

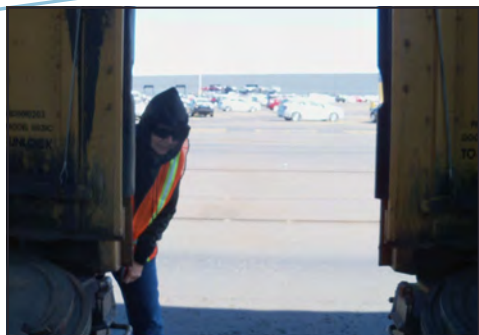
SEPTEMBER | 2011

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Inter-Rail Express



Is your facility audit ready? Well, it should be! There could be surprise audits sneaking around to check on your crew!

**B
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Good-bye summer!

As we prepare for the fall season, Phoenix takes advantage of the last days of summer to get together in a family picnic.

Union Pacific

Click for more info

CSX / TDSi



It's not the end of the year yet, but out with the old and in with the new (coat of paint!) as New Boston refinishes some of our older locomotives.

NS

Join us as we welcome new manager Jim Matzker to the Inter-Rail family! Jim will be managing our Wentzville facility and we are excited to have him on the team. Welcome, Jim!



Oklahoma City, OK

There has been a big emphasis placed on safety this year. There are many reasons that play into this emphasis, but whatever the reason, we need to support this importance of safety in EVERY area of business. I recently heard an illustration that meant a lot to me in different areas of my life, but I feel it would be important to share the principle with everyone else.



Let's say our business is a big water balloon filled as much as possible. The balloon is our business and the water is our integrity. Let's say an employee is in a hurry and doesn't want to follow safety procedures to the fullest. He/she skips a step to save time. An employee ignoring the rules is like a small pin prick in the big water balloon. While it may not cause the balloon to burst, it will cause a small leak. Now, a manager comes along and sees an employee breaking a rule, and decides to ignore it because the employee has no history of accidents or carelessness. There may not be an accident or injury this time around, but again it's like a tiny hole in the balloon, and another leak. Over a long period of time of overlooking problems and a casual approach to what should be imperative, we end up with a soon to be empty balloon.

At this point it doesn't take much to empty the balloon of its water. There are too many holes to cover and too few hands to do so. When people who are doing their best to preserve the integrity of the business approach others, sometimes all they have to show is an empty balloon. It's no fault of any one person in particular, but to everyone who doesn't take what they do seriously. What you do as an individual will affect the many. You will either be responsible for helping patch the leaks or you are the person causing them. There isn't a middle ground. Your integrity builds the integrity of us all.

—Daine Griffin, Supervisor

Dilworth, MN



It has been a beautiful and warm summer this year. My children and I have been making the best of it, but the dreaded winter is creeping up on us. Jordan Glasmacher, Inter-Rail VP of Quality and Safety came out and saw me, back in the early part of August. The good news is that business is slowly picking up. But here lately, I have really been focusing on the upcoming environmental audit. I am accepting open reservations for anyone who wants to come out and see me in December-February.

—Jamie Manning, Operations Manager



Photo of the Dilworth facility taken by Jordan Glasmacher

Jamie Manning and children Jordan and Grace at the zoo

Amarillo, TX

I would like to congratulate the Amarillo team for reaching Level 2 of the safety award program. August 16 marks 180 days accident and injury free since I became manager in Amarillo. The total for the facility is 347 days accident free and 1714 day injury free and we plan on keeping it going.

I also would like to thank Mark Duphorn (BNSF) for approving the seal coat and re-striping project for the facility; it's already looking better! I would like to thank Jordan Glasmacher and Seth Ricketts for their time in helping us meet EPA and OSHA requirements.

—Chris Gallegos, Operations Manager

San Diego, CA

New employee Jeremy McMahon started his college career this August. If his school work habits are anything like his work habits at Inter-Rail, he'll have no problems in finding success. Jeremy picked up on the training in San Diego very quickly. Keep up the good work Jeremy!

