Northern railroad joins the Watco family

by Tracie VanBecelaere
Managing Editor

Sometimes, when you least expect it, a chance meeting can turn into something very wonderful. That’s what happened when Stefan Loeb, Watco vice president of business development, asked Bill Gardner, president and CEO of the Wisconsin and Southern Railroad Co. (WSOR) to sign his copy of The WSOR Story 30th Anniversary Book, a publication put together by WSOR team members to celebrate its history and accomplishments. Loeb was WSOR’s banker for several years before he left the banking industry and joined Watco. While banking with WSOR, Loeb developed a very close working relationship with WSOR’s people and wanted to reconnect with Gardner and his team. Signing the book became a great excuse to accomplish this.

While visiting with Gardner, the idea of the WSOR joining Watco was discussed and the chance to get an autograph from an old client quickly turned into the opportunity where Watco acquired controlling ownership of the Class II regional railroad on January 1, 2012.

"With the great history I enjoy with Bill and his WSOR teammates, as well as the great respect I have for the franchise that these talented people built, I was extraordinarily excited to help put the deal together and bring WSOR into the Watco family," Loeb states. "WSOR’s focus on satisfying Customer needs makes it a perfect fit with the Watco Customer First! Foundation Principles."

Watco CEO Rick Webb added, "We are thrilled to have the WSOR join our growing family of short line railroads and sharing a common vision of Customer satisfaction. Our Customer First! focus is the backbone of our business model and together our two Midwestern based companies will foster dynamic partnerships with various public and private sector partners engaged in moving freight safely and efficiently."

"Our two organizations are going to be very complementary working together as one," Webb said. "The WSOR team has an excellent history of service to their Customers that everyone can, and should, learn from."

Sue Immel, WSOR human resources district manager, added, "We have met with our Customers and together found new business opportunities that will add value to and bring WSOR into the Watco family, "Loeb states. "WSOR’s focus on satisfying Customer needs makes it a perfect fit with the Watco Customer First! Foundation Principles."

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Birmingham Terminal Railway begins operations

by Tracie VanBecelaere
Managing Editor

Strange and mysterious things are known to happen in the dark of the night but as January 31 rolled over to February 1 the only thing strange or mysterious were the glowing eyes of the dragon on the logo for the new Birmingham Southern Railroad, the Birmingham Terminal Railway.

At 12:01 am Central time, locomotives began chugging away, preparing to serve the Customers of the newly established short line.

The line was purchased by Watco Transportation Services (WTS) and joins the Alabama Southern, the Alabama Warrior and the Autauga Northern to be the WTS’s fourth short line in Alabama and its 26th U.S. railroad.

Formerly the Birmingham Southern Railroad, the line originally got its start in 1878 and was used to transport coal from the fields to the blasting furnaces at Ensley and Birmingham.

The 75.9 mile line now serves more than 30 Customers in the Birmingham area, largely in the industrial and energy sectors. The BHRR’s fire-breathing dragon is a perfect representation of the steel-making the region is known for.

The plaza has the distinct advantage of access to barge traffic via Port Birmingham Terminal which is located on the Black Warrior River. The Black Warrior River is part of the Tenn-Tom Waterway which empties out into the gulf at Mobile, Ala., and provides the BHRR with the ability to ship commodities to and from all parts of the world.

The BHRR Team has been busy preparing for this early morning start-up, conducting interviews and looking for the best people to carry on the Customer First! Foundation Principles and build relationships with fellow team members and Customers.

"During the past month we have been hiring a great team to go to work and serve our new Customers," Rodney Gordon, regional vice president, East Region said, "We have met with our Customers and together found new business opportunities that will add value to the local economy."

