

LOOKING AHEAD

Dates to Remember

May 11 - 15

National Transportation Week
National Operation Lifesaver Week

May 13

3rd Annual Operation Lifesaver
Awareness Day

May

Employee Informational Meetings
(see News Briefs for details)

June 27

5th Annual MRL Missoula-Area
Golf Outing

Friday, July 3

Independence Day Holiday
(observed)

August 1

Deadline for entries in
1992 Photo Contest

August 28

Laurel/Billings Area
Golf Outing

September 19

Missoula Area Employee Picnic

October 31

MRL's 5th Anniversary

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Inside this issue:

- **Rebuilt Locomotive Crane**
See page 4
- **Accounts Payable**
See page 5
- **Feedback Info**
See page 6

News Briefs

■ The first of MRL's 100 new 100-ton, 3,000 cubic foot covered hoppers began rolling off the production line at Thrall Car's Chicago Heights, Illinois, plant in April. Rick Zimmer, Manager Car Distribution, thinks they are the perfect cement car. "Everything we could design into them to make the most versatile cement car in the industry was done," stated Zimmer. The cars do not have a center sill which promotes fast and clean unloading. The large 13 x 42-inch discharge gates incorporate a third bearing rod making them suitable for handling the concentrated weight of cement. Equipped with three 30-inch fiberglass round hatches, the cars can be "flood loaded"; that is when using the center hatch, the entire car can be loaded without respotting. Financed through Bank of America, the cars cost about \$42,000 each. The cars will be assigned to a common cement car pool for use by Ash Grove Cement at Montana City, Montana, and Holnam Inc., at Trident, Montana. The number series is MRL 9000 - 9099. (continued, see News on page 2)



Fueled by refrigerated liquid methane (RLM), a highly processed form of natural gas, Burlington Northern's 7890 is the first locomotive in the world to be field tested using this form of energy. Coast Engine & Equipment, a unit of the Washington Companies, handled the conversion of the redesigned EMD SD40-2 and conducted the stationary tests. BN and Air Products & Chemicals, Inc., jointly funded the project and worked with Energy Conversions, Inc. which developed the technology. The locomotive, the tender car, a specially constructed 20,000 gallon fuel tender BNGT 100, has been subjected to extensive safety testing, which found that RLM poses no significantly greater safety risk than diesel fuel. After initial testing on lines in Washington, long distance trips began. No. 7890 crossed MRL as part of the power consist of Train 196 (Pasco-Galveston) on February 11. It is pictured here in Laurel with the inbound crew, Assistant Engineer Steve Sheets, left, and Engineer Dan Steele.

News (continued from page 1)

■ Meetings to discuss our financial performance and how profit sharing works are slated for May. **Tom Walsh**, Chief Financial Officer, **John Earll**, Director of General Accounting and **Dave Koerner**, Director of Revenue Accounting will conduct the sessions. Arranged at the request of Mechanical Department employees by way of the Attitude Survey feedback process, the meetings are open to all employees and their spouses. The meeting dates: Laurel/Billings - May 20 and 21; Livingston - May 22; Helena - May 27; Missoula - May 28, 29. Sites and times will be announced later.

■ The '92 track maintenance program got underway the week of April 6, when Gang #1953 began installing the first of 12,300 ties on the 10th subdivision between DeSmet and Paradise. **Lyle Evans** is foreman of the 30 man gang. Seventeen people were hired to fill section crew vacancies created when regular section crew members transferred to gang work for the season. About eight more people will be hired to complete the program.

■ **Mary Popiel**, Clerk in the Mechanical Department at Laurel, and **Mary Mjelstad**, Assistant Trainmaster at Laurel, were selected by their supervisors for recognition by the Billings-area YWCA 1992 Salute to Women. In Missoula, **Jacquie Duham**, Administrative Assistant, **Jean Laber**, Accounting Staff Assistant, **Carol Houchen**, Crew Caller and **Marj Sawyer**, Purchasing Agent were selected for the Missoula YWCA's 1992 Salute to Excellence. Each will receive a certificate of achievement on behalf of the YWCA and the business they represent for contributions that exemplify excellence.