On August 4th San Diego passed the one year mark of going accident free. To celebrate, I treated everyone to lunch from an area favorite, Phil's BBQ.



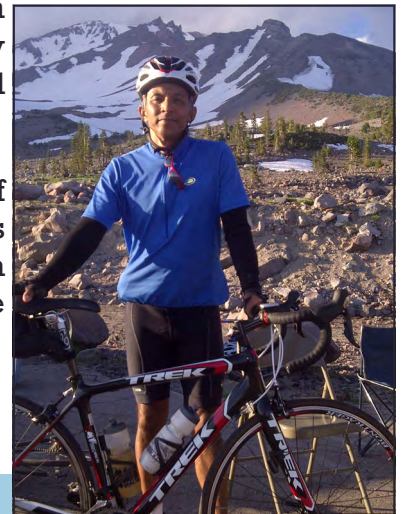
View from Resort at Albuquerque

At this year's BNSF sponsored AAR Conference in Albuquerque, I accepted three awards for Inter-Rail Transport at San Diego. They were presented by this year's host for the event and BNSF Regional Manager Dave Stangl. The awards were for Destination, Origin audit scores and for going the past year accident free. The Origin score (99.02%) was the 2nd highest in the country for 2010!

We've never given employee-of-the-month awards at San Diego, but if I did it would go to Sal Aguilar. In the period of one month he has become an employee that I can really count on to help the job get done. Thanks Sal for your renewed effort and hard work, it is greatly appreciated.

In other news, after 14 hours, 138.5 miles and over 16,400 vertical feet of climbing, I completed the Mt. Shasta Summit Century. The last climb was the hardest. It was 16 miles of climbing up a 6% grade. To give you an idea how far it was, it took about 30 minutes of 30-35mph speeds to reach the bottom.

—Ben Arguilla, Operations Manager



San Bernardino, CA

Congratulations to Ray Martinez for his 10yr anniversary with Inter-Rail. Ray started in Mira Loma and has traveled to different facilities to help unload and switch. He is currently on the switching crew in San Bernardino. He will be using his gift card to go eat with his family at Olive Garden!

—Chris Pope, Operations Manager



Portland, OR

Cleo Childers of the BNSF was spotted sneaking into our facility to audit our green hat process. Good thing we were prepared and had our green hat up. Be sure to always use the green hat process or you could be the one BUSTED!

—Larry Holmquist, Regional Manager

Benicia, CA

We would like to congratulate two of our employees: Hector Sandoval and Cesar Vargas for being with the company for 10 years! They both came aboard in July of 2001, and have continued to be outstanding employees. Whenever they are asked to put that little bit of extra effort into the job they are always on top of it. We are proud to have them here at Benicia and we hope that we will continue to keep them as they are exemplary workers!

—Luis Michel, Operations Manager

Shreveport, LA

Team Shreveport would like to welcome their two new team members, Geoffrey Rodebaugh and Christian Gaspard. Geoff has been with our team since the beginning of the month and is doing very well already. Christian is joining us the first time this week, however has been working on our yard as an AIM inspector for some time now. Geoff will be helping our shuttle crew full time while Christian will be helping out both the shuttle and rail teams as needed. We look forward to working with both new crew members and the fresh energy they are already bringing to our team.

On a side note, one of our employees is getting ready to say good-bye for a while at the beginning of September. Chris Tinsley who has been on the yard with us for about a year has been sent into active duty for the Air Force. Normally in the reserves, Chris has stepped up to aid his country. Chris is a valued member of our team and we would all like to wish him the best of luck, we know he will do well.

—JD Hughes

Phoenix, AZ



Phoenix employees and their families enjoy their picnic pool party

Summer is just about over. It's time to break out the garbage bags, rakes and leaf blowers. Fall is right around the corner. Here in Phoenix, our summer is extended until late October. We had our 3rd annual company picnic pool party at the boss's house. We had plenty to eat and drink. The kids enjoyed the pool as well as the jump around. It was great to just relax with the crew and their families and enjoy each other's company. Many thanks to Tara! She did most of the grilling this year.

