

An Interview with President Bill Brodsky News Briefs

Conducted by Milt Clark on January 6, 1990

Q. We have been in operation for more than two years now. In your view, what are our major accomplishments?

I think two things readily come to mind. First and foremost is the development of the team of employees at MRL. I think we all recall that back in the early going we hired people from all over the United States, some with railroad experience and some without. It has been very rewarding to see that evolve into what I feel is a very competent, professional team of railroaders in all areas of our company. To me, this is most significant and responsible for the second item, profitability. From the very beginning, our company has operated in the black. For a transaction the size of ours and considering all of the problems at start-up, it's a tremendous compliment to our people.

Q. And the disappointments?

There is no question that our history of accidents and personal injuries is a big)
(please turn to Interview on page 2)

During the month of January, MRL achieved a 98.4% on-time performance record for Intermodal trains and 93.8% for Merchandise trains. One hundred twenty nine intermodal trains were handled of which two did not make the train brief schedules. Six other trains were not counted since they did not meet train brief standards. The Merchandise record was also based on 129 trains counted of which eight did not make schedule. Another six trains were not counted because of train brief standards. This record accounts for MRL's handling of the trains excluding any time while under control of BN (between Helena and Phosphate or Sandpoint and Spokane).

(please turn to News on page 5)

We're Looking For Help

We're looking for reporters from each location for our Newsletter to assist the editor by keeping him informed about newsworthy events that occur on the railroad. Writing experience is helpful but not required, just an interest in developing material that would be suitable for publication. If interested, please contact Milt Clark at 523-1437 in Missoula.

Photographs are needed, too. B&W is preferred, but if you have taken a color shot, please send in the negative or strip of negatives (35mm negatives should not be cut into singles) with a note showing which frame is to be reproduced. We will get a B&W print made and return your material to you. Information submitted must contain the date, names of persons, jobs, description of what they are doing and the location. •



Marcy Howe, wife of assistant locomotive engineer Chuck Howe and out-going chairperson of Women for MRL, presented president Bill Brodsky with a flag at the Christmas party held in Billings on December 15. The flag will be on permanent display at the Laurel Yard Office building along with a U.S. flag that flew over the Capitol Building in Washington, D.C. on October 31, 1989, the date marking our second anniversary of beginning operations. Jennifer McCandless, wife of locomotive engineer Jeff McCandless, replaces Marcy as chairperson for the Laurel-based WFM for 1990.

Interview (continued from page 1)

disappointment. Last year we spent in the area of \$6.5 million in derailment-related expenses. That will equate to 2.5 to 3% of our profit sharing and works against the success we have had, the professionalism and the development of our people. I think in this industry it is real easy to fall into a mind-set of accepting personal injuries and accidents as an ongoing part of the business. I just refuse to let that happen. Our goal is zero accidents, zero injuries; this year we are going to put the mechanisms in place to measure those things on a real time basis. We will evaluate our ability to manage based on our success in achieving the goal of zero accidents. It will be a very high priority.

Q. You have already touched on the profit sharing issue, but just what do you see for the employees in this area?

A. Right now the figure is not cast in stone. We are looking at something in the area of 10 percent. There is always a lot of movement with the numbers at the end of the year as we settle contract related issues, particularly those that deal with the revenue side of the equation and so it's tough to pin it down until the books are closed.

Q. Rumors continue to circulate that the Burlington Northern is going to take us over or that BN will take over Laurel Yard. Will you comment on this?

A. There is absolutely no factual basis for the rumors, but I think I know why they come about, in part. The contractual relationship that we have with Burlington Northern is very complex and as situations change we are continually meeting with people from BN to try to deal with issues that were not clearly defined or defined incorrectly in the original contract. I think that every time we get together, people assume that there is a plot either to have BN acquire parts of MRL back, or conversely, MRL to acquire more of BN. From the standpoint of us turning our railroad back to BN, it is just not going to be the case.

Q. The Federal Railroad Administration (FRA) conducted an intensive safety audit this past year. Would you care to add your personal comments about this experience and its impact on our railroad?

A. Of course at this point, we have not had the opportunity to see in print what FRA is going to say about MRL and its assessment. The only feedback I really have is based on comments that were made by the field investigating team at the time they were on our property. For the most part it has been extremely positive; particularly in terms of our operating people. Comments were made that it was some of the most professional railroading they had ever been around. We've got some areas that we have to improve but I think the assessment was very positive from that standpoint. We were assured that the FRA was here simply on a safety audit and not on a "witch hunt," so to speak, to levy fines and pursue it on a disciplinary type basis. I think that's an area that I'm a little concerned about in that the FRA is not going to end up administering the assessment quite the way they laid it out for us in the early going. But again, until I have a chance to see in writing what the assessment says, all I can tell you is that I am very proud of the effort our people put forth in working with the FRA and seeing that the assessment went well. At this point, I would look at those things that were found in terms of constructive criticism. We are very receptive to that. It's a question of how big a hammer they use along with it that has me concerned.

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Retirements...

