



Company News for MRL Employees

Dispatch Staff: Lynda Frost • Jim Bieber • Kim Griffin • Mike McKay • Pete Lawrenson • Erin Best

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Message from the President



The news these days always seems to be bleak. You may be like me and want sometimes to avoid the TV and newspaper to keep from getting even more discouraged. Unfortunately, that only lasts for a short time and then another layoff story

or government bailout is on the radio or the front page of the local newspaper. When the economic pain became apparent nationwide in September, it appeared that railroads and MRL, in particular, were going to be somewhat spared. Our business continued almost as usual for several months, however we began seeing business soften in November. As I write this message, we are in the middle of February and have already received reports and notifications in this new year from several customers who are scaling back or even suspending operations. Smurfit Stone Container, our third largest customer, has filed for Chapter 11 bankruptcy.

Your mom may have told you not to cry over spilled milk. Her words are as true today in our business environment as they were at the kitchen table years ago. The milk may have already spilled, with the Cheerios and all, however it's our job to clean it up and get on with what we do best – customer service. Even though we have seen some car loads disappear, we still have much to be thankful for. We have a coal contract through 2012 that we expect upwards of 90,000 loads annually as well as 115,000 annual loads of grain and miscellaneous freight. Many of our customers are weathering the storm, and we expect that to continue. It appears very certain though that we are not immune from the national economic woes, and we will likely see less overall business in our region and passing over us on bridge trains.

We have adjusted our operating plan and will continue looking at doing things a little differently in the areas of maintaining our equipment and track and reducing administrative costs, among other things, to become the most efficient operation possible. We have begun that process in earnest, and I for one am optimistic about our prospects. I know we can be successful in reducing costs and clawing back any revenue losses that we suffer. As I have said before, I know we can, because we have nearly 1,000 great employees to carry out the charge.

Now is the time not to get discouraged – instead we need to work even harder to weather any storm that comes our way. Please help me keep our company strong!

Thank you,

Tom Weber

A Fresh Look

Lynda Frost, Assistant to the President

Montana Rail Link and the other Washington Companies have adopted new company logos. Based on the familiar Washington 'W' symbol that has been in use since 1996, the new logo consists of a re-proportioned white W enclosed in a red disk. The new disk image is accompanied by a change of font style. The logos of all Washington Companies have been changed accordingly, conforming to these new elements.

The crisp, direct style of the new logo befits modern business and indicates a powerful affiliation with the other Washington Companies. There is no timetable set for complete implementation within each company. MRL, for example, will replace and update logos on an as-needed basis.

All MRL logo-bearing property will include 'Montana Rail Link'; with the exception of the rolling stock, which will display the red disk accompanied by 'Rail Link'. The other identifier on the equipment will be 'MRL'. Only selected units, new units or those in for repairs requiring complete re-painting will be updated. The former logo schemes, introduced in 1987 and 1997, are "legacy designs" and will remain for the time being.



Logan Ice Jam

Jim Bieber, Project Engineer

After twenty years of operation, one would think that Montana Rail Link would have experienced every issue possible that would have affected our railroad. No one could have predicted the Logan ice jam in late December. Leading up to this event, areas from Helena to Livingston saw a cold snap that had temperatures drop to minus 25 degrees for an extended period of time. This allowed the Gallatin River, one of three confines of the Missouri River, to freeze completely over with ice. This in itself is quite common; however as the water began to freeze forcing ice to move down the Gallatin River, it became jammed in a bend of the river. This caused the water to backup until the river breached a portion of the river bank causing approximately 80 percent of the Gallatin River to run along the toe of the railroad down the fire guard road. As a result, ice formed up to the base of the rail and allowed water to run through the ballast, flooding the fields on the north and south side of the tracks.

On December 26, the main track was slowed from 60 mph to 25 mph. Twenty-four hour inspections were conducted by Assistant Roadmaster Curt Witham, Chris Seymour and the Trident Section to ensure that the track was safe for trains. Following a site inspection, a plan for the repairs was developed.