We would like to welcome new hires Mike Klaum and Jesus Yanez to the Inter-Rail Team. Congratulations on their upcoming anniversaries to Tara West (7yrs on 9/5), Jamie Murry (2yrs on 9/24), Ann Lewis (8yrs on 10/7), and Rodney Bernal (1yr on 10/21). Happy early birthday to Enrique Gonzales (9/27) and Rodrigo Molina (10/5)!

We also had a visit from Seth Ricketts who had to put his money where his mouth is. He challenged one crew member, Daniel (Chiefy) Truax (with 1 year of experience and 7 yrs. older) to a breaking contest. Seth's \$20 against a picture of Daniel in a Baltimore Raven's jersey. Well this is Cardinal country. Seth was out right schooled in breaking in this heat. It was 4pm in the afternoon and we were in an excessive heat warning. Thanks Seth! Everyone enjoyed the challenge and they talked about it for days.



Seth Ricketts hands over \$20 to unloader Daniel Truax after some friendly competition

—Jim Gallagher, Operations Manager

Kansas City –Muncie, KS



Unloader Gary Cooper, Rick Neumann and Tim Parker

Some of the guys from the Kansas City Muncie team and Rick Neumann from the Union Pacific enjoyed an evening out watching KC's minor league baseball team, the T-Bones. The T-Bones played against Sioux Falls and won the game 6-1.

—Heather Magenheimer



Kent, WA



I recently had the opportunity to send Casey Sweeney to Wentzville, MO to give them a hand. He has been with Inter-Rail since 2009 and it was his first trip to another facility besides Portland, 2 ½ hours away. It was a good learning experience for him to see how other ramps and railroads operate. Everyone was very happy with his work and I would like to thank him for doing a good job representing the PNW.

We have also had the new lights on the north lot wired and the old light poles removed, plus the old

under coating shop on the south lot demolished which opened up the lot quite a bit. Our resident Osprey's have also produced another generation.

—Larry Calkin, Operations Manager



Salt Lake City, UT

First of all, I would like to welcome our two new employees, Luis Martinez and Paul Holden. Luis and Paul have been with us for about a month now, and they are doing great. They have picked up on the operation really quickly and have been a big help. I would also like to congratulate team Roper for reaching 103 days without an accident or injury. Good job team Roper! Continue to practice safe work habits and quality work.

—Raul Correa, Operations Manager

Rolla, CO

It's that time of year again! Team Denver is already staffing up for the winter months. We are going to miss the warm weather, but we have to start getting the yard ready for the snow. We have lots of construction going on as part of these preparations. We have just completed paving and striping, and our new lights will be complete in a few weeks. We'll keep you updated as we make progress.

—Jake Lamm, Operations Manager

Wentzville, MO



I would like to formally introduce and welcome our new Wentzville Operations Manager Jim Matzker. Jim came on board August 13 and spent his first weekend training at our Commerce, Georgia location before arriving at Wentzville on August 22nd. Prior to joining the Inter-Rail Team, Jim spent 12 years working at BNSF in several field positions. When the economy turned for the worse in 2008, his position was eliminated. As a result, Jim went back to school and earned his degree in Business Management. Jim has been happily married for 27 years and has 3 children all in college; 24, 22, and 21 years of age. In his free time Jim likes to work around the house especially maintaining his yard, and is an avid fan of the St. Louis Cardinals, Rams, and Blues! Welcome Jim.

—Craig Millbauer, Regional Manager

Commerce, GA

Team Commerce celebrated another birthday this month, Happy 25th Birthday to Ronnie Almond! Ronnie was able to celebrate his birthday with the crew in what has become a Commerce Tradition of embarrassment as grown men sing happy birthday to each other! Happy Birthday Ronnie!

As Summer turns to Fall, we will obviously enjoy the cooler weather but it's a big sports time coming up in Georgia and our guys as well as Georgia sports fans everywhere are excited. The University of Georgia is ready to begin their season in nearby Athens, as well as the NFL's Atlanta Falcons return to the field the 2nd weekend in September.