Clifford A. Jacobsen, Director of Locomotive Engineer Training retired December 31, 1989. Mr. Jacobsen began his railroad career with the Northern Pacific in 1953 at Glendive, Montana and was promoted to locomotive engineer in 1963. Before joining MRL in February 1988 he served as Road Foreman of Engines, Superintendent of Air Brakes and General Road Foreman of Engines with the Burlington Northern. Mr. Jacobsen was instrumental in establishing our Locomotive Engineer Training Program. •

Don't Forget....

the MRL 1990 Photo Contest. All entries must be submitted by August 1. Need an entry form or have questions? Contact Milt Clark, 523-1437 in Missoula.

MRL Employees Help

Less fortunate citizens in Missoula and Laurel/Billings area were helped by MRL employees this past Christmas. At Missoula, Bev Gunderson, Manager of Car Hire, headed up an effort that distributed food contributed by employees to five area families. At Laurel, the Women For MRL organized a similar project assisting area families with food and clothing donated by employees. •

The Newsletter is published by Montana Rail Link, Inc., issued periodically, and mailed First Class at Missoula, Montana, to all active employees. Readers are invited to submit news items and comments.

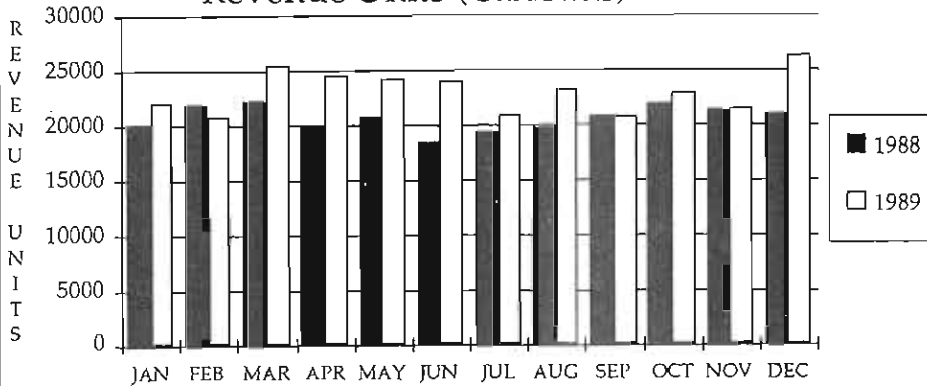
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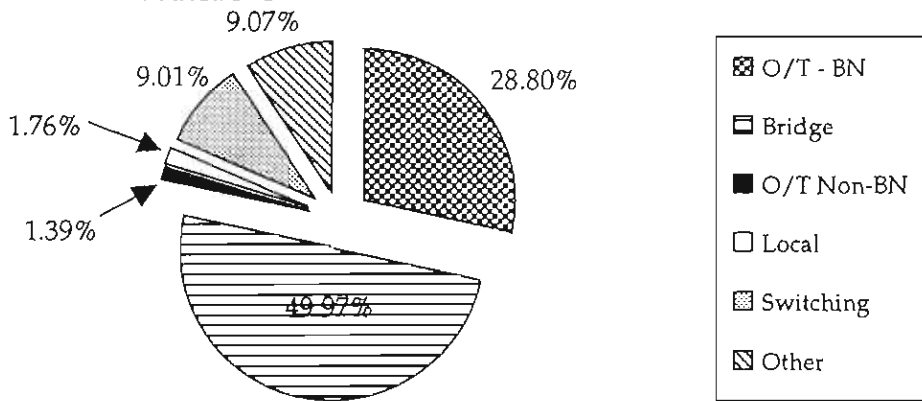
No. 9 Winter/1990 February 28, 1990

Revenue Units (Carloads) Handled



We handled 276,593 Revenue Units (carloads) in 1989,
an increase of 29,703 or 12.0% over 1988.

