

MOMENTUM

News For and About Employees of the Rescar Companies



Rescar Answers the Challenge

The railcar repair industry may not seem the most likely arena for performing tremendous feats through excellent teamwork. In the past, a few legendary sports teams (Green Bay Packers, Dallas Cowboys, and Chicago Bulls for example) have achieved the status of near perfection through excellent teamwork, superb leadership and flawless execution. The same principle of team performance applies to the railcar repair industry.

Rescar saw such an inspiring performance at our newly formed Savanna, IL operation (Location 154) during May, 2003. (See additional stories in newsletter)

This past spring, General Electric came to Rescar and requested that we locate and repair 170 box cars at the storage facility in Savanna. This might not seem to be a big deal in our industry, except for the fact that at the time of the request, Location 154 was an empty field with no employees and the closest Rescar shop and manager were six hours away.

To add to the challenge, part of the requirement was that Rescar needed to repair 50 cars per week. The repairs consisted of fixing all side doors, re-stenciling and interior repairs.

The call went out to the entire Rescar family for volunteers to come to Savanna to help achieve a daunting task. The response was overwhelming, with some of the best and finest individuals offering their services. When the crew started to arrive, time was short and nobody knew what each volunteer's capabilities were...so we underwent a learning curve, as

would be expected. However, within a few days, people stepped up to the plate to get the ball rolling.

Rex Holland, Richmond, VA (Location 403), volunteered to identify the location of the individual cars and inspect them. Rex was also given the responsibility of finding lodging for the incoming employees. Most of the volunteer crew had limited or no experience in the repair of box car side doors. Sam Gaines and Jody Willis, Washington, IN shop, offered to train the crew in this specialized repair work. They also arranged for the Washington shop to make and send the tools needed to repair the doors.

Kelly Clarke was one of these employees who came to Savanna without any prior experience of repairing box car side doors. In a matter of days, Kelly had learned how to repair the doors and within a week, he was able to start training others in the side door renovation. As a result of his efforts and his continued resolve to learn and lead, Kelly was offered and has accepted the position of leadman at Savanna on a full-time basis.



Rex Holland



Kelly Clarke

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 deserves 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
- Kathleen Caliendo
- Matt Johnson
- Carole Yuskis

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

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Challenge cont. from pg. 1

Todd Leadman also came to Savanna with the same experience as Kelly. Todd adapted quickly to the situation and learned to perform all tasks within a short time. Todd demonstrated a willingness to see that the job was done right. After the box car project was completed, Todd stayed on for a little longer, and played an important role in a large up-market project which arrived shortly at Savanna. Todd became the inspector for that project and assisted Kelly in training new hires for Savanna.



Todd Leadman



Jimmy George

Jimmy George came to Savanna with the least experience of anybody on the team. He proved his worth by learning the new skills quickly. By the time Jimmy returned to West Virginia, he was assisting in-bound inspections and training new hires for Savanna.

Coming to Location 154 with one year of experience was Brad Vernon. Brad handled anything he was assigned without complaint, and always got the job done right and on time. During the time

he spent at Savanna, Brad took his welding test, completed his AAR course and was certified in Air Brakes. These additional accomplishments were all completed on his own time, after working a usual shift of 10-12 hour days/ 6 days a week.



Brad Vernon

To all the employees who volunteered their time and expertise to achieve an almost unsurmountable task, Rescar salutes you and yells out, "Good Job!"

Check it out: Momentum is on the Web

For our employees' convenience, Rescar has posted the latest Momentum newsletter on our website: www.rescar.com

Going Beyond the Call of Duty

When the call went out for help at the Savanna location with the GE hopper car project, Location 140 (Chicago) was too busy to spare any employees from its current work schedule. However, this did not stop the employees at this location from coming to the aid of their fellow Rescar co-workers.

Six repairmen left Friday afternoon and drove three hours to Savanna, so they could be onsite and ready to work at 6:00 a.m. on Saturday. This crew worked over 12 hours on both Saturday and Sunday, leaving Sunday evening to be at work on Monday morning as scheduled. The very next week, this same crew asked the same question at 6:00 a.m. in Savanna, “Which cars do you want us to repair?” Before the project was completed, these six repairmen were able to spend an entire week in Savanna, utilizing their skills as expert box car repairmen to give the location an extra boost.



From left: Juan Sevilla, Jose Marquez, Ramiro Contreras, Aurelio Sevilla, Juan Lopez, Saul Sevilla (kneeling)

This crew’s volunteerism represents their dedication to Rescar and our customers. We are fortunate and proud to have these employees working for Rescar.

Rescar Employees to the Rescue

When one of Rescar’s major customers, General Electric, came to us with a challenge to help them get over 4,000 hopper cars ready to haul grain in a short time, our employees answered the call. Without the sacrifices made by Rescar employees, we would not have been able to accomplish such a monumental task.

The hopper cars needing repairs were located throughout the country. Many of these locations were not towns where Rescar operates a facility. Numerous employees volunteered to pack up and temporarily set up camp in these towns to get the operation moving. During this project, these groups were often referred to as Rescar’s M*A*S*H* units (Mobile Assistants Servicing Hoppers). Rescar is proud of each of these volunteers and the personal and professional sacrifices each made to get the job done!

Every volunteer who came to Savanna worked hard, long hours to make this operation a success. These employees include the following:

Jody Willis, Washington, IN
Sam Gaines, Washington, IN
Ontoniell Lopez, Galveston, TX

Homero Lopez, Galveston, TX
Ubaldo Lopez, Galveston, TX
Ruben Martinez, Galveston, TX

Additional thanks go to Jamie Braley, Orange, TX for helping to bring this group together as a cohesive team. Jamie worked hard to streamline the process of increasing the carflow throughout the short timeframe.

Customer Service at its Best

Rescar employees realize the value of providing good customer service. When GE came to Rescar with their large project, many shops gave of their time and expertise to get the job done and on schedule.

Location 489

Alan Baxter and Chad Russell volunteered their time to commute from Canton, OH to Reading, PA to work on GE cars. During the week that they were there, these two men completed 140 cars. Rescar is proud of their hard work and dedication to their customer.