Above: Rich Keller and Jim Bieber prepare to view the problem from the skies.

The plan consisted of a three-part solution. First, repair the 100 linear feet of river bank and redirect the river into its original channel. Next, create a berm along the tracks where water was still running along the toe of the ballast. Lastly, raise the elevation of the track along the problem area.

After contacting several government agencies, permission was granted to repair the bank. This was accomplished by railing in 23 air dumps of rip rap and placing the rock with two excavators. Straw bales were placed along the track in a section to divert the water away from the railroad and back toward the river. Once the weather warmed, crews were able to raise the tracks 12 inches after dumping 60 cars of ballast from the Pipestone Pit. Favorable weather has allowed the ice to break up and the river is now flowing back in its original channel. After the ice completely thaws, a detailed study will be conducted to determine the long term solution.

A special thank you to Leonard Carden, Tom Ness, Tom Hart, Jody Ryan, Andy Rosenbaum, and Bill Marohn for their assistance with the repairs.

Left: A view from above; snow covers the flooded and frozen fields on the north and south side of the tracks.

Keeping Track

On the Move

Bill Cornish • Was Roadmaster, Now General Roadmaster

Buck Tripp • Was Assistant Roadmaster, Now Roadmaster, Helena

Casey Calkins • Was Assistant Roadmaster, Now Manager TRS

Gregg Cooney • Was ATM, Now Manager TRS

Jody Ryan • Was Track Laborer, Now Assistant Roadmaster

Justin Gilbertson, Ethan King, Matt Hansen, JB Russell, Tony Santorno, Kameron Savik, Jake Sept, Corey Thiel, Nick Tucker • Were Track Laborers, Now Switchman Trainees

Look Who's New

Carman Apprentice

John Petersen

Clerk - Helena

Chad Blair

Communications Technician

Don Gies

Locomotive Engineer

Preston Cliburn

Machinist Apprentice

Jeremy Johnston

Manager Customer Service

Mike Bonnes, Missoula

Switchman Trainee

Todd Hoffer, Tony La, Robert Moore, Jonathan Seymour, Joshua Starkel (rehire)

Retirements

John Adams, Mechanical Livingston

Susan Emrick, Operating Missoula

Larry Huff, Marketing Missoula

Jim Johnson, TRS Missoula

Kerry LaDuke, Engineering Livingston

Pete Storseth, Mechanical Helena

A View from a Larger Perspective – Graymont Western

Mike McKay, Manager Marketing

Newspapers, television, radio, the internet; you can hardly avoid hearing about the U.S. economy. How's your 401K? Did you hear about Company XYZ laying off hundreds of employees? The "bad-news" is non stop. The Dow

DATES to Remember

Health Screening

March 10th & 11th

Missoula GOB

March 12th

Missoula Yard

March 24th

Livingston Yard

March 25th

Billings Yard

March 26th

Laurel Yard

22nd Annual Golf Invitational

June 27th

Missoula

August 7th

Laurel

DEPARTMENT HIGHLIGHT SUPPLY MANAGEMENT

Kim Griffin, Senior Manager Purchasing

The mission of the Supply Management Department is "...to strategically facilitate the acquisition, distribution and management of materials, services and information, thereby adding value to our company and our employees in order to support corporate goals and objectives." By achieving our objectives, the Supply Management Department positively impacts the "bottom line" at MRL.

In order to accomplish our goals, **Van Blakely** manages the department that consists of three separate entities working together to provide procurement services in addition to administrative and strategic functions. The three areas making up the department are material management, purchasing and inventory management. Each of these groups strives to provide the level of customer service that allows the internal customer to concentrate on their area of expertise.

The Material Managers are **Christy Mowrey** in Laurel, **Bruce Young** in Livingston and **Kevin Denman** in Missoula. Each of these managers assists the separate departments by requisitioning, receiving and distributing materials and supplies and managing the physical inventories. They also maintain an inventory of safety supplies, among many other duties. They are

an excellent resource and assist MRL employees by researching supply and materials needs.

