 used to calculate Combined Company Average Revenues per Carload are presented including adjustment of carloads and reclassifications of certain revenues of RailAmerica to align with G&W's accounting policies. The Combined Company Average Revenues per Carload presented including these effects are not intended to represent, and should not be considered more meaningful than, or as an alternative to, Average Revenues per Carload calculated using amounts in accordance with GAAP. Combined Company Average Revenues per Carload amounts may be different from similarly titled non-GAAP financial measures used by other companies.

In accordance with Regulation G, the following table sets forth a reconciliation of Average Revenues per Carload calculated using amounts determined in accordance with GAAP to Combined Company Average Revenues per Carload as described above for the year ended December 31, 2012 ($ in millions, except average freight revenues per carload):

Year Ended December 31, 2012	G&W As Reported	RailAmerica As Reported	Adjustments [a]	Combined Company
Freight revenues	$ 624.8	$ 447.6	$ (8.7)	$ 1,063.6
Carloads	927,094	864,136	(22,519)	1,768,711
Average revenues per carload	$ 674	$ 518		$ 601

(a) Includes adjustments of carloads and reclassifications of certain revenues of RailAmerica to align with G&W's accounting policies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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2013
or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _______ to _______
Commission File No. 001-31456

GENESEE & WYOMING INC.

(Exact name of registrant as specified in its charter)

Delaware	06-0984624
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
20 West Avenue, Darien, Connecticut	06820
(Address of principal executive offices)	(Zip Code)

(203) 202-8900
(Registrant's telephone number, including area code)
Securities registered pursuant to section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Class A Common Stock, $0.01 par value	NYSE
5.00% Tangible Equity Units	NYSE

Securities registered pursuant to section 12(g) of the Act:
None.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☑ Yes ☐ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. ☐ Yes ☑ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. ☑ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☑ Yes ☐ No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulations S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☑

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☑	Accelerated filer	☐
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12-b of the Exchange Act). ☐ Yes ☑ No

Aggregate market value of Class A Common Stock held by non-affiliates based on the closing price as reported by the New York Stock Exchange on the last business day of the registrant's most recently completed second fiscal quarter: $4,272,642,511. Shares of Class A Common Stock held by each executive officer and director have been excluded in that such persons may be deemed to be affiliates. The determination of affiliate status is not necessarily a conclusive determinant for other purposes.

Shares of common stock outstanding as of the close of business on February 20, 2014:

Class	Number of Shares Outstanding
Class A Common Stock	51,985,422
Class B Common Stock	1,608,989

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement to be filed pursuant to Regulation 14A not later than 120 days after the end of the fiscal year ended December 31, 2013 in connection with the Annual Meeting to be held on May 21, 2014 are incorporated by reference in Part III hereof and made a part hereof.

Genesee & Wyoming Inc.

FORM 10-K

For The Fiscal Year Ended December 31, 2013

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Unless the context otherwise requires, when used in this Annual Report on Form 10-K (Annual Report), the terms "Genesee & Wyoming," "G&W," the "Company," "we," "our" and "us" refer to Genesee & Wyoming Inc. and its subsidiaries. All references to currency amounts included in this Annual Report, including the financial statements, are in United States dollars unless specifically noted otherwise.

Cautionary Statement Regarding Forward-Looking Statements

The information contained in this Annual Report, including Management's Discussion and Analysis of Financial Condition and Results of Operations in Item 7, contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (Exchange Act), regarding future events and future performance of G&W. Words such as "anticipates," "intends," "plans," "believes," "should," "seeks," "expects," "estimates," "trends," "outlook," variations of these words and similar expressions are intended to identify these forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to forecast. Actual results may differ materially from those expressed or forecast in these forward-looking statements.

The areas in which there is risk and uncertainty are further described in "Part I Item 1A. Risk Factors" in this Annual Report, which contain additional important factors that could cause actual results to differ from current expectations and from the forward-looking statements contained herein. Readers of this document are cautioned that our forward-looking statements are not guarantees of future performance and our actual results or developments may differ materially from the expectations expressed in the forward-looking statements.

In light of the risks, uncertainties and assumptions associated with forward-looking statements, you should not place undue reliance on any forward-looking statements. Additional risks that we may currently deem immaterial or that are not presently known to us could also cause the forward-looking events discussed or incorporated by reference in this Annual Report not to occur.

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements to encourage companies to provide prospective information about their companies without fear of litigation. We are taking advantage of the "safe harbor" provisions of the Private Securities Litigation Reform Act in connection with the forward-looking statements included in this Annual Report.

Our forward-looking statements speak only as of the date of this Annual Report or as of the date they are made, and except as otherwise required by applicable securities laws, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changed circumstances or any other reason after the date of this Annual Report.

Information set forth in "Part I Item 1. Business" and in "Part II Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" should be read in conjunction with the risk factors set forth in Item 1A. in this Annual Report.

PART I

ITEM 1. *Business.*

OVERVIEW

We own and operate short line and regional freight railroads and provide railcar switching and other rail-related services in the United States, Australia, Canada, the Netherlands and Belgium. In addition, we operate a longer-haul railroad that runs approximately 1,400 miles between Tarcoola in South Australia and Darwin in the Northern Territory of Australia. As of December 31, 2013, we operated in 39 states in the United States, four Australian states, one Australian territory and four Canadian provinces and provided rail service at 35 ports in North America, Australia and Europe. As of December 31, 2013, we operated over approximately 14,700 miles of owned, jointly owned or leased track (inclusive of the Tarcoola to Darwin rail line operated under a concession agreement) and approximately 3,300 additional miles under other contractual track access arrangements.

GROWTH STRATEGY

Since our initial public offering in 1996 through December 31, 2013, our revenues increased at a compound annual growth rate of 19.3%, from $77.8 million in 1996 to $1.6 billion in 2013. Over the same period, our diluted earnings per common share (EPS) increased at a compound annual growth rate of 17.9%, from $0.29 (adjusted for stock splits) in 1996 to $4.79 in 2013. We have achieved these results primarily through the disciplined execution of our growth strategy, which has two main drivers: (1) our operating strategy and (2) our acquisition and investment strategy.

Operating Strategy

Our railroads operate under strong local management teams, with centralized administrative, commercial and operational support and oversight. As of December 31, 2013, our operations were organized as 11 regions. In the United States, we have eight regions: Rail Link (which includes industrial switching and port operations), Pacific, Mountain West, Central, Southern, Midwest, Ohio Valley and Northeast. Outside the United States, we have three regions: Australia, Canada (which includes a contiguous railroad located in the United States) and Europe (which consists of operations in the Netherlands and Belgium).

In each of our regions, we seek to encourage the entrepreneurial drive, local knowledge, customer service and safety culture that we view as critical to achieving our financial goals. Our regional managers continually focus on increasing our return on invested capital, earnings and cash flow through the disciplined execution of our operating strategy. At the regional level, our operating strategy consists of the following four principal elements:

- *Continuous Safety Improvement.* We believe that a safe work environment is essential for our employees, our customers and the communities in which we conduct business. Each year, we establish stringent safety targets as part of our safety program. In 2013, G&W achieved a consolidated Federal Railroad Association (FRA) reportable injury frequency rate of 0.80 per 200,000 man-hours worked. Through the implementation of our safety program, we have reduced our injury frequency rate by 59% since 2006, when it was 1.95 injuries per 200,000 man-hours worked. For comparative purposes, from January 2013 through November 2013, the most recent month for which FRA data is publicly available, the United States short line average reportable injury frequency rate was 2.9 injuries per 200,000 man-hours worked, and the United States regional railroad average was 2.9 injuries per 200,000 man-hours worked. Based on these results, in 2013, G&W was more than three times safer than the short line and regional railroad averages, and also safer than any United States Class I railroad.
- *Outstanding Customer Service.* We are committed to providing exceptional service to our customers and each of our local railroads are intently focused on exceeding customer expectations. This customer commitment results not only in traffic growth, but also customer loyalty and new business development opportunities. Periodically, we engage a leading independent customer-satisfaction research firm to conduct a comprehensive customer satisfaction survey. The survey results are used to measure our performance and develop continuous improvement programs.

- *Focused Regional Marketing.* We generally build and operate each of our regions on a base of large customers and seek to grow rail traffic through intensive marketing efforts to new and existing customers. As a result of the acquisition of RailAmerica, Inc. (RailAmerica) in 2012, we believe that our expanded North American footprint provides us with greater visibility to new commercial and industrial development opportunities in North America that should help increase the success of our marketing efforts. We also pursue additional sources of revenue by providing ancillary rail services such as railcar switching, repair, storage, cleaning, weighing and blocking and bulk transfer, which enable shippers and Class I carriers to move freight more easily and cost-effectively. Separately, in Australia and Europe, where there are open access regimes, we are able to compete for new business opportunities with customers at most locations on the open access rail networks.
- *Low Cost Structure.* We focus on running cost effective railroad operations and historically have been able to operate acquired rail lines more efficiently than they were operated prior to our acquisition. We typically achieve efficiencies by lowering administrative overhead, consolidating equipment and track maintenance contracts, reducing transportation costs and selling surplus assets.
- *Efficient Use of Capital.* We invest in track and rolling stock to ensure that we operate safe railroads that meet the needs of customers. At the same time, we seek to improve our return on invested capital by focusing on cost effective capital programs. For example, in our short haul and regional operations in North America, we typically rebuild older locomotives rather than purchase new ones and invest in track at levels appropriate for our traffic type and density. In addition, because of the importance of certain of our customers and railroads to their regional economies, we are able, in some instances, to obtain state, provincial and/or federal grants to upgrade track. Typically, we seek government funds to support investments that otherwise would not be economically viable for us to fund on a stand-alone basis.

To assist our local management teams, we provide administrative, commercial and operational support from corporate staff groups where there are benefits to be gained from centralized expertise. Our commercial group assists local management by providing assistance with regional pricing, origin and destination offerings across the Company, managing real estate revenue (including from land leases and crossing and access rights), industrial development project expertise, 24/7 customer service and Class I relationship management. Our operations department assists with implementing our safety culture and training programs, leveraging our scale purchasing rail and rail-related equipment, ensuring efficient equipment utilization and service design, and providing mechanical, locomotive and bridge engineering expertise. In addition, we maintain other traditional, centralized functions, such as accounting, finance, legal, corporate development, government and industry affairs, human resources and information technology.

Acquisition and Investment Strategy

Our acquisition and investment strategy includes the acquisition or long-term lease of existing railroads, as well as investment in rail equipment and/or track infrastructure to serve new and existing customers. Since 2000, we have acquired 92 railroads and made several significant rail equipment and track investments to serve customers that are developing natural resource projects, such as iron ore mines. Historically, our acquisition, investment and long-term lease opportunities have been from the following five sources:

- Acquisitions of other regional railroads or short line railroads in the United States and Canada, such as our acquisitions of RailAmerica in 2012, Arizona Eastern Railway Company (AZER) in 2011, CAGY Industries, Inc. in 2008, the Ohio Central Railroad System in 2008 and Rail Management Corporation in 2005. Based on Association of American Railroads (AAR) data, as of December 31, 2012, there were approximately 470 short line and regional railroads in the United States not owned by us;
- Investments in track and/or rolling stock to support new industrial or mineral development in new or existing areas of operations, such as our expansion of two existing rail haulage contracts to transport export iron ore in South Australia;
- Acquisitions of international railroads, such as our acquisitions of FreightLink Pty Ltd (FreightLink) in Australia in 2010 and Rotterdam Rail Feeding (RRF) in the Netherlands in 2008. We believe that there are additional acquisition and investment opportunities in Australia, Europe and other international markets;

- Acquisitions or long-term leases of branch lines of Class I railroads, such as our proposed acquisition of the assets comprising the western end of the Dakota Minnesota & Eastern Railroad Corporation (DM&E) from Canadian Pacific (CP), which includes 670 miles of CP's current operations between Tracy, Minnesota and Rapid City, South Dakota; north of Rapid City to Colony, Wyoming; south of Rapid City to Dakota Junction, Nebraska; and connecting branch lines as well as trackage from Dakota Junction to Crawford, Nebraska, currently leased to the Nebraska Northwestern Railroad (NNW), which acquisition was announced in January 2014. The asset acquisition is expected to close by mid-2014, subject to approval of the United States Surface Transportation Board (STB) and the satisfaction of other customary closing conditions; and our lease from Norfolk Southern Railway Company (NS) of the Columbus & Chattahoochee Railroad, Inc., a 26-mile segment of NS track that runs from Girard, Alabama to Mahrt, Alabama in 2012; and
- Acquisitions of rail lines of industrial companies, such as our acquisition of railroads owned by Georgia-Pacific Corporation in 2003.

When we make acquisitions, we seek to increase revenues and reduce costs wherever possible and to implement best practices to increase the value of our investment, which is frequently accomplished through the elimination of duplicative overhead costs, implementation of our safety culture, improvements to operating plans, more efficient equipment utilization and enhanced customer service and marketing initiatives. For instance, with the acquisition of RailAmerica we eliminated duplicative corporate overhead costs and general administrative expenses during 2013.

We also believe that our footprint of railroads in North America will provide future opportunities to make contiguous short line acquisitions due to a higher number of touchpoints with other railroads. On a global basis, we believe that our scale and financial resources improve our ability to invest in rail opportunities worldwide. We have played a significant role in the consolidation of the short line industry in North America and have made a number of important railroad investments in international markets, and we expect to continue to pursue our acquisition and investment strategy while adhering to our disciplined valuation approach.

INDUSTRY

North America

United States

According to the AAR, there are 574 freight railroads in the United States operating over 138,700 miles of track. As described in the table below, the STB classifies railroads operating in the United States into one of three categories based on the amount of an individual railroad's operating revenues (adjusted for inflation).

The following table shows the breakdown of freight railroads in the United States by classification:

Classification of Railroads	Number	Aggregate Miles Operated	Revenues and Miles Operated
Class I (1)	7	95,264	$452.7 million or more
Regional or Class II	21	10,592	At least $20 million and 350 or more miles operated or $36.2 to $452.7 million
Local or Class III	546	32,858	Less than $36.2 million and less than 350 miles operated
Total	574	138,714	

(1) CSX Corp, BNSF Railway Co., Norfolk Southern Corp., Kansas City Southern Railway Co., Union Pacific Railroad Co., Canadian National Railway Co. and Canadian Pacific Railway Limited.

Source: AAR 2013 Railroad Facts Book

Class I railroads operate across many different states and concentrate largely, though not exclusively, on long haul, high density, intercity traffic lanes. The primary function of the Regional and Local railroads is to provide local service to rail customers and communities not located on the Class I networks. Regional railroads typically operate 400 to 650 miles of track and provide service to selected areas of the country, mainly connecting neighboring states and/or economic centers. Typically, short line (or local) railroads serve as branch lines connecting customers with Class I railroads. Short line railroads have more predictable and straightforward operations as they generally perform point-to-point, light density service over shorter distances, versus the complex networks associated with the large Class I railroads.

Regional and short line railroad traffic is largely driven by carloads that are interchanged with other carriers. For example, a Class I railroad may transport freight hundreds or thousands of miles from its origination point and then pass the railcar to a short line railroad, which provides the final step of service directly to the terminating customer.

The railroad industry in the United States has undergone significant change since the passage of the Staggers Rail Act of 1980 (Staggers Act), which effectively deregulated certain pricing and types of services provided by railroads. Following the passage of the Staggers Act, Class I railroads in the United States took steps to improve profitability and recapture market share lost to other modes of transportation, primarily trucks. In furtherance of that goal, Class I railroads focused their management and capital resources on their core long-haul systems, and some of them sold branch lines to short line railroads, whose smaller scale and more cost-efficient operations allowed them to commit the resources necessary to meet the needs of customers located on those lines. Divestiture of branch lines spurred the growth in the short line railroad industry and enabled Class I carriers to minimize incremental capital expenditures, concentrate traffic density, improve operating efficiency and avoid traffic losses associated with rail line abandonment.

We operate one regional and 100 local (short line) railroads in the United States over approximately 9,500 miles of track.

Canada

According to Rail Trends 2013, published by The Railway Association of Canada (RAC), there are 26,923 miles of track operated by railroads in Canada.

We operate seven local (short line) railroads in Canada over approximately 1,200 miles of track.

Australia

Australia has approximately 25,000 miles (approximately 40,000 kilometers) of both publicly and privately owned track that link major capital cities and key regional centers together and also connect key mining regions to ports. The Australian rail network comprises three track gauges: broad, standard and narrow gauge. There are three major interstate rail segments in Australia: the east-west corridor (Sydney, New South Wales to Perth, Western Australia); the east coast corridor (Brisbane, Queensland to Melbourne, Victoria); and the north-south corridor (Darwin, Northern Territory to Adelaide, South Australia). In addition, there are a number of intrastate rail freight networks servicing major agricultural and mining regions in Queensland, New South Wales, Western Australia and South Australia.

Through our Australian subsidiaries, we manage approximately 2,900 miles (approximately 4,700 kilometers) of track in South Australia and the Northern Territory, which includes approximately 1,400 miles (approximately 2,200 kilometers) of track between Darwin and Tarcoola that we manage pursuant to a concession agreement that expires in 2054, unless canceled due to our failure to meet our commitments under the concession agreement.

The Australian rail freight industry is largely open access, which means that network owners and managers must provide access to the rail network to all accredited rail service providers, subject to the rules and negotiation framework of each applicable access regime. We are an accredited rail service provider in all mainland Australian states and in the Northern Territory. The rules generally include pricing principles and standards of use, and are established by the applicable state or Commonwealth government. The Australia rail industry is structured around two components: train operations for freight haulage services (above rail) and rail track access operation and management (below rail). This contrasts with the North American freight rail industry where railroad operators almost always have exclusive use of the track they own or lease. Through our concession agreements, we have long-term economic ownership of the primary tracks that we manage in South Australia and the Northern Territory, and we receive below rail access fees when other rail operators use the track we manage. Our economic ownership of the tracks we manage, combined with our above rail operations, makes our Australian operations more similar to a typical North American railroad.

Because Australian rail customers have access to multiple rail carriers under "open access" regimes, all rail carriers face possible competition on their above-rail business from other rail carriers, as well as from competing modes of transportation, such as trucks for above rail business. The open access nature of the Australian rail freight industry enables rail operators to develop new business and customer relationships in areas outside of their current operations, and there are limited barriers to entry that preclude any rail operator from approaching a customer to seek new business. However, shipments of bulk commodities in Australia are generally handled under long-term agreements with dedicated equipment that may include take-or-pay provisions and/or exclusivity arrangements, which make capturing new business from an existing rail operator difficult.

Netherlands

According to ProRail, the entity responsible for a substantial majority of the Dutch rail infrastructure, there are approximately 4,350 miles of track under its control on the Dutch rail network. As a result of the country's open access regime, this track may be accessed by any admitted and licensed rail operator. According to the trade association, Rail Cargo Information Netherlands, there are currently 16 rail operators that provide freight rail services in the Netherlands.

Belgium

According to Infrabel, the Belgian railways infrastructure manager, there are approximately 2,225 miles of track under its control on the Belgian rail network and 12 rail operators certified for freight transport in Belgium. As a result of the country's open access regime, this track may be accessed by any operator admitted and licensed to provide freight transport in the country.

OPERATIONS

As of December 31, 2013, through our subsidiaries, we owned or leased 111 freight railroads. Of these, 109 are short line railroads and one is a regional freight railroad with a total of approximately 13,300 miles of track in the United States, Australia, Canada, the Netherlands and Belgium. We also operated one longer-haul, 1,400-mile railroad that links the Port of Darwin to the Australian interstate rail network in South Australia, pursuant to a concession agreement. Also, through various track access arrangements, we operate over approximately 3,300 additional miles of track that is owned or leased by others.

Freight Revenues

We generate freight revenues from the haulage of freight by rail. Freight revenues represented 75.0%, 71.4% and 70.3% of our total revenues in the years ended December 31, 2013, 2012 and 2011, respectively.

Non-Freight Revenues

We generate non-freight revenues primarily from the following activities:

- Railcar switching - revenues generated from industrial switching (the movement of railcars within industrial plants and their related facilities), port terminal switching (the movement of customer railcars from one track to another track on the same railroad, primarily at United States ports) and contract coal loading;
- Car hire and rental services - charges paid by other railroads for the use of our railcars;

- Demurrage and storage - charges to customers for holding or storing their railcars;
- Car repair services - charges for repairing railcars owned by others, either under contract or in accordance with AAR rules;
- Other operating income - primarily revenues from providing crewing services and track access and management fees, real estate holdings, and from providing access to passenger operations, such as from Amtrak's use of the New England Central Railroad;
- Railroad construction - revenues earned by Atlas Railroad Construction, LLC (Atlas) for railroad engineering, construction, maintenance and repair, primarily in the midwestern, northeastern and southeastern United States, for short line and regional railroads and industrial customers; and
- Fuel sales to third-parties - revenues earned by Genesee & Wyoming Australia Pty Ltd (GWA) in South Australia from the sale of diesel fuel to other rail operators; GWA sold its third-party fuel operation in Cook, South Australia in the third quarter of 2012.

Non-freight revenues represented 25.0%, 28.6% and 29.7% of our total operating revenues in the years ended December 31, 2013, 2012 and 2011, respectively. Railcar switching represented 41.3%, 54.0% and 52.1% of our total non-freight revenues in the years ended December 31, 2013, 2012 and 2011, respectively.

Customers

As of December 31, 2013, our operations served more than 2,000 customers. Revenues from our 10 largest customers accounted for approximately 24%, 31% and 29% of our operating revenues in the years ended December 31, 2013, 2012 and 2011, respectively. Three of our 10 largest customers in 2013 were located in Australia.

In North America, we typically handle freight pursuant to transportation contracts between us, our connecting carriers and the customer. These contracts are in accordance with industry norms and vary in duration, with terms generally ranging from less than one year to 10 years. These contracts establish a price or, in the case of longer term contracts, a methodology for determining a price, but do not typically obligate the customer to move any particular volume. Freight rates and volumes are not directly linked to the prices of the commodities being shipped. In Australia, we generally handle freight pursuant to transportation contracts directly with our customers. These contracts generally contain a combination of fixed and variable pricing, with the fixed portion linked to our invested capital and the variable portion based on the volumes shipped.

Commodities

Our railroads transport a wide variety of commodities. For a comparison of freight revenues, carloads and average freight revenues per carload by commodity group for the years ended December 31, 2013, 2012 and 2011, see the discussion under “Part II Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

Commodity Group Descriptions

The intermodal commodity group consists of various commodities shipped in trailers or containers on flat cars.

The coal and coke commodity group consists primarily of shipments of coal to power plants and industrial customers.

The agricultural products commodity group consists primarily of wheat, barley, corn and other grains as well as soybean meal.

The pulp and paper commodity group consists primarily of outbound shipments of container board and finished papers and inbound shipments of wood pulp.

The metallic ores commodity group consists primarily of manganese ore, iron ore, copper concentrate and ore, alumina and nickel ore.

The metals commodity group consists primarily of finished steel products such as coils, pipe, slabs and ingots as well as scrap metal and pig iron.

The minerals and stone commodity group consists primarily of cement, gypsum, salt used in highway ice control, sand used in fracking oil and gas wells, roofing granules, clay and limestone.

The chemicals and plastics commodity group consists primarily of sulfuric acid and other chemicals used in manufacturing, particularly in the paper industry.

The lumber and forest products commodity group consists primarily of export logs, finished lumber, wood pellets and wood chips used in paper manufacturing.

The petroleum products commodity group consists primarily of liquefied petroleum gas, crude oil, asphalt and diesel fuel.

The food or kindred products commodity group consists primarily of canned fruits and vegetables.

The waste commodity group consists primarily of municipal solid waste and construction and demolition debris.

The autos and auto parts commodity group consists primarily of finished automobiles and stamped auto parts.

The other commodity group consists of all freight not included in the commodity groups set forth above.

Segment and Geographic Information

For financial information with respect to each of our segment and geographic areas, see Note 18, Segment and Geographical Area Information, to our Consolidated Financial Statements set forth in "Part IV Item 15. Exhibits, Financial Statement Schedules" of this Annual Report.

Traffic

Rail traffic shipped on our rail lines can be categorized either as interline or local traffic. Interline traffic passes over the lines of two or more rail carriers. It can originate or terminate with customers located along a rail line, or it can pass over the line from one connecting rail carrier to another without the traffic originating or terminating on the rail line (referred to as overhead traffic). Local traffic both originates and terminates on the same rail line and does not involve other carriers. Unlike overhead traffic, originating, terminating and local traffic in North America provides us with a more stable source of revenues because this traffic represents shipments to and/or from customers located along our rail lines and is less susceptible to competition from other rail routes or other modes of transportation. In 2013, revenues generated from originating, terminating and/or local traffic in North America constituted approximately 94% of our North American freight revenues. In Australia, the distinction between interline or local traffic is less relevant, as the open access regime in Australia permits all participants in the above rail industry to compete for new and existing traffic and for new business development opportunities.

Seasonality of Operations

Some of the commodities we carry have peak shipping seasons, either as a result of the nature of the commodity or its demand cycle. For instance, certain agricultural and food products, such as winter wheat in Canada, ship only during certain months each year.

Seasonality is also reflected in our results of operations as a result of weather patterns. See Note 19, Quarterly Financial Data (unaudited), to our Consolidated Financial Statements included elsewhere in this Annual Report. Typically, we experience relatively lower revenues in North America in the first and fourth quarters of each year as the winter season and colder weather in North America tend to reduce shipments of certain products such as construction materials. In addition, due to adverse winter conditions, we may also experience reduced shipments as a result of weather-related network disruptions and also tend to incur higher operating costs. We typically initiate capital projects in North America in the second and third quarters when weather conditions are more favorable. In addition, we experience relatively lower revenues in Australia in the first quarter of each year as a result of the wet season (*e.g.*, monsoonal rains in the Northern Territory).

Employees

As of December 31, 2013, our railroads and railcar switching locations had approximately 4,800 full time employees. Of this total, approximately 1,800 employees were union members. Our railroads have 76 contracts with unions. We are currently engaged in negotiations with respect to 18 of those agreements. We are also a party to employee association agreements covering an additional 68 employees who are not represented by a national labor organization. GWA has a collective enterprise bargaining agreement covering the majority of its employees. In the Netherlands, RRF is not party to any collective bargaining agreements, but it is party to a collective bargaining agreement in Belgium.

The Railway Labor Act (RLA) governs the labor relations of employers and employees engaged in the railroad industry in the United States. The RLA establishes the right of railroad employees to organize and bargain collectively along craft or class lines and imposes a duty upon carriers and their employees to exert every reasonable effort to make and maintain collective bargaining agreements. The Canada Labour Code and the relevant provincial labor laws govern the labor relations of employers and employees engaged in the railroad industry in Canada. The Federal Fair Work Act governs the labor relations of employers and employees engaged in the railroad industry in Australia. The RLA and foreign labor regulations contain detailed procedures that must be exhausted before a lawful work stoppage may occur.

We believe we maintain positive working relationships with our employees.

SAFETY

Our safety program involves all employees and focuses on the prevention of accidents and injuries. Operating personnel are trained and certified in train operations, the transportation of hazardous materials, safety and operating rules and governmental rules and regulations. In order to continuously improve our safety results, we also focus on additional safety metrics, such as human factor incidents, that are instrumental in reducing our FRA reportable injuries. G&W's consolidated FRA reportable injury frequency rate, as defined by the FRA as reportable injuries per 200,000 man-hours worked, was 0.80 for the year ended December 31, 2013. On a pro forma basis, G&W's FRA reportable injury frequency rate combined with RailAmerica was 1.13 for the year ended December 31, 2012. The average injuries per 200,000 man-hours worked for all United States short line railroads in the rail industry was 2.9 in 2013 (through November) and 3.2 in 2012.

Our employees also strive to heighten awareness of rail safety in the communities where we operate through participation in governmental and industry sponsored safety programs, like Operation Lifesaver, a non-profit organization that provides public education programs to prevent collisions, injuries and fatalities on and around railroad tracks and highway-rail grade crossings. During 2013, employees of our railroads made more than 200 Operation Lifesaver presentations focused on the dangers associated with highway-rail grade crossings and trespassing on railroad property. We also participate in safety committees of the AAR and the American Short Line and Regional Railroad Association.

INSURANCE

We maintain liability and property insurance coverage to mitigate the financial risk of providing rail and rail-related services. On August 1, 2013, we renewed these annual insurance policies, which now cover all of our operations under one insurance program. Incidents involving entities previously owned by RailAmerica that occurred prior to this renewal would be considered under RailAmerica's legacy liability and property insurance policies.

Our primary liability policies currently have self-insured retentions of up to $1.0 million per occurrence. RailAmerica's prior primary liability policies' self-insured retentions were as high as $4.0 million per occurrence. The liability policies cover third-party claims and damages associated with sudden releases of hazardous materials, including hazardous commodities transported by rail, and expenses related to evacuation as a result of a railroad accident. Personal injuries associated with grade crossing accidents are also covered under our liability policies. Our property damage policies have various self-insured retentions, which vary based on the type and location of the incident, that are currently up to $1.0 million per occurrence except in Australia where our self-insurance retention for property damage due to a cyclone or flood is A$2.5 million. RailAmerica's primary property damage policies previously had self-insured retentions up to $1.5 million per occurrence. The property damage policies also provide business interruption insurance arising from covered events. The self-insured retentions under our policies may change with each annual insurance renewal depending on our loss history, the size and make-up of our company and general insurance market conditions.

Employees of our United States railroads are covered by the Federal Employers' Liability Act (FELA), a fault-based system under which claims resulting from injuries and deaths of railroad employees are settled by negotiation or litigation. FELA-related claims are covered under our liability policies. Employees of our industrial switching and railroad construction businesses are covered under workers' compensation policies.

Employees of our Canadian railroads are covered by the applicable provincial workers' compensation policy. Employees of our Australian operations are covered by the respective state-based workers' compensation legislation in Australia. Employees of our European operations are covered by the workers' compensation legislation of the Netherlands and Belgium, as applicable.

COMPETITION

The unique and difficult to replicate infrastructure associated with railroads is a key benefit of the industry as compared to other modes of transportation, such as trucking (which uses public highways, toll roads, etc.) and shipping (which uses river systems and ports). However, railroads compete directly with other modes of transportation, principally highway competition from trucks and, on some routes, ships, barges and pipelines. Competition is based primarily upon the rate charged and the transit time required, as well as the quality and reliability of the service provided.

In North America, a railroad typically is the only rail carrier directly serving a customer on its line, which is a key differentiating factor versus trucking and shipping. Most freight is interchanged between railroads prior to reaching its final destination. To the extent that highway competition is involved, the degree of that competition is affected by government policies with respect to fuel and other taxes, highway tolls and permissible truck sizes and weights.

In Australia, the Netherlands and Belgium, our customers have access to other rail carriers under open access regimes so we face competition from other rail carriers in addition to competition from competing modes of transportation.

To a lesser degree, we also face competition from similar products made in other areas where we are not located, a kind of competition commonly known as "geographic competition." For example, a paper producer may choose to increase or decrease production at a specific plant served by one of our railroads depending on the relative competitiveness of that plant as compared to its paper plants in other locations. In some instances, we face "product competition," where commodities we transport are exposed to competition from substitutes (e.g., coal we transport can compete with natural gas as a fuel source for electricity generation).

In acquiring rail properties and making rail equipment and/or track infrastructure investments in projects, we generally compete with other railroad operators and with various financial institutions, including infrastructure and private equity firms, operating in conjunction with rail operators. Competition for rail properties and investment projects is based primarily upon price and the seller's assessment of the buyer's railroad operating expertise and financing capability. We believe our established reputation as a successful acquirer and long-term operator of rail properties, our managerial and financial resources, as well as our commitment to safety and the communities in which we operate, positions us well in a competitive acquisition and investment environment.

REGULATION

United States

In addition to environmental laws, securities laws, state and local laws and regulations generally applicable to many businesses, our United States railroads are subject to regulation by:

- STB;
- FRA;
- federal agencies, including the United States Department of Transportation (DOT), Occupational Safety and Health Administration (OSHA), Pipeline and Hazardous Material Safety Administration (PHMSA), Mine Safety and Health Administration (MSHA) and Transportation Security Administration (TSA), which operates under the Department of Homeland Security (DHS);
- state departments of transportation; and
- some state and local regulatory agencies.

The STB is the successor to certain regulatory functions previously administered by the Interstate Commerce Commission (ICC). Established by the ICC Termination Act of 1995, the STB has jurisdiction over, among other things, certain freight rates (where there is no effective competition), extension or abandonment of rail lines, the acquisition of rail lines and the consolidation, merger or acquisition of control of rail common carriers. In limited circumstances, the STB may condition its approval of an acquisition upon the acquirer of a railroad agreeing to provide severance benefits to certain subsequently terminated employees. The FRA, DOT, OSHA and PHMSA have jurisdiction over certain aspects of safety, which includes the regulation of equipment standards, track maintenance, handling of hazardous shipments, locomotive and railcar inspection, repair requirements, operating practices and crew qualifications. The TSA has broad authority over railroad operating practices that have implications for homeland security. Additionally, various state and local agencies have jurisdiction over disposal of hazardous waste and seek to regulate movement of hazardous materials in ways not preempted by federal law.

In 2013, the STB continued various proceedings on whether to expand rail regulation. The STB continues to evaluate the impact of "access" regulation that would impact railroads' ability to limit the access of other rail service providers to their rail infrastructure. During the past several legislative sessions, bills have been introduced in Congress that would expand the regulatory authority of the STB and could include new antitrust provisions that alter the regulatory structure of the railroad industry. Additionally, a two-year DOT study on the impacts of a possible increase in federal truck size and weight limits, which commenced in 2012, could result in subsequent federal legislation. The majority of the actions under consideration and pending are directed at Class I railroads; however, we continue to monitor these proposed bills. The outcome of these initiatives could impact regulation of railroad operations and prices for our rail services, which could undermine the economic viability of certain of our railroads, as well as threaten the service we are able to provide to our customers.

In 2010, the FRA issued rules governing the installation of positive train control (PTC) by the end of 2015. Although still under development, PTC is a collision avoidance technology intended to override locomotive controls and stop a train before an accident. Certain of our railroads may be required to install PTC or PTC-related equipment by the end of 2015. We do not expect that our compliance with the final rules governing the installation of PTC will give rise to any material financial expenditures.

Canada

St. Lawrence & Atlantic Railroad (Quebec) and Ottawa Valley Railway are federally regulated railroads that fall under the jurisdiction of the Canada Transportation Agency (CTA) and Transport Canada (TC) and are subject to the Railway Safety Act. The CTA regulates construction and operation of federally regulated railways, financial transactions of federally regulated railway companies, all aspects of rates, tariffs and services and the transferring and discontinuing of the operation of railway lines. TC administers the Railway Safety Act, which ensures that federally regulated railway companies abide by all regulations with respect to engineering standards governing the construction or alteration of railway works and the operation and maintenance standards of railway works and equipment.

Quebec Gatineau Railway and Cape Breton & Central Nova Scotia Railway are subject to the jurisdiction of the provincial governments of Quebec and Nova Scotia, respectively. In addition, Huron Central Railway, Goderich-Exeter Railway and Southern Ontario Railway are subject to the jurisdiction of the provincial government of Ontario. Provincially regulated railways operate only within one province and hold a Certificate of Fitness delivered by a provincial authority. In the Province of Quebec, the Fitness Certificate is delivered by the Ministère des Transports du Quebec, while in Ontario, under the Shortline Railways Act, 1995, a license must be obtained from the Registrar of Shortline Railways. Construction, operation and discontinuance of operation are regulated, as are railway services.

Acquisitions of additional railroad operations in Canada, whether federally or provincially regulated, may be subject to review under the Investment Canada Act (ICA), a federal statute that applies to the acquisition of a Canadian business or establishment of a new Canadian business by a non-Canadian. In the case of an acquisition that is subject to review, a non-Canadian investor must observe a statutory waiting period prior to completion and satisfy the minister responsible for the administration of the ICA that the investment will be of net benefit to Canada, considering certain evaluative factors set out in the legislation.

Any contemplated acquisitions may also be subject to Canada's Competition Act, which contains provisions relating to pre-merger notification as well as substantive merger provisions.

Australia

In Australia, regulation of rail safety is generally governed by state legislation and administered by state regulatory agencies. Our Australian assets are subject to the regulatory regimes governing safety in each of the states and the one territory in which we operate. Regulation of track access is governed by federally legislated guidelines that are implemented by the states. The state access regimes are required to be certified by the Australian Competition and Consumer Commission. As a result, with respect to rail infrastructure access, our Australian subsidiaries are subject to the state-based access regimes. In addition, certain new acquisitions in Australia will also be subject to review by the Foreign Investment Review Board and the Australian Competition and Consumer Commission.

Europe

In the European Union (EU), several directives have been issued concerning the transportation of goods by rail. These directives generally cover the development of railways, allocation of railway infrastructure capacity and the levying of charges for the use of railway infrastructure and the licensing of railway undertakings. The EU legislation also sets a framework for a harmonized approach towards railway safety. Every railway company must obtain a safety certification before it can run trains on the European network and EU Member States must set up national railway safety authorities and independent accident investigation bodies. These directives have been implemented in Dutch railway legislation such as the Railways Act and in Belgian railway legislation such as the Law on Railway Safety.

In the Netherlands, we are subject to regulation by the Ministry of Infrastructure and Environment; the Living Environment and Transport Inspectorate; the Dutch railways infrastructure manager, ProRail; and Keyrail (the Dutch railways infrastructure manager for the Betuweroute, a dedicated freight railway connecting the Port of Rotterdam to the German border and within the Port of Rotterdam). All railways in the Netherlands must have a license and a safety certificate issued by the regulator, the Human Environment and Transport Inspectorate, part of the Netherlands Ministry of Infrastructure and Environment. A rail operator must also have a license from ProRail and/or Keyrail, the Dutch rail infrastructure authorities, to use the rail infrastructure. The Dutch Competition Authority is charged with the supervision of compliance with the European Community's directives on the development of the railways, the allocation of railway infrastructure capacity and the levying of charges for the use of railway infrastructure.

In Belgium, we are subject to regulation by the Federal Public Service (FPS) Mobility and Transport, the Regulatory Service for Railway Transport and for Brussels Airport Operations, which is currently hosted by FPS Mobility and Transport, and the Belgian railways infrastructure manager, Infrabel. Rail service providers based in Belgium must obtain a rail operator license from the Federal Minister for Mobility and Transport. Rail service providers that wish to operate in Belgium must obtain a safety certificate, which is comprised of Parts A and B. Part A must be obtained from the Railway Safety and Interoperability Service (SSICF) if the rail service provider is based in Belgium. Part B must be obtained from SSICF regardless of where the rail service provider is based. In Belgium, the Belgium Competition Authority is responsible for promoting and safeguarding active competition in Belgium.

Both the Dutch Competition Authority and the Belgium Competition Authority work together with other competition authorities and are part of the European Competition Network, the European Competition Authorities and the International Competition Network.

ENVIRONMENTAL MATTERS

Our operations are subject to various federal, state, provincial and local laws and regulations relating to the protection of the environment. In the United States, these environmental laws and regulations, which are implemented principally by the United States Environmental Protection Agency (EPA) and comparable state agencies, govern the management of hazardous wastes, the discharge of pollutants into the air and into surface and underground waters and the manufacture and disposal of certain substances. The primary laws affecting our operations are the Resource Conservation and Recovery Act, regulating the management and disposal of solid and hazardous wastes, the Clean Air Act, regulating air emissions, and the Clean Water Act, regulating water discharges. We are also indirectly affected by environmental laws that impact the operations of our customers. In Canada, environmental laws and regulations are administered at the federal level by Environment Canada and by the Ministry of Transport and comparable agencies at the provincial level. In Australia, these functions are administered primarily by the Department of Transport at the federal level and by environmental protection agencies at the state level. In the Netherlands, European, national and local laws regulating the protection of the environment are administered by the Ministry of Infrastructure and Environment and authorities at the provincial and municipal level, whereas laws regulating the transportation of hazardous goods are primarily administered by the Ministry of Infrastructure and Environment. European, national and local environmental policies are administered by the FPS Health, Food Chain Safety and Environment in Belgium.

The Commonwealth of Australia has acknowledged that certain portions of the leasehold and freehold land that we acquired from them and used by our Australian operations contain contamination arising from activities associated with previous operators. Consequently, the Commonwealth has carried out certain remediation work to meet existing South Australia environmental standards. Noncompliance with applicable laws and regulations may result in the imposition of fines, temporary or permanent shutdown of operations or other injunctive relief, criminal prosecution or the termination of our concession in Australia.

We believe our railroads operate in compliance with current environmental laws and regulations and agency agreements. We estimate any expenses incurred in maintaining compliance with current environmental laws and regulations will not have a material effect on our earnings or capital expenditures. We cannot predict the effect, if any, that unidentified environmental matters or the adoption of additional or more stringent environmental laws and regulations would have on our results of operations, financial condition or liquidity.

AVAILABLE INFORMATION

We were incorporated in Delaware on September 1, 1977. We completed our initial public offering in June 1996, and since September 27, 2002, our Class A common stock has been listed on the New York Stock Exchange (NYSE) under the symbol GWR. Our principal executive offices and corporate headquarters are located at 20 West Avenue, Darien, Connecticut 06820, and our telephone number is (203) 202-8900.

Our Internet website address is www.gwrr.com. We make available free of charge, on or through our Internet website, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments to those reports as soon as reasonably practicable after those materials are electronically filed with, or furnished to, the Securities and Exchange Commission (SEC). Also, filings made pursuant to Section 16 of the Exchange Act with the SEC by our executive officers, directors and other reporting persons with respect to our common shares are made available, free of charge, through our Internet website. Our Internet website also contains charters for each of the committees of our Board of Directors, our corporate governance guidelines and our Code of Ethics and Conduct.

The information regarding our Internet website and its content is for your convenience only. From time to time, we may use our website as a channel of distribution of material company information. Financial and other material information regarding the Company is routinely posted on and accessible at www.gwrr.com/investors. In addition, you may automatically receive email alerts and other information about us by enrolling your email address in the "E-mail Alerts" section of www.gwrr.com/investors.

The information contained on or connected to our Internet website is not deemed to be incorporated by reference in this Annual Report or filed with the SEC.

ITEM 1A. *Risk Factors.*

Our operations and financial condition are subject to certain risks that could cause actual operating and financial results to differ materially from those expressed or forecast in our forward-looking statements, including the risks described below and the risks that may be identified in future documents that are filed or furnished with the SEC.

GENERAL RISKS ASSOCIATED WITH OUR BUSINESS

Adverse global macroeconomic and business conditions could negatively impact our business.

Slower growth, an economic recession, or significant changes in commodity prices or regulation that affects the countries where we operate or their imports and exports, could negatively impact our business. For instance, in Australia, a portion of the commodities we transport are supporting economic growth and industrial development in Asian countries, particularly China. A sustained slowdown in such countries could impact us. Slower growth in China, and the resulting impact on demand for, and lower prices of, natural resources could be a factor influencing decisions to delay and cancel certain mining projects in Australia. In addition, we anticipate benefiting from development of oil, natural gas and natural gas liquids from shale regions in the United States, but low natural gas prices or additional regulations impacting the energy sector could reduce such development and the benefit we could realize.

In addition, we are required to assess for potential impairment of non-current assets whenever events or changes in circumstances, including economic circumstances, indicate that the respective asset's carrying amount may not be recoverable. Given the asset intensive nature of our business, weakness in the general economy increases the risk of significant asset impairment charges. A decline in current macroeconomic and financial conditions or commodity demand from economic activity and industrialization could have a material adverse effect on our results of operations, financial condition and liquidity.

Our results of operations and rail infrastructure are susceptible to severe weather conditions and other natural occurrences.

We are susceptible to adverse weather conditions, including floods, fires, hurricanes (or cyclones), tornadoes, droughts, earthquakes and other natural occurrences. For example, bad weather and natural disasters, such as blizzards in the United States or Canada and hurricanes (or cyclones) in the United States or Australia, and resulting floods, could cause a shutdown, derailment or other substantial disruption of operations, which could have a material adverse effect on our results of operations, financial condition and liquidity. Even if a material adverse weather or other condition does not directly affect our operations, it can impact the operations of our customers or connecting carriers. For example:

- Our minerals and stone freight revenues may be reduced by mild winters in the northeastern United States, which lessen demand for road salt.
- Our coal and coke freight revenues may be reduced by mild winters in the United States, which lessen demand for coal.
- Our revenues generated by our Australian operations are susceptible to the impact of drought conditions on the South Australian grain harvest and the impact of heavy rains and flooding in the Northern Territory.

Furthermore, our expenses could be adversely impacted by such weather conditions, including, for example, higher track maintenance and overtime costs in the winter at our railroads in the United States and Canada related to snow removal and mandated work breaks. Such weather conditions could also cause our customers or connecting carriers to reduce or suspend their operations, which could have a material adverse effect on our results of operations, financial condition and liquidity.

If we are unable to consummate additional acquisitions or investments or manage our growth effectively, then we may not be able to implement our growth strategy successfully.

Our growth strategy is based in part on the selective acquisition and development of, and investment in, rail operations, both in new regions and in regions in which we currently operate. The success of this strategy will depend on, among other things:

- the availability of suitable opportunities;
- the level of competition from other companies;
- our ability to value acquisition and investment opportunities accurately and negotiate acceptable terms for those acquisitions and investments;
- our ability to identify and enter into mutually beneficial relationships with partners; and
- the receipt of government approvals and financial constraints or other restrictions that may be specific to the particular company or asset to be acquired.

We have experienced significant growth in the past, partially due to the acquisition of additional railroads. Effective management of rapid growth presents challenges, including the availability of management resources to oversee the integration and operation of the new businesses effectively, the need to expand our management team and staff when necessary, the need to enhance internal operating systems and controls and the ability to consistently achieve targeted returns on capital. These challenges are more pronounced when we experience growth in numerous geographies and on a larger scale. We may not be able to maintain similar rates of growth in the future or manage our growth effectively.

Our inability to integrate acquired businesses successfully or to realize the anticipated cost savings and other benefits could have adverse consequences to our business.

We may not be able to integrate acquired businesses successfully. Integrating acquired businesses, including our pending acquisition of the assets comprising the western end of the DM&E, could also result in significant unexpected costs. Further, the process of integrating businesses may be disruptive to our existing business and may cause an interruption or reduction of our business as a result of the following factors, among others:

- loss of key employees or customers;
- possible inconsistencies in or conflicts between standards, controls, procedures and policies among the combined companies and the need to implement company-wide financial, accounting, information technology and other systems;
- failure to maintain the safety or quality of services that have historically been provided;
- inability to hire or recruit qualified employees;
- failure to effectively integrate employees of rail lines acquired from other entities into our regional railroad culture;
- unanticipated environmental or other liabilities;
- failure to coordinate geographically dispersed organizations; and
- the diversion of management's attention from our day-to-day business as a result of the need to manage any disruptions and difficulties and the need to add management resources to do so.

These disruptions and difficulties, if they occur, may cause us to fail to realize the cost savings, synergies, revenue enhancements and other benefits that we expect to result from integrating acquired companies and may cause material adverse short- and long-term effects on our results of operations, financial condition and liquidity.

Even if we are able to integrate the operations of acquired businesses into our operations, we may not realize the full benefits of the cost savings, synergies, revenue enhancements or other benefits that we may have expected at the time of acquisition. We may be unable to realize these savings or other benefits in the time frame that we expect or at all. Expected savings and benefits are frequently based on due diligence results and on extensive analyses that involve assumptions as to future events, including general business and industry conditions, the longevity of specific customer plants and factories served, the ability to negotiate acceptable contractual arrangements, including renewals of leases with Class I railroads, operating costs, competitive factors and the ongoing cost of maintaining track infrastructure, many of which are beyond our control and difficult to predict. There is no guarantee that the due diligence results will be accurate or that the Company will not discover unanticipated liabilities. Further, while we believe these analyses and their underlying assumptions are reasonable, they are estimates that are necessarily speculative in nature. In addition, even if we achieve the expected benefits, we may not be able to achieve them within the anticipated time frame. Also, the cost savings and other benefits from these acquisitions may be offset by unexpected costs incurred in integrating the companies, increases in other expenses or problems in the business unrelated to these acquisitions. For example, if key employees of acquired companies depart because of issues relating to the uncertainty and difficulty of integration or a desire not to become our employees, our ability to realize the anticipated benefits of such acquisitions could be reduced or delayed. Accordingly, you should not place undue reliance on our anticipated synergies.

Many of our recent acquisitions have involved the purchase of stock of existing companies. These acquisitions, as well as acquisitions of substantially all of the assets of a company, may expose us to liability for actions taken by an acquired business and its management before our acquisition. The due diligence we conduct in connection with an acquisition and any contractual guarantees or indemnities that we receive from the sellers of acquired companies may not be sufficient to protect us from, or compensate us for, actual liabilities. Generally, the representations made by the sellers, other than certain representations related to fundamental matters, such as ownership of capital stock, expire within several years of the closing. A material liability associated with an acquisition, especially where there is no right to indemnification, could adversely affect our results of operations, financial condition and liquidity.

We may need additional capital to fund our acquisitions and investments. If we are unable to obtain this capital at a reasonable cost, then we may forego potential opportunities, which would impair the execution of our growth strategy.

We intend to continue to review acquisition and investment opportunities and potential purchases of railroad assets and to attempt to acquire companies and assets that meet our investment criteria. As in the past, we expect that we will pay cash for some or all of the purchase price of acquisitions and purchases that we make. In addition, from time to time we may make investments in equipment and assets to support our customers. Depending on the number of acquisitions and investments and funding requirements, we may need to raise substantial additional capital. To the extent we raise additional capital through the sale of equity, equity-linked or convertible debt securities, the issuance of such securities could result in dilution to our existing stockholders. If we raise additional funds through the issuance of debt securities, the terms of such debt could impose additional restrictions and costs on our operations. Additional capital, if required, may not be available on acceptable terms or at all. If we are unable to obtain additional capital, we may forego potential acquisitions, which could impair the execution of our growth strategy.

The loss of important customers or contracts may adversely affect our results of operations, financial condition and liquidity.

Our operations served more than 2,000 customers in 2013. Revenues from our 10 largest customers accounted for approximately 24% of our operating revenues in 2013. Three of our 10 largest customers in 2013 were located in Australia and accounted for approximately 10.1% of our operating revenues. In 2013, our largest customer was a company in the metallic ores industry and represented approximately 5.9% of our operating revenues. In North America, we typically handle freight pursuant to transportation contracts between us, our connecting carriers and the customer. These contracts are in accordance with industry norms and vary in duration. These contracts establish price or, in the case of longer term contracts, a methodology for determining the price, but do not typically obligate the customer to move any particular volume. Under these contracts, freight rates and volumes are not directly linked to changes in the prices of the commodities being shipped. A number of our customer contracts, predominately in Australia, contain a combination of fixed and variable pricing, with the variable portion based on the volumes shipped. Substantial reduction in business with, or loss of, important customers or contracts could have a material adverse effect on our results of operations, financial condition and liquidity.

Because we depend on Class I railroads and other connecting carriers for a significant portion of our operations in North America, our results of operations, financial condition and liquidity may be adversely affected if our relationships with these carriers deteriorate.

The railroad industry in the United States and Canada is dominated by seven Class I carriers that have substantial market control and negotiating leverage. In 2013, approximately 85% of our total carloads in the United States and Canada were interchanged with Class I carriers. A decision by any of these Class I carriers to cease or re-route certain freight movements could have a material adverse effect on our results of operations, financial condition and liquidity. The quantitative impact of such a decision would depend on which of our routes and freight movements were affected. In addition, Class I carriers also have traditionally been significant sources of business for us, as well as sources of potential acquisition candidates as they divest branch lines to smaller rail operators.

Our ability to provide rail service to customers in the United States and Canada depends in large part upon our ability to maintain cooperative relationships with connecting carriers with respect to lease arrangements, freight rates, revenue divisions, fuel surcharges, car supply, reciprocal switching, interchange and trackage rights. Deterioration in the operations of, or service provided by, those connecting carriers or in our relationship with those connecting carriers could have a material adverse effect on our results of operations, financial condition and liquidity.

We are dependent on lease agreements with Class I railroads and other third parties for our operations, strategy and growth.

In North America, our rail operations are dependent, in part, on lease agreements with Class I railroads and other third parties that allow us to operate over certain segments of track critical to our operations. We lease several railroads from Class I carriers and other third parties under lease arrangements with varied expirations, which railroads collectively accounted for approximately 9% of our 2013 total revenues. We also own several railroads that lease portions of the track or right-of-way upon which they operate from Class I railroads and other third parties. Our ability to provide comprehensive rail services to our customers on the leased lines depends in large part upon our ability to maintain and extend these lease agreements. Leases from Class I railroads and other third parties that are subject to expiration in each of the next 10 years represent less than 2% of our annual revenues in the year of expiration based on our operating revenues for the year ended December 31, 2013. For example, our revenues associated with leases from Class I railroads and other third parties subject to expiration in each of the next five years would represent approximately 1.2%, 1.5%, 0.0%, 1.8% and 1.6% of our operating revenues in each of those years, respectively, based on our operating revenues for the year ended December 31, 2013. Expiration or termination of these leases or the failure of our railroads to comply with the terms of these leases could result in the loss of operating rights with respect to those rail properties and could have a material adverse effect on our results of operations, financial condition and liquidity.

Certain of our capital projects may be impacted by our inability to obtain government funding.

Certain of our existing capital projects are, and certain of our future capital projects may be, partially or completely funded through government grant programs. During 2013, we obtained government funding for 28 new projects that were partially or completely funded by United States and Canadian federal, state, provincial and municipal agencies. The spending associated with these grant-funded projects represented approximately 6% of our total capital expenditures during 2013. Government funding for projects is limited, and there is no guarantee that budget pressure at the federal, state, provincial and local level or changing governmental priorities will not eliminate funding availability. In addition, competition for government funding from other short line railroads, Class I railroads and other companies is significant, and the receipt of government funds is often contingent on the acceptance of contractual obligations that may not be strictly profit maximizing. In certain jurisdictions, the acceptance of government funds may impose additional legal obligations on our operations. If we are unable to obtain adequate government funding, we may have to defer or forgo certain capital projects, incur additional debt or use additional cash.

As a common carrier by rail, we are required to transport hazardous materials, regardless of cost or risk.

We transport certain hazardous materials and other materials, including crude oil and toxic/poisonous inhalation hazard (TIH/PIH) materials, such as chlorine, that pose certain risks in the event of a release or combustion. Additionally, United States laws impose common carrier obligations on railroads that require us to transport certain hazardous materials regardless of risk or potential exposure to loss. A rail accident or other incident or accident on our railroads, at our facilities, or at the facilities of our customers involving the release or combustion of hazardous materials could create catastrophic losses in terms of personal injury, property damage and environmental remediation costs and compromise critical parts of our railroads. In addition, insurance premiums charged for some or all of the coverage currently maintained by us could increase dramatically or certain coverage may not be available to us in the future if there is a catastrophic event related to rail transportation of these commodities. Also, federal regulators have previously prescribed regulations governing railroads' transportation of hazardous materials and have the ability to put in place additional regulations. For instance, existing legislation requires pre-notification for hazardous materials shipments. Such legislation and regulations could impose significant additional costs on railroads. Additionally, regulations adopted by the DOT and the DHS could significantly increase the costs associated with moving hazardous materials on our railroads. Further, certain local governments have sought to enact ordinances banning hazardous materials moving by rail within their borders. Such ordinances could require the re-routing of hazardous materials shipments, with the potential for significant additional costs. Increases in costs associated with the transportation of hazardous materials could have a material adverse effect on our results of operations, financial condition and liquidity.

The occurrence of losses or other liabilities that are either not covered by insurance or that exceed our insurance limits could materially adversely affect our results of operations, financial condition and liquidity.

We have insurance coverage for losses arising from personal injury and for property damage in the event of derailments or other accidents or occurrences. Unexpected or catastrophic circumstances associated with derailments of valuable lading, accidents involving passenger trains or spillage of hazardous materials or other incidents involving our operations could cause our losses to exceed our insurance coverage limits or sub-limits. In addition, on certain of the rail lines over which we operate, freight trains are operated over the same track as passenger trains. For instance, in Oregon, our Portland & Western Railroad operates certain passenger trains for the Tri-County Metropolitan Transportation District of Oregon and our New England Central Railroad is also used by Amtrak for passenger service in New England. Further, we operate excursion trains on behalf of third parties on certain of the rail lines over which we operate. Derailments, collisions or other incidents involving us and passenger or excursion trains could give rise to losses that exceed our insurance coverage. Moreover, certain third-party freight and excursion train operators have contractual trackage rights to operate over certain of our rail lines. These third-party operators generally are required to maintain minimum levels of insurance coverage, but there can be no assurance that such insurance coverage will be sufficient to cover all of the losses arising from an incident involving such operators on our rail lines. Also, insurance is available from only a very limited number of insurers, and we may not be able to obtain insurance protection at current levels or at all or obtain it on terms acceptable to us. Deteriorating insurance market conditions caused by global property casualties, as well as subsequent adverse events directly and indirectly attributable to us, including such things as derailments, accidents, discharge of toxic or hazardous materials, or other like occurrences in the industry, may result in additional increases in our insurance premiums and/or our self-insured retentions, volatility in our claims' expenses and limitations to the coverage under our existing policies and could have a material adverse effect on our results of operations, financial condition and liquidity. In addition, we are subject to the risk that one or more of our insurers may become insolvent and would be unable to pay a claim that may be made in the future. Even with insurance, if any catastrophic interruption of service occurs, we may not be able to restore service without a significant interruption to our operations, which could have a material adverse effect on our results of operations, financial condition and liquidity.

We are subject to significant governmental regulation of our railroad operations. The failure to comply with governmental regulations or changes to the legislative and regulatory environment could have a material adverse effect on our results of operations, financial condition and liquidity.

We are subject to governmental regulation with respect to our railroad operations and to a variety of health, safety, security, labor, environmental and other matters by a significant number of federal, state and local regulatory authorities. In the United States, these agencies include the STB, DOT, FRA of the DOT, MSHA, OSHA, PHMSA, EPA, DHS and other federal and state agencies. New rules or regulations mandated by these agencies could increase our operating costs. For example, in 2010, the FRA issued rules governing the implementation of an interoperable positive train control system (PTC), which generally is to be completed by December 31, 2015. The FRA's rule contains certain exceptions to these PTC requirements as they apply to Class II or Class III railroads, including but not limited to, excepting the PTC requirements to trains traveling less than 20 miles on PTC-required track, and providing Class II and Class III railroads until 2020 to employ PTC-equipped locomotives. However, certain of our railroads may be required to install PTC or PTC-related equipment. While we do not expect that our compliance with PTC requirements will give rise to any material financial expenditures, non-compliance with these and other applicable laws or regulations could undermine public confidence in us and subject us to fines, penalties and other legal or regulatory sanctions.

In Australia, we are subject to both Commonwealth and state regulations. In Canada, we are subject to regulation by the CTA, TC and the regulatory departments of the provincial governments of Quebec, Ontario and Nova Scotia. In the Netherlands, we are subject to regulation by the Ministry of Transport, Public Works and Water Management, the Transport, Public Works and Water Management Inspectorate and the Dutch railways managers, ProRail and Keyrail. In Belgium, we are subject to regulation by the Federal Public Service (FPS) Mobility and Transport, the Regulatory Service for Railway Transport and for Brussels Airport Operations, which is currently hosted by FPS Mobility and Transport, and the Belgian railways infrastructure manager, Infrabel. See "Part I Item 1. Business – Regulation" for a discussion of these regulations. Our failure to comply with applicable laws and regulations could have a material adverse effect on our results of operations, financial condition and liquidity.

There are various legislative and regulatory actions that have been considered in the United States in recent years to modify the regulatory oversight of the rail industry. In addition, various proceedings have been initiated by the STB related to rail competition, interchange commitments and competitive "access." A two-year DOT study on the impacts of a possible increase in federal truck size and weight limits also commenced in 2012, and could result in subsequent federal legislation. The majority of the actions under consideration and pending are directed at Class I railroads; however, specific initiatives being considered by Congress and the STB could expand regulation of railroad operations and prices for our rail services, which could undermine the economic viability of certain of our railroads, as well as threaten the service we are able to provide to our customers. The cost of compliance with the proposed rules and regulations could also be significant. In the other geographies in which we operate, federal, state, provincial and local regulatory authorities could change the regulatory framework (including the access regimes) or take actions without providing us with any recourse for the adverse effects that the changes or actions could have on our business, including, without limitation, regulatory determinations or rules regarding dispute resolution and business relationships with our customers and other railroads. Significant legislative or regulatory activity could expand regulation of railroad operations and prices for rail services, which could reduce capital spending on our rail network, facilities and equipment and have a material adverse effect on our results of operations, financial condition and liquidity.

Our Senior Secured Syndicated Facility Agreement (the Credit Agreement) contains numerous covenants that impose certain restrictions on the way we operate our business.

Our Credit Agreement contains numerous covenants that impose restrictions on our ability to, among other things:

- incur additional indebtedness;
- pay dividends on capital stock or redeem, repurchase or retire capital stock or indebtedness;
- make investments, loans, advances and acquisitions;
- engage in certain transactions with affiliates;
- create liens;
- sell assets, including capital stock of any of our subsidiaries;
- consolidate or merge;
- enter into sale leaseback transactions;
- change the business conducted by us and the guarantors;
- change our fiscal year; and
- enter into certain agreements containing negative pledges and upstream limitations.

Our Credit Agreement also contains financial covenants that require us to meet financial ratios and tests. Our failure to comply with the obligations in our Credit Agreement and other debt agreements could result in an increase in our interest expense and could give rise to events of default under the Credit Agreement or other debt agreements, as applicable, which, if not cured or waived, could permit lenders to accelerate our indebtedness and foreclose on the assets securing such debt, if any.

Our substantial indebtedness could adversely affect our financial condition and prevent us from fulfilling our obligations under such indebtedness.

We have a significant amount of indebtedness. As of December 31, 2013, we had a total indebtedness of $1.6 billion, and we had unused commitments of $406.0 million under our Credit Agreement (after giving effect to $3.1 million of undrawn letters of credit that reduces such availability). We expect to use a portion of the availability under our Credit Agreement to fund the pending acquisition of the assets comprising the western end of the DM&E.

Subject to the limits contained in the Credit Agreement and our other debt instruments, we may be able to incur additional debt from time to time to finance working capital, capital expenditures, investments or acquisitions, or for other purposes. If we do so, the risks related to our high level of debt could intensify. Specifically, our high level of debt could have important consequences, including the following:

- making it more difficult to satisfy our obligations with respect to our outstanding debt;
- limiting our ability to obtain additional financing for working capital, capital expenditures, acquisitions or other general corporate requirements;
- requiring a substantial portion of our cash flows to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, acquisitions and other general corporate purposes;
- increasing our vulnerability to general adverse economic and industry conditions;
- exposing us to the risk of increased interest rates as certain of our borrowings, including borrowings under the Credit Agreement, are at variable rates of interest;
- limiting our flexibility in planning for and reacting to changes in the industry in which we compete;
- placing us at a disadvantage compared to other, less leveraged competitors; and
- increasing our cost of borrowing.

In addition, the Credit Agreement contains restrictive covenants that will limit our ability to engage in activities that may be in our long-term best interest. Our failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of all our debt and foreclosure on the assets securing such debt, if any.

We are exposed to the credit risk of our customers and counterparties, and their failure to meet their financial obligations could adversely affect our business.

Our business is subject to credit risk. There is a risk that customers or counterparties, which include government entities related to grants and financial institutions related to derivative transactions, will fail to meet their obligations when due. Customers and counterparties that owe us money have defaulted and may continue to default on their obligations to us due to bankruptcy, lack of liquidity, operational failure or other reasons. For interline traffic, one railroad typically invoices a customer on behalf of all railroads participating in the route. The invoicing railroad then pays the other railroads their portion of the total amount invoiced on a monthly basis. Therefore, when we are the invoicing railroad we are exposed to customer credit risk for the total amount invoiced and we are required to pay the other railroads participating in the route even if we are not paid by the customer. We have procedures for reviewing our receivables and credit exposures to specific customers and counterparties; however, default risk may arise from events or circumstances that are difficult to detect or foresee. Certain of our risk management methods depend upon the evaluation of information regarding markets, customers or other matters. This information may not, in all cases, be accurate, complete, up-to-date or properly evaluated. In addition, we may make substantial investments in equipment and assets to support our customers, in particular those in the mining and natural resources industry, before the customer commences operations. In those cases, we may be exposed to start-up risks that we would not be exposed to in respect of customers with active operations. As a result, unexpected credit exposures or start-up delays could have a material adverse effect on our results of operations, financial condition and liquidity.

We face competition from numerous sources, including those relating to geography, substitute products, other types of transportation and other rail operators.

In North America, each of our railroads is typically the only rail carrier directly serving our customers. In certain circumstances, including under the open access regimes in Australia, the Netherlands and Belgium, our customers have direct access to other rail carriers. In addition, our railroads also compete directly with other modes of transportation, principally trucks and, on some routes, ship, barge and pipeline operators. Transportation providers such as trucks and barges utilize public rights-of-way that are built and maintained by governmental entities, while we must build and maintain our own network infrastructure. Competition for our services could increase if other rail operators build new rail lines to access certain of our customers or if legislation is passed that provides materially greater latitude for trucks with respect to size or weight restrictions.

We are also subject to geographic and product competition. A customer could shift production to a region where we do not have operations. Also, commodities that are not transported by rail could be substituted for another commodity that we transport by rail. For example, natural gas can compete with coal we transport as a fuel source for electricity generation. In either case, we could lose a source of revenues.

The extent of competition varies significantly among our railroads. Competition is based primarily upon the rate charged, the relative costs of substitutable products and the transit time required. In addition, competition is based on the quality and reliability of the service provided. Because a significant portion of our carloads in the United States and Canada involve interchange with another carrier, we have only limited control over the total price, transit time or quality of such service. It is difficult to quantify the potential impact of competition on our business, since not only each customer, but also each customer location and each product shipped from such location is subject to different types of competition. However, changes to the competitive landscape could have a material adverse effect on our results of operations, financial condition and liquidity.

For information on the competition associated with the open access regimes in Australia and Europe, see "Additional Risks Associated with our Foreign Operations."

Changes in commodity prices could decrease demand for the commodities we transport, which could adversely affect our results of operations, financial condition and liquidity.

Changes in the price of commodities that we transport could decrease demand for the transport of such commodities, which could reduce our revenues or have other adverse effects. For example, a decline in the price of corn that we transport may result in lower revenues for us if farmers decide to store such commodities until the prices for such commodities increase. In such instances, we could experience reduced revenues and increased operating costs associated with the storage of locomotives, rail cars and other equipment, labor adjustments and other related activities, which could negatively impact our results of operations, financial condition and liquidity.

Market and regulatory responses to climate change could adversely affect our operating costs.

Market and regulatory responses to climate change, as well as its physical impacts, could materially affect us. For example, federal, state and local laws, regulations, restrictions, caps, taxes or other controls on emissions of greenhouse gases, including diesel exhaust, could significantly increase our operating costs to comply with these laws and regulations to the extent they apply to our diesel locomotives, equipment, vehicles and machinery or our rail yards.

Market and regulatory responses to climate change, including the closure of coal-fired power plants we serve, climate change litigation and climate change itself could decrease demand for the commodities we transport and adversely affect our results of operations, financial condition and liquidity.

Restrictions on emissions could affect our customers that use commodities that we carry to produce energy, that use significant amounts of energy in producing or delivering the commodities we carry, or that manufacture or produce goods that consume significant amounts of energy or burn fossil fuels, including, for example, coal mining operations, natural gas developers and producers, coal-fired power plants, chemical producers, farmers and food producers and automakers and other manufacturers. Significant cost increases, government regulation, or changes in consumer preferences for goods or services relating to alternative sources of energy or emissions reductions could materially affect the markets for the commodities we carry, such as by resulting in the closure of coal-fired power plants that we serve, which in turn could have a material adverse effect on our results of operations, financial condition and liquidity. Government incentives encouraging the use of alternative sources of energy could also affect certain of our customers and the markets for certain of the commodities we carry in an unpredictable manner that could alter our traffic patterns, including, for example, the impacts of ethanol incentives on farming and ethanol producers. Finally, we could face increased costs related to defending and resolving legal claims and other litigation related to climate change including claims alleging impact of our operations on climate change. Any such market or regulatory responses or litigation, as well as physical impacts attributed to climate change and global warming, such as floods, rising sea levels and increasingly frequent and intense storms, individually or in conjunction with one or more of the impacts discussed above or other unforeseen impacts of climate change, could have a material adverse effect on our results of operations, financial condition and liquidity.

We could incur significant costs for violations of, or liabilities under, environmental laws and regulations.

Our railroad operations and real estate ownership are subject to extensive federal, state, local and foreign environmental laws and regulations concerning, among other things, emissions to the air, discharges to waters, the handling, storage, transportation and disposal of waste and other materials and cleanup of hazardous materials (including lading) or petroleum releases. We generate and transport hazardous and non-hazardous waste in our operations. We may incur environmental liability from conditions or practices at properties previously owned or operated by us, properties leased by us and other properties owned by third parties (for example, properties at which hazardous substances or wastes for which we are responsible have been treated, stored, spilled or disposed), as well as at properties currently owned or operated by us. Under some environmental statutes, such liability may be found without regard to whether we were at fault and may also be "joint and several," whereby we are responsible for all the liability at issue even though we (or the entity that gives rise to our liability) may be only one of a number of entities whose conduct contributed to the liability.

Environmental liabilities may arise from claims asserted by owners or occupants of affected properties, other third parties affected by environmental conditions (for example, contractors and current or former employees) seeking to recover in connection with alleged damages to their property or personal injury or death, and/or by governmental authorities seeking to remedy environmental conditions or to enforce environmental obligations. While we maintain insurance for certain environmental damages and claims, environmental requirements and liabilities could obligate us to incur significant costs and expenses to investigate and remediate environmental contamination that may or may not be covered by our insurance, which could have a material adverse effect on our results of operations, financial condition and liquidity.

Exposure to market risks, particularly changes in interest rates and foreign currency exchange rates, and hedging transactions entered into to mitigate these and other risks could adversely impact our results of operations, financial condition and liquidity.

We are exposed to various market risks, including interest rate and foreign currency exchange rate risks. It is impossible to fully mitigate all such exposure and higher interest rates and unfavorable fluctuations in foreign currency exchange rates could have an adverse effect on our results of operations, financial condition and liquidity. From time to time, we may use various financial instruments to reduce our exposure to certain market risks. For instance, we have entered into interest rate swaps to mitigate the risk associated with the floating interest rate payments under our Credit Agreement. While these financial instruments reduce our exposure to market risks, the use of such instruments may ultimately limit our ability to benefit from lower interest rates or favorable foreign currency exchange rate fluctuations due to amounts fixed at the time of entering into the hedge agreement and may have significant costs associated with early termination, which could have a material adverse effect on our results of operations, financial condition and liquidity.

We may be adversely affected by diesel fuel supply constraints resulting from disruptions in the fuel markets and increases in diesel fuel costs.

In 2013, we consumed 43.5 million gallons of diesel fuel. Fuel availability could be affected by any limitation in the fuel supply or by any imposition of mandatory allocation or rationing regulations. If a severe fuel supply shortage arose from production curtailments, disruption of oil imports, disruption of domestic refinery production, damage to refinery or pipeline infrastructure, political unrest, war or otherwise, diesel fuel may not be readily available and may be subject to rationing regulations.

In addition, diesel fuel costs constitute a significant portion of our total operating expenses. Currently, we receive fuel surcharges and other rate adjustments to offset fuel prices. However, if Class I railroads change their policies regarding fuel surcharges, the compensation we receive for increases in fuel costs may decrease and could have a negative effect on our profitability. Costs for fuel used in operations were approximately 12% and 13% of our operating expenses for the years ended December 31, 2013 and 2012, respectively.

If diesel fuel prices increase dramatically from production curtailments, a disruption of oil imports or otherwise, these events could have a material adverse effect on our results of operations, financial condition and liquidity.

We may be subject to various claims and lawsuits that could result in significant expenditures.

The nature of our business exposes us to the potential for various claims and litigation related to labor and employment, personal injury, freight loss, property damage and other matters. For example, United States job-related personal injury claims by our railroad employees are subject to FELA, which is applicable only to railroads. FELA's fault-based tort system produces results that are unpredictable and inconsistent as compared with a no-fault worker's compensation system. The variability inherent in this system could result in the actual costs of claims being very different from the liability recorded.

Any material changes to current litigation trends or a catastrophic rail accident or series of accidents involving material freight loss or property damage, personal injury and environmental liability against us that is not covered by insurance could have a material adverse effect on our results of operations, financial condition and liquidity.

Some of our employees belong to labor unions, and strikes or work stoppages could adversely affect our results of operations, financial condition and liquidity.

We are a party to 76 collective bargaining agreements with various labor unions in the United States, Australia, Canada and Belgium. We are currently engaged in negotiations with respect to 18 of those agreements. Approximately 1,800 of our approximately 4,800 full time employees are union members. We have also entered into employee association agreements with an additional 68 employees who are not represented by a national labor organization. GWA has a collective enterprise bargaining agreement covering the majority of its employees.

Our inability to negotiate acceptable contracts with these unions could result in, among other things, strikes, work stoppages or other slowdowns by the affected workers. If the unionized workers were to engage in a strike, work stoppage or other slowdown, or other employees were to become unionized, or the terms and conditions in future labor agreements were renegotiated, we could experience a significant disruption of our operations and/or higher ongoing labor costs. A substantial majority of the employees of the Class I railroads with which we interchange are unionized. If such Class I railroads were to have a work stoppage or strike, the national rail network and our operations would be adversely affected. Additional unionization of our workforce could result in higher employee compensation and restrictive working condition demands that could increase our operating costs or constrain our operating flexibility.

If we are unable to employ a sufficient number of qualified workers, or attract and retain senior leadership, our results of operations, financial condition and liquidity may be materially adversely affected.

We believe that our success and our growth depend upon our ability to attract and retain skilled workers who possess the ability to operate and maintain our equipment and facilities. The operation and maintenance of our equipment and facilities involve complex and specialized processes and often must be performed in harsh and remote conditions, resulting in a high employee turnover rate when compared to many other industries. The challenge of attracting and retaining the necessary workforce is increased by the expected retirement of an aging workforce, training requirements and significant competition for specialized trades. Within the next five years, we estimate that approximately 16% of our current workforce will become eligible for retirement. Many of these workers hold key operating positions, such as conductors, engineers and mechanics. In addition, the demand for workers with the types of skills we require has increased, especially from Class I railroads, which can usually offer higher wages and better benefits. A significant increase in the wages paid by competing employers could result in a reduction of our skilled labor force or an increase in the wage rates that we must pay or both. In addition, if key employees of acquired companies depart because of issues relating to the uncertainty and difficulty of integration or a desire not to become our employees, our ability to realize the anticipated benefits of such acquisitions could be reduced or delayed.

Finally, there can be no assurance that we will be able to attract and retain senior leadership necessary to manage and grow our business. Our performance significantly depends upon the continued contributions of our executive officers and key employees, both individually and as a group, and our ability to retain and motivate them. Our officers and key personnel have many years of experience with us and in our industry and it may be difficult to replace them. Further, the loss of any executive officers or key employees could require the remaining senior leadership to divert immediate and substantial attention to seeking a replacement. The loss of the services of any of our senior leadership, and the inability to find a suitable replacement, could adversely affect our operating, acquisition and investment strategies.

Our operations are dependent on our ability to obtain railcars, locomotives and other critical railroad items from suppliers.

Due to the capital intensive nature and industry-specific requirements of the rail industry, there are high barriers to entry for potential new suppliers of core railroad items such as railcars, locomotives and track materials. If the number of available railcars is insufficient or if the cost of obtaining these railcars either through lease or purchase increases, we might not be able to obtain railcars on favorable terms, or at all, and shippers may seek alternate forms of transportation. For example, in the event of additional government regulations affecting tank cars, there is no guarantee that a sufficient number of tank cars will be available to support the demand for transport of petroleum products in North America. As of January 1, 2014, according to the AAR, approximately 18% of the North American railcar fleet was in storage. In some cases we use third-party locomotives to provide transportation services to our customers and such locomotives may not be available. Without these third-party locomotives, we would need to invest additional capital in locomotives. Even if purchased, there is no guarantee that locomotives would be available for delivery without significant delay. For example, in Australia the availability of new locomotives is limited, with long lead times for delivery. Additionally, we compete with other industries for available capacity and raw materials used in the production of certain track materials, such as rail and ties. Changes in the competitive landscapes of these limited-supplier markets could result in equipment shortages that could have a material adverse effect on our results of operations, financial condition and liquidity in a particular year or quarter and could limit our ability to support new projects and achieve our growth strategy.

We may be affected by acts of terrorism or anti-terrorism measures.

Our rail lines, port operations and other facilities and equipment, including railcars carrying hazardous materials that we are required to transport under federal law as a common carrier, could be direct targets or indirect casualties of terrorist attacks. Any terrorist attack or other similar event could cause significant business interruption and may adversely affect our results of operations, financial condition and liquidity. In addition, regulatory measures designed to control terrorism could impose substantial costs upon us and could result in impairment to our service, which could also have a material adverse effect on our results of operations, financial condition and liquidity.

ADDITIONAL RISKS ASSOCIATED WITH OUR FOREIGN OPERATIONS

We are subject to the risks of doing business in foreign countries.

Some of our subsidiaries transact business in foreign countries, namely in Australia, Canada, the Netherlands and Belgium. In addition, we may consider acquisitions or other investments in other foreign countries in the future. The risks of doing business in foreign countries include:

- adverse changes or greater volatility in the economies of those countries;
- adverse currency movements that make goods produced in those countries that are destined for export markets less competitive;
- adverse effects due to changes in the eurozone membership;
- adverse changes to the regulatory environment or access regimes of those countries;
- adverse changes to the tax laws and regulations of those countries;
- restrictions on the withdrawal of foreign investment, or a decrease in the value of repatriated cash flows;
- a decrease in the value of foreign sourced income as a result of exchange rate changes;
- the actual or perceived failure by us to fulfill commitments under concession agreements;
- the ability to identify and retain qualified local managers; and
- the challenge of managing a culturally and geographically diverse operation.

Any of the risks above could have a material adverse effect on our results of operations, financial condition and liquidity.

Because some of our subsidiaries and affiliates transact business in foreign currencies and because a significant portion of our net income comes from the operations of our foreign subsidiaries, exchange rate fluctuations may adversely affect us and may affect the comparability of our results between financial periods.

Our operations in Australia, Canada and Europe accounted for 21%, 9%, and 1% of our consolidated operating revenues, respectively, for the year ended December 31, 2013. The results of operations of our foreign entities are maintained in the local currency (the Australian dollar, the Canadian dollar and the Euro) and then translated into United States dollars at the applicable exchange rates for inclusion in our consolidated financial statements. As a result, any appreciation or depreciation of these currencies against the United States dollar can impact our results of operations. The financial statements of the Company's foreign subsidiaries are prepared in the local currency of the respective subsidiary and translated into United States dollars based on the exchange rate at the end of the period for balance sheet items and, for the statement of operations, at the average rate for the statement period. The exchange rates between these currencies and the United States dollar have fluctuated significantly in recent years and may continue to do so in the future.

We may not be able to manage our exchange rate risks effectively, and the volatility in currency exchange rates may have a material adverse effect on our results of operations, financial condition and liquidity. In addition, because our financial statements are stated in United States dollars, such fluctuations may affect our results of operations and financial condition and may affect the comparability of our results between financial periods.

Our concession and/or lease agreements in Australia could be canceled, and there is no guarantee these agreements will be extended beyond their terms.

Through our subsidiaries in Australia, we have entered into long-term concession and/or lease agreements with governmental authorities in the Northern Territory and South Australia. Our concession agreement for the Tarcoola to Darwin rail line expires in 2054 and our lease agreement for our other South Australia rail lines expires in 2047. If our concession or lease agreements expire, we will no longer act as the below rail access provider, but will still be permitted to participate in the above rail market. These concession and lease agreements are subject to a number of conditions, including those relating to the maintenance of certain standards with respect to service, price and the environment. These concession and lease agreements also typically carry with them a commitment to maintain the condition of the railroad and to make a certain level of capital expenditures, which may require capital expenditures that are in excess of our projections. Our failure to meet these commitments under the long-term concession and lease agreements could result in the termination of those concession or lease agreements. The termination of any concession or lease agreement could result in the loss of our investment relating to that concession or lease agreement. Further, the expiration of these agreements and the end of their term would result in the loss of the associated revenues and income. Either of these events could have a material adverse effect on our results of operations, financial condition and liquidity.

Open access regimes in Australia and Europe could lead to additional competition for rail services and decreased revenues and profit margins.

The legislative and regulatory framework in Australia allows third-party rail operators to gain access to our Australian railway infrastructure and also governs our access to track owned by others. The Netherlands and Belgium also have open access regimes that permit third-party rail operators to compete for the business of RRF, our subsidiary in the Netherlands. There are limited barriers to entry to preclude a current or prospective rail operator from approaching our customers and seeking to capture their business. The loss of our customers to competitors could result in decreased revenues and profit margins, which could have a material adverse effect on our results of operations, financial condition and liquidity.

Changes to the open access regimes in Australia and Europe could have a significant impact on our operations.

Access fees paid for our access onto the track of other companies and access fees we charge under state and federal regimes are subject to change. Where we pay access fees to others, if those fees were increased, our operating margins could be negatively affected. In Australia, if the federal government or respective state regulators were to alter the regulatory regime or determine that access fees charged to current or prospective third-party rail freight operators by our Australian railroads did not meet competitive standards, our income from those fees could decline. In addition, when we operate over track networks owned by others, the owners of the networks are responsible for scheduling the use of the tracks as well as for determining the amount and timing of the expenditures necessary to maintain the tracks in satisfactory condition. Therefore, in areas where we operate over tracks owned by others, our operations are subject to train scheduling set by the owners as well as the risk that the network will not be adequately maintained.

Revocation of our safety accreditations could result in a loss of revenue and termination of our concession.

Our operating subsidiaries in Australia, the Netherlands and Belgium hold safety accreditations that are required in order for them to provide freight rail services. Continued maintenance of our safety accreditation in Australia is a requirement under our concession deeds and some customer contracts. These safety accreditations are essential for us to conduct our business and are subject to removal. Following significant derailments, the government entities responsible for oversight of rail safety frequently perform investigations. Any loss of, failure to maintain or inability to renew, rail safety accreditations necessary to carry on rail operations in any jurisdiction, or any changes in government policy and legal or regulatory oversight, including changes to the rail safety regulatory regime, could have a material adverse effect on our business, results of operations, financial condition and liquidity.

RISKS RELATED TO TAXATION

Our ability to use RailAmerica's Section 45G tax credit carryforwards may be subject to limitation due to a change in the ownership of its stock.

As of December 31, 2013, RailAmerica had tax benefits totaling approximately $106.9 million of Section 45G tax credit carryforwards. Under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, or the Code, if a corporation undergoes an "ownership change," the corporation's ability to use its pre-change tax attribute carryforwards to offset its post-change income tax may be limited and may result in a partial or full write down of the related deferred tax assets. An ownership change is defined generally for these purposes as a greater than 50% change in ownership over a three-year period, taking into account shareholders that own 5% or more by value of our common stock. While we currently believe it is more likely than not that we will be able to utilize these tax attributes, our ability to use RailAmerica's net operating loss carryforwards and other tax attributes to reduce our future tax liabilities may be limited.

The United States Short Line Tax Credit expired on December 31, 2013. As a result, our effective tax rate in 2014 will be higher if the credit is not extended.

Since 2005, we have benefited from the effects of the United States Short Line Tax Credit, which is an income tax credit for Class II and Class III railroads to reduce their federal income tax based on qualified railroad track maintenance expenditures (the Short Line Tax Credit). Qualified expenditures include amounts incurred for maintaining track, including roadbed, bridges and related track structures owned or leased by a Class II or Class III railroad. The credit is equal to 50% of the qualified expenditures, subject to an annual limitation of $3,500 multiplied by the number of miles of railroad track owned or leased by the Class II or Class III railroad as of the end of their tax year. On January 2, 2013, the Short Line Tax Credit (which had previously expired on December 31, 2011) was extended for 2012 and 2013. The most recent extension of the Short Line Tax Credit only extended the credit through December 31, 2013. If the Short Line Tax Credit is not extended for additional tax years, the loss of the credit will increase our tax rate and reduce our earnings per share.

If the earnings of our controlled foreign subsidiaries were required to be distributed, our effective tax rate could be higher.

We file a consolidated United States federal income tax return that includes all of our United States subsidiaries. Each of our foreign subsidiaries files income tax returns in each of its respective countries. No provision is made for the United States income taxes applicable to the undistributed earnings of our controlled foreign subsidiaries. The amount of those earnings was $268.9 million as of December 31, 2013. Although it is our current intention to fully utilize those earnings in the operations of our controlled foreign subsidiaries, if the earnings were to be distributed in the future, those distributions may be subject to United States income taxes (appropriately reduced by available foreign tax credits) and withholding taxes payable to various foreign countries, and could result in a higher effective tax rate for us, thereby reducing our earnings. See "Part II Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Cash Repatriation" for additional information.

Non-U.S. holders who own or owned more than a certain ownership threshold may be subject to United States federal income tax on gains realized on the disposition of the shares of our Class A common stock.

It is possible that we are a United States real property holding corporation currently or will become one in the future for United States federal income tax purposes. If we are or become a United States real property holding corporation, so long as our Class A common stock continues to be regularly traded on an established securities market, only a non-U.S. holder (i.e., a holder that is not a United States citizen or resident, a corporation or partnership organized under the laws of the United States or any state thereof and certain trusts and estates) who holds or held (at any time during the shorter of the five year period preceding the date of disposition or the holder's holding period) more than 5% of our Class A common stock will be subject to United States federal income tax on the disposition of our Class A common stock. Non-U.S. holders should consult their own tax advisors concerning the consequences of disposing of shares of our Class A common stock.

ITEM 1B. *Unresolved Staff Comments.*

None.

ITEM 2. *Properties.*

Genesee & Wyoming, through our subsidiaries, currently has interests in 111 freight railroads. Of these, 109 are short line railroads and one is a regional freight railroad, including 101 located in the United States, seven located in Canada, one located in Australia and one located in the Netherlands and Belgium. We also operate the Tarcoola to Darwin rail line, which links the Port of Darwin to the Australian interstate rail network in South Australia. These rail properties typically consist of the track and the underlying land. Real estate adjacent to the railroad rights-of-way is generally owned by others, and our holdings of such real estate are not material. Similarly, sellers typically retain mineral rights and rights to grant fiber optic and other easements in the properties acquired by us. Several of our railroads are operated under leases or operating licenses in which we do not assume ownership of the track or the underlying land.

Our railroads operate over approximately 14,700 miles of track that is owned, jointly owned or leased by us, which includes the Tarcoola to Darwin rail line that we manage under a concession agreement that expires in 2054. Several of our railroads are operated pursuant to lease agreements that will expire in the next few years and may not be extended. Leases from Class I railroads and other third parties that could expire in each of the next 10 years would represent less than 2% of our annual revenues in the year of expiration, based on our operating revenues for the year ended December 31, 2013. For additional information on these lease expirations see "Part I. Item 1A. Risk Factors" of this Annual Report. We also operate, through various trackage and operating rights agreements, over approximately 3,300 additional miles of track that are owned or leased by others under contractual track access arrangements. The track miles listed below exclude approximately 1,750 miles of sidings and yards, which includes 1,520 miles in the United States, 160 miles in Canada and 70 miles in Australia. Track miles owned by others, but available to us, under open access regimes in Australia, the Netherlands and Belgium are also excluded. During 2013, we recorded mortgages on many of the owned properties described in the table below as additional security for our outstanding obligations under our Credit Agreement. See "Part I Item 1A. Risk Factors" for additional information on our Credit Agreement.

The following table sets forth certain information as of December 31, 2013, with respect to our railroads:

RAILROAD AND LOCATION	YEAR ACQUIRED	TRACK MILES	STRUCTURE
NORTH AMERICAN AND EUROPEAN OPERATIONS			
UNITED STATES:			
Genesee and Wyoming Railroad Company (GNWR) New York (1)	1899	27	Owned
The Dansville and Mount Morris Railroad Company (DMM) New York (1)	1985	8	Owned
Rochester & Southern Railroad, Inc. (RSR) New York (1)	1986	58	Owned
Louisiana & Delta Railroad, Inc. (LDRR) Louisiana	1987	86	Owned/Leased
Buffalo & Pittsburgh Railroad, Inc. (BPRR) New York, Pennsylvania (2) (3) (4)	1988	368	Owned/Leased
Allegheny & Eastern Railroad, LLC (ALY) Pennsylvania (2)	1992	128	Owned
Bradford Industrial Rail, Inc. (BR) Pennsylvania (3)	1993	4	Owned
Willamette & Pacific Railroad, Inc. (WPRR) Oregon	1993	178	Leased
Portland & Western Railroad, Inc. (PNWR) Oregon	1995	288	Owned/Leased
Pittsburg & Shawmut Railroad, LLC (PS) Pennsylvania (4)	1996	108	Owned
Illinois & Midland Railroad, Inc. (IMRR) Illinois	1996	97	Owned
Commonwealth Railway, Incorporated (CWRY) Virginia	1996	24	Owned/Leased
Talleyrand Terminal Railroad Company, Inc. (TTR) Florida	1996	2	Leased

RAILROAD AND LOCATION	YEAR ACQUIRED	TRACK MILES	STRUCTURE
Corpus Christi Terminal Railroad, Inc. (CCPN) Texas	1997	42	Leased
Golden Isles Terminal Railroad, Inc. (GITM) Georgia	1998	13	Owned/Leased
Savannah Port Terminal Railroad, Inc. (SAPT) Georgia	1998	18	Leased
South Buffalo Railway Company (SB) New York	2001	54	Owned/Leased
St. Lawrence & Atlantic Railroad Company (SLR) Maine, New Hampshire, Vermont	2002	143	Owned
York Railway Company (YRC) Pennsylvania	2002	42	Owned
Utah Railway Company (UTAH) Utah	2002	41	Owned
Salt Lake City Southern Railroad Company, Inc. (SLCS) Utah	2002	2	Owned
Chattahoochee Industrial Railroad (CIRR) Georgia	2003	15	Owned
Arkansas Louisiana & Mississippi Railroad Company (ALM) Arkansas, Louisiana	2003	53	Owned
Fordyce and Princeton R.R. Co. (FP) Arkansas	2003	57	Owned
Tazewell & Peoria Railroad, Inc. (TZPR) Illinois	2004	24	Leased
Golden Isles Terminal Wharf (GITW) Georgia	2004	6	Owned
First Coast Railroad Inc. (FCRD) Florida, Georgia	2005	32	Leased
AN Railway, L.L.C. (AN) Florida	2005	96	Leased
Atlantic & Western Railway, Limited Partnership (ATW) North Carolina	2005	10	Owned
The Bay Line Railroad, L.L.C. (BAYL) Alabama, Florida	2005	108	Owned
East Tennessee Railway, L.P. (ETRY) Tennessee	2005	4	Owned/Leased
Galveston Railroad, L.P. (GVSR) Texas	2005	39	Leased
Georgia Central Railway, L.P. (GC) Georgia	2005	171	Owned/Leased
KWT Railway, Inc. (KWT) Kentucky, Tennessee	2005	69	Owned
Little Rock & Western Railway, L.P. (LRWN) Arkansas	2005	79	Owned
Meridian & Bigbee Railroad, L.L.C. (MNBR) Alabama, Mississippi	2005	147	Owned/Leased
Riceboro Southern Railway, LLC (RSOR) Georgia	2005	18	Leased
Tomahawk Railway, Limited Partnership (TR) Wisconsin	2005	6	Owned
Valdosta Railway, L.P. (VR) Georgia	2005	10	Owned
Western Kentucky Railway, L.L.C. (WKRL) Kentucky	2005	—	Owned
Wilmington Terminal Railroad, Limited Partnership (WTRY) North Carolina	2005	17	Leased
Chattahoochee Bay Railroad, Inc. (CHAT) Alabama, Georgia	2006	26	Owned
Maryland Midland Railway, Inc. (MMID) Maryland	2007	70	Owned
Chattooga & Chickamauga Railway Co. (CCKY) Georgia	2008	49	Leased

RAILROAD AND LOCATION	YEAR ACQUIRED	TRACK MILES	STRUCTURE
Luxapalila Valley Railroad, Inc. (LXVR) Alabama, Mississippi	2008	34	Owned
Columbus and Greenville Railway Company (CAGY) Mississippi	2008	151	Owned
The Aliquippa & Ohio River Railroad Co. (AOR) Pennsylvania	2008	6	Owned
The Columbus & Ohio River Rail Road Company (CUOH) Ohio	2008	247	Owned/Leased
The Mahoning Valley Railway Company (MVRY) Ohio	2008	6	Owned
Ohio Central Railroad, Inc. (OHCR) Ohio	2008	70	Owned/Leased
Ohio and Pennsylvania Railroad Company (OHPA) Ohio	2008	3	Owned
Ohio Southern Railroad, Inc. (OSRR) Ohio	2008	18	Owned
The Pittsburgh & Ohio Central Railroad Company (POHC) Pennsylvania	2008	35	Owned
The Warren & Trumbull Railroad Company (WTRM) Ohio	2008	4	Leased
Youngstown & Austintown Railroad Inc. (YARR) Ohio	2008	5	Leased
The Youngstown Belt Railroad Company (YB) Ohio	2008	14	Owned
Georgia Southwestern Railroad, Inc. (GSWR) Alabama, Georgia	2008	231	Owned/Leased
Arizona Eastern Railway Company (AZER) Arizona, New Mexico	2011	200	Owned
Hilton & Albany Railroad, Inc. (HAL) Georgia	2011	56	Leased
Columbus & Chattahoochee Railroad, Inc. (CCH) Alabama	2012	26	Leased
Alabama & Gulf Coast Railway LLC (AGR) Alabama, Mississippi, Florida	2012	283	Owned/Leased
Arizona & California Railroad Company (ARZC) Arizona, California	2012	190	Owned
Bauxite & Northern Railway Company (BXN) Arkansas	2012	5	Owned
California Northern Railroad Company (CFNR) California	2012	210	Leased
Carolina Piedmont Railroad (CPDR) South Carolina	2012	28	Owned
Cascade and Columbia River Railroad Company (CSCD) Washington	2012	131	Owned
Central Oregon & Pacific Railroad, Inc. (CORP) Oregon, California	2012	305	Owned/Leased
The Central Railroad Company of Indiana (CIND) Indiana, Ohio	2012	82	Owned
Central Railroad Company of Indianapolis (CERA) Indiana	2012	43	Owned/Leased
Chesapeake and Albermarle Railroad (CA) North Carolina, Virginia	2012	68	Leased
Chicago, Fort Wayne & Eastern Railroad (CFE) Indiana, Ohio	2012	281	Owned/Leased
Conecuh Valley Railway, L.L.C. (COEH) Alabama	2012	13	Owned
Connecticut Southern Railroad, Inc. (CSO) Connecticut	2012	23	Owned/Leased
Dallas, Garland & Northeastern Railroad, Inc. (DGNO) Texas	2012	168	Owned/Leased
Eastern Alabama Railway, LLC (EARY) Alabama	2012	26	Owned

RAILROAD AND LOCATION	YEAR ACQUIRED	TRACK MILES	STRUCTURE
Grand Rapids Eastern Railroad (GR) Michigan	2012	22	Owned
Huron and Eastern Railway Company, Inc. (HESR) Michigan	2012	306	Owned/Leased
Indiana & Ohio Railway Company (IORY) Indiana, Ohio, Michigan	2012	469	Owned/Leased
Indiana Southern Railroad, LLC (ISRR) Indiana	2012	166	Owned
Kiamichi Railroad Company L.L.C. (KRR) Oklahoma, Arizona, Texas	2012	264	Owned
Kyle Railroad Company (KYLE) Colorado, Kansas	2012	505	Owned/Leased
Marquette Rail LLC (MQT) Michigan	2012	128	Leased
The Massena Terminal Railroad Company (MSTR) New York	2012	3	Owned
Michigan Shore Railroad, Inc. (MS) Michigan	2012	4	Owned
Mid-Michigan Railroad, Inc. (MMRR) Michigan	2012	82	Owned/Leased
Missouri & Northern Arkansas Railroad Company, Inc. (MNA) Arizona, Missouri, Kansas	2012	483	Owned/Leased
New England Central Railroad, Inc. (NECR) Vermont, New Hampshire, Massachusetts, Connecticut	2012	324	Owned
North Carolina & Virginia Railroad Company L.L.C. (NCVA) North Carolina, Virginia	2012	53	Owned
Otter Tail Valley Railroad Company, Inc. (OTVR) Minnesota	2012	67	Owned
Point Comfort & Northern Railway Company (PCN) Texas	2012	14	Owned
Puget Sound & Pacific Railroad (PSAP) Washington	2012	135	Owned/Leased
Rockdale, Sandow & Southern Railroad Company (RSS) Texas	2012	4	Owned
San Diego & Imperial Valley Railroad Company, Inc. (SDIY) California	2012	1	Leased
San Joaquin Valley Railroad Co. (SJVR) California	2012	297	Owned/Leased
South Carolina Central Railroad Company, LLC (SCRF) South Carolina	2012	47	Owned
Texas Northeastern Railroad (TNER) Texas	2012	67	Leased
Three Notch Railway, L.L.C. (TNHR) Alabama	2012	34	Owned
Toledo, Peoria & Western Railway Corp. (TPW) Illinois, Indiana	2012	178	Owned/Leased
Ventura County Railroad Company (VCRR) California	2012	9	Leased
Wellsboro & Corning Railroad, LLC (WCOR) Pennsylvania, New York	2012	35	Leased
Wiregrass Central Railway, L.L.C. (WGCR) Alabama	2012	20	Owned
CANADA:			
Huron Central Railway Inc. (HCRY) Ontario	1997	173	Owned/Leased
Quebec Gatineau Railway Inc. (QGRY) Quebec	1997	303	Owned/Leased
St. Lawrence & Atlantic Railroad (Quebec) Inc. (SLQ) Quebec	2002	95	Owned
Cape Breton & Central Nova Scotia Railway Limited (CBNS) Nova Scotia	2012	242	Owned

RAILROAD AND LOCATION	YEAR ACQUIRED	TRACK MILES	STRUCTURE
Goderich-Exeter Railway Company Limited (GEXR) Ontario	2012	184	Owned/Leased
Ottawa Valley Railway (OVR) Ontario, Quebec	2012	157	Leased
Southern Ontario Railway (SOR) Ontario	2012	46	Leased
EUROPE:			
Rotterdam Rail Feeding, B.V. (RRF)	2008	—	Open Access
AUSTRALIAN OPERATIONS			
AUSTRALIA:			
Genesee & Wyoming Australia Pty Ltd (GWA)	2006	791	Leased/ Open Access
GWA (North) Pty Ltd (GWA North)	2010	1,395	Leased/Open Access

(1) The GNWR and DMM are now operated by RSR
(2) ALY merged with BPRR in January 2004
(3) BR merged with BPRR in January 2004
(4) PS merged with BPRR in January 2004

EQUIPMENT

As of December 31, 2013, our rolling stock consisted of 1,041 locomotives, of which 941 were owned and 100 were leased, and 21,622 railcars, of which 3,904 were owned and 17,718 were leased. A breakdown of the types of railcars owned and leased by us is set forth in the table below:

	Owned	Leased	Total
Railcars by Car Type:			
Box	970	8,545	9,515
Hoppers	1,212	3,734	4,946
Flats	854	1,333	2,187
Covered hoppers	341	2,329	2,670
Gondolas	295	1,659	1,954
Tank cars	17	117	134
Maintenance of way	161	—	161
Crew cars	13	1	14
Other	41	—	41
	3,904	17,718	21,622

ITEM 3. *Legal Proceedings.*

From time to time, we are a defendant in certain lawsuits resulting from our operations in the ordinary course. Management believes there are adequate provisions in the financial statements for any probable liabilities that may result from disposition of the pending lawsuits. Based upon currently available information, we do not believe it is reasonably possible that any such lawsuit or related lawsuits would be material to our results of operations or have a material adverse effect on our financial position or liquidity.

ITEM 4. *Mine Safety Disclosures.*

Not applicable.

PART II

ITEM 5. ***Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.***

Market Information

Our Class A common stock publicly trades on the NYSE under the trading symbol "GWR." The tables below present quarterly information on the price range of our Class A common stock. This information indicates the high and low closing sales prices for each recent fiscal quarter reported by the NYSE. Our Class B common stock is not publicly traded.

Year Ended December 31, 2013	**High**	**Low**
4th Quarter	$ 101.77	$ 91.66
3rd Quarter	$ 94.84	$ 84.78
2nd Quarter	$ 92.60	$ 79.84
1st Quarter	$ 94.14	$ 79.72

Year Ended December 31, 2012	**High**	**Low**
4th Quarter	$ 76.28	$ 67.32
3rd Quarter	$ 67.92	$ 52.27
2nd Quarter	$ 58.15	$ 48.08
1st Quarter	$ 66.09	$ 54.56

Number of Holders

On February 20, 2014, there were 170 Class A common stock record holders and 18 Class B common stock record holders.

Dividends

We did not pay cash dividends to our Class A or Class B common stockholders in the years ended December 31, 2013 and 2012. We do not intend to pay cash dividends to our common stockholders for the foreseeable future and intend to retain earnings, if any, for future operation and expansion of our business. Any determination to pay dividends to our common stockholders in the future will be at the discretion of our Board of Directors and subject to applicable law and any restrictions contained in our Credit Agreement.

In connection with the funding of the RailAmerica acquisition in 2012, we sold $350.0 million of Series A-1 Preferred Stock with an effective 5% coupon (Preferred Stock) to affiliates of Carlyle Partners V, L.P. (collectively, Carlyle). We paid $2.1 million and $4.4 million of Preferred Stock dividends in 2013 and 2012, respectively. On February 13, 2013, we converted all of the outstanding Preferred Stock issued to Carlyle into 5,984,232 shares of our Class A common stock. In November 2013, Carlyle sold all of these outstanding shares of our Class A common stock in a public offering.

For more information on contractual restrictions on our ability to pay dividends, see "Part II Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Credit Agreement."

Securities Authorized for Issuance Under Equity Compensation Plans

See "Part III Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters" for information about securities authorized for issuance under our equity compensation plan.

Recent Sales of Unregistered Securities

None.

Issuer Purchases of Equity Securities

2013	(a) Total Number of Shares (or Units) Purchased (1)	(b) Average Price Paid per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
October 1 to October 31	1,708	$ 94.74	—	—
November 1 to November 30	75	94.63	—	—
December 1 to December 31	1,017	95.41	—	—
Total	2,800	$ 94.98	—	—

(1) The 2,800 shares acquired in the three months ended December 31, 2013 represent Class A common stock acquired by us from our employees who surrendered shares in lieu of cash to pay taxes on equity awards made under our Second Amended and Restated 2004 Omnibus Incentive Plan.

ITEM 6. ***Selected Financial Data.***

The following selected consolidated income statement and consolidated balance sheet data of Genesee & Wyoming as of and for the years ended December 31, 2013, 2012, 2011, 2010 and 2009, are derived from our consolidated financial statements. All of the information should be read in conjunction with the consolidated financial statements and related notes included in "Part IV Item 15. Exhibits, Financial Statement Schedules" and "Part II Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Annual Report.

Because of variations in the structure, timing and size of acquisitions and dispositions, our results of operations in any reporting period may not be directly comparable to our results of operations in other reporting periods. For financial information with respect to our principles of consolidation and basis of presentation, see Note 2, Significant Accounting Policies, to our Consolidated Financial Statements, and for a complete description of our most recent acquisitions and dispositions, see Note 3, Changes in Operations, to our Consolidated Financial Statements, in each case, included within "Part IV Item 15. Exhibits, Financial Statement Schedules" of this Annual Report.

	Year Ended December 31,				
	2013 (1)	2012 (2)	2011 (3)	2010 (4)	2009 (5)
	(In thousands, except per share amounts)				
INCOME STATEMENT DATA:					
Operating revenues	$ 1,569,011	$ 874,916	$ 829,096	$ 630,195	$ 544,866
Operating expenses:					
RailAmerica acquisition-related costs	360	18,592	—	—	—
RailAmerica integration costs	16,675	11,452	—	—	—
All other operating expenses	1,171,788	654,550	637,317	499,785	445,544
Income from operations	380,188	190,322	191,779	130,410	99,322
Gain on sale of investments	—	—	907	—	391
Interest income	3,971	3,725	3,243	2,397	1,065
Interest expense	(67,894)	(62,845)	(38,617)	(23,147)	(26,902)
Contingent forward sale contract mark-to-market expense	—	(50,106)	—	—	—
Other income/(expense), net	2,122	2,182	703	(827)	2,115
Income from continuing operations before income taxes	318,387	83,278	158,015	108,833	75,991
Provision for income taxes	(46,296)	(46,402)	(38,531)	(30,164)	(15,916)
Income from equity investment in RailAmerica, net	—	15,557	—	—	—
Income from continuing operations, net of tax	272,091	52,433	119,484	78,669	60,075
Income from discontinued operations, net of tax	—	—	—	2,591	1,398
Net income	272,091	52,433	119,484	81,260	61,473
Less: Series A-1 Preferred Stock dividend	2,139	4,375	—	—	—
Less: Net income attributable to noncontrolling interest	795	—	—	—	146
Net income available to common stockholders	$ 269,157	$ 48,058	$ 119,484	$ 81,260	$ 61,327
Basic earnings per common share attributable to Genesee & Wyoming Inc. common stockholders:					
Basic earnings per common share from continuing operations	$ 5.00	$ 1.13	$ 2.99	$ 2.02	$ 1.66
Basic earnings per common share from discontinued operations	$ —	$ —	$ —	$ 0.07	$ 0.04
Weighted average shares—Basic	53,788	42,693	39,912	38,886	36,146
Diluted earnings per common share attributable to Genesee & Wyoming Inc. common stockholders:					
Diluted earnings per common share from continuing operations	$ 4.79	$ 1.02	$ 2.79	$ 1.88	$ 1.54
Diluted earnings per common share from discontinued operations	$ —	$ —	$ —	$ 0.06	$ 0.04
Weighted average shares—Diluted	56,679	51,316	42,772	41,889	38,974
BALANCE SHEET DATA AT YEAR-END:					
Total assets	$ 5,319,821	$ 5,226,115	$ 2,294,157	$ 2,067,560	$ 1,697,032
Long-term debt and capital leases (excluding portion due within one year)	$ 1,540,346	$ 1,770,566	$ 569,026	$ 475,174	$ 421,616
Series A-1 Preferred Stock	$ —	$ 399,524	$ —	$ —	$ —
Total equity	$ 2,149,070	$ 1,500,462	$ 960,634	$ 817,240	$ 688,877

(1) On February 13, 2013, we exercised our option to convert all of the outstanding Series A-1 Preferred Stock issued to Carlyle in conjunction with the RailAmerica acquisition into 5,984,232 shares of our Class A common stock. On the conversion date, we also paid to Carlyle cash in lieu of fractional shares and all accrued and unpaid dividends on the Series A-1 Preferred Stock totaling $2.1 million.

(2) On October 1, 2012, we acquired 100% of RailAmerica for approximately $2.0 billion (equity purchase price of approximately $1.4 billion, or $27.50 per share, plus the payoff of RailAmerica's debt of $659.2 million). The shares of RailAmerica were held in a voting trust while the STB considered our control application, which application was approved with an effective date of December 28, 2012. Accordingly, we accounted for the earnings of RailAmerica using the equity method of accounting while the shares were held in the voting trust and our preliminary determination of fair values of the acquired assets and assumed liabilities were included in our consolidated balance sheet at December 31, 2012.

(3) On September 1, 2011, we acquired the stock of AZER with net assets of $90.3 million.

(4) On December 1, 2010, we acquired $320.0 million of net assets from FreightLink. In 2010, we incurred $28.2 million of acquisition-related expenses charged to earnings related to this transaction. In addition, we reversed $2.3 million of accrued restructuring expense related to our Huron Central Railway Inc. (HCRY).

(5) In 2009, we acquired the 12.6% interest in Maryland Midland Railway, Inc. that we did not already own for $4.4 million. In addition, with respect to HCRY, we recorded a non-cash write-down of non-current assets of $6.7 million and $2.3 million of restructuring expense, which were partially offset by a tax benefit of $3.6 million.

ITEM 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations.*

The following discussion should be read in conjunction with the Consolidated Financial Statements and related notes included elsewhere in this Annual Report. Our consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP). G&W acquired RailAmerica on October 1, 2012. Because of the significance of charges related to the RailAmerica acquisition and other matters described herein, in addition to disclosing results for the years ended December 31, 2013, 2012 and 2011, respectively, that are determined in accordance with U.S. GAAP, we also disclose non-GAAP financial measures that exclude these charges from net income, diluted earnings per share, income from operations and operating ratio. We are presenting non-GAAP financial measures excluding these items because we believe it is useful for investors in assessing our financial results compared with the same period in the prior year. Within the text, in connection with each non-GAAP financial measure presented, we have presented the most directly comparable financial measure calculated in accordance with U.S. GAAP and have provided a reconciliation of the differences between the non-GAAP financial measure with its most directly comparable financial measure calculated and presented in accordance with U.S. GAAP.

Outlook for 2014

Safety

Operating a safe railroad benefits our employees, our customers, our shareholders and the communities we serve. We have led the railroad industry in safety for the past five years and our goal for 2014 is an injury frequency ratio of 0.45 reportable injuries per 200,000 man hours.

Financial Expectations

We expect growth in our revenues and income due to increases in traffic across most of our commodity groups. In particular, we anticipate growth in petroleum products traffic due to higher volumes of crude oil and liquefied petroleum gas and the full year impact of an Australian iron ore project that ramped up during 2013. We also expect growth in our income from the pending acquisition of the assets comprising the western end of the DM&E and from the full year impact of RailAmerica operating cost synergies that were partially realized in 2013 as the company was being integrated. We expect that this growth in our revenues and income will be partially offset by the negative currency translation impact of the weaker Canadian and Australian dollars on the results of our operations in those countries. We expect our free cash flow in 2014 to increase primarily from an increase in cash from operations.

Capital Plan

We expect to make capital investments totaling $267 million in 2014. Of this total, $168 million is planned for ongoing railroad track and equipment capital, $15 million is planned for matching capital spending associated with government grant funded projects in seven operating regions (Pacific, Northeast, Canada, Ohio Valley, Southern, Midwest and Rail Link) and $31 million is planned for specific 2014 projects, including certain track upgrades and locomotive lease buyouts. In addition, we expect to spend $53 million on business development related capital, primarily the construction of a new rail spur in Canada and track improvements in Australia associated with a long-term contract extension.

United States Short Line Tax Credit

The United States Short Line Tax Credit, from which we have benefited since 2005, expired on December 31, 2013. Without an extension to the tax credit, we expect our income tax rate to increase significantly in 2014. While the Short Line Tax Credit has been extended on three separate occasions in the past with retroactive benefits, and there is significant bipartisan support for another extension in 2014, we are unable to predict the outcome of the United States legislative process.

Corporate and Business Development

We continue to work on a number of potential projects located across the geographic markets in which we currently operate. For example, in Australia, we will continue to work on additional bulk minerals export projects. In the United States, with the expanded rail footprint provided by the RailAmerica acquisition, our industrial development is focused on the goal of adding new customers and/or facilities to our railroads. Specific areas of focus will be on shale oil and gas related projects, as well as, other growth sectors such as agriculture, natural resources and bio-energy.

Overview

We own and operate short line and regional freight railroads and provide railcar switching and other rail-related services in the United States, Australia, Canada, the Netherlands and Belgium. In addition, we operate the Tarcoola to Darwin rail line, which links the Port of Darwin to the Australian interstate rail network in South Australia. Our operations currently include 111 railroads organized into 11 regions, with approximately14,700 miles of owned, jointly owned or leased track and approximately 3,300 additional miles under contractual track access arrangements. In addition, we provide rail service at 35 ports in North America, Australia and Europe and perform contract coal loading and railcar switching for industrial customers.

On January 2, 2014, we and Canadian Pacific (CP) jointly announced our entry into an agreement pursuant to which we will purchase the assets comprising the western end of CP's Dakota, Minnesota & Eastern (DM&E) rail line for a cash purchase price of approximately $210 million, subject to certain adjustments including the purchase of materials and supplies, equipment and vehicles. We intend to fund the acquisition with borrowings under our existing Credit Agreement. The acquisition is more fully described in Note 21, Subsequent Events, to our Consolidated Financial Statements included elsewhere in this Annual Report.

The asset acquisition is expected to close by mid-2014, subject to approval of the STB and the satisfaction of other customary closing conditions. Upon closing, our new railroad will be named Rapid City, Pierre & Eastern Railroad. We expect to hire approximately 180 employees to staff the new railroad and anticipate these employees will come primarily from those currently working on the rail line.

The western end encompasses approximately 670 miles of CP's current operations between Tracy, Minnesota and Rapid City, South Dakota; north of Rapid City to Colony, Wyoming; south of Rapid City to Dakota Junction, Nebraska; and connecting branch lines as well as trackage from Dakota Junction to Crawford, Nebraska, currently leased to the Nebraska Northwestern Railroad (NNW). Customers on the line ship approximately 52,000 carloads annually of grain, bentonite clay, ethanol, fertilizer and other products. The new rail operation will have the ability to interchange with CP, Union Pacific, BNSF and NNW.

On October 1, 2012, we completed the acquisition of RailAmerica for $2.0 billion (equity purchase price of $1.4 billion plus net debt of $659.2 million). The shares of RailAmerica were held in a voting trust while the STB considered our control application, which application was approved with an effective date of December 28, 2012. Accordingly, we accounted for the earnings of RailAmerica using the equity method of accounting while the shares were held in the voting trust and our preliminary determination of fair values of the acquired assets and assumed liabilities were included in our consolidated balance sheet at December 31, 2012. The first quarter of 2013 was the first full reporting period in which we controlled the former RailAmerica railroads. For additional information regarding RailAmerica, see "Changes in Operations—United States —RailAmerica" below.

Net income in the year ended December 31, 2013 was $272.1 million, compared with net income of $52.4 million in the year ended December 31, 2012. Excluding the impact of the significant items listed in the table below of $30.1 million for the year ended December 31, 2013 and $77.3 million for the year ended December 31, 2012, net income in the year ended December 31, 2013 would have been $242.0 million, compared with net income of $129.7 million in the year ended December 31, 2012.

Included in our net income for the year ended December 31, 2013 was a $41.0 million benefit associated with the retroactive extension of the United States Short Line Tax Credit for fiscal year 2012, which was signed into law on January 2, 2013. Excluding the $41.0 million retroactive benefit, our provision for income tax was $87.2 million for the year ended December 31, 2013, which represented 27.4% of income before income taxes. Included in our income before income taxes for the year ended December 31, 2012 was a $50.1 million mark-to-market expense associated with a contingent forward sale contract, which is a non-deductible expense for income tax purposes. See Note 10, Derivative Financial Instruments, to our Consolidated Financial Statements included elsewhere in this Annual Report for further details on the contingent forward sale contract. Excluding the $50.1 million mark-to-market expense, our provision for income tax was $46.4 million for the year ended December 31, 2012, which represented 34.8% of income before taxes. The decrease in the effective income tax rate for the year ended December 31, 2013 as compared with the year ended December 31, 2012 was primarily attributable to the renewal of the United States Short Line Tax Credit through December 31, 2013. The extension of the United States Short Line Tax Credit produced book income tax benefits of $25.9 million (or $0.46 per share) and $41.0 million (or $0.72 per share) for fiscal years 2013 and 2012, respectively. Since the extension became law in 2013, the 2012 impact was recorded in the first quarter of 2013.

Our diluted EPS attributable to our common stockholders in the year ended December 31, 2013 were $4.79 with 56.7 million weighted average shares outstanding, compared with diluted EPS attributable to our common stockholders of $1.02 with 51.3 million weighted average shares outstanding in the year ended December 31, 2012. Excluding the impact of the significant items listed in the table below of $0.53 for the year ended December 31, 2013 and $1.51 for the year ended December 31, 2012, adjusted diluted EPS for the year ended December 31, 2013 was $4.26 with 56.7 million weighted average shares outstanding, compared with adjusted diluted EPS of $2.53 with 51.3 million weighted average shares outstanding for the year ended December 31, 2012. Excluding the impact of the significant items listed in the table below of $0.53 as well as the $0.46 benefit from the United States Short Line Tax Credit for fiscal year 2013, adjusted diluted EPS for the year ended December 31, 2013 would have been $3.80.

Our results in the years ended December 31, 2013 and 2012 included certain significant items that are set forth below (dollars in millions, except per share amounts):

		Income/(Loss) Before Taxes Impact		After-Tax Net Income/(Loss) Impact		Diluted Earnings/ (Loss) Per Common Share Impact
2013						
RailAmerica integration/acquisition costs	$	(17.0)	$	(10.7)	$	(0.19)
Business development and financing costs	$	(2.2)	$	(1.4)	$	(0.03)
Net (gain)/loss on sale and impairment of assets	$	4.7	$	3.2	$	0.06
Retroactive Short Line Tax Credit for 2012	$	—	$	41.0	$	0.72
Impact of 2013 Short Line Tax Credit	$	—	$	25.9	$	0.46
Valuation allowance on FTC	$	—	$	(2.0)	$	(0.03)
2012						
RailAmerica integration/acquisition costs	$	(29.5)	$	(21.0)	$	(0.41)
Business development and financing costs	$	(18.1)	$	(11.0)	$	(0.21)
Acquisition/integration costs incurred by RailAmerica	$	—	$	(3.5)	$	(0.07)
Gain on insurance recoveries	$	0.8	$	0.5	$	0.01
Net (gain)/loss on sale and impairment of assets	$	11.2	$	8.6	$	0.17
Contract termination expense in Australia	$	(1.1)	$	(0.8)	$	(0.02)
Contingent forward sale contract mark-to-market expense	$	(50.1)	$	(50.1)	$	(0.98)

Operating revenues increased $694.1 million, or 79.3%, to $1.6 billion in the year ended December 31, 2013, compared with $874.9 million in the year ended December 31, 2012. The increase in our operating revenues included $635.2 million in revenues from new operations and a $58.9 million, or 6.7%, increase in revenues from existing operations. When we discuss a change in existing operations or same railroad, we are referring to the period-over-period change associated with operations that we managed in both periods (i.e., excluding the impact of businesses acquired/initiated, such as those railroads acquired in the RailAmerica acquisition).

Our traffic in the year ended December 31, 2013 was 1,886,012 carloads, an increase of 958,918 carloads, or 103.4%, compared with the year ended December 31, 2012. The traffic increase included 909,768 carloads from new operations. Existing operations increased 49,150 carloads, or 5.3%. To provide comparative context for 2013 consolidated traffic volumes, we are providing a "Combined Company" comparison as though the RailAmerica railroads were owned by us during 2012. In doing so, we have reclassified RailAmerica's 2012 information to conform with our presentation. On a Combined Company basis, traffic increased 117,301 carloads, or 6.6%, compared with traffic in the year ended December 31, 2012. Carloads from existing operations increased by 103,174 carloads, or 5.8%, and new operations contributed 14,127 carloads. The same railroad traffic increase was principally due to increases of 26,943 carloads of petroleum products traffic (primarily in the Pacific Region), 20,620 carloads of metallic ores traffic (primarily in the Australia Region), 16,209 carloads of coal and coke traffic (primarily in the Midwest Region), 7,534 carloads of lumber and forest products traffic (primarily in the Pacific and Northeast regions), 7,177 carloads of metals traffic (primarily in the Northeast and Southern regions), 6,960 carloads of intermodal traffic (primarily in the Australia and Canada regions) and 5,168 carloads of autos and auto parts traffic (primarily in the Ohio Valley and Pacific regions). All remaining traffic increased by a net 12,563 carloads.

Income from operations in the year ended December 31, 2013 increased $189.9 million, or 99.8%, to $380.2 million, compared with $190.3 million in the year ended December 31, 2012. Excluding the impact of the significant items listed in the previous table of $13.9 million and $20.9 million in the years ended December 31, 2013 and 2012, respectively, adjusted income from operations for the year ended December 31, 2013 was $394.1 million, compared with adjusted income from operations of $211.2 million in the year ended December 31, 2012. Our operating ratio was 75.8% in the year ended December 31, 2013, compared with an operating ratio of 78.2% in the year ended December 31, 2012. Excluding the impact of the significant items listed in the table above, our adjusted operating ratio was 74.9% in the year ended December 31, 2013, compared with an adjusted operating ratio of 75.9% in the year ended December 31, 2012.

During the year ended December 31, 2013, we generated $413.5 million in cash flows from operating activities. During the same period, we purchased $249.3 million of property and equipment, including $34.2 million for new business investments. These payments were partially offset by $33.9 million in cash received from government grants and other outside parties for capital spending and $6.7 million in proceeds from the disposition of property and equipment. We also repaid $209.3 million of outstanding debt.

Changes in Operations

United States

RailAmerica, Inc.: On October 1, 2012, we acquired 100% of RailAmerica's outstanding shares for cash at a price of $27.50 per share and, in connection with such acquisition, we repaid RailAmerica's term loan and revolving credit facility. The calculation of the total consideration for the RailAmerica acquisition is presented below (in thousands, except per share amount):

RailAmerica outstanding common stock as of October 1, 2012		49,934
Cash purchase price per share	$	27.50
Equity purchase price	$	1,373,184
Payment of RailAmerica's outstanding term loan and revolving credit facility		659,198
Cash consideration		2,032,382
Impact of pre-acquisition share-based awards		9,400
Total consideration	$	2,041,782

We financed the $1.4 billion cash purchase price for RailAmerica's common stock, the refinancing of $1.2 billion of G&W's and RailAmerica's outstanding debt prior to the acquisition as well as transaction and financing-related expenses with $1.9 billion of debt from a new five-year Senior Secured Syndicated Credit Facility Agreement (the Credit Agreement) (see Note 9, Long-Term Debt, to our Consolidated Financial Statements included elsewhere in this Annual Report), $475.5 million of gross proceeds from the public offerings of our Class A common stock and Tangible Equity Units (TEUs) (see Note 4, Earnings Per Common Share, to our Consolidated Financial Statements included elsewhere in this Annual Report) and $350.0 million through a private issuance of Preferred Stock to Carlyle. (See Note 4, Earnings Per Common Share, and Note 10, Derivative Financial Instruments, to our Consolidated Financial Statements included elsewhere in this Annual Report).

Commencing on October 1, 2012, the shares of RailAmerica were held in an independent voting trust while the STB considered our control application, which application was approved with an effective date of December 28, 2012. Accordingly, we accounted for the earnings of RailAmerica using the equity method of accounting while the shares were held in the voting trust and our acquisition date fair values of the acquired assets and assumed liabilities have been included in our consolidated balance sheets since December 28, 2012. The results from RailAmerica's operations are included among the various line items in our consolidated statement of operations for the year ended December 31, 2013 and are included in our North American & European Operations segment.

In accordance with U.S. GAAP, a new accounting basis was established for RailAmerica on October 1, 2012 for its stand-alone financial statements. Condensed consolidated financial information for RailAmerica as of and for the period ended December 28, 2012 is included in Note 8, Equity Investment, to our Consolidated Financial Statements included elsewhere in this Annual Report.

During the year ended December 31, 2012, as discussed more fully under Contingent Forward Sale Contract in Note 10, Derivative Financial Instruments, to our Consolidated Financial Statements included elsewhere in this Annual Report, we recorded a $50.1 million non-cash mark-to-market expense related to an investment agreement governing the sale of the Series A-1 Preferred Stock to Carlyle in connection with the funding of the RailAmerica acquisition (the Investment Agreement). The expense resulted from the significant increase in G&W's share price between July 23, 2012 (the date we entered into the Investment Agreement) and September 28, 2012 (the last trading date prior to issuing the Preferred Stock). On February 13, 2013, we exercised our option to convert all of the outstanding Series A-1 Preferred Stock into 5,984,232 shares of our Class A common stock.

We also incurred $17.0 million and $30.0 million of RailAmerica integration and acquisition-related costs during the years ended December 31, 2013 and 2012, respectively. We recognized $15.6 million of net income from our equity investment in RailAmerica during the three months ended December 31, 2012. The income from our equity investment included $3.5 million of after-tax acquisition/integration costs incurred by RailAmerica in the three months ended December 31, 2012.

Headquartered in Jacksonville, Florida with approximately 2,000 employees, RailAmerica owned and operated 45 short line freight railroads in North America with approximately 7,100 miles of track in 28 U.S. states and three Canadian provinces as of the October 1, 2012 acquisition date.

Columbus & Chattahoochee Railroad, Inc.: In April 2012, our newly formed subsidiary, Columbus & Chattahoochee Railroad, Inc. (CCH), signed an agreement with Norfolk Southern Railway Company (NS) to lease and operate a 26-mile segment of NS track that runs from Girard, Alabama to Mahrt, Alabama. Operations commenced on July 1, 2012. CCH interchanges with NS in Columbus, Georgia where our Georgia Southwestern Railroad, Inc. also has operations. The results from CCH's operations have been included in our consolidated statements of operations since July 1, 2012 and are included in our North American & European Operations segment.

Hilton & Albany Railroad, Inc.: In November 2011, our newly formed subsidiary, Hilton & Albany Railroad, Inc. (HAL), signed an agreement with NS to lease and operate a 56-mile segment of NS track that runs from Hilton, Georgia to Albany, Georgia. Operations commenced on January 1, 2012. HAL handles primarily overhead traffic between NS and our following railroads: The Bay Line Railroad, L.L.C.; Chattahoochee Bay Railroad, Inc.; Chattahoochee Industrial Railroad; and Georgia Southwestern Railroad, Inc. In addition, HAL serves several local agricultural and aggregate customers in southwest Georgia. The results from HAL's operations have been included in our consolidated statements of operations since January 1, 2012 and are included in our North American & European Operations segment.

Arizona Eastern Railway Company: On September 1, 2011, we acquired all of the capital stock of AZER. We paid the seller $89.5 million in cash at closing, which included a reduction to the purchase price of $0.6 million based on the estimated working capital adjustment. Following the final working capital adjustment, we recorded an additional $0.8 million of purchase price in December 2011, which was paid to the seller in January 2012. We incurred $0.6 million of acquisition costs related to this transaction through December 31, 2011, which were expensed as incurred. The results from AZER's operations have been included in our consolidated statements of operations since September 1, 2011, and are included in our North American & European Operations segment.

Headquartered near Miami, Arizona, with 43 employees and 10 locomotives, AZER owned and operated two rail lines totaling approximately 200 track miles in southeast Arizona and southwest New Mexico connected by 52 miles of trackage rights over the Union Pacific Railroad as of the September 1, 2011 acquisition date. The largest customer on AZER is Freeport-McMoRan Copper & Gold Inc. (Freeport-McMoRan). AZER provides rail service to Freeport-McMoRan's largest North American copper mine and its North American smelter, hauling copper concentrate, copper anode, copper rod and sulfuric acid. In conjunction with the transaction, AZER and Freeport-McMoRan entered into a long-term operating agreement.

Determination of Fair Value

We accounted for the RailAmerica and AZER acquisitions using the acquisition method of accounting under U.S. GAAP. Under the acquisition method of accounting:

- The assets and liabilities of RailAmerica were recorded at their respective acquisition-date preliminary fair values by RailAmerica as of October 1, 2012, which is referred to as the application of push-down accounting, and were included in G&W's consolidated balance sheet in a single line item following the equity method of accounting as of that date (see RailAmerica as of October 1, 2012 column in the following table).

- Upon approval by the STB for us to control RailAmerica, our preliminary determination of fair values of the acquired assets and assumed liabilities were consolidated with our assets and liabilities as of December 28, 2012 (see RailAmerica as of December 28, 2012 Preliminary column in the following table). Between October 1, 2012 and December 28, 2012, we recognized income from our equity investment in RailAmerica of $15.6 million and other comprehensive loss of $2.0 million, primarily resulting from foreign currency translation adjustments. In addition, we recognized $21.8 million, representing the change in RailAmerica's cash and cash equivalents from October 1, 2012 to December 28, 2012, as a reduction in net cash paid for the acquisition.
- In 2013, we finalized our determination of fair values of RailAmerica's assets and liabilities (see RailAmerica as of December 28, 2012 Final column in the following table). The measurement period adjustments to the fair values were as follows: 1) property and equipment increased $10.7 million, 2) intangible assets decreased $29.9 million, 3) deferred income tax liabilities, net decreased $16.0 million, 4) noncontrolling interest decreased $5.0 million, 5) all other assets, net increased $1.3 million and 6) goodwill decreased $3.1 million as an offset to the above-mentioned changes. This resulted in additional annualized depreciation and amortization expense of approximately $4 million. We do not consider these adjustments material to our consolidated financial statements taken as a whole and as such, prior periods were not retroactively adjusted.
- The assets and liabilities of AZER were recorded at their respective acquisition-date fair values and were consolidated with those of G&W as of the September 1, 2011 acquisition date (see AZER column in the following table).

The fair values assigned to the acquired net assets of RailAmerica and AZER were as follows (dollars in thousands):

	RailAmerica			AZER
		As of December 28, 2012		
	As of October 1, 2012	Preliminary	Final	As of September 1, 2011
Cash and cash equivalents	$ 86,102	$ 107,922	$ 107,922	$ —
Accounts receivable	104,839	91,424	90,659	3,096
Materials and supplies	6,406	7,325	7,325	—
Prepaid expenses and other	15,146	14,815	15,801	2,319
Deferred income tax assets	49,074	49,074	56,998	—
Property and equipment	1,579,321	1,588,612	1,599,282	90,129
Goodwill	474,115	474,115	471,028	—
Intangible assets	451,100	446,327	416,427	—
Other assets	116	116	116	—
Total assets	2,766,219	2,779,730	2,765,558	95,544
Accounts payable and accrued expenses	143,790	135,117	140,160	5,212
Long-term debt	12,158	12,010	12,010	—
Deferred income tax liabilities, net	542,210	551,856	535,864	—
Other long-term liabilities	20,754	19,618	21,439	—
Noncontrolling interest	5,525	5,525	481	—
Net assets	$ 2,041,782	$ 2,055,604	$ 2,055,604	$ 90,332

Australia

Arrium Limited: In July 2012, our subsidiary, Genesee & Wyoming Australia Pty Ltd (GWA), announced that it had expanded two existing rail haulage contracts with Arrium Limited (formerly OneSteel) to transport additional export iron ore in South Australia. To support the increased shipments under the two contracts, during the year ended December 31, 2012, GWA invested A$52.1 million (or $54.1 million at the exchange rate on December 31, 2012) to purchase narrow gauge locomotives and railcars as well as to construct a standard gauge rolling-stock maintenance facility in order to support the increased shipments under the two contracts. During the year ended December 31, 2013, GWA spent an additional A$22.3 million (or $19.9 million at the exchange rate on December 31, 2013) on these projects and does not expect to invest any additional capital in these projects in 2014.

Alice Springs and Cook: In May 2012, GWA entered into an agreement with Asciano Services Pty Ltd (AIO), a subsidiary of Asciano Pty Ltd, whereby GWA agreed to purchase an intermodal and freight terminal in Alice Springs, Northern Territory from AIO and GWA agreed to sell AIO certain assets in the township of Cook, South Australia that included GWA's third-party fuel-sales business. GWA completed the purchase of the Alice Springs intermodal and freight terminal in June 2012 for A$9.0 million (or $9.2 million at the exchange rate on June 30, 2012) plus A$0.5 million (or $0.6 million at the exchange rate on June 30, 2012) tax liability for stamp duty (an Australian asset transfer tax). Previously, GWA had leased the facility from AIO. The sale of the assets in Cook closed in September 2012. We received A$4.0 million (or $4.1 million at the exchange rate on September 30, 2012) in pre-tax cash proceeds from the sale and recognized an after-tax book gain of A$1.3 million (or $1.3 million at the exchange rate on September 30, 2012).

Canada

Tata Steel Minerals Canada Ltd.: In August 2012, we announced that our newly formed subsidiary, KeRail Inc. (KeRail), entered into a long-term agreement with Tata Steel Minerals Canada Ltd. (TSMC), for KeRail to provide rail transportation services to the direct shipping iron ore mine TSMC is developing near Schefferville, Quebec in the Labrador Trough (the Mine). In addition, KeRail plans to construct an approximately 21-kilometer rail line that will connect the Mine to the Tshiuetin Rail Transportation (TSH) interchange point in Schefferville. Operated as part of our Canada Region, KeRail is expected to haul unit trains of iron ore from its rail connection with the Mine, which will then travel over three privately owned railways to the Port of Sept-Îles for export primarily to Tata Steel Limited's European operations. The agreement and construction are contingent on certain conditions being met, including the receipt of necessary governmental permits and approvals. Once the track construction has commenced, the rail line is expected to be completed three to six months thereafter, weather conditions permitting.

Results from Operations

When comparing our results from operations from one reporting period to another, it is important to consider that we have historically experienced fluctuations in revenues and expenses due to acquisitions, changing economic conditions, competitive forces, changes in foreign currency exchange rates, one-time freight moves, fuel price fluctuations, customer plant expansions and shut-downs, sales of property and equipment, derailments and weather-related conditions, such as hurricanes, cyclones, tornadoes, droughts, heavy snowfall, unseasonably warm or cool weather, freezing and flooding. In periods when these events occur, our results of operations are not easily comparable from one period to another. Finally, certain of our railroads have commodity shipments that are sensitive to general economic conditions, such as steel products, paper products and lumber and forest products as well as product specific economic conditions, such as the availability of lower priced alternative sources of power generation (coal). Other shipments are relatively less affected by economic conditions and are more closely affected by other factors, such as inventory levels maintained at customer plants (coal), winter weather (salt and coal) and seasonal rainfall (agricultural products). As a result of these and other factors, our results of operations in any reporting period may not be directly comparable to our results of operations in other reporting periods.

Year Ended December 31, 2013 Compared with Year Ended December 31, 2012

Operating Revenues

Overview

Operating revenues were $1.6 billion in the year ended December 31, 2013, compared with $874.9 million in the year ended December 31, 2012, an increase of $694.1 million, or 79.3%. The $694.1 million increase in operating revenues consisted of $635.2 million in revenues from new operations and a $58.9 million, or 6.7%, increase in revenues from existing operations. New operations are those that were not included in our consolidated financial results for a comparable period in the prior year. The $58.9 million increase in revenues from existing operations included an increase of $67.9 million in freight revenues, partially offset by a decrease of $9.0 million in non-freight revenues.

The following table breaks down our operating revenues and total carloads into new operations and existing operations for the years ended December 31, 2013 and 2012 (dollars in thousands):

	2013			2012	Increase in Total Operations		Increase/(Decrease) in Existing Operations		
	Total Operations	New Operations	Existing Operations	Total Operations	Amount	%	Amount	%	Currency Impact
Freight revenues	$ 1,177,364	$ 484,691	$ 692,673	$ 624,809	$ 552,555	88.4%	$ 67,864	10.9 %	$ (16,481)
Non-freight revenues	391,647	150,516	241,131	250,107	141,540	56.6%	(8,976)	(3.6)%	(4,456)
Total operating revenues	$ 1,569,011	$ 635,207	$ 933,804	$ 874,916	$ 694,095	79.3%	$ 58,888	6.7 %	$ (20,937)
Carloads	1,886,012	909,768	976,244	927,094	958,918	103.4%	49,150	5.3 %	

Freight Revenues

The following table compares freight revenues, carloads and average freight revenues per carload for the years ended December 31, 2013 and 2012 (dollars in thousands, except average freight revenues per carload):

	Freight Revenues				Carloads				Average Freight Revenues Per Carload	
	2013		2012		2013		2012			
Commodity Group	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	2013	2012
Agricultural Products	$ 130,577	11.1%	$ 59,378	9.5%	240,840	12.8%	96,734	10.4%	$ 542	$ 614
Metallic Ores*	125,928	10.7%	75,188	12.0%	72,366	3.8%	41,918	4.5%	1,740	1,794
Chemicals & Plastics	128,935	11.0%	55,146	8.8%	163,123	8.7%	68,999	7.4%	790	799
Metals	127,769	10.9%	62,129	9.9%	175,636	9.3%	94,621	10.2%	727	657
Pulp & Paper	112,663	9.6%	65,696	10.5%	169,708	9.0%	101,588	11.0%	664	647
Coal & Coke	110,836	9.4%	70,052	11.2%	323,500	17.2%	168,574	18.2%	343	416
Minerals & Stone	96,771	8.2%	48,023	7.7%	219,163	11.6%	130,602	14.1%	442	368
Intermodal**	98,759	8.4%	94,735	15.2%	73,666	3.9%	66,706	7.2%	1,341	1,420
Lumber & Forest Products	79,035	6.7%	34,839	5.7%	133,649	7.1%	70,896	7.6%	591	491
Petroleum Products	65,223	5.5%	25,293	4.1%	108,901	5.8%	26,907	2.9%	599	940
Food or Kindred Products	31,982	2.7%	5,230	0.8%	55,084	2.9%	11,011	1.2%	581	475
Waste	22,750	1.9%	13,622	2.2%	43,166	2.3%	21,676	2.3%	527	628
Autos & Auto Parts	26,415	2.2%	8,313	1.3%	36,510	1.9%	10,148	1.2%	724	819
Other	19,721	1.7%	7,165	1.1%	70,700	3.7%	16,714	1.8%	279	429
Total	$1,177,364	100.0%	$624,809	100.0%	1,886,012	100.0%	927,094	100.0%	624	674

* Carload amounts include carloads and intermodal units

** Carload amounts represent intermodal units

Total freight traffic increased 958,918 carloads, or 103.4%, in 2013 compared with 2012. Carloads from existing operations increased by 49,150 carloads, or 5.3%, and new operations contributed 909,768 carloads. The existing traffic increase was principally due to increases of 20,601 carloads of metallic ores traffic, 12,577 carloads of petroleum products traffic, 7,676 carloads of metals traffic, 6,958 carloads of intermodal traffic and 5,625 carloads of agricultural products traffic, partially offset by a 4,250 carload decrease in pulp and paper traffic. All remaining traffic decreased by a net 37 carloads.

Average freight revenues per carload decreased 7.4% to $624 in 2013 compared with 2012. Average freight revenues per carload from existing operations increased 5.3% to $710. Changes in the commodity mix and fuel surcharges increased average freight revenues per carload from existing operations by 4.8% and 0.5%, respectively, partially offset by the depreciation of the Australian and Canadian dollars relative to the United States dollar, which decreased average freight revenues per carload from existing operations by 2.9%. Other than the impacts from these factors, average freight revenues per carload from existing operations increased by 2.9%. Average freight revenues per carload were also positively impacted by the changes in the mix of customers within certain commodity groups, primarily metallic ores.

