



Company News for MRL Employees

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CONGRATULATIONS

Maintenance of Way



First and foremost, thank you all for your individual and team efforts in making 2011 our best year in safety. As a team of nearly 1,000 people, we achieved the *best year ever* in terms of "injury frequency rate" by attaining a rate of .62 in 2011—the previous best was set in 2010 with a .96 rate. This achievement happened not because of any individual or group, but because we all worked together with the same goal in mind—to be the *Best of the Best*.

As you know by now the Maintenance of Way Department was selected as the winner of the 2011 Presidential Safety Award. This annual award was established over ten years ago to honor the group that is "most improved in safety". In 2010, the entire MOW Department finished with five reportable injuries, a significant improvement from previous years. Then during 2011, this nearly 300-employee-strong group reduced injuries by four ending the year with one reportable injury, which is a .38 frequency rate. Not only was this group most improved, they finished the year with the least injuries and *best frequency rate since the inception of our Company nearly twenty five years ago*.

That said, almost every MOW workgroup, including seasonal gangs, completed the year without a reportable injury—a first for our Company. You should be extremely proud of your accomplishment—thanks for a job very well done!

As said in our last newsletter, our goal continues to be Double Zeros—Zero personal injuries and Zero accidents. That goal was nearly attained in 2011 by the Maintenance of Way group. A few years ago, that seemed ridiculous to most, however it is now clear that the goal of Double Zeros is attainable.

Thank you for working safely, both as an individual and as a team, to stretch and pierce through once unthinkable boundaries—and to make this seem commonplace.

Tom Walsh



... and to all of MRL!



Mike Lemm, Vice President Operations

2011 was a remarkable year! One of MRL's goals was to create a new safety culture, and with the hard work and commitment by our entire group, we have achieved that goal. This achievement has required great effort, and all of you have contributed to our success.

As I travel across the railroad and attend departmental safety meetings, I notice the positive attitudes and perception about safety conveyed by everyone. People are not afraid to step up to correct an unsafe act, and it's done respectfully. "Our employees really feel empowered to stop any task at any time that might be a safety risk," notes **Jim Bieber**, Director of Engineering. Just as importantly, it isn't taken personally if someone else stops something they may be about to do that is a risk. "For example," notes **Harlan Penninger**, Foreman I Mechanical Laurel, "if a guy is approached by another employee to stop what he is doing because of a safety concern, he recognizes it isn't personal—it's done to keep him safe—and it means more coming from a fellow employee." MRL employees are dedicated to making sure every member of their team ends the day without injury, meeting each challenge in an admirable and courageous way. Everyone is taking pride in counting the days and months as they pass without experiencing an injury in their workgroup.

Our facilities continue to go through an impressive overhaul, providing a better environment for staff to fully realize their potential. **Mark Turner**, Laurel General Foreman, sees the difference: "Employees have really worked hard on our facilities, and even vendors are noticing. Recently, a vendor mentioned to me how nice our facility was. A carman overheard the comment and was visibly proud of the vendor's remark." That pride has translated into a higher sense of what can be possible, as we all work together for safety.

Change takes courage. For example, the response to OPS testing is shifting to an understanding of its value as a tool to keep everyone safe. Stepping back to evaluate the safest manner of accomplishing tasks and approaching projects has taken effort, but it is paying off in spades. **Brent Erickson**, Assistant Superintendent observes, "Success in safety has included the tireless efforts of every employee and a more formidable supervisory presence in routine job briefings; and in the field; stressing rules compliance, employee behaviors and accountability."

As we celebrate our 25th Anniversary as a Company, we all should feel very proud of our safety accomplishment. Your individual efforts have not gone unnoticed—and your individual contribution to this great Company achievement is invaluable. Congratulations, and thank you for a job very well done!

In celebration of the 2011 safety success for the entire Company, every employee will be awarded a Special Safety Gift. Keep an eye out for more details in the next few weeks!

At the Pinnacle of Our Industry

Randy Gustin, Chief Engineer

Simple isn't always easy. As we all know by now, Montana Rail Link's goal is to be the *Best of the Best*. That is a simple statement, but it is far from easy to achieve. MRL has always measured well in most of the categories by which our industry measures success. We have been the envy of the industry in many categories, reflecting the professionalism of our employees. Yet, there has been one anomaly; our casualty index.

However, we have now established ourselves as the *Best of the Best* with regard to safety as well. In 2011, MRL employees removed the last doubts regarding our professionalism by having our lowest casualty index ever. Not only did our casualty index surpass our past efforts, it finally put us where we belong within the industry—on top. We have long known that MRL is top notch; and now, the statistics and the numbers finally reflect that reality. More importantly, our employees are not being injured.

The STOP concept has been one of many keys to our success. That same thought process is a key to our improvement, but

it must be applied even more expansively. Where we have applied the STOP principle to conditions, we must expand it to encompass actions. Where we have applied the STOP concept to actions, we must also expand it to attitudes. The continuous improvement, so important to our continued success, will come from the professionalism of our employees—and an understanding that Double Zeros are achievable. Thanks to our employees, Montana Rail Link is the pinnacle of our industry. It's as simple as that! Congratulations.