Where Our Revenue Came From in 1989

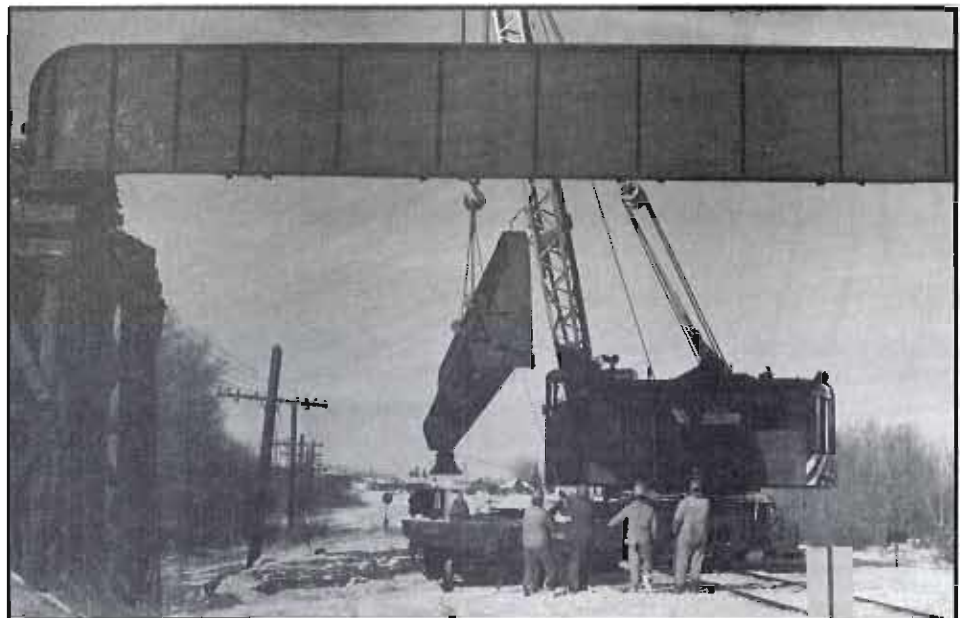


Note: O/T is traffic that originated or terminated on MRL. O/T Non-BN indicates traffic handled in conjunction with UP at Sandpoint, ID.

Our Own Rock Star

Managers of Train Movement (dispatchers) make periodic road trips to familiarize themselves with the territory and meet people they work with which helps them with the performance of their duties. Manager of Train Movement Dixie Hart was doing just that on January 11 when she was hi-railing with Assistant Roadmaster Bill Cornish northbound on the Montana City line. They were following a brush cutter when a blade caught and hurled a three-pound rock through the windshield of the hi-rail vehicle striking her on the left arm. Since she was unconscious from shock, and the extent of her injuries unknown at the moment, Bill Cornish radioed information about the situation and drove to Helena. Forces were quickly mobilized with medical personnel ready for her when she arrived at St. Peter's Community Hospital. Roadmaster Pete Christensen and Trainmaster Mike Lemm protected intersections as Cornish sped into the city. Fortunately, her injuries were not serious and Dixie lost only two days of work. The MRL and the St. Peter's Hospital personnel are to be commended for their quick action. •

A Bozeman, Montana landmark disappeared on January 5 when MRL crews, in conjunction with Pacific Hide & Fur of Great Falls, dismantled the old Milwaukee Road bridge over the MRL main line. Unused since 1980 when Milwaukee was abandoned, the bridge posed a clearance and safety hazard. Bridge & Building Supervisor Dave Cook, Bridge Crew 01 with foreman Howard Wilkinson, carpenters Wally Case, Tom Muggenburg, Richard Esterby and Ted Dahl; truck driver Marty Halliger, and crane operator Kim Peltier accomplished the task quickly and safely.



Interview (continued from page 2)

Q. Do you think we will actually be fined?

A. I think there is a possibility that in certain areas we will be sitting down and negotiating with the FRA as to whether we will get a monetary fine or not. That is still to be determined.

Q. Let's turn to the future, 1990 and beyond. Labor contracts with the Brotherhood of Locomotive Engineers (BLE) and the non-operating organizations expire at the end of October. Can you comment on what you see coming in labor negotiations and wage increases?

A. That is always a difficult one to talk about. I think from the company's perspective, and I hope from the organizations' perspectives, we have had an excellent relationship thus far. MRL must continue to be the low cost carrier to provide Burlington Northern and our on-line customers with the incentive to use our railroad. Having said that, we are well aware that there are some areas of the BLE contract that need to be adjusted, particularly relative to the equity of long runs versus short runs for our train crews. I know there are some areas on the non-operating side that people are concerned about. Based on the relationship we have had thus far with all of the organizations, I am optimistic that we will be able to sit down and put a contract together that will be workable from everybody's perspective. Obviously, when you go through a process like this, nobody gets everything they want. Hopefully, I think we will get close enough that both sides will come away from it feeling that we have got a good contract to go forward with. It is a little more complex for the non-operating organizations. As you know, we have one contract involving seven different organizations. It is very difficult to get seven different interests to agree on a particular issue. We have seen that in terms of the "Quality of Life" implementation part of the non-operating agreement, which still has not been signed by either side. So there will be some difficulties in getting the thing put together.

Q. The "Quality of Life" issue deals with the non-operating side only, is it in place with the operating people?

A. It's in place. We were able to do it fairly expeditiously with the BLE. Of course, we're only dealing with one organization and it is much simpler. When you have seven organizations involved, some things are important to one group and not to another. I hope that the organizations will be truly sensitive to the issues that are important to the MRL employees and not get encumbered by national issues that may not have significance here. That is the most important message that I would like to get across.

Q. Are we negotiating with the organizations as a part of a national effort?

A. No we are not, we are on our own. But we know that from time to time a specific issue that is important nationally will surface relative to our people and a position will be taken because it is important or perceived to be important in terms of the posturing that is done on a national basis. I really want to focus our attention on issues that are important to our people in Montana. That is an area that we have had some problems with in the past. We get bogged down in some of the detail that really isn't, in my perception, an important issue to the people that are here. Somehow we have got to keep the focus on MRL's employees.