Last but not least the Atlanta Braves are on pace to make a return to the postseason as the MLB schedule winds down this month. We hope to have lots to cheer about in the coming months.

—Christina Nierenberg, Assistant Manager



Titusville, FL

With slow volumes and great morning weather this month, we have been able to do some much needed maintenance and on-site improvements. One thing that I would like to highlight in this newsletter is the painting of one of our Buck ramps. We had Central Florida's Superior Coatings come out and do the work and they did a fantastic job. The improvements to the ramp really show when you pull up to the site. Keeping it clean should be fun!



As the world goes "green", Frito-Lay has also jumped on the wagon, we have been unloading 100% electric delivery trucks for Frito-Lay, and it is definitely a change from the usual products that we get in and is nice to see that they are helping to improve our environment.

Mr. Wayne Jones will be taking vacation on September 21st to move him and his family back to New Boston; his last day with us will be Tuesday September 20th, I hate to see Wayne go and I know Ken and the guys in New Boston cannot wait to have him back.



Welcome to unloader Ryan Freeman!

Since Wayne is leaving we have hired Ryan Freeman to take his place. Ryan is catching on very fast and the crew and I are enjoying teaching him everything we know-he will make a great addition to the Titusville team. I also want to honor the Assistant Manager here in Titusville, by the time this newsletter comes out Josh Lopez will have been with the company for 3 years, Josh is a great worker and has helped me out a lot since I started with the company, so I personally thank him. As we move into the later months of the year, Titusville will be striving to rack up the injury and accident free days and do everything we can to continuously improve.

—Chip Rountree, Operations Manager



Manufacturers are now shipping flu vaccines for the 2011-2012 season! Distribution will continue through the fall. Ample supplies should be available in September and October. Influenza activity usually lasts from October to May in the U.S. The CDC recommends that everyone 6 months of age and older get their yearly flu vaccine as soon as vaccines become available in their community.

For more information, visit the Centers for Disease Control & Prevention at <http://www.cdc.gov/flu/protect/preventing.htm>

New Boston, MI

Since IRT took over the New Boston facility, there have been two work horses switching railcars from day one. I am referring to our locomotives #2262 and #2292. Both locomotives were manufactured back in 1954. The engines are well maintained and have several years left in them. However, both engines were starting to show rust and the paint was starting to fade. So we decided it was time for a fresh coat of paint.



All the crew members contributed to the lengthy process of sanding and prepping the locomotives, but both Dave Thompson (NBR's ATM) and Butch Prush are making it happen. It is somewhat of a task to just find time to dedicate towards the painting process, but the attached pictures show they are well on their way to becoming a finished product.

What a difference a few coats of paint can make. More importantly, the old rust spots were removed and primed. The crews enjoyed treating the locomotives with some TLC and it shows in their efforts. They did all the work saved quite a sum of money. Not to mention the teamwork involved was a morale booster. They are proud of the results and like to show the new paint job to anyone interested.



Jon Noble poses with the newly re-painted locomotive

At this point, engine 2262 is pretty much done. One down and one to go.

—Ken Howes, Regional Manager



Welcome to the newest additions of the Inter-Rail Family! Baby Leon Paul is the son of Phoenix leadman Peter Bella and girlfriend Janette.



Baby Jayden Michael is the son of engineer Josh Hight and his wife Chardonne. Many congrats to both!



Lawrenceville, GA

We would like to welcome Dennis Knight to the Inter-Rail family. Dennis has been married to his wife Julie for 2 ½ years and they have a 22-month old son named Aidan. Dennis comes to us from the Army where he was stationed in Fort Hood, Texas before being deployed to Iraq.



We would also like to congratulate Richard Hogans and Chris Morris on their IRT anniversaries! 6 years on 8/15/11 for Richard and 5 years on 9/2/11 for Chris.

We had a safety committee on 8/24, and this meeting marked our 161st day of going injury free. We celebrated our luncheon with a meal from Texas Roadhouse. We have also gone 280 days accident free and are looking forward to making it to the 365 mark!

