

MOMENTUM

News For and About Employees of the Rescar Companies

Safety is #1 Priority

At Rescar, the safety of our employees is our number one priority. We are constantly coming up with new ideas and solutions to prevent injuries from occurring on the job.

Jerry Carter, Repair Shop Manager for Location 110 (Service Drive), recently developed a winning solution in response to an incident at his location. An employee was burned when Chartex (a form of insulation) fell onto a torch hose and burned through the hose, causing a fire. Jerry realized that something needed to be done to prevent this type of injury from happening again. He went to work and designed a protective leather sleeve that could be used for a torch, or for any type of hose with connections. Jerry then met with Service Drive's welding supplier and asked them to produce this innovative sleeve based on his concept.



Jerry Carter with the Sleeve

How the Sleeve Works

The sleeve snaps on around the hose and connectors to protect the hose from contact with items like hot Chartex, pieces of lining, etc. that can burn a hole in the hose. If an employee is either welding or cutting, the sleeve will cover the mixing barrel section and approximately 2 feet of the fuel and oxygen hoses, protecting the area

from possibly igniting from falling debris.

Jerry's sleeve has already prevented serious injury to two Rescar employees. While they were working on a car, hot pieces of lining fell onto the hose.

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Rescar Success Stories:

To nominate an employee, team or location for a Rescar Success Story, please submit a short description of why this employee or group of employees deserve this recognition to a member of the Recognition Committee. Nominations may be for overall professionalism, dedication to the job, one-time occurrence or personal triumphs.

Due to space constraints, not every nomination will be highlighted in this newsletter, however each nominee will receive a letter of our appreciation for a job well done.

Recognition Committee:

Joseph Schieszler, Sr.
Jeffrey Halstead
Barbara Thomas
Maureen Hunt
Kathleen Caliendo
Matt Johnson
Carole Yuskis

Momentum is a quarterly newsletter published by the Recognition Committee for Rescar Companies' employees.

Rescar Companies
1101 W. 31st St.
Suite 250
Downers Grove, IL 60515
800-851-5196

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With the sleeve in place, the hose was protected from the fire, allowing the workers enough time to get out from underneath the car and shut off the valves to the pressurized oxygen and gas lines. Because they used the new safety sleeve, these two employees were saved from a potentially serious injury.

The cost of producing the sleeve is minimal...less than \$10 each. Jerry Carter invites any location interested in obtaining one of these sleeves to call him and he will put them in touch with his supplier.

Jerry Carter – Committed Employee

Jerry has been with Rescar since 1988, when he started at Service Drive as a railcar repairman. His hard work and dedication to excellent job performance has awarded Jerry several promotions during his time at Service Drive. In July, 1995, Jerry was promoted to Crew Leader and then in December, 2000, Jerry became Repair Shop Foreman. His latest promotion was in June, 2001, when Jerry was named Repair Shop Manager. Donna Stinson, Location Manager at Service Drive, remarked, "Jerry Carter is an honor to work with, this is a man who truly cares about the job being done. He is dedicated, and has taken on the role of Repair Shop Manager head on. He has only one goal, to work together with his manager, his employees and get the tasks at hand completed professionally."

Rescar applauds Jerry for his commitment to the safety of his fellow employees and for his resourcefulness in putting his idea into everyday use.

Safety Awards – Congratulations

Congratulations to each location (listed on page 3) that has received a safety award for 2002. With the safety award, Rescar would like to say thank you to its employees for the dedicated effort to prevent accidents and injuries. From local toolbox meetings to our corporate safety meeting, Rescar employees stand behind Rescar's safety efforts. It is this type of effort that makes our company one of the safety leaders in the industry. Keep up the commitment to safety, you are the building blocks of our success.

2002 Safety Awards

In recent Momentum issues we've been keeping you informed of the terrific job our locations have done in reducing the number of recordable injuries on an annual basis. Each year, Rescar recognizes facilities that have met or exceeded their annual safety goals with a wall plaque to be proudly displayed at their locations.

At the beginning of the year, our Director of Safety, David Hirschey sets a safety goal for each Rescar facility. In the smaller shops (minis/mobiles), the goal is always zero recordable accidents while the plants are assigned a goal based upon the recordable accidents of the previous year. During 2002, 64 Rescar locations met or exceeded their safety goals and will be awarded a safety plaque for their achievements in making safety their number one priority.

<u>LOC #</u>	<u>LOCATION NAME</u>	<u>LOC #</u>	<u>LOCATION NAME</u>
140	Chicago, IL Plant	441	Gregory, TX – Union Carbide Minishop
150	Cedar Rapids, IA Plant	443	Tucson, AZ Minishop
163	Orange, TX – Chevron Minishop	444	Florence, SC Minishop
182	Tatum, TX – Texas Utilities	450	Catlettsburg, KY -Ashland
212	Pasadena, TX Minishop	451	Catlettsburg, KY Cleaning
240	DuBois, PA Plant	455	Robinson, IL Minishop
280	Washington, IN Plant	460	Joliet, IL Mobile
290	Elk Mills, MD Plant	470	Deer Park, TX – Shell Minishop
300	Charleston, SC - Westvaco	473	Louisville, KY Mobile Repair
305	Bishop, TX – Celanese Minishop	476	Lima, OH – BP Oil
310	Decatur, AL – BP Minishop	477	Tampa, FL Mobile
315	White Springs, FL Minishop	481	Memphis, TN Mobile
320	Baton Rouge, LA – Exxon Minishop	482	Gramercy, LA Minishop
325	Tulsa, OK Minishop	483	Natrium, WV Mobile
333	Covington, VA Minishop	488	Houston Mobile Cleaning
340	Cooper River Facility, SC – BP Minishop	489	Canton, OH
350	Baytown, TX – ExxonMobil Minishop	490	Niagara Falls, NY– DuPont Minishop
370	Mont Belvieu, TX – Exxon Minishop	497	Riegelwood, NC Minishop
374	Cedar Bayou, TX – BP Minishop	540	Kingsport, TN – Eastman
376	Pasadena, TX – Phillips Minishop	545	Columbia, SC
377	Augusta, GA Mobile	577	Muscle Shoals, AL – Occidental Minishop
379	Borger, TX Cleaning	580	Decatur, AL Mobile
382	Orange, TX Mobile	582	Mobile, AL
387	Wilmington, NC – Celanese Minishop/Mobile	586	Baton Rouge, LA - Formosa
400	Nitro, WV Minishop	590	Texas City, TX – Sterling Minishop
403	Hopewell, VA Minishop	597	Charleston, SC Mobile
405	Springfield, MA Minishop	610	Normal, IL – Norfolk Southern Pool
410	Wood River, IL Mobile	650	Ft Worth, TX – Miller Pool
420	Baytown, TX – Exxon Refinery Minishop	680	Boron, CA – US Borax Minishop
421	Baytown, TX – Baytown Pak Tank	700	Saginaw, TX – Cargill Switching
440	Texas City, TX - Union Carbide*	710	Baytown, TX – Exxon Switching
		720	New Johnsonville, TN – DuPont Switching*
		721	New Johnsonville, TN – Track Maintenance*

