

Information for Employees and Customers

No. 30 . Third Quarter 1995

A Message from Bill Brodsky

M ost of you have heard by now that the Burlington Northern and the Santa Fe Railway merged on September 22. The newly created company, Burlington Northern Santa Fe Corporation, owns the largest railroad network in the United States with more than 31,000 route miles reaching 27 states and two Canadian provinces. It is headquartered in Fort Worth, Texas.

The Washington Companies have enthusiastically supported the merger of these two outstanding railroad transportation companies. The expanded single line service capability and large concentration of assets of the merged company will provide significant benefits to us as well as the shippers that Montana Rail Link and the Southern Railway of British Columbia serve. A map of the merged system showing the expanded network is included with this issue of the News. You can easily see how our customers should benefit from access to a system that serves many major markets. Looking to the future, our enthusiasm is driven by many new opportunities we see to better serve our customers.

Speaking of our customers, they have kept MRL very busy this year. We have handled in excess of 20 million gross tons on our main line during the first six months. At the present pace we will handle about 100,000 more cars on our system than we did in 1994! I think it is safe to say that we have all felt the impact of this additional business. The combination of heavy grain movements from the Midwest and strong on-line loadings from local customers has challenged our equipment, our system, and our people. I'm happy to report, however, that we have held up quite admirably. The outstanding cooperation between departments has resulted in our major maintenance programs being

(turn to Message, page 2)

Newsbriefs

- New gondolas arrive At least partial relief for a chronic gondola car shortage was realized with the arrival of our 50 new 52°6° gondola cars that went into service in late June. Built by Trinity Industries in Mt. Orab, OH, the cars have a 2,743 cubic foot capacity, a 217,400 pound load limit and are numbered 41000 through 41049.
- New hoppers MRL ordered 100 new jumbo covered hopper cars to haul grain. The cars will have a gross rail weight of 286,000 pounds and capacity of 5.150 cubic feet, ideal for small grains. Thrail Car of Chicago Heights, IL, is building the cars at a cost of \$5.4 million. Delivery is scheduled for the first half of 1996.
- A chip(s) off the old block and more Stone Container Corporation is establishing a whole log chipping operation at Huntley, MT. Logs from eastern Montana will be processed at this location. Shipping is expected to begin by late October. Darby Lumber in Darby, MT. began moving woodchips by rail in August. Tabish Brothers Distributing is handling the ethanol for the Missoula area this winter which will be received by rail. Missoula air quality standards require this oxygenator to be mixed with gasoline sold in the area between November 1 and March 1.
- Keep it down Through August, we have \$1,802,643 in accident expense. With four months remaining there is no room for any more significant accidents if we are going to meet our goal. Employees will receive a \$300 bonus at year end, if we can achieve a 25% reduction in accident expense based on a five year average. The goal is to keep the total accident expense under \$2.5 million. Eligible employees are those who have (turn to Newsbriefs on page 2)



2500 days—6.6 years—is a long time and working that many days without an injury is a impressive achievement. The Engineering Department has 57 employees that hit that mark this year and in recognition, each received a commemorative belt buckle, certificate of achievement and a special hard hat. Pictured here. Lloyd Mickelson, left, and Dan Boyd, right, are presented their awards by Missoula readmaster Augle Cantu on September 13th.

Newsbriefs (continued from page 1)

worked a minimum of 1000 hours during the calendar year and are employed by the company at year end. We can do it!

