

Message from the President



Tom Walsh

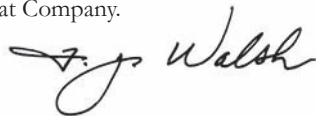
Best of the Best. Four simple words that sum up the vision for our Company! I am convinced that we have the ability to be the Best of the Best in Service, Safety and Ingenuity. We have already proven that we can succeed in Safety by winning the Harri-man Award in 1998. And we know there are endless hours of hard work and dedication ahead of us to win that prestigious award again – I know we can. How do we continue to find new and better ways to serve our customers? The answer is ingenuity and good people. We must constantly ask ourselves how can we do the job our customer better. That is we will have improvement way to enjoy our years to come. Company is Service. Bill Brodsky's bantering of Industry, People and "Helping grow and Those words are ingful now than world that has become starving for good service.

"We, all of us as employees of Montana Rail Link, should hold our heads high and know that we are a leader in customer service."

 Tom Walsh
President

We, all of us as employees of MRL, should hold our heads up high and know that we are a leader in customer service. I am often told, without prompting, that our customer service is top notch. I thought you would like to hear what some of our customers have been saying about us. In June we handled a special export talc move for Luzenac. Bill Carrier, Luzenac's Distribution Manager, sent me a note, thanking our mechanical group, the Helena trainmasters, local train crews, customer service, car distribution and marketing people for a job well done. Mr. Carrier went on to say "MRL made a commitment to this project and carried through at all levels. It is indeed a pleasure working with your railroad." In July, during a discussion with a senior executive from Plum Creek, he noted that MRL is vastly superior to our competition in terms of service, and wished we handled all their business – he commented that we are able to cycle freight cars more than twice as fast as the competition. A grain loader in the Midwest tells us they request their grain products destined for export to be routed over MRL to take advantage of our service. These are but a few examples that I thought the entire company should hear and take pride in a job well done. You should feel great to be a part of making us the Best of the Best in Service – I do. Now, let's commit to doing it even better yet!

Remember, you are the reason we are successful. Let's make 2006 another year to remember for our great Company.




Old caboose made new for MOW Department use

Anne Marvin • Manager of Mechanical Administration

Dennis Eggers, John Peterson, Chuck Marvin, and Faron Stevens stand in front of the MRL 1007, an old caboose they renovated for use by the MOW Department. This caboose enables safe movement on Jimbo Locals and other work trains. The early 1900 cabooses sat in the elements for nearly 20 years on the SRY. The entire brake rigging and air brake components were updated, along with new trucks, wheels, couplers, draft gears, corner steps, paint, and interior work.



Photo by Paul Elsenpeter

Grant in Aid for post secondary education available

By Lynda Frost

Yet another benefit the Washington Companies offer our employees is the Employee Family Grant in Aid Program for Post-Secondary Education and Training. This program, which offers \$1,000 per year, provides financial assistance to family members of employees of the Washington Companies who are attending an accredited university, college, vocational technical school, community college, college of

technology or trade school.

Year to date MRL employees have been recipients to more than \$68,000 in grant monies. For more information, check the MRL website, www.montanarail.com.

Important to note that students must submit their applications following formal registration, but no later than 30 days after the term has begun; late applications will be ineligible to receive a grant for that term.

Distributive Power (DP) tests executed across system

Mark Smith • Terminal Superintendent, Laurel

Our first switchman class of 2006 started in February and they are on the property performing well on their own. There are about 20 people remaining in the group. Since then, we have hired another switchman class with 17 participants. That class began in July and they are progressing well.

We started the Locomotive Engineering Training Program (LETP) in mid-September with 18 participants. The classroom portion of the program began on October 16 in Missoula. MRL has had 34 engineer classes since 1987, with an average of about two classes per year. Where did the time go?!!!

Thanks again to Jenny Slater, Carolyn Cochran, Chris Carlin and Robbie

Mayes for their input and being a part of our Tower Advisory Committee. Their knowledge and experience goes a long way!

You may have seen a grain train traveling across our property on or about September 2 and possibly did a double-take when you saw a locomotive on the rear and you were no where near a helper district. You weren't seeing things!

It was our first test train using (DP) Distributive Power. With the help of BNSF Roadforemen Roger Galland from Havre and Mike Neva, we were able to use DP from Laurel to Paradise on G-NUMPWA9-25. The train weighed in at 14,410 tons and had three C-44's on the point and one C-44 linked up for DP on

the rear. The first MRL locomotive engineers to operate DP on MRL were Butch Ripley and Mark Leischner.

We ran another test train in early October using a coal train. It weighed 16, 584 tons and had a mixed bag of power. One C-44 and two 60M's on the point and one 70 MAC on the rear for DP.

The train again started in Laurel and ran to Spokane. Kim Kautzman, Perry Smith, Mike Mattson, Kern Kemmerer and Jay Hart worked both trains across the system along with Transportation Director Don Smith and Signal and Communication Director Steve Griffin. Ted Hagemo monitored from his office! The results of the test are pending.