(please turn to Interview on page 5)

CTC Extension Project Completed

The Centralized Traffic Control (CTC) extension project on the 4th Subdivision between Frenchtown and Superior, Montana was completed on Sunday, January 28 with the cutting in of West Superior. Under the direction of signal supervisor Steve Griffin and assistant signal supervisor Dale Smith, work on the 47-mile, \$875,000 project, was carried out by signal foremen Gary Loeffler and Fred Tully; signal maintainer B. J. McComb; assistant signal maintainers Tom Fontaine, Marvin McIntyre, Adam Atheam; and signal laborer Scott Price. Assistant signal supervisor Pete Molenda; signal supervisor Jerry Brown; assistant signal maintainers Mike Hardesty and Larry Roos; signal maintainers Gary Fritel, Lawrence Young, Dick Abromeit and Armand Johnson; signal inspector Ed Otto were on hand to assist during cut-over week.

Overall, this project will cause train performance to be improved and the need to relieve crews on hours-of-service, an all too frequent occurrence in the past, greatly reduced. "The CTC will save as much as an hour in train delay with meets," says Dick Lemieux, Manager of Train Movements. The train crews will certainly appreciate not having to walk to throw switches.

Jon Gjersing, Director Train Movement, declared, "I've been involved with two CTC cut-overs in the past and this was the best I have seen!" Steve Griffin said, "From the beginning, the overall project went well. Minor problems with some equipment occurred during installation that we were able to handle promptly. Everyone involved put in some long days during installation week, but it went very well." •

Interview (continued from page 4)

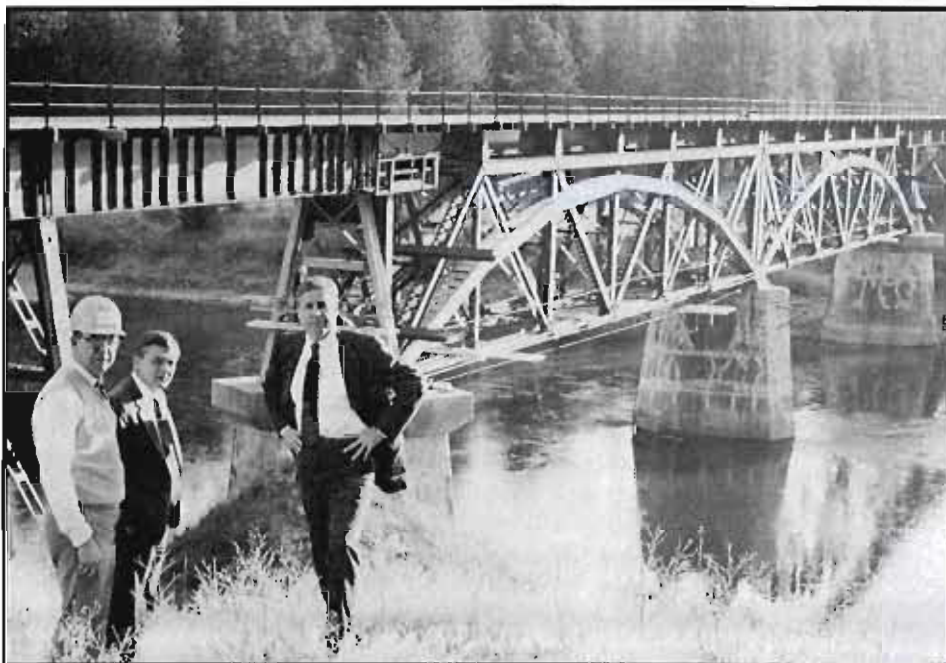
Q. Do you see 1990 as being another good year for us?

A. Based on the projections that we have from both the revenue and expense side, it looks like 1990 should be a good year. There were some areas of business that were not included in the forecast because they are a little unpredictable at this point, which could give us significant up side potential over what has been projected. On the down side, the temporary shut down by Stone Container will have a negative revenue impact of approximately \$1 million. At this point, I see 1990 being very similar to what we've been able to do in 1989; hopefully, with a lot less money being spent on accidents and injuries.

Q. What capital improvements are planned or budgeted for in 1990?

A. In 1990, our capital program will be in the area of \$10 million. The program is divided into two components: non-discretionary (items which relate to safety and environmental or regulated issues that simply have to be dealt with), and discretionary. This year we have adjusted the priorities and you will see us doing a little less in the track area and more in the mechanical area. This is to come to grips with some of the problems with our locomotive fleet that is 28 years old. We will be spending quite a bit of money rebuilding a number of our locomotives and trying to strengthen our position in terms of the locomotive fleet. There is a shift in priorities this year. We will probably have that shift for a couple of years and then get back into some heavier expense in the maintenance of way area.

Q. Do you see us getting into buying any new power or is it going to be strictly rebuilding what we have? (please turn to Interview on page 6)



A guest of Dennis Washington and Bill Brodsky, Michael R. Haverty, President and Chief Executive Officer of the Atchison, Topeka & Santa Fe Railway, toured Montana Rail Link on November 14 and 15. Pictured here at Bridge 208 near Quinns, Montana on November 15 are, l to r, Richard Keller (Chief Engineer), Bill Brodsky and Mr. Haverty. As reported in previous issues of the Newsletter, Bridge 208 is undergoing extensive rebuilding. Clearly visible in the photo are the new arch supports applied during the 1989 construction season. A ballast deck will be installed this year.

