Republic Paperboard has business in the “bag”

by Tracie VanBecelaere
Managing Editor

After a long day of shopping you haul your bags into the house and crash on the couch to take a break. If you look around the room there are two things near you that could have been made by products manufactured by Stillwater Central Railroad Customer Republic Paperboard. Republic Paperboard makes the paper used in the paper bags that department and grocery stores use to pack your purchases in. The Company’s core business is producing gypsum wallboard paper, the covering on what we commonly call sheetrock which is used for building the walls in our homes.

Our Customer First Foundation Principles state the importance of building long-term relationships with our Customers and growing our business together. Republic Paperboard took care of the growing their business part of the deal. In the past few years they have aggressively been seeking ways to attract new customers which in turn has increased their rail shipments on a monthly basis.

"The reason we've been shipping more by rail is due to a few different factors," said Lisa McGregor, Republic Paperboard president. "Our product mix has allowed us to utilize 60 ft. railcars with newly created load patterns which make rail a more effective transportation mode than trucking. Also, much of our expanded customer base can be serviced by the BNSF or switched to another rail line."

The SLWC delivers the cars of paper and gypsum paperboard to their interchange with BNSF in Oklahoma City. Already this year Republic Paperboard's carloads on the SLWC are up 40% and according to McGregor that trend should continue.

"We'll soon be adding shipments to customers on the West Coast and Central U.S.," said McGregor. Currently Republic Paperboard delivers its commodities to locations such as Western and Central Canada, southern Texas, Illinois, and Kentucky with expectations of that increasing as the customer base continues to expand. It is Republic Paperboard's intention to continue to promote the use of rail to its customers where applicable and cost effective.

Just a few years ago rail wasn't looking all that attractive to Republic Paperboard. The company was dealing with issues regarding demurrage and higher rail rates. Steve Mans, Republic’s logistics and warehouse manager, said that SLWC marketing manager Carla Rice has been very helpful in resolving many of their rail related issues.

"Carla is one of the better rail reps we've had," said Mans, who's been with Republic Paperboard for 31 years. "She's helped (Continued on page 4)"

Things coming together for Western Australia grain trains

by Tracie VanBecelaere
Managing Editor

The pace is picking up and things are coming together for Watco’s Western Australia Rail Team and The CBH Group. The first of 22 locomotives to be delivered to Western Australia recently rolled off the line and will begin the journey from Boise, Idaho to the East Coast where it will be loaded onto a ship for the journey to Australia. This follows the arrival of 50 standard gauge wagons (railcars) that arrived in Australia from China last month with another shipment expected in mid-March. The final group will be arriving in July.

The new wagons feature the latest designs and technology using aluminium for the body which will allow CBH to load more grain into each wagon, approximately 10 tonnes (370 bushels), more than the steel ones being used. The new wagons will also be safer than ones previously used as they have auto hatch and discharge doors as well as scanning technology. These features will require less direct interaction from team members leading to a safer work environment.

When CBH Group awarded Watco its long-term grain rail contract they also announced that they would be investing $175 million in rolling stock which Watco would operate and maintain. This investment includes the 22 locomotives from Boise and a total of 574 new wagons. There will be a total of 446 narrow gauge wagons and 128 standard gauge to fit Western Australia’s (WA) varying rail widths.

(Continued on page 6)
Mechanical Safety Summit 2012 held in Pittsburg

by Tracie VanBecelaere
Managing Editor

A summit can be used to describe a high point or a meeting of dignitary type individuals. At the Watco Mechanical Safety Summit of 2012 it was both. The high point was the exchanging of important information, ideas and practices. Of course, the dignitaries were the members of the Environmental, Health and Safety (EHS) Team that had gathered together for the annual event.

The group had a couple of guest speakers, Byron Stokes, with Stokes Consulting and Paul Schiefelbein, Watco’s vice president of strategic planning. Stokes spoke to the group on accident investigation and Injury/Incident Electronic Reporting.

In addition to the guest speakers, a variety of EHS Team Members also presented information on a variety of topics. On day one Dr. Withers presented an Introduction to JJ Kellers On-Line Service for EHS Training, Regulations, etc., Butch Harris covered Slack Adjuster Securement Procedure and then they concluded the summit with team building activities at Holiday Lanes, a local bowling alley.