■ Independence Day falls on a Saturday for 1992. Therefore, Friday, July 3 will be observed as the holiday and the general offices will be closed.

■ Scheduled Merchandise trains on MRL posted an 89% on-time record in March while Intermodal trains recorded an 85% on-time performance. The results were based on 310 train movements.

■ MRL's locomotive engineer certification program was filed with the Federal Railroad Administration on April 9. It represents many hours of effort on the part of our Training, Rules and Safety Department and both MRL Divisions of the Brotherhood of Locomotive Engineers. Guidelines established by law in 49 CFR Part 240 required Class II railroads to file their programs by May 1, 1992. A program is considered approved and may be implemented thirty days after the required filing date (or actual filing date), unless the FRA Administrator notifies the railroad that the program does not conform to their criteria. MRL has three designated classes of locomotive engineers: train service locomotive engineers, locomotive servicing engineers, and student engineers.

■ Employee profit sharing checks amounting to 10.609% of wages were distributed on February 28. President **Bill Brodsky** commented, "In spite of a national recession that resulted in rail traffic being down approximately 8% and a significant reduction in shipping by two of our largest customers, Stone Container and Champion International, our company achieved another year of strong financial performance. All in all it 1991 was a good year for our company and 1992 looks even better. With continued efforts to reduce the cost of accidents and injuries, which represented approximately 1.8% of our profit sharing for 1991, and with continued focus on growing our business, I am sure we can all look forward to a safe, challenging and rewarding year in 1992." •

Letters

To the Editor:

MRL has a great program which reimburses all employees tuition and books for business related courses. Recently, I received this for the Fall Quarter of 1991 and would like to thank everyone involved for taking time out from their schedule to help make sure I qualified and received this reimbursement.

MRL employees are lucky to have such programs and I would like everyone involved to know that I am grateful for this and other scholarships offered.

Sincerely,
Jim Cearley,
Clerk, Compass/YMS

(Editor's Note: To participate in the program, employees must complete an Application for Education Reimbursement form which must be approved by the department head and personnel manager. For details, see the Policy & Procedure Manual, Item 12.3.e).

Letters Policy: Employees are invited to send their comments. Be sure to include your name, work location and a phone number where we can reach you to verify your letter, if necessary. Names will be withheld upon request, but letters received unsigned will not be published. Your letter may be edited if space limitations do not permit printing it in full.



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The **Newsletter** is published by Montana Rail Link, Inc., issued bimonthly, and mailed First Class at Missoula, Montana, to all active and retired employees.

Readers are invited to submit news items and comments.

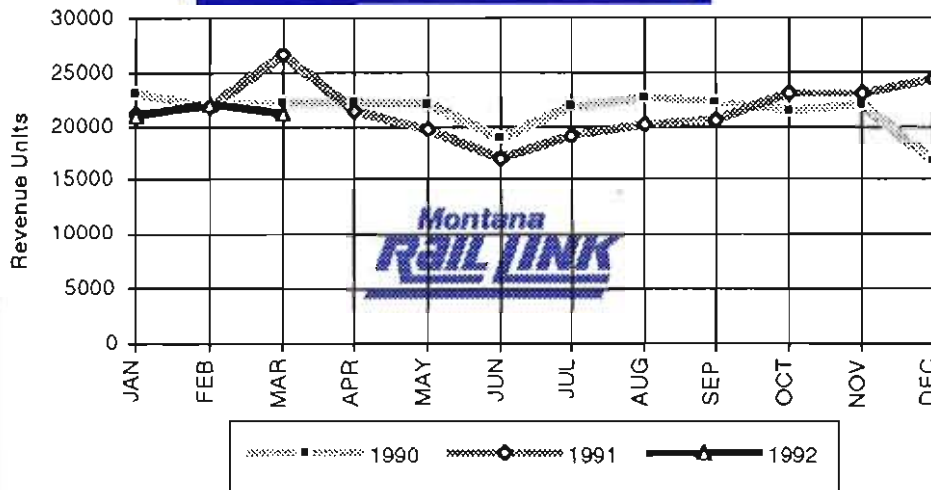
R. Milton Clark, Editor
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Member
Association of
Railway Communicators