Location 489: Chad Russell, Alan Baxter

Location 475

Ray Spencer and his group (Chris Schurfeld, Ron Smith, Rob Phillips, Doug Wooten) at Toledo, OH offered two full weekends of personal time and travel to locating, inspecting and repairing 32 cars at Saginaw, MI. With skill and efficiency, they completed the work in 3 days. This is one of many examples of a Rescar shop's dedication to its customer.



Location 293: Bobby Johnson, John Barrett, Doug Olley, James Ledford, Ed Kauffman

Location 293

Location 293 (Elk Mills) had already started working on GE cars in March before the project grew in size. Since their job started, Bobby Johnson and his crew have completed approximately 500 cars for GE. They have worked long hours and sacrificed personal time and commitments to get this job done.

*To: Sabreen Muhammad
From: Jim Raffa,
Vice President, Traffic
Reading Blue Mountain &
Northern Railroad Company*

Rescar has been up here cleaning and inspecting cars for GE for quite a while. Bobby Johnson has been running the show and doing a great job. Jeff Cain will be able to attest to that! Thanks again.

Rescar Locations Contribute to GE Project

Many Rescar shops and employees put in extra effort to meet the deadlines for this GE project. A few locations are listed below with their contribution to the job.

Location 473 (Louisville, KY): Doug Ohlmann and Walt Lawson traveled to Granville, KY to work on 20 cars.

Location 481 (Memphis, TN): With a two-week deadline, Matt Walters and Richard McDonald traveled to Milan, TN and completed over 70 cars.

Location 486 (Pittsburgh, PA): Frank Kenney and Eric Dewitt traveled to off-site locations to work on 15 cars.

Location 490 (Niagara Falls, NY): This group (Jeremy Speelman, Ed Sudik, Chuck Cutler) worked on over 30 GE cars within a short timeline.

All of these Rescar locations continue to prove why Rescar is the leader in the railcar industry for providing our customers with excellent customer service and quality workmanship. We are proud of all the employees who contributed their time and expertise on this project.

THE GUIDING LINK!

There has been a massive undertaking over the past few months to expedite a multitude of grain hopper cars for GE Rail. The corporate facilitator of this endeavor and strong link between GE and 12 Rescar locations was Marty Ewing. The timing of this program was a mere two (2) weeks' notice with two subsequent deadlines set by GE.

Original details conveyed to Marty indicated that GE had the need for several hundred grain hopper railcars to be inspected at 16-20 storage locations nationwide totaling over 1,600 cars. It was Marty's challenge to dispatch mobile crews to find and work these cars, to continue monitoring them and to keep the lines of communication open between GE and the Rescar locations. These cars were on several different orders, many required new reporting marks and numbers, and some cars were still loaded, so getting final disposition was a definite priority in order to meet the deadlines.



Marty Ewing

GE's Goals

- ▶ GE's first goal was 4,000 cars by August 15. This was achieved and Rescar was responsible for over 20% of those completed cars.
- ▶ GE's second goal was 6,000 cars by September 15. This, too, was achieved and Rescar was responsible for approximately 20% of these cars, as well.
- ▶ GE's final target was 7,000 cars by September 30. This goal was also achieved.

The Rescar shops and mobile units that achieved these goals were: Canada, Chicago IL, Elk Mills MD, Houston TX, Louisville KY, Memphis TN, Middletown IA, Neville Island PA, Orange TX, Savanna IL, Toledo OH, and Wichita KS.

After months of hard work, we are primarily in a clean-up mode, but will continue to work grain cars across the country until notified by GE.

The results of Marty's quality performance and great communication skills are a well-pleased customer and a job well done!

Rescar Location Activity

<u>Shop</u>	<u>Location</u>
Canada	Canada
Canton, OH	Reading, PA
Chicago, IL	Chicago, IL
Elk Mills, MD	Reading, PA
Houston Mobile	San Angelo, TX
Houston Mobile	Doyline, LA
Louisville, KY	Hawthorne, IN
Louisville, KY	Greenville, KY
Memphis, TN	Milan, TN
Memphis, TN	East Camden, AR
Middletown, IA	Middletown, IA
Neville Island, PA	Neville Island, PA
Niagara Falls, NY	Niagara Falls, NY
Orange, TX	Orange, TX
Savanna, IL	Savanna, IL
Toledo, OH	Saginaw, MI
Wichita, KS	Wichita, KS

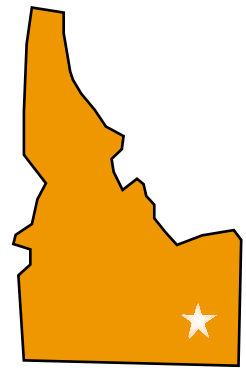
Rescar Quality Mission Statement:

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.

Spotlight on Pocatello, Idaho



The J. R. Simplot Company, based in Boise, Idaho, is one of the largest shippers of phosphate and nitrogen in the northwest region. Simplot maintains a fleet of approximately 1700 railcars, which comprise a mix of rubber lined Phosphoric Acid, Anhydrous Ammonia, Sulfur, covered hoppers and Nitrogen Solution cars. When the company decided that they would benefit from an outside resource for railcar maintenance, they turned to Rescar.

Prior to 1998, the company had elected to lease the bulk of the Phosphoric Acid car fleet. Changing business philosophy and economics since then dictated that the bulk of

top quality equipment and ‘Top Gun’ Andy Lester to manage the shop. Together with assistant Jake Mowat, we feel that Rescar is committed to providing Simplot with quality and performance for years to come. We are looking forward to great things to come and a long-term business relationship.”

According to Howard Tauge, Truck Transportation Manager, Simplot’s primary objectives for having Rescar establish a shop at the Don Plant were to reduce their annual railcar maintenance expenses, reduce the annual mileage equalization costs and improve their fleet utilization, thereby requiring fewer cars to support their current business volume. Given the number of railcar mini-shops Rescar has established, Simplot trusted in our level of experience and commitment to successfully open and operate a mini-shop at their Pocatello manufacturing plant.