Keeping Track

On the Move

Mike Mattson • Now Trainmaster/Road Foreman (Missoula) from Assistant Trainmaster

Effective June 16, 2006

Look Who's New

Extra Board Clerk

Mel Holtz, Kathy Jones, Sherri Burris, Tina Milliken

Payroll Technician

Cindy Smith

Carman Apprentice

Aaron Haddick, Michael Padrotti, Mark Brosten, Travis Saunders

Train Dispatcher

Jim Hamill – *Welcome Back!*

Machinist/Machinist Apprentice

Bill Edwards, Richard Huson, Monty Holiday, Mark Fischer

Manager of Revenue

Linette Lemm – *Welcome Back!*

Switchman Trainee

Tanya Markiss (class transfer), Thad Johnson (class transfer), Dan Hansen (class transfer), Leslie Romine, Matt Michaelson, Chris Spadt, Jason Ness, Randy Timmer, Joshua Johns, Calvin Vondra, Jason Ostler, Justin Bagley, Mike Rausch, Jered Milligan, Shaun Powell

Track Laborers

Lucas Corcoran, Rodney Kaufman, Jake Sept, Kegan Beauchman, Charles Felice, Noah Weninger, Jeremy Taylor, Brett Nelson, Travis Peterson, Kameron Savik, Louis Sanders, John Wills, Todd Hoover, Tony Santorno, Jason Fuhrmann, Ethan King, Kevin McGann, Kasey Holden, Elden Grove, Ron Corcoran, Palmer Hendrickson, Colin Barnhill

Retirements

John Mitchell	June 2006
Frederick Ball	June 2006
Gary Maedche	July 2006
A.S. "Fred" Tully	September 2006
Darryl Whitcanack	September 2006

Dates to Remember



December 1

Laurel Christmas Party

December 2

Livingston Christmas Party

December 2

MRL Santa Express - Missoula

December 8

Missoula Christmas Party

December 9

Helena Christmas Party

Winter is a time for regular exercise, staying healthy

Pete Lawrenson • *Chief of Security*



As Montana turns to fall and children have returned to school, many of us look toward hunting opportunities and the many holidays just around the corner. When it gets colder, our bodies need more fuel to keep warm but sometimes we add more fuel than necessary and our "stockpile" of energy shows around the middle or other places. Fall is a very good time to get back into a regular exercise program whether you do it at home or at one of the many available fitness centers sponsored by MRL. We all know that proper diets, regular exercise and good states of mind are necessary to stay healthy and work safely, seize the moment to get going and feel and see the difference.

Have you taken advantage of MRL's Health and Fitness program? With free access to many of fitness facilities across the system, you can't afford to not participate! The following facilities are available for your use:

Hope, Idaho
Pend Oreille Shores Fitness

Livingston
Total Fitness

Thompson Falls
Bear Muscle Fitness

Bozeman
The Ridge Athletic Club

Missoula
Gym I
Gym II

Billings
Evolution Gym
Powerhouse Gym

Helena
Crossroads Center
Broadwater Athletic Club

Laurel
Locomotion Fitness

Annual Health Fair begins

The annual Health Fair is a great way of getting a handle on your systemic health status for year to year tracking. We're back for our 14th year with the same inexpensive and convenient program we have had in the past.

Flu shots, tetanus shots, complete blood chemistry, prostate specific antigen (PSA) and blood pressure checks will be available at the Missoula GOB (November 2), Missoula Yard Office (November 2 and November 3), Helena Yard Office (November 7), Livingston Yard Office (November 15), Laurel Yard Office (November 16) and the Billings Yard Office (November 17). Please check the Health Fair Posters, pay check stuffers, and flyers for specific times and details on the available tests.

If you plan on attending the Health Fair, register with your local coordinator and remember to not eat or drink anything (except water and black coffee) for 10 hours prior to the Full Blood Chemistry and Glucose/Cardiac Panel.



Wash Corp IT Services offers computer training

Michelle Watt • *Manager, Accounting*

Washington Companies IT Department offers several training courses available to all employees. Such classes include Microsoft Word, Excel, PowerPoint, Outlook and others. These classes are offered from levels that range from basic to advanced courses.

In addition these classes are now available to take via the internet. This will allow for a much larger number of employees to be able to take advantage of this great resource offered to us as employees.

To view the list of classes and the registration process visit the following website:

<http://trainingcenter.washcorp.com>

Contact Bryce Thompson, the IT Training Coordinator at 523-1376 if you have additional questions.

Would you like to know more?

For more information on the IT computer classes offered to all MRL employees, visit the web site at:
<http://trainingcenter.washcorp.com>



COMMUNITY SPOTLIGHT

MRL walks to fight heart disease

Montana Rail Link employees and friends, along with Washington Corporations staff members, raised over \$3,400 for the annual American Heart Association Heart Walk on September 16, 2006, putting the MRL team in the top five of the highest money-raising teams and seventh out of all Missoula-area companies. Beyond the numbers, MRL employees participated in a worthwhile community event which helped the AHA raise a portion of the \$365 million dollars they spend annually for research, professional and public education, and advocacy to stop heart disease from being the number one killer of women, and the number three killer of men in the United States.

MRL, Rotary raise money for Watson Children's Shelter

Montana Rail Link, the major sponsor of the Missoula Sunrise Rotary's *Money Train*, helped raise \$30,000 for Watson Children's Shelter. The Money Train is an annual fundraiser coordinated by the Rotary Club, in which each year all of the proceeds go to a different non-profit organization. This year's recipient, Watson Children's Shelter, a safe haven for children in crisis, is a long time favorite of MRL. Every year our employees volunteer their time for facility repairs, organize fundraisers and donate gifts to the children during the holidays.