

IOWA PACIFIC

DISPATCH



First Quarter 2012



Rock 'n Rollin' on the Rails

Mount Hood Railroad is all shook up after a visit from Elvis during his Dec. 12 Blue, Blue Christmas event.

“We had an Elvis tribute concert in our new club car,” said Ron Kaufman, general manager. “It’s pretty tough to beat an Elvis impersonator; whether young or old, people really like him. Everyone seemed to have a good time.”

The sold-out crowd of 135 enjoyed a three-hour trip full of events. When they weren’t eating dinner, they were being serenaded by the King. In addition to his performances, Elvis delighted passengers with a walk-through meet and greet.

“Passengers are there to see Elvis, so we want to make sure they get plenty of time with him,” Kaufman said. “The meet and greets are good photo opportunities.”

The performance was held in Mount Hood’s newest addition — a club car. The renovated Long Island commuter car was completed in September. The car’s open space includes a PA system and stage area, which can be used for live bands, weddings, class reunions, company parties — and, of course, tribute acts.

“The club car is a great addition because it hooks on to the dinner train for full lounge service,” Kaufman said. “There are many different types of markets for which we can use the car. We are experimenting with new ideas.”

As part of the new club car performances, Mount Hood introduced its Romance on the Rails event Feb. 11. Elvis returned to wow passengers and distribute red roses and scarves to the ladies.

According to Kaufman, this is a test market before they line up acts for 2012 including Johnny Cash, Buddy Holly and John Denver impersonators. He said with the great response to Elvis, he anticipates more sold-out trains.

Dec. 12 was a record-setting day for Mount Hood. More than 2,700 passengers attended the Polar Express, Elvis or Holiday Lunch Train. The railroad welcomed more than 50,000 passengers in 2011.

“In my 24 years, I can’t remember a year as successful as 2011,” Kaufman said. “We’re looking forward to another successful year at Mount Hood.”

Photos: Mount Hood Railroad brings a sold out crowd to their new club car during the Elvis impersonation show Blue, Blue Christmas. Elvis woos the ladies during the Dec. 12 event.



Full Steam Ahead

San Luis & Rio Grande Railroad employees are bringing history back to the rails with the restoration of two steam locomotives.

In January 2008, SLRG acquired two vintage steam locomotives, Nos. 18 and 20, from the former Lake Superior & Ishpeming Railroad. Alco's Pittsburgh Works built the engines in 1910 at a cost of \$14,335.

The No. 18 has been in service for a few years, but employees continue restoration work on No. 20, as well as No. 1744.

"The restoration slowed due to the down economy," said Matthew Abbey, general manager. "We look forward to continuing it."

No. 1744 ran in Alamosa during the 2007 season, but was taken out of service for mechanical maintenance.

"The 1744 is having the boiler rebuilt, which includes replacing the firebox," said Chief Mechanical Officer Steven Butler. "No. 20 requires a complete overhaul."

Following the restoration, the steam locomotives will be used for passenger train service in Alamosa. The railroad plans to complete No. 1744 in 2013 and No. 20 in 2014. Once restored, SLRG will have five steam and five diesel locomotives.



Oil Industry Spurs Growth on the TNMR

The United States oil and gas industry is booming. Texas-New Mexico Railroad benefits from the positive growth.

TNMR serves 16 customer locations specializing in oil or gas drilling products. These customers have been expanding to meet the needs of the growing oil industry including Schlumberger Technology, which supplies geoscience, engineering and drilling products for the exploration and production industry. TNMR works with their frac sand facility in Monahans, Texas.

"Schlumberger is not a new customer, but one of several in the area that have expanded lately," said Mark Westerfield, interim general manager. "They have built six tracks and have their own trackmobile."

In June 2011, Schlumberger began

receiving cars at its facility. Although not TNMR's largest customer, Schlumberger has grown from 23 cars in its initial month to 78 in November.

With the growth of Schlumberger and other area customers, TNMR has added locomotives, crews and track to meet their needs. Last year alone, they added more than 20,000 new ties and seven miles of continuous welded rail between Monahans and Navajo, N.M.

"When I came here in 2008, we had one crew," Westerfield said. "Now, we have four crews and plan to increase to five or six in the near term."

In the New Year, the Texas-New Mexico Railroad looks forward to continued growth, especially with the addition of General Manager Geoff McCormick.



Schlumberger Technology, which supplies geoscience, engineering and drilling products for the exploration and production industry, expands on Texas-New Mexico Railroad territory. **Right:** Schlumberger Technology's growth spurs the construction of six additional tracks at their frac sand facility in Monahans.



