



Company News for MRL Employees

Dispatch Staff: Lynda Frost • Anne Marvin • Jim Lewis • Kayleen Woodruff • Pete Lawrenson • Scott Trent • Erin Best

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Don't Get Caught in the Rut

Jim Lewis, Director Sales & Marketing/Car Distribution

It has often been said, "The only constant in life is change." As I was reading my emails on my Blackberry the other night, I thought about how cell phone improvements have continued to make our lives so much easier. At the beginning of my professional career, I was issued an old Motorola cell phone. It was so large that it wouldn't fit into my pocket or, for that matter, even get coverage outside the city limits. Today, I can access my emails and call my wife while hunting in Montana's wilderness. How times have changed in just 16 short years!

The same can be said about our business. Just three years ago, key customers such as Plum Creek, Stimson, Montana Tunnels, and Smurfit Stone were running strong. Not many people would believe these customers would shut down, but look what's happened. Now, it is the responsibility of the Sales & Marketing Department to replace this business with new opportunities; after all, with change comes opportunity. People who are unwilling or reluctant to change will miss out.

"The only difference between a rut and a grave are their dimensions." I don't know who said this, but it holds true for the challenges that face every business. It is our job not to get caught in the 'rut'. Most people don't like change, but people or companies that do not embrace change will not survive. The cell phone industry did not stop with the early Motorola model, and we cannot stop searching for new business opportunities and better and safer ways to do our jobs.

Even our Sales & Marketing Department has seen its share of changes in the past six months; I officially assumed the role as Director the first of the year. Also, we reduced staff to three Sales Managers and welcomed Julie Cowan, Car Distribution, to the department. These changes have forced us to operate differently, and from the looks of things, the positive results have far out-numbered the negative. The Sales & Marketing staff; including Cathy Wilson, Mike McKay and Tom Coston; have all been working hard to find new business opportunities. A good example of change leading to opportunity is evident in Montana's forest product industry. When Smurfit Stone closed, it had a huge statewide effect on our logging industry and our railroad. Suddenly, there was no market for Montana pulp logs. This has led to other markets being explored. We are currently working closely with the forest products industry to research export markets. Changes in our business have also forced us to diversify. Montana Rail Link now offers *Third Party Logistics* and has the ability to transport goods by truck if rail is not an option. Our ability to change and offer new services will benefit us in the future.

There is certainly one guarantee about the future; It will change! The question is: Are you willing to change with it? We should all challenge ourselves to look for new, safer and better ways to complete our jobs. We need to protect our existing business by providing excellent service while pursuing new markets and business opportunities. To accomplish this, we must be willing and able to change. Your feedback and suggestions are always welcome. Who knows, our next big opportunity could only be a phone call away. Unlike my early career, you can now reach me outside the city limits at 529-4758.



Growing Greener

Anne Marvin, Mechanical Foreman 3/Admin

In June, the Missoula Community was awarded a \$1.13 million grant by the US Environmental Protection Agency to provide funds to Montana Rail Link to outfit 34 locomotives with Auxiliary Power Units or APUs.

An APU is a small diesel engine that is installed on a locomotive to allow the unit to be shut off while keeping the oil and water circulating and warm. Not only does this save fuel (half a gallon per hour compared to 4-5 gallons an hour a locomotive uses sitting idle) but the

APU will produce some 90% fewer emissions into the air.

Thirteen of our SD40-2 & 45-2 locomotives already have APUs. Our 16 SD70Ae's already have an Auto Start System, while 11 of our GP's have a hot start system.

Livingston Roundhouse has installed the first of the 34 APUs and will continue at a rate of approximately three per month. Once installed, MRL's entire "core fleet" will have fuel saving/ emission reducing systems.

Safety Person of the Year

Earlier this year, Lyle Evans, MRL MOW Gang Foreman, was named the *2009 Safety Person of the Year*. Lyle has worked for MRL since 1987 and has been exemplary in his safety efforts while leading his work groups efficiently and safely. Lyle has participated in all aspects of MRL's safety program from serving as Department Safety Representative to Training Supervisor in the Track Department. His work ethic and safety-first attitude make him an invaluable asset on our large scale maintenance crews. Under his supervision, the Dixon Section crew has more than 6,000 days without an injury. Congratulations, Lyle!