Location Manager Andy Lester has worked in the railcar industry since 1990 and has been maintaining J.R. Simplots fleet for the last several years prior to taking on the Pocatello mini-shop location manager responsibilities with Rescar in May of 2003. The team at Location 777 not only provides servicing to cars at the Simplot plant, but they also provide mobile service to an ever-growing customer base.

Andy remarked, “I truly believe this new mini/mobile is a win-win situation for both Simplot and Rescar, and I look forward to a continued partnership for many years to come.”

“Andy has shown that he is committed to providing our customers with Rescar’s industry-leading standards of quality and safety and doing so with unyielding integrity. Andy has progressed very rapidly in areas often struggled with by new managers. Andy is a valuable asset to our Rescar family and we look forward to more great things from him,” remarked Regional Manager Rob Smith.

Simplot is confident in Rescar’s ability to maintain their fleet as shown in Howard Tauge’s remarks, “from Andy Lester, the on-site manager, to Rob Smith and Jeff Halstead, each individual understands our railcar maintenance requirements and the goals and objectives we have set forth for this operation.”



From left: Jake Mowat and Andy Lester

these cars should be owned and not leased. So in 1999, Simplot purchased a fleet of 306 new Phosphoric Acid cars and allowed the leases to expire on the bulk of the leased fleet, bringing the total owned Phosphoric cars to 486.

As Mr. Kevin Hall, Shipping Supervisor of J.R. Simplot’s Pocatello Don Plant noted, “The shift in philosophy also required a shift in maintenance management, reflecting our goal to achieve a 40-year useful life from these cars. Given the normal wear and tear, customer use, and changing regulatory requirements, we realized that the best way we could control our maintenance cost and still provide our customers with a premium railcar package was to outsource our railcar maintenance and bring in the experience and expertise of a mini-mobile. We are excited to have chosen Rescar to fill our railcar maintenance requirements at our Pocatello Plant. Rescar has responded to our needs by bringing in

“We believe Rescar and its Pocatello management team are committed to ensuring that Simplot’s expectations are fully met or exceeded.”

Howard Tauge
Truck Transportation Manager

Moving Toward the Future

To continue Rescar's role as the leader in the railcar industry, we have recently restructured our Senior Operations Group, while adding some new, but familiar (and experienced) Rescar faces to this group. The addition of the employees listed below to the Senior Operations Group, will create a greater "team concept" to Rescar management.

Augie Stanton, a 12-year Rescar veteran, has taken on additional responsibilities as Vice President of Operations. Augie was first hired by Rescar as Plant Manager for DuBois in 1994. Since then, he has been promoted to Manager of Dedicated Operations, then Director of Operations; Assistant Vice President, and has served as Vice President since 1999.

In his new role, Augie will oversee the Vice President's Operations team of Scott Davis, David Justiss and Andy Schaffer.



Augie Stanton

Andy Schaffer, serving as Vice President, brings 25 years of Rescar experience and extensive knowledge in both technical service and operations to the group.

Andy earned his Rescar stripes through the many positions he has held throughout the Rescar network, starting as a repairman at DuBois in 1978. After several promotions (Inspector, Supervisor), Andy became DuBois Plant Manager in 1990 and later became Plant Manager at Orange, TX. Since 1996, Andy has served Rescar as an Account Executive, Manager of Quality Assurance, Assistant Vice President, Operations, Vice President of AllTranstek and was promoted to Vice President, Operations in August, 2003.

David Justiss, recently promoted to Vice President, brings 13 years of Rescar experience in both technical service and operations. David started working at Rescar in October, 1988 at Service Drive in Longview, Tx as Plant Superintendent. Through the years, David has served Rescar in the roles of Assistant Plant Manager, Service Drive; Plant Manager, Service Drive; Plant Manager, Channelview, TX; Consultant for Alltranstek and most recently as Vice President, Operations for Rescar

Scott Davis joined Rescar in May of 2002 as Plant Manager at the Channelview, TX plant. His many years experience in the rail industry serve to meet many challenges. In September of 2002, he was promoted to General Manager of the Channelview and Orange plants and in March, 2003 to Vice President, Operations.

Dave Kraker, a 23-year Rescar veteran was recently promoted to Vice President of Cleaning. David began his career at Rescar in 1980 as a Repair Superintendent at the Cedar Rapids, IA plant. Through the years, Dave's many promotions have included Plant Manager, Chicago; Plant Manager, Cedar Rapids; Plant Cleaning Manager, Channelview, TX plant; Plant Manager, Hudson, CO; Asset and Procurement Manager; and finally, Vice President, Operations in August, 2003.

Working with Jerry Uzzardo, Dave will continue to manage Rescar's Asset and Procurement department.

These members join Tom DeLafosse, Vice President of Quality Assurance, Jeff Halstead, Vice President of In-Plant Services and David Hirschey, Director of Safety Environmental Compliance to form the Senior Operations Group. This team is directed by Jerry Uzzardo, Senior Vice President of Operations.

Each member of this team contributes their expertise and strengths from many years of experience in scheduling, quality, technical service, administrative, operations, customer relations, safety and environmental areas, to assist each other, whether in a mini-shop or a major plant location.

The group's goal is to successfully manage and grow all of Rescar's operations. We are confident in this team's ability to lead Rescar's growth into the future!



Andy Schaffer



David Justiss



Scott Davis



Dave Kraker

Honorable Mention

“**T**raffic World” is the leading transportation and traffic magazine in the nation. In their October 13, 2003 issue, Mr. William Steinke, who supervises rail equipment at BP Chemical, offered his comments on rail logistics mentioning AllTranstek as his rail management partner. BP has been a very important customer of Rescar for a very long time. For over one year, AllTranstek has been helping BP manage their rail fleet, providing technical support and a wide variety of management and information services.

AllTranstek is a growing organization within the Rescar family of companies. Previously, Rescar recognized the need to provide engineering, regulatory, and administrative help to its customers. Worldwide competition has forced shippers to focus harder on product improvement, cost control, and risk management. It was because of these growing customer needs that AllTranstek was created.