L to R: Mark Phillips, Wendy Ferguson (Alaplex Mgr), Debbie Garrett, Robin Casto (AIMS inspector), Dennis Knight, Richard Hogans, Eric Morin, Roberto Molina, Josh Hight, Tim Shorter (Hansen & Adkins Mgr), Alex Vedder (JMN Mgr), Richard Rhoden (AIMS Mgr)

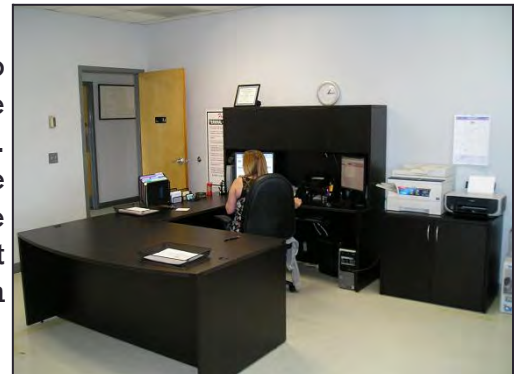
—Debbie Garrett

Tampa, FL



Team Tampa has been gearing up for a busy end of year and at this point we feel we are ready for a surge in business. We have received 4 busses a couple weeks ago from Veolia Transport. It was the first bus loads I had ever seen here in Tampa. We were not able to unload off our ramps because the units were too wide to fit. We were able to unload using a local tow company with a lowboy flatbed truck. It was definitely an experience and would suggest using the same process to anyone in the same situation.

Thank you goes out to David Shasteen and TDSI as we were able to purchase new office furniture for our main office last month. We basically gutted out the entire office and started over from scratch. We are still working on the fine details of getting all files in the correct places, but are pretty much complete at this time. The office has given a new sense of pride to the team in Tampa as it is a great feeling when a customer enters the office and the first thing spoken is how much better the office looks.



—Betsy Soto

Jordan's Jargon



Around this time of year, with Labor Day signaling the end of Summer, many of us end up feeling surprised at how quickly the year is going by. And it's a good time look back on the year's accomplishments, reflect on our missteps, and think about how much there is still left to do. So let's take a quick look at where we are at right now, and where we're headed...

Avoiding accidents is always a challenge, but if we can take a moment to refocus on "Safety First" and remember our accident prevention countermeasures and SOPs, we have the opportunity to make this our safest year ever. Keep in mind that most of our accidents are the result of inattention, loss of focus, or being in a rush. Few accidents involved unusual or particularly difficult situations. Remember to stay focused at all times, keep your head in the present, and always be thinking about the task at hand!

Reducing injuries is always our most important priority. Looking at the injuries we've experienced thus far this year, most occurred because someone was in too much of a hurry or didn't stop to reassess the situation when a difficulty arose. I would ask each and every one of you to pull out all the stops when it comes to your personal safety as well as that of your team. We all need to refocus on our objective of ZERO injuries! Consider safety first in every task and at every moment of every day.

AAR audit scores at two of our locations are leading the industry, so as an organization, we've demonstrated that we have the ability to be the best. For those facilities that could have an AAR audit at some point in the remainder of the year, simply put, be ready! And for those facilities that have already experienced audits this year, don't let your guard down – your next AAR audit will be upon you before you realize it! Remember to continue conducting self-audits regularly, and review the AAR audits we've already had this year. Let's learn from our experiences!

I would like to mention those facilities whose safety performance and initiatives I believe truly stand out and deserve recognition: Amarillo, Dilworth, New Boston, Oklahoma City, Phoenix, Portland-Barnes, Portland-Rivergate, Richmond, San Diego, and Titusville. You are setting the example - GREAT JOB!!!

So where are we headed in the rest of this year? That's completely up to us. While 2010 was one of our best and safest years ever, we are still in position to do even better – but only if we refocus on our objectives and maintain that focus for the rest of the year.

—Jordan Glasmacher, V.P. Safety and Quality