The following table sets forth freight revenues by commodity group segregated into new operations and existing operations for the years ended December 31, 2013 and 2012 (dollars in thousands):

	2013			2012	Increase in Total Operations		Increase/(Decrease) in Existing Operations		
Commodity Group	**Total Operations**	**New Operations**	**Existing Operations**	**Total Operations**	**Amount**	**%**	**Amount**	**%**	**Currency Impact**
Agricultural Products	$ 130,577	$ 72,704	$ 57,873	$ 59,378	$ 71,199	119.9%	$ (1,505)	(2.5)%	$ (2,383)
Metallic Ores	125,928	6,608	119,320	75,188	50,740	67.5%	44,132	58.7 %	(5,166)
Chemicals & Plastics	128,935	72,356	56,579	55,146	73,789	133.8%	1,433	2.6 %	(188)
Metals	127,769	57,599	70,170	62,129	65,640	105.7%	8,041	12.9 %	(352)
Pulp & Paper	112,663	43,531	69,132	65,696	46,967	71.5%	3,436	5.2 %	(319)
Coal & Coke	110,836	40,442	70,394	70,052	40,784	58.2%	342	0.5 %	(19)
Minerals & Stone	96,771	46,029	50,742	48,023	48,748	101.5%	2,719	5.7 %	(827)
Intermodal	98,759	2	98,757	94,735	4,024	4.2%	4,022	4.2 %	(6,744)
Lumber & Forest Products	79,035	42,103	36,932	34,839	44,196	126.9%	2,093	6.0 %	(82)
Petroleum Products	65,223	34,926	30,297	25,293	39,930	157.9%	5,004	19.8 %	(191)
Food or Kindred Products	31,982	26,788	5,194	5,230	26,752	511.5%	(36)	(0.7)%	(7)
Waste	22,750	8,821	13,929	13,622	9,128	67.0%	307	2.3 %	(4)
Autos & Auto Parts	26,415	18,637	7,778	8,313	18,102	217.8%	(535)	(6.4)%	(163)
Other	19,721	14,145	5,576	7,165	12,556	175.2%	(1,589)	(22.2)%	(36)
Total freight revenues	$1,177,364	$484,691	$692,673	$624,809	$552,555	88.4%	$ 67,864	10.9 %	$(16,481)

The following information discusses the significant changes in freight revenues from existing operations by commodity group. Changes in average freight revenues per carload in a commodity group can be impacted by changes in customer rates, fuel surcharges, changes in foreign currency exchange rates, as well as changes in the mix of customer traffic within a commodity group.

Agricultural products revenues decreased $1.5 million, or 2.5%. Agricultural products average freight revenues per carload decreased 8.0%, which decreased revenues by $4.7 million, while traffic volumes increased 5,625 carloads, or 5.8%, which increased revenues by $3.2 million. The decrease in average freight revenues per carload included a 3.9%, or $2.4 million, negative impact due to the depreciation of the Australian and Canadian dollars relative to the United States dollar. The carload increase was primarily due to increased export grain traffic in Australia, partially offset by lower volumes of Canadian winter wheat shipments. Because rates for Australian grain traffic have both a fixed and a variable component, the increase in Australian grain traffic resulted in lower average freight revenues per carload.

Metallic ores revenues increased $44.1 million, or 58.7%. Metallic ores traffic volume increased 20,601 carloads, or 49.1%, which increased revenues by $39.3 million, and average freight revenues per carload increased 6.4%, which increased revenues by $4.8 million. The increase in volume and average freight revenues per carload was primarily due to a new iron ore contract in South Australia, which began in the fourth quarter of 2012. The increase in average freight revenues per carload included a 7.9%, or $5.2 million, negative impact due to the depreciation of the Australian and Canadian dollars relative to the United States dollar.

Metals revenues increased $8.0 million, or 12.9%. Metals traffic volume increased 7,676 carloads, or 8.1%, which increased revenues by $5.3 million, and average freight revenues per carload increased 4.4%, which increased revenues by $2.8 million. The carload increase was primarily due to increased shipments in the northeastern and southern United States.

Pulp and paper revenues increased $3.4 million, or 5.2%. Average freight revenues per carload increased 9.7%, which increased revenues by $6.5 million, while traffic volumes decreased 4,250 carloads, or 4.2%, which decreased revenues by $3.0 million. For the year ended December 31, 2013, as a result of the RailAmerica acquisition, 6,494 carloads of pulp and paper traffic originating on a RailAmerica railroad that is contiguous to a legacy G&W railroad were reported as new operations. Otherwise, pulp and paper traffic volume increased 2,244 carloads, or 2.2%, and average freight revenues per carload increased 3.0%.

Minerals and stone revenues increased $2.7 million, or 5.7%. Average freight revenues per carload increased 3.3%, which increased revenues by $1.6 million, and traffic volume increased 2,986 carloads, or 2.3%, which increased revenues by $1.1 million. The increase in volume was primarily related to increased rock salt shipments due to severe winter weather in the United States, partially offset by reduced traffic in Australia.

Intermodal revenues increased $4.0 million, or 4.2%. Intermodal traffic volume increased 6,958 carloads, or 10.4%, which increased revenues by $9.3 million, while average freight revenues per carload decreased 5.6%, which decreased revenues by $5.3 million. The carload increase was primarily due to new business converted to rail from road in Australia and new business in Canada. The decrease in average freight revenues per carload included a 7.3%, or $6.7 million, negative impact due to the depreciation of the Australian and Canadian dollars relative to the United States dollar.

Petroleum products revenues increased $5.0 million, or 19.8%. Petroleum products traffic volume increased 12,577 carloads, or 46.7%, which increased revenues by $9.7 million, while average freight revenues per carload decreased 18.4%, which decreased revenues by $4.6 million. The carload increase was primarily due to a new crude oil customer in the Pacific Northwest. The decrease in the average freight revenues per carload was due to customer mix.

Freight revenues from all remaining commodities combined increased by $2.0 million.

Non-Freight Revenues

The following table compares non-freight revenues for the years ended December 31, 2013 and 2012 (dollars in thousands):

	2013		2012	
	Amount	% of Total	Amount	% of Total
Railcar switching	$ 161,942	41.3%	$ 134,929	54.0%
Car hire and rental income	34,721	8.9%	21,280	8.5%
Fuel sales to third parties	386	0.1%	11,868	4.7%
Demurrage and storage	58,312	14.9%	26,125	10.4%
Car repair services	21,078	5.4%	7,934	3.2%
Construction revenues	41,677	10.6%	—	—%
Other non-freight revenues	73,531	18.8%	47,971	19.2%
Total non-freight revenues	$ 391,647	100.0%	$ 250,107	100.0%

The following table sets forth non-freight revenues by new operations and existing operations for the years ended December 31, 2013 and 2012 (dollars in thousands):

	2013			2012	Increase/(Decrease) in Total Operations		Increase/(Decrease) in Existing Operations		
	Total Operations	New Operations	Existing Operations	Total Operations	Amount	%	Amount	%	Currency Impact
Railcar switching	$ 161,942	$ 20,528	$ 141,414	$ 134,929	$ 27,013	20.0 %	$ 6,485	4.8 %	$ (1,805)
Car hire and rental income	34,721	18,250	16,471	21,280	13,441	63.2 %	(4,809)	(22.6)%	(502)
Fuel sales to third parties	386	—	386	11,868	(11,482)	(96.7)%	(11,482)	(96.7)%	—
Demurrage and storage	58,312	30,537	27,775	26,125	32,187	123.2 %	1,650	6.3 %	(116)
Car repair services	21,078	12,455	8,623	7,934	13,144	165.7 %	689	8.7 %	(22)
Construction revenues	41,677	41,677	—	—	41,677	100.0 %	—	— %	—
Other non-freight revenues	73,531	27,069	46,462	47,971	25,560	53.3 %	(1,509)	(3.1)%	(2,011)
Total non-freight revenues	$ 391,647	$ 150,516	$ 241,131	$ 250,107	$ 141,540	56.6 %	$ (8,976)	(3.6)%	$ (4,456)

Total non-freight revenues increased $141.5 million, or 56.6%, to $391.6 million in the year ended December 31, 2013, compared with $250.1 million in the year ended December 31, 2012. The increase was attributable to $150.5 million from new operations, including construction revenues of $41.7 million from Atlas, a rail construction business acquired in the RailAmerica acquisition, partially offset by a decrease of $9.0 million from existing operations. The decrease in non-freight revenues from existing operations was principally due to a $11.5 million decrease in fuel sales to third parties as a result of the sale of our fuel-sales business in South Australia in the third quarter of 2012 and a $4.5 million decrease due to the net depreciation of the Australian and Canadian dollars and the Euro relative to the United States dollar, partially offset by higher railcar switching revenues of $6.5 million primarily due to new and expanded customer contracts in Australia and the United States.

Operating Expenses

Overview

Operating expenses were $1.2 billion in the year ended December 31, 2013, compared with $684.6 million in the year ended December 31, 2012, an increase of $504.2 million, or 73.7%. Labor and benefits increased $188.3 million in the year ended December 31, 2013, primarily related to the addition of employees from the acquisition of RailAmerica and wage and benefit increases for existing employees. Of the remaining $316.0 million increase in operating expenses, $304.3 million was from new operations and $36.9 million was from existing operations, partially offset by a decrease in RailAmerica integration and acquisition-related costs of $13.0 million and a $12.3 million decrease due to the net depreciation of the Australian and Canadian dollars and Euro relative to the United States dollar. The increase in operating expenses from existing operations was driven primarily by lower net gain on the sale of assets and insurance recoveries, as well as increases in trackage rights expense, depreciation and amortization expense, other operating expenses and materials expense in the year ended December 31, 2013, partially offset by a decrease in diesel fuel sold to third parties, primarily due to the sale of our fuel-sales business in South Australia in the third quarter of 2012.

Operating Ratio

Our operating ratio, defined as total operating expenses divided by total operating revenues, was 75.8% in the year ended December 31, 2013 compared with 78.2% in the year ended December 31, 2012. Income from operations in the year ended December 31, 2013 included $17.0 million of RailAmerica integration and acquisition-related costs, partially offset by a $4.7 million net gain on the sale of assets. Income from operations in the year ended December 31, 2012 included $30.0 million of RailAmerica integration and acquisition-related costs, partially offset by an $11.2 million net gain on sale of assets. Changes in foreign currency exchange rates can have a material impact on our operating revenues and operating expenses. However, the net impact of these foreign currency translation effects should not have a material impact on our operating ratio.

The following table sets forth a comparison of our operating expenses in the years ended December 31, 2013 and 2012 (dollars in thousands):

	2013		2012		
	Amount	% of Operating Revenues	Amount	% of Operating Revenues	Currency Impact
Labor and benefits	$ 441,318	28.1 %	$ 257,618	29.5 %	$ (4,579)
Equipment rents	77,825	5.0 %	37,322	4.3 %	(734)
Purchased services	120,871	7.7 %	80,572	9.2 %	(3,804)
Depreciation and amortization	141,644	9.0 %	73,405	8.4 %	(1,689)
Diesel fuel used in operations	147,172	9.4 %	88,399	10.1 %	—
Diesel fuel sold to third parties	368	— %	11,322	1.3 %	—
Casualties and insurance	40,781	2.6 %	24,858	2.8 %	(611)
Materials	78,243	5.0 %	25,240	2.9 %	(178)
Trackage rights	50,911	3.2 %	28,250	3.2 %	(670)
Net (gain)/loss on sale and impairment of assets	(4,677)	(0.3)%	(11,225)	(1.3)%	238
Gain on insurance recoveries	(1,465)	(0.1)%	(5,760)	(0.7)%	368
Other expenses	78,797	5.1 %	44,549	5.1 %	(656)
RailAmerica acquisition-related costs	360	— %	18,592	2.1 %	—
RailAmerica integration costs	16,675	1.1 %	11,452	1.3 %	—
Total operating expenses	$ 1,188,823	75.8 %	$ 684,594	78.2 %	$ (12,315)

Labor and benefits expense was $441.3 million in the year ended December 31, 2013, compared with $257.6 million in the year ended December 31, 2012, an increase of $183.7 million, or 71.3%. The increase consisted of $176.8 million due to an increase in the average number of employees, $8.6 million due to annual wage increases and $2.9 million due to an increase in benefit expenses (primarily health care costs), partially offset by $4.6 million due to the net depreciation of the Australian and Canadian dollars and the Euro relative to the United States dollar. Our average number of employees during the year ended December 31, 2013 increased by approximately 2,060 over the prior year, primarily as a result of the RailAmerica acquisition.

Equipment rents expense was $77.8 million in the year ended December 31, 2013, compared with $37.3 million in the year ended December 31, 2012, an increase of $40.5 million, or 108.5%. The increase primarily resulted from the newly acquired RailAmerica railroads.

Purchased services expense, which consists of the costs of services provided by outside contractors for repairs and maintenance of track property, locomotives, freight cars and other equipment as well as contract labor costs for crewing services, was $120.9 million in the year ended December 31, 2013, compared with $80.6 million in the year ended December 31, 2012, an increase of $40.3 million, or 50.0%. The increase was primarily attributable to the newly acquired RailAmerica railroads.

Depreciation and amortization expense was $141.6 million in the year ended December 31, 2013, compared with $73.4 million in the year ended December 31, 2012, an increase of $68.2 million, or 93.0%. The increase was attributable to $62.6 million from new operations, primarily driven by the newly acquired RailAmerica railroads, and an increase of $5.6 million from existing operations, primarily due to depreciation expense related to new locomotives and railcars purchased in Australia in 2012.

The cost of diesel fuel used in operations was $147.2 million in the year ended December 31, 2013, compared with $88.4 million in the year ended December 31, 2012, an increase of $58.8 million, or 66.5%. The increase was primarily driven by the newly acquired RailAmerica railroads.

The cost of diesel fuel sold to third parties was $0.4 million in the year ended December 31, 2013, compared with $11.3 million in the year ended December 31, 2012, a decrease of $11.0 million. The decrease was primarily due to the sale of our third-party fuel-sales business in South Australia in the third quarter of 2012.

Casualties and insurance expense was $40.8 million in the year ended December 31, 2013, compared with $24.9 million in the year ended December 31, 2012, an increase of $15.9 million, or 64.1%. The increase primarily resulted from the newly acquired RailAmerica railroads, as well as an increase in derailment expense and insurance premiums in Australia.

Materials expense, which primarily consists of the costs of materials purchased for use in repairing and maintaining our track property, locomotives, rail cars and other equipment as well as costs for general tools and supplies used in our business, was $78.2 million in the year ended December 31, 2013, compared with $25.2 million in the year ended December 31, 2012, an increase of $53.0 million. The increase was attributable to $47.3 million from new operations, including $19.3 million from Atlas, and a $5.7 million increase from existing operations. The increase from existing operations was due to increased track property and locomotive repairs in the year ended December 31, 2013.

Trackage rights expense was $50.9 million in the year ended December 31, 2013, compared with $28.3 million in the year ended December 31, 2012, an increase of $22.7 million, or 80.2%. The increase was primarily attributable to $11.4 million from new operations, primarily driven by the newly acquired RailAmerica railroads, and an $11.3 million increase in existing operations, primarily due to new traffic from an iron ore customer in South Australia that moves over a segment of track owned by a third party.

Net gain on sale of assets was $4.7 million in the year ended December 31, 2013, compared with $11.2 million in the year ended December 31, 2012.

Gain on insurance recoveries of $1.5 million and $5.8 million for the years ended December 31, 2013 and 2012, respectively, related primarily to a business interruption claim associated with the Edith River Derailment (described in Note 5, Accounts Receivable and Allowance For Doubtful Accounts, to our Consolidated Financial Statements included elsewhere in this Annual Report).

Other expenses were $78.8 million in the year ended December 31, 2013, compared with $44.5 million in the year ended December 31, 2012, an increase of $34.2 million, or 76.9%. The increase was primarily attributable to the newly acquired RailAmerica railroads.

RailAmerica acquisition-related costs of $0.4 million and $18.6 million for the years ended December 31, 2013 and 2012 consisted of acquisition and financing-related expenses from the RailAmerica acquisition.

RailAmerica integration costs of $16.7 million and $11.5 million for the years ended December 31, 2013 and 2012, respectively, consisted primarily of RailAmerica employee severance arrangements.

Other Income (Expense) Items

Interest Income

Interest income was $4.0 million in the year ended December 31, 2013, compared with $3.7 million in the year ended December 31, 2012.

Interest Expense

Interest expense was $67.9 million in the year ended December 31, 2013, compared with $62.8 million in the year ended December 31, 2012. The increase in interest expense was primarily due to a higher debt balance resulting from the acquisition of RailAmerica.

Contingent Forward Sale Contract

In conjunction with our announcement on July 23, 2012 of our plan to acquire RailAmerica, we entered into the Investment Agreement with Carlyle in order to partially fund the acquisition of RailAmerica. Pursuant to the Investment Agreement, Carlyle agreed to purchase a minimum of $350.0 million of Preferred Stock, which Preferred Stock was convertible into our Class A common stock in certain circumstances. The conversion price of the Preferred Stock was set at approximately $58.49, which was a 4.5% premium to our stock price on the trading day prior to the announcement of the RailAmerica acquisition. For the period between July 23, 2012 and September 30, 2012, this instrument was accounted for as a contingent forward sale contract with mark-to-market non-cash income or expense included in our consolidated financial results and the cumulative effect represented as an asset or liability. Our closing price was $66.86 on September 28, 2012, which was the last trading day prior to issuing the Preferred Stock, and, accordingly, we recorded a $50.1 million non-cash mark-to-market expense related to the Investment Agreement for the year ended December 31, 2012.

On February 13, 2013, we exercised our option to convert all of the outstanding Preferred Stock issued to Carlyle in conjunction with the RailAmerica acquisition into 5,984,232 shares of our Class A common stock. On the conversion date, we also paid to Carlyle all accrued and unpaid dividends on the Preferred Stock of $2.1 million, as well as cash in lieu of fractional shares. In November 2013, Carlyle sold all of these outstanding shares of our Class A common stock in a public offering.

Provision for Income Taxes

Included in our net income for the year ended December 31, 2013 was a $41.0 million benefit associated with the retroactive extension of the United States Short Line Tax Credit for fiscal year 2012, which was signed into law on January 2, 2013. Excluding the $41.0 million retroactive benefit, our provision for income tax was $87.2 million for the year ended December 31, 2013, which represented 27.4% of income before income taxes other than the retroactive benefit. Included in our income before income taxes for the year ended December 31, 2012 was a $50.1 million mark-to-market expense associated with a contingent forward sale contract, which is a non-deductible expense for income tax purposes. See Note 10, Derivative Financial Instruments, to our Consolidated Financial Statements included elsewhere in this Annual Report for further details on the contingent forward sale contract. Excluding the $50.1 million mark-to-market expense, our provision for income tax was $46.4 million for the year ended December 31, 2012, which represents 34.8% of income before taxes. The decrease in the effective income tax rate for the year ended December 31, 2013 as compared with the year ended December 31, 2012 was primarily attributable to the renewal of the United States Short Line Tax Credit through December 31, 2013. The extension of the United States Short Line Tax Credit produced book income tax benefits of $25.9 million and $41.0 million for fiscal years 2013 and 2012, respectively. Since the extension became law in 2013, the 2012 impact was recorded in the first quarter of 2013.

Net Income and Earnings Per Share Attributable to G&W Common Stockholders

Net income was $272.1 million in the year ended December 31, 2013, compared with net income of $52.4 million in the year ended December 31, 2012. Our net income in the year ended December 31, 2012 included the $50.1 million mark-to-market expense associated with the contingent forward sale contract. Our basic EPS were $5.00 with 53.8 million weighted average shares outstanding in the year ended December 31, 2013, compared with basic EPS of $1.13 with 42.7 million weighted average shares outstanding in the year ended December 31, 2012. Our diluted EPS in the year ended December 31, 2013 were $4.79 with 56.7 million weighted average shares outstanding, compared with diluted EPS in the year ended December 31, 2012 of $1.02 with 51.3 million weighted average shares outstanding.

The following table sets forth the increase in our weighted average basic shares outstanding for the years ended December 31, 2013 and 2012 as a result of our 2012 public offering of Class A common stock, the shares issuable upon settlement of the prepaid stock purchase contract component of the TEUs based on the market price of our Class A common stock at December 31, 2013 and 2012, respectively, and from the February 13, 2013 conversion of the Preferred Stock into our Class A common stock (see Note 4, Earnings Per Common Share, to our Consolidated Financial Statements included elsewhere in this Annual Report):

	2013	2012
Class A common stock offering	3,791,004	1,066,867
Shares issuable upon settlement of the prepaid stock purchase contract component of the TEUs	2,841,650	850,773
Conversion of Preferred Stock	5,262,845	—

Segment Information

Our various railroad lines are organized into 11 operating regions. All of the regions have similar economic and other characteristics; however, we present our financial information as two reportable segments — North American & European Operations and Australian Operations.

The results of operations of our foreign entities are maintained in the respective local currency (the Australian dollar, the Canadian dollar and the Euro) and then translated into United States dollars at the applicable exchange rates for inclusion in our consolidated financial statements. As a result, any appreciation or depreciation of these currencies against the United States dollar can impact our results of operations.

The following table sets forth our North American & European Operations and Australian Operations for the years ended December 31, 2013 and 2012 (dollars in thousands):

	2013			2012		
	North American & European Operations	Australian Operations	Total Operations	North American & European Operations	Australian Operations	Total Operations
Revenues:						
Freight	$ 917,971	$ 259,393	$1,177,364	$ 412,839	$ 211,970	$ 624,809
Non-freight	325,876	65,385	391,261	173,054	65,185	238,239
Fuel sales to third parties	—	386	386	—	11,868	11,868
Total revenues	1,243,847	325,164	1,569,011	585,893	289,023	874,916
Operating expenses:						
Labor and benefits	374,935	66,383	441,318	197,407	60,211	257,618
Equipment rents	67,297	10,528	77,825	26,298	11,024	37,322
Purchased services	68,632	52,239	120,871	26,330	54,242	80,572
Depreciation and amortization	114,542	27,102	141,644	50,156	23,249	73,405
Diesel fuel used in operations	116,204	30,968	147,172	56,298	32,101	88,399
Diesel fuel sold to third parties	—	368	368	—	11,322	11,322
Casualties and insurance	28,937	11,844	40,781	16,244	8,614	24,858
Materials	75,742	2,501	78,243	23,569	1,671	25,240
Trackage rights	29,595	21,316	50,911	17,643	10,607	28,250
Net (gain)/loss on sale and impairment of assets	(4,491)	(186)	(4,677)	(9,178)	(2,047)	(11,225)
Gain on insurance recoveries	—	(1,465)	(1,465)	—	(5,760)	(5,760)
Other expenses	71,297	7,500	78,797	35,695	8,854	44,549
RailAmerica acquisition-related costs	360	—	360	18,592	—	18,592
RailAmerica integration costs	16,675	—	16,675	11,452	—	11,452
Total operating expenses	959,725	229,098	1,188,823	470,506	214,088	684,594
Income from operations	$ 284,122	$ 96,066	$ 380,188	$ 115,387	$ 74,935	$ 190,322
Operating ratio	77.2%	70.5%	75.8%	80.3%	74.1%	78.2%
Interest expense	$ 52,740	$ 15,154	$ 67,894	$ 45,996	$ 16,849	$ 62,845
Interest income	$ 3,631	$ 340	$ 3,971	$ 3,219	$ 506	$ 3,725
Contingent forward sale contract mark-to-market expense	$ —	$ —	$ —	$ 50,106	$ —	$ 50,106
Provision for income taxes	$ 24,038	$ 22,258	$ 46,296	$ 28,451	$ 17,951	$ 46,402
Income from equity investment in RailAmerica, net	$ —	$ —	$ —	$ 15,557	$ —	$ 15,557
Carloads	1,649,914	236,098	1,886,012	723,448	203,646	927,094
Expenditures for additions to property & equipment, net of grants from outside parties	$ 163,545	$ 51,860	$ 215,405	$ 69,636	$ 122,426	$ 192,062

Revenues from our North American & European Operations were $1.2 billion in the year ended December 31, 2013, compared with $585.9 million in the year ended December 31, 2012, an increase of $658.0 million, or 112.3%. The increase in revenues from our North American & European Operations consisted of a $505.1 million increase in freight revenues and a $152.8 million increase in non-freight revenues, in each case, primarily due to the newly acquired RailAmerica railroads.

Operating expenses from our North American & European Operations were $959.7 million in the year ended December 31, 2013, compared with $470.5 million in the year ended December 31, 2012, an increase of $489.2 million. In total, labor and benefits increased $177.5 million in the year ended December 31, 2013, primarily related to the newly acquired RailAmerica railroads and wage and benefit increases for existing employees. The remaining $311.7 million increase in operating expenses was primarily driven by the newly acquired RailAmerica railroads, including $17.0 million of RailAmerica integration and acquisition-related expenses.

Revenues from our Australian Operations were $325.2 million in the year ended December 31, 2013, compared with $289.0 million in the year ended December 31, 2012, an increase of $36.1 million, or 12.5%. The increase in revenues included a $47.4 million increase in freight revenues, partially offset by an $11.5 million decrease in fuel sales to third parties. The $47.4 million increase in freight revenues consisted of $35.7 million due to a 32,452, or 15.9%, carload increase and an $11.8 million, or 5.6%, increase in average freight revenues per carload. The increase in average freight revenues per carload and volume was primarily driven by the expansion of iron ore shipments and the resumption of traffic in 2013 that had been halted due to the Edith River Bridge outage in 2012. The $11.5 million decrease in fuel sales to third parties was primarily due to the sale of our fuel-sales business in South Australia in the third quarter of 2012. The depreciation of the Australian dollar relative to the United States dollar in the year ended December 31, 2013 compared with the year ended December 31, 2012 resulted in a $19.4 million decrease in revenues.

Operating expenses from our Australian Operations were $229.1 million in the year ended December 31, 2013, compared with $214.1 million in the year ended December 31, 2012, an increase of $15.0 million, or 7.0%. The increase in operating expenses included increased labor expense, trackage rights expense and additional expenses for fuel and for maintenance of property and equipment, primarily resulted from the expansion of iron ore shipments in South Australia. Operating expenses in the year ended December 31, 2013 also included additional depreciation expense resulting from the purchase of new equipment and an increase in casualties and insurance expense due to an increase in derailment expense and higher insurance premiums, partially offset by an $11.0 million decrease in diesel fuel sold to third parties, primarily as a result of the sale of our fuel-sales business in South Australia. Operating expenses included a gain on insurance recoveries of $1.5 million and $5.8 million in the years ended December 31, 2013 and 2012, respectively, primarily related to a business interruption claim associated with the 2011 Edith River Derailment (described in Note 5, Accounts Receivable and Allowance For Doubtful Accounts, to our Consolidated Financial Statements included elsewhere in this Annual Report). The depreciation of the Australian dollar relative to the United States dollar in the year ended December 31, 2013 compared with the year ended December 31, 2012 resulted in an $11.5 million decrease in operating expenses.

Year Ended December 31, 2012 Compared with Year Ended December 31, 2011

Operating Revenues

Overview

Operating revenues were $874.9 million in the year ended December 31, 2012, compared with $829.1 million in the year ended December 31, 2011, an increase of $45.8 million, or 5.5%. The $45.8 million increase in operating revenues consisted of $22.7 million in revenues from new operations and a $23.1 million, or 2.8%, increase in revenues from existing operations. New operations are those that were not included in our consolidated financial results for a comparable period in the prior year. The $23.1 million increase in revenues from existing operations included increases of $20.8 million in freight revenues and $2.3 million in non-freight revenues.

The following table breaks down our operating revenues and total carloads into new operations and existing operations for the years ended December 31, 2012 and 2011 (dollars in thousands):

	2012			2011	Increase/(Decrease) in Total Operations		Increase/ (Decrease) in Existing Operations		
	Total Operations	New Operations	Existing Operations	Total Operations	Amount	%	Amount	%	Currency Impact
Freight revenues	$624,809	$ 21,105	$603,704	$582,947	$ 41,862	7.2 %	$ 20,757	3.6 %	$ (257)
Non-freight revenues	250,107	1,625	248,482	246,149	3,958	1.6 %	2,333	0.9 %	(1,257)
Total operating revenues	$874,916	$ 22,730	$852,186	$829,096	$ 45,820	5.5 %	$ 23,090	2.8 %	$ (1,514)
Carloads	927,094	20,781	906,313	997,048	(69,954)	(7.0)%	(90,735)	(9.1)%	

Freight Revenues

The following table compares freight revenues, carloads and average freight revenues per carload for the years ended December 31, 2012 and 2011 (dollars in thousands, except average freight revenues per carload):

	Freight Revenues				Carloads				Average Freight Revenues Per Carload	
	2012		2011		2012		2011			
Commodity Group	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	2012	2011
Agricultural Products	$ 59,378	9.5%	$ 63,394	10.9%	96,734	10.4%	116,443	11.7%	$ 614	$ 544
Metallic Ores*	75,188	12.0%	56,150	9.7%	41,918	4.5%	32,682	3.3%	1,794	1,718
Chemicals & Plastics	55,146	8.8%	47,836	8.2%	68,999	7.4%	65,137	6.6%	799	734
Metals	62,129	9.9%	51,410	8.8%	94,621	10.2%	90,088	9.1%	657	571
Pulp & Paper	65,696	10.5%	61,793	10.6%	101,588	11.0%	97,018	9.7%	647	637
Coal & Coke	70,052	11.2%	82,244	14.1%	168,574	18.2%	248,460	24.9%	416	331
Minerals & Stone	48,023	7.7%	48,214	8.3%	130,602	14.1%	138,076	13.8%	368	349
Intermodal**	94,735	15.2%	87,657	15.0%	66,706	7.2%	61,986	6.2%	1,420	1,414
Lumber & Forest Products	34,839	5.7%	31,469	5.4%	70,896	7.6%	64,875	6.5%	491	485
Petroleum Products	25,293	4.1%	22,948	3.9%	26,907	2.9%	24,474	2.5%	940	938
Food or Kindred Products	5,230	0.8%	4,574	0.8%	11,011	1.2%	10,075	1.0%	475	454
Waste	13,622	2.2%	12,012	2.1%	21,676	2.3%	21,246	2.1%	628	565
Autos & Auto Parts	8,313	1.3%	7,826	1.3%	10,148	1.2%	10,425	1.0%	819	751
Other	7,165	1.1%	5,420	0.9%	16,714	1.8%	16,063	1.6%	429	337
Total	$ 624,809	100.0%	$ 582,947	100.0%	927,094	100.0%	997,048	100.0%	674	585

* Carload amounts include carloads and intermodal units in the 2012 period

** Carload amounts represent intermodal units

Total freight traffic decreased by 69,954 carloads, or 7.0%, in 2012 compared with 2011. Carloads from existing operations decreased by 90,735 carloads, or 9.1%, and new operations contributed 20,781 carloads. The existing traffic decrease was principally due to decreases of 79,886 carloads of coal and coke traffic, 20,618 carloads of agricultural products traffic and 10,890 carloads of minerals and stone traffic, partially offset by increases of 6,242 carloads of metallic ores traffic, 5,756 carloads of lumber and forest products traffic and 4,720 carloads of intermodal traffic. All remaining traffic increased by a net 3,941 carloads.

Average freight revenues per carload increased 15.2% to $674 in 2012 compared with 2011. Average freight revenues per carload from existing operations increased 13.8% to $666. Changes in the commodity mix and higher fuel surcharges increased average freight revenues per carload from existing operations by 5.9% and 0.5%, respectively, partially offset by the net depreciation of the Australian and Canadian dollars relative to the United States dollar, which decreased average freight revenues per carload from existing operations by 0.2%. Other than the impacts from these factors, average freight revenues per carload from existing operations increased by 7.6%. Average freight revenues per carload were also positively impacted by the changes in the mix of customers within certain commodity groups, primarily coal and coke traffic, metals traffic, waste traffic and other commodities.

The following table sets forth freight revenues by commodity group segregated into new operations and existing operations for the years ended December 31, 2012 and 2011 (dollars in thousands):

	2012			2011	(Decrease)/Increase in Total Operations		(Decrease)/Increase in Existing Operations		
Commodity Group	Total Operations	New Operations	Existing Operations	Total Operations	Amount	%	Amount	%	Currency Impact
Agricultural Products	$ 59,378	$ 354	$ 59,024	$ 63,394	$ (4,016)	(6.3)%	$ (4,370)	(6.9)%	$ 23
Metallic Ores	75,188	4,252	70,936	56,150	19,038	33.9 %	14,786	26.3 %	(8)
Chemicals & Plastics	55,146	5,463	49,683	47,836	7,310	15.3 %	1,847	3.9 %	(64)
Metals	62,129	3,874	58,255	51,410	10,719	20.9 %	6,845	13.3 %	(80)
Pulp & Paper	65,696	2,880	62,816	61,793	3,903	6.3 %	1,023	1.7 %	(158)
Coal & Coke	70,052	432	69,620	82,244	(12,192)	(14.8)%	(12,624)	(15.3)%	(9)
Minerals & Stone	48,023	2,762	45,261	48,214	(191)	(0.4)%	(2,953)	(6.1)%	(2)
Intermodal	94,735	—	94,735	87,657	7,078	8.1 %	7,078	8.1 %	124
Lumber & Forest Products	34,839	479	34,360	31,469	3,370	10.7 %	2,891	9.2 %	(13)
Petroleum Products	25,293	426	24,867	22,948	2,345	10.2 %	1,919	8.4 %	(13)
Food or Kindred Products	5,230	5	5,225	4,574	656	14.3 %	651	14.2 %	(2)
Waste	13,622	89	13,533	12,012	1,610	13.4 %	1,521	12.7 %	1
Autos & Auto Parts	8,313	—	8,313	7,826	487	6.2 %	487	6.2 %	(61)
Other	7,165	89	7,076	5,420	1,745	32.2 %	1,656	30.6 %	5
Total freight revenues	$ 624,809	$ 21,105	$ 603,704	$ 582,947	$ 41,862	7.2 %	$ 20,757	3.6 %	$ (257)

The following information discusses the significant changes in freight revenues by commodity group from existing operations. Changes in average freight revenues per carload in a commodity group can be impacted by changes in customer rates, fuel surcharges, net depreciation of the Australian and Canadian dollars relative to the United States dollar, as well as changes in the mix of customer traffic within a commodity group.

Agricultural products revenues decreased $4.4 million, or 6.9%. Agricultural products traffic volume decreased 20,618 carloads, or 17.7%, which decreased revenues by $12.7 million, while average revenues per carload increased 13.2%, which increased revenues by $8.3 million. The carload decrease was primarily due to a mechanical failure at an export grain terminal in Australia and a modal shift from rail to truck in the southern United States. Because rates for Australian grain traffic have both a fixed and a variable component, the decrease in Australian grain traffic resulted in higher average freight revenues per carload.

Metallic ores revenues increased $14.8 million, or 26.3%. Effective January 1, 2012, a metallic ores customer in Australia switched its mode of transportation from using railcars to using containers. As a result, our metallic ores traffic count increased 6,048 carloads for an equivalent volume of product shipped. Otherwise, metallic ores traffic volume increased 194 carloads, or 0.6%, and average freight revenues per carload increased 25.6%. The carload increase was primarily due to a new iron ore contract in Australia, partially offset by a decrease in traffic in Canada. The increase in average freight revenues per carload was primarily driven by higher fuel surcharges and an increase in long-haul iron ore shipments in Australia.

Metals revenues increased $6.8 million, or 13.3%. Average freight revenues per carload increased 11.0%, which increased revenues by $5.7 million, and metals traffic volume increased 1,773 carloads, or 2.0%, which increased revenues by $1.1 million. The carload increase was primarily due to the expansion of a plant we serve in the southern United States. The increase in average freight revenues per carload was primarily due to a change in the mix of customer traffic.

Coal and coke revenues decreased $12.6 million, or 15.3%. Coal and coke traffic volume decreased 79,886 carloads, or 32.2%, which decreased revenues by $33.0 million, while average freight revenues per carload increased 24.8%, which increased revenues by $20.4 million. The decrease in traffic was largely driven by a decline in coal haulage traffic and customer-specific circumstances (such as temporary plant shut-downs, high inventory and a plant closing) as well as by warm winter weather, low natural gas prices and lower levels of export coal. The increase in average freight revenues per carload was primarily due to the change in mix of customer traffic.

Minerals and stone revenues decreased $3.0 million, or 6.1%. Minerals and stone traffic volume decreased 10,890 carloads, or 7.9%, which decreased revenues by $3.9 million, while average freight revenues per carload increased 2.0%, which increased revenues by $0.9 million. The carload decrease was primarily due to a decrease in rock salt shipments due to high stockpiles as a result of mild 2011-2012 winter weather in the northeastern United States.

Intermodal revenues increased $7.1 million, or 8.1%. Intermodal traffic volume increased 4,720 carloads, or 7.6%, which increased revenues by $6.7 million. The carload increase was primarily due to increased traffic in Australia and a new customer in the southern United States.

Lumber and forest products revenues increased $2.9 million, or 9.2%. Lumber and forest products traffic volume increased 5,756 carloads, or 8.9%, which increased revenues by $2.8 million. The carload increase was primarily due to an increase in United States housing starts.

Waste revenues increased $1.5 million, or 12.7%. The increase was primarily due to an 11.5% increase in average freight revenues per carload, which increased revenues by $1.4 million. The increase in average freight revenues per carload was primarily due to the change in mix of customer traffic.

Other freight revenues increased $1.7 million, or 30.6%. The increase was primarily due to a 26.7% increase in average freight revenues per carload, which increased revenues by $1.4 million. The increase in average freight revenues per carload was primarily due to the change in mix of customer traffic.

Freight revenues from all remaining commodities combined increased by $5.9 million.

Non-Freight Revenues

The following table compares non-freight revenues for the years ended December 31, 2012 and 2011 (dollars in thousands):

	2012		2011	
	Amount	% of Total	Amount	% of Total
Railcar switching	$ 134,929	54.0%	$ 128,326	52.1%
Car hire and rental income	21,280	8.5%	21,851	8.9%
Fuel sales to third parties	11,868	4.7%	18,002	7.3%
Demurrage and storage	26,125	10.4%	22,136	9.0%
Car repair services	7,934	3.2%	8,224	3.3%
Other non-freight revenues	47,971	19.2%	47,610	19.4%
Total non-freight revenues	$ 250,107	100.0%	$ 246,149	100.0%

The following table sets forth non-freight revenues by new operations and existing operations for the years ended December 31, 2012 and 2011 (dollars in thousands):

	2012			2011	Increase/ (Decrease) in Total Operations		Increase/ (Decrease) in Existing Operations		
	Total Operations	New Operations	Existing Operations	Total Operations	Amount	%	Amount	%	Currency Impact
Railcar switching	$ 134,929	$ 732	$ 134,197	$ 128,326	$ 6,603	5.1 %	$ 5,871	4.6 %	$ (1,165)
Car hire and rental income	21,280	290	20,990	21,851	(571)	(2.6)%	(861)	(3.9)%	4
Fuel sales to third parties	11,868	—	11,868	18,002	(6,134)	(34.1)%	(6,134)	(34.1)%	—
Demurrage and storage	26,125	346	25,779	22,136	3,989	18.0 %	3,643	16.5 %	(28)
Car repair services	7,934	251	7,683	8,224	(290)	(3.5)%	(541)	(6.6)%	(15)
Other non-freight revenues	47,971	6	47,965	47,610	361	0.8 %	355	0.7 %	(53)
Total non-freight revenues	$ 250,107	$ 1,625	$ 248,482	$ 246,149	$ 3,958	1.6 %	$ 2,333	0.9 %	$ (1,257)

Non-freight revenues increased $4.0 million, or 1.6%, to $250.1 million in the year ended December 31, 2012, compared with $246.1 million in the year ended December 31, 2011. The increase in non-freight revenues was attributable to $2.3 million from existing operations and $1.6 million from new operations. The increase in existing operations was principally due to higher railcar switching revenues of $5.9 million due to new and expanded customer service contracts in Australia and the United States, an increase in demurrage and storage revenues of $3.6 million due to an increase in the number of third-party railcars being stored in the United States and Canada, partially offset by a $6.1 million decrease in fuel sales to third parties due to the sale of our fuel-sales business in South Australia in the third quarter of 2012 and a $1.3 million decrease due to the net depreciation of foreign currencies relative to the United States dollar.

Operating Expenses

Overview

Operating expenses were $684.6 million in the year ended December 31, 2012, compared with $637.3 million in the year ended December 31, 2011, an increase of $47.3 million, or 7.4%. The increase in operating expenses was attributable to $33.9 million from existing operations and $13.4 million from new operations. The increase in existing operations was primarily due to $18.6 million of acquisition-related expenses from the RailAmerica acquisition, $11.5 million of severance costs and expenses from the acceleration of stock-based compensation of RailAmerica employees and a $17.9 million increase in labor and benefits, partially offset by a $7.8 million decrease in equipment rents, a $5.6 million increase in net gain on sale of assets and a $4.7 million increase in gain on insurance recoveries. In addition, the net depreciation of foreign currencies relative to the United States dollar resulted in a $0.8 million decrease in operating expenses from existing operations.

Operating Ratio

Our operating ratio, defined as total operating expenses divided by total operating revenues, was 78.2% in the year ended December 31, 2012 compared with 76.9% in the year ended December 31, 2011. Included in our operating ratio calculation for the year ended December 31, 2012 were $30.0 million of acquisition and integration-related costs associated with the acquisition of RailAmerica and severance costs and expenses from the acceleration of stock-based compensation of RailAmerica employees. Changes in foreign currency exchange rates can have a material impact on our operating revenues and operating expenses. However, the net impact of these foreign currency translation effects should not have a material impact on our operating ratio.

The following table sets forth a comparison of our operating expenses in the years ended December 31, 2012 and 2011 (dollars in thousands):

	2012		2011		
	Amount	% of Operating Revenues	Amount	% of Operating Revenues	Currency Impact
Labor and benefits	$ 257,618	29.5 %	$ 236,152	28.5 %	$ (437)
Equipment rents	37,322	4.3 %	43,885	5.3 %	(22)
Purchased services	80,572	9.2 %	78,741	9.5 %	(160)
Depreciation and amortization	73,405	8.4 %	66,481	8.0 %	(75)
Diesel fuel used in operations	88,399	10.1 %	88,499	10.7 %	—
Diesel fuel sold to third parties	11,322	1.3 %	16,986	2.0 %	—
Casualties and insurance	24,858	2.8 %	22,469	2.7 %	44
Materials	25,240	2.9 %	26,419	3.2 %	(69)
Trackage rights	28,250	3.2 %	23,066	2.8 %	(64)
Net (gain)/loss on sale and impairment of assets	(11,225)	(1.3)%	(5,660)	(0.7)%	(16)
Gain on insurance recoveries	(5,760)	(0.7)%	(1,061)	(0.1)%	59
Other expenses	44,549	5.1 %	41,340	5.0 %	(52)
RailAmerica acquisition-related costs	18,592	2.1 %	—	— %	—
RailAmerica integration costs	11,452	1.3 %	—	— %	—
Total operating expenses	$ 684,594	78.2 %	$ 637,317	76.9 %	$ (792)

Labor and benefits expense was $257.6 million in the year ended December 31, 2012, compared with $236.2 million in the year ended December 31, 2011, an increase of $21.5 million, or 9.1%, of which $17.5 million was from existing operations and $4.0 million was from new operations. The increase from existing operations consisted of $8.2 million due to an increase in the average number of employees, $5.9 million from annual wage increases and $3.8 million of benefit increases (primarily health care costs), partially offset by $0.4 million due to the net depreciation of the Australian and Canadian dollars and the Euro relative to the United States dollar. Our average number of employees during the year ended December 31, 2012 increased by 50 employees compared with our average number of employees during the year ended December 31, 2011.

Equipment rents expense was $37.3 million in the year ended December 31, 2012, compared with $43.9 million in the year ended December 31, 2011, a decrease of $6.6 million, or 15.0%. The decrease was primarily due to the replacement of leased locomotives in Australia with new owned units and a decrease in freight car rents in the United States, which was partially offset by $1.3 million from new operations.

Purchased services expense, which consists of the costs of services provided by outside contractors for repairs and maintenance of track property, locomotives, freight cars and other equipment as well as contract labor costs for crewing and drayage services, was $80.6 million in the year ended December 31, 2012, compared with $78.7 million in the year ended December 31, 2011, an increase of $1.8 million, or 2.3%. The increase was primarily related to increased use of contract services for repairs and maintenance of the locomotive and railcar fleets in Australia, partially offset by the decrease in expense related to the sale of our drayage business in 2011.

Depreciation and amortization expense was $73.4 million in the year ended December 31, 2012, compared with $66.5 million in the year ended December 31, 2011, an increase of $6.9 million, or 10.4%. The increase was attributable to a $4.9 million increase from existing operations, primarily due to new locomotives and railcars in Australia, and $2.0 million from new operations.

The cost of diesel fuel used in operations was $88.4 million in the year ended December 31, 2012, compared with $88.5 million in the year ended December 31, 2011, a decrease of $0.1 million. The decrease was attributable to a $2.6 million decrease in existing operations, partially offset by a $2.5 million increase in new operations. The decrease from existing operations was composed of $5.7 million due to a 6.3% decrease in diesel fuel consumption, primarily related to a 9.1% decrease in carloads, partially offset by $3.1 million from a 3.5% increase in average fuel cost per gallon.

The cost of diesel fuel sold to third parties was $11.3 million in the year ended December 31, 2012, compared with $17.0 million in the year ended December 31, 2011, a decrease of $5.7 million, or 33.3%. The decrease was primarily due to the sale of our third-party fuel-sales business South Australia in the third quarter of 2012.

Net gain on sale of assets was $11.2 million in the year ended December 31, 2012, compared with $5.7 million in the year ended December 31, 2011. The increase was primarily attributable to a $5.3 million gain on sale of land and track in Canada and a $1.8 million gain on sale of certain assets in South Australia in the third quarter of 2012.

Gain on insurance recoveries in the year ended December 31, 2012 of $5.8 million was related primarily to a business interruption claim associated with the Edith River Derailment (described in Note 5, Accounts Receivable and Allowance For Doubtful Accounts, to our Consolidated Financial Statements included elsewhere in this Annual Report). Gain on insurance recoveries in the year ended December 31, 2011 of $1.1 million related to a business interruption claim associated with Cyclone Carlos.

Other expenses were $44.5 million in the year ended December 31, 2012, compared with $41.3 million in the year ended December 31, 2011, an increase of $3.2 million, or 7.8%. The increase was primarily attributable to an increase in property tax expenses and $0.9 million from new operations.

RailAmerica acquisition-related costs in the year ended December 31, 2012 of $18.6 million consisted of acquisition and financing-related expenses from the RailAmerica acquisition.

RailAmerica integration costs in the year ended December 31, 2012 of $11.5 million consisted primarily of severance costs and expenses from the acceleration of stock-based compensation of RailAmerica employees.

Other Income (Expense) Items

Interest Income

Interest income was $3.7 million in the year ended December 31, 2012, compared with $3.2 million in the year ended December 31, 2011.

Interest Expense

Interest expense was $62.8 million in the year ended December 31, 2012, compared with $38.6 million in the year ended December 31, 2011. The increase in interest expense was primarily due to our Credit Agreement entered into in conjunction with the acquisition of RailAmerica, including a $12.6 million make-whole payment resulting from the redemption of pre-existing senior notes, the write-off of $0.5 million of debt issuance costs and higher outstanding debt due to the acquisition.

Contingent Forward Sale Contract

In conjunction with our announcement on July 23, 2012 of our plan to acquire RailAmerica, we entered into the Investment Agreement with Carlyle in order to partially fund the acquisition of RailAmerica. Pursuant to the Investment Agreement, Carlyle agreed to purchase a minimum of $350.0 million of Preferred Stock, which Preferred Stock was convertible into our Class A common stock in certain circumstances. The conversion price of the Preferred Stock was set at approximately $58.49, which was a 4.5% premium to our stock price on the trading day prior to the announcement of the RailAmerica acquisition. For the period between July 23, 2012 and September 30, 2012, this instrument was accounted for as a contingent forward sale contract with mark-to-market non-cash income or expense included in our consolidated financial results and the cumulative effect represented as an asset or liability. Our closing price was $66.86 on September 28, 2012, which was the last trading day prior to issuing the Preferred Stock, and, accordingly, we recorded a $50.1 million non-cash mark-to-market expense related to the Investment Agreement for the year ended December 31, 2012. See Note 10, Derivative Financial Instruments, to our Consolidated Financial Statements included elsewhere in this Annual Report for further details on the contingent forward sale contract and Note 4, Earnings Per Common Share, to our Consolidated Financial Statements included elsewhere in this Annual Report for details regarding the conversion of the Preferred Stock.

Provision for Income Taxes

The $50.1 million mark-to-market expense associated with the contingent forward sale contract included in our income before income taxes for the year ended December 31, 2012 is a non-deductible expense for income tax purposes. As a result, our provision for income tax was $46.4 million for the year ended December 31, 2012, which represents 34.8% of income before income taxes other than the mark-to-market expense. Our effective income tax rate was 24.4% in the year ended December 31, 2011. The increase in the effective income tax rate for the year ended December 31, 2012 was primarily attributable to the expiration of the United States Short Line Tax Credit on December 31, 2011. On January 2, 2013, the United States Short Line Tax Credit was extended for 2012 and 2013. The extension of the United States Short Line Tax Credit produced book income tax benefits of $41.0 million for fiscal year 2012 and was recorded in the first quarter of 2013 when the extension became law.

Net Income and Earnings Per Share Attributable to G&W Common Stockholders

Net income was $52.4 million in the year ended December 31, 2012, compared with net income of $119.5 million in the year ended December 31, 2011. Our net income in the year ended December 31, 2012 included the $50.1 million mark-to-market expense associated with the contingent forward sale contract. Our basic EPS were $1.13 with 42.7 million weighted average shares outstanding in the year ended December 31, 2012, compared with basic EPS of $2.99 with 39.9 million weighted average shares outstanding in the year ended December 31, 2011. Our diluted EPS in the year ended December 31, 2012 were $1.02 with 51.3 million weighted average shares outstanding, compared with diluted EPS in the year ended December 31, 2011 of $2.79 with 42.8 million weighted average shares outstanding. The weighted average shares outstanding in the year ended December 31, 2012 included 1,066,867 shares as a result of the public offering of Class A common stock and 850,773 shares as a result of the public offering of TEUs, which both took place in September of 2012.

Segment Information

Our various railroad lines are organized into 11 operating regions. Since all of the regions have similar characteristics, they previously had been aggregated into one reportable segment. Beginning January 1, 2011, we decided to present our financial information as two reportable segments — North American & European Operations and Australian Operations.

The results of operations of our foreign entities are maintained in the respective local currency (the Australian dollar, the Canadian dollar and the Euro) and then translated into United States dollars at the applicable exchange rates for inclusion in our consolidated financial statements. As a result, any appreciation or depreciation of these currencies against the United States dollar can impact our results of operations.

The following table sets forth our North American & European Operations and Australian Operations for the years ended December 31, 2012 and 2011 (dollars in thousands):

	2012			2011		
	North American & European Operations	Australian Operations	Total Operations	North American & European Operations	Australian Operations	Total Operations
Revenues:						
Freight	$ 412,839	$ 211,970	$ 624,809	$ 388,797	$ 194,150	$ 582,947
Non-freight	173,054	65,185	238,239	168,824	59,323	228,147
Fuel sales to third parties	—	11,868	11,868	—	18,002	18,002
Total revenues	585,893	289,023	874,916	557,621	271,475	829,096
Operating expenses						
Labor and benefits	197,407	60,211	257,618	186,467	49,685	236,152
Equipment rents	26,298	11,024	37,322	26,460	17,425	43,885
Purchased services	26,330	54,242	80,572	27,911	50,830	78,741
Depreciation and amortization	50,156	23,249	73,405	47,218	19,263	66,481
Diesel fuel used in operations	56,298	32,101	88,399	57,394	31,105	88,499
Diesel fuel sold to third parties	—	11,322	11,322	—	16,986	16,986
Casualties and insurance	16,244	8,614	24,858	14,710	7,759	22,469
Materials	23,569	1,671	25,240	24,138	2,281	26,419
Trackage rights	17,643	10,607	28,250	14,368	8,698	23,066
Net (gain)/loss on sale and impairment of assets	(9,178)	(2,047)	(11,225)	(5,167)	(493)	(5,660)
Gain on insurance recoveries	—	(5,760)	(5,760)	(43)	(1,018)	(1,061)
Other expenses	35,695	8,854	44,549	34,519	6,821	41,340
RailAmerica acquisition-related costs	18,592	—	18,592	—	—	—
RailAmerica integration costs	11,452	—	11,452	—	—	—
Total operating expenses	470,506	214,088	684,594	427,975	209,342	637,317
Income from operations	$ 115,387	$ 74,935	$ 190,322	$ 129,646	$ 62,133	$ 191,779
Operating ratio	80.3%	74.1%	78.2%	76.8%	77.1%	76.9%
Interest expense	$ 45,996	$ 16,849	$ 62,845	$ 23,171	$ 15,446	$ 38,617
Interest income	$ 3,219	$ 506	$ 3,725	$ 2,950	$ 293	$ 3,243
Contingent forward sale mark-to-market expense	$ 50,106	$ —	$ 50,106	$ —	$ —	$ —
Provision for income taxes	$ 28,451	$ 17,951	$ 46,402	$ 26,181	$ 12,350	$ 38,531
Income from equity investment in RailAmerica, net	$ 15,557	$ —	$ 15,557	$ —	$ —	$ —
Carloads	723,448	203,646	927,094	785,377	211,671	997,048
Expenditures for additions to property & equipment, net of grants from outside parties	$ 69,636	$ 122,426	$ 192,062	$ 59,383	$ 96,643	$ 156,026

Revenues from our North American & European Operations were $585.9 million in the year ended December 31, 2012, compared with $557.6 million in the year ended December 31, 2011, an increase of $28.3 million, or 5.1%. The $28.3 million increase in revenues from our North American & European Operations included a $24.0 million increase in freight revenues and a $4.2 million increase in non-freight revenues. The $24.0 million increase in freight revenues consisted of an increase of $2.9 million from existing operations and $21.1 million from new operations.

Operating expenses from our North American & European Operations were $470.5 million in the year ended December 31, 2012, compared with $428.0 million in the year ended December 31, 2011, an increase of $42.5 million, or 9.9%. The $42.5 million increase in operating expenses from our North American & European Operations included $29.1 million from existing operations and $13.4 million from new operations. The $29.1 million increase in operating expenses from existing operations was primarily due to an increase of $18.6 million of RailAmerica acquisition-related costs and $11.5 million of RailAmerica integration expenses, partially offset by a $1.3 million decrease due to the depreciation of the Canadian dollar and the Euro relative to the United States dollar.

Revenues from our Australian Operations were $289.0 million in the year ended December 31, 2012, compared with $271.5 million in the year ended December 31, 2011, an increase of $17.5 million. The increase in revenues included a $17.8 million increase in freight revenues and a $5.9 million increase in non-freight revenues, partially offset by a $6.1 million decrease in fuel sales to third parties. The $17.8 million increase in freight revenues was primarily driven by a new iron ore contact in South Australia which began in October 2012. The $5.9 million increase in non-freight revenues was primarily driven by an increased level of activity with existing customers. The $6.1 million decrease in fuel sales to third parties was primarily due to the sale of our third-party fuel-sales business in South Australia in the third quarter of 2012.

Operating expenses from our Australian Operations were $214.1 million in the year ended December 31, 2012, compared with $209.3 million in the year ended December 31, 2011, an increase of $4.7 million. The increase in operating expenses primarily resulted from the additional resources required to support a new iron ore contract in South Australia, including approximately 50 new employees and additional depreciation expense resulting from the purchase of new equipment, as well as an increase in other operating expenses primarily due to increased trackage rights and property tax expenses, partially offset by higher insurance recoveries in 2012 primarily related to a business interruption claim associated with the Edith River Derailment (described in Note 5, Accounts Receivable and Allowance For Doubtful Accounts, to our Consolidated Financial Statements included elsewhere in this Annual Report) and a decrease in equipment rents due to the replacement of leased locomotives with new owned units.

Liquidity and Capital Resources

We had cash and cash equivalents on hand of $62.9 million and $64.8 million at December 31, 2013 and 2012, respectively. Based on current expectations, we believe our cash and other liquid assets, anticipated future cash flows, availability under our Credit Agreement, access to debt and equity capital markets and sources of available financing will be sufficient to fund expected operating, capital and debt service requirements and other financial commitments for the foreseeable future. During 2014, we expect to fund the pending acquisition of the assets comprising the western end of the DM&E with borrowings under our Credit Agreement.

At December 31, 2013, we had long-term debt, including current portion, of $1.6 billion, which comprised 43.1% of our total capitalization, and $406.0 million of unused borrowing capacity. At December 31, 2012, we had long-term debt, including current portion, totaling $1.9 billion, which comprised 49.5% of our total capitalization and $396.3 million of unused borrowing capacity.

During 2013, 2012 and 2011, we generated $413.5 million, $170.7 million and $173.5 million, respectively, of cash from operating activities. Changes in working capital decreased net cash flows from operating activities by $25.5 million, $30.9 million and $36.8 million in 2013, 2012 and 2011, respectively. The $25.5 million change for 2013 was attributable to a $44.5 million increase in accounts receivable, partially offset by a $16.4 million increase in accounts payable and accrued expenses. The 2013 period included $12.9 million in cash paid for expenses related to the integration of RailAmerica. Of the $30.9 million change in working capital for 2012, $30.1 million was due to a reduction in accounts payable and accrued expenses, which included $9.1 million associated with the settlement of a cross-currency swap that matured in December 2012 and $6.3 million in net cash payments related to the December 2011 Edith River derailment. Of the $36.8 million change in working capital for 2011, $25.6 million was due to a reduction in accounts payable and accrued expenses and $12.3 million was due to an increase in accounts receivable driven by an increase in business in 2011. The $25.6 million reduction in accounts payable and accrued expenses included $13.0 million associated with the payment of Australian stamp duty for the acquisition of FreightLink in Australia and $10.5 million due to the timing of the payment of Australian income taxes.

During 2013, 2012 and 2011, our cash used in investing activities was $208.7 million, $2.1 billion and $235.1 million, respectively. For 2013, primary drivers of cash used in investing activities were $249.3 million of cash used for capital expenditures, including $34.2 million for new business investments, partially offset by $33.9 million in cash received from grants from outside parties for capital spending and $6.7 million in cash proceeds from the sale of property and equipment. For 2012, primary drivers of cash used in investing activities were $1.9 billion of net cash paid for acquisitions, primarily related to the acquisition of RailAmerica, and $231.7 million of cash used for capital expenditures, including $101.9 million for new business investments in Australia, partially offset by $39.6 million in cash received from grants from outside parties and $15.3 million in cash proceeds from the sale of property and equipment. For 2011, primary drivers of cash used in investing activities were $178.7 million of cash used for capital expenditures, including $78.2 million for new business investments in Australia, and $89.9 million in net cash paid for acquisitions, primarily related to the acquisition of AZER, partially offset by $22.6 million in cash received from grants from outside parties and $9.5 million in proceeds from the disposition of property and equipment.

During 2013, our cash used in financing activities was $205.9 million, compared with cash provided by financing activities in 2012 and 2011 of $2.0 billion and $62.0 million, respectively. For 2013, primary drivers of cash used in financing activities were a net decrease in outstanding debt of $209.3 million, $2.8 million of debt amendment costs and $2.1 million of dividends paid to Preferred Stockholders, partially offset by net cash inflows of $8.3 million from exercises of stock-based awards. For 2012, primary drivers of cash provided by financing activities were a net increase in outstanding debt of $1.2 billion, net proceeds of $234.3 million from the sale of our Class A common stock, net proceeds of $222.9 million from the sale of our TEUs, net proceeds of $349.4 million from the issuance of our Preferred Stock and net cash inflows of $20.3 million from exercises of stock-based awards, partially offset by $38.8 million of debt amendment costs. For 2011, primary drivers of cash provided by financing activities were a net increase in outstanding debt of $47.9 million and net cash inflows of $18.9 million from exercises of stock-based awards, partially offset by $4.7 million of debt amendment costs.

Purchase of Assets Comprising Western End of Canadian Pacific's Dakota, Minnesota & Eastern Rail Line

On January 2, 2014, we and Canadian Pacific (CP) jointly announced our entry pursuant to an agreement under which we will purchase the assets comprising the western end of CP's Dakota, Minnesota & Eastern Railroad (DM&E) rail line for a cash purchase price of approximately $210 million, subject to certain adjustments including the purchase of materials and supplies, equipment and vehicles. We intend to fund the acquisition with borrowings under our existing credit facilities.

The asset acquisition is expected to close by mid-2014, subject to approval of the STB and the satisfaction of other customary closing conditions. Upon closing, our new railroad will be named Rapid City, Pierre & Eastern Railroad. We expect to hire approximately 180 employees to staff the new railroad and anticipate these employees will come primarily from those currently working on the rail line.

The western end encompasses approximately 670 miles of CP's current operations between Tracy, Minnesota and Rapid City, South Dakota; north of Rapid City to Colony, Wyoming; south of Rapid City to Dakota Junction, Nebraska; and connecting branch lines as well as trackage from Dakota Junction to Crawford, Nebraska, currently leased to the Nebraska Northwestern Railroad (NNW). Customers on the line ship approximately 52,000 carloads annually of grain, bentonite clay, ethanol, fertilizer and other products. The new rail operation will have the ability to interchange with CP, Union Pacific, BNSF and NNW.

RailAmerica Acquisition and Related Financings

On October 1, 2012, we announced the closing of our acquisition of RailAmerica and entered into the Credit Agreement, which was comprised of $1.9 billion in term loans and a $425.0 million revolving credit facility. We financed the $1.4 billion cash purchase price for RailAmerica's shares, the refinancing of $1.2 billion of our and RailAmerica's debt, as well as transaction and financing-related expenses, with $1.8 billion of debt from our Credit Agreement, $475.5 million of gross proceeds from our public offerings of Class A common stock and TEUs and $350.0 million of gross proceeds through the private issuance of Preferred Stock to Carlyle, as more fully described in Note 3, Changes in Operations, and Note 9, Long-Term Debt, to our Consolidated Financial Statements included elsewhere in this Annual Report.

On October 1, 2012, in connection with the RailAmerica acquisition, we repaid in full all outstanding loans, together with interest and all other amounts due under our previously outstanding credit agreement. In addition, we repaid in full our outstanding Series B senior notes on October 1, 2012, along with an aggregate $12.6 million make-whole payment. In connection with such repayment, we wrote off $3.2 million of unamortized debt issuance costs.

As part of the financing for the RailAmerica acquisition, on October 1, 2012, we completed the issuance of 350,000 shares of Preferred Stock at an issuance price of $1,000.00 per share for $349.4 million, net of issuance costs, to Carlyle pursuant to the Investment Agreement. Dividends on the Preferred Stock were cumulative and payable quarterly in arrears in an amount equal to 5.00% per annum of the issuance price per share. Each share of the Preferred Stock was convertible at any time, at the option of the holder, into approximately 17.1 shares of Class A common stock, subject to customary conversion adjustments. The Preferred Stock was also mandatorily convertible into the relevant number of shares of Class A common stock on the second anniversary of the date of issuance, subject to the satisfaction of certain conditions. Furthermore, we had the ability to convert some or all of the Preferred Stock prior to the second anniversary of the date of issue of the Preferred Stock if the closing price of our Class A common stock on the New York Stock Exchange exceeded 130% of the conversion price (or $76.03) for 30 consecutive trading days, subject to the satisfaction of certain conditions. The conversion price of the Preferred Stock was set at approximately $58.49, which was a 4.5% premium to our stock price prior to the announcement of the RailAmerica acquisition.

As of February 12, 2013, the closing price of our Class A common stock had exceeded $76.03 for 30 consecutive trading days. On February 13, 2013, we exercised our option to convert all of the outstanding Preferred Stock issued to Carlyle into 5,984,232 shares of our Class A common stock. On the conversion date, we also paid to Carlyle all accrued and unpaid dividends on the Preferred Stock of $2.1 million, as well as cash in lieu of fractional shares. In November 2013, Carlyle sold all of these outstanding shares of our Class A common stock in a public offering.

In connection with the funding of the RailAmerica acquisition described above, on September 19, 2012, we issued 2,300,000 5.00% TEUs. Each TEU initially consisted of a prepaid stock purchase contract (Purchase Contract) and a senior amortizing note due October 1, 2015 (Amortizing Note) issued by us, which had an initial principal amount of $14.1023 per Amortizing Note. As of December 31, 2013, the Amortizing Notes had an aggregate principal amount of $21.9 million. On each January 1, April 1, July 1 and October 1, we are required to pay holders of Amortizing Notes equal quarterly installments of $1.25 per Amortizing Note (except for the January 1, 2013 installment payment, which was $1.4167 per Amortizing Note), which cash payments in the aggregate will be equivalent to a 5.00% cash payment per year with respect to each $100 stated amount of the TEUs. Each installment constitutes a payment of interest (at an annual rate of 4.50%) and a partial repayment of principal on the Amortizing Note. The Amortizing Notes have a scheduled final installment payment date of October 1, 2015. If we elect to settle the Purchase Contracts early, holders of the Amortizing Notes will have the right to require us to repurchase such holders' Amortizing Notes, except in certain circumstances as described in the indenture governing the Amortizing Notes.

Unless settled or redeemed earlier, each Purchase Contract will automatically settle on October 1, 2015 (subject to postponement in certain limited circumstances) and we will deliver a number of shares of our Class A common stock based on the applicable market value of our Class A common stock, as defined in the Purchase Contract, which will be between 1.2355 shares and 1.5444 shares (subject to adjustment) per each $100 stated amount of the TEUs based on our share price at the time of settlement. Each TEU may be separated into its constituent Purchase Contract and Amortizing Note after the initial issuance date of the TEU, and the separate components may be combined to create a TEU. The Amortizing Note component of the TEU is recorded as debt and the Purchase Contract component of the TEU is recorded in equity as additional paid-in capital. On September 19, 2012, we recorded $197.6 million, the initial fair value of the Purchase Contracts, as additional paid-in capital, which was partially offset by $6.1 million of underwriting discounts and commissions and offering expenses.

Our basic and diluted earnings per share calculations reflect the weighted average shares issuable upon settlement of the Purchase Contract component of the TEUs. For purposes of determining the number of shares included in the calculation, we used the market price of our Class A common stock at the period end date.

Cash Repatriation

At December 31, 2013, we had cash and cash equivalents totaling $62.9 million, of which $26.1 million was held in our foreign subsidiaries. We file a consolidated United States federal income tax return that includes all of our United States subsidiaries. Each of our foreign subsidiaries files income tax returns in each of its respective countries. No provision is made for the United States income taxes applicable to the undistributed earnings of controlled foreign subsidiaries as it is the intention of management to fully utilize those earnings in the operations of foreign subsidiaries. If the earnings were to be distributed in the future, those distributions may be subject to United States income taxes (appropriately reduced by available foreign tax credits) and withholding taxes payable to various foreign countries; however, the amount of the tax and credits is not practically determinable. The amount of undistributed earnings of our controlled foreign subsidiaries as of December 31, 2013 was $268.9 million.

Credit Agreement

As of October 1, 2012, the Credit Agreement included a $425.0 million revolving credit facility, a $1.6 billion United States term loan, a C$24.6 million ($25.0 million at the exchange rate on October 1, 2012) Canadian term loan and an A$202.9 million ($210.0 million at the exchange rate on October 1, 2012) Australian term loan. The revolving credit facility also includes borrowing capacity for letters of credit and for borrowings on same-day notice, referred to as swingline loans. The Credit Agreement has a maturity date of October 1, 2017.

The Credit Agreement allows for borrowings under the revolving credit facility in United States dollars, Euros, Canadian dollars and Australian dollars. Under the revolving credit facility, the applicable borrowing spread for the United States base rate loans and Canadian base rate loans under the Credit Agreement initially were 1.50% over the base rate through December 31, 2012 and ranged from 0.50% to 1.75% over the base rate depending upon our total leverage ratio through March 27, 2013. The applicable borrowing spread in the case of the United States, Canadian and European loans is the London Interbank Offered Rate (LIBOR) and the Australian loans is the Bank Bill Swap Reference Rate (BBSW), which were initially 2.50% over the LIBOR and BBSW rate through December 31, 2012 and ranged from 1.50% to 2.75% over these rates depending upon our total leverage ratio through March 27, 2013. BBSW is the wholesale interbank reference rate within Australia, which we believe is generally considered the Australian equivalent to LIBOR. On March 28, 2013, we entered into Amendment No. 1 (the Amendment) to the Credit Agreement. As a result of the Amendment, the applicable borrowing spread for the United States and Canadian base rate loans under the revolving credit facility were reduced to 0.25% to 1.50% over the base rate and the applicable borrowing spread for the United States, Canadian, European and Australian term loans were reduced to 1.25% to 2.50% over the respective LIBOR and BBSW rates depending upon our total leverage ratio.

The existing term loans and loans under the revolving credit facility are guaranteed by substantially all of our United States subsidiaries for the United States guaranteed obligations and by substantially all of our foreign subsidiaries for the foreign guaranteed obligations. The Credit Agreement is collateralized by a substantial portion of the real and personal property assets of our domestic subsidiaries that have guaranteed the United States obligations under the Credit Agreement and a substantial portion of the personal property assets of our foreign subsidiaries that have guaranteed the foreign obligations under the Credit Agreement.

During the three months ended December 31, 2012, we made prepayments on our United States term loan of $47.5 million, prepayments on our Canadian term loan of C$10.0 million (or $10.0 million at the exchange rate on the date it was paid) and prepayments on our Australian term loan of A$18.0 million (or $18.6 million at the exchange rate on the date it was paid). We also made scheduled quarterly principal payments of $16.4 million on our United States term loan, C$0.2 million (or $0.2 million at the average exchange rate during the period in which paid) on our Canadian term loan and A$2.0 million (or $2.1 million at the average exchange rate during the period in which paid) on our Australian term loan during the three months ended December 31, 2012.

In March 2013, we prepaid in full the remaining balance on our Canadian term loan, which resulted in the write-off of unamortized deferred financing costs of $0.5 million. In addition, during the year ended December 31, 2013, we made prepayments of $79.0 million and scheduled quarterly principal payments totaling $63.7 million on our United States term loan. During the year ended December 31, 2013, we made prepayments of A$24.0 million (or $23.6 million at the average exchange rates during the periods in which paid) and scheduled quarterly principal payments totaling A$8.1 million (or $7.7 million at the average exchange rates during the periods in which paid) on our Australian term loan.

As of December 31, 2013, we had outstanding term loans of $1.4 billion in the United States with an interest rate of 1.92% and A$150.8 million in Australia (or $134.4 million at the exchange rate on December 31, 2013) with an interest rate of 4.40%. As of December 31, 2013, we had outstanding revolving credit facilities of $11.0 million in the United States with an interest rate of 1.92% and €3.6 million in Europe (or $4.9 million at the exchange rate on December 31, 2013) with an interest rate of 1.97%.

In addition to paying interest on any outstanding borrowings under the Credit Agreement, we are required to pay a commitment fee in respect of the unutilized portion of the commitments under the revolving credit facility. The commitment fee rate initially was 0.50% per annum through December 31, 2012 and will range from 0.25% to 0.50% depending upon our total leverage ratio thereafter. We also pay customary letter of credit and agency fees.

The Credit Agreement also includes (a) a $45.0 million sub-limit for the issuance of standby letters of credit and (b) sub-limits for swingline loans including (i) up to $30.0 million under the United States revolving credit facility, (ii) up to $15.0 million under each of the Canadian revolving credit facility and the Australian revolving credit facility and (iii) up to $10.0 million under the Euro revolving credit facility.

The Credit Agreement contains a number of customary affirmative and negative covenants that, among other things, limit or prohibit our ability, subject to certain exceptions, to incur additional indebtedness; create liens; make investments; pay dividends on capital stock or redeem, repurchase or retire capital stock; consolidate or merge or make acquisitions or dispose of assets; enter into sale and leaseback transactions; engage in any business unrelated to the business currently conducted by us; sell or issue capital stock of any of our restricted subsidiaries; change our fiscal year; enter into certain agreements containing negative pledges and upstream limitations and engage in certain transactions with affiliates. Under the Credit Agreement, we may not have an interest coverage ratio less than 3.50 to 1.00 as of the last day of any fiscal quarter. In addition, we may not exceed specified maximum total leverage ratios as described in the following table:

Period	Maximum Total Leverage Ratio
Closing Date through September 30, 2013	4.75 to 1.00
October 1, 2013 through September 30, 2014	4.25 to 1.00
October 1, 2014 through September 30, 2015	3.75 to 1.00
October 1, 2015 and thereafter	3.50 to 1.00

As of December 31, 2013, we were in compliance with the covenants under our Credit Agreement. As of December 31, 2013, our $425.0 million revolving credit facility consisted of $15.9 million of outstanding debt, subsidiary letters of credit guarantees of $3.1 million and $406.0 million of unused borrowing capacity. Subject to maintaining compliance with the covenants under the Credit Agreement, the $406.0 million of unused borrowing capacity as of December 31, 2013 is available for working capital, capital expenditures, permitted investments, permitted acquisitions, refinancing existing indebtedness and general corporate purposes. We expect to use a portion of the availability under our Credit Agreement to fund the pending acquisition of the assets comprising the western end of the DM&E.

On July 29, 2011, we entered into the Third Amended and Restated Revolving Credit and Term Loan Agreement (Prior Credit Agreement), which replaced our credit agreement then in effect. The Prior Credit Agreement had a borrowing capacity of $750.0 million and a maturity date of July 29, 2016. The Prior Credit Agreement included a $425.0 million revolving credit facility, a $200.0 million United States term loan, an A$92.2 million ($100.0 million at the July 29, 2011 exchange rate) Australian term loan and a C$23.6 million ($25.0 million at the July 29, 2011 exchange rate) Canadian term loan. As described above, in connection with the RailAmerica acquisition, on October 1, 2012, we repaid in full all outstanding loans, together with interest and all other amounts due under the Prior Credit Agreement. No penalties were due in connection with such repayments. In connection with the repayment of the Prior Credit Agreement, we wrote off $2.9 million of unamortized debt issuance costs and incurred $0.5 million of legal expenses during the year ended December 31, 2012.

Senior Notes

In 2005, we completed a private placement of $100.0 million of Series B senior notes and $25.0 million of Series C senior notes. The Series B senior notes bore interest at 5.36% and were due in July 2015. On October 1, 2012, we repaid the $100.0 million of outstanding Series B senior notes, along with an aggregate $12.6 million make-whole payment, with proceeds from the Credit Agreement. The Series C senior notes had a borrowing rate of three-month LIBOR plus 0.70% and were repaid in July 2012 through borrowings under the Prior Credit Agreement. In addition, we wrote off $0.3 million of unamortized debt issuance costs associated with our senior notes during the year ended December 31, 2012.

TEUs

As discussed above in "RailAmerica Acquisition and Related Financing," each TEU consists of an Amortizing Note due October 1, 2015, with an initial principal amount of $14.1023 per note. As of December 31, 2013, the Amortizing Notes had an aggregate principal amount of $21.9 million. On each January 1, April 1, July 1 and October 1, we are required to pay holders of Amortizing Notes equal quarterly installments of $1.25 per Amortizing Note (except for the January 1, 2013 installment payment, which was $1.4167 per Amortizing Note), which cash payments in the aggregate will be equivalent to a 5.00% cash payment per year with respect to each $100 stated amount of the TEUs. Each installment constitutes a payment of interest (at an annual rate of 4.50%) and a partial repayment of principal on the Amortizing Note. The Amortizing Notes have a scheduled final installment payment date of October 1, 2015. If we elect to settle the Purchase Contracts early, holders of the Amortizing Notes will have the right to require us to repurchase such holders' Amortizing Notes, except in certain circumstances as described in the indenture governing the Amortizing Notes.

Non-Interest Bearing Loan

In 2010, as part of the acquisition of FreightLink, we assumed debt with a carrying value of A$1.8 million (or $1.7 million at the exchange rate on December 1, 2010), which represented the fair value of an A$50.0 million (or $48.2 million at the exchange rate on December 1, 2010) non-interest bearing loan due in 2054. As of December 31, 2013, the carrying value of the loan was A$2.3 million (or $2.0 million at the exchange rate on December 31, 2013) with a non-cash imputed interest rate of 8.0%.

Equipment and Property Leases

We enter into operating leases for railcars, locomotives and other equipment as well as real property. We also enter into agreements with other railroads and other third parties to operate over certain sections of their track and pay a per car fee to use the track or an annual lease payment. The costs associated with operating leases are expensed as incurred.

The number of railcars and locomotives leased by us, including 8,004 railcars and 175 locomotives acquired from RailAmerica in 2012, as of December 31, 2013 and 2012 was as follows:

	December 31,	
	2013	2012
Railcars	17,718	18,311
Locomotives	100	182

Our operating lease expense for equipment and real property leases and expense for the use of other railroad and other third parties' track for the years ended December 31, 2013, 2012 and 2011 was as follows (2012 excludes lease expense related to RailAmerica's equipment and real property leases and trackage rights expense included in equity earnings for the period from October 1, 2012 to December 28, 2012) (dollars in thousands):

	2013	2012	2011
Equipment	$ 32,050	$ 13,386	$ 19,328
Real property	$ 8,062	$ 5,055	$ 4,632
Trackage rights	$ 50,911	$ 28,250	$ 23,066

We are party to several lease agreements with Class I carriers and other third parties to operate over various rail lines in North America, with varied expirations. Certain of these lease agreements have annual lease payments. Revenues from railroads we lease from Class I carriers and other third parties accounted for approximately 9% of our 2013 total revenues. Leases from Class I railroads and other third parties that are subject to expiration in each of the next 10 years represent less than 2% of our annual revenues in the year of expiration based on our operating revenues for the year ended December 31, 2013.

Shelf Registration

We have an effective shelf registration statement on file with the SEC for an indeterminate number of securities that is effective for three years (expires September 12, 2015), after which time we expect to be able to file an automatic shelf registration statement that would become immediately effective for another three-year term. Under this universal shelf registration statement, we have the capacity to offer and sell from time to time securities, including common stock, debt securities, preferred stock, warrants and units.

Grants from Outside Parties

Our railroads have received a number of project grants from federal, provincial, state and local agencies and other outside parties (e.g., customers) for upgrades and construction of rail lines and upgrades of locomotives. We use the grant funds as a supplement to our normal capital programs. In return for the grants, the railroads pledge to maintain various levels of service and improvements on the rail lines that have been upgraded or constructed. We believe the levels of service and improvements required under the grants are reasonable. However, we can offer no assurance that grants from outside parties will continue to be available or that even if available, our railroads will be able to obtain them.

Insurance and Third-Party Claims

Accounts receivable from insurance and other third-party claims was $33.0 million and $25.0 million as of December 31, 2013 and 2012, respectively. Accounts receivable from insurance and other third-party claims at December 31, 2013 included $16.8 million from our Australian Operations and $14.8 million from our North American & European Operations. The balance from our Australian Operations resulted predominately from a derailment in Australia's Northern Territory (the Edith River Derailment) in December 2011. The balance from our North American & European Operations resulted predominately from a derailment in Alabama (the Aliceville Derailment) in November 2013. We received proceeds from insurance totaling $11.1 million, $21.8 million and $0.6 million for the years ended December 31, 2013, 2012 and 2011, respectively, and recorded related gains on insurance recoveries totaling $1.5 million, $5.8 million and $1.1 million for the years ended December 31, 2013, 2012 and 2011, respectively.

2014 Budgeted Capital Expenditures

The following table sets forth our budgeted capital expenditures for the year ending December 31, 2014 (dollars in thousands):

Budgeted Capital Expenditures:		**2014**
Track and equipment, self-funded	$	199,000
Track and equipment, subject to third-party funding		73,000
New business development		53,000
Grants from outside parties		(58,000)
Net budgeted capital expenditures	$	267,000

Our budgeted capital expenditures for the year ending December 31, 2014 include $47 million of capital expenditures for our Australian Operations, including $25 million in capital expenditures for new business development.

We have historically relied primarily on cash generated from operations to fund working capital and capital expenditures relating to ongoing operations, while relying on borrowed funds and stock issuances to finance acquisitions and new investments. We believe our cash flow from operations will enable us to meet our liquidity and capital expenditure requirements relating to ongoing operations for at least the duration of the Credit Agreement.

Contractual Obligations and Commercial Commitments

Based on our assessment of the underlying provisions and circumstances of our material contractual obligations and commercial commitments as of December 31, 2013, there is no known trend, demand, commitment, event or uncertainty that is reasonably likely to occur that would have a material adverse effect on our consolidated results of operations, financial condition or liquidity.

The following table represents our obligations and commitments for future cash payments under various agreements as of December 31, 2013 (dollars in thousands):

	Payments Due By Period				
Contractual Obligations:	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-term debt obligations (1)	$ 1,657,374	$ 83,490	$ 216,671	$ 1,312,638	$ 44,575
Interest on long-term debt (2)	159,639	35,151	62,286	20,581	41,621
Derivative instruments (3)	838	—	838	—	—
Capital lease obligations	11,142	876	1,758	8,324	184
Operating lease obligations	235,401	32,414	38,949	26,807	137,231
Purchase obligations (4)	14,469	14,469	—	—	—
Other long-term liabilities (5)	31,312	2,609	2,112	750	25,841
Total	$ 2,110,175	$ 169,009	$ 322,614	$ 1,369,100	$ 249,452

(1) Includes an A$50.0 million (or $44.6 million at the exchange rate on December 31, 2013) non-interest bearing loan due in 2054 assumed in the acquisition of FreightLink with a carrying value of A$2.3 million (or $2.0 million at the exchange rate on December 31, 2013).
(2) Assumes no change in variable interest rates from December 31, 2013.
(3) Includes the fair value of our interest rate swaps of $0.8 million.
(4) Includes purchase commitments for future capital expenditures among our existing operations. Excludes the pending purchase of assets on the western end of CP's DM&E line of approximately $210 million (which is subject to STB approval and the satisfaction of other closing conditions), which was announced in January 2014.
(5) Includes estimated casualty obligations of $11.4 million, deferred compensation of $11.2 million and certain other long-term liabilities of $8.8 million. In addition, the table includes estimated post-retirement medical and life insurance benefits of $6.9 million and our 2014 estimated contributions of $0.8 million to our pension plans.

Off-Balance Sheet Arrangements

An off-balance sheet arrangement includes any contractual obligation, agreement or transaction involving an unconsolidated entity under which we (1) have made guarantees, (2) have a retained or contingent interest in transferred assets, or a similar arrangement, that serves as credit, liquidity or market risk support to that entity for such assets, (3) have an obligation under certain derivative instruments, or (4) have any obligation arising out of a material variable interest in such an entity that provides financing, liquidity, market risk or credit risk support to us, or that engages in leasing or hedging services with us.

Our off-balance sheet arrangements as of December 31, 2013 consisted of operating lease obligations, which are included in the contractual obligations table above.

Impact of Foreign Currencies on Operating Revenues and Expenses

When comparing the effects on revenues of average foreign currency exchange rates in effect during the year ended December 31, 2013 versus the year ended December 31, 2012, foreign currency translation had an overall negative impact on our consolidated operating revenues due to the weakening of the Australian and Canadian dollars relative to the United States dollar, partially offset by the strengthening of the Euro relative to the United States dollar in the year ended December 31, 2013. Currency effects related to operating revenues and expenses are presented within the discussion of these respective items included within this "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Critical Accounting Policies and Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to use judgment and to make estimates and assumptions that affect business combinations, reported assets, liabilities, revenues and expenses during the reporting period. Management uses its judgment in making significant estimates in the areas of recoverability and useful life of assets, as well as liabilities for casualty claims and income taxes. Actual results could materially differ from those estimates.

Business Combinations

We account for businesses we acquire using the acquisition method of accounting. Under this method, all acquisition-related costs are expensed as incurred. We record the underlying net assets at their respective acquisition-date fair values. As part of this process, we identify and attribute values and estimated lives to property and equipment and intangible assets acquired. These determinations involve significant estimates and assumptions, including those with respect to future cash flows, discount rates and asset lives, and therefore require considerable judgment. These determinations affect the amount of depreciation and amortization expense recognized in future periods. The results of operations of acquired businesses are included in our consolidated statements of operations beginning on the respective business's acquisition date.

Property and Equipment

We record property and equipment at cost. We capitalize major renewals or improvements, but routine maintenance and repairs are expensed when incurred. We incur maintenance and repair expenses to keep our operations safe and fit for existing purpose. Major renewals or improvements to property and equipment, however, are undertaken to extend the useful life or increase the functionality of the asset, or both.

When assessing spending for classification among capital or expense, we evaluate the substance of the respective spending. For example, costs incurred to modify a railroad bridge, either through individual projects or pre-established multi-year programs, which substantially upgrade the bridge's capacity to carry increased loads and/or to allow for a carrying speed beyond the original or existing capacity of the bridge, are capitalized. However, costs for replacement of routinely wearable bridge components, such as plates or bolts, are expensed as incurred. Other than a *de minimis* threshold under which costs are expensed as incurred, we do not apply pre-defined capitalization thresholds when assessing spending for classification among capital or expense.

Unlike the Class I railroads that operate over extensive contiguous rail networks, our short line and regional railroads are generally geographically dispersed businesses that transport freight over relatively short distances. As a result, we typically incur minimal spending on self-constructed assets and, instead, the vast majority of our capital spending relates to purchased assets installed by professional contractors. We also generally do not incur significant rail grinding or ballast cleaning expenses. However, if and when such costs are incurred, they are expensed.

The following table sets forth our total net capitalized major renewals and improvements versus our total maintenance and repair expense for the years ended December 31, 2013, 2012 and 2011 (dollars in thousands):

	2013	2012	2011
Gross capitalized major renewals and improvements	$ 220,529	$ 116,222	$ 107,419
Grants from outside parties	33,913	39,632	22,642
Net capitalized major renewals and improvements	$ 186,616	$ 76,590	$ 84,777
Total repairs and maintenance expense	$ 328,991	$ 180,282	$ 172,396

We depreciate our property and equipment on the straight-line method over the useful lives of the property and equipment. The following table sets forth the estimated useful lives of our major classes of property and equipment:

	Estimated Useful Life (in Years)	
Property:	**Minimum**	**Maximum**
Buildings and leasehold improvements (subject to term of lease)	2	40
Bridges/tunnels/culverts	20	50
Track property	5	50
Equipment:		
Computer equipment	2	7
Locomotives and railcars	2	30
Vehicles and mobile equipment	2	10
Signals and crossing equipment	4	30
Track equipment	2	10
Other equipment	2	20

We continually evaluate whether events and circumstances have occurred that indicate that the carrying amounts of our long-lived tangible assets may not be recoverable. When factors indicate that an asset should be evaluated for possible impairment, we use an estimate of the related undiscounted future cash flows over the remaining life of such asset in measuring whether or not impairment has occurred. If we identify impairment of an asset, we would report a loss to the extent that the carrying value of the related asset exceeds the fair value of such asset, as determined by valuation techniques applicable in the circumstances. Losses from impairment of assets are charged to net (gain)/loss on sale and impairment of assets within operating expenses.

Gains or losses on sales, including sales of assets removed during track and equipment upgrade projects, or losses incurred through other dispositions, such as unanticipated retirement or destruction, are credited or charged to net (gain)/loss on sale and impairment of assets within operating expenses. Gains are recorded when realized if the sale value exceeds the remaining carrying value of the respective property and equipment. If the estimated salvage value is less than the remaining carrying value, we record the loss incurred equal to the respective asset's carrying value less salvage value. There were no material losses incurred through other dispositions from unanticipated or unusual events in the years ended December 31, 2013, 2012 or 2011.

Grants from Outside Parties

Grants from outside parties are recorded as long-term liabilities and are amortized as a reduction to depreciation expense over the same period during which the associated assets are depreciated.

Goodwill and Indefinite-Lived Intangible Assets

We review the carrying values of goodwill and identifiable intangible assets with indefinite lives at least annually to assess impairment since these assets are not amortized. If the carrying amount of the asset exceeds its fair value, an impairment loss shall be recognized in an amount equal to that excess. We perform our annual impairment test as of November 30 of each year, and no impairment was recognized for the years ended December 31, 2013, 2012 and 2011, as a result of our annual impairment test. Additionally, we review the carrying value of any intangible asset or goodwill whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The determination of fair value involves significant management judgment including assumptions about operating results, business plans, income projections, anticipated future cash flows and market data. Impairments are expensed when incurred.

Amortizable Intangible Assets

We perform an impairment test on amortizable intangible assets when specific impairment indicators are present. We have amortizable intangible assets valued primarily as service agreements, customer contracts or relationships and track access agreements. These intangible assets are generally amortized on a straight-line basis over the expected economic longevity of the facility served, the customer relationship, or the length of the contract or agreement including expected renewals.

Derailment and Property Damages, Personal Injuries and Third-Party Claims

We maintain liability and property insurance coverage to mitigate the financial risk of providing rail and rail-related services. On August 1, 2013, we renewed these annual insurance policies, which now cover all of our operations under one insurance program. Incidents involving entities previously owned by RailAmerica that occurred prior to this renewal would be considered under RailAmerica's legacy liability and property insurance policies. Our primary liability policies currently have self-insured retentions of up to $1.0 million per occurrence. RailAmerica's prior primary liability policies' self-insured retentions were as high as $4.0 million per occurrence. With respect to the transportation of hazardous commodities, our liability policy covers third-party claims and damages associated with sudden releases of hazardous materials, including expenses related to evacuation, as a result of a railroad accident. Personal injuries associated with grade crossing accidents are also covered under our liability policies. Our property damage policies currently have various self-insured retentions, which vary based on type and location of the incident, of up to $1.0 million per occurrence except in Australia where our self-insurance retention for property damage due to a cyclone or flood is A$2.5 million. RailAmerica's primary property damage policies previously had self-insured retentions of up to $1.5 million per occurrence. The property damage policies also provide business interruption insurance arising from covered events. The self-insured retentions under our policies may change with each annual insurance renewal depending on our loss history, the size and make-up of our company and general insurance market conditions.

Employees of our United States railroads are covered by the Federal Employers' Liability Act (FELA), a fault-based system under which claims resulting from injuries and deaths of railroad employees are settled by negotiation or litigation. FELA-related claims are covered under our liability policies. Employees of our industrial switching and railroad construction businesses are covered under workers' compensation policies.

Accruals for FELA claims by our railroad employees and third-party personal injury or other claims are recorded in the period when such claims are determined to be probable and estimable. These estimates are updated in future periods as information develops.

Stock-Based Compensation

The Compensation Committee of our Board of Directors (Compensation Committee) has discretion to determine grantees, grant dates, amounts of grants, vesting and expiration dates for stock-based compensation awards to our employees under our Second Amended and Restated 2004 Omnibus Incentive Plan (the Omnibus Plan). The Omnibus Plan permits the issuance of stock options, restricted stock, restricted stock units and any other form of award established by the Compensation Committee, in each case consistent with the Omnibus Plan's purpose. Under the terms of the awards, equity grants for employees generally vest over three years and equity grants for directors vest over their respective remaining terms as directors.

The grant date fair value of non-vested shares, less estimated forfeitures, is recorded to compensation expense on a straight-line basis over the vesting period. The fair value of each option grant is estimated on the date of grant using the Black-Scholes pricing model and straight-line amortization of compensation expense is recorded over the requisite service period of the grant. Two assumptions in the Black-Scholes pricing model require management judgment: the life of the option and the volatility of the stock over the life of the option. The assumption for the life of the option is based on historical experience and is estimated for each grant. The assumption for the volatility of the stock is based on a combination of historical and implied volatility. The fair value of our restricted stock and restricted stock units is based on the closing market price of our Class A common stock on the date of grant.

For the year ended December 31, 2013, compensation cost from equity awards was $11.7 million. We also recorded an additional $5.1 million of costs from the acceleration of equity awards for certain terminated employees related to the integration of RailAmerica. As of December 31, 2013, the compensation cost related to non-vested awards not yet recognized was $14.6 million, which will be recognized over the next 3 years with a weighted average period of 1.3 years. The total income tax benefit recognized in the consolidated statement of operations for equity awards, including the benefit recognized from the acceleration of equity awards related to the integration of RailAmerica, was $5.3 million for the year ended December 31, 2013.

For the year ended December 31, 2012, compensation cost from equity awards was $7.9 million. We also recorded an additional $4.1 million of costs from the acceleration of equity awards for certain terminated employees related to the integration of RailAmerica. The total income tax benefit recognized in the consolidated statement of operations for equity awards, including the benefit recognized from the acceleration of equity awards related to the integration of RailAmerica, was $4.5 million for the year ended December 31, 2012.

For the year ended December 31, 2011, compensation cost from equity awards was $7.7 million. The total income tax benefit recognized in the consolidated statement of operations for equity awards was $2.6 million for the year ended December 31, 2011.

Income Taxes

We account for income taxes under a balance sheet approach for the financial accounting and reporting of deferred income taxes. Deferred income taxes reflect the tax effect of temporary differences between the book and tax basis of assets and liabilities, as well as available income tax credits and capital and net operating loss carryforwards. In our consolidated balance sheets, these deferred obligations or benefits are classified as current or non-current based on the classification of the related asset or liability for financial reporting. A deferred income tax obligation or benefit that is not related to an asset or liability for financial reporting, including deferred income tax assets related to tax credit and loss carryforwards, is classified according to the expected reversal date of the temporary difference as of the end of the year. We evaluate on a quarterly basis whether, based on all available evidence, our deferred income tax assets will be realizable. Valuation allowances are established when it is estimated that it is more likely than not that the tax benefit of a deferred tax asset will not be realized.

No provision is made for the United States income taxes applicable to the undistributed earnings of controlled foreign subsidiaries because it is the intention of management to fully utilize those earnings in the operations of foreign subsidiaries. If the earnings were to be distributed in the future, those distributions may be subject to United States income taxes (appropriately reduced by available foreign tax credits) and withholding taxes payable to various foreign countries.

Other Uncertainties

Our operations and financial condition are subject to certain risks that could cause actual operating and financial results to differ materially from those expressed or forecasted in our forward-looking statements. For a complete description of our general risk factors including risk factors of foreign operations, see "Part I. Item 1A. Risk Factors" in this Annual Report.

Management believes that full consideration has been given to all relevant circumstances to which we may be currently subject, and the consolidated financial statements accurately reflect management's best estimate of our results of operations, financial condition and cash flows for the years presented.

Recently Issued Accounting Standards

See Note 20, Recently Issued Accounting Standards, to our Consolidated Financial Statements included elsewhere in this Annual Report.

ITEM 7A. *Quantitative and Qualitative Disclosures About Market Risk.*

We actively monitor our exposure to interest rate and foreign currency exchange rate risks and use derivative financial instruments to manage the impact of certain of these risks. We use derivatives only for purposes of managing risk associated with underlying exposures. We do not trade or use such instruments with the objective of earning financial gains from interest rate or exchange rate fluctuations, nor do we use such instruments where there are no underlying cash exposures. Complex instruments involving leverage or multipliers are not used. We manage our hedging positions and monitor the credit ratings of counterparties and do not anticipate losses due to counterparty nonperformance. Management believes that our use of derivative financial instruments to manage risk is in our best interest. However, our use of derivative financial instruments may result in short-term gains or losses and increased earnings volatility.

Interest Rate Risk & Risk Sensitivity

Our interest rate risk results from variable interest rate debt obligations, where an increase in interest rates would result in lower earnings and increased cash outflows. The following table presents principal cash flows from our debt obligations, related weighted average annual interest rates by expected maturity dates and estimated fair values as of December 31, 2013 (dollars in thousands):

	2014	2015	2016	2017	2018	Thereafter	Total	Fair Value
Fixed rate debt:								
Tangible Equity Units	$ 10,694	$ 11,184	$ —	$ —	$ —	$ —	$ 21,878	$ 21,698
Other debt (1)	1,548	6,070	1,446	8,698	319	44,759	62,840	18,996
Average annual interest rate	7.0%	7.4%	7.9%	8.0%	8.0%	8.0%	7.7%	
Variable rate debt:								
Revolving credit facility:								
Europe	—	—	—	4,948	—	—	4,948	4,959
United States	—	—	—	11,000	—	—	11,000	10,997
Term loans:								
Australia	7,840	9,649	12,062	104,885	—	—	134,436	135,491
United States	64,284	79,119	98,899	1,191,112	—	—	1,433,414	1,429,204
Average annual interest rate	2.4%	3.0%	4.2%	5.0%	0.0%	0.0%	4.7%	
Total	$ 84,366	$106,022	$112,407	$1,320,643	$ 319	$ 44,759	$1,668,516	$ 1,621,345

(1) Includes an A$50.0 million (or $44.6 million at the exchange rate on December 31, 2013) non-interest bearing loan due in 2054 assumed in the acquisition of FreightLink with a carrying value of A$2.3 million (or $2.0 million at the exchange rate on December 31, 2013) with a non-cash imputed interest rate of 8.0%.

The variable interest rates presented in the table above are based on the implied forward rates in the yield curve for borrowings denominated using United States LIBOR, Australia BBSW and Euro LIBOR (as of December 31, 2013). The borrowing margin is composed of a weighted average of 1.75% for United States, Australian and European borrowings under our Credit Agreement. To the extent not mitigated by interest rate swap agreements, based on the table above, assuming a one percentage point increase in market interest rates, annual interest expense on our variable rate debt would increase by approximately $2.8 million. Furthermore, if we were to refinance all of our debt obligations in the current environment, we believe we would incur interest rates no worse, and potentially better, than our current rates.

Fair Value of Financial Instruments

We apply the following three-level hierarchy of valuation inputs as a framework for measuring fair value:

- Level 1 – Quoted prices for identical assets or liabilities in active markets that we have the ability to access at the measurement date.
- Level 2 – Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and model-derived valuations in which all significant inputs are observable market data.

- Level 3 – Valuations derived from valuation techniques in which one or more significant inputs are unobservable.

Since our long-term debt is not quoted, fair value was estimated using a discounted cash flow analysis based on Level 2 valuation inputs, including borrowing rates we believe are currently available to us for loans with similar terms and maturities. Primary inputs into the model that will cause the fair value of our debt to fluctuate period-to-period include the fixed interest rates, the future interest rates, credit risk and the remaining time to maturity of the debt obligations.

We use interest rate swap agreements to manage our exposure to changes in interest rates of our variable rate debt. These swap agreements are recorded in the consolidated balance sheets at fair value. To value the interest rate swaps, a discounted cash flow model is utilized. Primary inputs into the model that will cause the fair value to fluctuate period-to-period include the fixed interest rates, LIBOR implied forward interest rates, credit risk and the remaining time to maturity of the interest rate swaps. Management's intention is to hold the interest rate swaps to maturity. Changes in the fair value of the agreements are recorded in net income or other comprehensive income/(loss), based on whether the agreements are designated as part of a hedge transaction and whether the agreements are effective in offsetting the change in the value of the interest payments attributable to our variable rate debt.

The following table summarizes the terms of our outstanding interest rate swap agreements entered into to manage our exposure to changes in interest rates on its variable rate debt (dollars in thousands):

		Notional Amount			
Effective Date	**Expiration Date**	**Date**	**Amount**	**Pay Fixed Rate**	**Receive Variable Rate**
9/30/2013	9/29/2014	9/30/2013	1,350,000	0.35%	1-month LIBOR
		12/31/2013	1,300,000	0.35%	1-month LIBOR
		3/31/2014	1,250,000	0.35%	1-month LIBOR
		6/30/2014	1,200,000	0.35%	1-month LIBOR
9/30/2014	9/29/2015	9/30/2014	1,150,000	0.54%	1-month LIBOR
		12/31/2014	1,100,000	0.54%	1-month LIBOR
		3/31/2015	1,050,000	0.54%	1-month LIBOR
		6/30/2015	1,000,000	0.54%	1-month LIBOR
9/30/2015	9/30/2016	9/30/2015	350,000	0.93%	1-month LIBOR
9/30/2016	9/30/2026	9/30/2026	100,000	2.79%	3-month LIBOR
9/30/2016	9/30/2026	9/30/2026	100,000	2.79%	3-month LIBOR
9/30/2016	9/30/2026	9/30/2026	100,000	2.80%	3-month LIBOR

On November 9, 2012, we entered into multiple 10-year forward starting interest rate swap agreements to manage our exposure to changes in interest rates on our variable rate debt. On the date of the hedge designation, September 30, 2016, it is probable that we will either issue $300.0 million of fixed-rate debt or have $300.0 million of variable-rate debt under our commercial banking lines. The forward starting interest swap agreements are expected to settle in cash on September 30, 2016. We expect any gains or losses on settlement will be amortized over the life of the respective swaps.

The following table summarizes our interest rate swap agreements that expired during 2013 (dollars in thousands):

		Notional Amount			
Effective Date	**Expiration Date**	**Date**	**Amount**	**Paid Fixed Rate**	**Receive Variable Rate**
10/6/2008	9/30/2013	10/6/2008	$ 120,000	3.88%	1-month LIBOR
10/4/2012	9/30/2013	10/4/2012	$ 1,450,000	0.25%	1-month LIBOR
		1/1/2013	$ 1,350,000	0.25%	1-month LIBOR
		4/1/2013	$ 1,300,000	0.25%	1-month LIBOR
		7/1/2013	$ 1,250,000	0.25%	1-month LIBOR

The fair value of the interest rate swap agreements were estimated based on Level 2 inputs. Our effectiveness testing during the year ended December 31, 2013 resulted in no amount of gain or loss reclassified from accumulated other comprehensive income/(loss) into earnings due to ineffectiveness. During the year ended December 31, 2013, $4.1 million of net losses were realized and recorded as interest expense in the consolidated statement of operations. Based on our fair value assumptions as of December 31, 2013, we expect to realize $1.6 million of net losses that are reported in accumulated other comprehensive income into earnings within the next 12 months. See Note 16, Accumulated Other Comprehensive Income, to our Consolidated Financial Statements included elsewhere in this Annual Report, for additional information regarding our cash flow hedges.

Foreign Currency Exchange Rate Risk

As of December 31, 2013, $142.1 million of third-party debt related to our foreign operations was denominated in the currencies in which our subsidiaries operate, including the Australian dollar, Canadian dollar and Euro. The debt service obligations associated with this foreign currency debt are generally funded directly from those operations. As a result, foreign currency risk related to this portion of our debt service payments is limited. However, in the event the foreign currency debt service is not paid from our foreign operations, we may face exchange rate risk if the Australian or Canadian dollar or Euro were to appreciate relative to the United States dollar and require higher United States dollar equivalent cash.

We are also exposed to foreign currency exchange rate risk related to our foreign operations, including non-functional currency intercompany debt, typically from our United States operations to our foreign subsidiaries, and any timing difference between announcement and closing of an acquisition of a foreign business to the extent such acquisition is funded with United States dollars. To mitigate currency exposures related to non-functional currency denominated intercompany debt, cross-currency swap contracts may be entered into for periods consistent with the underlying debt. In determining the fair value of the derivative contract, the significant inputs to valuation models are quoted market prices of similar instruments in active markets. To mitigate currency exposures of non-United States dollar denominated acquisitions, we may enter into foreign exchange forward contracts. Although these derivative contracts do not qualify for hedge accounting, we believe that such instruments are closely correlated with the underlying exposure, thus reducing the associated risk. The gains or losses from changes in the fair value of derivative instruments that are not accounted for as hedges are recognized in current period earnings within other income, net.

To mitigate the foreign currency exchange rate risk related to a non-functional currency intercompany loan between our United States and Australian entities, we entered into an Australian dollar/United States dollar floating to floating cross-currency swap agreement (the Swap), effective as of December 1, 2010, which effectively converted the A$105.0 million intercompany loan receivable in the United States into a $100.6 million loan receivable. As a result of the quarterly net settlement payments associated with this swap, we realized a net expense of $4.4 million within interest (expense)/income for the year ended December 31, 2012. In addition, we recognized $0.6 million within other income, net related to the settlement of the derivative agreement and the underlying intercompany debt instrument to the exchange rate for the year ended December 31, 2012. The Swap expired on December 1, 2012 and was settled for $9.1 million.

On November 29, 2012, simultaneous with the termination of the previous swap, we entered into two new 2-year Australian dollar/United States dollar floating to floating cross-currency swap agreements (the Swaps), effective December 3, 2012. These agreements expire on December 1, 2014. The Swaps effectively convert the A$105.0 million intercompany loan receivable in the United States into a $109.6 million loan receivable. The Swaps require us to pay Australian dollar BBSW plus 3.25% based on a notional amount of A$105.0 million and allow us to receive United States LIBOR plus 2.82% based on a notional amount of $109.6 million on a quarterly basis. BBSW is the wholesale interbank reference rate within Australia, which we believe is generally considered the Australian equivalent to LIBOR. As a result of these quarterly net settlement payments, we realized a net expense of $2.7 million within interest (expense)/income for the year ended December 31, 2013. In addition, we recognized $0.4 million within other income, net related to the settlement of the derivative agreement and the underlying intercompany debt instrument to the exchange rate for the year ended December 31, 2013.

The following table summarizes the impact of these foreign currency financial instruments on our statement of operations for the years ended December 31, 2013 and 2012 (dollars in thousands):

	Location of Amount Recognized in Earnings	Amount Recognized in Earnings 2013	Amount Recognized in Earnings 2012
Quarterly settlement under cross-currency swap	Interest (expense)/income	$ (2,696)	$ (4,638)
Mark-to-market of intercompany debt	Other (expense)/income, net	(15,517)	2,053
Mark-to-market of cross-currency swap	Other income/(expense), net	15,944	(1,750)
		$ (2,269)	$ (4,335)

The following table presents our financial instruments that are carried at fair value using Level 2 inputs at December 31, 2013 and 2012 (dollars in thousands):

	2013	2012
Financial liabilities carried at fair value using Level 2 inputs:		
Interest rate swap agreements	$ 36,987	$ 4,227
Cross-currency swap agreements	16,056	255
Total financial assets carried at fair value	53,043	4,482
Interest rate swap agreements	$ 2,439	$ 4,659
Cross-currency swap agreements	—	143
Total financial liabilities carried at fair value	$ 2,439	$ 4,802

Sensitivity to Diesel Fuel Prices

We are exposed to fluctuations in diesel fuel prices since an increase in the price of diesel fuel would result in lower earnings and cash outflows. In the year ended December 31, 2013, fuel costs for fuel used in operations represented 12.4% of our total expenses. As of December 31, 2013, we had not entered into any hedging transactions to manage this diesel fuel risk. We receive fuel surcharges and other rate adjustments that partially offset the impact of higher fuel prices. As of December 31, 2013, each one percentage point increase in the price of diesel fuel would result in a $1.6 million increase in our annual fuel expense to the extent not offset by higher fuel surcharges and/or rates.

ITEM 8. *Financial Statements and Supplementary Data.*

The financial statements and supplementary financial data required by this item are listed under Part IV. Item 15 following the signature page hereto and are incorporated by reference herein.

ITEM 9. *Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.*

None.

ITEM 9A. *Controls and Procedures.*

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2013. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2013 to accomplish their objectives at the reasonable assurance level.

There were no changes in the Company's internal control over financial reporting (as that term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the quarter ended December 31, 2013 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

REPORT OF MANAGEMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of Genesee & Wyoming Inc. is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) or 15d-15(f) under the Securities Exchange Act of 1934, as amended. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. Internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of Genesee & Wyoming Inc.;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America;
- provide reasonable assurance that our receipts and expenditures are being made only in accordance with the authorization of management and directors of Genesee & Wyoming Inc.; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of our internal control over financial reporting as of December 31, 2013. Management based this assessment on criteria for effective internal control over financial reporting described in the *Internal Control-Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's internal controls over financial reporting, established and maintained by management, are under the general oversight of the Company's Audit Committee. Management's assessment included an evaluation of the design of our internal control over financial reporting and testing of the operating effectiveness of our internal control over financial reporting.

Based on this assessment, management determined that, as of December 31, 2013, we maintained effective internal control over financial reporting.

PricewaterhouseCoopers LLP, an independent registered public accounting firm, which has audited and reported on the consolidated financial statements contained in this Annual Report on Form 10-K, has audited the effectiveness of the Company's internal control over financial reporting as stated in their report which is included herein under "Part IV. Item 15. Exhibits, Financial Statements and Schedules."

ITEM 9B. *Other Information.*

None.

PART III

ITEM 10. *Directors, Executive Officers and Corporate Governance.*

The information required by this Item is incorporated herein by reference to our proxy statement to be filed within 120 days after the end of our fiscal year in connection with the Annual Meeting of the Stockholders of G&W to be held on May 21, 2014, under "Proposal One: Election of Directors," "Executive Officers," and "Corporate Governance."

We have adopted a Code of Ethics and Conduct that applies to all directors, officers and employees, including our Chief Executive Officer, our Chief Financial Officer, and our Chief Accounting Officer and Global Controller. The Code of Ethics and Conduct is available on the Governance page of the Company's Internet website at www.gwrr.com. We will post any amendments to the Code of Ethics and Conduct and any waivers that are required to be disclosed by the rules of either the SEC or the NYSE on our Internet website within the required time period.

ITEM 11. *Executive Compensation.*

The information required by this Item is incorporated herein by reference to our proxy statement to be filed within 120 days after the end of our fiscal year in connection with the Annual Meeting of the Stockholders of G&W to be held on May 21, 2014, under "Executive Compensation", including the "Compensation Discussion and Analysis," "Compensation Committee Report," and "Summary Compensation Table" sections, and "2013 Director Compensation."

ITEM 12. *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.*

The following table sets forth all of our securities authorized for issuance under our equity compensation plans as of December 31, 2013:

Plan Category	(a) Number of Securities to be Issued upon Exercise of Outstanding Options	(b) Weighted Average Exercise Price of Outstanding Options	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity compensation plans approved by security holders	969,332	$ 54.32	2,174,314
Equity compensation plans not approved by security holders	—	—	—
Total	969,332	$ 54.32	2,174,314

The remaining information required by this Item is incorporated herein by reference to our proxy statement to be filed within 120 days after the end of our fiscal year in connection with the Annual Meeting of the Stockholders of G&W to be held on May 21, 2014, under "Security Ownership of Certain Beneficial Owners and Management."

ITEM 13. *Certain Relationships and Related Transactions, and Director Independence.*

The information required by this Item is incorporated herein by reference to our proxy statement to be filed within 120 days after the end of our fiscal year in connection with the Annual Meeting of the Stockholders of G&W to be held on May 21, 2014, under "Corporate Governance" and "Related Person Transactions."

ITEM 14. *Principal Accounting Fees and Services.*

The information required by this Item is incorporated herein by reference to our proxy statement to be filed within 120 days after the end of our fiscal year in connection with the Annual Meeting of the Stockholders of G&W to be held on May 21, 2014, under "Proposal Three: Ratification of the Selection of Independent Auditors."

PART IV

ITEM 15. ***Exhibits, Financial Statement Schedules.***

(a) DOCUMENTS FILED AS PART OF THIS FORM 10-K

Genesee & Wyoming Inc. and Subsidiaries Financial Statements:

Report of Independent Registered Public Accounting Firm

Consolidated Balance Sheets as of December 31, 2013 and 2012

Consolidated Statements of Operations for the Years Ended December 31, 2013, 2012 and 2011

Consolidated Statements of Comprehensive Income for the Years Ended December 31, 2013, 2012 and 2011

Consolidated Statements of Changes in Equity for the Years Ended December 31, 2013, 2012 and 2011

Consolidated Statements of Cash Flows for the Years Ended December 31, 2013, 2012 and 2011

Notes to Consolidated Financial Statements

Separate Financial Statements of Subsidiaries Not Consolidated and 100 Percent Owned:

RailAmerica, Inc. and Subsidiaries Financial Statements:

Report of Independent Registered Public Accounting Firm

Consolidated Balance Sheet as of December 28, 2012

Consolidated Statement of Operations for the Period October 1, 2012 (acquisition date) through December 28, 2012

Consolidated Statement of Comprehensive Income for the Period October 1, 2012 (acquisition date) through December 28, 2012

Consolidated Statement of Changes in Equity for the Period October 1, 2012 (acquisition date) through December 28, 2012

Consolidated Statements of Cash Flows for the Period October 1, 2012 (acquisition date) through December 28, 2012

Notes to Consolidated Financial Statements

(b) EXHIBITS—See INDEX TO EXHIBITS filed herewith immediately following the signature page hereto, and which is incorporated herein by reference

(c) NONE

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 27, 2014

GENESEE & WYOMING INC.

By: /s/ JOHN C. HELLMANN

John C. Hellmann
Chief Executive Officer and President

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

Date	Title	Signature
February 27, 2014	Chairman of the Board of Directors	/s/ MORTIMER B. FULLER III **Mortimer B. Fuller III**
February 27, 2014	Chief Executive Officer, President and Director (Principal Executive Officer)	/s/ JOHN C. HELLMANN **John C. Hellmann**
February 27, 2014	Chief Financial Officer (Principal Financial Officer)	/s/ TIMOTHY J. GALLAGHER **Timothy J. Gallagher**
February 27, 2014	Chief Accounting Officer (Principal Accounting Officer)	/s/ CHRISTOPHER F. LIUCCI **Christopher F. Liucci**
February 27, 2014	Director	/s/ RICHARD H. ALLERT **Richard H. Allert**
February 27, 2014	Director	/s/ RICHARD H. BOTT **Richard H. Bott**
February 27, 2014	Director	/s/ ØIVIND LORENTZEN III **Øivind Lorentzen III**
February 27, 2014	Director	/s/ ROBERT M. MELZER **Robert M. Melzer**
February 27, 2014	Director	/s/ MICHAEL NORKUS **Michael Norkus**
February 27, 2014	Director	/s/ ANN N. REESE **Ann N. Reese**
February 27, 2014	Director	/s/ PHILIP J. RINGO **Philip J. Ringo**
February 27, 2014	Director	/s/ MARK A. SCUDDER **Mark A. Scudder**

INDEX TO EXHIBITS

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure, other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as the date they were made or at any other time.

(1) Plan of acquisition, reorganization, arrangement, liquidation or succession

1.1 Agreement and Plan of Merger, dated as of July 23, 2012, by and among Genesee & Wyoming Inc., Jaguar Acquisition Sub Inc. and RailAmerica, Inc., is incorporated herein by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed on July 23, 2012 (File No. 001-31456).

(3) (i) Articles of Incorporation

The Exhibits referenced under 4.1 and 4.4 hereof are incorporated herein by reference.

(ii) By-laws

3.1 Amended By-laws, effective as of August 19, 2004, is incorporated herein by reference to Exhibit 2.1 to the Registrant's Quarterly Report on Form 10-Q filed on November 9, 2004 (File No. 001-31456).

(4) Instruments defining the rights of security holders, including indentures

4.1 Restated Certificate of Incorporation is incorporated herein by reference to Annex II to the Registrant's Definitive Proxy Statement on Schedule 14A filed on April 15, 2011 (File No. 001-31456).

4.2 Specimen stock certificate representing shares of Class A Common Stock is incorporated herein by reference to Exhibit 4.1 to Amendment No. 2 to the Registrant's Registration Statement on Form S-1 (Registration No. 333-03972) filed on June 12, 1996.

4.3 Form of Class B Stockholders' Agreement dated as of May 20, 1996, among the Registrant, its executive officers and its Class B Stockholders is incorporated herein by reference to Exhibit 4.2 to Amendment No. 1 to the Registrant's Registration Statement on Form S-1 (Registration No. 333-03972) filed on June 7, 1996.

4.4 Series A-1 Preferred Stock Certificate of Designations dated as of September 28, 2012, is incorporated herein by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on October 3, 2012 (File No. 001-31456).

4.5 Purchase Contract Agreement, dated as of September 19, 2012, among Genesee & Wyoming Inc. and Wilmington Trust, National Association, as Purchase Contract Agent and as attorney-in-fact for the holders of the Purchase Contracts from time to time and Wilmington Trust, National Association, as Trustee, is incorporated herein by reference to Exhibit 4(p) to the Registrant's Current Report on Form 8-K filed on September 19, 2012 (File No. 001-31456).

4.6 Form of Unit (included in Exhibit 4.5 hereof), is incorporated herein by reference to Exhibit 4(q) to the Registrant's Current Report on Form 8-K filed on September 19, 2012 (File No. 001-31456).

4.7 Form of Purchase Contract (included in Exhibit 4.5 hereof), is incorporated herein by reference to Exhibit 4(r) to the Registrant's Current Report on Form 8-K filed on September 19, 2012 (File No. 001-31456).

4.8 First Supplemental Indenture, dated as of September 19, 2012, between Genesee & Wyoming Inc. and Wilmington Trust, National Association, as Trustee, is incorporated herein by reference to Exhibit 4(s) to the Registrant's Current Report on Form 8-K filed on September 19, 2012 (File No. 001-31456).

4.9 Form of Amortizing Note (included in Exhibit 4.8 hereof), is incorporated herein by reference to Exhibit 4(t) to the Registrant's Current Report on Form 8-K filed on September 19, 2012 (File No. 001-31456).

4.10 Indenture, dated as of September 19, 2012, between Genesee & Wyoming Inc. and Wilmington Trust, National Association, as Trustee, is incorporated herein by reference to Exhibit 4(u) to the Registrant's Current Report on Form 8-K filed on September 19, 2012 (File No. 001-31456).

(10) Material Contracts

The Exhibit referenced under 4.3 hereof is incorporated herein by reference.

10.1 Memorandum of Lease between Minister for Transport and Urban Planning a Body Corporate Under the Administrative Arrangements Act, the Lessor and Australia Southern Railroad Pty Ltd., the Lessee, dated November 7, 1997, is incorporated herein by reference to Exhibit 10.2 to the Registrant's Annual Report on Form 10-K filed on March 31, 1998 (File No. 000-20847).

10.2 Agreement and Plan of Merger dated as of December 3, 2001, by and among Genesee & Wyoming Inc., ETR Acquisition Corporation and Emons Transportation Group, Inc. is incorporated herein by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed on December 12, 2001 (File No. 000-20847).

10.3 Securities Purchase Agreement dated as of May 25, 2005 by and among Rail Management Corporation, Durden 1991 Family Gift Trust, Durden 1991 Family Discretionary Trust, Durden 1991 Family Trust, K. Earl Durden 1991 Gift Trust, Durden 1996 Family Gift Trust, RP Acquisition Company One, a subsidiary of Genesee & Wyoming Inc. and RP Acquisition Company Two, a subsidiary of Genesee & Wyoming Inc. is incorporated herein by reference to Exhibit 99.1 to the Registrant's Current Report on Form 8-K filed on June 1, 2005 (File No. 001-31456).

10.4 Share Sale Agreement dated February 14, 2006 by and among Genesee & Wyoming Inc., GWI Holdings Pty Ltd, Wesfarmers Limited, Wesfarmers Railroad Holdings Pty Ltd, Babcock & Brown WA Rail Pty Ltd, QRNational West Pty Ltd, Australia Southern Railroad Pty Ltd, Australia Western Railroad Pty Ltd and Australian Railroad Group Pty Ltd is incorporated herein by reference to Exhibit 99.1 to the Registrant's Current Report on Form 8-K filed on February 17, 2006 (File No. 001-31456).

10.5 Letter Agreement dated February 16, 2006 between Wesfarmers Railroad Holdings Pty Ltd and GWI Holdings Pty Ltd is incorporated herein by reference to Exhibit 99.2 to the Registrant's Current Report on Form 8-K filed on February 17, 2006 (File No. 001-31456).

10.6 Restated Genesee & Wyoming Inc. Employee Stock Purchase Plan, as Amended through September 27, 2006, is incorporated herein by reference to Exhibit 4.1(a) to the Registrant's Registration Statement on Form S-8 (Registration No. 333-09165) filed on November 3, 2006. **

10.7 Form of Senior Executive Continuity Agreement by and between Genesee & Wyoming Inc. and the Company Senior Executives is incorporated herein by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed on November 8, 2007 (File No. 001-31456). **

10.8 Form of Executive Continuity Agreement by and between Genesee & Wyoming Inc. and the Company Executives is incorporated herein by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q filed on November 8, 2007 (File No. 001-31456). **

10.9 Amended and Restated Stock Purchase Agreement by and among Summit View, Inc., Jerry Joe Jacobson and Genesee & Wyoming Inc. dated as of September 10, 2008, is incorporated herein by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q filed on November 7, 2008 (File No. 001-31456).

10.10 Genesee & Wyoming Inc. Amended and Restated 2004 Deferred Compensation Plan for highly compensated employees and directors dated as of December 31, 2008 is incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on January 7, 2009 (File No. 001-31456).**

10.11 Employment Agreement dated as of May 30, 2007, and as amended and restated December 30, 2009, by and between Genesee & Wyoming Inc. and Mortimer B. Fuller III, together with Exhibit A (Waiver and General Release Agreement), is incorporated herein by reference to Exhibit 10.21 to the Registrant's Annual Report on Form 10-K filed on February 26, 2010 (File No. 001-31456). **

10.12 Business Sale Agreement dated June 9, 2010, by and among Freight Link Pty Ltd (Receivers and Managers Appointed), Asia Pacific Transport Pty Ltd (Receivers and Managers Appointed) ("APT"), other APT joint venture sellers, GWA (North) Pty Limited and Genesee & Wyoming Inc., is incorporated herein by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed on August 6, 2010 (File No. 001-31456).

10.13	Amendment Deed to Business Sale Agreement by and among Asia Pacific Transport Pty Ltd (Receivers and Managers Appointed), Freight Link Pty Ltd (Receivers and Managers Appointed), GWA (North) Pty Limited and Genesee & Wyoming Inc. dated October 27, 2010, is incorporated herein by reference to Exhibit 10.23 to the Registrant's Annual Report on Form 10-K filed on February 25, 2011 (File No. 001-31456).
10.14	Deed of Amendment and Acknowledgement to the Business Sale Agreement by and among Asia Pacific Transport Pty Ltd (Receivers and Managers Appointed), Freight Link Pty Ltd (Receivers and Managers Appointed), GWA (North) Pty Limited and Genesee & Wyoming Inc. dated November 24, 2010, is incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on December 1, 2010 (File No. 001-31456).
10.15	Sale Consent Deed by and among GWA (North) Pty Ltd., The Northern Territory of Australia, The Crown in right of the State of South Australia, The AustralAsia Railway Corporation, Asia Pacific Transport Pty Limited (Receivers and Managers Appointed) dated November 19, 2010, is incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on November 24, 2010 (File No. 001-31456).
10.16	Guarantee and Indemnity (GWA) by and between Genesee & Wyoming Australia Pty Ltd and The AustralAsia Railway Corporation dated November 19, 2010, is incorporated herein by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on November 24, 2010 (File No. 001-31456).
10.17	Second Amended and Restated 2004 Omnibus Incentive Plan is incorporated herein by reference to Annex I to the Registrant's Definitive Proxy Statement on Schedule 14A filed on April 15, 2011 (File No. 001-31456). **
10.18	Form of Option Award Notice under the Second Amended and Restated 2004 Omnibus Incentive Plan is incorporated herein by reference to Exhibit 10.5 to the Registrant's Quarterly Report on Form 10-Q filed on August 5, 2011 (File No. 001-31456).**
10.19	Form of Restricted Stock Award Notice under the Second Amended and Restated 2004 Omnibus Incentive Plan is incorporated herein by reference to Exhibit 10.4 to the Registrant's Quarterly Report on Form 10-Q filed on August 5, 2011 (File No. 001-31456).**
10.20	Form of Restricted Stock Unit Award Notice under the Second Amended and Restated 2004 Omnibus Incentive Plan is incorporated herein by reference to Exhibit 10.23 to the Registrant's Annual Report on Form 10-K filed on March 1, 2013 (File No. 001-31456). **
10.21	Investment Agreement, dated as of July 23, 2012, by and among Genesee & Wyoming Inc. and Carlyle Partners V, L.P., is incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on July 23, 2012 (File No. 001-31456).
10.22	Debt Commitment Letter, dated as of July 23, 2012, among Genesee & Wyoming Inc., Bank of America, N.A. and Merrill Lynch, Pierce, Fenner & Smith Incorporated, is incorporated herein by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on July 23, 2012 (File No. 001-31456).
10.23	First Amendment to the Investment Agreement, dated as of September 10, 2012, by and between Genesee & Wyoming Inc. and Carlyle Partners V, L.P., is incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on September 10, 2012 (File No. 001-31456).
10.24	Voting Trust Agreement, dated as of September 28, 2012, between Genesee & Wyoming Inc. and R. Lawrence McCaffrey, is incorporated herein by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on October 3, 2012 (File No. 001-31456).

10.25 Senior Secured Syndicated Facility Agreement dated as of October 1, 2012, among Genesee & Wyoming Inc., RP Acquisition Company Two, Quebec Gatineau Railway Inc., Genesee & Wyoming Australia Pty Ltd, Rotterdam Rail Feeding B.V., Bank of America, N.A., as administrative agent, Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities LLC and Citigroup Global markets Inc., as co-lead arrangers and co-bookrunning managers, JPMorgan Chase Bank, N.A. and Citigroup Global Markets Inc., as co-syndication agents, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corporation, Sovereign Bank N.A., Branch Banking and Trust Company, Fifth Third Bank, Royal Bank of Canada, TD Bank, N.A. and Wells Fargo Bank, National Association, as co-documentation agents, and the lenders and certain guarantors party thereto from time to time, is incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on October 3, 2012 (File No. 001-31456).

10.26 Registration Rights Agreement dated as of October 1, 2012, among Genesee & Wyoming Inc., Carlyle Partners V GW, L.P., CP V GW AIV 1, L.P., CP GW AIV 2 .LP., CP V GW AIV 3, L.P., CPV GW AIV 4, L.P., CP V Coinvestment A, L.P. and CP V Coinvestment B, L.P., is incorporated herein by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed on October 3, 2012 (File No. 001-31456).

10.27 Voting Agreement, dated as of July 23, 2012, by and between Genesee & Wyoming Inc. and RR Acquisition Holding LLC, is incorporated herein by reference to Exhibit 99.1 to the Registrant's Current Report on Form 8-K filed on July 23, 2012 (File No. 001-31456).

10.28 Acknowledgment and Agreement, dated as of February 7, 2013, by and among Genesee & Wyoming Inc. and holders of the Series A-1 Preferred Stock party thereto is incorporated herein by reference to Exhibit 10.31 to the Registrant's Annual Report on Form 10-K filed on March 1, 2013 (File No. 001-31456).

10.29 Amendment No. 1, dated as of March 28, 2013, to the Senior Secured Syndicated Facility Agreement, dated as of October 1, 2012, among Genesee & Wyoming Inc., RP Acquisition Company Two, Quebec Gatineau Railway Inc., Genesee & Wyoming Australia Pty Ltd, Rotterdam Rail Feeding B.V., Bank of America, N.A., as administrative agent, and the agents, lenders and guarantors party thereto from time to time, is incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on April 2, 2013 (File No. 001-31456).

(11) Not included as a separate exhibit as computation can be determined from Note 2 to the financial statements included in this Report under Item 8

*(21.1) Subsidiaries of the Registrant

*(23.1) Consent of PricewaterhouseCoopers LLP

*(23.2) Consent of PricewaterhouseCoopers LLP

*(31.1) Rule 13a-14(a)/15d-14(a) Certification of Principal Executive Officer

*(31.2) Rule 13a-14(a)/15d-14(a) Certification of Principal Financial Officer

*(32.1) Section 1350 Certifications

*101 The following financial information from Genesee & Wyoming Inc.'s Annual Report on Form 10-K for the year ended December 31, 2013, formatted in XBRL includes: (i) Consolidated Balance Sheets as of December 31, 2013 and 2012, (ii) Consolidated Statements of Operations for the Years Ended December 31, 2013, 2012 and 2011, (iii) Consolidated Statements of Comprehensive Income for the Years Ended December 31, 2013, 2012 and 2011, (iv) Consolidated Statements of Changes in Equity for the Years Ended December 31, 2013 and 2012, (v) Consolidated Statements of Cash Flows for the Years Ended December 31, 2013, 2012 and 2011, and (vi) the Notes to Consolidated Financial Statements.

* Exhibit filed or furnished with this Report.

** Management contract or compensatory plan in which directors and/or executive officers are eligible to participate.

INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Genesee & Wyoming Inc.:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, comprehensive income, cash flows and changes in equity present fairly, in all material respects, the financial position of Genesee & Wyoming Inc. and its subsidiaries at December 31, 2013 and 2012, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2013 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on criteria established in *Internal Control-Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the Report of Management on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers, LLP

Rochester, New York
February 27, 2014

GENESEE & WYOMING INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2013 and 2012
(dollars in thousands, except share amounts)

	December 31, 2013	December 31, 2012
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 62,876	$ 64,772
Accounts receivable, net	325,453	262,949
Materials and supplies	31,295	32,389
Prepaid expenses and other	52,584	33,586
Deferred income tax assets, net	76,122	71,556
Total current assets	548,330	465,252
PROPERTY AND EQUIPMENT, net	3,440,744	3,396,295
GOODWILL	630,462	634,953
INTANGIBLE ASSETS, net	613,933	670,206
DEFERRED INCOME TAX ASSETS, net	2,405	2,396
OTHER ASSETS, net	83,947	57,013
Total assets	$5,319,821	$5,226,115
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Current portion of long-term debt	$ 84,366	$ 87,569
Accounts payable	242,010	232,121
Accrued expenses	130,132	93,971
Deferred income tax liabilities, net	—	3,083
Total current liabilities	456,508	416,744
LONG-TERM DEBT, less current portion	1,540,346	1,770,566
DEFERRED INCOME TAX LIABILITIES, net	863,051	862,734
DEFERRED ITEMS - grants from outside parties	267,098	228,579
OTHER LONG-TERM LIABILITIES	43,748	47,506
COMMITMENTS AND CONTINGENCIES	—	—
SERIES A-1 PREFERRED STOCK	—	399,524
EQUITY:		
Class A common stock, $0.01 par value, one vote per share; 180,000,000 shares authorized at December 31, 2013 and 2012; 64,584,102 and 57,882,442 shares issued and 51,934,137 and 45,359,083 shares outstanding (net of 12,649,965 and 12,523,359 shares in treasury) on December 31, 2013 and 2012, respectively	646	579
Class B common stock, $0.01 par value, ten votes per share; 30,000,000 shares authorized at December 31, 2013 and 2012; 1,608,989 and 1,728,952 shares issued and outstanding on December 31, 2013 and 2012, respectively	16	17
Additional paid-in capital	1,302,521	866,609
Retained earnings	1,058,884	789,727
Accumulated other comprehensive income	6,089	47,271
Treasury stock, at cost	(220,361)	(209,266)
Total Genesee & Wyoming Inc. stockholders' equity	2,147,795	1,494,937
Noncontrolling interest	1,275	5,525
Total equity	2,149,070	1,500,462
Total liabilities and equity	$5,319,821	$5,226,115

The accompanying notes are an integral part of these consolidated financial statements.

GENESEE & WYOMING INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2013, 2012 and 2011
(in thousands, except per share amounts)

	Years Ended December 31,		
	2013	2012	2011
OPERATING REVENUES	$1,569,011	$ 874,916	$ 829,096
OPERATING EXPENSES:			
Labor and benefits	441,318	257,618	236,152
Equipment rents	77,825	37,322	43,885
Purchased services	120,871	80,572	78,741
Depreciation and amortization	141,644	73,405	66,481
Diesel fuel used in operations	147,172	88,399	88,499
Diesel fuel sold to third parties	368	11,322	16,986
Casualties and insurance	40,781	24,858	22,469
Materials	78,243	25,240	26,419
Trackage rights	50,911	28,250	23,066
Net (gain)/loss on sale and impairment of assets	(4,677)	(11,225)	(5,660)
Gain on insurance recoveries	(1,465)	(5,760)	(1,061)
Other expenses	78,797	44,549	41,340
RailAmerica acquisition-related costs	360	18,592	—
RailAmerica integration costs	16,675	11,452	—
Total operating expenses	1,188,823	684,594	637,317
INCOME FROM OPERATIONS	380,188	190,322	191,779
Gain on sale of investments	—	—	907
Interest income	3,971	3,725	3,243
Interest expense	(67,894)	(62,845)	(38,617)
Contingent forward sale contract mark-to-market expense	—	(50,106)	—
Other income, net	2,122	2,182	703
Income before income taxes and income from equity investment	318,387	83,278	158,015
Provision for income taxes	(46,296)	(46,402)	(38,531)
Income from equity investment in RailAmerica, net	—	15,557	—
Net income	272,091	52,433	119,484
Less: Net income attributable to noncontrolling interest	795	—	—
Less: Series A-1 Preferred Stock dividend	2,139	4,375	—
Net income available to common stockholders	$ 269,157	$ 48,058	$ 119,484
Basic earnings per common share attributable to Genesee & Wyoming Inc. common stockholders	$ 5.00	$ 1.13	$ 2.99
Weighted average shares—Basic	53,788	42,693	39,912
Diluted earnings per common share attributable to Genesee & Wyoming Inc. common stockholders	$ 4.79	$ 1.02	$ 2.79
Weighted average shares—Diluted	56,679	51,316	42,772

The accompanying notes are an integral part of these consolidated financial statements.

GENESEE & WYOMING INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2013, 2012 and 2011
(dollars in thousands)

	Years Ended December 31,		
	2013	2012	2011
NET INCOME	$ 272,091	$ 52,433	$ 119,484
OTHER COMPREHENSIVE (LOSS)/INCOME:			
Foreign currency translation adjustment	(62,532)	5,451	(3,511)
Net unrealized income on qualifying cash flow hedges, net of tax provision of $13,992, $2,702 and $759, respectively	20,988	4,053	1,334
Changes in pension and other postretirement benefit, net of tax provision/(benefit) of $208, ($72) and ($24), respectively	362	(128)	(42)
Other comprehensive (loss)/income	(41,182)	9,376	(2,219)
COMPREHENSIVE INCOME	$ 230,909	$ 61,809	$ 117,265
Less: Comprehensive income attributable to noncontrolling interest	795	—	—
COMPREHENSIVE INCOME ATTRIBUTABLE TO GENESEE & WYOMING INC.	$ 230,114	$ 61,809	$ 117,265

The accompanying notes are an integral part of these consolidated financial statements.

GENESEE & WYOMING INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2013 and 2012
(dollars in thousands)

	G&W Stockholders							
	Class A Common Stock	Class B Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income/(Loss)	Treasury Stock	Non-controlling Interest	Total Equity
BALANCE, December 31, 2011	$ 527	$ 22	$ 385,473	$ 741,669	$ 37,895	$(204,952)	$ —	$ 960,634
Net income	—	—	—	52,433	—	—	—	52,433
Other comprehensive income	—	—	—	—	9,376	—	—	9,376
Dividends paid on Series A-1 Preferred Stock	—	—	—	(4,375)	—	—	—	(4,375)
Proceeds from employee stock purchases	9	—	19,311	—	—	—	—	19,320
Conversion of 273,021 shares Class B common stock to Class A common stock	5	(5)	—	—	—	—	—	—
Compensation cost related to equity awards	—	—	12,151	—	—	—	—	12,151
Compensation costs related to equity awards included in income from equity investment in RailAmerica	—	—	2,816	—	—	—	—	2,816
Tax benefits from share-based compensation	—	—	4,795	—	—	—	—	4,795
Stock issuance proceeds, net of stock issuance costs - 3,791,004 shares Class A common stock	38	—	234,302	—	—	—	—	234,340
TEU Purchase Contracts issuance proceeds, net of issuance costs - 2,300,000 units	—	—	191,428	—	—	—	—	191,428
RailAmerica acquisition consideration for share-based awards	—	—	15,400	—	—	—	—	15,400
Treasury stock acquisitions from equity awards, 63,462 shares	—	—	—	—	—	(4,314)	—	(4,314)
Settlement of deferred stock awards, 31,244 shares	—	—	933	—	—	—	—	933
Noncontrolling interest - increase from RailAmerica acquisition	—	—	—	—	—	—	5,525	5,525
BALANCE, December 31, 2012	$ 579	$ 17	$ 866,609	$ 789,727	$ 47,271	$(209,266)	$ 5,525	$1,500,462
Net income	—	—	—	271,296	—	—	795	272,091
Other comprehensive loss	—	—	—	—	(41,182)	—	—	(41,182)
Dividends paid on Series A-1 Preferred Stock	—	—	—	(2,139)	—	—	—	(2,139)
Proceeds from employee stock purchases	6	—	12,504	—	—	—	—	12,510
Conversion of 119,963 shares Class B common stock to Class A common stock	1	(1)	—	—	—	—	—	—
Conversion of 5,984,232 shares Series A-1 Preferred Stock to Class A common stock	60	—	399,329	—	—	—	—	399,389
Compensation cost related to equity awards	—	—	16,951	—	—	—	—	16,951
Tax benefits from share-based compensation	—	—	6,854	—	—	—	—	6,854
Treasury stock acquisitions from equity awards, 126,606 shares	—	—	—	—	—	(11,095)	—	(11,095)
Settlement of deferred stock awards, 4,859 shares	—	—	274	—	—	—	—	274
Noncontrolling interest - change in fair value (see Note 3)	—	—	—	—	—	—	(5,045)	(5,045)
BALANCE, December 31, 2013	$ 646	$ 16	$1,302,521	$1,058,884	$ 6,089	$(220,361)	$ 1,275	$2,149,070

The accompanying notes are an integral part of these consolidated financial statements.

GENESEE & WYOMING INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2013, 2012 and 2011
(dollars in thousands)

	Years Ended December 31,		
	2013	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 272,091	$ 52,433	$ 119,484
Adjustments to reconcile net income to net cash provided by operating activities:			
Income from equity investment in RailAmerica, net	—	(15,557)	—
Depreciation and amortization	141,644	73,405	66,481
Compensation cost related to equity awards	16,951	12,151	7,776
Excess tax benefit from share-based compensation	(6,861)	(5,335)	(2,820)
Deferred income taxes	10,229	29,926	26,291
Net (gain)/loss on sale and impairment of assets	(4,677)	(11,225)	(5,660)
Gain on sale of investments	—	—	(907)
Gain on insurance recoveries	(1,465)	(5,760)	(1,061)
Insurance proceeds received	11,053	21,479	646
Contingent forward sale contract mark-to-market expense	—	50,106	—
Changes in operating assets and liabilities which provided/(used) cash, net of effect of acquisitions:			
Accounts receivable, net	(44,454)	(262)	(12,307)
Materials and supplies	(1,839)	(567)	(1,206)
Prepaid expenses and other	(22)	(5,384)	3,543
Accounts payable and accrued expenses	16,383	(30,051)	(25,556)
Other assets and liabilities, net	4,471	5,320	(1,235)
Net cash provided by operating activities	413,504	170,679	173,469
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property and equipment	(249,318)	(231,694)	(178,668)
Grant proceeds from outside parties	33,913	39,632	22,642
Cash paid for acquisitions, net of cash acquired	—	(1,925,296)	(89,935)
Insurance proceeds for the replacement of assets	—	370	—
Proceeds from the sale of investments	—	—	1,369
Proceeds from disposition of property and equipment	6,687	15,298	9,464
Net cash used in investing activities	(208,718)	(2,101,690)	(235,128)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Principal payments on long-term borrowings, including capital leases	(471,957)	(1,013,166)	(533,544)
Proceeds from issuance of long-term debt	262,651	2,192,916	581,394
Debt amendment/issuance costs	(2,773)	(38,839)	(4,742)
Net proceeds from Class A common stock issuance	—	234,340	—
Net proceeds from TEU issuance	—	222,856	—
Net proceeds from Series A-1 Preferred Stock issuance	—	349,418	—
Dividends paid on Series A-1 Preferred Stock	(2,139)	(4,375)	—
Proceeds from employee stock purchases	12,510	19,320	17,433
Excess tax benefit from share-based compensation	6,861	5,335	2,820
Treasury stock acquisitions	(11,095)	(4,314)	(1,326)
Net cash (used in)/provided by financing activities	(205,942)	1,963,491	62,035
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(740)	5,023	(524)
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,896)	37,503	(148)
CASH AND CASH EQUIVALENTS, beginning of year	64,772	27,269	27,417
CASH AND CASH EQUIVALENTS, end of year	$ 62,876	$ 64,772	$ 27,269

The accompanying notes are an integral part of these consolidated financial statements.