No. 20 March-April/1992
April 10, 1992

REVENUE UNITS (CARLOADS) HANDLED



Revenue units for the first quarter which ended March 31, 1992 totaled 64,014, a decrease of 5,527 or 8% compared to the same period in 1991. Bridge traffic accounted for 43,366 units, a decrease of 7,394 or 14.6%, due largely to reduced movements of grain. Traffic which we originate or terminate posted a gain of 1,701 units or 11.3% during the period. Increased movements of lumber, paper and primary forest products contributed to the strong performance in this area.

Benefits Info

The 401(k) Plan

The 401(k) plan is one of the most important fringe benefits you, as an MRL employee, have available. It provides a means to defer tax on a portion of your wages, save for retirement and, best of all, the company matches half of what you contribute (maximum match of 2% of your wages). If you contribute 4%, your immediate return is 50% on every dollar - guaranteed! In the next several Newsletters we will be taking a closer look at the 401(k) plan and how it is administered.

Vesting

Vesting can be thought of as ownership. Not all 401(k) plans are created equal. A 1991 Hewitt Associates survey in which we participated showed that 67% of the plans surveyed had some type of vesting schedule which means that account ownership is acquired with time. Seventy-four per cent had a minimum service requirement. The Washington Companies' 401(k) Plan (continued, see 401(k) on page 5)

Q&A

Why are there two tunnels at Bozeman Pass?

Because of tight clearances, the Northern Pacific Railway built a new 3,015-foot tunnel at Bozeman pass which opened on July 28, 1945 replacing the old one built when the line was opened in 1883.



Train No. 121 (Birmingham-Pasco) needed a little help on March 6, so MRL SD45 351 was added to the consist at Livingston. Pictured here, the train is emerging from Bozeman Tunnel. The west portal of the old tunnel can be seen in the background.

Have a question you want answered? Contact the editor and we'll try to get it for you!

The "Officer on the Train" program will be held in conjunction with National Transportation Week, May 11-15. Montana Highway Patrol officers will ride MRL trains to make observations of rail/highway grade crossings on the following schedule: Lolo to Hamilton on May 12; Austin to East Helena on May 13; Logan to Bozeman on May 14; and Laurel to Billings on May 15. Chase cars accompany each movement to issue citations. Local law enforcement officials and members of the news media have also been invited to participate. Laurel Carman Paul Elsenpeter is coordinating the program on MRL. Other area coordinators are: Missoula - Carter Meyer, Carman; Helena - Maggie Larson, Clerk; and Livingston - Dennis Knoll, Electrician. This is a significant part of the overall aim of Operations Lifesaver: Promoting grading crossing and rail safety through education, engineering and enforcement. •