News (continued from page 1)

Trains are not counted if they are not within the train brief standards, i.e. have excessive length, over tonnage or insufficient horse power per ton ratio. •

After the February 2, 1989 Helena derailment, the National Transportation Safety Board conducted an exhaustive investigation of the incident. Their findings were issued on December 6, 1989 in a 184-page report which detailed ten recommendations based on a thorough examination of all aspects of the accident. Montana Rail Link has addressed each and every one of these recommendations in our response tendered to the NTSB on December 27, 1989. For interested employees, a complete copy of the NTSB report and the MRL response to that report is available for viewing at the General Offices and Trainmasters offices at Missoula, Helena, Livingston and Laurel. •

"The Goon Squad," "Goonies," "The Wrecking Crew," or "The Conchos" are just some of the monikers applied to organized groups of violent criminals who reportedly have been using the railroads in our area as a means of travel. Observed with a bandana worn on an arm or the head, they are to be considered armed and dangerous. Employees encountering persons on railroad property matching this description should avoid contact and immediately report the sighting to a supervisor or a manager of train movement who will, in turn, notify the proper law enforcement authorities. •

SAFETY.....

GETTING BACK TO THE BASICS.

Interview (continued from page 5)

A. I guess at this point, it is hard to see where we can justify \$1.5 million for a new locomotive when we can rebuild one with essentially everything on it, like new condition, for \$730,000 to \$750,000. We can rebuild two for what a new one would cost. We may, depending on what happens with coal traffic and other bulk commodities, see our way to justify some new power if the right kinds of opportunities come along. It is really an economic decision. We run the numbers out and look at the operating costs and maintenance versus the reliability and investment in the unit for both new and re-manufactured. When you get down to the bottom it says whether one is better than the other and that is pretty much what we base our decision on.

Q. There have been ongoing negotiations with Burlington Northern over the "Gap" and other trackage. Can you comment on this and what impact the results will have or when they will be finalized?

A. I think maybe the "Gap" is an over-rated issue and it has been from day one. It is safe to say that it was a much bigger issue conceptually during the course of the original negotiations than it is today. In fact, it was almost a deal breaker in terms of BN holding that piece of railroad out. It ultimately became clear that they were intent on keeping it. We were frustrated by that and I suppose, in part, that comes from my operating background where you like to be able to control your own destiny. But, I must say, it has worked out reasonably well. There were a lot of problems in terms of the interface between the two carriers on the mountain during the first year. It improved significantly in 1989 and we are exploring the issue to see if it makes more sense for us to be operating it or BN. No decision has been made at this time.

Q. Has any date been set?

A. No, there haven't been any dates discussed. It is still in the very preliminary "look and see" stage.

Q. Intermodal traffic continues to gain in importance to railroads. Do you see BN selling us any rights to run the Missoula or Billings intermodal hub centers or allowing MRL to develop intermodal traffic?

A. The only conversations about the "Hubs" that have taken place, occurred prior to the sale. We felt that we would like to control and run the ramps for BN. At that time they felt they wanted to retain control themselves. We have some ideas we're working on in the marketing area, and one of the things we'll be doing in 1990 is exploring some opportunities to grow the business and create some

new services within our service territory in conjunction with BN. How this is going to work, whether it would result in us operating the ramp in Missoula, in particular, or some change in the commercial relationship we have with BN on that type of traffic, I don't know. It is something we'll just have to talk our way through. The thing that is very clear now is that significant opportunities exist for us in the Missoula area to capture business by being able to stuff containers here and load them back to the west coast. We don't have a mechanical lift facility here in Missoula to facilitate lifting containers on and off cars. That is something we need to be able to do. We must decide if it makes more sense for MRL or BN to provide that service; and to determine the best way to pursue that business. That is one of the pieces that fits into this puzzle that needs to be resolved. We'll be addressing that with BN very early in 1990.

Q. Let's turn to the Washington Corporations. I understand a new company has been established to lease motive power rebuilt by LRC and that another company, Coast Engine & Equipment Company, has been acquired. Will you comment on this and how it will impact MRL?

A. The leasing company, Corporate Leasing Inc., is a logical outgrowth of being in the locomotive and freight car rebuilding business. Of course, we started with Livingston Rebuild Center and we've gone through our growing pains with that operation. I think that Mike Sudol has done a tremendous job of finally placing that operation on solid ground and professionalizing the operation at Livingston. It is a very competitive business and we're learning more and more about the true nature of that competition as we move forward. It became clear to us that for LRC to capture the big program work that we would like to put in Livingston, we needed to have the capability to overhaul the prime mover, the engine itself. We had the option of spending the money at Livingston and putting that facility in, or trying to find an operation that already had that capability. The advantage of going out and finding an existing company is that it is available to you immediately. You don't go through the growing pains of having to train the labor force or to establish the quality of the product, and then go out and market it. That was the driving force behind our acquisition of Coast Engine & Equipment Company in Tacoma (CEECO). They had the capability to overhaul the very same engines that we use in the railroad business. It so happened that their major focus had been on the marine side but it is essentially the same prime mover. They had a reputation in the industry as a high-quality producer and have a very skilled work force. It is a relatively small company that fit well with the concepts that we have here with Washington Corporations. So that acquisition has taken place and Dan Sokolowski, who was

