

Looking Ahead

DATES TO REMEMBER

June 27
5th Annual MRL/Missoula-Area
Golf Outing

July 12
Laurel/Billings Area
Employees Picnic

July 22
Board of Director's Meeting
Billings and Livingston

August 1
Deadline for entries in
1992 Photo Contest

August 15
Livingston Employees Picnic

August 28
Laurel/Billings Area
Golf Outing

August 29
Missoula Area Employees Picnic

September 20-23
Railway Supply Assn. Meeting
(see Newsbriefs for detail)

October 31
MRL's 5th Anniversary

Inside this issue:

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- **Customer Profile: Conoco**
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Newsbriefs

■ **Argentine Update:** The Argentine Project is moving ahead reports Dick Stoeckly, director of operations planning. He is spearheading MRL's part of a program to provide consulting services and rail operations expertise to Consorcio Nuevo Central Argentino (NCA), a consortium of Argentine businessmen, to privatize the now government-owned Mitre Line (see Newsletter No. 19). A major part of MRL's responsibility with the project is to prepare an operating plan for the NCA.

Orson Murray is new to the team having moved to operations planning from operations information (see Keeping Track, page 7). He is putting his expertise and wide experience in operating systems to use in selecting computers and software which will be used by the new railroad. Mike Ragbourn, Washington Corporation vice president management information systems, has also lent his considerable skills to this project in the data systems area. During the past few weeks a number of visitors have been on our property including individuals from the World Bank, representatives from the principal owners of NCA and vendors desiring to sell goods and services to them. We expect to have representatives of several departments of NCA, including their president, on our property for a four-week period in late summer. Fluent in Spanish, manager of train movement Jay Wallace also plays a key role in the project providing interpreter and tour guide services. Stoeckly is making his second

(turn to Newsbriefs on page 2)



Conoco's Billings Refinery placed their new \$150 million coker into production the week of May 18. Pictured here at a ribbon-cutting ceremony commemorating the loading of the first rail cars on May 21 are, left to right, Lorna Pettigrew, MRL clerk at Billings, Tom Coston, MRL marketing manager, John Gott, operations superintendent of Conoco's Billings Refinery, and Linda Guzman, Conoco analyst. The coke is shipped to the Far East and routed via MRL Spokane, WA, BN to Roberts Bank, BC, where it is transferred to ships. For more on Conoco, turn to page 7.

Letters

Dear friends at MRL:

Finally I have come back to my home offices at Buenos Aires, and I am again available for any matter that you might require. Please do not hesitate to call me right away.

I wish to let you know of my deepest appreciation for all the time and effort you spent during my visit.

You people over there have been really nice and kind. Thank you all.

I could not finish this short message without expressing my most sincere feelings about how impressive and well handled looked your operation at all levels, being quite obvious that all the persons working for MRL are really proud of their job performances. Actually, you have a sound organization.

Congratulations!

Looking forward to seeing you soon, have you all my best personal regards.

R. L. Lopez

Editor's note: Mr. Lopez is a director with Roman Maritima S.A., a company that has a part of the consortium that will be operating the Mitre Line in Argentina. He toured part of MRL in April. See News Briefs for more on the Argentine Project.

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.

Camera? Film? Don't
forget the Employee
Photo Contest!



Newsbriefs (continued from page 1)

trip to Argentina this month. **Bill Brodsky**, president, **John Wiesch**, general mechanical foreman at Livingston, and **Richard Keller**, chief engineer, have all visited Argentina in preparation for the ultimate start-up of operations under private ownership which is expected to be later this year.

■ **Raser Drive** crossing in Missoula will be closed permanently on June 30. The Missoula County Commissioners made the decision in response to concerns expressed on public safety and after a public hearing to determine the impact closure would have on the community.

■ **Safety Highlights:** Through April 1992, our cumulative casualty rate for the year stands at 9.3 reportable incidents per 200,000 man-hours vs. 13.36 for the same period in 1991. There were 31 reportable injuries during this period in 1992 compared to 48 in 1991 which represents a 35.4% reduction.