- Safety report card Through the end of July, MRL ranks 9th in a field of 20 railroads classified as Group C (under 4 million annual man-hours worked, but more than 250,000). Our record is 4.84 casualties per 200,000 man-hours worked.
- We'd rather switch than fight Missoula Yard assumed the task of switching intermodal trains 21/27 and 23/25 on July 28. The "switch" was made to relieve an already busy Laurel Yard. The Laurel respite was short lived, however, as intermodal trains 57 and 6 were run over our line for about a month to accompdate track work on the hi-line.
- In focus Mark Simonson, Jay Lentzner, Dave Franz, Tom Miller and Al Burns took all the prizes in our annual photo contest that drew 89 entries from 12 individuals. Eight of the 12 winning images were selected to appear in our 1996 calendar that should be ready for mailing by early November.
- Transportation Center expands On July 20 at 7:00 a.m., a third train dispatcher's position was added. The new position is assigned 7:00 a.m. to 3:00 p.m. and controls the territory between Helena and Missoula, Huntley and Laurel, and the 5th Subdivision. It will reduce the work load on the other two positions that have put out as many as 94 track and time permits during an eight hour period. The change has resulted in greatly improved communications between the Transportation Center and field personnel. ●

The Washington Companies have a new corporate identity with the adoption of a modified "Flying W" symbol. The new logo clarifies the old one and features a profile of a lion's head that symbolizes strength and power.

Already adoming the front of corporate headquarters in Missoula, the logo will be applied to all MRIL equipment including locomotives and freight cars.

Message (continued from page 1)

completed on or ahead of schedule while maintaining service at unprecedented traffic levels. A special thanks to all our employees for a job well done.

One of the biggest challenges this year has been the hiring and training of personnel to support the expanded levels of activity on our railroad. Our maintenance forces worked shorthanded throughout most of the construction season and we have nearly exhausted our operating people. We have hired 42 operating persons so far this year and are anticipating hiring 20 more this fall. Maintenance of Way added 56 new employees for summer programs. Our traditional summer full was nonexistent this year and summer traffic levels actually coincided with the highest traffic months of 1994.

A note of caution concerning the unprecedented traffic levels of 1995: with business up and people and equipment taxed to capacity, it is easy to forget the fundamentals that are responsible for our past success. The customer, regardless of how big or how small, must continue to be our primary focus. In meeting the service challenge, we have excelled with attention to detail and recognition of the value of people. The needs of our customers have not changed. They continue to require the attention, the quality and consistency of service that they have come to expect from our company. Now, more than ever, it is appropriate to differentiate our service from the competition. People make the difference!

As we anticipate taking full advantage of the capabilities of a new Burlington Northern Santa Fe Corporation, let's remind each other not to lose sight of the fundamentals of our business. SERVICE INDUSTRY... PEOPLE BUSINESS.

Bill Buthy

In Memoriam

MATTHEW V. THORNBURG 1964-1995

Gone but not forgotten...Maintenance of Way employee Matthew V.

Thornburg was killed in an automobile accident on July 3, 1995. Matt began working for Montana Rail Link on April 25, 1989 and worked various positions on the gangs. He held a



permanent truck driver position on the Helena Section. Matt was held in high esteem by his fellow workers and supervisors because of his leadership qualities and his natural ability to be a friend.

LEONARD W. HITCHCOCK 1946-1995

We lost a valued employee to cancer on September 6, 1995. Locomotive engineer Leonard W. Hitchcock, a member of the Confederated Salish and Kootenai Tribes, served six years in the Army National Guard as a Special Forces Green Beret, then began his railroad career with the Milwaukee Road. Lenny was a real family man, well liked by all who knew him and highly respected as a fellow employee. "He was a pleasure to go to work with: genuinely concerned about people," said fellow engineer Mel Baker. Mr. Hitchcock is survived by his mother. Fern, brothers Albert and Ray, a sister Leona Larson and two daughters Michelle Coleman and Tammy Hitchcock and two grandsons. all from the Missoula area.

Reeping Track

Steve P. Camper to manager train movement in the Missoula Transportation Center effective June 1. Mr. Camper joins us from the Burlington Northern Railroad where he was a dispatcher at Fort Worth, TX. He started his career as a brakeman/conductor at Galesburg, IL.