Lynda Hahn is a one-person group in Inventory Management. Lynda handles all inventory accounting for Maintenance of Way, B & B, Signal, locomotive and car shops on MRL. She supervises inventory accounting for the entire railroad.

The Procurement Group at MRL is based in the Missoula GOB and is staffed by **Kim Griffin**, **Cindy Moore** and **Trish Anderson**. Each of these Purchasing Managers is assigned distinct areas of responsibility. Kim Griffin, Senior Manager Purchasing, is responsible for Maintenance of Way; car shops; office management; and administrative ordering among other responsibilities. Cindy Moore covers locomotive materials, printing, safety/first aid, and material sales. Trish Anderson purchases materials and supplies for the Signal Department, Work Equipment, vehicles, and Operating Department. She is also the "go to" person for mobile phones and computers. As the Director of Supply Management, Van Blakely oversees materials and services contracts and fuel purchasing, as well as his many other administrative functions.

Safety 2009

Pete Lawrenson, Chief of Security

The New Year has come and gone, and 2009 will be over long before we can imagine. As fast as time flies, we need to get a good start on all projects and endeavors to stay ahead. The same is true for a safety program addressing accidents and injuries. We need to get out front with a positive attitude and program and stay there for the entire year of 2009. With this year's goal of **Zero Accidents** and **Zero Reportable Injuries**, we are

challenged to be the *Best of the Best*. Safety started with each of us on January 1st and ends as a team result on December 31, 2009.

Double Zeros is the safety goal for 2009. While we have already experienced three reportable injuries, we are substantially ahead of 2008; three this year compared to six the same time last year. And our accident comparison is even better—one this year compared to four this time last year!

Nobody wants to be hurt and nobody wants to be involved in an accident. We must all set our personal goals as "no accident and no injury is acceptable." We have many work groups with countless injury and accident-free days—if we can do it in small groups, we can do it as a company. Work accordingly on lone projects and as a team member, and come December 31, 2009, we will be the *Best of the Best*.

GIVE. ADVOCATE. VOLUNTEER.
LIVE UNITED Missoula County United Way
missoulaunitedway.org

Congratulations! To Troy Downard, winner of the United Way Missoula 50/50 drawing. Through the efforts of MRL employees, \$35,716 has been raised this year.

50/50

Jones has fallen over 5,000 points from 2008's peak of 13,058. In times like these, I would like to encourage us all to step back, take a deep breath and look at things from a better, more realistic perspective.

In October 1987 when MRL started up, the Dow Jones was at 1,994. Today it is at 7,900, nearly a 300% improvement in 21 years. If I were to have told you that you could have put \$10,000 away then have it turn into \$40,000 today, you would have been wise to borrow money from your bank to do it. Seen through the lens of 2008, the economic news appears to be grim. Viewed through the lens of larger perspective, the economy is up 300%. The lens we choose to view things through is a personal choice.

I prefer to look through them both, just not at the same time.

Graymont Western (like the economy) is off from last year. Nine per cent lower car shipments, 5% lower revenue to the railroad. Not necessarily good news. However, 2007 was their best year ever! Viewed from a bigger perspective, 2008 was Graymont's second best year ever. 6% greater shipments than their previous second best year; 18% more revenue than their previous second best year.

"Business is off" for MRL as it is for the U.S. and the whole world. However, many of our customers and, in this case Graymont Western, had a great year last year. Take heart and be encouraged that your hard work is helping companies like Graymont be strong and competitive in a regional marketplace. From your Marketing group; *Thank You!*

Pay It Forward

This year, 107 MRL employees were drawn to receive a \$250 gift card to donate to a favorite charity. Watch the Dennis & Phyllis Washington Foundation website for updates, www.dpufoundation.org.

Twenty Year Service Award