There have been 273 lost workdays and 137 restricted workdays for this period in 1992 compared to 914 and 200 respectively last year. This is a reduction of 70% in lost work days and a 31.5% reduction in restricted work days. Accident costs for the same period reflect an 85.7% reduction. Consistent effort on the part of all employees will maintain this positive trend.

■ **Rogers & Johnson**, a chipping and logging operation based in Kalispel, MT, began shipping sawlogs from Laurel to Superior on June 1. Because of tight car supply, the shipper is providing log bunks which are fitted on 56 foot bulk head flat cars. Using the stake pockets, the bunks can be adjusted according to need. For this move, the cars will be set up to handle one deck of 33 foot logs and one of 16 1/2 which increases the number of board feet per car from approximately 7,500 to over 11,000.

■ **Montana Rail Link** will participate in the annual Railway Supply Association meeting in Chicago, September 20 - 23. An exhibit featuring locomotive GP19-1 No. 151 and other equipment is planned.

Thank you!

Machine operator **Joyce Esterby** would like to thank all those who have expressed get well wishes and for the many cards, letters and flowers she has received over the past few months.

Editor's note: Esterby and **Mike Knight** were operating a spiking machine on Gang 53 working near Evaro, MT, when injured in an accident on April 13. Both are recuperating and we hope to see them back on the job soon.



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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.

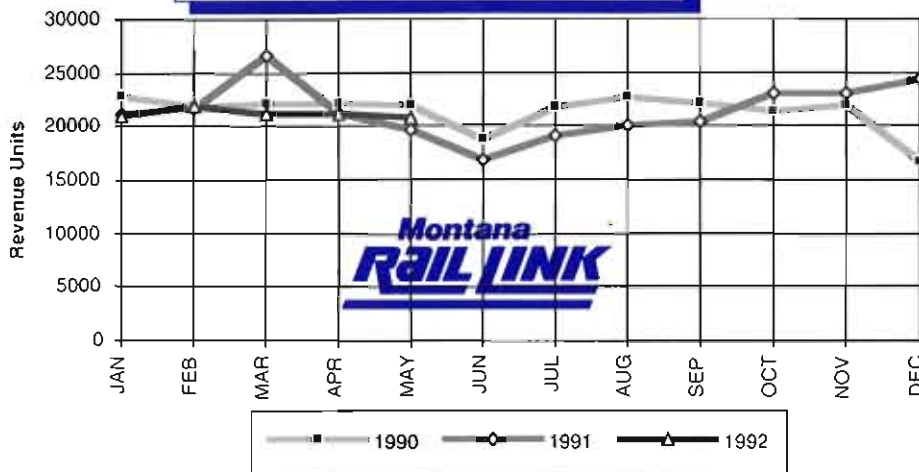
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Member
Association of
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No. 21 May-June/1992
June 10, 1992

REVENUE UNITS (CARLOADS) HANDLED



Revenue units for the first five months ended May 31, 1992 totaled 106,106, a decrease of 4,487 or 4.1% compared to the same period in 1991. Bridge traffic accounted for 70,985 units, a decrease of 8,076 or 10.2%, due largely to reduced movements of grain. Traffic which MRL originates or terminates posted a gain of 2,809 units or 10.7% for the period. Increased movements of lumber, paper and primary forest products contributed to the strong performance in this area.

Our new customer service department:

a win-win change for employees and customers

The Compass/YMS and Customer Billing groups merged on April 24 to form the new Customer Service Department. All functions previously handled by the separate departments are consolidated into one. **Tom Jones**, director of customer service, heads the department (see "Keeping Track" on page 7 for additional information on promotions and changes effected by this reorganization).

This organizational change was the result of managerial planning to structure the new department around logical work flows and at the same time address a number of concerns that were expressed earlier this year by both groups during the Employee Attitude Feedback Meetings. Areas of concern such as "more open communication between departments" and "more opportunities for cross training in related areas" have been addressed. Requests to "participate in seminars and field trips" as they would relate to job enhancement and expanded customer contact are under active

consideration. Customer Service is staffed around the clock and a supervisor is assigned to each shift. Weekend coverage by supervisors is on a rotation basis. Car distribution and crew management also come under the scope of the new Customer Service department.