(please turn to Interview on page 8)

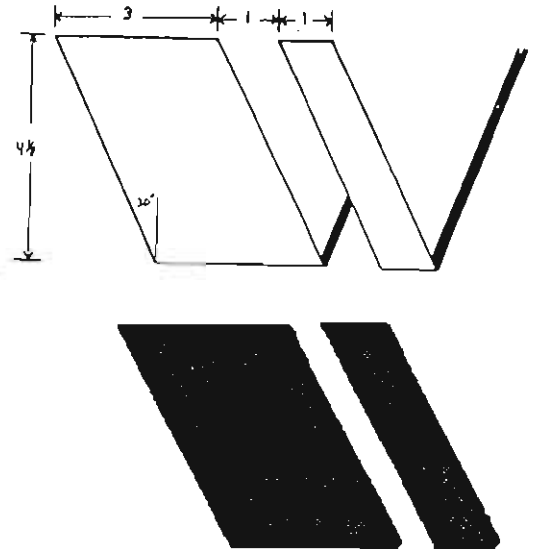
Flying "W" Explained

Ever wondered what those slanted stripes that appear on our rolling stock, company vehicles and stationery mean?

The "flying W" was designed specifically to give all Washington companies a common symbol to identify them and still allow them the flexibility of maintaining their own logo.

The diagram demonstrates the concept and proportional dimensions of the "flying W." Variation as to proportional size or location on equipment, which changes the appearance of the "W," has been and will be approved by Dennis Washington. Chris Johnson, Corporate Equipment Coordinator, is responsible for assuring consistency of size and location of the "flying W" on all equipment.

Each Washington company is responsible for the consistency of location and size of their logo and "W" on their letterhead, envelopes, business cards and other printed material. •



Montana Rail Link Marketing News

Bitterroot Dry Log began shipping house logs from Cody, Wyoming on the BN to Darby, Montana in January under terms of a contract negotiated with Dry Log manager Rick Lough, Larry Huff, MRL Marketing Manager and Teresa Perkins, Product Manager - Primary Forest Products of BN in Fort Worth, Texas. Log home building is an important business to the Bitterroot Valley with approximately fifteen manufacturers located in the area. "It's a good example of reaching to origins that would not be feasible with trucking," says Larry. About 140 cars are expected to move this year. •

The first carload of gypsum wallboard for Drywall Supply of Missoula arrived on February 5th from Himes, Wyoming. Annual volume could amount to about 30 carloads. •

BN's Forest Products business unit signed a contract with Stone Container Corporation to move approximately 120,000 tons of recycled cardboard boxes annually to Stone's paper mill near Missoula. Montana Rail Link is a party to this contract. This agreement is the most recent in a series of major contracts which supports BN's and MRL's growing business with Stone. Stone sited their recycling facility at Schilling, Montana (rather than a mill in the south) in part due to the strength BN's transportation contributed to wastepaper procurement planning. The tonnage represents a major backhaul, improving the productivity of the boxcar fleet in use at Stone's mill for outbound paper. •

To augment our grain hauling capacity, we have leased for one year eighty-five jumbo covered hoppers, 75 from Chrysler Leasing and 10 from the Northwestern Oklahoma Railroad. All of the cars are 4,750 cubic feet capacity with trough hatches. The new equipment, carrying OTVR and NOKL reporting marks, will enable us to re-open orders for grain cars. "It will be a big help to our on-line grain shippers," says Rick Zimmer, Manager Car Distribution. •

More Info:

Operating Ratio

1989: 64.36%

1988: 59.37%

Number of Employees

1989 Average: 862



We're In Print

The December 1989 issue of *CTCBoard* magazine contained a comprehensive feature story on Montana Rail Link written by Missoula locomotive engineer Alan Burns with many photos taken by the author and Jay Lentzner, Design & Maintenance Engineer. MRL was also covered in another publication, *Railfan & Railroad Magazine*. Their March issue had Part 1 of two parts written and largely illustrated by Billings free-lance photographer Kyle Brehm. Part two will appear in their April issue. •

Interview (continued from page 6)

our general mechanical foreman at Laurel, is now running that operation. CEECO has a contract with Sea-Land for car maintenance at their facility at Tacoma and the capability to do a number of things in regard to car repair and painting that also enhances our capabilities at Livingston. It was a very nice fit overall.

The next step is a leasing company which is still in the embryonic stage. We're in the process of getting that operation off the ground. We have not at this point hired any specific individual to run it. It is more or less being directed from the corporation side and I think that in 1990 we'll see that company blossom and become an integral part of the overall capabilities that we have. MRL should benefit from the additional traffic, both cars and locomotives, moving in and out of Livingston.

Q. Would MRL lease power from Corporate Leasing?

A. That's right. If we have short term peaking problems that present a need for additional power, we could certainly go to our own leasing company assuming their prices are competitive within the industry.