*Location closed during 2002

AllTranstek...Providing Solutions

Rescar is proud of our association with AllTranstek, North America's largest third party, non-asset-based, independent supplier to the rail industry. AllTranstek's services include rail logistics management, fleet management, maintenance management, maintenance facility support and technical support. The company, AllTranstek, is the result of a merger in 2000 between two firms: AllTrans and Transtek.

The successful combination of the two companies allowed this new group to offer their clients a more complete and competitive resource for their rail transportation needs. Today, AllTranstek has over 75,000 railcars under contract and serves almost 100 clients, including some of the country's largest rail shippers/owners such as BP Chemicals, Eli Lilly, BASF and Georgia Gulf.

AllTranstek consists of two business groups, Fleet Management & Operations, and Technical Consulting Services. Dick Hoffman, Executive Vice President of AllTranstek, manages the operations of the two teams. Both groups are supported by the work of the AllTranstek Client Services team.

This issue introduces several of our teams of Fleet Management professionals. In subsequent issues of Momentum, we will highlight other members of the Fleet Management team in addition to the Technical Services group.

Fleet Management

The Fleet Management team is managed by Jeff Wilson. Jeff's team offers their clients the benefits of the following services: logistics; car tracing and expediting; turnkey management of in-plant railcar operation; mileage accounting; Ad Valorem tax services; UMLER/OT-5 maintenance; management reports; repair bill audit and payment services; brokerage services; lease negotiations; lease payment review. Under Jeff's



Jeff Wilson
Vice President

direction, AllTranstek has developed a number of industry-leading railcar management services and two Internet-based railcar management systems—

FleetWatch and FleetWatch2 Railcar Tracing System, and the FleetWatch2 Railcar Maintenance System.

The Fleet Management team works with their clients to develop a maintenance plan and then handles the entire car shopping process. Throughout the process, Fleet Management monitors and measures the progress of each car, until it is back in service. Afterwards, they ensure that all necessary data is filed, systems are updated and an audited payment is made to the repair provider. Their customers rely on AllTranstek's knowledge of regulatory compliance, preventative maintenance, railcar repair, and financial services to help manage the fleet.

Fleet Management – Operations

Headed by Larry Kozola, the Operations group consists of professionals who are working directly with AllTranstek's clients to handle day-to-day operations of their fleet. Account Manager Allison



Allison Bernabei
Account Manager



Bernie Weinert
Fleet Coordinator



Angie Rangel
Fleet Coordinator

Bernabei manages the accounts for several AllTranstek clients including BASF and Georgia Gulf. Allison is responsible for providing her customers with office accounting, system support, UMLER, preparation of DV statements, JIC resolutions, lease audits, car shoppings, organization of CBA results and OT-5 applications.

Instrumental in supporting Allison are Bernie Weinert and Angie Rangel, both fleet coordinators. Bernie handles the tracking and tracing of railcars

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and updates individual customers on problem cars to ensure that these specific cars are moving properly through the channels to their final destination. Bernie also furnishes daily and custom reports to AllTranstek customers. Angie supports the team and its customers through her ability to reconcile and pay monthly repair bills, perform the monthly invoicing and receive deposits. Angie also tracks, traces and shops railcars for her customers.

Client Services Team

AllTranstek prides itself on its excellent customer service. With a focus on meeting and exceeding the needs of their customers, AllTranstek created the Client Services Team. Two

key players on this team are Matt Johnson, Client Services Manager and Corey Albritten, Client Services Consultant. Matt came to AllTranstek via GATX Rail, where he spent several years in Engineering and IT departments. Matt has played an integral role in the design, implementation and training for numerous process enhancements emphasizing efficiency, with a focus on customer needs. Corey brings an educational background in cognitive science and computer science to this team. Corey manages the web development, database applications, AutoCAD projects, graphic design and electronic media production for AllTranstek. Customers will be able to view this team's work firsthand when AllTranstek reveals its new website.



Matt Johnson
Manager,
Client Services



Corey Albritten
Client Services
Consultant

These are only a few of the faces making AllTranstek a leader in the railcar transportation industry. It's clear that each of these professionals brings a wealth of experience and knowledge to work for their customers. Rescar looks forward to a long and prosperous relationship with AllTranstek and its employees.

Rescar Home Grown

Rescar is pleased to announce the promotion of Richard Parsons to the Gordon, GA Plant Manager.

Richard Parsons a 16-year veteran of Rescar, has developed his skills through the Rescar ranks. He has a proven track record of developing an excellent rapport with his customers, expanding his customer base and overseeing profitable locations.

His strong leadership qualities enable him to foster and facilitate any Rescar team.



We are confident that Richard will be very successful in our Gordon facility and bring a new approach to managing this facility.

Congratulations Richard and the best of luck.

Richard Parsons is one of Rescar's home grown true to the faith icons. That is one of the highest compliments this writer can bestow. Unless you have lived it, the sacrifices made to rise from apprentice car knocker to plant manager and beyond are hard to fathom. Add to that the fact that Richard and his family have relocated several times. Richard has dedicated much of his life to his career and Rescar has responded by recognizing his sacrifices and rewarding him with advancement. It has been a win – win for everyone. This writer, who will remain anonymous, was once given the honor of being Richard's mentor. I feel I was unsuccessful in my role as a teacher. I base that statement on the fact that I walked away learning as much, if not more, than I ever taught him. It was more of a shared learning success. This will not be Richard's last stop, he will continue to ride the train we call Rescar to even higher success. Thank you for all your help, advice, and cheerfulness when needed. Good luck on your journey. A friend.