David Tarwater, BHRR general manager, said, “The overall feeling here is excitement. The team members here can see the vision, the focus and the opportunities that exist. No doubt, there’s still a lot of work ahead of us, but with the support we’re getting I expect the best.”
Watco Teams join in Joplin rebuilding effort

by Tracie VanBecelaere
Managing Editor

When a rain-wrapped EF5 tornado hit Joplin, Mo., on May 22, the staff at St. John’s Regional Medical Center were busy responding to the Condition Gray (severe weather alert) which had been announced over the hospital speakers. In an area often prone to tornadic activity, the nurses switched into high gear, rolling patients’ beds out into the hallways to protect them from flying debris. When the twister moved on it left behind a scene of chaos and destruction. Five patients at the hospital lost their lives to the deadly storm.

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The nine-story hospital then became a symbol of the damage wrought on the small Midwestern city. A national weather reporter filming near the structure was brought to tears upon seeing the destruction and injuries left in the path of the massive tornado. 

Now, eight months later, a temporary hospital is being built while awaiting the construction of a new facility on the southern end of town and two Watco entities have helped to get pieces of the building structures to their destination.

The South Kansas and Oklahoma Railroad (SKOL) and the Pittsburg, Kan., Transload Team combined their efforts to bring in the metal framed units which are pieced together like a jigsaw puzzle to construct the temporary hospital. This opportunity came about when the Union Pacific Railroad’s Distribution Services (UPDS) division contacted Adam Hanson, Pittsburg’s Transload manager about an opportunity to help in bringing the units from the maker, Walden Structures, to Joplin. Hanson spent many hours working out the logistics of the move to ensure everything would take place when and how it needed to since time is a major factor in the construction of the facility.

“Every piece is supposed to be in Joplin by February 17 and then the new hospital has a completion deadline of April 1,” said Hanson. “When the units arrived they were numbered to indicate where they would be placed. We were hoping to have the opportunity to receive more of the units but because of the timing we were limited on the number they could send via rail.”

Becky Fearmonti, SKOL senior marketing manager was brought into the project to help with the rail logistics and it was determined that the units would be brought from California by the Union Pacific and handed over to the SKOL in Coffeyville, Kan.

Hanson and Fearmonti met with John Parsons with Mid America Pipe, a SKOL Customer, about acquiring the use of their crane services.

“John was very helpful and it was great to partner up with one of our Customers to make sure we could complete our part of the project timely and safely,” said Fearmonti.

After the railcars were delivered to a site near the Carona, Kan., depot, Mid America Pipe transferred the units from flatcars to flatbeds. Each piece had to be positioned a particular way on the truck because they were all different, depending on the number of walls or interior pieces the unit had, and had to have the weight balanced properly.

The semis then carried their wide loads south down Highway 69 and east on historic Highway 66 into Joplin with their precious cargo on board. Once the drivers arrived at the construction site they then waited their turn in line for the crane to lift their load and place it into its rightful spot. Dave Carr and Kent Frazier drove the semis to the location with Shane Smith and Bruce Neet providing the escort service for the oversized loads.

“Although UPDS contracted us to complete the project, all along we’ve considered our real Customer to be the community of Joplin who is needing this hospital to be up and running to serve their medical needs,” said Hanson. “This is one of the biggest jobs we’ve done through this location to date, the units were oversized and it was a multi-state job with different requirements for each state involved. It was also the most rewarding - to be able to play a small part in the rebuilding of Joplin was huge.”

US Consul General visits Watco WA

There were rumblings going on in Perth, Australia about an American company ready to take on the grain task in Western Australia so US Consul General Aleisha Woodward thought she’d better check this group out. Woodward, along with Economic Advisor Regina Soos, visited Watco WA on January 23 to hear more of the Watco story and how the company was helping growers more efficiently move grain to port.

Full support was offered and further meeting are to be scheduled.