As Mr. Steinke says in the "Traffic World" article, "with the power of the information being provided, BP Chemical will further optimize railcar availability while fully complying with regulatory requirements." Later in the article, he says "our ability to anticipate equipment failures should improve, resulting in fewer

unexpected failures for customers."

AllTranstek, with its team of nearly 40 fleet managers, inspectors, consultants, and technicians, provides many similar services for customers such as Dow, DuPont, GATX, Marathon, Oxy Chem, Eli Lilly, and others. For instance, AllTranstek provides HazMat training and auditing services for DuPont, North American-wide inspection services for Dow, maintenance management for Oxy Chem, non-destructive testing services for GATX and Rescar, and fleet management services for Eli Lilly and Marathon.

AllTranstek is headed by Dick Hoffman, who spent more than a decade with the Rescar management team. Dick is especially proud of the highly trained, experienced and hard-working staff at AllTranstek. "Our team works very hard on behalf of our customers to help improve their bottom line." The AllTranstek and Rescar teams constantly work hand-in-hand to help customers achieve their fleet safety and savings goals.

We will continue to feature more about AllTranstek. Seeing a customer talk about us in the Press is great, but hearing that we are an integral part of helping them reach their goals is top-notch recognition.



Maureen Hunt Hangs Up Her Hat

Rescar bid a fond farewell to Maureen Hunt, who retired on November 17, 2003. Maureen had worked in Rescar's corporate office since December, 1993 when she joined the company as Administrative Assistant to Gus Schieszler (while he was serving as a Divisional Manager). Later, Maureen's duties shifted to assisting Jerry Uzzardo (now Sr. VP) and she was promoted to In-Plant Services Operations Coordinator.

In this role, Maureen performed a wide variety of duties, some of which included maintenance of records, communications and billing activities for the mini-shop operations. One of her greatest abilities was juggling all those changes in executives' travel and meeting schedules!

We will surely miss Maureen's hard work, friendly smile and great sense of humor. However, she will now be able to spend more time with her husband Jim, her three children and one lucky, "spoiled" grandchild.

From the entire Rescar family, we send our best wishes to Maureen and her family.

Service Drive - Expanding its Customer Base

The opening of Service Drive from dedicated customer status to open status brings new opportunities to each department plant-wide. Service Drive is eager to work with old friends like BP Chemical, Shell, Oxy and Martin Gas, while maintaining their special partnership with the colleagues at ExxonMobil.

The staff at Service Drive loves a challenge and they are excited about the increase in car counts already coming into their shop. Donna Stinson, Plant Manager at Service Drive, remarked, "We are a strong team here. Everyone has the same attitude and goal - which is to produce quality work. So, bring the work to us and we will prove once again that Service Drive always rises to the challenge."

Service Drive's work with ExxonMobil over the past 12 years has given them an exceptional knowledge base to draw from and to offer other customers. Many of the employees who have been at Service Drive long enough remember when this plant was an open shop. The diversity of new customers is very appealing.

Tank/Cleaning Rack

In order to bring the shop back to an open status, several areas had to be addressed. One of these areas was the Tank/Cleaning Rack. Some upgrades and hard work was needed to get the plant ready to expand their customer base. Troy Meadows came to Longview and reviewed the current equipment and set-up and worked with the crew to develop a plan to get the area up to speed. Service Drive's crew at the tank rack, Rex Duke (14 years), Leo McCoy (18 years), Johnny Cherry (7 years), Pete Irving (4 years) and Rick Staples (15 years - recently transferred from Wilson Road) responded to the challenge with a simple "Let's get started!"

Getting Up to Speed

Some of the work the crew had to tackle included:

- Bringing the wash system back up to top shape, which required inspection of all wash heads, hoses and connections.
- Cleaning and opening up the drains to the ground sump pump, power washing and cleaning out drains, and replacing grating drains.
- Checking the water and oil tanks and bringing them up to acceptable status.

- Working with the city of Longview to analyze the discharge water to see if they were able to discharge to the sewer. This resulted in a tremendous savings in additional disposal costs.

The expansion to an open shop status brings many new customers and products, which brings the need to expand the shop's knowledge of customer requirements, product types and safety issues. The cleaning crew responded with a quick "Bring 'em on and we will get the job done!"



Tank/Cleaning Rack (from left): Rick Staples, Johnny Cherry, Leo McCoy, Pete Irving, Rex Duke

The team made adjustments to their work hours at the rack based upon car quantities. One employee comes in earlier than the balance of the crew in order to fire up the boiler and the compressors so everything is up and running when the crew arrives.

The cleaning crew also has regular training/review sessions to discuss MSDS sheets for products, safety and PPE relating to products, new customers, and their requirements for scope of work, gasket materials, o'ring materials, etc. The crew works closely with the Cleaning Group regarding any product or cleaning questions or concerns.

Setting Goals

The expanded customer base gives many excellent employees at Service Drive the opportunity to expand their skills and knowledge and opens the door to future growth professionally.

Service Drive is already hearing good reports from new and returning Rescar customers on the work being done there. They have set their goals toward achievement. We can see that they are on their way!

2003 Service Awards

Celebrating the Service of Dedicated Employees...

Each year Rescar Companies recognizes the service of employees who have reached significant employment milestones as of July 1st. We celebrate these accomplishments with awards for 5, 10, 15, 20, 25 and 30 years of service (and counting!). This year, five employees are recognized for 25 years' service and two employees celebrate 20 years with Rescar (see photos). Each employee's work and commitment has contributed to the success of Rescar Companies and serves as an inspiration to fellow employees. May the years ahead bring us the continued pleasure of celebrating more milestones and provide employees with professional satisfaction and personal happiness. We extend sincere thanks and appreciation to each and every employee for their efforts. Listed below are those who are honored in 2003 and the awards they have earned. Please take a moment to extend your congratulations to your co-workers listed.