New Mindset Making Rescar More Efficient

We know how to repair a railcar. Now Rescar needs to work on streamlining the processes at our plants to become more efficient. Jerry Uzzardo, Sr. Vice President, Operations, is on a mission – he wants to change the mindset within Rescar regarding the importance and processes of scheduling. Jerry believes that, “scheduling is the most important single process involved in our business.” By planning ahead and setting up a schedule before a car is received, downtime for that car can be decreased or eliminated. The scheduling process should begin when a location receives the shopping instructions from their customer.

Rescar’s goal for the estimate and write-up on a car is three days or less. Every stage in the repair process is critical in meeting our customers’ Promised Out Dates (POD), from the up-front paperwork to the final quality assurance check. Scheduling a car so it can move through the separate facilities for cleaning, painting, coating and repairing without any downtime between the different processes can make a difference in meeting our PODs. Any delay in the process (within or between facilities) affects all of the other areas, as well as delivery times for the customer, their end user and other Rescar customers.

Rescar has seen the difference this new approach to scheduling has made at Channelview, Orange, and Gordon (see article below). Scott Davis, Vice President, Operations, has been focusing his attention on these locations, teaching personnel about the effects of scheduling, and setting up the daily switching meeting between the different areas, managers and quality assurance personnel. Scott says that a constantly updated status report helps minimize the possibility of cars getting lost in the plant as they travel between facilities. The report tracks the flow of a car from the time it comes into the shop to when it ships. Status meetings improve communication between the groups involved, allowing Rescar to better monitor a car’s progress.

Scott has also introduced the “track map” to monitor a car’s process through a facility. This map gives a snapshot of each area in the facility. A car traveling through the location can be tracked wherever it is at a given moment. This tool minimizes downtime for a car, decreases turntime, and will increase POD accuracy.

Rescar is excited about the changes occurring throughout our organization, and this new mindset regarding scheduling is one that will benefit our customers in a profound way.

Gordon Plant Puts New Switching Process to Work!

Location 270 (Gordon, GA) realized that valuable time was being wasted during their switching process and decided that something needed to be changed. To streamline the process and plan more efficient use of the switching teams, a daily switch meeting was put on the schedule for 1:00 p.m.

Now every day, the supervisors from each of the three areas (Repair, Cleaning, and Paint & Coating) meet with the plant manager and the final quality assurance person

to discuss the day’s work. Before this meeting was created, cars might be moved into storage or to the field and then moved out again for the next shift. With better communication between all three areas, a car can be moved directly from one area to the next without any time in storage. The meeting also determines whether each department switch for the day was correct, if additional switching is needed, or if any cars are ready for outbound inspection.

Scott Davis, who spent a considerable amount of time at the Gordon facility, was instrumental in creating the switch meeting. Scott remarked, “This simple change in procedure has saved a great deal of time for the plant. Originally, there were two shifts of two men working 10-hour days. Now only one shift of two workers for 8-9 hours is needed. Location 270 was able to cut their switching labor in half.”

Rescar is proud of Location 270’s answer to a growing problem. With improved communication between work areas, they have a more efficient switch crew, and car flow throughout the plant has been increased. Good work!



From left: Switchman Bobby Bivins; Brakeman/Substitute Switchman Jason Loyd; Switchman Jeremy Brooks

New Opportunities for Growth

Rescar is always looking for ways to better serve our customers. Location 280 (Washington, IN) is a great example of a facility working hard to expand their services to better fit with our customers' needs. In response to customer interest, this location has recently added tank car certification to its list of capabilities.

In order to obtain Association of American Railroads (AAR) tank shop certification; many certifications in non-destructive testing (NDT) are required before shop certification is granted. Location 280's employees have put in many hours of training to obtain their certifications in Direct Visual (DV), Remote Visual (RVT), Bubble Leak Testing (BLT) and Liquid Penetrant (PT). Currently, about half of the employees at the facility have qualified in NDT and welding procedures necessary to hold this certification.

With the assistance of Rescar and AllTranstek personnel, additional employees have been qualified. The goal is to



Joe Meredith

get every employee trained in the necessary inspection, test and repair procedures for performing tank car work. For NDT methods an employee becomes "qualified", meaning that their classroom and testing requirements have been met. Logging of the required training hours are necessary before "certification" is granted.

The chart on this page details the additional training that Location 280's employees have undertaken in order to provide their customers with additional service options for their fleets.

Prior to this initiative, customers such as GE, GATX and ADM all had shown interest in Location 280 becoming tank car certified. As the location evolves in its expertise and the types of commodities that they are able to accommodate, Rescar expects many new names to be added to our customer base.

With the expansion into tank car work, car flow at the facility will increase, resulting in growth in both personnel and

overall sales. Location 280 has already experienced success with the certification; we can't wait to see where this takes them!

Employee Training

<u>Area</u>	<u>Minimum Hrs.</u>	<u>Level</u>	<u>Employees Qualified</u>
Remote Visual Training	70 hrs.	1	1
Bubble Leak	35 hrs.	2	4
Liquid Penetrant	70 hrs.	1	1
Direct Visual	280 hrs.	2	6

Valve Table for Tank Cars

With their Tank Car Certification, Location 280 needed additional equipment to handle the new work. A valve table was a priority for the location. Joe Meredith, Location

Manager, wanted to try to build one, based on a shop table he had seen at the DuBois location. Joe had sketches of the DuBois table drawn up and two employees at his location, Jim Melton and Lee Kelsey built the table during shop time. Instead of the out-of-pocket expense of buying a table, Joe and his crew were able to save quite a bit by building the exact table they needed for tank car valves.

With the new valve table in place, Location 280 is able to test all kinds of valves, from safety to loading types. Adding a custom-built valve table allows Location 280 to expand its valve capabilities.



Jim Melton



Lee Kelsey



Valve Table

Keeping Up the Momentum...

I cannot tell you how excited and proud I was to be able to participate in the process to select candidates who will be receiving education scholarship awards from Rescar's new Augustus J. Schieszler Sr. " Mr. Gus " Scholarship Program. This program will offer qualified members of the Rescar family financial help towards realizing their dream of starting or continuing a college or other advanced educational training program.