Look, Listen & Live

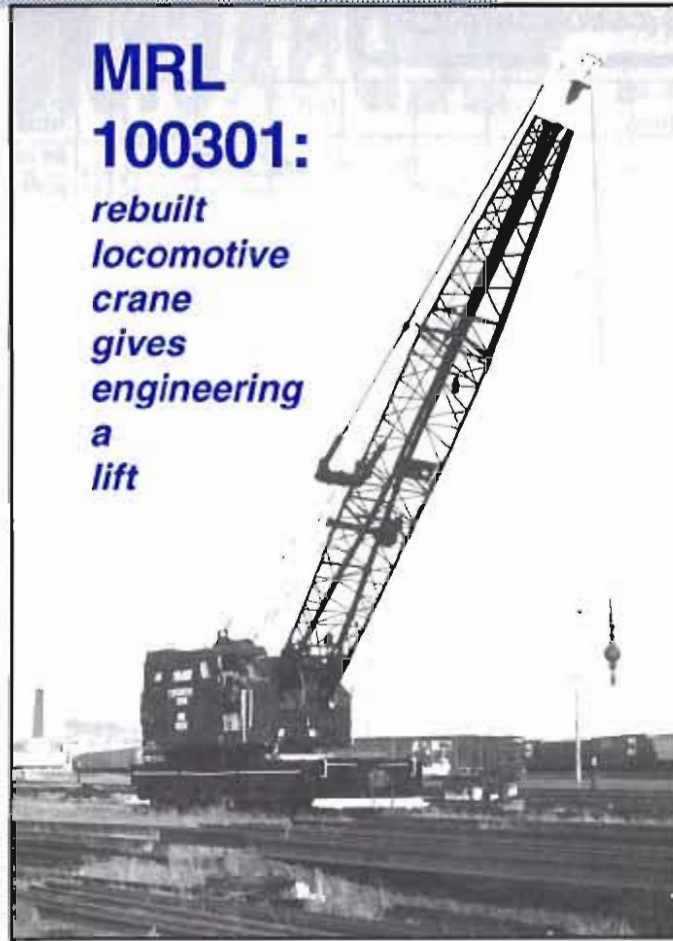


What do you do with a worn out, forty-year old locomotive crane? Scrap it? Not at Montana Rail Link when you have an Equipment Maintenance Supervisor like Jim Tate.

Built by American Hoist in 1953, MRL 100301, a Model 7030 30-ton crane, came with other equipment acquired from the Burlington Northern at start up in 1987. It was not in very good shape but usable. Tate saw the possibilities and suggested to Chief Engineer Rich Keller that it could be rebuilt and provide many years of dependable service.

The rebuilding project, carried out at the Laurel Maintenance of Way Shop, began in May 1991 with disassembly of the crane. Parts selected for reuse were reconditioned and painted.

The rebuilt 100301 embodies many features which improve the operation of the crane. Perhaps most important, the crane's



**MRL
100301:
rebuilt
locomotive
crane
gives
engineering
a
lift**

Clockwise from above: MRL 100301 at Livingston on February 6 with a new coat of paint applied at LRC; Work Equipment Supervisor Tate; Crane Operator Thomas at the controls of MRL 100301.



productive work hours are increased significantly with a new low/high travel speed option. With a travel speed of 20 to 24 miles per hour, twice that of the old travel speed, the crane can work out on the main line for longer periods of time before traveling to a siding to clear for trains. Precise lifting control is achieved with an electrical "eddy current" type main clutch. The engine speed governor is controlled electronically. A feature in the travel electrical system enhances production capability by allowing the crane, in work mode, to change directions without a brake application and without coming to a full stop. This feature will increase production especially when picking up scrap and salvage along the right of way. The crane's engine exhaust system meets minimum noise emission levels and is approved for work in U.S. Forest Service areas. A Lincoln

Centromatic™ programmable lubricating system applies the proper amount of lubricant to wear points at pre-set times, eliminating the need to manually lubricate. A diesel fired heater, which can be programmed to turn on at a pre-set time, eliminates cold weather starting and running problems. This ensures the cab and upper deck gear housings are warm and work freely.

A rebuilding project such as this would not have been possible without the talents and expertise of Tate and a dedicated crew of mechanics, especially Crane Operator **John Thomas** who assisted Jim with the whole project. Tate began his career with Northern Pacific Trucking in 1960 as an apprentice truck mechanic and became a maintenance superintendent before joining the Burlington Northern
(continued, see Crane on page 6)

A look at Accounts Payable

It takes lots of goods and services to keep a railroad like ours running. Nearly \$50 million worth annually, in fact. Responsibility for paying these bills rests with our Accounts Payable department.

Nancy Roper, Manager, and Accounts Payable Technicians Trish Anderson and Kay Jones staff the department which reports to John Earl, Director of General Accounting.

An average of 325 checks are issued per week to pay the bills. Payments are made from the original

invoices after they have been reviewed for proper coding and authorization. The invoices are then matched to purchase orders and receiving documents, checked for correct price, quantity

verification of delivery. Investigation is a big part of the job. A considerable amount of time is spent tracking things down - who authorized what, did we receive the item - and correcting coding errors. Accounts are divided alphabetically by vendor name. Anderson handles A through F, Jones G through O and Roper P through Z plus the Burlington Northern and First Interstate; the latter two being large accounts.