25 YEARS - \$5,000 Savings Bond

Loc #		Hired
240	Barkman, Gerald D	11/21/77
240	Brady, Michael J	05/23/78
240	Swisher, Richard Mark	03/06/78
750	Charaska, Jerry	11/01/77
935	Thompson, Arthur N	03/10/78



Gerald Barkman



Michael Brady



Mark Swisher



Jerry Charaska



Arthur Thompson

20 YEARS - Rolex Watch

Loc #		Hired
120	Oglesby, Trent D	09/17/81
250	Tressler, James E	05/02/83



Trent Oglesby



James Tressler

15 YEARS - Diamond Ring

Loc #	Hired	Loc #	Hired		
110	Rojas, Juan	04/18/88	240	Siple, Gary P	10/21/87
150	Blozvich, Duane A	10/03/86	240	Welsh, Bruce E	05/20/88
150	Swallow, Scot	07/13/87	250	Darr, Richard A	06/13/88
160	Bishop, Edwin J	05/20/88	250	Grasso, Edward A	07/28/87
160	Chesson, Albert A	01/25/88	250	Sharp, Charles	10/16/87
160	Ducote, Karl W	07/11/88	310	Voss, Garry W	06/06/88
160	McKay, Kenneth W	01/29/88	483	Thomas, Steven D	12/11/87
240	Aughenbaugh, James S	11/30/81	700	Gardner, Anthony E	01/25/88
240	Bloom, David L	10/06/87	930	Guthary, John	10/12/87
240	Lucas, Richard L	05/20/88	949	Crook, Jack A	04/22/88
240	Schaffer, Kevin M	08/07/87			

10 YEARS - Ruby Ring

Loc #	Hired	
120	Davis, James Kevin	06/22/93
120	Golightly, Charles D	07/07/92
160	Avila, Mario	07/28/92
160	Blanchard, John W	03/12/93
160	Hawkins, Lee	01/17/92
160	Weber, Johnny	12/22/92
163	Brown, Robert A	11/14/92
180	Joy, Ronald E.	04/12/93
210	Allala, Valentin	06/21/93
210	Garcia, Paul G	01/11/93
210	Ledet, Christopher J	01/11/93
210	Linneman, Larry J	06/25/93
210	Torres, Magdaleno A	01/11/93
210	Umholtz, Gary S	06/25/93
212	Tesar, James E	02/01/93
215	Hairston, Howard K	01/11/93
215	Louviere, Steve R	01/13/93
220	Benton, Bruce	01/11/93
220	Wright, Vernon E	01/11/93
240	Levin, Scott	03/22/93
240	Morey, Wade E	06/14/93
340	Munn, Mark A	01/18/93
350	Land, Paula K	09/11/92
350	Tiemann, Michelle M	08/10/92
380	McClearn, Milton A	02/24/93
568	Nimmo, Daniel	12/07/92
710	Mason, Monty J	02/08/93
825	Fitzgibbons, Horace E	01/01/93
915	Schieszler, Susan L	05/31/83
916	Hickerson, Edward L	02/02/93
930	Pulak, Ronald W	08/06/92
960	Sindt, Cynthia Lou	10/02/92

5 YEARS - Gold Tie Tac or Pendant

Loc #	Hired	
150	Olsen, Patrick A	4/17/98
153	Holst, Timothy J	10/10/97
160	Davila, Simon	6/19/98
160	Price, Timothy	1/2/98
163	Richard, Stanley L	8/1/97
210	Blair, Steve E	3/12/93
215	Becerra, Miguel	1/29/98
260	Allen, Andrew P	12/8/97
271	Johnson, Scott D	7/21/97
290	Adams, Timothy Paul	7/1/97
290	Bays, William C	7/1/97
290	Billings, Don	7/1/97
290	Carter, William R	7/1/97
290	Mann, Jason M	2/24/98
290	McAllister, Brian L	7/8/97
290	Reynolds, Rodney A	7/1/97
293	Brown, Raymond S	7/1/97
293	Ferster, Darwin W	7/1/97
293	Johnson, Robert D	8/18/97
293	Jugler, Andrew P	7/1/97
305	Balboa, Daniel A	12/15/97
540	Easley, Daniel P	1/15/98
540	Pendergrass, Edward L	7/18/97
545	Ahrens, David A	12/10/97
550	Myers, Will H	7/28/97
577	Styron, Ryan L	11/3/97
750	Allbritten, Dennis M	3/9/98
750	Moskal, Nancy L	12/15/97
750	Wilson, Billy H	2/2/98
910	Lockwood, Lisa M	11/17/97
935	Musch, Clarence C	10/6/97

Rescar's Quality Assurance (QA) Auditing Process ...

What is it and Why Do we do it?

As mentioned in an earlier Momentum Article, in order for any company to work on railroad tank cars, you must first be certified or registered with the Association of American Railroads (AAR). Those requirements are found in M-1002, Appendix B (additional tank car QA requirements) and M-1003 Section J (facility QA requirements). In addition to these

requirements you also must comply with the federal requirements of 49 CFR Part 179.7.

M-1003 certification is still required for locations that do not work on tank cars, along with any other special mechanical requirements such as M-214 truck work. The requirements are less, but having a QA system that ensures you produce your products or services in a consistent manner, that meets or exceeds all the rules and regulations is still mandatory.

Meeting all of these QA requirements, at a manageable cost, is critical to the profitability of our company, as well as, to every company within our industry. The challenge is – how does Rescar meet and manage all of the compliance requirements necessary to

better meet our customers' requirements?

Defining our processes and improving our communication so we are able to share information quickly between all of our locations is critical to our success. Improvement comes from having each person understand the requirements of their job and then being held accountable in the performance of those requirements. The Rescar QA training program is designed to explain to every employee within our shops that we have a QA system in place which defines what role each of us plays within it.

The manual explains the M-1003 requirements and defines how the company complies with them. The elements contained within the program that we must address and comply with are included in the box on this page.

David Sale performs the bulk of our registered facility audits while Billy Duncan audits the certified locations. Rex Greer is beginning his training to perform internal audits to help out with David's heavy workload. Registered locations must comply with 13 of the audit criteria contained within the 24 elements listed on this page for certified locations. The registered vs certified differences are all defined within our QA program.