Q. Tell us something about the new approach to profit and loss being applied at the Missoula car shop?

A. It is an approach I'd like to take with many phases of our operation. One of the real differences between a company like MRL, a smaller operation with an entrepreneurial approach, and the typical Class I, is we force ourselves to look at every operation and its contribution to profitability. It became apparent to us that we have some tremendous assets in terms of the facilities that we have in Missoula and Laurel. We need to maximize the utilization of them. With the highly-skilled labor force, the work ethic and productivity of our people, we felt there should be a significant opportunity to enhance the profitability of the railroad through repair operations. We have set up a mechanism by which we look at a profit and loss statement for our car repair shop. The approach will be to educate our employees to the point where they are very much aware of how they are doing on a profit and loss basis. This will assist them in making the types of decisions that can enhance that profitability and identify those decisions that can work against us. The goal is to manage the operation with all of the people involved in evaluating the different pieces of work we do from a profit and loss approach. We will maximize the profitability of the car shop operation thus helping to maximize the earning potential of the railroad. To my knowledge that's something that has not been done at other locations in the railroad industry. Let me emphasize that this will not be at the

expense of safety, however. It is a new approach and we will try to expand it to other areas once we have some experience with it. I have always felt that it's the kind of thing we need to do. It's been fun to see it move forward here on our railroad. It has taken a lot of effort and a lot of growing pains to refine the reporting. If you don't report it properly, your costs tend to get skewed one way or the other. The better part of a year and a half has been spent trying to fine tune the system to make sure that we really did see a true picture of what the repair operation was about financially. I think we are about at the point now where we can use the information effectively.

Q. Santa Fe president Mike Haverty was on the property recently. Can you fill us in on why he was here?

A. Mike and I had a lot of laughs trying to figure out some way to get MRL and Santa Fe to connect with each other so that we could explore some opportunities to work together. I worked for Mike at the Santa Fe and, philosophically, our thinking is similar in a number of areas. It was fun for him to be able to come out and see some of those philosophies put into place. It is interesting that the Santa Fe now has a 401(k) program and a profit sharing program for their engineers. They are looking at a lot of the things we have done in terms of "leveling the playing field" so that all of the employees participate in the good and the bad. I think he agrees with me wholeheartedly that that needs to happen. It was a real pleasure for me to be able to take him across our property and to provide Mike a chance to visit with some of our people on the ground to really get a feel for how the system is working. He was very favorably impressed and I am fairly confident we will see him back out here sometime in the future.

Q. Is there anything else you would like to add?

Yes. Our company continues to be in the growth mode and we will seek opportunities to expand our business where it makes economic sense. The MRL employees have a lot to be proud of along the lines of individual and collective accomplishments the past two years; however, there remain two problem areas that must be recognized: (1) human error and personal injuries; (2) customer service. I've already discussed the accident and injury situation and the commitment our company is making to deal with that situation. While we have made some progress toward being a truly customer driven transportation company, there is still a long way to go. It won't happen until our customers become a priority for every employee. Both of these areas have a major impact on earnings for the company as well as the employee. We all need to challenge ourselves to reach beyond our grasp. •

Keeping Track

Montana Rail Link Personnel Changes

Effective December 4:

Jill Devlin appointed Manager Outbound Billing replacing Kim Lewis who resigned. Ms. Devlin served previously as a billing clerk.

Effective December 8:

Dennis Meyer appointed Manager, Car Service in the YMS/Compass Department. Mr. Meyer was a clerk in the YMS/Compass Department.

Effective January 1, 1990:

Randy L. Strending, Trainmaster, transferred from Laurel to Missoula replacing Bob Bateman who resigned and returned to engine service. Mr. Strending supervises the territory between Phosphate and Paradise.

Brian P. Heikkila appointed Director of Training, Rules and Safety. Mr. Heikkila served previously as Engineer Training Instructor.

Paul L. Adams to Manager Training, Rules and Safety. Prior to this, Mr. Adams was BLE Locomotive Engineer Training Instructor.

Bernard C. Bidwell's title changed to Trainmaster with headquarters at Spokane with responsibility for the territory between Paradise and Spokane.

Effective February 1:

Gary E. Waddell appointed Trainmaster with headquarters at Laurel, MT. Mr. Waddell served previously as an Assistant Trainmaster.

Marcus L. VanOrman appointed Assistant Trainmaster/Road Foreman with headquarters at Helena, Montana. Mr. VanOrman served previously as a Locomotive Engineer.

Jay D. Wallace appointed Assistant Trainmaster/Manager of Train Movements (dispatcher) with headquarters at Missoula. Mr. Wallace served previously as a Locomotive Engineer.