GENESEE & WYOMING INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. BUSINESS AND CUSTOMERS:

Unless the context otherwise requires, when used in these consolidated financial statements, the terms "Genesee & Wyoming," "G&W" and the "Company" refer to Genesee & Wyoming Inc. and its subsidiaries, including RailAmerica, Inc. and its subsidiaries (RailAmerica). G&W acquired RailAmerica on October 1, 2012. However, the shares of RailAmerica were held in a voting trust while the United States Surface Transportation Board (STB) considered the Company's control application, which application was approved with an effective date of December 28, 2012. Accordingly, the Company accounted for the earnings of RailAmerica using the equity method of accounting while the shares were held in the voting trust and the Company's determination of fair values of the acquired assets and assumed liabilities has been included in its consolidated balance sheets since December 28, 2012. All references to currency amounts included in these consolidated financial statements are in United States dollars unless specifically noted otherwise.

The Company owns and operates short line and regional railroads in the United States, Australia, Canada, the Netherlands and Belgium. In addition, the Company operates the 1,400 mile Tarcoola to Darwin rail line, which links the Port of Darwin with the Australian interstate rail network in South Australia. Operations currently include 111 railroads organized into 11 regions, with approximately 14,700 miles of owned and leased track, approximately 4,800 employees and more than 2,000 customers. The Company provides rail service at 35 ports in North America, Australia and Europe and performs contract coal loading and railcar switching for industrial customers. See Note 3, Changes in Operations, for descriptions of the Company's changes in operations in recent years.

The Company's railroads transport a wide variety of commodities. Revenues from the Company's 10 largest customers accounted for approximately 24%, 31% and 29% of the Company's operating revenues in 2013, 2012 and 2011, respectively.

2. SIGNIFICANT ACCOUNTING POLICIES:

Principles of Consolidation and Basis of Presentation

The consolidated financial statements presented herein include the accounts of Genesee & Wyoming Inc. and its subsidiaries. The consolidated financial statements are presented in accordance with accounting principles generally accepted in the United States (U.S. GAAP) as codified in the Financial Accounting Standards Board (FASB) Accounting Standards Codification. All significant intercompany transactions and accounts have been eliminated in consolidation.

Revenue Recognition

Railroad revenues are estimated and recognized as shipments initially move onto the Company's tracks, which, due to the relatively short duration of haul, is not materially different from the recognition of revenues as shipments progress. Industrial switching and other service revenues are recognized as such services are provided.

Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less when purchased to be cash equivalents.

Materials and Supplies

Materials and supplies consist primarily of purchased items for improvement and maintenance of road property and equipment and are stated at the lower of average cost or market. Materials and supplies are removed from inventory using the average cost method.

Business Combinations

The Company accounts for businesses it acquires using the acquisition method of accounting. Under this method, all acquisition-related costs are expensed as incurred. The Company records the underlying net assets at their respective acquisition-date fair values. As part of this process, the Company identifies and attributes values and estimated lives to property and equipment and intangible assets acquired. These determinations involve significant estimates and assumptions, including those with respect to future cash flows, discount rates and asset lives, and therefore require considerable judgment. These determinations affect the amount of depreciation and amortization expense recognized in future periods. The results of operations of acquired businesses are included in the consolidated statements of operations beginning on the respective business's acquisition date.

Property and Equipment

Property and equipment are carried at cost. Major renewals or improvements to property and equipment are capitalized, while routine maintenance and repairs are expensed when incurred. The Company incurs maintenance and repair expenses to keep its operations safe and fit for existing purpose. Major renewals or improvements, however, are undertaken to extend the useful life or increase the functionality of the asset, or both. Other than a *de minimis* threshold under which costs are expensed as incurred, the Company does not apply pre-defined capitalization thresholds when assessing spending for classification among capital or expense.

Unlike the Class I railroads that operate over extensive contiguous rail networks, the Company's short line and regional railroads are geographically dispersed businesses that transport freight over relatively short distances. As a result, the Company typically incurs minimal spending on self-constructed assets and, instead, the vast majority of its capital spending relates to purchased assets installed by professional contractors. In addition, the Company generally does not incur significant rail grinding or ballast cleaning expenses. However, if and when such costs are incurred, they are expensed.

The Company depreciates its property and equipment using the straight-line method over the useful lives of the property and equipment. The following table sets forth the estimated useful lives of the Company's major classes of property and equipment:

	Estimated Useful Life (in Years)	
Property:	**Minimum**	**Maximum**
Buildings and leasehold improvements (subject to term of lease)	2	40
Bridges/tunnels/culverts	20	50
Track property	5	50
Equipment:		
Computer equipment	2	7
Locomotives and railcars	2	30
Vehicles and mobile equipment	2	10
Signals and crossing equipment	4	30
Track equipment	2	10
Other equipment	2	20

The Company reviews its long-lived tangible assets for impairment whenever events and circumstances indicate that the carrying amounts of such assets may not be recoverable. When factors indicate that an asset may not be recoverable, the Company uses an estimate of the related undiscounted future cash flows over the remaining life of such asset in measuring whether or not impairment has occurred. If impairment is identified, a loss would be reported to the extent that the carrying value of the related assets exceeds the fair value of those assets as determined by valuation techniques applicable in the circumstances. Losses from impairment of assets are charged to net (gain)/ loss on sale and impairment of assets within operating expenses.

Gains or losses on sales, including sales of assets removed during track and equipment upgrade projects, or losses incurred through other dispositions, such as unanticipated retirement or destruction, are credited or charged to net (gain)/loss on sale and impairment of assets within operating expenses. Gains are recorded when realized if the sale value exceeds the remaining carrying value of the respective property and equipment. If the estimated salvage value is less than the remaining carrying value, the Company records the loss incurred equal to the respective asset's carrying value less salvage value. There were no material losses incurred through other dispositions from unanticipated or unusual events in the years ended December 31, 2013, 2012 or 2011.

Grants from Outside Parties

Grants from outside parties are recorded as long-term liabilities and are amortized as a reduction to depreciation expense over the same period during which the associated assets are depreciated.

Goodwill and Indefinite-Lived Intangible Assets

The Company reviews the carrying values of goodwill and identifiable intangible assets with indefinite lives at least annually to assess impairment since these assets are not amortized. If the carrying amount of the asset exceeds its fair value, an impairment loss shall be recognized in an amount equal to that excess. The Company performs its annual impairment test as of November 30 of each year. No impairment was recognized for the years ended December 31, 2013 or 2012. Additionally, the Company reviews the carrying value of any intangible asset or goodwill whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The determination of fair value involves significant management judgment including assumptions about operating results, business plans, income projections, anticipated future cash flows and market data. Impairments are expensed when incurred.

Amortizable Intangible Assets

The Company performs an impairment test on amortizable intangible assets when specific impairment indicators are present. The Company has amortizable intangible assets valued primarily as service agreements, customer contracts or relationships and track access agreements. These intangible assets are generally amortized on a straight-line basis over the expected economic longevity of the facility served, the customer relationship, or the length of the contract or agreement including expected renewals.

Derailment and Property Damages, Personal Injuries and Third-Party Claims

The Company maintains liability and property insurance coverage to mitigate the financial risk of providing rail and rail-related services. On August 1, 2013, the Company renewed these annual insurance policies, which now cover all of the Company's operations under one insurance program. Incidents involving entities previously owned by RailAmerica that occurred prior to this renewal would be considered under RailAmerica's legacy liability and property insurance policies. The Company's primary liability policies currently have self-insured retentions of up to $1.0 million per occurrence. RailAmerica's prior primary liability policies' self-insured retentions were as high as $4.0 million per occurrence. With respect to the transportation of hazardous commodities, the liability policy covers third-party claims and damages associated with sudden releases of hazardous materials, including expenses related to evacuation, as a result of a railroad accident. Personal injuries associated with grade crossing accidents are also covered under the Company's liability policies. The Company's property damage policies currently have various self-insured retentions, which vary based on type and location of the incident, of up to $1.0 million per occurrence except in Australia where the Company's self-insurance retention for property damage due to a cyclone or flood is A$2.5 million. RailAmerica's primary property damage policies previously had self-insured retentions of up to $1.5 million per occurrence. The property damage policies also provide business interruption insurance arising from covered events.

Employees of the Company's United States railroads are covered by the Federal Employers' Liability Act (FELA), a fault-based system under which claims resulting from injuries and deaths of railroad employees are settled by negotiation or litigation. FELA-related claims are covered under the Company's liability policies. Employees of the Company's industrial switching and railroad construction businesses are covered under workers' compensation policies.

Accruals for FELA claims by the Company's railroad employees and third-party personal injury or other claims are recorded in the period when such claims are determined to be probable and estimable. These estimates are updated in future periods as information develops.

Income Taxes

The Company files a consolidated United States federal income tax return, which includes all of its United States subsidiaries. Each of the Company's foreign subsidiaries files appropriate income tax returns in each of its respective countries. No provision is made for the United States income taxes applicable to the undistributed earnings of controlled foreign subsidiaries as it is the intention of management to fully utilize those earnings in the operations of foreign subsidiaries. The provision for, or benefit from, income taxes includes deferred taxes resulting from temporary differences using a balance sheet approach. Such temporary differences result primarily from differences in the carrying value of assets and liabilities for financial reporting and tax purposes. Future realization of deferred income tax assets is dependent upon the Company's ability to generate sufficient taxable income. The Company evaluates on a quarterly basis whether, based on all available evidence, the deferred income tax assets will be realizable. Valuation allowances are established when it is estimated that it is more likely than not that the tax benefit of the deferred tax asset will not be realized.

Stock-Based Compensation

The Compensation Committee of the Company's Board of Directors (Compensation Committee) has discretion to determine grantees, grant dates, amounts of grants, vesting and expiration dates for stock-based compensation awarded to the Company's employees under the Company's Second Amended and Restated 2004 Omnibus Incentive Plan (the Omnibus Plan). The Omnibus Plan permits the issuance of stock options, restricted stock, restricted stock units and any other form of award established by the Compensation Committee, in each case consistent with the Omnibus Plan's purpose. Under the terms of the awards, equity grants for employees generally vest over three years and equity grants for directors vest over their respective remaining terms as directors.

The grant date fair value of non-vested shares, less estimated forfeitures, is recorded to compensation expense on a straight-line basis over the vesting period. The fair value of each option grant is estimated on the date of grant using the Black-Scholes pricing model and straight-line amortization of compensation expense is recorded over the requisite service period of the grant. Two assumptions in the Black-Scholes pricing model require management judgment: the life of the option and the volatility of the stock over the life of the option. The assumption for the life of the option is based on historical experience and is estimated for each grant. The assumption for the volatility of the stock is based on a combination of historical and implied volatility. The fair value of the Company's restricted stock and restricted stock units is based on the closing market price of the Company's Class A common stock on the date of grant.

Fair Value of Financial Instruments

The Company applies the following three-level hierarchy of valuation inputs for measuring fair value:

- Level 1 – Quoted prices for identical assets or liabilities in active markets that the Company has the ability to access at the measurement date.
- Level 2 – Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and model-derived valuations in which all significant inputs are observable market data.
- Level 3 – Valuations derived from valuation techniques in which one or more significant inputs are unobservable.

Foreign Currency

The consolidated financial statements of the Company's foreign subsidiaries were prepared in the local currency of the respective subsidiary and translated into United States dollars based on the exchange rate at the end of the period for balance sheet items and, for the statement of operations, at the average rate for the statement period. Currency translation adjustments are reflected within the equity section of the balance sheet and are included in other comprehensive income. Cumulative translation adjustments are recognized in the consolidated statement of operations upon substantial or complete liquidation of the underlying investment in the foreign subsidiary.

Management Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to use judgment and to make estimates and assumptions that affect business combinations, reported assets, liabilities, revenues and expenses during the reporting period. Significant estimates using management judgment are made in the areas of recoverability and useful life of assets, as well as liabilities for casualty claims and income taxes. Actual results could differ from those estimates.

Risks and Uncertainties

Slower growth, an economic recession, or significant changes in commodity prices or regulation that affects the countries where the Company operates or their imports and exports, could negatively impact the Company's business. The Company is required to assess for potential impairment of non-current assets whenever events or changes in circumstances, including economic circumstances, indicate that the respective asset's carrying amount may not be recoverable. A decline in current macroeconomic or financial conditions could have a material adverse effect on the Company's results of operations, financial condition and liquidity.

Reclassifications

Certain prior year balances have been reclassified to conform to the 2013 presentation, most notably of which was the break out of trackage rights expense on the Company's consolidated statements of operations that had previously been included in other expenses.

3. CHANGES IN OPERATIONS:

United States

RailAmerica, Inc.: On October 1, 2012, the Company acquired 100% of RailAmerica's outstanding shares for cash at a price of $27.50 per share, and in connection with such acquisition, the Company repaid RailAmerica's term loan and revolving credit facility. The calculation of the total consideration for the RailAmerica acquisition is presented below (in thousands, except per share amount):

RailAmerica outstanding common stock as of October 1, 2012		49,934
Cash purchase price per share	$	27.50
Equity purchase price	$	1,373,184
Payment of RailAmerica's outstanding term loan and revolving credit facility		659,198
Cash consideration		2,032,382
Impact of pre-acquisition share-based awards		9,400
Total consideration	$	2,041,782

The Company financed the $1.4 billion cash purchase price for RailAmerica's common stock, the refinancing of $1.2 billion of the Company's and RailAmerica's outstanding debt prior to the acquisition as well as transaction and financing-related expenses with approximately $1.9 billion of debt from a new five-year Senior Secured Syndicated Credit Facility Agreement (the Credit Agreement) (see Note 9, Long-Term Debt), $475.5 million of gross proceeds from the Company's public offerings of Class A common stock and Tangible Equity Units (TEUs) (see Note 4, Earnings Per Common Share) and $350.0 million through a private issuance of mandatorily convertible Series A-1 Preferred Stock to affiliates of Carlyle Partners V, L.P. (collectively, Carlyle) (see Note 4, Earnings Per Common Share, and Note 10, Derivative Financial Instruments).

Commencing on October 1, 2012, the shares of RailAmerica were held in an independent voting trust while the STB considered the Company's control application, which application was approved with an effective date of December 28, 2012. Accordingly, the Company accounted for the earnings of RailAmerica using the equity method of accounting while the shares were held in the voting trust and acquisition date fair values of the acquired assets and assumed liabilities have been included in the Company's consolidated balance sheets since December 28, 2012. The results from RailAmerica's operations are included among the various line items in the Company's consolidated statement of operations for the year ended December 31, 2013 and are included in the Company's North American & European Operations segment.

In accordance with U.S. GAAP, a new accounting basis was established for RailAmerica on October 1, 2012 for its stand-alone financial statements. Condensed consolidated financial information for RailAmerica as of and for the period ended December 28, 2012 is included in Note 8, Equity Investment.

During the year ended December 31, 2012, as discussed more fully under Contingent Forward Sale Contract in Note 10, Derivative Financial Instruments, the Company recorded a $50.1 million non-cash mark-to-market expense related to an investment agreement governing the sale of the Series A-1 Preferred Stock to Carlyle in connection with the funding of the RailAmerica acquisition (the Investment Agreement). The expense resulted from the significant increase in the Company's share price between July 23, 2012 (the date the Company entered into the Investment Agreement) and September 28, 2012 (the last trading date prior to issuing the Series A-1 Preferred Stock). On February 13, 2013, the Company exercised its option to convert all of the outstanding Series A-1 Preferred Stock into 5,984,232 shares of the Company's Class A common stock.

The Company also incurred $17.0 million and $30.0 million of RailAmerica integration and acquisition-related costs during the years ended December 31, 2013 and 2012, respectively. The Company recognized $15.6 million of net income from the equity investment in RailAmerica during the three months ended December 31, 2012. The income from equity investment included $3.5 million of after-tax acquisition/integration costs incurred by RailAmerica in the three months ended December 31, 2012.

Headquartered in Jacksonville, Florida with approximately 2,000 employees, RailAmerica owned and operated 45 short line freight railroads in North America with approximately 7,100 miles of track in 28 U.S. states and three Canadian provinces as of the October 1, 2012 acquisition date.

Columbus & Chattahoochee Railroad, Inc.: In April 2012, the Company's newly formed subsidiary, Columbus & Chattahoochee Railroad, Inc. (CCH), signed an agreement with Norfolk Southern Railway Company (NS) to lease and operate a 26-mile segment of NS track that runs from Girard, Alabama to Mahrt, Alabama. Operations commenced on July 1, 2012. CCH interchanges with NS in Columbus, Georgia where the Company's Georgia Southwestern Railroad, Inc. also has operations. The results from CCH's operations have been included in the Company's consolidated statements of operations since July 1, 2012 and are included in the Company's North American & European Operations segment.

Hilton & Albany Railroad, Inc.: In November 2011, the Company's newly formed subsidiary, Hilton & Albany Railroad, Inc. (HAL), signed an agreement with NS to lease and operate a 56-mile segment of NS track that runs from Hilton, Georgia to Albany, Georgia. Operations commenced on January 1, 2012. HAL handles primarily overhead traffic between NS and the Company's following railroads: The Bay Line Railroad, L.L.C.; Chattahoochee Bay Railroad, Inc.; Chattahoochee Industrial Railroad; and Georgia Southwestern Railroad, Inc. In addition, HAL serves several local agricultural and aggregate customers in southwest Georgia. The results from HAL's operations have been included in the Company's consolidated statements of operations since January 1, 2012 and are included in the Company's North American & European Operations segment.

Arizona Eastern Railway Company: On September 1, 2011, the Company acquired all of the capital stock of Arizona Eastern Railway Company (AZER). The Company paid the seller $89.5 million in cash at closing, which included a reduction to the purchase price of $0.6 million based on the estimated working capital adjustment. Following the final working capital adjustment, the Company recorded an additional $0.8 million of purchase price in December 2011, which was paid to the seller in January 2012. The Company incurred $0.6 million of acquisition costs related to this transaction through December 31, 2011, which were expensed as incurred. The results from AZER's operations have been included in the Company's consolidated statements of operations since September 1, 2011 and are included in the Company's North American & European Operations segment.

Headquartered near Miami, Arizona, with 43 employees and 10 locomotives, AZER owned and operated two rail lines totaling approximately 200 track miles in southeast Arizona and southwest New Mexico connected by 52 miles of trackage rights over the Union Pacific Railroad as of the September 1, 2011 acquisition date. The largest customer on AZER is Freeport-McMoRan Copper & Gold Inc. (Freeport-McMoRan). AZER provides rail service to Freeport-McMoRan's largest North American copper mine and its North American smelter, hauling copper concentrate, copper anode, copper rod and sulfuric acid. In conjunction with the transaction, AZER and Freeport-McMoRan entered into a long-term operating agreement.

Determination of Fair Value

The Company accounted for the RailAmerica and AZER acquisitions using the acquisition method of accounting under U.S. GAAP. Under the acquisition method of accounting:

- The assets and liabilities of RailAmerica were recorded at their respective acquisition-date preliminary fair values by RailAmerica as of October 1, 2012, which is referred to as the application of push-down accounting, and were included in the Company's consolidated balance sheet in a single line item following the equity method of accounting as of that date (see RailAmerica as of October 1, 2012 column in the following table).
- Upon approval by the STB for the Company to control RailAmerica, the preliminary determination of fair values of the acquired assets and assumed liabilities were consolidated with the Company's assets and liabilities as of December 28, 2012 (see RailAmerica as of December 28, 2012 Preliminary column in the following table). Between October 1, 2012 and December 28, 2012, the Company recognized income from its equity investment in RailAmerica of $15.6 million and other comprehensive loss of $2.0 million, primarily resulting from foreign currency translation adjustments. In addition, the Company recognized $21.8 million, representing the change in RailAmerica's cash and cash equivalents from October 1, 2012 to December 28, 2012, as a reduction in net cash paid for the acquisition.
- In 2013, the Company finalized its determination of fair values of RailAmerica's assets and liabilities (see RailAmerica as of December 28, 2012 Final column in the following table). The measurement period adjustments to the fair values were as follows: 1) property and equipment increased $10.7 million, 2) intangible assets decreased $29.9 million, 3) deferred income tax liabilities, net decreased $16.0 million, 4) noncontrolling interest decreased $5.0 million, 5) all other assets, net increased $1.3 million and 6) goodwill decreased $3.1 million as an offset to the above-mentioned changes. This resulted in additional annualized depreciation and amortization expense of approximately $4 million. The Company does not consider these adjustments material to its consolidated financial statements taken as a whole and as such, prior periods were not retroactively adjusted.
- The assets and liabilities of AZER were recorded at their respective acquisition-date fair values and were consolidated with those of the Company as of the September 1, 2011 acquisition date (see AZER column in the following table).

The fair values assigned to the acquired net assets of RailAmerica and AZER were as follows (dollars in thousands):

	RailAmerica			AZER
	As of October 1, 2012	As of December 28, 2012		As of September 1, 2011
		Preliminary	Final	
Cash and cash equivalents	$ 86,102	$ 107,922	$ 107,922	$ —
Accounts receivable	104,839	91,424	90,659	3,096
Materials and supplies	6,406	7,325	7,325	—
Prepaid expenses and other	15,146	14,815	15,801	2,319
Deferred income tax assets	49,074	49,074	56,998	—
Property and equipment	1,579,321	1,588,612	1,599,282	90,129
Goodwill	474,115	474,115	471,028	—
Intangible assets, net	451,100	446,327	416,427	—
Other assets	116	116	116	—
Total assets	2,766,219	2,779,730	2,765,558	95,544
Accounts payable and accrued expenses	143,790	135,117	140,160	5,212
Long-term debt	12,158	12,010	12,010	—
Deferred income tax liabilities, net	542,210	551,856	535,864	—
Other long-term liabilities	20,754	19,618	21,439	—
Noncontrolling interest	5,525	5,525	481	—
Net assets	$ 2,041,782	$ 2,055,604	$ 2,055,604	$ 90,332

Pro Forma Financial Results (unaudited)

The following table summarizes the Company's unaudited pro forma operating results for the years ended December 31, 2012 and 2011 as if the acquisition of RailAmerica had been consummated as of January 1, 2011. The pro forma operating results do not include the impact of any potential operating efficiencies, savings from expected synergies, costs to integrate the operations or costs necessary to achieve savings from expected synergies or the impact of derivative instruments that the Company has entered into or may enter into to mitigate interest rate or currency exchange rate risk (dollars in thousands, except per share amounts):

	2012	2011
Operating revenues	$ 1,461,419	$ 1,365,804
Net income attributable to Genesee & Wyoming Inc.	$ 112,191	$ 128,122
Less: Series A-1 Preferred Stock dividend	17,500	17,500
Net income available to common stockholders	$ 94,691	$ 110,622
Basic earnings per common share attributable to Genesee & Wyoming Inc. common shareholders	$ 1.99	$ 2.34
Diluted earnings per common share attributable to Genesee & Wyoming Inc. common shareholders	$ 1.89	$ 2.21

The 2012 and 2011 unaudited pro forma operating results include the acquisition of RailAmerica adjusted, net of tax, for depreciation and amortization expense resulting from the determination of fair values of the acquired property and equipment and amortizable intangible assets, the inclusion of interest expense related to borrowings used to fund the acquisition, the amortization of debt issuance costs related to amendments to the Company's prior credit agreement and the elimination of RailAmerica's interest expense related to debt not assumed in the acquisition.

The unaudited pro forma statements of operations for the years ended December 31, 2012 and 2011 were based upon the Company's historical consolidated statements of operations for the years ended December 31, 2012 and 2011 and RailAmerica's consolidated statements of operations for the nine months ended September 30, 2012, the three months ended December 28, 2012 and the year ended December 31, 2011. Since the pro forma financial results for 2012 and 2011 assume the acquisition of RailAmerica was consummated on January 1, 2011, the 2011 results included $20.3 million, net of tax, of acquisition-related costs and expenses related to change of control agreements incurred by the Company during the year ended December 31, 2012, $9.5 million, net of tax, of fees associated with the funding of the acquisition and $12.9 million, net of tax, of acquisition-related costs incurred by RailAmerica during the year ended December 31, 2012. The pro forma results for 2012 included approximately $55 million of costs incurred by RailAmerica associated with the redemption of senior secured notes in January 2012. In addition, the 2012 pro-forma results have been revised to eliminate the Company's $50.1 million mark-to-market expense related to the Investment Agreement in connection with the funding of the acquisition.

As a result of these charges, the numerator used in the calculation of pro forma diluted EPS attributable to G&W common shareholders was reduced by the Series A-1 Preferred Stock dividend and the denominator excluded approximately 6.0 million "if-converted" shares related to the Series A-1 Preferred Stock.

The pro forma financial information does not purport to be indicative of the results that actually would have been obtained had the transactions been completed as of the assumed dates and for the periods presented and are not intended to be a projection of future results or trends.

Australia

Arrium Limited: In July 2012, the Company's subsidiary, Genesee & Wyoming Australia Pty Ltd (GWA), announced that it had expanded two existing rail haulage contracts with Arrium Limited (formerly OneSteel) to transport additional export iron ore in South Australia. To support the increased shipments under the two contracts, during the year ended December 31, 2012, GWA invested A$52.1 million (or $54.1 million at the exchange rate on December 31, 2012) to purchase narrow gauge locomotives and railcars as well as to construct a standard gauge rolling-stock maintenance facility in order to support the increased shipments under the two contracts. During the year ended December 31, 2013, GWA spent an additional A$22.3 million (or $19.9 million at the exchange rate on December 31, 2013) on these projects and does not expect to invest any additional capital in these projects in 2014.

Alice Springs and Cook: In May 2012, GWA entered into an agreement with Asciano Services Pty Ltd (AIO), a subsidiary of Asciano Pty Ltd, whereby GWA agreed to purchase an intermodal and freight terminal in Alice Springs, Northern Territory from AIO and GWA agreed to sell AIO certain assets in the township of Cook, South Australia that included GWA's third-party fuel-sales business. GWA completed the purchase of the Alice Springs intermodal and freight terminal in June 2012 for A$9.0 million (or $9.2 million at the exchange rate on June 30, 2012) plus A$0.5 million (or $0.6 million at the exchange rate on June 30, 2012) tax liability for stamp duty (an Australian asset transfer tax). Previously, GWA had leased the facility from AIO. The sale of the assets in Cook closed in September of 2012. The Company received A$4.0 million (or $4.1 million at the exchange rate on September 30, 2012) in pre-tax cash proceeds from the sale and recognized an after-tax book gain of A$1.3 million (or $1.3 million at the exchange rate on September 30, 2012).

Canada

Tata Steel Minerals Canada Ltd.: In August 2012, the Company announced that its newly formed subsidiary, KeRail Inc. (KeRail), entered into a long-term agreement with Tata Steel Minerals Canada Ltd. (TSMC), for KeRail to provide rail transportation services to the direct shipping iron ore mine TSMC is developing near Schefferville, Quebec in the Labrador Trough (the Mine). In addition, KeRail plans to construct an approximately 21-kilometer rail line that will connect the Mine to the Tshiuetin Rail Transportation (TSH) interchange point in Schefferville. Operated as part of the Company's Canada Region, KeRail is expected to haul unit trains of iron ore from its rail connection with the Mine, which will then travel over three privately owned railways to the Port of Sept-Îles for export primarily to Tata Steel Limited's European operations. The agreement and construction are contingent on certain conditions being met, including the receipt of necessary governmental permits and approvals. Once the track construction has commenced, the rail line is expected to be completed three to six months thereafter, weather permitting.

Results from Operations

When comparing the Company's results from operations from one reporting period to another, it is important to consider that the Company has historically experienced fluctuations in revenues and expenses due to acquisitions, changing economic conditions, competitive forces, changes in foreign currency exchange rates, one-time freight moves, fuel price fluctuations, customer plant expansions and shut-downs, sales of property and equipment, derailments and weather-related conditions, such as hurricanes, cyclones, tornadoes, droughts, heavy snowfall, unseasonably warm or cool weather, freezing and flooding. In periods when these events occur, the Company's results of operations are not easily comparable from one period to another. Finally, certain of the Company's railroads have commodity shipments that are sensitive to general economic conditions, such as steel products, paper products and lumber and forest products, as well as product specific economic conditions, such as the availability of lower priced alternative sources of power generation (coal). Other shipments are relatively less affected by economic conditions and are more closely affected by other factors, such as inventory levels maintained at customer plants (coal), winter weather (salt and coal) and seasonal rainfall (agricultural products). As a result of these and other factors, the Company's results of operations in any reporting period may not be directly comparable to its results of operations in other reporting periods.

4. EARNINGS PER COMMON SHARE:

Common shares issuable under unexercised stock options calculated under the treasury stock method, weighted average Class B common shares outstanding and Series A-1 Preferred Stock were the only reconciling items between the Company's basic and diluted weighted average shares outstanding.

The following table sets forth the computation of basic and diluted earnings per common share for the years ended December 31, 2013, 2012 and 2011 (in thousands, except per share amounts):

	2013	2012	2011
Numerators:			
Net income attributable to Genesee & Wyoming Inc. common stockholders	$ 271,296	$ 52,433	$ 119,484
Less: Series A-1 Preferred Stock dividend	2,139	4,375	—
Net income available to common stockholders	$ 269,157	$ 48,058	$ 119,484
Denominators:			
Weighted average Class A common shares outstanding - Basic	53,788	42,693	39,912
Weighted average Class B common shares outstanding	1,675	2,038	2,257
Dilutive effect of employee stock-based awards	494	601	603
Dilutive effect of Series A-1 Preferred Stock	722	5,984	—
Weighted average shares - Diluted	56,679	51,316	42,772
Earnings per common share attributable to Genesee & Wyoming Inc. common stockholders:			
Basic earnings per common share	$ 5.00	$ 1.13	$ 2.99
Diluted earnings per common share	$ 4.79	$ 1.02	$ 2.79

The total number of options used to calculate weighted average share equivalents for diluted earnings per common share as of December 31, 2013, 2012 and 2011, was as follows (in thousands):

	2013	2012	2011
Options used to calculate weighted average share equivalents	969	1,105	1,460

The following total number of shares of Class A common stock issuable under the assumed exercises and lapse of stock-based awards computed based on the treasury stock method were excluded from the calculation of diluted earnings per common share, as the effect of including these shares would have been anti-dilutive (in thousands):

	2013	2012	2011
Anti-dilutive shares	105	143	126

The following table sets forth the increase in the Company's weighted average basic shares outstanding for the years ended December 31, 2013 and 2012 as a result of the Company's public offering of Class A common stock in September 2012, shares issuable upon settlement of the prepaid stock purchase contract component of the TEUs issued in September 2012 based on the market price of the Company's Class A common stock at December 31, 2013 and 2012, respectively, and from the conversion of the Series A-1 Preferred Stock into the Company's Class A common stock in February 2013:

	2013	2012
Class A common stock offering	3,791,004	1,066,867
Shares issuable upon settlement of the prepaid stock purchase contract component of the TEUs	2,841,650	850,773
Conversion of Series A-1 Preferred Stock	5,262,845	—

Common Stock

The authorized capital stock of the Company consists of two classes of common stock designated as Class A common stock and Class B common stock. The holders of Class A common stock and Class B common stock are entitled to one vote and 10 votes per share, respectively. Each share of Class B common stock is convertible into one share of Class A common stock at any time at the option of the holder, subject to the provisions of the Class B Stockholders' Agreement dated as of May 20, 1996. In addition, pursuant to the Class B Stockholders' Agreement, certain transfers of the Class B common stock, including transfers to persons other than our executive officers, will result in automatic conversion of Class B common stock into shares of Class A common stock. Holders of Class A common stock and Class B common stock shall have identical rights in the event of liquidation.

Dividends declared by the Company's Board of Directors are payable on the outstanding shares of Class A common stock or both Class A common stock and Class B common stock, as determined by the Board of Directors. If the Board of Directors declares a dividend on both classes of stock, then the holder of each share of Class A common stock is entitled to receive a dividend that is 10% more than the dividend declared on each share of Class B common stock. Stock dividends declared can only be paid in shares of Class A common stock. The Company currently intends to retain all earnings to support its operations and future growth and, therefore, does not anticipate the declaration or payment of cash dividends on its common stock in the foreseeable future.

Offerings

On September 19, 2012, the Company completed a public offering of 3,791,004 shares of Class A common stock at $64.75 per share, which included 525,000 shares issued as a result of the underwriters' exercise of their over-allotment option. The Company also completed a public offering of 2,300,000 TEUs, which included 300,000 TEUs issued as a result of the underwriters' exercise of their over-allotment option, with a stated amount of $100 per unit on September 19, 2012.

Each TEU consists of a prepaid stock purchase contract (Purchase Contract) and a senior amortizing note due October 1, 2015 (Amortizing Note) issued by the Company. Unless settled or redeemed earlier or extended, each Purchase Contract will automatically settle on October 1, 2015. If the applicable market value (as defined in the Purchase Contract) of the Company's Class A common stock is greater than or equal to $80.94, then the Company will deliver 1.2355 shares per Purchase Contract and if the applicable market value is less than or equal to $64.75, then the Company will deliver 1.5444 shares per Purchase Contract, with such share amounts subject to adjustment. Otherwise, the Company will deliver a number of shares of its Class A common stock per Purchase Contract equal to $100 divided by the applicable market value. Accordingly, for illustrative purposes, the following table provides the calculated impact on the Company's weighted average diluted shares outstanding for the year ended December 31, 2013 assuming the conversion of the Company's outstanding TEUs into Class A common stock based on the assumptions for the Company's stock price stated in the table (in thousands, except per share amounts):

	Assumed Market Price of Class A Common Stock	TEU Common Stock Equivalents	Weighted Average Diluted Shares Outstanding
Minimum common stock equivalents	$ 80.94	2,842	56,679
Middle of range of common stock equivalents	$ 73.00	3,151	56,988
Maximum common stock equivalents	$ 64.75	3,552	57,389

The Company's basic and diluted earnings per common share calculations reflect the weighted average shares issuable upon settlement of the prepaid stock purchase contract component of the TEUs. For purposes of determining the number of shares included in the calculation, the Company used the market price of its Class A common stock at the period end date.

Series A-1 Preferred Stock Converted into Common Stock on February 13, 2013

On October 1, 2012, the Company completed the issuance of 350,000 shares of Series A-1 Preferred Stock at an issuance price of $1,000.00 per share for $349.4 million, net of issuance costs, to Carlyle pursuant to an Investment Agreement entered into by the Company and Carlyle in conjunction with the Company's announcement on July 23, 2012 of its plan to acquire RailAmerica in order to partially fund the acquisition. On February 13, 2013, the Company exercised its option to convert all of the outstanding Series A-1 Preferred Stock into 5,984,232 shares of the Company's Class A common stock.

Dividends on the Series A-1 Preferred Stock were cumulative and payable quarterly in arrears in an amount equal to 5.00% per annum of the issuance price per share. Each share of the Series A-1 Preferred Stock was convertible at any time, at the option of the holder, into approximately 17.1 shares of Class A common stock, subject to customary conversion adjustments. The Series A-1 Preferred Stock were also mandatorily convertible into the relevant number of shares of Class A common stock on the second anniversary of the date of issuance, subject to the satisfaction of certain conditions. The Company also had the ability to convert some or all of the Series A-1 Preferred Stock prior to the second anniversary of the date of issue of the Series A-1 Preferred Stock if the closing price of the Company's Class A common stock on the New York Stock Exchange exceeded 130% of the conversion price (or $76.03) for 30 consecutive trading days, subject to the satisfaction of certain conditions. The conversion price of the Series A-1 Preferred Stock was set at approximately $58.49, which was a 4.5% premium to the Company's stock price on the trading day prior to the announcement of the RailAmerica acquisition.

As of February 12, 2013, the closing price of the Company's Class A common stock had exceeded $76.03 for 30 consecutive trading days. As a result, on February 13, 2013, the Company exercised its option to convert all of the Series A-1 Preferred Stock as described above into 5,984,232 shares of the Company's Class A common stock. On the conversion date, the Company also paid to Carlyle cash in lieu of fractional shares and all accrued and unpaid dividends on the Series A-1 Preferred Stock totaling $2.1 million. In November 2013, Carlyle sold all of these outstanding shares of the Company's Class A common stock in a public offering.

For basic earnings per common share, the Company deducted the cumulative dividends on the Series A-1 Preferred Stock in calculating net income available to common stockholders (i.e., the numerator in the calculation of basic earnings per common share) divided by the weighted average number of common shares outstanding during each period. For diluted earnings per common share, the Company used the if-converted method when calculating diluted earnings per share.

5. ACCOUNTS RECEIVABLE AND ALLOWANCE FOR DOUBTFUL ACCOUNTS:

Accounts receivable are recorded at the invoiced amount and do not bear interest. The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses on existing accounts receivable. Management determines the allowance based on historical write-off experience within each of the Company's regions. Management reviews material past due balances on a monthly basis. Account balances are charged off against the allowance when management determines it is probable that the receivable will not be recovered.

Accounts receivable consisted of the following at December 31, 2013 and 2012 (dollars in thousands):

	2013	2012
Accounts receivable - trade	$ 264,562	$ 216,694
Accounts receivable - grants from outside parties	33,003	25,036
Accounts receivable - insurance and other third-party claims	31,643	23,912
Total accounts receivable	329,208	265,642
Less: allowance for doubtful accounts	(3,755)	(2,693)
Accounts receivable, net	$ 325,453	$ 262,949

Grants from Outside Parties

The Company periodically receives grants for the upgrade and construction of rail lines and upgrades of locomotives from federal, provincial, state and local agencies and other outside parties (e.g., customers) in the United States and Australia and provinces in Canada in which the Company operates. These grants typically reimburse the Company for 50% to 100% of the actual cost of specific projects. In total, the Company received grant proceeds of $33.9 million, $39.6 million and $22.6 million in the years ended December 31, 2013, 2012 and 2011, respectively, from such grant programs. The proceeds were presented as cash inflows from investing activities within each of the applicable periods.

None of the Company's grants represents a future liability of the Company unless the Company abandons the rehabilitated or new track structure within a specified period of time or fails to maintain the upgraded or new track to certain standards and to make certain minimum capital improvements or ceases use of the locomotives within the specified geographic area and time period, as defined in the respective agreements. As the Company intends to comply with these agreements, the Company has recorded additions to track property and locomotives and has deferred the amount of the grants. The amortization of deferred grants is a non-cash offset to depreciation expense over the useful lives of the related assets. During the years ended December 31, 2013, 2012 and 2011, the Company recorded offsets to depreciation expense from grant amortization of $9.3 million, $8.0 million and $7.9 million, respectively.

Insurance and Third-Party Claims

Accounts receivable from insurance and other third-party claims at December 31, 2013 included $16.8 million from the Company's Australian Operations and $14.8 million from the Company's North American & European Operations. The balance from the Company's Australian Operations resulted predominately from a derailment in Australia's Northern Territory (the Edith River Derailment) in December 2011. The balance from the Company's North American & European Operations resulted predominately from a derailment in Alabama (the Aliceville Derailment) in November 2013. The Company received proceeds from insurance totaling $11.1 million, $21.8 million and $0.6 million for the years ended December 31, 2013, 2012 and 2011, respectively, and recorded related gains on insurance recoveries totaling $1.5 million, $5.8 million and $1.1 million for the years ended December 31, 2013, 2012 and 2011, respectively.

Allowance for Doubtful Accounts

Activity in the Company's allowance for doubtful accounts for the years ended December 31, 2013, 2012 and 2011 was as follows (dollars in thousands):

	2013	2012	2011
Balance, beginning of year	$ 2,693	$ 2,807	$ 3,079
Provisions	2,741	977	1,055
Charges	(1,679)	(1,091)	(1,327)
Balance, end of year	$ 3,755	$ 2,693	$ 2,807

The Company's business is subject to credit risk. There is a risk that a customer or counterparty will fail to meet its obligations when due. Customers and counterparties who owe the Company money have defaulted and may continue to default on their obligations to the Company due to bankruptcy, lack of liquidity, operational failure or other reasons. For interline traffic, one railroad typically invoices a customer on behalf of all railroads participating in the route. The invoicing railroad then pays the other railroads their portion of the total amount invoiced on a monthly basis. When the Company is the invoicing railroad it is exposed to customer credit risk for the total amount invoiced and is required to pay the other railroads participating in the route even if the Company is not paid by the customer. Although the Company has procedures for reviewing its receivables and credit exposures to specific customers and counterparties to address present credit concerns, default risk may arise from events or circumstances that are difficult to detect or foresee. Some of the Company's risk management methods depend upon the evaluation of information regarding markets, customers or other matters that are not publicly available or otherwise accessible by the Company and this information may not, in all cases, be accurate, complete, up-to-date or properly evaluated. As a result, unexpected credit exposures could adversely affect the Company's consolidated results of operations, financial condition and liquidity.

6. PROPERTY AND EQUIPMENT AND LEASES:

Property and Equipment

Major classifications of property and equipment as of December 31, 2013 and 2012 were as follows (dollars in thousands):

	2013	2012
Property:		
Land and land improvements	$ 547,539	$ 562,432
Buildings and leasehold improvements	122,919	90,149
Bridges/tunnels/culverts	556,108	531,388
Track property	2,078,084	2,010,511
Total property	3,304,650	3,194,480
Equipment:		
Computer equipment	11,307	9,235
Locomotives and railcars	493,977	458,404
Vehicles and mobile equipment	42,127	38,226
Signals and crossing equipment	63,208	30,564
Track equipment	19,205	17,853
Other equipment	28,524	22,673
Total equipment	658,348	576,955
Construction-in-process	30,395	69,505
Total property and equipment	3,993,393	3,840,940
Less: accumulated depreciation	(552,649)	(444,645)
Property and equipment, net	$ 3,440,744	$ 3,396,295

Construction-in-process consisted primarily of costs associated with equipment purchases and track and equipment upgrades. Major classifications of construction-in-process as of December 31, 2013 and 2012 were as follows (dollars in thousands):

	2013	2012
Property:		
Buildings and leasehold improvements	$ 92	$ 93
Bridges/tunnels/culverts	937	3,500
Track property	21,912	24,252
Equipment:		
Locomotives and railcars	6,657	39,291
Other equipment	797	2,369
Total construction-in-process	$ 30,395	$ 69,505

Track property upgrades typically involve the substantial replacement of rail, ties and/or other track material. Locomotive upgrades generally consist of major mechanical enhancements to the Company's existing locomotive fleet. Upgrades to the Company's railcars typically include rebuilding of car body structures and/or converting to an alternative type of freight car.

Depreciation expense for the years ended December 31, 2013, 2012 and 2011 totaled $119.2 million, $66.6 million and $59.7 million, respectively.

The Credit Agreement is collateralized by a substantial portion of the Company's real and personal property assets of its domestic subsidiaries that have guaranteed the United States obligations under the Credit Agreement and a substantial portion of the personal property assets of its foreign subsidiaries that have guaranteed the foreign obligations under the Credit Agreement. See Note 9, Long-Term Debt, for more information on the Company's Credit Agreement.

Leases

The Company enters into operating leases for railcars, locomotives and other equipment as well as real property. The Company also enters into agreements with other railroads and other third parties to operate over certain sections of their track and pays a per car fee to use the track or an annual lease payment. The costs associated with operating leases are expensed as incurred and are not included in the property and equipment table above.

The number of railcars and locomotives leased by the Company, including 8,004 railcars and 175 locomotives acquired from RailAmerica in 2012, as of December 31, 2013 and 2012 was as follows:

	December 31,	
	2013	2012
Railcars	17,718	18,311
Locomotives	100	182

The Company's operating lease expense for equipment and real property leases and expense for the use of other railroad and other third parties' track for the years ended December 31, 2013, 2012 and 2011 was as follows (2012 excludes lease expense related to RailAmerica's equipment and real property leases and trackage rights expense included in equity earnings for the period from October 1, 2012 to December 28, 2012) (dollars in thousands):

	2013	2012	2011
Equipment	$ 32,050	$ 13,386	$ 19,328
Real property	$ 8,062	$ 5,055	$ 4,632
Trackage rights	$ 50,911	$ 28,250	$ 23,066

The Company is a party to several lease agreements with Class I carriers and other third parties to operate over various rail lines in North America, with varied expirations. Certain of these lease agreements have annual lease payments, which are included in the operating lease section of the schedule of future minimum lease payments shown below as well as the trackage rights expense in the table above. Revenues from railroads that the Company leases from Class I carriers and other third parties collectively accounted for approximately 9% of the Company's 2013 total operating revenues. Leases from Class I railroads and other third parties that are subject to expiration in each of the next 10 years represent less than 2% of the Company's annual revenues in the year of expiration based on the Company's operating revenues for the year ended December 31, 2013.

The following is a summary of future minimum lease payments under capital leases and operating leases as of December 31, 2013 (dollars in thousands):

	Capital	Operating	Total
2014	$ 876	$ 32,414	$ 33,290
2015	877	21,644	22,521
2016	881	17,305	18,186
2017	8,297	14,387	22,684
2018	27	12,420	12,447
Thereafter	184	137,231	137,415
Total minimum payments	$ 11,142	$ 235,401	$ 246,543

7. INTANGIBLE ASSETS, OTHER ASSETS AND GOODWILL:

Intangible Assets

Intangible assets as of December 31, 2013 and 2012 were as follows (dollars in thousands):

	2013			
	Gross Carrying Amount	Accumulated Amortization	Intangible Assets, Net	Weighted Average Amortization Period (in Years)
Intangible assets:				
Amortizable intangible assets:				
Service agreements	$ 37,622	$ 13,547	$ 24,075	28
Customer contracts and relationships	178,603	22,899	155,704	36
Track access agreements	430,241	32,116	398,125	43
Total amortizable intangible assets	$ 646,466	$ 68,562	$ 577,904	40
Non-amortizable intangible assets:				
Perpetual track access agreements			35,891	
Operating license			138	
Total intangible assets, net			$ 613,933	

	2012			
	Gross Carrying Amount	Accumulated Amortization	Intangible Assets, Net	Weighted Average Amortization Period (in Years)
Intangible assets:				
Amortizable intangible assets:				
Service agreements	$ 37,622	$ 12,214	$ 25,408	28
Customer contracts and relationships	150,532	17,421	133,111	35
Track access agreements	492,494	16,830	475,664	44
Total amortizable intangible assets	$ 680,648	$ 46,465	$ 634,183	41
Non-amortizable intangible assets:				
Perpetual track access agreements			35,891	
Operating license			132	
Total intangible assets, net			$ 670,206	

The Company expenses costs incurred to renew or extend the term of its track access agreements.

In its final determination of fair values of the assets acquired from RailAmerica, the Company assigned $120.5 million to amortizable customer contracts and relationships and $300.7 million to amortizable track access agreements, which were included in the Company's intangible assets as of December 31, 2013. In its preliminary determination of fair values, the Company had assigned $92.6 million to amortizable customer contracts and relationships and $358.5 million to amortizable track access agreements, which were included in the Company's intangible assets as of December 31, 2012. Based on the Company's estimate of their expected economic life, these intangibles are being amortized on a straight-line basis over a weighted average life of 42 years.

The perpetual track access agreements on one of the Company’s railroads have been determined to have an indefinite useful life and, therefore, are not subject to amortization. However, these assets are tested for impairment annually or in interim periods if events indicate possible impairment.

In the years ended December 31, 2013, 2012 and 2011, the aggregate amortization expense associated with intangible assets was $22.5 million, $6.8 million and $6.8 million, respectively. The Company estimates the future aggregate amortization expense related to its intangible assets as of December 31, 2013 will be as follows for the periods presented (dollars in thousands):

2014	$ 22,227
2015	22,158
2016	22,109
2017	22,109
2018	20,303
Thereafter	468,998
Total	$ 577,904

Other Assets

Other assets as of December 31, 2013 and 2012 were as follows (dollars in thousands):

	2013			
	Gross Carrying Amount	Accumulated Amortization	Other Assets, Net	Weighted Average Amortization Period (in Years)
Other assets:				
Deferred financing costs	$ 43,650	$ 11,930	$ 31,720	4
Other assets	52,241	14	52,227	0
Total other assets, net	$ 95,891	$ 11,944	$ 83,947	

	2012			
	Gross Carrying Amount	Accumulated Amortization	Other Assets, Net	Weighted Average Amortization Period (in Years)
Other assets:				
Deferred financing costs	$ 42,844	$ 2,352	$ 40,492	5
Other assets	16,535	14	16,521	0
Total other assets, net	$ 59,379	$ 2,366	$ 57,013	

In the years ended December 31, 2013, 2012 and 2011, the Company amortized $10.2 million, $7.0 million and $2.5 million of deferred financing costs as an adjustment to interest expense. Deferred financing costs are amortized as an adjustment to interest expense over the terms of the related debt using the effective-interest method for the term debt and the straight-line method for the revolving credit facility portion of debt. The 2013 amortization amount included $0.5 million associated with the write-off of deferred financing costs as a result of the prepayment of the remaining balance on the Canadian term loan. The 2012 amortization amount included $3.2 million associated with the write-off of deferred financing fees as a result of the October 2012 refinancing of the Company's senior credit facility and senior notes. The 2011 amortization amount included $0.5 million associated with the write-off of deferred financing fees as a result of the July 2011 refinancing of the Company's senior credit facility then in effect.

As of December 31, 2013, the Company estimated the future interest expense related to amortization of its deferred financing costs will be as follows for the periods presented (dollars in thousands):

2014	$ 9,202
2015	8,639
2016	8,167
2017	5,712
Total	$ 31,720

Goodwill

The changes in the carrying amount of goodwill for the years ended December 31, 2013 and 2012 were as follows (dollars in thousands):

	2013	2012
Goodwill:		
Balance at beginning of period	$ 634,953	$ 160,277
Goodwill acquired	—	474,115
Purchase accounting adjustments	(3,087)	—
Currency translation adjustment	(1,404)	561
Balance at end of period	$ 630,462	$ 634,953

The Company's goodwill for the years ended December 31, 2013 and 2012 was attributable to the Company's North American & European operating segment. In its final determination of fair values of the assets and liabilities acquired from RailAmerica, the Company reduced goodwill by $3.1 million during the year ended December 31, 2013. In the preliminary determination of fair values of the assets and liabilities acquired from RailAmerica, the Company had assigned $474.1 million to goodwill as of December 31, 2012. Of the total amount of goodwill acquired from the RailAmerica acquisition, approximately $30 million will be deductible for income tax purposes. The Company tests its goodwill and other indefinite-lived intangibles for impairment annually or in interim periods if events indicate possible impairment.

8. EQUITY INVESTMENT:

RailAmerica, Inc.

On October 1, 2012, the Company acquired 100% of RailAmerica's outstanding shares for cash at a price of $27.50 per share and in connection with such acquisition, the Company repaid RailAmerica's term loan and revolving credit facility (see Note 3, Changes in Operations). The shares of RailAmerica were held in a voting trust while the STB considered the Company's control application, which application was approved with an effective date of December 28, 2012. Accordingly, the Company accounted for the earnings of RailAmerica using the equity method of accounting while the shares were held in the voting trust and the Company's preliminary determination of fair values of the acquired assets and assumed liabilities were included in the Company's consolidated balance sheet at December 31, 2012.

In accordance with U.S. GAAP, a new accounting basis was established for RailAmerica on October 1, 2012 for its stand-alone financial statements. The Company recognized $15.6 million ($15.8 million of net income reported by RailAmerica less $0.2 million to eliminate activity between RailAmerica and G&W) of net income from the equity investment in RailAmerica during the three months ended December 31, 2012, which was reported in the Company's consolidated statements of operations under the caption Income from equity investment in RailAmerica, net. The income from equity investment included $3.5 million of after-tax acquisition/integration costs incurred by RailAmerica in the three months ended December 31, 2012.

The following condensed consolidated financial data of RailAmerica is based on U.S. GAAP:

RAILAMERICA, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEET
(dollars in thousands)

	December 28, 2012
Assets	
Current assets	$ 270,560
Property and equipment, net	1,588,612
Goodwill	474,115
Intangible assets, net	446,327
Other assets, net	116
Total assets	$ 2,779,730
Liabilities and equity	
Current liabilities	$ 136,717
Long-term debt, less current portion	10,410
Deferred income tax liabilities, net	551,856
Other long-term liabilities	19,618
Commitments and contingencies	—
Total RailAmerica, Inc. stockholders' equity	2,055,604
Noncontrolling interest	5,525
Total equity	2,061,129
Total liabilities and equity	$ 2,779,730

RAILAMERICA, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(dollars in thousands)

	Period from October 1, 2012 (Acquisition) to December 28, 2012
Operating revenues	$ 151,065
Operating expenses	124,928
Income from operations	26,137
Interest expense	(90)
Other income	9
Income before income taxes	26,056
Provision for income taxes	10,250
Net income	15,806
Less: Net income attributable to noncontrolling interest	—
Net income attributable to RailAmerica. Inc.	$ 15,806

RAILAMERICA, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(dollars in thousands)

	Period from October 1, 2012 (Acquisition) to December 28, 2012
Net income	$ 15,806
Other comprehensive income/(loss):	
Foreign currency translation adjustment	(2,150)
Actuarial gain associated with pension and postretirement benefit plans, net of tax provision of $53	166
Other comprehensive loss	(1,984)
Comprehensive income	$ 13,822

RAILAMERICA, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(dollars in thousands)

	Period from October 1, 2012 (Acquisition) to December 28, 2012
Net cash provided by operating activities	$ 41,897
Net cash used in investing activities	(19,804)
Net cash used in financing activities	(144)
Effect of exchange rate changes on cash and cash equivalents	(129)
Increase in cash and cash equivalents	21,820
Cash and cash equivalents, beginning of period	86,102
Cash and cash equivalents, end of period	$ 107,922

9. LONG-TERM DEBT:

Long-term debt consisted of the following as of December 31, 2013 and 2012 (dollars in thousands):

	2013	2012
Credit Agreement with variable interest rates (weighted average of 2.13% and 3.04% before impact of interest rate swaps at December 31, 2013 and 2012, respectively) due 2017	$ 1,583,798	$ 1,805,799
Amortizing Notes component of TEUs with fixed interest rate of 5.00% due 2015	21,878	32,435
Other debt and capital leases with interest rates up to 10.00% and maturing at various dates up to 2054	19,036	19,901
Long-term debt	1,624,712	1,858,135
Less: current portion	84,366	87,569
Long-term debt, less current portion	$ 1,540,346	$ 1,770,566

Credit Agreement

As of October 1, 2012, the Senior Secured Syndicated Credit Facility Agreement (the Credit Agreement) included a $425.0 million revolving credit facility, a $1.6 billion United States term loan, a C$24.6 million ($25.0 million at the exchange rate on October 1, 2012) Canadian term loan and an A$202.9 million ($210.0 million at the exchange rate on October 1, 2012) Australian term loan. The revolving credit facility also includes borrowing capacity for letters of credit and for borrowings on same-day notice, referred to as swingline loans. The Credit Agreement has a maturity date of October 1, 2017.

The Credit Agreement allows for borrowings under the revolving credit facility in United States dollars, Euros, Canadian dollars and Australian dollars. Under the revolving credit facility, the applicable borrowing spread for the United States base rate loans and Canadian base rate loans under the Credit Agreement initially were 1.50% over the base rate through December 31, 2012 and ranged from 0.50% to 1.75% over the base rate depending upon the Company's total leverage ratio through March 27, 2013. The applicable borrowing spread in the case of the United States, Canadian and European loans is the London Interbank Offered Rate (LIBOR) and the Australian loans is the Bank Bill Swap Reference Rate (BBSW), which were initially 2.50% over the LIBOR and BBSW rate through December 31, 2012 and ranged from 1.50% to 2.75% over these rates depending upon the Company's total leverage ratio through March 27, 2013. BBSW is the wholesale interbank reference rate within Australia, which the Company believes is generally considered the Australian equivalent to LIBOR. On March 28, 2013, the Company entered into Amendment No. 1 (the Amendment) to the Credit Agreement. As a result of the Amendment, the applicable borrowing spread for the United States and Canadian base rate loans under the revolving credit facility were reduced to 0.25% to 1.50% over the base rate and the applicable borrowing spread for the United States, Canadian, European and Australian term loans were reduced to 1.25% to 2.50% over the respective LIBOR and BBSW rates depending upon the Company's total leverage ratio.

The existing term loans and loans under the revolving credit facility are guaranteed by substantially all of the Company's United States subsidiaries for the United States guaranteed obligations and by substantially all of its foreign subsidiaries for the foreign guaranteed obligations. The Credit Agreement is collateralized by a substantial portion of the Company's real and personal property assets of its domestic subsidiaries that have guaranteed the United States obligations under the Credit Agreement and a substantial portion of the personal property assets of its foreign subsidiaries that have guaranteed the foreign obligations under the Credit Agreement.

During the three months ended December 31, 2012, the Company made prepayments on the United States term loan of $47.5 million, prepayments on the Canadian term loan of C$10.0 million (or $10.0 million at the exchange rate on the date it was paid) and prepayments on the Australian term loan of A$18.0 million (or $18.6 million at the exchange rate on the date it was paid). The Company also made scheduled quarterly principal payments of $16.4 million on the United States term loan, C$0.2 million (or $0.2 million at the average exchange rate during the period in which paid) on the Canadian term loan and A$2.0 million (or $2.1 million at the average exchange rate during the period in which paid) on the Australian term loan during the three months ended December 31, 2012.

In March 2013, the Company prepaid in full the remaining balance on the Canadian term loan, which resulted in the write-off of unamortized deferred financing costs of $0.5 million. In addition, during the year ended December 31, 2013, the Company made prepayments of $79.0 million and scheduled quarterly principal payments totaling $63.7 million on the United States term loan. During the year ended December 31, 2013, the Company made prepayments of A$24.0 million (or $23.6 million at the average exchange rates during the periods in which paid) and scheduled quarterly principal payments totaling A$8.1 million (or $7.7 million at the average exchange rates during the periods in which paid) on the Australian term loan.

As of December 31, 2013, the Company had outstanding term loans of $1.4 billion in the United States with an interest rate of 1.92% and A$150.8 million in Australia (or $134.4 million at the exchange rate on December 31, 2013) with an interest rate of 4.40%. As of December 31, 2013, the Company had outstanding revolving credit facilities of $11.0 million in the United States with an interest rate of 1.92% and €3.6 million in Europe (or $4.9 million at the exchange rate on December 31, 2013) with an interest rate of 1.97%.

In addition to paying interest on any outstanding borrowings under the Credit Agreement, the Company is required to pay a commitment fee in respect of the unutilized portion of the commitments under the revolving credit facility. The commitment fee rate initially was 0.50% per annum through December 31, 2012 and will range from 0.25% to 0.50% depending upon the Company's total leverage ratio thereafter. The Company also pays customary letter of credit and agency fees.

The Credit Agreement also includes (a) a $45.0 million sub-limit for the issuance of standby letters of credit and (b) sub-limits for swingline loans including (i) up to $30.0 million under the United States revolving credit facility, (ii) up to $15.0 million under each of the Canadian revolving credit facility and the Australian revolving credit facility and (iii) up to $10.0 million under the Euro revolving credit facility.

The Credit Agreement contains a number of customary affirmative and negative covenants that, among other things, limit or prohibit the Company's ability, subject to certain exceptions, to incur additional indebtedness; create liens; make investments; pay dividends on capital stock or redeem, repurchase or retire capital stock; consolidate or merge or make acquisitions or dispose of assets; enter into sale and leaseback transactions; engage in any business unrelated to the business currently conducted by the Company; sell or issue capital stock of any of the Company's restricted subsidiaries; change its fiscal year; enter into certain agreements containing negative pledges and upstream limitations and engage in certain transactions with affiliates. Under the Credit Agreement, the Company may not have an interest coverage ratio less than 3.50 to 1.00 as of the last day of any fiscal quarter. In addition, the Company may not exceed specified maximum total leverage ratios as described in the following table:

Period	Maximum Total Leverage Ratio
Closing Date through September 30, 2013	4.75 to 1.00
October 1, 2013 through September 30, 2014	4.25 to 1.00
October 1, 2014 through September 30, 2015	3.75 to 1.00
October 1, 2015 and thereafter	3.50 to 1.00

As of December 31, 2013, the Company was in compliance with the covenants under the Credit Agreement. As of December 31, 2013, the Company's $425.0 million revolving credit facility consisted of $15.9 million of outstanding debt, subsidiary letters of credit guarantees of $3.1 million and $406.0 million of unused borrowing capacity. Subject to maintaining compliance with the covenants under the Credit Agreement, the $406.0 million of unused borrowing capacity as of December 31, 2013 is available for working capital, capital expenditures, permitted investments, permitted acquisitions, refinancing existing indebtedness and general corporate purposes.

On July 29, 2011, the Company entered into the Third Amended and Restated Revolving Credit and Term Loan Agreement (the Prior Credit Agreement), which replaced the Company's credit agreement then in effect. The Prior Credit Agreement had a borrowing capacity of $750.0 million and a maturity date of July 29, 2016. The Prior Credit Agreement included a $425.0 million revolving credit facility, a $200.0 million United States term loan, an A $92.2 million ($100.0 million at the July 29, 2011 exchange rate) Australian term loan and a C$23.6 million ($25.0 million at the July 29, 2011 exchange rate) Canadian term loan. In connection with the RailAmerica acquisition, on October 1, 2012, the Company repaid in full all outstanding loans, together with interest and all other amounts due under the Prior Credit Agreement. No penalties were due in connection with such repayments. In connection with the repayment of the Prior Credit Agreement, the Company wrote off $2.9 million of unamortized debt issuance costs and incurred $0.5 million of legal expenses in the year ended December 31, 2012.

Senior Notes

In 2005, the Company completed a private placement of $100.0 million of Series B senior notes and $25.0 million of Series C senior notes. The Series B senior notes bore interest at 5.36% and were due in July 2015. On October 1, 2012, the Company repaid the $100.0 million of outstanding Series B senior notes, along with an aggregate $12.6 million make-whole payment, with proceeds from the Credit Agreement. The Series C senior notes had a borrowing rate of three-month LIBOR plus 0.70% and were repaid in July 2012 through borrowings under the Prior Credit Agreement. In addition, the Company wrote off $0.3 million of unamortized debt issuance costs associated with the senior notes during the year ended December 31, 2012.

TEUs

On September 19, 2012, the Company issued 2,300,000 5.00% TEUs. Each TEU initially consisted of a prepaid stock purchase contract (Purchase Contract) and a senior amortizing note due October 1, 2015 (Amortizing Note) issued by the Company, which had an initial principal amount of $14.1023 per Amortizing Note. As of December 31, 2013, the Amortizing Notes had an aggregate principal amount of $21.9 million. On each January 1, April 1, July 1 and October 1, the Company is required to pay holders of Amortizing Notes equal quarterly installments of $1.25 per Amortizing Note (except for the January 1, 2013 installment payment, which was $1.4167 per Amortizing Note), which cash payments in the aggregate will be equivalent to a 5.00% cash payment per year with respect to each $100 stated amount of the TEUs. Each installment constitutes a payment of interest (at an annual rate of 4.50%) and a partial repayment of principal on the Amortizing Note. The Amortizing Notes have a scheduled final installment payment date of October 1, 2015. If the Company elects to settle the Purchase Contracts early, holders of the Amortizing Notes will have the right to require the Company to repurchase such holders' Amortizing Notes, except in certain circumstances as described in the indenture governing the Amortizing Notes.

Non-Interest Bearing Loan

In 2010, as part of the acquisition of FreightLink Pty Ltd, Asia Pacific Transport Pty Ltd and related corporate entities (FreightLink Acquisition), the Company assumed debt with a carrying value of A$1.8 million (or $1.7 million at the exchange rate on December 1, 2010), which represented the fair value of an A$50.0 million (or $48.2 million at the exchange rate on December 1, 2010) non-interest bearing loan due in 2054. As of December 31, 2013, the carrying value of the loan was A$2.3 million (or $2.0 million at the exchange rate on December 31, 2013) with a non-cash imputed interest rate of 8.0%.

Schedule of Future Payments Including Capital Leases

The following is a summary of the maturities of long-term debt, including capital leases, as of December 31, 2013 (dollars in thousands):

2014	$ 84,366
2015	106,022
2016	112,407
2017	1,320,643
2018	319
Thereafter (1)	44,759
Total	$ 1,668,516

(1) Includes the A$50.0 million (or $44.6 million at the exchange rate on December 31, 2013) non-interest bearing loan due in 2054 assumed in the FreightLink Acquisition with a carrying value of A$2.3 million (or $2.0 million at the exchange rate on December 31, 2013).

10. DERIVATIVE FINANCIAL INSTRUMENTS:

The Company actively monitors its exposure to interest rate and foreign currency exchange rate risks and uses derivative financial instruments to manage the impact of certain of these risks. The Company uses derivatives only for purposes of managing risk associated with underlying exposures. The Company does not trade or use instruments with the objective of earning financial gains on the interest rate or exchange rate fluctuations alone, nor does the Company use derivative instruments where it does not have underlying exposures. Complex instruments involving leverage or multipliers are not used. The Company manages its hedging position and monitors the credit ratings of counterparties and does not anticipate losses due to counterparty nonperformance. Management believes its use of derivative instruments to manage risk is in the Company's best interest. However, the Company's use of derivative financial instruments may result in short-term gains or losses and increased earnings volatility. The Company's instruments are recorded in the consolidated balance sheets at fair value in prepaid expenses and other, other assets, net, accrued expenses or other long-term liabilities.

The Company may designate derivatives as a hedge of a forecasted transaction or a hedge of the variability of the cash flows to be received or paid in the future related to a recognized asset or liability (cash flow hedge). The portion of the changes in the fair value of the derivative used as a cash flow hedge that is offset by changes in the expected cash flows related to a recognized asset or liability (the effective portion) is recorded in other comprehensive income. As the hedged item is realized, the gain or loss included in accumulated other comprehensive income is reported in the consolidated statements of operations on the same line item as the hedged item. The portion of the changes in the fair value of derivatives used as cash flow hedges that is not offset by changes in the expected cash flows related to a recognized asset or liability (the ineffective portion) is immediately recognized in earnings on the same line item as the hedged item.

The Company matches the hedge instrument to the underlying hedged item (assets, liabilities, firm commitments or forecasted transactions). At inception of the hedge and at least quarterly thereafter, the Company assesses whether the derivatives used to hedge transactions are highly effective in offsetting changes in either the fair value or cash flows of the hedged item. When it is determined that a derivative ceases to be a highly effective hedge, the Company discontinues hedge accounting, and any gains or losses on the derivative instrument thereafter are recognized in earnings during the periods it no longer qualifies as a hedge.

From time to time, the Company may enter into certain derivative instruments that may not be designated as hedges for accounting purposes. For example, to mitigate currency exposures related to intercompany debt, cross-currency swap contracts may be entered into for periods consistent with the underlying debt. The Company believes such instruments are closely correlated with the underlying exposure, thus reducing the associated risk. The gains or losses from the changes in the fair value of derivative instruments not accounted for as hedges are recognized in current period earnings within other income, net.

Interest Rate Risk Management

The Company uses interest rate swap agreements to manage its exposure to changes in interest rates of the Company's variable rate debt. These swap agreements are recorded in the consolidated balance sheets at fair value. Changes in the fair value of the swap agreements are recorded in net income or other comprehensive income/(loss), based on whether the agreements are designated as part of a hedge transaction and whether the agreements are effective in offsetting the change in the value of the future interest payments attributable to the underlying portion of the Company's variable rate debt. Interest payments accrued each reporting period for these interest rate swaps are recognized in interest expense. The Company formally documents its hedge relationships, including identifying the hedge instruments and hedged items, as well as its risk management objectives and strategies for entering into the hedge transaction.

The following table summarizes the terms of the Company's outstanding interest rate swap agreements entered into to manage the Company's exposure to changes in interest rates on its variable rate debt (dollars in thousands):

		Notional Amount			
Effective Date	**Expiration Date**	**Date**	**Amount**	**Pay Fixed Rate**	**Receive Variable Rate**
9/30/2013	9/29/2014	9/30/2013	$ 1,350,000	0.35%	1-month LIBOR
		12/31/2013	$ 1,300,000	0.35%	1-month LIBOR
		3/31/2014	$ 1,250,000	0.35%	1-month LIBOR
		6/30/2014	$ 1,200,000	0.35%	1-month LIBOR
9/30/2014	9/29/2015	9/30/2014	$ 1,150,000	0.54%	1-month LIBOR
		12/31/2014	$ 1,100,000	0.54%	1-month LIBOR
		3/31/2015	$ 1,050,000	0.54%	1-month LIBOR
		6/30/2015	$ 1,000,000	0.54%	1-month LIBOR
9/30/2015	9/30/2016	9/30/2015	$ 350,000	0.93%	1-month LIBOR
9/30/2016	9/30/2026	9/30/2026	$ 100,000	2.79%	3-month LIBOR
9/30/2016	9/30/2026	9/30/2026	$ 100,000	2.79%	3-month LIBOR
9/30/2016	9/30/2026	9/30/2026	$ 100,000	2.80%	3-month LIBOR

On November 9, 2012, the Company entered into multiple 10-year forward starting interest rate swap agreements to manage the exposure to changes in interest rates on the Company's variable rate debt. On the date of the hedge designation, September 30, 2016, it is probable that the Company will either issue $300.0 million of fixed-rate debt or have $300.0 million of variable-rate debt under the Company's commercial banking lines. The forward starting interest swap agreements are expected to settle in cash on September 30, 2016. The Company expects any gains or losses on settlement will be amortized over the life of the respective swaps.

The following table summarizes the Company's interest rate swap agreements that expired during 2013 (dollars in thousands):

		Notional Amount			
Effective Date	Expiration Date	Date	Amount	Paid Fixed Rate	Receive Variable Rate
10/6/2008	9/30/2013	10/6/2008	$ 120,000	3.88%	1-month LIBOR
10/4/2012	9/30/2013	10/4/2012	$ 1,450,000	0.25%	1-month LIBOR
		1/1/2013	$ 1,350,000	0.25%	1-month LIBOR
		4/1/2013	$ 1,300,000	0.25%	1-month LIBOR
		7/1/2013	$ 1,250,000	0.25%	1-month LIBOR

The fair value of the interest rate swap agreements were estimated based on Level 2 inputs. The Company's effectiveness testing during the year ended December 31, 2013 resulted in no amount of gain or loss reclassified from accumulated other comprehensive income/(loss) into earnings due to ineffectiveness. During the year ended December 31, 2013, $4.1 million of net losses were realized and recorded as interest expense in the consolidated statement of operations. Based on the Company's fair value assumptions as of December 31, 2013, it expects to realize $1.6 million of net losses that are reported in accumulated other comprehensive income into earnings within the next 12 months. See Note 16, Accumulated Other Comprehensive Income, for additional information regarding the Company's cash flow hedges.

Foreign Currency Exchange Rate Risk

As of December 31, 2013, $142.1 million of third-party debt related to the Company's foreign operations was denominated in the currencies in which its subsidiaries operate, including the Australian dollar, Canadian dollar and Euro. The debt service obligations associated with this foreign currency debt are generally funded directly from those operations. As a result, foreign currency risk related to this portion of the Company's debt service payments is limited. However, in the event the foreign currency debt service is not paid from the Company's foreign operations, the Company may face exchange rate risk if the Australian or Canadian dollar or Euro were to appreciate relative to the United States dollar and require higher United States dollar equivalent cash.

The Company is also exposed to foreign currency exchange rate risk related to its foreign operations, including non-functional currency intercompany debt, typically from the Company's United States operations to its foreign subsidiaries, and any timing difference between announcement and closing of an acquisition of a foreign business to the extent such acquisition is funded with United States dollars. To mitigate currency exposures related to non-functional currency denominated intercompany debt, cross-currency swap contracts may be entered into for periods consistent with the underlying debt. In determining the fair value of the derivative contract, the significant inputs to valuation models are quoted market prices of similar instruments in active markets. To mitigate currency exposures of non-United States dollar denominated acquisitions, the Company may enter into foreign exchange forward contracts. Although these derivative contracts do not qualify for hedge accounting, the Company believes that such instruments are closely correlated with the underlying exposure, thus reducing the associated risk. The gains or losses from changes in the fair value of derivative instruments that are not accounted for as hedges are recognized in current period earnings within other income, net.

To mitigate the foreign currency exchange rate risk related to a non-functional currency intercompany loan between the United States and Australian entities, the Company entered into an Australian dollar/United States dollar floating to floating cross-currency swap agreement (the Swap), effective as of December 1, 2010, which effectively converted the A$105.0 million intercompany loan receivable in the United States into a $100.6 million loan receivable. As a result of the quarterly net settlement payments associated with this swap, the Company realized a net expense of $4.4 million within interest (expense)/income for the year ended December 31, 2012. In addition, the Company recognized $0.6 million within other income, net related to the settlement of the derivative agreement and the underlying intercompany debt instrument to the exchange rate for the year ended December 31, 2012. The Swap expired on December 1, 2012 and was settled for $9.1 million.

On November 29, 2012, simultaneous with the termination of the previous swap, the Company entered into two new 2-year Australian dollar/United States dollar floating to floating cross-currency swap agreements (the Swaps), effective December 3, 2012. These agreements expire on December 1, 2014. The Swaps effectively convert the A$105.0 million intercompany loan receivable in the United States into a $109.6 million loan receivable. The Swaps require the Company to pay Australian dollar BBSW plus 3.25% based on a notional amount of A$105.0 million and allow the Company to receive United States LIBOR plus 2.82% based on a notional amount of $109.6 million on a quarterly basis. BBSW is the wholesale interbank reference rate within Australia, which we believe is generally considered the Australian equivalent to LIBOR. As a result of these quarterly net settlement payments, the Company realized a net expense of $2.7 million within interest (expense)/income for the year ended December 31, 2013. In addition, the Company recognized $0.4 million within other income, net related to the settlement of the derivative agreement and the underlying intercompany debt instrument to the exchange rate for the year ended December 31, 2013.

Contingent Forward Sale Contract

In conjunction with the Company's announcement on July 23, 2012 of its plan to acquire RailAmerica, the Company entered into the Investment Agreement with Carlyle in order to partially fund the acquisition of RailAmerica. Pursuant to the Investment Agreement, Carlyle agreed to purchase a minimum of $350.0 million of Series A-1 Preferred Stock, which Series A-1 Preferred Stock was convertible into the Company's Class A common stock in certain circumstances. The conversion price of the Series A-1 Preferred Stock was set at approximately $58.49, which was a 4.5% premium to the Company's stock price on the trading day prior to the announcement of the RailAmerica acquisition. For the period between July 23, 2012 and September 30, 2012, this instrument was accounted for as a contingent forward sale contract with mark-to-market non-cash income or expense included in the Company's consolidated financial results and the cumulative effect represented as an asset or liability. The closing price of the Company's Class A common stock was $66.86 on September 28, 2012, which was the last trading day prior to issuing the Series A-1 Preferred Stock, and, accordingly, the Company recorded a $50.1 million non-cash mark-to-market expense related to the Investment Agreement for the year ended December 31, 2012. As discussed in Note 4, Earnings Per Common Share, the Company converted the Series A-1 Preferred Stock into Class A common stock on February 13, 2013.

The Company's derivative instruments are subject to master netting arrangements between the Company and the respective counterparty. The Company presents its derivative instruments on a gross basis. As of December 31, 2013 and 2012, the differences between the gross values and net values under such master netting arrangements were not significant. The following table summarizes the fair value of derivative instruments recorded in the consolidated balance sheets as of December 31, 2013 and 2012 (dollars in thousands):

	Balance Sheet Location	Fair Value 2013	Fair Value 2012
Asset Derivatives:			
Derivatives designated as hedges:			
Interest rate swap agreements	Other assets, net	$ 36,987	$ 4,227
Derivatives not designated as hedges:			
Cross-currency swap agreements	Prepaid expenses and other	$ 16,056	$ 255
Liability Derivatives:			
Derivatives designated as hedges:			
Interest rate swap agreements	Accrued expenses	$ 1,601	$ 3,777
Interest rate swap agreements	Other long-term liabilities	838	882
Total derivatives designated as hedges		$ 2,439	$ 4,659
Derivatives not designated as hedges:			
Cross-currency swap agreements	Other long-term liabilities	$ —	$ 143

The following table shows the effect of the Company's derivative instrument designated as a cash flow hedge for the years ended December 31, 2013, 2012 and 2011 in other comprehensive income/(loss) (OCI) (dollars in thousands):

	Total Cash Flow Hedge OCI Activity, Net of Tax		
	2013	2012	2011
Derivatives Designated as Cash Flow Hedges:			
Effective portion of changes in fair value recognized in OCI:			
Interest rate swap agreement	$ 20,988	$ 4,053	$ 1,334

The following table shows the effect of the Company's derivative instruments not designated as hedges for the years ended December 31, 2013, 2012 and 2011 in the consolidated statements of operations (dollars in thousands):

	Location of Amount Recognized in Earnings	Amount Recognized in Earnings 2013	2012	2011
Derivative Instruments Not Designated as Hedges:				
Cross-currency swap agreements	Interest (expense)/ income	$ (2,696)	$ (4,638)	$ (5,935)
Cross-currency swap agreements	Other income, net	427	303	246
Contingent forward sale contract	Contingent forward sale contract mark-to-market expense	—	(50,106)	—
		$ (2,269)	$ (54,441)	$ (5,689)

11. FAIR VALUE OF FINANCIAL INSTRUMENTS:

The following methods and assumptions were used to estimate the fair value of each class of financial instrument held by the Company:

- Financial Instruments Carried at Fair Value: Derivative instruments are recorded on the consolidated balance sheet as either assets or liabilities measured at fair value. As of December 31, 2013, the Company's derivative financial instruments consisted of interest rate swap agreements and cross-currency swap agreements. The Company estimated the fair value of its interest rate swap agreements based on Level 2 valuation inputs, including fixed interest rates, LIBOR implied forward interest rates and the remaining time to maturity. The Company estimated the fair value of its cross-currency swap agreements based on Level 2 valuation inputs, including LIBOR implied forward interest rates, AUD BBSW implied forward interest rates and the remaining time to maturity.
- Financial Instruments Carried at Historical Cost: Since the Company's long-term debt is not actively traded, fair value was estimated using a discounted cash flow analysis based on Level 2 valuation inputs, including borrowing rates the Company believes are currently available to it for loans with similar terms and maturities.

The following table presents the Company's financial instruments that are carried at fair value using Level 2 inputs at December 31, 2013 and 2012 (dollars in thousands):

	2013	2012
Financial instruments carried at fair value using Level 2 inputs:		
Interest rate swap agreements	$ 36,987	$ 4,227
Cross-currency swap agreements	16,056	255
Total financial assets carried at fair value	$ 53,043	$ 4,482
Interest rate swap agreements	$ 2,439	$ 4,659
Cross-currency swap agreements	—	143
Total financial liabilities carried at fair value	$ 2,439	$ 4,802

The following table presents the carrying value and fair value using Level 2 inputs of the Company's financial instruments carried at historical cost at December 31, 2013 and 2012 (dollars in thousands):

	2013		2012	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial liabilities carried at historical cost:				
Revolving credit facility	$ 15,949	$ 15,956	$ 25,153	$ 25,222
United States term loan	1,433,414	1,429,204	1,576,100	1,562,385
Canadian term loan	—	—	14,446	14,353
Australia term loan	134,436	135,491	190,100	191,057
Amortizing Notes component of TEUs	21,878	21,698	32,435	31,484
Other debt	19,035	18,996	19,901	19,759
Total	$ 1,624,712	$ 1,621,345	$ 1,858,135	$ 1,844,260

12. EMPLOYEE BENEFIT PROGRAMS:

Employee Bonus Programs

The Company has performance-based bonus programs that include a majority of non-union employees. Approximately $17.7 million, $14.2 million and $10.7 million were awarded under the various performance-based bonus plans in the years ended December 31, 2013, 2012 and 2011, respectively.

Defined Contribution Plans

Under the Genesee & Wyoming Inc. 401(k) Savings Plan, the Company matches participants' contributions up to 4% of the participants' salary on a pre-tax basis. Under the RailAmerica Employees' 401(k) Savings Plan, which remained in effect in 2013 for legacy RailAmerica employees that were employees of the Company during 2013, the Company made contributions to their plan at a rate of 50% of the employees' contribution up to $2,500 for Railroad Retirement employees and up to $5,000 for employees covered under the Federal Insurance Contributions Act. The Company's contributions to the plans in total for the years ended December 31, 2013, 2012 and 2011 were $3.8 million, $1.8 million and $1.7 million, respectively. The Company's contribution for the year ended December 31, 2012 does not include contributions made by RailAmerica to its 401(k) plan during the period while the shares of RailAmerica were held in a voting trust.

The Company's Canadian subsidiaries administer three different retirement benefit plans. The plans qualify under Section 146 of the federal and provincial income tax law and are Registered Retirement Savings Plans (RRSP). Under each plan, employees may elect to contribute a certain percentage of their salary on a pre-tax basis. Under one plan, the Company matches 6% of gross salary up to a maximum of C$3,500 (or $3,295 at the December 31, 2013 exchange rate). Under the other two plans, the Company matches the employee's contribution up to a maximum of 5% of gross salary. Company contributions to the plans in the years ended December 31, 2013, 2012 and 2011, were $1.3 million, $0.7 million and $0.6 million, respectively. The Company's contribution for the year ended December 31, 2012 does not include contributions made by RailAmerica to its retirement benefit plan during the period while the shares of RailAmerica were held in a voting trust.

The Company's Australian subsidiary administers a statutory retirement benefit plan. The Company was required to contribute the equivalent of 9.25%, 9.00% and 9.00% of an employee's base salary into a registered superannuation fund in each of the years ended December 31, 2013, 2012 and 2011, respectively. Employees may elect to make additional contributions either before or after tax. Company contributions were $4.4 million, $4.1 million and $2.8 million for the years ended December 31, 2013, 2012 and 2011, respectively.

Defined Benefit Plans

The Company administers three United States noncontributory defined benefit plans for union and non-union employees and one Canadian noncontributory defined benefit plan. Benefits are determined based on a fixed amount per year of credited service. The Company's funding policy requires contributions for pension benefits based on actuarial computations which reflect the long-term nature of the plans. The Company has met the minimum funding requirements according to the United States Employee Retirement Income Security Act (ERISA) and Canada's Pension Benefits Standards Act. As of December 31, 2013, there were approximately 253 employees participating under these plans. As of December 31, 2013, the Company's consolidated balance sheet included a $3.9 million pension liability and a $0.4 million loss in accumulated other comprehensive income related to these plans.

The Company administers two plans which provide health care and life insurance benefits for certain retired employees in the United States. The Company funds the plans on a pay-as-you-go basis. As of December 31, 2013, there were approximately 69 employees participating under these plans. As of December 31, 2013, the Company's consolidated balance sheet included a $7.0 million postretirement benefit liability and $0.6 million in accumulated other comprehensive income related to these plans.

13. INCOME TAXES:

Included in the Company's net income for the year ended December 31, 2013 was a $25.9 million benefit associated with the extension of the United States Short Line Tax Credit for fiscal year 2013 and a $41.0 million benefit associated with the retroactive extension of the United States Short Line Tax Credit for fiscal year 2012. Since the extension became law in 2013, the 2012 impact was recorded in the first quarter of 2013. The Company's provision for income taxes was $87.2 million for the year ended December 31, 2013, which represented 27.4% of income before income taxes and income from equity investment excluding the retroactive benefit. Included in the Company's income before income taxes and income from equity investment for the year ended December 31, 2012 was a $50.1 million mark-to-market expense associated with a contingent forward sale contract, which is a non-deductible expense for income tax purposes. See Note 10, Derivative Financial Instruments, for further details on the contingent forward sale contract. As a result, the Company's provision for income taxes was $46.4 million for the year ended December 31, 2012, which represents 34.8% of income before income taxes and income from equity investment other than the mark-to-market expense. The decrease in the effective income tax rate for the year ended December 31, 2013 as compared with the year ended December 31, 2012 was primarily attributable to the renewal of the United States Short Line Tax Credit through December 31, 2013.

The components of income before income taxes and income from equity investment for the years ended December 31, 2013, 2012 and 2011 were as follows (dollars in thousands):

	2013	2012	2011
United States	$ 211,889	$ 5,598	$ 98,041
Foreign	106,498	77,680	59,974
Total	$ 318,387	$ 83,278	$ 158,015

The Company files a consolidated United States federal income tax return that includes all of its United States subsidiaries. Each of the Company’s foreign subsidiaries files appropriate income tax returns in its respective country. No provision is made for the United States income taxes applicable to the undistributed earnings of controlled foreign subsidiaries as it is the intention of management to fully utilize those earnings in the operations of foreign subsidiaries. If the earnings were to be distributed in the future, those distributions may be subject to United States income taxes (appropriately reduced by available foreign tax credits) and withholding taxes payable to various foreign countries, however, the amount of the tax and credits is not practically determinable. The amount of undistributed earnings of the Company’s controlled foreign subsidiaries as of December 31, 2013 was $268.9 million.

The components of the provision for income taxes for the years ended December 31, 2013, 2012 and 2011 were as follows (dollars in thousands):

	2013	2012	2011
United States:			
Current			
Federal	$ 6,571	$ 3,582	$ 5,652
State	6,031	3,752	3,686
Deferred			
Federal	62	17,382	12,578
State	4,890	906	1,535
	17,554	25,622	23,451
Foreign:			
Current	22,697	9,907	6,488
Deferred	6,045	10,873	8,592
	28,742	20,780	15,080
Total	$ 46,296	$ 46,402	$ 38,531

The provision for income taxes differs from that which would be computed by applying the statutory United States federal income tax rate to income before taxes. The following is a summary of the effective tax rate reconciliation for the years ended December 31, 2013, 2012 and 2011:

	2013	2012	2011
Tax provision at statutory rate	35.0 %	35.0 %	35.0 %
Effect of acquisitions/divestitures	— %	24.8 %	(3.1)%
Effect of foreign operations	(2.1)%	(7.7)%	(2.9)%
State income taxes, net of federal income tax benefit	2.2 %	3.8 %	2.3 %
Benefit of track maintenance credit	(21.0)%	— %	(6.5)%
Other, net	0.4 %	(0.3)%	(0.4)%
Effective income tax rate	14.5 %	55.6 %	24.4 %

The United States track maintenance credit is an income tax credit for Class II and Class III railroads to reduce their federal income tax based on qualified railroad track maintenance expenditures (the Short Line Tax Credit). Qualified expenditures include amounts incurred for maintaining track, including roadbed, bridges and related track structures owned or leased by a Class II or Class III railroad. The credit is equal to 50% of the qualified expenditures, subject to an annual limitation of $3,500 multiplied by the number of miles of railroad track owned or leased by the Class II or Class III railroad as of the end of their tax year. The Short Line Tax Credit was in existence from 2005 through 2011 and was extended for years 2012 and 2013 on January 2, 2013.

Deferred income taxes reflect the effect of temporary differences between the book and tax basis of assets and liabilities as well as available income tax credit and capital and net operating loss carryforwards. The components of net deferred income taxes as of December 31, 2013 and 2012 were as follows (dollars in thousands):

	2013	2012
Deferred tax assets:		
Accruals and reserves not deducted for tax purposes until paid	$ 20,183	$ 15,824
Net operating loss carryforwards	14,577	52,863
Nonshareholder contributions	3,185	4,799
Deferred compensation	2,974	2,175
Postretirement benefits	811	2,328
Share-based compensation	6,348	11,328
Foreign tax credit	1,964	1,964
Track maintenance credit	221,278	129,486
Alternative minimum tax credit	1,592	1,356
Other	119	451
	273,031	222,574
Valuation allowance	(12,194)	(8,613)
Deferred tax liabilities:		
Interest rate swaps	(13,985)	7
Property basis difference	(1,029,492)	(1,003,990)
Other	(1,884)	(1,843)
Net deferred tax liabilities	$ (784,524)	$ (791,865)

In the accompanying consolidated balance sheets, these deferred benefits and deferred obligations are classified as current or non-current based on the classification of the related asset or liability for financial reporting. A deferred tax obligation or benefit that is not related to an asset or liability for financial reporting, including deferred tax assets related to tax credit and loss carryforwards, are classified according to the expected reversal date of the temporary difference as of the end of the year.

As of December 31, 2013, the Company had United States net operating loss carryforwards in various state jurisdictions that totaled approximately $364.2 million and United States track maintenance credit carryforwards of $221.3 million. Some of the Company's net operating loss and credit carryforwards are subject to Section 382 limitations of the Internal Revenue Code (Section 382). Section 382 imposes limitations on a corporation's ability to utilize its net operating losses and credits if it experiences an "ownership change." In general terms, an ownership change results from transactions increasing the ownership of certain existing stockholders or new stockholders in the stock of a corporation by more than 50% during a three year testing period. Any unused annual limitation may be carried over to later years, and the amount of the limitation may, under certain circumstances, be increased to reflect both recognized and deemed recognized "built-in gains" that occur during the sixty-month period after the ownership change. The state net operating losses exist in different states and expire between 2014 and 2033. The United States track maintenance credits expire between 2025 and 2033.

As of December 31, 2012, the Company had track maintenance credit carryforwards of $129.5 million. The 2012 tax credit carryforwards will expire between 2025 and 2032.

The Company maintains a valuation allowance on foreign tax credits and state net operating losses for which, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. It is management's belief that it is more likely than not that a portion of the deferred tax assets will not be realized.

A reconciliation of the beginning and ending amount of the Company's valuation allowance is as follows (dollars in thousands):

	2013
Balance at beginning of year	$ 8,613
Increase for state net operating losses	1,617
Increase for foreign tax credits	1,964
Balance at end of year	$ 12,194

A reconciliation of the beginning and ending amount of the Company's liability for uncertain tax positions is as follows (dollars in thousands):

	2013	2012	2011
Balance at beginning of year	$ 3,155	$ —	$ —
Increase for acquired subsidiary	—	3,370	—
Reductions for tax positions of prior years	—	(215)	—
Balance at end of year	$ 3,155	$ 3,155	$ —

At December 31, 2013 and 2012, there was $3.2 million of unrecognized tax benefits that if recognized would affect the annual effective tax rate. The Company recognizes interest and penalties related to uncertain tax positions in its provision for income taxes.

As of December 31, 2013, the following tax years remain open to examination by the major taxing jurisdictions to which the Company is subject:

	Open Tax Years		
Jurisdiction	**From**		**To**
United States	2001	-	2013
Australia	2009	-	2013
Canada	2009	-	2013
Mexico	2008	-	2013
Netherlands	2012	-	2013
Belgium	2013	-	2013

14. COMMITMENTS AND CONTINGENCIES:

From time to time, the Company is a defendant in certain lawsuits resulting from the Company's operations in the ordinary course. Management believes there are adequate provisions in the financial statements for any probable liabilities that may result from disposition of the pending lawsuits. Based upon currently available information, the Company does not believe it is reasonably possible that any such lawsuit or related lawsuits would be material to the Company's results of operations or have a material adverse effect on the Company's financial position or liquidity.

15. STOCK-BASED COMPENSATION PLANS:

In May 2011, the Company's shareholders approved a 2,500,000 share increase in the number of shares of Class A common stock for awards which may be granted under the Omnibus Plan. As a result, the Omnibus Plan allows for the issuance of up to 6,187,500 shares of Class A common stock for awards, which include stock options, restricted stock, restricted stock units and any other form of award established by the Compensation Committee, in each case consistent with the plan's purpose. Stock-based awards generally have three-year requisite service periods and five year contractual terms. Any shares of common stock available for issuance under the predecessor plans (Amended and Restated 1996 Stock Option Plan, Stock Option Plan for Directors and Deferred Stock Plan for Non-Employee Directors) as of May 12, 2004, plus any shares underlying awards that expire, are terminated or are canceled, are deemed available for issuance or reissuance under the Omnibus Plan. In total, at December 31, 2013, there remained 2,174,314 shares of Class A common stock available for future issuance under the Omnibus Plan.

A summary of option activity under the Omnibus Plan as of December 31, 2013 and changes during the year then ended is presented below:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding at beginning of year	1,105,411	$ 42.61		
Granted	199,209	90.30		
Exercised	(319,732)	35.88		
Expired	(521)	39.08		
Forfeited	(15,035)	63.19		
Outstanding at end of year	969,332	$ 54.32	2.5	$ 40,458
Vested or expected to vest at end of year	967,559	$ 54.26	2.5	$ 40,440
Exercisable at end of year	569,450	$ 40.17	1.6	$ 31,822

The weighted average grant date fair value of options granted during the years ended December 31, 2013, 2012 and 2011 was $22.16, $16.25 and $15.76, respectively. The total intrinsic value of options exercised during the years ended December 31, 2013, 2012 and 2011 was $17.6 million, $17.3 million and $14.9 million, respectively.

The Company determines the fair value of each option award on the date of grant using the Black-Scholes option pricing model. There are six input variables to the Black-Scholes model: stock price, strike price, volatility, term, risk-free interest rate and dividend yield. Both the stock price and strike price inputs are typically the closing stock price on the date of grant. The assumption for expected future volatility is based on a combination of historical and implied volatility of the Company's Class A common stock. The expected term of options is derived from the vesting period of the award, as well as historical exercise data, and represents the period of time that options granted are expected to be outstanding. The expected risk-free rate is calculated using the United States Treasury yield curve over the expected term of the option. The expected dividend yield is 0% for all periods presented, based upon the Company's historical practice of not paying cash dividends on its common stock. The Company uses historical data, as well as management's current expectations, to estimate forfeitures.

The following weighted average assumptions were used to estimate the grant date fair value of options granted during the years ended December 31, 2013, 2012 and 2011 using the Black-Scholes option pricing model:

	2013	2012	2011
Risk-free interest rate	0.89%	0.52%	1.05%
Expected dividend yield	0%	0%	0%
Expected term (in years)	4.0	4.0	3.9
Expected volatility	29%	33%	35%

As required under the RailAmerica acquisition agreement, on October 1, 2012, the Company converted approximately 432,000 RailAmerica restricted stock awards and 775,000 RailAmerica restricted stock unit awards into approximately 180,000 and 322,000 G&W restricted stock awards and restricted stock unit awards, respectively, at a ratio of 0.4151 based upon the acquisition cash purchase price of $27.50 per share and the Company's average 10-day closing stock price prior to the RailAmerica acquisition closing date of $66.26 per share.

The Company determines fair value of its restricted stock and restricted stock units based on the closing stock price on the date of grant.

The following table summarizes the Company's non-vested restricted stock outstanding as of December 31, 2013 and changes during the year then ended:

	Shares	Weighted Average Grant Date Fair Value
Non-vested at beginning of year	270,724	$ 59.54
Granted	55,019	90.12
Vested	(191,910)	59.05
Forfeited	(7,169)	64.88
Non-vested at end of year	126,664	$ 73.25

The weighted average grant date fair value of restricted stock granted during the years ended December 31, 2013, 2012 and 2011 was $90.12, $65.70 and $56.03, respectively. The total fair value of restricted stock that vested during the years ended December 31, 2013, 2012 and 2011 was $11.3 million, $7.8 million and $4.4 million, respectively.

The following table summarizes the Company's non-vested restricted stock units outstanding as of December 31, 2013 and changes during the year then ended:

	Shares	Weighted Average Grant Date Fair Value
Non-vested at beginning of year	294,635	$ 66.86
Granted	27,857	89.44
Vested	(213,003)	66.97
Forfeited	(16,247)	70.24
Non-vested at end of year	93,242	$ 72.78

The weighted average grant date fair value of restricted stock units granted during the years ended December 31, 2013, 2012 and 2011 was $89.44, $67.43 and $56.17, respectively. The total fair value of restricted stock units that vested during the years ended December 31, 2013, 2012 and 2011 was $14.3 million, $3.4 million and $0.3 million, respectively.

For the year ended December 31, 2013, compensation cost from equity awards was $11.7 million. The Company also recorded an additional $5.1 million of costs from the acceleration of equity awards for terminated RailAmerica employees. Total compensation costs related to non-vested awards not yet recognized was $14.6 million as of December 31, 2013, which will be recognized over the next 3 years with a weighted average period of 1.3 years. The total income tax benefit recognized in the consolidated statement of operations for equity awards was $5.3 million for the year ended December 31, 2013.

For the year ended December 31, 2012, compensation cost from equity awards was $7.9 million. The Company also recorded an additional $4.1 million of costs from the acceleration of equity awards for terminated RailAmerica employees. The total income tax benefit recognized in the consolidated statement of operations for equity awards was $4.5 million for the year ended December 31, 2012.

For the year ended December 31, 2011, compensation cost from equity awards was $7.7 million. The total income tax benefit recognized in the consolidated statement of operations for equity awards was $2.6 million for the year ended December 31, 2011.

The total income tax benefit realized from the exercise of equity awards was $17.7 million, $10.9 million and $5.0 million for the years ended December 31, 2013, 2012 and 2011, respectively.

The Company has reserved 1,265,625 shares of Class A common stock that the Company may sell to its full-time employees under its Employee Stock Purchase Plan (ESPP) at 90% of the stock's market price on the date of purchase. At December 31, 2013, 197,375 shares had been purchased under this plan. The Company recorded compensation expense for the 10% purchase discount of approximately $0.1 million in each of the years ended December 31, 2013, 2012 and 2011.

16. ACCUMULATED OTHER COMPREHENSIVE INCOME:

The following table sets forth accumulated other comprehensive income included in the consolidated balance sheets as of December 31, 2013 and 2012, respectively (dollars in thousands):

	Cumulative Foreign Currency Translation Adjustment	Defined Benefit Plans	Net Unrealized Gain/(Loss) on Cash Flow Hedges	Accumulated Other Comprehensive Income/(Loss)
Balance, December 31, 2011	$ 42,394	$ (20)	$ (4,479)	$ 37,895
Other comprehensive income/(loss) before reclassifications	5,451	(128)	6,595	11,918
Amounts reclassified from accumulated other comprehensive income, net of tax benefit of $1,695	—	—	(2,542) (a)	(2,542)
Change in 2012	5,451	(128)	4,053	9,376
Balance, December 31, 2012	$ 47,845	$ (148)	$ (426)	$ 47,271
Other comprehensive (loss)/income before reclassifications	(62,532)	362	23,443	(38,727)
Amounts reclassified from accumulated other comprehensive income, net of tax benefit of $1,637	—	—	(2,455) (a)	(2,455)
Change in 2013	(62,532)	362	20,988	(41,182)
Balance, December 31, 2013	$ (14,687)	$ 214	$ 20,562	$ 6,089

(a) Included in interest expense on the consolidated statements of operations.

The foreign currency translation adjustments for the years ended December 31, 2013, 2012 and 2011 related primarily to the Company's operations with functional currencies of the Australian dollar and Canadian dollar.

17. SUPPLEMENTAL CASH FLOW INFORMATION:

Interest and Taxes Paid

The following table sets forth the cash paid for interest and income taxes for the years ended December 31, 2013, 2012 and 2011 (dollars in thousands):

	2013	2012	2011
Interest paid, net	$ 57,206	$ 57,012	$ 36,291
Income taxes	$ 14,522	$ 11,187	$ 19,585

Significant Non-Cash Investing and Financing Activities

The Company had outstanding receivables from outside parties for the funding of capital expenditures of $33.0 million, $25.0 million and $20.8 million as of December 31, 2013, 2012 and 2011, respectively. At December 31, 2013, 2012 and 2011, $40.1 million, $22.6 million and $17.6 million, respectively, of purchases of property and equipment had not been paid and, accordingly, were accrued in accounts payable in the normal course of business.

18. SEGMENT AND GEOGRAPHIC AREA INFORMATION:

Segment Information

The Company's various railroad lines are divided into 11 operating regions. Since all of the regions have similar characteristics, they previously had been aggregated into one reportable segment. Beginning January 1, 2011, the Company decided to present its financial information as two reportable segments, North American & European Operations and Australian Operations.

The results of operations of the foreign entities are maintained in the respective local currency (the Australian dollar, the Canadian dollar and the Euro) and then translated into United States dollars at the applicable exchange rates for inclusion in the consolidated financial statements. As a result, any appreciation or depreciation of these currencies against the United States dollar will impact the Company's results of operations.

The Company acquired RailAmerica on October 1, 2012. However, the shares of RailAmerica were held in a voting trust while the STB considered the Company's control application, which application was approved with an effective date of December 28, 2012. Accordingly, the Company accounted for the earnings of RailAmerica using the equity method of accounting while the shares were held in the voting trust and the Company's determination of fair values of the acquired assets and assumed liabilities were included in its consolidated balance sheets since December 28, 2012 and included within the Company's North American & European Operations segment.

The following tables set forth the Company's North American & European Operations and Australian Operations for the years ended December 31, 2013, 2012 and 2011 (dollars in thousands):

	December 31, 2013		
	North American & European Operations	Australian Operations	Total Operations
Operating revenues	$ 1,243,847	$ 325,164	$ 1,569,011
Income from operations	$ 284,122	$ 96,066	$ 380,188
Depreciation and amortization	$ 114,542	$ 27,102	$ 141,644
Interest expense	$ 52,740	$ 15,154	$ 67,894
Interest income	$ 3,631	$ 340	$ 3,971
Provision for income taxes	$ 24,038	$ 22,258	$ 46,296
Expenditures for additions to property & equipment, net of grants from outside parties	$ 163,545	$ 51,860	$ 215,405

	December 31, 2012		
	North American & European Operations	Australian Operations	Total Operations
Operating revenues	$ 585,893	$ 289,023	$ 874,916
Income from operations	$ 115,387	$ 74,935	$ 190,322
Depreciation and amortization	$ 50,156	$ 23,249	$ 73,405
Interest expense	$ 45,996	$ 16,849	$ 62,845
Interest income	$ 3,219	$ 506	$ 3,725
Contingent forward sale contract mark-to-market expense	$ 50,106	$ —	$ 50,106
Provision for income taxes	$ 28,451	$ 17,951	$ 46,402
Income from equity investment in RailAmerica, net	$ 15,557	$ —	$ 15,557
Expenditures for additions to property & equipment, net of grants from outside parties	$ 69,636	$ 122,426	$ 192,062

	December 31, 2011		
	North American & European Operations	Australian Operations	Total Operations
Operating revenues	$ 557,621	$ 271,475	$ 829,096
Income from operations	$ 129,646	$ 62,133	$ 191,779
Depreciation and amortization	$ 47,218	$ 19,263	$ 66,481
Interest expense	$ 23,171	$ 15,446	$ 38,617
Interest income	$ 2,950	$ 293	$ 3,243
Provision for income taxes	$ 26,181	$ 12,350	$ 38,531
Expenditures for additions to property & equipment, net of grants from outside parties	$ 59,383	$ 96,643	$ 156,026

The following table sets forth the property and equipment recorded in the consolidated balance sheets as of December 31, 2013 and 2012 (dollars in thousands):

	December 31, 2013			December 31, 2012		
	North American & European Operations	Australian Operations	Total Operations	North American & European Operations	Australian Operations	Total Operations
Property & equipment, net	$2,883,452	$ 557,292	$3,440,744	$2,766,693	$ 629,602	$3,396,295

Geographic Area Information

Operating revenues for each geographic area for the years ended December 31, 2013, 2012 and 2011 were as follows (dollars in thousands):

	2013		2012		2011	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Operating revenues:						
United States	$ 1,083,773	69.1%	$ 489,157	55.9%	$ 478,511	57.7%
Non-United States:						
Australia	$ 325,164	20.7%	$ 289,023	33.0%	$ 271,475	32.7%
Canada	145,399	9.3%	81,948	9.4%	64,155	7.8%
Europe	14,675	0.9%	14,788	1.7%	14,955	1.8%
Total Non-United States	$ 485,238	30.9%	$ 385,759	44.1%	$ 350,585	42.3%
Total operating revenues	$ 1,569,011	100.0%	$ 874,916	100.0%	$ 829,096	100.0%

Property and equipment for each geographic area as of December 31, 2013 and 2012 were as follows (dollars in thousands):

	2013		2012	
	Amount	% of Total	Amount	% of Total
Property and equipment located in:				
United States	$2,602,640	75.7%	$2,487,782	73.2%
Non-United States:				
Australia	$ 557,292	16.2%	$ 629,602	18.5%
Canada	265,933	7.7%	263,828	7.8%
Europe	14,879	0.4%	15,083	0.5%
Total Non-United States	$ 838,104	24.3%	$ 908,513	26.8%
Total property and equipment, net	$3,440,744	100.0%	$3,396,295	100.0%

19. QUARTERLY FINANCIAL DATA (unaudited):

The following table sets forth the Company's quarterly results for the years ended December 31, 2013 and 2012 (dollars in thousands, except per share data):

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2013				
Operating revenues	$ 375,208	$ 400,741	$ 401,388	$ 391,674
Income from operations	$ 76,200	$ 107,417	$ 101,741	$ 94,830
Net income	$ 82,728	$ 65,050	$ 66,225	$ 58,088
Diluted earnings per common share attributable to Genesee & Wyoming Inc. common stockholders	$ 1.46	$ 1.14	$ 1.16	$ 1.03
2012				
Operating revenues	$ 207,436	$ 217,419	$ 222,745	$ 227,316
Income from operations	$ 41,314	$ 62,473	$ 52,875	$ 33,660
Net income/(loss)	$ 22,241	$ 36,363	$ (19,567)	$ 13,396
Diluted earnings/(loss) per common share attributable to Genesee & Wyoming Inc. common stockholders	$ 0.52	$ 0.84	$ (0.47)	$ 0.18

The quarters shown were affected by the items below:

The first quarter of 2013 included (i) $41.0 million after-tax benefit, related to the retroactive extension of the United States Short Line Tax Credit for fiscal year 2012, (ii) $1.3 million after-tax gain on sale of assets, (iii) $8.0 million after-tax RailAmerica integration costs and (iv) $0.5 million after-tax business development and financing costs.

The second quarter of 2013 included (i) $0.7 million after-tax gain on sale of assets, (ii) $0.7 million after-tax RailAmerica integration and acquisition-related costs and (iii) $0.2 million after-tax business development costs.

The third quarter of 2013 included (i) $0.5 million after-tax gain on sale of assets, (ii) $1.3 million after-tax RailAmerica integration and acquisition-related costs and (iii) $1.3 million after-tax adjustment to depreciation and amortization expense as a result of finalizing the determination of fair values of the assets and liabilities acquired from RailAmerica.

The fourth quarter of 2013 included (i) $0.8 million after-tax gain on sale of assets, (ii) $2.0 million after-tax valuation allowance on foreign tax credits generated in prior years, (iii) $0.7 million after-tax business development and financing costs and (iv) $0.6 million after-tax RailAmerica integration and acquisition-related costs.

The first quarter of 2012 included (i) $0.8 million after-tax gain on sale of assets and (ii) $0.2 million after-tax business development costs.

The second quarter of 2012 included (i) $5.2 million after-tax gain on sale of assets, (ii) $0.5 million after-tax RailAmerica acquisition-related costs and (iii) $0.4 million after-tax business development costs.

The third quarter of 2012 included (i) $2.0 million after-tax gain on sale of assets, (ii) $50.1 million after-tax non-cash contingent forward sale contract mark-to-market expense, (iii) $3.1 million after-tax RailAmerica acquisition-related costs and (iv) $0.4 million after-tax business development costs.

The fourth quarter of 2012 included (i) $0.6 million after-tax gain on sale of assets, (ii) $17.7 million after-tax RailAmerica integration and acquisition-related costs, (iii) $9.8 million after-tax business development and financing costs, (iv) $3.5 million of acquisition and integration costs incurred by RailAmerica and (v) $0.8 million after-tax contract termination expense in Australia.

20. RECENTLY ISSUED ACCOUNTING STANDARDS:

In December 2011, the FASB issued Accounting Standards Update (ASU) 2011-11, *Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities,* which requires an entity to disclose information about offsetting and related arrangements to enable users of financial statements to understand the effect of those arrangements on its financial position. In January 2013, the FASB issued ASU 2013-01, *Balance Sheet (Topic 210): Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities*, which narrows the scope of the disclosure requirements to derivatives, securities borrowings and securities lending transactions that are either offset or subject to a master netting arrangement. This guidance is effective for and was adopted by the Company in the first quarter of 2013 and required additional disclosures, but otherwise did not have a material impact on the Company's consolidated financial statements.

In February 2013, the FASB issued ASU 2013-02, *Comprehensive Income (Topic 220): Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income,* which requires entities to disclose additional information about reclassification adjustments, including changes in accumulated other comprehensive income by component and significant items reclassified out of accumulated other comprehensive income. This guidance is effective for and was adopted by the Company in the first quarter of 2013 and required additional disclosures, but otherwise did not have a material impact on the Company's consolidated financial statements.

In July 2013, the FASB issued ASU 2013-10, *Derivative and Hedging (Topic 815): Inclusion of the Fed Funds Effective Swap Rate (or Overnight Index Swap Rate) as a Benchmark Interest Rate for Hedge Accounting Purposes*, which permits the Fed Funds Effective Swap Rate (OIS) to be used as a United States benchmark interest rate for hedge accounting purposes, in addition to Treasury obligations of the United States government (UST) and LIBOR. The amendments also remove the restriction on using different benchmark rates for similar hedges. The amendments are effective prospectively for qualifying new or redesignated hedging relationships entered into on or after July 17, 2013. The adoption of this guidance did not have an impact on the Company as of and for the year ended December 31, 2013 but may impact the Company's evaluation of future risk management instruments.

In July 2013, the FASB issued ASU 2013-11, *Income Taxes (Topic 740): Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists*, which clarifies when an unrecognized tax benefit, or a portion of an unrecognized tax benefit, should be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward. The amendments are effective for fiscal years, and interim periods within those years, beginning after December 15, 2013 and early adoption is permitted. The Company early adopted this guidance effective July 2013. The adoption of this guidance did not have a material impact on the Company's consolidated financial statements.

Accounting Standards Not Yet Effective

In February 2013, the FASB issued ASU 2013-04, *Liabilities (Topic 405): Obligations Resulting from Joint and Several Liability Arrangements for Which the Total Amount of the Obligation is Fixed at the Reporting Date,* which specifies how an entity should measure obligations resulting from joint and several liability arrangements for which the total amount of the obligation within the scope of the guidance is fixed at the reporting date and requires entities to disclose the nature and amount of the obligation as well as other information about those obligations. This guidance will be effective for annual reporting periods beginning on or after December 15, 2013, and the interim periods within those annual periods. The Company does not expect the adoption of this guidance to have a material impact on its consolidated financial statements.

In March 2013, the FASB issued ASU 2013-05, *Foreign Currency Matters (Topic 830): Parent's Accounting for the Cumulative Translation Adjustment Upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity,* which provides clarification of when to release the cumulative translation adjustment into net income when a parent either sells a part or all of its investment in a foreign entity or no longer holds a controlling financial interest in a subsidiary or group of assets within a foreign entity. This guidance will be effective for annual reporting periods beginning on or after December 15, 2013, and the interim periods within those annual periods. The Company does not expect the adoption of this guidance to have a material impact on its consolidated financial statements, but it will have an impact on the accounting in the event of future sales of investments or changes in control of foreign entities.

In January 2014, the FASB issued ASU 2014-05, *Service Concession Arrangements (Topic 853),* which specifies that an operating entity should not account for a service concession arrangement within the scope of this ASU as a lease in accordance with Topic 840, *Leases*. This guidance will be effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2014, and should be applied on a modified retrospective basis. Early adoption is permitted. The Company does not expect the adoption of this guidance to have a material impact on its consolidated financial statements.

21. SUBSEQUENT EVENT:

On January 2, 2014, the Company and Canadian Pacific (CP) jointly announced their entry into an agreement pursuant to which the Company will purchase the assets comprising the western end of CP's Dakota, Minnesota & Eastern Railroad (DM&E) line for a cash purchase price of approximately $210 million, subject to certain adjustments including the purchase of materials and supplies, equipment and vehicles. The Company intends to fund the acquisition with borrowings under its existing Credit Agreement.

The asset acquisition is expected to close by mid-2014, subject to approval of the STB and the satisfaction of other customary closing conditions. Upon closing, the Company's new railroad will be named Rapid City, Pierre & Eastern Railroad (RCP&E). The Company expects to hire approximately 180 employees to staff the new railroad and anticipates these employees will come primarily from those currently working on the rail line. The western end encompasses approximately 670 miles of CP's current operations between Tracy, Minnesota and Rapid City, South Dakota; north of Rapid City to Colony, Wyoming; south of Rapid City to Dakota Junction, Nebraska; and connecting branch lines as well as trackage from Dakota Junction to Crawford, Nebraska, currently leased to the Nebraska Northwestern Railroad (NNW).

RAILAMERICA, INC. AND SUBSIDIARIES

AUDITED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 28, 2012 AND FOR THE PERIOD OCTOBER 1, 2012 (ACQUISITION) TO DECEMBER 28, 2012

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholder of RailAmerica, Inc.:

In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of operations, of comprehensive income, of changes in equity and of cash flows present fairly, in all material respects, the financial position of RailAmerica, Inc. and its subsidiaries at December 28, 2012, and the results of their operations and their cash flows for the period from October 1, 2012 (Acquisition) to December 28, 2012 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers, LLP

Stamford, Connecticut
March 1, 2013

RAILAMERICA, INC. AND SUBSIDARIES

CONSOLIDATED BALANCE SHEET

		December 28, 2012 (In thousands)
ASSETS		
Current assets:		
Cash and cash equivalents	$	107,922
Accounts and notes receivable, net		91,424
Current deferred tax assets		49,074
Materials and supplies		7,325
Other current assets		14,815
Total current assets		270,560
Property and equipment, net		1,588,612
Intangible assets		446,327
Goodwill		474,115
Other assets		116
Total assets	$	2,779,730
LIABILITIES AND EQUITY		
Current liabilities:		
Current portion of long-term debt	$	1,600
Due to Genesee and Wyoming Inc.		2,376
Accounts payable and accrued expenses		132,741
Total current liabilities		136,717
Long-term debt, less current portion		10,410
Deferred income taxes		551,856
Other liabilities		19,618
Total liabilities		718,601
Commitments and contingencies		—
Equity:		
Common stock, $0.01 par value, 1,000 shares authorized; 10 shares issued and outstanding at December 28, 2012		—
Additional paid in capital		2,041,782
Retained earnings		15,806
Accumulated other comprehensive loss		(1,984)
Total stockholder's equity		2,055,604
Noncontrolling interest		5,525
Total equity		2,061,129
Total liabilities and equity	$	2,779,730

The accompanying notes are an integral part of these consolidated financial statements.

RAILAMERICA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS

	For the period from October 1, 2012 (Acquisition) to December 28, 2012
	(In thousands)
Operating revenue	$ 151,065
Operating expenses:	
Labor and benefits	48,607
Equipment rents	9,518
Purchased services	10,493
Diesel fuel	14,205
Casualties and insurance	5,645
Materials	6,804
Joint facilities	2,832
Other expenses	12,548
Depreciation and amortization	14,276
Total operating expenses	124,928
Operating income	26,137
Interest expense	(90)
Other income	9
Income before income taxes	26,056
Provision for income taxes	10,250
Net income	15,806
Less: Net income attributable to noncontrolling interest	—
Net income attributable to the Company	$ 15,806

The accompanying notes are an integral part of these consolidated financial statements.

RAILAMERICA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		For the period from October 1, 2012 (Acquisition) to December 28, 2012
		(In thousands)
Net income	$	15,806
Other comprehensive income (loss):		
Foreign currency translation adjustments		(2,150)
Actuarial gain associated with pension and postretirement benefit plans, net of tax provision of $53		166
Other comprehensive loss		(1,984)
Comprehensive income		13,822
Less: comprehensive income attributable to noncontrolling interest		—
Comprehensive income attributable to the Company	$	13,822

The accompanying notes are an integral part of these consolidated financial statements.

RAILAMERICA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period from October 1, 2012 (Acquisition) to December 28, 2012

	Stockholder's Equity							
	Number of Shares Issued	Par Value Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Income (Loss)	Total Stockholder's Equity	Non Controlling Interest	Total Equity
	(In thousands)							
Balance, October 1, 2012 (Acquisition)	—	$ —	$2,041,782	$ —	$ —	$ 2,041,782	$ 5,525	$2,047,307
Net Income	—	—	—	15,806	—	15,806	—	15,806
Cumulative translation adjustments	—	—	—	—	(2,150)	(2,150)	—	(2,150)
Actuarial gain associated with pension and postretirement benefit plans, net	—	—	—	—	166	166	—	166
Total comprehensive income (loss)	—	—	—	15,806	(1,984)	13,822	—	13,822
Balance, December 28, 2012	—	$ —	$2,041,782	$ 15,806	$ (1,984)	$ 2,055,604	$ 5,525	$2,061,129

The accompanying notes are an integral part of these consolidated financial statements.

RAILAMERICA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

		For the period from October 1, 2012 (Acquisition) to December 28, 2012
		(In thousands)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$	15,806
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization		14,276
Equity compensation costs		2,816
Deferred income taxes and other		10,389
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable		13,368
Other current assets		(658)
Accounts payable and accrued expenses		(12,023)
Other assets and liabilities		(2,077)
Net cash provided by operating activities	$	41,897
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment		(20,442)
Government grant reimbursement		174
Proceeds from sale of assets		313
Acquisitions, net of cash acquired		151
Net cash used in investing activities		(19,804)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on long-term debt		(144)
Net cash used in financing activities		(144)
Effect of exchange rates on cash and cash equivalents		(129)
Net increase in cash and cash equivalents		21,820
Cash and cash equivalents, beginning of period		86,102
Cash and cash equivalents, end of period	$	107,922

The accompanying notes are an integral part of these consolidated financial statements.

RAILAMERICA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

RailAmerica, Inc. ("RailAmerica" or the "Company") is a leading owner and operator of short line freight railroads in North America, operating a portfolio of 45 individual railroads with approximately 7,100 miles of track in 28 states and three Canadian provinces. The Company's principal operations consist of rail freight transportation and ancillary rail services.

On July 23, 2012, the Company and Genesee & Wyoming Inc. (G&W) jointly announced that they entered into an agreement under which G&W would acquire 100% of the Company ("the Acquisition") for an all cash purchase price of $27.50 per share plus the assumption of the Company's outstanding term loan, revolving credit facility and share-based award liabilities (see Note 2). On October 1, 2012, G&W completed its previously announced acquisition of the Company. Immediately following consummation of the acquisition, G&W transferred the stock of the Company to a voting trustee to hold such shares of stock in an irrevocable independent voting trust while the United States Surface Transportation Board (STB) considered G&W's application to control the Company's railroads. Accordingly, G&W accounted for the earnings of the Company using the equity method of accounting while the shares were held in the voting trust and G&W's initial allocation of the purchase price to RailAmerica's acquired assets and assumed liabilities was included in the Company's consolidated balance sheet at December 28, 2012.

The STB approved G&W's application to control the Company's railroads with an effective date of December 28, 2012, on which date the voting trust was dissolved.

BASIS OF PRESENTATION

In accordance with Rule 3-09 of Regulation S-X, full financial statements of significant equity investments are required to be presented in the annual report of the investor. For purposes of S-X 3-09, the investee's separate annual financial statements should only include the period of the fiscal year in which it was accounted for by the equity method by the investor. Accordingly, the accompanying consolidated financial statements have been prepared for the period from October 1, 2012 (date of acquisition) to December 28, 2012, the period of equity accounting by the investor (the "period").

PRINCIPLES OF CONSOLIDATION

The accompanying consolidated financial statements include the accounts of RailAmerica, all of its wholly-owned subsidiaries and consolidated subsidiaries in which RailAmerica has a controlling interest. The consolidated financial statements are presented in accordance with accounting principles generally accepted in the United States (U. S. GAAP) as codified in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (Codification). All intercompany balances and transactions have been eliminated in consolidation.

Noncontrolling interest is the portion of equity, in a subsidiary or consolidated entity, not attributable, directly or indirectly to the Company. Such noncontrolling interests are reported on the Consolidated Balance Sheet within equity, but separately from stockholder's equity. On the Consolidated Statement of Operations, all of the revenues and expenses from less-than-wholly-owned consolidated subsidiaries are reported in net income, including both the amounts attributable to the Company and noncontrolling interest. The amounts of consolidated net income attributable to the Company and to the noncontrolling interests (if any) are identified on the accompanying Consolidated Statement of Operations and Comprehensive Income.

MANAGEMENT ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP requires management to use judgment and to make estimates and assumptions that affect reported assets, liabilities, revenues and expenses during the reporting period. Significant estimates using management judgment are made in the areas of purchase price allocation, recoverability and useful life of assets, as well as liabilities for casualty claims and income taxes. Actual results could differ from those estimates.

RISKS AND UNCERTAINTIES

While the global economy has recovered in recent years from the significant downturn in late 2008 and throughout 2009 that included widespread recessionary conditions, high levels of unemployment, significant distress of global financial institutions, extreme volatility in security prices, severely diminished liquidity and credit availability, rating downgrades of certain investments and declining valuations of others, the overall rate of global recovery experienced during 2010, 2011 and 2012 has been uneven and uncertainty remains over the stability of the recovery. There can be no assurance that any of the recent economic improvements will be broad-based and sustainable or that they will enhance conditions in markets relevant to the Company. In addition, it is difficult to determine how the general macroeconomic and business conditions will impact the Company's customers, suppliers and business in general. The Company is required to assess for potential impairment of non-current assets whenever events or changes in circumstances, including economic circumstances, indicate that the respective asset's carrying amount may not be recoverable. A decline in current macroeconomic or financial conditions could have a material adverse effect on the Company's operating results, financial condition and liquidity.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents as reported in the accompanying consolidated balance sheet consists of amounts held by the Company that are available for general corporate purposes. The Company considers all highly liquid instruments purchased with a maturity of three months or less at the date of purchase to be cash equivalents. The Company maintains its cash in demand deposit accounts, which at times may exceed insurance limits.

Supplemental disclosure of cash flow information for the period follows (in thousands):

		For the period from October 1, 2012 (Acquisition) to December 28, 2012
Non-cash transactions:		
Capital expenditures included in accounts payable	$	1,507
Cash paid for income taxes	$	1,638
Cash paid for interest	$	23

ACCOUNTS RECEIVABLE AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

Accounts receivable are recorded at the invoiced amount and do not bear interest. Allowances for doubtful accounts are recorded by management based upon the Company's analysis of accounts receivable aging and specific identification of customers in financial distress (e.g., bankruptcy or poor payment record). Management reviews material past due balances on a monthly basis. Account balances are charged off against the allowance when management determines it is probable that the receivable will not be recovered.

MATERIALS AND SUPPLIES

Materials and supplies consist of purchased items for improvement and maintenance of road property and equipment and are stated at the lower of average cost or market. Materials and supplies are charged to operations using the average cost method.

PROPERTY AND EQUIPMENT

Property and equipment are carried at cost. Major renewals or improvements to property and equipment are capitalized, while routine maintenance and repairs are expensed when incurred. The Company incurs maintenance and repair expenses to keep its operations safe and fit for existing purposes. Major renewals or improvements are undertaken to extend the useful life or increase the functionality of the asset, or both. Other than a *de minimis* threshold under which costs are expensed as incurred, the Company does not apply pre-defined capitalization thresholds when assessing spending for classification among capital or expense.

Unlike the Class I railroads that operate over extensive contiguous rail networks, the Company's short line railroads are geographically disparate businesses that transport freight over relatively short distances. As a result, the Company typically incurs minimal spending on self-constructed assets and, instead, the vast majority of its capital spending relates to purchased assets installed by professional contractors. In addition, the Company generally does not incur significant rail grinding or ballast cleaning expenses. However, if and when such costs are incurred, they are expensed.

Depreciation is provided on the straight-line method over the useful lives of the property and equipment. The following table sets forth the estimated useful lives of the Company's major classes of property and equipment:

	Estimated Useful Life	
Property:	**Minimum**	**Maximum**
Buildings and leasehold improvements (subject to term of lease)	3	30
Bridges/tunnels/culverts	20	50
Track property	5	50
Equipment:		
Computer equipment	2	7
Locomotives and rail cars	5	30
Vehicles and mobile equipment	5	10
Signals and crossing equipment	10	30
Track equipment	5	10
Other equipment	3	20

The Company reviews its long-lived tangible assets for impairment whenever events and circumstances indicate that the carrying amounts of such assets may not be recoverable. When factors indicate that assets may not be recoverable, the Company uses an estimate of the related undiscounted future cash flows over the remaining lives of assets in measuring whether or not impairment has occurred. If impairment is identified, a loss would be reported to the extent that the carrying value of the related assets exceeds the fair value of those assets as determined by valuation techniques applicable in the circumstances. Losses from impairment of assets are charged to net (gain)/loss on sale and impairment of assets within operating expenses.

Gains or losses on sales, including sales of assets removed during track and equipment upgrade projects, or losses incurred through other dispositions, such as unanticipated retirement or destruction, are credited or charged to net (gain)/ loss on sale and impairment of assets within operating expenses. Gains are recorded when realized if the sale value exceeds the remaining carrying value of the respective property and equipment. If the estimated salvage value is less than the remaining carrying value, the Company records the loss incurred equal to the respective asset's carrying value less salvage value. There were no material losses incurred through other dispositions from unanticipated or unusual events during the period.

GOODWILL

The Company reviews the carrying values of goodwill at least annually to assess impairment since these assets are not amortized. The Company performs its annual impairment review as of November 30 of each year. No impairment was recognized during the period. Additionally, the Company reviews the carrying value of goodwill whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The determination of fair value involves significant management judgment. Impairments are expensed when incurred.

For goodwill, a two-step impairment model is used. The first step compares the fair value of a respective reporting unit with its carrying amount, including goodwill. The estimate of fair value of the respective reporting unit is based on the best information available as of the date of assessment, which primarily incorporates certain factors including the Company's assumptions about operating results, business plans, income projections, anticipated future cash flows and market data. Second, if the fair value of the reporting unit is less than the carrying amount, goodwill would be considered impaired. The second step measures the goodwill impairment as the excess of recorded goodwill over its implied fair value.

AMORTIZABLE INTANGIBLE ASSETS

The Company is required to perform an impairment test on amortizable intangible assets when specific impairment indicators are present. The Company has amortizable intangible assets valued primarily as customer contracts and relationships and track access agreements. These intangible assets are generally amortized on a straight-line basis over the expected economic longevity of the facility served, customer relationship, or the length of the contract or agreement including expected renewals.

DERAILMENT AND PROPERTY DAMAGES, PERSONAL INJURIES AND THIRD-PARTY CLAIMS

The Company maintains property and liability insurance coverage to mitigate the financial risk of providing rail and rail-related services. The Company's primary liability policies have self-insured retentions of up to $1.0 million per occurrence as of December 28, 2012, and prior self-insured retentions have been as high as $4.0 million per occurrence. With respect to the transportation of hazardous commodities, the liability policy covers sudden releases of hazardous materials, including expenses related to evacuation, as a result of a railroad accident. Personal injuries associated with grade crossing accidents are also covered under the Company's liability policies. Accruals for Federal Employment Liability Act (FELA) claims by the Company's railroad employees and third-party personal injury or other claims are recorded in the period when such claims are determined to be probable and estimable. These estimates are updated in future periods as information develops. The Company's property damage policies have various self-insured retentions, which vary based on type and location of the incident, of up to $1.5 million per occurrence.

INCOME TAXES

The Company utilizes an asset and liability approach for financial accounting and reporting for income taxes. This method requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Deferred tax assets are also established for the future tax benefits of loss and credit carryovers. The asset and liability approach of accounting for deferred income taxes requires a valuation allowance against deferred tax assets if, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

REVENUE RECOGNITION

Railroad revenues are estimated and recognized as shipments initially move onto the Company's tracks, which, due to the relatively short duration of haul, is not materially different from the recognition of revenues as shipments progress. Industrial switching and other service revenues are recognized as such services are provided.

FOREIGN CURRENCY TRANSLATION

The financial statements and transactions of the Company's foreign operations are maintained in their local currency, which is their functional currency. Where local currencies are used, assets and liabilities are translated at current exchange rates in effect at the balance sheet date. Translation adjustments, which result from the process of translating the financial statements into U.S. dollars, are accumulated in the cumulative translation adjustment account, which is a component of accumulated other comprehensive income in stockholder's equity. Revenue and expenses are translated at the average exchange rate for each period. Gains and losses from foreign currency transactions are included in net income.

ACCOUNTING STANDARDS NOT YET EFFECTIVE

In February 2013, the FASB issued ASU 2013-02, *Comprehensive Income (Topic 220): Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income,* which requires entities to disclose additional information about reclassification adjustments, including changes in accumulated other comprehensive income balance by component and significant items reclassified out of accumulated other comprehensive income. This guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2012, and is to be applied prospectively. Early adoption is permitted. The Company does not expect the adoption of this guidance to have a material impact on its consolidated financial statements.

In December 2011, the FASB issued ASU 2011-11, *Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities*, which requires an entity to disclose information about offsetting and related arrangements to enable users of financial statements to understand the effect of those arrangements on its financial position. This guidance is effective for annual reporting periods beginning on or after January 1, 2013, and the interim periods within those annual periods, and should be applied retrospectively for all comparative periods presented. The Company does not expect the adoption of this guidance to have a material impact on its consolidated financial statements.

2. ACQUISITIONS

G&W Acquisition of RailAmerica

As described in Note 1, Summary of Significant Accounting Policies, on July 23, 2012, the Company and G&W jointly announced that they entered into an agreement under which G&W would acquire 100% of the Company for an all cash purchase price of $27.50 per share, or approximately $1.4 billion. In addition, G&W repaid all of the outstanding debt of the Company. The total value of the transaction, including the cash payments to stockholders, refinancing of the existing debt, and value of pre-acquisition share-based awards, was approximately $2.0 billion.

The following table details the payments made for the Acquisition (in thousands) except per share amounts:

RailAmerica outstanding common stock as of October 1, 2012		49,934
Cash purchase price per share	$	27.50
Equity purchase price	$	1,373,185
Payment of RailAmerica's outstanding term loan and revolving credit facility		659,197
Cash consideration		2,032,382
Impact of pre-acquisition share-based awards		9,400
Total consideration	$	2,041,782

In accordance with *Business Combinations Topic*, ASC 805, the Acquisition was accounted for under the purchase method of accounting. Under this method of accounting, assets acquired and liabilities assumed were recorded on the Company's balance sheet at their estimated fair value. As a result of the Acquisition and the consideration paid, goodwill was initially recorded on the Consolidated Balance Sheet of the Company. Of this amount, only approximately $25 million will be deductible for tax purposes. The final allocation of fair value to RailAmerica's assets and liabilities is subject to completion of an assessment of the acquisition-date fair values of acquired non-current assets, deferred taxes and other tax matters, and contingent liabilities. The preliminary fair values assigned to the acquired net assets of RailAmerica were as follows (in thousands):

Cash	$ 86,102
Accounts receivable	104,839
Deferred tax assets	49,074
Materials and supplies	6,406
Other current assets	15,146
Total current assets	261,567
Property and equipment	1,579,321
Goodwill	474,115
Intangible assets	451,100
Other assets	116
Total assets acquired	2,766,219
Current maturities of long-term debt	1,585
Accounts payable and accrued expenses	143,790
Total current liabilities	145,375
Long-term debt, less current maturities	10,573
Deferred income tax	542,210
Other long-term liabilities	20,754
Total liabilities assumed	718,912
Noncontrolling interest	5,525
Purchase price	$ 2,041,782

The Company incurred approximately $3.5 million of after-tax acquisition/integration costs in connection with the sale of RailAmerica which were expensed during the period.

Definite-lived intangible assets were assigned the following amounts and weighted average amortization periods (dollars in thousands):

	Value Assigned	Weighted Average Life (Years)
Customer contracts and relationships	$ 92,600	39
Track access agreements	$ 358,500	44

3. STOCK-BASED COMPENSATION

As required under the RailAmerica acquisition agreement, on October 1, 2012, G&W converted approximately 432,000 RailAmerica restricted stock awards and 775,000 RailAmerica restricted stock units into approximately 180,000 and 322,000 G&W restricted stock awards and restricted stock units, respectively, at a ratio of 0.415 based upon G&W's average 10-day closing stock price prior to the acquisition closing date of $66.26 per share and the merger consideration of $27.50 per share. As a result of the proportional vesting of the awards at the time of acquisition, the total consideration of the transaction included $9.4 million associated with these awards.

The Company recorded $2.8 million of stock compensation expense during the period.

4. OTHER BALANCE SHEET DATA

Accounts payable and accrued expenses consisted of the following as of December 28, 2012 (in thousands):

		2012
Accounts payable	$	108,076
Accrued bonus		7,079
Other accrued liabilities		17,586
	$	132,741

5. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 28, 2012 (in thousands):

		2012
Land	$	406,743
Buildings and improvements		12,272
Railroad track and improvements		1,096,767
Locomotives, transportation and other equipment		81,952
		1,597,734
Construction in progress		1,037
Less: accumulated depreciation		(10,159)
	$	1,588,612

Depreciation expense for the period was $10.1 million.

6. GOODWILL AND INTANGIBLE ASSETS

Goodwill

Goodwill includes the excess of the purchase price over the fair value of the net tangible and intangible assets associated with the acquisition of RailAmerica by G&W in October 2012.

The table below reflects the change in the carrying amount of goodwill for the period (in thousands):

	2012
Balance at October 1, 2012	$ 474,115
Change during period	—
Balance at December 28, 2012	$ 474,115

Definite-Lived Intangible Assets

The following table provides the gross and net carrying amounts for each major class of intangible assets (in thousands):

	December 28, 2012			
	Gross Carrying Amount	Accumulated Amortization	Net Book Value	Weighted Average Life (Years)
Amortizable intangible assets:				
Customer contracts and relationships	$ 92,600	$ (587)	$ 92,013	39
Track access agreements	357,844	(3,530)	354,314	44
Total intangible assets	$ 450,444	$ (4,117)	$ 446,327	

Amortization expense for the period was $4.1 million.

The following table sets forth the amortization expense over the next five years (in thousands):

2013	$ 16,606
2014	16,606
2015	16,606
2016	16,606
2017	16,606
Thereafter	363,297
	$ 446,327

7. LONG-TERM DEBT AND LEASES

Long-term debt consists of the following as of December 28, 2012 (in thousands):

	December 28, 2012
Other long-term debt (1)	$ 10,157
State loans (Interest rates 3% to 10%, maturity dates 2016 - 2018)	1,853
	12,010
Less: current maturities	1,600
Long-term debt, less current portion	$ 10,410

(1) Other long term debt primarily consists of debt from a previous acquisition associated with the construction of certain transload assets.

The aggregate annual maturities of long-term debt are as follows (in thousands):

		Total
2013	$	1,600
2014		1,618
2015		1,638
2016		1,659
2017		5,202
Thereafter		293
	$	12,010

Leases

The Company has several operating leases for equipment and locomotives. The Company also operates some of its railroad properties under operating leases. The minimum annual lease commitments at December 28, 2012 are as follows (in thousands):

		Operating Leases
2013	$	20,445
2014		13,045
2015		7,729
2016		6,050
2017		3,691
Thereafter		14,156
Total minimum lease payments	$	65,116

Rental expense under operating leases was approximately $7.6 million during the period.

8. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

At December 28, 2012, accumulated other comprehensive income (loss) consisted of the following (in thousands):

		Foreign Currency Translation Adjustments		Pension and Postretirement Benefit Plans		Accumulated Other Comprehensive Loss
Balance at October 1, 2012 (Acquisition)	$	—	$	—	$	—
Current period other comprehensive (loss) income		(2,150)		166		(1,984)
Balance at December 28, 2012	$	(2,150)	$	166	$	(1,984)

The foreign currency translation adjustments for the period related primarily to the Company's operations with a functional currency in Canadian dollars.

9. INCOME TAX PROVISION

Income before income taxes for the period consisted of (in thousands):

	For the period from October 1, 2012 (Acquisition) to December 28, 2012
Domestic	$ 25,583
Foreign subsidiaries	473
	$ 26,056

The provision (benefit) for income taxes for the period consisted of (in thousands):

	For the period from October 1, 2012 (Acquisition) to December 28, 2012
Federal income taxes:	
Current	$ —
Deferred	8,787
	8,787
State income taxes:	
Current	(153)
Deferred	1,457
	1,304
Foreign income taxes:	
Current	191
Deferred	(32)
	159
Total income tax provision	$ 10,250

The difference between the U.S. federal statutory tax rate and the Company's effective tax rate for the period was primarily attributable to state income taxes.

The components of deferred income tax assets and liabilities as of December 28, 2012 are as follows (in thousands):

	2012
Deferred tax assets:	
Net operating loss carryforward	$ 51,478
Alternative minimum tax credit	1,356
General business credit carryovers	94,819
Customer advances	1,864
Accrued expenses	16,172
Other	441
Total deferred tax assets	166,130
Less: valuation allowance	(8,613)
Total deferred tax assets, net	157,517
Deferred tax liabilities:	
Property and equipment	(500,319)
Intangibles	(159,980)
Total deferred tax liabilities	(660,299)
Net deferred tax liabilities	$ (502,782)

The Company maintains a valuation allowance on net operating losses in jurisdictions for which, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. It is management's belief that it is more likely than not that a portion of the deferred tax assets will not be realized. The Company has established a valuation allowance of $8.6 million at December 28, 2012.

The following table summarizes the net operating loss carryforwards by jurisdiction as of December 28, 2012 (in thousands):

	Amount	Period
U.S. — Federal	$ 117,314	2021 - 2031
U.S. — State	334,471	2013 - 2032
Canada	505	2014 - 2032

The following table summarizes credits available to the Company in the U.S. as of December 28, 2012 (in thousands):

	Amount	Expiration Period
Track maintenance credit	$ 94,742	2025 - 2028
Alternative minimum tax credit	1,356	indefinite
GO Zone tax credit	77	2026
Total credits	$ 96,175	

The Company's net operating loss carryforwards and general business credits for federal and state income tax purposes are limited by Internal Revenue Code Section 382 and Internal Revenue Code Section 383, respectively.

United States income taxes have not been provided on $34.6 million of undistributed earnings of international subsidiaries because of the Company's intention to reinvest those earnings indefinitely.

A reconciliation of the beginning and ending amount of unrecognized tax positions is as follows (in thousands):

Balance at October 1, 2012	$	3,370
Additions based on tax positions related to the current year		—
Additions for tax positions of prior years		—
Reductions for tax positions of prior years		—
Settlements with taxing authorities		—
Lapse of statute of limitations		(215)
Balance at December 28, 2012	$	3,155

At December 28, 2012, the Company's liability for uncertain tax positions was $3.2 million, $3.2 million of which would reduce its effective tax rate if recognized. The Company does not anticipate the liability for uncertain tax positions will change over the next twelve months.

The Company recognizes interest and penalties related to unrecognized tax positions in its provision for income taxes. During the period, the Company did not recognize any accrued interest or penalties. Additionally, the Company did not have any accrued interest or penalties as of December 28, 2012.