Our company has long recognized that the more each member of our team is trained, the more they have access to greater education and the more on the job experience they can gain; the stronger the Rescar Team will be. We know that this personal growth of team members allows us to better perform our jobs, better meet our customers' expectations and to provide greater opportunities for each team member to grow into bigger jobs with better pay.

Since this is true for us, I am sure that it is something that we all desire to an even greater extent for our children, grandchildren and spouses. We know from experience that knowledge opens doors for better jobs, better pay, better future opportunity and better financial security.

This scholarship program came to life through the efforts of Joe Schieszler Jr., CEO & President who sought to provide extra value to our team for their commitment to Rescar and out of respect for his grandfather, Augustus J. Schieszler Sr. Mr. Gus had such a major influence on his entire family and the Rescar team that it continues in spirit even after his death in 1993.

Mr. Gus was the child of immigrants who came to this country in the 1900's. They were poor but worked hard and wanted their only son to live the American dream by going to college. Unfortunately this was during the "Great Depression" and when his father lost his job, Mr. Gus was forced to quit college and try to find work to help support his family.

He found work in the machine tool industry where he worked for the next 20 years as a lathe operator. During this time he got married, raised a family, built a house, worked with pride to become the best machine operator in his company and yes, he went to college at night to finally get his degree. He also instilled a desire to

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These two applicants were selected as the most qualified under our program criteria and were awarded \$5000 for the 2003/2004 school year. They are also eligible for 3 more yearly contributions of \$5000 each as long as they meet the program conditions for grades and conduct.

Amount	Award Recipient	Rescar Relative	Location
\$5,000	Maria G. Loreda	Gregorio Loreda	Chicago, IL
\$5,000	Ashley Dawn Veale	Mark Veale	Washington, IN

Each of these 10 individuals will receive a \$2000 award for the 2003/2004 school year. They may re-enter a new application for the 2004/2005 school year after 1/01/2004 as may all other qualified applicants.

Amount	Award Recipient	Rescar Relative	Location
\$2,000	Erin Elizabeth Hockman	Joan Hockman	DuBois, PA
\$2,000	Ragen Danea Pruneau	James Melton	Washington, IN
\$2,000	Christine Danielle Busby	Floyd Busby	Longview, TX
\$2,000	Shasta Dawn Clark	Faith Clark	DuBois, PA
\$2,000	Dana Rene Marley	Michael Marley	Baytown, TX
\$2,000	Matthew Mark Anstandig	Barry Anstandig	Corporate
\$2,000	Grant Robert Hendricks	Ed Hendricks	DuBois, PA
\$2,000	Christopher Paul Chwasz	Ray Chwasz	Corporate
\$2,000	Erin Elizabeth Schaffer	Andy Schaffer	Corporate
\$2,000	David William Hendricks	Ed Hendricks	DuBois, PA

This student will receive a special \$2000 Chairman's award for outstanding service to family while maintaining superior grades and attendance at high school.

Amount	Award Recipient	Rescar Relative	Location
\$2,000	Mauricio Jose Marquez	Jose Marquez	Chicago, IL

succeed and an appreciation for education to his entire family.

I can tell you from experience as one of his kids who had the honor and privilege of working with him for 20+ years, that much of Rescar's culture and especially its "can do" attitude came from Mr. Gus. I cannot tell you how many times I heard him ask the question, "Where are you going and how are you going to get there?" And I can also tell you what the answer is, "Work harder than anyone else and learn more about what you are doing than anyone else and you will usually get there first."



Mr. Gus

Sounds simple -- well, it really is, however sometimes we need help. Maybe the cost of education is beyond our budget. Maybe we don't have support or motivation. Or maybe life puts a big obstacle like the "Great Depression" in our path. Mr. Gus always was one to encourage everyone he knew to go back to school, even if it was just one class at a time. I am proud that our company is going one step beyond by encouraging and aiding our children to become the best that they can be.

This year 13 people received cash awards towards their tuition and books at the institution of their choice.

I congratulate each recipient and their families. I am proud of you; I am proud of Rescar and I know that Mr. Gus would definitely think we know where we are going and that we are on our way there.

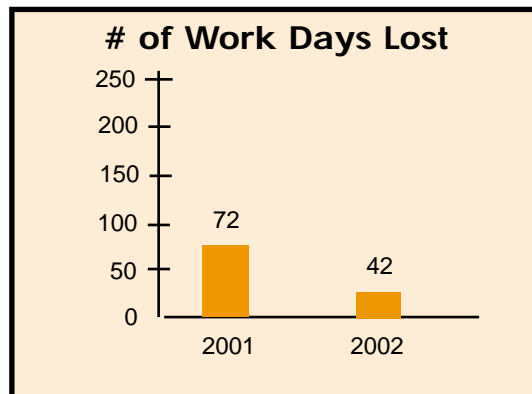
Joe Schieszler, Sr.

CONTRACTOR PREQUALIFICATION RESPONSE TIME

Improvements are being made in the response time from our shops in communicating with Sales and Marketing, when a contractor prequalification form is required to perform services at a customer's facility.

No. of Forms Processed
78 in 1st qtr 2003
261 in 2002
277 in 2001

The standard turnaround is about 3 days, with more complicated forms requiring some additional days.



When we need immediate access to a specific work site and this documentation is not current, the result is a loss in time, production and revenue.

In 2001, there were 24 urgent requests for these forms and 14 in 2002. This equates to 72 and 42 work days lost, respectively.

Maintaining approved contractor status requires teamwork, and with your continued support, we can decrease the number of work days lost. Sales and Marketing commits to renewing these forms in advance, and communicating openly and routinely with you on these matters.



Carole Yuskis

Any inquiries regarding Contractor Prequalification Forms should be directed to Marv Hughes or Carole Yuskis at Rescar Downers Grove. Thank you for your assistance and cooperation.

Another Year for the Record Books

At the end of the year, the numbers tell the story...in sales, in audits, and in Rescar's Troubleshooting Network. This group of talented, experienced professionals achieved another record year of troubleshooting responses. The Troubleshooting Network responded to 7,589 calls during 2002. With Rescar's network of locations continuing to expand nationwide, the Troubleshooting network also has grown, enabling them to handle many more calls than would have been possible, even a year earlier. In addition, the number of customers utilizing this service is growing, as is the number of commodities the Troubleshooting team can handle.