What is the difference between an internal and external audit? An employee of Rescar, independent of a particular location, generally performs an internal audit and makes impartial judgments of the location's adherence to the QA requirements. An outside-accredited auditing party performs an external audit, such as the AAR. Element 21.0 requires that an internal audit be performed at least once a year. These audits take from one to three complete days to accomplish.

Often many customers also are performing their own audits as part of their shop qualification process.

cont. on pg. 13



David Sale



Billy Duncan

Elements:

- 1.0 – Objectives of the Quality Assurance Program
- 2.0 – Applicability and Scope
- 3.0 – Quality Assurance Program and Manual Requirements
- 4.0 – Management Responsibility
- 5.0 – Production, Inspection, and Test Planning
- 6.0 – Left Blank Intentionally
- 7.0 – Document Control
- 8.0 – Measuring and Test Equipment
- 9.0 – Purchasing/Contracting
- 10.0 – Incoming Inspection
- 11.0 – In Process Inspection
- 12.0 – Final Inspection
- 13.0 – Inspection Status
- 14.0 – Identification and Traceability
- 15.0 – Process Control
- 16.0 – Preservation, Packaging and Shipping
- 17.0 – Quality Records
- 18.0 – Nonconformance, Corrective and Preventive Action
- 19.0 – Quality Program Review and Manual Revisions
- 20.0 – Process Capability/Statistical Methods
- 21.0 – Internal Quality Audits
- 22.0 – Training
- 23.0 – Contract Review
- 24.0 – Design Control

Once any audit has been completed, a post-audit meeting is held to review the auditors' findings, so when the final report is issued no one is surprised with what it says. Generally all audit responses must be corrected and responded back to the auditor within 30 days. The auditor will either accept or reject the responses. Final closure of the audit finding(s) will happen at the time of the next audit, once the auditor witnesses the implementation of the corrective actions, if necessary.

In conjunction with the required audits we have begun to perform facility assessment audits. This type of audit combines an inspection of past audit reports, a review of documentation and administration issues and, inspection of the locations training certifications, along with physically going into the shops to witness the work being performed. Car file paperwork is also reviewed and compared to industry, regulatory and customer requirements to make sure they are followed and the proper paperwork was done correctly and is part of that car file.

Recently, some of Rescar's registered mobile locations have scored perfect audits. Darrell Moss at Clear Lake, Texas (Location 212), Brett Selph at White Springs, Florida (Location 315) and Steven Thomas at Natrium, West Virginia (Location 483) all scored perfect audits. One certified facility that should be noted is for improvements since Richard Parsons has become Plant Manager at our Gordon plant. Richard has worked very hard getting all of his location employees to believe and follow the quality processes necessary to complete their duties and provide rail cars with defect free workmanship.

Common sense does really go a long way when we stop and think. One simple rule to remember when all else fails and is the "Golden Rule of Quality": PLAN what you do, DO what you plan, then DOCUMENT what you did.

Rescar Supply Chain

The Rescar Supply Chain strategy has focused upon the development of vendor relationships, cost reduction, and efficiencies in the Purchasing cycle. It has been a combined team effort of Administrative and Field personnel. The formal Rescar Supplier Quality program is now in its 5th year, has over 35 member companies, and continues to grow. We have continuously improved these partnerships with our significant suppliers.

Currently, there are three suppliers who have achieved Rescar's "Preferred Status"; Progress Rail, Salco, and StonCor. In addition, we have decreased the number of suppliers and streamlined the purchasing process. In the last year, our efforts to decrease our materials and services costs has provided savings ranging from 5% to 12% across various product lines. Periodic audits performed have yielded savings of \$35,000.

We have also continued the focus on reducing our administrative business expenses. Our National Agreement with Boise for office products was enhanced to further increase our savings by 15%. The IKON National agreement for office equipment has afforded us best pricing and standardization. We will continue forming alliances with our suppliers to strengthen service to our customers and to decrease our cost structure. A couple of these are in process; Virginia Sealing Products for gasketing materials, American Express for Travel/Purchasing Card.

In the coming months, we will be negotiating our 2004 supplier pricing, reviewing our Inventories, evaluating our purchasing cycle, and ramping up efforts to decrease our Production costs. We fully expect continued Supply Chain success.

Customer Appreciation...

Attn: Carole Yuskis

We thank Rescar and their on-site crew for their participation in BP 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. The following Rescar names have been submitted as eligible to receive the award:

B. King; G. Voss; A. Bowen; C. Raney.

Please convey our appreciation to these Rescar employees for their active support of safety at the Decatur Works.

Sincerely,

John Norton, Contractor Services Manager
BP Decatur Works

To: Senior Management, Rescar

From: Art Thompson

Re: ARI

I received a call from ARI early this a.m. from Tim Kirkman to inform me that our mobile crew out of Stockton, CA (Loc. 690) had successfully responded to a troubleshooting request for their customer, General Mills via National Starch.

I understand that they were in dire need of car NLSX 1275 to be off-loaded as they desperately needed the product (flour) to keep from shutting down a process unit. Stockton mobile crew responded immediately and "took care of business."

A big "Way to Go" to our troubleshooting network Susan Watson and to David Dodd and our Stockton mobile crew. It is nice to get positive feedback from our customers. As with most troubleshooting events, this one included not only the initiating customer, ARI, but General Mills and National Starch, as well. So it turns out, we get a "triple" customer satisfaction success story. Congratulations!

To: Jerry Uzzardo

This note is to notify you of an excellent response team that you have in Niagara Falls, NY with Jeremy and Ed. Also, the quick actions taken of Melvin Shrewsbury to expedite the emergency are recognized.

On May 1, we had a loaded car come into our NEW customer's plant at Eastman Kodak in Rochester, NY with a faulty safety valve. This delicate situation was taken care of in a timely manner and appreciated by all involved with our new customer and within Lyondell-Equistar.

Thank you!

Suzanne M. Bell, Fleet Logistics Coordinator
Lyondell-Equistar

To: Scott Davis

From: Jacque Collins

Re: Georgia Gulf

I met with Georgia Gulf's Steve Polito and Pat Quint. The meeting was for GG to conduct an ISO Vendor Review. During the course of the meeting, several times they stated their extreme satisfaction with the working relationship they had with Donna Schieszler at the Orange Plant. They elaborated on her effective and timely communications and how she and her staff met their stated turn time commitments continuously. They were very complimentary on the shop's recent audit results and how they intend to grow their business with the shop.