The Company or one of its subsidiaries files income tax returns in the U.S. federal jurisdiction, various U.S. state jurisdictions and foreign jurisdictions. With few exceptions, the Company or one of its subsidiaries is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by authorities for years before 2001.

10. PENSION AND OTHER BENEFIT PROGRAMS

Canadian Employees

The Company maintains a pension plan for a majority of its Canadian railroad employees, with both defined benefit and defined contribution components.

DEFINED CONTRIBUTION COMPONENT - The defined contribution component applies to a majority of the Company's Canadian railroad employees that are not covered by the defined benefit component. The Company contributes 3% of a participating employee's salary to the plan. Pension expense for the period for the defined contribution members was $0.1 million.

DEFINED BENEFIT COMPONENT - The defined benefit component applies to approximately 60 employees who transferred employment directly from Canadian Pacific Railway ("CP") to a subsidiary of the Company. The defined benefit portion of the plan is a mirror plan of CP's defined benefit plan. The employees that transferred and joined the mirror plan were entitled to transfer or buy back prior years of service. As part of the arrangement, CP transferred to the Company the appropriate value of each employee's pension entitlement.

The assumed discount rate included below is based on rates of return on high-quality fixed-income investments currently available and expected to be available during the period up to maturity of the pension benefits. A rate of 4.0% was used as of December 28, 2012 to determine the benefit obligation. The assumed return on investments is management's best estimate assumption. The basis for the assumed return on investments is the expected long term return of the benchmark portfolio of 30% Canadian equity, 15% US equity, 15% international equity and 40% fixed income.

U.S. Employees

The Company maintains a contributory profit sharing plan as defined under Section 401(k) of the Internal Revenue Code. The Company makes contributions to this plan at a rate of 50% of the employees' contribution up to $2,500 for Railroad Retirement employees and $5,000 for employees covered under the Federal Insurance Contributions Act. An employee becomes 100% vested with respect to the employer contributions after completing four years of service. Employer contributions during the period were approximately $0.4 million.

The Company maintains a pension and post retirement benefit plan for 43 employees who transferred employment directly from Alcoa, Inc. ("Alcoa") to RailAmerica. The defined benefit portion of the plan is a mirror plan of Alcoa's Retirement Plan II, Rule IIE defined benefit plan ("Alcoa Pension Plan"). The accrued benefits earned under the Alcoa Pension Plan as of October 1, 2005 are an offset to the RailAmerica plan. No assets were transferred as part of the arrangement. However, the Company assumed accrued post retirement benefits of $2.6 million as part of the Alcoa Railroad acquisition in 2005.

The following chart summarizes the benefit obligations, assets, funded status and rate assumptions associated with the defined benefit plans for the period (in thousands):

	Canadian 2012	U.S. 2012	Total 2012
CHANGE IN BENEFIT OBLIGATION			
Benefit obligation at October 1, 2012 (Acquisition)	$ 15,592	$ 1,693	$ 17,285
Service cost	44	16	60
Interest cost	158	15	173
Plan participants' contributions	18	—	18
Actuarial gain	(266)	(25)	(291)
Benefits paid	(80)	(23)	(103)
Foreign currency exchange rate changes	(177)	—	(177)
Benefit obligation at end of period	$ 15,289	$ 1,676	$ 16,965
CHANGE IN PLAN ASSETS			
Fair value of plan assets at October 1, 2012 (Acquisition)	$ 10,522	$ 835	$ 11,357
Actual return on plan assets	212	(2)	210
Employer contribution	1,576	22	1,598
Plan participants' contributions	18	—	18
Benefits paid	(80)	(22)	(102)
Foreign currency exchange rate changes	(127)	—	(127)
Fair value of plan assets at end of period	$ 12,121	$ 833	$ 12,954
Funded status — accrued benefit cost	$ (3,168)	$ (843)	$ (4,011)
ASSUMPTIONS			
Discount rate	4.00%	3.65%	N/A
Expected return on plan assets	6.50%	6.00%	N/A
Rate of compensation increase	3.25%	4.56%	N/A
COMPONENTS OF NET PERIODIC BENEFIT COST IN PERIOD			
Service cost	$ 44	$ 16	$ 60
Interest cost	158	15	173
Expected return on plan assets	(171)	(13)	(184)
Amortization of prior service cost	3	—	3
Amortization of net actuarial loss	6,715	—	6,715
Net periodic pension cost	$ 6,749	$ 18	$ 6,767

	(In thousands)		
	Canadian	U.S.	Total
Expected Employer Contribution in 2013	$ 153	$ 104	$ 257
Expected Employee Contribution in 2013	69	—	69
Expected Benefit Payments in:			
2013	$ 325	$ 72	$ 397
2014	373	85	458
2015	420	91	511
2016	477	93	570
2017	547	104	651
2018-2021	3,583	516	4,099

	(In thousands)		
Accumulated Other Comprehensive Income	Canadian	U.S.	Total
Balance October 1, 2012 (Acquisition)	$ —	$ —	$ —
Actuarial gain in period	266	11	277
Total	266	11	277
Balance at December 28, 2012	$ 266	$ 11	$ 277
Unamortized actuarial gain	266	11	277
Balance at December 28, 2012	266	11	277
Deferred tax	72	4	76
Balance at December 28, 2012, net of tax	$ 194	$ 7	$ 201

Amounts in accumulated other comprehensive income expected to be recognized as components of net periodic benefit cost over the next year are $0.0 million.

Plan Assets (Market Value) for the year ended December 28, 2012 for the Canadian defined benefit pension benefit plan were as follows:

	December 28, 2012	Target Allocation 2013
Integra Strategic Allocated Pool Fund	100.00%	100.00%
Fund holdings by class:		
a) Equity securities	57.70%	60.00%
b) Debt securities	42.30%	40.00%
c) Other (including cash)	—%	—%
Total	100.00%	100.00%
Expected long-term rate of return on assets	6.50%	
Expected rate of return on equity securities	7.50%	
Expected rate of return on debt securities	5.50%	

Plan assets relative to the U.S. pension plan were 100% allocated to cash at December 28, 2012.

The overall objective of the defined benefit portion of the Canadian plan is to fund its liabilities by maximizing the long term rate of return through investments in a portfolio of money market instruments, bonds, and preferred and common equity securities while being mindful of the yield, marketability and diversification of the investments. All assets are currently invested in readily marketable investments to provide sufficient liquidity. Investments are not permitted in derivative securities or in any asset class not listed below without the written approval of the Company.

The primary investment objective of the Canadian plan is to achieve a rate of return that exceeds the Consumer Price Index by 4.0% over rolling four-year periods. The secondary investment objectives of the plan are to achieve a rate of return that exceeds the benchmark portfolio by 0.7% before fees over rolling four-year periods and to rank above the median manager in comparable funds over rolling four-year periods.

The initial limits of the proportion of the market value of the portfolio that may be invested in the following classes of securities are:

Asset Mix Limits:	Policy Mix	Minimum Limit	Maximum Limit
Canadian Equity	30.00%	20.00%	40.00%
U.S. Equity	15.00%	5.00%	20.00%
International Equity	15.00%	5.00%	20.00%
Real Estate	—%	—%	10.00%
Total Equity	60.00%	25.00%	70.00%
Bonds	40.00%	30.00%	75.00%
Mortgages	—%	—%	10.00%
Short Term	—%	—%	20.00%
Total Fixed Income	40.00%	30.00%	75.00%

The following chart summarizes the benefit obligations, assets, funded status and rate assumptions associated with the Alcoa post retirement benefit obligation for the period (in thousands):

	For the period from October 1, 2012 (Acquisition) to December 28, 2012
CHANGE IN BENEFIT OBLIGATION	
Benefit obligation at beginning of period	$ 3,343
Service cost	10
Interest cost	29
Actuarial gain	59
Benefits paid	(23)
Benefit obligation at end of period	$ 3,418
CHANGE IN PLAN ASSETS	
Fair value of plan assets at beginning of period	$ —
Employer direct benefit payments	23
Direct benefit payments	(23)
Fair value of plan assets at end of period	$ —
Funded status — (accrued) benefit cost	$ (3,418)
ASSUMPTIONS	
Discount rate	3.65%
Current year health care cost trend rate (ultimate rate reached in 2006)	N/A
COMPONENTS OF NET PERIODIC BENEFIT COST IN PERIOD	
Service cost	$ 10
Interest cost	29
Amortization of net actuarial gain	—
Net periodic benefit cost	$ 39

Accumulated Other Comprehensive Income	**December 28, 2012**
Balance October 1, 2012 (Acquisition)	$ —
Actuarial loss in period	(59)
Balance at December 28 ,2012	(59)
Unamortized actuarial loss	(59)
Balance at December 28, 2012	(59)
Deferred tax	24
Balance at December 28, 2012, net of tax	$ (35)

	Estimated Future Benefit Payments
	(In thousands)
2013	$ 179
2014	194
2015	199
2016	206
2017	229
2018 - 2022	1,178

11. COMMITMENTS AND CONTINGENCIES

In connection with G&W's acquisition of RailAmerica, five putative stockholder class action lawsuits were filed in 2012, three in the Court of Chancery of the State of Delaware (Delaware Court) and two in the Circuit Court of the Fourth Judicial Circuit for Duval County, Florida, Civil Division (Florida Circuit Court), against RailAmerica, the RailAmerica directors and G&W.

The two lawsuits filed in the Florida Circuit Court alleged, among other things, that the RailAmerica directors breached their fiduciary duties in connection with their decision to sell RailAmerica to G&W via an allegedly flawed process and failed to obtain the best financial and other terms and that RailAmerica and G&W aided and abetted those alleged breaches of duty. The complaints requested, among other relief, an order to enjoin consummation of the merger and attorneys' fees. On July 31, 2012, plaintiffs in the Florida actions filed a motion to consolidate the two Florida actions, appoint plaintiffs Langan and Sambuco as lead plaintiffs and appoint lead counsel in the proposed consolidated action. Plaintiffs in the Florida actions also filed an emergency motion for expedited proceedings on August 7, 2012 and an amended complaint on August 8, 2012, which included allegations that the information statement filed by RailAmerica on August 3, 2012, omitted material information about the proposed merger. On August 17, 2012, the parties in the Florida actions submitted a stipulation for expedited proceedings, which the Florida Circuit Court ordered on August 20, 2012.

The three lawsuits filed in Delaware Court named the same defendants, alleged substantially similar claims, and sought similar relief as the Florida actions. The parties to the Delaware actions submitted orders of dismissal in November 2012, which the Delaware Court has granted.

On December 7, 2012, solely to avoid the costs, risks and uncertainties inherent in litigation, and without admitting any liability or wrongdoing, the Company and the other parties to the Florida actions executed a Stipulation and Agreement of Compromise, Settlement and Release to settle all related claims. The settlement is not material and is subject to, among other things, final approval by the Florida Circuit Court. On January 28, 2013, the Florida Circuit Court gave preliminary approval of the settlement and scheduled a hearing on final approval of the settlement for May 15, 2013.

From time to time, the Company is a defendant in certain lawsuits resulting from its operations in the ordinary course. Management believes there are adequate provisions in the financial statements for any probable liabilities that may result from disposition of the pending lawsuits. Based upon currently available information, the Company does not believe it is reasonably possible that any such lawsuit or related lawsuits would be material to the Company's operating results or have a material adverse effect on the Company's financial position or liquidity.

12. RELATED PARTY TRANSACTIONS

The Company's wholly-owned subsidiary, Atlas Construction Services, provides certain engineering and construction services to G&W. During the period, the Company recorded revenues of $2.4 million, operating income of $0.4 million and net income of $0.2 million related to these services.

13. SUBSEQUENT EVENTS

Management evaluated the activity of the Company through March 1, 2013, the date the financial statements were issued, and concluded that no additional subsequent events have occurred that would require disclosure in the Notes to the Consolidated Financial Statements.

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CORPORATE HEADQUARTERS

Genesee & Wyoming Inc.
20 West Avenue
Darien, Connecticut 06820
203-202-8900
Fax 203-656-1092
www.gwrr.com
NYSE: GWR

COMMON STOCK

The Company's Class A common stock publicly trades on the New York Stock Exchange under the trading symbol GWR. The Class B common stock is not publicly traded.

The tables below show the range of high and low closing sales prices for our Class A common stock during each quarterly period of 2013 and 2012.

YEAR ENDED DECEMBER 31, 2013:	**HIGH**	**LOW**
4th Quarter	$101.77	$91.66
3rd Quarter	$94.84	$84.78
2nd Quarter	$92.60	$79.84
1st Quarter	$94.14	$79.72

YEAR ENDED DECEMBER 31, 2012:	**HIGH**	**LOW**
4th Quarter	$76.28	$67.32
3rd Quarter	$67.92	$52.27
2nd Quarter	$58.15	$48.08
1st Quarter	$66.09	$54.56

On February 20, 2014, there were 170 Class A common stock record holders and 18 Class B common stock record holders.

The Company does not currently pay dividends on its common stock, and the Company does not intend to pay cash dividends for the foreseeable future.

STOCK REGISTRAR AND TRANSFER AGENT

Computershare
P.O. Box 30170
College Station, Texas 77842-3170
800-622-6757 (U.S., Canada, Puerto Rico)
781-575-4735 (non-U.S.)
www.computershare.com/investor

AUDITORS

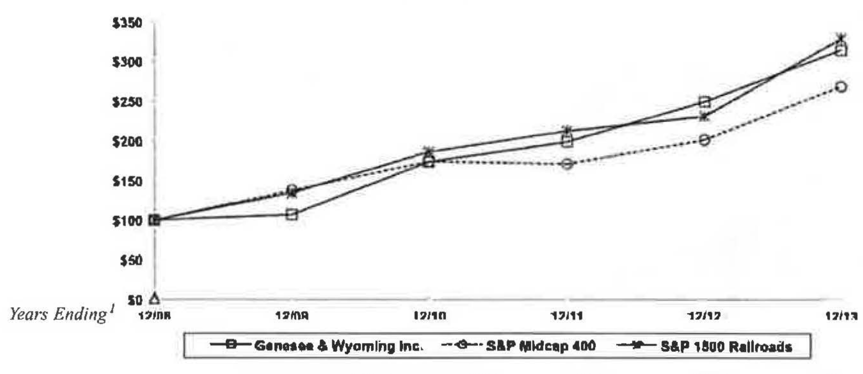
PricewaterhouseCoopers LLP
1100 Bausch & Lomb Place
Rochester, New York 14604
585-232-4000
www.pwc.com

OTHER INFORMATION

The Company has included as Exhibits 31 and 32 to its Annual Report on Form 10-K for the fiscal year ending December 31, 2013, filed with the Securities and Exchange Commission, certificates of the Chief Executive Officer and Chief Financial Officer of the Company certifying the quality of the Company's public disclosure. The Company has submitted to the New York Stock Exchange a certificate of the Chief Executive Officer of the Company certifying that as of May 30, 2013, he was not aware of any violation by the Company of New York Stock Exchange corporate governance listing standards.

STOCK PRICE PERFORMANCE GRAPH
Comparison of Five-Year Cumulative Total Return

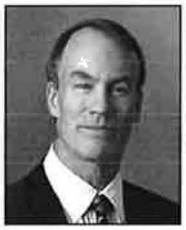
Assumes $100 invested on December 31, 2008, in stock or index, including reinvestment of dividends.

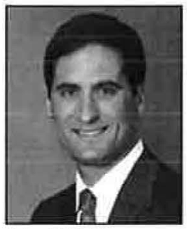


	2008	2009	2010	2011	2012	2013
Genesee & Wyoming Inc.	100.00	107.02	173.61	198.62	249.44	314.92
S&P Midcap 400	100.00	137.38	173.98	170.96	201.53	269.04
S&P 1500 Railroads	100.00	134.44	185.92	212.39	230.74	328.91

[1] Fiscal year ending December 31.

Note: Peer group indices use beginning of period market capitalization weighting.
We can offer no assurance that our stock performance will continue in the future with the same or similar trends depicted in the graph or table above.

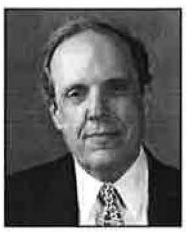

Mortimer B. Fuller III

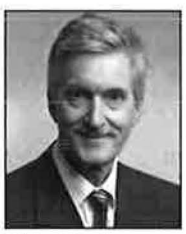

John C. Hellmann


Richard H. Allert


Richard H. Bott


Øivind Lorentzen III


Robert M. Melzer


Michael Norkus


Ann N. Reese


Philip J. Ringo


Mark A. Scudder

BOARD OF DIRECTORS

Mortimer B. Fuller III
Chairman

John C. Hellmann
President and Chief Executive Officer

Richard H. Allert
Retired; formerly founder of Allert, Heard & Co.
Member, Audit Committee
Member, Australia Committee
Member, Compensation Committee

Richard H. Bott
Retired; formerly Vice Chairman, Institutional Securities Group, Morgan Stanley
Member, Compensation Committee
Member, Governance Committee

Øivind Lorentzen III
Chief Executive Officer, SEACOR Holdings Inc.
President and CEO, Northern Navigation International Ltd.
Chairman, Governance Committee

Robert M. Melzer
Retired; formerly Chief Executive Officer of Property Capital Trust
Member, Audit Committee
Member, Compensation Committee

Michael Norkus
Founder and President, Alliance Consulting Group
Member, Compensation Committee
Member, Governance Committee

Ann N. Reese
Co-Founder and Co-Executive Director, Center for Adoption Policy
Formerly Chief Financial Officer of ITT Corporation
Chairman, Audit Committee
Member, Governance Committee

Philip J. Ringo
Senior Strategic Advisor, Elemica
Formerly Chairman and Chief Executive Officer, RubberNetwork.com LLC
Chairman, Australia Committee
Member, Audit Committee
Member, Governance Committee

Mark A. Scudder
Chief Executive Officer, Scudder Law Firm, P.C., L.L.O.
Chairman, Compensation Committee
Member, Audit Committee

CORPORATE OFFICERS

John C. Hellmann
President and Chief Executive Officer

Timothy J. Gallagher
Chief Financial Officer

David A. Brown
Chief Operating Officer

Allison M. Fergus
General Counsel and Secretary

Christopher F. Liucci
Chief Accounting Officer
and Global Controller

Matthew O. Walsh
Senior Vice President
Corporate Development

SENIOR EXECUTIVES

Mark W. Hastings
Executive Vice President
International Business Development

Mario Brault
Senior Vice President
Canada Region

Andrew T. Chunko
Senior Vice President
Customer Service

David J. Collins
Senior Vice President
Business Technology

Gerald T. Gates
Senior Vice President
Operations

Raymond A. Goss
Senior Vice President
Northeast Region

Joel N. Haka
Senior Vice President
Pacific Region

James E. Irvin
Senior Vice President
Rail Link Region

Tyrone C. James
Senior Vice President
Safety and Compliance

William A. Jasper
Senior Vice President
Southern Region

M. Scott Linn
Senior Vice President
Engineering

Gary R. Long
President
Atlas Railroad Construction

Tony D. Long
Senior Vice President
Operations Support

Charles E. McBride
Senior Vice President
Ohio Valley Region

Michael M. Meyers
Senior Vice President
Information Technology

Michael O. Miller
Chief Commercial Officer
North America

J. Bradley Ovitt
Senior Vice President
Mountain West Region

Greg Pauline
Managing Director
Australia Region

Michael W. Peters
Senior Vice President
Real Estate and Industrial Development

Arnoud de Rade
Managing Director
Europe Region

Richard J. Regan Jr.
Senior Vice President
Mechanical

Mary Ellen Russell
Chief Human Resource Officer

Dewayne Swindall
Senior Vice President
Central Region

Michael A. Webb
Senior Vice President
Distribution Services

Spencer D. White
Senior Vice President
Midwest Region

Genesee & Wyoming Inc.

Corporate Headquarters
Genesee & Wyoming Inc.
20 West Avenue
Darien, Connecticut 06820
203-202-8900

Administrative Headquarters
Genesee & Wyoming Railroad Services, Inc.
200 Meridian Centre, Suite 300
Rochester, New York 14618
585-328-8601

Operations Headquarters
Genesee & Wyoming Inc.
13901 Sutton Park Drive South, Suite 330
Jacksonville, Florida 32224
904-596-1045

Regional Operations Support
Genesee & Wyoming Inc.
13901 Sutton Park Drive South, Suite 180
Jacksonville, Florida 32224
800-757-7387

Australia Region

Genesee & Wyoming Australia Pty Ltd (GWA)
Level 3, 33 Richmond Road
Keswick, South Australia 5035
+61-8-8343 5455

Canada Region

Cape Breton & Central Nova Scotia Railway Limited (CBNS)
121 King Street
P.O. Box 2240
Stellarton, Nova Scotia B0K 1S0
Canada
902-752-3357

Goderich-Exeter Railway Company Limited (GEXR)
101 Shakespeare Street, 2nd Floor
Stratford, Ontario N5A 3W5
Canada
519-271-4441

Huron Central Railway Inc. (HCRY)
30 Oakland Avenue
Sault Ste. Marie, Ontario P6A 2T3
Canada
705-254-4511

Ottawa Valley Railway (OVR)
445 Oak Street East
North Bay, Ontario P1B 1A3
Canada
519-271-4441

Québec Gatineau Railway Inc. (QGRY)
/ Chemins de fer Québec-Gatineau inc.
3690, Grande Allée
Boisbriand, Québec J7H 1M9
Canada
450-420-7965

Services Ferroviaires de L'Estuaire Inc. (SFE)
4800, rue John-Molson
Québec, Québec G1X 3X4
Canada
418-951-0501

Southern Ontario Railway (SOR)
241 Stuart Street West
Hamilton, Ontario L8R 3H2
Canada
905-777-1234

St. Lawrence & Atlantic Railroad Company (SLR)
225 First Flight Drive
Auburn, Maine 04210
207-782-5680

St. Lawrence & Atlantic Railroad (Québec) Inc. (SLQ)
/ Chemin de fer St-Laurent & Atlantique (Québec) inc.
605, rue Principal Nord
Richmond, Québec J0B 2H0
Canada
819-826-5460

Western Labrador Rail Services Inc. (WLRS)
210 Humber Avenue, 210-1
Labrador City, Newfoundland/Labrador A2V 2W8
Canada
709-944-6564

Central Region

Arkansas Louisiana & Mississippi Railroad Company (ALM)
P.O. Box 757
140 Plywood Mill Road
Crossett, Arkansas 71635
870-364-9000

Bauxite & Northern Railway Company (BXN)
P.O. Box 138
6232 Cyanamid Road
Bauxite, Arkansas 72011
501-557-2600

Dallas, Garland & Northeastern Railroad, Inc. (DGNO)
403 International Parkway, Suite 500
Richardson, Texas 75081
972-808-9800

Fordyce and Princeton R.R. Co. (FP)
P.O. Box 757
140 Plywood Mill Road
Crossett, Arkansas 71635
870-364-9000

Kiamichi Railroad Company L.L.C. (KRR)
800 Martin Luther King Blvd.
P.O. Box 786
Hugo, Oklahoma 74743
508-916-7600

Kyle Railroad Company (KYLE)
38 Railroad Avenue
Phillipsburg, Kansas 67661
785-628-7700

Little Rock & Western Railway, L.P. (LRWN)
306 West Choctaw Avenue
Perry, Arkansas 72125
501-662-4878

Missouri & Northern Arkansas Railroad Company, Inc. (MNA)
514 North Orner
P.O. Box 776
Carthage, Missouri 64836
417-359-3100

Texas Northeastern Railroad (TNER)
403 International Parkway, Suite 500
Richardson, Texas 75081
972-808-9800

Europe Region

Belgium Rail Feeding BVBA
Karveelstraat 5 B
2030 Antwerpen
Belgium
+32-(0)3- 543 06 72

Rotterdam Rail Feeding B.V.
Albert Plesmanweg 63
3088 GB Rotterdam
The Netherlands
+31-(0)88- 011 4200

Midwest Region

Central Railroad Company of Indianapolis (CERA)
1990 East Washington Street
East Peoria, Illinois 61611
309-698-2600

Grand Rapids Eastern Railroad (GR)
101 Enterprise Drive
Vassar, Michigan 48768
989-797-5100

Huron and Eastern Railway Company, Inc. (HESR)
101 Enterprise Drive
Vassar, Michigan 48768
989-797-5100

Illinois & Midland Railroad, Inc. (IMRR)
4440 Ash Grove Drive, Suite A
Springfield, Illinois 62711
217-793-7904

Indiana Southern Railroad, LLC (ISRR)
Ashby Yard, Illinois Street
P.O. Box 158
Petersburg, Indiana 47567
812-354-8080

Marquette Rail, LLC (MQT)
239 North Jebavy Drive
Ludington, Michigan 49431
231-845-9000

Michigan Shore Railroad, Inc. (MS)
101 Enterprise Drive
Vassar, Michigan 48768
989-797-5100

Mid-Michigan Railroad (MMRR)
101 Enterprise Drive
Vassar, Michigan 48768
989-797-5100

Otter Tail Valley Railroad Company, Inc. (OTVR)
200 North Mill Street
Fergus Falls, Minnesota 56537
218-736-6073

Tazewell & Peoria Railroad, Inc. (TZPR)
4440 Ash Grove Drive, Suite A
Springfield, Illinois 62711
309-694-8619

Toledo, Peoria & Western Railway Corp. (TPW)
1990 East Washington Street
East Peoria, Illinois 61611
309-698-2600

Tomahawk Railway, Limited Partnership (TR)
301 Marinette Street
Tomahawk, Wisconsin 54487
715-453-2303

Mountain West Region

Arizona & California Railroad Company (ARZC)
1301 California Avenue
Parker, Arizona 85344
928-669-6662

Arizona Eastern Railway Company (AZER)
5903 South Calle De Loma
Claypool, Arizona 85532
928-473-2447

San Diego & Imperial Valley Railroad Company, Inc. (SDIY)
1501 National Avenue, Suite 200
San Diego, California 92113
928-669-6662

Utah Railway Company (UTAH)
1221 South Colorado Avenue
Provo, Utah 84606
801-221-7460

Ventura County Railroad Company (VCRR)
351 Warehouse Avenue
Oxnard, California 93030
559-592-4247

Northeast Region

Buffalo & Pittsburgh Railroad, Inc. (BPRR)
400 Meridian Centre, Suite 330
Rochester, New York 14618
585-785-6400

Connecticut Southern Railroad, Inc. (CSO)
440 Windsor Street
Hartford, Connecticut 06142
860-249-2006

The Massena Terminal Railroad Company (MSTR)
15 Depot Street
Massena, New York 13662
315-769-8608

New England Central Railroad, Inc. (NECR)
2 Federal Street, Suite 201
St. Albans, Vermont 05478
802-527-3500

Rochester & Southern Railroad, Inc. (RSR)
400 Meridian Centre, Suite 330
Rochester, New York 14618
585-785-6400

South Buffalo Railway Company (SB)
400 Meridian Centre, Suite 330
Rochester, New York 14618
585-785-6400

Wellsboro & Corning Railroad, LLC (WCOR)
400 Meridian Centre, Suite 330
Rochester, New York 14618
585-785-6400

Ohio Valley Region

The Aliquippa & Ohio River Railroad Co. (AOR)
123 Division Street Extension
Youngstown, Ohio 44510
740-622-8092

The Central Railroad Company of Indiana (CIND)
2856 Cypress Way
Cincinnati, Ohio 45212
513-860-1000

Chicago, Fort Wayne & Eastern Railroad (CFE)
2715 Wayne Trace
Ft. Wayne, Indiana 46803
260-267-9346

The Columbus & Ohio River Rail Road Company (CUOH)
47849 Papermill Road
Coshocton, Ohio 43812
740-622-8092

Indiana & Ohio Railway Company (IORY)
2856 Cypress Way
Cincinnati, Ohio 45212
513-860-1000

The Mahoning Valley Railway Company (MVRY)
123 Division Street Extension
Youngstown, Ohio 44510
740-622-8092

Ohio Central Railroad, Inc. (OHCR)
47849 Papermlll Road
Coshocton, Ohio 43812
740-622-8092

Ohio Southern Railroad, Inc. (OSRR)
47849 Papermill Road
Coshocton, Ohio 43812
740-622-8092

The Pittsburgh & Ohio Central Railroad Company (POHC)
208 Islands Avenue
McKee's Rocks, Pennsylvania 15136
740-622-8092

The Warren & Trumbull Railroad Company (WTRM)
123 Division Street Extension
Youngstown, Ohio 44510
740-622-8092

Youngstown & Austintown Railroad, Inc. (YARR)
123 Division Street Extension
Youngstown, Ohio 44510
740-622-8092

The Youngstown Belt Railroad Company (YB)
123 Division Street Extension
Youngstown, Ohio 44510
740-622-8092

Pacific Region

California Northern Railroad Company (CFNR)
1801 Hanover Drive, Suite D
Davis, California 95616
530-753-7826

Cascade and Columbia River Railroad Company (CSCD)
901 Omak Avenue
Omak, Washington 98841
509-826-3752

Central Oregon & Pacific Railroad, Inc. (CORP)
333 S.E. Mosher
P.O. Box 1083
Roseburg, Oregon 97470
541-464-7002

Portland & Western Railroad, Inc. (PNWR)
3220 State Street, Suite 200
Salem, Oregon 97301
503-365-7717

Puget Sound & Pacific Railroad (PSAP)
1710 Midway Court
Centralia, Washington 98531
360-482-4994

San Joaquin Valley Railroad Co. (SJVR)
P.O. Box 937
Exeter, California 93221
559-592-1857

Willamette & Pacific Railroad, Inc. (WPRR)
3220 State Street, Suite 200
Salem, Oregon 97301
503-365-7717

Rail Link Region

Atlantic and Western Railway, Limited Partnership (ATW)
311 Chatham Street
Sanford, North Carolina 27330
919-776-7521

Carolina Piedmont Railroad (CPDR)
268 East Main Street
Laurens, South Carolina 29360
843-398-9850

Chesapeake & Albemarle Railroad (CA)
214 Railroad Street North
Ahoskie, North Carolina 27910
252-332-2778

Commonwealth Railway, Incorporated (CWRY)
1136 Progress Road
Suffolk, Virginia 23434
757-538-1200

Corpus Christi Terminal Railroad, Inc. (CCPN)
P.O. Box 1541
Corpus Christi, Texas 78403
361-884-4010

East Tennessee Railway, L.P. (ETRY)
P.O. Box 1479
Johnson City, Tennessee 37605
423-928-3721

First Coast Railroad Inc. (FCRD)
404 Gum Street
Fernandina, Florida 32034
904-261-0888

Galveston Railroad, L.P. (GVSR)
P.O. Box 1108
Galveston, Texas 77553
409-762-5411

Georgia Central Railway, L.P. (GC)
186 Winge Road
Lyons, Georgia 30436
912-526-6165

Golden Isles Terminal Railroad, Inc. (GITM)
179 Penniman Circle
Brunswick, Georgia 31523
912-262-9885

Golden Isles Terminal Wharf (GITW)
P.O. Box 7358
Garden City, Georgia 31408
912-232-1762

Maryland Midland Railway, Inc. (MMID)
P.O. Box 1000
Union Bridge, Maryland 21791
410-775-7718

North Carolina & Virginia Railroad Company, LLC (NCVA)
214 Railroad Street North
Ahoskie, North Carolina 27910
252-332-2778

Point Comfort & Northern Railway Company (PCN)
P.O. Box 247
Lolita, Texas 77971
361-874-4441

Rail Link, Inc.
13901 Sutton Park Drive South, Suite 125
Jacksonville, Florida 32224
904-223-1110

Riceboro Southern Railway, LLC (RSOR)
186 Winge Road
Lyons, Georgia 30436
912-884-2935

Rockdale, Sandow & Southern Railroad Company (RSS)
P.O. Box 387
Rockdale, Texas 76567
512-446-3478

Savannah Port Terminal Railroad, Inc. (SAPT)
P.O. Box 7358
Garden City, Georgia 31408
912-964-9004

South Carolina Central Railroad Company, LLC (SCRF)
621 Field Pond Road
Darlington, South Carolina 29540
843-398-9850

Talleyrand Terminal Railroad Company, Inc. (TTR)
2700 Talleyrand Avenue
Jacksonville, Florida 32206
904-634-1884

Wilmington Terminal Railroad, Limited Partnership (WTRY)
1717 Woodbine Street
Wilmington, North Carolina 28401
910-343-0461

York Railway Company (YRC)
2790 West Market Street
York, Pennsylvania 17404
717-771-1742

Southern Region

Alabama & Gulf Coast Railway LLC (AGR)
734 Hixon Road (Fountain)
Monroeville, Alabama 36460
251-575-8910

AN Railway, L.L.C. (AN)
190 Railroad Shop Road
Port St. Joe, Florida 32456
850-229-7442

The Bay Line Railroad, L.L.C. (BAYL)
2037 Industrial Drive
Panama City, Florida 32405
850-747-4034

Chattahoochee Bay Railroad, Inc. (CHAT)
700 South Range Street
Dothan, Alabama 36304
850-785-4609

Chattahoochee Industrial Railroad (CIRR)
P.O. Box 253
Georgia Highway 370
Cedar Springs, Georgia 39832
229-793-4546

Chattooga & Chickamauga Railway Co. (CCKY)
413 West Villanow Street
Lafayette, Georgia 30728
706-638-9552

Columbus and Greenville Railway Company (CAGY)
201 19th Street North
Columbus, Mississippi 39701
662-327-8663

Columbus & Chattahoochee Railroad, Inc. (CCH)
621 9th Avenue
Columbus, Georgia 31901
706-327-5464

Conecuh Valley Railway, L.L.C. (COEH)
812 North Main Street
Enterprise, Alabama 36330
334-347-6070

Eastern Alabama Railway, LLC (EARY)
2413 Hill Road
Sylacauga, Alabama 35151
256-249-1196

Georgia Southwestern Railroad, Inc. (GSWR)
78 Pulpwood Road
Dawson, Georgia 39842
229-698-2000

Hilton & Albany Railroad, Inc. (HAL)
78 Pulpwood Road
Dawson, Georgia 39842
229-698-2000

KWT Railway, Inc. (KWT)
908 Depot Street
Paris, Tennessee 38242
731-642-7942

Louisiana & Delta Railroad, Inc. (LDRR)
402 West Washington Street
New Iberia, Louisiana 70560
337-364-9625

Luxapalila Valley Railroad, Inc. (LXVR)
201 19th Street North
Columbus, Mississippi 39701
662-329-7730

Meridian & Bigbee Railroad, L.L.C. (MNBR)
119 22nd Avenue
Meridian, Mississippi 39301
601-693-4351

Three Notch Railway, L.L.C. (TNHR)
812 North Main Street
Enterprise, Alabama 36330
251-575-8910

Valdosta Railway, L.P. (VR)
5208 Madison Highway
Clyattville, Georgia 31601
229-559-7984

Wiregrass Central Railway, L.L.C. (WGCR)
812 North Main Street
Enterprise, Alabama 36330
251-575-8910

Atlas Railroad Construction, LLC
1370 Washington Pike, Suite 202
Bridgeville, Pennsylvania 15017
800-245-4980

Zero Injuries

Our Goal Every Day

Genesee & Wyoming Inc.
20 West Avenue
Darien, Connecticut 06820

Phone: 203-202-8900
Fax: 203-656-1092
www.gwrr.com
NYSE: GWR

Genesee & Wyoming Inc. 2012 Annual Report

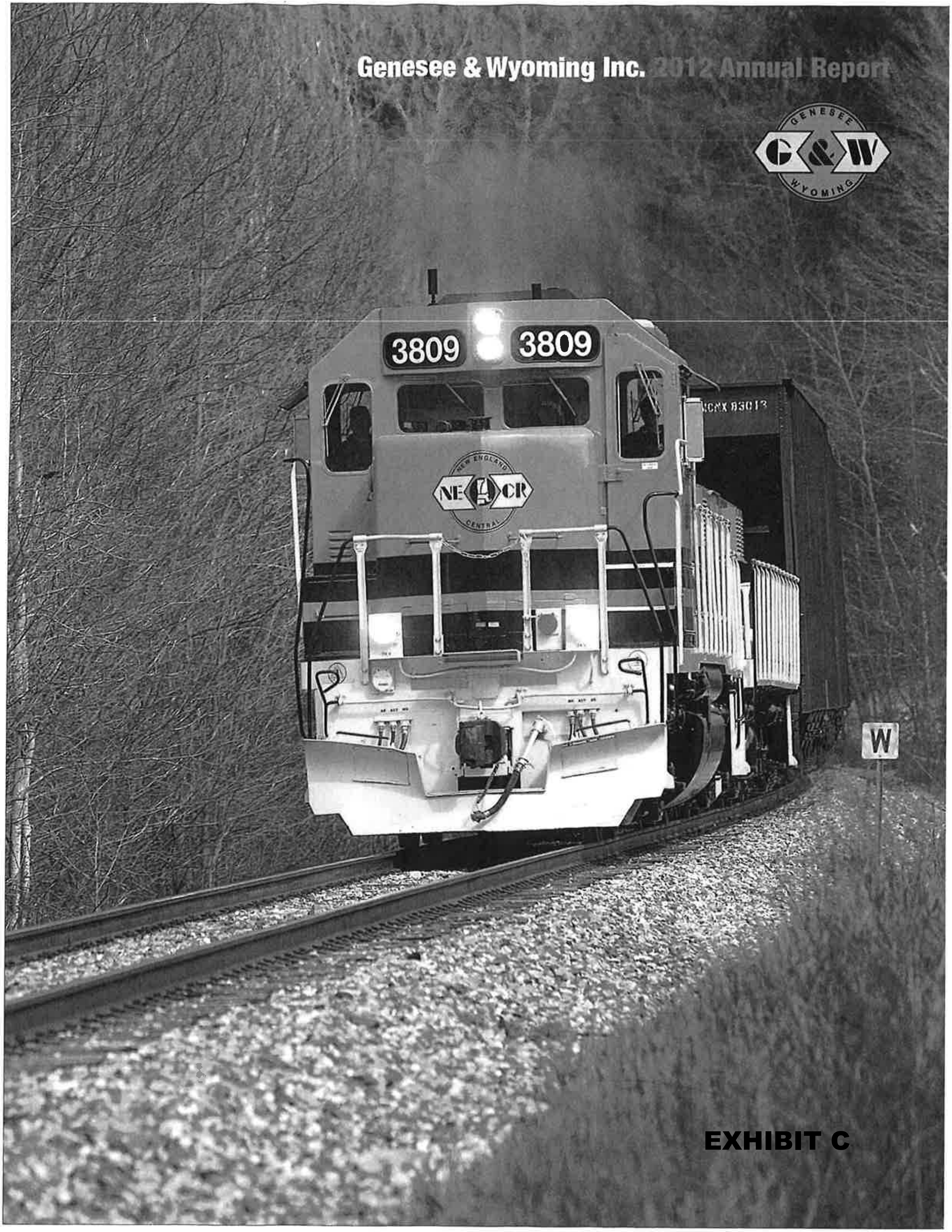
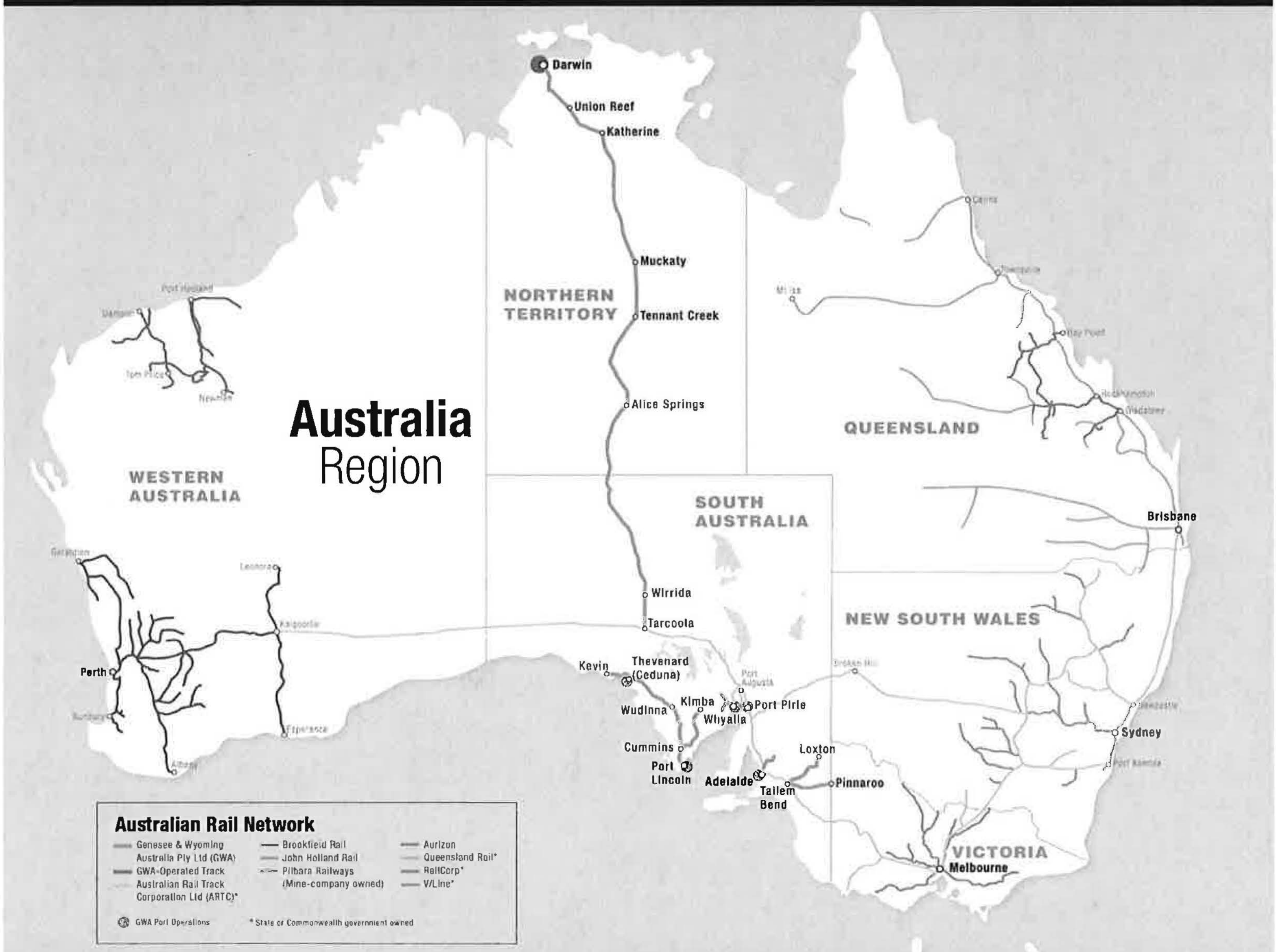
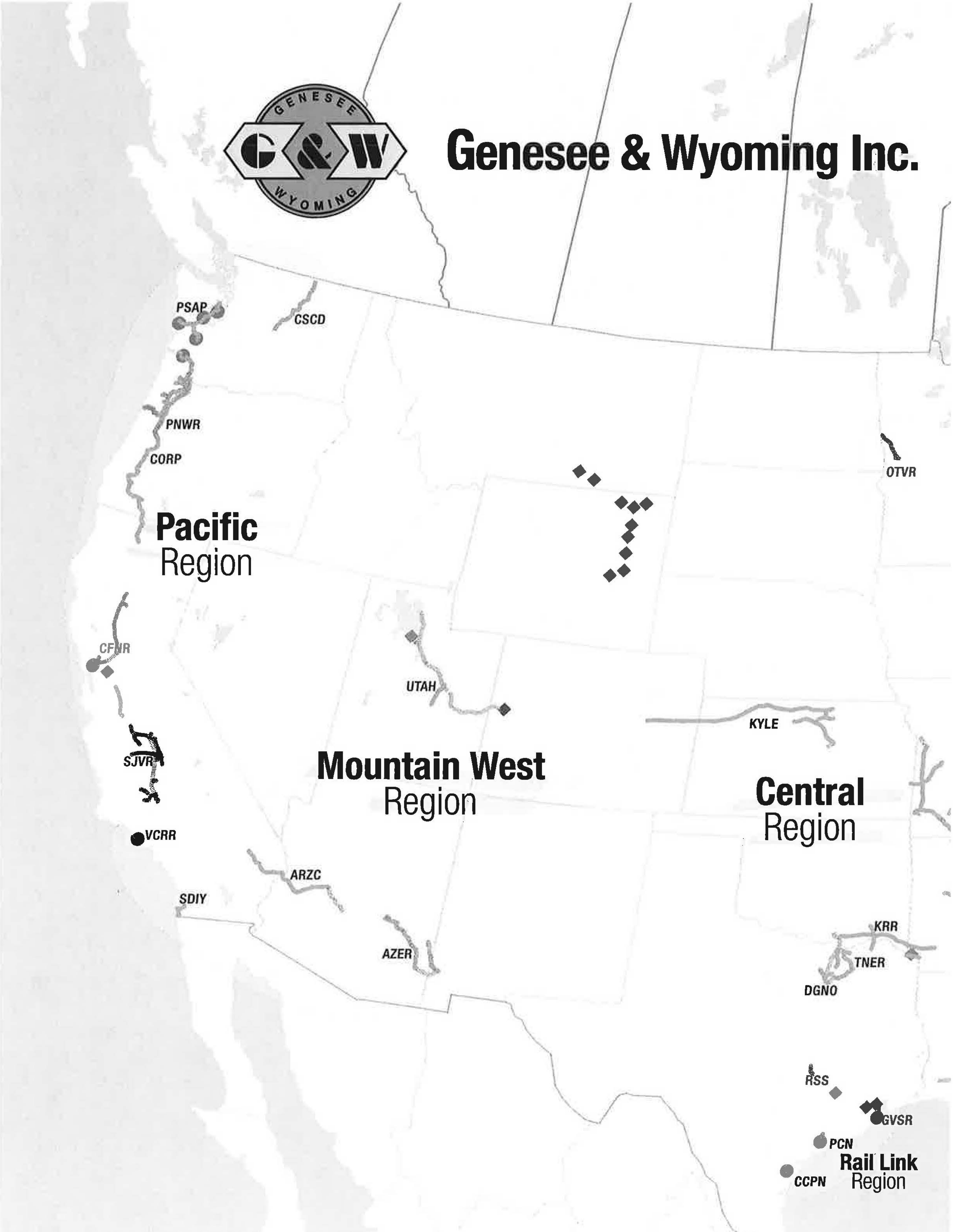


EXHIBIT C

Genesee & Wyoming Inc. (G&W) owns and operates short line and regional freight railroads in the United States, Australia, Canada, the Netherlands and Belgium. In addition, G&W operates the 1,400-mile Tarcoola to Darwin rail line, which links the Port of Darwin with the Australian interstate rail network in South Australia. Operations currently include 111 railroads organized in 11 regions, with nearly 15,000 miles of owned and leased track, 4,600 employees and over 2,000 customers. We provide rail service at 35 ports in North America, Australia and Europe and perform contract coal loading and railcar switching for industrial customers.

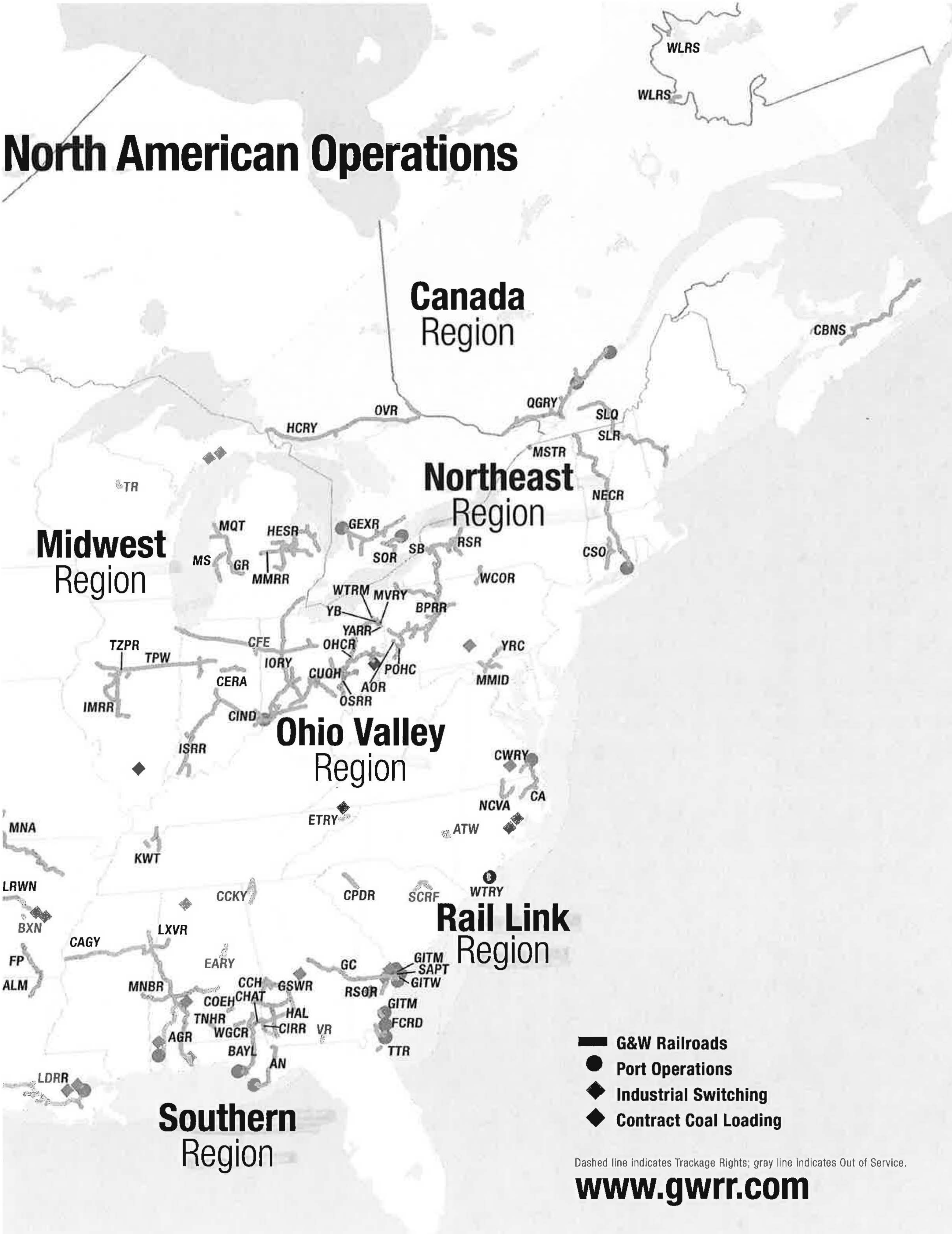


On the Cover: **A newly re-branded New England Central "mother-slug" locomotive set transports wood chips to fuel a power plant in Burlington, Vermont.**



Genesee & Wyoming Inc.
PSAP
CSCD
PNWR
CORP
OTVR
Pacific
Region
CFNR
UTAH
KYLE
SJVR
Mountain West
Region
Central
Region
VCRR
ARZC
SDIY
KRR
AZER
TNER
DGNO
RSS
GVSR
PCN
Rail Link
Region
CCPN

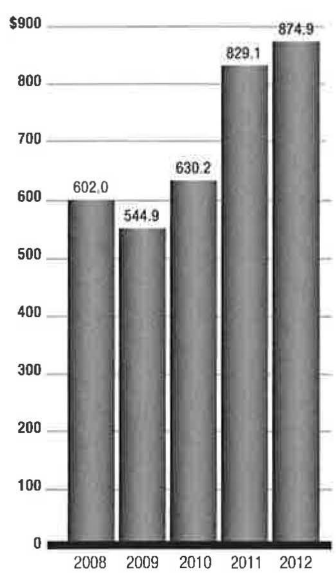
North American Operations



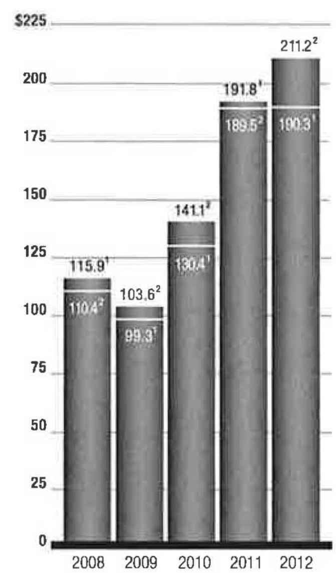
Financial Highlights

(In thousands, except per share amounts)	Years Ended December 31				
Income Statement Data	**2012**	**2011**	**2010**	**2009**	**2008**
Operating revenues	**$874,916**	$829,096	$630,195	$544,866	$601,984
Income from operations	**190,322**	191,779	130,410	99,322	115,931
Income from continuing operations, net of tax	**52,551**	119,493	78,669	60,075	72,975
Net income available to common stockholders	**48,058**	119,484	81,260	61,327	72,231
Diluted earnings per common share attributable to Genesee & Wyoming Inc. common stockholders:					
Diluted earnings per common share (EPS)	**1.02**	2.79	1.94	1.57	1.99
Weighted average shares - Diluted	**51,316**	42,772	41,889	38,974	36,348
Balance Sheet Data as of Period End					
Total assets	**$5,226,115**	$2,294,157	$2,067,560	$1,697,032	$1,587,281
Total debt	**1,858,135**	626,194	578,864	449,434	561,265
Equity	**1,500,462**	960,634	817,240	688,877	479,414

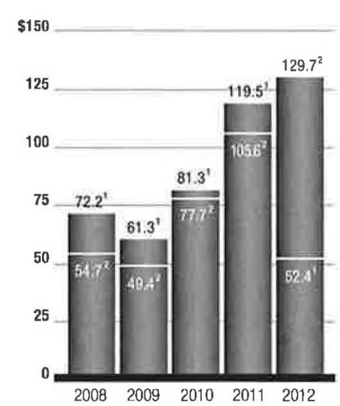
Operating Revenues
($ In Millions)



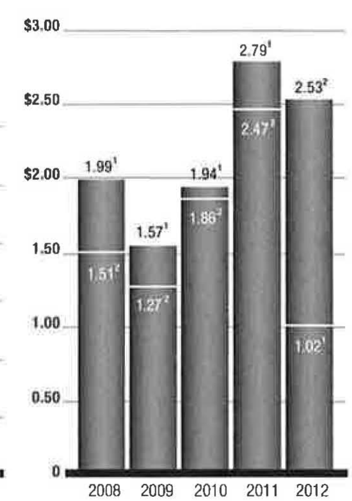
Income from Operations
($ In Millions)



Net Income
($ In Millions)



Diluted Earnings Per Common Share

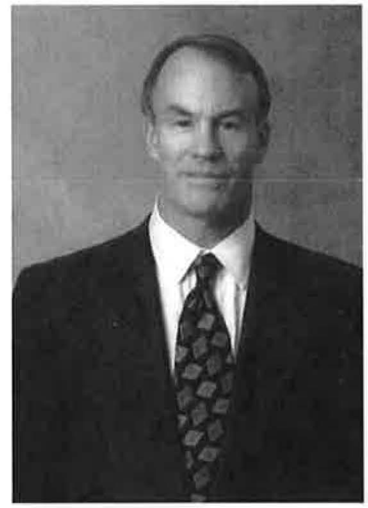


[1] As Reported

[2] Adjusted income from operations, adjusted net income and adjusted diluted EPS are non-GAAP financial measures and are not intended to replace income from operations, net income and diluted EPS, their most directly comparable GAAP measures. The information required by Regulation G under the Securities Exchange Act of 1934, including a reconciliation of non-GAAP financial measures to their most directly comparable U.S. GAAP measures, is included on pages 20-23.

In 2012, the Buffalo & Pittsburgh won its third consecutive E.H. Harriman Gold Award for best employee safety performance among railroads working between 250,000 and four million man-hours.

From the Chairman



Mortimer B. Fuller III
Chairman

To Our Shareholders:

Recently I had the pleasure of visiting some of our newly acquired railroads and presenting an overview of Genesee &Wyoming, the combination with RailAmerica and future opportunities. My introduction to G&W always includes our Core Purpose – to be the safest and most respected rail service provider in the world – and our Core Values. Talking with employees, I am excited by their enthusiasm for G&W's acquisition of RailAmerica, and I find that our four Core Values provide a useful framework to view the transaction, since they represent the standards to which we hold ourselves in conducting our business:

"Focus... for disciplined growth"

Discipline over time requires patience. RailAmerica and G&W competed for acquisitions for many years, with G&W often being outbid. We contemplated and analyzed the acquisition of RailAmerica several times over the past decade. However, we were unable to get comfortable with the risks associated with the valuation at an acceptable price. Then, in 2012, our bid was accepted. We acquired the same properties that we had seen before, but at what we now believe is the right risk-adjusted price. Several fundamental changes made us more enthusiastic about the RailAmerica acquisition in 2012 versus the past:

- RailAmerica was simply a better company than the one we looked at previously. Track infrastructure and many legacy contracts were improved, and management had a firm grip on the operations.

- As a result of RailAmerica's corporate structure, the potential cost savings achievable to our shareholders were greater.

- G&W itself had grown significantly, and with that size and strength, we were readily prepared to fold the RailAmerica railroads into our operations.

- The timing of the acquisition from a debt-market perspective was as favorable as I have ever seen.

- The importance and quality of service by the North American rail industry continues to improve, brightening the future for the combined company.

"Integrity... to earn the trust of others"

To the outside world, the RailAmerica transaction may have seemed deceptively simple: bid accepted; financing committed; acquisition closes into a voting trust; Surface Transportation Board (STB) issues final approval and G&W assumes operating control on December 28, 2012.

In fact, it was far from simple. It was an enormous effort by G&W senior management and staff. Our business integrity and reputation underpinned hundreds of letters that the STB received from legislators whose districts we serve and from our customers, who overwhelmingly supported the transaction. Our integrity also facilitated conversations with senior Class I railroad management to assure them that they would receive the same top-quality service on the RailAmerica lines that they have come to expect from G&W railroads.

This element of trust based on integrity is also evident in our financing: both the number of banks participating in our loan and the success of our oversubscribed public offerings of common stock and Tangible Equity Units (TEUs). The importance of integrity is also reflected in our ability to attract a private equity investor of The Carlyle Group's reputation and experience. Carlyle brings not just an investment but also valuable knowledge and advice to our Board.

"Respect... for all people with whom we deal"

The relationships with our commercial lenders, outside counsel, employees, customers, the local communities of our railroads and all other stakeholders in G&W are built on a culture of respect. An unsolicited by-product of this culture is the ability to unite a group successfully behind a complex and demanding challenge, as embodied by the RailAmerica acquisition. In addition, the culture of respect manifests itself in how people perceive G&W as a place to work. I recently attended two G&W Chairman's Safety Award events (three of our regions: Illinois, Ohio, and Southern were injury-free in 2012!) with David Brown, our new Chief Operating Officer. What David and I heard from the nearly 500 employees who we saw was twofold. First, our legacy employees are enthusiastic about their expanded regions and new opportunities. And second, our new employees from RailAmerica told us how pleased they are that G&W acquired their railroads. Their view is based on G&W's reputation in the industry, on our decentralized regional structure and on the recognition that we are a long-term owner.

"Excellence... in all we do"

RailAmerica is our largest acquisition by many measures: price paid; physical plant; number of employees and customers; and prominence in the freight rail industry. Excellence was manifest in the creativity, planning, focus, cooperation and enormous effort that it took to complete the transaction. Consider the challenges that we faced:

- The due diligence on RailAmerica (including the parent company and its 45 railroads in the U.S. and Canada) was complex and completed in a very short time frame, requiring the same disciplined due diligence as a small acquisition but involving most G&W North American management, staff and many operating personnel;

- Securing and executing the largest financing in G&W's history: $2.3 billion in debt to finance the acquisition and refinance both companies' existing debt; $476 million through a public offering of common stock and TEUs, in addition to a private placement of $350 million of preferred stock with Carlyle;

- Navigating the STB control approval process for a transaction that was unprecedented in size and scope among short line and regional railroads;
- Putting RailAmerica into a voting trust for an indefinite time period with no control over the operations; and
- Planning for integration without clarity on when the STB would permit us to take control.

As our Board evolves, we have applied the same values to the appointment of new Board members. We added two new directors to the G&W Board in 2012: Richard Bott and Gregory Ledford, who were appointed in October and will stand for election by the shareholders this May.

With our three longest-serving directors, including myself, in their 70s, we felt that while nine is an ideal board size, we should temporarily expand the Board to allow new directors to overlap with existing ones to ensure continuity. We were fortunate to welcome Dick and Greg, both with outstanding experience in finance, strategy and transactions with larger companies, both domestic and international: Dick's as an investment banker and advisor; Greg's as an investor and owner/operator.

Dick's 35 years of investment banking were at First Boston/Credit Suisse and then as Vice Chairman at Morgan Stanley. At Credit Suisse, he led the team that managed G&W's secondary stock offering in 2001. His focus has been on providing financial structuring and strategic advice to large U.S. and international companies. Greg is a Managing Director at The Carlyle Group, heading its industrial and transportation team. He joined Carlyle in 1988, led investments in several companies and served as Chairman and CEO of the Reilly Group, a former Carlyle portfolio company, for eight years and as a Director of Capital Leasing for MCI. Greg currently serves on the boards of directors of Allison Transmissions, Greater China Industries, HD Supply and Veyance Technology. He also serves as Vice President of the University of Virginia Foundation.

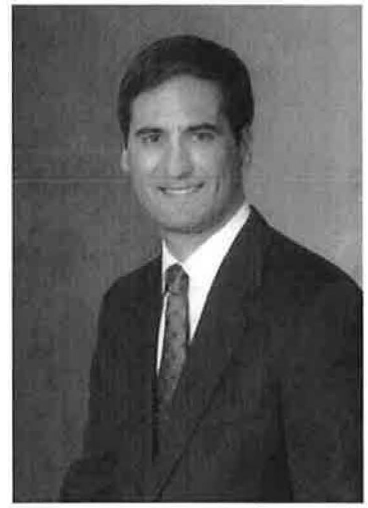
In addition, Cedric Bobo, a Principal with Carlyle focused on U.S. buyout opportunities in the industrial and transportation sectors, was appointed a non-voting observer on our Board. We welcome all three and their contribution to our future success.

When we first put our Core Values in writing many years ago, we knew that G&W would change dramatically over time, and we also knew that our successes would be the result of our adherence to these values. This has proved true. The apparently seamless ease of G&W's accomplishments in 2012 both masks and demonstrates the skilled leadership of senior management, the staff departments, regional management and the hundreds of employees who personify our Core Values so well. On behalf of my fellow Directors, my congratulations and thanks to every G&W employee and their families. The leadership of the Company has taken us to a new level, and I look forward to the future.

Mortimer B. Fuller III
Chairman
March 25, 2013

A special train on G&W's Columbus & Ohio River Rail Road (CUOH) transports a 138-foot debutanizer tower for installation at the CUOH-served natural gas liquids (NGLs) processing/fractionation/storage hub being built by Utica East Ohio Midstream, LLC at Scio, Ohio.

From the CEO



John C. Hellmann
President and Chief Executive Officer

To Our Shareholders:

2012 proved to be transformational for Genesee & Wyoming. First, we completed the largest transaction in our history with the $2 billion acquisition of RailAmerica, which makes us the largest operator of short line and regional freight railroads in North America. Second, we had the safest year in our history, leading the railroad industry for the fourth consecutive year. Third, we reported record revenues, record adjusted operating income and record adjusted diluted earnings per share despite a slow start to the year due to a cyclone in Australia and weak coal markets in the United States. Fourth, we made significant progress in new business development, signing agreements to further expand our iron ore business in both Australia and Canada. Fifth, we made an important addition to our senior management team as David Brown joined us as G&W's new Chief Operating Officer (COO). David was most recently the COO of CSX Transportation and takes over from Jim Benz, who is retiring. Jim's leadership has been essential to the growth and success of G&W, and he has been an extraordinary friend and colleague for the past 14 years that we have worked together.

With the acquisition of RailAmerica, G&W is now composed of 111 railroads, nearly 15,000 miles of owned and leased track, 4,600 employees and over 2,000 customers. The G&W-RailAmerica combination enables us to reduce corporate and administrative costs from two overlapping holding company structures and also create a powerful platform for commercial development across our footprint of railroads in 39 U.S. states and four Canadian provinces. We have doubled our business presence in North America, thereby leveraging our exposure to what we expect will be the continued recovery of the U.S. economy. The addition of 45 RailAmerica railroads to G&W's regional operating structure required the creation of only one new operating region (the Central Region based in Dallas, Texas) and underscores both the scalability of our operating model and the extraordinary capabilities of my corporate and regional colleagues. The newly combined G&W is fully mobilized to deliver a successful integration to our shareholders, and I would like to extend my sincere thanks to our entire team for their tireless commitment to building a world-class company.

Safety

G&W employees performed their work more safely than ever in 2012, with a reportable injury frequency rate (IFR) of 0.48 per 200,000 man-hours, more than six times safer than our short line peer group and again safer than any Class I railroad. Fittingly, Tyrone James, G&W's Vice President of Safety & Compliance, was named 2012 Safety Professional of the Year by the American Short Line and Regional Railroad Association, and Mark Sheffield, Mechanical Supervisor at G&W's South Buffalo Railway, became the only short line employee ever to win the Harold F. Hammond Award recognizing outstanding safety achievement. Our Buffalo &

Pittsburgh Railroad won its third consecutive E.H. Harriman Gold Award, and our Portland & Western Railroad won an E.H. Harriman Silver Award.

One of our biggest challenges in 2013 will be instilling the culture of safety that permeates G&W in all of our new railroads. If G&W and RailAmerica had been a single company in 2012, our combined IFR would have been 0.88, strong by industry standards but short of our own standards. For 2013, we are targeting a 50% improvement in that IFR. Safety is the number-one priority in the RailAmerica integration process, and we remain committed to making G&W an injury-free company.

2012 Financial Results

G&W once again performed well in 2012, with particular strength in the second half of the year led by the commencement of new iron ore shipments in Australia, stronger traffic related to the improving U.S. housing market, and the addition of RailAmerica on October 1. In the fourth quarter, we accounted for RailAmerica using the equity method of accounting since the acquired shares were held in an independent voting trust while we awaited regulatory approval for the acquisition. Consequently, we only recorded fourth quarter net income from RailAmerica and did not consolidate its revenues and expenses in 2012. The "adjusted" numbers in the discussion below exclude certain significant items, primarily acquisition, financing and integration expenses related to the RailAmerica transaction (please refer to our Form 10-K for a detailed discussion of these items). Highlights of G&W's 2012 financial results include:

Operating Revenues increased 5.5% from $829.1 million in 2011 to a record $874.9 million in 2012.

Adjusted Operating Ratio (adjusted operating expenses divided by operating revenues) improved from 77.1% in 2011 to 75.9% in 2012, as we continued to effectively manage our expenses.(1)

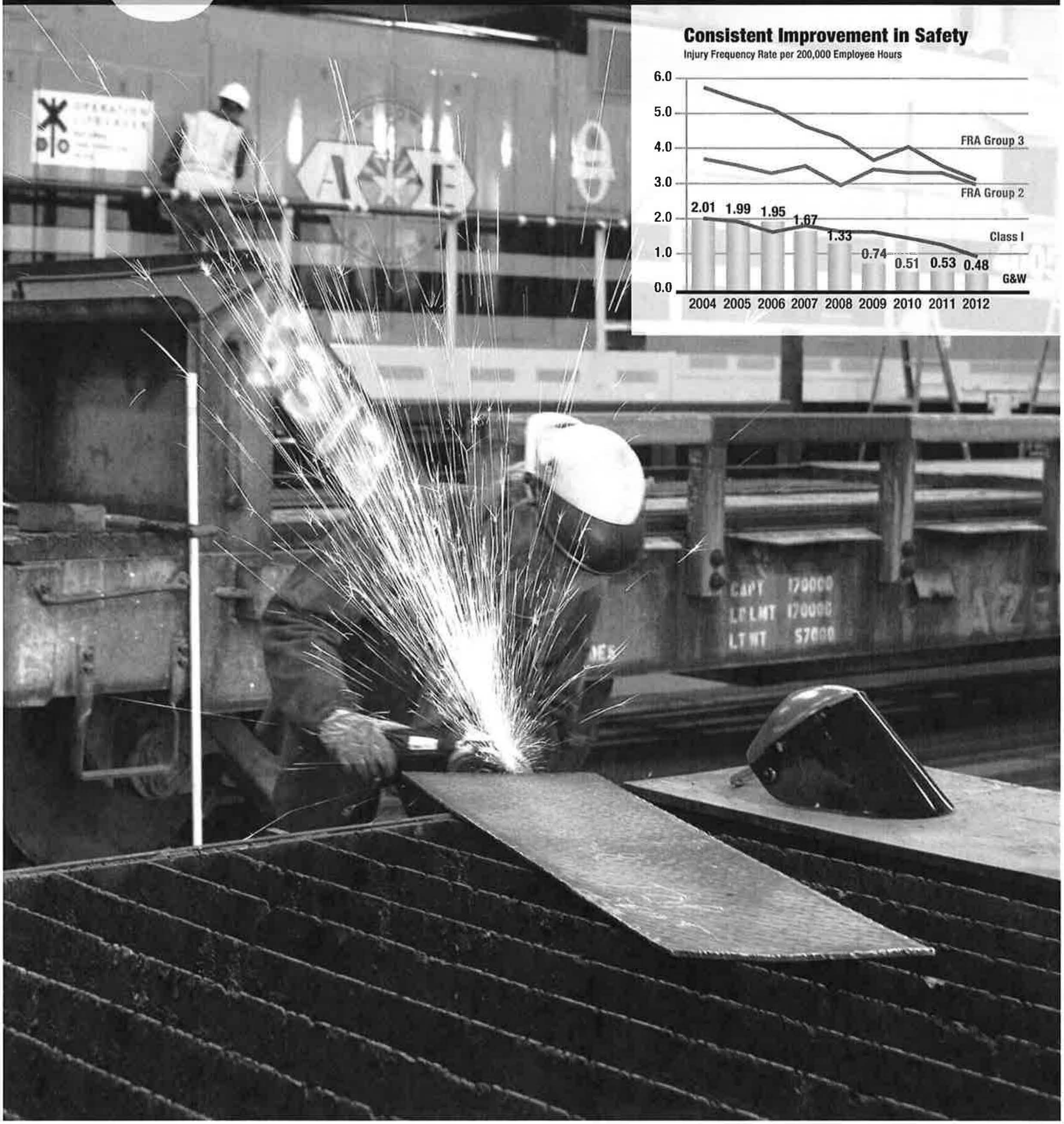
Adjusted Income from Operations increased 11.5% from $189.5 million in 2011 to $211.2 million in 2012.(1)

Adjusted Diluted Earnings per Share (EPS) from continuing operations increased from $2.47 in 2011 (with 42.8 million average shares outstanding) to $2.53 in 2012 (with 51.3 million average shares outstanding).(1) The increased share count in 2012 was primarily due to our issuance of equity and equity-linked securities to finance the RailAmerica acquisition.

Free Cash Flow decreased from $39.9 million in 2011 to $33.3 million in 2012.(1) Before investments in equipment and facilities to support new business in Australia, our free cash flow increased from $118.1 million in 2011 to $135.2 million in 2012.(1)

(1)Adjusted income from operations, adjusted operating ratio, adjusted diluted EPS and free cash flow are non-GAAP financial measures and are not intended to replace income from operations, operating ratio, diluted EPS and net cash provided by operating activities, their most directly comparable GAAP measures. The information required by Regulation G under the Securities Exchange Act of 1934, including a reconciliation of non-GAAP financial measures to their most directly comparable U.S. GAAP measures, is included on pages 20-23.

Zero Injuries—Our Goal Every Day



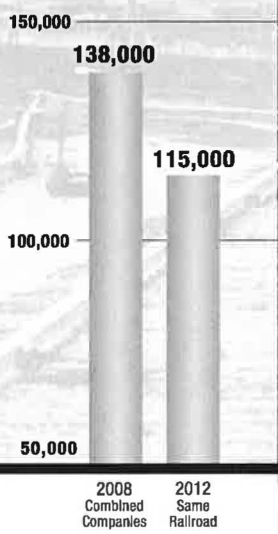
1

Leverage to U.S. Economic Recovery

Drivers of Long-Term Growth

Prior to the recession, the railroads owned by G&W and RailAmerica moved 138,000 average monthly carloads. For 2012, average monthly carloads at those same railroads were still down 17% compared to pre-recession levels. As the economy continues to recover, G&W railroads stand to benefit from a significant increase in shipments.

G&W and RailAmerica Combined Average Monthly Carloads*



*Combined G&W and RailAmerica North American carloads presented on a same railroad basis for railroads owned Dec. 31, 2007, and excluding the impact of acquisitions made after January 1, 2008 (G&W: MMID, AOR, CUOH, MVRY, OHCR, OHPA, OSRR, POHC, WTRM, YARR, YB, CAGY, CCKY, LXVR, GSWR, AZER, HAL, CCH; RailAmerica: TNHR, WGCR, COEH, MOT, WCOR), as well certain Class I overhead traffic on OVRR.

G&W's same railroad revenue trends in 2012 varied widely by commodity group. On the positive side, metallic ores revenues increased $14.8 million (+26.3%) led by increased export iron ore traffic in Australia, intermodal revenues increased $7.1 million (+8.1%) led by higher domestic container traffic in Australia, metals revenues increased $7.0 million (+13.6%) primarily due to the expansion of a steel mill we serve in the southern United States, and lumber and forest products revenues increased $3.0 million (+9.4%) due to improved housing starts in the United States. On the negative side, coal revenues decreased $7.8 million (-10.1%) due to warm winter weather in 2011-12 that led to reduced demand for electricity, lower natural gas prices that resulted in utility customers switching from coal, as well as lower levels of metallurgical coal exports. Farm and food products revenues decreased $3.9 million (-5.7%) in 2012, primarily due to a lengthy mechanical failure at an export terminal in South Australia. Overall, the North American industrial economy was stable in 2012, and the Australian economy continued to perform well, particularly for commodity exports destined for Asia.

RailAmerica Acquisition

The acquisition of RailAmerica was the largest in our history; however, the implications for our many stakeholders are, quite simply, business as usual.

- Our customers will see the same local, flexible operations and the same local sales and marketing presence of G&W railroads, plus the support of a strong corporate team with better visibility to the national rail network. To evaluate our ability to maintain the same high service standards that have been the foundation of our success, we will once again be asking all of our customers worldwide to complete a customer satisfaction survey later in 2013.

- Our Class I partners will see the same G&W commitment to safety and service, the same intensity of local commercial development and the same commitment to capitalizing on long-term partnerships with all of our Class I connections to drive additional traffic to rail.

- Our employees will see a combined company that embraces the best practices of both organizations and creates the opportunity to work for a larger, stronger company with a wide variety of job alternatives. Our new employees will immediately see that G&W is absolutely committed to getting its people home safely to their families at the end of each shift.

- The new communities we serve will find the same openness and transparency that characterizes everything we do at G&W. Our railroads are uniquely woven into the fabric of the communities in which we operate, and we are committed to working together to run safe railroads and foster local economic development.

- For the rail industry, G&W's acquisition of RailAmerica reflects the evolution of the industry since deregulation. The first step in this evolution was the rationalization and dramatic service improvements made by the Class I railroads, such that the industry is now capable of earning its cost of capital and reinvesting in its network for the future. The second step, led by G&W, is the rationalization and consolidation of lower-density short lines to provide a sustainable, long-term infrastructure that gives railroad customers world-class service from door to door.

Although the acquisition of RailAmerica closed on October 1, 2012, the new railroads were held in an independent voting trust until we were granted final regulatory approval by the United States Surface Transportation Board (STB) on December 28. During this 90-day period, we were impressed with the professionalism of the senior management team at RailAmerica who continued to run the operations, and we were pleased with the speed and thoroughness of the STB regulatory approval process.

The overwhelming political and customer support for the acquisition was also noteworthy. The STB received 68 support letters from members of the U.S. Congress, 83 support letters from state and local officials and 11 support letters from state Departments of Transportation. In addition, we received more than 200 support letters from our customers. We were grateful for this strong support, which we believe reflects not only the importance of short line railroads to the U.S. economy but also the good relationships that we maintain with all of our stakeholders. Special thanks must also be extended to G&W's legal department, headed by Allison Fergus, who completed a 380-page regulatory submission in less than two weeks, a comprehensive filing that provided the foundation for the expedited review process.

Upon receiving STB approval, we dissolved the voting trust and immediately started the RailAmerica integration process. From an operating standpoint, our regions were restructured, and we now have nine North American regions run by a balance of six G&W Senior Vice Presidents (SVPs) (Canada: Mario Brault; Midwest: Spencer White; Northeast: Ray Goss; Ohio Valley: Chuck McBride; Rail Link: Bill Jasper; Southern: Gerry Gates) and three former RailAmerica SVPs (Central: Ray Stephens; Mountain West: Brad Ovitt; Pacific: Bob Jones). Jim Benz postponed his planned retirement to serve as our Chief Integration Officer, thereby providing us with extraordinary depth and experience during the merger of the two companies' operations.

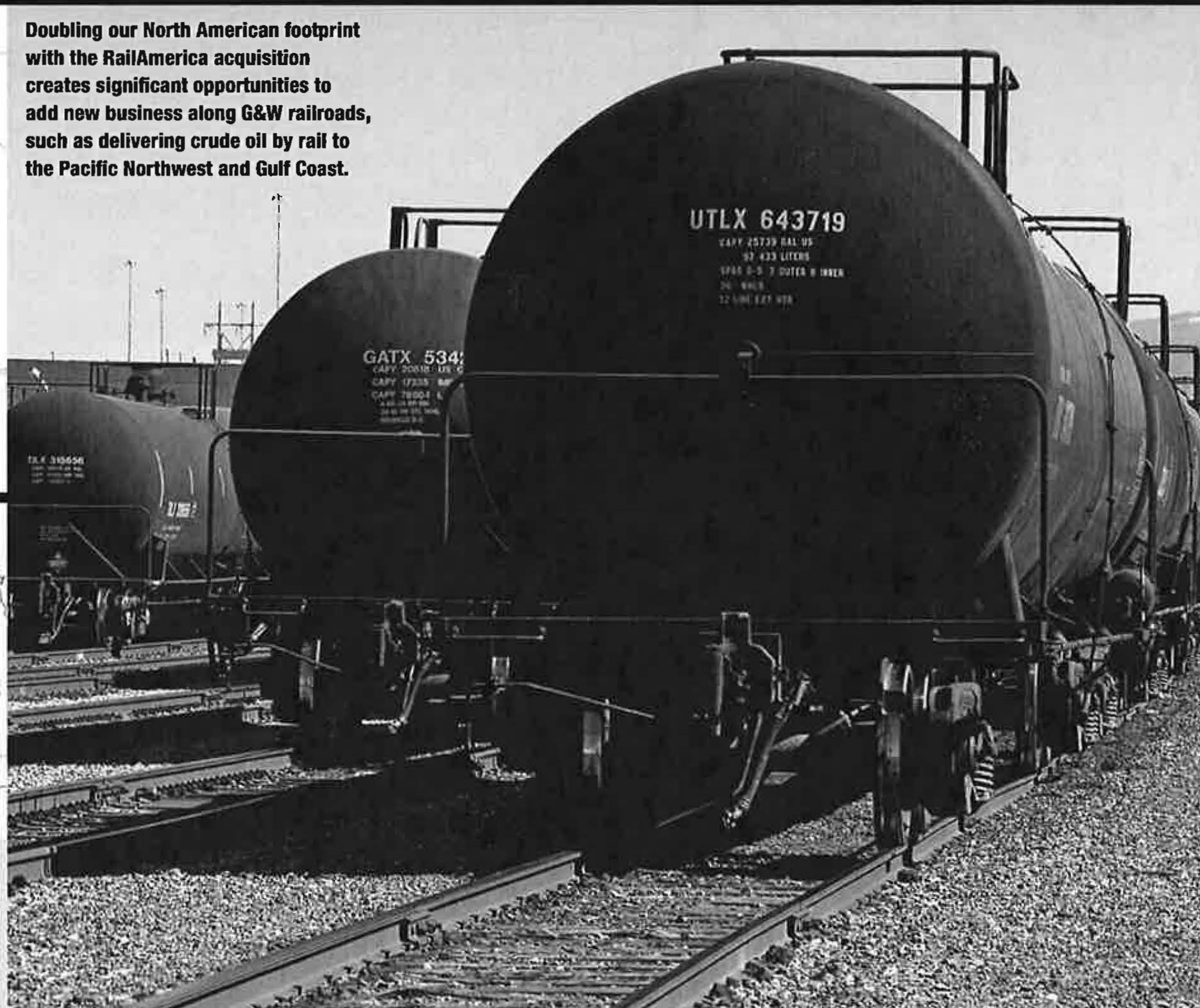
Another essential aspect of the integration process has been the consolidation of corporate department functions (e.g., commercial, operations support, accounting, legal, human resources, and information technology) for the combined company. As we prepared our initial bid for RailAmerica, each of our department heads formulated plans for a new organizational design. By the end of the second quarter of 2013, we expect to have largely completed our corporate reorganization, to have closed RailAmerica's headquarters in Jacksonville, and to have met or exceeded our annual cost savings target of $36 million. The disciplined advance planning by a group of nearly 20 individuals highlights the breadth of the G&W team responsible for the RailAmerica acquisition, all under the outstanding leadership of our head of corporate development, Matt Walsh.

In addition to expected cost savings, we have also made important changes to the G&W organization that we think will create significant long-term value. First, our commercial department led by G&W's Chief Commercial Officer, Michael Miller, now includes a larger industrial development team and an in-house real estate group responsible for maximizing the value of our right-of-way and other properties. Second, our newly expanded Customer Service department is now led by the former SVP of G&W's Mountain West Region, Andy Chunko, who has been tasked with creating a world-class service organization. Third, we are centralizing the oversight of our track infrastructure and equipment management into two groups, one under a new SVP-Engineering, Scott Linn, from RailAmerica and the other under SVP- Mechanical, Rich Regan,

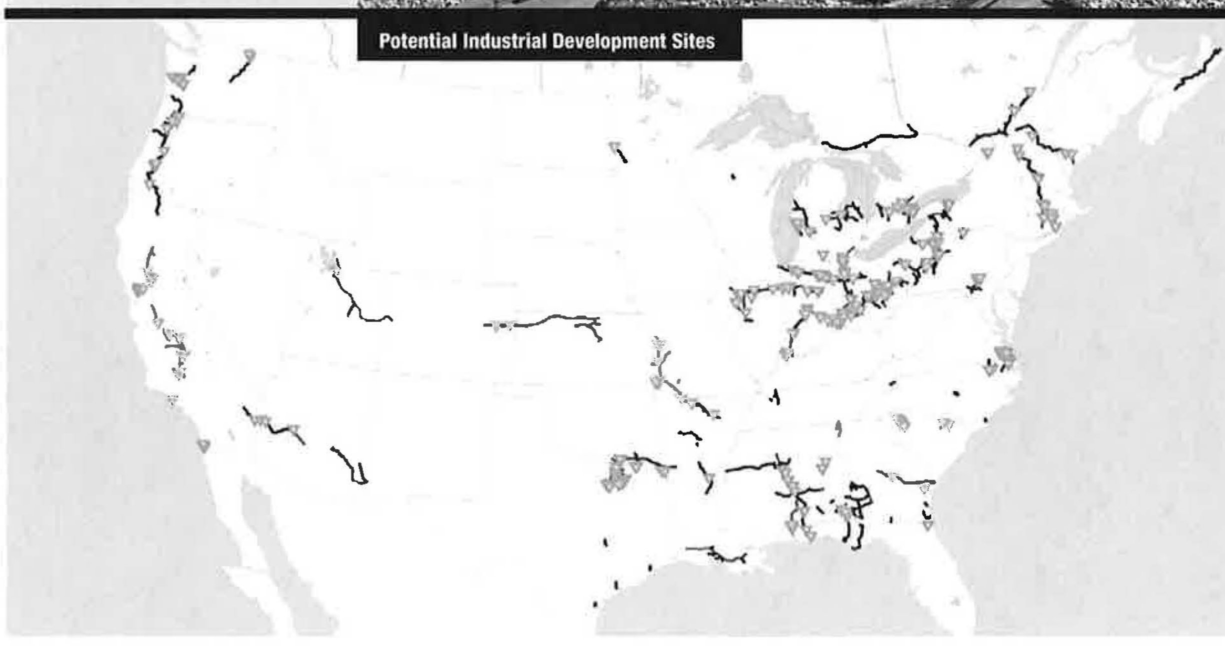
2 Commercial Development

Drivers of Long-Term Growth

Doubling our North American footprint with the RailAmerica acquisition creates significant opportunities to add new business along G&W railroads, such as delivering crude oil by rail to the Pacific Northwest and Gulf Coast.



Potential Industrial Development Sites

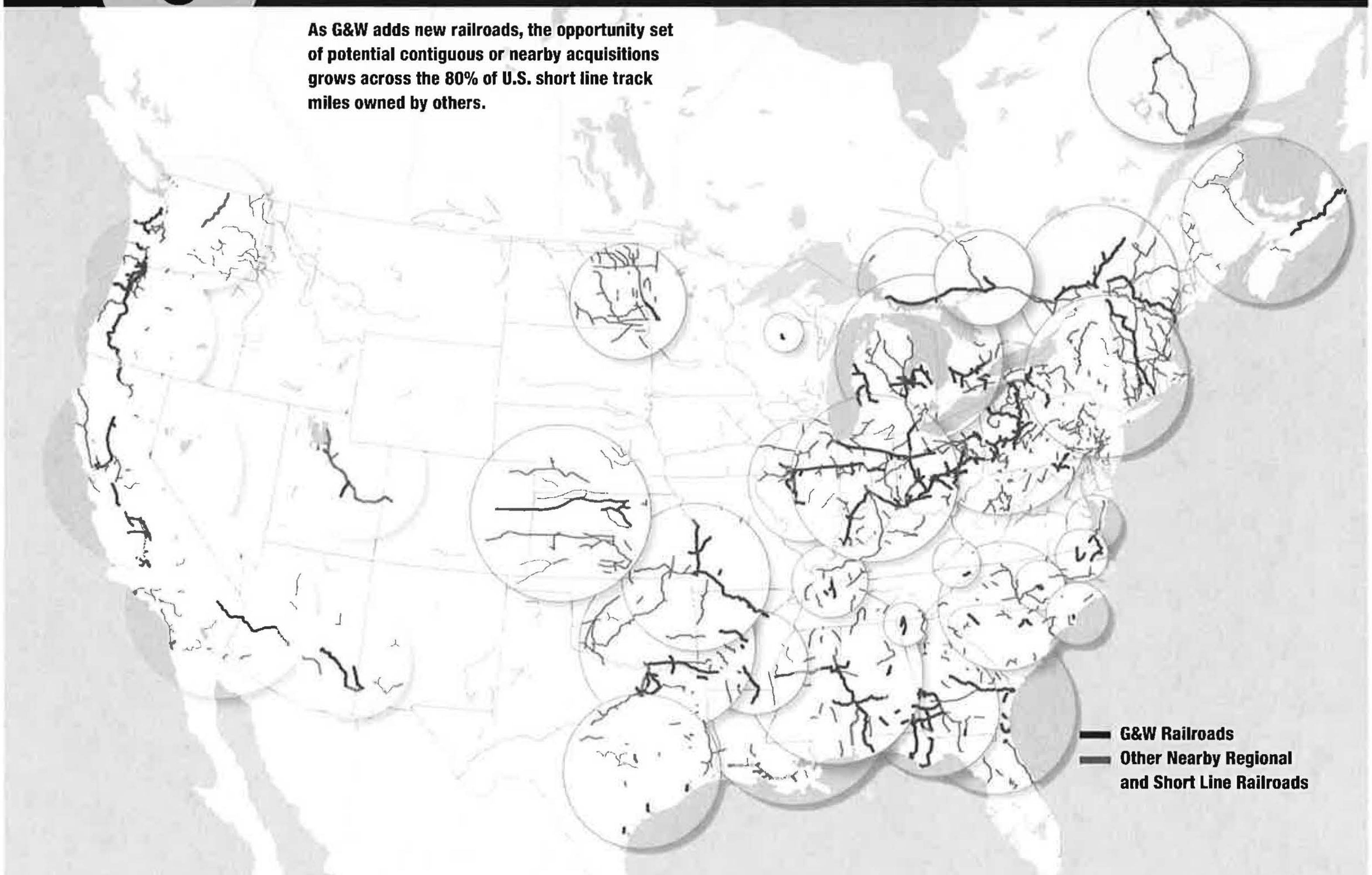


G&W's commercial department now includes a larger industrial development team to market opportunities for customers to locate along our railroads in 39 U.S. states and four Canadian provinces.

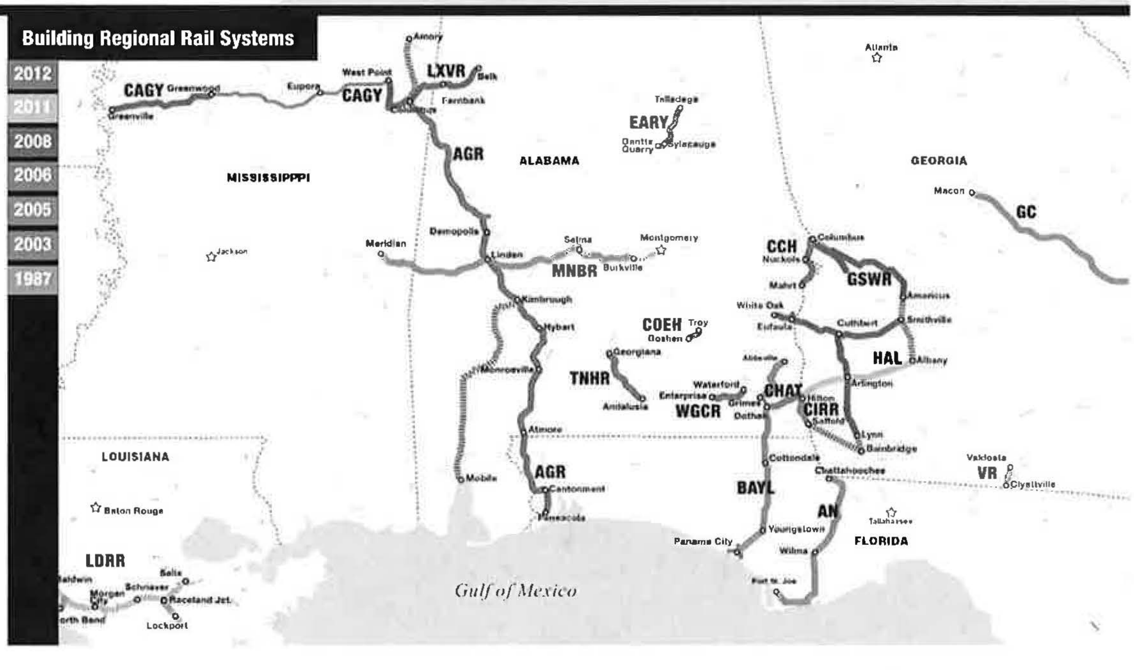
3 Traditional Acquisitions

Drivers of Long-Term Growth

As G&W adds new railroads, the opportunity set of potential contiguous or nearby acquisitions grows across the 80% of U.S. short line track miles owned by others.



The network of G&W Southern Region railroads serving the Mississippi Delta/Gulf Coast illustrates how G&W creates regional rail systems over time via contiguous and nearby acquisitions.



from G&W. Finally, we have made significant additions to our Operations Support group in Jacksonville as Tony Long, SVP from G&W, is now joined by a new SVP, Ryan Ratledge, from RailAmerica. Our operating department has also expanded its centralized purchasing capabilities to leverage the combined company's greater purchasing power from which we expect to generate significant cost savings over time.

Another essential component of the RailAmerica acquisition was the execution of the $2 billion of financing required to complete the transaction. We wanted to limit G&W's exposure to volatile equity and debt markets, and we therefore put in place a fully committed bid, with the debt underwritten by Bank of America Merrill Lynch and the equity underwritten by a private placement of Convertible Preferred Stock with The Carlyle Group, a prominent private equity firm based in Washington, D.C.

Upon being named the winning bidder, we immediately went to the bank market and were able to negotiate a new $2.3 billion credit facility with 36 different financial institutions and on borrowing terms that were far more favorable than our initial expectations, thanks to good market conditions as well as strong bank support for the transaction. For the equity, we successfully raised $476 million from a public offering of common stock and Tangible Equity Units (TEUs) and then exercised our right to reduce the size of the Carlyle investment to $350 million. Under the leadership of our Chief Financial Officer, T.J. Gallagher, and our Treasurer, Tom Savage, the component parts of a complex series of offerings were executed at a cost of capital that we believe was highly advantageous to our shareholders. In addition, the extraordinary performance of our accounting department, led by Chris Liucci, enabled us to expeditiously prepare the requisite financial statements and disclosure, enabling us to tap the capital markets at an optimal time.

Business Development

In addition to the RailAmerica acquisition, 2012 was a busy year for G&W business development:

- On January 1, G&W's new Hilton & Albany Railroad (HAL) commenced operations over 56 miles of track leased from Norfolk Southern in southwest Georgia.

- On July 1, G&W's new Columbus & Chattahoochee Railroad (CCH) commenced operations over another 26 miles of track leased from Norfolk Southern in southeast Alabama. Within the Southern Region, HAL and CCH are contiguous with G&W's Bay Line, Chattahoochee Bay, Chattahoochee Industrial and Georgia Southwestern Railroads — a good illustration of how we expand our operating regions via contiguous and nearby acquisitions.

- On July 17, we significantly expanded our Australian iron ore haulage contracts with Arrium Limited (ASX: ARI). Since 2011, G&W has invested approximately $120 million in new standard- and narrow-gauge locomotives, wagons and facilities to support Arrium's planned growth to 11 million tons of export iron ore annually. Shipments from Arrium's new mine in South Australia commenced in the fourth quarter of 2012. We expect this new traffic, combined with the significant cost savings from new high horsepower locomotives used in our intermodal service, to drive our operating ratio in Australia below 70% during 2013.

■ On August 2, we signed an agreement with Tata Steel Minerals Canada under which a new G&W subsidiary, KeRail Inc., plans to construct a 21-kilometer rail line and transport export iron ore extracted from Tata's new mine being developed near Schefferville, Quebec. This project would further expand G&W's operating presence in the Labrador Trough, where our Western Labrador Rail Services subsidiary transports iron ore for both Cliffs Natural Resources (NYSE: CLF) and Labrador Iron Mines Holdings (TSE: LIM). We see additional opportunity to serve this growing market, and I am pleased to report that our Canada Region has started up these new operations on time, accident- and injury-free, running the heaviest trains in North America in extremely harsh weather conditions.

■ Throughout 2012, we continued to make infrastructure improvements at the Arizona Eastern Railway, acquired in September 2011, to serve Freeport-McMoRan's (NYSE: FCX) largest North American copper mine and smelter. The tremendous improvements in safety and service at the Arizona Eastern have resulted in increased traffic from our customer and have highlighted the capabilities of G&W short lines to both the mining industry and our Class I railroad partners.

North American Energy Market

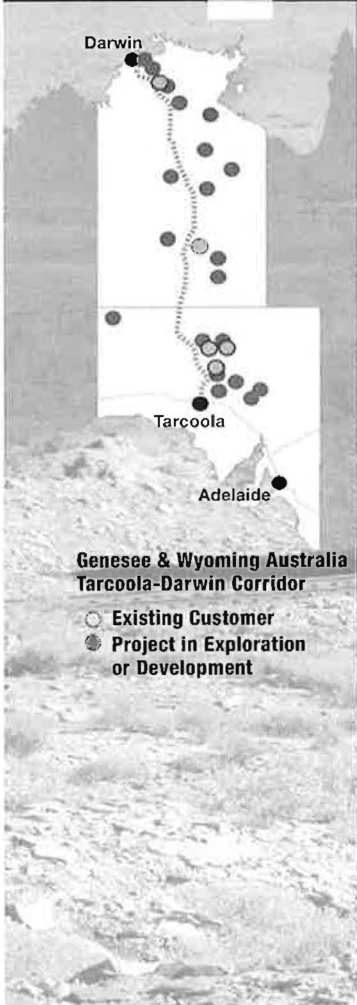
One significant trend that has been impacting G&W's business is the dramatic evolution of energy production in North America. The rapid expansion of both natural gas and crude oil production from hydraulic fracking of shale deposits in the United States, the development of oil sands in Canada, and the relative decline in the use of coal for power generation has had, and will continue to have, a profound impact on G&W's rail shipments. The relationships among each of these energy sources are complex, interrelated and also highly sensitive to state and federal public policy decisions (e.g., environmental, permitting and other regulations).

■ With respect to coal, which has always been a cornerstone commodity for our railroads (9.9% of total 2012 revenues), our traffic has clearly suffered from a combination of tightening EPA regulations for coal-fired power plants and the increased use of cheap natural gas. At the same time, coal-fired power generation remains a critical part of U.S. electricity supply (approximately 37% in 2012), and we have seen significant capital investments in emissions controls at some of the coal-fired power plants that we currently serve. Thus, we expect several of our strongest coal-fired power plant customers to become even stronger, and we anticipate increasing coal shipments to these facilities after the capital investments are complete.

■ With respect to natural gas, although low prices have eroded a portion of our coal business as natural gas has been substituted for coal in electricity generation, traffic on G&W railroads in the Marcellus Shale region in western Pennsylvania has benefitted from inbound pipe, fracking sand and other materials, as well as from outbound gas. In addition, energy-intensive industries in the United States, such as chemicals, have directly benefitted from low natural gas prices, thereby increasing our rail shipments to these customers as they become more competitive.

4 Demand for Natural Resources

Drivers of Long-Term Growth



G&W continues to pursue opportunities to invest in equipment and facilities in Australia, Canada and elsewhere to support large natural resource development projects fueled by economic growth in Asia.

The first re-branded Connecticut Southern locomotive leads the way into the rail yard in Springfield, Massachusetts. The integration of the 45 former RailAmerica railroads is G&W's top priority in 2013.

■ With respect to crude oil, we continue to see an extraordinary increase in North American production capabilities. Whether via shale oil in the United States or oil sands in Canada, the rapid replacement of crude oil imports from overseas is reshaping the energy landscape. For G&W railroads, the immediate impact is twofold. First, our Ohio Valley Region has the geological good fortune of sitting above the Utica Shale formation where early indications suggest sizable deposits of oil, natural gas and natural gas liquids. Second, at several locations across the footprint of G&W railroads, customers are seeking to establish destination crude oil terminals along our tracks to receive shale oil from origins such as the Bakken Shale region in North Dakota. From the terminals, the crude oil is then transferred directly to pipelines or barges and transported to refineries. While shipment patterns of crude-by-rail and construction of competing pipeline infrastructure are at early stages of development, we see a tremendous long-term opportunity for our railroads and look forward to reporting to you on these developments.

Outlook for 2013

As we enter 2013, the integration of the former RailAmerica railroads will be our top priority. We expect that the acquisition will add more than $650 million to our revenue base, and we anticipate realizing the vast majority of overhead cost savings by the third quarter of this year. Also in 2013, we expect higher shipments of iron ore in South Australia, a positive impact from improving U.S. housing starts and overall stability or modest growth in most other commodity groups, including coal. One area of weakness that we see is in agricultural shipments due to the impact of the U.S. drought on the 2012 grain harvest. It is also worth highlighting that the larger size of G&W means that we are increasingly diversified by commodity and geography, with over 2,000 customers worldwide.

Thanks to our strong free cash flow and successful financings last year, we ended the year with significantly lower debt levels than we had anticipated following the RailAmerica acquisition. With Total Debt to EBITDA under 3.5x as of December 31, 2012, and approximately $400 million of availability under our credit facility, we continue to pursue multiple business development opportunities. Whether our future investments are derived from the 80% of U.S. short line track miles that are owned by others, from natural resource projects that we continue to pursue in Australia and Canada, or from the relationships we are fostering elsewhere in the world, we will follow the same disciplined approach that has been so successful in the past.

I started this letter by noting that 2012 was transformational for G&W. At the same time, all of our accomplishments have been a natural progression of our business. Our transactions have become bigger, our safety better, our management team deeper and our future stronger, but we have been applying the same disciplined principles that have guided us over the past decade. Our Core Purpose is to be the safest and most respected rail service provider in the world, and we took significant steps on that journey in 2012.

Jack Hellmann
President and Chief Executive Officer
March 22, 2013

Adjusted Income from Operations and Adjusted Operating Ratio Description and Discussion

Management views its Income from Operations, calculated as Operating Revenues less Operating Expenses, and Operating Ratio, calculated as Operating Expenses divided by Operating Revenues, as important measures of G&W's operating performance. Because management believes this information is useful for investors in assessing G&W's financial results compared with the same period in prior years, the Income from Operations and Operating Ratio for the year ended December 31, 2008, used to calculate Adjusted Income from Operations and Adjusted Operating Ratio, are presented excluding net gain/(loss) on sale and impairment of assets, gain on insurance recoveries and business/corporate development expenses. The Income from Operations and Operating Ratio for the year ended December 31, 2009, used to calculate Adjusted Income from Operations and Adjusted Operating Ratio, are presented excluding net gain/(loss) on sale and impairment of assets, gain on insurance recoveries, legal expense associated with resolution of an arbitration proceeding and restructuring charges. The Income from Operations and Operating Ratio for the year ended December 31, 2010, used to calculate Adjusted Income from Operations and Adjusted Operating Ratio, are presented excluding net gain/(loss) on sale and impairment of assets, gain on legal settlement, FreightLink acquisition-related costs and restructuring charges. The Income from Operations and Operating Ratio for the year ended December 31, 2011, used to calculate Adjusted Income from Operations and Adjusted Operating Ratio, are presented excluding net gain/(loss) on sale and impairment of assets, gain on insurance recoveries, Edith River derailment costs and business/corporate development costs. The Income from Operations and Operating Ratio for the year ended December 31, 2012, used to calculate Adjusted Income from Operations and Adjusted Operating Ratio, are presented excluding RailAmerica acquisition-related costs, RailAmerica integration costs, other business/corporate development costs, gain on insurance recoveries, net gain on sale of assets and contract termination expense in Australia. The Adjusted Income from Operations and Adjusted Operating Ratios presented excluding these effects are not intended to represent, and should not be considered more meaningful than, or as an alternative to, the Income from Operations and Operating Ratios calculated using amounts in accordance with GAAP. Adjusted Income from Operations and Adjusted Operating Ratio may be different from similarly-titled non-GAAP financial measures used by other companies.

In accordance with Regulation G, the following table sets forth a reconciliation of G&W's Income from Operations and Operating Ratios calculated using amounts determined in accordance with GAAP to the Adjusted Income from Operations and Adjusted Operating Ratios described above for the years ended December 31, 2008, 2009, 2010, 2011 and 2012 (in millions):

	2008	2009	2010	2011	2012
Operating revenues	$ 602.0	$ 544.9	$ 630.2	$ 829.1	$ 874.9
Operating expenses	486.1	445.5	499.8	637.3	684.6
Operating income	$ 115.9	$ 99.3	$ 130.4	$ 191.8	$ 190.3
Operating ratio	80.7%	81.8%	79.3%	76.9%	78.2%
Operating expenses	$ 486.1	$ 445.5	$ 499.8	$ 637.3	$ 684.6
RailAmerica acquisition-related costs	-	-	-	-	(18.6)
RailAmerica integration costs	-	-	-	-	(11.4)
Net gain/(loss) on sale and impairment of assets	7.7	(4.0)	6.4	5.7	11.2
Gain on legal settlement	-	-	8.7	-	-
Gain on insurance recoveries	0.4	3.1	-	1.1	0.8
Contract termination expense in Australia	-	-	-	-	(1.1)
FreightLink acquisition-related costs	-	-	(28.2)	-	-
Legal expense associated with resolution of an arbitration proceeding	-	(1.1)	-	-	-
Restructuring charges	-	(2.3)	2.3	-	-
Edith River derailment costs	-		-	(1.8)	-
Other business/corporate development expenses	(2.5)	-	-	(2.6)	(1.8)
Adjusted operating expenses	$ 491.6	$ 441.3	$ 489.0	$ 639.6	$ 663.7
Adjusted operating income	$ 110.4	$ 103.6	$ 141.1	$ 189.5	$ 211.2
Adusted operating ratio	81.7%	81.0%	77.6%	77.1%	75.9%

Adjusted Net Income and Adjusted Diluted Earnings Per Share Description and Discussion

Management views its Net Income and Diluted Earnings Per Share as important measures of G&W's operating performance. Because management believes this information is useful for investors in assessing G&W's financial results compared with the same period in prior years, Net Income and Diluted Earnings Per Share for the year ended December 31, 2008 used to calculate Adjusted Net Income and Adjusted Diluted Earnings Per Share, are presented excluding net gain on sale of assets, gain on insurance recoveries, business/corporate development costs and short line tax credit. Net Income and Diluted Earnings Per Share for the year ended December 31, 2009 used to calculate Adjusted Net Income and Adjusted Diluted Earnings Per Share, are presented excluding net (gain)/loss on sale/impairment of assets, gain on insurance recoveries, legal expense associated with the resolution of an arbitration proceeding, restructuring charges, gain on sale of investment and short line tax credit. Net Income and Diluted Earnings Per Share for the year ended December 31, 2010, used to calculate Adjusted Net Income and Adjusted Diluted Earnings Per Share, are presented excluding net gain on sale of assets, gain on legal settlement, FreightLink acquisition-related costs, the reversal of restructuring charges, financing-related costs, discontinued operations gain from insurance and short line tax credit. Net Income and Diluted Earnings Per Share for the year ended December 31, 2011, used to calculate Adjusted Net Income and Adjusted Diluted Earnings Per Share, are presented excluding acquisition-related income tax benefits, gain on insurance recoveries, net (gain)/loss on sale/impairment of assets, Edith River derailment costs, business/corporate development costs, short line tax credit and gain on sale of investment. Net Income and Diluted Earnings Per Share for the year ended December 31, 2012, used to calculate Adjusted Net Income and Adjusted Diluted Earnings Per Share, are presented excluding RailAmerica acquisition-related costs, RailAmerica financing-related costs, RailAmerica integration costs, acquisition/integration costs incurred by RailAmerica, other business/corporate development costs, gain on insurance recoveries, net gain on sale of assets, contract termination expense in Australia and contingent forward sale contract mark-to-market expense. The Adjusted Net Income and Adjusted Diluted Earnings Per Share presented excluding these effects are not intended to represent, and should not be considered more meaningful than, or as an alternative to, Net Income and Diluted Earnings Per Share calculated using amounts in accordance with GAAP. Adjusted Net Income and Adjusted Diluted Earnings Per Share may be different from similarly-titled non-GAAP financial measures used by other companies.

In accordance with Regulation G, the following table sets forth a reconciliation of G&W's Net Income and Diluted Earnings Per Share calculated using amounts determined in accordance with GAAP to the Adjusted Net Income and Adjusted Diluted Earnings Per Share described above for the years ended December 31, 2008, 2009, 2010, 2011 and 2012 (in millions except per share amounts):

Year Ended December 31, 2008	Net Income	Diluted shares	Diluted Earnings/ (Loss) Per Share Impact
As reported	$ 72.2	36.3	$ 1.99
Add back certain items, net of tax:			
Net gain on sale of assets	(5.1)		(0.14)
Gain on insurance recoveries	(0.2)		(0.01)
Business/corporate development costs	1.6		0.04
Short line tax credit	(13.7)		(0.38)
Adjusted net income	$ 54.7	36.3	$ 1.51

Year Ended December 31, 2009	Net Income	Diluted shares	Diluted Earnings/ (Loss) Per Share Impact
As reported	$ 61.3	39.0	$ 1.57
Add back certain items, net of tax:			
Net (gain)/loss on sale/impairment of assets	2.2		0.06
Gain on insurance recoveries	(2.0)		(0.05)
Legal expense associated with resolution of an arbitration proceeding	0.7		0.02
Restructuring charges	1.4		0.04
Gain on sale of investment	(2.8)		(0.07)
Short line tax credit	(11.4)		(0.29)
Adjusted net income	$ 49.4	39.0	$ 1.27

Year Ended December 31, 2010	Net Income	Diluted shares	Diluted Earnings/ (Loss) Per Share Impact
As reported	$ 81.3	41.9	$ 1.94
Add back certain items, net of tax:			
Net gain on sale of assets	(4.3)		(0.10)
Gain on legal settlement	(5.1)		(0.12)
FreightLink acquisition-related costs	19.2		0.46
Reversal of restructuring charges	(1.5)		(0.04)
Financing-related costs	1.1		0.03
Discontinued operations gain from insurance	(2.8)		(0.07)
Short line tax credit	(10.2)		(0.24)
Adjusted net income	$ 77.7	41.9	$ 1.86

Year Ended December 31, 2011	Net Income	Diluted shares	Diluted Earnings/ (Loss) Per Share Impact
As reported	$ 119.5	42.8	$ 2.79
Add back certain items, net of tax:			
Acquisition-related income tax benefits	(1.9)		(0.04)
Gain on insurance recoveries	(0.7)		(0.02)
Net (gain)/loss on sale/impairment of assets	(3.9)		(0.09)
Edith River derailment costs	1.3		0.03
Business/corporate development costs	2.3		0.05
Short line tax credit	(10.2)		(0.24)
Gain on sale of investment	(0.8)		(0.02)
Adjusted net income	$ 105.6	42.8	$ 2.47

Year Ended December 31, 2012	Net Income	Diluted shares	Diluted Earnings/ (Loss) Per Share Impact
As reported	$ 52.4	51.3	$ 1.02
Add back certain items, net of tax:			
RailAmerica acquisition-related costs	14.5		0.28
RailAmerica financing-related costs	9.5		0.19
RailAmerica integration costs	6.8		0.13
Acquisition/integration costs incurred by RailAmerica	3.5		0.07
Other business/corporate development costs	1.2		0.02
Gain on insurance recoveries	(0.5)		(0.01)
Net gain on sale of assets	(8.6)		(0.17)
Contract termination expense in Australia	0.8		0.02
Contingent forward sale contract mark-to-market expense	50.1		0.98
Adjusted net income	$ 129.7	51.3	$ 2.53

Free Cash Flow Description and Discussion

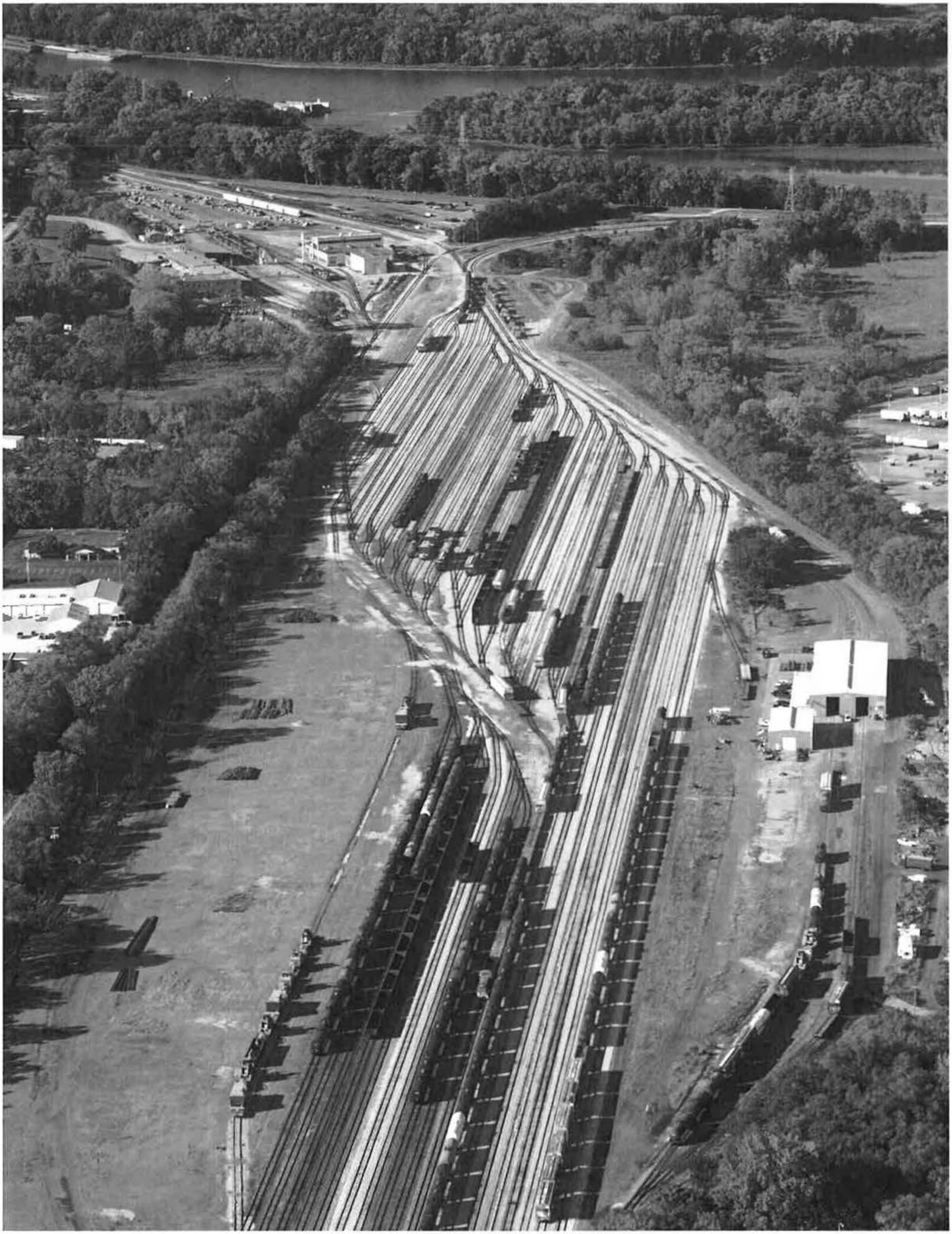
Management views Free Cash Flow as an important financial measure of how well G&W is managing its assets. Subject to the limitations discussed below, Free Cash Flow is a useful indicator of cash flow that may be available for discretionary use by G&W. Free Cash Flow is defined as Net Cash Provided by Operating Activities from Continuing Operations less Net Cash Used in Investing Activities from Continuing Operations, excluding net cash used for acquisitions/divestitures and the cash paid for Australian stamp duty. Key limitations of the Free Cash Flow measure include the assumptions that G&W will be able to refinance its existing debt when it matures and meet other cash flow obligations from financing activities, such as principal payments on debt. Free Cash Flow is not intended to represent, and should not be considered more meaningful than, or as an alternative to, measures of cash flow determined in accordance with GAAP. Free Cash Flow may be different from similarly-titled non-GAAP financial measures used by other companies.

In accordance with Regulation G, the following table sets forth a reconciliation of G&W's Net Cash Provided by Operating Activities from Continuing Operations to G&W's Free Cash Flow (in millions):

	2012	2011
Net cash provided by operating activities from continuing operations	$ 170.8	$ 173.5
Net cash used in investing activities from continuing operations	(2,101.7)	(235.1)
Net cash used for acquisitions/divestitures (a)	1,964.2	88.6
Cash paid for acquisition-related expenses (b)	-	13.0
Free cash flow	33.3	39.9
Australian new business investments	101.9	78.2
Adjusted free cash flow	$ 135.2	$ 118.1

(a) The 2012 period included $1.9 billion in net cash paid for the acquisition of RailAmerica, Inc. as well as $38.9 million in cash paid for incremental expenses related to the purchase, integration and financing of the acquisition. The 2011 period included $89.9 million in net cash paid for the acquisition of Arizona Eastern Railway Company.

(b) The payment of the Australian stamp duty in the 2011 period related to the acquisition of FreightLink in Australia, which was accrued as of December 31, 2010.



UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2012
or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _______ to _______
Commission File No. 001-31456

GENESEE & WYOMING INC.

(Exact name of registrant as specified in its charter)

Delaware	**06-0984624**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
66 Field Point Road, Greenwich, Connecticut	**06830**
(Address of principal executive offices)	(Zip Code)

(203) 629-3722
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Class A Common Stock, $0.01 par value	**NYSE**
5.00% Tangible Equity Units	**NYSE**

Securities registered pursuant to Section 12(g) of the Act:
None.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☑ Yes ☐ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. ☐ Yes ☑ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. ☑ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☑ Yes ☐ No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulations S-K (§229.405 of this chapter) is not contained herein and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "accelerated filer," "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer	☑	Accelerated Filer	☐
Non-Accelerated Filer	☐ (Do not check if a smaller reporting company)	Smaller Reporting Company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12-b of the Act). ☐ Yes ☑ No

Aggregate market value of Class A Common Stock held by non-affiliates based on the closing price as reported by the New York Stock Exchange on the last business day of the registrant's most recently completed second fiscal quarter: $2,084,513,852. Shares of Class A Common Stock held by each executive officer and director have been excluded in that such persons may be deemed to be affiliates. The determination of affiliate status is not necessarily a conclusive determinant for other purposes.

Shares of common stock outstanding as of the close of business on February 25, 2013:

Class	Number of Shares Outstanding
Class A Common Stock	51,412,303
Class B Common Stock	1,728,952

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement to be filed pursuant to Regulation 14A not later than 120 days after the end of the fiscal year ended December 31, 2012 in connection with the Annual Meeting to be held on May 22, 2013 are incorporated by reference in Part III hereof and made a part hereof.

Genesee & Wyoming Inc.

FORM 10-K

For The Fiscal Year Ended December 31, 2012

INDEX

Unless the context otherwise requires, when used in this Annual Report on Form 10-K, the terms "Genesee & Wyoming," "G&W," the "Company," "we," "our" and "us" refer to Genesee & Wyoming Inc. and its subsidiaries, including RailAmerica, Inc. and its subsidiaries (RailAmerica). G&W acquired RailAmerica on October 1, 2012. However, the shares of RailAmerica were held in a voting trust while the United States Surface Transportation Board (STB) considered our control application, which application was approved with an effective date of December 28, 2012. Accordingly, we accounted for the earnings of RailAmerica using the equity method of accounting while the shares were held in the voting trust and our preliminary allocation of the purchase price to the acquired assets and assumed liabilities is included in our consolidated balance sheet at December 31, 2012. Therefore, unless specifically identified to the contrary, references to income statement line items discussed within this Annual Report on Form 10-K, such as revenues and expenses, do not include RailAmerica. We have included separate disclosure of RailAmerica income statement line items to the extent we believe such context is warranted. All references to currency amounts included in this Annual Report on Form 10-K, including the financial statements, are in United States dollars unless specifically noted otherwise.

Cautionary Statement Regarding Forward-Looking Statements

The information contained in this Annual Report on Form 10-K (Annual Report), including Management's Discussion and Analysis of Financial Condition and Results of Operations in Item 7, contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (Exchange Act), regarding future events and future performance of Genesee & Wyoming Inc. Words such as "anticipates," "intends," "plans," "believes," "seeks," "expects," "estimates," "trends," "outlook," variations of these words and similar expressions are intended to identify these forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to forecast. Actual results may differ materially from those expressed or forecast in these forward-looking statements.

The areas in which there is risk and uncertainty are further described in "Part I Item 1A. Risk Factors" in this Annual Report, which contain additional important factors that could cause actual results to differ from current expectations and from the forward-looking statements contained herein. Readers of this document are cautioned that our forward-looking statements are not guarantees of future performance and our actual results or developments may differ materially from the expectations expressed in the forward-looking statements.

In light of the risks, uncertainties and assumptions associated with forward-looking statements, you should not place undue reliance on any forward-looking statements. Additional risks that we may currently deem immaterial or that are not presently known to us could also cause the forward-looking events discussed or incorporated by reference in this Annual Report not to occur.

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements to encourage companies to provide prospective information about their companies without fear of litigation. We are taking advantage of the "safe harbor" provisions of the Private Securities Litigation Reform Act in connection with the forward-looking statements included in this Annual Report.

Our forward-looking statements speak only as of the date of this Annual Report or as of the date they are made, and except as otherwise required by applicable securities laws, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changed circumstances or any other reason after the date of this Annual Report.

Information set forth in "Part I Item 1. Business" and in "Part II Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" should be read in conjunction with the risk factors set forth in Item 1A. in this Annual Report.

PART I

ITEM 1. *Business.*

OVERVIEW

We own and operate short line and regional freight railroads and provide railcar switching and other rail-related services in the United States, Australia, Canada, the Netherlands and Belgium. In addition, we operate a longer-haul railroad that runs approximately 1,400 miles between Tarcoola in South Australia and Darwin in the Northern Territory of Australia. As of December 31, 2012, we operated in 39 states in the United States, four Australian states, one Australian territory and four Canadian provinces and provide rail service at 35 ports in North America, Australia and Europe. As of December 31, 2012, we operated over approximately 14,700 miles of owned, jointly owned or leased track (inclusive of the Tarcoola to Darwin rail line operated under a concession agreement) and 3,270 additional miles under other contractual track access arrangements.

On October 1, 2012, we acquired RailAmerica, Inc. (RailAmerica) for approximately $2.0 billion (equity purchase price of approximately $1.4 billion plus net debt of $659.2 million), which is our largest acquisition to date. RailAmerica owned and operated 45 short line freight railroads in North America, with approximately 7,100 miles of track in 28 U.S. states and three Canadian provinces as of the acquisition date. Our acquisition of RailAmerica combined the two largest short line railroad operators in North America. The acquisition is expected to provide a wide national footprint for future industrial and commercial development along our 108 railroads in North America, and to allow us to realize significant cost savings. Following our acquisition of RailAmerica, we believe we are the largest operator of short line and regional freight railroads in North America.

GROWTH STRATEGY

Since our initial public offering in 1996 through December 31, 2012, our revenues increased at a compound annual growth rate of 16.3%, from $77.8 million in 1996 to $874.9 million in 2012. We have achieved these results primarily through the disciplined execution of our growth strategy. The two main drivers of our growth strategy are the execution of (1) our operating strategy and (2) our acquisition and investment strategy.

Operating Strategy

Our railroads operate under strong local management teams, with centralized administrative, commercial and operational support and oversight. As of January 1, 2013, our continuing operations were organized as 11 regions, which include one new region that we created following the acquisition of RailAmerica. In the United States, we have eight regions: Rail Link (which includes industrial switching and port operations), Pacific, Mountain West, Central, Southern, Midwest, Ohio Valley and Northeast. Outside the United States, we have three regions: Australia, Canada (which includes a contiguous railroad located in the United States) and Europe (which consists of operations in the Netherlands and Belgium).

In each of our regions, we seek to encourage the entrepreneurial drive, local knowledge and customer service that we view as necessary to achieve our financial goals. Our regional managers continually focus on increasing our return on invested capital, earnings and cash flow through the disciplined execution of our operating strategy. At the regional level, our operating strategy consists of the following four principal elements:

- *Continuous Safety Improvement.* We believe that a safe work environment is essential for our employees, our customers and the communities in which we conduct business. Each year, we establish stringent safety targets as part of our safety program. In 2012, G&W achieved a consolidated Federal Railroad Association (FRA) reportable injury frequency rate of 0.48 per 200,000 man-hours worked, which does not include RailAmerica's 2012 safety results. Through the implementation of our safety program, we have reduced our injury frequency rate by 75% since 2006, when it was 1.95 injuries per 200,000 man-hours worked. In 2012, RailAmerica achieved a consolidated FRA reportable injury frequency rate of 1.75 per 200,000 man-hours worked. On a pro forma basis, G&W's reportable injury frequency rate combined with RailAmerica was 0.88 for the year ended December 31, 2012. For comparative purposes, in January through November 2012, the most recent month for which FRA data is publicly available, the United States short line average was 3.1 injuries per 200,000 man-hours worked, and the United States regional railroad average was 3.1 injuries per 200,000 man-hours worked. Based on these results, in 2012, G&W was more than six times safer than the short line and regional railroad averages, and also safer than any U.S. Class I railroad.

- *Focused Regional Marketing.* We generally build and operate each of our regions on a base of large industrial customers and seek to grow rail traffic through marketing efforts. As a result of the acquisition of RailAmerica, we expect our expanded North American footprint will provide us with greater visibility to new commercial and industrial development opportunities in North America and increase the success of our marketing efforts. We also pursue additional sources of revenue by marketing to new industrial customers and providing ancillary rail services. These ancillary rail services include railcar switching, repair, storage, cleaning, weighing and blocking and bulk transfer, which enable shippers and Class I carriers to move freight more easily and cost-effectively. Separately, in Australia and Europe, where there are open access regimes, we are able to compete for new business opportunities with customers anywhere on the open access rail network.
- *Lower Operating Costs.* We focus on lowering operating costs and historically have been able to operate acquired rail lines more efficiently than they were operated before our acquisition. We typically achieve efficiencies by lowering administrative overhead, consolidating equipment and track maintenance contracts, reducing transportation costs and selling surplus assets.
- *Efficient Use of Capital.* We invest in track and rolling stock to ensure that we operate safe railroads that meet the needs of customers. At the same time, we seek to maximize our return on invested capital by focusing on cost effective capital programs. For example, in our short haul and regional operations in North America, we typically rebuild older locomotives rather than purchase new ones and invest in track at levels appropriate for traffic type and density. In addition, because of the importance of certain customers and railroads to the regional economies, we are able, in some instances, to obtain state, provincial and/or federal grants to upgrade track. Typically, we seek government funds to support investments that otherwise would not be economically viable for us to fund on a stand-alone basis.

To assist our local management teams, we provide commercial and operational support from corporate staff groups where there are benefits to be gained from centralized expertise. Our commercial group assists local management by providing assistance with regional pricing, origin and destination offerings across the Company, managing real estate revenue (including from land leases and crossing and access rights), industrial development project expertise, 24/7 customer service and Class I relationship management. Our operations department assists with the implementation of our safety culture and training programs, manages a centralized purchasing staff to leverage our scale in purchasing rail and rail-related equipment, assists with efficient equipment utilization and service design, and provides mechanical, locomotive and bridge engineering expertise. In addition, we maintain other traditional, centralized functions, such as accounting, finance, legal, corporate development, government and industry affairs, human resources and information technology.

Acquisition and Investment Strategy

Our acquisition and investment strategy includes the acquisition or long-term lease of existing railroads, as well as investment in rail equipment and/or track infrastructure to serve new and existing customers. Since 1985, we have completed 37 acquisitions and made several significant rail equipment investments to serve customers that are developing natural resource projects, such as iron ore mines. Historically, our acquisition, investment and long-term lease opportunities have been from the following five sources:

- Acquisitions of other regional railroads or short line railroads in the United States and Canada, such as our acquisitions of RailAmerica in 2012, Arizona Eastern Railway Company (AZER) in 2011, CAGY Industries, Inc. in 2008, the Ohio Central Railroad System in 2008 and Rail Management Corporation in 2005. Based on Association of American Railroads (AAR) data, as of December 31, 2011, there were approximately 460 short line and regional railroads in the United States not owned by us;
- Investments in track and/or rolling stock to support new industrial or mineral development in new or existing areas of operations, such as our long-term rail services agreement with Labrador Iron Mines Limited (LIM) to haul unit trains of iron ore over LIM's six-kilometer railway, and our recently announced expansion of two existing rail haulage contracts to transport export iron ore in South Australia;
- Acquisitions of international railroads, such as our acquisitions of FreightLink Pty Ltd (FreightLink) in Australia and Rotterdam Rail Feeding (RRF) in the Netherlands. We believe that there are additional acquisition and investment opportunities in Australia, Europe and other international markets;
- Acquisitions or long-term leases of branch lines of Class I railroads, such as our recent lease from Norfolk Southern Railway Company (NS) of the Columbus & Chattahoochee Railroad, Inc., a 26-mile segment of NS track that runs from Girard, Alabama to Mahrt, Alabama; and

- Acquisitions of rail lines of industrial companies, such as our acquisition of railroads owned by Georgia-Pacific Corporation.

When we make acquisitions, we seek to derive revenues and cost synergies wherever possible and to implement best practices to increase the value of our investment, which is frequently accomplished through the elimination of duplicative overhead functions, implementation of our safety culture, improvements to operating plans and equipment utilization and enhanced customer service. For instance, with the acquisition of RailAmerica we have identified duplicative corporate overhead costs and general administrative expenses, which we believe are not necessary for the combined operations, and that we anticipate will result in ongoing annual cost savings of approximately $36 million, excluding implementation costs we expect to incur to realize these savings. In addition, we intend to leverage RailAmerica's real estate department and plan to implement best practices that are identified as part of the integration across all our railroads.

Following the RailAmerica acquisition, we are continuing to target these five sources of acquisition and investment opportunities. We also believe that our larger footprint of railroads in North America will increase the number of future opportunities to make contiguous short line acquisitions due to a higher number of touch points with other railroads. On a global basis, we believe that our increased scale and greater financial resources will improve our ability to invest in rail opportunities worldwide. We have played a significant role in the consolidation of the short line industry in North America and have made a number of important railroad investments in international markets, and we expect to continue to pursue our acquisition and investment strategy while adhering to our disciplined valuation approach.

INDUSTRY

North America

United States

According to the AAR, there are 567 railroads in the United States operating over 138,500 miles of track. The STB classifies railroads operating in the United States into one of three categories based on the amount of an individual railroad's operating revenues (adjusted for inflation). Under current classification levels, Class I railroads are individual railroads (not including holding companies) with over $433.2 million in revenues. Regional and Local railroads operate approximately 43,000 miles of track in the United States. The primary function of these smaller railroads is to provide local service to rail customers and communities not located on the Class I networks.

The following table shows the breakdown of railroads in the United States by classification:

Classification of Railroads	Number	Aggregate Miles Operated	Revenues and Miles Operated
Class I (1)	7	95,387	$433.2 million or more
Regional	21	10,355	At least $20 million and 350 or more miles operated or $34.7 million to $433.2 million
Local	539	32,776	Less than $34.7 million and less than 350 miles operated
Total	567	138,518	

(1) CSX Corp, BNSF Railway Co., Norfolk Southern Corp., Kansas City Southern Railway Company, Union Pacific Railroad Co., Canadian National Railway and Canadian Pacific Railway.

Source: AAR 2012 Railroad Facts Book

Class I railroads operate across many different states and concentrate largely, though not exclusively, on long haul, high density intercity traffic lanes. Regional railroads typically operate 400 to 650 miles of track and provide service to selected areas of the country, mainly connecting neighboring states and/or economic centers. Typically, short line (or local) railroads serve as branch lines connecting customers with Class I railroads. Short line railroads have more predictable and straightforward operations as they generally perform point-to-point service over shorter distances, versus the complex networks associated with the large Class I railroads.

Regional and short line railroad traffic is largely driven by carloads that are interchanged with other carriers. For example, a Class I railroad may transport freight hundreds or thousands of miles from its origination point, and then pass the railcar to a short line railroad, which provides the final step of service directly to the terminating customer.

The railroad industry in the United States has undergone significant change since the passage of the Staggers Rail Act of 1980 (Staggers Act), which effectively deregulated certain pricing and types of services provided by railroads. Following the passage of the Staggers Act, Class I railroads in the United States took steps to improve profitability and recapture market share lost to other modes of transportation, primarily trucks. In furtherance of that goal, Class I railroads focused their management and capital resources on their core long-haul systems, and some of them sold branch lines to short line railroads, whose smaller scale and more cost-efficient operations allowed them to commit the resources necessary to meet the needs of customers located on those lines. Divestiture of branch lines enabled Class I carriers to minimize incremental capital expenditures, concentrate traffic density, improve operating efficiency and avoid traffic losses associated with rail line abandonment, and spurred the growth in the short line railroad industry.

We operate one regional and 100 local (short line) railroads in the United States over approximately 9,500 miles of track.

Canada

According to Rail Trends 2012, published by The Railway Association of Canada (RAC), there are 27,652 miles of track operated by railroads in Canada.

We operate seven local (short line) railroads in Canada over approximately 1,200 miles of track.

Australia

Australia has over 25,000 miles (approximately 40,000 kilometers) of both publicly and privately owned track that link major capital cities and key regional centers together, as well as key mining regions to ports. The Australian rail network comprises three track gauges: broad, standard and narrow gauge. There are three major interstate rail segments in Australia: the east-west corridor (Sydney, New South Wales to Perth, Western Australia); the east coast corridor (Brisbane, Queensland to Melbourne, Victoria); and the north-south corridor (Adelaide, South Australia to Darwin, Northern Territory). In addition, there are a number of intrastate rail freight networks servicing major agricultural and mining regions in Queensland, New South Wales, Western Australia and South Australia.

Through our Australian subsidiaries, we manage approximately 2,900 miles (approximately 4,700 kilometers) of track in South Australia and the Northern Territory, which includes approximately 1,400 miles (approximately 2,200 kilometers) of track between Darwin and Tarcoola that we manage pursuant to a concession agreement that expires in 2054.

The Australian rail freight industry is largely open access, which means that network owners and managers must provide access to the rail network to all accredited rail service providers subject to the rules and negotiation framework of each applicable access regime. We are an accredited rail service provider in all mainland Australian states and in the Northern Territory. The rules generally include pricing principles and standards of use, and are established by the applicable state or Commonwealth government. The rail industry is structured around two components: train operations for freight haulage services (above rail) and rail track access operation and management (below rail). This contrasts with the North American freight rail industry where railroad operators almost always have exclusive use of the track they own or lease. Through our concession agreements, we have long-term economic ownership of the primary tracks that we manage in South Australia and the Northern Territory, and we receive below rail access fees when other rail operators use the track we manage. Our economic ownership of the tracks we manage, combined with our above rail operations, makes our Australian operations more similar to a typical North American railroad.

Because Australian rail customers have access to multiple rail carriers under "open access" regimes, all rail carriers face possible competition from other rail carriers, as well as competition from competing modes of transportation, such as trucks for above rail business. The open access nature of the Australian rail freight industry enables rail operators to develop new business and customer relationships in areas outside of their current operations, and there are limited barriers to entry that preclude any rail operator from approaching a customer to seek new business. However, shipments of bulk commodities in Australia are generally handled under long-term agreements with dedicated equipment that may include take or pay provisions and/or exclusivity arrangements, which make capturing new business from an existing rail operator more difficult.

Netherlands

According to ProRail, the entity responsible for a substantial majority of the Dutch rail infrastructure, there are approximately 4,350 miles of track under its control on the Dutch rail network. As a result of the country's open access regime, this track may be accessed by any admitted and licensed rail operator. According to the trade association, Rail Cargo Information Netherlands, there are currently 17 rail operators that provide freight rail services in the Netherlands. In the Netherlands, we operate primarily in the Port of Rotterdam pursuant to the open access regime.

Belgium

According to Infrabel, the Belgian railways infrastructure manager, there are approximately 2,225 miles of track under its control on the Belgian rail network and 13 rail operators certified for freight transport in Belgium. As a result of the country's open access regime, this track may be accessed by any admitted and licensed rail operator. In Belgium, we operate primarily in the Port of Antwerp pursuant to the open access regime.

OPERATIONS

As of December 31, 2012, through our subsidiaries, we owned or leased 111 freight railroads. Of these, 109 are short line railroads and one is a regional freight railroad with a total of approximately 13,300 miles of track in the United States, Australia, Canada, the Netherlands and Belgium. We also operated one longer-haul 1,400-mile railroad, which links the Port of Darwin to the Australian interstate rail network in South Australia, pursuant to a concession agreement. Also, through various track access arrangements, we operate over 3,270 additional miles of track that is owned or leased by others.

Freight Revenues

We generate freight revenues primarily from the haulage of freight by rail. Freight revenues represented 71.4%, 70.3% and 62.2% of our total revenues in the years ended December 31, 2012, 2011 and 2010, respectively.

Non-Freight Revenues

We generate non-freight revenues primarily from the following activities:

- Rail car switching—revenues generated from industrial switching (the movement of rail cars within industrial plants and their related facilities), port terminal switching (the movement of customer rail cars from one track to another track on the same railroad, primarily at United States ports) and contract coal loading;
- Car hire and rental services—charges paid by other railroads for the use of our rail cars;
- Demurrage and storage—charges to customers for holding or storing their rail cars;
- Car repair services—charges for repairing rail cars owned by others, either under contract or in accordance with AAR rules;
- Other operating income—includes, among others, revenues from providing crewing services and track access and management fees, real estate holdings, and from providing access to passenger operations, such as from Amtrak's use of the New England Central Railroad;
- Fuel sales to third-parties—revenues earned by Genesee & Wyoming Australia Pty Ltd (GWA) in South Australia from the sale of diesel fuel to other rail operators; GWA sold its third-party fuel operation in Cook, South Australia in the third quarter of 2012; and
- Railroad construction—revenues earned by Atlas Railroad Construction (Atlas) for railroad engineering, construction, maintenance and repair, primarily in the midwestern, northeastern and southeastern United States, for short line and regional railroads, public-transit agencies and industrial customers.

Non-freight revenues represented 28.6%, 29.7% and 37.8% of our total operating revenues in the years ended December 31, 2012, 2011 and 2010, respectively. Railcar switching represented 54.0%, 52.1% and 46.5% of our total non-freight revenues in the years ended December 31, 2012, 2011 and 2010, respectively.

Customers

As of December 31, 2012, our operations served over 2,000 freight customers. Freight revenues from our 10 largest freight customers (not including RailAmerica customers) accounted for approximately 25%, 24% and 22% of our operating revenues in the years ended December 31, 2012, 2011 and 2010, respectively. Six of our 10 largest freight customers (not including RailAmerica customers) in 2012 were located in Australia. Freight revenues from RailAmerica's 10 largest freight customers accounted for approximately 13% of their operating revenues in 2012 and their largest freight customer was a company in the steel and metals industry and represented approximately 2.8% of their total revenues.

In North America, we typically handle freight pursuant to transportation contracts between us, our connecting carriers and the customer. These contracts are in accordance with industry norms and vary in duration, with terms ranging from less than one year to 20 years. These contracts establish a price or, in the case of longer term contracts, a methodology for determining a price, but do not typically obligate the customer to move any particular volume. Freight rates and volumes are not directly linked to the prices of the commodities being shipped. In Australia, we generally handle freight pursuant to transportation contracts directly with our customers. These contracts generally contain a combination of fixed and variable pricing, with the fixed portion linked to our invested capital and the variable portion based on the volumes shipped.

Commodities

Our railroads transport a wide variety of commodities. For a comparison of freight revenues, carloads and average freight revenues per carload by commodity group for the years ended December 31, 2012, 2011 and 2010, see the discussion under "Part II Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations."

Commodity Group Descriptions

The intermodal commodity group consists of various commodities shipped in trailers or containers on flat cars.

The coal and coke commodity group consists primarily of shipments of coal to power plants and industrial customers.

The farm and food products commodity group consists primarily of wheat, barley, corn and other grains.

The pulp and paper commodity group consists primarily of outbound shipments of container board and finished papers and inbound shipments of wood pulp.

The metallic ores commodity group consists primarily of manganese ore, iron ore, copper concentrate and ore, alumina and nickel ore.

The metals commodity group consists primarily of finished steel products such as coils, pipe, slabs and ingots as well as scrap metal.

The minerals and stone commodity group consists primarily of gypsum, salt used in highway ice control, cement, marble, sand used in fracking oil and gas wells, clay and limestone.

The chemicals and plastics commodity group consists primarily of denatured alcohol, sulfuric acid and other chemicals used in manufacturing, particularly in the paper industry.

The lumber and forest products commodity group consists primarily of export logs, finished lumber, wood pellets and wood chips used in paper manufacturing.