Rescar has always been proud of our employees' responsiveness to our customers, and this is one area where we can really measure our success in servicing our customers. Companies within the rail transportation industry are paying close attention to Rescar's capabilities in handling troubleshooting calls. By immediately responding to our customers' repair needs and by providing quality service during the repair call, Rescar continues to ensure our place as the leader in troubleshooting responses.

The training our employees receive for handling troubleshooting calls benefits both Rescar and the individual customer, who depends on our ability to get their car back into service safely and quickly. The Troubleshooting network relies on our locations to handle railcar servicing on the vast majority of these calls. This is a true example of what can be achieved through teamwork, driven by our employees dedication to servicing our customers. Three of the busiest Troubleshooting teams are shown on the next page.

Rescar takes pride in the job these teams are performing...they do the job right. The emphasis on safety is seen in their work; these teams don't take unnecessary risks. Our customers are aware of – and appreciate – Rescar's commitment to safety and quality in our work.

Don't take our word for it. The numbers and pictures on these pages say it all!

Annual Troubleshooting Data Summary

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Total T/S Responses	4,591	5,047	4,675	6,214	7,148	7,589
T/S Handled Directly	3,292	3,628	3,573	4,607	4,942	4,446
Other Locations Handled Directly	1,299	1,419	1,102	1,607	2,206	3,143
Loaded Car Response	1,598	1,837	1,827	1,898	2,196	2,572
Empty Car Responses	2,993	3,210	2,848	4,316	4,952	5,017
No Response	272	402	342	470	625	613*
*Rescar Location Too Far From Car Site: 20						
* Safety or Other Concerns: 593						
Responses after Hours/ Weekends/Holidays	312	496	275	100	37	15
Responding Locations	56	57	61	65	68	75
States Involved	46	41	43	44	45	43
Customers Involved	299	353	374	414	631	512
Commodities Involved	555	527	558	601	778	901



Location 482 – Gramercy, LA

From left: Jamie Murray, Jeremy Bourgeois, Matt Breaux, Mike Smith, Rickey Lambert, Sam Fayard.

In 2002, there were 75 Rescar locations who responded to the 7,589 troubleshooting calls. These are the three top locations.



Above Photo: **Location 380 – Channelview, TX**

From left: Cliff Branin, Alfonzo DeLaCruz, Tracy Earl, Robert Wagstaff



Location 293 – Elk Mills, MD

From left: Ed Kauffman, John Barrette, Wayne Ferster, Ray Brown, Andy "Jug" Jugler, Bob Johnson (Location 293 Manager), James Ledford.

Promised Delivery Dates...Rescar's Focus

In a challenging economic cycle, customer service and delivery speed are critical factors in asset utilization and winning new leasing orders. This has not gone unnoticed at Rescar.

Currently, many of Rescar's top customers consider POD accuracy to be a key performance indicator. In partnership with GATX, GE, and ExxonMobil, Rescar's customer service team reviews monthly performance and trends. Historically, we have been using averages to measure performance, but recently we added a new metric called "delivery span" to better understand the service our customers are experiencing.

Delivery Span

Delivery Span is P95-P5. Unlike Range which is the maximum value minus the minimum value of process data, the Span removes the extreme outliers of the process by looking only at the difference between the 95th and 5th percentiles.

To clarify, let's look at the following example:

- For March, we have 100 deliveries and have calculated the difference between the actual delivery date and the promised delivery date.
- Next, we sort the data from low (days early) to high (days late).
- Then, we select the 5th data point (-4 days early) and the 95th data point (20 days late)
- Span = 24 days based on:
P95 (20 days) – P5 (-4 days early).

By graphing this data, we get a much better picture of the service Rescar's customers are receiving and the dispersion of the delivery distribution. Span is a good measurement for understanding how well our business is meeting the customer requirement for on-time delivery.

Rescar Examples

Over the past several weeks, the Rescar team has gathered some baseline information and calculated span for the following:

- Rescar Service Network Span = 49 days
- Channelview Span = 49 days
- Orange Span = 29 days

In addition, the Customer Service and IT teams have been working on new reporting tools to provide a real-time view to service variation. Recently, we met with GATX to review the results of this analysis and brainstorm corrective action.

Improving Rescar POD

Using this new tool, the Rescar team is focusing on aligning the key process at each facility to improve delivery performance. This strategy will involve the following operational phases:

- Phase 1 – baseline performance
- Phase 2 – process mapping & organizational alignment
- Phase 3 – identifying the key problems & sources of variation
- Phase 4 – continuous improvement efforts to fix each root cause

Presently, we are in the early stages of this journey and are excited about the tool's ability to help us improve our service level. Span is a metric used to understand process variation, as well as help a business become focused on customer requirements. If you promise a delivery date to a customer, Span helps you understand how well you are meeting that promise. Keeping our customers happy is key to Rescar's success; Span is one tool to help us quantify the customer experience.

Orange Facility – Service Improvement			
Month	GA Cars Shipped	POD Accuracy	Avg. Turn Time
Dec. 2002	113	96%	30 days
Jan	50	80%	28 days
Feb	34	88%	35 days
March	52	88%	35 days
April*	78	97%	32 days
*through 4-29-03			

Teamwork Increases POD Accuracy for Orange

The Orange facility has been working hard to improve their overall service to their customers. The results of their efforts are faster turn time, increased POD accuracy and more cars moving through the facility, and the changes have not gone unnoticed by their customers. Recently, Donna Schieszler, Plant Manager for Orange, received a call from Jack Acurie and Jerry Bohacik from GATX, to personally thank Donna and her group for the work they have been doing.

Donna credits a focus on teamwork and communication between the different shop supervisors, the switch crew and the office in making the difference in the service level provided by the Orange facility. The daily switch meetings and status meetings at the Orange location are critical in getting the information on each car's progress through the facility to the right people at the right time. At these meetings, the switching crew and shop supervisors discuss the status of individual cars, and how to keep the cars moving through the facility faster, without any delays between work processes.

Donna also credits her GATX representative, Gilbert Baldazo with helping to make Rescar's work run more smoothly. After Donna receives status updates from the switch crew and shop supervisors, she forwards this information onto Gilbert at GATX. He then sees to it that Orange gets all the approvals, dispositions, and materials needed from GATX to continue their work on schedule. Donna feels that without Gilbert's cooperation and quick response, her team could not be as successful as it has been. This is a true example of teamwork between Rescar and a customer.