Gang 1953 - Teamwork, Commitment & Strength

Kayleen Woodruff, MOW Administrative Assistant

By the middle of March, signs of spring in Montana start to appear. Snow melts and recedes, first blades of green grass begin to appear, budding trees, the ever-increasing daylight hours, and the thawing of previously frozen ground. Spring also ushers in the start of the track maintenance season.

Every year in February and March, two Jimbo cranes distribute new ties across MRL territory in preparation for upcoming tie replacement. The average life of an oak tie is roughly 30 years, depending on where it is placed within the track. MRL replaces approximately 110,000 ties annually across the system with the installed cost of each tie being nearly \$70.

The majority of these ties are installed by Gang 1953, which starts up the first week of April. The gang will install approximately 1400-1800 ties on a typical day depending on the length of track window provided and conditions they encounter. The gang consists of approximately 39 employees (excluding supervisors) operating at least 20 different machines. Two traveling mechanics are also required to help maintain the machines. The equipment ranges in cost from \$90,000-550,000 each. The cost of operating this gang, excluding the cost of ties, is approximately \$18,160.00 per day. After the ties have been replaced a surfacing crew follows to raise, line, tamp, and smooth the track prior to allowing train traffic to resume normal speed.

In addition, 4-5 cars per mile of ballast are dumped during this process.

Coordinating the work of Gang 1953 requires careful planning and organization, making sure all materials are delivered before the gang arrives to install ties. This involves many employees from all departments, begins months before the first tie ever arrives, and then continues until each tie is inserted into the track. Due to the large size of the gang and the enormous cost to operate, all other maintenance work, projects and crews are organized around the gang schedule to take advantage of the work windows and minimize the disruption to train traffic.

This great effort requires team work and the commitment of many dedicated MRL employees. If you ever have the opportunity to watch Gang 1953 or any other work crew, be sure to take time to appreciate the abilities of these individuals. Each one makes the job appear easy and seamless as the crew slowly snakes its way along the track in an orderly, methodical fashion. The machines they operate are very large and some are complex. This sometimes requires employees to work between the machines as they are moving; doing various tasks such as shagging spikes, arranging tie plates and shoveling ballast. Safety is the foremost concern. They make sure that safe working practices are adhered to, and proper, safe working distances are maintained at all times.

Keeping Track

On the Move

Nadine Horning • Now Assistant Trainmaster – Laurel, Was Clerk

Gary Loeffler • Now Director of Signals & Communications, Was Acting Director of Signals & Communications

Curt Schoening • Now MOW Training Supervisor, Was Track Laborer

Lucas Schweigert • Now Signal Laborer – Livingston, Was Electrician

Leon Scoles • Now Signal Supervisor, Was Acting Signal Supervisor

Travis Shanks • Now Trainmaster – Missoula, Was Locomotive Engineer

Look Who's New

Manager Internal Audit – Missoula
Heather Ryan

Retirements

Gary Devine, Mechanical Helena

David Hammond, Operating Missoula

Owen Johnson, Operating Laurel

Marty Rau, Administration Missoula

Harold Schober, Mechanical Laurel

Perry Smith, Operating Missoula

Jerry Wallery, Operating Laurel

Jim Watkins, Operating Missoula

Operation Lifesaver Event

Montana Rail Link, Montana Operation Lifesaver, Amtrak, and BNSF Railway brought to the area communities of Thompson Falls, Drummond, Missoula, and Helena a special *All Aboard for Safety* train dedicated solely to railway safety and the general public.

This program was established to help prevent grade crossing collisions and trespass injuries and fatalities. The event took place in late April. Tours of the Amtrak Train were provided as well as safety presentations to the public while the train was in Missoula. For more information, please contact Montana Operation Lifesaver at 406-730-2756 or visit mtoli.org.

23rd Annual Golf Invitational Events

Warm weather finally made an appearance just in time for this year's Missoula Golf Invitational. The 300 plus attendees all seemed to enjoy themselves while golfing at Canyon River Golf Club or Missoula Country Club and socializing at the afternoon barbecue at the Grant Creek Ranch.

The Laurel Golf Invitational is slated for Friday, August 13th. Visit www.montanarail.com, to download the registration form from the Employee Tools page.



Above: Bike for Shelter volunteers take a moment for a group photo.

But That's Not All!