The invoices, some 3,000 to 4,000 per month, are keyed into the System 38 computer. Each week, all open

accounts are reviewed to determine aging and payment due dates. Selected invoices are bunched together by vendor and checks are issued every Thursday.

The department also generates and reviews several monthly reports, including reconciling the monthly accounts payable detail listing to the general ledger. Monthly deadlines to close the previous month's accounts create pressures for all involved.

As part of the company's annual audit by an outside accounting firm, selected vendors are "spot checked" to

determine validity of accounts, etc. Washington Corporations internal audit department also reviews accounts payable transactions, making sure goods and services were actually

performed or delivered and the amounts tally.

All three of the Accounts Payable employees work well together and thoroughly enjoy their work. "We have a great team," stated Roper. Says Jones, "I love to spend money...so this is a good department to work in."

The overall efforts of the people in Accounts Payable contribute immeasurably to our smooth-running railroad. Let's face it, if bills don't get paid, we won't receive the services and products we need. •



Our Accounts Payable team: standing, Anderson, left, Jones, seated Roper.

**Health Insurance
Claim Questions?**
Call Administration Services
in Spokane, toll free at
1-800-344-3639

Office Hours:
9-5 Mountain Time - Monday thru Friday

401(k) (continued from page 3) has immediate 100% vesting. You own your entire balance from day one of your participation. It also allows every employee to participate unless they have a union agreement which includes a pension plan. Immediate participation and 100% vesting are two features that make our 401(k) plan a great deal for all employees.

Custodian

TrustCorp of Montana, an affiliate of D. A. Davidson & Co., is our 401(k) fund custodian. Their primary business is to safeguard assets against embezzlement or theft and facilitate accurate accounting. Following every pay period, money deducted from your paycheck for the 401(k) plan is sent to TrustCorp for deposit into your 401(k) account. TrustCorp advises the investment managers of the funds available to invest in stocks, bonds or money market securities. Title to the assets purchased by your investment managers always remains in trust at TrustCorp for your benefit.

Proper fund custody is an important safeguard for Washington Companies' employees. In addition to protecting your retirement from fraud and embezzlement, TrustCorp is a separate entity, and is in no way financially tied to Washington Corporations. That means that no matter what happens to Washington Corporations or any of its affiliates, your money is held in trust for you. •

Coming next: Plan Administrator and Fund Consultant

FEEDBACK

problem solving through group effort

The second annual Attitude Survey and Feedback Sessions are complete. The program is designed to learn what each employee feels are strong and weak points about the company, and to develop ways of correcting any problems. Most importantly, the feedback sessions are conducted by employee work-groups (maintenance of way, mechanical, etc.). Problems are discussed and solutions recommended in a group setting. A few of the problems presented and resolved to date follow:

- Lunch rooms at Laurel and Livingston were cleaned and painted
- Helena depot interior has been painted and some wood work added by the B&B forces which will help with maintenance
- Mechanical department employees now have needed blue prints of the locomotives
- Employee meetings to provide more detailed financial information about the company have been scheduled (see News Briefs for details)
- Marketing Department to act as a clearing house for information on matters affecting our customers (new traffic opportunities, problems, miscellaneous information) and distribute the information to all employees in a periodic message
- Marketing area revamped to provide better working conditions relating to privacy, noise reduction, storage

Center for Values Research, a Dallas, Texas-based consulting firm, developed the Attitude Survey and provided assistance with training, implementation and evaluation of the results. The aim of the program is to make our company a better place to work. This survey is used by all Washington companies. •

Crane (continued from page 4) as a machinist at the Livingston Diesel Shop in 1973. He was a traveling mechanic for the BN from 1980 to 1987 when he came to MRL as a work equipment supervisor.