It was a very informative and enjoyable three days,” said Junction City EHS manager Butch Harris.

Alabama Southern Railroad Team four years injury free

by Tracie VanBecelaere
Managing Editor

There’s a saying that in Alabama “Roll Tide” is a universal expression acceptable in nearly every situation as a greeting, farewell, standard cheer or praise. Appropriately it is necessary to send a big “Roll Tide” to the Alabama Southern Railroad (ABS) Team on hitting the four-year injury free mark.

Although in itself, going four-years injury free is quite an accomplishment, making it with all the distractions of the past year make it even more so. Last April, Tuscaloosa, the heart of the ABS, was hit by an EF4 tornado that wreaked havoc upon the community. The horrific storm claimed the lives of 65 people in the Tuscaloosa - Birmingham area as it ripped through buildings and tossed cars through the air as if they were toys.

The ABS Team was blessed, each one of our team members and their families were spared. What wasn’t spared was the Hurricane Creek Bridge, a 110 feet high and 563 feet long bridge on which rail traffic flowed from Birmingham to Tuscaloosa. Traffic had to be rerouted until the massive structure was rebuilt with work being completed just two months ago. In addition, in many areas, trees, debris and even electrical lines littered the area’s rail lines.

So despite the worry about friends and family, having to clear track and reroute traffic, the Team accomplished the amazing feat of not only carrying on their injury free record but there were also no human factor incidents as well.

Todd Johns, ABS general manager has a favorite quote by Paul ‘Bear’ Bryant, long time Alabama University coach, “If you believe in yourself and have dedication and pride and never quit, you’ll be a winner. The price of victory is high but so are the rewards.”

Graduation Announcements

In a short while members of the Watco Team and/ or their family members will be crossing stages across the continent (and ocean) to receive their diplomas from various academic institutions. Watco would like to acknowledge the hard work of all graduates from our families by listing them in May’s edition of The Dispatch. If you would like to have your or a graduate's information listed, send in the information in the following format:

Graduates name; relationship to Watco Team member, Watco Team member’s title and location. The school graduate is attending and location of that school. If the graduate is receiving a degree from a college, university or trade school list the graduates degree type. An example would be: Billy Doe: Son of John Doe, locomotive mechanic in Oklahoma City, OK; graduating from Oklahoma State University, Stillwater, Okla., with a Bachelor of Science in Accounting.

Send your graduation information to: Tracie VanBecelaere, Watco Companies 315 W. 3rd Street, Pittsburg, KS 66762 or email them to: tvan@watcocompanies.com and add Dispatch-May Graduation in the subject line. December graduations will be included with the May graduations.
GoRail essay wins Team Member trip to DC

by Tracie VanBecelaere
Managing Editor

Most people are able to leave essay writing behind them when they graduate from college but as a lawyer, Watco’s associate general counsel Tom Hayes is definitely still in the writing business. When GoRail offered an expense paid trip to Railroad Day on Capitol Hill, Hayes set pen to paper, or fingers to keyboard in this case. His endeavor paid off and his essay is taking him to Washington, D.C., where he will be recognized at the Railroad Day legislative reception and dinner on March 8. This will be the end of an eventful day which will involve back-to-back meetings with representatives to discuss the issues and challenges that face the railroad industry today.

Some of the topics include; reasonable regulation, the short line tax credit, opposition of bigger and heavier trucks and the preservation of the Section 130 Highway-Rail Grade Crossing Safety Program.

Hayes is the first ever representative of a short line or regional railroad company to be selected as an essay winner by the GoRail organization.

Hayes said, “One of the reasons I wrote the essay is since I have been at Watco I have felt there is a greater purpose behind the Company than just being a transportation company.

GoRail is an organization supporting policies that benefit the rail industry and defending against harmful legislation. Because the next two years could bring hard-fought legislative battles over issues such as additional regulation and stimulating increased investment in rail, GoRail felt it was especially important to have representatives in D.C. to give the rail industry a voice.

Below is Hayes’ winning entry.