Our customers should benefit from this change, too. Both of the previous employee groups had customer contact. With the new arrangement, it is now possible for the customers to have all of their shipping needs handled with one phone call and deal with only one customer service employee rather than two or three.

"This change should be viewed as a win-win situation for all concerned," says Jones. "The employees have been instrumental in improving their job attributes and the customers will have access to more qualified and experienced customer service representatives to handle their transportation needs." •

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 to you. It provides a means to defer tax on a portion of your wages and save for retirement. Best of all, the company matches half of what you contribute (maximum match of 2% of your wages). A contribution of 4%, yields an immediate return is 50% on every dollar - guaranteed! This is the second of three articles in which we examine the Washington Companies 401(k) plan and how it is administered.

Plan Administrator

Howard Johnson & Co. is our plan administrator and bookkeeper for the 401(k) plan. They keep track of each participant's account balance, allocate investment earnings or losses to your individual account, reallocate fund balances when asset allocation changes are made and produce the quarterly account statements. They review our plan continually to make certain we comply with I.R.S. regulations so that participants' retirement money remains tax deferred.

Fund Consultant

Bidart & Ross is our fund consultant who makes sure all of the components of the plan are working effectively and at the most cost efficient level. They bring new ideas to the Washington Companies benefit committee¹ about changes in retirement planning to ensure participants receive the best safety and returns possible on retirement savings. They also assist in finding and screening fund administrators, investment managers and custodians. •

¹ **Fred Simpson**, executive vice president, and **Sharon Prinzing**, personnel manager, represent Montana Rail Link on the Washington Companies Employee Benefits Committee.

Next: Investment managers



Above: The 4 PM Helena switch engine placed some of the new cars to the Ash Grove Cement plant at Montana City on April 29. Pictured here, Bob Churchwell, Ash Grove Cement yard foreman, **Larry Huff**, MRL marketing manager, **Kern Kemmerer**, MRL switch foreman, **Rick Zimmer**, MRL manager of car distribution, **Rich Curtis**, MRL switchman, **Kevin Pelletier**, MRL locomotive engineer, and **Howard Nash**, MRL director of marketing and purchasing. Below: The Holnam Inc. cement plant at Trident also received some of the new cars on April 29. L to r: Zimmer, Huff, Bonnie Bianchi, Holnam Inc. shipping clerk, Herb Ferguson and Gary Huls, Holnam Inc. supervisors, and Nash.



Now in service: our new 100-ton, 3,000 cubic foot hoppers

The first 20 of our 100 new 100-ton, 3,000 cubic foot covered hoppers arrived at Laurel on April 27 where they were exhibited for the media. Holnam Inc. at Trident, MT, and Ash Grove Cement at Montana City, MT received the first of the new cars on April 29. Within three weeks many had made three round-trips of up to 800 miles each. Montana Rail Link chose to purchase rather than lease cars; the practice of many regional or short line railroads because of the capacity and flexibility that ownership offers. All 100 cars, numbered 9000-9099, are now in service. Says Rick Zimmer, manager of car distribution, "We have the cars we need, when we need them and we have the capacity to handle all our customers' needs." Thrall Car Manufacturing of Chicago Heights, IL, was chosen as the builder because of the car design, quality and price offered. Part of our 1992 capital improvement budget, the cars represent an investment of \$4.2 million. •



Top: The new 100-ton, 3,000 cubic foot hoppers have a light grey paint scheme with the MRL logo in red and blue and the "Flying W" insignia in reflective white. Above: Twenty of the new 9000 series hoppers and MRL SD19-1 rebuild No. 651 on exhibit at Laurel on April 27.

Laurel assistant trainmaster **Steve Huschka** being interviewed by KULR TV of Billings on April 27.