A new crane with similar features would cost more than \$500,000. Rebuilt for about \$200,000, MRL 100301 emerged from the Laurel Work Equipment Shop in February with many years of service ahead of it, thanks to the efforts of Tate and his staff at the Laurel Equipment Maintenance Shop. •



MRL at play or "Wiesching" you were somewhere else. Livingston General Mechanical Foreman John Wiesch carries his snowmobile through West Yellowstone. When asked why doesn't he ride it, he replied, "Anyone can do it that way."

Kerley (continued from page 7)

Jupiter's involvement with Conoco and its expertise with tailgas plant design and operations, led to the involvement of Kerley with the Conoco refinery in Billings. The plant began operations in December 1990, with an initial production rate of 50,000 tons per year. As Conoco brings on their "Coker" project in the spring and early summer of 1992, the capacity will be expanded to approximately 100,000 tons per year ATS and 16,000 tons per year sulfur. This newest generation plant is controlled by a distributive control-type computer system. The gas streams are analyzed by an on-line spectrophotometer which allows the operator to know the content of his feed gas and exit gases. Much of the product is loaded in tank cars for shipment to markets throughout the West.

The Billings plant is staffed with some of the most experienced personnel in Kerley and Jupiter. Charlie Brister, Plant Manager, retired after 22 years with Allied Chemical, began his second career with Kerley nine years ago. A transfer from McPherson, Kansas, tailgas plant, Charlie has not only been the plant manager, but father, mentor and guiding light of the plant personnel. He will begin his second retirement in June. Joanne Cavazos is Office Manager and David Spencer is the Lead Operator. There are eleven others employed in operations and maintenance.

The Billings plant annually produces tens of thousands of tons of usable products. In times past the same sulfur would have found its way into the air as pollution and a source of acid rain. •

**Work safely today
and enjoy
tomorrow!**

Keeping Track

Personnel Changes at Montana Rail Link

Marty P. Rau promoted to position of Manager of Train Movement effective March 12. Mr. Rau served previously as Section Foreman at Superior, Montana.

Dave H. Robertus appointed Assistant Trainmaster with headquarters in Laurel, Montana, effective March 23. Mr. Robertus served previously as a switchman in the Laurel/Billings area.

Retirements:

Effective February 29:

Oscar "Ollie" Kinzle, Locomotive Engineer, Missoula, with 42 years of service. Kinzle began his career with the Milwaukee Road in Deer Lodge, Montana, on March 17, 1949.

G. P. "Blondie" Rainville, Locomotive Engineer, Missoula, with 41 years of service beginning with the Milwaukee Road in Deer Lodge, Montana, in 1950. He also worked for the Union Pacific out of Las Vegas, Nevada, before returning to Montana to work for MRL in 1987.

Paul A. Elsenpeter, Car Foreman at Laurel, with 46 years of service. Mr. Elsenpeter started with the Milwaukee Road in 1945 and subsequently worked for the Union Pacific and Burlington Northern before joining MRL at start up.

Robert Chilcoat, Carman at Missoula, with 40 years of service beginning with the Northern Pacific Railway.

Our best wishes for a happy retirement!

Customer Profile:

KERLEY

No. 15 in a series of articles designed to acquaint us with our customers.

Located at the Conoco Refinery in Billings, Montana, the Kerley Ag Ammonium Thiosulfate plant is one of their newest facilities coming into production in 1991. As a refinery tailgas plant, it must guarantee very high reliability. If the plant fails, the refinery can not operate. To that end, the plant has an Ammonium Sulfide plant that automatically comes on line when the Ammonium Thiosulfate plant fails. Another unique characteristic of the plant is the ability to make elemental sulfur simultaneously with Ammonium Thiosulfate.