"We have been the envy of the industry in many categories..."

Why Change?

Claude Van Winkle, Chief Mechanical Officer

Striving to be the *Best of the Best* in safety challenged us all. We had to change how we see our work life, and then, make the necessary changes to our environment. Most managers recognize the need to adapt to what is going on around them. We must understand that nothing changes until we change; and once we do change, then everything changes. Amazing isn't it! Nothing changed until we changed.

What did we do?

- Trained, coached, mentored, and utilized some of the best talent in the industry—our own dedicated employees
- Stayed the course
- Established a housekeeping standard

"Nothing changed until we changed."

Why change? It allows us to realize how we can accomplish our challenges. Remember: **Nothing New In...Nothing New Out!** I see 2012 as a year full of changes and challenges for the new and the seasoned employee or manager. I'm ready. Are you?

A Comparison of the Last Five Years

Kim Kautzman, Director TRS

It's difficult to understand where we are today without knowing where we were. Looking back at MRL's last five years, changes made to the railroad as a whole are reflected in the Injury Frequency Rate.

During the last five years, there were a total of 108 MRL reportable employee injuries, an average of a little more than 21 injuries per year during the last five years. In 2011 we had six injuries. That is still too many, but it is a 72% reduction from the five-year average. Even more notable, *it is an 80% reduction from 2007*.

We must ask ourselves: How did this transformation occur? Many would agree there are a number of reasons—but primarily, we started looking out for one another. We're paying closer attention to the tasks at hand and talking about those tasks during more structured job briefings. There's also a heightened awareness that safety *is* our top priority. We now know for sure that safety trumps production in all crafts; and that every single employee has the right to say STOP if something doesn't seem right. When we, as a Company, got behind this concept, and everyone started to believe it, the real change began to occur.

Congratulations and thank you to everyone for your help in making MRL an even safer place to work. Just look at those numbers!

Job Briefings and Cross Craft Cooperation

Mark Smith, Superintendent

What is a 'Job Briefing' and just what impact does it have on the job or task itself? Those questions are interesting to say the least. At first glance, a job briefing as described by our rules can appear complex, somewhat intimidating and time-consuming, especially considering there are several bullet points outlining the proper steps.

The reality of the matter is that a job briefing is quite simple and, literally, can take less than a few minutes to ensure the entire workgroup is on the same page. Although this description seems quite simple, it has a wide range impact on all aspects of our operation—and is a contributing factor to our success and impressive safety record!

When time is taken to thoroughly discuss and plan the task at hand, it establishes the foundation for a safe and productive day—plus, it very simply takes the guess-work out of who is doing what. It is also a reassurance that, first and foremost, the task will be done safely!

This is an area where we have made improvement by leaps and bounds, displaying the impact that job briefings have on workgroup cooperation or "cross-craft" cooperation. Not long ago, one would have thought it outlandish to involve multi-craft employees in a job briefing; now it is the norm all across Montana Rail Link!

Job briefings certainly have become one of the most important tools we have to keep safety on everyone's mind, and it has opened up communication throughout the entire Company.

As we continue to communicate and work safely, we are demonstrating to the entire rail industry that we are the *Best of the Best*; and now, we can model safety for other companies. All this is possible because we are proud of what we do.

Susan C. Murray Scholarship Award

Applications are being accepted for the 2012 Susan C. Murray Memorial Women's Scholarship, an award which is promoted by ASLRRA. Eligible for the scholarship is a daughter or granddaughter of an employee of an ASLRRA railroad or associate member company. Applicants for the scholarship should have a strong academic record, serve as a participant and leader in extracurricular activities and possess the drive to reach success in their chosen profession.

The deadline is February 24, 2012. For more information, go to http://www.aslrra.org/images/news_file/2012_Murray_Scholarship_Announcement_Letter.pdf

Safety—From Then to Now

Pete Lawrenson, Chief Security & Safety

As Montana Rail Link has continued to develop and enhance its safety culture, we now realize, more than ever, that corporate safety is a work in progress. That progress leads to continuous improvement—and evidence has demonstrated that a strong safety culture will feed on its success. In 2006 when reportable injuries reached 45, we found it required us to regroup and refocus our safety efforts. Most importantly, the entire work force had to acknowledge and commit to safety as the top Company value; recognizing that production can never trump that value. This was not an easy task; but with strong communication among all facets of the Company, that safety value is now deep-seated.

To further strengthen the safety culture, MRL is focusing on six safety action items; in doing so, the safety record of the last two years speaks clearly for itself. The safety action items include safety action plans at all supervisory levels • the weekly safety scorecard • detailed and effective job briefings • training • efficiency testing • and one-on-one supervisor and employee reviews.

Perhaps the most significant factors impacting the successful MRL safety culture is the positive attitude and commitment of each and every employee to their safety and the safety of their coworkers. Even knowing that we did not win the coveted Harriman Award does not diminish the monumental accomplishment that was made this year. Congratulations MRL on an outstanding safety performance in 2011.