Jona Joan "Jay" Barnes to manager crew operations at Missoula effective October 2 from crew caller. Jay started as a clerk on March 1, 1988. ●

Annual Missoula-area United Way Campaign kicks off in mid-October

Our friends and nelphbors have needs that must be met-food, shelter, clothing, course, comfort or help in a family course the United Way is there providing function for many programs. Your gift indicates you care and they stay in me blassous community. Tom Jones, Randy Gustin, Kevin Denman and Dave Swanson are the coordinators.

Measuring up

ith 748 of our employees participating, the fourth annual Employee Attitude Survey got underway in July. In the first phase, participants were given the opportunity to respond to twenty questions designed to measure the attitude of people at MRL, the departments and each work group.

The feedback phase will get started soon. Following the pattern of past surveys, employees will meet with their supervisors to review and discuss the results. From this, problems will be identified and a recommendation for corrective action taken.

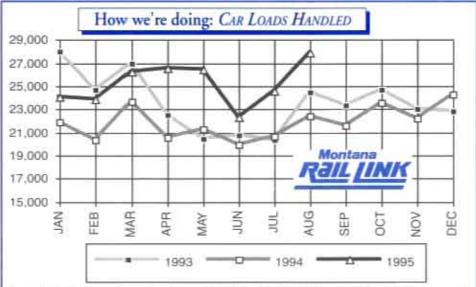
The goal is a better company through participation and is administered by Center for Value Research, a Dailas, Texas-based consulting firm. All of the Washington Companies use this program. Lynda Frost, assistant to the president, is the survey coordinator for MRL. Call her at 523-1417 if you have any questions.

The Missoula Car Shop employees held a cookout on September 15 in recognition of going one year without any injuries. They also honored carman Pat Loran. pictured here, center, who retired with a medical disability pension. Friends with him are, left to right, Dale Virts, Spud Padilla, Jerry Brewer, Chuck Marvin, Bill Scanlon, Don Fradette. John Peterson and Chip Raber.





Manager of train movement Dick Lemieux at the new console in the Missoula Transportation Center. The console layout was designed with the input of the people using it. The other two consoles will be remodeled in the coming months. See Newsbriefs for more information.



Car loads for eight months ending August 31, 1995 totaled 201,962, up 31,370 or 12% for the period compared to the same period of 1994. Continuing to be driven by heavy movements of corn and soybeans moving to the Pacific Northwest for export, bridge traffic set the pace surging by 32,597 cars or 18.5%. Business originated or terminated on MRL declined 424 cars or .9% during the period. Shipments of petroleum products helped to offset the impact of reduced movements of lumber and related products due to poor market conditions and lime.



- ▲ The first of 50 new gondola cars began arriving in June. Number 41000 is shown here at LRC in Livingston.
- Lee Wind, left, car distributor, and Tom Coston, marketing manager, note the load limit of the new cars is about 8% greater than a standard 100-ton gondola.
- ▶ Just visiting: Wisconsin & Southern Railroad president Bill Gardner and party traveled to Yellowstone Park from Milwaukee, Wis., in August aboard their special train which ran over MRL between Laurel and Livingston where the equipment was parked
- ▼ A cut below. The main line between Bozeman and Livingston received an "under cut" this summer, a process that cleans fouled ballast. The machine digs out the

ballast and processes it. Dirt and small rock is conveyed to the side while ballast material that can be reused is deposited back on the track. This is supplemented with additional new ballast and then the track is raised, tamped and relined. Pictured here, the undercutter machine is working near mile post 133 east of Bozeman.







DATES OF INTEREST

September 25 - October 13
Locomotive Engineer Training Program
in Missoula

October 19

General Staff Meeting

Bozeman

October 25

Annual Health Fair Washington Complex

October 31

MRL's 8th Anniversary

November 23

Thanksgiving Day Holiday

November 24 until...

Missoula Area Food Drive

to help needy families

see Dennis Meyer for info Employee Christmas Parties

Laurel - December 1

Livingston - December 2

Helena - December 9

Missoula - December 15



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