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. The process is ongoing. Here are a few of the problems presented and resolved since the last issue of the Newsletter:

- Switch crews given more autonomy to prioritize and schedule work at Billings Yard
- New Customer Service Department formed (see page 3 for details)
- Outside lighting been installed at the Laurel Car Shop
- Two lap-top computers purchased for the signal department for use by communication technicians for programming and trouble-shooting radios
- Fax machines obtained for the Laurel and Missoula Maintenance of Way Equipment Shops
- A photocopier machine furnished to the Missoula M/W Shop and an overhead hoist is planned for the Laurel Shop
- MRL is hiring a full-time claims and accident prevention manager to improve communication with people on sick leave and injured status
- Locomotives can be sanded quickly and safely with a new sand tower installed at Running Repair in Livingston
- New lighting installed at the Missoula Roundhouse area and drains installed in the locomotive inspection pit
- Chief engineer to meet with maintenance of way employees across system to further discuss the Attitude Survey/Feedback process
- Locomotive engineers ready-room at Missoula Yard Office being redesigned to provide for more efficiency and comfort
- Welding classes, taught by instructors from Vo Tech in Billings, held for Laurel Mechanical Department employees
- Parking lot and access road at Missoula Yard being regraded to provide for better drainage
- New cabinets for computer printers installed in Customer Service to reduce noise
- New telephones with volume control installed and dividers in Marketing area to reduce noise level and interruptions and provide more privacy
- Training Center at Missoula refurbished — improvements include repainting inside, repair of windows and replacement or repair of furniture

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.

Murphy's Law Does Not Apply

Whatever can go wrong, will go wrong. Don't believe it. On May 10, Missoula locomotive engineer **Ken Johnson** and assistant **Verlin Bonner**, were running grain train G31WM07 from Missoula to Yardley. The Lothrop hotbox detector failed to provide a reading and, as prescribed by the operating rules, they stopped and inspected their train. They discovered a broken wheel which no doubt would have caused a derailment had it gone undetected. Each received a letter of commendation and a gift certificate as a token of appreciation for a job well done. This is a good example of where compliance with the rules yields dividends for everyone. •

Miscellany

Jim Dickerson, an assistant locomotive engineer based in Missoula, let us know that the Chicago, Rock Island & Pacific was not on our list of railroads represented within our ranks (see Newsletter No. 18). Dickerson worked in their track department for a brief time back in the '60s. The total has now reached 43! Are there any more?

**Good safety
practices begin with
YOU!**

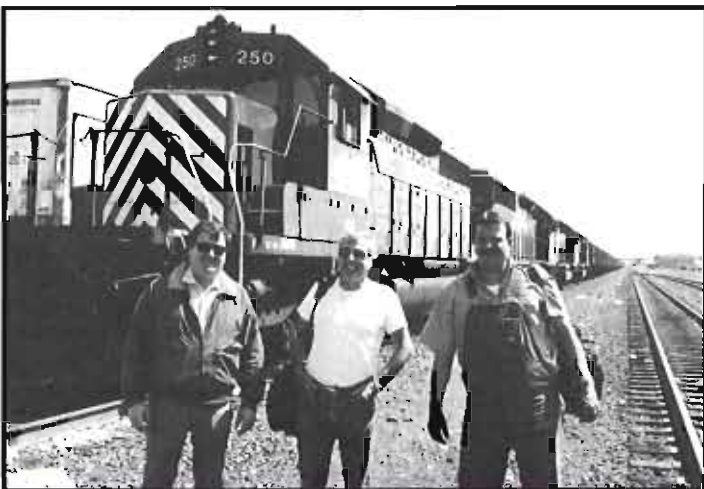
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Getting into training! Besides these Operation Lifesaver volunteers, an estimated 1,300 people of all ages had a chance to get acquainted with railroading in a "miniature" way by riding a train over a 1,200-foot route at Jans IGA in Laurel. **Shawn Ham, Nancy McCullough, Steve Jones, Jon Klasna, Ted Tonn, Paul Elsenpeter, Jr., Rick Stabio, Tom Ricci and Robert Fox** coordinated the event held on May 15 and 17 as part of National Transportation Week/Operation Lifesaver Week activities. Jon Klasna photo.