The Life Blood - by Thomas Hayes

Transportation has been the life blood of communities and countries ever since a trader crossed the Sinai Peninsula carrying goods from the Orient to the West. This was evident in the rise of Rome whose transportation system allowed it to canvass troops throughout Europe and Asia. This life line has evolved now to the Railroad and especially now the short line railroad. History has proven the fact that the Railroad infuses the Country and communities with life. Cut off the rail lines and the South crumbled during the Civil War. Take away a short line through a community and the businesses will leave and a once vibrant town pumping with life will slowly wither away.

I have witnessed the transfusion that takes place when a rail line is transplanted and revived. An infusion of excitement is generated. It is if an artery was damaged and life was being drained, then the railroad line is reattached to a community, hope is restored and communities and a country come together. Likewise, these communities and customers are the life line of the railroad. If one or the other suffers they both suffer.

If the Government was a surgeon it would be working hard to keep the countries’ blood line healthy. It would be proactive in preventive measures to avoid a loss of rail service to even the smallest communities. The cry “The Railroad is Coming” must be kept alive today as it was two hundred years ago.

Anyone interested in finding out more about short lines and legislative issue affecting them can go to the ASLRRA web site at www.aslrra.org and click on the Legislative link at the top of the page.
**New railroad serves logistics hub**

by Tracie VanBecelaere  
Managing Editor

The most common association with the word swan is Swan Lake, the ballet that most people have heard of, if not seen. At the Swan Ranch Railroad, the only scheduled dancers will be the gandy dancers who will be laying additional track as the facility adds new tenants. The Swan Ranch Railroad (SRRR) was formed as an answer to the growing needs of the energy sector in the West Region. The SRRR is operating within the newly developed Swan Ranch Industrial Park in Cheyenne, Wyo., which is the largest logistics hub in the Rocky Mountain Region.

The development features a prime location at the crosshairs of two Class I railroads, the Burlington Northern and Santa Fe and the Union Pacific. Not only will it have access to the two railroads but it also is located near two major interstate highways, I-25 and I-80, making it a choice site for manufacturing and distribution companies. When the site is fully developed it will encompass 7,200 acres.

Phase one of the development is the Cheyenne Logistics Hub which will total 1,300 acres and include a transloading facility. The SRRR will initially operate 17,192 feet of track in the premier logistics hub. The first company to open in the park, Jebro, Inc. began receiving railcars the first week of January 2012. The BNSF delivers the loaded asphalt cars to the SRRR who then hands them off to the Customer.

SRRR general manager Dave Ruggles said, “The community has embraced the industrial park and is excited to bring new Customers to the area. It’s exciting for me to build the railroad from the bottom up. I’ve received excellent support from all areas of the company and am very excited about this new start-up.”

Ruggles came to the Swan Ranch from the Yellowstone Valley Railroad in Montana and through his work there he is familiar with the same Customers from the energy sector that the park is hoping to attract. “I’ve worked with the oil, propane and sand Customers in Sydney (Mont.) and their biggest problem was the congestion, I think this facility will help solve their transportation issues,” said Ruggles.

A train on the Swan Ranch Railroad delivering cars to Jebro, Inc., the industrial park’s first tenant.

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**Safety Award winners announced**

by Travis Herod  
Safety Director

The final RPI numbers for 2011 have been posted to the FRA website. These numbers are used to award the annual Jake Awards for ASLRA member railroads who excel in safety. A Jake Award is for all railroads who post a Reportable Personal Injury Ratio below the ASLRA average, and a Jake with Distinction award goes to those railroads who recorded a 0.0 RPI ratio by going injury free for the entire year.

This year there was significant competition, as the RPI average continues to drop - last year the ASLRA average was a 3.04 and in 2011, the average dropped to a 2.91, a respectable decrease over last year.

This year 15 of our 23 railroads in operations during 2011 are recognized for the success they achieved for the year. Of those 15 railroads, 12 will be receiving a Jake with Distinction Award for going injury free for all of 2011. Three railroads will receive a Jake Award for beating the ASLRA average.

Please join me in congratulating these railroads and their respective teams for their outstanding achievement and their demonstrated commitment to utilizing the Watco Customer First Foundation Principles to foster a culture of safety and ensure a safe operation for their Railroad Family and Customers.

Thank you to the railroads listed for a job well done, keep that same focus for continued success in 2012!