Fast Track

Another innovation that Orange has used to decrease turn times and increase POD accuracy is the creation of a "fast track". Orange has designated one track in the repair area for low-hour cars.

The "fast track" is switched daily, enabling the switch crew to move 3 additional cars per day. Again, communication throughout the team has been a key to their success. At the daily switch meeting, the crew learns from the shop supervisors where "repair only" cars are in the process, and can expedite these cars out of the plant faster. Also, if one department needs more work to do, the switch crew can feed cars to that department without any delay. This new process has reduced the backlog of cars in the plant, resulting in decreased turn times.

Rescar congratulates this group for taking the initiative and responsibility to improve their operation in order to service their customers better.

Orange Team Members – Making a Difference:

Each one of these Orange employees plays a critical role in ensuring that cars move through the facility on schedule and that Rescar meets the customers' requirements.

Edwin "Jimbo" Bishop - Repair Shop Superintendent

John Blanchard - Repair shop Crewleader
"High Bay shop"

James Wyatt - Repair shop Crewleader
"Low Bay shop"

John Howell - Lining shop Crewleader

Lee Hunt - Exterior paint shop Crewleader

Robert Caskey - Cleaning shop Superintendent

Kevin Ardoin - Cleaning shop Crewleader

Donna Schieszler - Plant Manager

Terry Ashworth - Plant Superintendent

Lee Hawkins GATX Inbound Inspector

Anthony Perkins - In Process Quality Inspector

Randall Bishop - Final Quality Inspector

Sarah Bussell - Handles inbound notification & information gathering, outbound RR notification, dispo, etc...The cars start & finish with her.

Cindy Hebert - Office Manager over all office employees...in charge of invoicing, ordering parts & material for cars, giving GATX consignment material balances, etc.

Eddie Fields - Material Handler - makes sure Cindy gets weekly count of GATX consigned material and advises shops when car assigned material arrives.

The Switch crew

Donnie Breaux

Homer Lincecum

Johnny Weber

Raymond Carter

Bobby Breaux - past switch crew crewleader – recently promoted to Inbound Inspector.

The Unique Relationship Between ExxonMobil and Rescar

Scott Murray brings 17 years of rail industry experience to the Rescar organization with an Engineering degree from Texas A&M University. He held positions in railcar repair, inspection and QA, engineering and manufacturing, rail fleet management, consulting in maintenance and shipment management, regulatory support and hazardous material training. Scott started in this business from the ground floor and moved up. He spent his first several days in this business on the end of an air grinder smoothing over welds on the sides of gondola cars. He then joined the inspection department and prepared repair estimates, became involved with coatings inspections, coordinated wreck repairs and played a key role in the quality and production processes.

Scott's current role as Rescar's Customer Relationship Management representative at ExxonMobil's headquarters in Houston involves acting as a liaison for the fleet management and regulatory activities for ExxonMobil and Rescar operations. ExxonMobil operates over 19,000 railcars and has four on-site repair tracks and utilizes seven full service shops to varying degrees. As both companies evolve in the partnership, Rescar's challenge is to respond to the dynamics of ExxonMobil's maintenance and informational needs. Being closely involved with the daily planning issues and other pertinent information is a major advantage for Scott and Rescar. Scott is able to communicate ExxonMobil's needs directly to Rescar management, so we can provide more efficient solutions and service.

Another advantage to this arrangement is being able to react as a team to address the informational or repair needs for both companies. The quicker we can react to any request or situation translates into improved shop turn around and fleet utilization.

Scott's responsibilities include assistance with providing repair information and technical/regulatory support and advising ExxonMobil of shop capacity for shopping locations to optimize turn around. He participates in maintenance team meetings where strategies for improvements are developed and he evaluates resolution of maintenance issues and technical/engineering support for projects. With assistance from Susan Schieszler

(Customer Service Manager) and the repair shops, he provides monthly performance metrics for ExxonMobil. Scott is a resource to the business planners for shopping events relating to business dynamics.

What makes this relationship unique is that ExxonMobil and Rescar are working together to reach common objectives. Fleet management activities and planning are typically complex situations with numerous variables that influence the outcome. The relationship of ExxonMobil and Rescar allows both parties to better digest the variables and to resolve them with minimal re-evaluation. By using the repair network for full service, mobile repair and mobile cleaning, Rescar has the opportunity to meet and improve upon utilization goals for ExxonMobil.



Scott Murray

In the effort to improve the information flow, the use of the Rescar website is playing an ever greater role. The enhancements will include on-line review, submitting and status queries that should give us a cleaner snapshot of the shopping events. AllTranstek is in the process of revising ExxonMobil's qualification plan. We plan to revise the ExxonMobil maintenance manual with the intent of consolidating the ExxonMobil fleet into one comprehensive document that involves hundreds of products and site requirements.

Additionally, we are working to update the billing matrix for ExxonMobil to be more descriptive and concise. Donna Stinson is leading this effort. By year end, Rescar expects to improve upon and significantly enhance shop performance throughput criteria. Scott's unique qualities and expertise make him a great Rescar representative for ExxonMobil. As well, with Rescar's capabilities to provide unique support and service to ExxonMobil, we are confident that this unique relationship can only grow and prosper in the years ahead.

Customer Appreciation...

To: Eric Sterling, Location Manager

Just a quick note to express our appreciation for the great work you and your crew at Rosemount (MN) does for us. Due to shipment schedules and the various commodities shipped from this facility, I know we keep you on your toes and then some. You and the others are always willing to be flexible, to work overtime on short notice and help us through when we are short on cars.

We here at the corporate office want you to know that we do appreciate all that you do in keeping our refinery running. Your professionalism means a lot.

Gaylene True, Rail Fleet Coordinator
Koch Mineral Services, LLC

To: Scott Moore, Regional Manager
Melvin Shrewsbury
Fr: Blondie M. Samuels, Order Fulfillment Specialist,
GE Rail

Dear Scott:

I would like to take this opportunity to thank you and your team for the prompt attention that all of you put forth last week, with helping to expedite the inspection/repair projects occurring in Milan, TN and Pine Bluff, AR. With your assistance, we were able to streamline the inspection criteria of the cars, which will assist us with a more timely delivery of cars to our customer.