Pictured are: (back row 1-r) Dean Wilson, Jerry Johnson, Gabe Puca, Jim Griffiths, Dave Sutherland, Rick Webb, Bruno Ottaviano, Brian Boutwell, Warwick Piper, Zac Starling, (front row 1-r) Helen Tognolini, Lisa Williams, Steve Bullock, Regina Soos, USCG Economic Advisor, US Consul General, Aleisha Woodward, Carol Thompson-Billowes, Breanne McCord, Angela Routledge.
by Tracie VanBecelaere
Managing Editor

Most often, a port is thought of as a place where ships load or unload but it can also be a place where goods transfer through. Such would be the case of Port San Antonio. The 1,900 acre aerospace, industrial complex and international logistics hub is strategically located in between the East and West coasts. It includes an airport, access to three interstate highways and two Class I railroads. On January 25, Watco and Port San Antonio announced the launch of a comprehensive new rail service at the Port’s East Kelly Railport.

Watco will occupy approximately 20 acres on the northern and eastern edges of the 350-acre Railport. The new partnership comes at a time when the Railport is experiencing a sharp increase in activity, almost doubling the number of railcars handled in 2011 over 2010. This increase is due in part to the increased opportunities in the energy sector in the area. San Antonio is approximately 25 miles from the Eagle Ford Shale Formation and this proximity makes it a prime location to rail the commodities not only produced by the shale but used in the drilling process as well.

In order to meet the growing needs of the rail side of the Port’s business, Watco will be investing in additional railstructure, adding approximately 15,500 feet of new track to the existing 20,000 feet. The new infrastructure will enhance the handling of railcars on behalf of Railport customers, which include warehousing, distribution, transloading, manufacturing and trucking operations.

Watco will also be maintaining all other rail infrastructure within East Kelly Railport and provide interchange of Customers’ railcars into the Railport brought in by the Union Pacific and BNSF railroads who have connections adjacent to the property.

“Port San Antonio is pleased to partner with Watco Companies to ensure the success of our customers who require rail service to their front door,” said Bruce E. Miller, President and CEO of Port San Antonio. “We have seen impressive growth in recent months. There are also promising opportunities in the region that, with Watco’s expertise, will add to the Railport’s value as a strategic transportation hub for San Antonio.”

The East Kelly Railport was started in 2007 and is an important regional logistics center. It has attracted an array of firms handling non-hazardous products, including consumer goods and bulk cargo that support many industries. The Port offers access to deep water docks located in Houston, Texas; Corpus Christi, Texas; Long Beach Calif.; and Los Angeles, Calif. In addition, access to docks in Mexico is also achieved via Port San Antonio. These docks are located in Lazaro Cardenas; Manzanillo; Vera Cruz; Altamira; and Tampico.

Customers at the facility include, RLI Logistics, a transload firm which has grown significantly as it supports energy exploration and extraction projects tied to the Eagle Ford Shale; Fiesta Warehousing and Distribution, one of the region’s largest logistics firms handling consumer and bulk products for area retailers and manufacturers; and The Greenbrier Companies, one of Watco’s top Customers.

“Port San Antonio is an ideal platform to establish our South Texas operations and showcase the range of Watco services—from rail development and maintenance to supporting Customers’ day-to-day operations,” said Amy Parady, Watco’s vice president of sales and marketing, Gulf Region. “We are excited about our new partnership with Port San Antonio to help develop East Kelly Railport to its full potential.”

by Tracie VanBecelaere
Managing Editor

One of the biggest benefits of following our Customer Foundation Principle of fostering long term relationships is that most often those business relationships turn into long lasting friendships as well. Bill Stewart is a perfect example of this. Bill met Watco founder Dick Webb back before Watco was started, when Dick was a railcar consultant and was called upon by Bill who was with Central Louisiana Electric Company (CLECO). Dick taught Bill a thing or two about rail car inspections and how to cut costs. When Dick opened a railcar repair shop in Coffeyville, Kan., in 1985, Bill and CLECO became Coffeyville’s second Customer.

Through the years Bill and Dick exchanged business, laughter and sometimes, sorrow. When Dick passed away in 2009, Bill spoke at the Celebration of Life Tribute – remembering Dick’s mentoring, friendship and the breakfasts at Otto’s that they shared.