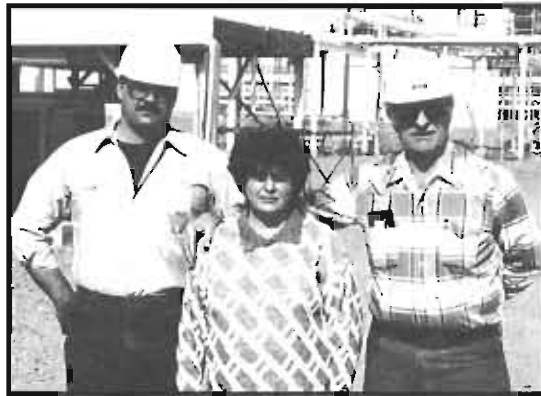
Kerley started business in the late 1940s as an insecticide blending company in Pecos, Texas, and expanded into the fertilizer blending and application business.

At this time in west Texas, it was common for the natural gas treatment plants to flare or burn-off their hydrogen sulfide gas. Kerley took advantage of this raw material to put in one of the first elemental sulfur recovery plants. This was the first step into the refinery related, chemical processing plants. With the abundance of the by-product hydrogen sulfide gas, came the first sulfur based fertilizer for Kerley, ammonium polysulfide (Nitro-Sul®). This product marked the beginning of Kerley's entrance into the infant liquid fertilizer industry.

Since the inception in the 1950s and 1960s, sulfur has finally become recognized as the fourth major plant nutrient. Besides its nutrient value, sulfur can add the ability to retain moisture in the calcareous soils of the West. The need to develop a form of sulfur compatible to the phosphate liquid fertilizer (10-34-0), brought about Thio-Sul® (ammonium thiosulfate or ATS).

In 1975, the Kerley brothers decided to become ammonia producers to alleviate the economic hardship caused by a steep increase in the cost of that raw material (from \$35 per ton in the early 1970s to over \$400). Kerley became partners with Nutra-Flo, a large customer and ammonia user, in the construction and operation of an anhydrous ammonia plant. Once again, the plan took advantage of a by-product gas stream of an existing industry (hydrogen gas obtained from PPG's Lake Charles, LA, plant). This joint venture was named Jupiter Chemicals, Inc. A project to increase the plant capacity, brought a new player into the joint venture. Conoco had an interest in the hydrogen stream as a raw material in their refinery. They replaced Nutra-Flo as a 50% owner of Jupiter. The entire hydrogen gas stream is now sent to Conoco's Westlake refinery and ammonia is no longer produced.

(turn to Kerley, page 6)



Left to right: Spencer, Lead Operator; Cavazos, Office Manager; and Brister, Plant Manager.



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FIRST CLASS



Safety is First with the Helena Mechanical Department employees and Assistant General Mechanical Foreman **Jack Hazard** has a right to be proud of the record his group has established. They completed 1991 without an injury, the second year in a row. A plaque to honor the occasion was presented at a dinner on February 10. Left to right: Hazard, Laborer **Doug Garcia**, Machinists **Dale Mattila** and **Gary Devine**, Laborer **John Woods**, Electrician **Rich Labbe**, and **Carmen Doug Thompson** and **Bill Honadel**.

Bridge & Building Carpenter **Wally Case** inspects one of the electronic load cells in the pit beneath the new track scale at Livingston. The 400-ton, 70-foot scale was placed in operation in March.



Locomotive Engineer **Oscar Kinzle** receives best wishes from some of his co-workers on his last run when he arrived in Missoula on Train 124 on February 28. Pictured here, left to right, are: **Tom Jones**, Trainmaster; **Dave Arnold**, Locomotive Engineer and Local Chairman for the BLE; **Kinzle**, **Duane Parker**, Instructor, Training, Rules and Safety; **John Alfson**, Assistant Engineer; and **Brian Heikkila**, Director Training Rules & Safety.

Below, Missoula Carman **Bob Chilcoat's** retirement party held February 27 drew many retired mechanical department employees. Left to right, **George Melder**, **Ray Kalker**, **Bob Wills**, **Alex Schwartz**, **John Rice**, **Stub Padilla**, **Eddy Benedick**, **Floyd Flink**, **Al Swab**, **Phil Wieler**, **Chilcoat**, **Bob Peterson**. **Bill Murray**, former general car foreman, took the photo. Also attending but not pictured were **Everett Hampton**, **Orville Verlanic**, **Clay Gallagher** and **Henry Bohl**.