The MRL sponsored an "Officer on the Train" program during Operation Lifesaver Week in May. Paul Elsenpeter, Jr., a Laurel carman and coordinator for the events, says, "It worked well and opened the eyes of all the people that were involved." Twenty-one law enforcement officials representing the Montana Highway Patrol, city police departments and county sheriff departments took part which covered 146.9 miles of MRL territory. Sixteen reporters from television and newspapers also observed and experienced first-hand what an engine crew does from a locomotive cab. Surprisingly, two school bus drivers and one city bus driver were also identified for violations. Near misses were reported in Helena, Bozeman and Billings. Despite Montana's low population density there is much to be done in educating the public about the dangers of grade crossings...something to seriously think about! Congratulations to Paul Elsenpeter, Jr. and all of the other MRL Operation Lifesaver participants for making this year's "Officer on a Train" program a huge success. •



Conoco (continued from page 7)

Coke Drilling and Loadout

High pressure water is used to "drill" the coke out of the drum. The coke falls out of the bottom head of the coke drum into a pit where the water drains away. An overhead crane with a clam shell bucket lifts the coke from the pit into a crusher. The crusher sizes the coke to 4 inches and smaller and loads it onto a conveyer belt. The conveyer deposits the coke into a rail loading silo. Montana Rail Link switches hopper cars into the refinery where they are loaded from the bottom of the silo through pneumatically operated dump chutes. The cars are moved to Missoula where they are staged until a unit train, 46 to 56 cars, can be made up. Run in conjunction with the Burlington Northern Railroad, the trains run to West Shore Terminals at Roberts Bank, BC, where the coke is unloaded for transfer to ships for destinations in the Far East.

The new coker and other plant modifications enable Conoco to process heavier, less expensive crude oils while maintaining the same gasoline and diesel production rates. Otherwise, the heavier crude oils would contain a higher proportion of low valued asphalt materials and a lower yield of gasoline and diesel than the light crudes previously processed at the refinery.

Montana Rail Link is pleased to play a part in providing for the transportation needs of Conoco. •



Above: At Sandpoint Jct., ID, on May 31, Missoula locomotive engineer **Ted Lane** gives an eastbound BN Intermodal train a roll-by inspection while the first coke train, designated 01BC1MS31, awaits clearance to proceed westward to Yardley, WA. MRL trains have trackage rights on the BN from this point to Yardley, WA. Left: The first coke train (46-cars, 5,750-tons) at Yardley (BN's yard at Spokane, WA) after a 10-hour, 280-mile run from Missoula with the crew: **Lane**, engineer, center, and **Steve Wanberg**, assistant, right. Also pictured is **Marc VanOrman**, MRL trainmaster at Spokane. The train is run in conjunction with the Burlington Northern Railroad. The BN is supplying the open top hopper cars and MRL is providing the motive power which runs through to Roberts Bank, BC.

Keeping Track

Personnel Changes at Montana Rail Link

Effective April 16:

The Transportation Department in the Missoula general office building reorganized with the consolidation of Compass/YMS, Customer Billing and Crew Calling into a new Customer Service department (see page 3). Positions of director operations information, manager customer accounting, car service manager and assistant manager operations information were eliminated and replaced as follows:

Thomas A. Jones to director of customer service, from trainmaster at Missoula.

Cathy A. Richardson to manager customer service from manager customer accounting.

Dennis L. Meyer to manager of customer service from car service manager.

Donald R. Allison to manager of customer service from assistant manager operations information.

Denise M. Rogers to manager of crew operations from chief clerk, crew calling office.

David S. Swanson to trainmaster with headquarters at Missoula from manager crew operations.

Orson E. Murray to manager of operations planning, from director of operations information. A new position, Mr. Murray will be involved with the Argentine Project and special assignments.

Retirements:

Effective May 21:

Hugh J. Green, locomotive engineer, Missoula, with 42 years of combined service with the Northern Pacific, Burlington Northern and Montana Rail Link.

Our best wishes for a happy retirement!