Kaye Lynne Webb, Watco Patriarch, commented that not only were Dick and Bill business partners and friends but that friendship extended to members of their families as well.

“I appreciate Bill’s friendship and hope that he can use this time to spend quality time enjoying his family,” said Kaye Lynne. “Professionally and personally he is a wonderful person and I wish him much happiness.”

As manager of corporate railcar services, Tracey Kukovich, had the opportunity to work with Bill and said, “Bill would light up the room in any situation with his positive attitude. He was a great partner with Watco and was truly a genuine friend and fan of Dick Webb. Bill would tell stories of all the successes of Dick and his team. There is never a dull moment with Bill, and I was always thrilled to team up with him on the golf course during Customer Appreciation Days. There were lots of wonderful laughs and memories and I hope to see him continue to stop by and visit to create even more.”

Rick Webb said, “Please join me in thanking Bill for all the business and wish him well as he prepares for a new life in retirement. All the best, good friend, and always remember, we at Watco know we would not be where we are without your belief and trust in us.”

A typical Bill Stewart moment, a smile on his face with someone on the other side in trouble.

Australia Connection

Cody Vaughn, son of Gary Vaughn, SVP of Safety, recently participated in a Missouri State University semester abroad program in Sydney, Australia. Gary happened to be in Australia for a short time while Cody was there but Cody was in Sydney and Gary was on the opposite side of the country in Perth. Fortunately, they did get the opportunity to spend one day together while on the island.

While studying at the University of New South Wales, Cody got to experience many new adventures. He had a chance to swim in the Great Barrier Reef, explore the Blue Mountains, hike in the rain forest, drive the Great Ocean road, encounter indigenous wildlife and enjoy numerous beach days at Bondi Beach. He has reluctantly returned to the states and is back at MSU in Springfield, Mo., for the Spring semester.
WA Rail Team gets schooled

by Jim Griffiths
Watco Western Australia COO

Winter may be upon the States, but in Australia summer is in full force. You could say that the WA Rail Team was attending summer school when the first Watco University classes were held in Australia. The course began on January 18 classes at the West Perth offices of Watco Western Australia Rail (WWAR).

Due to the nature of this being the first class, and the rapid build-up of team members, class size rose to 40 from the normal 20 or so that has attended the courses in the past. In addition to the Watco Team, we were honored to have four CBH Team members attend the course with additional CBH attendees sitting in when opportunities arose.

The class went three days with the first two days focusing on Customer First Foundation Principles and General Management Training with the last day devoted to WWAR Team Structure capabilities.

Day one and two instruction was provided by: Rick Webb, Watco CEO; John Brown, SVP Special Projects; Brian Boutwell, Regional Vice President and myself.

Day three presentations were provided by WWAR Team Leaders: Paul Sweeney, Dean Wilson, Bruno Ottaviano, Carol Thompson Billowes, Warwick Piper, David Sutherland, Jerry Johnson and Paul Green.

Hitting a home run on Customer First Foundation Principles was Colin Tutt, CBH General Manager Grain Operations with additional dial provided by Mick McGinnis, Director CBH and Neil Wandel, Chairman of CBH.

Tutt relayed the message that the Watco culture was a key factor in winning the bid to move grain in Western Australia. The measurement of success was noted through attendees referring to Customer First Foundation Principles and recognition that our goal is maximizing “Tonnes to Port in a Safe Manner”.