The petroleum products commodity group consists primarily of liquefied petroleum gas, crude oil, asphalt and diesel fuel.

The autos and auto parts commodity group consists primarily of finished automobiles and stamped auto parts.

The other commodity group consists of all freight not included in the commodity groups set forth above, such as municipal solid waste, construction and demolition debris and haulage traffic. Haulage traffic is shipped by other rail carriers, but moves over our rail lines for a fee pursuant to contractual arrangements with those carriers.

Geographic Information

For financial information with respect to each of our geographic areas, see Note 20 to our Consolidated Financial Statements set forth in "Part IV Item 15. Exhibits, Financial Statement Schedules" of this Annual Report.

Traffic

Rail traffic shipped on our rail lines can be categorized as interline, local or overhead traffic. Interline traffic either originates or terminates with customers located along a rail line and is interchanged with other rail carriers. Local traffic both originates and terminates on the same rail line and does not involve other carriers. Overhead traffic passes over the line from one connecting rail carrier to another without the carload originating or terminating on the line. Unlike overhead traffic, interline and local traffic in North America provide us with a more stable source of revenues because this traffic represents shipments to and/or from customers located along our rail lines and is less susceptible to competition from other rail routes or other modes of transportation. However, the open access regime in Australia permits other participants in the above rail industry to compete for our existing traffic. In 2012, revenues generated from interline and local traffic constituted approximately 98% of our freight revenues.

Seasonality of Operations

Some of the commodities we carry have peak shipping seasons, either as a result of the nature of the commodity or the demand cycle for the commodity. For instance, certain agricultural and food products, like winter wheat in Canada, ship only during certain months each year.

Seasonality is also reflected in our results of operations as a result of weather patterns. Typically, we experience relatively lower revenues in North America in the first and fourth quarters of each year as the winter season and colder weather in North America tend to reduce shipments of certain products such as construction materials. In addition, due to adverse winter weather conditions, we also tend to incur higher operating costs during the first and fourth quarters. We typically initiate capital projects in North America in the second and third quarters when weather conditions are more favorable. In addition, we experience relatively lower revenues in Australia in the first quarter of each year as a result of the wet season (*e.g.,* monsoonal rains in the Northern Territory).

Employees

As of December 31, 2012, our railroads and industrial switching locations had approximately 4,600 full time employees. Of this total, approximately 1,750 employees were union members. Our railroads have 77 contracts with unions. We are currently engaged in negotiations with respect to 17 of those agreements. We are also a party to employee association agreements covering an additional 68 employees who are not represented by a national labor organization. GWA has a collective enterprise bargaining agreement covering the majority of its employees. The Railway Labor Act (RLA) governs the labor relations of employers and employees engaged in the railroad industry in the United States. The RLA establishes the right of railroad employees to organize and bargain collectively along craft or class lines and imposes a duty upon carriers and their employees to exert every reasonable effort to make and maintain collective bargaining agreements. The Canada Labour Code and the relevant provincial labor laws govern the labor relations of employers and employees engaged in the railroad industry in Canada. The Federal Fair Work Act governs the labor relations of employers and employees engaged in the railroad industry in Australia. The RLA and foreign labor regulations contain detailed procedures that must be exhausted before a lawful work stoppage may occur. RRF is not party to any collective bargaining agreements in the Netherlands, but it is party to a collective bargaining agreement in Belgium. We believe we maintain positive working relationships with our employees.

SAFETY

Our safety program involves all employees and focuses on the prevention of accidents and injuries. Operating personnel are trained and certified in train operations, the transportation of hazardous materials, safety and operating rules and governmental rules and regulations. We also participate in safety committees of the AAR, governmental and industry sponsored safety programs and the American Short Line and Regional Railroad Association Safety Committee. G&W's consolidated FRA reportable injury frequency rate (excluding the RailAmerica railroads), as defined by the FRA as reportable injuries per 200,000 man-hours worked, was 0.48 and 0.53 in 2012 and 2011, respectively. RailAmerica's consolidated FRA reportable injury frequency rate was 1.75 and 1.93 in 2012 and 2011, respectively. On a pro forma basis, G&W's FRA reportable injury frequency rate combined with RailAmerica was 0.88 for the year ended December 31, 2012. The average injuries per 200,000 man-hours worked for all United States short line railroads in the rail industry was 3.1 in 2012 (through November) and 3.5 in 2011. We expect that the extension of G&W's safety culture to the RailAmerica railroads will be a significant focus as we integrate the RailAmerica railroads.

INSURANCE

We maintain liability and property insurance coverage to mitigate the financial risk of providing rail and rail-related services. RailAmerica's legacy liability and property insurance coverage will remain in place until our annual insurance renewal later in 2013, following which it is expected that all of our operations will be covered under one insurance program.

Our primary liability policies currently have self-insured retentions of up to $0.5 million per occurrence. RailAmerica's primary liability policies currently have self-insured retentions of up to $1.0 million per occurrence and prior self-insured retentions have been as high as $4.0 million per occurrence. The liability policies cover sudden releases of hazardous materials, including hazardous commodities transported by rail, and expenses related to evacuation as a result of a railroad accident. Personal injuries associated with grade crossing accidents are also covered under our liability policies. G&W's property damage policies have various self-insured retentions, which vary based on the type and location of the incident, that are currently up to $1.0 million per occurrence. RailAmerica's primary property damage policies have self-insured retentions that are currently up to $1.5 million per occurrence. The property damage policies also provide business interruption insurance arising from covered events. The self-insured retentions under our policies may change with each annual insurance renewal depending on our loss history, the size and make-up of our company and general insurance market conditions.

Employees of our United States railroads are covered by the Federal Employers' Liability Act (FELA), a fault-based system under which claims resulting from injuries and deaths of railroad employees are settled by negotiation or litigation. FELA-related claims are covered under our liability policies. Employees of our industrial switching and railroad construction businesses are covered under workers' compensation policies.

Employees of our Canadian railroads are covered by the applicable provincial workers' compensation policy. Employees of our Australian operations are covered by the respective state-based workers' compensation legislation in Australia. Employees of our European operations are covered by the workers' compensation legislation of the Netherlands and Belgium, as applicable.

We believe our insurance coverage is adequate given our experience and the experience of the rail industry within the geographies we operate.

COMPETITION

The unique and difficult to replicate infrastructure associated with railroads is a key benefit of the industry as compared to other modes of transportation, such as trucking (which uses public highways, toll roads, etc.) and shipping (which uses river systems and ports). However, railroads compete directly with other modes of transportation, principally highway competition from trucks and, on some routes, ships, barges and pipelines. Competition is based primarily upon the rate charged and the transit time required, as well as the quality and reliability of the service provided.

In North America, a railroad typically is the only rail carrier directly serving a customer on its line, which is a key differentiating factor versus trucking and shipping. Most freight is interchanged between other railroads prior to reaching its final destination. To the extent that highway competition is involved, the degree of that competition is affected by government policies with respect to fuel and other taxes, highway tolls and permissible truck sizes and weights.

In Australia, the Netherlands and Belgium, our customers have access to other rail carriers under open access regimes so we face competition from other rail carriers in addition to competition from competing modes of transportation.

To a lesser degree, we also face competition from similar products made in other areas where we are not located, a kind of competition commonly known as "geographic competition." For example, a paper producer may choose to increase or decrease production at a specific plant served by one of our railroads depending on the relative competitiveness of that plant as compared to its paper plants in other locations. In some instances, we face "product competition," where commodities we transport are exposed to competition from substitutes (e.g., coal we transport can compete with natural gas as a fuel source for electricity generation).

In acquiring rail properties and making rail equipment and/or track infrastructure investments in projects, we generally compete with other railroad operators and with various financial institutions, including private equity firms, operating in conjunction with rail operators. Competition for rail properties and investment projects is based primarily upon price and the seller's assessment of the buyer's railroad operating expertise and financing capability. We believe our established reputation as a successful acquirer and operator of rail properties, combined with our managerial and financial resources, positions us well in a competitive acquisition and investment environment.

REGULATION

United States

In addition to environmental laws, securities laws, state and local laws and regulations generally applicable to many businesses, our United States railroads are subject to regulation by:

- STB;
- FRA;
- federal agencies, including the United States Department of Transportation (DOT), Occupational Safety and Health Administration (OSHA), Mine Safety and Health Administration (MSHA) and Transportation Security Administration (TSA), which operates under the Department of Homeland Security (DHS);
- state departments of transportation; and
- some state and local regulatory agencies.

The STB is the successor to certain regulatory functions previously administered by the Interstate Commerce Commission (ICC). Established by the ICC Termination Act of 1995, the STB has jurisdiction over, among other things, certain freight rates (where there is no effective competition), extension or abandonment of rail lines, the acquisition of rail lines and consolidation, merger or acquisition of control of rail common carriers. In limited circumstances, the STB may condition its approval of an acquisition upon the acquirer of a railroad agreeing to provide severance benefits to certain subsequently terminated employees. The FRA, DOT and OSHA have jurisdiction over safety, which includes the regulation of equipment standards, track maintenance, handling of hazardous shipments, locomotive and rail car inspection, repair requirements, operating practices and crew qualifications. The TSA has broad authority over railroad operating practices that have implications for homeland security. Additionally, various state and local agencies have jurisdiction over disposal of hazardous waste and seek to regulate movement of hazardous materials in ways not preempted by federal law.

The STB launched wide-ranging proceedings to explore whether to expand rail regulation. The STB has not taken further action and denied a petition seeking one form of "access" regulation that would impact railroads' ability to limit the access of other rail service providers to their rail infrastructure. Several bills were introduced in the United States Senate in early 2011 that would expand the regulatory authority of the STB and could include new antitrust provisions. Additionally, a two-year DOT study on the impacts of a possible increase in federal truck size and weight limits, which commenced in 2012, could result in subsequent federal legislation. The majority of the actions under consideration and pending are directed at Class I railroads; however, we continue to monitor these proposed bills. The outcome of these initiatives could impact regulation of railroad operations and prices for our rail services, which could undermine the economic viability of certain of our railroads, as well as threaten the service we are able to provide to our customers.

In 2010, the FRA issued final rules governing the installation of positive train control (PTC) by the end of 2015. Although still under development, PTC is a collision avoidance technology intended to override locomotive controls and stop a train before an accident. Certain of our railroads may be required to install PTC or PTC-related equipment by the end of 2015. We do not expect that our compliance with the final rules governing the installation of PTC will give rise to any material financial expenditures.

Canada

St. Lawrence & Atlantic Railroad (Quebec) and Ottawa Valley Railway are federally regulated railroads that fall under the jurisdiction of the Canada Transportation Agency (CTA) and Transport Canada (TC) and are subject to the Railway Safety Act. The CTA regulates construction and operation of federally regulated railways, financial transactions of federally regulated railway companies, all aspects of rates, tariffs and services and the transferring and discontinuing of the operation of railway lines. TC administers the Railway Safety Act, which ensures that federally regulated railway companies abide by all regulations with respect to engineering standards governing the construction or alteration of railway works and the operation and maintenance standards of railway works and equipment.

Quebec Gatineau Railway and Cape Breton & Central Nova Scotia Railway are subject to the jurisdiction of the provincial governments of Quebec and Nova Scotia, respectively. In addition, Huron Central Railway, Goderich-Exeter Railway and Southern Ontario Railway are subject to the jurisdiction of the provincial government of Ontario. Provincially regulated railways operate only within one province and hold a Certificate of Fitness delivered by a provincial authority. In the Province of Quebec, the Fitness Certificate is delivered by the Ministère des Transports du Quebec, while in Ontario, under the Shortline Railways Act, 1995, a license must be obtained from the Registrar of Shortline Railways. Construction, operation and discontinuance of operation are regulated, as are railway services.

Acquisitions of additional railroad operations in Canada, whether federally or provincially regulated, may be subject to review under the Investment Canada Act (ICA), a federal statute that applies to the acquisition of a Canadian business or establishment of a new Canadian business by a non-Canadian. In the case of an acquisition that is subject to review, a non-Canadian investor must observe a statutory waiting period prior to completion and satisfy the minister responsible for the administration of the ICA that the investment will be of net benefit to Canada, considering certain evaluative factors set out in the legislation.

Any contemplated acquisitions may also be subject to Canada's Competition Act, which contains provisions relating to pre-merger notification as well as substantive merger provisions.

Australia

In Australia, regulation of rail safety is generally governed by state legislation and administered by state regulatory agencies. Our Australian assets are subject to the regulatory regimes governing safety in each of the states and the one territory in which we operate. Regulation of track access is governed by federally legislated guidelines that are implemented by the states. The state access regimes are required to be certified by the Australian Competition and Consumer Commission. As a result, with respect to rail infrastructure access, our Australian subsidiaries are subject to the state-based access regimes. In addition, certain new acquisitions in Australia will also be subject to review by the Foreign Investment Review Board and the Australian Competition and Consumer Commission.

Europe

At the European level, several directives have been issued concerning the transportation of goods by rail. These directives generally cover the development of railways, allocation of railway infrastructure capacity and the levying of charges for the use of railway infrastructure and the licensing of railway undertakings. The European Union (EU) legislation also sets a framework for a harmonized approach towards railway safety. Every railway company must obtain a safety certification before it can run trains on the European network and EU Member States must set up national railway safety authorities and independent accident investigation bodies. These directives have been implemented in Dutch railway legislation such as the Railways Act and in Belgian railway legislation such as the Law on Railway Safety.

In the Netherlands, we are subject to regulation by the Ministry of Infrastructure and Environment; the Living Environment and Transport Inspectorate; the Dutch railways infrastructure manager, ProRail; and Keyrail (the Dutch railways infrastructure manager for the Betuweroute, a dedicated freight railway connecting the Port of

Rotterdam to the German border and within the Port of Rotterdam). All railways in the Netherlands must have a license and a safety certificate issued by the regulator, the Human Environment and Transport Inspectorate, part of the Netherlands Ministry of Infrastructure and Environment. A rail operator must also have a license from ProRail and/or Keyrail, the Dutch rail infrastructure authorities, to use the rail infrastructure. The Dutch Competition Authority is charged with the supervision of compliance with the European Community's directives on the development of the railways, the allocation of railway infrastructure capacity and the levying of charges for the use of railway infrastructure.

In Belgium, we are subject to regulation by the Federal Public Service (FPS) Mobility and Transport, the Regulatory Service for Railway Transport and for Brussels Airport Operations, which is currently hosted by FPS Mobility and Transport, and the Belgian railways infrastructure manager, Infrabel. Rail service providers based in Belgium must obtain a rail operator license from the Federal Minister for Mobility and Transport. Rail service providers that wish to operate in Belgium must obtain a safety certificate, which is comprised of Parts A and B. Part A must be obtained from the Railway Safety and Interoperability Service (SSICF) if the rail service provider is based in Belgium. Part B must be obtained from SSICF regardless of where the rail service provider is based. In Belgium, the Belgium Competition Authority is responsible for promoting and safeguarding active competition in Belgium.

Both the Dutch Competition Authority and the Belgium Competition Authority work together with other competition authorities and are part of the European Competition Network, the European Competition Authorities and the International Competition Network.

ENVIRONMENTAL MATTERS

Our operations are subject to various federal, state, provincial and local laws and regulations relating to the protection of the environment. In the United States, these environmental laws and regulations, which are implemented principally by the United States Environmental Protection Agency (EPA) and comparable state agencies, govern the management of hazardous wastes, the discharge of pollutants into the air and into surface and underground waters and the manufacture and disposal of certain substances. The primary laws affecting our operations are the Resource Conservation and Recovery Act, regulating the management and disposal of solid and hazardous wastes, the Clean Air Act, regulating air emissions, and the Clean Water Act, regulating water discharges. We are also indirectly affected by environmental laws that impact the operations of our customers. In Canada, environmental laws and regulations are administered at the federal level by Environment Canada and by the Ministry of Transport and comparable agencies at the provincial level. In Australia, these functions are administered primarily by the Department of Transport at the federal level and by environmental protection agencies at the state level. In the Netherlands, European, national and local laws regulating the protection of the environment are administered by the Ministry of Infrastructure and Environment and authorities at the provincial and municipal level, whereas laws regulating the transportation of hazardous goods are primarily administered by the Ministry of Infrastructure and Environment. European, national and local environmental policies are administered within the FPS Health, Food Chain Safety and Environment in Belgium.

Our Australian operations were subject to three Directions issued by the Department of Natural Resources, Environment, the Arts and Sport of the Northern Territory following the December 27, 2011 derailment of a GWA freight train in flood waters associated with Cyclone Grant. The derailment spilled freight, including copper concentrate, into the Edith River (Edith River Derailment). The Directions required us to clean up and rectify pollution, namely any and all freight that fell from the train into the Edith River, and to prevent further pollution or future harm. GWA was informed on February 4, 2013 that it is no longer subject to the Directions. Separately, the Commonwealth of Australia has acknowledged that certain portions of the leasehold and freehold land that we acquired from them and used by our Australian operations contain contamination arising from activities associated with previous operators. Consequently, the Commonwealth has carried out certain remediation work to meet existing South Australia environmental standards. Noncompliance with applicable laws and regulations may result in the imposition of fines, temporary or permanent shutdown of operations or other injunctive relief, criminal prosecution or the termination of our concession in Australia.

We believe our railroads operate in compliance with current environmental laws and regulations and agency agreements. We estimate any expenses incurred in maintaining compliance with current environmental laws and regulations will not have a material effect on our earnings or capital expenditures. We cannot predict the effect, if any, that unidentified environmental matters or the adoption of additional or more stringent environmental laws and regulations would have on our results of operations, cash flows or financial condition.

DISCONTINUED OPERATIONS

In August of 2009, we completed the sale of 100% of the share capital of Ferrocarriles Chiapas–Mayab, S.A. de C.V. (FCCM), our Mexican operating subsidiary, to Viablis, S.A. de C.V. (Viablis). The net assets, results of operations and cash flows of our remaining Mexican subsidiary, GW Servicios S.A. (Servicios), which were classified as discontinued operations, were not material as of and for the year ended December 31, 2012. We do not expect any material adverse financial impact from Servicios. Results of our Mexican operations are included in results from discontinued operations.

AVAILABLE INFORMATION

We were incorporated in Delaware on September 1, 1977. We completed our initial public offering in June 1996, and since September 27, 2002, our Class A common stock has been listed on the New York Stock Exchange (NYSE) under the symbol GWR. Our principal executive offices and corporate headquarters are located at 66 Field Point Road, Greenwich, Connecticut 06830, and our telephone number is (203) 629-3722. We expect to relocate our current principal executive offices and corporate headquarters to a new location at 20 West Avenue, Darien, Connecticut on or about May 14, 2013.

Our Internet website address is www.gwrr.com. We make available free of charge, on or through our Internet website, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments to those reports as soon as reasonably practicable after those materials are electronically filed with or furnished to the SEC. Also, filings made pursuant to Section 16 of the Exchange Act with the SEC by our executive officers, directors and other reporting persons with respect to our common shares are made available, free of charge, through our Internet website. Our Internet website also contains charters for each of the committees of our Board of Directors, our corporate governance guidelines and our Code of Ethics and Conduct.

The information regarding our Internet website and its content is for your convenience only. From time to time, we may use our website as a channel of distribution of material company information. Financial and other material information regarding the Company is routinely posted on and accessible at www.gwrr.com/investors. In addition, you may automatically receive email alerts and other information about us by enrolling your email address with us by visiting the “E-mail Alerts” section at www.gwrr.com/investors.

The information contained on or connected to our Internet website is not deemed to be incorporated by reference in this Annual Report or filed with the SEC.

ITEM 1A. ***Risk Factors.***

Our operations and financial condition are subject to certain risks that could cause actual operating and financial results to differ materially from those expressed or forecast in our forward-looking statements, including the risks described below and the risks that may be identified in future documents that are filed or furnished with the SEC.

GENERAL RISKS ASSOCIATED WITH OUR BUSINESS

Adverse global macroeconomic and business conditions could negatively impact our business.

It is difficult to predict how general global macroeconomics and business conditions will impact our business, our customers, our suppliers and freight rail transportation in general. An economic downturn or a recession that affects the countries where we operate or to where the goods we transport are exported, could negatively impact our business. While the global economy has recovered in recent years from the significant downturn in late 2008 and throughout 2009, the overall rate of global recovery experienced during 2010, 2011 and 2012 has been uneven, and uncertainty remains over the stability of the recovery. The recent economic improvements may not be broad-based or sustainable and may not enhance conditions in the markets relevant to us. For instance, in Australia, a significant portion of the commodities we transport are supporting economic growth and industrial development in Asian countries, particularly China, and a sustained slowdown in such countries could impact us. Slower growth in China, and the resulting impact on demand for, and lower prices of, natural resources could be a factor influencing decisions to delay and cancel certain mining projects in Australia. In addition, we anticipate benefiting from development of oil, natural gas and natural gas liquids from shale regions in the United States, but continued low natural gas prices could reduce such development and the benefit we could realize. Further, the United States debt ceiling and budget deficit concerns and the possibility that the United States lawmakers may be unable to effectively reduce budget deficits have increased the possibility of a new economic slowdown or recession in the United States. Moreover, the eurozone debt crisis could lead to further political and financial turmoil, and to a destabilization of financial markets and the overall financial and euro monetary system.

In addition, we are required to assess for potential impairment of non-current assets whenever events or changes in circumstances, including economic circumstances, indicate that the respective asset's carrying amount may not be recoverable. Given the asset intensive nature of our business, weakness in the general economy increases the risk of significant asset impairment charges. A decline in current macroeconomic and financial conditions or commodity demand from economic activity and industrialization could have a material adverse effect on our operating results, financial condition and liquidity.

Our inability to acquire or integrate acquired businesses successfully or to realize the anticipated cost savings and other benefits could have adverse consequences to our business.

We may not be able to acquire or integrate acquired businesses successfully. Evaluating acquisition targets gives rise to additional costs related to legal, financial, operating and industry due diligence. In addition, acquisitions generally result in increased operating and administrative costs and, to the extent financed with debt, additional interest costs. Integrating acquired businesses, including RailAmerica, could also result in significant unexpected costs. Further, the process of acquiring businesses may be disruptive to our existing business and may cause an interruption or reduction of our business as a result of the following factors, among others:

- loss of key employees or customers;
- possible inconsistencies in or conflicts between standards, controls, procedures and policies among the combined companies and the need to implement company-wide financial, accounting, information technology and other systems;
- failure to maintain the safety or quality of services that have historically been provided;
- failure to effectively integrate employees of rail lines acquired from other entities into our regional railroad culture;
- unanticipated environmental or other liabilities;
- failure to coordinate geographically disparate organizations; and
- the diversion of management's attention from our day-to-day business as a result of the need to manage any disruptions and difficulties and the need to add management resources to do so.

These disruptions and difficulties, if they occur, may cause us to fail to realize the cost savings, synergies, revenue enhancements and other benefits that we expect to result from integrating acquired companies and may cause material adverse short- and long-term effects on our operating results, financial condition and liquidity.

Even if we are able to integrate the operations of acquired businesses into our operations, we may not realize the full benefits of the cost savings, synergies, revenue enhancements or other benefits that we may have expected at the time of acquisition. For example, while we expect the acquisition of RailAmerica to result in approximately $36 million of annual savings and other financial and operational benefits as described in "Part I Item I. Business" of this Annual Report, we may be unable to realize these savings or other benefits in the time frame that we expect or at all. Expected savings and benefits are frequently based on due diligence results and on extensive analyses that involve assumptions as to future events, including general business and industry conditions, the longevity of specific customer plants and factories served, the ability to negotiate acceptable contractual arrangements, including renewals of leases with Class I railroads, operating costs, competitive factors and the ongoing cost of maintaining track infrastructure, many of which are beyond our control and difficult to predict. There is no guarantee that the due diligence results will be accurate or that the Company will not discover unanticipated liabilities. Further, while we believe these analyses and their underlying assumptions are reasonable, they are estimates that are necessarily speculative in nature. In addition, even if we achieve the expected benefits, we may not be able to achieve them within the anticipated time frame. Also, the cost savings and other benefits from these acquisitions may be offset by unexpected costs incurred in integrating the companies, increases in other expenses or problems in the business unrelated to these acquisitions. For example, if key employees of RailAmerica depart because of issues relating to the uncertainty and difficulty of integration or a desire not to become our employees, our ability to realize the anticipated benefits of the acquisition of RailAmerica could be reduced or delayed. Finally, the physical conditions of the assets acquired may not materialize. Accordingly, you should not place undue reliance on our anticipated synergies.

Many of our recent acquisitions have involved the purchase of stock of existing companies. These acquisitions, as well as acquisitions of substantially all of the assets of a company, may expose us to liability for actions taken by an acquired business and its management before our acquisition. The due diligence we conduct in connection with an acquisition and any contractual guarantees or indemnities that we receive from the sellers of acquired companies may not be sufficient to protect us from, or compensate us for, actual liabilities. Generally, the representations made by the sellers, other than certain representations related to fundamental matters, such as ownership of capital stock, expire within several years of the closing. A material liability associated with an acquisition, especially where there is no right to indemnification, could adversely affect our operating results, financial condition and liquidity.

If we are unable to consummate additional acquisitions or investments or manage our growth effectively, then we may not be able to implement our growth strategy successfully.

Our growth strategy is based to a large extent on the selective acquisition and development of, and investment in, rail operations, both in new regions and in regions in which we currently operate. The success of this strategy will depend on, among other things:

- the availability of suitable opportunities;
- the level of competition from other companies;
- our ability to value acquisition and investment opportunities accurately and negotiate acceptable terms for those acquisitions and investments;
- our ability to identify and enter into mutually beneficial relationships with partners; and
- the receipt of government approvals and financial constraints or other restrictions that may be specific to the particular company or asset to be acquired.

We have experienced significant growth in the past, principally through the acquisition of additional railroads. Effective management of rapid growth presents challenges, including the availability of management resources to oversee the integration and operation of the new businesses effectively, the need to expand our management team and staff when necessary, the need to enhance internal operating systems and controls and the ability to consistently achieve targeted returns on capital. These challenges are more pronounced when we experience growth in numerous geographies and on a larger scale. We may not be able to maintain similar rates of growth in the future or manage our growth effectively.

We may need additional capital to fund our acquisitions and investments. If we are unable to obtain this capital at a reasonable cost, then we may forego potential opportunities, which would impair the execution of our growth strategy.

Since January 1, 1996, we have acquired interests in 103 railroads, all of which were purchased for cash, and our growth strategy contemplates additional acquisitions. As of December 31, 2012, we had $64.8 million of cash and cash equivalents and $396.3 million of undrawn revolver capacity available for acquisitions or other activities, subject to maintaining compliance with the covenants under our credit agreement. We intend to continue to review acquisition and investment opportunities and potential purchases of railroad assets and to attempt to acquire companies and assets that meet our investment criteria. As in the past, we expect that we will pay cash for some or all of the purchase price of acquisitions and purchases that we make. In addition, from time to time we may make investments in equipment and assets to support our customers. Depending on the number of acquisitions and investments and funding requirements, we may need to raise substantial additional capital. To the extent that we raise additional capital through the sale of equity, equity-linked or convertible debt securities, the issuance of such securities could result in dilution to our existing stockholders. If we raise additional funds through the issuance of debt securities, the terms of such debt could impose additional restrictions and costs on our operations. Additional capital, if required, may not be available on acceptable terms or at all. If we are unable to obtain additional capital, we may forego potential acquisitions, which could impair the execution of our growth strategy.

We are dependent on lease agreements with Class I railroads and other third parties for our operations, strategy and growth.

In North America, our rail operations are dependent, in part, on lease agreements with Class I railroads and third parties that allow us to operate over certain segments of track critical to our operations. We lease several railroads from Class I carriers and other third parties under long-term lease arrangements, which railroads collectively accounted for approximately 8% of our 2012 total revenues. We also own several railroads that lease portions of the track or right-of-way upon which they operate from Class I railroads and other third parties. Our ability to provide comprehensive rail services to our customers on the leased lines depends in large part upon our ability to maintain and extend these lease agreements. In addition, certain of the RailAmerica railroads we acquired are also operated pursuant to lease agreements with Class I railroads that will expire and may not be extended, which could give rise to a loss in revenues and a potential write down in the book value of our assets. Leases from Class I railroads that could expire in each of the next 10 years would represent less than 3% of our annual revenues in the year of expiration based on the estimated combined revenues of G&W and RailAmerica for the year ended December 31, 2012. For example, our revenues associated with leases from Class I railroads subject to expiration in each of the next five years would represent approximately 0.2%, 2.7%, 0.2%, 0.0% and 1.7% of our revenues in each of those years, respectively, based on the estimated combined revenues of G&W and RailAmerica for the year ended December 31, 2012. Expiration or termination of these leases or the failure of our railroads to comply with the terms of these leases could result in the loss of operating rights with respect to those rail properties and could have a material adverse effect on our operating results, financial condition and liquidity.

The loss of important customers or contracts may adversely affect our operating results, financial condition and liquidity.

Our operations served over 2,000 freight customers in 2012. Freight revenues from our 10 largest freight customers (not including RailAmerica customers) accounted for approximately 25% of our operating revenues in 2012. Six of our 10 largest freight customers in 2012 were located in Australia and accounted for approximately 15.6% of our operating revenues. In 2012, our largest freight customer was a company in the farm and food products industry and represented approximately 4.4% of our operating revenues. Freight revenues from RailAmerica's 10 largest freight customers accounted for approximately 13% of its operating revenues in 2012 and its largest freight customer was a company in the steel and metals industry and represented approximately 2.8% of its total revenues. In North America, we typically handle freight pursuant to transportation contracts between us, our connecting carriers and the customer. These contracts are in accordance with industry norms and vary in duration. These contracts establish price or, in the case of longer term contracts, a methodology for determining the price, but do not typically obligate the customer to move any particular volume. Under these contracts, freight rates and volumes are not directly linked to changes in the prices of the commodities being shipped. In Australia, a number of our customer contracts contain a combination of fixed and variable pricing, with the variable portion based on the volumes shipped. Substantial reduction in business with or loss of important customers or contracts could have a material adverse effect on our operating results, financial condition and liquidity.

Because we depend on Class I railroads and other connecting carriers for a significant portion of our operations in North America, our operating results, financial condition and liquidity may be adversely affected if our relationships with these carriers deteriorate.

The railroad industry in the United States and Canada is dominated by seven Class I carriers that have substantial market control and negotiating leverage. In 2012, approximately 87% of our total carloads in the United States and Canada were interchanged with Class I carriers. A decision by any of these Class I carriers to cease certain freight movements could have a material adverse effect on our operating results, financial condition and liquidity. The quantitative impact of such a decision would depend on which of our routes and freight movements were affected. In addition, Class I carriers also have traditionally been significant sources of business for us, as well as sources of potential acquisition candidates as they divest branch lines to smaller rail operators.

Our ability to provide rail service to customers in the United States and Canada depends in large part upon our ability to maintain cooperative relationships with connecting carriers with respect to lease arrangements, freight rates, revenue divisions, fuel surcharges, car supply, reciprocal switching, interchange and trackage rights. Deterioration in the operations of, or service provided by, those connecting carriers or in our relationship with those connecting carriers could have a material adverse effect on our operating results, financial condition and liquidity.

Certain of our capital projects may be impacted by our inability to obtain government funding.

Certain of our existing capital projects are, and certain of our future capital projects may be, partially or completely funded through government grant programs. During 2012, we obtained government funding for 55 separate projects that were partially or completely funded by United States and Canadian federal, state, provincial and municipal agencies. The spending associated with these grant-funded projects represented approximately 19% of our total capital expenditures during 2012. Government funding for projects is limited, and there is no guarantee that budget pressure at the federal, state, provincial and local level or changing governmental priorities will not eliminate funding availability. In addition, competition for government funding from other short line railroads, Class I railroads and other companies is significant, and the receipt of government funds is often contingent on the acceptance of contractual obligations that may not be strictly profit maximizing. In certain jurisdictions, the acceptance of government funds may impose additional legal obligations on our operations, such as compliance with prevailing wage requirements. If we are unable to obtain adequate government funding, we may have to defer or forgo certain capital projects, incur additional debt or use additional cash.

Our results of operations and rail structure are susceptible to severe weather conditions and other natural occurrences.

We are susceptible to adverse weather conditions, including floods, fires, hurricanes (or cyclones), tornadoes, droughts, earthquakes and other natural occurrences. For example, bad weather and natural disasters, such as blizzards in the northeastern United States and Canada and hurricanes (or cyclones) in the United States and Australia, and resulting floods, could cause a shutdown, derailment or other substantial disruption of operations, which could have a material adverse effect on our operating results, financial condition and liquidity. Even if a material adverse weather or other condition does not directly affect our operations, it can impact the operations of our customers or connecting carriers. For example:

- Our minerals and stone freight revenues may be reduced by mild winters in the northeastern United States, which lessen demand for road salt.
- Our coal and coke freight revenues may be reduced by mild winters in the United States, which lessen demand for coal.
- Our revenues generated by our Australian operations are susceptible to the impact of drought conditions on the South Australian grain harvest and the impact of heavy rains and flooding in the Northern Territory.

Furthermore, our expenses could be adversely impacted by such weather conditions, including, for example, higher track maintenance and overtime costs in the winter at our railroads in the northern United States and Canada related to snow removal and mandated work breaks. Such weather conditions could also cause our customers or connecting carriers to reduce or suspend their operations, which could have a material adverse effect on our results of operations, financial condition and liquidity.

We are subject to significant governmental regulation of our railroad operations. The failure to comply with governmental regulations or changes to the legislative and regulatory environment could have a material adverse effect on our operating results, financial condition and liquidity.

We are subject to governmental regulation with respect to our railroad operations and to a variety of health, safety, security, labor, environmental and other matters by a significant number of federal, state and local regulatory authorities. In the United States, these agencies include the STB, DOT, FRA of the DOT, MSHA, OSHA, EPA, DHS and other federal and state agencies. In Australia, we are subject to both Commonwealth and state regulations. In Canada, we are subject to regulation by the CTA, TC and the regulatory departments of the provincial governments of Quebec, Ontario and Nova Scotia. In the Netherlands, we are subject to regulation by the Ministry of Transport, Public Works and Water Management, the Transport, Public Works and Water Management Inspectorate and the Dutch railways managers, ProRail and Keyrail. In Belgium, we are subject to regulation by the Federal Public Service (FPS) Mobility and Transport, the Regulatory Service for Railway Transport and for Brussels Airport Operations, which is currently hosted by FPS Mobility and Transport, and the Belgian railways infrastructure manager, Infrabel. See "Part I Item 1. Business – Regulation" for a discussion of these regulations. Our failure to comply with applicable laws and regulations could have a material adverse effect on our operating results, financial condition and liquidity.

There are various legislative and regulatory actions that have been considered in the United States in recent years, including legislation to modify the regulatory oversight of the rail industry. In addition, various proceedings have been initiated by the STB related to rail competition, interchange commitments and competitive "access". A two-year DOT study on the impacts of a possible increase in federal truck size and weight limits also commenced in 2012, and could result in subsequent federal legislation. The majority of the actions under consideration and pending are directed at Class I railroads; however, specific initiatives being considered by Congress and the STB could expand regulation of railroad operations and prices for our rail services, which could undermine the economic viability of certain of our railroads, as well as threaten the service we are able to provide to our customers. The cost of compliance with the proposed rules and regulations could also be significant. In the other geographies in which we operate, federal, state, provincial and local regulatory authorities could change the regulatory framework (including the access regimes) or take actions without providing us with any recourse for the adverse effects that the changes or actions could have on our business, including, without limitation, regulatory determinations or rules regarding dispute resolution and business relationships with our customers and other railroads. Significant legislative or regulatory activity could expand regulation of railroad operations and prices for rail services, which could reduce capital spending on our rail network, facilities and equipment and have a material adverse effect on our results of operations, financial condition and liquidity.

Our Senior Secured Syndicated Facility Agreement (the New Credit Agreement) contains numerous covenants that impose certain restrictions on the way we operate our business.

Our New Credit Agreement contains numerous covenants that impose restrictions on our ability to, among other things:

- incur additional indebtedness;
- pay dividends on capital stock or redeem, repurchase or retire capital stock or indebtedness;
- make investments, loans, advances and acquisitions;
- engage in certain transactions with affiliates;
- create liens;
- sell assets, including capital stock of any of our subsidiaries;
- consolidate or merge;
- enter into sale leaseback transactions;
- change the business conducted by us and the guarantors;
- change our fiscal year; and
- enter into certain agreements containing negative pledges and upstream limitations.

Our New Credit Agreement also contains financial covenants that require us to meet financial ratios and tests. Our failure to comply with the obligations in our New Credit Agreement and other debt agreements could result in an increase in our interest expense and could give rise to events of default under the New Credit Agreement or other debt agreements, as applicable, which, if not cured or waived, could permit lenders to accelerate our indebtedness and foreclose on the assets securing such debt, if any.

Our substantial indebtedness could adversely affect our financial condition and prevent us from fulfilling our obligations under such indebtedness.

We have a significant amount of indebtedness. As of December 31, 2012, we had a total indebtedness of $1.9 billion, and we had unused commitments of $396.3 million under our New Credit Agreement (after giving effect to $3.6 million of undrawn letters of credit which reduces such availability).

Subject to the limits contained in the New Credit Agreement and our other debt instruments, we may be able to incur additional debt from time to time to finance working capital, capital expenditures, investments or acquisitions, or for other purposes. If we do so, the risks related to our high level of debt could intensify. Specifically, our high level of debt could have important consequences, including the following:

- making it more difficult to satisfy our obligations with respect to our outstanding debt;
- limiting our ability to obtain additional financing for working capital, capital expenditures, acquisitions or other general corporate requirements;
- requiring a substantial portion of our cash flows to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, acquisitions and other general corporate purposes;
- increasing our vulnerability to general adverse economic and industry conditions;
- exposing us to the risk of increased interest rates as certain of our borrowings, including borrowings under the New CreditAgreement, are at variable rates of interest;
- limiting our flexibility in planning for and reacting to changes in the industry in which we compete;
- placing us at a disadvantage compared to other, less leveraged competitors; and
- increasing our cost of borrowing.

In addition, the New Credit Agreement contains restrictive covenants that will limit our ability to engage in activities that may be in our long-term best interest. Our failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of all our debt and foreclosure on the assets securing such debt, if any.

We are exposed to the credit risk of our customers and counterparties, and their failure to meet their financial obligations could adversely affect our business.

Our business is subject to credit risk. There is a risk that customers or counterparties, which include government entities related to grants and financial institutions related to derivative transactions, will fail to meet their obligations when due. Customers and counterparties that owe us money have defaulted and may continue to default on their obligations to us due to bankruptcy, lack of liquidity, operational failure or other reasons. For interline traffic, one railroad typically invoices a customer on behalf of all railroads participating in the route. The invoicing railroad then pays the other railroads their portion of the total amount invoiced on a monthly basis. When we are the invoicing railroad, therefore, we are exposed to customer credit risk for the total amount invoiced and we are required to pay the other railroads participating in the route even if we are not paid by the customer. We have procedures for reviewing our receivables and credit exposures to specific customers and counterparties; however, default risk may arise from events or circumstances that are difficult to detect or foresee. Certain of our risk management methods depend upon the evaluation of information regarding markets, customers or other matters. This information may not, in all cases, be accurate, complete, up-to-date or properly evaluated. In addition, we may make substantial investments in equipment and assets to support our customers, in particular those in the mining and natural resources industry, before the customer commences operations. In those cases, we may be exposed to start-up risks that we would not be exposed to in respect of customers with active operations. As a result, unexpected credit exposures or start-up delays could have a material adverse effect on our operating results, financial condition and liquidity.

We face competition from numerous sources, including those relating to geography, substitute products, other types of transportation and other rail operators.

In North America, each of our railroads is typically the only rail carrier directly serving our customers. In certain circumstances, including under the open access regimes in Australia, the Netherlands and Belgium, our customers have direct access to other rail carriers. In addition, our railroads also compete directly with other modes of transportation, principally trucks and, on some routes, ship, barge and pipeline operators. Transportation providers such as trucks and barges utilize public rights-of-way that are built and maintained by governmental entities, while we must build and maintain our own network infrastructure. Competition for our services could increase if other rail operators build new rail lines to access certain of our customers or if legislation is passed that provides materially greater latitude for trucks with respect to size or weight restrictions.

We are also subject to geographic and product competition. A customer could shift production to a region where we do not have operations. Also, commodities that are not transported by rail could be substituted for another commodity that we transport by rail. For example, natural gas can compete with coal we transport as a fuel source for electricity generation. In either case, we could lose a source of revenues.

The extent of competition varies significantly among our railroads. Competition is based primarily upon the rate charged, the relative costs of substitutable products and the transit time required. In addition, competition is based on the quality and reliability of the service provided. Because a significant portion of our carloads in the United States and Canada involve interchange with another carrier, we have only limited control over the total price, transit time or quality of such service. It is difficult to quantify the potential impact of competition on our business, since not only each customer, but also each customer location and each product shipped from such location is subject to different types of competition. However, changes to the competitive landscape could have a material adverse effect on our operating results, financial condition and liquidity.

For information on the competition associated with the open access regimes in Australia and Europe, see "Additional Risks Associated with our Foreign Operations."

Market and regulatory responses to climate change could adversely affect our operating costs.

Market and regulatory responses to climate change, as well as its physical impacts, could materially affect us. For example, federal, state and local laws, regulations, restrictions, caps, taxes or other controls on emissions of greenhouse gases, including diesel exhaust, could significantly increase our operating costs to comply with these laws and regulations to the extent they apply to our diesel locomotives, equipment, vehicles and machinery or our rail yards.

Market and regulatory responses to climate change, including the closure of coal-fired power plants we serve, climate change litigation and climate change itself could decrease demand for the commodities we transport and adversely affect our operating results, financial condition and liquidity.

Restrictions on emissions could affect our customers that use commodities that we carry to produce energy, that use significant amounts of energy in producing or delivering the commodities we carry, or that manufacture or produce goods that consume significant amounts of energy or burn fossil fuels, including, for example, coal mining operations, natural gas developers and producers, coal-fired power plants, chemical producers, farmers and food producers and automakers and other manufacturers. Significant cost increases, government regulation, or changes in consumer preferences for goods or services relating to alternative sources of energy or emissions reductions could materially affect the markets for the commodities we carry, such as by resulting in the closure of coal-fired power plants that we serve, which in turn could have a material adverse effect on our results of operations, financial condition and liquidity. Government incentives encouraging the use of alternative sources of energy could also affect certain of our customers and the markets for certain of the commodities we carry in an unpredictable manner that could alter our traffic patterns, including, for example, the impacts of ethanol incentives on farming and ethanol producers. Finally, we could face increased costs related to defending and resolving legal claims and other litigation related to climate change including claims alleging impact of our operations on climate change. Any such market or regulatory responses or litigation, as well as physical impacts attributed to climate change and global warming, such as floods, rising sea levels and increasingly frequent and intense storms, individually or in conjunction with one or more of the impacts discussed above or other unforeseen impacts of climate change, could have a material adverse effect on our results of operations, financial condition and liquidity.

We could incur significant costs for violations of, or liabilities under, environmental laws and regulations.

Our railroad operations and real estate ownership are subject to extensive federal, state, local and foreign environmental laws and regulations concerning, among other things, emissions to the air, discharges to waters, the handling, storage, transportation and disposal of waste and other materials and cleanup of hazardous materials (including lading) or petroleum releases. We generate and transport hazardous and non-hazardous waste in our operations. We may incur environmental liability from conditions or practices at properties previously owned or operated by us, properties leased by us and other properties owned by third parties (for example, properties at which hazardous substances or wastes for which we are responsible have been treated, stored, spilled or disposed), as well as at properties currently owned or operated by us. Under some environmental statutes, such liability may be found without regard to whether we were at fault and may also be "joint and several," whereby we are responsible for all the liability at issue even though we (or the entity that gives rise to our liability) may be only one of a number of entities whose conduct contributed to the liability.

Environmental liabilities may arise from claims asserted by owners or occupants of affected properties, other third parties affected by environmental conditions (for example, contractors and current or former employees) seeking to recover in connection with alleged damages to their property or personal injury or death, and/or by governmental authorities seeking to remedy environmental conditions or to enforce environmental obligations. Environmental requirements and liabilities could obligate us to incur significant costs, including significant expenses to investigate and remediate environmental contamination, which could have a material adverse effect on our operating results, financial condition and liquidity.

As a common carrier by rail, we are required to transport hazardous materials, regardless of cost or risk.

Transportation of certain hazardous materials could create catastrophic losses in terms of personal injury, property damage and environmental remediation costs and compromise critical parts of our railroads. In addition, insurance premiums charged for some or all of the coverage currently maintained by us could increase dramatically or certain coverage may not be available to us in the future if there is a catastrophic event related to rail transportation of these commodities. Also, federal regulators have previously prescribed regulations governing railroads' transportation of hazardous materials and have the ability to put in place additional regulations. For instance, existing legislation requires pre-notification for hazardous materials shipments. Such legislation and regulations could impose significant additional costs on railroads. Additionally, regulations adopted by the DOT and the DHS could significantly increase the costs associated with moving hazardous materials on our railroads. Further, certain local governments have sought to enact ordinances banning hazardous materials moving by rail within their borders. Such ordinances could require the re-routing of hazardous materials shipments, with the potential for significant additional costs. Increases in costs associated with the transportation of hazardous materials could have a material adverse effect on our operating results, financial condition and liquidity.

The occurrence of losses or other liabilities that are either not covered by insurance or that exceed our insurance limits could materially adversely affect our operating results, financial condition and liquidity.

We have insurance coverage for losses arising from personal injury and for property damage in the event of derailments or other accidents or occurrences. Unexpected or catastrophic circumstances associated with derailments of valuable lading, accidents involving passenger trains or spillage of hazardous materials or other incidents involving our operations could cause our losses to exceed our insurance coverage limits or sub-limits. In addition, on certain of the rail lines over which we operate, freight trains are commingled with passenger trains. For instance, in Oregon, our Portland & Western Railroad operates certain passenger trains for the Tri-County Metropolitan Transportation District of Oregon and our New England Central Railroad is also used by Amtrak for passenger service in New England. Further, we operate excursion trains on behalf of third parties on certain of the rail lines over which we operate. Derailments, collisions or other incidents involving us and passenger or excursion trains could give rise to losses that exceed our insurance coverage. Also, insurance is available from only a very limited number of insurers, and we may not be able to obtain insurance protection at current levels or at all or obtain it on terms acceptable to us. Deteriorating insurance market conditions caused by global property casualties and subsequent adverse events directly and indirectly attributable to us, including such things as derailments, accidents, discharge of toxic or hazardous materials, or other like occurrences in the industry, may result in additional increases in our insurance premiums and/or our self-insured retentions, volatility in our claims' expenses and limitations to the coverage under our existing policies and could have a material adverse effect on our operating results, financial condition and liquidity. In addition, we are subject to the risk that one or more of our insurers may become insolvent and would be unable to pay a claim that may be made in the future. Even with insurance, if any catastrophic interruption of service occurs, we may not be able to restore service without a significant interruption to operations which could have a material adverse effect on our operating results, financial condition and liquidity.

Exposure to market risks, particularly changes in interest rates and foreign currency exchange rates, and hedging transactions entered into to mitigate these and other risks could adversely impact our operating results, financial condition and liquidity.

We are exposed to various market risks, including interest rate and foreign currency exchange rate risks. It is impossible to fully mitigate all such exposure and higher interest rates and unfavorable fluctuations in foreign currency exchange rates could have an adverse effect on our operating results, financial condition and liquidity. From time to time, we may use various financial instruments to reduce our exposure to certain market risks. For instance, we have entered into interest rate swaps to mitigate the risk associated with the floating interest rate payments under our New Credit Agreement. While these financial instruments reduce our exposure to market risks, the use of such instruments may ultimately limit our ability to benefit from lower interest rates or favorable foreign currency exchange rate fluctuations due to amounts fixed at the time of entering into the hedge agreement and may have significant costs associated with early termination, which could have a material adverse effect on our operating results, financial condition and liquidity.

We may be adversely affected by diesel fuel supply constraints resulting from disruptions in the fuel markets and increases in diesel fuel costs.

In 2012, G&W and RailAmerica consumed 25.2 million gallons and 15.5 million gallons of diesel fuel, respectively. Fuel availability could be affected by any limitation in the fuel supply or by any imposition of mandatory allocation or rationing regulations. If a severe fuel supply shortage arose from production curtailments, disruption of oil imports, disruption of domestic refinery production, damage to refinery or pipeline infrastructure, political unrest, war or otherwise, diesel fuel may not be readily available and may be subject to rationing regulations.

In addition, diesel fuel costs constitute a significant portion of our total operating expenses. Currently, we receive fuel surcharges and other rate adjustments to offset fuel prices. However, if Class I railroads change their policies regarding fuel surcharges, the compensation we receive for increases in fuel costs may decrease and could have a negative effect on our profitability. Costs for fuel used in operations were approximately 13% and 14% of our operating expenses for the years ended December 31, 2012 and 2011, respectively.

If diesel fuel prices increase dramatically from production curtailments, a disruption of oil imports or otherwise, these events could have a material adverse effect on our operating results, financial condition and liquidity.

We may be subject to various claims and lawsuits that could result in significant expenditures.

The nature of our business exposes us to the potential for various claims and litigation related to labor and employment, personal injury, freight loss, property damage and other matters. For example, United States job-related personal injury claims by our railroad employees are subject to FELA, which is applicable only to railroads. FELA's fault-based tort system produces results that are unpredictable and inconsistent as compared with a no-fault worker's compensation system. The variability inherent in this system could result in the actual costs of claims being very different from the liability recorded.

Any material changes to current litigation trends or a catastrophic rail accident or series of accidents involving material freight loss or property damage, personal injury and environmental liability that is not covered by insurance could have a material adverse effect on our operating results, financial condition and liquidity.

Some of our employees belong to labor unions, and strikes or work stoppages could adversely affect our operating results, financial condition and liquidity.

We are a party to 77 collective bargaining agreements with various labor unions in the United States, Australia, Canada and Belgium. We are currently engaged in negotiations with respect to 17 of those agreements. Approximately 1,750 of our approximately 4,600 full time employees are union members. We have also entered into employee association agreements with an additional 68 employees who are not represented by a national labor organization. GWA has a collective enterprise bargaining agreement covering the majority of its employees.

Our inability to negotiate acceptable contracts with these unions could result in, among other things, strikes, work stoppages or other slowdowns by the affected workers. If the unionized workers were to engage in a strike, work stoppage or other slowdown, or other employees were to become unionized, or the terms and conditions in future labor agreements were renegotiated, we could experience a significant disruption of our operations and/or higher ongoing labor costs. A substantial majority of the employees of the Class I railroads with which we interchange are unionized. If such Class I railroads were to have a work stoppage or strike, the national rail network and our operations would be adversely affected. To date, we have experienced no material strikes or work stoppages. Additional unionization of our workforce could result in higher employee compensation and restrictive working condition demands that could increase our operating costs or constrain our operating flexibility.

If we are unable to employ a sufficient number of qualified workers, or attract and retain senior leadership, our operating results, financial condition and liquidity may be materially adversely affected.

We believe that our success and our growth depend upon our ability to attract and retain skilled workers who possess the ability to operate and maintain our equipment and facilities. The operation and maintenance of our equipment and facilities involve complex and specialized processes and often must be performed in harsh and remote conditions, resulting in a high employee turnover rate when compared to many other industries. The challenge of attracting and retaining the necessary workforce is increased by the expected retirement of an aging workforce, training requirements and significant competition for specialized trades. Within the next five years, we estimate that approximately 15% of our current workforce, including employees we obtained from the recent RailAmerica acquisition, will become eligible for retirement. Many of these workers hold key operating positions, such as conductors, engineers and mechanics. In addition, the demand for workers with the types of skills we require has increased, especially from Class I railroads, which can usually offer higher wages and better benefits. A significant increase in the wages paid by competing employers could result in a reduction of our skilled labor force or an increase in the wage rates that we must pay or both. In addition, if key employees of RailAmerica depart because of issues relating to the uncertainty and difficulty of integration or a desire not to become our employees, our ability to realize the anticipated benefits of the acquisition of RailAmerica could be reduced or delayed. Finally, there can be no assurance that we will be able to attract and retain senior leadership necessary to manage and grow our business. The loss of any key personnel could require the remaining key personnel to divert immediate and substantial attention to seeking a replacement. The loss of the services of any of our senior leadership, and the inability to find a suitable replacement, could adversely affect our operating, acquisition and investment strategies. Our ability to manage all of these risks is further complicated by the geographic diversity of our operations. If any of these events were to occur, our cost structure could increase, our profit margins could decrease and our growth strategy could be impaired.

Our operations are dependent on our ability to obtain rail cars, locomotives and other critical railroad items from suppliers.

Due to the capital intensive nature and industry-specific requirements of the rail industry, there are high barriers to entry for potential new suppliers of core railroad items such as rail cars, locomotives and track materials. If the number of available rail cars is insufficient or if the cost of obtaining these rail cars either through lease or purchase increases, we might not be able to obtain rail cars on favorable terms, or at all, and shippers may seek alternate forms of transportation. As of January 1, 2013, according to the AAR, approximately 21% of the North American railcar fleet was in storage. In some cases we use third-party locomotives to provide transportation services to our customers and such locomotives may not be available. Without these third-party locomotives, we would need to invest additional capital in locomotives. Even if purchased, there is no guarantee that locomotives would be available for delivery without significant delay. For example, in Australia the availability of new locomotives is limited, with long lead times for delivery. Additionally, we compete with other industries for available capacity and raw materials used in the production of certain track materials, such as rail and ties. Changes in the competitive landscapes of these limited-supplier markets could result in equipment shortages that could have a material adverse effect on our operating results, financial condition and liquidity in a particular year or quarter and could limit our ability to support new projects and achieve our growth strategy.

We may be affected by acts of terrorism or anti-terrorism measures.

Our rail lines, port operations and other facilities and equipment, including rail cars carrying hazardous materials that we are required to transport under federal law as a common carrier, could be direct targets or indirect casualties of terrorist attacks. Any terrorist attack or other similar event could cause significant business interruption and may adversely affect our operating results, financial condition and liquidity. In addition, regulatory measures designed to control terrorism could impose substantial costs upon us and could result in impairment to our service, which could also have a material adverse effect on our operating results, financial condition and liquidity.

ADDITIONAL RISKS ASSOCIATED WITH OUR FOREIGN OPERATIONS

We are subject to the risks of doing business in foreign countries.

Some of our significant subsidiaries transact business in foreign countries, namely in Australia, Canada, the Netherlands and Belgium. In addition, we may consider acquisitions or other investments in other foreign countries in the future. The risks of doing business in foreign countries include:

- adverse changes or greater volatility in the economies of those countries;
- adverse currency movements that make goods produced in those countries that are destined for export markets less competitive;
- adverse effects due to changes in the eurozone membership;
- adverse changes to the regulatory environment or access regimes of those countries;
- adverse changes to the tax laws and regulations of those countries;
- restrictions on the withdrawal of foreign investment, or a decrease in the value of repatriated cash flows;
- a decrease in the value of foreign sourced income as a result of exchange rate changes;
- the actual or perceived failure by us to fulfill commitments under concession agreements;
- the ability to identify and retain qualified local managers; and
- the challenge of managing a culturally and geographically diverse operation.

Because some of our significant subsidiaries and affiliates transact business in foreign currencies and because a significant portion of our net income comes from the operations of our foreign subsidiaries, exchange rate fluctuations may adversely affect us and may affect the comparability of our results between financial periods.

Our operations in Australia, Canada and Europe accounted for 33%, 9%, and 2% of our consolidated operating revenues, respectively, for the year ended December 31, 2012. On a pro forma basis after giving effect to the acquisition of RailAmerica, our operations in Australia, Canada and Europe accounted for 19%, 8% and 1% of our long-lived assets, respectively, as of December 31, 2012. The results of operations of our foreign entities are maintained in the local currency (the Australian dollar, the Canadian dollar and the Euro) and then translated into United States dollars at the applicable exchange rates for inclusion in our consolidated financial statements. As a result, any appreciation or depreciation of these currencies against the United States dollar can impact our results of operations. The financial statements of the Company's foreign subsidiaries are prepared in the local currency of the respective subsidiary and translated into United States dollars based on the exchange rate at the end of the period for balance sheet items and, for the statement of operations, at the average rate for the statement period. The exchange rates between these currencies and the United States dollar have fluctuated significantly in recent years and may continue to do so in the future.

We may not be able to manage our exchange rate risks effectively, and the volatility in currency exchange rates may have a material adverse effect on our operating results, financial condition and liquidity. In addition, because our financial statements are stated in United States dollars, such fluctuations may affect our results of operations and financial position and may affect the comparability of our results between financial periods.

Our concession and/or lease agreements in Australia could be cancelled, and there is no guarantee these agreements will be extended beyond their terms.

Through our subsidiaries in Australia, we have entered into long-term concession and/or lease agreements with governmental authorities in the Northern Territory and South Australia. Our concession agreement for the Tarcoola to Darwin rail line expires in 2054 and our lease agreement for our other South Australia rail lines expires in 2047. If our concession or lease agreements expire, we will no longer act as the below rail access provider, but will still be permitted to participate in the above rail market. These concession and lease agreements are subject to a number of conditions, including those relating to the maintenance of certain standards with respect to service, price and the environment. These concession and lease agreements also typically carry with them a commitment to maintain the condition of the railroad and to make a certain level of capital expenditures, which may require capital expenditures that are in excess of our projections. Our failure to meet these commitments under the long-term concession and lease agreements could result in the termination of those concession or lease agreements. The termination of any concession or lease agreement could result in the loss of our investment relating to that concession or lease agreement. Further, the expiration of these agreements and the end of their term would result in the loss of the associated revenues and income. Either of these events could have a material adverse effect on our operating results, financial condition and liquidity.

Open access regimes in Australia and Europe could lead to additional competition for rail services and decreased revenues and profit margins.

The legislative and regulatory framework in Australia allows third-party rail operators to gain access to our Australian railway infrastructure and also governs our access to track owned by others. The Netherlands and Belgium also have open access regimes that permit third-party rail operators to compete for the business of RRF, our subsidiary in the Netherlands. There are limited barriers to entry to preclude a current or prospective rail operator from approaching our customers and seeking to capture their business. The loss of our customers to competitors could result in decreased revenues and profit margins, which could have a material adverse effect on our operating results, financial condition and liquidity.

Changes to the open access regimes in Australia and Europe could have a significant impact on our operations.

Access fees paid for our access onto the track of other companies and access fees we charge under state and federal regimes are subject to change. Where we pay access fees to others, if those fees were increased, our operating margins could be negatively affected. In Australia, if the federal government or respective state regulators were to alter the regulatory regime or determine that access fees charged to current or prospective third-party rail freight operators by our Australian railroads did not meet competitive standards, our income from those fees could decline. In addition, when we operate over track networks owned by others, the owners of the networks are responsible for scheduling the use of the tracks as well as for determining the amount and timing of the expenditures necessary to maintain the tracks in satisfactory condition. Therefore, in areas where we operate over tracks owned by others, our operations are subject to train scheduling set by the owners as well as the risk that the network will not be adequately maintained.

Revocation of our safety accreditations could result in a loss of revenue and termination of our concession.

Our operating subsidiaries in Australia, the Netherlands and Belgium hold safety accreditations that are required in order for them to provide freight rail services. Continued maintenance of our safety accreditation in Australia is a requirement under our concession deeds and some customer contracts. These safety accreditations are essential for us to conduct our business and are subject to removal. Following significant derailments, the government entities responsible for oversight of rail safety frequently perform investigations. Any loss of, failure to maintain or inability to renew, rail safety accreditations necessary to carry on rail operations in any jurisdiction, or any changes in government policy and legal or regulatory oversight, including changes to the rail safety regulatory regime, could have a material adverse effect on our business, operational performance and financial results.

Changes to the mining tax regime in Australia could have a negative impact on our existing customers and the prospects for new customer initiatives underway.

The Australian Government approved a new Minerals Resource Rent Tax (MRRT) that was effective as of July 1, 2012. The MRRT is a tax on profits generated from the exploitation of certain non-renewable resources in Australia. The implementation of the MRRT could result in an increase in operating costs for mining assets based in Australia. The tax could also have an adverse effect on our Australian operations by reducing the volume of commodities mined in Australia for us to transport, as well as by reducing levels of demand for Australian commodities and our transportation of those commodities. Consequently, the introduction of the MRRT could have a material adverse effect on our operating results and financial condition.

RISKS RELATED TO TAXATION

Our ability to use RailAmerica's Section 45G tax credit carryforwards and net operating loss carryforwards may be subject to limitation due to a change in the ownership of its stock.

As of December 31, 2012, RailAmerica had tax benefits totaling approximately $135.9 million of Section 45G tax credit carryforwards and federal net operating loss carryforwards. Under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, or the Code, if a corporation undergoes an "ownership change," the corporation's ability to use its pre-change net operating loss carryforwards and other tax attributes to offset its post-change income may be limited and may result in a partial or full write down of the related deferred tax assets. An ownership change is defined generally for these purposes as a greater than 50% change in ownership over a three-year period, taking into account shareholders that own 5% or more by value of our common stock. While we currently believe it is more likely than not that we will be able to utilize these tax attributes, our acquisition of RailAmerica may limit our ability to use RailAmerica's net operating loss carryforwards and other tax attributes to reduce our future tax liabilities.

The United States Short Line Tax Credit expires on December 31, 2013. As a result, our effective tax rate in 2014 will be higher if the credit is not extended.

Since 2005, we have benefited from the effects of the United States Short Line Tax Credit, which is an income tax credit for Class II and Class III railroads to reduce their federal income tax based on qualified railroad track maintenance expenditures (the Short Line Tax Credit). Qualified expenditures include amounts incurred for maintaining track, including roadbed, bridges and related track structures owned or leased by a Class II or Class III railroad. The credit is equal to 50% of the qualified expenditures, subject to an annual limitation of $3,500 multiplied by the number of miles of railroad track owned or leased by the Class II or Class III railroad as of the end of their tax year. On January 2, 2013, the Short Line Tax Credit (which had previously expired on December 31, 2011) was extended for 2012 and 2013. The most recent extension of the Short Line Tax Credit only extended the credit through December 31, 2013. If the Short Line Tax Credit is not extended for additional tax years, the loss of the credit will increase our effective tax rate and reduce our reported earnings per share.

If the earnings of our controlled foreign subsidiaries were required to be distributed, our effective tax rate could be higher.

We file a consolidated United States federal income tax return that includes all of our United States subsidiaries. Each of our foreign subsidiaries files appropriate income tax returns in each of their respective countries. No provision is made for the United States income taxes applicable to the undistributed earnings of our controlled foreign subsidiaries. The amount of those earnings was $251.4 million as of December 31, 2012. Although it is our current intention to fully utilize those earnings in the operations of our controlled foreign subsidiaries, if the earnings were required to be distributed in the future, those distributions may be subject to United States income taxes (appropriately reduced by available foreign tax credits) and withholding taxes payable to various foreign countries, and could result in a higher effective tax rate for us, thereby reducing our earnings. See "Part II Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Cash Repatriation" for additional information.

Non-U.S. holders who own or owned more than a certain ownership threshold may be subject to United States federal income tax on gains realized on the disposition of the shares of Class A common stock.

It is possible that we are a United States real property holding corporation currently or will become one in the future for United States federal income tax purposes. If we are or become a United States real property holding corporation, so long as Class A common stock continues to be regularly traded on an established securities market, only a non-U.S. holder (i.e., a holder that is not a United States citizen or resident, a corporation organized under the laws of the United States or any state thereof and certain trusts and estates) who holds or held (at any time during the shorter of the five year period preceding the date of disposition or the holder's holding period) more than 5% of Class A common stock will be subject to United States federal income tax on the disposition of Class A common stock. Non-U.S. holders should consult their own tax advisors concerning the consequences of disposing of shares of our Class A common stock.

ITEM 1B. ***Unresolved Staff Comments.***

None.

ITEM 2. ***Properties.***

Genesee & Wyoming, through our subsidiaries, currently has interests in 111 freight railroads. Of these, 109 are short line railroads and one is a regional freight railroad, including 101 located in the United States, seven located in Canada, one located in Australia and one located in the Netherlands and Belgium. We also operate the Tarcoola to Darwin rail line, which links the Port of Darwin to the Australian interstate rail network in South Australia. These rail properties typically consist of the track and the underlying land. Real estate adjacent to the railroad rights-of-way is generally owned by others, and our holdings of such real estate are not material. Similarly, sellers typically retain mineral rights and rights to grant fiber optic and other easements in the properties acquired by us. Several of our railroads are operated under leases or operating licenses in which we do not assume ownership of the track or the underlying land.

Our railroads operate over approximately 14,700 miles of track that is owned, jointly owned or leased by us, which includes the Tarcoola to Darwin rail line that we manage under a concession agreement that expires in 2054. Several of our railroads are operated pursuant to lease agreements that will expire and may not be extended in the next few years. Leases from Class I railroads that could expire in each of the next 10 years would represent less than 3% of our annual revenues in the year of expiration based on the estimated combined revenues of G&W and RailAmerica for the year ended December 31, 2012. For additional information on these lease expirations see "Item 1A. Risk Factors" of this Annual Report. We also operate, through various trackage and operating rights agreements, over 3,270 additional miles of track that is owned or leased by others under contractual track access arrangements. The track miles listed below exclude 1,774 miles of sidings and yards located in the United States (1,544 miles), Canada (159 miles) and Australia (71 miles), as well as track miles owned by others, but available to us, under open access regimes in Australia, the Netherlands and Belgium. In addition, during 2013 we expect to record mortgages on many of the owned properties described in the table below as additional security for our outstanding obligations under our New Credit Agreement.

The following table sets forth certain information as of December 31, 2012, with respect to our railroads:

RAILROAD AND LOCATION	YEAR ACQUIRED	TRACK MILES	STRUCTURE
NORTH AMERICAN AND EUROPEAN OPERATIONS			
UNITED STATES:			
Genesee and Wyoming Railroad Company (GNWR) New York (1)	1899	27	Owned
The Dansville and Mount Morris Railroad Company (DMM) New York (1)	1985	8	Owned
Rochester & Southern Railroad, Inc. (RSR) New York (1)	1986	58	Owned
Louisiana & Delta Railroad, Inc. (LDRR) Louisiana	1987	86	Owned/Leased
Buffalo & Pittsburgh Railroad, Inc. (BPRR) New York, Pennsylvania (2) (3) (4)	1988	368	Owned/Leased
Allegheny & Eastern Railroad, LLC (ALY) Pennsylvania (2)	1992	128	Owned
Bradford Industrial Rail, Inc. (BR) Pennsylvania (3)	1993	4	Owned
Willamette & Pacific Railroad, Inc. (WPRR) Oregon	1993	178	Leased
Portland & Western Railroad, Inc. (PNWR) Oregon	1995	288	Owned/Leased
Pittsburg & Shawmut Railroad, LLC (PS) Pennsylvania (4)	1996	108	Owned
Illinois & Midland Railroad, Inc. (IMRR) Illinois	1996	97	Owned
Commonwealth Railway, Incorporated (CWRY) Virginia	1996	24	Owned

RAILROAD AND LOCATION	YEAR ACQUIRED	TRACK MILES	STRUCTURE
Talleyrand Terminal Railroad Company, Inc. (TTR) Florida	1996	2	Leased
Corpus Christi Terminal Railroad, Inc. (CCPN) Texas	1997	42	Leased
Golden Isles Terminal Railroad, Inc. (GITM) Georgia	1998	13	Owned/Leased
Savannah Port Terminal Railroad, Inc. (SAPT) Georgia	1998	18	Leased
South Buffalo Railway Company (SB) New York	2001	54	Owned/Leased
St. Lawrence & Atlantic Railroad Company (SLR) Maine, New Hampshire, Vermont	2002	143	Owned
York Railway Company (YRC) Pennsylvania	2002	42	Owned
Utah Railway Company (UTAH) Utah	2002	41	Owned
Salt Lake City Southern Railroad Company, Inc. (SLCS) Utah	2002	2	Owned
Chattahoochee Industrial Railroad (CIRR) Georgia	2003	15	Owned
Arkansas Louisiana & Mississippi Railroad Company (ALM) Arkansas, Louisiana	2003	53	Owned
Fordyce and Princeton R.R. Co. (FP) Arkansas	2003	57	Owned
Tazewell & Peoria Railroad, Inc. (TZPR) Illinois	2004	24	Leased
Golden Isles Terminal Wharf (GITW) Georgia	2004	6	Owned
First Coast Railroad Inc. (FCRD) Florida, Georgia	2005	32	Leased
AN Railway, L.L.C. (AN) Florida	2005	96	Leased
Atlantic & Western Railway, Limited Partnership (ATW) North Carolina	2005	10	Owned
The Bay Line Railroad, L.L.C. (BAYL) Alabama, Florida	2005	108	Owned
East Tennessee Railway, L.P. (ETRY) Tennessee	2005	4	Owned/Leased
Galveston Railroad, L.P. (GVSR) Texas	2005	39	Leased
Georgia Central Railway, L.P. (GC) Georgia	2005	171	Owned/Leased
KWT Railway, Inc. (KWT) Kentucky, Tennessee	2005	69	Owned
Little Rock & Western Railway, L.P. (LRWN) Arkansas	2005	79	Owned
Meridian & Bigbee Railroad, L.L.C. (MNBR) Alabama, Mississippi	2005	147	Owned/Leased
Riceboro Southern Railway, LLC (RSOR) Georgia	2005	18	Leased
Tomahawk Railway, Limited Partnership (TR) Wisconsin	2005	6	Owned
Valdosta Railway, L.P. (VR) Georgia	2005	10	Owned
Western Kentucky Railway, L.L.C. (WKRL) Kentucky	2005	—	Owned
Wilmington Terminal Railroad, Limited Partnership (WTRY) North Carolina	2005	17	Leased
Chattahoochee Bay Railroad, Inc. (CHAT) Georgia	2006	26	Owned
Maryland Midland Railway, Inc. (MMID) Maryland	2007	70	Owned

RAILROAD AND LOCATION	YEAR ACQUIRED	TRACK MILES	STRUCTURE
Chattooga & Chickamauga Railway Co. (CCKY) Georgia	2008	49	Leased
Luxapalila Valley Railroad, Inc. (LXVR) Alabama, Mississippi	2008	34	Owned
Columbus and Greenville Railway Company (CAGY) Mississippi	2008	151	Owned
The Aliquippa & Ohio River Railroad Co. (AOR) Pennsylvania	2008	6	Owned
The Columbus & Ohio River Rail Road Company (CUOH) Ohio	2008	247	Owned/Leased
The Mahoning Valley Railway Company (MVRY) Ohio	2008	6	Owned
Ohio Central Railroad, Inc. (OHCR) Ohio	2008	70	Owned/Leased
Ohio and Pennsylvania Railroad Company (OHPA) Ohio	2008	3	Owned
Ohio Southern Railroad, Inc. (OSRR) Ohio	2008	18	Owned
The Pittsburgh & Ohio Central Railroad Company (POHC) Pennsylvania	2008	35	Owned
The Warren & Trumbull Railroad Company (WTRM) Ohio	2008	4	Leased
Youngstown & Austintown Railroad Inc. (YARR) Ohio	2008	5	Leased
The Youngstown Belt Railroad Company (YB) Ohio	2008	14	Owned
Georgia Southwestern Railroad, Inc. (GSWR) Georgia	2008	231	Owned/Leased
Arizona Eastern Railway Company (AZER) Arizona, New Mexico	2011	200	Owned
Hilton & Albany Railroad, Inc, (HAL) Georgia	2011	56	Leased
Columbus & Chattahoochee Railroad, Inc. (CCH) Alabama	2012	26	Leased
Alabama & Gulf Coast Railway LLC (AGR) Alabama, Mississippi, Florida	2012	284	Owned/Leased
Arizona & California Railroad Company (ARZC) Arizona, California	2012	190	Owned
Bauxite & Northern Railway Company (BXN) Arkansas	2012	5	Owned
California Northern Railroad Company (CFNR) California	2012	210	Leased
Carolina Piedmont Railroad (CPDR) South Carolina	2012	47	Owned
Cascade and Columbia River Railroad Company (CSCD) Washington	2012	131	Owned
Central Oregon & Pacific Railroad, Inc. (CORP) Oregon, California	2012	305	Owned/Leased
The Central Railroad Company of Indiana (CIND) Indiana, Ohio	2012	82	Owned
Central Railroad Company of Indianapolis (CERA) Indiana	2012	43	Owned/Leased
Chesapeake and Albermarle Railroad (CA) North Carolina, Virginia	2012	66	Leased
Chicago, Fort Wayne & Eastern Railroad (CFE) Indiana, Ohio	2012	281	Owned/Leased
Conecuh Valley Railway, L.L.C. (COEH) Alabama	2012	13	Owned
Connecticut Southern Railroad, Inc. (CSO) Connecticut	2012	79	Owned/Leased
Dallas, Garland & Northeastern Railroad, Inc. (DGNO) Texas	2012	168	Owned/Leased

RAILROAD AND LOCATION	YEAR ACQUIRED	TRACK MILES	STRUCTURE
Eastern Alabama Railway, LLC (EARY) Alabama	2012	26	Owned
Grand Rapids Eastern Railroad (GR) Michigan	2012	21	Owned
Huron and Eastern Railway Company, Inc. (HESR) Michigan	2012	306	Owned/Leased
Indiana & Ohio Railway Company (IORY) Indiana, Ohio, Michigan	2012	469	Owned/Leased
Indiana Southern Railroad, LLC (ISRR) Indiana	2012	166	Owned
Kiamichi Railroad Company L.L.C. (KRR) Oklahoma, Arizona, Texas	2012	231	Owned
Kyle Railroad Company (KYLE) Colorado, Kansas	2012	505	Owned/Leased
Marquette Rail LLC (MQT) Michigan	2012	128	Leased
The Massena Terminal Railroad Company (MSTR) New York	2012	3	Owned
Michigan Shore Railroad, Inc. (MS) Michigan	2012	4	Owned
Mid-Michigan Railroad, Inc. (MMRR) Michigan	2012	83	Owned/Leased
Missouri & Northern Arkansas Railroad Company, Inc. (MNA) Arizona, Missouri, Kansas	2012	483	Owned/Leased
New England Central Railroad, Inc. (NECR) Vermont, New Hampshire, Massachusetts, Connecticut	2012	324	Owned
North Carolina & Virginia Railroad Company L.L.C. (NCVA) North Carolina, Virginia	2012	53	Owned
Otter Tail Valley Railroad Company, Inc. (OTVR) Minnesota	2012	67	Owned
Point Comfort & Northern Railway Company (PCN) Texas	2012	14	Owned
Puget Sound & Pacific Railroad (PSAP) Washington	2012	135	Owned/Leased
Rockdale, Sandow & Southern Railroad Company (RSS) Texas	2012	4	Owned
San Diego & Imperial Valley Railroad Company, Inc. (SDIY) California	2012	1	Leased
San Joaquin Valley Railroad Co. (SJVR) California	2012	297	Owned/Leased
South Carolina Central Railroad Company, LLC (SCRF) South Carolina	2012	28	Owned
Texas Northeastern Railroad (TNER) Texas	2012	67	Leased
Three Notch Railway, L.L.C. (TNHR) Alabama	2012	34	Owned
Toledo, Peoria & Western Railway Corp. (TPW) Illinois, Indiana	2012	178	Owned/Leased
Ventura County Railroad Company (VCRR) California	2012	9	Leased
Wellsboro & Corning Railroad, LLC (WCOR) Pennsylvania, New York	2012	35	Leased
Wiregrass Central Railway, L.L.C. (WGCR) Alabama	2012	20	Owned
CANADA:			
Huron Central Railway Inc. (HCRY) Ontario	1997	173	Owned/Leased
Quebec Gatineau Railway Inc. (QGRY) Quebec	1997	303	Owned/Leased
St. Lawrence & Atlantic Railroad (Quebec) Inc. (SLQ) Quebec	2002	95	Owned

RAILROAD AND LOCATION	YEAR ACQUIRED	TRACK MILES	STRUCTURE
Cape Breton & Central Nova Scotia Railway Limited (CBNS) Nova Scotia	2012	242	Owned
Goderich-Exeter Railway Company Limited (GEXR) Ontario	2012	184	Owned/Leased
Ottawa Valley Railway (OVR) Ontario, Quebec	2012	157	Leased
Southern Ontario Railway (SOR) Ontario	2012	46	Leased
EUROPE:			
Rotterdam Rail Feeding, B.V. (RRF)	2008	—	Open Access
AUSTRALIAN OPERATIONS			
AUSTRALIA:			
Genesee & Wyoming Australia Pty Ltd (GWA)	2006	791	Leased/Open Access
GWA (North) Pty Ltd (GWA North)	2010	1,395	Leased/Open Access

(1) The GNWR and DMM are now operated by RSR
(2) ALY merged with BPRR in January 2004
(3) BR merged with BPRR in January 2004
(4) PS merged with BPRR in January 2004

EQUIPMENT

As of December 31, 2012, our rolling stock, including the rolling stock we obtained as a result of the recent RailAmerica acquisition, consisted of 1,055 locomotives, of which 873 were owned and 182 were leased, and 22,336 rail cars, of which 4,025 were owned and 18,311 were leased. A breakdown of the types of rail cars owned and leased by our continuing operations is set forth in the table below:

	Owned	Leased	Total
Rail Cars by Car Type:			
Box	949	9,146	10,095
Hoppers	1,157	1,223	2,380
Flats	919	1,311	2,230
Covered hoppers	377	2,262	2,639
Gondolas	375	4,251	4,626
Tank cars	21	117	138
Maintenance of way	194	—	194
Crew cars	22	1	23
Other	11	—	11
	4,025	18,311	22,336

ITEM 3. ***Legal Proceedings.***

In connection with our acquisition of RailAmerica, five putative stockholder class action lawsuits were filed in 2012, three in the Court of Chancery of the State of Delaware (Delaware Court) and two in the Circuit Court of the Fourth Judicial Circuit for Duval County, Florida, Civil Division (Florida Circuit Court), against RailAmerica, the RailAmerica directors and Genesee & Wyoming.

The two lawsuits filed in the Florida Circuit Court alleged, among other things, that the RailAmerica directors breached their fiduciary duties in connection with their decision to sell RailAmerica to Genesee & Wyoming via an allegedly flawed process and failed to obtain the best financial and other terms and that RailAmerica and Genesee & Wyoming aided and abetted those alleged breaches of duty. The complaints requested, among other relief, an order to enjoin consummation of the merger and attorneys' fees. On July 31, 2012, plaintiffs in the Florida actions filed a motion to consolidate the two Florida actions, appoint plaintiffs Langan and Sambuco as lead plaintiffs and appoint lead counsel in the proposed consolidated action. Plaintiffs in the Florida actions also filed an emergency motion for expedited proceedings on August 7, 2012 and an amended complaint on August 8, 2012, which included allegations that the information statement filed by RailAmerica on August 3, 2012, omitted material information about the proposed merger. On August 17, 2012, the parties in the Florida actions submitted a stipulation for expedited proceedings, which the Florida Circuit Court ordered on August 20, 2012.

The three lawsuits filed in Delaware Court named the same defendants, alleged substantially similar claims, and sought similar relief as the Florida actions. The parties to the Delaware actions submitted orders of dismissal in November 2012, which the Delaware Court has granted.

On December 7, 2012, solely to avoid the costs, risks and uncertainties inherent in litigation, and without admitting any liability or wrongdoing, we and the other parties to the Florida actions executed a Stipulation and Agreement of Compromise, Settlement and Release to settle all related claims. The settlement is not material and is subject to, among other things, final approval by the Florida Circuit Court. On January 28, 2013, the Florida Circuit Court gave preliminary approval of the settlement and scheduled a hearing on final approval of the settlement for May 15, 2013.

In addition to the lawsuits set forth above, from time to time, we are a defendant in certain lawsuits resulting from our operations in the ordinary course. Management believes there are adequate provisions in the financial statements for any probable liabilities that may result from disposition of the pending lawsuits. Based upon currently available information, we do not believe it is reasonably possible that any such lawsuit or related lawsuits would be material to our results of operations or have a material adverse effect on our financial position or liquidity.

ITEM 4. ***Mine Safety Disclosures.***

Not applicable.

Class I Railroad Statistics

ASSOCIATION OF AMERICAN RAILROADS — JANUARY 10, 2013

U.S. Class I Railroads

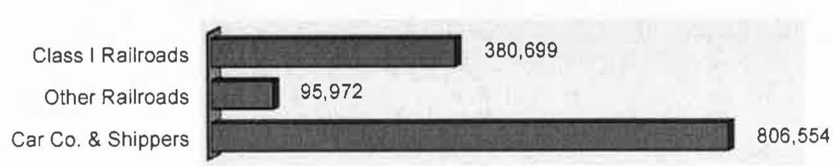
U.S. Class I Railroads are line haul freight railroads with 2011 operating revenue of $433.2 million or more. Two Canadian railroads, CN and Canadian Pacific, have enough revenue that they would be U.S. Class I railroads if they were U.S. companies. Both companies also own railroad systems in the United States that, by themselves, qualify to be Class I railroads. Two Mexican railroads, Ferrocarril Mexicano and Kansas City Southern de México, would also be Class I railroads if they were U.S. railroads. The U.S. Class I railroads in 2011 are: BNSF Railway, CSX Transportation, Grand Trunk Corporation, Kansas City Southern Railway, Norfolk Southern Combined Railroad Subsidiaries, Soo Line Corporation, and Union Pacific Railroad. Grand Trunk Corporation consists of almost all of CN's U.S. operations. Soo Line Corporation is all of Canadian Pacific's U.S. operations.

	2010	2011
Number of Railroads	7	7
Resources		
Miles of Road Operated Less Trackage Rights	95,700	95,514
Miles of Track Operated Less Trackage Rights	161,926	162,393
Miles of High-Density "A" Track Maintained	65,119	65,745
Locomotives in Service	23,893	24,250
Freight Cars in Service*	397,730	380,699

Note: High-Density track has a freight density of at least 20 million gross ton-miles per track mile per year.

	2010	2011
Employment		
Number of Employees	151,854	158,623
Average Wages	$73,843	$76,574
Average Total Compensation Including Benefits	$105,948	$11,968

U.S. Freight Cars In Service*
January 1, 2012



* Canadian-owned railroads, including 2 U.S. Class I railroads, are excluded. Car companies include railroad-owned TTX.

EXHIBIT D

Class I Railroad Statistics (continued)

	2009	2010	2011
Traffic			
Carloads Originated (million)	26.01	29.21	30.00
Intermodal Units (million):			
Containers	8.24	9.60	10.17
Trailers	1.64	1.68	1.72
Total (see notes)	9.88	11.28	11.89
Tons Originated (billion)	1.668	1.851	1.885
Ton-miles (trillion)	1.532	1.691	1.729
Operating Statistics			
Freight Revenue Per Ton-Mile	3.011¢	3.330¢	3.760¢
Average Tons Per Carload	64.1	63.4	62.9
Average Tons Per Train	3,546	3,585	3,538
Average Length of Haul (miles)	918.5	913.6	917.2
Financial			
Freight Revenue (billion)	$46.1	$56.3	$65.0
Operating Revenue (billion)	$47.8	$58.4	$67.4
Operating Expense (billion)	$37.2	$42.7	$49.3
Net Income (billion)	$6.4	$9.2	$11.0
Operating Ratio	77.8%	73.1%	73.2%
Return on Average Equity	9.79%	11.23%	11.13%

Notes

Miles of Road is the aggregate length of roadway, excluding yard tracks and sidings, and does not reflect the fact that a mile of road may include two, three, or more parallel tracks. Miles of road operated figures will be higher than mileage owned since more than one railroad can operate the same roadway by having trackage rights. Figures on page 1 include mileage owned by U.S. railroads in Canada. Excluding double-counting for trackage rights, Class I railroads operated in 2011 a total of 95,387 miles of the 138,565 mile network in the United States.

Freight Cars in Service for railroads includes railroad-owned cars plus cars with a railroad's mark on January 1, which usually have a longer-term lease. The railroads also use equipment controlled by shippers and leasing companies, including railroad-owned TTX – one of the largest leasing companies. New freight cars cost between $70,000 and $260,000 depending on the type and features. The Class I railroad average for 2011 was $73,220.

Carloads, as reported here and in *Freight Commodity Statistics,* include intermodal traffic and will differ from the AAR's *Weekly Railroad Traffic* which segregates intermodal traffic from carloads and does not include Canadian-owned railroads in the U.S. railroad totals. These figures also will not match carloads from the Carload Waybill Sample, which is an estimate (based on a sample) for all railroads in the United States.

Intermodal on this page includes one former Class I railroad and excludes two Canadian-owned Class I railroads. The Class I portion is a subset of other traffic figures herein.

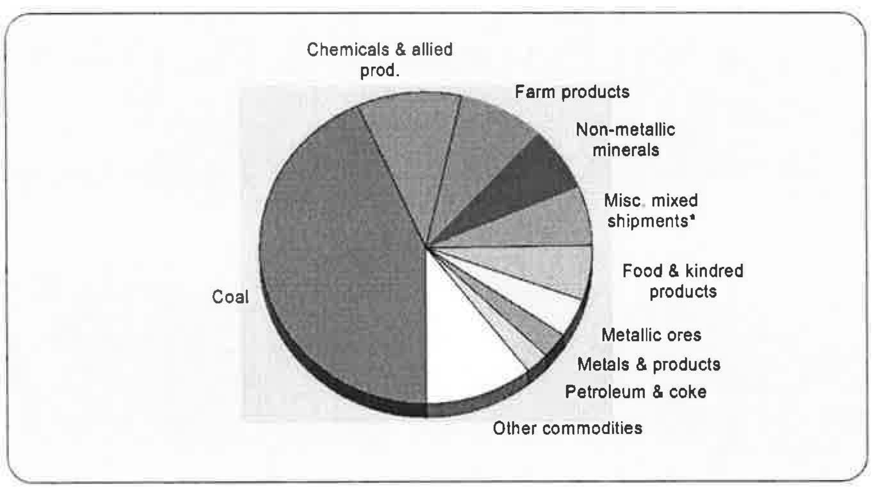
Type of Freight Carried for Year 2011

Commodity Group	Tons Originated (000)	Tons Originated % of Total	Gross Revenue** (million)	Gross Revenue** % of Total
Coal	815,986	43.3 %	$16,138	24.7 %
Chemicals & allied prod.	193,661	10.3	8,984	13.8
Farm products	156,507	8.3	5,556	8.5
Non-metallic minerals	127,790	6.8	2,340	3.6
Misc. mixed shipments*	116,556	6.2	8,245	12.6
Food & kindred products	107,334	5.7	5,133	7.9
Metallic ores	76,035	4.0	699	1.1
Metals & products	50,343	2.7	2,517	3.9
Petroleum & coke	43,792	2.3	2,025	3.1
Waste & scrap materials	42,778	2.3	1,294	2.0
Stone, clay & glass prod.	41,801	2.2	1,599	2.4
Pulp, paper & allied prod.	31,628	1.7	2,090	3.2
Lumber & wood products	25,452	1.3	1,370	2.1
Motor vehicles & equip.	23,403	1.2	4,046	6.2
All other commodities	32,372	1.7	3,221	4.9
Total	**1,885,437**	**100.0 %**	**$65,258**	**100.0 %**

* Miscellaneous mixed shipments (STCC 46) is almost all intermodal traffic. Some intermodal traffic is also included in commodity-specific categories. STCC 46 accounts for about two thirds of intermodal tonnage.

** Gross Revenue is not adjusted for absorption (incentive rebates etc.) or correction.

2011 Class I Railroad Tons Originated



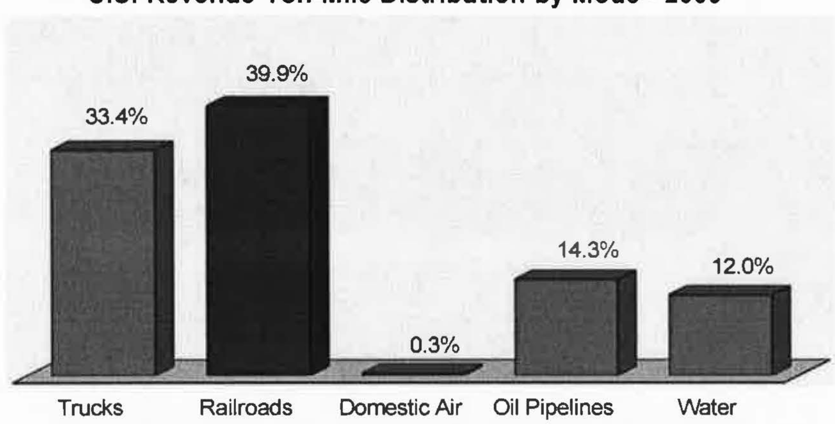
U.S. Freight Railroad Statistics

ASSOCIATION OF AMERICAN RAILROADS — JANUARY 10, 2013

	2010	2011
Number of Railroads	565	567
Operating Statistics		
Miles of Road Operated Less Trackage Rights	138,576	138,518
Miles of Road Operated in the U.S.	168,803	168,755
Freight Cars in Service, U.S. Railroad Owned*	499,485	476,671
Freight Cars in Service, All U.S. Owners*	1,309,029	1,283,225
Employment		
Number of Employees	169,280	175,940
Traffic		
Carloads Originated (million, includes intermodal)	33.26	33.94
Financial		
Freight Revenue (billion)	$59.6	$68.9

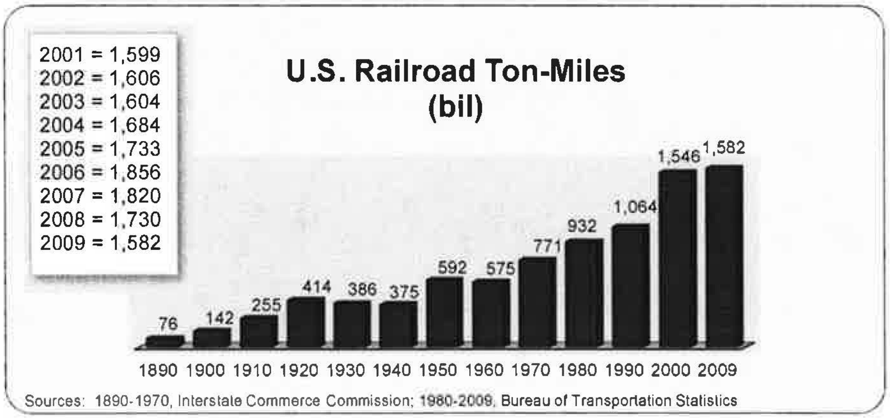
* U.S. owned only, excludes Canadian-owned railroads operating in the U.S., excludes railroad-owned TTX.

U.S. Revenue Ton-Mile Distribution by Mode - 2009



Source: Bureau of Transportation Statistics

Gas pipelines have been excluded.



Notes

Miles of Road is the aggregate length of roadway, excluding yard tracks and sidings, and does not reflect the fact that a mile of road may include two, three, or more parallel tracks. Miles of road operated less trackage rights, which eliminates double-counting caused by more than one railroad operating the same track, is the measure of the rail network. Excluding trackage-rights, U.S. railroads operate 138,945 miles, including 138,518 in the United States. Canadian railroads have an additional 47 miles in the U.S., making the U.S. network a total of 138,565 miles.

Freight Cars in Service for railroads excludes shipper-owned freight cars and freight cars owned by leasing companies that are not leased long-term on January 1 (including a major leasing company owned by the railroads).

Carloads shown here uses the Surface Transportation Board's *Freight Commodity Statistics* and the AAR's *Profiles of U.S. Railroads* survey as sources, and will not match the total carloads reported in *Railroads and States* which uses the Carload Waybill Sample as a source. The AAR's *Weekly Railroad Traffic* will not match either source, primarily because it segregates intermodal traffic.

Railroad Market Share is based on data from USDOT, Research and Innovative Technologies Administration, Bureau of Transportation Statistics, *National Transportation Statistics,* Table 1-50.

North American Freight Railroad Statistics

ASSOCIATION OF AMERICAN RAILROADS JANUARY 10, 2013

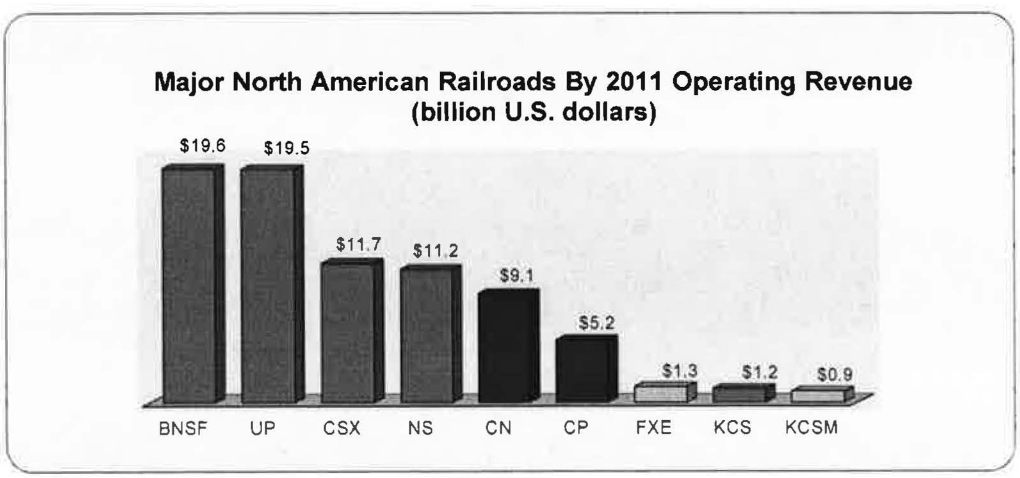
North American Railroads

With the exception of freight cars, statistics include all U.S. railroads, the two largest Canadian railroads, and the two largest Mexican railroads. Freight car figures include all railroads and all non-railroad owners.

	2010	2011
Resources		
Miles of Road Operated Less Trackage Rights	167,046	166,415
Miles of Road Operated	200,669	200,224
Locomotives in Service	31,470	31,875 e
Freight Cars in Service, Railroad	651,009	623,323
Freight Cars in Service, All Owners	1,504,082	1,471,736
Employment		
Number of Employees	207,322	215,985
Traffic		
Carloads Originated* (million)	38.59 r	39.53
Financial		
Freight Revenue (billion)	$71.0	$81.7

* - includes intermodal

e - count for U.S. short line portion of locomotives for 2011 has been estimated



Major North American Freight Railroads

BNSF	BNSF Railway
CN	Canadian National Railway (CN)
CP	Canadian Pacific
CSX	CSX Transportation
FXE	Ferrocarril Mexicano (Ferromex)
KCS	Kansas City Southern Railway
NS	Norfolk Southern
KCSM	Kansas City Southern de México
UP	Union Pacific Railroad

Freight Cars in Service in North America
January 1, 2012

	Total All Owners	Railroads		Car Companies & Shippers
		Class I*	Other	
Canada	154,816	116,513	3,267	35,036
Mexico	33,695	21,818	5,054	6,823
United States	1,283,225	380,699	95,972	806,554
Total	1,471,736	519,030	104,293	848,413

* For Canada and Mexico, "Class I" railroads exceed the U.S. revenue threshold and would be Class I railroads if they were U.S. railroads.

Canadian-owned U.S. railroads are included in the Canadian figures.
Some railroads may possess additional freight cars that are unregistered (and therefore not interchanged).
Car Companies for U.S. includes railroad-owned TTX, which has one of the largest fleets available for lease.

Rapid City, Pierre & Eastern

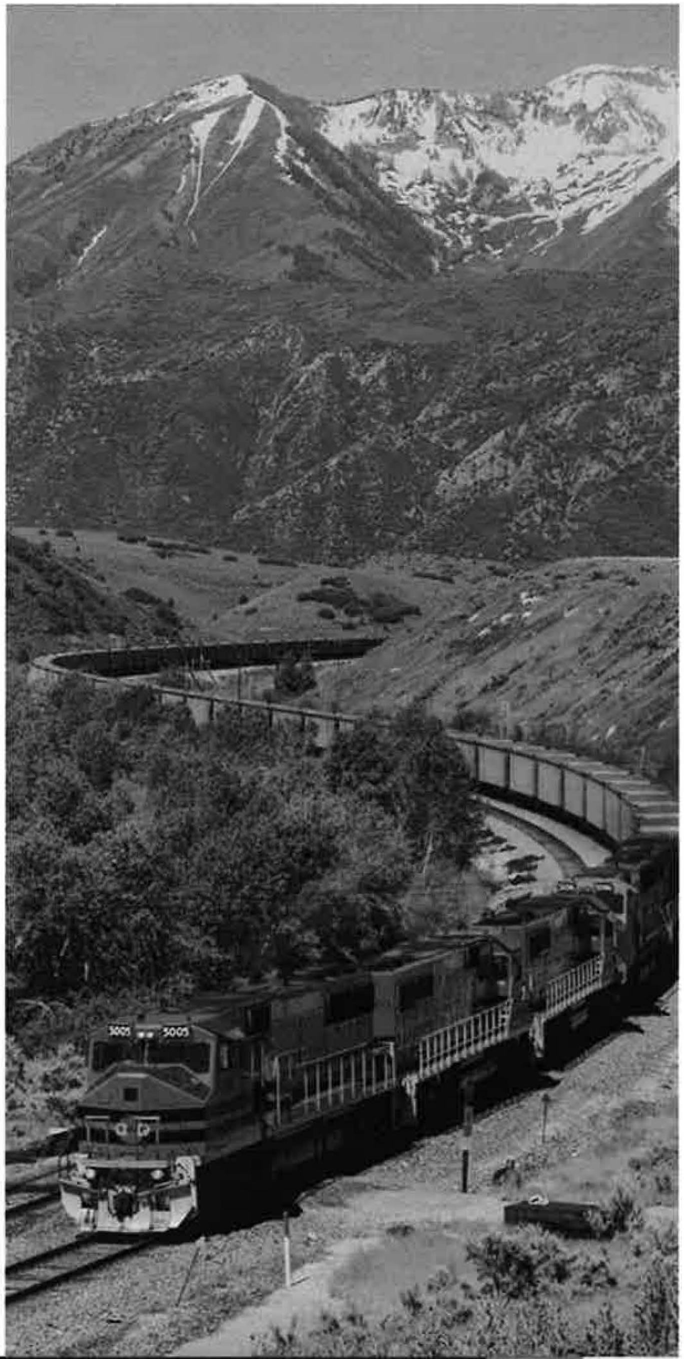
a Genesee & Wyoming Company

January 2014

EXHIBIT E

Who is G&W?

- NYSE: Listed as GWR with $5.1 billion market capitalization
- Railroads: 111 worldwide with ~15,000 track miles
- People: ~4,600 worldwide
- Equipment: >1,000 locomotives
- Annual Carloads: ~1.9 million
- Switching & Port Operations: Serve 35 ports and >20 industrial facilities
- Operations: 39 U.S. states, four Canadian provinces, Australia, the Netherlands and Belgium

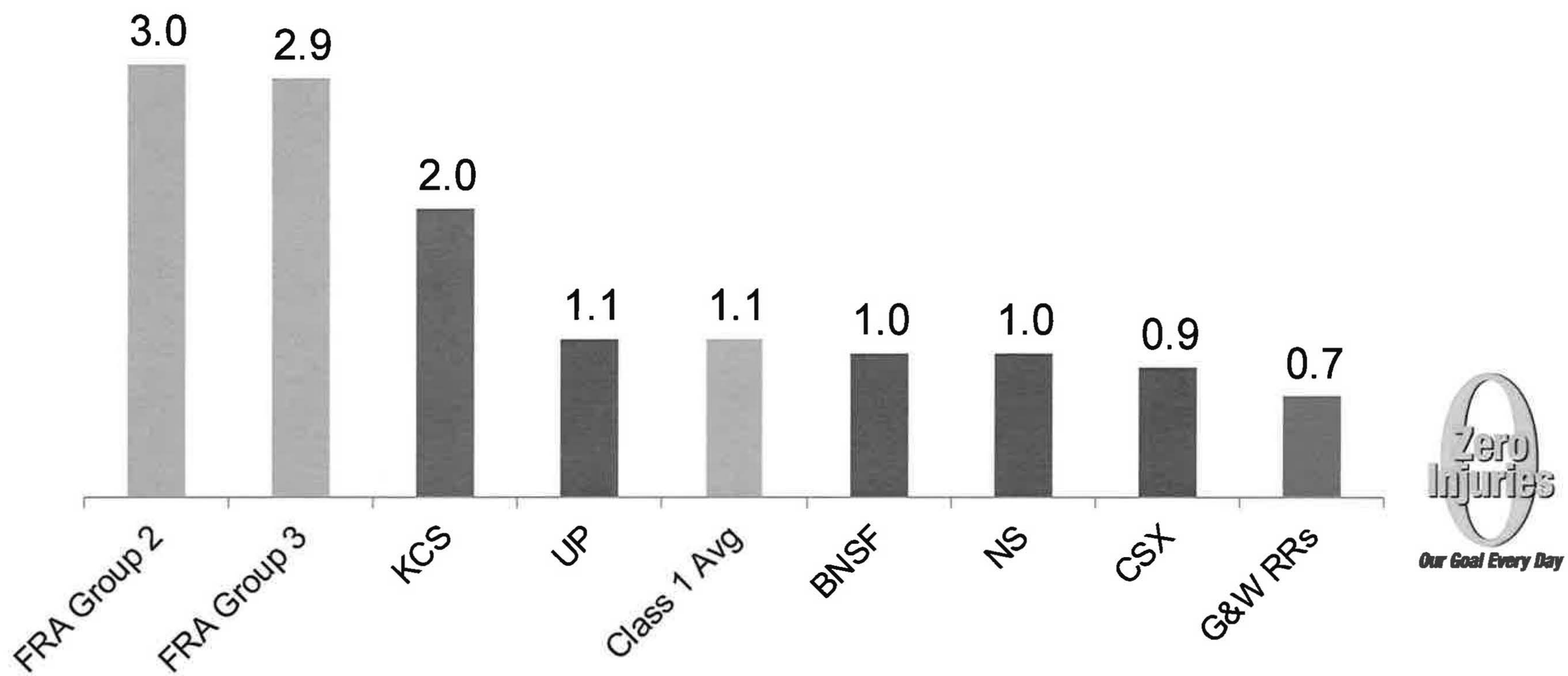


Our Core Purpose

To be the safest and most respected rail service provider in the world.

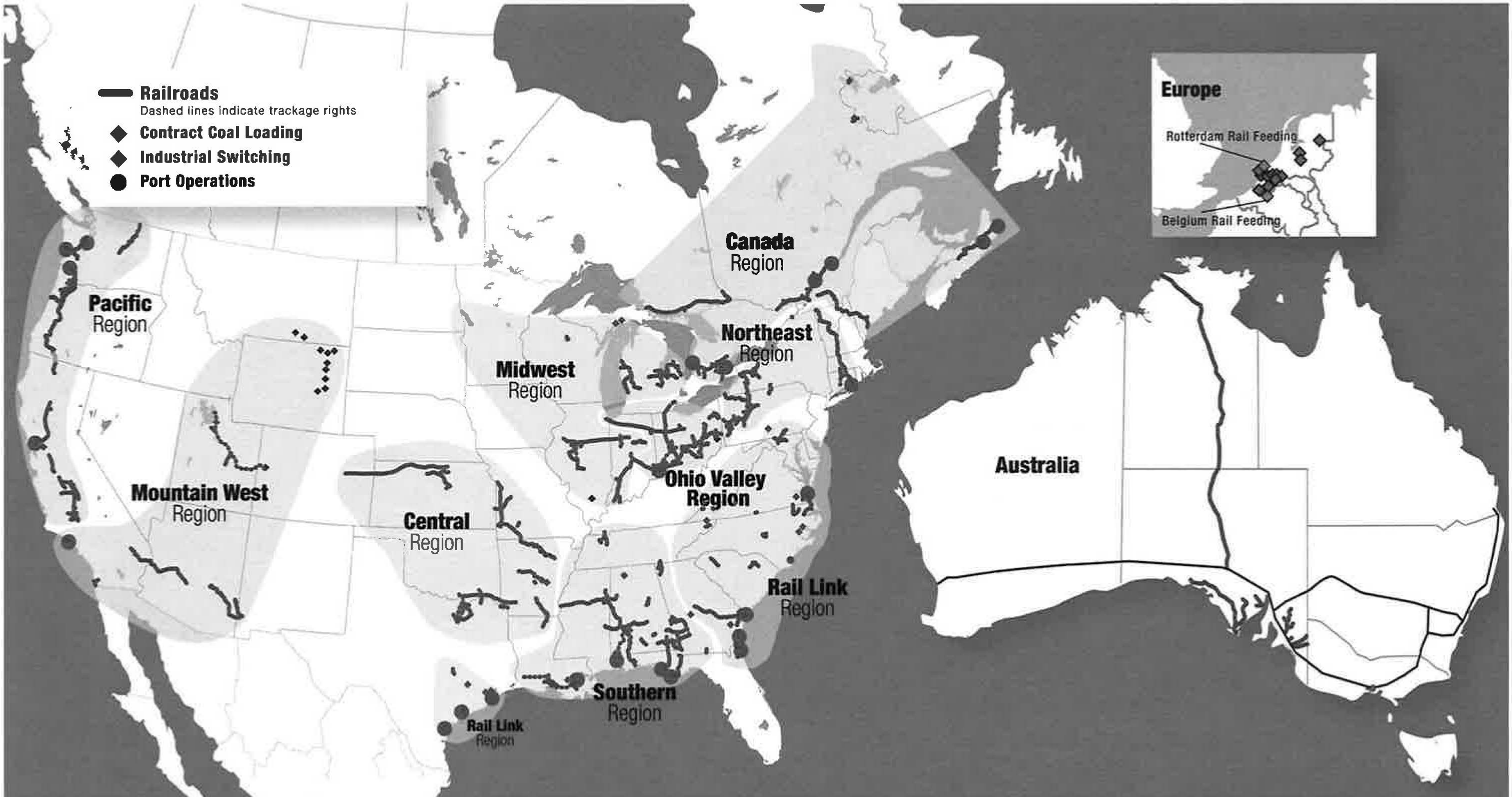
Industry-Leading Safety Performance

Injury Frequency Rate per 200,000 man-hours
G&W through November; others through September



Genesee & Wyoming Inc. 1899

Genesee & Wyoming 2014



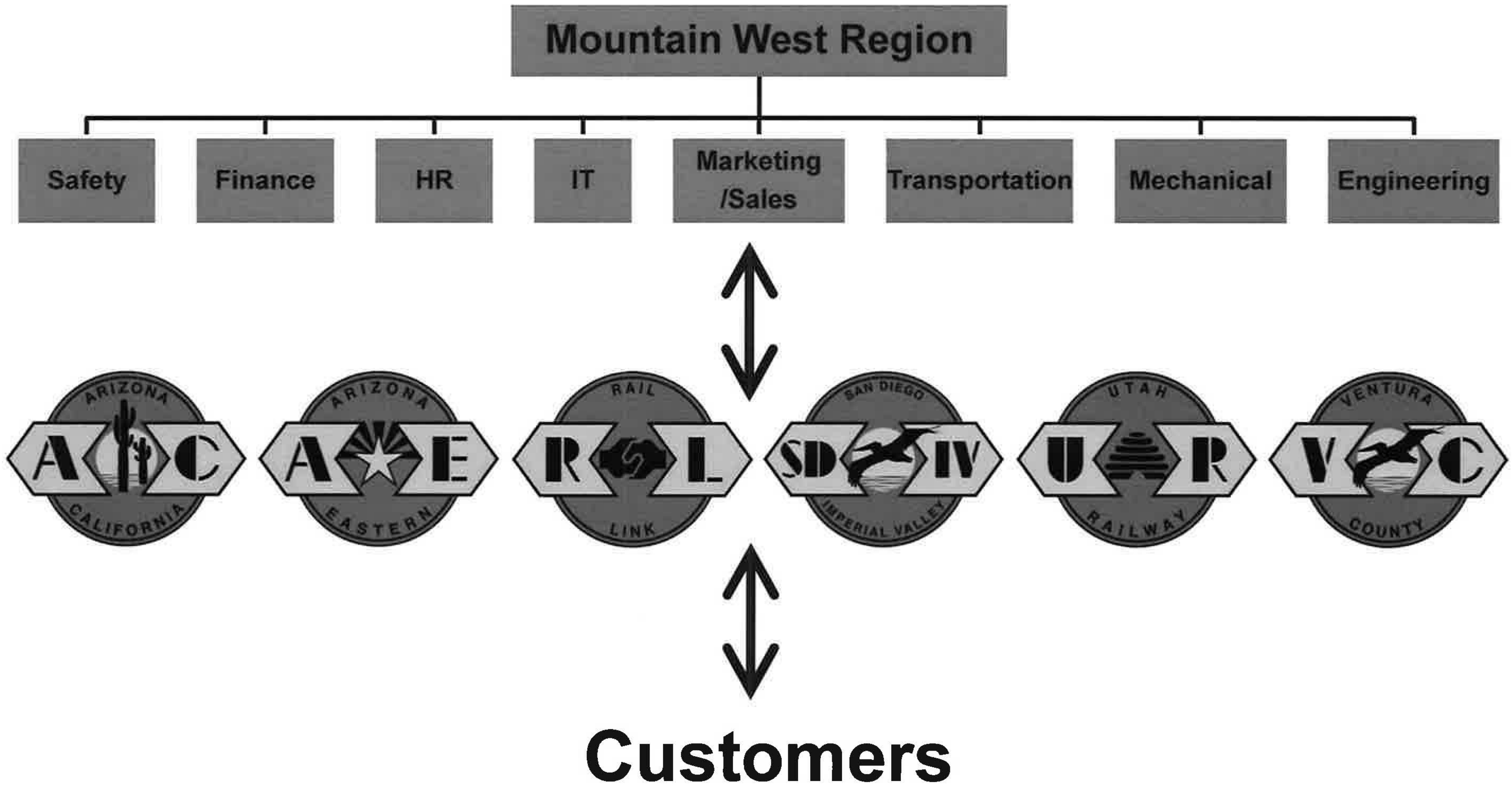
Operating Support for Regions

David Brown, Chief Operating Officer

Safety & Compliance	**Engineering** Track & Bridge	**Mechanical** Locos & Cars
Train Dispatching	**Purchasing**	**Service Design**

Standardize Processes and Best Practices

Illustrative Regional Operating Structure:
Designed to be Close to Customers



G&W's Decentralized Operating Philosophy

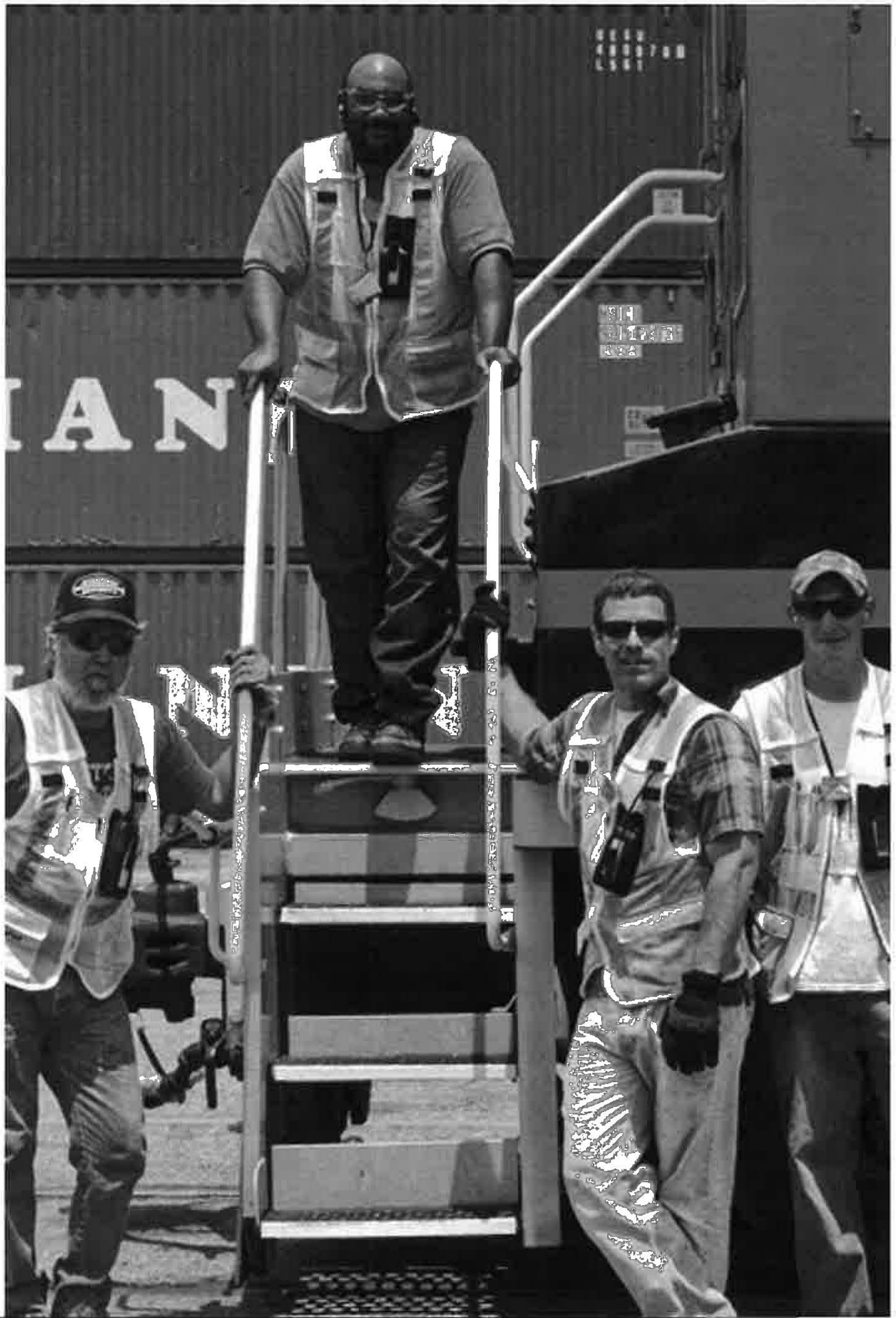
Eleven regions with strong local management backed by centralized corporate staff support

- Continuous Safety Improvement
- Focused Regional Marketing
- Lower Operating Costs
- Efficient Use of Capital

Our local focus is key to G&W's strong safety and customer-satisfaction results

Respected by Our Employees:

1. Regional Employee Surveys
2. Regional Reviews of Corporate Support Staff



Respected by Our Communities:

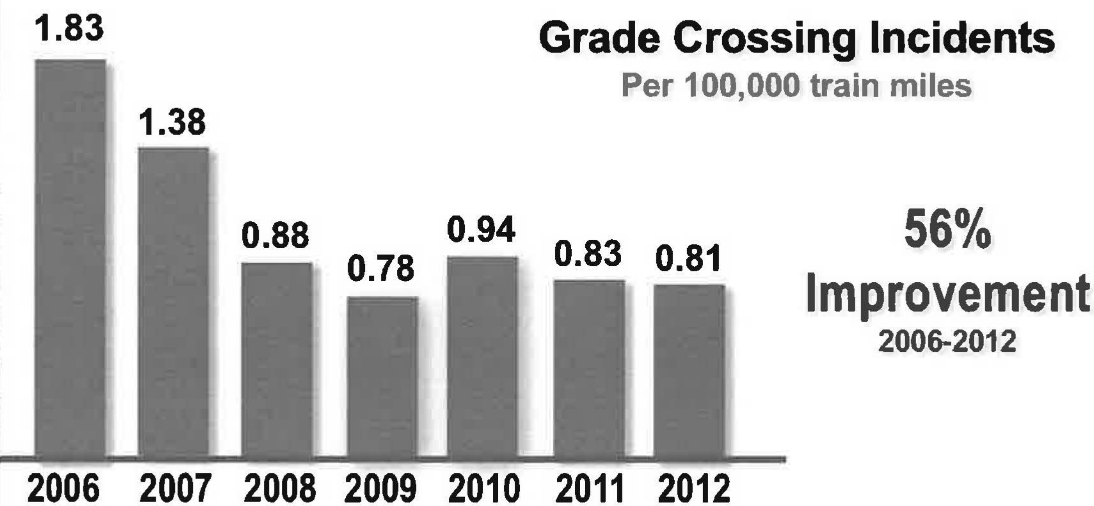
G&WCommunity

OPERATION LIFESAVER®

Look, Listen & Live

In the last three years, our employees made **1,000** Operation Lifesaver presentations to more than **50,000** schoolchildren, school bus drivers and others on the importance of rail-crossing safety.

Public



Respected by All Stakeholders: Business Principles

- G&W Code of Ethics read and acknowledged annually by every employee
- Guides management decision making

Our Core Values

Focus… for disciplined growth

Integrity… to earn the trust of others

Respect… for everyone with whom we deal

Excellence… in all we do

Message to New Employees:
Manage to G&W Priorities

1. Safety – Our No. 1 priority
2. Customer Service – We exist to serve our customers
3. Local Accountability – Make decisions closest to the facts
4. Commitment to Excellence – Continuous improvement
5. People – Put the best trained, best motivated people in the right place at the right time
6. Long-Term Partnerships – Customers, Class Is, Communities
7. Long-Term Decision Making – Stewards of vital infrastructure assets

G&W Commitment to Service

- Our job is to provide service that exceeds customers' expectations
- In order to do so, we are committed to:
  - Understand the customer's business,
  - Deliver what we promise, and
  - Empower our team to resolve any issues

We look forward to working with you.

What's being acquired?

- Asset purchase of west end of DM&E; 660 miles of track infrastructure, locomotives and equipment
- Assets <u>only</u>

Who is the acquirer?

- Rapid City, Pierre & Eastern Railroad, Inc.
- RCP&E is a wholly owned subsidiary of Genesee & Wyoming Inc.

When will the transaction close?

- Subject to Surface Transportation Board approval
- Expected by end of June; could be sooner

RCP&E Recruiting Process

- Notice of Intent and Open Positions List posted at DM&E locations ASAP
- RCP&E is an Equal Opportunity Employer
- Successful applicants must pass a pre-employment drug and alcohol screen, as well as our standard pre-employment background checks
- Those subject to FRA certification qualifications must provide proof that their certifications are current

RCP&E Recruiting Process

- RCP&E expects to begin interviews in early-February
- RCP&E expects to extend written employment offers throughout February and March of 2014
- Those who receive written employment offers remain employees of CP until STB approval is received for the RCP&E purchase
- Employees are expected to continue their normal high standard of work to ensure a smooth transition for customers, employees and other stakeholders of the acquisition

RCP&E Benefits Summary

Benefit	Summary
Medical	BlueCross BlueShield of Florida 2 plan options – PPO or HDHP, wellness discount available
Dental	BlueCross BlueShield of Florida Dentemax network of providers
Vision	Guardian 2 networks – VSP or Davis vision
Flexible Spending	Mangrove Medical and/or Dependent Care account
Life Insurance	Prudential Life Insurance Company-provided benefit
Supplemental Life Insurance	Prudential Life Insurance Additional coverage for EE, Spouse, Child(ren)

RCP&E Benefits Summary

Benefit	Summary
401(k) Savings Plan	Fidelity Investments Traditional 401(k) or Roth 401(k)
Employee Assistance Plan	Magellan Health Company-provided benefit
Employee Stock Purchase Plan	Computershare Discount off purchase price
Tuition Assistance	Genesee & Wyoming Company-provided benefit
Scholarship Program	Genesee & Wyoming Company-provided benefit for child(ren) of employees
Disability Insurance	Various Carriers for Short & Long-Term Company-provided benefit

Monthly Medical Plan Employee Contribution Rates

HEALTH SAVINGS ACCOUNT (HSA) PLAN - 2014		
Coverage Tier	**Healthy Pledge Rate**	**Non-Healthy Pledge Rate**
Single	$19.73	$ 49.73
Employee + spouse	$41.42	$104.42
Employee + child(ren)	$35.51	$89.51
Family	$54.25	$136.75

PREFERRED PROVIDER ORGANIZATION (PPO) PLAN – 2014		
Coverage Tier	**Healthy Pledge Rate**	**Non-Healthy Pledge Rate**
Single	$42.10	$72.10
Employee + spouse	$88.41	$151.41
Employee + child(ren)	$75.78	$129.78
Family	$115.78	$198.28

Future increases will be pegged to medical cost inflation and our actual claims experience

Monthly Dental & Vision Plan Employee Contribution Rates

BCBS DENTAL PLAN - 2014	
Coverage Tier	**Monthly Rate**
Single	$ 5.00
Family	$ 9.00

GUARDIAN VISION PLANS - 2014		
Coverage Tier	**VSP Vision**	**Davis Vision**
Single	$ 7.02	$ 5.37
Employee + one	$10.66	$ 8.15
Family	$18.72	$14.34

Future increases will be pegged to medical cost inflation and our actual claims experience

For Information on Applying, Contact:

Matthew Adams,
HR Director
RCPEapplications@gwrr.com
801-889-8879

For Questions or Comments:

RCPEintegration@gwrr.com

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EXHIBIT F

Employees

Welcome G&W employees

"It Starts with Me."

Our Core Purpose

To be the safest and most respected rail service provider in the world

Our Core Values

Focus... for disciplined growth

Integrity... to earn the trust of others

Respect... for all people with whom we deal

Excellence... in all we do

Job Board

Get your career on track.

Genesee & Wyoming Inc. Career Opportunities

Genesee & Wyoming Inc. (GWI) is a world class provider of rail freight transportation services, operating short line and regional freight railroads in the United States, Canada, Australia, and the Netherlands.

WHY WORK FOR GWI?

- Strong, growing business
- Comprehensive benefits
- Diverse employment opportunities
- Many locations

CREATE A JOB AGENT

You can set up a job agent to email you jobs that match your skill set. Click here to **create a job agent** or use the tools below to browse or search our listings, and submit your interest online. If you already have job agent(s) set up, you can **login** to update your current job agents.

Current Opportunities

- **All Posted Jobs**
- **Administration**
- **Operations**
- **Transportation**

Job Opportunities Posted within the Last Five Business Days

Listed below are opportunities that have been posted since

4/2/2014.

- **Clerk - Administrative Assistant - Rapid City, SD (292675-841)**
  Rapid City, South Dakota, United States
- **Conductor/Engineer (292677-841)**
  Columbus, Mississippi, United States
- **Senior Accountant - Draper, UT (292674-841)**
  Draper, Utah, United States
- **Signal Maintainer (DGNO) (292676-841)**
  Richardson, Texas, United States

Job Search

Please enter search terms below (e.g., Manager, Engineer, and Switchman).

Hold down the **Ctrl** key (**Command** key for Mac) to make multiple selections or to deselect items

Enter Search Terms

Filter by Category

Select All **Deselect All**

All Categories
Administration
Operations
Transportation

Filter by Location

Select All **Deselect All**

All Locations
United States

State/Province/Region

Select All **Deselect All**

All Locations
Alabama
Arizona
Arkansas
California

Perform Search

Need Assistance?

Can't find a job that matches your skill set? **Submit your resume** and we'll determine if you are qualified for any of our open positions.

Update Your Profile

If you already have a profile on file with us **update your profile** here.

Job Board

Main Listing: >> Operations

Current Opportunities

- **Freight Car**
- **Maintenance of Way**
- **Mechanical**

Need Assistance?

Can't find a job that matches your skill set? **Submit your resume** and we'll determine if you are qualified for any of our open positions.

Update Your Profile

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Job Board

Main Listing: >> **Operations** >> Freight Car

Current Opportunities

- **Carman (292619-841)**
  Huron, South Dakota, United States
- **Carman (292662-841)**
  Albany, Oregon, United States
- **Carman / Car Repair (292643-841)**
  Butler, Pennsylvania, United States

Need Assistance?

Can't find a job that matches your skill set? **Submit your resume** and we'll determine if you are qualified for any of our open positions.

Update Your Profile

If you already have a profile on file with us **update your profile** here.

Job Board

Main Listing: >> **Operations** >> Maintenance of Way

Current Opportunities

- **Assistant Roadmaster (292426-841)**
  Springfield, Illinois, United States
- **Bridge Laborer (292620-841)**
  Rapid City, South Dakota, United States
- **Director, Maintenance of Way (292658-841)**
  Cincinnati, Ohio, United States
- **Equipment Operator - Maintenance of Way (292638-841)**
  Warsaw, Indiana, United States
- **Equipment Operator - Maintenance of Way (292639-841)**
  Lima, Ohio, United States
- **Laborer - TransRail North America (292655-841)**
  Wellsboro, Pennsylvania, United States
- **Machine Operator (DGNO) (292543-841)**
  Richardson, Texas, United States
- **Maintenance of Way Director (292549-841)**
  Meridian, Mississippi, United States
- **Maintenance of Way Director (292551-841)**
  Dothan, Alabama, United States
- **Maintenance of Way Foreman (292606-841)**
  Dawson, Georgia, United States
- **Maintenance of Way Foreman (292633-841)**
  Lima, Ohio, United States
- **Maintenance of Way Foreman (292634-841)**
  Ft. Wayne, Indiana, United States
- **Maintenance of Way Foreman (292664-841)**
  Warsaw, Indiana, United States
- **Maintenance of Way Foreman (DGNO) (292544-841)**
  Richardson, Texas, United States
- **Maintenance of Way Manager- Roadmaster-AGRR (292550-841)**
  Demopolis, Alabama, United States
- **Manager of Engineering (292665-841)**
  Columbus, Ohio, United States
- **MOW Foreman - Carolina Piedmont Railroad - 2/4/14 (MOW Foreman - Carolina Piedmont Railroad - 2/4/14)**
  Laurens, South Carolina, United States
- **MOW Foreman - CCTR - 3/19/14 (MOW Foreman - CCTR - 3/19/14)**
  Corpus Christi, Texas, United States
- **MOW Laborer (BXN) (292528-841)**
  Bauxite, Arkansas, United States
- **MOW/Track Laborer (DGNO) (292542-841)**

Richardson, Texas, United States

- **Roadmaster (292486-841)**
  East Peoria, Illinois, United States
- **Roadmaster (292631-841)**
  Ft. Wayne, Indiana, United States
- **Roadmaster/Track Inspector (292430-841)**
  Enterprise, Alabama, United States
- **Signal Maintainer (292383-841)**
  Various locations on the IORY Railroad Properties, Ohio, United States
- **Signal Maintainer (292652-841)**
  Rapid City, South Dakota, United States
- **Signal Maintainer (292653-841)**
  Retsof, New York, United States
- **Signal Maintainer - Fairbury (292627-841)**
  East Peoria, Illinois, United States
- **Signal Maintainer (DGNO) (292676-841)**
  Richardson, Texas, United States
- **Signal Supervisor (292614-841)**
  Cincinnati, Ohio, United States
- **Track Inspector (292519-841)**
  East Peoria, Illinois, United States
- **Track Inspector (292610-841)**
  Lima, Ohio, United States
- **Track Laborer (292195-841)**
  Elma, Washington, United States
- **Track Laborer (292416-841)**
  Meridian, Mississippi, United States
- **Track Laborer (292432-841)**
  Enterprise, Alabama, United States
- **Track Laborer (292556-841)**
  Albany, Oregon, United States
- **Track Laborer (292587-841)**
  Coshocton, Ohio, United States
- **Track Laborer (292601-841)**
  Vassar, Michigan, United States
- **Track Laborer (292640-841)**
  Lima, Ohio, United States
- **Track Laborer (292641-841)**
  Ft. Wayne, Indiana, United States
- **Track Laborer (292642-841)**
  Warsaw, Indiana, United States
- **Track Laborer (292668-841)**
  Springfield, Illinois, United States
- **Track Laborer (292669-841)**
  Cantonment, Florida, United States
- **Track Laborer - GITR-CSXI - 3/21/14 (Track Laborer - GITR-CSXI - 3/21/14)**
  Savannah, Georgia, United States
- **Track Laborer - Provo, UT (292599-841)**

Provo, Utah, United States

- **Track Laborer (Utility) - Claypool, AZ (292666-841)**
  Claypool, Arizona, United States

Need Assistance?

Can't find a job that matches your skill set? **Submit your resume** and we'll determine if you are qualified for any of our open positions.

Update Your Profile

If you already have a profile on file with us **update your profile** here.

Job Board

Main Listing: >> **Operations** >> Mechanical

Current Opportunities

- **Diesel Mechanic (292121-841)**
  McKees Rocks, Pennsylvania, United States
- **Mechanic (292497-841)**
  St. Albans, Vermont, United States
- **Mechanic (292656-841)**
  Butler, Pennsylvania, United States
- **Mechanic/Engineer (292586-841)**
  Paris, Tennessee, United States

Need Assistance?

Can't find a job that matches your skill set? **Submit your resume** and we'll determine if you are qualified for any of our open positions.

Update Your Profile

If you already have a profile on file with us **update your profile** here.

Job Board

Main Listing: >> **Transportation** >> Conductor

Current Opportunities

- **Conductor (292413-841)**
  Magnolia, Alabama, United States
- **Conductor (292415-841)**
  Aliceville, Alabama, United States
- **Conductor (292456-841)**
  Punxsutawney, Pennsylvania, United States
- **Conductor (292548-841)**
  St. Albans, Vermont, United States
- **Conductor (292548-841)**
  St. Albans, Vermont, United States
- **Conductor (292589-841)**
  Springfield, Illinois, United States
- **Conductor (292600-841)**
  Vassar, Michigan, United States
- **Conductor (292621-841)**
  Pierre, South Dakota, United States
- **Conductor (292623-841)**
  Brookings, South Dakota, United States
- **Conductor (292624-841)**
  Huron, South Dakota, United States
- **Conductor (292628-841)**
  Remington, Indiana, United States
- **Conductor (292629-841)**
  East Peoria, Illinois, United States
- **Conductor (292657-841)**
  Bradford, Pennsylvania, United States
- **Conductor (292670-841)**
  Petersburg, Indiana, United States
- **Conductor (ALMR) (292593-841)**
  Crossett, Arkansas, United States
- **Conductor (LRW) (292577-841)**
  Perry, Arkansas, United States
- **Conductor/ Engineer (292515-841)**
  Dothan, Alabama, United States
- **Conductor/Engineer (292490-841)**
  Sylacauga, Alabama, United States
- **Conductor/Engineer (292605-841)**
  Enterprise, Alabama, United States
- **Conductor/Engineer (292677-841)**

Columbus, Mississippi, United States

- **Conductor/Locomotive Engineer (292524-841)**
  Creswell, Oregon, United States
- **Conductor/Locomotive Engineer (292663-841)**
  Roseburg, Oregon, United States
- **Conductor/Locomotive Engineer (292672-841)**
  Aberdeen, Washington, United States
- **Engineer/Conductor (291812-841)**
  Youngstown, Ohio, United States

Need Assistance?

Can't find a job that matches your skill set? **Submit your resume** and we'll determine if you are qualified for any of our open positions.

Update Your Profile

If you already have a profile on file with us **update your profile** here.

Job Board

Main Listing: >> **Transportation** >> Engineer

Current Opportunities

- **Conductor/Engineer (292651-841)**
  Greenville, Mississippi, United States
- **Engineer/Conductor (292467-841)**
  Washington Court House, Ohio, United States
- **Engineer/Conductor (292574-841)**
  Ft. Wayne, Indiana, United States
- **Engineer/Conductor (292575-841)**
  Lima, Ohio, United States
- **Engineer/Conductor (292604-841)**
  Coshocton, Ohio, United States
- **Engineer/Conductor (292607-841)**
  Ft. Wayne, Indiana, United States
- **Engineer/Conductor (292609-841)**
  Ft. Wayne, Indiana, United States
- **Engineer/Conductor (292615-841)**
  Cincinnati, Ohio, United States
- **Engineer/Conductor (292616-841)**
  Washington Court House, Ohio, United States
- **Engineer/Conductor (292617-841)**
  Lima, Ohio, United States
- **Engineer/Conductor (292622-841)**
  Pierre, South Dakota, United States
- **Engineer/Conductor (292625-841)**
  Huron, South Dakota, United States
- **Engineer/Conductor (292637-841)**
  Cincinnati, Ohio, United States

Need Assistance?

Can't find a job that matches your skill set? **Submit your resume** and we'll determine if you are qualified for any of our open positions.

Update Your Profile

If you already have a profile on file with us **update your profile** here.

Job Board

Main Listing: >> **Transportation** >> Switchman

Current Opportunities

- **RAIL-Pine Hill Switchman 9.25.2013 (292293-841)**
  Pine Hill, Alabama, United States
- **Switchman - Carmeuse - 2/27/14 (Switchman - Carmeuse - 2/27/14)**
  Gulliver, Michigan, United States
- **Switchman - Exxon Baton Rouge - 3/20/14 (Switchman - Exxon Baton Rouge - 3/20/14)**
  Baton Rouge, Louisiana, United States
- **Switchman - GE Sabic - 2/26/14 (Switchman - GE Sabic - 2/26/14)**
  Burkville, Alabama, United States
- **Switchman - Genesis Baton Rouge - 3/28/14 (Switchman - Genesis Baton Rouge - 3/28/14)**
  Baton Rouge, LA, , United States
- **Switchman - LaPorte, TX - 3/19/14 (Switchman - LaPorte, TX - 3/19/14)**
  LaPorte, Texas, United States
- **Switchman - Scio - 2/27/14 (Switchman - Scio - 2/27/14)**
  Scio, Ohio, United States

Need Assistance?

Can't find a job that matches your skill set? **Submit your resume** and we'll determine if you are qualified for any of our open positions.

Update Your Profile

If you already have a profile on file with us **update your profile** here.

Employees

Welcome G&W employees

"It Starts with Me."

Our Core Purpose

To be the safest and most respected rail service provider in the world

Our Core Values

Focus... for disciplined growth

Integrity... to earn the trust of others

Respect... for all people with whom we deal

Excellence... in all we do

EXHIBIT G

Genesee & Wyoming Inc.
Code of Ethics and Conduct

As updated
January 14, 2013

Genesee & Wyoming Inc.
Code of Ethics and Conduct

The reputation of Genesee & Wyoming is critical to our success. From our historical roots as a 14-mile railroad serving a single salt mine to our present organization of 111 railroads serving 2,000 customers worldwide, Genesee & Wyoming has developed a tradition of integrity and excellence that must be upheld above all else.

When we became a public company in 1996, senior management put in writing certain values that were deemed essential to preserve the Genesee & Wyoming culture. While our goals change over time, our Core Values remain the same:

Focus... for disciplined growth
Integrity... to earn the trust of others
Respect... for all people with whom we deal
Excellence... in all we do

Our corporate reputation depends on each of us working and living by these Core Values. In large part, how we do that is made clear in our Code of Ethics and Conduct. Our Code of Ethics and Conduct is meant to provide a clear understanding of how we should conduct ourselves as employees to uphold our tradition and reputation.

Continued ...

John C. Hellmann
President and CEO

Continued ...

In 2013, we will be rolling out new online training that supplements our Code of Ethics and Conduct and provides examples of how the matters covered in the Code can play out on the job.

While it is important that each of you read the Code, I also would like to share a test that I apply when I am confronted with a difficult ethical situation. I call it "the Thanksgiving Test." If you can't comfortably explain your conduct or actions to your family and loved ones at the Thanksgiving dinner table, then you probably shouldn't be doing it.

The actions of a single employee can undo the reputation that Genesee & Wyoming has built over more than 100 years. Consequently, each of us must take responsibility to act in a safe, legal and ethical manner at all times.

Thank you for your commitment to realizing these goals and for helping to make us the safest, most respected rail service provider in the world.

Sincerely,

Jack Hellmann

John C. Hellmann
President and Chief Executive Officer

Table of Contents

Important Information

Purpose of the Code of Ethics and Conduct

This Code is intended to:

- Educate you about the laws that affect our business
- Serve as a guide when you face legal or ethical questions
- Help you understand the type of behavior we expect from you
- Inform you and our stakeholders where to go for advice and to report possible misconduct

Every effort has been made to make the Code as complete as possible. However, we cannot address every issue that you may face. If you have questions on a particular situation, you should review any additional policies that may apply, ask your supervisor for guidance, or contact a member of the Ethics Compliance Committee.

If you have questions on appropriate conduct in a particular situation, please ask

Important Information

Who must follow the Code of Ethics and Conduct?

The Code covers all employees *with no exceptions.*

This means that it covers:

- All union and non-union, administrative, clerical, temporary and part-time employees
- All contract workers and consultants
- All officers, including the Chief Executive Officer and the Chief Financial Officer

This Code also applies to the members of our Board of Directors.

The Code covers all employees *with no exceptions*

Important Information

What is expected of me?

We expect you to lead by example. As an employee, you are obligated to:

- Read through the Code
- Adhere to the Code and ask questions when in doubt
- Promptly report any suspected violations of a law or the Code to your supervisor, to any of the individuals identified throughout the Code, or to a member of the Ethics Compliance Committee

Remember, you should not fear retaliation for reporting suspected misconduct. **Genesee & Wyoming will not tolerate any retaliation against you for reporting a violation of law, rule, regulation or this Code.** The law may also prohibit retaliation against employees who report a concern or complaint about unlawful conduct. (Examples of retaliation include being fired, transferred to a less desirable position or given negative performance reviews as a result of reporting misconduct.) Anyone who violates the Company's non-retaliation policy will be subject to disciplinary action, up to and including termination of employment.

We expect you to lead by example

Retaliation will not be tolerated

Important Information

What happens if I violate the Code?

If you are an employee, any violation of the Code will result in appropriate disciplinary action, up to and including termination of your employment. Examples of disciplinary actions include, but are not limited to: Verbal and/or written reprimand; suspension from work or reduction in work authority; and reassignment, potentially including loss of pay or grade

If you are not an employee, violations of the Code can result in termination of your business arrangement with the Company, and you may be barred from our facilities.

Waiver of Compliance

In certain limited situations, the Company may waive application of the Code. With respect to Executive Officers and Members of Genesee & Wyoming Inc.'s Board of Directors, any such waiver requires the express approval of the Governance Committee of the Company's Board of Directors. Any waiver applicable to Executive Officers or Directors will be promptly disclosed to shareholders.

Q: What if I violate the Code?

A: Any violation will result in disciplinary action. The severity of disciplinary action can vary

Safe Work Environment

Safety

Our Goal: Work Injury-Free Every Day!

You and everyone you work with or supervise is responsible for adhering to our Safety Policy.

Safety Policy

- Safety is the number-one priority in our work and in our lives
- Management is committed to providing a safe work environment
- All employees are responsible for maintaining a safe work environment and preventing personal injuries
- All injuries can be prevented
- Compliance with safety rules and procedures is a condition of employment

All employees, contractors and consultants are required to follow our Safety Policy.

For additional guidance on the safety rules for your department, see "GWISafetyFirst."

Know the rules, use the tools, and SPEAK up

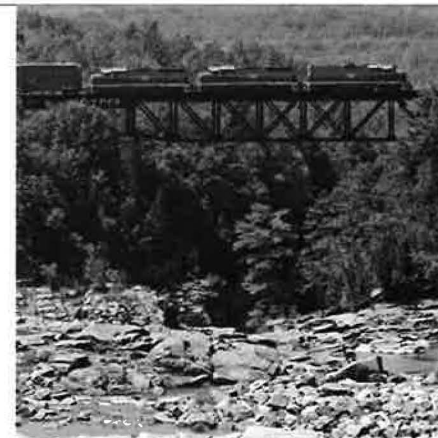
Environmental Regulations

Genesee & Wyoming is committed to environmental excellence. We live and work in the communities where we do business, and we expect you to support our responsible environmental practices and initiatives. We strive to avoid negative effects on the environment of the communities where we operate.