Employees of MRL and other Washington Companies also did a tremendous job in raising funds for the new Watson Children's Shelter facility. Recently, an online auction was held with items and services donated by local businesses as well as our very own employees. Over \$8,000 was raised during the auction to bring the total raised for the new shelter to over \$15,700! This will fund a bedroom – a safe space for western Montana children in crisis.

MRL Online

Erin Best, Executive Administrative Assistant

Montana Rail Link launched its new and improved public website in mid-May. The new site is designed



News Flash!

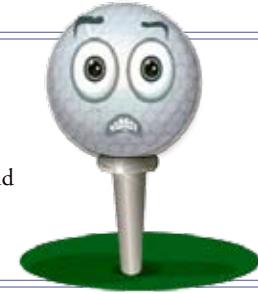
Superintendent Mark Smith, more affectionately known to many as "Sparky" has, once again, shocked us all! He has removed his lace-up Hawthorn packers, hung up the chaps and Stetson, given the ponies a summer off, and purchased a set of golf clubs.

So take heed – if you encounter a hearty fellow donning Wranglers and collared, long-sleeve button up who is screaming in frustration; seek cover. There

to make it easier for customers and suppliers to do business with us. The site is already generating new revenue, with area businesses contacting the Sales & Marketing Department online to learn more about shipping with MRL. The website also provides a tool for sharing more information with MRL employees. The employee tools page of the site includes access to the crew calling line-up, employee forms, benefit and scholarship information, company news, and more. Be sure to check out the new site at www.montanarail.com. Click on the Employee Tools page, and login. It only takes a moment, and the information provided will help you stay connected with the latest news and tools.

may and likely will be clubs sailing and balls slicing!!!

Mattson, Tims, Benson, and all other golf connoisseurs beware; Sparky is now prowling the links!



Leadership MRL 2010

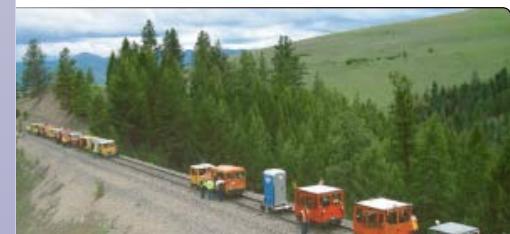
Scott Trent, Chief HR Officer

Successful organizations are those that build and sustain strong leadership capacity at all levels. Launched in 2009, *Leadership MRL* was introduced to provide a process for developing leaders and strengthening people management skills across our organization.

In 2010, *Leadership MRL* will consist of four intense sessions offered monthly, beginning in August and running through December. Classes include sessions titled: 1. *Best of the Best: Strengthening Our Commitment to Safety*; 2. *Building Trust Under Pressure: The Basic Principles*; 3. *Profiles in Genuine Leadership*; and 4. *Recognizing Leadership Opportunities*.

Attendees have been selected by their respective department heads to experience these four valuable learning opportunities. Training features learning sessions that are both practical in application and interactive in skills practice. We look forward to hosting nearly 100 attendees for this year's curriculum.

John Buchan, former Governor General of Canada, wrote that "the task of leadership is not to put greatness into people but to elicit it from them; for the greatness is there already." This is the charter of *Leadership MRL*; to train managers to be skilled in eliciting the best from each of us at work each day.



Above: A group of motorcar operators from the Pacific Railcar Operators organization include MRL in their annual tour of railroads around Montana, Idaho and Washington. This year they toured the 10th Subdivision between Paradise and Evaro in June. Motorcars are two or four-seat rail track cars often used by maintenance-of-way crews to perform track inspections or transport crews and light materials. Photo by Brent Mueller, Manager Cost & Finance



The Money Train

This annual event is held in partnership between MRL and the Missoula Sunrise Rotary. This year over \$38,000 was raised to benefit Big Brothers Big Sisters of Missoula. Throughout its nearly ten year history, the event has raised over \$180,000 for different non-profit organizations in the Missoula area. For more information, please visit themoneytrain.org.

Bike for Shelter

Over forty volunteers from MRL and other Washington Companies devoted a portion of Saturday, May 8th to help make the 10th Annual Watson Children's Shelter *Bike for Shelter* event a success. Volunteers ran the barbecue and served food and drinks. This large carnival-like event is always fun for everyone and raised over \$60,000 to support WCS, the only emergency shelter in western Montana for young children in crises. Thanks to all the fantastic volunteers!

Above: Bike for Shelter volunteers take a moment for a group photo.