Customer Profile:



No. 16 in a series of articles designed to acquaint us with our customers.

Conoco is an international, fully integrated energy company with extensive international operations in exploration, production, refining and marketing. It is one of the largest petroleum companies in the world and historically has been among that industry's leaders in technology and product delivery systems.

Conoco employs more than 20,000 people in the nearly 30 countries in which it has operations ranging from exploration to marketing. The company recently opened its first service stations in eastern Europe and has a significant presence in Russia. Its total refining capacity is more than half a million 42 gallon barrels a day in its five U.S. refineries and two European refineries in which it has interests.

The company has invested significantly upgrading its refineries in the United States to process less costly, more plentiful high-sulfur or "sour" crude oils including the \$150 million coker at Billings.

Founded in 1875 as the Continental Oil Company in Ogden, UT, the new company began selling its petroleum products to the mining industry in Montana as early as 1876 (the petroleum products sold in Montana, and elsewhere, were kerosene and axle grease, which with lamp oil were about the only valuable petroleum products until someone invented the internal combustion engine and later the car which, as you are by now certain, provided a market for the rest of a barrel of crude oil, gasoline). Du Pont, the country's largest chemical company, purchased Conoco in 1981.

Conoco's Billings Refinery was brought on stream in 1949. From an original refining capacity of 7,600 barrels per day (b/d), the facility has

been steadily upgraded and now can process up to 52,500 b/d. In addition to Wyoming and Montana crude oils, the Billings refinery processes Canadian crude shipped through Conoco's Glacier pipeline. Conoco's concern with the environment has resulted in millions of dollars in Billings being committed to reduce emissions and enhance the environment. The coker project alone will reduce Conoco's sulfur dioxide emissions by 14 percent.

Conoco's Delayed Coker Project

"Delayed" does not mean the project is off schedule. To the contrary, the coker operation began right on schedule the week of May 18. Delayed Coking is a refinery process that upgrades asphalt into gasoline and diesel. Asphalt is heated in a furnace to temperatures in excess of 900 degrees Fahrenheit and routed to fill one of two large coke drums. The large asphalt molecules thermally crack into smaller gasoline, diesel, and fuel gas molecules. Remaining in the drum is a solid material called petroleum coke that looks like coal. While one drum is filling, the coke is being removed from the other coke drum.

This process is called "delayed" coking because steam is injected into the furnace tubes to keep the asphalt from coking until it reaches the wide area of the coke drum. The coking reaction is "delayed" to avoid coke formation in the furnace tubes.

Petroleum coke has a number of uses depending on the type of petroleum feedstock used to make it. Fuel is the primary use for Conoco's coke. Typical users include cement manufacturing facilities.

(turn to Conoco, page 6)



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Below: Bill May, road foreman of the Arizona & California Railroad, sent us this photo of our GP19-1 No. 151 leading ARZC train 708 down amongst the saguaro cactus in the Narcuvar Mountains near Salome, AZ, in April. The 248-mile regional railroad based in Parker, AZ, operates on former ATSF trackage between Matthie, AZ, and Cadiz, CA. No. 151 has been under lease to the AZRC since January 3.



*Safety pays! In recognition of an injury-free 1991, Thompson Falls signal maintainer **Dick Abromeit** receives a \$500 U.S. savings bond from signal supervisor **Steve Griffin** on April 13. The maintenance of way department promotes safety with an annual drawing for the bond. The names of all employees without injuries (reportable and non-reportable) during the year are entered in the contest. Abromeit has not had an injury since starting with MRL in 1987.*



Proud of Who and Where We Are.



*Left: Missoula area employees were recognized for continuing service and support with an employee appreciation day and luncheon held at the Reserve Street Inn in Missoula on April 23. Jennifer Carter, pictured here second from right, of Directions for Career Development, a Missoula-based consulting firm, spoke at the luncheon. Organizers of the event included, left to right, **Lori Cochrell**, **Jacque Duhamel**, **Sharon Prinzing**, **Mary Semmens**, **Lynda Frost**, **Carter**, and **Fred Simpson**.*