We require strict adherence to environmental laws. All facilities must have the required environmental permits, approvals, plans and controls in place.

While we do not expect everyone to be an expert in every environmental requirement, you are expected to understand the requirements for your area of responsibility and to report accidents and unsafe practices or conditions to your supervisors or other designated people.

For additional guidance, see "Environmental Policies & Guidelines."



We strive to avoid negative effects on the environment

Safe Work Environment

Drugs and Alcohol

Anyone under the influence of drugs or alcohol at work is a safety risk. Therefore, the use, possession, sale, distribution or purchase of alcohol or illegal drugs or any other controlled substance (except for approved medical purposes) while on Company business (except for approved social events), or while operating Company equipment, machinery or vehicles, is strictly prohibited.

You may not enter Company property for any reason under the influence of alcohol or illegal drugs or with detectable levels of illegal drugs in your system.

We have a zero-tolerance policy concerning the use of drugs or alcohol in the workplace.

For additional guidance, see the Genesee & Wyoming "Policy Statement on Drugs and Alcohol."

Anyone under the influence of drugs or alcohol at work is a safety risk

Discrimination and Sexual Harassment

Genesee & Wyoming is committed to providing a work environment free from any offensive behavior. This includes discrimination and sexual harassment.

We do not tolerate discrimination against any individual based upon race, color, religion, sex, national origin, age, disability, sexual orientation, marital or family status, military status, or other factors unrelated to our business interests. The use of racial or religious slurs or any other remarks, jokes, or conduct that encourages or permits an offensive work environment will not be tolerated.

We require that Company evaluations are non-discriminatory and based on demonstrated performance, abilities and qualifications.

Continued ...

Treat every person met in the course of your work with dignity and respect

Discrimination and Sexual Harassment

Continued ...

Sexual harassment includes any unwelcome sexual advance, request for sexual favors, or other verbal or physical conduct of a sexual nature when:

- submission to such conduct is made either explicitly or implicitly as a term or condition of an individual's employment;
- submission to or rejection of such conduct is used as the basis for employment decisions; or
- the harassing conduct unreasonably interferes with an individual's work performance or creates an intimidating, hostile or offensive work environment.

Sexual harassment is not always overt or deliberate. Even innocent or unintentional behavior may constitute harassment and may have a negative effect on others. To minimize the risk of discrimination or sexual harassment, employees should refrain from intimate relationships with co-workers that could interfere with work performance or make other employees uncomfortable.

We will not tolerate sexual advances, actions, comments or any other conduct in the workplace that creates an intimidating or otherwise offensive environment.

For additional guidance, see the Genesee & Wyoming "Harassment/Anti-Discrimination Policy."

We will not tolerate an offensive work environment

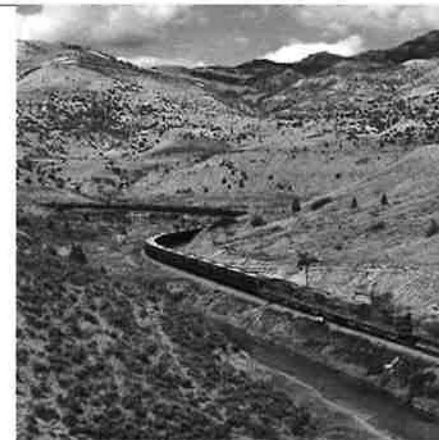
Support and Respect at Work

Violence in the Workplace

Safety is our number-one priority. Acts or threats of violence in physical, written, electronic or verbal form are not conducive to a safe and secure work environment, and any such behavior will not be tolerated.

Employees and non-employees are prohibited from bringing guns or other weapons onto our property (which includes but is not limited to guns and weapons in our parking lots), unless local law prevents us from enforcing this policy.

For additional guidance, see the Genesee & Wyoming "Violence Policy."



Acts or threats of violence will not be tolerated

Business Integrity

Relationships with Stakeholders

Our Code of Ethics outlines our commitment to stakeholders who have an interest in our activities or are affected by them. It informs these stakeholders of what they can expect from us and provides reassurance that our Company is well-managed and maintains high standards. We have structured our Code to clearly identify the key groups affected by our activities.

Relations with our investors, suppliers and contractors

We operate in an environment of trust, and we do not tolerate any fraudulent or dishonest behavior by our employees either within the Company or in dealing with our investors, suppliers or contractors. You must always adhere to ethical business conduct in your dealings with other Company employees and our stakeholders.

Continued ...

Our success is driven by our commitment to our stakeholders

Business Integrity

Relationships with Stakeholders

Continued ...

Relations with governments and communities

Success in business depends on compliance with laws, together with sensitivity to local customs and conventions governing business relationships. The communities in which we operate, and from which we draw our employees, are the core of our business franchise.

- We are committed to making a positive contribution to the sustainable development of the communities in which we operate.
- We take into account the concerns of the entire community – including national and local interests – in all our operations. We use our expertise to contribute to the well being of the community in a manner appropriate to our business objectives.

The communities in which we operate are the core of our business franchise

Fair Competition

You are expected to act in a manner that will enhance the Company's reputation for honesty, integrity, and faithful performance in support of long-term, mutually beneficial business relationships.

You may not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.

Remember the following when you deal with others:

- You must be truthful in your representation of the Company. If there is a mistake or misunderstanding, you must correct it immediately.
- You must accurately represent Company services in all public statements and advertising, promotional materials, sales representations, warranties and guarantees. Never provide misleading information.

Continued...

You must sell Company services on their merits

Business Integrity

Fair Competition

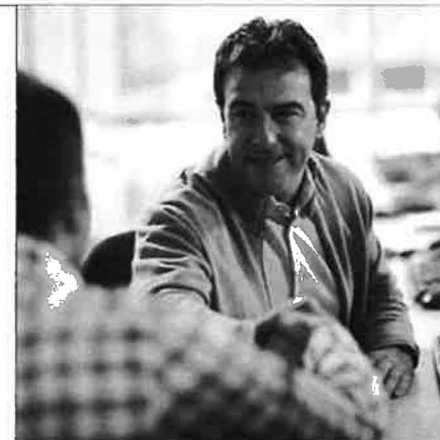
Continued ...

- You must sell Company services on their merits. Do not make false or misleading remarks about a competitor's organization, its employees, or its services. When comparisons are made between a competitor and Genesee & Wyoming, they must be accurate and factual.
- You must strive to select suppliers who provide the highest quality at the lowest total cost. Prospective suppliers should have a chance to compete fairly for our business, just as we wish to compete fairly for our customers' business.

The law prohibits unfair methods of competition and unfair or deceptive acts and practices. These laws are designed to protect customers and competitors. While it is impossible to list all types of prohibited conduct under these laws, some examples include:

- Commercial bribery or payoffs to induce business or breaches of contracts by others

Continued...



Select suppliers who provide the highest quality at the lowest total cost

Business Integrity

Fair Competition

Continued ...

- Acquiring a competitor's trade secrets through bribery or theft
- Making claims concerning our services without a reasonable basis for doing so
- Making false or deceptive claims or comparisons regarding competitors or their services

You should always be mindful of these guidelines when dealing with others, and you should govern yourself accordingly. Remember, your actions create our reputation.

Act in a manner that will enhance our reputation

Antitrust

Antitrust laws are intended to preserve a free and competitive marketplace. Some violations of antitrust laws are felonies, and individuals as well as companies can be convicted, with jail terms as a possible result. In addition, substantial damages can arise from any antitrust violation.

You should remember that discussion of any of the following subjects with competitors, whether relating to our products or theirs, may be prohibited by antitrust laws:

- Past, present or future prices or pricing policies
- Lease rates
- Bids, discounts, promotions, profits, costs, terms or conditions of sales, royalties, warranties, choice of customers, territorial markets, production capacities or plans and inventories

Any discussion of these topics or an agreement that could limit competition in a specific market may be a violation of antitrust laws and must be reviewed by the General Counsel.

Antitrust compliance is extremely important to Genesee & Wyoming

Continued ...

Antitrust

Continued ...

Trade association meetings have the potential to give rise to antitrust issues. At any trade association meeting, you should not participate in any formal or informal discussion regarding the following topics:

- Prices
- Discounts
- Terms and conditions of sales
- Allocating or prioritizing geographic markets or products
- Bidding on specific contracts or customers
- Standardization of terms among competitors
- Conspiring to exclude competitors

If you become aware of any formal or informal discussion of the topics listed above, then you should immediately report your concerns to the General Counsel.

Q: What if I hear a discussion at a trade association meeting that concerns me from an antitrust standpoint?

A: Do not participate, and immediately report your concerns to the General Counsel

Business Integrity

Conflict of Interest

Conflicts of interest can happen when your personal interests or activities (or those of a member of your family) interfere with, or even appear to interfere with, those of the Company or its subsidiaries. This includes when you are in position to influence a transaction or decision in such a way that it will, or might appear to, benefit you or your family member.

Conflicts of interest are prohibited. To protect the best interests of the Company, any potential conflict of interest must be discussed with the Human Resources Department so that it can be resolved in an ethical manner. Potential conflicts involving Executive Officers or members of the Company's Board of Directors must be reviewed by the Company's Governance Committee.

Continued ...

Personal interests and activities should not influence decisions made on the Company's behalf

Business Integrity

Conflict of Interest

Continued ...

The following situations have potential for a conflict of interest:

- Ownership (by you or a family member) of a material financial interest in, or service to, any outside enterprise that does or seeks to do business with, or is a competitor of, the Company
- Acting as a broker, finder or intermediary for the benefit of a third party in transactions involving the Company or its interests
- Becoming indebted to any concern whose business may be affected by your actions on behalf of the Company
- Voting, influencing, or making recommendations regarding a Company transaction or decision when you have (or a family member has) a material interest in an entity or property involved in the transaction or decision

Continued ...

Q: A member of my family works for a customer of the Company. Will I lose my job if I report this?

A: No. The Human Resources Department will work with you to minimize any ethical concerns

Business Integrity

Conflict of Interest

Continued ...

- Participating in activities outside the Company that interfere with your ability to serve the Company
- Using knowledge, confidential information or influence gained as a result of your employment for personal profit or financial gain for you or a family member
- Any arrangement or circumstance, including family or other personal relationships, that might cause you not to act in the best interest of the Company

For additional guidance, see the Genesee & Wyoming "Related Person Transaction Policies."

Any potential conflict of interest must be discussed with the Human Resources Department

Business Integrity

No One Can Force You to Do Anything Illegal or Unethical

- You should not fear retaliation for refusing to do something that would be considered unethical or illegal.
- The Company will not tolerate any retaliation against you for reporting a violation of a law, rule, regulation or this Code.
- Anyone who violates the Company's non-retaliation policy will be subject to disciplinary action, up to and including termination of employment.

The Company will not retaliate against employees who decline to commit unethical or illegal acts

Business Integrity

Cooperate Fully and Honestly in Investigations

From time to time, the Company may be the subject of an outside investigation by the Federal Railroad Administration, law enforcement, or other government agency. During the course of these investigations, officials may need to access and review Company documents, e-mails or other written materials.

If you are questioned by a Company or external official in an investigation, you must be truthful and forthcoming. Destruction or falsification of any document that is potentially relevant to a violation of law, a government investigation or a legal proceeding may lead to prosecution for obstruction of justice.

If you have questions regarding destruction or retention of documents, or about speaking with an external investigator, please ask the General Counsel.

In the course of an investigation by law enforcement or a government agency, the investigators may seek access to a Company-owned location, either through a request or by presenting a search warrant. In the event of any such request, please contact the General Counsel immediately.

You must retain all records that could be relevant to an outside investigation by law enforcement or a government agency

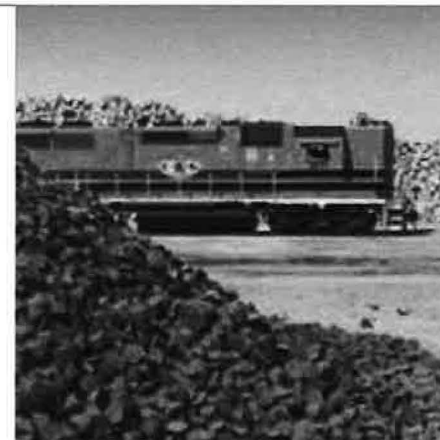
Business Travel

The Travel, Entertainment & Other Reimbursable Expenses Policy requires employees to use good judgment in incurring expenses. Personal or excessive use of an expense account without permission could subject you to disciplinary action, up to and including termination.

An employee's signature on an expense report certifies that all expenditures are true and correct, clearly and accurately described, and supported by receipts. The employee and the person authorizing the expense report are jointly responsible for the propriety of the contents.

Necessary and reasonable expenses are allowable when properly described and documented with legible explanations. Tax regulations require that each expenditure be supported by an explanation of the business purpose of the expenditure.

Continued ...



All employees must use good judgment when incurring any type of company-related expense

Business Integrity

Business Travel

Continued ...

Exceptions to the policy will be reviewed with the employee and his/her supervisor and/or department head and may require:

- Further explanation or substantiation for questionable expenses
- Repayment of reimbursements previously made for expenses incurred in violation of the policy
- Removal of company-sponsored payment privileges (credit cards, etc.)

Violation or abuse of the Travel, Entertainment & Other Reimbursable Expenses Policy can lead to disciplinary action, up to and including termination of employment.

For additional guidance, see the Company's "Travel, Entertainment & Other Reimbursable Expenses Policy."

Abuse of the Travel, Entertainment & Other Reimbursable Expenses Policy can lead to termination of employment

Business Integrity

Gifts and Entertainment

You should not accept gifts, meals or entertainment that may influence, or may give the appearance of influencing, your ability to make decisions in the best interest of the Company. You also should not give, offer or promise gifts, meals or entertainment that are intended to influence (or that may appear to influence) or place a third party under an obligation to you or the Company.

You may give or receive nominal gifts, meals or entertainment from third parties that are unlikely to influence and will not be viewed as a bribe, kickback or payoff.

Care should be taken to ensure that gifts, meals or entertainment do not violate any:

- Laws
- Generally accepted ethical standards
- Standards of the recipient's organization

Continued ...

All gifts, meals and entertainment should be able to withstand public ethical review

Gifts and Entertainment

Continued ...

In the context of giving or receiving gifts, meals or entertainment, the following are examples of activities that are generally permissible, provided they are business-related and freely offered:

- Tangible gifts that have an aggregate annual value of less than $250
- One meal per quarter, per customer or supplier
- Tickets for three entertainment events per year, per supplier or customer, such as a golf outing or sporting, theatrical or cultural event
- Refreshments and/or meals before or after a business meeting

You are required to inform your immediate supervisor if you accept any gifts, meals, entertainment or other items of value from business partners.

Under no circumstances may an otherwise permissible gift or ticket be sold, bartered or exchanged. In all circumstances, gifts should be reasonable.

Continued ...

Q: Is giving or receiving gifts, meals or entertainment ever permissible?

A: If business-related and freely offered, reasonable gifts, meals or entertainment can be acceptable

Gifts and Entertainment

Continued ...

You are required to courteously decline or return any gift, meal or entertainment that violates these guidelines and inform the offerer of the Company's policy.

Sometimes refusal of a valuable gift would be offensive to the person offering it, such as when you are a guest in another country, and the gift is something from that country offered as part of a public occasion. In these cases, you may accept the gift on behalf of the Company and report it to your supervisor or, in the case of an Executive Officer or member of the Board of Directors, to the General Counsel.

Continued...

Courteously decline or return any gift, meal or entertainment that violates these guidelines and inform the offerer of the Company's policy

Business Integrity

Gifts and Entertainment
Continued ...

You should be aware that:

- Even if a gift, meal or entertainment is otherwise permissible, a complex set of regulations limits the provision of meals, gratuities or entertainment to federal government employees
- Many state and local governments have adopted similar rules
- Governments in other countries also have strict rules on these matters

As a result, you are not permitted to provide or offer to provide any such gifts to *<u>any</u>* government representative without first reviewing the matter with the Government and Industry Affairs Department.

Many U.S. and foreign regulations limit or prevent the provision of meals, gratuities or entertainment to federal, state and local government employees

Business Integrity

Dealing With Suppliers

Genesee & Wyoming expects its suppliers to abide by the Company's Code of Ethics and Conduct. Our suppliers are expected to "live like we do" in regard to safety, ethics and high standards of business conduct.

All purchasing decisions must be based on the best total value received by Genesee & Wyoming. In all dealings with current or potential suppliers, be sure to work through the appropriate Company contacts.

Any attempt by a supplier to improperly influence a purchasing decision should be reported to the General Counsel.

If you have any questions when dealing with a supplier, contact the Purchasing Department.

Employees should never participate in price fixing, customer or market allocation, bid rigging or any related practices

Business Integrity

The Foreign Corrupt Practices Act

The United States Foreign Corrupt Practices Act of 1977 (and amendments) (FCPA) governs conduct outside of the United States. **The FCPA prohibits the Company and its shareholders, agents, officers and employees from making or authorizing payment of money or anything of value, directly or indirectly, to non-United States government officials, political parties or candidates for political office outside the United States to win or retain business or influence any act or decision of such officials.**

FCPA also requires all books, records and accounts of the Company, domestic and foreign, to accurately and fairly reflect business transactions and dispositions of Company assets. A system of internal accounting controls must be maintained to provide adequate corporate supervision over the accounting and reporting activities at all levels.

You must review the legality of all payments to non-U.S. government officials, political parties or candidates with the General Counsel.

For additional guidance, see the Genesee & Wyoming "Foreign Corrupt Practices Act Policy".

The FCPA applies to U.S. and foreign subsidiaries of the Company and to both U.S. and non-U.S. citizens

Business Integrity

Political Activities

You are encouraged to support the political parties and candidates that advocate your views.

Unless you are acting in an official capacity on behalf of the Company, all political activities must take place outside of your employment hours. You may not use Company resources in such activities, unless you have first obtained approval from the Government and Industry Affairs Department.

If you seek elective office or accept an appointive office, you must notify your manager and indicate how the duties of the office will affect your job performance.

If you have any questions, please contact the Government and Industry Affairs Department.

Q: As an employee, can I run for elective political office?

A: You must first notify your manager and indicate how the duties of the office will affect your job performance

Business Integrity

Engaging Consultants

Consultants and agents retained by the Company must adhere to the Code in the course of their work on our behalf. Special care should be taken to ensure that:

- No conflict of interest exists between the Company and the consultant or agent, or any such conflict is disclosed and managed
- The consultant or agent is genuinely qualified in the business for which retained
- The compensation being paid is reasonable
- There is written agreement outlining the statement of work under which the consultant or agent agrees to abide, and the written agreement requires compliance with all applicable laws and the Code

Consultants and agents may not be retained to do anything illegal or improper. Do not attempt to engage a consultant to do anything that you are prevented by law or the Code from doing yourself.

For additional guidance, contact the Human Resources Department.

Consultants must adhere to the Code in the course of their work on our behalf

Financial Integrity

Financial Accountability

We must always provide stakeholders with financial information that is accurate, complete, objective, fair, relevant, timely and understandable, including in our filings and other submissions to the U.S. Securities and Exchange Commission, tax regulators and other public bodies.

The Company's success in the marketplace is built upon the trust and confidence of those who invest in us, and we are dedicated to protecting their long-term interests.

- We aim to generate an attractive rate of return on a long-term basis, through the responsible use of assets entrusted to us.
- We are committed to a high standard of corporate governance and accountability.
- Our accounting statements will be true, timely, complete and available in an easily understandable form.

We give confidence to our shareholders through relevant and timely communications.

Our success in the marketplace is built upon trust

Financial Integrity

Financial Records, Accounting, Internal Controls

Our financial and accounting records and supporting information must be maintained properly to comply with legal requirements and our internal controls. All individuals who are responsible for recording or reporting this information shall do so promptly, accurately, completely and honestly.

Company policy prohibits:

- Knowingly making or causing others to make a materially misleading, incomplete or false statement to an accountant or an attorney in connection with an audit or any filing with any governmental or regulatory entity (such as the New York Stock Exchange or the U.S. Securities and Exchange Commission)
- Directly or indirectly falsifying or causing others to falsify any Company or client documentation

Continued ...

Individuals responsible for recording or reporting financial and accounting information shall do so promptly, accurately, completely and honestly

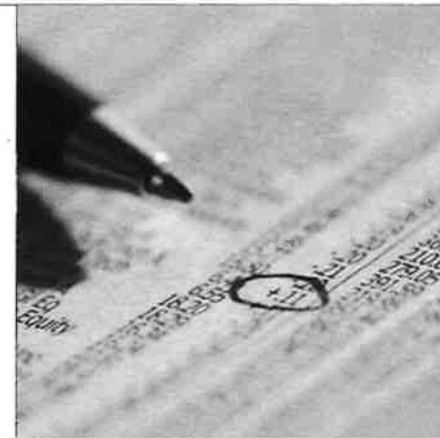
Financial Integrity

Financial Records, Accounting, Internal Controls

Company policy prohibits:
Continued ...

- Omitting, or causing others to omit, any material fact that is necessary to prevent a misleading statement in connection with any audit, filing or examination of the Company's financial statements
- Opening or maintaining any undisclosed or unrecorded corporate account, fund or asset or any account with a misleading purpose
- Using reports or records to mislead those who receive them or to conceal anything that is improper
- Any action to fraudulently influence, coerce, manipulate or mislead the accountant or auditor engaged in the performance of an audit of the Company's financial statements

Continued ...



Any dishonest or misleading reporting is strictly prohibited

Financial Integrity

Financial Records, Accounting, Internal Controls

Continued ...

Any dishonest reporting of information to organizations or people outside the Company is also strictly prohibited and could lead to civil or even criminal liability for you and the Company. This includes not only reporting information inaccurately, but also organizing it in a way that is intended to mislead or misinform those who receive it.

If you believe that the Company's records are not being maintained in accordance with these requirements, then you should report the matter directly to a Company officer, to an Ethics Compliance Committee member, or to our Hotline at 800-589-3280.

For additional guidance, see the Genesee & Wyoming Accounting Policies or contact the Accounting Department.

Our Hotline for reporting fraudulent or inaccurate financial reporting or accounting is always available at 800-589-3280

Financial Integrity

GWI Purchasing Cards and Expense Accounts

If you have been issued a Company credit card, then you must use that card only for the legitimate purchase of Company materials and permissible services. You are fully responsible for the use of your card, and you must report lost or stolen cards immediately.

If you have a corporate expense account, then you are entitled to reimbursement for reasonable expenses, but only if those expenses are actually incurred. Submitting an expense account for meals not eaten, miles not driven, airline tickets not used or for any other expense not incurred is against the law and against Company policies.

For additional guidance, see the Genesee & Wyoming Accounting Policies and the "Travel, Entertainment & Other Reimbursable Expenses Policy," or contact the Accounting Department.

Treat Company assets as if they are your own

Safeguarding Our Corporate Assets and Information

Use of Corporate Assets

You are responsible for protecting Company assets. These include cash and cash equivalent investments, physical assets, trade secrets, technology and other proprietary information. Managers are responsible for establishing and maintaining controls to protect assets from loss or unauthorized use. We are all responsible for assisting in the prevention of waste and theft of corporate assets and assuring the integrity of our controls.

The Company's computer resources, telephones and electronic resources are considered Company assets. Limited personal use of the Company's computer resources (including the Internet and Intranet) and telephones and other related equipment is permitted so long as the use:

- Is authorized by a Company officer
- Is within reason and not abused
- Does not interfere with job performance

For additional guidance, see the Genesee & Wyoming "Technology Resources Policy" and the Accounting Policies.

The Company expects all employees utilizing our computer and other electronic resources to observe the highest standard of professionalism at all times

Continued ...

Safeguarding Our Corporate Assets and Information

Use of Corporate Assets

Continued ...

Corporate business opportunities are also corporate assets and should only be used to advance the legitimate interests of the Company. You may not take personal advantage of corporate business opportunities that come to you through the use of corporate property, corporate information or your position at the Company.

You may not use corporate property, corporate information or your position at the Company for personal gain, and you may not compete with the Company.

You may not take personal advantage of corporate business opportunities

Safeguarding our Corporate Assets and Information

Confidential Information

From time to time, you may become aware of Company confidential information. Confidential information is information not generally known to the public that, if disclosed, might be of use to competitors or be harmful to the Company, its competitive position or its customers.

You may not disclose or use any confidential information gained during Company employment or any other Company relationship for personal profit or advantage, and you must maintain the confidentiality of this information except when disclosure is authorized or legally mandated.

Continued ...

***Confidential information* is information not generally known to the public that, if disclosed, might be harmful to the Company, its competitive position or its customers**

Safeguarding our Corporate Assets and Information

Confidential Information

Examples of confidential information include, but are not limited to:

- Computer programs, data, formulas, software and compositions
- Customer and supplier information, including pricing and costs
- Non-public financial data
- Freight rates, routes and division structures
- Marketing and sales programs
- Employee personal information and compensation information
- Possible acquisition or divestiture activity
- Regulatory approval strategies
- Strategic business plans or transactions

Continued...

Confidential information may not be discussed with family, relatives, or business or social acquaintances

Confidential Information

Continued ...

Except as specifically authorized or legally mandated, you are expected to maintain the confidentiality of information entrusted to you by the Company or its suppliers or customers. This requirement applies both during and after your employment or service to the Company.

Confidential information should not be:

- Discussed within hearing range of unauthorized persons, such as in elevators (even on Company property), restaurants, taxis, airplanes or other public areas
- Left where it is accessible to unauthorized persons or in other areas that are not secure (i.e. on printers, faxes or openly visible on a desk)
- Disclosed to family, relatives, or business or social acquaintances

In instances where it is appropriate for business reasons to disclose Company confidential information to third parties, the General Counsel must be contacted before the disclosure and, when deemed necessary, an appropriate agreement that includes the necessary safeguards may be entered into.

You are expected to maintain the confidentiality of information entrusted to you by the Company or its suppliers or customers

Safeguarding our Corporate Assets and Information

Securities Laws and Trading

Securities laws and Company policy prohibit the buying or selling of securities while in the possession of "material, non-public information."

Material, non-public information is information that:

- Has not been released to the public, and
- A reasonable investor would consider important in deciding whether to buy, sell or hold securities

Examples of material, non-public information include:

- Acquisitions and divestitures
- Changes in key management
- Changes to significant contracts or customers
- Financial earnings figures and trends
- Important information on litigation, contracts or joint ventures

Continued ...

Material, non-public information **is information that has not been released to the public and that a reasonable investor would consider important in deciding whether to buy, sell or hold securities**

Safeguarding our Corporate Assets and Information

Securities Laws and Trading

Continued ...

Material, non-public information does not have to relate to the Company's business. For example, it could include information about the contents of a forthcoming story in the financial press that is expected to affect the market price of a security, or information about a transaction.

It is against the law for you to:

- Buy or sell securities while in the possession of material, non-public information
- Disclose material, non-public information to any unauthorized recipient (including relatives, friends or business associates), regardless of the purpose for which the disclosure is made
- Have anyone else purchase or sell securities on your behalf, or for their own benefit, based on material non-public information. Any such purchases or sales made by another person, or on their behalf, could be attributable to you and are illegal

Continued ...

All employees, including foreign employees, are subject to the U.S. Securities Laws

Securities Laws and Trading

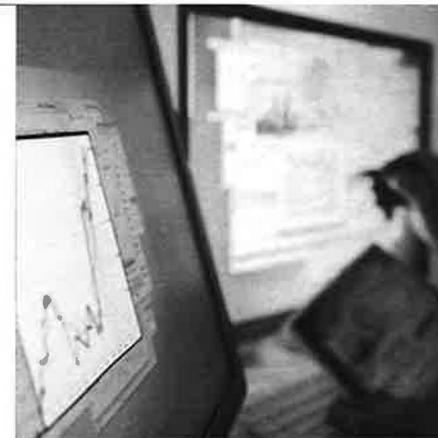
Continued ...

For any questions on whether certain information fits the definition of material, non-public information, please consult with your supervisor or the General Counsel.

Short-term investment activity in the Company's securities, such as trading in or writing options, arbitrage trading or "day trading," is not appropriate under any circumstances and is prohibited. In addition, employees should not take "short" positions in the Company's securities. Company securities include related securities such as puts, calls and other derivative securities.

If you are notified by the Legal Department that you are a Key Employee, you are subject to stricter standards than those described above, including prohibitions on securities trading during certain times and pre-clearance requirements.

For additional guidance, see the "Policy on Non-Public Information and Trading in GWR Stock" and the related "Key Employee Policy."



Day trading in our stock is not permitted

Continued ...

Safeguarding our Corporate Assets and Information

Records Management

Destruction or falsification of any document that is potentially relevant to a violation of law, a government investigation or legal proceeding may lead to prosecution for obstruction of justice.

If you have been notified that you should retain documents, or if you believe that a violation of the law has been committed or that a Company or government investigation is underway or is about to commence, then you must retain all records (including documents, computer records and other files) that could be relevant to an investigation of the matter.

If you have any questions regarding destruction or retention of documents, please ask the General Counsel.

For additional guidance, see the Genesee & Wyoming "Data Retention Policy."

Retain all records that could be relevant to an investigation

When in doubt, retain records and contact the General Counsel

Representing our Company with a Unified Voice

Communications with the Public

It is our practice to disclose material information about the Company publicly, not selectively. The Company is committed to fair disclosure of information about the Company without advantage to any particular analyst or investor, consistent with securities laws.

Only authorized spokespersons should speak with the news media or publicly discuss Company business.

If anyone outside the Company asks you to provide information, you should refer them to your supervisor or the Director of Corporate Communications, and they will handle the inquiry.

For additional guidance, contact the Corporate Communications Department and see the Genesee & Wyoming "Fair Disclosure Policy."

Only authorized spokespersons should speak with the media

Representing our Company with a Unified Voice

Social Media

Changes in technology are influencing the way that employees communicate, both internally and externally. Social media and other online tools empower us to reach a wide range of audiences, and it is important to take certain steps when making references to the Company in these settings.

Employees must not post anything online that may be construed as representing the Company. Do not use the Company logo or trademarks on a personal website, blog or social media page in a way that suggests Company sponsorship.

Any postings that appear on Facebook, Twitter, LinkedIn, a personal website or blog, or other social media can potentially be seen by customers, shareholders and other audiences with a direct interest in the Company. If you use these tools, you should:

- Not post comments or photos of customers or suppliers without their permission
- Never post information about Company earnings, business dealings or other details

Continued ...

Keep in mind that social media postings can potentially be seen by clients, shareholders and others with a direct interest in the Company

Social Media

Continued ...

- Never post confidential information about Company employees, our customers or suppliers

If you see something on a social media site that could be potentially harmful to the Company, your supervisor or any member of the Ethics Compliance Committee will be available to discuss any such matter brought to their attention.

Do not respond online to social media postings that may be harmful to the Company. Report your concerns to your supervisor or the Ethics Compliance Committee

Questions or Reporting Concerns

We will hold ourselves accountable to this Code and encourage all of our stakeholders to likewise hold us accountable.

Whether you are an employee, customer, investor, supplier or member of a community where we operate, please do not hesitate to alert us to any concerns regarding our conduct.

It is our Core Purpose to be the safest, most respected rail service provider in the world.

Your compliance with this code is integral to our success

Contact Directory

Ethics Compliance Committee

Shayne L. Magdoff, Vice President
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Phone: (503) 480-7763
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Allison M. Fergus, General Counsel and Secretary
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Contact Directory
Regional Senior Vice Presidents

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Legal Department

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Human Resources Department

Mary Ellen Russell, Chief Human Resource Officer
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Government & Industry Affairs Department

Jerry E. Vest, Vice President, Government and Industry Affairs
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Accounting Department

Christopher Liucci, Chief Accounting Officer
and Global Controller
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Corporate Communications Department

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Contact Directory

Securities Trading Compliance Committee

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E-mail: smagdoff@gwrr.com

GENESEE WYOMING

Buffalo and pittsburgh railroad

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Buffalo & Pittsburgh Railroad - Genesee & Wyoming Inc.
www.gwrr.com/.../**railroads**/.../**buffalo_pittsbu**... Genesee & Wyoming, Inc.
The Buffalo & Pittsburgh Railroad (**BPRR**) is a 368-mile regional freight railroad that interchanges with the Allegheny Valley Railroad, Canadian Pacific Railway, ...

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Buffalo and Pittsburgh Railroad - Wikipedia, the free ency...
en.wikipedia.org/wiki/**Buffalo_and_Pittsburgh_Railroad** Wikipedia
The **BPRR** is owned by Genesee and Wyoming Industries. Its main line runs between Buffalo, New York and Eidenau, Pennsylvania, north of Pittsburgh. Here ...
Main line - Other lines - History - References

Buffalo, Rochester and **Pittsburgh Railway** - Wikipedia, th...
en.wikipedia.org/.../**Buffalo**,_Rochester_and_**Pittsburgh_Railw**... Wikipedia
The **Buffalo**, Rochester and **Pittsburgh Railway** (reporting mark BR&P) was a former Class I **railroad** that operated in the northeastern United States. It operated ...

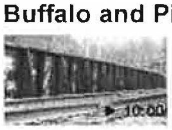
Buffalo & Pittsburgh - RailPictures.Net » Photo Search Res...
www.railpictures.net/showphotos.php?**railroad=Buffalo**%20%26%20**Pitts**...
During a very heavy snowfall, N228 heads up the street at Elizabeth with **BPRR** 3345 leading 2 other BP motors. Just before the train arrived, MOW crews were ...

BPRR Locomotives - Railroad Picture Archives
www.rrpicturearchives.net/locolist.aspx?id=**BPRR**
Buffalo and Pittsburgh Photographic Roster. ... Buffalo and Pittsburgh Photographic Roster. Reporting Marks: **BPRR**. Click on a locomotive to view pictures ...

Buffalo & Pittsburgh Railroad - Butler, Pennsylvania (PA) | ...
www.manta.com/c/mm5xxdl/**buffalo-pittsburgh-railroad**
Buffalo & Pittsburgh Railroad company profile in Butler, PA. Our free company profile report for **Buffalo & Pittsburgh Railroad** includes business information such ...

Buffalo & Pittsburgh Railroad Butler, PA, 16001 - YP.com
www.yellowpages.com › Railroads near Butler, PA Yellowpages.com
Get reviews, hours, directions, coupons and more for **Buffalo & Pittsburgh Railroad** at R T 8, Butler, PA. Search for other **Railroads** in Butler on YP.com.

Buffalo and Pittsburgh railroad's WAER Part 1 - YouTube

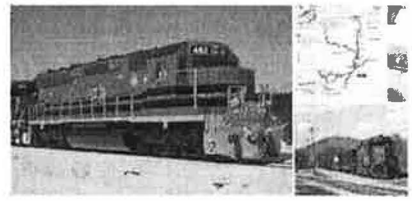


www.youtube.com/watch?v... YouTube
Apr 22, 2012 - Uploaded by BNWrailroad
On this mixed weathered tuesday, me and Nickboy90 went out and chased B&P's Warren to Erie. We start ...

Buffalo & Pittsburgh Railroad at US 219 Crossing at Cren...

www.youtube.com/watch?v... YouTube
Apr 15, 2013 - Uploaded by ShawmutFan09
I finally caught a **BPRR** train taking covered hoppers of sand to the former Brockway Glass Co. glass plant in ...

Searches related to Buffalo and pittsburgh railroad



Buffalo and Pittsbur

The Buffalo and Pittsburgh Railroad is a Class
New York and Pennsylvania. The BPRR is ow
Wyoming Industries. Its main line runs betwee
Eidenau, Pennsylvania, north of Pittsburgh. Wi

See results about

Buffalo, Rochester and Pittsburgh Railway
The Buffalo, Rochester and Pittsburgh Railwa
railroad that operated in the ...

Buffalo & Pittsburgh

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*[About US] [Investors] [Customers] [Employees] [Operations]
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Buffalo & Pittsburgh Railroad (BPRR)

- Overview
- Contact Information
- Fuel Surcharges
- Real Estate
- Shipping Tools
- Storage

Overview

The Buffalo & Pittsburgh Railroad (BPRR) is a 368-mile regional freight railroad that interchanges with the Allegheny Valley Railroad, Canadian Pacific Railway, Canadian National, CSX Transportation, Nittany & Bald Eagle Railroad, Norfolk Southern, **Rochester & Southern Railroad**, and Western New York & Pennsylvania Railway.

Commodities transported include aggregates, brick and cement, automotive, chemicals, coal, food and feed products, forest products, metallic ores and minerals, and steel and scrap.

For 2009-2011, BPRR received three consecutive E.H. Harriman Gold Awards for the best employee safety record among railroads working between 250,000 and four million employee-hours. It also won a total of six ASLRRA President's Awards for most hours of injury-free operation, most improved railroad and best safety rate in the 250,000 plus man-hours category. For 2011, Buffalo District Safety Improvement Team Co-Leader Mark Sheffield won the prestigious Harold F. Hammond Award for outstanding achievement in safety. **Click here** to see a video on Mark.

The BPRR was acquired by Genesee & Wyoming in 1988.

Public Rates & Customer Service Documents

Involved in Utica & Marcellus Shale oil and gas development?

Transload Locations

Industrial Development
Transload Locations
BPRR
Other G&W railroads
Trackage Rights

- **Downloadable Map**

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[Overview](#)

[Contact Information](#)

[Fuel Surcharges](#)

[Real Estate](#)

[Shipping Tools](#)

[Storage](#)

Service/Operations
Phone: (800) 603-3385
Fax: (800) 477-4947
E-mail: nypacsc@gwrr.com

Ray Goss
Senior Vice President
Phone: (585) 463-3335
Fax: (585) 785-6190

Wendy Hill
Vice President, Finance & Administration
Phone: (585) 463-3498
Fax: (585) 785-6192

Ron Klein
Vice President, Marketing
Phone: (585) 463-3302
Fax: (585) 785-6188

Kevin Bowser
Vice President- Marketing/ Customer Service
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Fax: (814) 938-1500

Eric Hosey
Vice President, Transportation
Phone: (585) 463-3414
Fax: (585) 785-6178

Milton Brill
Vice President, Safety
Phone: (585) 328-8601

Bridget Shepard
Human Resource Director
Phone: (585) 463-3402
Fax: (585) 785-6171

David Baer
Vice President, Engineering
201 N. Penn St.
Punxsutawney, PA 15767
Fax: (800) 477-4947

Tim Clifford
Service Coordinator
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Fax: (585) 785-6203

Dave Markajani
Service Coordinator
Phone: (585) 463-3357
Fax: (800) 477-4947

Greg Sobaszek
Service Coordinator
Phone: (585) 463-3410
Fax: (585) 785-6177

Nick Zajac
Service Coordinator
Phone: (585) 463-3408
Fax: (800) 477-4947

Larry Johnston
Service Coordinator
Phone: (585) 463-3354
Fax: (800) 477-4947

- Petroleum products
- Miscellaneous chemicals
- Vehicles (parts and assembled)
- Over dimension shipments

Kevin Bowser
Vice President- Marketing/ Customer Service
Phone: (814) 938-1505
Fax: (814) 938-1500

- Coal and coke
- Aggregates
- Waste (hazardous and non-hazardous)
- Miscellaneous minerals
- Carbon materials
- Metals (finished and scrap)

Brian Freeman
Manager of Marketing
Phone: (585) 463-3321
Fax: (585) 785-6189

Michelle M. Worden
Manager, Pricing Support
Phone: (585) 463-3307
Fax: (585) 785-6183

Industrial Development/ Property Contacts

The **Buffalo & Pittsburgh** and **Rochester & Southern** railroads maintain comprehensive inventories of available industrial properties (facilities and land) along their rights-of-way. If you are searching for rail-served industrial property in western

Employees

Welcome G&W employees

"It Starts with Me."

Our Core Purpose

To be the safest and most respected rail service provider in the world

Our Core Values

Focus... for disciplined growth

Integrity... to earn the trust of others

Respect... for all people with whom we deal

Excellence... in all we do

Arizona and Eastern railway

[redacted]@msn.com

Web Images News Maps Videos More Search tools

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Arizona Eastern Railway - Genesee & Wyoming Inc.
www.gwrr.com/operations/**railroads**/.../AZER Genesee & Wyoming, Inc.
The **Arizona Eastern Railway** (AZER) is composed of two rail lines operating over 200 track miles in southeast Arizona and southwest New Mexico that are ...

Arizona Eastern Railway - Wikipedia, the free encyclopedia
en.wikipedia.org/wiki/**Arizona_Eastern_Railway** Wikipedia
The **Arizona Eastern Railway** (reporting mark AZER) is a Class III railroad that operates a 265 miles (426 km) mainline between Clifton, Arizona and Miami, ...
History - Current Operation - References - External links

San Diego and **Arizona Eastern Railway** - Wikipedia, the fr...
en.wikipedia.org/.../San_Diego_and_**Arizona_Eastern**_Railwa... Wikipedia
The San Diego & **Arizona Eastern Railway** Company (reporting mark SDAE) is a short-line American railroad originally founded in 1906 as the San Diego ...

Images for **Arizona and Eastern railway** Report images

More images for **Arizona and Eastern railway**

UP: **Arizona Eastern Railway** Company AZER #91
https://www.uprr.com/customers/shortline/lines/azer.shtml
Arizona Eastern Railway Company AZER #91. Nature of Firm. AZER owns and operates freight service from Bowie to Miami, AZ (135 miles) and Lordsburg, NM ...

San Diego and **Arizona Railway** Drawings
www.sdrm.org/history/sda/
10+ items - San Diego and **Arizona Railway**.

Flow Chart	Chart showing Predecessors of the current San Diego and ...
Track Diagram	Track diagram of the railroad

Arizona Eastern Railway Company - Railroad Picture Archi...
www.rrpicturearchives.net/locolist.aspx?id=AZER
Arizona Eastern Railway Company Photographic Roster.

Arizona Eastern Railway - RailPictures.Net » Photo Search...
www.railpictures.net/showphotos.php?**railroad=Arizona**%20**Eastern**%20...
The 101 job has drifted downhill from the mine and is making a pickup before interchanging with #98 in Globe. Note the abundance of ex-SP boxcars and the ...

$90.1 million deal: **Arizona Eastern Railway** being sold
www.silverbelt.com/v2_news_articles.php?...0... Arizona Silver Belt
Aug 10, 2011 - ... deal is expected to be completed by the end of the year. **Arizona Eastern Railway** operates 265 miles of railroad between Clifton and Miami,

San Diego & **Arizona Eastern Railway** Company Meetings ...
www.sdmts.com/.../SDAEMeetin... San Diego Metropolitan Transit System
San Diego & **Arizona Eastern Railway** Company (SD&AE). Archived Meeting Schedules and Minutes: 2010 | 2011 | 2012 | 2013 | 2014. All meetings are at MTS ...

[PDF] San Diego & **Arizona Eastern** (SD&AE) **Railway**

Arizona Eastern Railway

The Arizona Eastern Railway is a Class III railroad that operates a 265 miles mainline between Clifton, Arizona and Miami, Arizona, i the United States. Wikipedia

Arizona Eastern Railway (AZER)

Overview

Contact Information

Real Estate

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Storage

Overview

The Arizona Eastern Railway (AZER) is composed of two rail lines operating over 200 track miles in southeast Arizona and southwest New Mexico that are connected by 52 miles of trackage rights over the Union Pacific Railroad.

Commodities transported include copper, chemicals and agricultural and forest products.

The AZER was acquired by Genesee & Wyoming in 2011 but has roots older than G&W itself. AZER was originally chartered in 1895 as the Gila Valley, Globe & Northern, with 133 route-miles between Bowie and Miami, Arizona. Today, AZER also includes a 70-mile line between Clifton, Arizona, and Lordsburg, New Mexico, that connects to the original Bowie line via trackage rights.

Transload Locations

More

Industrial Development
Transload Locations
AZER
Other G&W railroads
Trackage Rights

- **Downloadable Map**

General Manager
Phone: (928) 473-2447
Fax: (928) 473-2449

Jared Gooch
Director, Sales and Marketing
Phone: (480) 306-8532

Bob Alexander
Manager Mechanical -Car
Phone: (928) 425-4425

Jack Allen
Maintenance of Way Director
Phone: (928) 812-3457

Overview

Contact Information

Real Estate

Shipping Tools

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Real Estate

Right of Entry and Accessing Property
Access G&W property for digging, surveys, drilling, soil sampling and monitoring. Permissions and right of entry permits are required before entering railroad property.
Procedures and Application

Utility Occupancies - Pipelines
Pipelines that go over, under and on railroad property may include natural gas, petroleum, water and sewer.
Restrictions apply, prior to submitting application contact Regional Manager.

Procedures and Application

Utility Occupancies - Wirelines
Wire lines and cable crossings that go over, under and on railroad property may include coaxial cables, copper telephone wires, electrical distribution and transmisison lines.
Restrictions apply, prior to submitting application contact Regional Manager.

Real Estate Manager
Buck Workman
Manager - Real Estate
Real Estate Department
Genesee & Wyoming Railroad Services, Inc
13901 Sutton Park Dr., S., Suite 160
Jacksonville, FL 32224
Phone: (904) 999-3999
Email: **buck.workman@gwrr.com**

Otter Tail Valley railroad

[redacted]@msn.com

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Otter Tail Valley Railroad - Genesee & Wyoming Inc.
www.gwrr.com/.../**railroads**/.../**otter_tail_valle**... Genesee & Wyoming, Inc.
The **Otter Tail Valley Railroad** (**OTVR**) operates 81 miles of track in west central Minnesota between its connection with the BNSF Railway at Dilworth Yard (near ...
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200 N Mill St, Fergus Falls, MN 56537
(218) 736-6073

Otter Tail Valley Railroad - Wikipedia, the free encyclopedia
en.wikipedia.org/wiki/**Otter_Tail_Valley_Railroad** Wikipedia
The **Otter Tail Valley Railroad** (reporting mark **OTVR**) is a Class III railroad operating 64 miles (103 km) of track between Moorhead, Minnesota and Fergus Falls, ...

Otter Tail Valley Railroad - RailPictures.Net » Photo Search...
www.railpictures.net/showphotos.php?**railroad=Otter**%20**Tail**%20**Valley**...
Fresh from repainting this geep is believed to be the first G&W scheme locomotive to be assigned to **OTVR**, a former Rail America property in western Minnesota.

BNSF - Customers - Shortlines - Directory - **OTVR**
www.bnsf.com › ... › Directory Burlington Northern Santa Fe Corp.
The line is 54 miles long, has a Coal fired Utility, two Shuttle Facilities as well as transload facilities. **OTVR** abandoned a 96-mile portion of the line from Fergus ...

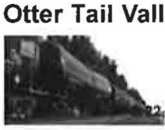
Otter Tail Valley Railroad Fergus Falls MN - (218) 736-607...
www.manta.com/c/mmqqf47/**otter-tail-valley-railroad**
Welcome to **Otter Tail Valley Railroad** in Fergus Falls, **MN** on Manta. View **Otter Tail Valley Railroad** phone number, website, map, directions, products ...

Otter Tail Valley Railroad - Fergus Falls, MN - Train Station...
https://www.facebook.com/.../**Otter-Tail-Valley-Railroad**/158087664223...
Otter Tail Valley Railroad, Fergus Falls, MN. 1 was here. Local Business.

Otter Tail Valley Railroad - 200 N Mill St, Fergus Falls, MN ...
www.mapquest.com › Minnesota › Fergus Falls MapQuest
Otter Tail Valley Railroad - 200 N Mill St, Fergus Falls, MN 56537. Find out more on MapQuest where you can get directions and more information about this ...

Minnesota's **Railroads**, Vol. 4 Minnesota Southern and **Otter**...

www.youtube.com/watch?v... YouTube
Jan 28, 2011 - Uploaded by clasko69
Then we head to the west central part of the land of 10,000 lakes and document the operations of Rail America ...

Otter Tail Valley Railroad Moorhead, MN October 8t - YouT...

www.youtube.com/watch?v=hyBJRDRyR50 YouTube
Oct 9, 2013 - Uploaded by Chris Hennebry
A westbount OTVRR ethanol train in Moorhead, MN.

OTVR Locomotives - Railroad Picture Archives
www.rrpicturearchives.net/locolist.aspx?id=**OTVR**
Otter Tail Valley Railroad Company Photographic Roster.

Otter Tail Valley Rail

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Phone: (218) 736-6073

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Searches related to **Otter Tail Valley railroad**

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otter tail valley railroad **map** | **northern plains** railroad

Otter Tail Valley Railroad (OTVR)

Overview

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Tariffs

Fuel Surcharges

Real Estate

Shipping Tools

Storage

Overview

The Otter Tail Valley Railroad (OTVR) operates 81 miles of track in west central Minnesota between its connection with the BNSF Railway at Dilworth Yard (near Moorhead, across the Red River from Fargo, ND), and Fergus Falls, MN. Branch lines extend from Fergus Falls to French and to Hoot Lake.

Principal commodities handled on the OTVR are ethanol, corn, soybeans and inbound coal. Numerous grain elevators are located along the line.

Industrial Development
Transload Locations
OTVR
Other G&W railroads
Trackage Rights

- **Downloadable Map**

Contact Information

Emergency Phone Number
(866) 527-3499

Otter Tail Valley Railroad
200 North Mill St.

General Manager:
Troy Dodds
Phone: (218) 736-6073

Vice President, Marketing and Sales, Midwest Region:
Dale Montgomery
Phone: (309) 694-8664

RA 1000 Section I General Tariff (Effective July 1, 2011)

RA 1000 Section II Credit Terms and Security Deposit (Effective May 17, 2012)

RA 1000 Section III Demurrage and Storage Provisions (Effective August 28, 2012)

RA 1000 Section IV Rate Publication Information (Effective March 6, 2012)

RA 1000 Section V TIH/PIH Policy (Effective July 1, 2011)

RA 1000 Section VI Switching and Accessorial Provisions (Effective August 28, 2012)

RA 1000 Section VII High Wide Heavy Clearance Procedures (Effective October 1, 2012)

RA 1000 Switching, Accessorial and Demurrage Key Points

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Fuel Surcharges

OTVR 0204-A Fuel Surcharge Program (Effective May 1, 2013)

New England Central railroad

[redacted]@msn.com

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New England Central Railroad - Genesee & Wyoming Inc.
www.gwrr.com/.../**railroads**/.../**new_england_c**... Genesee & Wyoming, Inc.
New England Central Railroad (**NECR**) operates 394 miles of railroad between the Vermont/Quebec border, and tidewater at the Port of New London, CT.

Genesee & Wyoming Inc.
www.gwrr.com/ Genesee & Wyoming, Inc.
Genesee & Wyoming Inc. (G&W) owns and operates short line and regional freight **railroads** in the United States, Canada, Australia, the Netherlands and ...
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New England Central Railroad - Wikipedia, the free encycl...
en.wikipedia.org/wiki/**New_England_Central_Railroad** Wikipedia
The **New England Central Railroad** (reporting mark **NECR**) began operations in 1995. It is a subsidiary of Genesee & Wyoming and runs from New London, ...
History - Traffic - Locations - Fleet

New England Central Railroad
www.massrail.com/index.php?option=com_content&view...id...
The NECR operates 394 miles of fast generic cialis **railroad** between the Vermont and Quebec border just south of Montreal on purchase viagra online a href the ...

New England Central Railroad - Short Line Directory - Profi...
www.csx.com/index.../short-line-directory-profile/?i... CSX Corporation
Shortline Name: **New England Central Railroad**. Website Address: www.gwrr.com. Contact Name: Doug Low. Contact Phone: 802-527-3513. Contact Fax ...

10.28.13 The Newly painted NECR **New England central ra**...

www.youtube.com/watch?v=ZDPZ988fjkM YouTube
Nov 11, 2013 - Uploaded by MonsterRailroad
Well two **new** items in the video. My **new** to me BMW 5 series and the newly painted NECR GP38-3. This is ...

New England Central Railroad Northbound Arriving at St. ...

www.youtube.com/watch?v=LyLNt1voiCE YouTube
Apr 16, 2013 - Uploaded by FlyingYankee59
It's March 26th 2013 in St. Albans VT. I'm waiting to board Amtrak's Vermonter train # 55 south to ...

NECR - **New England Central** Locomotive Roster - **Railroa**...
www.rrpicturearchives.net/locolist.aspx?id=NECR
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www.railworks.com › ... › Construction › Regional Railroads
New England Central Railroad Upgrades. Rail gangs installed nearly 1.5 million feet of

New England Central Railroad

The New England Central Railroad began ope
subsidiary of Genesee & Wyoming and runs fr
Connecticut, to Alburgh, Vermont, a distance c

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Providence and Worceste...

Pan Am Railways

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Logo

New England Central Railroad (NECR)

Overview
Contact Information
Tariffs
Fuel Surcharges
Real Estate
Shipping Tools
Storage

Overview

New England Central Railroad (NECR) operates 394 miles of railroad between the Vermont/Quebec border, and tidewater at the Port of New London, CT.

The NECR features seven-days-per-week service to all major interchange points. The railroad interchanges with the CCRR, CN, CPRS, CSXT, MCER, NS, PAS, PW, and VTR.

The NECR provides service of mixed (import and domestic) double stack COFC container clearances from the U.S./Canadian border to the PW at Willimantic, CT, to/from the intermodal terminal in Worcester, MA.

The NECR also provides on-dock transatlantic steamship access at Port of New London.

There is availability for railcar storage and on-line public warehouse and transfer yard facilities for rail/truck, truck/rail and rail/ocean service.

Major commodities featured for movement on the NECR include lumber, panels & plywood, poles, newsprint, printing paper, compressed gas, chemicals, fuel oils, road salt, ferrous and non-ferrous metals, fabricated metals, resins, TOFC/COFC, finished vehicles, feed mill ingredients, machinery and equipment, recyclables, ash, construction debris, foodstuffs and non-metallic minerals.

NECR Credit Application

Industrial Development
Transload Locations
NECR
Other G&W railroads
Trackage Rights

- **Downloadable Map**

Customer Service:
Phone: (800) 757-7387
necr-cs@gwrr.com

Billing Disputes or Questions:
necr-billing@gwrr.com

Director, Marketing and Sales:
Douglas G. Low
Phone: (802) 527-3513

Real Estate Manager:
Mary Cole
Phone: (904) 900-6302

Overview

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Fuel Surcharges

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Tariffs

- **NECR 0126 Local and Proportional Rates on Plastics (Effective November 25, 2013)**
- **NECR 0900-7 TIH/PIH (Effective January 1, 2014)**
- **NECR 4000-N Local and Proportional Rates on Grain and Grain Products (Effective December 1, 2013)**
- **NECR 6006-9 Extended Asset Use (Effective January 1, 2014)**
- **NECR 7006-10 Switching and Accessorial Services (Effective February 3, 2014)**
- **General Tariff 1000 (Effective February 15, 2013)**

Expired Tariff Information Documents

- **NECR 0900-6 TIH/PIH (Effective February 7, 2013)**
- **NECR 4000-M Local and Proportional Rates on Grain and Grain Products (Effective December 7, 2012)**
- **NECR 6006-8 Extended Asset Use (Effective March 1, 2013)**
- **NECR 7006-9 Switching and Accessorial Services (Effective March 1, 2013)**
- **RA 1000 Section I General Tariff (Effective July 1, 2011)**
- **RA 1000 Section II Credit Terms and Security Deposit (Effective May 17, 2012)**
- **RA 1000 Section III Demurrage and Storage Provisions (Effective August 28, 2012)**

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Columbus and Ohio River Railroad

[redacted]@msn.com

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Railroad St & River St Grove City, OH 43123

Columbus and Ohio Railroad

Railway

Columbus and Ohio River Railroad is a railroa owned by Genesee & Wyoming Inc. Wikipedia

Columbus & **Ohio River Railroad** - Genesee & Wyoming Inc.
www.gwrr.com/.../**railroads**/.../**columbus__ohi**... Genesee & Wyoming, Inc.
The **Columbus** & **Ohio River Railroad** (CUOH) is a 247-mile short line freight **railroad** that interchanges with CSX Transportation, **Ohio** Central **Railroad**, **Ohio** ...

Genesee & Wyoming Inc.
www.gwrr.com/ Genesee & Wyoming, Inc.
Genesee & Wyoming Inc. (G&W) owns and operates short line and regional freight **railroads** in the United States, Canada, Australia, the Netherlands and ...
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Columbus and Ohio River Railroad - Wikipedia, the free e...
en.wikipedia.org/wiki/**Columbus_and_Ohio_River_Railroad** Wikipedia
Columbus and Ohio River Railroad (reporting mark CUOH) is a railroad in the U.S. state of Ohio owned by Genesee & Wyoming Inc. It begins in Columbus along ...

Index to 1902 History of **Ohio Railroads** - Rails and Trails
www.railsandtrails.com/**ohiorailway**report/1902/
Addyston and **Ohio River Railroad** 1889 ... Baltimore and **Ohio** and Chicago **Railway** 1876 ... Cleveland, **Columbus**, Cincinnati and Indianapolis **Railway** 1889

Columbus and Ohio River Railroad Company Rolling Stoc...
www.rrpicturearchives.net/rslist.aspx?id=CUOH&cid=2
Columbus and Ohio River Railroad Company Rolling Stock Photographic Roster. Reporting Marks: CUOH Showing Type Box Car. Click on a item to view ...

Columbus & **Ohio River Railroad** West Lafayette, OH, 438...
www.yellowpages.com/.../**columbus-ohio-river-railroa**... Yellowpages.com
Get reviews, hours, directions, coupons and more for **Columbus** & **Ohio River Railroad** at 51720 County Road 16, West Lafayette, OH. Search for other **Railroads** ...

Columbus & **Ohio River Railroad**, Coshocton, OH - Manta
www.manta.com/c/mtwy5kn/**columbus-ohio-river-railroad**
Columbus & **Ohio River Railroad**. A privately held company in Coshocton, OH. Is this your company? Claim This Profile. More Details for **Columbus** & **Ohio** ...

Ohio Railroad Jobs - OH **Railroad** Employment - RailServe....
www.railserve.com/**Railroad**_Employment.../**ohio_railroad**_jobs.html
Ohio railroad jobs and **railroad** employment including engineers, train conductors ...

Columbus & Ohio River Railroad (CUOH)

Overview

The Columbus & Ohio River Railroad (CUOH) is a 247-mile short line freight railroad that interchanges with CSX Transportation, **Ohio Central Railroad**, **Ohio Southern Railroad** and Norfolk Southern.

Commodities transported include chemicals, coal, farm and food products, pulp and paper products, steel and waste.

The CUOH was acquired by Genesee & Wyoming in 2008.

Involved in Utica & Marcellus Shale oil and gas development?

Transload Locations

More

Industrial Development
Transload Locations
CUOH
Other G&W railroads
Trackage Rights

- **Downloadable Map**

Contact Information

Peter Boyle
Director, Industrial Development
Phone: (540) 989-7557

- **Overview**
- **Contact Information**
- **Real Estate**
- **Shipping Tools**
- **Storage**

Real Estate

Right of Entry and Accessing Property
Access G&W property for digging, surveys, drilling, soil sampling and monitoring. Permissions and right of entry permits are required before entering railroad property.
Procedures and Application

Utility Occupancies - Pipelines
Pipelines that go over, under and on railroad property may include natural gas, petroleum, water and sewer.
Restrictions apply, prior to submitting application contact Regional Manager.

Procedures and Application

Utility Occupancies - Wirelines
Wire lines and cable crossings that go over, under and on railroad property may include coaxial cables, copper telephone wires, electrical distribution and transmisison lines.
Restrictions apply, prior to submitting application contact Regional Manager.

Procedures and Application

Utility Occupancies - Fiber Optic
Fiber optic wire lines and cable crossings that go over, under and on railroad property.
Restrictions apply, prior to submitting application contact Regional Manager.

Procedures and Application

Grade Crossings
Public and Private road crossings over G&W tracks.
Restrictions apply, prior to submitting application contact Regional Manager.

Real Estate Manager
Chris Layman Manager - Real Estate
Real Estate Department
Genesee & Wyoming Railroad Services, In
13901 Sutton Park Dr., S., Suite 160
Jacksonville, FL 32224
Phone: 740-202-7141
Email: **clayman@gwrr.com**

Ohio Central Railroad (OHCR)

Overview

The Ohio Central Railroad (OHCR) is a 70-mile short line freight railroad that interchanges with the **Columbus & Ohio River Railroad**, CSX Transportation, Norfolk Southern, **Ohio Southern Railroad** and Wheeling & Lake Erie Railway.

Commodities transported include coal, steel and stone.

The OHCR was acquired by Genesee & Wyoming in 2008.

Involved in Utica/Marcellus Shale oil and gas develoment?

More

Industrial Development
Transload Locations
OHCR
Other G&W railroads
Trackage Rights

- **Downloadable Map**

Contact Information

Emergency Phone Number (800) 733-0026	**Gerald Sattora** *Vice President, Finance*	**Joseph DelGallo** *Superintendent, Car Repair*

Genesee & Wyoming

T.J. Gallagher, Chief Financial Officer

Cowen and Company 6th Annual Global Transportation Conference

June 11, 2013

EXHIBIT I

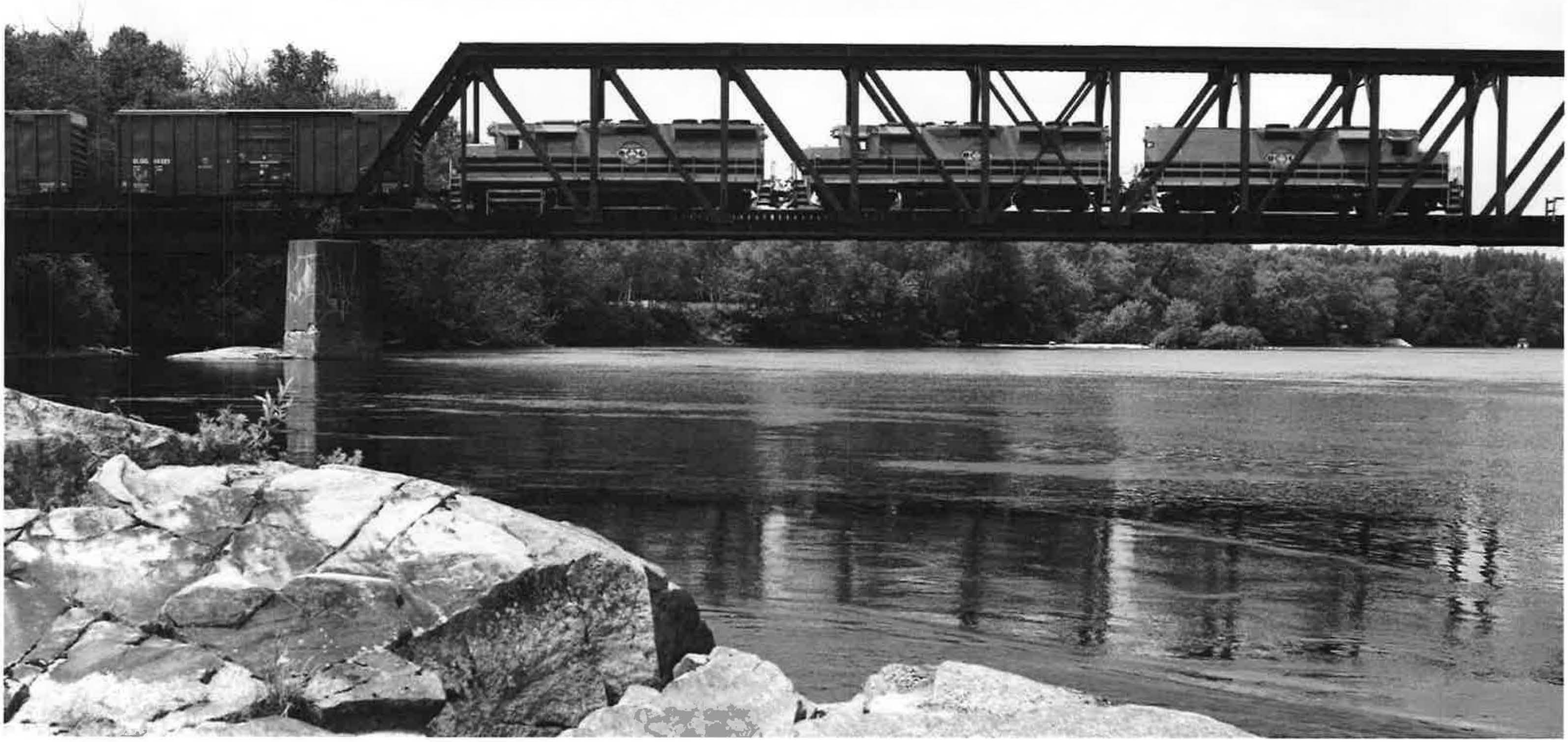
Forward-Looking Statements

This presentation contains "forward-looking statements" regarding future events and the future performance of Genesee & Wyoming Inc. that involve risks and uncertainties that could cause actual results to differ materially from those expressed or forecasted, including, but not limited to, economic conditions, customer demand, increased competition in the relevant market, the integration of RailAmerica railroads, and others, many of which are beyond our control. The Company refers you to the documents that it files from time to time with the Securities and Exchange Commission, such as the Company's Forms 10-Q and 10-K, which contain additional important factors that could cause its actual results to differ from its current expectations and from the forward-looking statements discussed during this presentation. Forward-looking statements speak only as of the date of this presentation or the date they were made. Genesee & Wyoming Inc. does not undertake, and expressly disclaims, any duty to update any forward-looking statement contained in this presentation whether as a result of new information, future events or otherwise, except as required by law.

Agenda

1. Introduction to G&W
2. G&W Update: Rail America Integration and Business Trends
3. Long-Term Growth Drivers for G&W

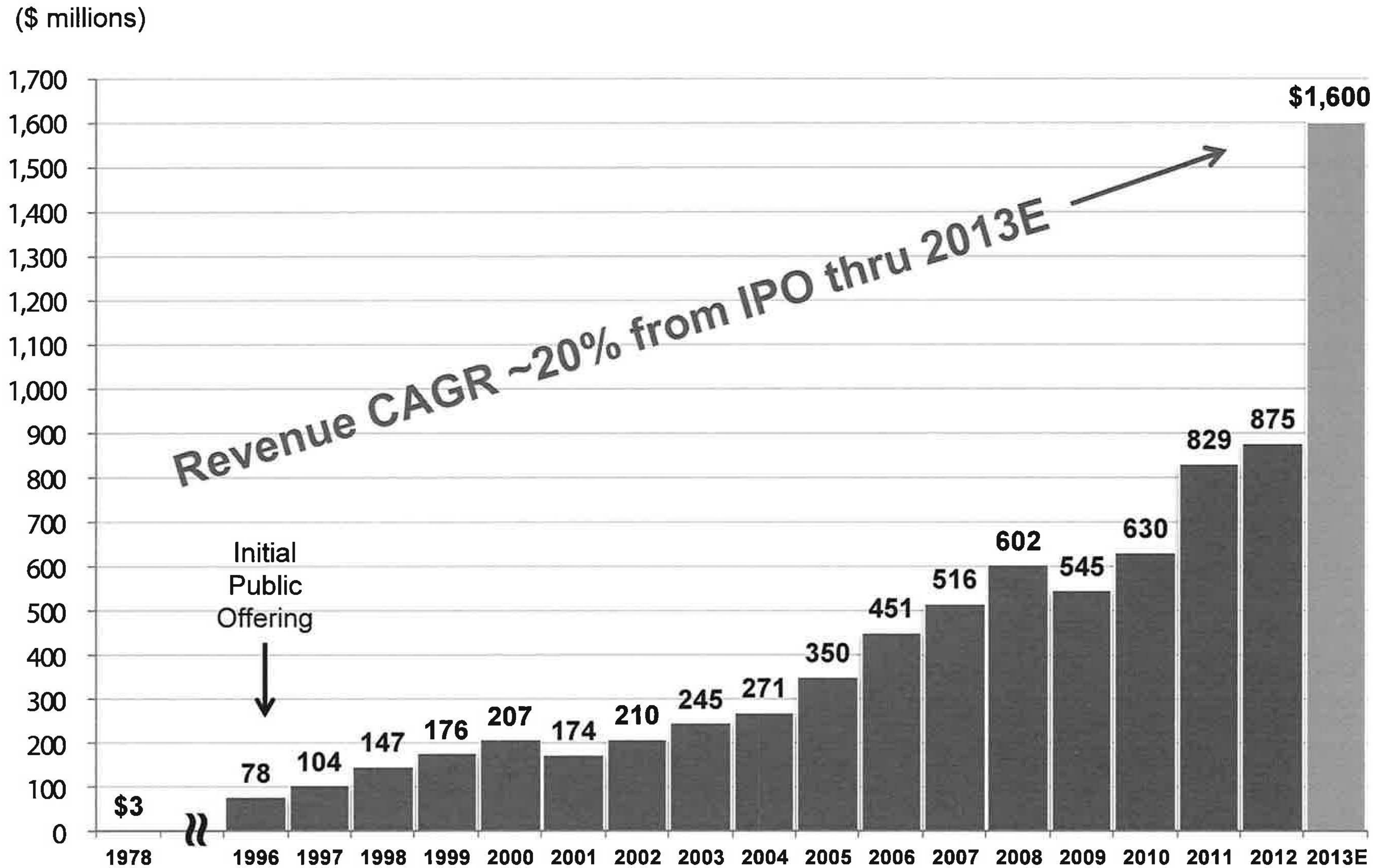
Introduction to G&W



G&W Board of Directors 1899

Genesee & Wyoming Inc. 1899-1977

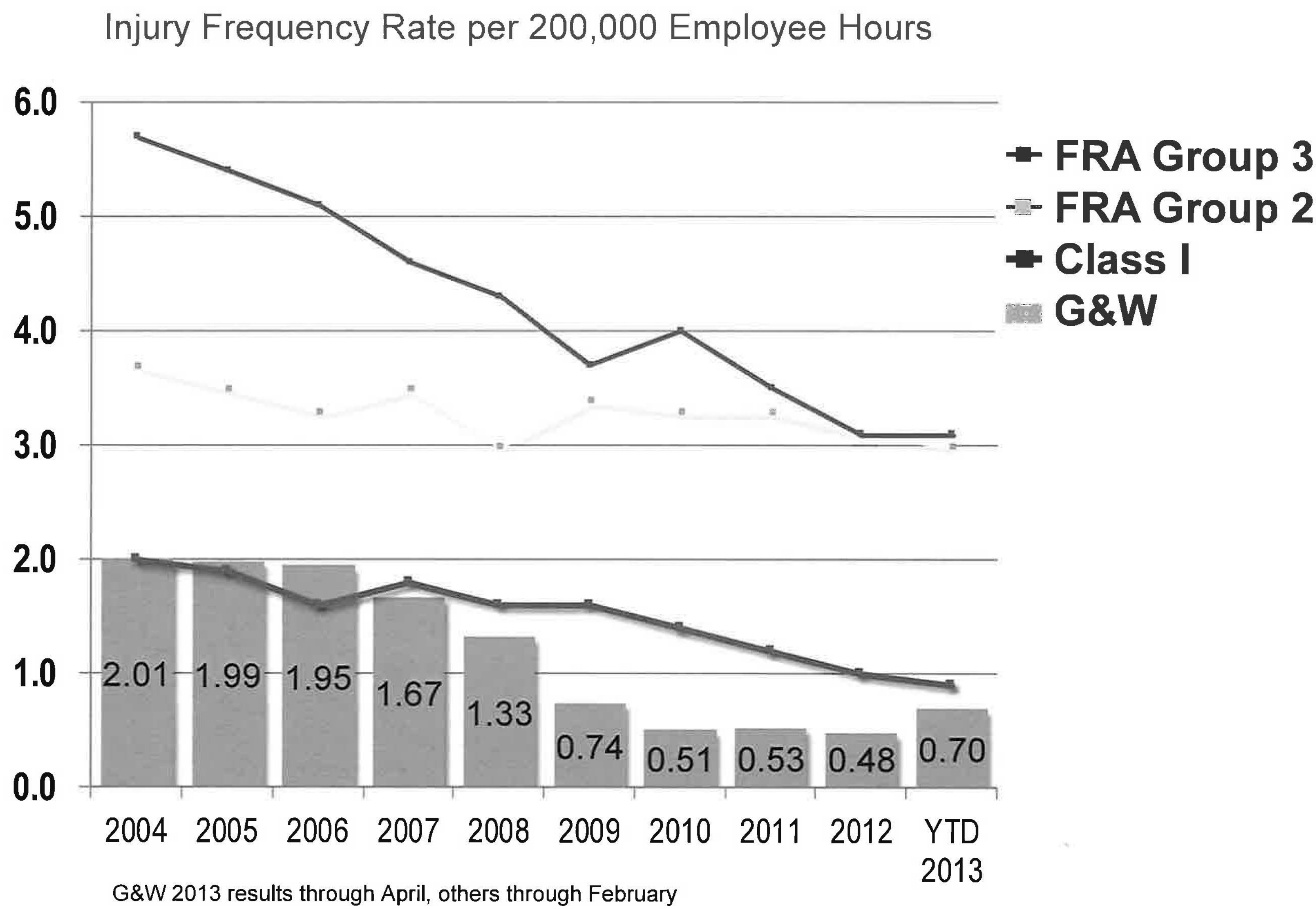
Consistent Long-Term Growth



G&W After Completion of Rail America Acquisition

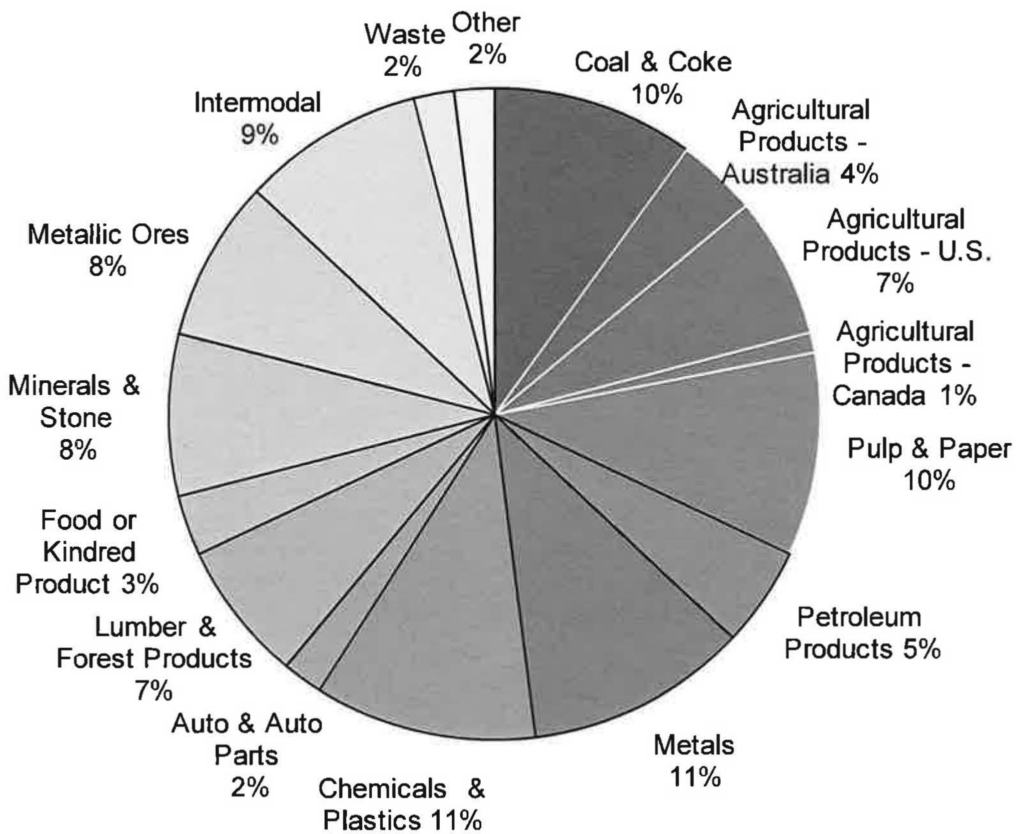
1. **NYSE:** Listed as GWR with $5.0b market capitalization
2. **Railroads**: Addition of 45 RA railroads increases G&W total worldwide to 111 railroads and ~15,000 track miles
3. **People**: ~4,600 worldwide
4. **Equipment**: More than 1,000 locomotives
5. **Carloads**: ~1.9 million
6. **Revenues**: Doubles G&W North American revenues while retaining significant exposure to Australia

Rail Industry Leader in Safety

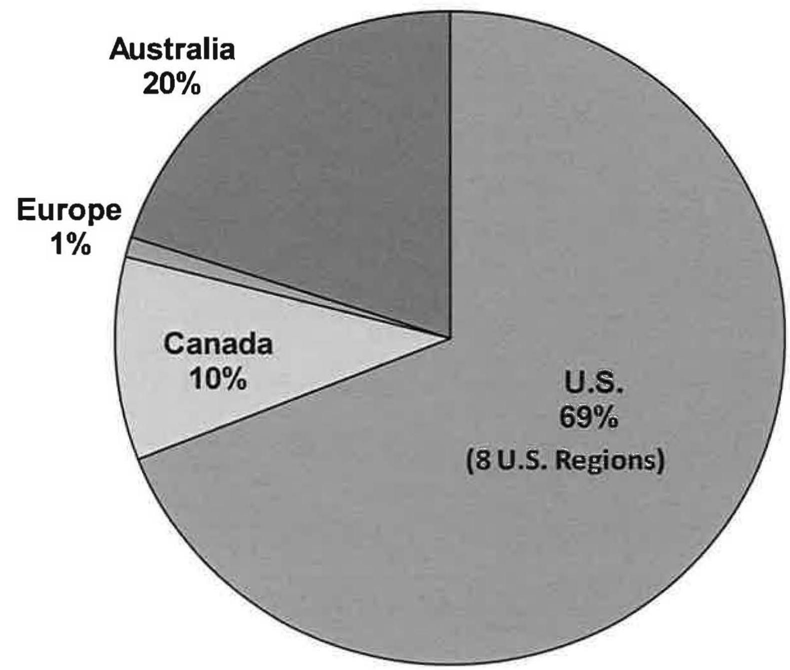


Pro Forma Diversification by Commodity and Geography

2012 Pro Forma Freight Revenues* by Commodity

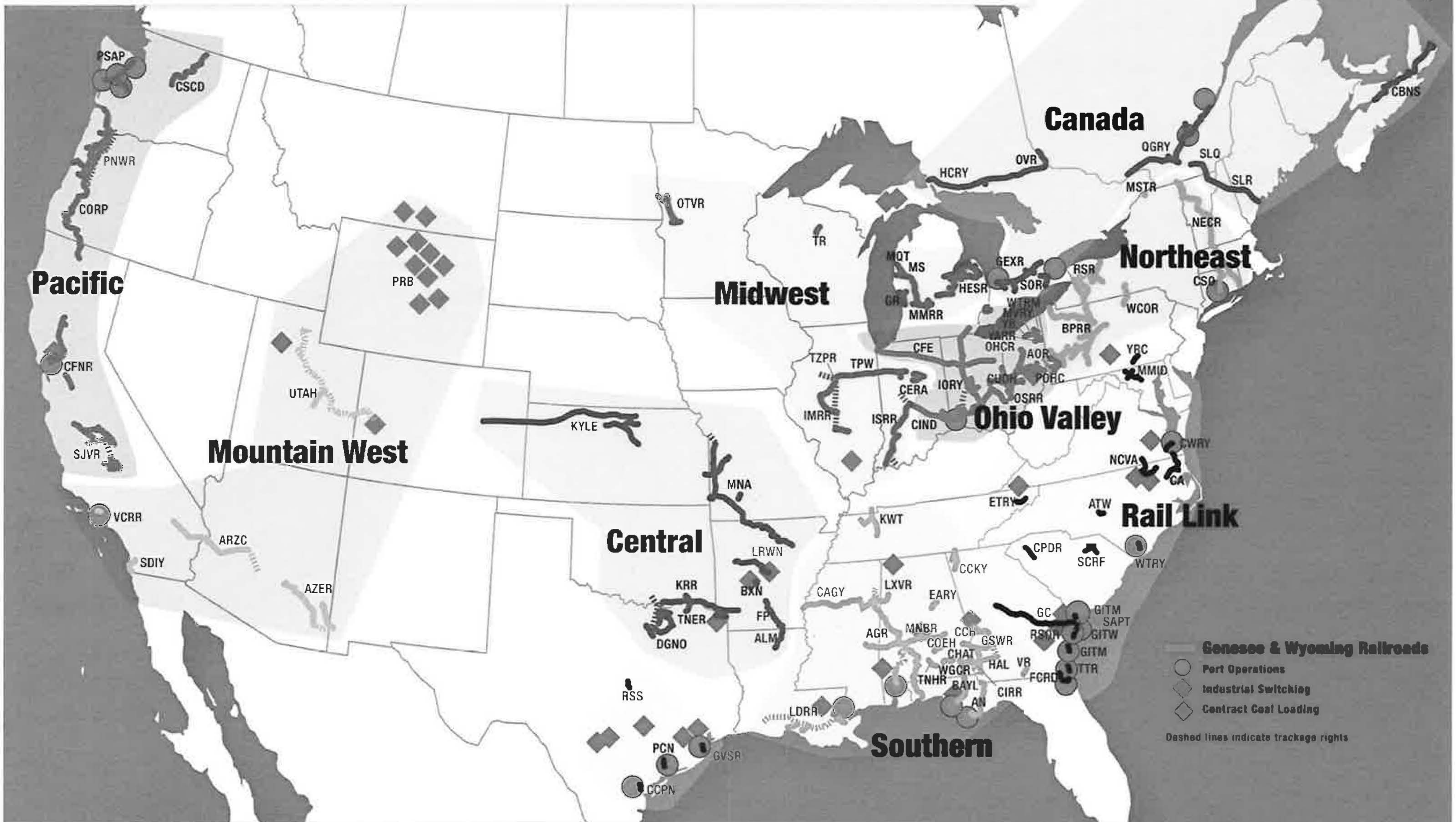


2012 Pro Forma Total Revenues By Geography



Source: Company filings

Genesee & Wyoming Inc.
Nine North American Regions



G&W Update: Rail America Integration and Business Trends

RailAmerica Integration Update

1. Completed first full quarter of control with no major surprises and financial results consistent with acquisition plan
   - Adjusted EPS up 38% in Q1 2013
   - Adjusted Operating ratio of 76.7% in Q1, target of 74% in Q2 and 72% by year end
2. Accelerated reorganization plan: mainly RA headquarters severance offset by new G&W hires at corporate and regional level
   - Disclosed 108 redundancies in public filings; 1x charges of $12.8 million in Q1 2013
   - Still expect to realize more than $36 million of annual cost savings
3. Office restructuring largely complete
   - Closed RA's Jax corporate office; Expanded G&W Jax and Rochester corporate offices
4. Building unified team and communicating G&W's core values
   - Safety culture
   - New business development across G&W footprint
   - Capital and cost efficiency: Loco fleet rationalization and enhanced purchasing power
   - Long term relationships with all stakeholders

Combined Company Same Railroad Carloads
April YTD 2013 vs. April YTD 2012

Commodity	Change	%	Comment
Coal & Coke	2,118	2%	Higher Domestic Steam Coal
Pulp & Paper	(275)	(1%)	
Minerals & Stone	175	0%	
Food or Kindred Products	(411)	(2%)	
Chemicals & Plastics	14	0%	
Metals	(5,184)	(8%)	Steel Demand in North America
Lumber & Forest Products	6,170	16%	Housing and Wood Chips
Agricultural Products	(3,035)	(4%)	Canada Winter Wheat Weak to East
Petroleum Products	11,695	47%	Crude by Rail on West and Gulf Coasts
Auto & Auto Parts	697	7%	
Metallic Ores *	6,213	44%	New Mine in Australia
Intermodal (units)	3,396	19%	Australia Growth and No Edith River
Waste	(1,598)	(11%)	Northeast CD&D
Other	(1,233)	(5%)	
Total Carloads	18,772	3.2%	

* Includes carloads and intermodal units

Rebranding 45 Railroads

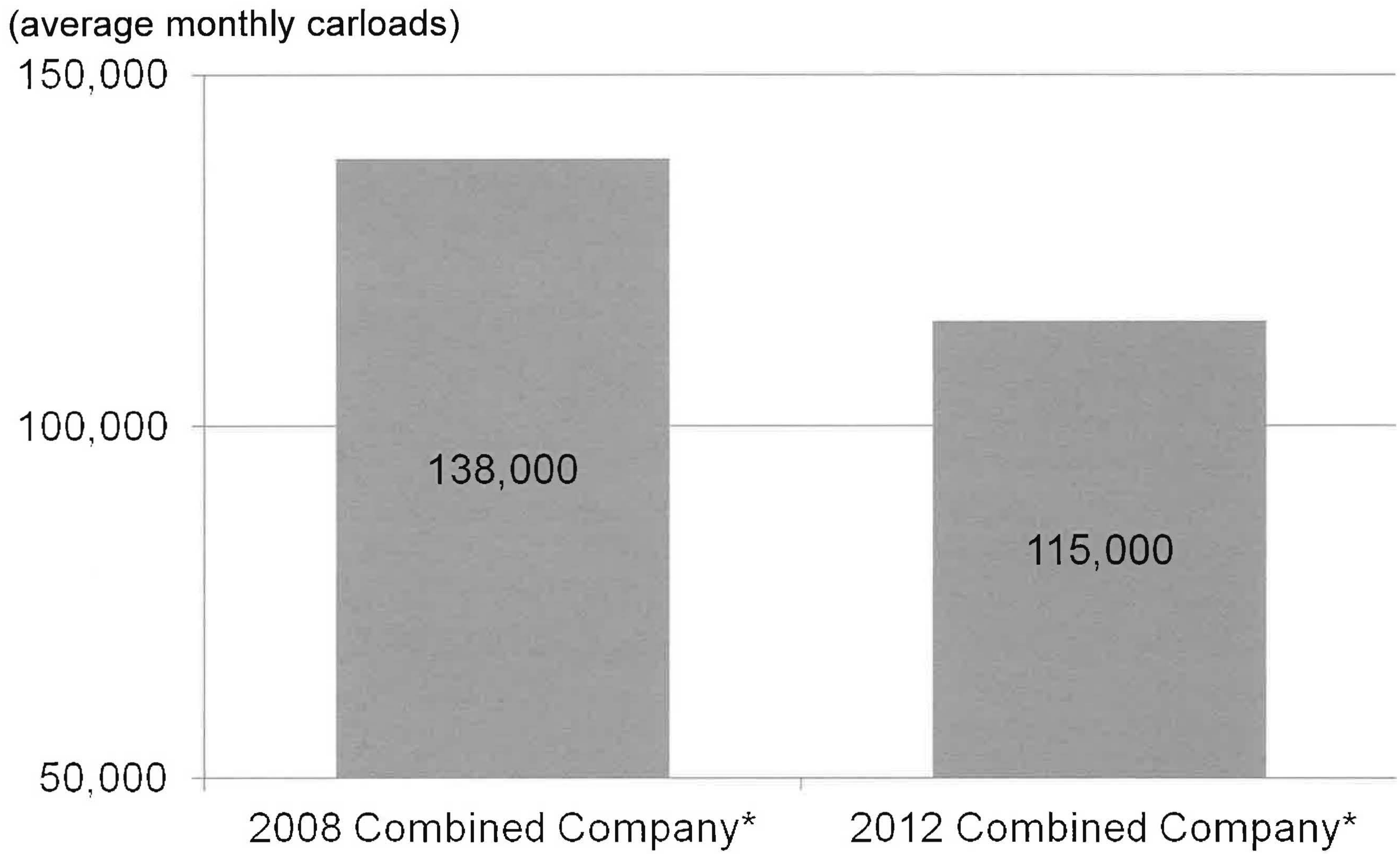
Improved Assets & Facilities

Key Priorities for Remainder of 2013

1. Sustain positive momentum of RailAmerica integration
2. Focused operational execution to handle significant increase in Australian iron ore traffic; building further in Q2 2013
3. Track investment to support growing crude-by-rail traffic to destination terminals, with traffic increasing on U.S. Gulf and West Coasts
4. Extension of short line tax credit beyond 2013
5. Active evaluation of acquisition and investment opportunities

Long-Term Growth Drivers for G&W

1. Drivers of Growth: Leverage to U.S. Recovery



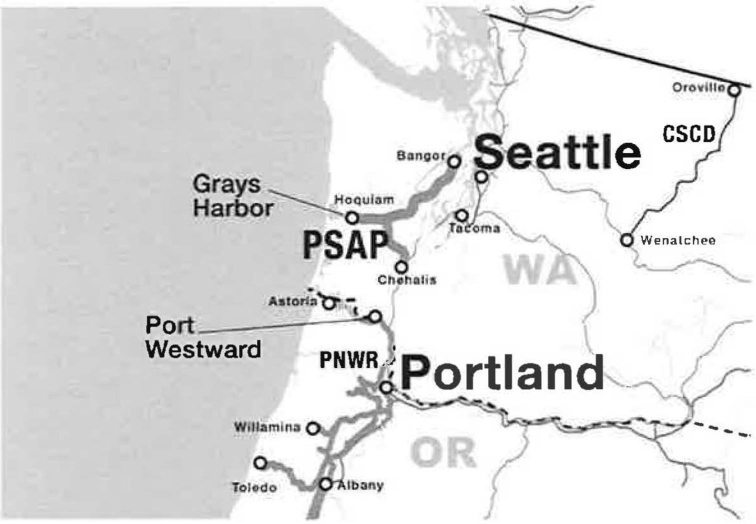
* Combined Company North American carloads presented on a same railroad basis and excluding the impact of any acquisitions made after January 1, 2008 (GWR: MMID, OCR, CAGY, GSWR, AZER, HAL, CCH), (RA: TNHR, WGCR, COEH, MQT, WCOR, as well certain Class 1 overhead traffic on OVRR)

1. Drivers of Growth: Leverage to U.S. Recovery
Same Railroad Combined Company 2008 vs 2012

(change in average monthly carloads)

Commodity Categories	Carloads	%	Contribution %	Comment
Coal	(6,800)	(23%)	(5%)	2012 Winter, Maintenance, Nat Gas prices
Weather-related	(2,300)	(13%)	(2%)	2012 Drought, Salt
Building/Construction	(5,000)	(18%)	(4%)	Lumber, CD&D
Industrial	(5,600)	(21%)	(4%)	Metals
Consumer	(3,300)	(13%)	(2%)	Paper and Packaging
Total	(23,000)	(17%)	(17%)	

2. Drivers of Growth: Commercial Development
Illustrative Projects in North America



Pacific Northwest Ports

RA's Puget Sound and Pacific Railroad

- Provides service to Port of Grays Harbor
- Recent expansion of grain terminal expected to generate incremental carload growth
- Growing auto export business (Chrysler)
- Crude by rail opportunity

GWI's Portland & Western Railroad

- Crude by rail site at Port Westward

Iron Ore Mines in Canada

GWI's Western Labrador Rail Services

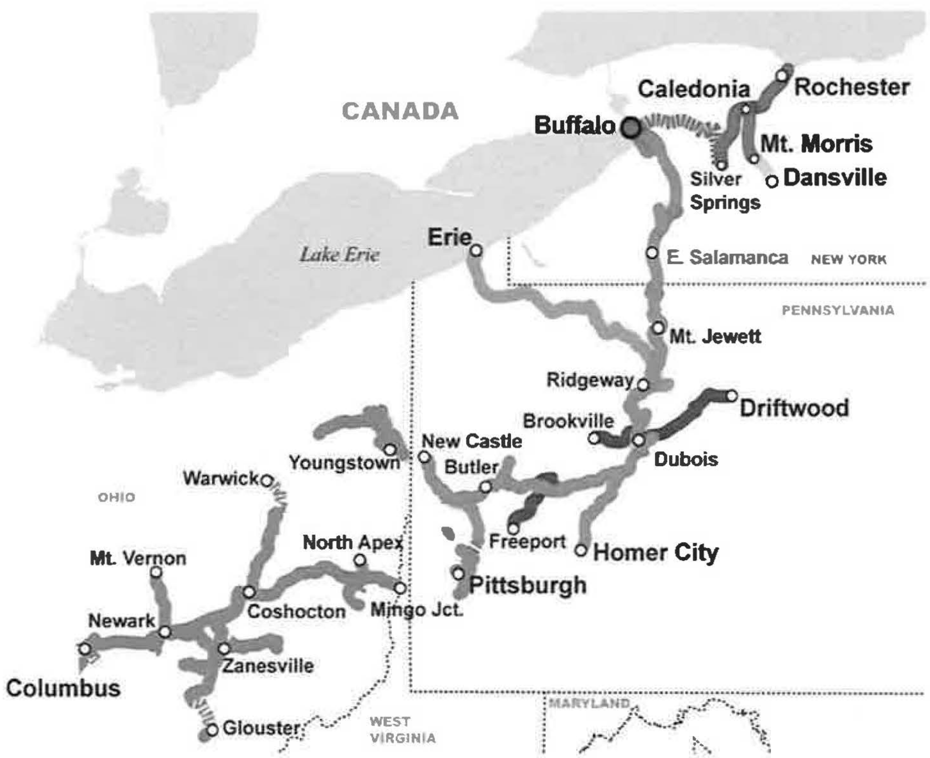
- Ships 8 million tons per year for Cliffs Natural Resources
- Ships 2 million tons per year for Labrador Iron Mines

GWI's Chemin de fer KéRail

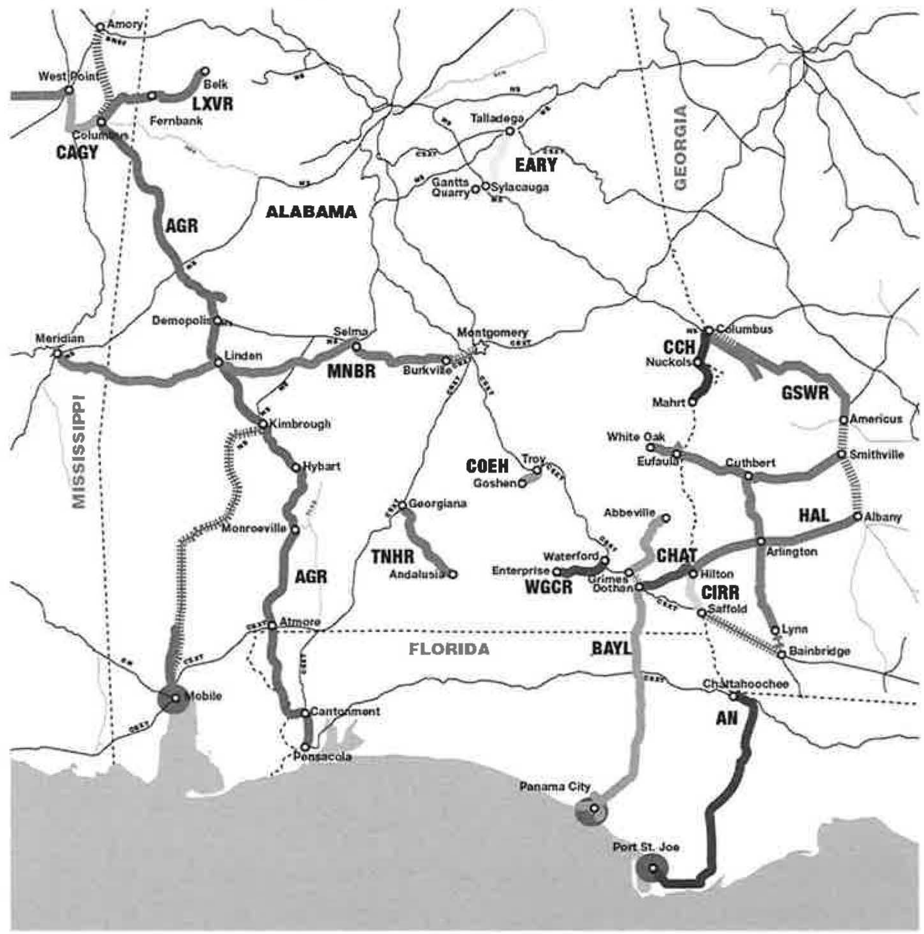
- Plan to build and operate new 21-km railroad
- Expected to ship 4.2 million tons per year on behalf of Tata Steel Minerals Canada
- Subject to approvals, expected to start in 2013

3. Drivers of Growth: Traditional Acquisitions Building Regional Rail Systems

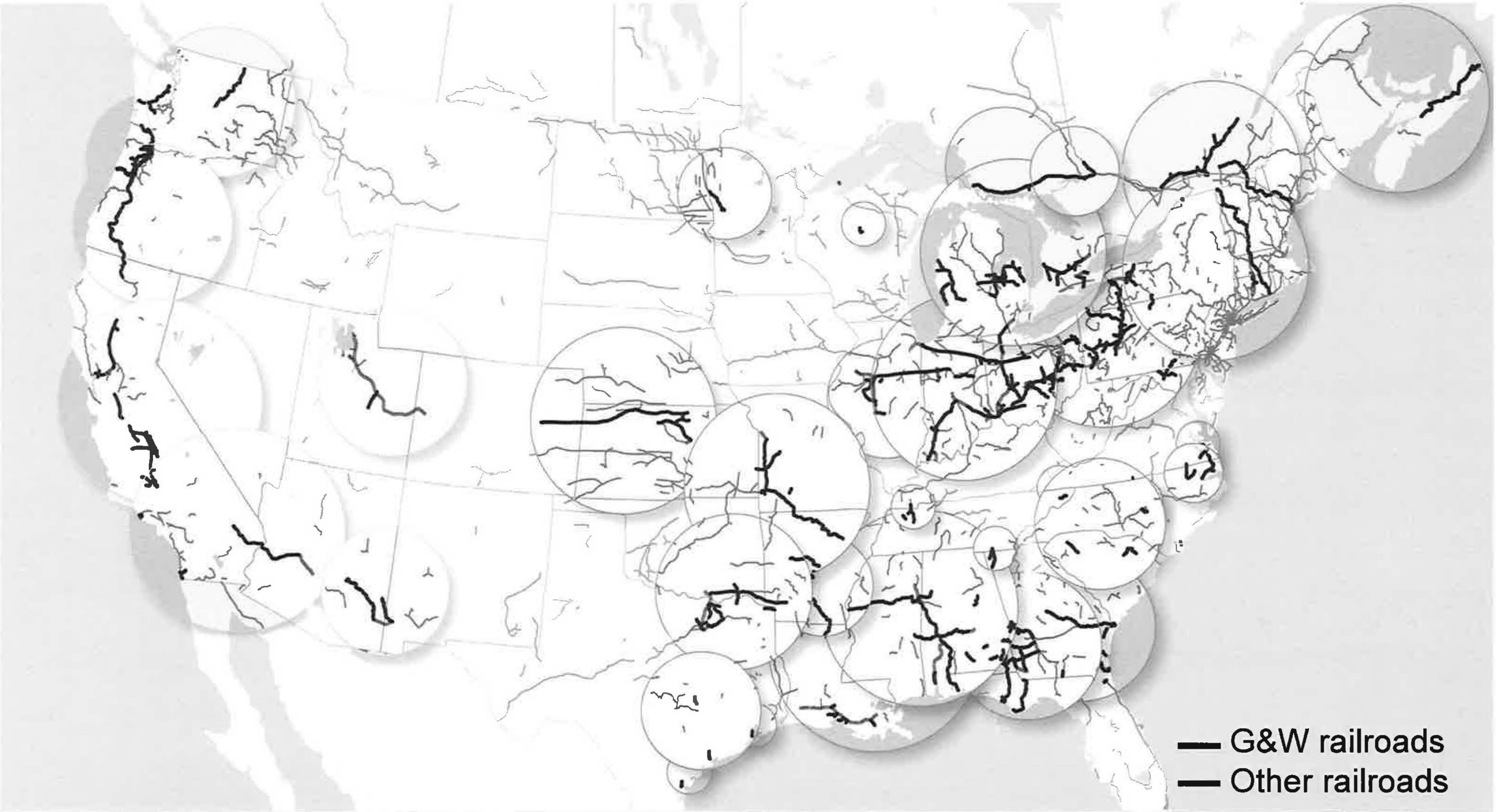
New York, Pennsylvania & Ohio



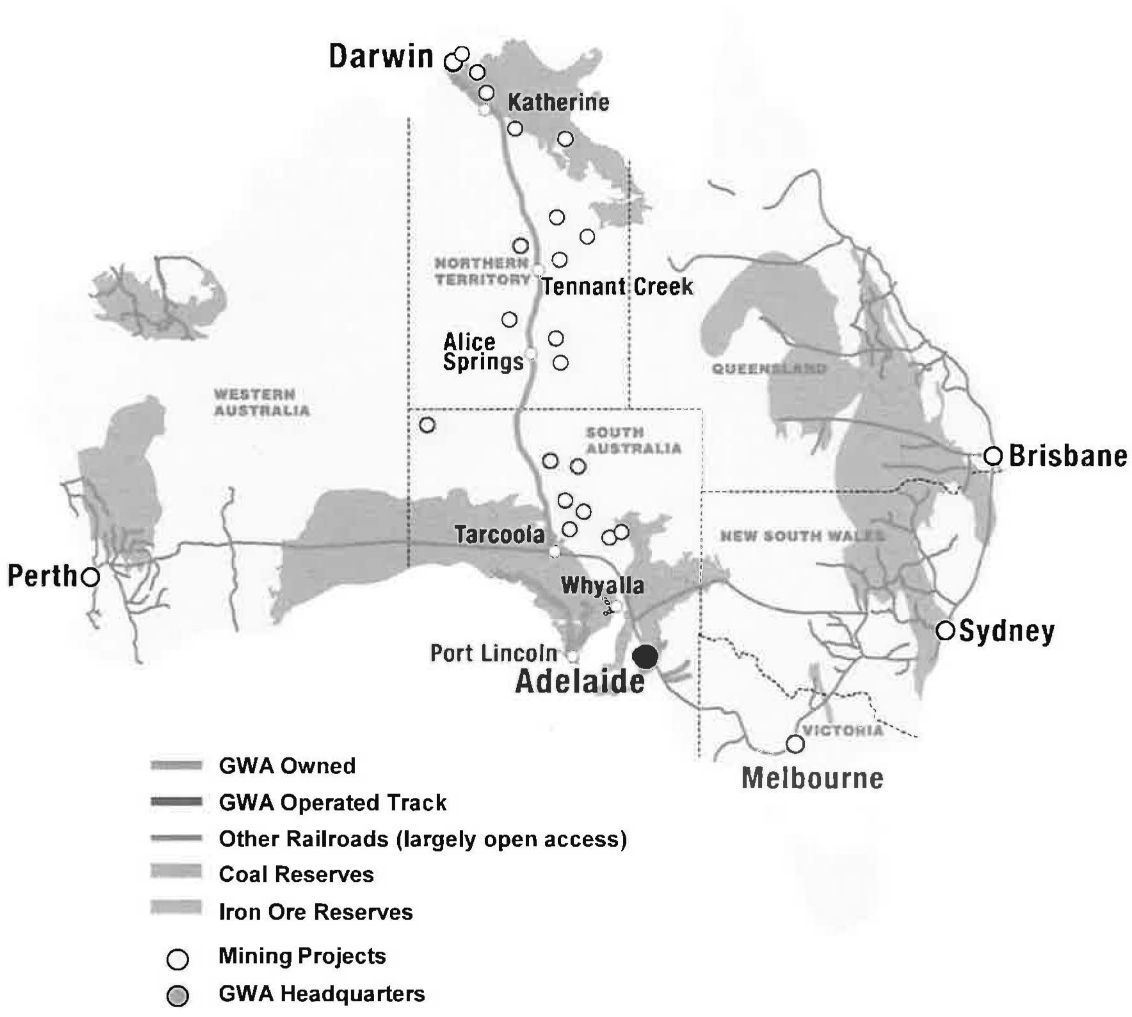
Southwest Georgia & Southeastern Alabama



3. Drivers of Growth: Traditional Acquisitions
Illustrative Opportunity Set



4. Drivers of Growth: Natural Resources
Australian Mining Customers



- Commenced Australian operations (Genesee & Wyoming Australia, GWA) in 1997 through privatization of South Australian rail assets
- Significant expansion in 2010 through $320 million acquisition of Tarcoola to Darwin corridor, focused on intermodal and natural resources
- Currently serves resources customers in iron ore, manganese, copper
- Potential investment opportunities from projects located on GWA's owned rail lines and in other areas of the continent via open access
- Haulage contracts typically contain take-or-pay structures, reducing exposure to shipment volume

Source: Company filings, investor presentations and Geoscience Australia

Sustainable Long-Term Growth Target

G&W Operations

- Safety
- Customer Focused
- Commercial & Industrial Development
- Operating Efficiency

15%-20%
EPS Growth

G&W Investments

- Partnership with Operations
- Due Diligence
- Contracts
- Financing

Zero Injuries

Our Goal Every Day

Third Quarter 2013 Earnings Call

November 1, 2013

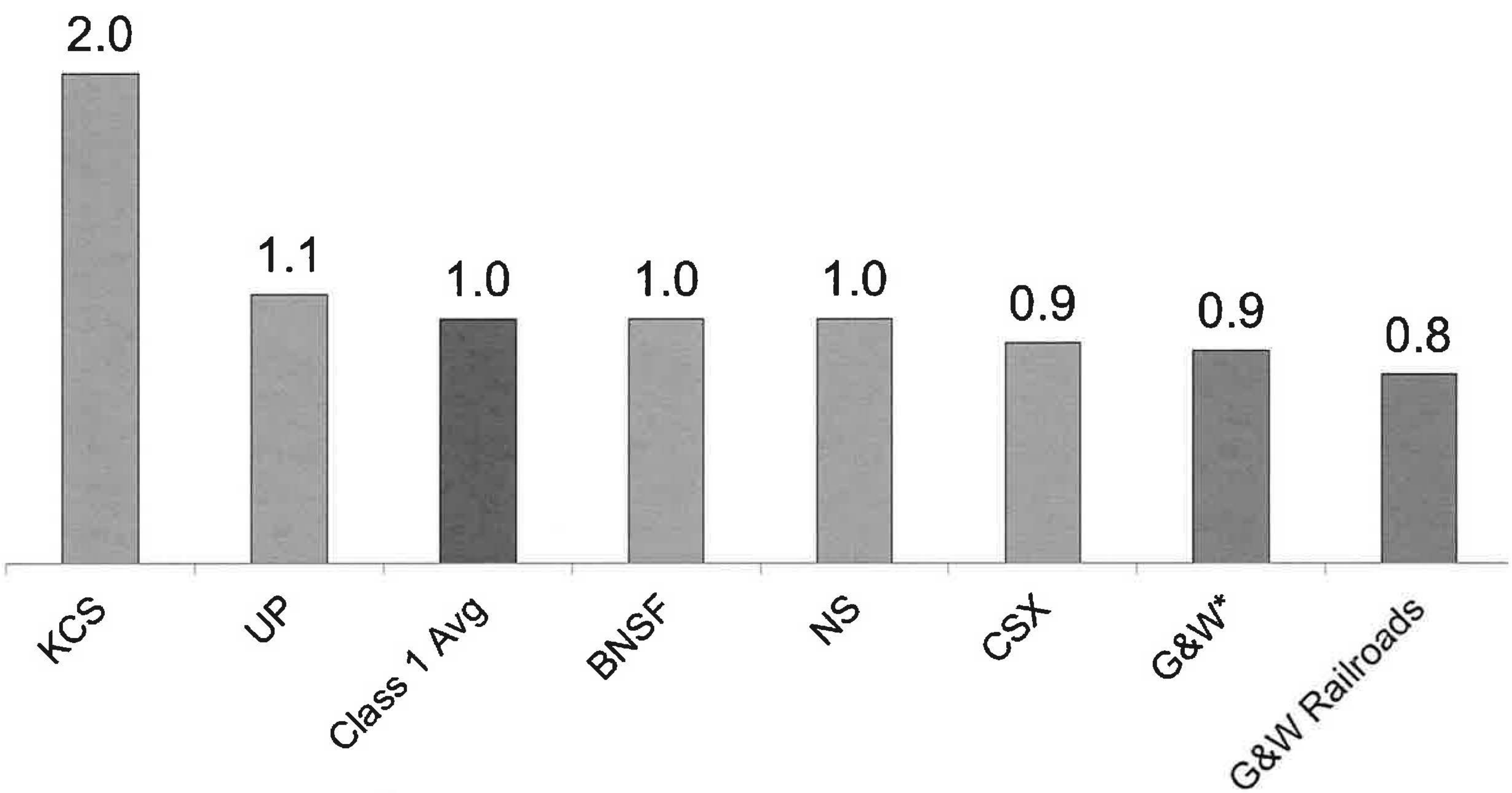
EXHIBIT J

Forward-Looking Statements

This presentation contains “forward-looking statements” regarding future events and the future performance of Genesee & Wyoming Inc. that involve risks and uncertainties that could cause actual results to differ materially from those expressed or forecasted, including, but not limited to, risks related to the operation of our railroads, economic conditions, customer demand, increased competition in the relevant market, the timing and costs associated with the integration of RailAmerica railroads (as well as our ability to achieve the anticipated cost savings related to the integration), and others, many of which are beyond our control. The Company refers you to the documents that it files from time to time with the Securities and Exchange Commission, such as the Company’s Forms 10-Q and 10-K, which contain additional important factors that could cause its actual results to differ from its current expectations and from the forward-looking statements discussed during this presentation. Forward-looking statements speak only as of the date of this presentation or the date they were made. Genesee & Wyoming Inc. does not undertake, and expressly disclaims, any duty to update any forward-looking statement contained in this presentation whether as a result of new information, future events or otherwise, except as required by law.

G&W Safety Performance

Injury Frequency Rate per 200,000 man-hours
G&W through September others through July



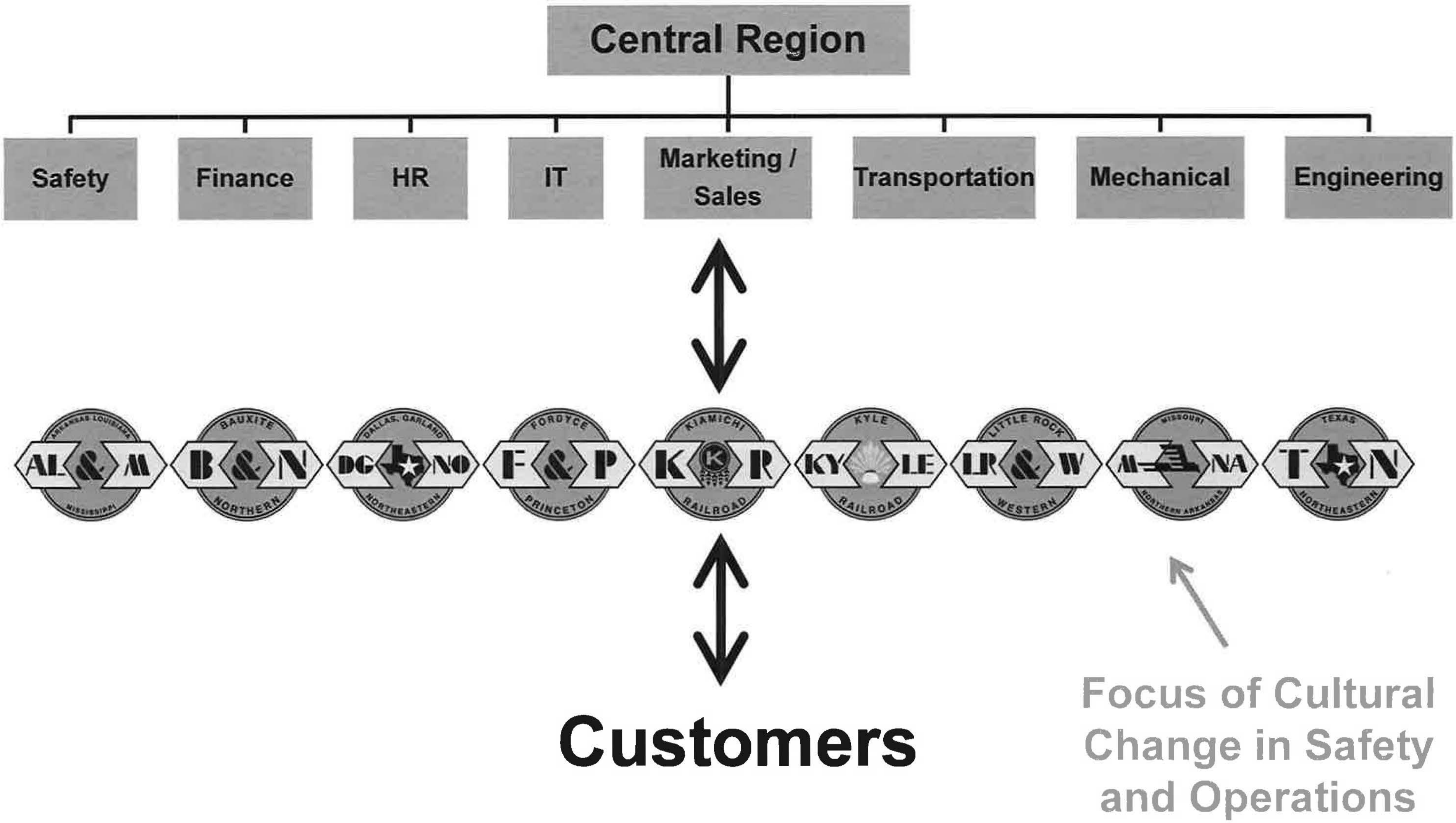
* Includes non-railroad businesses (e.g., construction and transload).

Q3 2013 Results Versus Guidance

($ in millions, except per share amounts)	Q3 2013 Actual	Q3 2013 Guidance	Variance	Comment
Operating Revenues	**$ 401.4**	**$ 400**	**$ 1.4**	
Income from Operations	**$ 101.7**	**$ 109**	**$ (7.3)**	
Final RA Allocation of Fair Value	(2.0)	-	(2.0)	6 mos retroactive
RA Integration Costs	(2.0)	(1.0)	(1.0)	Final overhead consolidation
Edith River Derailment Expense	(1.6)	-	(1.6)	
Edith River Insurance Recovery	1.5	-	1.5	
Net Gain on Sale of Assets	0.7	-	0.7	
Adjusted Income from Operations*	**$ 105.2**	**$ 110.0**	**$ (4.8)**	$2.4 million RA railroad improvements $1.6 million RA new crews / transport expense $1.0 million Final Purchase Accounting (3 mos)
Adjusted Operating Ratio*	**73.8%**	**72% - 73%**	**(0.8% - 1.8%)**	
Diluted EPS	**$ 1.16**	**$ 1.19**	**$ (0.03)**	
Final RA Allocation of Fair Value	(0.02)	-	(0.02)	6 mos retroactive
RA Integration Costs	(0.02)	(0.01)	(0.01)	Final overhead consolidation
Edith River Derailment Expense	(0.02)	-	(0.02)	
Edith River Insurance Recovery	0.02	-	0.02	
Net Gain on Sale of Assets	0.01	-	0.01	
Adjusted Diluted EPS*	**$ 1.19**	**$ 1.20**	**$ (0.01)**	
Effective Tax Rate	25.1%	28%		$0.03 per share from Australia and U.S.

* Adjusted Income from Operations, Adjusted Operating Ratio and Adjusted Diluted EPS are non-GAAP financial measures. Non-GAAP financial reconciliations accompany this presentation.

Illustrative Regional Operating Structure



Q3 2013 Results Versus Q3 2012

($ per share)	Q3 2013	Q3 2012
Diluted Earnings/(Loss) Per Common Share	$ 1.16	$ (0.47)
Adjustments:		
Final RA Allocation of Fair Value (6 mos. Retro)	$ (0.02)	$ -
RailAmerica Integration Costs	(0.02)	(0.07)
Edith River Derailment Expense	(0.02)	-
Edith River Insurance Recovery	0.02	-
Net Gain on Sale of Assets	0.01	0.05
Contingent Forward Sale Contract Mark-to-Market Expense	-	(1.16)
Other Business/Corporate Development Expenses	-	(0.01)
Total Adjustments	$ (0.03)	$ (1.19)
Adjusted Diluted EPS*	1.19	0.72
Q3 Impact of 2013 Short Line Tax Credit	0.12	-
Adjusted Diluted EPS (excluding Q3 2013 Short Line Tax Credit)*	$ 1.07	$ 0.72
% Change	+49%	

* Adjusted Diluted EPS is a non-GAAP financial measure. Non-GAAP financial reconciliations accompany this presentation.

Discussion of Q3 2013 Results and Trends

- Combined Company Adjusted Operating Revenues* up ~11% in Q3 2013 (excluding currency and third-party fuel sales)
  - 1/2 of Q3 revenue increase from Australia, led by iron ore
  - 1/2 of Q3 revenue increase from North America, led by petroleum products and metals
    - Petroleum products up 23% but showed downside sensitivity to WTI-Brent spread narrowing

- Adjusted Operating Ratio of 73.8% in Q3 2013**
  - Higher costs than plan, primarily due to proactive clean up costs and increased crew hiring at former RailAmerica railroads
  - Depreciation and amortization expense $1 million per quarter higher due to final RailAmerica purchase accounting

- Looking Ahead
  - Agricultural Products outlook strengthening due to good harvests in U.S., Canada and Australia
  - Petroleum Products growth will remain sensitive to WTI-Brent spread
  - Following the completion of clean up expenses and new hiring at former RailAmerica railroads, corporate operating ratio target of 72% is achievable

* G&W and RA Combined Company Adjusted revenues for Q3 2012 is a non-GAAP financial measure. Non-GAAP financial reconciliations accompany this presentation.

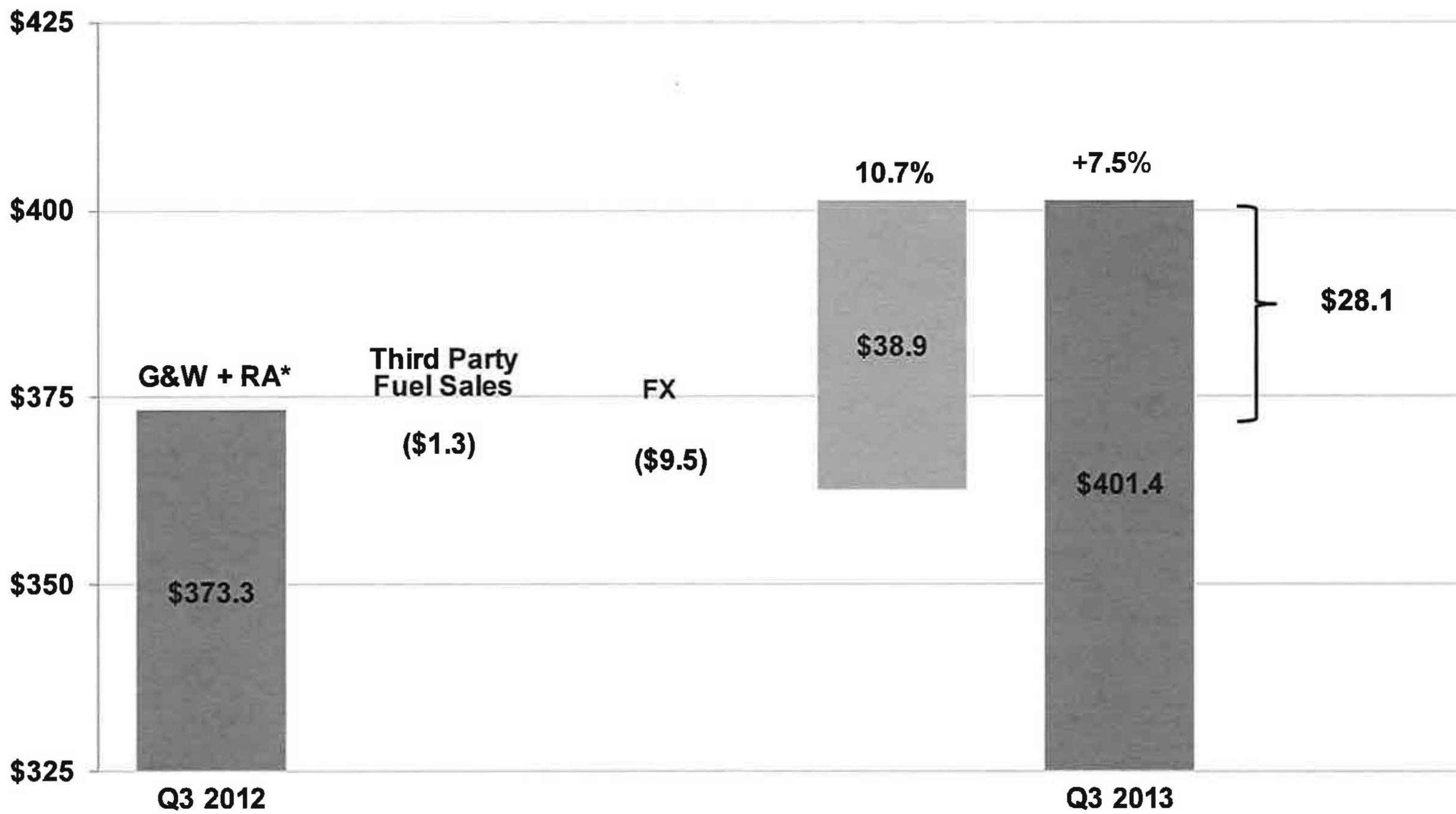
** Adjusted Operating Ratio is a non-GAAP financial measure. Non-GAAP financial reconciliations accompany this presentation.

Priorities for Fourth Quarter of 2013

1. Safety and service culture of acquired railroads
2. Tight cost management of combined company in North America
3. Sustain momentum in Australia
4. Commercial development, particularly in North American energy sector
5. Extension of short line tax credit beyond 2013
6. Active evaluation of acquisition and investment opportunities

Combined Company Operating Revenues

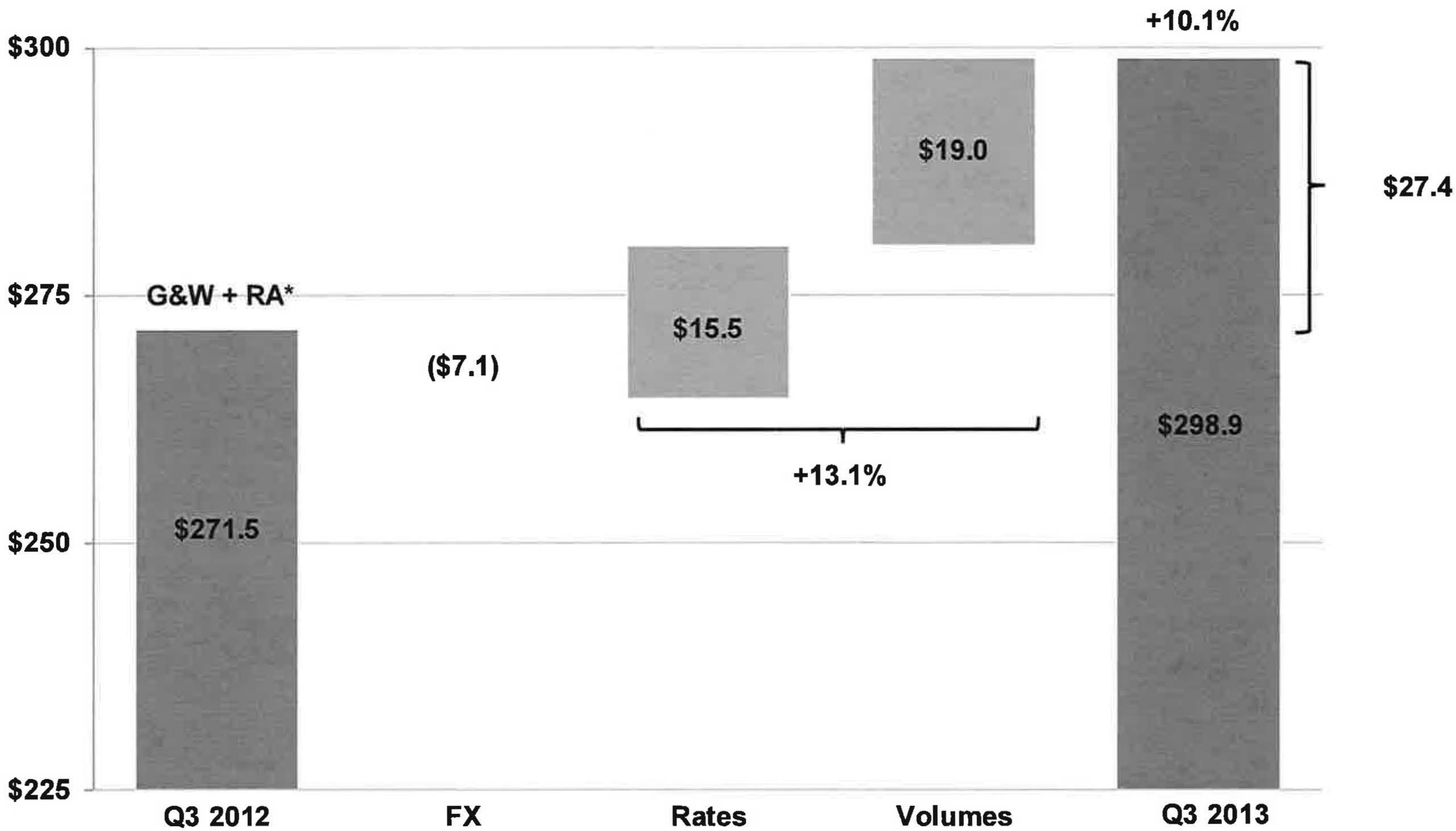
($ millions)



* G&W and RA Combined Company Operating Revenues for Q3 2012 is a non-GAAP financial measure. Non-GAAP financial reconciliations accompany this presentation.

Combined Company Freight Revenues

($ millions)



* G&W and RA Combined Company Freight Revenues for Q3 2012 is a non-GAAP financial measure. Non-GAAP financial reconciliations accompany this presentation.

Combined Company Carloads
Q3 2013 vs. Q3 2012

Commodity	Change	%	Comment
Coal & Coke	**(3,947)**	**(5%)**	**Strong Export Coal in Q3 2012**
Pulp & Paper	**2,770**	**7%**	
Minerals & Stone	**2,629**	**5%**	
Food or Kindred Products	**(919)**	**(6%)**	
Chemicals & Plastics	**1,346**	**3%**	
Metals	**5,944**	**15%**	**Northeast and Southern Regions**
Lumber & Forest Products	**1,053**	**3%**	
Agricultural Products	**3,645**	**7%**	**Australia**
Petroleum Products	**4,825**	**23%**	**Crude by Rail**
Auto & Auto Parts	**1,424**	**19%**	
Metallic Ores *	**5,303**	**38%**	**Expanded Australia Iron Ore Service**
Intermodal (units)	**2,259**	**13%**	
Waste	**1,061**	**10%**	
Other	**3,237**	**18%**	**Class I detour trains**
Total Carloads	**30,630**	**7%**	

* Includes carloads and intermodal units

Combined Company
Average Revenues Per Carload

	Q3 2013	Q3 2012*	Change
Average Revenues Per Carload	$619	$600	3.2%
Changes in Commodity Mix [a]			2.7%
Fuel Surcharge			0.6%
FX (Depreciation of A$ & C$)			(2.6%)
Average Revenues Per Carload (excl. Fuel, FX, Mix) [b]			2.5%

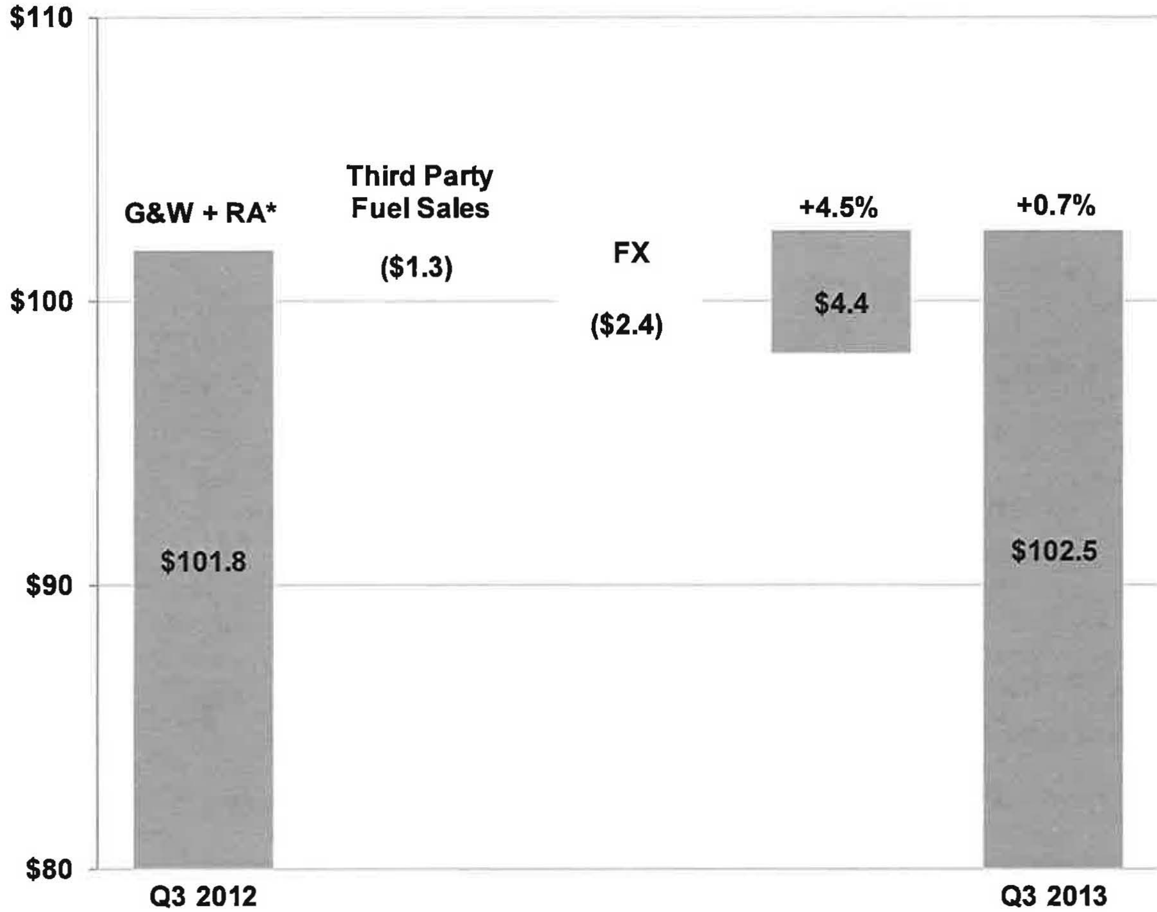
(a) Changes in Commodity Mix illustrates changes <u>between</u> commodity groups, not <u>within</u> a commodity group

(b) Average Revenues Per Carloads impacted by changes in customer mix in Agricultural Products (Australia grain) and Other (Class I detour trains) commodity categories

* Combined Company Average Revenue per Carload for Q3 2012 is a non-GAAP financial measure. Non-GAAP financial reconciliations accompany this presentation.

Combined Company Non-Freight Revenues

($ millions)



* G&W and RA Combined Company Non-Freight Revenues for Q3 2012 is a non-GAAP financial measure. Non-GAAP financial reconciliations accompany this presentation.

Adjusted Income from Operations and Adjusted Operating Ratio*

($ in millions)	Q3 2013	Q3 2012
Operating Revenues	$ 401.4	$ 222.7
Operating Expenses	299.6	169.9
Income from Operations	$ 101.7	$ 52.9
Operating Ratio	74.7%	76.3%
Operating Expenses	$ 299.6	$ 169.9
Final RA Allocation of Fair Value (6 mos. Retro)	(2.0)	-
RailAmerica Integration Costs	(2.0)	(5.2)
Edith River Derailment Expense	(1.6)	-
Edith River Insurance Recovery	1.5	-
Other Business/Corporate Development Expenses	-	(0.6)
Net Gain on Sale of Assets	0.7	3.0
Adjusted Operating Expenses*	$ 296.2	$ 167.1
Adjusted Income from Operations*	$ 105.2	$ 55.6
Adjusted Operating Ratio*	73.8%	75.0%

* Adjusted Income from Operations and Adjusted Operating Ratio are non-GAAP financial measures. Non-GAAP financial reconciliations accompany this presentation.

Guidance – Fourth Quarter 2013

($ in millions except per share amounts)	August Q4 2013 Guidance[a]	November Q4 2013 Guidance[b]	Comments
Revenues	~$400	~$400	• FX Impact[c] ~+$4 million • Higher Agricultural products • Lower petroleum products in North America • Lower metallic ores in Australia
Operating Income	~$110	$104 - $108	• FX Impact ~ +$1 million • Mix of business ~($2 million) • RA Fair Value Allocation/D&A ~($1 million) • Clean-up at RA roads ~($1 million) • New Hires at RA roads ~($1 million)
Operating Ratio	72% - 73%	73% - 74%	
Net Interest Expense	$14	$14	
Effective Tax Rate	28%	28%	
Diluted EPS from Continuing Ops	~$1.20	$1.15 - $1.20	
Diluted Shares	56.9 Million	56.9 Million	

[a] Included Australia revenues of US$80 – US$85 million and an Australia operating ratio of approximately 69%.

[b] Includes Australia revenues of US$85 – US$90 million and an Australia operating ratio of approximately 69%.

[c] Prior Guidance assumed A$1.00 = US$0.92. Current guidance assumes A$1.00 = US$0.96.

Supporting Information for Q4 2013 Guidance

- Q4 2013 Carloads: 470,000 – 480,000
- Combined Company Carload Growth: ~8% (versus Q4 2012)
  - Coal and Coke + 12,000 carloads ↑
  - Agricultural Products + 7,000 carloads ↑
  - Petroleum Products + 5,000 carloads ↑
  - Metallic Ores + 5,000 carloads ↑
  - Minerals and Stone + 4,000 carloads ↑
- 2013 Same Railroad Pricing*: 3% – 4%
- Average W.T.I. Crude: ~$97 per barrel
- Average Fuel Price: ~$3.40 per gallon
- Depreciation & Amortization: $37 million
- FX: A$1.00 = US$0.96, C$1.00 = US$0.96, €1.00 = US$1.36

* Excludes impact of changes in commodity mix, customer mix, FX, fuel surcharge

Strong Balance Sheet

- Revolver availability ~$400 million
- Net Debt of $1.64 billion (versus $1.79 billion as of 12/31/12)

($ in millions)	September 30, 2013
Cash & Equivalents	$32
Debt:	
Senior Secured Credit Facility, *due July 2017*	$1,623
Other Debt	$44
TOTAL DEBT	$1,667
Total Equity	$2,104
TOTAL CAPITALIZATION	$3,771
Total Debt/Total Capitalization	44%
Net Debt/Total Capitalization	44%

Zero Injuries

Our Goal Every Day

Reconciliation of Non-GAAP Financial Measures

Non-GAAP Financial Measures Reconciliation

This presentation contains reconciliations of G&W's Adjusted Income from Operations, Adjusted Operating Ratio, Adjusted Diluted Earnings Per Common Share and Combined Company Adjusted Operating Revenues which are "non-GAAP financial measures" as this term is defined in Regulation G of the Securities Exchange Act of 1934. In accordance with Regulation G, G&W has reconciled these non-GAAP financial measures to their most directly comparable U.S. GAAP measure.

Adjusted Income from Operations and Adjusted Operating Ratios Description and Discussion

Management views Income from Operations, calculated as Operating Revenues less Operating Expenses, and Operating Ratios, calculated as Operating Expenses divided by Operating Revenues, as important measures of G&W's operating performance. Because management believes this information is useful for investors in assessing G&W's financial results over a period of time, the Income from Operations and Operating Ratios for the three months ended September 30, 2013 used to calculate Adjusted Income from Operations and Adjusted Operating Ratios are presented excluding the adjustment to depreciation and amortization expense related to the six months ended June 30, 2013 for the final allocation of fair values to RailAmerica's assets and liabilities, RailAmerica integration costs, expense associated with the 2011 Edith River derailment, an insurance recovery related to the Edith River derailment and net gain on sale of assets. The Income from Operations and Operating Ratios for the three months ended September 30, 2012 used to calculate Adjusted Income from Operations and Adjusted Operating Ratios are presented excluding RailAmerica acquisition-related costs, other business/corporate development costs and net gain on sale of assets. The Income from Operations and Operating Ratios for the guidance for the three months ended September 30, 2013 used to calculate Adjusted Income from Operations and Adjusted Operating Ratios are presented excluding RailAmerica integration costs. The Adjusted Income from Operations and Adjusted Operating Ratios presented excluding these effects are not intended to represent, and should not be considered more meaningful than, or as an alternative to, the Income from Operations and Operating Ratios calculated using amounts in accordance with GAAP. Adjusted Income from Operations and Adjusted Operating Ratios may be different from similarly-titled non-GAAP financial measures used by other companies.

Non-GAAP Financial Measure Reconciliation

The following table sets forth a reconciliation of G&W's Income from Operations and Operating Ratios calculated using amounts determined in accordance with GAAP to Adjusted Operating Income and Adjusted Operating Ratios as described above for the three months ended September 30, 2013 and 2012 and the guidance for the three months ended September 30, 2013 ($ in millions):

	Q3 2013 Actual	Q3 2013 Guidance	Q3 2012 Actual
Operating revenues	$ 401.4	$ 400	$ 222.7
Operating expenses	299.6	291	169.9
Income from operations	$ 101.7	$ 109	$ 52.9
Operating ratio	74.7%	73%	76.3%
Operating expenses	$ 299.6	$ 291	$ 169.9
Adjustment to D&A expense for final allocation of fair values to RA's assets and liabilities	(2.0)	-	-
RailAmerica integration costs	(2.0)	(1.0)	(5.2)
Edith River derailment expense	(1.6)	-	-
Edith River insurance recovery	1.5	-	-
Other business/corporate development costs	-	-	(0.6)
Net gain on sale of assets	0.7	-	3.0
Adjusted operating expenses	$ 296.2	$ 290	$ 167.1
Adjusted income from operations	$ 105.2	$ 110	$ 55.6
Adusted operating ratio	73.8%	73%	75.0%

Adjusted Diluted Earnings Per Common Share Description and Discussion

Management views Diluted Earnings/(Loss) Per Common Share as an important financial measure of G&W's operating performance. Because management believes this information is useful for investors in assessing G&W's financial results, the Diluted Earnings Per Common Share for the three months ended September 30, 2013 used to calculate Adjusted Diluted Earnings Per Common Share are presented excluding the adjustment to depreciation and amortization expense related to the six months ended June 30, 2013 for the final allocation of fair values to RailAmerica's assets and liabilities, RailAmerica integration costs, expense associated with the 2011 Edith River derailment, an insurance recovery related to the Edith River derailment and net gain on sale of assets and are further adjusted to exclude the third quarter of 2013 short line tax credit. The Diluted Loss Per Common Share for the three months ended September 30, 2012 used to calculate Adjusted Diluted Earnings Per Common Share are presented excluding the contingent forward sale contact mark-to-market expense, RailAmerica acquisition-related costs, other business/corporate development costs and net gain on sale of assets. The Diluted Earnings Per Common Share for the guidance for the three months ended September 30, 2013 used to calculate Adjusted Diluted Earnings Per Common Share are presented excluding RailAmerica integration costs. The Adjusted Diluted Earnings Per Common Share presented excluding these effects are not intended to represent, and should not be considered more meaningful than, or as an alternative to, Diluted Earnings Per Common Share calculated using amounts in accordance with GAAP. Adjusted Diluted Earnings Per Common Share amounts may be different from similarly-titled non-GAAP financial measures used by other companies.