Atta boy Ms. Schieszler. Another happy customer. Thanks!

To: Marvin Hughes

Jerry Uzzardo

From: Larry Kozola, AllTranstek

I want to let you both know what a pleasure it is working with Steve Harbour at Service Drive. He always calls and explains if he finds something that is outside the normal repairs. He makes sure we know what he is doing and why. These extra steps mean a lot to me in understanding why the shop is doing something. It allows me to quickly review his estimates and provide the approval.

He really is a personable and professional person. Just want to make sure he is recognized for being there for AllTranstek and its clients.

To: Terry Ashworth

From: Ricky Stewart, GLNX

Just wanted to say thanks to Terry Ashworth for going the extra mile for GLNX. I really appreciate your help. My customer really needed this car and I can't say enough how much I appreciate all of your hard work. Our customers are very important to GLNX and you made a difference. THANKS!

Spotlight on Rescar People

Jerry Ford



Jerry Ford had been an inspector at the Service Drive location for approximately 15 years when he left Rescar to pursue another career with his brother. In 2003, Jerry relocated from Texas to Colorado. The Hudson plant learned of his relocation and offered him an inspection position in September, 2003. The Hudson plant had one inspector and heavy inbound volumes—resulting in a congested inspection backlog of over 100 cars waiting inspection and data entry.

Jerry's hard work and positive attitude have been instrumental in getting the inspection department up to speed. Being away from the business for six years would make anyone a "little rusty" but Jerry hit the ground running and in no time, was caught up on regulatory changes, Rescar changes and Customer requirements. Jerry is doing a superior job and Hudson is lucky to have him back as part of the Rescar team.

Chris Walker

Chris Walker has been in training to perform as a crewleader for the second shift (repair shop) at the Gordon, GA plant (Location 270).

With no previous experience in the railcar industry when he joined Rescar three years ago, Chris has proven to be a quick study and a natural leader. He has grown personally and professionally while learning all the techniques and responsibilities for his job.

Rescar looks forward to Chris' continued growth as a valued Rescar team member!



Dale Rhodes

Dale Rhodes is an interior painter at Service Drive (Location 110), and is considered one of their "go to" guys. When a special project comes up, Dale can be counted on to work as long as it takes to get the job done. He is known for doing excellent work and having a strong work ethic.

Dale takes pride in the quality of his work – this is one of the reasons he has been called upon more than once to help with critical, time sensitive projects. Each special project he works on results in a high-quality finished product. “Dale is an asset to this facility and I am proud to have him as a part of the Service Drive team,” commended Donna Stinson, Plant Manager.



Spotlight on Rescar People, cont.

Ryan Kozola



Ryan Kozola is the newest member of the Client Services team within AllTranstek. Ryan is a Loyola University graduate with a degree in Computer Science. Ryan puts his skills to use as a client services analyst by aiding in the Client Service Team's goals of meeting and exceeding the needs of our customers, both internal and external. Besides assisting with generating reports for AllTranstek's Fleet Managers and some of the customers, Ryan is key in the design and maintenance processes for the FleetWatch2 system used to manage over 75,000 rail cars across North America. In addition, Ryan has been instrumental in further streamlining processes allowing for increased efficiency within the company, so that the ever-increasing work-load can be handled without having to increase rates for our customers.

As AllTranstek strives to continue to maintain their position as the industry leader, staying one step ahead of the needs of the customers will become more and more important and Ryan will continue to be a key player in shaping that direction.

Vic Bowers

Vic Bowers started with Rescar in July, 2003 as Plant Manager for Location 290 (Elk Mills). With over 15 years of railcar industry experience, Vic is looking forward to working with the special people, both shop floor and staff, at Elk Mills. Vic has been impressed with their dedication to safety, quality, production and customer focus. He is proud to join a group that has exceeded 400 days without an OSHA recordable incident.



During his years in the industry, Vic has gained valuable experience in the areas of industrial engineering, paint/coatings, safety, manufacturing and plant management. Prior to joining Rescar, Vic had worked for both ARI and ACF. We are sure his experience will compliment the skilled and growing work force in Elk Mills. Rescar is excited to have Vic onboard.

Ross Flanigan



A recent addition to the Rescar family, Ross Flanigan is the new Plant Manager for Location 150 (Cedar Rapids). Ross brings over 25 years of railcar experience to work for Rescar. Previously with Union Tank Car, Ross worked his way through the ranks, including positions of environmental engineer and plant manager.

Ross commented on his new responsibilities, "I am excited about being with Rescar and building the Cedar Rapids shop up to full utilization. People and equipment are being added to help us reach our goals. The business seems to be out there and we need to be ready for anything! Later this year we will look at beginning a 2nd shift and cleaning more cars."

We are happy to have Ross put his industry knowledge to work for Rescar!



Rachel Pietrini

Rachel Pietrini joined Rescar as our new Payroll Coordinator in March, 2003. She is responsible for all aspects of payroll, working closely with Accounting, Human Resources, and Information Services to ensure efficiencies and completeness in our procedures as they relate to payroll.

Rachel had previously been at CNA Unisource where she was in charge of the payroll function. We are excited to have a person with her experience on our team. She is certainly an asset to our Financial Services Group!



Ken Manuel

Ken Manuel became the acting Plant Manger for Location 210 (Channelview, TX) in September. Ken started with Rescar at the beginning of 2003 as interim plant manager at Elk Mills, where he helped the employees in all processes of cleaning, repair, blast and paint.

Ken plans on using his 24 years of industry experience (at Union Tank Car) to achieve the goals he has for Channelview– including elevating the overall quality of work and improving the inspection department processes.

Rescar believes that Ken's various experience as inspector, coating supervisor, paint supervisor, repair shop supervisor, area manager over mini shops. and plant manager makes him a perfect fit for his new role. We wish him Good Luck!