Once again, a special thanks to both you and Melvin, the great, and the rest of the Rescar team.

To: Susan Watson, Dale Yarborough

Please pass on that TRMI and Cargill are VERY pleased with Dwight Frank's efforts on the 3 cars he's working on in Tuscola, IL. We are grateful for his voice mail updates on the cars (keeps Cargill & TRMI from having to track him down to get the info). Please arrange a brief parade in the cube nest to celebrate the workmanship and integrity of Dwight and his team.

Thanks,

Bob Barry
Trinity/Cargill

To: Alan Baxter, Location Manager
Canton, OH

I would like to extend my sincere appreciation to you and your crew for accomplishing the repairs to the PD car at our plant in Ashtabula on Christmas Eve Day.

Of all days for us to have a bad order car, it had to be then. With the holiday season upon us and everyone wanting to be home with their families and other loved ones, the last thing anyone wants is a late call for an emergency repair miles away from home.

In our business though, there never seems to be a dull moment, and with a 24-hour-a-day operation, it gets even more hectic around the holidays.

Fortunately for us, you responded and accomplished the necessary repairs that kept us on our shipping schedule.

Thanks again!

Ernest J. Camodeca
Manager, Packing and Shipping Dept.
Elkem Metals Company - Ashtabula, LP

TO: Rescar
FR: John Norton, Contractor
Service Manager

We thank Rescar and their on-site crew at Decatur, Alabama, for their participation with BP in achieving one million safe hours without a "Day Away From Work" case. BP Decatur Works wants your employees to share in our celebration and recognition. BP will award \$25 to each Rescar employee who worked at least 200 cumulative hours on-site from July 11, 2002 through March 1, 2003. This award will be done through your company in hopes that you will match this award in support of this program.

The following Rescar names have been submitted as eligible to receive the award: A. Bowen, B. King, C. Raney, G. Voss. We extend our sincere appreciation to these Rescar employees for their active support of safety at the Decatur Works.

Spotlight on Rescar People



Heidi Zaragoza

Heidi Zaragoza joined Rescar's corporate office 4 years ago in the role of HR Assistant. She expanded her knowledge in the HR field and continued to assume new accountabilities. These efforts earned her a promotion to HR Administrator in March of 2002.

Heidi provides assistance to location and field personnel as well as the Downers Grove staff in a variety of HR activities, including group benefits administration. Late in 2002, she took on another new responsibility, to serve as the back up support to the Payroll Coordinator. Heidi was soon called into action in February this year due to our payroll coordinator's absence. In addition to her regular duties, Heidi rallied to this task and completed timely and accurate payroll processing throughout February and March. Heidi's ability to step in to keep our processes working smoothly is representative of a solid team player.

Marty Ewing

After 11 years with Union Tank Car, Marty shares with us his experience in manufacturing, engineering and operations. His primary responsibilities at Rescar are facilitating the day-to-day operations of GE, Trinity and BP Chemicals, including car status, programs and communications. Rescar is very pleased to have the services of Marty in maintaining and improving our relationship with our customers.



Aaron Anderson



Aaron Anderson, Location Manager at Location 610 has joined his community volunteer firefighters Department for Blue Mound Township. With Aaron's work schedule, he is home during afternoons and evenings and will be able to respond to calls during this crucial time. Aaron will be trained in CPR and First Aid, which he can put to use for his location. We support Aaron's commitment to his community and welcome his life-saving techniques for Rescar.

Jason Kehm



Jason's story is one that tells of a young man willing to step out and try new things. Jason applied and was accepted for the position of inside salesman after just one year with Rescar. Jason had been a repairman at our Joliet, IL facility. Due to realignment of Rescar's structure, Jason's new position was eliminated, so he returned to his duties at Location 460. Jeff Halstead, Vice President of Field Services, remarked, "Jason has shown a desire and made the effort to step out and grow. Those individuals who are willing to broaden their horizons will be rewarded with bigger and better opportunities in the future."

Darrell Moss

Darrell Moss, Location Manager at Location 212 (Clear Lake), recently scored a perfect internal audit. Darrell has been with Rescar for 14 years and the location manager for Location 212 for 5 years. During this time he has come close to a perfect score on several occasions, and now he has achieved it. Darrell credits his perfect score to keeping up-to-date on all the information and following the procedure manual. Rescar congratulates Darrell on a job well done!



Scott Moore



Scott Moore is a true rail industry pro. He has been working in the industry for over 15 years, and the last 3 1/2 years at Rescar. Scott's positions have included Location Manager for Location 377, August, GA, and Compliance Manager. In response to his hard work and excellent job performance, Scott has been promoted to Regional Manager. With this new position, Scott will be combining both his managerial and marketing skills by supervising the maintenance and expansion of 9 existing shops while also working to open new shops for Rescar in specific regional areas. In addition, Scott will be working with his existing customers to better meet their requirements and needs. Congratulations to Scott and Good Luck!

Faye Clark



Faye Clark (DuBois) began her career at Rescar in February, 1997 as a secretary/ receptionist. Due to her strong organizational skills and professionalism, Faye has been promoted over the past several years to the positions of Insurance Clerk, Administrative Assistant and most recently, Compliance Manager. Faye is well known at DuBois and at other Rescar locations for her knowledge of Rescar programs and HR procedures. Faye tackled the daunting task of organizing and maintaining the training records and employee files at DuBois. Faye continues to be instrumental in the success of Rescar's DuBois shop.

Ron Zeok

Ron Zeok has proven himself to be a valuable asset to the DuBois plant, time after time. As inspector/estimator, Ron is always willing and eager to assist shop personnel with understanding customer requirements as well as AAR rules and regulations. Ron also has played a vital role in training new inspectors for his location. In addition, Ron has taught a welding class at a local technical training school, Triangle Tech. DuBois' customers appreciate his superior knowledge of their requirements, as well as his commitment to providing the best service to his accounts.



Sharing Efficiencies...

Fighting Mother Nature

During the long winter months, the northern locations have extra hurdles to overcome in order to keep their cars moving. The ice and snow can add up in time spent clearing the switch points. Location 140 (Chicago) has come up with a solution to prevent mother nature from slowing them down. In an effort to reduce the time spent clearing switch points of ice and snow, Location 140 covers the points with tarps when they expect snow or freezing rain conditions overnight. In the morning, the shift just needs to remove the tarps to begin operations.