Thomas G. Reffitt appointed Assistant Trainmaster at Laurel, MT. Mr. Reffitt served previously as Manager of Train Movements in Missoula. •

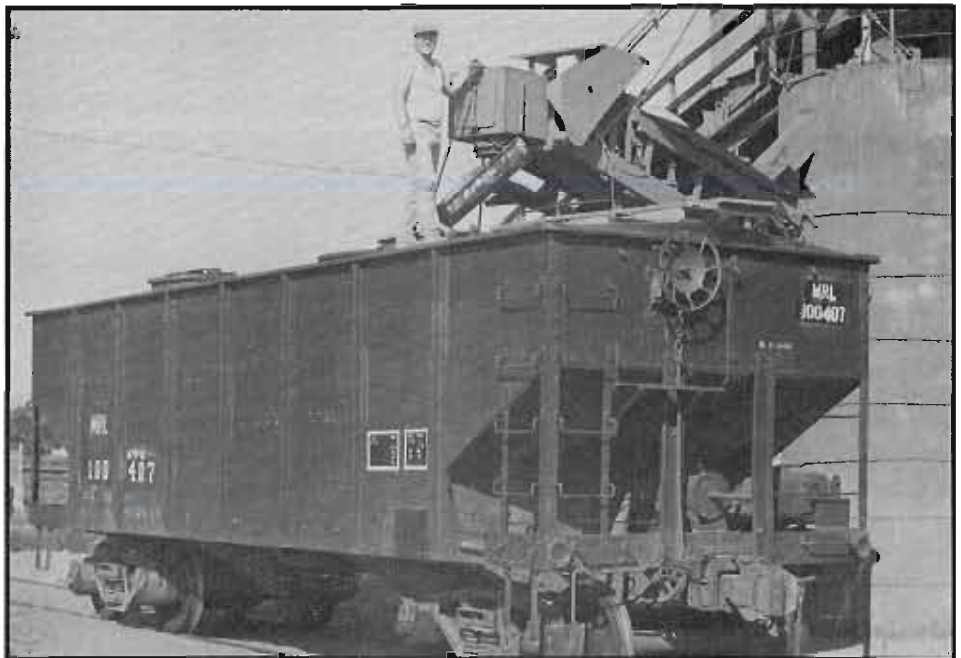
Customer Profile: ROSCOE STEEL & CULVERT

Roscoe Steel & Culvert is a privately-held, Billings, Montana based, fully integrated fabricator of steel products with in-house engineering capability. Structural steel for bridges, buildings and corrugated steel culverts are their major products. Established in 1953 at East Billings, the company steadily expanded its operations opening a facility in Missoula in 1963. In 1977, they relocated to the present site on Hesper Road on the west side of Billings, which was further expanded in 1980. To increase fabrication capacity, the Missoula operations relocated to a new facility in the Momont Industrial Park west of the city in January 1990. Jim Roscoe, President, has headed the firm since 1975.

Firmly adhering to a "buy American" policy, their inbound steel is supplied by a variety of domestic mills, 80% of it moving via rail. Steel

culvert is shipped from Billings to Missoula via MRL, utilizing bulk head flat cars on a back haul movement. Roscoe Steel has been used extensively by Montana Rail Link for bridge material (structural material for the Bridge 208 project), bridge re-building (upgraded and strengthened the bridge used in the Lombard siding project in 1988), corrugated steel under passes, culverts and syphons. Roscoe steel employs 145 persons at its Billings location and 40 at Missoula. "We are very pleased to be working with Montana Rail Link. Dennis Washington has done a lot for Montana," says Missoula plant manager Bob Strobbe. •

Fourth in a series of articles designed to acquaint us with our customers.



When the cost of locomotive sand obtained from Glendive, Montana became prohibitive, Chief Mechanical Officer Mel Dinius looked for other sources. Eggar's Ready-mix Concrete of Livingston, a vendor for the BN at Livingston until the shops were closed in 1985, was selected as the new supplier. The sand comes from Eggar's pit east of Livingston. It is screened and dried before being loaded into rail cars, using facilities adjacent to Running Repair, for movement to Helena, Missoula and Laurel. Mr. Eggar, pictured here, is loading the first car on August 4, 1989.

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Operation Lifesaver is alive and well on MRL, reports Robert L. Fox, Locomotive Engineer and Operation Lifesaver Coordinator for the Laurel area. Three teams of presenters have been organized with Tom Ricci, Paul Elsenpeter, Jr., Nancy McCullough, Dave Schuyler and Rich Turcotte as members. All of the presenters received training at a workshop held in Helena on November 7, 1989.

During the month of January, 2140 students from Park City, Laurel, Columbus, Huntley, Sheppard, Billings and Reed Point heard the Operation Lifesaver presentations. Says Bob, "School principals and teachers have been very receptive to our program. The children are very attentive and like to ask questions or simply make comments. Operation Lifesaver is a worthwhile program."



With peaks reaching more than 11,000 feet above sea level, the Crazy Mountains of Montana create an impressive backdrop for train M-L (signifying Missoula-Laurel) east of Big Timber in January 1989. Kyle Brehm photograph.

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Insurance Notice

Health Services Association of St. Paul, Minnesota, a successor to the Northern Pacific Hospital Association, offers supplemental health insurance. Apparently several Burlington Northern employees are subscribers to the Health Services Association plan and have had problems in collecting benefits. If you have had similar problems, please contact Toni Barrett of the Washington Corporations at 523-1317. •