Karen Williams



Since coming to Rescar in 2002, Karen Williams has consistently proven her worth. Karen is the office manager in Rescar's North Carolina, East Coast Billing Center. In addition, she is the main contact for 3 Rescar customers– ARI, Dupont and GE. Using her billing experience, Karen has played a key role in helping Rescar reduce the A/R and diminishing any potential problem areas. Karen has the daunting task of working on reports and creating spreadsheets–she is believed to be one of the few billers who is expert with Canadian billing. Karen's dedication to her job and her wealth of knowledge makes her a great asset to Rescar.

Sharing Efficiencies...

A Resourceful Solution

When Location 110 (Longview, TX) began experiencing the asphalt caving in under the pressure while jacking tank cars on their track, they knew they needed to solve this problem quickly and safely.

First, they checked into having concrete jacking pads put in, but found the cost to be more than their budget could handle. So Location 110's repair shop and maintenance crew worked together to figure out a way to do the work themselves. They discovered that their location had several employees experienced in pouring concrete, so they had the asphalt dug up by an outside company and Location 110's crew poured the concrete on the entire length of their Track #2. With both sides of the track on concrete, they can now jack cars anywhere down this track safely.

By utilizing the skills of Rescar employees, this location was able to save several thousand dollars and, at the same time, create more jacking space in a safer operating condition.

Overtime Costs Cut

Location 210 (Channelview, TX) had been dealing with the issue of rising overtime costs and decided to change their processes to reduce this problem.

Due to a large influx of cars, not all the switching was getting done at night. Channelview had been trying to keep up with the work by having their switchers work long hours every other night. This was adding up to a great deal of overtime hours and pay each week, in addition to creating possible opportunities for injuries due to over-tired workers.

To combat both of these concerns, Location 210 split the night shift into two shifts, allowing workers to get more straight time hours, thereby eliminating fatigue.

This location came up with a solution that solves two major issues for Rescar.

Increased Production

With one of their compressors down, Location 160 (Orange, TX), was dealing with an air pressure shortage when crews were blasting and painting at the same time.

While waiting for the compressor to be repaired, their temporary solution to this problem was to install a crew of blasters on the night shift, easing the demand for air pressure during the day. This quick fix not only kept us up and running on schedule, but actually resulted in additional production. The number of cars blasted and the number of cars painted climbed from 2-3 per day to 4-5 per day.

This solution also benefits Rescar's customers at Orange who can expect faster production times.

Administrative Money Savers

Sometimes a simple change in an ordinary process can save time and money. We have included a few examples of ways plants are saving both.

Location 240 (Dubois) staff had been writing out all necessary stencil information for ordering decals (a 30-minute task). By including required information on all standard stencil items, employees can now fill in the blanks. This is a real time saver in the ordering process.

Location 270 (Gordon) has reduced their costs in tracking filter bay inspections. By revising their filter bay inspection form, they expect to reduce inspection time, improve maintenance cycle reliability, and provide better records which will help eliminate any regulatory violations.

Location 260's (Hudson) hiring efforts have been difficult due to potential employees making it through their initial interview and passing their visual weld tests but then failing either the physical or drug screen. Hudson's solution to this problem was to change the wording in the classified ad to include "pre-employment physical and drug test required". This has saved many hours and dollars being wasted on unsuitable candidates.

Air Brake Testing

Air Brake Testing is time consuming, involves detailed and proper training and is one of the most important procedures Rescar's employees will undertake. It is critical that all brakes on freight trains are operating at their maximum capacity. The FRA and the AAR both require that Rescar have trained air brake test personnel to conduct air brake tests on our repair tracks. Rescar takes pride in our efforts and achievements in complying with all FRA and AAR regulations. In response to regulatory requirements, we have created a very thorough and comprehensive training program to maintain our high standard in the industry.

What is an Air Brake Test?

An air brake test is a very thorough testing of the entire air brake system. The test is to ensure that all parts of the brake system are in good working order. Brake systems cannot just be visually inspected – they must be operated. The Single Car Test Device acts as the engine, going through a series of different functions to duplicate accelerations and braking scenarios. Anyone who has ever done this test will tell you how surprised they were at just how thorough this test is.

Rescar Training

One location displayed a great example of "getting where they need to be" on the air brake test training. Rescar's Tulsa, OK operation was in need of a qualified air brake man. Maurice Hanson volunteered to participate in the air brake test training that Rex Greer was giving in Channelview. Maurice participated in the training course and then performed daily practicals at his location. Jamie Braley (Orange



Air Brake Test Cart

Mobile Manager) spent three days with Maurice and the Tulsa manager, Steve Hinnergardt, at the operation giving detailed practical training. The two air brake test personnel, Maurice Hanson and Steve Hinnergardt, tested without exception during their qualification test and during the return of the AAR field auditor. This location set up an ideal air brake test cart and completely revamped their car flow process. Congratulations to Location, 325, for "taking charge".

The Regional Managers, David Sale, Billy Duncan, and Rex Greer have all been trained to administer this training at the location level. This group has made great strides in certifying air brake test personnel at all of our locations. Once again, Rescar employees have risen to the challenge and made a commitment to move forward. Thanks everyone and keep it up!

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.

Safety

Location 160
Location 270
Location 290
Location 293
Location 325

Savings

Location 260
Location 455

Service

Johnny Cherry - Location 110
David Dodd
Rex Duke - Location 110
Pete Irving - Location 110
Mike Lacy - Location 150
Leo McCoy
Cletus Moser - Location 150
Susan Watson
Location 690 (mobile crew)

2nd Annual Holiday Card Competition



Lauren Riggs illustrated Rescar's 2003 Holiday Card.

Lauren is 11 years old and is in the 6th grade. She enjoys acting with her school drama troupe. In addition to her acting interests, Lauren's hobbies include drawing and reading. Lauren lives in Atascocita, TX and has two younger brothers, Austin and Jackson.

Lauren is the daughter of Jason Riggs, an NDT Operations Manager in Houston for Rescar's affiliate company, AllTranstek.

From: Recognition Committee

**Via
InterOffice
Mail**

**To: Rescar Employees
Work Location**