**Jake with Distinction Award Winners** (ZERO RPI)

1. Alabama Southern Railroad  
2. Arkansas Southern Railroad  
3. Austin Western Railroad  
4. Great Northwest Railroad  
5. Mississippi Southern Railroad  
6. Palouse River & Coulee City Railroad  
7. Timber Rock Railroad  
8. Baton Rouge Southern Railroad  
9. Pacific Sun Railroad  
10. Grand Elk Railroad  
11. Boise Valley Railroad  
12. Autauga Northern Railroad

**Jake Award Winners**  
(RPI ratio below that of ASLRA Avg. (2.91))

1. Eastern Idaho Railroad  
2. Kansas & Oklahoma Railroad  
3. South Kansas & Oklahoma Railroad

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**Republic Paperboard**

(Continued from page 1) work out demurrage problems and helped investigate leasing railcars to help with costs. Carla has always been good about following up on issues and working with the BNSF on our behalf.”

Rice said, “The first Customer I got to meet during my training as marketing manager was Republic Paperboard, not to hear how good of a job we were doing, but how we were not doing a good job. I made it my goal right then to do everything possible to rebuild that relationship and turn things around.”

“Communication has been the key,” said Rice. “I listen to what their needs are and try to understand how to best serve those needs not only now but for future growth as well. We have monthly meetings to discuss how things are progressing and what they need from us to make things flow better. They’re a great Customer and I look forward to continue building our relationship.”

With the aggressiveness and innovations that Republic Paperboard has shown, a long-term relationship is definitely in the makings for the Stillwater Central and this great Customer.

Republic Paperboard employees are busy keeping up with demand for paper rolls.

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The Dispatch welcomes and encourages input from all readers. If you are interested in submitting articles, story ideas, photos and announcements (wedding, birth, etc.) e-mail them to: tvan@watcocompanies.com or send to: Tracie VanBecelaere  
Wato Companies  
315 W. 3rd Street  
Pittsburg, KS 66762
March Anniversaries

Congratulations to the following team members celebrating their anniversaries!


2 Years: James Blevins, Audie Cavazos, Dustin Coester, Zach Collingsworth, Trinity Condon, Jonathan Crumly, James Daly, Timothy Housel, Anthony Jones, Vicki Langford, Jarrod Mann, Andrew McBride, Louis Pena, Jeannette Quidachay, Kevin Robertson, Dean Schexnayder, Jason Stout, Cesar Valentin, John Woods

3 Years: Jason Atteberry, Scott Henderson, Gerald Kerns, Timothy Largent, Gerardo Martinez, Jacob Meyers, Bernardino Osorio Vargas, John Rood, Dan Smith, Cecil Traylor

4 Years: Robert Carr, Sean Corr, Kevin Duncan, Devod Faison, Gwen Foster, Robert Gable, Rodney Gordon, Scott Harella, Jennifer Johnson, Scott Keener, James Maddux, Brett Norris, Judson Rogers, Eva Rokezewski, Adam Shaffer, Todd Shomo, Marreyon Thomas, Lloyd Wilson

5 Years: Sergio Arratia, Keith Barksdale, Mitch Becker, Bruce Brewer, Lyman Brown, Frank Estep, Patrick Holden, Larry Jensen, Esteban Lechuga, Robert Monahan, Israel Santos, James Shomo, Danny Sims, Brandon Welch


8 Years: Kent Ainsworth, Sherry Bulot, Brenda Caruthers, Alvin Dorn, Anthony Gill, Keith Goodsell, Charlene Huskey, Luis Maranon, Robert Martinez, Charles Mier, Rocky Ramage, Kevin Watkins, Kevin Wells, Travis Winters, Michael Zillitro