Driving Supplier Costs Down

Location 180 (Wilson Road) had been using one supplier for their grinding wheels. Believing that they were spending too much on these wheels, Location 180 requested bids from competing companies. Discovering a better cost for their grinding wheels, Wilson Road switched vendors and the location is now saving approximately \$100 a month on this one product.



When a local uniform vendor brought Julie Sellers of Location 110 (Service Drive) pricing information, she compared costs. Julie discovered that their current vendor was more expensive, so she contacted them and discussed the cost issue. After Julie's talk with Rescar's supplier, they agreed to reduce the price for employee uniforms, the service charge to Rescar and the price for rugs/mats. Thanks to Julie's efforts, the employees will save around \$200 a year on uniforms and Service Drive will save \$200-\$300 a year on mats.

Conserving Utilities

Location 280 (Washington, IN) came up with a simple, but very effective way to cut their costs..they turned off the lights. Every day, the employees would come in and turn on all the lights and utilities in each of the work areas in order to get ready for the day. However, some of the areas were never used during a particular day. Now, with a little planning, Location 280 decides what areas are actually going to be used during that work day and only those areas are prepared for work. Joe Meredith, Location Manager says that his location tries to cut costs wherever and however possible. It's working!

Sample of Building Weekly Lighting Schedule

	Lighting at Startup Requirements						
	Mon.	Tue.	Wed.	Thurs.	Fri.	Sat.	Sun.
West Shop South	No	Yes	No	No	Yes	No	No
West Shop Ctr.	Yes	No	Yes	Yes	No	No	No
Fab Shop	No	No	Yes	Yes	Yes	No	No
Fab Shop Repair	Yes	Yes	Yes	No	No	No	No
North Erection	No	No	Yes	Yes	Yes	Yes	No
South Erection	Yes	Yes	No	No	No	Yes	No
Stencil Shop	Yes	No	Yes	No	No	Yes	No
Paint Shop	No	Yes	No	Yes	Yes	No	No

Generating Revenue & Savings

Location 260 (Hudson, CO) has been generating revenue in a very creative way lately. Last year, Location 260 leased a portion of their facility for one month to a local contractor for the load transfer of two generators to be installed at a new local power plant. By doing this, the Location made approximately \$8,000 in land lease fees without using any of Rescar's labor.



Andy Allen

This sparked an idea to search out more revenue through land leases and loading or transloading opportunities. Hudson contacted another one of Rescar's local contractors, TIC Industries, and explained how these opportunities might be a benefit to their company.

TIC has recently agreed to repair and replace over half of the facility's two run-around tracks in exchange for being able to use the area for off-loading machinery and equipment for another power plant. The work that TIC is doing will save Rescar over \$90,000 in upgrades. Andy Allen, Plant Manager, remarked that, "Location 260 would have had to do these repairs within the next year, and now will have the upgrades completed without costs to the location."

Location 260 is congratulated for realizing that most contractors would rather ship heavy equipment by rail than by truck, and areas that have rail access for load transfers can offer this service to them and generate revenue in a new and creative way.

Spotlight on Stockton, CA

This edition's spotlight on new locations is shining on Stockton, CA.

Stockton is located south of Sacramento and east of San Francisco in the San Joaquin Valley at the Port of Stockton. Situated in the hub of four major freeways, two transcontinental railroads, an international waterway and a regional airport, the Port of Stockton has seen a 70% increase in railcar traffic during 2002. Cement, fertilizer products and steel are among the commodities primarily responsible for the increase in Port railcar throughput.

The manager of Rescar's western most location is David Dodd from western Ohio. David is a seven-year veteran of Rescar with most of his experience coming from our Toledo facility. Leonard Valdez from our Boron, CA location will continue to monitor and assist in any way possible. Leonard writes, "As a first time location manager, David has had to face and over-come many of the hardships and challenges that most of the Rescar location managers have faced before him. He has built a small but solid foundation that is continually striving to reach the next level. David is constantly focused on growing his customer base in an area that was dominated by more established railcar repair shops. His perseverance is paying dividends and many of the customers have expressed gratitude that they have more options for repair services."



David Dodd

Leonard also notes that "David is constantly focused on doing the small things right. He understands that he must master the basics of this business. He also has reached a new level of commitment that is found in all successful Rescar managers. David is developing into the type of leader that Rescar was built upon. His customers look forward to his visits and his crew looks to him for guidance."

Shortly after opening this location on site at the Port of Stockton, we signed an agreement to take over the switching duties at the request of Jeff Kasper, Director of Property. David and his crew attended and passed the FRA switching course to enable Rescar to perform this task each evening after regular working hours. This is another example of the value of cross training.

Our Compliance Manager, Rex Greer, has made a couple of visits to Stockton in order to aid in meeting all criteria for internal, customer, and regulatory audits. Rex stated that "All exceptions found on my original audit were corrected before revisiting for my second audit." A GE audit performed between his visits resulted in the auditor being very impressed with the progress of this shop. Rex also pointed out that "David has several leads on potential new customers and has been aggressively pursuing them."

We feel that Stockton can be a stepping stone to more West Coast shops. We now have three locations west of the Rockies and are looking from San Diego to Vancouver in order to reach our goal of ten. Keep reading Momentum to track our progress.



Honorable Mentions

Below is a list of Rescar employees or locations who were nominated for a Success Story by their peers. We wish to recognize each one for this accomplishment.

Mario Avila (Loc. 160)

Alan Bowen (Loc. 310)

Dee Caudill (Loc. 488)

Cliff Davidson (Loc. 488)

Angel Davila (Loc. 160)

Salvadore Davila (Loc. 160)

Gerald Griffin (Loc. 110)

Greg Hickerson (Loc. 180)

William Jolly (Loc. 415)

Billy King (Loc. 310)

Eliseo Lara (Loc. 160)

James Raney (Loc. 310)

Luis Reveles (Loc. 160)

Garry Voss (Loc. 310)

Location 210

Location 376

Rescar Quality Mission Statement:

We will perform all services with defect-free workmanship for all of Rescar's customers, both internal and external.

We will understand the requirements of our jobs and conform to those requirements at all times.

We will do it right the first time.

From: Recognition Committee

**Via
InterOffice
Mail**

**To: Rescar Employees
Work Location**