Non-GAAP Financial Measure Reconciliation

The following table sets forth a reconciliation of G&W's Diluted Earnings Per Common Share calculated using amounts determined in accordance with GAAP to Adjusted Diluted Earnings Per Common Share as described above for the three months ended September 30, 2013 (in millions except per share amounts):

Three Months Ended September 30, 2013	Net Income	Diluted Shares	Diluted Earnings/ (Loss) Per Common Share Impact
As reported	$ 66.2	56.7	$ 1.16
Add back certain items, net of tax:			
Adjustment to D&A expense for final allocation of fair values to RA's assets and liabilities	(1.3)	-	(0.02)
RailAmerica integration costs	(1.3)	-	(0.02)
Edith River derailment expense	(1.1)	-	(0.02)
Edith River insurance recovery	1.0	-	0.02
Net gain on sale of assets	0.5	-	0.01
Adjusted	$ 68.4	56.7	$ 1.19
Q3 impact of 2013 short line tax credit	6.8	-	0.12
Adjusted (excluding Q3 short line tax credit)	$ 61.6	56.7	$ 1.07

Non-GAAP Financial Measure Reconciliation

The following table sets forth a reconciliation of G&W's Diluted Loss Per Common Share calculated using amounts determined in accordance with GAAP to Adjusted Diluted Earnings Per Common Share as described above for the three months ended September 30, 2012 (in millions except per share amounts):

Three Months Ended September 30, 2012	Net (Loss)/ Income	Diluted shares	Diluted (Loss)/Earnings Per Common Share Impact
As reported	$ (19.6)	41.7	$ (0.47)
Add back certain items, net of tax:			
Contingent forward sale contact mark-to-market expense	(50.1)	2.5	(1.16)
RailAmerica acquisition-related costs	(3.1)	-	(0.07)
Other business/corporate development costs	(0.4)	-	(0.01)
Net gain on sale of assets	2.0	-	0.05
Adjusted	$ 32.0	44.2	$ 0.72

Non-GAAP Financial Measure Reconciliation

The following table sets forth a reconciliation of G&W's Diluted Earnings Per Common Share calculated using amounts determined in accordance with GAAP to Adjusted Diluted Earnings Per Common Share as described above for the guidance for the three months ended September 30, 2013 (in millions except per share amounts):

Guidance for the Three Months Ended September 30, 2013	Net Income	Diluted Shares	Diluted Earnings/(Loss) Per Common Share Impact
As reported	$ 67.8	56.8	1.19
Add back certain items, net of tax:			
RailAmerica integration costs	(0.6)		(0.01)
Adjusted	$ 67.2	56.8	$ 1.20

Combined Company Operating Revenues Description and Discussion

Management views Operating Revenues as an important financial measure of G&W's operating performance. Because management believes this information is useful for investors in assessing G&W's financial results, compared with the same period in the prior year, the Operating Revenues for the three months ended September 30, 2012 used to calculate Combined Company Operating Revenues are presented including the elimination of non-freight revenues earned during the three months ended September 30, 2012 by a subsidiary of RailAmerica for work performed for subsidiaries of G&W and reclassifications of certain revenues of RailAmerica to align with G&W's accounting policies. The Combined Company Operating Revenues presented including these adjustments are not intended to represent, and should not be considered more meaningful than, or as an alternative to, Operating Revenues calculated using amounts in accordance with GAAP. Combined Company Operating Revenues may be different from similarly-titled non-GAAP financial measures used by other companies.

Non-GAAP Financial Measure Reconciliation

The following table sets forth a reconciliation of G&W's and RailAmerica's Revenues calculated using amounts determined in accordance with GAAP to Combined Company Revenues as described above for the three months ended September 30, 2012 ($ in millions):

Three Months Ended September 30, 2012	G&W As Reported	RailAmerica As Reported	Eliminations/ Adjustments (a)	Combined Company
Freight revenues	$ 160.6	$ 113.0	$ (2.2)	$ 271.5
Non-freight revenues	62.1	42.4	(2.7)	101.8
Operating revenues	$ 222.7	$ 155.4	$ (4.9)	$ 373.3

(a) Includes the elimination of non-freight revenues earned during the three months ended September 30, 2012 by a subsidiary of RailAmerica for work performed by various subsidiaries of G&W and reclassifications of certain revenues of RailAmerica to align with G&W's accounting policies.

Combined Company Average Revenues per Carload Description and Discussion

Management views Average Revenues per Carload as an important financial measure of G&W's operating performance. Because management believes this information is useful for investors in assessing G&W's financial results, compared with the same period in the prior year, the Average Revenues per Carload for the three months ended September 30, 2012, used to calculate Combined Company Average Revenues per Carload are presented including adjustment of carloads and reclassifications of certain revenues of RailAmerica to align with G&W's accounting policies. The Combined Company Average Revenues per Carload presented including these effects are not intended to represent, and should not be considered more meaningful than, or as an alternative to, Average Revenues per Carload calculated using amounts in accordance with GAAP. Combined Company Average Revenues per Carload amounts may be different from similarly-titled non-GAAP financial measures used by other companies.

Non-GAAP Financial Measure Reconciliation

The following table sets forth a reconciliation of G&W's Average Revenues per Carload calculated using amounts determined in accordance with GAAP to Combined Company Average Revenues per Carload as described above for the three months ended September 30, 2012 ($ in millions except average freight revenues per carload):

	G&W As Reported	RailAmerica As Reported	Eliminations/ Adjustments (a)	Combined Company
Three Months Ended September 30, 2012				
Freight revenues	$ 160.6	$ 113.0	$ (2.2)	$ 271.5
Carloads	242,783	214,357	(4,947)	452,193
Average revenues per carload	$ 662	$ 527	$ 437	$ 600

(a) Includes adjustments of carloads and reclassifications of certain revenues of RA to align with G&W's accounting policies


G&W

Genesee & Wyoming

Jack Hellmann, President & CEO

February 2014

EXHIBIT K

Forward-Looking Statements

This presentation contains "forward-looking statements" regarding future events and the future performance of Genesee & Wyoming Inc. that involve risks and uncertainties that could cause actual results to differ materially from those expressed or forecasted, including, but not limited to, risks related to the operation of our railroads, economic conditions, customer demand, increased competition in the relevant market, the timing and costs associated with the integration of RailAmerica railroads (as well as our ability to achieve the anticipated cost savings related to the integration), and others, many of which are beyond our control. The Company refers you to the documents that it files from time to time with the Securities and Exchange Commission, such as the Company's Forms 10-Q and 10-K, which contain additional important factors that could cause its actual results to differ from its current expectations and from the forward-looking statements discussed during this presentation. Forward-looking statements speak only as of the date of this presentation or the date they were made. Genesee & Wyoming Inc. does not undertake, and expressly disclaims, any duty to update any forward-looking statement contained in this presentation whether as a result of new information, future events or otherwise, except as required by law.

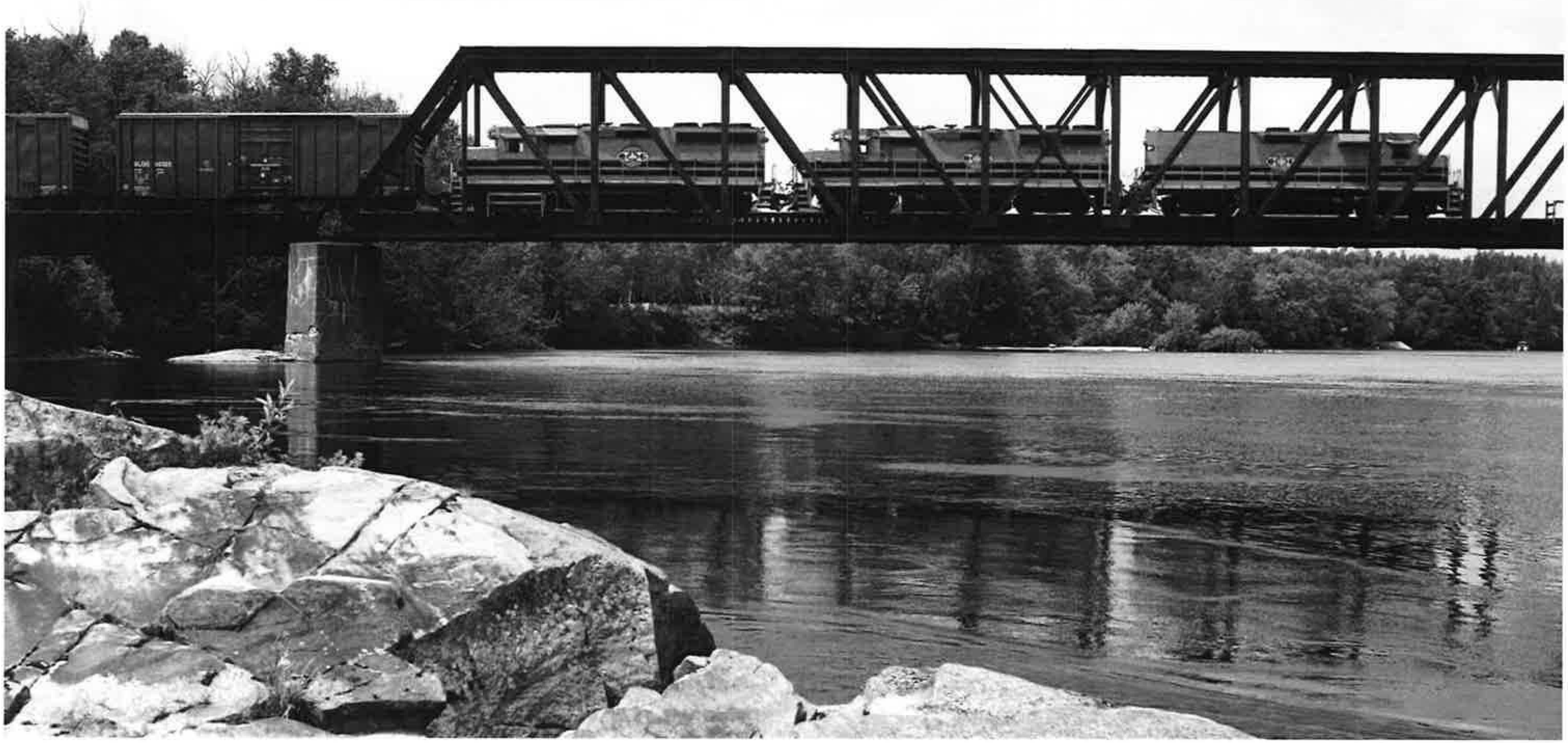
Agenda

1. Introduction to G&W

2. Fourth Quarter and Full Year 2013 Results

3. 2014 Outlook

Introduction to G&W

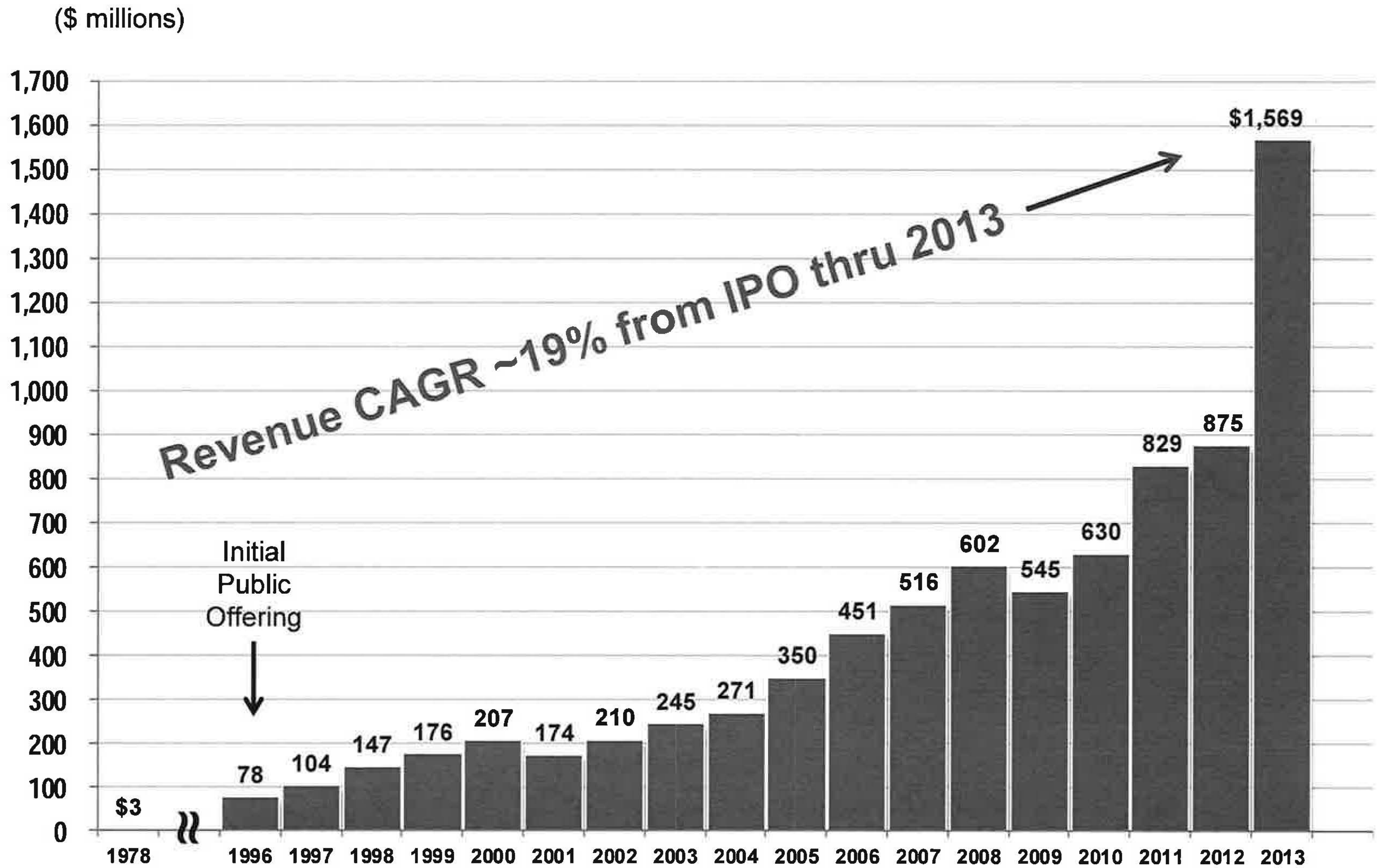


Overview of G&W

1. **NYSE:** Listed as GWR with $5.0b market capitalization
2. **Railroads**: 111 railroads and ~15,000 track miles worldwide (80% North America; 20% Australia)
3. **People**: ~4,600 worldwide
4. **Equipment**: More than 1,000 locomotives
5. **Track Record of Acquisitions:** Added 93 railroads since 2000 with 1 acquisition pending

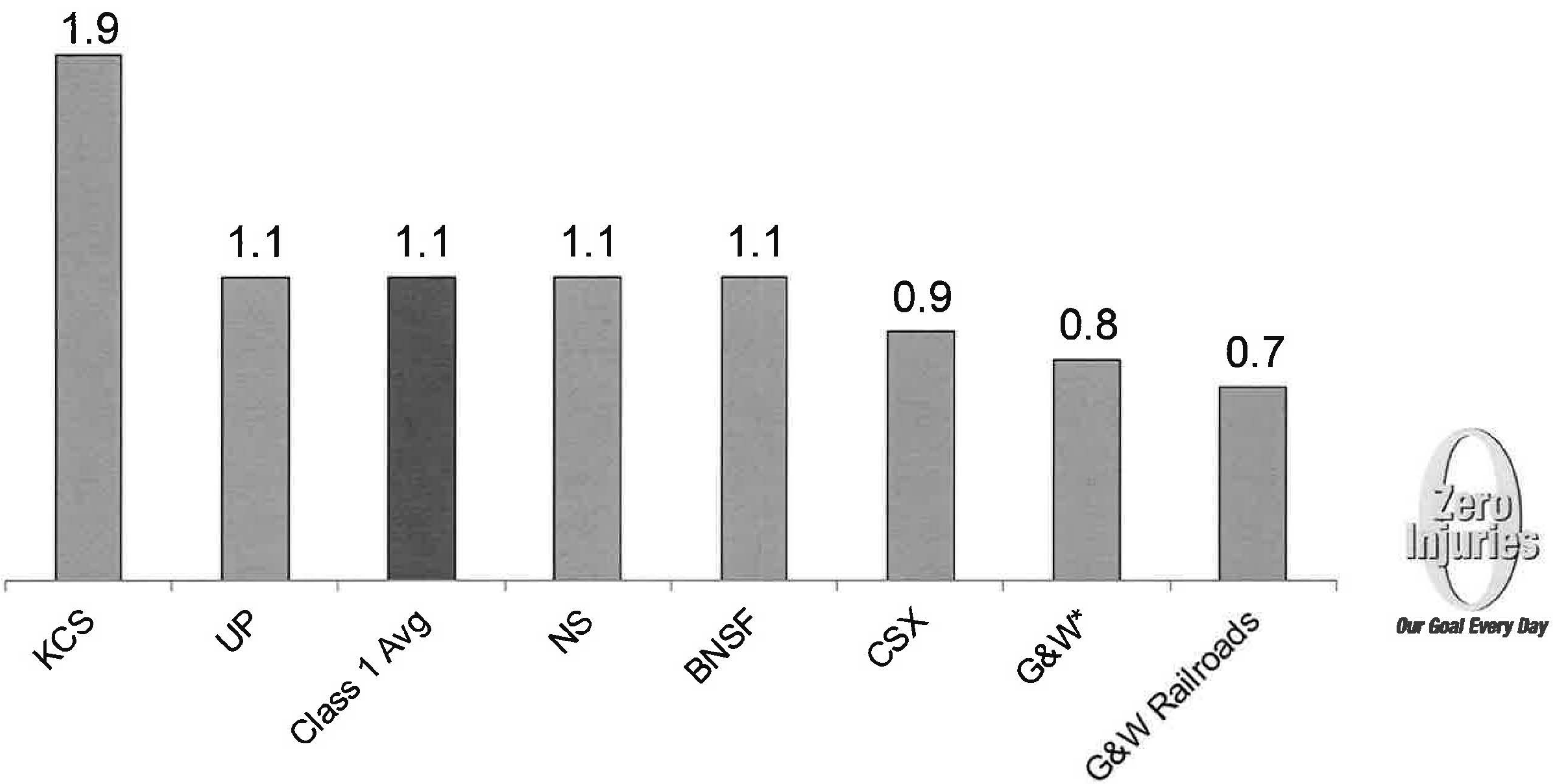
Genesee & Wyoming 2014

Consistent Long-Term Growth



G&W Safety Performance in 2013

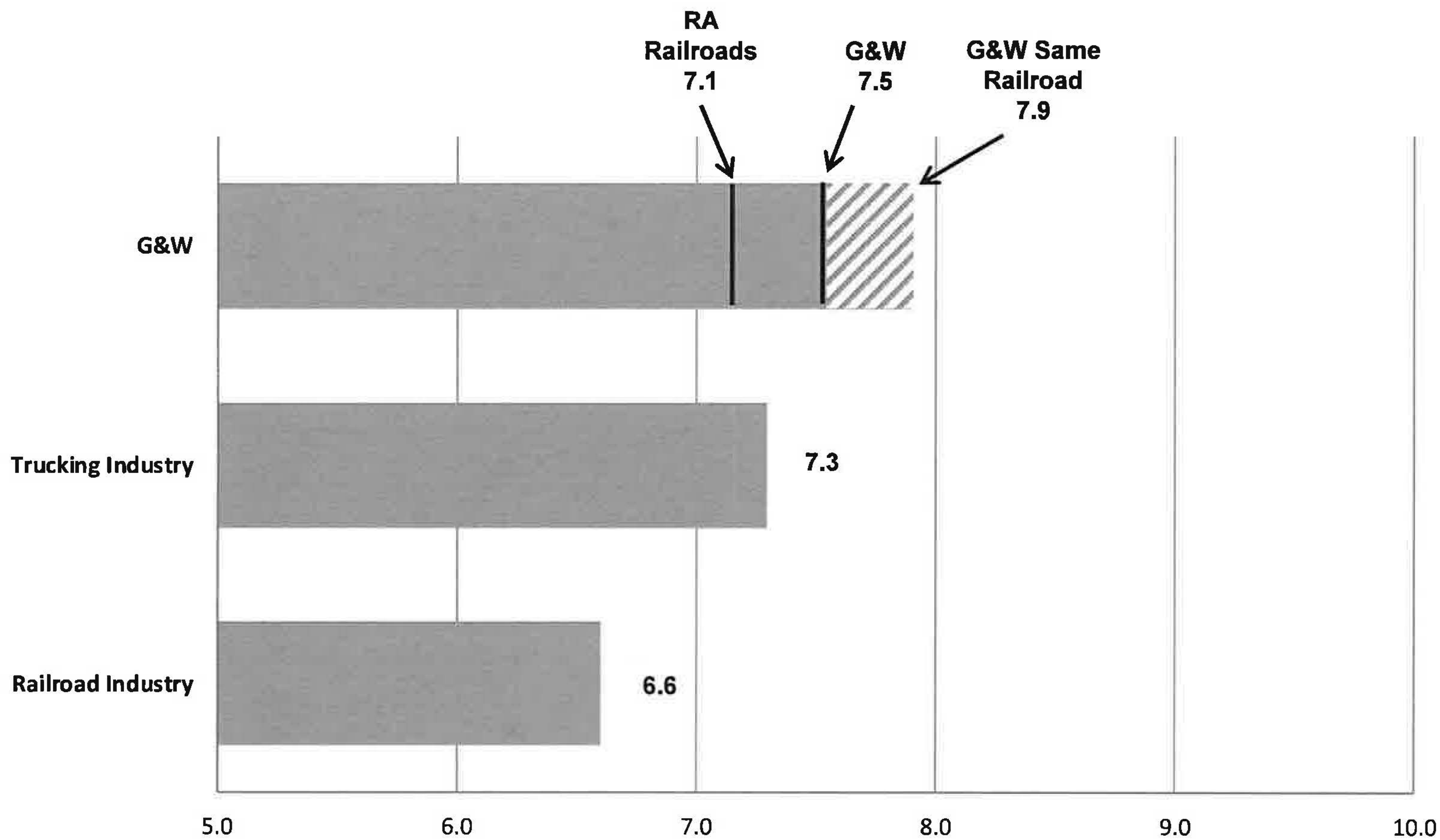
Injury Frequency Rate per 200,000 man-hours
G&W through December others through November



* Includes non-railroad businesses (e.g., construction and transload).

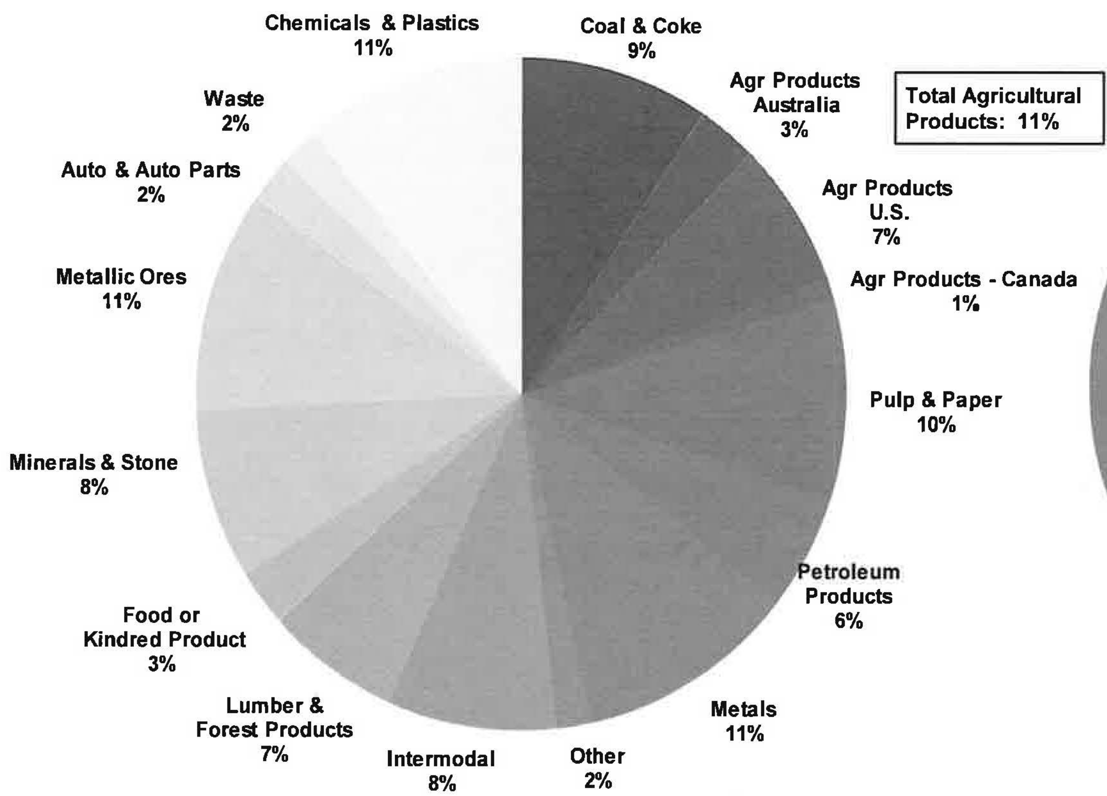
High Customer Satisfaction

November 2013 Survey by a Leading Customer-Satisfaction Research Firm

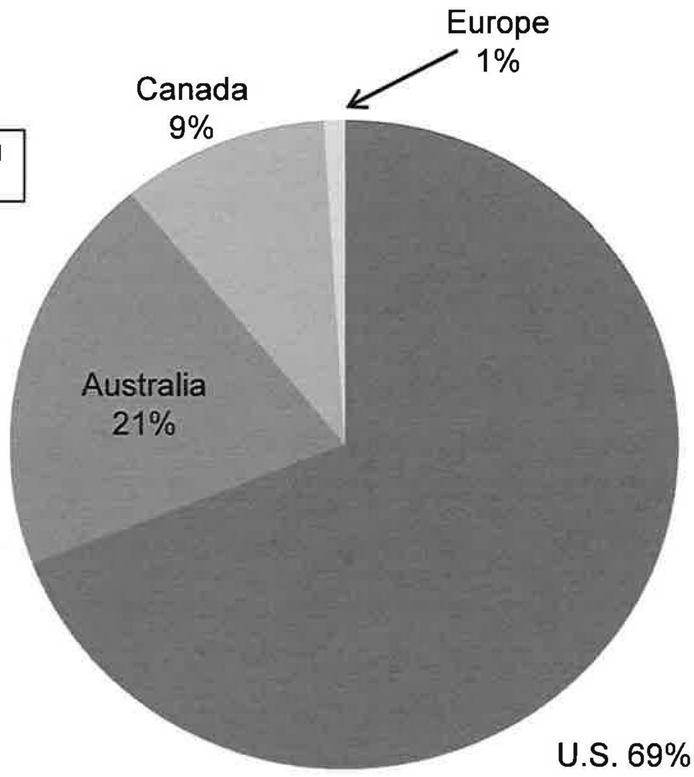


Diversity by Commodity and Geography

2013 Freight Revenue* by Commodity



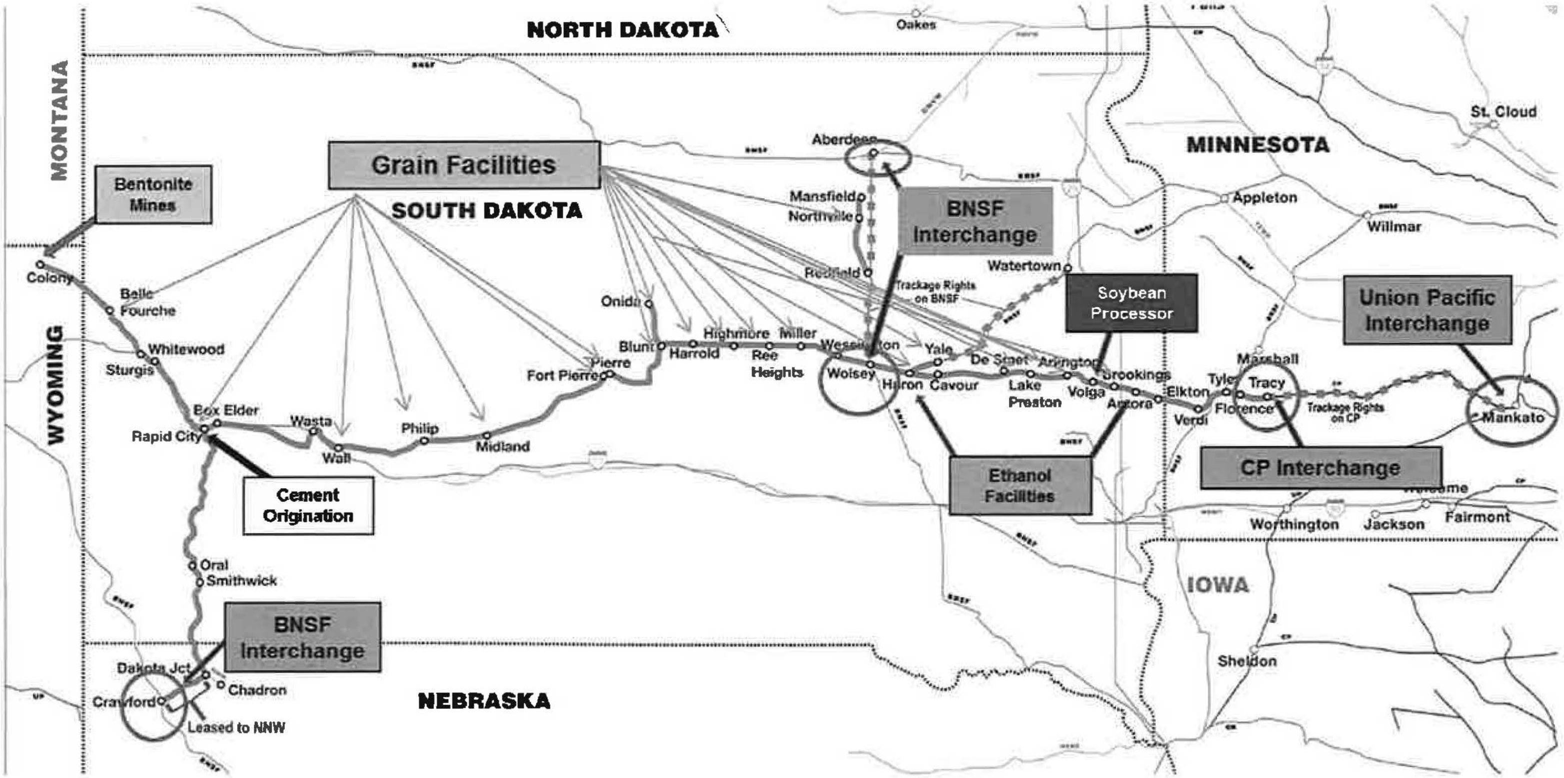
2013 Total Revenue by Geography



* Freight revenue is 75% of total revenues

Rapid City, Pierre & Eastern Railroad (RCP&E)

On January 2, 2014 G&W signed an agreement to purchase the assets of the "DM&E West" from Canadian Pacific (CP) for $210 million (expected close 2Q 2014, subject to STB approval).



- DM&E West is approximately 660 miles in South Dakota, Minnesota, Wyoming and Nebraska
- RCP&E will interchange with 3 Class I Railroads (CP, BNSF and UP) as well as 2 short lines
- Year 1 expectations of $65 million in revenue and 52,500 carloads

Rapid City, Pierre & Eastern Railroad (RCP&E)

Transaction Overview and Year 1 Expectations

- **Purchase Price of Assets: $210.0 million**
  - Asset purchase creates significant tax shield (~$30 million of present value to G&W)[a]
- **Expected Year 1 Financial Impact:**

$s in millions

Revenues[b]	~$65.0	**EBIT**[a][b][c]	~$17.0	
EBITDA[b][c]	~$23.0	**Capex**	~$8.5	*(higher maintenance due to attributes of the Pierre Shale)*

Medium / Long Term Opportunity

- **Expected revenues do not include incremental "short line conversion"**
  - Volumes should increase post Class I spin-off to a short line due to local marketing and increased service; in this case, multiple Class I connections offers additional opportunity
  - Customer conversations are positive and supportive of the transaction
  - Agricultural volume growth is expected to continue as technology increases yields; also several customers have invested substantially in facilities and load outs in the last 3 – 4 years
- **Initially leasing a pool of railcars via assignment from CP**
  - Expirations in 3 – 5 years should increase income by approximately $3.0 - $4.0 million as cars requiring lease payments are replaced either with cars that are free on line or customer supplied

(a) Subject to final purchase price accounting. (b) Subject to shipment timing and size of harvest; year 1 expectations assume normal harvest.
(c) EBIT and EBITDA are non-GAAP financial measures. Non-GAAP financial measure reconciliations accompany this presentation.

Fourth Quarter and Full Year 2013 Results

Fourth Quarter 2013 Overview*

- Combined Company Adjusted Operating Revenues increased 8%
- Adjusted Diluted EPS increased 19%, excluding benefit of short line tax credit
- Results below our Q4 expectations for 3 main reasons:
    1. Currency translation of foreign operations
    2. Two costly derailments
    3. High diesel fuel consumption in extremely cold weather

* Combined Company Adjusted Revenues and Adjusted Diluted Earnings Per Common Share are non-GAAP financial measures. Non-GAAP financial measure reconciliations accompany this presentation.

Summary of 2013

- ***Safety***: Fifth consecutive year leading the rail industry
- ***RailAmerica Acquisition***: Successful integration of $2 billion acquisition
- ***Financial Results***: Adjusted Diluted EPS* increased 50% (excludes benefit of Short Line tax credit)
- ***Debt Reduction***: Record Free Cash Flow* and deleveraged business to 2.9x Debt/Adjusted EBITDA*
- ***Additional Growth***: Signed agreement at year-end to acquire the western end of the DM&E from Canadian Pacific

* Adjusted Diluted EPS, Free Cash Flow and Adjusted EBITDA are non-GAAP financial measures. Non-GAAP financial measure reconciliations accompany this presentation.

2014 Outlook

Outlook for 2014 (does not include RCP&E)

($ in millions, shares in thousands)	2013	2014 Guidance	% Growth	% ex-currency
Revenues	$ 1,569	$1,600 - $1,625	3%	5%
Income from Operations	$ 380.2			
Adjusted Income from Operations*	$ 394.1	$435 - $455	13%	16%
Adjusted Operating Ratio*	74.9%	72% - 73%		
Adjusted Income Before Income Taxes*	$ 332.9	$390 - $410	20%	24%
Adjusted Diluted EPS*	$ 3.80	$4.35 - $4.55	17%	21%
Diluted Shares	56,679	57,000		

* 2013 adjusted excludes $17.0 million of RailAmerica integration/acquisition-related costs, $1.6 million of business development and financing costs and $4.7 net gain on sale of assets. Adjusted Income from Operations, Adjusted Operating Ratio, Adjusted Income Before Income Taxes and Adjusted Diluted EPS are non-GAAP financial measures. Non-GAAP financial measure reconciliations accompany this presentation. 2014 Guidance does not include the RCP&E acquisition.

Outlook for 2014 (does not include RCP&E)

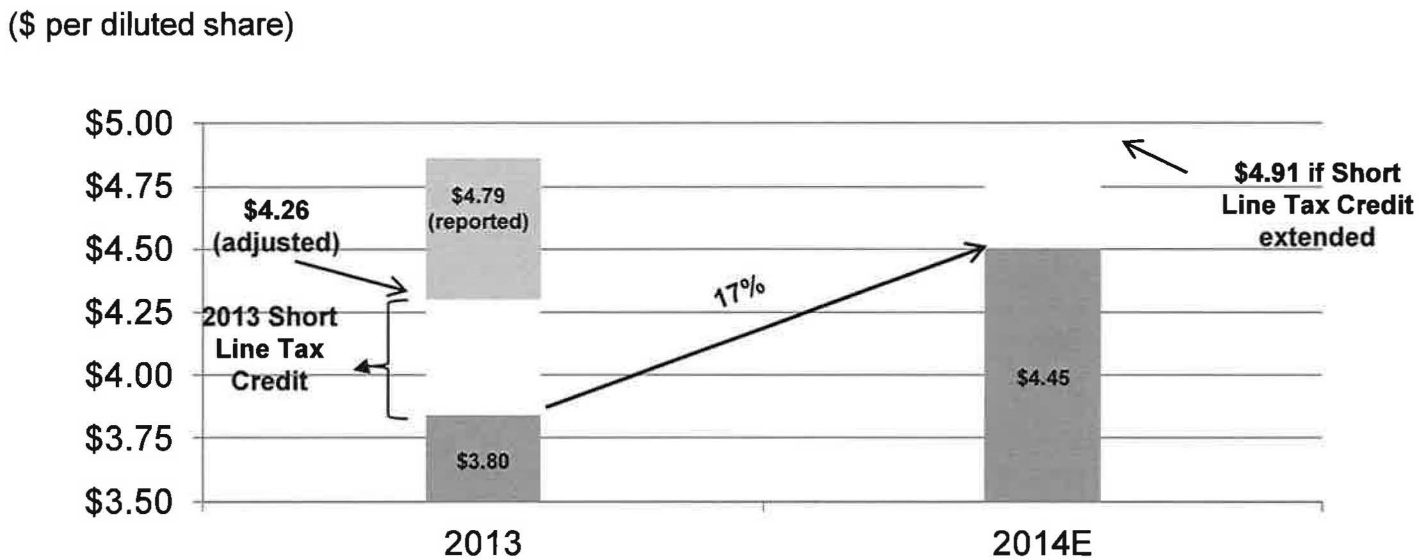
($ in millions)			Notes
Operating Revenues - 2013		**$1,569**	
FX (Weaker A$ and C$)	($36)		
Core Revenue Growth	$65 - $90		~5% Revenue Growth ex-currency
Operating Revenues - 2014E		**$1,600 - $1,625**	
Income from Operations - 2013 Reported		**$380.2**	
RA Integration/Acquisition Costs	$17.0		No RA integration costs in 2014
Business Development and Financing Costs	$1.6		
Net Gain on Sale of Assets	($4.7)		No gains in 2014 Budget; some level is normal
Adjusted Income from Operations - 2013*		**$394.1**	
FX (Weaker A$ and C$)	($10)		
Core Growth (~50% incremental margins)	$30 - $50		Includes $3 - $4 million for 1x Australia expense items (e.g., in-sourcing equipment maintenance)
FY Impact of RA Cost Synergies	$20		
Income from Operations - 2014E		**$435 - $455**	Excludes RCP&E acquisition
Operating Ratio		72% - 73%	

- **North America and Europe Operating Ratio of 72% - 73%**
- **Australia Operating Ratio of 69% - 70%**

* Adjusted Income from Operations is a non-GAAP financial measure. Non-GAAP financial measure reconciliations accompany this presentation.

Outlook for Consolidated Adjusted Diluted EPS (does not include RCP&E)*

* Excluding impact of short line tax credit in 2013, adjusted diluted EPS growth of approximately 17% at midpoint of guidance.



* Adjusted Diluted EPS is a non-GAAP financial measure. Non-GAAP financial measure reconciliations accompany this presentation.

Priorities for 2014

1. *Safety Targets*

- 0.45 safety index and safely manage through extreme winter weather in Q1 2014

2. *Financial Targets*

- 20% growth in pre-tax income
- De-lever G&W to 2.5x debt/EBITDA by year-end 2014 (including the purchase of the RCP&E)

3. *Integration of Acquisitions*

- Solidify G&W culture with former RailAmerica railroads plus instill with RCP&E acquisition

4. *Government Affairs*

- Extension of the U.S. short line tax credit

5. *Acquisitions and Business Development*

- Active potential projects in North America and Australia

Sustainable Long-Term Growth Target

G&W Operations

- Safety
- Customer Focused
- Commercial & Industrial Development
- Operating Efficiency

G&W Investments

- Partnership with Operations
- Due Diligence
- Contracts
- Financing

15%-20% EPS Growth

Zero Injuries

Our Goal Every Day

Reconciliation of Non-GAAP Financial Measures

Non-GAAP Financial Measures Reconciliation

This presentation contains reconciliations of G&W's Earning Before Interest and Taxes (EBIT), Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA), Combined Company Adjusted Operating Revenues, Adjusted Diluted Earnings Per Common Share (EPS), Free Cash Flow, Adjusted EBITDA, Adjusted Income from Operations, Adjusted Operating Ratio and Adjusted Income Before Income Taxes and Income From Equity Investment (Adjusted Pre-Tax Income), which are "non-GAAP financial measures" as this term is defined in Regulation G of the Securities Exchange Act of 1934. In accordance with Regulation G, G&W has reconciled these non-GAAP financial measures to their most directly comparable U.S. GAAP measure.

RCP&E EBIT and EBITDA Description and Discussion

Earnings Before Interest and Taxes (EBIT) and Earnings Before Interest, Income Taxes, Depreciation and Amortization (EBITDA) are widely used non-GAAP financial measures of operating performance. They are presented as supplemental information that management believes is useful to investors in assessing Rapid City, Pierre & Eastern Railroad's (RCP&E) expected financial impact. RCP&E's EBIT is calculated by adding back to RCP&E's Net Income RCP&E's provision for income taxes and interest expense. RCP&E's EBITDA is calculated by adding back to RCP&E's Net Income RCP&E's provision for income taxes, interest expense and depreciation and amortization expense. RCP&E's EBIT and EBITDA should not be considered as substitutes either for RCP&E's Net Income, as an indicator of RCP&E's operating performance, or for RCP&E's cash flow, as a measure of RCP&E's liquidity. RCP&E's EBIT and EBITDA may be different from similarly-titled non-GAAP financial measures used by other companies.

Non-GAAP Financial Measure Reconciliation

The following table sets forth a reconciliation of RCP&E's expected Year 1 financial impact on RCP&E's Net Income calculated using amounts determined in accordance with GAAP to RCP&E's EBIT and EBITDA ($ in millions):

RCP&E	Expected Year 1 Financial Impact
Net income	$ 8
Add back:	
Provision for income taxes	5
Interest expense	4
EBIT	$ 17
Depreciation and amortization expense	6
EBITDA	$ 23

Combined Company Adjusted Operating Revenues Description and Discussion

Management views Operating Revenues as an important financial measure of G&W's operating performance. Because management believes this information is useful for investors in assessing G&W's financial results, compared with the same period in the prior year, the Combined Company Operating Revenues are presented excluding revenues from fuel sales to third parties and the impact from the net depreciation of the Australia and Canadian dollars and the Euro relative to the United States dollar. The Combined Company Adjusted Operating Revenues excluding these effects are not intended to represent, and should not be considered more meaningful than, or as an alternative to, Operating Revenues calculated using amounts in accordance with GAAP. Combined Company Adjusted Operating Revenues may be different from similarly-titled non-GAAP financial measures used by other companies.

Non-GAAP Financial Measure Reconciliation

The following tables set forth a reconciliation of Operating Revenues to the Combined Company Operating Revenues described above for the three months ended December 31, 2012 ($ in millions):

Three Months Ended December 31, 2012	G&W As Reported	RailAmerica As Reported	Eliminations/ Adjustments (a)	Combined Company
Freight revenues	$ 165.4	$ 113.1	$ (2.4)	$ 276.1
Non-freight revenues	61.9	38.0	(2.9)	97.0
Operating revenues	$ 227.3	$ 151.1	$ (5.2)	$ 373.1

(a) Includes the elimination of non-freight revenues earned during the three months ended December 31, 2012 by a subsidiary of RailAmerica for work performed for various subsidiaries of G&W and reclassifications of certain revenues of RailAmerica to align with G&W's accounting policies.

Non-GAAP Financial Measure Reconciliation

The following tables set forth a reconciliation of Operating Revenues to the Combined Company Adjusted Operating Revenues described above for the three months ended December 31, 2013 and 2012 ($ in millions):

	Three Months Ended December 31,		Change	
	2013	2012	$	%
Combined Company operating revenues	$ 391.7	$ 373.1	$ 18.5	5.0%
Fuel sales to third parties		(0.9)	0.9	
Foreign Exchange		(10.3)	10.3	
Combined Company adjusted operating revenues	$ 391.7	$ 361.9	$ 29.8	8.2%

Adjusted Diluted EPS Description and Discussion

Management views Diluted EPS as important measures of G&W's operating performance. Because management believes this information is useful for investors in assessing G&W's financial results, the Diluted EPS for the three months ended December 31, 2013 used to calculate Adjusted Diluted EPS are presented excluding RailAmerica integration and acquisition-related costs, business development and financing costs, net gain on sale of assets and valuation allowance on foreign tax credits (FTC) generated in prior years and are further adjusted to exclude the fourth quarter of 2013 short line tax credit. The Diluted EPS for the three months ended December 31, 2012 used to calculate Adjusted Diluted EPS are presented excluding the RailAmerica integration and acquisition-related costs, business development and financing costs, acquisition costs incurred by RailAmerica, gain on insurance recoveries, net gain on sale of assets and contract termination expense in Australia. The Adjusted Diluted EPS excluding these effects are not intended to represent, and should not be considered more meaningful than, or as an alternative to, the Diluted EPS calculated using amounts in accordance with GAAP. Adjusted Diluted EPS amounts may be different from similarly-titled non-GAAP financial measures used by other companies.

Non-GAAP Financial Measure Reconciliation

The following tables set forth reconciliations of Diluted EPS calculated using amounts determined in accordance with GAAP to the Adjusted Diluted EPS described above (in millions, except per share amounts):

Three Months Ended December 31, 2013	Net Income	Diluted Shares	Diluted Earnings/ (Loss) Per Common Share Impact
As reported	$ 58.1	56.8	$ 1.03
Add back certain items, net of tax:			
RA integration/acquisition costs	0.6		0.01
Business development and financing costs	0.7		0.01
Net gain on sale of assets	(0.8)		(0.01)
Valuation allowance on FTC	2.0		0.03
As adjusted*	$ 60.6	56.8	$ 1.07
Q4 impact of 2013 short line tax credit	(7.7)		(0.13)
As adjusted (excluding Q4 short line tax credit)	$ 53.0	56.8	$ 0.94

Non-GAAP Financial Measure Reconciliation

The following table sets forth a reconciliation of G&W's Diluted EPS calculated using amounts determined in accordance with GAAP to Adjusted Diluted EPS as described above for the three months ended December 31, 2012 (in millions, except per share amounts):

Three Months Ended December 31, 2012	Net Income	Diluted shares	Diluted Earnings/(Loss) Per Common Share Impact
As reported	$ 13.4	50.6	$ 0.18
Add back certain items, net of tax:			
RA integration/acquisition costs	17.4	6.0	$ 0.36
Business development and financing costs	10.1		0.20
Acquisition/integration costs incurred by RA	3.5		0.06
Gain on insurance recoveries	(0.4)		(0.01)
Net gain on sale of assets	(0.6)		(0.01)
Contract termination expense in Australia	0.8		0.01
As adjusted	$ 44.2	56.6	$ 0.79

Adjusted Diluted EPS Description and Discussion

Management views Diluted EPS as an important financial measure of G&W's operating performance. Because management believes this information is useful for investors in assessing G&W's financial results, the Diluted EPS for the twelve months ended December 31, 2013 used to calculate Adjusted Diluted EPS are presented excluding RailAmerica integration and acquisition-related costs, business development and financing costs, net gain on sale of assets, the retroactive fiscal year 2012 short line tax credit, valuation allowance on foreign tax credits and are further adjusted to exclude the 2013 short line tax credit. The Diluted EPS for the twelve months ended December 31, 2012 used to calculate Adjusted Diluted EPS are presented excluding RailAmerica integration and acquisition-related costs, business development and financing costs, acquisition/integration costs incurred by RailAmerica, gain on insurance recoveries, gain on sale of assets, contract termination expense in Australia and contingent forward sale contract mark-to-market expense. The Diluted EPS for the guidance for the twelve months ended December 31, 2014 used to calculate Adjusted Diluted EPS are presented including the impact of the 2014 short line tax credit, assuming it is extended. The Adjusted Diluted EPS presented adjusted for these effects are not intended to represent, and should not be considered more meaningful than, or as an alternative to, Diluted EPS calculated using amounts in accordance with GAAP. Adjusted Diluted EPS amounts may be different from similarly-titled non-GAAP financial measures used by other companies.

Non-GAAP Financial Measure Reconciliation

The following table sets forth a reconciliation of G&W's Diluted EPS calculated using amounts determined in accordance with GAAP to Adjusted Diluted EPS as described above for the twelve months ended December 31, 2013 (in millions, except per share amounts):

Twelve Months Ended December 31, 2013	Net Income	Diluted Shares	Diluted Earnings/ (Loss) Per Common Share Impact
As reported	$ 272.1	56.7	$ 4.79
Add back certain items, net of tax:			
RA integration/acquisition costs	10.7		0.19
Business development and financing costs	1.4		0.03
Net gain on sale of assets	(3.2)		(0.06)
Retroactive Short Line Tax Credit for 2012	(41.0)		(0.72)
Valuation allowance on FTC	2.0		0.03
As adjusted	$ 242.0	56.7	$ 4.26
Impact of 2013 short line tax credit	(25.9)	-	(0.46)
As adjusted (excluding 2013 short line tax credit)	$ 216.1	56.7	$ 3.80

Non-GAAP Financial Measure Reconciliation

The following table sets forth a reconciliation of G&W's Diluted EPS calculated using amounts determined in accordance with GAAP to Adjusted Diluted EPS as described above for the twelve months ended December 31, 2012 (in millions, except per share amounts):

Twelve Months Ended December 31, 2012	Net Income	Diluted shares	Diluted Earnings/ (Loss) Per Common Share Impact
As reported	$ 52.4	51.3	$ 1.02
Add back certain items, net of tax:			
RA integration/acquisition costs	21.0		0.41
Business development and financing costs	11.0		0.21
Acquisition/integration costs incurred by RailAmerica	3.5		0.07
Gain on insurance recoveries	(0.5)		(0.01)
Gain on sale of assets	(8.6)		(0.17)
Contract termination expense in Australia	0.8		0.02
Contingent forward sale contract mark-to-market expense	50.1		0.98
As adjusted	$ 129.7	51.3	$ 2.53

Non-GAAP Financial Measure Reconciliation

The following table sets forth a reconciliation of G&W's Diluted EPS calculated using amounts determined in accordance with GAAP to Adjusted Diluted EPS as described above for the guidance for the twelve months ended December 31, 2014 (in millions, except per share amounts):

Twelve Months Ended December 31, 2014 (Guidance)	Net Income	Diluted shares	Diluted Earnings Per Common Share Impact
As reported	$ 253	57	$ 4.45
Impact of 2014 short line tax credit	26		0.46
As adjusted (including 2014 short line tax credit)	$ 279	57	$ 4.91

Free Cash Flow Description and Discussion

Management views Free Cash Flow as an important financial measure of how well G&W is managing its assets. Subject to the limitations discussed below, Free Cash Flow is a useful indicator of cash flow that may be available for discretionary use by G&W. Free Cash Flow is defined as Net Cash Provided by Operating Activities less Net Cash Used in Investing Activities, excluding net cash used for acquisitions. Key limitations of the Free Cash Flow measure include the assumptions that G&W will be able to refinance its existing debt when it matures and meet other cash flow obligations from financing activities, such as principal payments on debt. Free Cash Flow is not intended to represent, and should not be considered more meaningful than, or as an alternative to Net Cash Provided by Operating Activities or other measures of cash flow determined in accordance with GAAP. Free Cash Flow may be different from similarly-titled non-GAAP financial measures used by other companies.

Non-GAAP Financial Measure Reconciliation

The following table sets forth a reconciliation of G&W's Net Cash Provided by Operating Activities to G&W's Free Cash Flow for the twelve months ended December 31, 2013 ($ in millions):

Twelve Months Ended December 31, 2013		
Net cash provided by operating activities	$	411.9
Net cash used in investing activities		(208.7)
Net cash used for acquisitions		12.9
Free cash flow	$	216.1

EBITDA and Adjusted EBITDA Description and Discussion

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) and Adjusted EBITDA are widely used non-GAAP financial measures of operating performance. They are presented as supplemental information that management believes is useful to investors in assessing G&W's financial results. EBITDA is calculated by adding back to Net Income provision for income taxes, other income, net, interest expense, interest income and depreciation and amortization expense. Adjusted EBITDA is calculated by adding back to Net Income provision for income taxes, other income, net, interest expense, interest income, depreciation and amortization expense, non-cash compensation expense related to equity awards, RailAmerica integration and acquisition-related costs, business development and financing costs and net gain on sale of assets. EBITDA and Adjusted EBITDA should not be considered as substitutes either for Net Income, as an indicator of G&W's operating performance, or for cash flow, as a measure of G&W's liquidity. EBITDA and Adjusted EBITDA may be different from similarly-titled non-GAAP financial measures used by other companies.

Non-GAAP Financial Measure Reconciliation

The following table sets forth a reconciliation of G&W's Net Income calculated using amounts determined in accordance with GAAP to EBITDA and to Adjusted EBITDA each as described above for the twelve months ended December 31, 2013 ($ in millions):

Twelve Months Ended	December 31, 2013
Net income - as reported	$ 272.1
Add back:	
Provision for income taxes	46.3
Other income, net	(2.1)
Interest expense	67.9
Interest income	(4.0)
Depreciation and amortization expense	141.6
EBITDA	$ 521.8
Add back certain items:	
Non-cash compensation expense related to equity awards	17.0
RailAmerica integration/acquisition costs	17.0
Business development and financing costs	1.6
Net gain on sale of assets	(4.7)
Adjusted EBITDA	$ 552.7

Adjusted Income from Operations and Adjusted Operating Ratio Description and Discussion

Management views Income from Operations, calculated as Operating Revenues less Operating Expenses, and Operating Ratios, calculated as Operating Expenses divided by Operating Revenues, as important measures of G&W's operating performance. Because management believes this information is useful for investors in assessing G&W's financial results over a period of time, the Income from Operations and Operating Ratio for the twelve months ended December 31, 2013 used to calculate Adjusted Income from Operations and Adjusted Operating Ratio are presented excluding RailAmerica integration and acquisition-related costs, business development and financing costs and net gain on sale of assets. The Adjusted Income from Operations and Adjusted Operating Ratio presented excluding these effects are not intended to represent, and should not be considered more meaningful than, or as an alternative to, the Income from Operations and Operating Ratio calculated using amounts in accordance with GAAP. Adjusted Income from Operations and Adjusted Operating Ratio may be different from similarly-titled non-GAAP financial measures used by other companies.

Non-GAAP Financial Measure Reconciliation

The following table sets forth a reconciliation of G&W's Income from Operations and Operating Ratio calculated using amounts determined in accordance with GAAP to Adjusted Income from Operations and Adjusted Operating Ratio as described above for the three months ended December 31, 2013 and the twelve months ended December 31, 2013 ($ in millions):

Twelve Months Ended December 31, 2013	
Operating revenues	$ 1,569.0
Operating expenses	1,188.8
Income from operations	$ 380.2
Operating ratio	75.8%
Operating expenses	$ 1,188.8
RailAmerica (RA) integration/acquisition costs	(17.0)
Business development and financing costs	(1.6)
Net gain on sale of assets	4.7
Adjusted operating expenses	$ 1,174.9
Adjusted income from operations	$ 394.1
Adusted operating ratio	74.9%

Adjusted Income Before Income Taxes and Income From Equity Investment Description and Discussion

Management views Income Before Income Taxes and Income From Equity Investment as an important financial measure of G&W's operating performance. Because management believes this information is useful for investors in assessing G&W's financial results, the Income Before Income Taxes and Income From Equity Investment for the twelve months ended December 31, 2013 used to calculate Adjusted Income Before Income Taxes and Income from Equity Investment is presented excluding RailAmerica integration and acquisition-related costs, business development and financing costs and net gain on sale of assets. The Adjusted Income Before Income Taxes and Income From Equity Investment presented excluding these effects are not intended to represent, and should not be considered more meaningful than, or as an alternative to, Income Before Income Taxes and Income From Equity Investment calculated using amounts in accordance with GAAP. Adjusted Income Before Income Taxes and Income From Equity Investment amounts may be different from similarly-titled non-GAAP financial measures used by other companies.

Non-GAAP Financial Measure Reconciliation

The following table sets forth a reconciliation of G&W's Income Before Income Taxes and Income From Equity Investment (Pre-Tax Income) calculated using amounts determined in accordance with GAAP to Adjusted Income Before Income Taxes and Income From Equity Investment as described above for the twelve months ended December 31, 2013 ($ in million):

Twelve Months Ended December 31, 2013	Income Before Income Taxes and Income From Equity Investment (Pre-Tax Income)
As reported	$ 318.4
Add back certain items, net of tax:	
RA integration/acquisition costs	(17.0)
Business development and financing costs	(2.2)
Net gain on sale of assets	4.7
As adjusted	$ 332.9


G&W

Genesee & Wyoming

T.J. Gallagher, CFO

December 5, 2013

EXHIBIT L

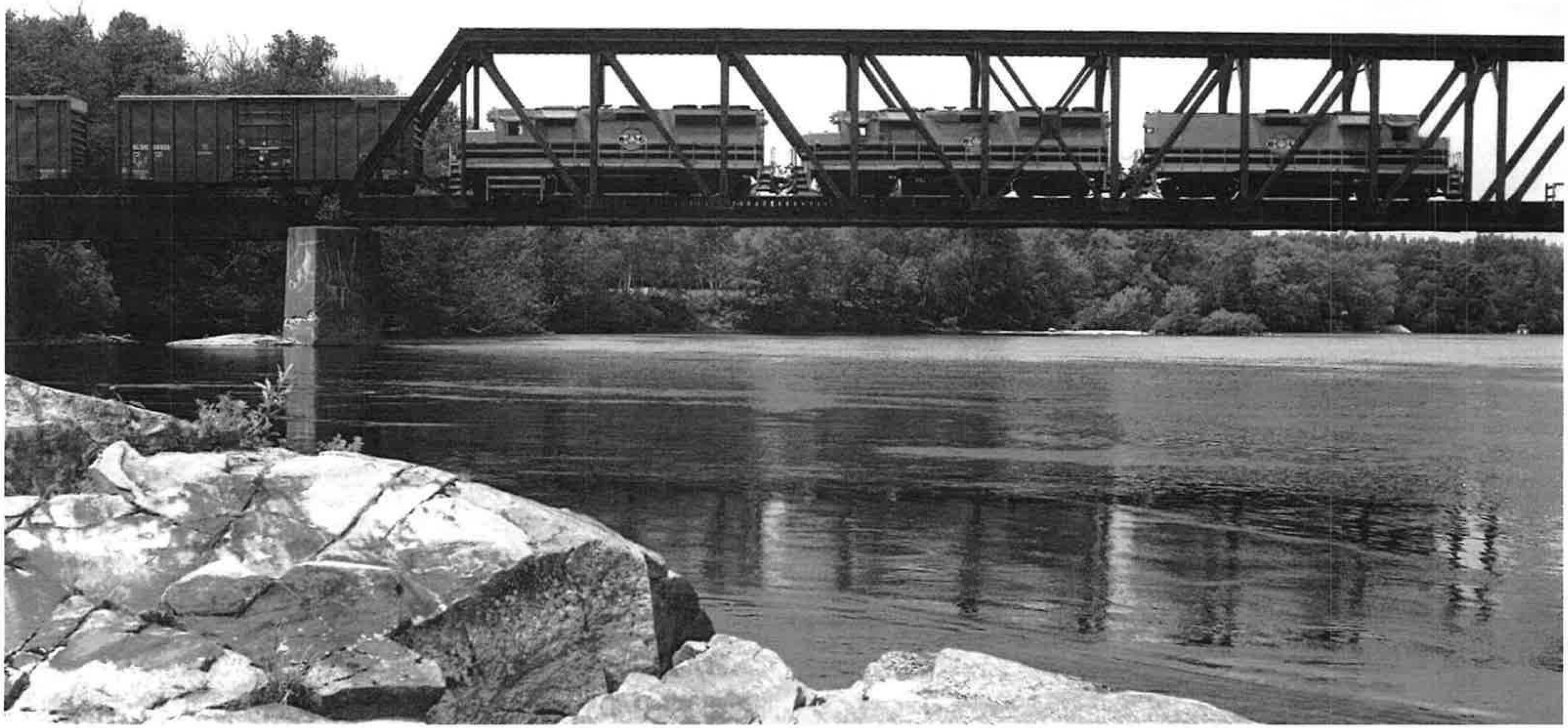
Forward-Looking Statements

This presentation contains “forward-looking statements” regarding future events and the future performance of Genesee & Wyoming Inc. that involve risks and uncertainties that could cause actual results to differ materially from those expressed or forecasted, including, but not limited to, economic conditions, customer demand, increased competition in the relevant market, the integration of RailAmerica railroads, and others, many of which are beyond our control. The Company refers you to the documents that it files from time to time with the Securities and Exchange Commission, such as the Company’s Forms 10-Q and 10-K, which contain additional important factors that could cause its actual results to differ from its current expectations and from the forward-looking statements discussed during this presentation. Forward-looking statements speak only as of the date of this presentation or the date they were made. Genesee & Wyoming Inc. does not undertake, and expressly disclaims, any duty to update any forward-looking statement contained in this presentation whether as a result of new information, future events or otherwise, except as required by law.

Agenda

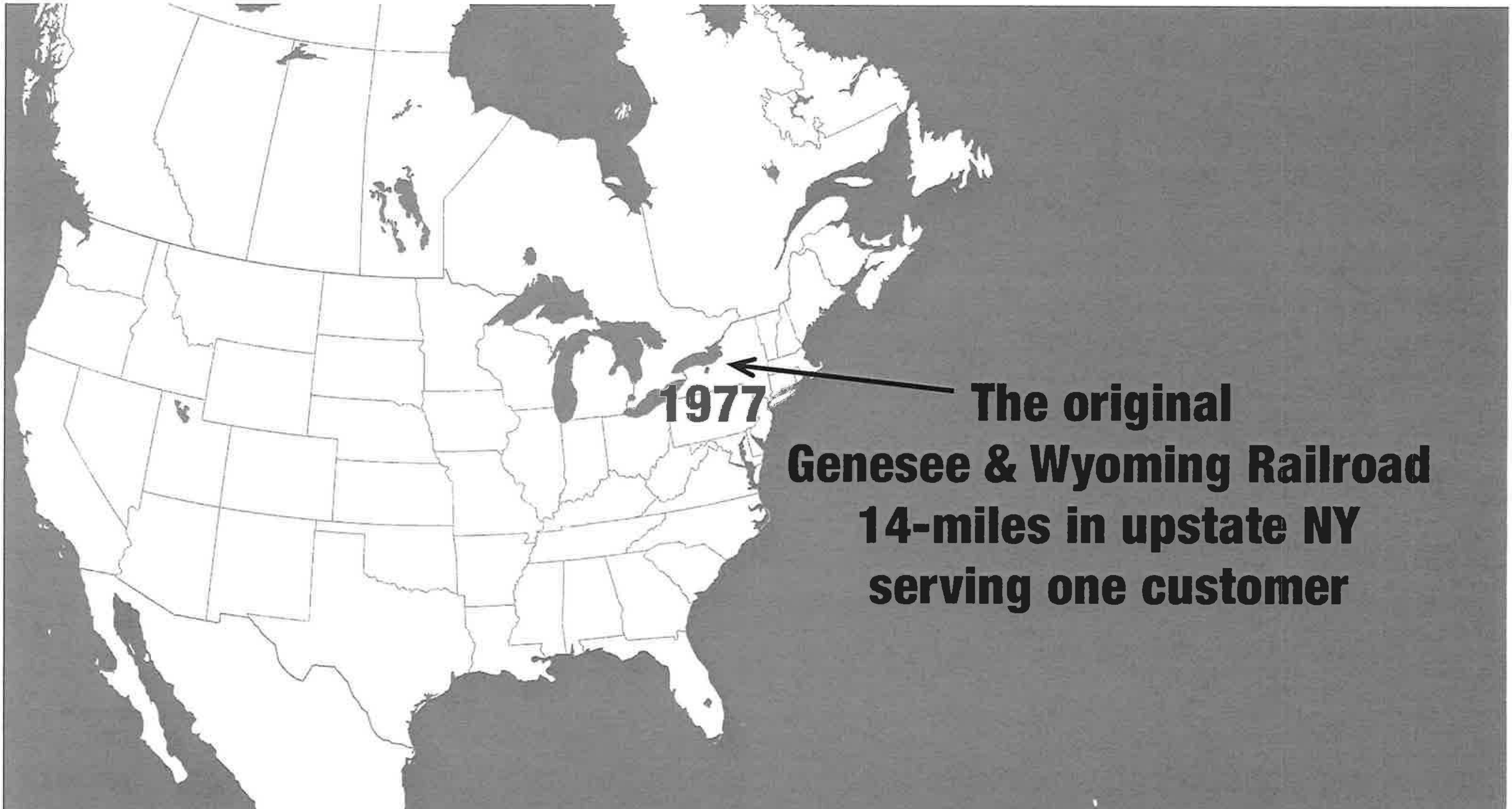
1. Introduction to G&W
2. Third Quarter 2013 Results
3. Components of Growth

Introduction to G&W

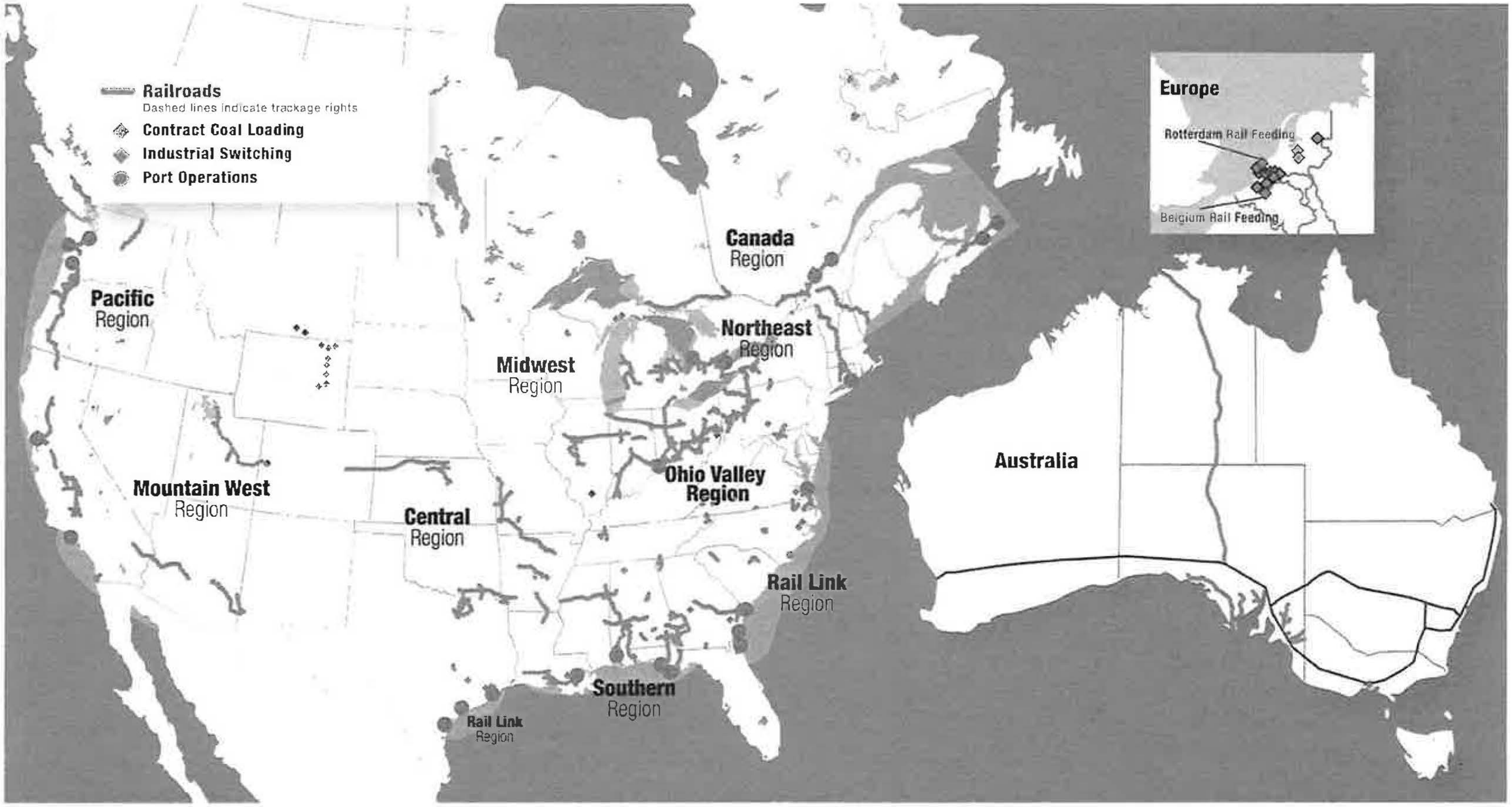


G&W Board of Directors 1899

Genesee & Wyoming Inc. 1899-1977

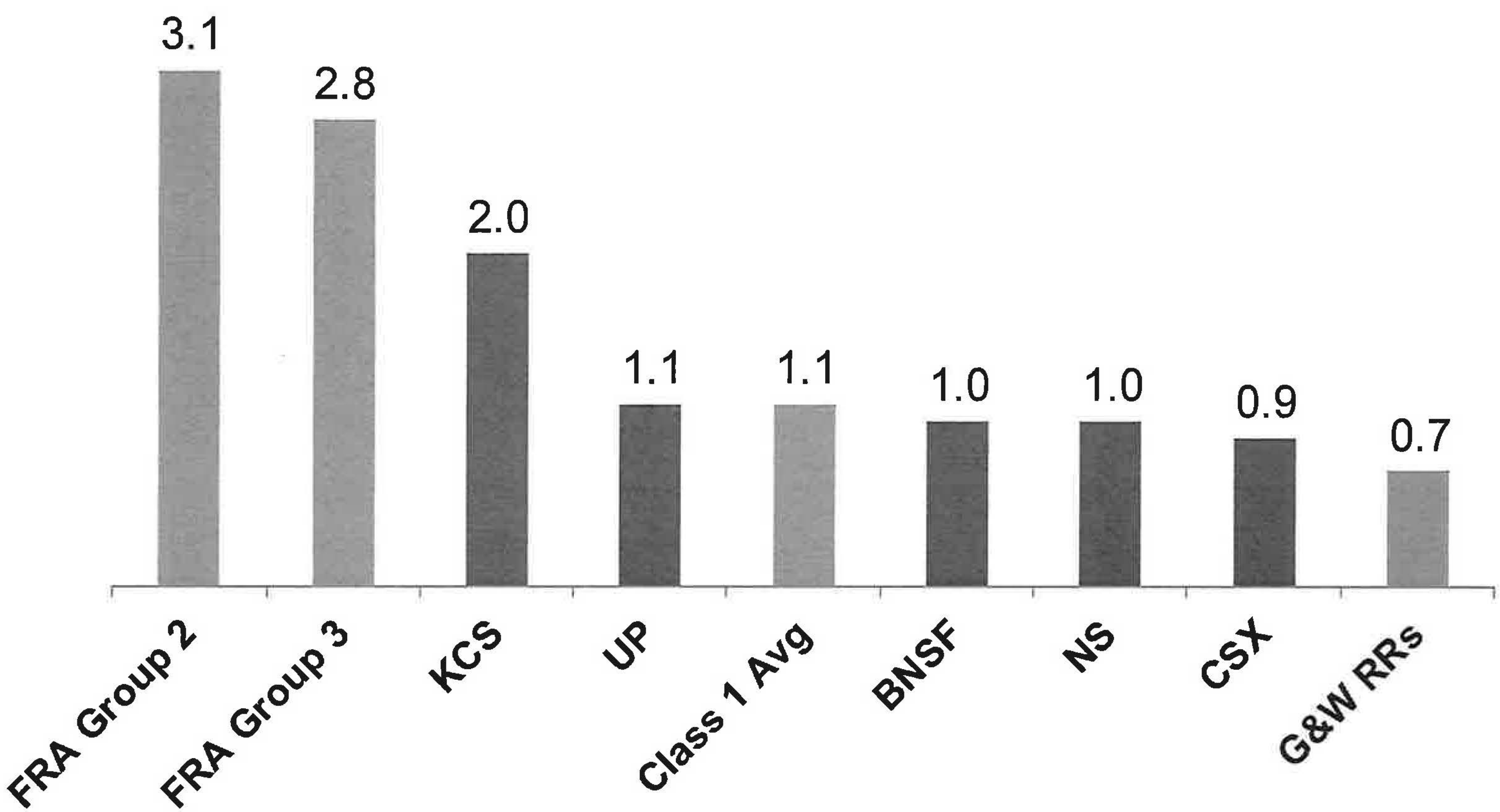


Genesee & Wyoming Operations - 2013



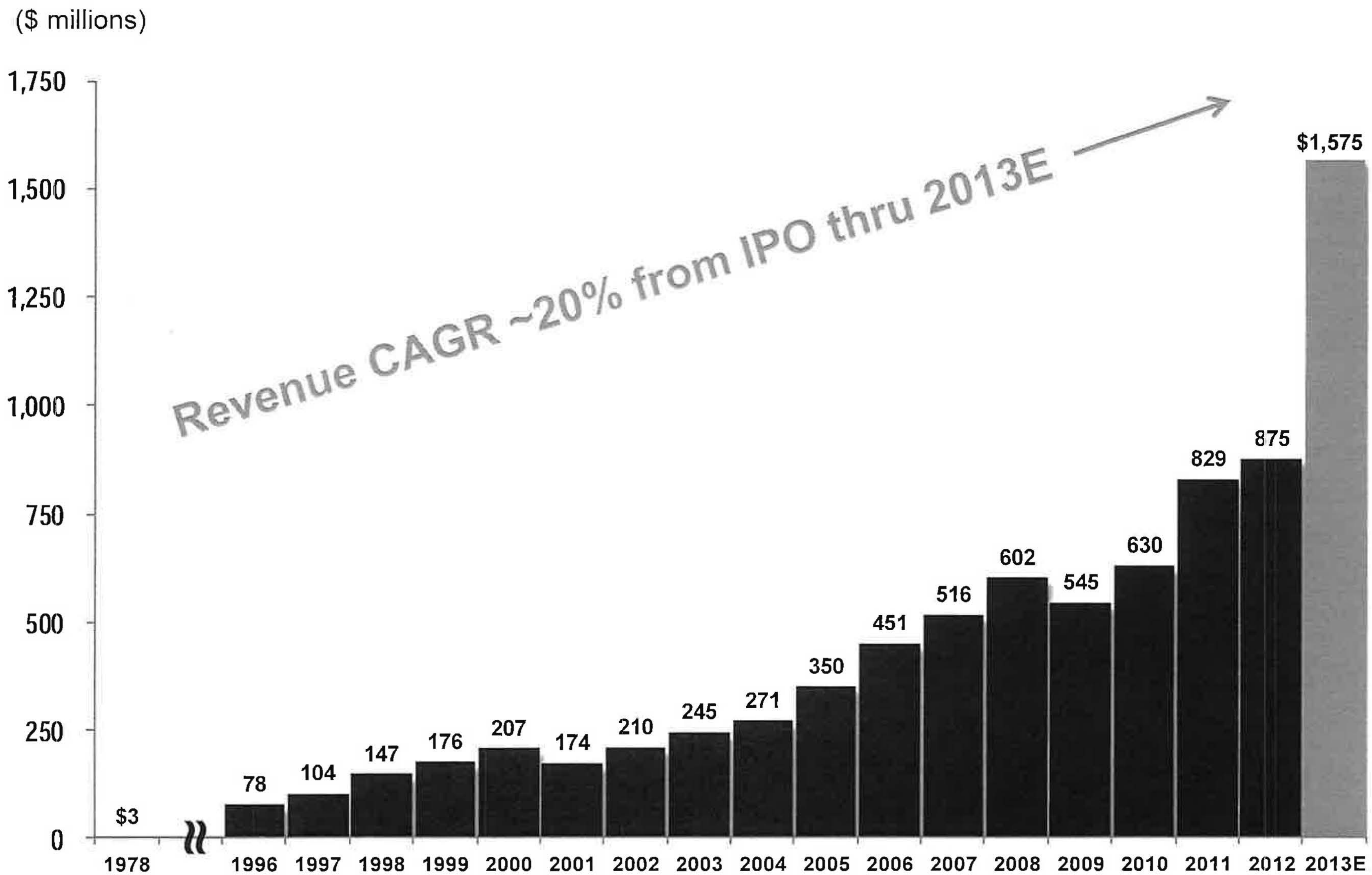
Industry-Leading Safety

Injury Frequency Rate per 200,000 man-hours
G&W through October; others through August



Zero Injuries
Our Goal Every Day

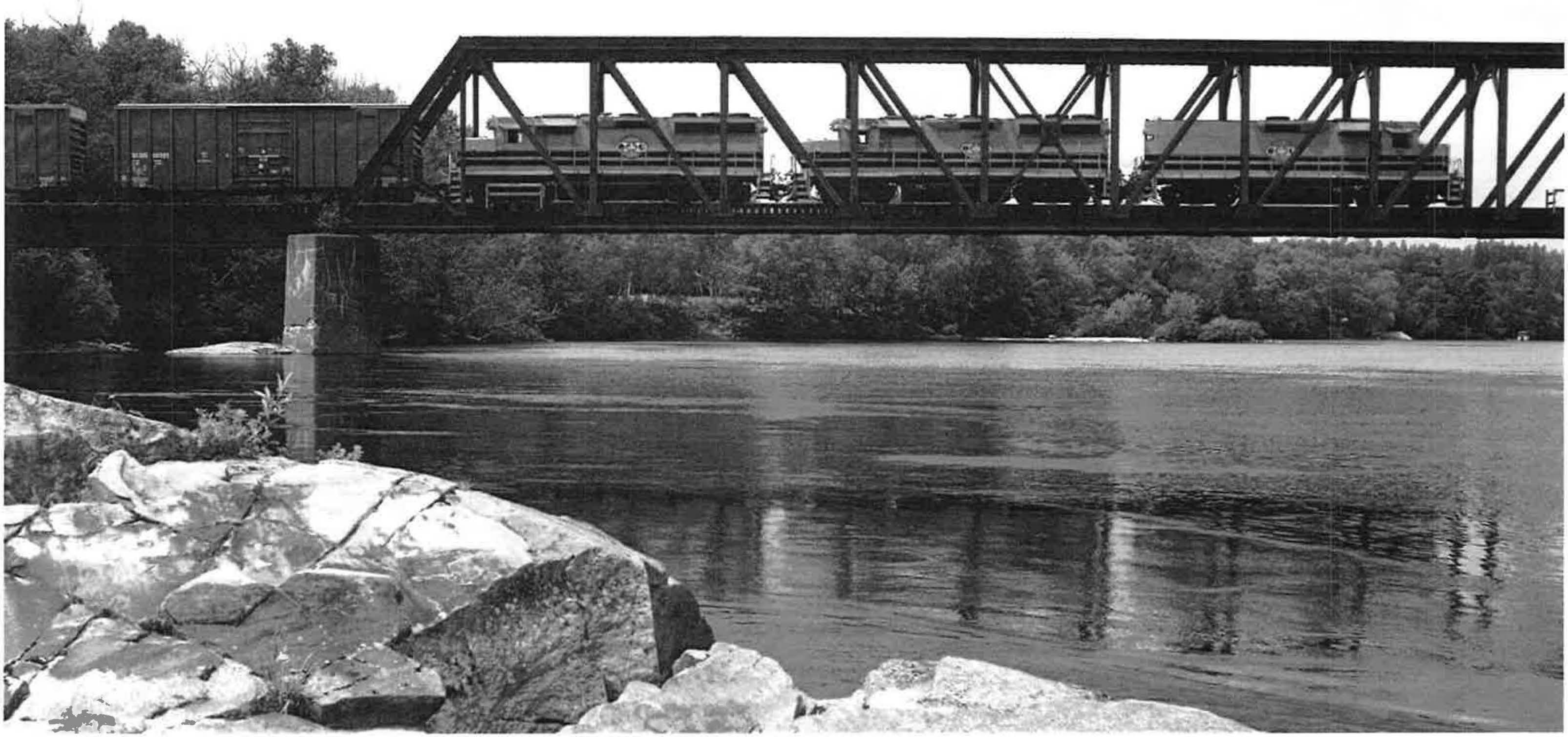
Consistent Long-Term Growth



G&W Snapshot

1. **NYSE:** Listed as GWR with $5.0b market capitalization
2. **Railroads**: worldwide total of 111 railroads and ~15,000 track miles
3. **People**: ~4,600 worldwide
4. **Equipment**: More than 1,000 locomotives
5. **Carloads**: ~1.9 million

Q3 2013 Results



Q3 2013 Results Versus Guidance

($ in millions, except per share amounts)	Q3 2013 Actual	Q3 2013 Guidance	Variance	Comment
Operating Revenues	**$ 401.4**	**$ 400**	**$ 1.4**	
Income from Operations	**$ 101.7**	**$ 109**	**$ (7.3)**	
Final RA Allocation of Fair Value	(2.0)	-	(2.0)	6 mos retroactive
RA Integration Costs	(2.0)	(1.0)	(1.0)	Final overhead consolidation
Edith River Derailment Expense	(1.6)	-	(1.6)	
Edith River Insurance Recovery	1.5	-	1.5	
Net Gain on Sale of Assets	0.7	-	0.7	
Adjusted Income from Operations*	**$ 105.2**	**$ 110.0**	**$ (4.8)**	$2.4 million RA railroad improvements $1.6 million RA new crews / transport expense $1.0 million Final Purchase Accounting (3 mos)
Adjusted Operating Ratio*	**73.8%**	**72% - 73%**	**(0.8% - 1.8%)**	
Diluted EPS	**$ 1.16**	**$ 1.19**	**$ (0.03)**	
Final RA Allocation of Fair Value	(0.02)	-	(0.02)	6 mos retroactive
RA Integration Costs	(0.02)	(0.01)	(0.01)	Final overhead consolidation
Edith River Derailment Expense	(0.02)	-	(0.02)	
Edith River Insurance Recovery	0.02	-	0.02	
Net Gain on Sale of Assets	0.01	-	0.01	
Adjusted Diluted EPS*	**$ 1.19**	**$ 1.20**	**$ (0.01)**	
Effective Tax Rate	25.1%	28%		$0.03 per share from Australia and U.S.

* Adjusted Income from Operations, Adjusted Operating Ratio and Adjusted Diluted EPS are non-GAAP financial measures. Non-GAAP financial reconciliations accompany this presentation.

Discussion of Q3 2013 Results and Trends

- Combined Company Adjusted Operating Revenues* up ~11% in Q3 2013 (excluding currency and third-party fuel sales)
  - 1/2 of Q3 revenue increase from Australia, led by iron ore
  - 1/2 of Q3 revenue increase from North America, led by petroleum products and metals
    - Petroleum products up 23% but showed downside sensitivity to WTI-Brent spread narrowing

- Adjusted Operating Ratio of 73.8% in Q3 2013**
  - Higher costs than plan, primarily due to proactive clean up costs and increased crew hiring at former RailAmerica railroads
  - Depreciation and amortization expense $1 million per quarter higher due to final RailAmerica purchase accounting

- Looking Ahead
  - Agricultural Products outlook strengthening due to good harvests in U.S., Canada and Australia
  - Petroleum Products growth will remain sensitive to WTI-Brent spread
  - Following the completion of clean up expenses and new hiring at former RailAmerica railroads, corporate operating ratio target of 72% is achievable

* G&W and RA Combined Company Adjusted revenues for Q3 2012 is a non-GAAP financial measure. Non-GAAP financial reconciliations accompany this presentation.

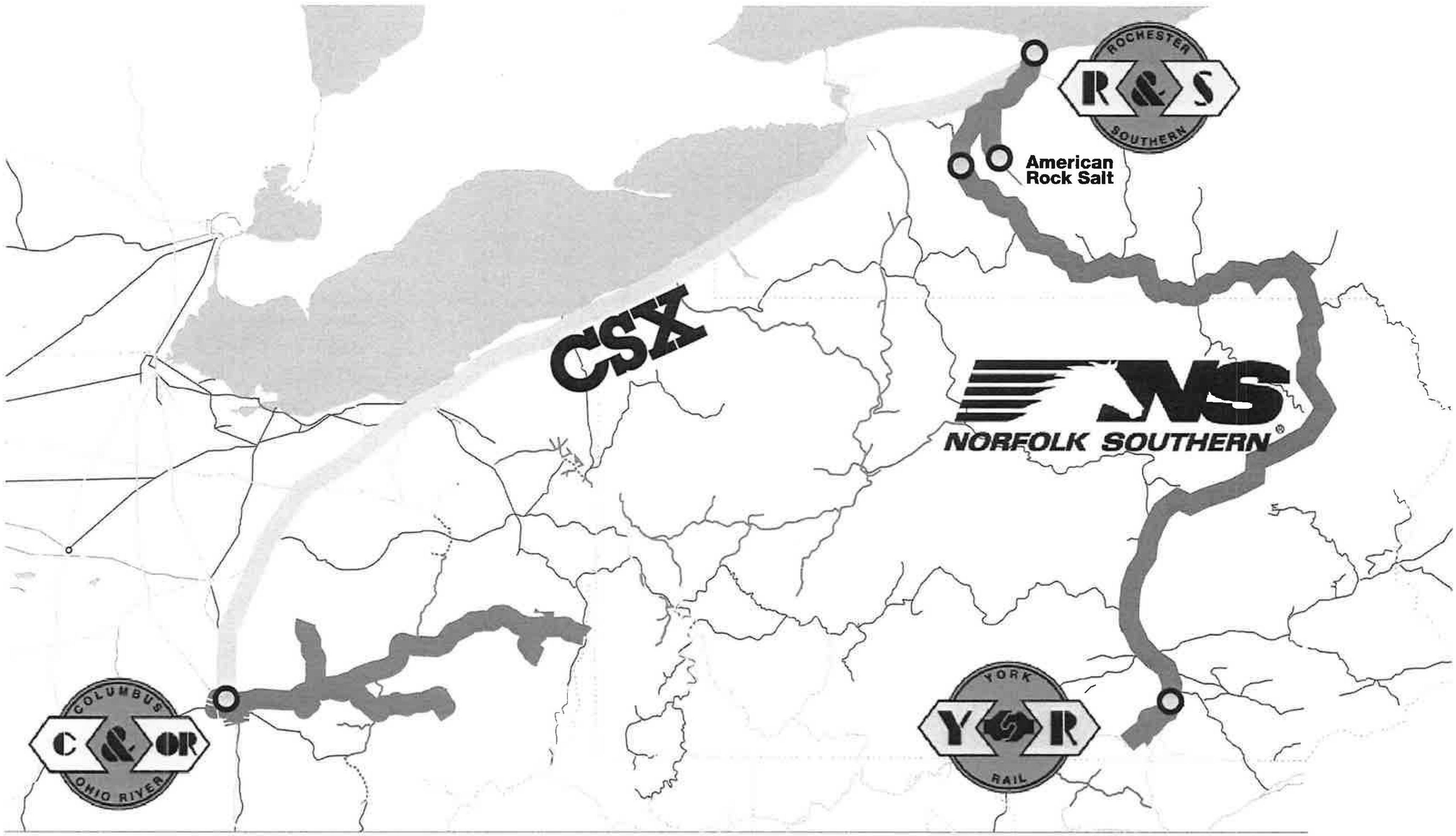
** Adjusted Operating Ratio is a non-GAAP financial measure. Non-GAAP financial reconciliations accompany this presentation.

Components of Growth

Components of Growth

1. Traditional Class I spinoffs after Staggers Act

1. Traditional Class I spinoffs
"First & Last Mile" to the Customer

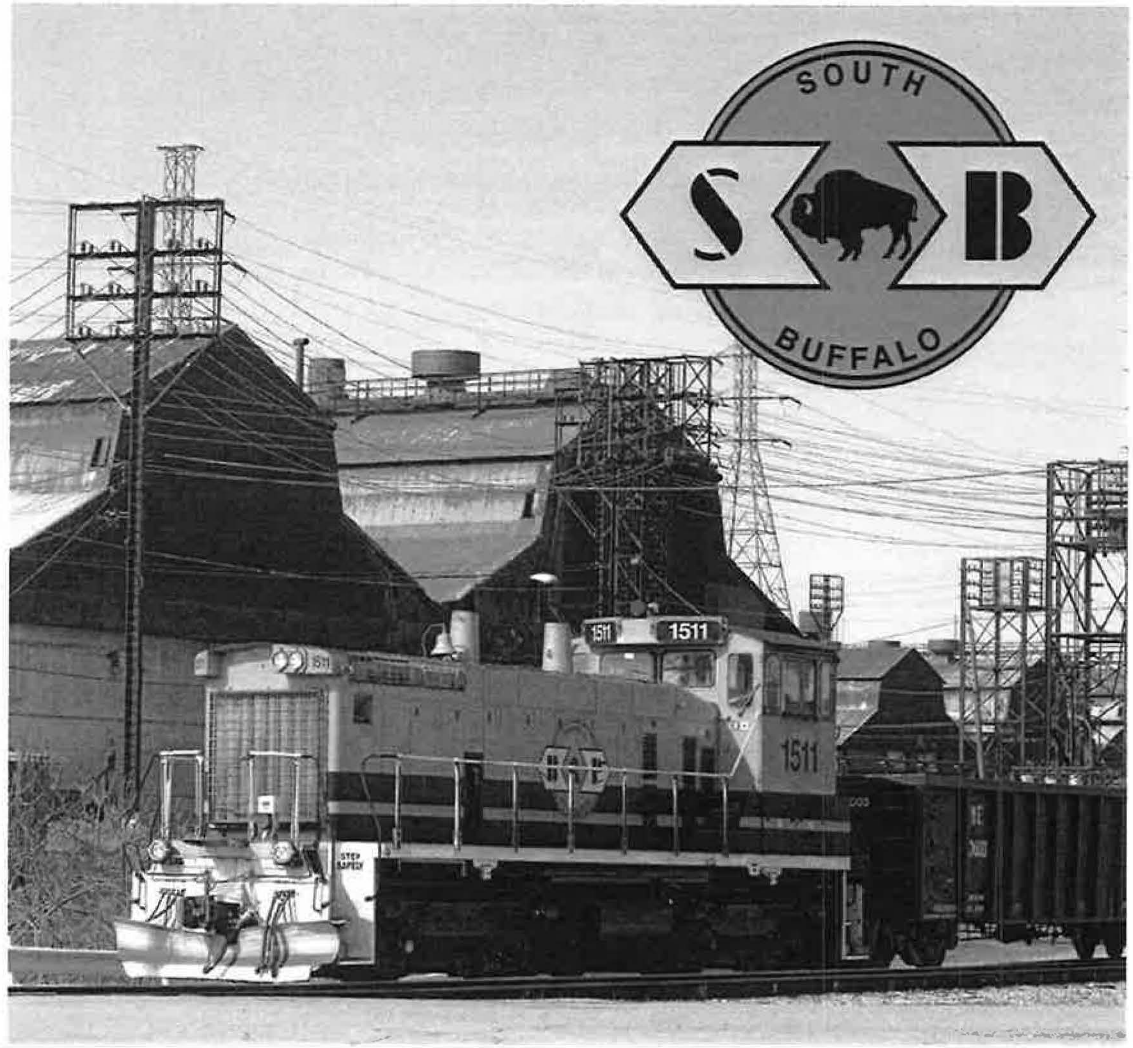


Components of Growth

2. Railroads embedded in industrial facilities

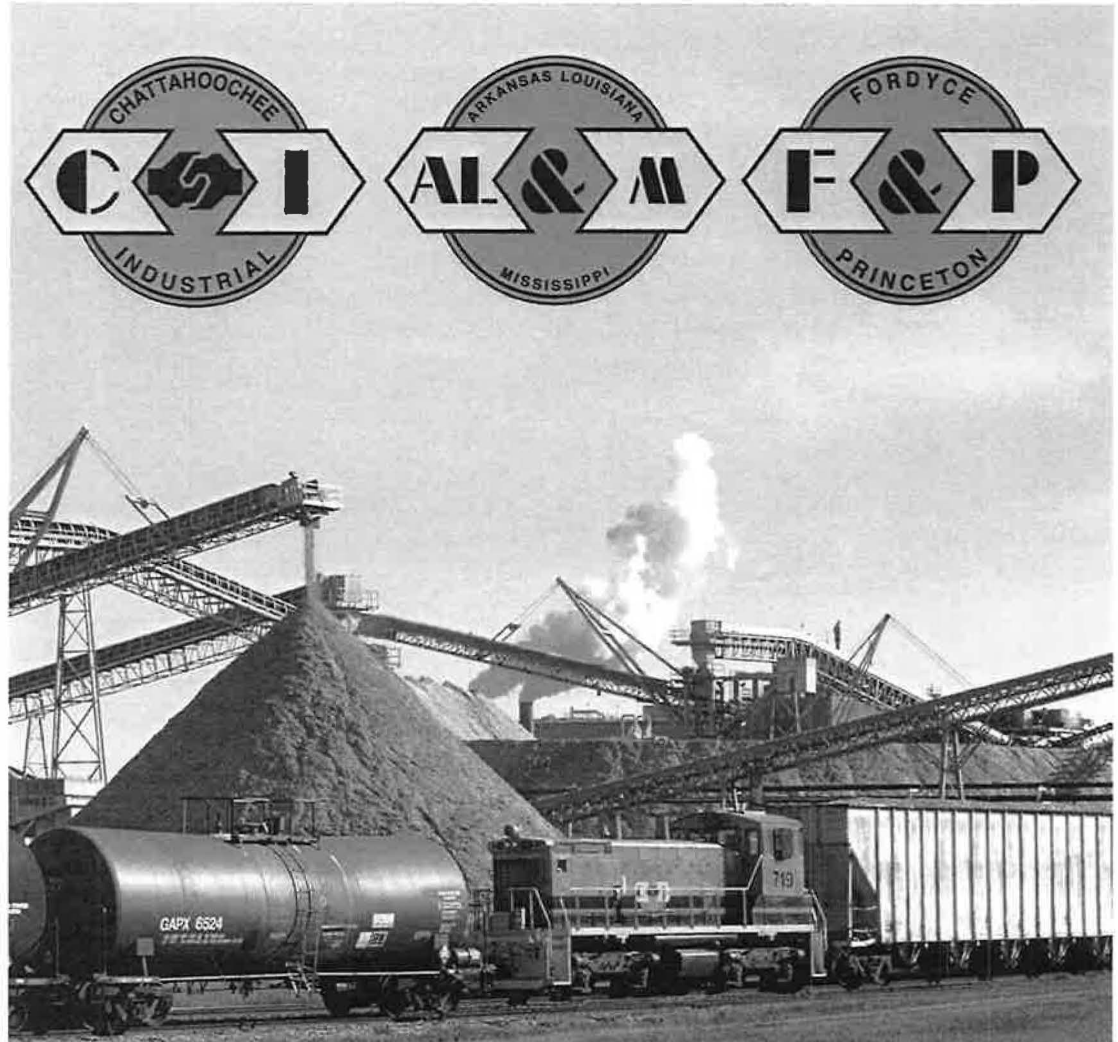
2. Embedded Industrial Railroads
Non-Core Competence for Owners

BETHLEHEM STEEL



2. Embedded Industrial Railroads
Non-Core Competence for Owners

GP
Georgia-Pacific



Components of Growth

3. Contiguous railroads as building blocks of regional rail systems

3. Contiguous Railroads
Building Regional Rail Systems

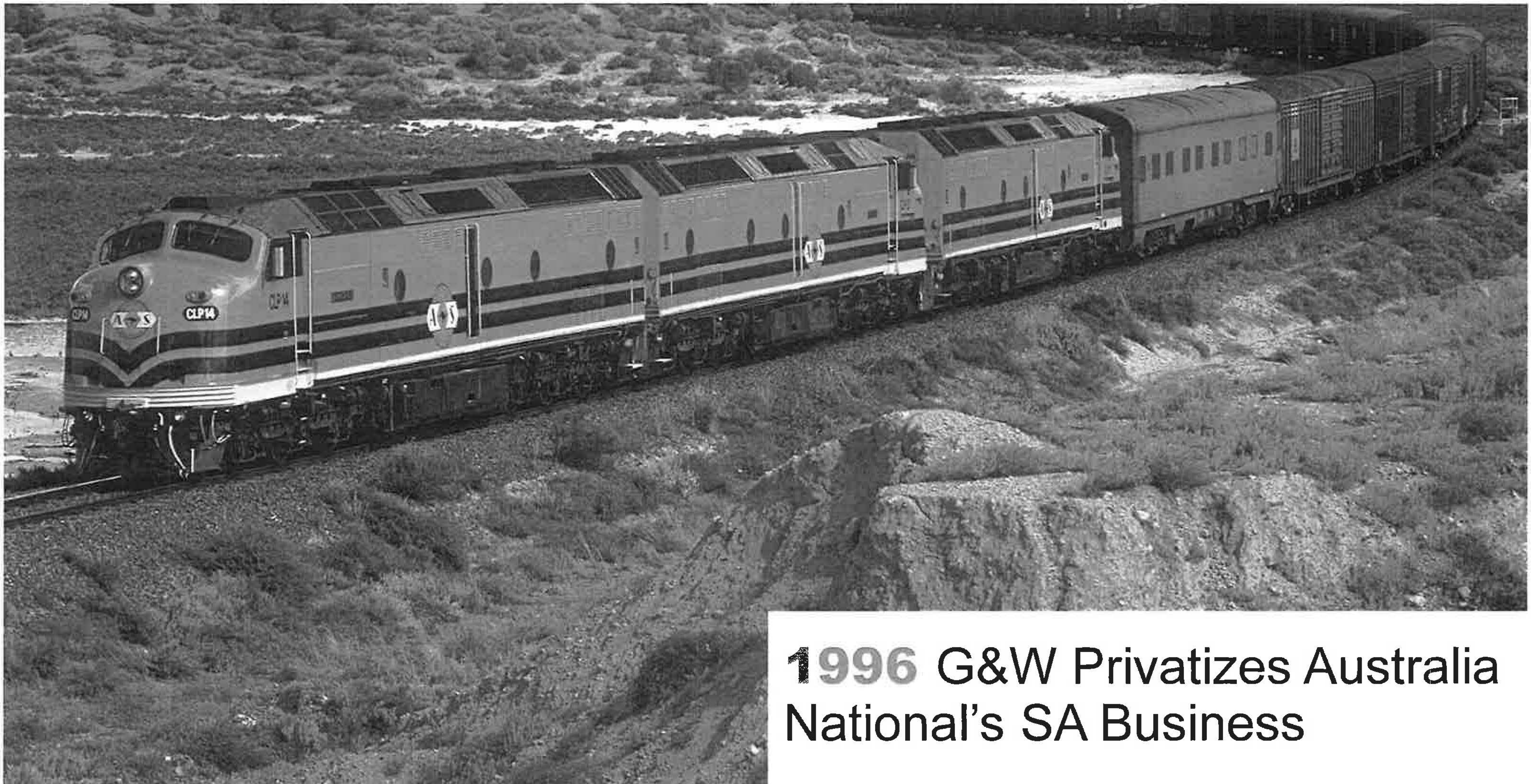
1977	**Genesee & Wyoming Railroad** (GNWR)
1985	**Dansville & Mount Morris Railroad** (DMM)
1986	**Rochester & Southern Railroad** (RSR)
1988	**Buffalo & Pittsburgh Railroad** (BPRR)
1992	**Allegheny & Eastern Railroad** (ALY)
1996	**Pittsburg & Shawmut Railroad** (PS)
2001	**South Buffalo Railway** (SB)
2008	**Ohio Lines**

Components of Growth

4. International privatizations

4. International Privatizations

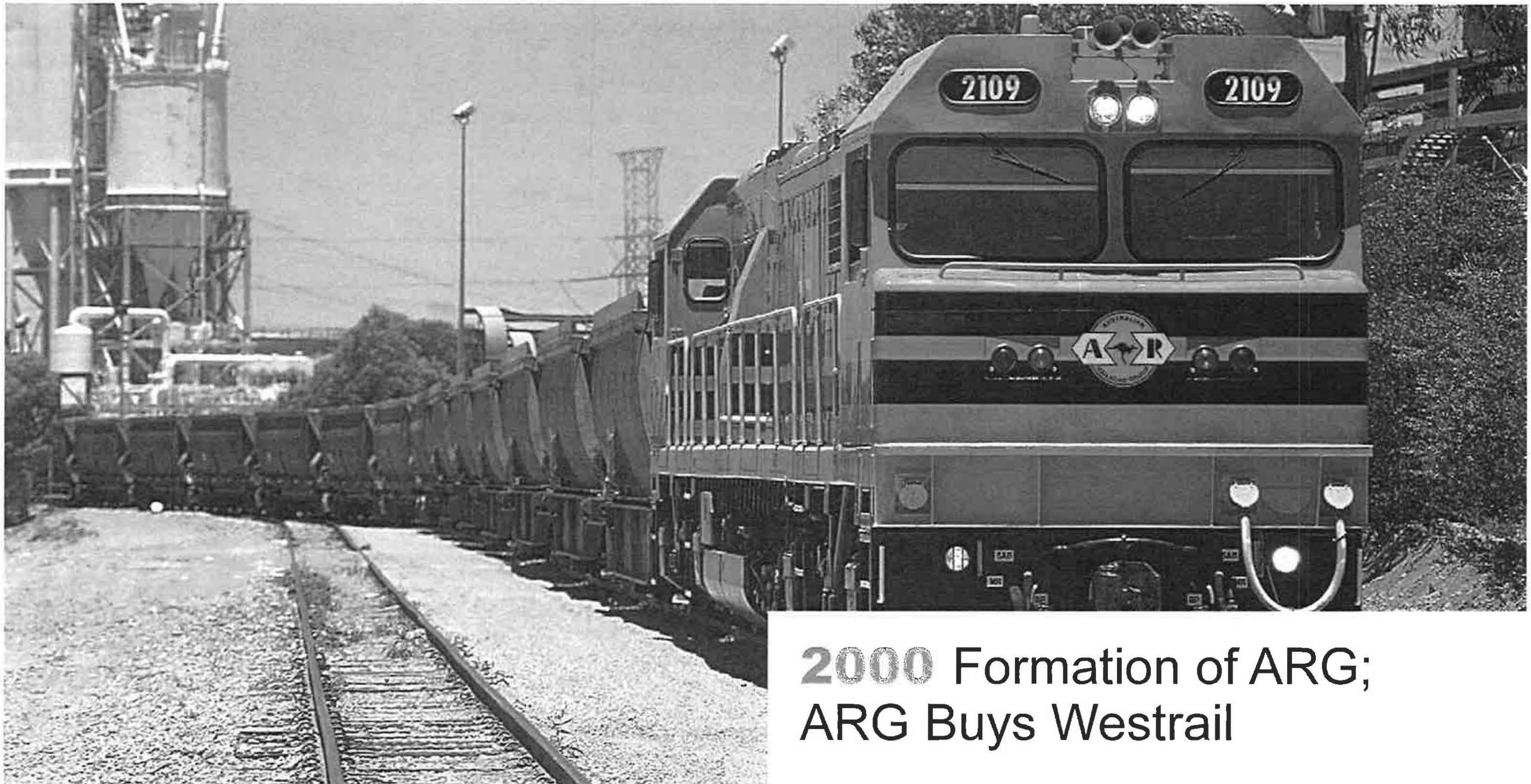
Case Study of Australia 1996-Present



1996 G&W Privatizes Australia National's SA Business

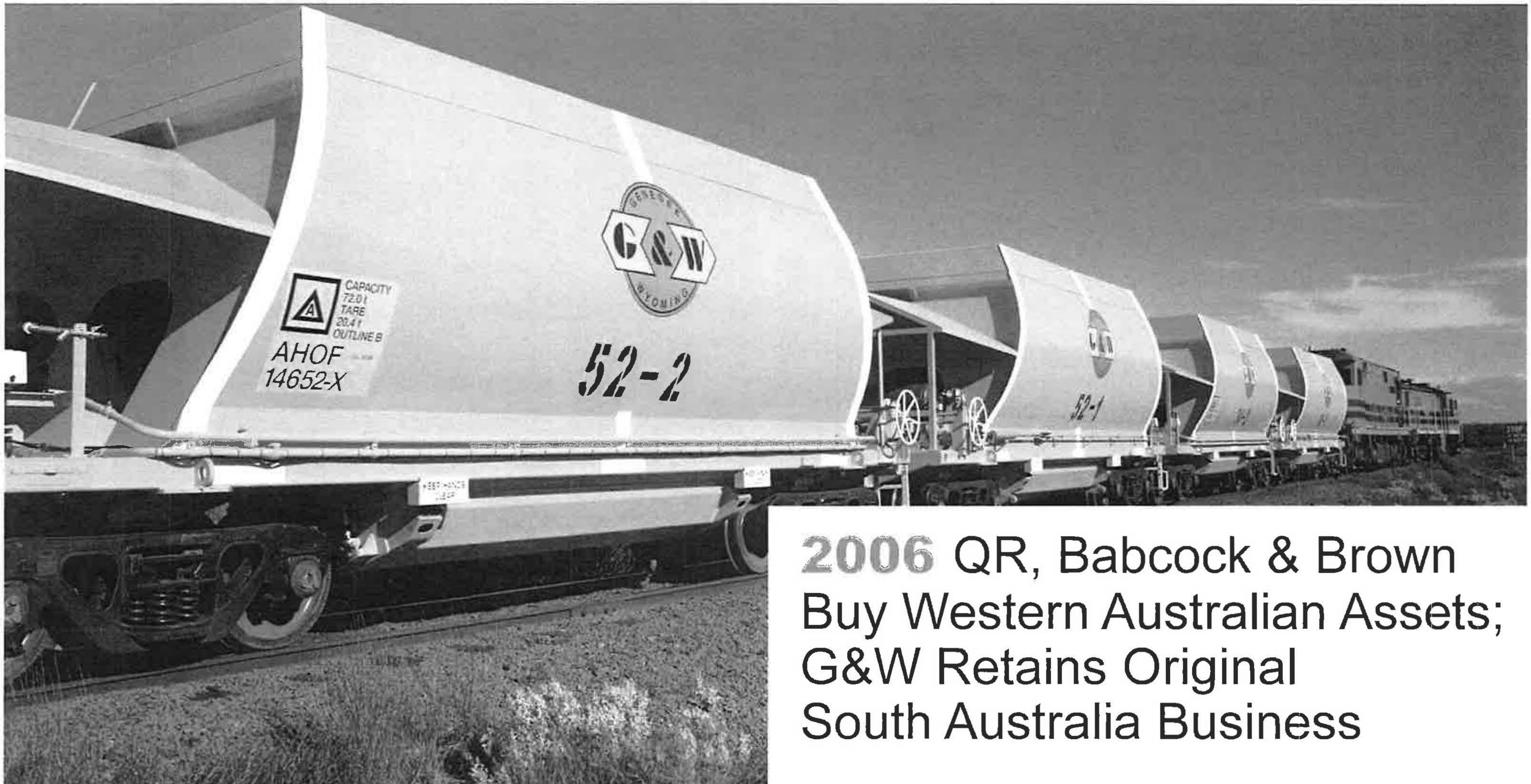
4. International Privatizations

Case Study of Australia



2000 Formation of ARG;
ARG Buys Westrail

4. International Privatizations
Case Study of Australia

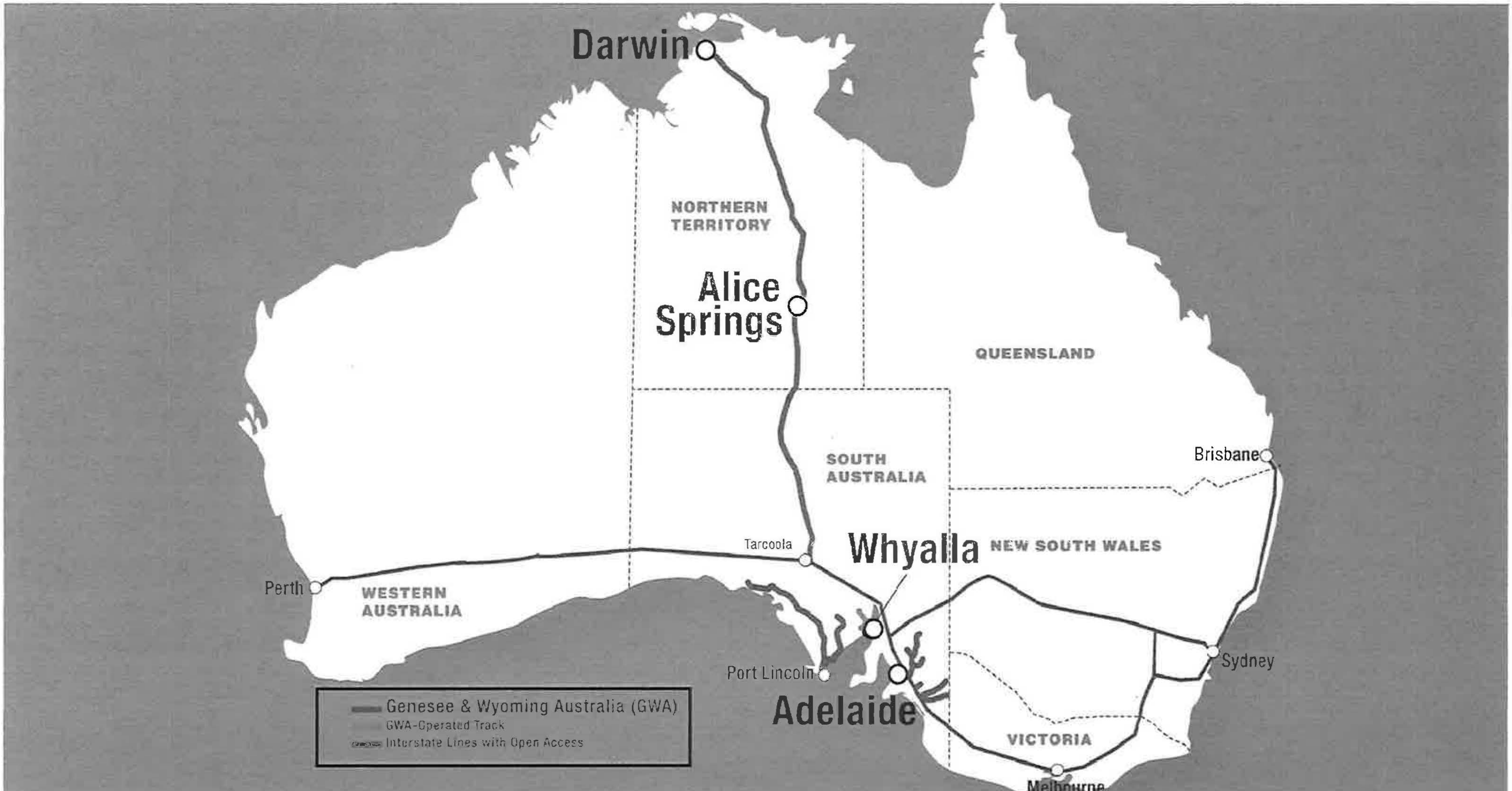


2006 QR, Babcock & Brown Buy Western Australian Assets; G&W Retains Original South Australia Business

4. International Privatizations
Case Study of Australia

2010 GWA Buys FreightLink, creating dominant railroad in central Australia

G&W in Australia: de facto Class I



Evolution of Intermodal Business

Freight Availability approximately 20% in 2010

Track Investment
to Remove Slow Orders

Evolution of Intermodal Business

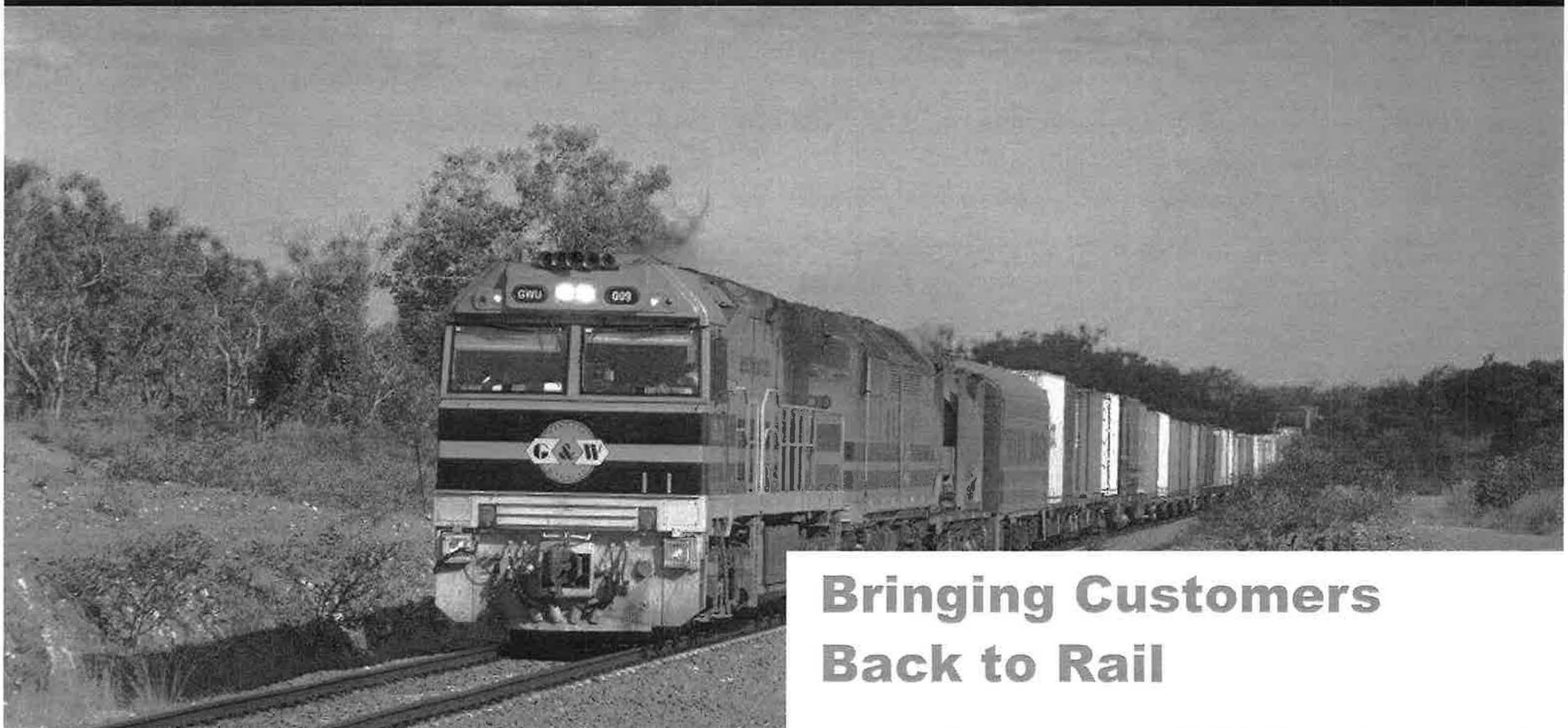
Freight Availability approximately 20% in 2010

Locomotives

New High-Horsepower Fleet

Evolution of Intermodal Business

Freight Availability of 96% in September 2013



Bringing Customers Back to Rail

Components of Growth

5. Mining-focused railroads serving Asian industrialization

5. Mining-Focused Railroads Serving Asian Industrialization

Iron Ore Mines in Canada

CLIFFS

LABRADOR IRON MINES
HOLDINGS LIMITED

TATA

Components of Growth

6. Consolidation of short line industry with G&W acquisition of RailAmerica

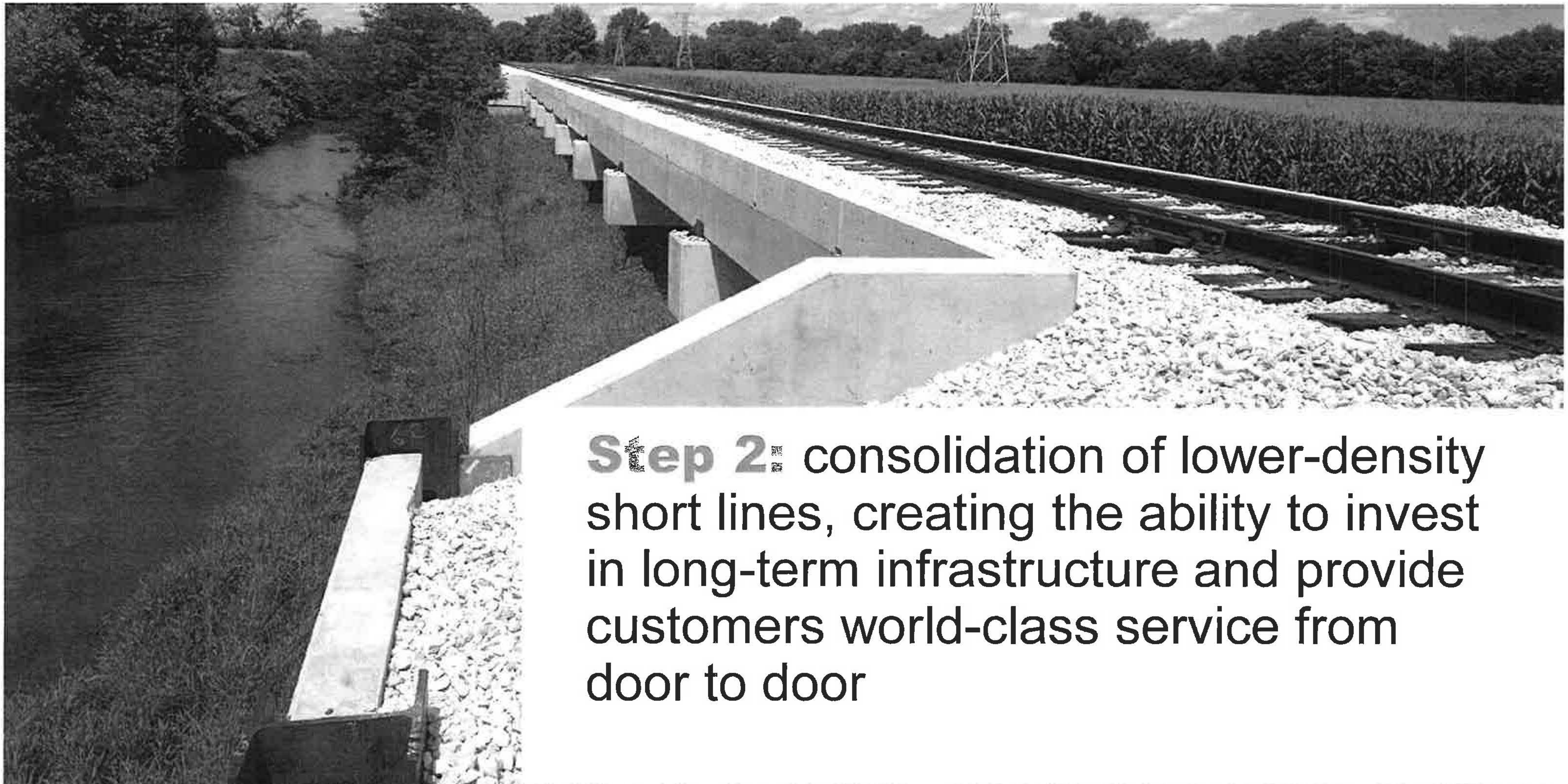
G&W acquisition of RailAmerica:

Natural progression in the evolution of the rail industry since deregulation

Step 1: rationalization and dramatic improvements by Class I railroads; industry now capable of earning its cost of capital and reinvesting in its network for decades to come

G&W acquisition of RailAmerica:

Natural progression in the evolution of the rail industry since deregulation

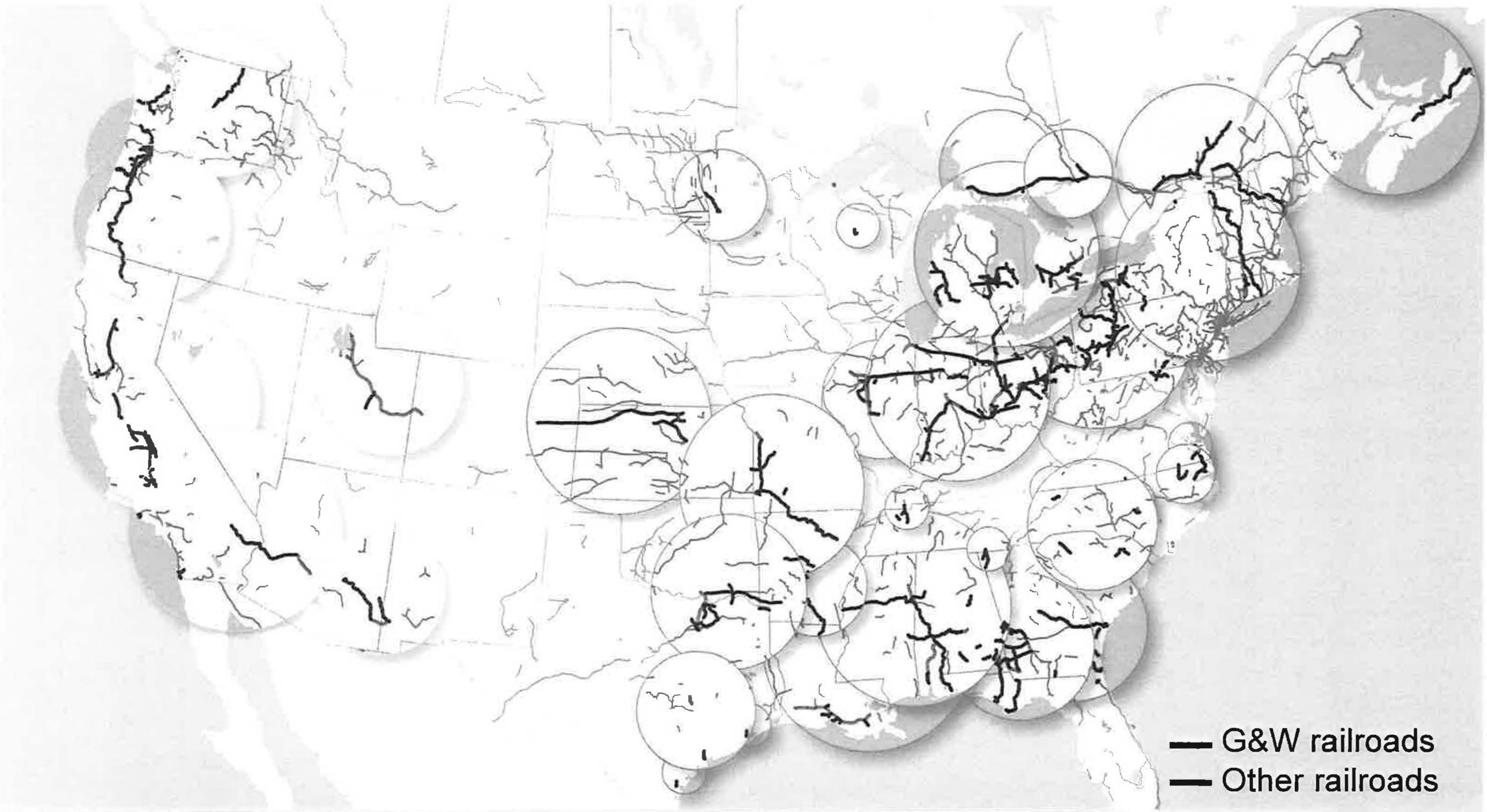


Step 2: consolidation of lower-density short lines, creating the ability to invest in long-term infrastructure and provide customers world-class service from door to door

6. Consolidation of short line industry
G&W acquisition of RailAmerica

1. Combined 1st & 2nd largest operators
2. Duplicative overhead eliminated
3. Expansion of existing G&W operating regions
4. Powerful commercial platform in 39 U.S. states and 4 Canadian provinces

Future Opportunity Set



Sustainable Long-Term Growth Target

G&W Operations

- Safety
- Customer Focused
- Commercial & Industrial Development
- Operating Efficiency

G&W Investments

- Partnership with Operations
- Due Diligence
- Contracts
- Financing

15%-20% EPS Growth

Reconciliation of Non-GAAP Financial Measures

Non-GAAP Financial Measures Reconciliation

This presentation contains reconciliations of G&W's Adjusted Income from Operations, Adjusted Operating Ratio, Adjusted Diluted Earnings Per Common Share and Combined Company Adjusted Operating Revenues which are "non-GAAP financial measures" as this term is defined in Regulation G of the Securities Exchange Act of 1934. In accordance with Regulation G, G&W has reconciled these non-GAAP financial measures to their most directly comparable U.S. GAAP measure.

Adjusted Income from Operations and Adjusted Operating Ratios Description and Discussion

Management views Income from Operations, calculated as Operating Revenues less Operating Expenses and Operating Ratios, calculated as Operating Expenses divided by Operating Revenues, as important measures of G&W's operating performance. Because management believes this information is useful for investors in assessing G&W's financial results over a period of time, the Income from Operations and Operating Ratios for the three months ended September 30, 2013 used to calculate Adjusted Income from Operations and Adjusted Operating Ratios, are presented excluding the adjustment to depreciation and amortization expense related to the six months ended June 30, 2013 for the final allocation of fair values to RailAmerica's assets and liabilities, RailAmerica integration costs, expense associated with the 2011 Edith River derailment, an insurance recovery related to the Edith River derailment and net gain on sale of assets. The Income from Operations and Operating Ratios for the three months ended September 30, 2012 used to calculate Adjusted Income from Operations and Adjusted Operating Ratios, are presented excluding RailAmerica acquisition-related costs, other business/corporate development costs and net gain on sale of assets. The Adjusted Income from Operations and Adjusted Operating Ratios presented excluding these effects are not intended to represent, and should not be considered more meaningful than, or as an alternative to, the Income from Operations and Operating Ratios calculated using amounts in accordance with GAAP. Adjusted Income from Operations and Adjusted Operating Ratios may be different from similarly-titled non-GAAP financial measures used by other companies.

Non-GAAP Financial Measure Reconciliation

The following table sets forth a reconciliation of G&W's Income from Operations and Operating Ratios calculated using amounts determined in accordance with GAAP to Adjusted Operating Income and Adjusted Operating Ratios as described above for the three months ended September 30, 2013 and 2012 ($ in millions):

	Q3 2013 Actual	Q3 2012 Actual
Operating revenues	$ 401.4	$ 222.7
Operating expenses	299.6	169.9
Income from operations	$ 101.7	$ 52.9
Operating ratio	74.7%	76.3%
Operating expenses	$ 299.6	$ 169.9
Adjustment to D&A expense for final allocation of fair values to RA's assets and liabilities	(2.0)	-
RailAmerica integration costs	(2.0)	(5.2)
Edith River derailment expense	(1.6)	-
Edith River insurance recovery	1.5	-
Other business/corporate development costs	-	(0.6)
Net gain on sale of assets	0.7	3.0
Adjusted operating expenses	$ 296.2	$ 167.1
Adjusted income from operations	$ 105.2	$ 55.6
Adusted operating ratio	73.8%	75.0%

Adjusted Diluted Earnings Per Common Share Description and Discussion

Management views Diluted Earnings/(Loss) Per Common Share as an important financial measure of G&W's operating performance. Because management believes this information is useful for investors in assessing G&W's financial results, the Diluted Earnings Per Common Share for the three months ended September 30, 2013 used to calculate Adjusted Diluted Earnings Per Common Share, are presented excluding the adjustment to depreciation and amortization expense related to the six months ended June 30, 2013 for the final allocation of fair values to RailAmerica's assets and liabilities, RailAmerica integration costs, expense associated with the 2011 Edith River derailment, an insurance recovery related to the Edith River derailment and net gain on sale of assets and are further adjusted to exclude the third quarter of 2013 short line tax credit. The Diluted Loss Per Common Share for the three months ended September 30, 2012 used to calculate Adjusted Diluted Earnings Per Common Share, are presented excluding the contingent forward sale contact mark-to-market expense, RailAmerica acquisition-related costs, other business/corporate development costs and net gain on sale of assets. The Adjusted Diluted Earnings Per Common Share presented excluding these effects are not intended to represent, and should not be considered more meaningful than, or as an alternative to, Diluted Earnings Per Common Share calculated using amounts in accordance with GAAP. Adjusted Diluted Earnings Per Common Share amounts may be different from similarly-titled non-GAAP financial measures used by other companies.

Non-GAAP Financial Measure Reconciliation

The following table sets forth a reconciliation of G&W's Diluted Earnings Per Common Share calculated using amounts determined in accordance with GAAP to Adjusted Diluted Earnings Per Common Share as described above for the three months ended September 30, 2013 (in millions except per share amounts):

Three Months Ended September 30, 2013	Net Income	Diluted Shares	Diluted Earnings/ (Loss) Per Common Share Impact
As reported	$ 66.2	56.7	$ 1.16
Add back certain items, net of tax:			
Adjustment to D&A expense for final allocation of fair values to RA's assets and liabilities	(1.3)	-	(0.02)
RailAmerica integration costs	(1.3)	-	(0.02)
Edith River derailment expense	(1.1)	-	(0.02)
Edith River insurance recovery	1.0	-	0.02
Net gain on sale of assets	0.5	-	0.01
Adjusted	$ 68.4	56.7	$ 1.19
Q3 impact of 2013 short line tax credit	6.8	-	0.12
Adjusted (excluding Q3 short line tax credit)	$ 61.6	56.7	$ 1.07

Non-GAAP Financial Measure Reconciliation

The following table sets forth a reconciliation of G&W's Diluted Loss Per Common Share calculated using amounts determined in accordance with GAAP to Adjusted Diluted Earnings Per Common Share as described above for the three months ended September 30, 2012 (in millions except per share amounts):

Three Months Ended September 30, 2012	Net (Loss)/ Income	Diluted shares	Diluted (Loss)/Earnings Per Common Share Impact
As reported	$ (19.6)	41.7	$ (0.47)
Add back certain items, net of tax:			
Contingent forward sale contact mark-to-market expense	(50.1)	2.5	(1.16)
RailAmerica acquisition-related costs	(3.1)	-	(0.07)
Other business/corporate development costs	(0.4)	-	(0.01)
Net gain on sale of assets	2.0	-	0.05
Adjusted	$ 32.0	44.2	$ 0.72

Combined Company Operating Revenues Description and Discussion

Management views Operating Revenues as an important financial measure of G&W's operating performance. Because management believes this information is useful for investors in assessing G&W's financial results, compared with the same period in the prior year, the Operating Revenues for the three months ended September 30, 2012 used to calculate Combined Company Operating Revenues, are presented including the elimination of non-freight revenues earned during the three months ended September 30, 2012 by a subsidiary of RailAmerica for work performed for subsidiaries of G&W and reclassifications of certain revenues of RailAmerica to align with G&W's accounting policies. The Combined Company Operating Revenues presented including these adjustments are not intended to represent, and should not be considered more meaningful than, or as an alternative to, Operating Revenues calculated using amounts in accordance with GAAP. Combined Company Operating Revenues may be different from similarly-titled non-GAAP financial measures used by other companies.

Zero Injuries

Our Goal Every Day

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2012
or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _______ to _______
Commission File No. 001-31456

GENESEE & WYOMING INC.

(Exact name of registrant as specified in its charter)

Delaware	**06-0984624**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
66 Field Point Road, Greenwich, Connecticut	**06830**
(Address of principal executive offices)	(Zip Code)

(203) 629-3722
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Class A Common Stock, $0.01 par value	**NYSE**
5.00% Tangible Equity Units	**NYSE**

Securities registered pursuant to Section 12(g) of the Act:
None.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☑ Yes ☐ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. ☐ Yes ☑ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. ☑ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☑ Yes ☐ No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulations S-K (§229.405 of this chapter) is not contained herein and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "accelerated filer," "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer	☑	Accelerated Filer	☐
Non-Accelerated Filer	☐ (Do not check if a smaller reporting company)	Smaller Reporting Company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12-b of the Act). ☐ Yes ☑ No

Aggregate market value of Class A Common Stock held by non-affiliates based on the closing price as reported by the New York Stock Exchange on the last business day of the registrant's most recently completed second fiscal quarter: $2,084,513,852. Shares of Class A Common Stock held by each executive officer and director have been excluded in that such persons may be deemed to be affiliates. The determination of affiliate status is not necessarily a conclusive determinant for other purposes.

Shares of common stock outstanding as of the close of business on February 25, 2013:

Class	Number of Shares Outstanding
Class A Common Stock	51,412,303
Class B Common Stock	1,728,952

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement to be filed pursuant to Regulation 14A not later than 120 days after the end of the fiscal year ended December 31, 2012 in connection with the Annual Meeting to be held on May 22, 2013 are incorporated by reference in Part III hereof and made a part hereof.

EXHIBIT M

Genesee & Wyoming Inc.

FORM 10-K

For The Fiscal Year Ended December 31, 2012

INDEX

Unless the context otherwise requires, when used in this Annual Report on Form 10-K, the terms "Genesee & Wyoming," "G&W," the "Company," "we," "our" and "us" refer to Genesee & Wyoming Inc. and its subsidiaries, including RailAmerica, Inc. and its subsidiaries (RailAmerica). G&W acquired RailAmerica on October 1, 2012. However, the shares of RailAmerica were held in a voting trust while the United States Surface Transportation Board (STB) considered our control application, which application was approved with an effective date of December 28, 2012. Accordingly, we accounted for the earnings of RailAmerica using the equity method of accounting while the shares were held in the voting trust and our preliminary allocation of the purchase price to the acquired assets and assumed liabilities is included in our consolidated balance sheet at December 31, 2012. Therefore, unless specifically identified to the contrary, references to income statement line items discussed within this Annual Report on Form 10-K, such as revenues and expenses, do not include RailAmerica. We have included separate disclosure of RailAmerica income statement line items to the extent we believe such context is warranted. All references to currency amounts included in this Annual Report on Form 10-K, including the financial statements, are in United States dollars unless specifically noted otherwise.

Cautionary Statement Regarding Forward-Looking Statements

The information contained in this Annual Report on Form 10-K (Annual Report), including Management's Discussion and Analysis of Financial Condition and Results of Operations in Item 7, contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (Exchange Act), regarding future events and future performance of Genesee & Wyoming Inc. Words such as "anticipates," "intends," "plans," "believes," "seeks," "expects," "estimates," "trends," "outlook," variations of these words and similar expressions are intended to identify these forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to forecast. Actual results may differ materially from those expressed or forecast in these forward-looking statements.

The areas in which there is risk and uncertainty are further described in "Part I Item 1A. Risk Factors" in this Annual Report, which contain additional important factors that could cause actual results to differ from current expectations and from the forward-looking statements contained herein. Readers of this document are cautioned that our forward-looking statements are not guarantees of future performance and our actual results or developments may differ materially from the expectations expressed in the forward-looking statements.

In light of the risks, uncertainties and assumptions associated with forward-looking statements, you should not place undue reliance on any forward-looking statements. Additional risks that we may currently deem immaterial or that are not presently known to us could also cause the forward-looking events discussed or incorporated by reference in this Annual Report not to occur.

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements to encourage companies to provide prospective information about their companies without fear of litigation. We are taking advantage of the "safe harbor" provisions of the Private Securities Litigation Reform Act in connection with the forward-looking statements included in this Annual Report.

Our forward-looking statements speak only as of the date of this Annual Report or as of the date they are made, and except as otherwise required by applicable securities laws, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changed circumstances or any other reason after the date of this Annual Report.

Information set forth in "Part I Item 1. Business" and in "Part II Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" should be read in conjunction with the risk factors set forth in Item 1A. in this Annual Report.

PART I

ITEM 1. *Business.*

OVERVIEW

We own and operate short line and regional freight railroads and provide railcar switching and other rail-related services in the United States, Australia, Canada, the Netherlands and Belgium. In addition, we operate a longer-haul railroad that runs approximately 1,400 miles between Tarcoola in South Australia and Darwin in the Northern Territory of Australia. As of December 31, 2012, we operated in 39 states in the United States, four Australian states, one Australian territory and four Canadian provinces and provide rail service at 35 ports in North America, Australia and Europe. As of December 31, 2012, we operated over approximately 14,700 miles of owned, jointly owned or leased track (inclusive of the Tarcoola to Darwin rail line operated under a concession agreement) and 3,270 additional miles under other contractual track access arrangements.

On October 1, 2012, we acquired RailAmerica, Inc. (RailAmerica) for approximately $2.0 billion (equity purchase price of approximately $1.4 billion plus net debt of $659.2 million), which is our largest acquisition to date. RailAmerica owned and operated 45 short line freight railroads in North America, with approximately 7,100 miles of track in 28 U.S. states and three Canadian provinces as of the acquisition date. Our acquisition of RailAmerica combined the two largest short line railroad operators in North America. The acquisition is expected to provide a wide national footprint for future industrial and commercial development along our 108 railroads in North America, and to allow us to realize significant cost savings. Following our acquisition of RailAmerica, we believe we are the largest operator of short line and regional freight railroads in North America.

GROWTH STRATEGY

Since our initial public offering in 1996 through December 31, 2012, our revenues increased at a compound annual growth rate of 16.3%, from $77.8 million in 1996 to $874.9 million in 2012. We have achieved these results primarily through the disciplined execution of our growth strategy. The two main drivers of our growth strategy are the execution of (1) our operating strategy and (2) our acquisition and investment strategy.

Operating Strategy

Our railroads operate under strong local management teams, with centralized administrative, commercial and operational support and oversight. As of January 1, 2013, our continuing operations were organized as 11 regions, which include one new region that we created following the acquisition of RailAmerica. In the United States, we have eight regions: Rail Link (which includes industrial switching and port operations), Pacific, Mountain West, Central, Southern, Midwest, Ohio Valley and Northeast. Outside the United States, we have three regions: Australia, Canada (which includes a contiguous railroad located in the United States) and Europe (which consists of operations in the Netherlands and Belgium).

In each of our regions, we seek to encourage the entrepreneurial drive, local knowledge and customer service that we view as necessary to achieve our financial goals. Our regional managers continually focus on increasing our return on invested capital, earnings and cash flow through the disciplined execution of our operating strategy. At the regional level, our operating strategy consists of the following four principal elements:

- *Continuous Safety Improvement.* We believe that a safe work environment is essential for our employees, our customers and the communities in which we conduct business. Each year, we establish stringent safety targets as part of our safety program. In 2012, G&W achieved a consolidated Federal Railroad Association (FRA) reportable injury frequency rate of 0.48 per 200,000 man-hours worked, which does not include RailAmerica's 2012 safety results. Through the implementation of our safety program, we have reduced our injury frequency rate by 75% since 2006, when it was 1.95 injuries per 200,000 man-hours worked. In 2012, RailAmerica achieved a consolidated FRA reportable injury frequency rate of 1.75 per 200,000 man-hours worked. On a pro forma basis, G&W's reportable injury frequency rate combined with RailAmerica was 0.88 for the year ended December 31, 2012. For comparative purposes, in January through November 2012, the most recent month for which FRA data is publicly available, the United States short line average was 3.1 injuries per 200,000 man-hours worked, and the United States regional railroad average was 3.1 injuries per 200,000 man-hours worked. Based on these results, in 2012, G&W was more than six times safer than the short line and regional railroad averages, and also safer than any U.S. Class I railroad.