9 Years: Mike Balls, Dave Bullion, Frank Davis, Roger Easterling, Wayne Ghan, David Gibson, Ken Lucht, James Williams

10 Years: James Avant, Bernardo Cuevas, Terry Kudick, James May, James Napier, Walter Stromberg

11 Years: Julie Fortman, Joshua Kramer, Brad Snow, Joe Welch

12 Years: James Brady, Kathy Carr, Edward Garcia, Carlita Guiles, Michael Umbarger

13 Years: Glenn Hilliard, Ron Martin, Terry Parsons

14 Years: Mark Arsenault, Randy Letner, Brian Waters

15 Years: Dee Dee Anderson, William Coffman, Ronald Tapley

16 Years: William Carroll, Anthony Jernigan, Curtis Robbins

17 Years: Steven Coleman, Dick Fogliasso, Drex Reeves

18 Years: Mark Green, Steven Morgan

19 Years: Herb Lamkin, Jeffrey Lievers, John Stepień, James Stumpe

20 Years: Silas Whitley

21 Years: Dan Lindon

22 Years: Hayden McElroy

23 Years: James Crawford, Charles Layfield

24 Years: Bryan Benson, Bernard Kezerle

25 Years: Dennis Cooley

26 Years: Billy Eddington

28 Years: Jim Herman

29 Years: Daniel Malignani

31 Years: Jane Harden, Steve Lang

35 Years: Daniel Fetzer

36 Years: Ronnie Hargrove

37 Years: Timothy Wombacher

Births

Norah Jane Spear

Chris and Darci Spear are proud to announce the birth of a daughter, Norah Jane. Norah was born on January 30 and weighed 7 lbs., 15.6 oz. and was 20 1/2 inches long.

Norah was welcomed home by her big brother Jack, 2 1/2.

Chris serves as a human resource manager and works out of Coffeyville, Kan., and Darci is an operations and systems analyst in the Pittsburg, Kan., office.

Sarynah Emily Angulo

Jessica and Jesus Angulo are proud to announce the birth of a daughter Sarynah Emily. Sarynah, Spanish for Serina, was born on February 20 and weighed 7 lbs., 10.4 oz., and was 19 1/2 inches long.

Proud grandparents are Adel and Tenos Barajas. Adel is a customer service representative at the Glensdale, Ariz., transload facility and Tenos is yard foreman at the same location.

Weddings

Jensen-Piccinelli

Larry Jensen and Denise Piccinelli were united in marriage on February 18, 2012. They were married in a small chapel in Eureka, Calif.

Larry is a senior vice president and chief mechanical officer for Watco and Denise is a hardware installation planner at the HP Datacenter in Tulsa, OK.

The couple will celebrate their honeymoon on a Caribbean Cruise and will reside in Tulsa.

Larry and Denise Jensen

This section is dedicated to the Watco Team members to give you a chance to share what’s happening in your corner of the Watco World.
Western Australia grain trains

(Continued from page 1) technology and will deliver a great deal of value back to WA growers.”

On March 2, the Watco Western Australia Rail Team took the first train out to be tested. In order to get accredited the officer of rail safety requires that all wagons be tested prior to ensure the safety of the design and structure from a drivers standpoint. The WW AR Team conducted the testing on the rail owned by Brookfield Rail that the WW AR will be operating on. Once the locomotives arrive in Australia they will undergo the same type of testing.

Testing wagons on Brookfield Rail on Under Orrong Road 1.

Climate Survey Update

In 2010, Watco implemented a process to allow team members to provide feedback on our organization’s work environment.

Purpose of survey

The Climate Survey is a 20-question survey that requests information from all Team Members about Watco’s work environment, Customer satisfaction, teamwork and team member job satisfaction and morale. The survey is constructive and intended to provide information to our Watco leaders so they can better serve their team, which will result in better service for both internal and external Customers.

Timing/participation

The survey was recently distributed to all team members in December and January and the results have been analyzed. 82% of Watco Team Members participated in the survey process. The Human Resources Team will visit all locations by March 23rd to share the results and to receive feedback from the team members about how to continue to improve the work environment and subsequently the organization’s performance.

Encouragement to participate in feedback

Please participate in the feedback process and help Watco to continuously improve. The people who know best how to improve Watco’s performance are those closest to our Customers, performing their jobs each and every day. All team member feedback is invaluable and our future success depends on continually improving and engaging every member of the Watco Team.

Overall Process

- Survey was distributed in Dec and Jan
- Results are analyzed
- 82% of people responded
- HR team is conducting feedback sessions at each location from now to March 23rd
- We will use the feedback to develop plans to improve the work environment

Top: Testing wagons on Brookfield Rail on Under Orrong Road 2. Bottom photo: the locomotive prepares to leave Boise enroute to the East Coast.

Top: WWAR Team readies the wagons for a test run. Bottom: the new CBH wagon is placed on a semi trailer to be delivered for completion.