It was obvious by our noon time sport activities that cricket is now the sport of choice for Watco American attendees! Those attending WA Watco U were:

From WWAR: Angela Routledge, Brian Boutwell, Bruno Ottaviano, Carol Thompson Billowes, Chris Ellis, Christine Dow, Darrell Thompson, David Sutherland, Dean Harris, Dean Wilson, Gabe Puca, Greg Montgomery, Helen Tognolini, Jerry Johnson, Jim Griffiths, John Brown, Lisa Williamson, Mark Feinler, Nick Duckett, Paul Green, Paul Sweeney, Rick Webb, Rod Bentley, Russell Griffiths, Sandy Stobie, Steven Bullock, Stuart James, Troy Pritchard, Warwick Piper, Wayne Abel, Wayne Stacey, Bree Mc Cord, Zachary Starling, Paul Arney, John Simpson, Scott Romansz, Warren Jones. *Bold denotes instructors

From CBH: Christie McMiles, Scott Houston, Luke Capewell and Graeme McLeive

Grandpa Barry Peters is looking forward to spending time with his five grandchildren now that he's retired from the Pennsylvania Southwestern Railroad (PSWR). Peters visits will take him across the state and to Chicago, Ill., so he can say traveling will be in his future as well. After 37 years in the rail industry Peters hung up his hard hat and on January 21 the team sent him off in style with a dinner and parting gifts to thank him for his dedication and years of service.

He began his career in September of 1974 with the Aliquippa and Southern Railroad, a six-mile short line that primarily served the steel industry. He then worked for Midland Terminal Company from 1983 until 2003 when it then became the PSWR. Peters has worn many hats while working on the railroads; he has been a yard clerk, administrative supervisor, acting superintendent, yard supervisor, general supervisor and as supervisor prior to his retirement.

"I'll really miss my teammates, they’re all a great bunch and like a second family to me,” said Peters. "I think there were probably days when I spent more time with them than with my wife.”

Peters married his wife shortly after getting into the railroad business and they celebrated their 35 year anniversary last year with an Alaskan cruise, a trip he enjoyed completely.

When not traveling to see his grandchildren and four children, Peters plans to keep busy woodworking, gardening and working on his yard.

“Barry has played a key role on our team and will be missed but we all wish him the best of luck in his retirement,” said PSWR general manager John Snow.
Alabama bridge destroyed by tornado is back in service

by Tony Cox
Vice President of Engineering

On April 27, 2011, an EF4 tornado tracked across Tuscaloosa County, Alabama causing destruction with a path width of 1.5 miles for a reported length of 80 miles with winds up to 190 mph. Along with the many lives, homes and businesses affected by this tornado the Hurricane Creek Bridge located on the Alabama Southern Railroad (ABS), Brookwood subdivision took a direct hit.

Hurricane Creek Bridge was constructed between 1909 and 1913. Spanning over Hurricane Creek it was 110 feet high and 563 feet long. There were six steel towers all hand riveted together with 13 girder spans stretching on top of and between each tower.

The tornado stripped the deck of all rail and knocked down three of the steel towers and footings and seven of the girder spans. Two of the three towers destroyed were the tallest part of the bridge spanning the creek.

Railroad officials responded by having crews there immediately to assess the damage. Engineering and construction crews were on site on April 30 where clearing and planning for reconstruction started.

The first part of the construction effort was to build access down the 110 foot drop to the creek. The access road was built to support cranes and trucks to the bottom where the demolition of the destroyed towers took place. Of the seven girder spans, one was twisted beyond repair and was cut up and removed. The six remaining spans, two at 30 feet and four at 60 feet were pulled from the bottom and staged at the top of the site.

An inspection was performed by the engineer and contractor where it was determined the girders could be salvaged by a process using heat straightening. The paint was removed and the contractor who specialized in the process of heat straightening completed the work in 3 weeks leaving the spans looking brand new.

While the girder spans were worked up top, crews were at the creek removing the concrete pedestals that were sheared off when the towers toppled. All the damaged pedestals were removed and new ones built with anchor bolts and steel rebar reinforcement - meeting today’s engineering standards.

The fabricated steel for the towers arrived in August and the first tower started going up on August 30. Crews partially built the towers on the ground and lifted the pieces into place where they were bolted together by crews in the air. Once the towers were in place the cranes lifted the girder spans to the top of the towers and secured them in place. When the girders were (Continued on page 4)