- *Focused Regional Marketing.* We generally build and operate each of our regions on a base of large industrial customers and seek to grow rail traffic through marketing efforts. As a result of the acquisition of RailAmerica, we expect our expanded North American footprint will provide us with greater visibility to new commercial and industrial development opportunities in North America and increase the success of our marketing efforts. We also pursue additional sources of revenue by marketing to new industrial customers and providing ancillary rail services. These ancillary rail services include railcar switching, repair, storage, cleaning, weighing and blocking and bulk transfer, which enable shippers and Class I carriers to move freight more easily and cost-effectively. Separately, in Australia and Europe, where there are open access regimes, we are able to compete for new business opportunities with customers anywhere on the open access rail network.
- *Lower Operating Costs.* We focus on lowering operating costs and historically have been able to operate acquired rail lines more efficiently than they were operated before our acquisition. We typically achieve efficiencies by lowering administrative overhead, consolidating equipment and track maintenance contracts, reducing transportation costs and selling surplus assets.
- *Efficient Use of Capital.* We invest in track and rolling stock to ensure that we operate safe railroads that meet the needs of customers. At the same time, we seek to maximize our return on invested capital by focusing on cost effective capital programs. For example, in our short haul and regional operations in North America, we typically rebuild older locomotives rather than purchase new ones and invest in track at levels appropriate for traffic type and density. In addition, because of the importance of certain customers and railroads to the regional economies, we are able, in some instances, to obtain state, provincial and/or federal grants to upgrade track. Typically, we seek government funds to support investments that otherwise would not be economically viable for us to fund on a stand-alone basis.

To assist our local management teams, we provide commercial and operational support from corporate staff groups where there are benefits to be gained from centralized expertise. Our commercial group assists local management by providing assistance with regional pricing, origin and destination offerings across the Company, managing real estate revenue (including from land leases and crossing and access rights), industrial development project expertise, 24/7 customer service and Class I relationship management. Our operations department assists with the implementation of our safety culture and training programs, manages a centralized purchasing staff to leverage our scale in purchasing rail and rail-related equipment, assists with efficient equipment utilization and service design, and provides mechanical, locomotive and bridge engineering expertise. In addition, we maintain other traditional, centralized functions, such as accounting, finance, legal, corporate development, government and industry affairs, human resources and information technology.

Acquisition and Investment Strategy

Our acquisition and investment strategy includes the acquisition or long-term lease of existing railroads, as well as investment in rail equipment and/or track infrastructure to serve new and existing customers. Since 1985, we have completed 37 acquisitions and made several significant rail equipment investments to serve customers that are developing natural resource projects, such as iron ore mines. Historically, our acquisition, investment and long-term lease opportunities have been from the following five sources:

- Acquisitions of other regional railroads or short line railroads in the United States and Canada, such as our acquisitions of RailAmerica in 2012, Arizona Eastern Railway Company (AZER) in 2011, CAGY Industries, Inc. in 2008, the Ohio Central Railroad System in 2008 and Rail Management Corporation in 2005. Based on Association of American Railroads (AAR) data, as of December 31, 2011, there were approximately 460 short line and regional railroads in the United States not owned by us;
- Investments in track and/or rolling stock to support new industrial or mineral development in new or existing areas of operations, such as our long-term rail services agreement with Labrador Iron Mines Limited (LIM) to haul unit trains of iron ore over LIM's six-kilometer railway, and our recently announced expansion of two existing rail haulage contracts to transport export iron ore in South Australia;
- Acquisitions of international railroads, such as our acquisitions of FreightLink Pty Ltd (FreightLink) in Australia and Rotterdam Rail Feeding (RRF) in the Netherlands. We believe that there are additional acquisition and investment opportunities in Australia, Europe and other international markets;
- Acquisitions or long-term leases of branch lines of Class I railroads, such as our recent lease from Norfolk Southern Railway Company (NS) of the Columbus & Chattahoochee Railroad, Inc., a 26-mile segment of NS track that runs from Girard, Alabama to Mahrt, Alabama; and

- Acquisitions of rail lines of industrial companies, such as our acquisition of railroads owned by Georgia-Pacific Corporation.

When we make acquisitions, we seek to derive revenues and cost synergies wherever possible and to implement best practices to increase the value of our investment, which is frequently accomplished through the elimination of duplicative overhead functions, implementation of our safety culture, improvements to operating plans and equipment utilization and enhanced customer service. For instance, with the acquisition of RailAmerica we have identified duplicative corporate overhead costs and general administrative expenses, which we believe are not necessary for the combined operations, and that we anticipate will result in ongoing annual cost savings of approximately $36 million, excluding implementation costs we expect to incur to realize these savings. In addition, we intend to leverage RailAmerica's real estate department and plan to implement best practices that are identified as part of the integration across all our railroads.

Following the RailAmerica acquisition, we are continuing to target these five sources of acquisition and investment opportunities. We also believe that our larger footprint of railroads in North America will increase the number of future opportunities to make contiguous short line acquisitions due to a higher number of touch points with other railroads. On a global basis, we believe that our increased scale and greater financial resources will improve our ability to invest in rail opportunities worldwide. We have played a significant role in the consolidation of the short line industry in North America and have made a number of important railroad investments in international markets, and we expect to continue to pursue our acquisition and investment strategy while adhering to our disciplined valuation approach.

INDUSTRY

North America

United States

According to the AAR, there are 567 railroads in the United States operating over 138,500 miles of track. The STB classifies railroads operating in the United States into one of three categories based on the amount of an individual railroad's operating revenues (adjusted for inflation). Under current classification levels, Class I railroads are individual railroads (not including holding companies) with over $433.2 million in revenues. Regional and Local railroads operate approximately 43,000 miles of track in the United States. The primary function of these smaller railroads is to provide local service to rail customers and communities not located on the Class I networks.

The following table shows the breakdown of railroads in the United States by classification:

Classification of Railroads	Number	Aggregate Miles Operated	Revenues and Miles Operated
Class I (1)	7	95,387	$433.2 million or more
Regional	21	10,355	At least $20 million and 350 or more miles operated or $34.7 million to $433.2 million
Local	539	32,776	Less than $34.7 million and less than 350 miles operated
Total	567	138,518	

(1) CSX Corp, BNSF Railway Co., Norfolk Southern Corp., Kansas City Southern Railway Company, Union Pacific Railroad Co., Canadian National Railway and Canadian Pacific Railway.

Source: AAR 2012 Railroad Facts Book

Class I railroads operate across many different states and concentrate largely, though not exclusively, on long haul, high density intercity traffic lanes. Regional railroads typically operate 400 to 650 miles of track and provide service to selected areas of the country, mainly connecting neighboring states and/or economic centers. Typically, short line (or local) railroads serve as branch lines connecting customers with Class I railroads. Short line railroads have more predictable and straightforward operations as they generally perform point-to-point service over shorter distances, versus the complex networks associated with the large Class I railroads.

Regional and short line railroad traffic is largely driven by carloads that are interchanged with other carriers. For example, a Class I railroad may transport freight hundreds or thousands of miles from its origination point, and then pass the railcar to a short line railroad, which provides the final step of service directly to the terminating customer.

The railroad industry in the United States has undergone significant change since the passage of the Staggers Rail Act of 1980 (Staggers Act), which effectively deregulated certain pricing and types of services provided by railroads. Following the passage of the Staggers Act, Class I railroads in the United States took steps to improve profitability and recapture market share lost to other modes of transportation, primarily trucks. In furtherance of that goal, Class I railroads focused their management and capital resources on their core long-haul systems, and some of them sold branch lines to short line railroads, whose smaller scale and more cost-efficient operations allowed them to commit the resources necessary to meet the needs of customers located on those lines. Divestiture of branch lines enabled Class I carriers to minimize incremental capital expenditures, concentrate traffic density, improve operating efficiency and avoid traffic losses associated with rail line abandonment, and spurred the growth in the short line railroad industry.

We operate one regional and 100 local (short line) railroads in the United States over approximately 9,500 miles of track.

Canada

According to Rail Trends 2012, published by The Railway Association of Canada (RAC), there are 27,652 miles of track operated by railroads in Canada.

We operate seven local (short line) railroads in Canada over approximately 1,200 miles of track.

Australia

Australia has over 25,000 miles (approximately 40,000 kilometers) of both publicly and privately owned track that link major capital cities and key regional centers together, as well as key mining regions to ports. The Australian rail network comprises three track gauges: broad, standard and narrow gauge. There are three major interstate rail segments in Australia: the east-west corridor (Sydney, New South Wales to Perth, Western Australia); the east coast corridor (Brisbane, Queensland to Melbourne, Victoria); and the north-south corridor (Adelaide, South Australia to Darwin, Northern Territory). In addition, there are a number of intrastate rail freight networks servicing major agricultural and mining regions in Queensland, New South Wales, Western Australia and South Australia.

Through our Australian subsidiaries, we manage approximately 2,900 miles (approximately 4,700 kilometers) of track in South Australia and the Northern Territory, which includes approximately 1,400 miles (approximately 2,200 kilometers) of track between Darwin and Tarcoola that we manage pursuant to a concession agreement that expires in 2054.

The Australian rail freight industry is largely open access, which means that network owners and managers must provide access to the rail network to all accredited rail service providers subject to the rules and negotiation framework of each applicable access regime. We are an accredited rail service provider in all mainland Australian states and in the Northern Territory. The rules generally include pricing principles and standards of use, and are established by the applicable state or Commonwealth government. The rail industry is structured around two components: train operations for freight haulage services (above rail) and rail track access operation and management (below rail). This contrasts with the North American freight rail industry where railroad operators almost always have exclusive use of the track they own or lease. Through our concession agreements, we have long-term economic ownership of the primary tracks that we manage in South Australia and the Northern Territory, and we receive below rail access fees when other rail operators use the track we manage. Our economic ownership of the tracks we manage, combined with our above rail operations, makes our Australian operations more similar to a typical North American railroad.

Because Australian rail customers have access to multiple rail carriers under "open access" regimes, all rail carriers face possible competition from other rail carriers, as well as competition from competing modes of transportation, such as trucks for above rail business. The open access nature of the Australian rail freight industry enables rail operators to develop new business and customer relationships in areas outside of their current operations, and there are limited barriers to entry that preclude any rail operator from approaching a customer to seek new business. However, shipments of bulk commodities in Australia are generally handled under long-term agreements with dedicated equipment that may include take or pay provisions and/or exclusivity arrangements, which make capturing new business from an existing rail operator more difficult.

Netherlands

According to ProRail, the entity responsible for a substantial majority of the Dutch rail infrastructure, there are approximately 4,350 miles of track under its control on the Dutch rail network. As a result of the country's open access regime, this track may be accessed by any admitted and licensed rail operator. According to the trade association, Rail Cargo Information Netherlands, there are currently 17 rail operators that provide freight rail services in the Netherlands. In the Netherlands, we operate primarily in the Port of Rotterdam pursuant to the open access regime.

Belgium

According to Infrabel, the Belgian railways infrastructure manager, there are approximately 2,225 miles of track under its control on the Belgian rail network and 13 rail operators certified for freight transport in Belgium. As a result of the country's open access regime, this track may be accessed by any admitted and licensed rail operator. In Belgium, we operate primarily in the Port of Antwerp pursuant to the open access regime.

OPERATIONS

As of December 31, 2012, through our subsidiaries, we owned or leased 111 freight railroads. Of these, 109 are short line railroads and one is a regional freight railroad with a total of approximately 13,300 miles of track in the United States, Australia, Canada, the Netherlands and Belgium. We also operated one longer-haul 1,400-mile railroad, which links the Port of Darwin to the Australian interstate rail network in South Australia, pursuant to a concession agreement. Also, through various track access arrangements, we operate over 3,270 additional miles of track that is owned or leased by others.

Freight Revenues

We generate freight revenues primarily from the haulage of freight by rail. Freight revenues represented 71.4%, 70.3% and 62.2% of our total revenues in the years ended December 31, 2012, 2011 and 2010, respectively.

Non-Freight Revenues

We generate non-freight revenues primarily from the following activities:

- Rail car switching—revenues generated from industrial switching (the movement of rail cars within industrial plants and their related facilities), port terminal switching (the movement of customer rail cars from one track to another track on the same railroad, primarily at United States ports) and contract coal loading;
- Car hire and rental services—charges paid by other railroads for the use of our rail cars;
- Demurrage and storage—charges to customers for holding or storing their rail cars;
- Car repair services—charges for repairing rail cars owned by others, either under contract or in accordance with AAR rules;
- Other operating income—includes, among others, revenues from providing crewing services and track access and management fees, real estate holdings, and from providing access to passenger operations, such as from Amtrak's use of the New England Central Railroad;
- Fuel sales to third-parties—revenues earned by Genesee & Wyoming Australia Pty Ltd (GWA) in South Australia from the sale of diesel fuel to other rail operators; GWA sold its third-party fuel operation in Cook, South Australia in the third quarter of 2012; and
- Railroad construction—revenues earned by Atlas Railroad Construction (Atlas) for railroad engineering, construction, maintenance and repair, primarily in the midwestern, northeastern and southeastern United States, for short line and regional railroads, public-transit agencies and industrial customers.

Non-freight revenues represented 28.6%, 29.7% and 37.8% of our total operating revenues in the years ended December 31, 2012, 2011 and 2010, respectively. Railcar switching represented 54.0%, 52.1% and 46.5% of our total non-freight revenues in the years ended December 31, 2012, 2011 and 2010, respectively.

Customers

As of December 31, 2012, our operations served over 2,000 freight customers. Freight revenues from our 10 largest freight customers (not including RailAmerica customers) accounted for approximately 25%, 24% and 22% of our operating revenues in the years ended December 31, 2012, 2011 and 2010, respectively. Six of our 10 largest freight customers (not including RailAmerica customers) in 2012 were located in Australia. Freight revenues from RailAmerica's 10 largest freight customers accounted for approximately 13% of their operating revenues in 2012 and their largest freight customer was a company in the steel and metals industry and represented approximately 2.8% of their total revenues.

In North America, we typically handle freight pursuant to transportation contracts between us, our connecting carriers and the customer. These contracts are in accordance with industry norms and vary in duration, with terms ranging from less than one year to 20 years. These contracts establish a price or, in the case of longer term contracts, a methodology for determining a price, but do not typically obligate the customer to move any particular volume. Freight rates and volumes are not directly linked to the prices of the commodities being shipped. In Australia, we generally handle freight pursuant to transportation contracts directly with our customers. These contracts generally contain a combination of fixed and variable pricing, with the fixed portion linked to our invested capital and the variable portion based on the volumes shipped.

Commodities

Our railroads transport a wide variety of commodities. For a comparison of freight revenues, carloads and average freight revenues per carload by commodity group for the years ended December 31, 2012, 2011 and 2010, see the discussion under "Part II Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations."

Commodity Group Descriptions

The intermodal commodity group consists of various commodities shipped in trailers or containers on flat cars.

The coal and coke commodity group consists primarily of shipments of coal to power plants and industrial customers.

The farm and food products commodity group consists primarily of wheat, barley, corn and other grains.

The pulp and paper commodity group consists primarily of outbound shipments of container board and finished papers and inbound shipments of wood pulp.

The metallic ores commodity group consists primarily of manganese ore, iron ore, copper concentrate and ore, alumina and nickel ore.

The metals commodity group consists primarily of finished steel products such as coils, pipe, slabs and ingots as well as scrap metal.

The minerals and stone commodity group consists primarily of gypsum, salt used in highway ice control, cement, marble, sand used in fracking oil and gas wells, clay and limestone.

The chemicals and plastics commodity group consists primarily of denatured alcohol, sulfuric acid and other chemicals used in manufacturing, particularly in the paper industry.

The lumber and forest products commodity group consists primarily of export logs, finished lumber, wood pellets and wood chips used in paper manufacturing.

The petroleum products commodity group consists primarily of liquefied petroleum gas, crude oil, asphalt and diesel fuel.

The autos and auto parts commodity group consists primarily of finished automobiles and stamped auto parts.

The other commodity group consists of all freight not included in the commodity groups set forth above, such as municipal solid waste, construction and demolition debris and haulage traffic. Haulage traffic is shipped by other rail carriers, but moves over our rail lines for a fee pursuant to contractual arrangements with those carriers.

Geographic Information

For financial information with respect to each of our geographic areas, see Note 20 to our Consolidated Financial Statements set forth in "Part IV Item 15. Exhibits, Financial Statement Schedules" of this Annual Report.

Traffic

Rail traffic shipped on our rail lines can be categorized as interline, local or overhead traffic. Interline traffic either originates or terminates with customers located along a rail line and is interchanged with other rail carriers. Local traffic both originates and terminates on the same rail line and does not involve other carriers. Overhead traffic passes over the line from one connecting rail carrier to another without the carload originating or terminating on the line. Unlike overhead traffic, interline and local traffic in North America provide us with a more stable source of revenues because this traffic represents shipments to and/or from customers located along our rail lines and is less susceptible to competition from other rail routes or other modes of transportation. However, the open access regime in Australia permits other participants in the above rail industry to compete for our existing traffic. In 2012, revenues generated from interline and local traffic constituted approximately 98% of our freight revenues.

Seasonality of Operations

Some of the commodities we carry have peak shipping seasons, either as a result of the nature of the commodity or the demand cycle for the commodity. For instance, certain agricultural and food products, like winter wheat in Canada, ship only during certain months each year.

Seasonality is also reflected in our results of operations as a result of weather patterns. Typically, we experience relatively lower revenues in North America in the first and fourth quarters of each year as the winter season and colder weather in North America tend to reduce shipments of certain products such as construction materials. In addition, due to adverse winter weather conditions, we also tend to incur higher operating costs during the first and fourth quarters. We typically initiate capital projects in North America in the second and third quarters when weather conditions are more favorable. In addition, we experience relatively lower revenues in Australia in the first quarter of each year as a result of the wet season (*e.g.,* monsoonal rains in the Northern Territory).

Employees

As of December 31, 2012, our railroads and industrial switching locations had approximately 4,600 full time employees. Of this total, approximately 1,750 employees were union members. Our railroads have 77 contracts with unions. We are currently engaged in negotiations with respect to 17 of those agreements. We are also a party to employee association agreements covering an additional 68 employees who are not represented by a national labor organization. GWA has a collective enterprise bargaining agreement covering the majority of its employees. The Railway Labor Act (RLA) governs the labor relations of employers and employees engaged in the railroad industry in the United States. The RLA establishes the right of railroad employees to organize and bargain collectively along craft or class lines and imposes a duty upon carriers and their employees to exert every reasonable effort to make and maintain collective bargaining agreements. The Canada Labour Code and the relevant provincial labor laws govern the labor relations of employers and employees engaged in the railroad industry in Canada. The Federal Fair Work Act governs the labor relations of employers and employees engaged in the railroad industry in Australia. The RLA and foreign labor regulations contain detailed procedures that must be exhausted before a lawful work stoppage may occur. RRF is not party to any collective bargaining agreements in the Netherlands, but it is party to a collective bargaining agreement in Belgium. We believe we maintain positive working relationships with our employees.

SAFETY

Our safety program involves all employees and focuses on the prevention of accidents and injuries. Operating personnel are trained and certified in train operations, the transportation of hazardous materials, safety and operating rules and governmental rules and regulations. We also participate in safety committees of the AAR, governmental and industry sponsored safety programs and the American Short Line and Regional Railroad Association Safety Committee. G&W's consolidated FRA reportable injury frequency rate (excluding the RailAmerica railroads), as defined by the FRA as reportable injuries per 200,000 man-hours worked, was 0.48 and 0.53 in 2012 and 2011, respectively. RailAmerica's consolidated FRA reportable injury frequency rate was 1.75 and 1.93 in 2012 and 2011, respectively. On a pro forma basis, G&W's FRA reportable injury frequency rate combined with RailAmerica was 0.88 for the year ended December 31, 2012. The average injuries per 200,000 man-hours worked for all United States short line railroads in the rail industry was 3.1 in 2012 (through November) and 3.5 in 2011. We expect that the extension of G&W's safety culture to the RailAmerica railroads will be a significant focus as we integrate the RailAmerica railroads.

INSURANCE

We maintain liability and property insurance coverage to mitigate the financial risk of providing rail and rail-related services. RailAmerica's legacy liability and property insurance coverage will remain in place until our annual insurance renewal later in 2013, following which it is expected that all of our operations will be covered under one insurance program.

Our primary liability policies currently have self-insured retentions of up to $0.5 million per occurrence. RailAmerica's primary liability policies currently have self-insured retentions of up to $1.0 million per occurrence and prior self-insured retentions have been as high as $4.0 million per occurrence. The liability policies cover sudden releases of hazardous materials, including hazardous commodities transported by rail, and expenses related to evacuation as a result of a railroad accident. Personal injuries associated with grade crossing accidents are also covered under our liability policies. G&W's property damage policies have various self-insured retentions, which vary based on the type and location of the incident, that are currently up to $1.0 million per occurrence. RailAmerica's primary property damage policies have self-insured retentions that are currently up to $1.5 million per occurrence. The property damage policies also provide business interruption insurance arising from covered events. The self-insured retentions under our policies may change with each annual insurance renewal depending on our loss history, the size and make-up of our company and general insurance market conditions.

Employees of our United States railroads are covered by the Federal Employers' Liability Act (FELA), a fault-based system under which claims resulting from injuries and deaths of railroad employees are settled by negotiation or litigation. FELA-related claims are covered under our liability policies. Employees of our industrial switching and railroad construction businesses are covered under workers' compensation policies.

Employees of our Canadian railroads are covered by the applicable provincial workers' compensation policy. Employees of our Australian operations are covered by the respective state-based workers' compensation legislation in Australia. Employees of our European operations are covered by the workers' compensation legislation of the Netherlands and Belgium, as applicable.

We believe our insurance coverage is adequate given our experience and the experience of the rail industry within the geographies we operate.

COMPETITION

The unique and difficult to replicate infrastructure associated with railroads is a key benefit of the industry as compared to other modes of transportation, such as trucking (which uses public highways, toll roads, etc.) and shipping (which uses river systems and ports). However, railroads compete directly with other modes of transportation, principally highway competition from trucks and, on some routes, ships, barges and pipelines. Competition is based primarily upon the rate charged and the transit time required, as well as the quality and reliability of the service provided.

In North America, a railroad typically is the only rail carrier directly serving a customer on its line, which is a key differentiating factor versus trucking and shipping. Most freight is interchanged between other railroads prior to reaching its final destination. To the extent that highway competition is involved, the degree of that competition is affected by government policies with respect to fuel and other taxes, highway tolls and permissible truck sizes and weights.

In Australia, the Netherlands and Belgium, our customers have access to other rail carriers under open access regimes so we face competition from other rail carriers in addition to competition from competing modes of transportation.

To a lesser degree, we also face competition from similar products made in other areas where we are not located, a kind of competition commonly known as "geographic competition." For example, a paper producer may choose to increase or decrease production at a specific plant served by one of our railroads depending on the relative competitiveness of that plant as compared to its paper plants in other locations. In some instances, we face "product competition," where commodities we transport are exposed to competition from substitutes (e.g., coal we transport can compete with natural gas as a fuel source for electricity generation).

In acquiring rail properties and making rail equipment and/or track infrastructure investments in projects, we generally compete with other railroad operators and with various financial institutions, including private equity firms, operating in conjunction with rail operators. Competition for rail properties and investment projects is based primarily upon price and the seller's assessment of the buyer's railroad operating expertise and financing capability. We believe our established reputation as a successful acquirer and operator of rail properties, combined with our managerial and financial resources, positions us well in a competitive acquisition and investment environment.

REGULATION

United States

In addition to environmental laws, securities laws, state and local laws and regulations generally applicable to many businesses, our United States railroads are subject to regulation by:

- STB;
- FRA;
- federal agencies, including the United States Department of Transportation (DOT), Occupational Safety and Health Administration (OSHA), Mine Safety and Health Administration (MSHA) and Transportation Security Administration (TSA), which operates under the Department of Homeland Security (DHS);
- state departments of transportation; and
- some state and local regulatory agencies.

The STB is the successor to certain regulatory functions previously administered by the Interstate Commerce Commission (ICC). Established by the ICC Termination Act of 1995, the STB has jurisdiction over, among other things, certain freight rates (where there is no effective competition), extension or abandonment of rail lines, the acquisition of rail lines and consolidation, merger or acquisition of control of rail common carriers. In limited circumstances, the STB may condition its approval of an acquisition upon the acquirer of a railroad agreeing to provide severance benefits to certain subsequently terminated employees. The FRA, DOT and OSHA have jurisdiction over safety, which includes the regulation of equipment standards, track maintenance, handling of hazardous shipments, locomotive and rail car inspection, repair requirements, operating practices and crew qualifications. The TSA has broad authority over railroad operating practices that have implications for homeland security. Additionally, various state and local agencies have jurisdiction over disposal of hazardous waste and seek to regulate movement of hazardous materials in ways not preempted by federal law.

The STB launched wide-ranging proceedings to explore whether to expand rail regulation. The STB has not taken further action and denied a petition seeking one form of "access" regulation that would impact railroads' ability to limit the access of other rail service providers to their rail infrastructure. Several bills were introduced in the United States Senate in early 2011 that would expand the regulatory authority of the STB and could include new antitrust provisions. Additionally, a two-year DOT study on the impacts of a possible increase in federal truck size and weight limits, which commenced in 2012, could result in subsequent federal legislation. The majority of the actions under consideration and pending are directed at Class I railroads; however, we continue to monitor these proposed bills. The outcome of these initiatives could impact regulation of railroad operations and prices for our rail services, which could undermine the economic viability of certain of our railroads, as well as threaten the service we are able to provide to our customers.

In 2010, the FRA issued final rules governing the installation of positive train control (PTC) by the end of 2015. Although still under development, PTC is a collision avoidance technology intended to override locomotive controls and stop a train before an accident. Certain of our railroads may be required to install PTC or PTC-related equipment by the end of 2015. We do not expect that our compliance with the final rules governing the installation of PTC will give rise to any material financial expenditures.

Canada

St. Lawrence & Atlantic Railroad (Quebec) and Ottawa Valley Railway are federally regulated railroads that fall under the jurisdiction of the Canada Transportation Agency (CTA) and Transport Canada (TC) and are subject to the Railway Safety Act. The CTA regulates construction and operation of federally regulated railways, financial transactions of federally regulated railway companies, all aspects of rates, tariffs and services and the transferring and discontinuing of the operation of railway lines. TC administers the Railway Safety Act, which ensures that federally regulated railway companies abide by all regulations with respect to engineering standards governing the construction or alteration of railway works and the operation and maintenance standards of railway works and equipment.

Quebec Gatineau Railway and Cape Breton & Central Nova Scotia Railway are subject to the jurisdiction of the provincial governments of Quebec and Nova Scotia, respectively. In addition, Huron Central Railway, Goderich-Exeter Railway and Southern Ontario Railway are subject to the jurisdiction of the provincial government of Ontario. Provincially regulated railways operate only within one province and hold a Certificate of Fitness delivered by a provincial authority. In the Province of Quebec, the Fitness Certificate is delivered by the Ministère des Transports du Quebec, while in Ontario, under the Shortline Railways Act, 1995, a license must be obtained from the Registrar of Shortline Railways. Construction, operation and discontinuance of operation are regulated, as are railway services.

Acquisitions of additional railroad operations in Canada, whether federally or provincially regulated, may be subject to review under the Investment Canada Act (ICA), a federal statute that applies to the acquisition of a Canadian business or establishment of a new Canadian business by a non-Canadian. In the case of an acquisition that is subject to review, a non-Canadian investor must observe a statutory waiting period prior to completion and satisfy the minister responsible for the administration of the ICA that the investment will be of net benefit to Canada, considering certain evaluative factors set out in the legislation.

Any contemplated acquisitions may also be subject to Canada's Competition Act, which contains provisions relating to pre-merger notification as well as substantive merger provisions.

Australia

In Australia, regulation of rail safety is generally governed by state legislation and administered by state regulatory agencies. Our Australian assets are subject to the regulatory regimes governing safety in each of the states and the one territory in which we operate. Regulation of track access is governed by federally legislated guidelines that are implemented by the states. The state access regimes are required to be certified by the Australian Competition and Consumer Commission. As a result, with respect to rail infrastructure access, our Australian subsidiaries are subject to the state-based access regimes. In addition, certain new acquisitions in Australia will also be subject to review by the Foreign Investment Review Board and the Australian Competition and Consumer Commission.

Europe

At the European level, several directives have been issued concerning the transportation of goods by rail. These directives generally cover the development of railways, allocation of railway infrastructure capacity and the levying of charges for the use of railway infrastructure and the licensing of railway undertakings. The European Union (EU) legislation also sets a framework for a harmonized approach towards railway safety. Every railway company must obtain a safety certification before it can run trains on the European network and EU Member States must set up national railway safety authorities and independent accident investigation bodies. These directives have been implemented in Dutch railway legislation such as the Railways Act and in Belgian railway legislation such as the Law on Railway Safety.

In the Netherlands, we are subject to regulation by the Ministry of Infrastructure and Environment; the Living Environment and Transport Inspectorate; the Dutch railways infrastructure manager, ProRail; and Keyrail (the Dutch railways infrastructure manager for the Betuweroute, a dedicated freight railway connecting the Port of

Rotterdam to the German border and within the Port of Rotterdam). All railways in the Netherlands must have a license and a safety certificate issued by the regulator, the Human Environment and Transport Inspectorate, part of the Netherlands Ministry of Infrastructure and Environment. A rail operator must also have a license from ProRail and/or Keyrail, the Dutch rail infrastructure authorities, to use the rail infrastructure. The Dutch Competition Authority is charged with the supervision of compliance with the European Community's directives on the development of the railways, the allocation of railway infrastructure capacity and the levying of charges for the use of railway infrastructure.

In Belgium, we are subject to regulation by the Federal Public Service (FPS) Mobility and Transport, the Regulatory Service for Railway Transport and for Brussels Airport Operations, which is currently hosted by FPS Mobility and Transport, and the Belgian railways infrastructure manager, Infrabel. Rail service providers based in Belgium must obtain a rail operator license from the Federal Minister for Mobility and Transport. Rail service providers that wish to operate in Belgium must obtain a safety certificate, which is comprised of Parts A and B. Part A must be obtained from the Railway Safety and Interoperability Service (SSICF) if the rail service provider is based in Belgium. Part B must be obtained from SSICF regardless of where the rail service provider is based. In Belgium, the Belgium Competition Authority is responsible for promoting and safeguarding active competition in Belgium.

Both the Dutch Competition Authority and the Belgium Competition Authority work together with other competition authorities and are part of the European Competition Network, the European Competition Authorities and the International Competition Network.

ENVIRONMENTAL MATTERS

Our operations are subject to various federal, state, provincial and local laws and regulations relating to the protection of the environment. In the United States, these environmental laws and regulations, which are implemented principally by the United States Environmental Protection Agency (EPA) and comparable state agencies, govern the management of hazardous wastes, the discharge of pollutants into the air and into surface and underground waters and the manufacture and disposal of certain substances. The primary laws affecting our operations are the Resource Conservation and Recovery Act, regulating the management and disposal of solid and hazardous wastes, the Clean Air Act, regulating air emissions, and the Clean Water Act, regulating water discharges. We are also indirectly affected by environmental laws that impact the operations of our customers. In Canada, environmental laws and regulations are administered at the federal level by Environment Canada and by the Ministry of Transport and comparable agencies at the provincial level. In Australia, these functions are administered primarily by the Department of Transport at the federal level and by environmental protection agencies at the state level. In the Netherlands, European, national and local laws regulating the protection of the environment are administered by the Ministry of Infrastructure and Environment and authorities at the provincial and municipal level, whereas laws regulating the transportation of hazardous goods are primarily administered by the Ministry of Infrastructure and Environment. European, national and local environmental policies are administered within the FPS Health, Food Chain Safety and Environment in Belgium.

Our Australian operations were subject to three Directions issued by the Department of Natural Resources, Environment, the Arts and Sport of the Northern Territory following the December 27, 2011 derailment of a GWA freight train in flood waters associated with Cyclone Grant. The derailment spilled freight, including copper concentrate, into the Edith River (Edith River Derailment). The Directions required us to clean up and rectify pollution, namely any and all freight that fell from the train into the Edith River, and to prevent further pollution or future harm. GWA was informed on February 4, 2013 that it is no longer subject to the Directions. Separately, the Commonwealth of Australia has acknowledged that certain portions of the leasehold and freehold land that we acquired from them and used by our Australian operations contain contamination arising from activities associated with previous operators. Consequently, the Commonwealth has carried out certain remediation work to meet existing South Australia environmental standards. Noncompliance with applicable laws and regulations may result in the imposition of fines, temporary or permanent shutdown of operations or other injunctive relief, criminal prosecution or the termination of our concession in Australia.

We believe our railroads operate in compliance with current environmental laws and regulations and agency agreements. We estimate any expenses incurred in maintaining compliance with current environmental laws and regulations will not have a material effect on our earnings or capital expenditures. We cannot predict the effect, if any, that unidentified environmental matters or the adoption of additional or more stringent environmental laws and regulations would have on our results of operations, cash flows or financial condition.

DISCONTINUED OPERATIONS

In August of 2009, we completed the sale of 100% of the share capital of Ferrocarriles Chiapas–Mayab, S.A. de C.V. (FCCM), our Mexican operating subsidiary, to Viablis, S.A. de C.V. (Viablis). The net assets, results of operations and cash flows of our remaining Mexican subsidiary, GW Servicios S.A. (Servicios), which were classified as discontinued operations, were not material as of and for the year ended December 31, 2012. We do not expect any material adverse financial impact from Servicios. Results of our Mexican operations are included in results from discontinued operations.

AVAILABLE INFORMATION

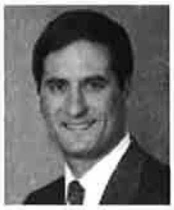
We were incorporated in Delaware on September 1, 1977. We completed our initial public offering in June 1996, and since September 27, 2002, our Class A common stock has been listed on the New York Stock Exchange (NYSE) under the symbol GWR. Our principal executive offices and corporate headquarters are located at 66 Field Point Road, Greenwich, Connecticut 06830, and our telephone number is (203) 629-3722. We expect to relocate our current principal executive offices and corporate headquarters to a new location at 20 West Avenue, Darien, Connecticut on or about May 14, 2013.

Our Internet website address is www.gwrr.com. We make available free of charge, on or through our Internet website, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments to those reports as soon as reasonably practicable after those materials are electronically filed with or furnished to the SEC. Also, filings made pursuant to Section 16 of the Exchange Act with the SEC by our executive officers, directors and other reporting persons with respect to our common shares are made available, free of charge, through our Internet website. Our Internet website also contains charters for each of the committees of our Board of Directors, our corporate governance guidelines and our Code of Ethics and Conduct.

The information regarding our Internet website and its content is for your convenience only. From time to time, we may use our website as a channel of distribution of material company information. Financial and other material information regarding the Company is routinely posted on and accessible at www.gwrr.com/investors. In addition, you may automatically receive email alerts and other information about us by enrolling your email address with us by visiting the "E-mail Alerts" section at www.gwrr.com/investors.

The information contained on or connected to our Internet website is not deemed to be incorporated by reference in this Annual Report or filed with the SEC.

Corporate Officers



John C. Hellmann
President and Chief Executive Officer

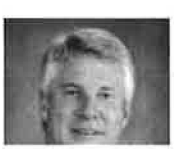
John C. Hellmann, President and Chief Executive Officer, joined the Company in January 2000 and served as Chief Financial Officer through April 2005. He was named President in May 2005 and Chief Executive Officer in June 2007. Previously, Mr. Hellmann worked in investment banking at Lehman Brothers, Inc., in the Emerging Communications Group, and at Schroder & Co. Inc., in the Transportation Group. He also worked for Weyerhaeuser Co. in Japan and the People's Republic of China.

Mr. Hellmann is a graduate of Princeton University and received an M.B.A. from The Wharton School of the University of Pennsylvania and an M.A. in International Relations from Johns Hopkins School of Advanced International Studies.

Timothy J. Gallagher
Chief Financial Officer

Timothy J. Gallagher joined the Company in May 2005. He was previously Senior Vice President and Treasurer of Level 3 Communications. Prior to that, Mr. Gallagher held a number of financial positions during eight years at BP Amoco Corporation and nearly five years at WilTel Communications.

Mr. Gallagher has a B.S.E. from Princeton University, an M.B.A. from The Wharton School of the University of Pennsylvania and an M.S. in Financial Mathematics from the University of Chicago.



David A. Brown
Chief Operating Officer

EXHIBIT N

David A. Brown was appointed Chief Operating Officer in October 2012. He joined G&W in June 2012 to succeed James W. Benz. From 2010 to early 2012, Mr. Brown was Executive Vice President and Chief Operating Officer of CSX Transportation. He was Chief Transportation Officer for CSX from 2006 to 2010 and, prior to that, served 25 years with Norfolk Southern in roles ranging from strategic planning to the integration of the Conrail acquisition.

Mr. Brown earned a B.S. from the University of Tennessee and completed the Advanced Management Program at Harvard University.

Allison M. Fergus
General Counsel
and Secretary

Allison M. Fergus was appointed General Counsel and Secretary in October 2006. She joined G&W in November 2005 as Senior Counsel. Ms. Fergus was previously an associate at Shearman & Sterling LLP in New York, where she practiced in the capital markets group. Prior to that, she worked in the treasury group of Omnicom Group Inc. and at JPMorgan Chase, formerly Chase Manhattan Bank.

Ms. Fergus earned a B.S. in finance and international business from Georgetown University and her juris doctorate degree from Fordham University School of Law.

Christopher F. Liucci
Chief Accounting Officer
and Global Controller

Christopher F. Liucci joined G&W as Chief Accounting Officer and Global Controller in March 2006. He was previously Director of Global Financial Planning and Reporting and Controller of Financial Reporting/Internal Controls during more than eight years with Genencor International, Inc. Prior to that, Mr. Liucci was an Audit Manager with Coopers & Lybrand L.L.P. (a predecessor to PricewaterhouseCoopers L.L.P.), where he was an independent auditor for six years.

Mr. Liucci is a C.P.A. and has a B.S. in accounting from the State University of New York at Geneseo and an M.B.A. from The Simon School of the University of Rochester.

Matthew O. Walsh
Senior Vice President
Corporate Development

Matthew O. Walsh, Senior Vice President, Corporate Development, joined G&W in September 2001. From 1996 to 2001, Mr. Walsh was an investment banker at Salomon Smith Barney, Inc. and Schroder and Co., Inc. both in New York and London. He serves on the Executive Committee of the Board of Directors of the American Short Line & Regional Railroad Association and previously served on the Board of the Railroad Clearinghouse, which was established to create the administrative systems and banking functions for electronic settlement of all rail industry interline freight systems.

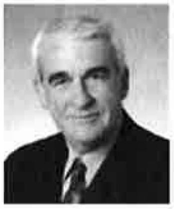
Mr. Walsh is a graduate of Princeton University

Senior Executives

Mark W. Hastings
Executive Vice President
International Business Development

Mark Hastings has been Executive Vice President since January 2000. Prior to that he served as Secretary, Senior Vice President, Chief Financial Officer and Treasurer since he joined the Company in 1978. Before his career with G&W, Mr. Hastings was Manager Commercial Credit Department for Marine Midland Bank (now HSBC Bank USA). He served on the Board of the Railroad Clearinghouse, which was established to create the administrative systems and banking functions for electronic settlement of all rail industry interline freight systems.

Mr. Hastings earned his undergraduate degree at Trinity College and his M.B.A. at Rochester Institute of Technology.



Mario Brault
Senior Vice President
Canada Region Railroads

Mario Brault, Senior Vice President of the Canada Region railroads, is the President of Genesee & Wyoming Canada Inc., the Canadian subsidiary of Genesee & Wyoming Inc. He joined the company in September 2000 as Vice President-Operations after a 22-year career with Canadian National Railroad. While at CN, he held positions in Transportation Planning, Commuter Services, Intermodal and Operations, both at CN headquarters and at various locations in the Eastern Canada Division.

Mr. Brault obtained a B.Sc.A (Civil Engineering) from Universite de Sherbrooke in 1978. He is a professional engineer and is a member of the Order of Engineers of Quebec and of the American Railway Engineering and Maintenance of Way Association.

Andrew T. Chunko
Senior Vice President
Customer Service

Andrew T. Chunko was appointed Senior Vice President of Customer Service in January 2013. He was previously Senior Vice President of G&W's Mountain West Region since June 2009 and Vice President of G&W's Rail Link Region, where he was responsible for a combination of short line railroads and port operations. Mr. Chunko joined G&W in 2002 with the acquisition of the York Railway, where he served as operations manager. Prior to that, he held a variety of management positions with CSX Transportation, Inc.

Mr. Chunko earned a B.S. in business, management and economics from Empire State College.

David J. Collins
Senior Vice President
Commercial Support

David J. Collins was appointed Senior Vice President, Commercial Support in December 2012. He previously served as Senior Vice President, Business Technology since July 2011. He was Senior Vice President of the former New York/Ohio/Pennsylvania Region from 2008 until July 2011 and continued to serve as President of the Ohio Central Railroad until July 2012. He was Senior Vice President of the New York/Pennsylvania Region from 1998 to 2008. Prior to that, Mr. Collins held a variety of management positions since joining G&W in 1979.

Mr. Collins earned his undergraduate degree from Oral Roberts University and his M.B.A. from the Simon School at the University of Rochester.

Gerald T. Gates
Senior Vice President
Operations

Gerald T. Gates was appointed Senior Vice President, Operations in January 2014. He was named interim Senior Vice President of G&W's Central Region in 2013 and was Senior Vice President of the Southern Region from June 2007 until April 2013. He previously served as Vice President, Safety and Compliance, and joined G&W in 2005. Mr. Gates has nearly 40 years of railroad experience.

Mr. Gates began his railroad career at Conrail after earning a degree in civil engineering at Bucknell University.

Raymond A. Goss
Senior Vice President
Northeast Region Railroads

Ray Goss was appointed Senior Vice President of G&W's Northeast Region railroads in January 2013. He previously was Senior Vice President of the New York/Pennsylvania Region since October 2008. He joined G&W in 2003 as General Manager of the St. Lawrence & Atlantic Railroad. He previously held numerous railroad management positions over his 30-year career, including VP Operations and Maintenance for the BAR System, Division Engineer Boston for Amtrak, Assistant Chief Engineer Delaware & Hudson RR, as

well as positions with CP Rail in both the U.S. and Canada.

Mr. Goss completed the Wharton School of Business Executive Development Program in 1996.

Joel N. Haka
Senior Vice President
Pacific Region Railroads

Joel N. Haka joined G&W as Senior Vice President of the Pacific Region railroads in September 2013. He was previously Executive Vice President and Chief Operating Officer of Florida East Coast Railway. Mr. Haka has more than 30 years of transportation and logistics experience, having served as Senior Vice President and Chief Operating Officer of CMA-CGM America and as Senior Vice President of Operations at P&O Nedlloyd companies. He began his career on marine vessels for Sea-Land Service, where he then advanced through a variety of terminal operations roles to become General Manager-Logistics Sales for the U.S. Gulf Region of Maersk Logistics.

Mr. Haka earned a B.S. in nautical science & logistics and transportation from the U.S. Merchant Marine Academy and retired as a Commander in the U.S. Naval Reserve.

James E. Irvin
Senior Vice President
Rail Link Region Companies

James E. Irvin was appointed Senior Vice President of the Rail Link Region companies in April 2013. He held the same position with G&W's former Oregion Region from 2011 to 2013, and had most recently been on assignment with G&W Australia as Vice President of New Business Operations. Mr. Irvin was previously Vice President, Industrial Switching for the Rail Link Region and has nearly 30 years of railroad experience. Prior to joining G&W in 2008, he held a variety of management positions with CSX Transportation, most recently as General Manager, Network Operations.

Mr. Irvin earned his B.S. in transportation from the University of Alabama.

Tyrone C. James
Senior Vice President
Safety and Compliance

Tyrone C. James was appointed Senior Vice President, Safety and Compliance in January 2014. He had served as Vice President, Safety and Compliance since May 2007 and was named Safety Professional of the Year by the American Short Line and Regional Railroad Association in 2012. He previously served as Vice President, Transportation of the Oregon Region. Mr. James joined the company in 2005 and has more than 30 years of railroad experience. He held positions of Terminal Superintendent, General Manager of Safety, Division Superintendent, and General Director of Transportation Development at CSX Transportation.

Bill Jasper
Senior Vice President
Southern Region Railroads

Bill Jasper was appointed Senior Vice President of the Southern Region railroads in April 2013. From 2007 to 2013, he held the same position with the Rail Link Region. He previously served as Vice President, Operations Services, of Rail Link since 1997. Mr. Jasper has nearly 30 years in the railroad industry and joined Rail Link, Inc., in 1989 as an Operations Manager and then a General Manager prior to its acquisition by G&W. He began his career as a Switchman with the Seaboard Coastline Railroad and was Assistant Trainmaster and Terminal Trainmaster at CSX Transportation.

Mr. Jasper is a C.P.A. and earned a B.S. in accounting from Virginia Commonwealth University.

M. Scott Linn
Senior Vice President
Engineering

M. Scott Linn was named Senior Vice President of Engineering in January 2013. He was previously a Regional Vice President of the South East Region at RailAmerica, which he

joined in 2000. Prior to that, Mr. Linn spent more than 17 years with Burlington Northern Santa Fe Railway Company, where he began as a Corporate Management Trainee, and held various engineering and operating positions, with his last as Division Engineer in Galesburg, Illinois.

Mr. Linn earned a B.S. in Civil Engineering from Montana State University.

Gary R. Long
President
Atlas Railroad Construction

Gary R. Long was appointed President of Atlas Railroad Construction in April 2013. He was most recently President and Chief Executive Officer of OmniTRAX, Inc., a transportation holding company, since 2009. Mr. Long has spent nearly 35 years in the transportation industry, including roles related to rail, motor carrier, port, maritime, intermodal terminals, and transload and switching facilities. He has held management positions with several companies, including Wallenius Wilhelmsen Logistics, ATC Logistics/AMPORTS, and Allied Holdings. From 1979 to 1996, Mr. Long worked at Norfolk Southern, most recently as Director of its Metals Product Group.

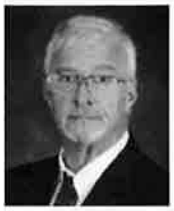
Mr. Long earned a B.S. in Finance from Virginia Polytechnic Institute and State University, and completed the Advanced Transportation and Logistics Management program at Northwestern University and the Logistics Financial Management program at Georgia Institute of Technology. He serves on the board of directors for the Intermodal Transportation Institute at the University of Denver.

Tony D. Long
Senior Vice President
Operations Support

Tony D. Long was appointed Senior Vice President, Operations Support in November 2008 and is responsible for customer service, car management, service design, and the American Rail Dispatching Center. He joined G&W in March 2005 as Vice President, Customer Service and was named Vice President, Customer Service and Car Management in January 2007. Previously, Mr. Long spent 25 years with CSX Transportation in a variety

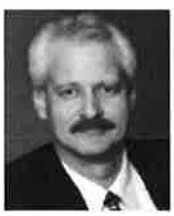
of roles in operations, customer service, technology and car management.

Mr. Long earned a B.S. in business administration from Lincoln Memorial University and is a certified Six Sigma "Master Blackbelt."



Charles E. McBride
Senior Vice President
Ohio Valley Region Railroads

Chuck McBride was appointed Senior Vice President of G&W's Ohio Valley Region railroads in January 2013. He previously was Senior Vice President of the Ohio Region since July 2011. He was previously Vice President of the Southen Region since 2005 and joined G&W in 2004 as General Manager of the Arkansas, Louisiana & Mississippi Railroad and the Fordyce & Princeton Railroad. Prior to G&W, Mr. McBride spent 26 years with CSX Transportation in a variety of management positions, most recently as head of its largest operating division.



Mike Meyers
Senior Vice President
Information Technology

Mike Meyers was appointed Senior Vice President, Information Technology in December 2013. He joined G&W in September 2000 as Vice President, Information Technology. Prior to that, he held positions within the semiconductor and manufacturing sectors, and provided consulting services to various organizations including IBM, Eastman Kodak and the United States Coast Guard. He is a member of the Rochester Business Alliance and the CIO Roundtable.

Mr. Meyers is a graduate of the University of Maine and earned his M.B.A. from the University of Rhode Island.

Michael O. Miller
Chief Commercial Officer

North America

Michael O. Miller joined G&W as Chief Commercial Officer, North America, in September 2010. He was most recently General Manager of Norfolk Southern's Modalgistics Supply Chain Solutions, where he improved customers' supply chain efficiencies through rail, transload and intermodal service, and was previously Vice President Strategic Development for Derivion Corp. Prior to that, he held logistics-related positions with Georgia-Pacific and Roadway Express.

Mr. Miller holds a B.S. in industrial engineering and an M.S. in business management from North Carolina State University.

J. Bradley Ovitt
Senior Vice President
Mountain West Region Railroads

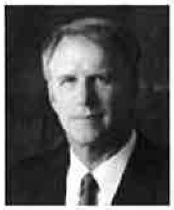
J. Bradley Ovitt was named Senior Vice President of G&W's Mountain West Region railroads in January 2013. He began his railroad career in 1987 on the former Central Vermont Railroad and went on to hold several positions of increasing responsibility, most recently as Regional Vice President of RailAmerica's Northeast Region.

Mr. Ovitt studied Criminal Justice at Castleton State College and earned four certificates in business from the University of Notre Dame.

Greg Pauline
Managing Director
Australia Region

Greg Pauline assumed leadership of Genesee & Wyoming Australia Pty Ltd in March 2013. He joined the Company from Lend Lease Group, where he was Executive Director of Development and Corporate Affairs of its Infrastructure Services business. Mr. Pauline worked in senior roles with three major Australian corporations, including Transfield and Downer EDI, and also at Bilfinger Berger India.

Mr. Pauline holds a degree in Civil Engineering from Sydney University.



Mike Peters
Senior Vice President
Real Estate and Industrial Development

Mike Peters joined G&W in April 2013 as Senior Vice President of Real Estate and Industrial Development. Mr. Peters has held supply chain related positions for more than 25 years. Most recently, he was the Chief Commercial Officer for OmniTRAX based in Denver, Colorado. Prior to that, he was First Vice President of ProLogis, the world's largest developer of Industrial Real Estate, where he was responsible for managing the global account team and working with Class I railroads and ports to identify new locations for industrial development.

In the late 1990s, Mr. Peters gained experience as a rail shipper as Director of Transportation for Coors Brewing Co. He began his career with Caterpillar, designing crankshafts for diesel engines used in locomotive applications, and later worked in Belgium for Caterpillar's third-party logistics subsidiary.

Mr. Peters earned a bachelor's degree in mechanical engineering from the University of Kansas and an MBA from the University of Michigan.

Arnoud de Rade
Managing Director
Netherlands Region

Arnoud de Rade was appointed Managing Director of G&W's Netherlands Region in January 2010. He joined Rotterdam Rail Feeding in October 2006 as Director of Sales and Operations. Mr. de Rade previously held management positions with rail companies Shortlines and Rail4Chem in Rotterdam and, before that, various positions with 3PL in the intermodal container business.

Mr. de Rade is a graduate of the Rotterdam School of Economics.

Richard J. Regan Jr.

Senior Vice President

Mechanical

Richard J. Regan Jr. was named Senior Vice President, Mechanical in October 2012, with global responsibility for the Company's mechanical functions, including locomotives and rolling stock. Mr. Regan joined G&W in 2008 as Vice President, Transportation for the Southern Region. Previously, he spent 34 years at CSX/Conrail in several positions, including Vice President, Mechanical and Managing Director, Material Assets.

Dewayne Swindall
Senior Vice President
Central Region Railroads

Dewayne Swindall was appointed Senior Vice President of G&W's Central Region railroads in January 2014. He joined G&W in 2008 as General Manager of the Bay Line Railroad and became Vice President, Transportation for the Southern Region in 2010. Mr. Swindall began his railroad career with Norfolk Southern in 1999 and later joined Canadian National, where he served as Assistant Division Superintendent in Ontario and Alberta, Canada.

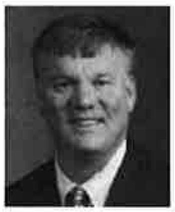
Mr. Swindall earned an A.A.S. degree in business management from Gadsden State Junior College.

Michael Webb
Senior Vice President
Distribution Services

Michael Webb joined Genesee & Wyoming in May 2013 as Senior Vice President, Distribution Services. He leads the sourcing and establishment of distribution services operations throughout North America, with responsibility for expanding G&W's bulk and liquid transload, warehousing and material handling businesses. Mr. Webb previously spent 24 years with Norfolk Southern, where he held a variety of management positions within its Marketing Department in the Coal and Industrial Products groups. He was most recently responsible for terminal development in bioenergy markets and, before that, he

served as the Network Manager for NS' Thoroughbred Bulk Transfer (TBT) terminal network. Mr. Webb has spent 14 of these 24 years working within the rail transload arena, working across different industries and product lines.

Mr. Webb has a bachelor's degree in business management from Virginia Tech and an MBA from Old Dominion University.



Spencer D. White
Senior Vice President
Midwest Region Railroads

Spencer D. White was named Senior Vice President of G&W's Midwest Region railroads in January 2013. He previously was Senior Vice President of the Illinois Region and President and General Manager of Illinois & Midland Railroad, Inc. He joined the Company in 1988 as Chief Engineer of Buffalo & Pittsburgh Railroad, Inc., after serving in progressive engineering positions with CSX Transportation since 1982. Mr. White has served G&W as Vice President of Operations for Buffalo & Pittsburgh Railroad, Inc., and Chief Engineer of the New York/Pennsylvania Region and Allegheny & Eastern Railroad, Inc.

Mr. White holds a B.S. in civil engineering from Pennsylvania State University.

Mary Ellen Russell
Chief Human Resource Officer

Mary Ellen Russell was appointed Chief Human Resource Officer in June 2013. She joined G&W as Vice President, Talent Management in October 2012. Previously, Ms. Russell was an executive recruiter at RSR Partners. She also served as Chief HR Officer at CMA CGM America and was Vice President Human Resources and Risk Management at Jevic/SCS Transportation.

Ms. Russell earned a B.A. in organizational development from Rosemont College.

Niels Hansen
Vice President

Employee and Labor Relations

Niels Hansen joined G&W as Vice President of Employee and Labor Relations in September 2008. He was previously Director, Labor Relations and Labor Counsel for Rite Aid drug stores and has more than 25 years' experience in employee relations and labor law.

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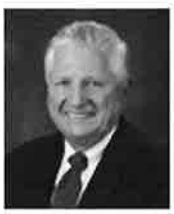
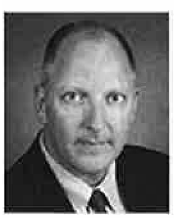


Michael F. Lundell
Vice President
Compliance and Safety

Michael F. Lundell was appointed Vice President of Compliance and Safety in September 2011. He has more than 30 years of railroad experience and has served as Vice President of Transportation for G&W's Oregon Region, Director of Safety and Training for the Oregon Region and Chief Safety Officer of G&W's Australia Region. He joined G&W in 2002 with the acquisition of the Utah Railway, where he was Terminal Manager.



Richard T. O'Donnell
Vice President
Tax

Richard T. O'Donnell joined G&W as Vice President - Taxes in September 2002. Previously he was with Bausch & Lomb where he served since 1998 as a corporate tax director. He has 25 years of domestic and international tax and accounting experience, including seven years in public accounting, seven years in the medical/consumer goods manufacturing industry with Bausch & Lomb and Sybron Corporation in Rochester, New York, and nine years in the publishing industry with Harcourt General in both Boston and Orlando. His international experience includes all of the Americas, the Asia-Pacific region, and Europe.

Mr. O'Donnell is a C.P.A. who received a B.S. in Accounting from Syracuse University.

David L. Powell
Vice President
Motive Power

David Powell was appointed Vice President - Motive Power in January 2005. David has more than 40 years of railroad experience and previously held VP/Chief Mechanical Officer positions with Ferrocarrill del Pacifico SA (FEPASA) in Santiago, Chile, the Nuevo Central Argentino in Rosario, Argentina, as well as with the Delaware & Hudson and New York, Susquehanna and Western railroads in the U.S. He began his career working for the Lehigh Valley Railroad and Conrail, and as Vice President with the National Railway Equipment Company.

Thomas D. Savage
Vice President
Corporate Development and Treasurer

Thomas D. Savage, Vice President, Corporate Development and Treasurer, joined the Company in March 2005. Since joining G&W, Mr. Savage has been focused on mergers and acquisitions and corporate finance. Since January 2012, he has also been responsible for G&W's treasury functions while continuing to focus on corporate development initiatives. Prior to joining G&W, Mr. Savage worked at a boutique investment bank focused on real estate investments.

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Jerry E. Vest
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Government & Industry Affairs

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Michael E. Williams joined G&W in November 2006. He has broad communications management experience, including nine years in the chemical industry. Mr. Williams was previously responsible for brand and marketing communications at BASF Catalysts LLC (formerly Engelhard Corporation), a division of the BASF Group. Prior to that, he held marketing and communications positions at Union Carbide Corporation and Todd Combustion Inc. after beginning his career as an advertising and public relations account executive.

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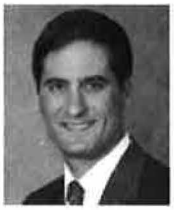
Corporate Officers



John C. Hellmann
President and Chief Executive Officer

John C. Hellmann, President and Chief Executive Officer, joined the Company in January 2000 and served as Chief Financial Officer through April 2005. He was named President in May 2005 and Chief Executive Officer in June 2007. Previously, Mr. Hellmann worked in investment banking at Lehman Brothers, Inc., in the Emerging Communications Group, and at Schroder & Co. Inc., in the Transportation Group. He also worked for Weyerhaeuser Co. in Japan and the People's Republic of China.

Mr. Hellmann is a graduate of Princeton University and received an M.B.A. from The Wharton School of the University of Pennsylvania and an M.A. in International Relations from Johns Hopkins School of Advanced International Studies.

Timothy J. Gallagher
Chief Financial Officer

Timothy J. Gallagher joined the Company in May 2005. He was previously Senior Vice President and Treasurer of Level 3 Communications. Prior to that, Mr. Gallagher held a number of financial positions during eight years at BP Amoco Corporation and nearly five years at WilTel Communications.

Mr. Gallagher has a B.S.E. from Princeton University, an M.B.A. from The Wharton School of the University of Pennsylvania and an M.S. in Financial Mathematics from the University of Chicago.

David A. Brown
Chief Operating Officer


David A. Brown was appointed Chief Operating Officer in October 2012. He joined G&W in June 2012 to succeed James W. Benz. From 2010 to early 2012, Mr. Brown was Executive Vice President and Chief Operating Officer of CSX Transportation. He was Chief Transportation Officer for CSX from 2006 to 2010 and, prior to that, served 25 years with Norfolk Southern in roles ranging from strategic planning to the integration of the Conrail acquisition.

Mr. Brown earned a B.S. from the University of Tennessee and completed the Advanced Management Program at Harvard University.

Allison M. Fergus
General Counsel
and Secretary

Allison M. Fergus was appointed General Counsel and Secretary in October 2006. She joined G&W in November 2005 as Senior Counsel. Ms. Fergus was previously an associate at Shearman & Sterling LLP in New York, where she practiced in the capital markets group. Prior to that, she worked in the treasury group of Omnicom Group Inc. and at JPMorgan Chase, formerly Chase Manhattan Bank.

Ms. Fergus earned a B.S. in finance and international business from Georgetown University and her juris doctorate degree from Fordham University School of Law.

Christopher F. Liucci
Chief Accounting Officer
and Global Controller

Christopher F. Liucci joined G&W as Chief Accounting Officer and Global Controller in March 2006. He was previously Director of Global Financial Planning and Reporting and Controller of Financial Reporting/Internal Controls during more than eight years with Genencor International, Inc. Prior to that, Mr. Liucci was an Audit Manager with Coopers & Lybrand L.L.P. (a predecessor to PricewaterhouseCoopers L.L.P.), where he was an independent auditor for six years.

Mr. Liucci is a C.P.A. and has a B.S. in accounting from the State University of New York at Geneseo and an M.B.A. from The Simon School of the University of Rochester.

Matthew O. Walsh
Senior Vice President
Corporate Development

Matthew O. Walsh, Senior Vice President, Corporate Development, joined G&W in September 2001. From 1996 to 2001, Mr. Walsh was an investment banker at Salomon Smith Barney, Inc. and Schroder and Co., Inc. both in New York and London. He serves on the Executive Committee of the Board of Directors of the American Short Line & Regional Railroad Association and previously served on the Board of the Railroad Clearinghouse, which was established to create the administrative systems and banking functions for electronic settlement of all rail industry interline freight systems.

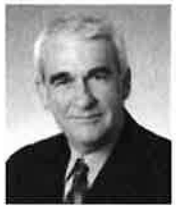
Mr. Walsh is a graduate of Princeton University

Senior Executives

Mark W. Hastings
Executive Vice President
International Business Development

Mark Hastings has been Executive Vice President since January 2000. Prior to that he served as Secretary, Senior Vice President, Chief Financial Officer and Treasurer since he joined the Company in 1978. Before his career with G&W, Mr. Hastings was Manager Commercial Credit Department for Marine Midland Bank (now HSBC Bank USA). He served on the Board of the Railroad Clearinghouse, which was established to create the administrative systems and banking functions for electronic settlement of all rail industry interline freight systems.

Mr. Hastings earned his undergraduate degree at Trinity College and his M.B.A. at Rochester Institute of Technology.



Mario Brault
Senior Vice President
Canada Region Railroads

Mario Brault, Senior Vice President of the Canada Region railroads, is the President of Genesee & Wyoming Canada Inc., the Canadian subsidiary of Genesee & Wyoming Inc. He joined the company in September 2000 as Vice President-Operations after a 22-year career with Canadian National Railroad. While at CN, he held positions in Transportation Planning, Commuter Services, Intermodal and Operations, both at CN headquarters and at various locations in the Eastern Canada Division.

Mr. Brault obtained a B.Sc.A (Civil Engineering) from Universite de Sherbrooke in 1978. He is a professional engineer and is a member of the Order of Engineers of Quebec and of the American Railway Engineering and Maintenance of Way Association.

Andrew T. Chunko
Senior Vice President
Customer Service

Andrew T. Chunko was appointed Senior Vice President of Customer Service in January 2013. He was previously Senior Vice President of G&W's Mountain West Region since June 2009 and Vice President of G&W's Rail Link Region, where he was responsible for a combination of short line railroads and port operations. Mr. Chunko joined G&W in 2002 with the acquisition of the York Railway, where he served as operations manager. Prior to that, he held a variety of management positions with CSX Transportation, Inc.

Mr. Chunko earned a B.S. in business, management and economics from Empire State College.

David J. Collins
Senior Vice President
Commercial Support

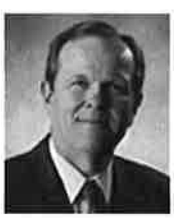
David J. Collins was appointed Senior Vice President, Commercial Support in December 2012. He previously served as Senior Vice President, Business Technology since July 2011. He was Senior Vice President of the former New York/Ohio/Pennsylvania Region from 2008 until July 2011 and continued to serve as President of the Ohio Central Railroad until July 2012. He was Senior Vice President of the New York/Pennsylvania Region from 1998 to 2008. Prior to that, Mr. Collins held a variety of management positions since joining G&W in 1979.

Mr. Collins earned his undergraduate degree from Oral Roberts University and his M.B.A. from the Simon School at the University of Rochester.

Gerald T. Gates
Senior Vice President
Operations

Gerald T. Gates was appointed Senior Vice President, Operations in January 2014. He was named interim Senior Vice President of G&W's Central Region in 2013 and was Senior Vice President of the Southern Region from June 2007 until April 2013. He previously served as Vice President, Safety and Compliance, and joined G&W in 2005. Mr. Gates has nearly 40 years of railroad experience.

Mr. Gates began his railroad career at Conrail after earning a degree in civil engineering at Bucknell University.



Raymond A. Goss
Senior Vice President
Northeast Region Railroads

Ray Goss was appointed Senior Vice President of G&W's Northeast Region railroads in January 2013. He previously was Senior Vice President of the New York/Pennsylvania Region since October 2008. He joined G&W in 2003 as General Manager of the St. Lawrence & Atlantic Railroad. He previously held numerous railroad management positions over his 30-year career, including VP Operations and Maintenance for the BAR System, Division Engineer Boston for Amtrak, Assistant Chief Engineer Delaware & Hudson RR, as

well as positions with CP Rail in both the U.S. and Canada.

Mr. Goss completed the Wharton School of Business Executive Development Program in 1996.

Joel N. Haka
Senior Vice President
Pacific Region Railroads

Joel N. Haka joined G&W as Senior Vice President of the Pacific Region railroads in September 2013. He was previously Executive Vice President and Chief Operating Officer of Florida East Coast Railway. Mr. Haka has more than 30 years of transportation and logistics experience, having served as Senior Vice President and Chief Operating Officer of CMA-CGM America and as Senior Vice President of Operations at P&O Nedlloyd companies. He began his career on marine vessels for Sea-Land Service, where he then advanced through a variety of terminal operations roles to become General Manager-Logistics Sales for the U.S. Gulf Region of Maersk Logistics.

Mr. Haka earned a B.S. in nautical science & logistics and transportation from the U.S. Merchant Marine Academy and retired as a Commander in the U.S. Naval Reserve.

James E. Irvin
Senior Vice President
Rail Link Region Companies

James E. Irvin was appointed Senior Vice President of the Rail Link Region companies in April 2013. He held the same position with G&W's former Oregion Region from 2011 to 2013, and had most recently been on assignment with G&W Australia as Vice President of New Business Operations. Mr. Irvin was previously Vice President, Industrial Switching for the Rail Link Region and has nearly 30 years of railroad experience. Prior to joining G&W in 2008, he held a variety of management positions with CSX Transportation, most recently as General Manager, Network Operations.

Mr. Irvin earned his B.S. in transportation from the University of Alabama.

Tyrone C. James
Senior Vice President
Safety and Compliance

Tyrone C. James was appointed Senior Vice President, Safety and Compliance in January 2014. He had served as Vice President, Safety and Compliance since May 2007 and was named Safety Professional of the Year by the American Short Line and Regional Railroad Association in 2012. He previously served as Vice President, Transportation of the Oregon Region. Mr. James joined the company in 2005 and has more than 30 years of railroad experience. He held positions of Terminal Superintendent, General Manager of Safety, Division Superintendent, and General Director of Transportation Development at CSX Transportation.

Bill Jasper
Senior Vice President
Southern Region Railroads

Bill Jasper was appointed Senior Vice President of the Southern Region railroads in April 2013. From 2007 to 2013, he held the same position with the Rail Link Region. He previously served as Vice President, Operations Services, of Rail Link since 1997. Mr. Jasper has nearly 30 years in the railroad industry and joined Rail Link, Inc., in 1989 as an Operations Manager and then a General Manager prior to its acquisition by G&W. He began his career as a Switchman with the Seaboard Coastline Railroad and was Assistant Trainmaster and Terminal Trainmaster at CSX Transportation.

Mr. Jasper is a C.P.A. and earned a B.S. in accounting from Virginia Commonwealth University.

M. Scott Linn
Senior Vice President
Engineering

M. Scott Linn was named Senior Vice President of Engineering in January 2013. He was previously a Regional Vice President of the South East Region at RailAmerica, which he

joined in 2000. Prior to that, Mr. Linn spent more than 17 years with Burlington Northern Santa Fe Railway Company, where he began as a Corporate Management Trainee, and held various engineering and operating positions, with his last as Division Engineer in Galesburg, Illinois.

Mr. Linn earned a B.S. in Civil Engineering from Montana State University.

Gary R. Long
President
Atlas Railroad Construction

Gary R. Long was appointed President of Atlas Railroad Construction in April 2013. He was most recently President and Chief Executive Officer of OmniTRAX, Inc., a transportation holding company, since 2009. Mr. Long has spent nearly 35 years in the transportation industry, including roles related to rail, motor carrier, port, maritime, intermodal terminals, and transload and switching facilities. He has held management positions with several companies, including Wallenius Wilhelmsen Logistics, ATC Logistics/AMPORTS, and Allied Holdings. From 1979 to 1996, Mr. Long worked at Norfolk Southern, most recently as Director of its Metals Product Group.

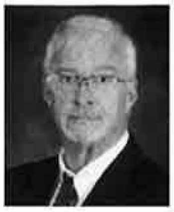
Mr. Long earned a B.S. in Finance from Virginia Polytechnic Institute and State University, and completed the Advanced Transportation and Logistics Management program at Northwestern University and the Logistics Financial Management program at Georgia Institute of Technology. He serves on the board of directors for the Intermodal Transportation Institute at the University of Denver.

Tony D. Long
Senior Vice President
Operations Support

Tony D. Long was appointed Senior Vice President, Operations Support in November 2008 and is responsible for customer service, car management, service design, and the American Rail Dispatching Center. He joined G&W in March 2005 as Vice President, Customer Service and was named Vice President, Customer Service and Car Management in January 2007. Previously, Mr. Long spent 25 years with CSX Transportation in a variety

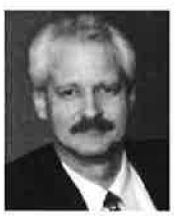
of roles in operations, customer service, technology and car management.

Mr. Long earned a B.S. in business administration from Lincoln Memorial University and is a certified Six Sigma "Master Blackbelt."



Charles E. McBride
Senior Vice President
Ohio Valley Region Railroads

Chuck McBride was appointed Senior Vice President of G&W's Ohio Valley Region railroads in January 2013. He previously was Senior Vice President of the Ohio Region since July 2011. He was previously Vice President of the Southen Region since 2005 and joined G&W in 2004 as General Manager of the Arkansas, Louisiana & Mississippi Railroad and the Fordyce & Princeton Railroad. Prior to G&W, Mr. McBride spent 26 years with CSX Transportation in a variety of management positions, most recently as head of its largest operating division.



Mike Meyers
Senior Vice President
Information Technology

Mike Meyers was appointed Senior Vice President, Information Technology in December 2013. He joined G&W in September 2000 as Vice President, Information Technology. Prior to that, he held positions within the semiconductor and manufacturing sectors, and provided consulting services to various organizations including IBM, Eastman Kodak and the United States Coast Guard. He is a member of the Rochester Business Alliance and the CIO Roundtable.

Mr. Meyers is a graduate of the University of Maine and earned his M.B.A. from the University of Rhode Island.

Michael O. Miller
Chief Commercial Officer

North America

Michael O. Miller joined G&W as Chief Commercial Officer, North America, in September 2010. He was most recently General Manager of Norfolk Southern's Modalgistics Supply Chain Solutions, where he improved customers' supply chain efficiencies through rail, transload and intermodal service, and was previously Vice President Strategic Development for Derivion Corp. Prior to that, he held logistics-related positions with Georgia-Pacific and Roadway Express.

Mr. Miller holds a B.S. in industrial engineering and an M.S. in business management from North Carolina State University.

J. Bradley Ovitt
Senior Vice President
Mountain West Region Railroads

J. Bradley Ovitt was named Senior Vice President of G&W's Mountain West Region railroads in January 2013. He began his railroad career in 1987 on the former Central Vermont Railroad and went on to hold several positions of increasing responsibility, most recently as Regional Vice President of RailAmerica's Northeast Region.

Mr. Ovitt studied Criminal Justice at Castleton State College and earned four certificates in business from the University of Notre Dame.

Greg Pauline
Managing Director
Australia Region

Greg Pauline assumed leadership of Genesee & Wyoming Australia Pty Ltd in March 2013. He joined the Company from Lend Lease Group, where he was Executive Director of Development and Corporate Affairs of its Infrastructure Services business. Mr. Pauline worked in senior roles with three major Australian corporations, including Transfield and Downer EDI, and also at Bilfinger Berger India.

Mr. Pauline holds a degree in Civil Engineering from Sydney University.

Mike Peters
Senior Vice President
Real Estate and Industrial Development

Mike Peters joined G&W in April 2013 as Senior Vice President of Real Estate and Industrial Development. Mr. Peters has held supply chain related positions for more than 25 years. Most recently, he was the Chief Commercial Officer for OmniTRAX based in Denver, Colorado. Prior to that, he was First Vice President of ProLogis, the world's largest developer of Industrial Real Estate, where he was responsible for managing the global account team and working with Class I railroads and ports to identify new locations for industrial development.

In the late 1990s, Mr. Peters gained experience as a rail shipper as Director of Transportation for Coors Brewing Co. He began his career with Caterpillar, designing crankshafts for diesel engines used in locomotive applications, and later worked in Belgium for Caterpillar's third-party logistics subsidiary.

Mr. Peters earned a bachelor's degree in mechanical engineering from the University of Kansas and an MBA from the University of Michigan.

Arnoud de Rade
Managing Director
Netherlands Region

Arnoud de Rade was appointed Managing Director of G&W's Netherlands Region in January 2010. He joined Rotterdam Rail Feeding in October 2006 as Director of Sales and Operations. Mr. de Rade previously held management positions with rail companies Shortlines and Rail4Chem in Rotterdam and, before that, various positions with 3PL in the intermodal container business.

Mr. de Rade is a graduate of the Rotterdam School of Economics.

Richard J. Regan Jr.

Senior Vice President

Mechanical

Richard J. Regan Jr. was named Senior Vice President, Mechanical in October 2012, with global responsibility for the Company's mechanical functions, including locomotives and rolling stock. Mr. Regan joined G&W in 2008 as Vice President, Transportation for the Southern Region. Previously, he spent 34 years at CSX/Conrail in several positions, including Vice President, Mechanical and Managing Director, Material Assets.

Dewayne Swindall
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Central Region Railroads

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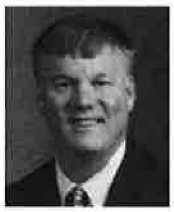

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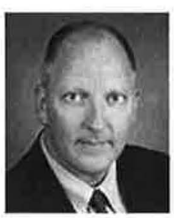

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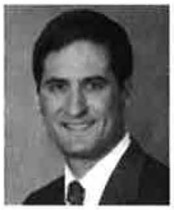
Mr. Williams earned a B.S. in public relations and journalism from Utica College of Syracuse University.

Corporate Officers



John C. Hellmann
President and Chief Executive Officer

John C. Hellmann, President and Chief Executive Officer, joined the Company in January 2000 and served as Chief Financial Officer through April 2005. He was named President in May 2005 and Chief Executive Officer in June 2007. Previously, Mr. Hellmann worked in investment banking at Lehman Brothers, Inc., in the Emerging Communications Group, and at Schroder & Co. Inc., in the Transportation Group. He also worked for Weyerhaeuser Co. in Japan and the People's Republic of China.

Mr. Hellmann is a graduate of Princeton University and received an M.B.A. from The Wharton School of the University of Pennsylvania and an M.A. in International Relations from Johns Hopkins School of Advanced International Studies.

Timothy J. Gallagher
Chief Financial Officer

Timothy J. Gallagher joined the Company in May 2005. He was previously Senior Vice President and Treasurer of Level 3 Communications. Prior to that, Mr. Gallagher held a number of financial positions during eight years at BP Amoco Corporation and nearly five years at WilTel Communications.

Mr. Gallagher has a B.S.E. from Princeton University, an M.B.A. from The Wharton School of the University of Pennsylvania and an M.S. in Financial Mathematics from the University of Chicago.

David A. Brown
Chief Operating Officer

David A. Brown was appointed Chief Operating Officer in October 2012. He joined G&W in June 2012 to succeed James W. Benz. From 2010 to early 2012, Mr. Brown was Executive Vice President and Chief Operating Officer of CSX Transportation. He was Chief Transportation Officer for CSX from 2006 to 2010 and, prior to that, served 25 years with Norfolk Southern in roles ranging from strategic planning to the integration of the Conrail acquisition.

Mr. Brown earned a B.S. from the University of Tennessee and completed the Advanced Management Program at Harvard University.

Allison M. Fergus
General Counsel
and Secretary

Allison M. Fergus was appointed General Counsel and Secretary in October 2006. She joined G&W in November 2005 as Senior Counsel. Ms. Fergus was previously an associate at Shearman & Sterling LLP in New York, where she practiced in the capital markets group. Prior to that, she worked in the treasury group of Omnicom Group Inc. and at JPMorgan Chase, formerly Chase Manhattan Bank.

Ms. Fergus earned a B.S. in finance and international business from Georgetown University and her juris doctorate degree from Fordham University School of Law.

Christopher F. Liucci
Chief Accounting Officer
and Global Controller

Christopher F. Liucci joined G&W as Chief Accounting Officer and Global Controller in March 2006. He was previously Director of Global Financial Planning and Reporting and Controller of Financial Reporting/Internal Controls during more than eight years with Genencor International, Inc. Prior to that, Mr. Liucci was an Audit Manager with Coopers & Lybrand L.L.P. (a predecessor to PricewaterhouseCoopers L.L.P.), where he was an independent auditor for six years.

Mr. Liucci is a C.P.A. and has a B.S. in accounting from the State University of New York at Geneseo and an M.B.A. from The Simon School of the University of Rochester.

Matthew O. Walsh
Senior Vice President
Corporate Development

Matthew O. Walsh, Senior Vice President, Corporate Development, joined G&W in September 2001. From 1996 to 2001, Mr. Walsh was an investment banker at Salomon Smith Barney, Inc. and Schroder and Co., Inc. both in New York and London. He serves on the Executive Committee of the Board of Directors of the American Short Line & Regional Railroad Association and previously served on the Board of the Railroad Clearinghouse, which was established to create the administrative systems and banking functions for electronic settlement of all rail industry interline freight systems.

Mr. Walsh is a graduate of Princeton University

Senior Executives

Mark W. Hastings
Executive Vice President
International Business Development

Mark Hastings has been Executive Vice President since January 2000. Prior to that he served as Secretary, Senior Vice President, Chief Financial Officer and Treasurer since he joined the Company in 1978. Before his career with G&W, Mr. Hastings was Manager Commercial Credit Department for Marine Midland Bank (now HSBC Bank USA). He served on the Board of the Railroad Clearinghouse, which was established to create the administrative systems and banking functions for electronic settlement of all rail industry interline freight systems.

Mr. Hastings earned his undergraduate degree at Trinity College and his M.B.A. at Rochester Institute of Technology.

Mario Brault
Senior Vice President
Canada Region Railroads

Mario Brault, Senior Vice President of the Canada Region railroads, is the President of Genesee & Wyoming Canada Inc., the Canadian subsidiary of Genesee & Wyoming Inc. He joined the company in September 2000 as Vice President-Operations after a 22-year career with Canadian National Railroad. While at CN, he held positions in Transportation Planning, Commuter Services, Intermodal and Operations, both at CN headquarters and at various locations in the Eastern Canada Division.

Mr. Brault obtained a B.Sc.A (Civil Engineering) from Universite de Sherbrooke in 1978. He is a professional engineer and is a member of the Order of Engineers of Quebec and of the American Railway Engineering and Maintenance of Way Association.

Andrew T. Chunko
Senior Vice President
Customer Service

Andrew T. Chunko was appointed Senior Vice President of Customer Service in January 2013. He was previously Senior Vice President of G&W's Mountain West Region since June 2009 and Vice President of G&W's Rail Link Region, where he was responsible for a combination of short line railroads and port operations. Mr. Chunko joined G&W in 2002 with the acquisition of the York Railway, where he served as operations manager. Prior to that, he held a variety of management positions with CSX Transportation, Inc.

Mr. Chunko earned a B.S. in business, management and economics from Empire State College.

David J. Collins
Senior Vice President
Commercial Support

David J. Collins was appointed Senior Vice President, Commercial Support in December 2012. He previously served as Senior Vice President, Business Technology since July 2011. He was Senior Vice President of the former New York/Ohio/Pennsylvania Region from 2008 until July 2011 and continued to serve as President of the Ohio Central Railroad until July 2012. He was Senior Vice President of the New York/Pennsylvania Region from 1998 to 2008. Prior to that, Mr. Collins held a variety of management positions since joining G&W in 1979.

Mr. Collins earned his undergraduate degree from Oral Roberts University and his M.B.A. from the Simon School at the University of Rochester.

Gerald T. Gates
Senior Vice President
Operations

Gerald T. Gates was appointed Senior Vice President, Operations in January 2014. He was named interim Senior Vice President of G&W's Central Region in 2013 and was Senior Vice President of the Southern Region from June 2007 until April 2013. He previously served as Vice President, Safety and Compliance, and joined G&W in 2005. Mr. Gates has nearly 40 years of railroad experience.

Mr. Gates began his railroad career at Conrail after earning a degree in civil engineering at Bucknell University.

Raymond A. Goss
Senior Vice President
Northeast Region Railroads

Ray Goss was appointed Senior Vice President of G&W's Northeast Region railroads in January 2013. He previously was Senior Vice President of the New York/Pennsylvania Region since October 2008. He joined G&W in 2003 as General Manager of the St. Lawrence & Atlantic Railroad. He previously held numerous railroad management positions over his 30-year career, including VP Operations and Maintenance for the BAR System, Division Engineer Boston for Amtrak, Assistant Chief Engineer Delaware & Hudson RR, as

well as positions with CP Rail in both the U.S. and Canada.

Mr. Goss completed the Wharton School of Business Executive Development Program in 1996.

Joel N. Haka
Senior Vice President
Pacific Region Railroads

Joel N. Haka joined G&W as Senior Vice President of the Pacific Region railroads in September 2013. He was previously Executive Vice President and Chief Operating Officer of Florida East Coast Railway. Mr. Haka has more than 30 years of transportation and logistics experience, having served as Senior Vice President and Chief Operating Officer of CMA-CGM America and as Senior Vice President of Operations at P&O Nedlloyd companies. He began his career on marine vessels for Sea-Land Service, where he then advanced through a variety of terminal operations roles to become General Manager-Logistics Sales for the U.S. Gulf Region of Maersk Logistics.

Mr. Haka earned a B.S. in nautical science & logistics and transportation from the U.S. Merchant Marine Academy and retired as a Commander in the U.S. Naval Reserve.

James E. Irvin
Senior Vice President
Rail Link Region Companies

James E. Irvin was appointed Senior Vice President of the Rail Link Region companies in April 2013. He held the same position with G&W's former Oregion Region from 2011 to 2013, and had most recently been on assignment with G&W Australia as Vice President of New Business Operations. Mr. Irvin was previously Vice President, Industrial Switching for the Rail Link Region and has nearly 30 years of railroad experience. Prior to joining G&W in 2008, he held a variety of management positions with CSX Transportation, most recently as General Manager, Network Operations.

Mr. Irvin earned his B.S. in transportation from the University of Alabama.

Tyrone C. James
Senior Vice President
Safety and Compliance

Tyrone C. James was appointed Senior Vice President, Safety and Compliance in January 2014. He had served as Vice President, Safety and Compliance since May 2007 and was named Safety Professional of the Year by the American Short Line and Regional Railroad Association in 2012. He previously served as Vice President, Transportation of the Oregon Region. Mr. James joined the company in 2005 and has more than 30 years of railroad experience. He held positions of Terminal Superintendent, General Manager of Safety, Division Superintendent, and General Director of Transportation Development at CSX Transportation.

Bill Jasper
Senior Vice President
Southern Region Railroads

Bill Jasper was appointed Senior Vice President of the Southern Region railroads in April 2013. From 2007 to 2013, he held the same position with the Rail Link Region. He previously served as Vice President, Operations Services, of Rail Link since 1997. Mr. Jasper has nearly 30 years in the railroad industry and joined Rail Link, Inc., in 1989 as an Operations Manager and then a General Manager prior to its acquisition by G&W. He began his career as a Switchman with the Seaboard Coastline Railroad and was Assistant Trainmaster and Terminal Trainmaster at CSX Transportation.

Mr. Jasper is a C.P.A. and earned a B.S. in accounting from Virginia Commonwealth University.

M. Scott Linn
Senior Vice President
Engineering

M. Scott Linn was named Senior Vice President of Engineering in January 2013. He was previously a Regional Vice President of the South East Region at RailAmerica, which he

joined in 2000. Prior to that, Mr. Linn spent more than 17 years with Burlington Northern Santa Fe Railway Company, where he began as a Corporate Management Trainee, and held various engineering and operating positions, with his last as Division Engineer in Galesburg, Illinois.

Mr. Linn earned a B.S. in Civil Engineering from Montana State University.

Gary R. Long
President
Atlas Railroad Construction

Gary R. Long was appointed President of Atlas Railroad Construction in April 2013. He was most recently President and Chief Executive Officer of OmniTRAX, Inc., a transportation holding company, since 2009. Mr. Long has spent nearly 35 years in the transportation industry, including roles related to rail, motor carrier, port, maritime, intermodal terminals, and transload and switching facilities. He has held management positions with several companies, including Wallenius Wilhelmsen Logistics, ATC Logistics/AMPORTS, and Allied Holdings. From 1979 to 1996, Mr. Long worked at Norfolk Southern, most recently as Director of its Metals Product Group.

Mr. Long earned a B.S. in Finance from Virginia Polytechnic Institute and State University, and completed the Advanced Transportation and Logistics Management program at Northwestern University and the Logistics Financial Management program at Georgia Institute of Technology. He serves on the board of directors for the Intermodal Transportation Institute at the University of Denver.

Tony D. Long
Senior Vice President
Operations Support

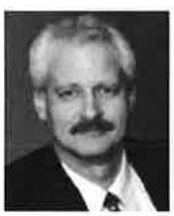
Tony D. Long was appointed Senior Vice President, Operations Support in November 2008 and is responsible for customer service, car management, service design, and the American Rail Dispatching Center. He joined G&W in March 2005 as Vice President, Customer Service and was named Vice President, Customer Service and Car Management in January 2007. Previously, Mr. Long spent 25 years with CSX Transportation in a variety

of roles in operations, customer service, technology and car management.

Mr. Long earned a B.S. in business administration from Lincoln Memorial University and is a certified Six Sigma "Master Blackbelt."

Charles E. McBride
Senior Vice President
Ohio Valley Region Railroads

Chuck McBride was appointed Senior Vice President of G&W's Ohio Valley Region railroads in January 2013. He previously was Senior Vice President of the Ohio Region since July 2011. He was previously Vice President of the Southen Region since 2005 and joined G&W in 2004 as General Manager of the Arkansas, Louisiana & Mississippi Railroad and the Fordyce & Princeton Railroad. Prior to G&W, Mr. McBride spent 26 years with CSX Transportation in a variety of management positions, most recently as head of its largest operating division.



Mike Meyers
Senior Vice President
Information Technology

Mike Meyers was appointed Senior Vice President, Information Technology in December 2013. He joined G&W in September 2000 as Vice President, Information Technology. Prior to that, he held positions within the semiconductor and manufacturing sectors, and provided consulting services to various organizations including IBM, Eastman Kodak and the United States Coast Guard. He is a member of the Rochester Business Alliance and the CIO Roundtable.

Mr. Meyers is a graduate of the University of Maine and earned his M.B.A. from the University of Rhode Island.

Michael O. Miller
Chief Commercial Officer

North America

Michael O. Miller joined G&W as Chief Commercial Officer, North America, in September 2010. He was most recently General Manager of Norfolk Southern's Modalgistics Supply Chain Solutions, where he improved customers' supply chain efficiencies through rail, transload and intermodal service, and was previously Vice President Strategic Development for Derivion Corp. Prior to that, he held logistics-related positions with Georgia-Pacific and Roadway Express.

Mr. Miller holds a B.S. in industrial engineering and an M.S. in business management from North Carolina State University.

J. Bradley Ovitt
Senior Vice President
Mountain West Region Railroads

J. Bradley Ovitt was named Senior Vice President of G&W's Mountain West Region railroads in January 2013. He began his railroad career in 1987 on the former Central Vermont Railroad and went on to hold several positions of increasing responsibility, most recently as Regional Vice President of RailAmerica's Northeast Region.

Mr. Ovitt studied Criminal Justice at Castleton State College and earned four certificates in business from the University of Notre Dame.

Greg Pauline
Managing Director
Australia Region

Greg Pauline assumed leadership of Genesee & Wyoming Australia Pty Ltd in March 2013. He joined the Company from Lend Lease Group, where he was Executive Director of Development and Corporate Affairs of its Infrastructure Services business. Mr. Pauline worked in senior roles with three major Australian corporations, including Transfield and Downer EDI, and also at Bilfinger Berger India.

Mr. Pauline holds a degree in Civil Engineering from Sydney University.

Mike Peters
Senior Vice President
Real Estate and Industrial Development

Mike Peters joined G&W in April 2013 as Senior Vice President of Real Estate and Industrial Development. Mr. Peters has held supply chain related positions for more than 25 years. Most recently, he was the Chief Commercial Officer for OmniTRAX based in Denver, Colorado. Prior to that, he was First Vice President of ProLogis, the world's largest developer of Industrial Real Estate, where he was responsible for managing the global account team and working with Class I railroads and ports to identify new locations for industrial development.

In the late 1990s, Mr. Peters gained experience as a rail shipper as Director of Transportation for Coors Brewing Co. He began his career with Caterpillar, designing crankshafts for diesel engines used in locomotive applications, and later worked in Belgium for Caterpillar's third-party logistics subsidiary.

Mr. Peters earned a bachelor's degree in mechanical engineering from the University of Kansas and an MBA from the University of Michigan.

Arnoud de Rade
Managing Director
Netherlands Region

Arnoud de Rade was appointed Managing Director of G&W's Netherlands Region in January 2010. He joined Rotterdam Rail Feeding in October 2006 as Director of Sales and Operations. Mr. de Rade previously held management positions with rail companies Shortlines and Rail4Chem in Rotterdam and, before that, various positions with 3PL in the intermodal container business.

Mr. de Rade is a graduate of the Rotterdam School of Economics.

Richard J. Regan Jr.

Senior Vice President

Mechanical

Richard J. Regan Jr. was named Senior Vice President, Mechanical in October 2012, with global responsibility for the Company's mechanical functions, including locomotives and rolling stock. Mr. Regan joined G&W in 2008 as Vice President, Transportation for the Southern Region. Previously, he spent 34 years at CSX/Conrail in several positions, including Vice President, Mechanical and Managing Director, Material Assets.

Dewayne Swindall
Senior Vice President
Central Region Railroads

Dewayne Swindall was appointed Senior Vice President of G&W's Central Region railroads in January 2014. He joined G&W in 2008 as General Manager of the Bay Line Railroad and became Vice President, Transportation for the Southern Region in 2010. Mr. Swindall began his railroad career with Norfolk Southern in 1999 and later joined Canadian National, where he served as Assistant Division Superintendent in Ontario and Alberta, Canada.

Mr. Swindall earned an A.A.S. degree in business management from Gadsden State Junior College.

Michael Webb
Senior Vice President
Distribution Services

Michael Webb joined Genesee & Wyoming in May 2013 as Senior Vice President, Distribution Services. He leads the sourcing and establishment of distribution services operations throughout North America, with responsibility for expanding G&W's bulk and liquid transload, warehousing and material handling businesses. Mr. Webb previously spent 24 years with Norfolk Southern, where he held a variety of management positions within its Marketing Department in the Coal and Industrial Products groups. He was most recently responsible for terminal development in bioenergy markets and, before that, he

served as the Network Manager for NS' Thoroughbred Bulk Transfer (TBT) terminal network. Mr. Webb has spent 14 of these 24 years working within the rail transload arena, working across different industries and product lines.

Mr. Webb has a bachelor's degree in business management from Virginia Tech and an MBA from Old Dominion University.

Spencer D. White
Senior Vice President
Midwest Region Railroads

Spencer D. White was named Senior Vice President of G&W's Midwest Region railroads in January 2013. He previously was Senior Vice President of the Illinois Region and President and General Manager of Illinois & Midland Railroad, Inc. He joined the Company in 1988 as Chief Engineer of Buffalo & Pittsburgh Railroad, Inc., after serving in progressive engineering positions with CSX Transportation since 1982. Mr. White has served G&W as Vice President of Operations for Buffalo & Pittsburgh Railroad, Inc., and Chief Engineer of the New York/Pennsylvania Region and Allegheny & Eastern Railroad, Inc.

Mr. White holds a B.S. in civil engineering from Pennsylvania State University.

Mary Ellen Russell
Chief Human Resource Officer

Mary Ellen Russell was appointed Chief Human Resource Officer in June 2013. She joined G&W as Vice President, Talent Management in October 2012. Previously, Ms. Russell was an executive recruiter at RSR Partners. She also served as Chief HR Officer at CMA CGM America and was Vice President Human Resources and Risk Management at Jevic/SCS Transportation.

Ms. Russell earned a B.A. in organizational development from Rosemont College.

Niels Hansen
Vice President

Employee and Labor Relations

Niels Hansen joined G&W as Vice President of Employee and Labor Relations in September 2008. He was previously Director, Labor Relations and Labor Counsel for Rite Aid drug stores and has more than 25 years' experience in employee relations and labor law.

Mr. Hansen holds a B.S. in political science and a J.D. from Wayne State University.

Michael F. Lundell
Vice President
Compliance and Safety

Michael F. Lundell was appointed Vice President of Compliance and Safety in September 2011. He has more than 30 years of railroad experience and has served as Vice President of Transportation for G&W's Oregon Region, Director of Safety and Training for the Oregon Region and Chief Safety Officer of G&W's Australia Region. He joined G&W in 2002 with the acquisition of the Utah Railway, where he was Terminal Manager.

Richard T. O'Donnell
Vice President
Tax

Richard T. O'Donnell joined G&W as Vice President - Taxes in September 2002. Previously he was with Bausch & Lomb where he served since 1998 as a corporate tax director. He has 25 years of domestic and international tax and accounting experience, including seven years in public accounting, seven years in the medical/consumer goods manufacturing industry with Bausch & Lomb and Sybron Corporation in Rochester, New York, and nine years in the publishing industry with Harcourt General in both Boston and Orlando. His international experience includes all of the Americas, the Asia-Pacific region, and Europe.

Mr. O'Donnell is a C.P.A. who received a B.S. in Accounting from Syracuse University.

David L. Powell
Vice President
Motive Power

David Powell was appointed Vice President - Motive Power in January 2005. David has more than 40 years of railroad experience and previously held VP/Chief Mechanical Officer positions with Ferrocarrill del Pacifico SA (FEPASA) in Santiago, Chile, the Nuevo Central Argentino in Rosario, Argentina, as well as with the Delaware & Hudson and New York, Susquehanna and Western railroads in the U.S. He began his career working for the Lehigh Valley Railroad and Conrail, and as Vice President with the National Railway Equipment Company.

Thomas D. Savage
Vice President
Corporate Development and Treasurer

Thomas D. Savage, Vice President, Corporate Development and Treasurer, joined the Company in March 2005. Since joining G&W, Mr. Savage has been focused on mergers and acquisitions and corporate finance. Since January 2012, he has also been responsible for G&W's treasury functions while continuing to focus on corporate development initiatives. Prior to joining G&W, Mr. Savage worked at a boutique investment bank focused on real estate investments.

He earned a B.S. in economics from Colby College and an MBA from New York University's Stern School of Business.

Jerry E. Vest
Vice President
Government & Industry Affairs

Jerry Vest joined G&W as Vice President, Government & Industry Affairs in July 2005. Prior to joining the company, he worked in the rail freight industry for 20 years, in marketing, sales, customer service, strategic planning, operating, and development positions. Mr. Vest

worked for three Class I carriers, Conrail, CSX and CN, and was Vice President and General Manager at Great Lakes Transportation where he was responsible for the Bessemer & Lake Erie Railroad and Pittsburgh & Conneaut Dock company.

Mr. Vest graduated from the University of North Carolina at Chapel Hill with a B.S. in Business Administration and earned his M.B.A. from Indiana University.

Michael E. Williams

Director of Corporate Communications

Michael E. Williams joined G&W in November 2006. He has broad communications management experience, including nine years in the chemical industry. Mr. Williams was previously responsible for brand and marketing communications at BASF Catalysts LLC (formerly Engelhard Corporation), a division of the BASF Group. Prior to that, he held marketing and communications positions at Union Carbide Corporation and Todd Combustion Inc. after beginning his career as an advertising and public relations account executive.

Mr. Williams earned a B.S. in public relations and journalism from Utica College of Syracuse University.

Alfred Ricotta

Assistant General Counsel at Genesee & Wyoming Inc.
Greater New York City Area | Law Practice

Join LinkedIn and access Alfred Ricotta's full profile. It's free!

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- Get introduced to **Alfred Ricotta**
- Contact **Alfred Ricotta** directly

View Alfred's full profile

Alfred Ricotta's Overview

Current	**Assistant General Counsel** at **Genesee & Wyoming Inc.**
Past	Counsel at Arch Chemicals, Inc. Associate at Clifford Chance US LLP Associate at Cadwalader, Wickersham & Taft LLP
Education	Emory University School of Law Emory University
Connections	**319** connections

Alfred Ricotta's Experience

Assistant General Counsel
Genesee & Wyoming Inc.
Public Company; 1001-5000 employees; Transportation/Trucking/Railroad industry
November 2011 – Present (2 years 6 months)

Counsel
Arch Chemicals, Inc.
Public Company; 1001-5000 employees; ARJ; Chemicals industry
July 2010 – November 2011 (1 year 5 months)

Associate
Clifford Chance US LLP
Partnership; 5001-10,000 employees; Law Practice industry
July 2004 – July 2010 (6 years 1 month)

Associate
Cadwalader, Wickersham & Taft LLP
Partnership; 1001-5000 employees; Legal Services industry
September 1999 – July 2004 (4 years 11 months)

Alfred Ricotta's Skills & Expertise

Corporate Law | Securities | Securities Regulation | Mergers | Corporate Governance | Cross-border Transactions | Joint Ventures

Alfred Ricotta's Education

Emory University School of Law
JD, Law
1996 – 1999

Emory University
BA, Economics, Political Science
1992 – 1996
Activities and Societies: Phi Delta Theta fraternity

Alfred Ricotta's Additional Information

Groups and Associations:

- Association of Corporate Counsel
- Corporate Lawyer Network
- Emory Alumni Association
- Emory University School of Law
- INHOUSE LEGAL
- In The House: The Professional Networking Community For In-House Counsel

EXHIBIT O

In The House: NYC

LAW JOBS NETWORK - #1 Legal Careers Group

NY Alumni of Emory University School of Law

NYC Professionals

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BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 35799

RAPID CITY, PIERRE & EASTERN RAILROAD, INC.
-ACQUISITION AND OPERATION EXEMPTION
INCLUDING INTERCHANGE COMMITMENT-
DAKOTA, MINNESOTA & EASTERN RAILROAD CORP.

DECLARATION OF KELLY S. BECK

I, KELLY S. BECK, declare under penalty of perjury that the following is true and correct based upon personal knowledge:

1. I am an attorney working on behalf of the Brotherhood of Maintenance of Way Employees Division/IBT, Brotherhood of Railroad Signalmen, and the International Association of Sheet Metal, Air, Rail and Transportation Workers/Mechanical Division, ("Unions") in support of the Unions' Petition for Revocation of Exemption in the above captioned matter.

2. In connection with my work for the Unions in this matter, I viewed slideshows and listened to webcasts at the publically available website: http://www.GWRR.com/investors. I listened to the webcasts for the "Genesee & Wyoming at BB&T Capital Markets 29th Annual Transportation Services Conference," by Genesee & Wyoming President and CEO Jack Hellman and the "Q3 2013 Genesee & Wyoming Inc Earnings Conference Call," by Genesee & Wyoming Chief Financial Officer T.J. Gallagher.

3. Among other things, Mr. Gallagher said: "Having already exceeded the expected overhead cost synergies from the RailAmerica acquisition and having completed the staffing of our operating regions we have been intensely focused on improvements at the individual railroads in order to improve operating conditions and enhance the service we provide to our customers."

EXHIBIT P

4. Among other things, Mr. Hellman said: "These are the operating regions of G&W. Each of these regions has a senior vice-president, is effectively the local CEO for company that normally is about 150 million dollars revenue a piece. There is a local finance director, head of transportation, chief mechanical officer, head of track, chief engineer. So these are very autonomous business units," and "We changed out 25 of 45 general managers and so the culture has been completely from a business and a safety standpoint has been transformed, and we need to sustain that momentum. Secondly we will be adding 180 to 200 new employees in South Dakota we'll make sure that G&W business and safety culture is inculcated there as well."

3. Attached to this declaration as Beck Exhibit 1 is an accurate transcription of portions of those webcasts.

4/17/14
Date

Kelly S. Beck
Kelly S. Beck

Q3 2013 Genesee & Wyoming Earnings Conference Call
Friday, November 01, 2013

[5:30-6:20] Now turning to Slide 5, I've provided the schematic of one of our operating regions to highlight the focus of our cultural changes in safety and operations. Having already exceeded the expected overhead cost synergies from the RailAmerica acquisition and having completed the staffing of our operating regions we have been intensely focused on improvements at the individual railroads in order to improve operating conditions and enhance the service we provide to our customers. As part of this process, we have now replaced 17 railroad general managers at the 45 railroads acquired from RailAmerica for a replacement rate of 40% since January 1st.

BB&T 29th Annual Transportation Services Conference
Presentation: Genesee & Wyoming Inc.
2/13/2014

[2:40-3:40] One acquisition pending is the acquisition from Canadian Pacific of the western end of what it is called the DM&E. I'll talk about that in detail in a moment. This is what we look like on a map, these are the operating regions of G&W. Each of these regions, has a senior vice-president, is effectively the local CEO for company that normally is about 150 million dollars revenue a piece. There is a local finance director, head of transportation, chief mechanical officer, head of track, chief engineer. So these are very autonomous business units, and it's one of the ways G&W has been able to scale up, as a fact that we have good local teams and when we have railroads in that geography added we just fold that them straight in to the overhead that already exists at the regional level. Interestingly, every one of these regions today, is the same size of all of G&W we had joined it. So, I look at the finance director of these regions and I imagine the role I had when I first came on board as a CFO a long time ago. But the railroad industry has changed a lot since then.

[9:09-12:30] This slide here is a map of our most recently announced acquisition which is what we are calling the Rapid City P Eastern railroads which we signed an agreement to acquire from Canadian Pacific it is subject to Surface Transportation Board approval. We are expecting it to close in the second quarter. I saw on the newswire that is now public, that we got support letters both from the governor of South Dakota and the entire congressional delegation of South Dakota. So, I think there should not been too much controversy at the STB and all the elected officials on our behalf, should benefit the speed of the transaction closed.

The RCP&E is 660 miles, over on the left side that's Wyoming where we'll be serving to the largest bentonite mines in North America, for those of you who don't know what bentonite is, it goes in everything from kitty litter, to chocolate, to some kind of binding adhesive [unintelligible] it's got a whole host of…it's a magic clay, it is a very steady business, so the way to think of the business, at RCP&E there is sort an underline steady annuity stream of cement and bentonite, and then there is the agricultural, and the agricultural piece, South Dakota is the top ten producer, of corn and wheat and soy beans, as well as seeds, mostly sunflowers seeds. So, Tom all those baseball games sunflower seeds you see come right off this railroad. We are pro-baseball. We like the long term agricultural transfer all those products, for all the agricultural

Beck
EXHIBIT 1

products we like the macro trend, we see there is an opportunity, a lot of this gets shipped domestically, a good chunk also get exported to Asia, currently, mostly out of Washington, but I think overtime with the Canadian/Pacific you'll see it going out of Vancouver.
What it is unique about the rail line is there is connectivity with 3 Class I Railroads (UP, BNSF and CP) we think there is a lot of latent demand here and that all three railroads should be beneficiary of the short line taking over. The local hassle that we have to drive, the incremental traffic over the railroad.

This slide here it's going to be, there are a lot of numbers on this but let's just give you some quantitative sense of the acquisition. We paid $210 million dollars as an asset carve out, we can to step up tax bases of the assets that creates pretty significant tax shields, which goes into an accelerated depreciation schedule the present value that's about $ 30 million, revenue is about $65 million [unintelligible] is about $23 million. Now, not included in those numbers, are some other things that we expect to do with the business. One is, normally as I mentioned before when a short line takes over from a Class I, because of the local service we are willing to provide on the rail line, because of the intensity of the local marketing, over the last 14 years that I've been looking at this, my own rule of thumb is about a ten percent increase in carloads as what we are typically able to generate pretty quickly.

[16:00-19:28] Number one is safety. As I said before we are setting our target to 0.45 which is a 40% improvement over last year. We think we can do it. Our ultimate goal is 0, we worked with 0 reportable injuries with 6 months stretch once worldwide, we will get it to there, but for now we are targeting the best result in our history. Financial target, I mentioned we are targeting growth and pre-tax income in excess of 20%. Inclusive of the acquisition of the RCP&D we think we'll be deleveraging the business to [unintelligible] by year end. Third principle – management focus will be on the integration of acquisition so with respect with RailAmerica simply solidifying and sustaining the changes we have made, I mean to give you a sense of the order of magnitude 45 railroads at the railroad level there is a general manager of each that reports up into the region construct I described earlier. We changed out 25 of 45 general managers and so the culture has been completely from a business and a safety standpoint has been transformed, and we need to sustain that momentum. Secondly we will be adding 180 to 200 new employees in South Dakota we'll make sure that G&W business and safety culture is inculcated there as well.

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 35799

RAPID CITY, PIERRE & EASTERN RAILROAD, INC.
-ACQUISITION AND OPERATION EXEMPTION
INCLUDING INTERCHANGE COMMITMENT-
DAKOTA, MINNESOTA & EASTERN RAILROAD CORP.

DECLARATION OF GALEN OWEN

I, Galen Owen, declare under penalty of perjury, pursuant to 28 U.S.C. §1746, that the following is true and correct and based on personal knowledge.

1. I am the 1st Vice Chairman of the Unified System Division of the Brotherhood of Maintenance of Way Employes Division/IBT ("BMWED"). BMWED is the representative under the Railway Labor Act of maintenance of way employees of the Canadian Pacific Railway in the United States, including maintenance of way employees working on the lines of the Dakota, Minnesota and Eastern d/b/a Canadian Pacific.

2. Among my responsibilities is providing BMWED representation to DME/CP employees. In performing those responsibilities I have become aware of the proposed sale of the DME/CP lines in western Minnesota, South Dakota and northern Nebraska to the Genesee and Wyoming Industries (GWI) group of railroads by the planned Rapid City, Pierre and Eastern Railroad ("RCP&E") acquisition of those lines. I have also become aware of the impact of that transaction on the DME/CP employees represented by BMWED. BMWED represents approximately 75 to 80 employees who work on the DME/CP lines to be sold and who will be affected by the sale.

EXHIBIT Q

3. Among other things, I attended various “town hall” meetings that GWI/RCP&E held with employees who currently work for DME/CP. I was also provided with a copy of a powerpoint presentation used by GWI/RCP&E in those town hall meetings; a copy of that powerpoint presentation is an exhibit to the petition filed on BMWED’s behalf seeking revocation of the exemption invoked by RCP&E to acquire the DME/CP lines.

4. From the powerpoint and the town hall meetings, I understand that there are currently about 215 DME/CP employees who work on the lines to be sold. Of those employees approximately 75 to 80, are represented by BMWED. RCP&E has said it expects to hire 180 employees “for various positions” working on the lines and that it will offer jobs to some number of current DME/CP employees. But RCP&E has not represented that the 180 jobs it will initially have will be offered to current DME/CP employees or that they have a priority in hiring, or even a priority in consideration for new jobs with RCP&E.

5. DME/CP employees have been told by GWI and RCP&E that those who are offered jobs with RCP&E and who accept such jobs will have similar pay and benefits to DME/CP, but they have not been told that they will be in the same positions which would have the same pay rates (different maintenance of way classifications have different rates of pay so if employees are offered different positions, they may be compensated at a lower rate of pay even if RCP&E adopts similar classification rates of pay). And, of course, those employees will not have the benefit of the work rules established under the collective bargaining agreement between BMWED and DME/CP. Based on the town hall meetings and other conversations, it is my understanding that RCP&E will only offer forty-five (45) maintenance of way jobs to current DME/CP employees represented by BMWED.

6. Employees who are not offered jobs with RCP&E or who choose not to work under terms devised unilaterally by RCP&E and GWI, will have to exercise seniority to other DME/CP positions at significant distances from their current jobs, if they are able to bid to those jobs and such jobs are available. Under the GWI/RCP&E plan, those employees will not be able to receive employee protection benefits to compensate them for losses as a result of the transaction.

7. From BMWED members I have spoken to, RCP&E is not offering jobs to all current DME/CP employees who will be affected by the transaction. When it has offered jobs RCP&E has not necessarily offered the same or similar jobs to current DME/CP employees in the same classifications. For example an employee with 18 plus years on the railroad who has been working as an Assistant Foreman was offered an RCP&E job as a track laborer at approximately$3.00 less an hour, not to mention this employee was the only employee with Foreman Rights on the Gang he was assigned. Another Assistant Foreman with 8 plus years was given a laborer job as well. A man with 8 months of railroad experience was one of the first ones offered a job. Two employees who have been machine operators for twenty (20) plus years were offered laborers positions at approximately $3.00 less an hour while an employee who has two (2) months experience on a Jackson 6700 Tamper was offered the position over the twenty (20) year employee. One employee who has seven (7) years seniority was not even offered a position with the RCP&E another employee who has 10 plus years seniority and has held virtually every Maintenance of Way position including Management has yet to be offered a position.

8. It should also be mentioned that while the amount varies with the employees they will see a significant increase in health care contributions while coverage amounts are still unknown.

I declare under penalty of perjury that the foregoing is true and correct.

04-15-2014

Date | Galen Owen

Genesee & Wyoming

T.J. Gallagher, Chief Financial Officer

March 2014

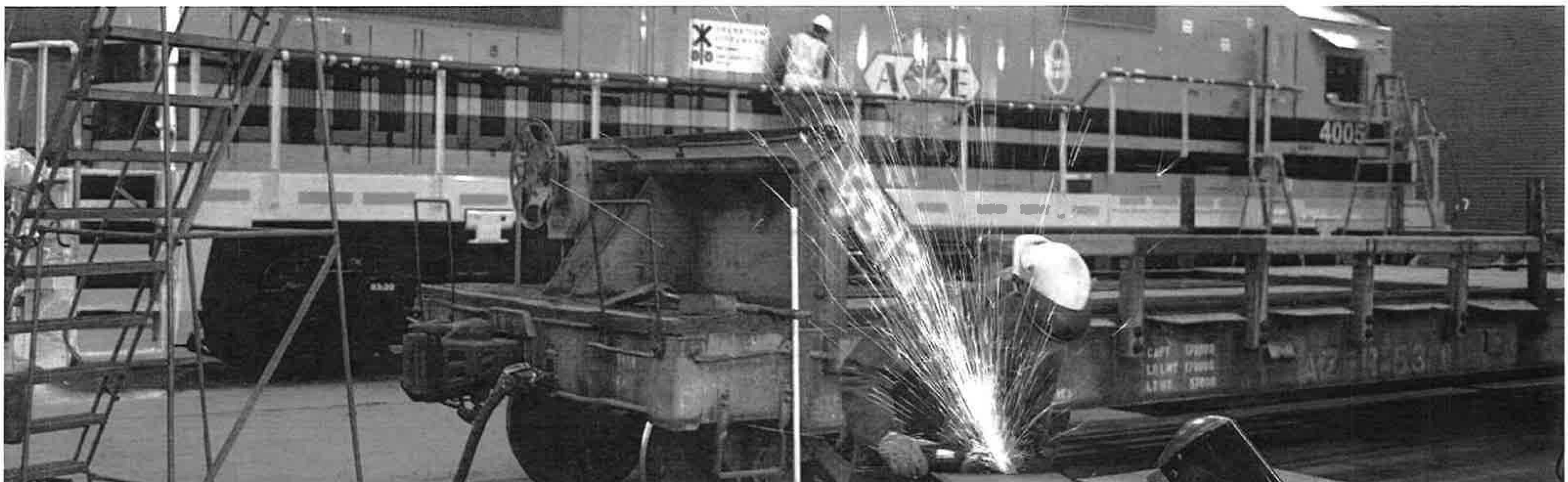
EXHIBIT R

Forward-Looking Statements

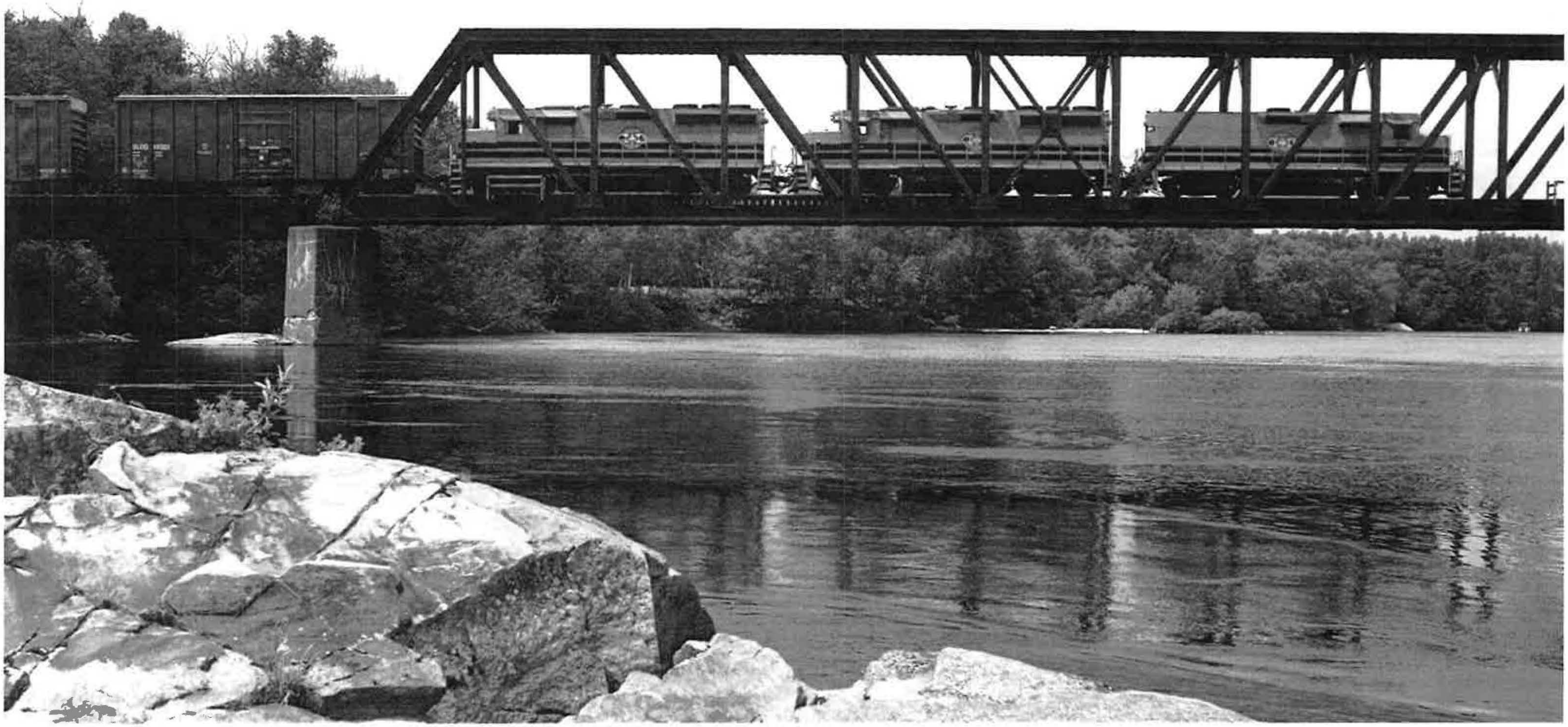
This presentation contains "forward-looking statements" regarding future events and the future performance of Genesee & Wyoming Inc. that involve risks and uncertainties that could cause actual results to differ materially from those expressed or forecasted, including, but not limited to, risks related to the operation of our railroads, economic conditions, customer demand, increased competition in the relevant market, the timing and costs associated with the integration of RailAmerica railroads (as well as our ability to achieve the anticipated cost savings related to the integration), and others, many of which are beyond our control. The Company refers you to the documents that it files from time to time with the Securities and Exchange Commission, such as the Company's Forms 10-Q and 10-K, which contain additional important factors that could cause its actual results to differ from its current expectations and from the forward-looking statements discussed during this presentation. Forward-looking statements speak only as of the date of this presentation or the date they were made. Genesee & Wyoming Inc. does not undertake, and expressly disclaims, any duty to update any forward-looking statement contained in this presentation whether as a result of new information, future events or otherwise, except as required by law.

Agenda

- Overview of G&W
- Business Update



Introduction to G&W

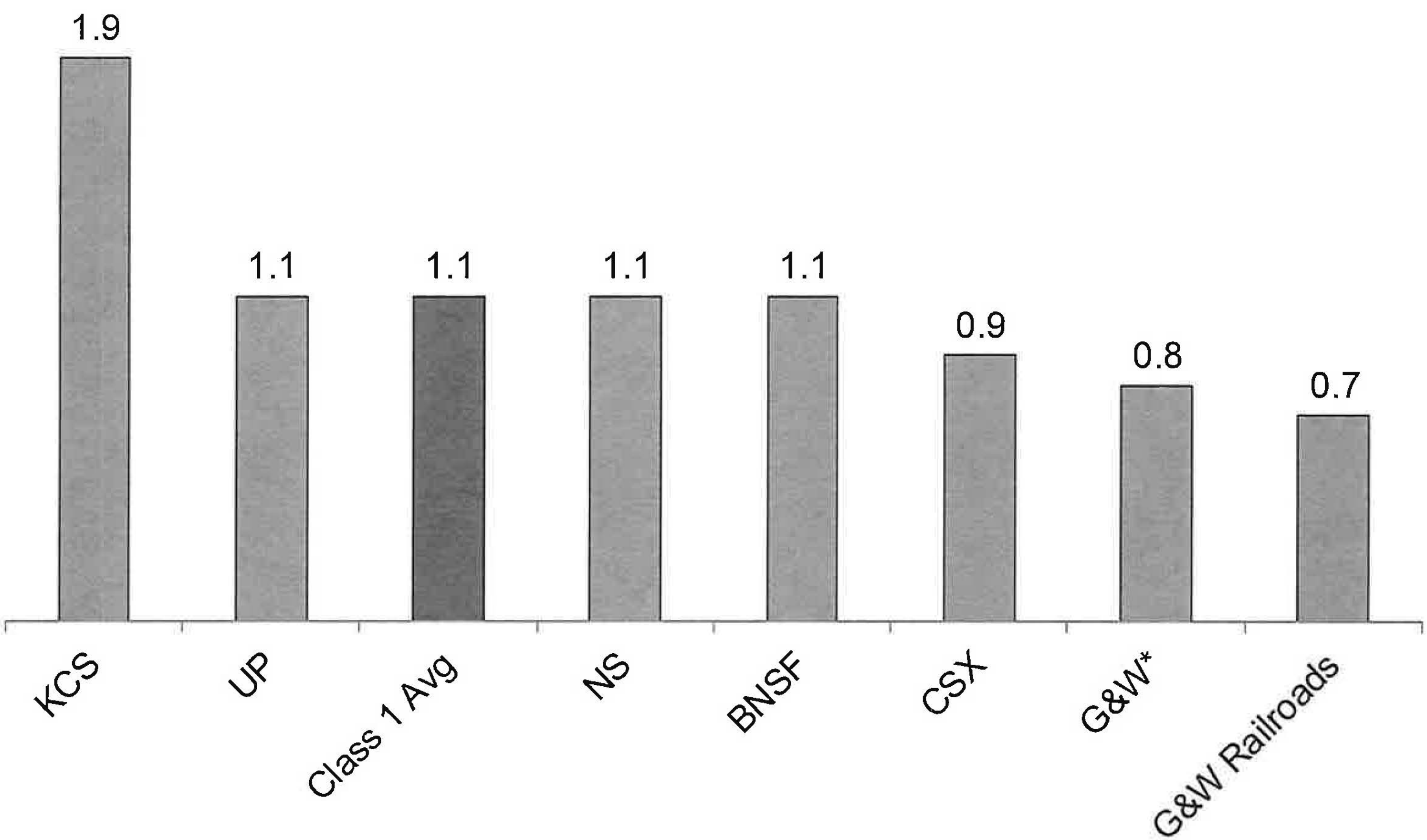


Overview of G&W

1. **NYSE:** Listed as GWR with $5.0b market capitalization
2. **Railroads**: 111 railroads and ~15,000 track miles worldwide (80% North America; 20% Australia)
3. **People**: ~4,600 worldwide
4. **Equipment**: More than 1,000 locomotives
5. **Track Record of Acquisitions:** Added 93 railroads since 2000 with 1 acquisition pending

G&W Safety Performance in 2013

Injury Frequency Rate per 200,000 man-hours
G&W through December others through November

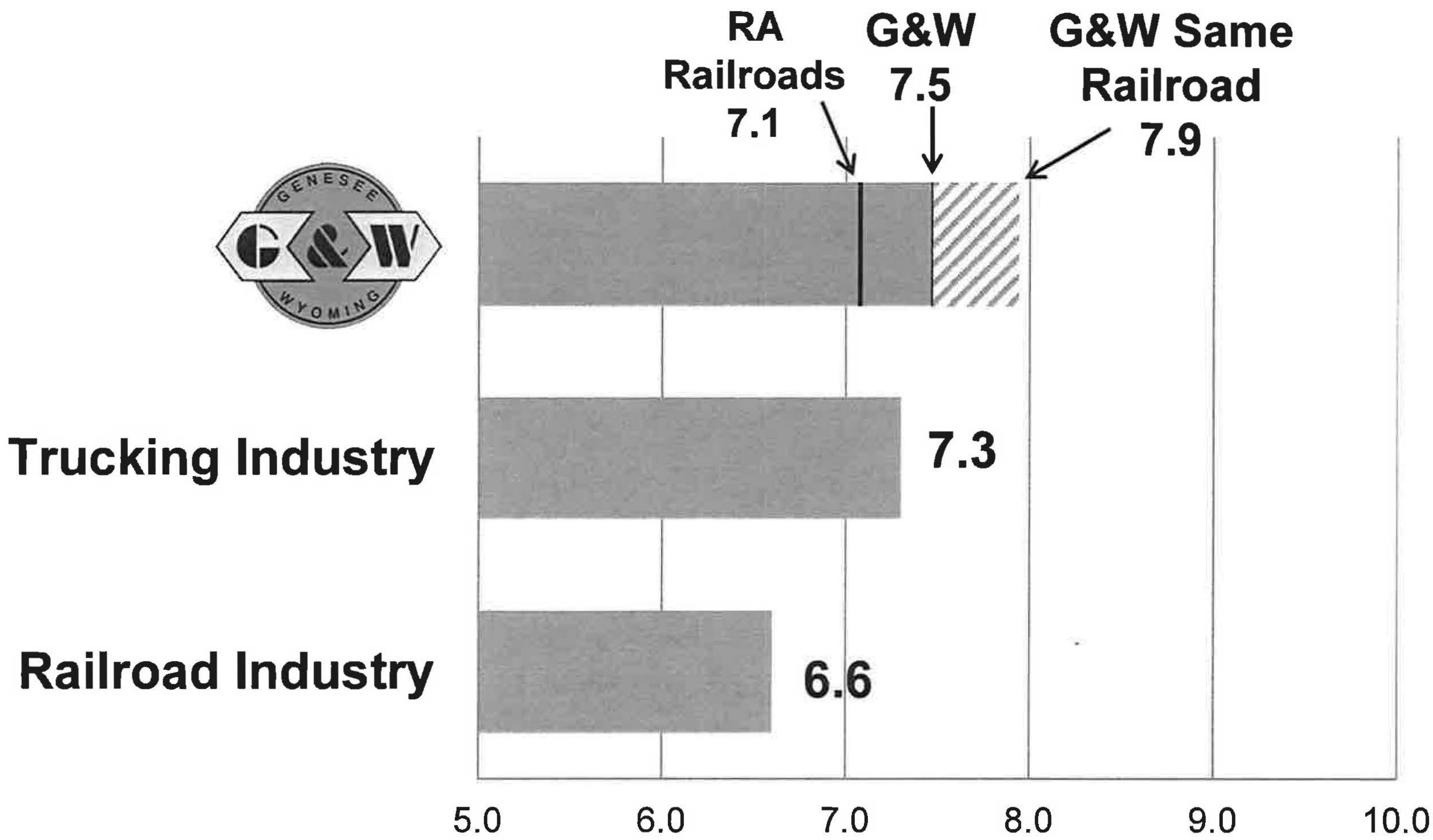


Zero Injuries
Our Goal Every Day

* Includes non-railroad businesses (e.g., construction and transload).

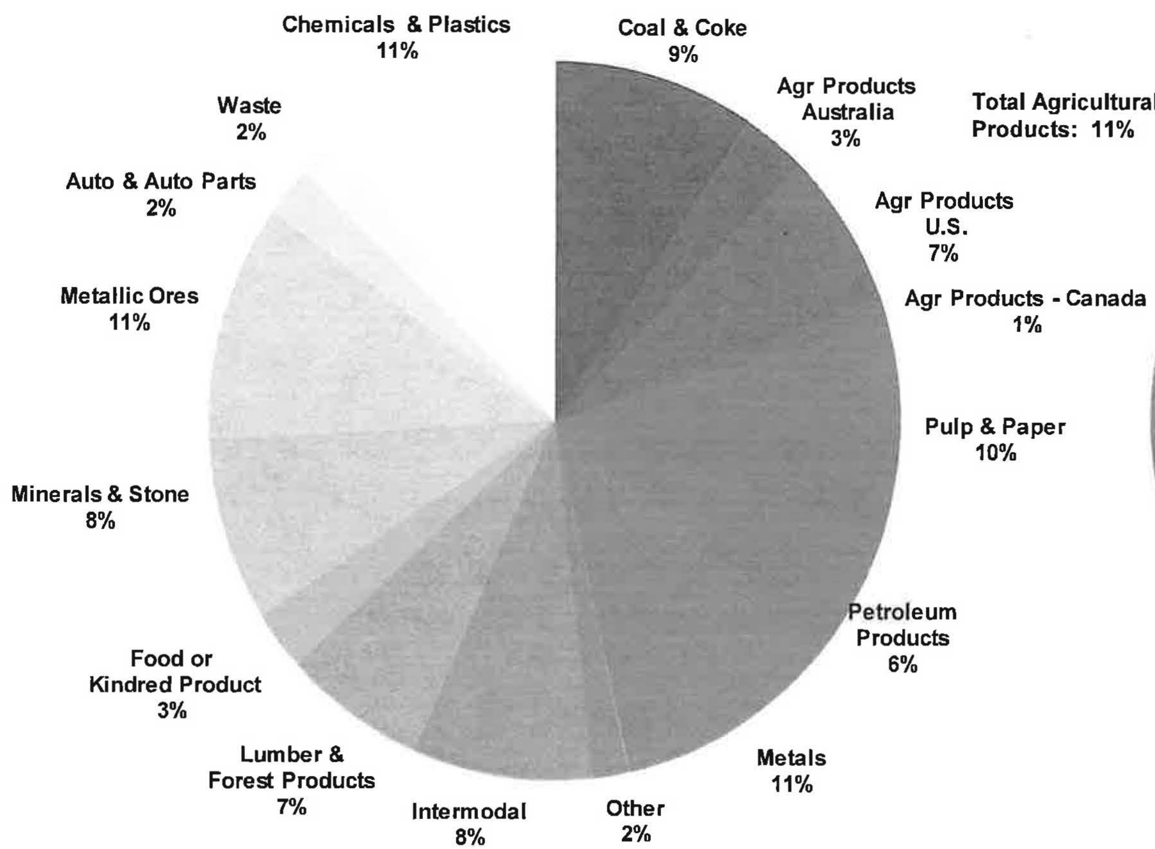
High Customer Satisfaction

November 2013 Survey by a Leading Customer-Satisfaction Research Firm

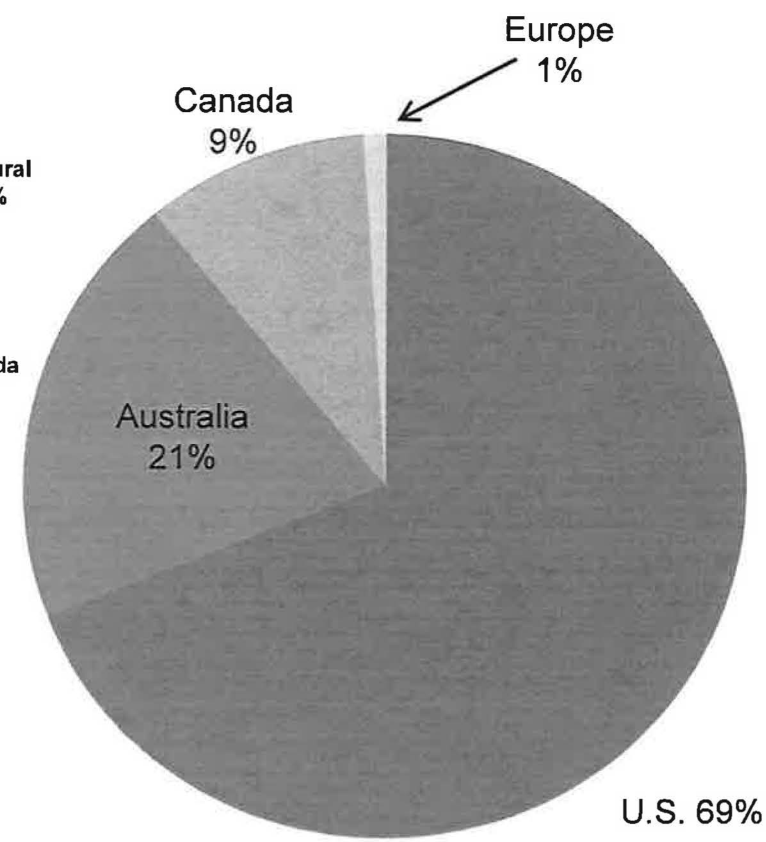


Diversity by Commodity and Geography

2013 Pro forma Freight Revenue* by Commodity



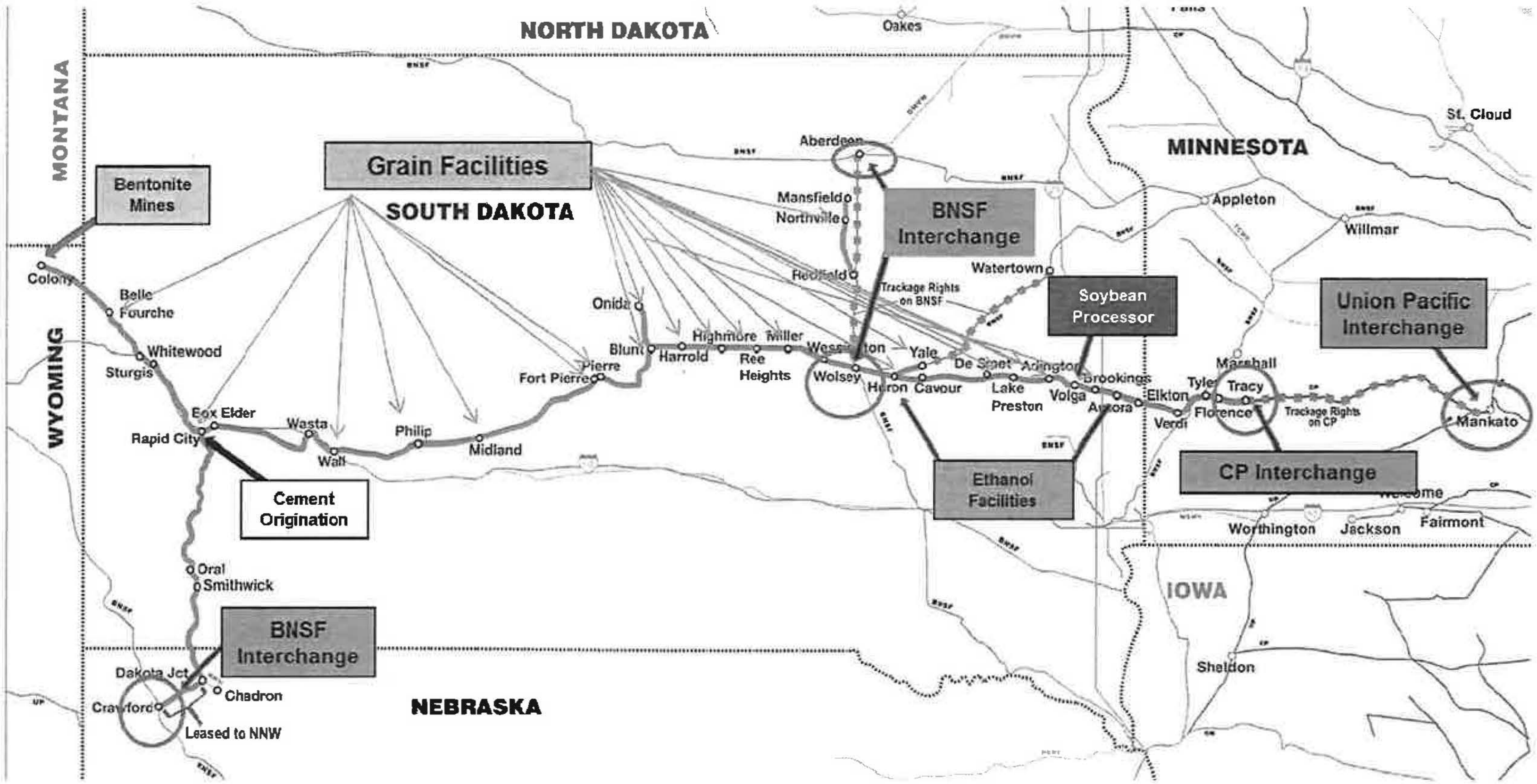
2013 Pro forma Total Revenue by Geography



* Pro forma freight revenue is 75% of total pro forma revenues

Rapid City, Pierre & Eastern Railroad (RCP&E)

On January 2, 2014 G&W signed an agreement to purchase the assets of the "DM&E West" from Canadian Pacific (CP) for $210 million (expected close 2Q 2014, subject to STB approval).



- DM&E West is approximately 660 miles in South Dakota, Minnesota, Wyoming and Nebraska
- RCP&E will interchange with 3 Class I Railroads (CP, BNSF and UP) as well as 2 short lines
- Year 1 expectations of $65 million in revenue and 52,500 carloads

Rapid City, Pierre & Eastern Railroad (RCP&E)

Transaction Overview and Year 1 Expectations

- **Purchase Price of Assets: $210.0 million**
  - Asset purchase creates significant tax shield (~$30 million of present value to G&W)[a]
- **Expected Year 1 Financial Impact:**

$s in millions

Revenues[b]	~$65.0	**EBIT**[a)(b)(c]	~$17.0	
EBITDA[b)(c]	~$23.0	**Capex**	~$8.5	*(higher maintenance due to attributes of the Pierre Shale)*

Medium / Long Term Opportunity

- **Expected revenues do not include incremental "short line conversion"**
  - Volumes should increase post Class I spin-off to a short line due to local marketing and increased service; in this case, multiple Class I connections offers additional opportunity
  - Customer conversations are positive and supportive of the transaction
  - Agricultural volume growth is expected to continue as technology increases yields; also several customers have invested substantially in facilities and load outs in the last 3 – 4 years
- **Initially a pool of railcars via assignment from CP**
  - Expirations in 3 – 5 years should increase income by approximately $3.0 - $4.0 million as cars requiring lease payments are replaced either with cars that are free on line or customer supplied

(a) Subject to final purchase price accounting. (b) Subject to shipment timing and size of harvest; year 1 expectations assume normal harvest.
(c) EBIT and EBITDA are non-GAAP financial measures. Non-GAAP financial measure reconciliations accompany this presentation.

Business Update

Carload Volumes
February QTD 2014 vs. February QTD 2013

Commodity	Change	%	Comment
Coal & Coke	4,400	9%	Midwest and Ohio Valley Steam Coal
Pulp & Paper	400	1%	
Minerals & Stone	(1,200)	(4%)	Australia
Food or Kindred Products	300	3%	
Chemicals & Plastics	(900)	(3%)	Winter Weather
Metals	(1,400)	(5%)	Winter Weather ; Customer inventory
Lumber & Forest Products	(600)	(3%)	
Agricultural Products	1,100	3%	Australia and North American Exports
Petroleum Products	100	0%	
Auto & Auto Parts	(200)	(4%)	
Metallic Ores	2,500	25%	Australia
Intermodal (units)	(400)	(4%)	
Waste	0	0%	
Other	(800)	(8%)	
Total Carloads	3,200	1%	

Priorities for 2014

1. Safety Targets
   - 0.45 safety index and safely manage through extreme winter weather in Q1 2014
2. Financial Targets
   - 20% growth in pre-tax income
   - De-lever G&W to 2.5x debt/EBITDA by year-end 2014 (including the purchase of the RCP&E)
3. Integration of Acquisitions
   - Solidify G&W culture with former RailAmerica railroads plus instill with RCP&E acquisition
4. Government Affairs
   - Extension of the U.S. short line tax credit
5. Acquisitions and Business Development
   - Active potential projects in North America and Australia

Reconciliation of Non-GAAP Financial Measures

Non-GAAP Financial Measures Reconciliation

This presentation contains reconciliations of G&W's Earning Before Interest and Taxes (EBIT), Earnings Before Interest, Taxes and Depreciation and Amortization (EBITDA), which are "non-GAAP financial measures" as this term is defined in Regulation G of the Securities Exchange Act of 1934. In accordance with Regulation G, G&W has reconciled these non-GAAP financial measures to their most directly comparable U.S. GAAP measure.

RCP&E EBIT and EBITDA Description and Discussion

Earnings Before Interest and Taxes (EBIT) and Earnings Before Interest, Income Taxes, Depreciation and Amortization (EBITDA) are widely used non-GAAP financial measures of operating performance. They are presented as supplemental information that management believes is useful to investors in assessing Rapid City, Pierre & Eastern Railroad's (RCP&E) expected financial impact. RCP&E's EBIT is calculated by adding back to RCP&E's Net Income RCP&E's provision for income taxes and interest expense. RCP&E's EBITDA is calculated by adding back to RCP&E's Net Income RCP&E's provision for income taxes, interest expense and depreciation and amortization expense. RCP&E's EBIT and EBITDA should not be considered as substitutes either for RCP&E's Net Income, as an indicator of RCP&E's operating performance, or for RCP&E's cash flow, as a measure of RCP&E's liquidity. RCP&E's EBIT and EBITDA may be different from similarly-titled non-GAAP financial measures used by other companies.

Non-GAAP Financial Measure Reconciliation

The following table sets forth a reconciliation of RCP&E's expected Year 1 financial impact on RCP&E's Net Income calculated using amounts determined in accordance with GAAP to RCP&E's EBIT and EBITDA ($ in millions):

RCP&E	Expected Year 1 Financial Impact
Net income	$ 8
Add back:	
Provision for income taxes	5
Interest expense	4
EBIT	$ 17
Depreciation and amortization expense	6
EBITDA	$ 23

Zero Injuries

Our Goal Every Day