Sandy Business for WTLC

West Texas & Lubbock Railway had a record-breaking carload Jan. 21. The first 90-car unit train shipped sand from EOG Resources' mine in Chippewa Falls, Wis., to Southwest Proppants in Seagraves, Texas.

"If this initial trial is successful, the West Texas & Lubbock Railway could see up to two of these trains per month for this customer in addition to the existing manifest business," said Bruce Carswell, vice president, Permian Basin Logistics.





1. The restoration of No. 18 makes it a historical addition to the San Luis & Rio Grande Railroad. 2. The SLRG No. 1744 steam locomotive runs through Colorado in 2007 before it was pulled from service for mechanical maintenance. 3. The SLRG acquires their Lake Superior & Ishpeming Railroad No. 20 steam locomotive in 2008. 4. Employees make progress on the restoration of No. 20, sister locomotive to No. 18.

Steep Learning Curve for Student Engineers

Overnight sub-zero temperatures did not prevent San Luis & Rio Grande Railroad from extending a warm welcome to participants in Iowa Pacific Holdings' first Locomotive Engineers Basic Training Program in January.

Four conductors from West Texas & Lubbock Railway, Chicago Terminal Railroad and Saratoga & North Creek Railway arrived Jan. 21 for classes and field training sessions in Alamosa, Colo. They spent seven days on the San Luis & Rio Grande Railroad undergoing initial locomotive engineer training.

"The outstanding SLRG train crews and availability of locomotives and freight equipment make it an ideal location for candidate engineers to begin developing train-handling skills," said Manager-Safety and Regulatory Compliance Art Miller.

SLRG engineers are the first designated instructor engineers for Permian Basin Railways. Miller said they make great instructors because of the unique terrain on which they safely operate each day.

"These engineers run freight and passenger service on La Veta Pass — the steepest and highest standard gauge railroad in the United States," he said. "Their ability to handle trains over the pass gives these engineers bragging rights throughout the country."

Student engineers began their first day with orientation and a timetable test before receiving their student engineer cards. Classroom work focused on locomotive mechanical systems, train dynamics and braking. Students then participated in five days of hands-on training to give them as much throttle time as possible during the 12-hour shifts.

"Controlling the train at speed and braking are the real challenges," Miller said. "Anyone can pull a throttle, but 80 percent of an engineer's skill is speed control and getting the train stopped where you want it."

Alamosa's bitter cold temperatures added to the challenge of learning train operations.

"We didn't want the training to be a harsh boot camp," Miller said. "However, the students need a solid grounding not only in operations, but experience in the physical extremes of the Permian Basin Railways."

The goal of Locomotive Engineers Basic Training Program is for conductors to return to their home railroads with rock-solid engineering knowledge and skills foundation. It's not unusual for a conductor to work six months as a student engineer.



During the Locomotive Engineers Basic Training Program in Alamosa, Colo., San Luis & Rio Grande Railroad locomotive engineers instruct conductors on some of the country's most difficult terrain, including La Veta Pass.

On-the-job training typically takes about a year and SLRG engineers' heavy mountain grade qualification can take at least one year. Steam locomotive engineers require three or more years of training.

"This program represents the commitment of Iowa Pacific Holdings and Permian Basin Railways to promote from within, and allow exemplary employees an opportunity for professional development," Miller said.

Training Focuses on FRA Regulations

This newsletter appears under the direction of the president. For news coverage, contact Kaitlin at the newsletter office by phone at 402-475-6397, mail to 1845 S. 11TH ST, LINCOLN, NE 68502-2211 or email kaitlin@newslink.com. This material is intended to be an overview of the division news. If there are any discrepancies between this newsletter and any collective bargaining process, insurance contracts or other official documents, those documents will govern. Iowa Pacific Holdings continues to maintain and reserves the right, at any time, to alter, suspend, discontinue or terminate all plans and programs described in this newsletter. This newsletter is not an employment contract or any type of employment guarantee. Thanks to everyone at Iowa Pacific Holdings who took time to contribute to this newsletter.

Annual Recurrent Training is in full swing for Permian Basin Railways following Texas-New Mexico Railroad training Jan. 14-15 in Hobbs, N.M. The training program included two sections — a management seminar and an instructional program for operating crews.

“The annual recurrent training is a critical part of a multi-pronged strategic effort to install a ‘culture of safety’ for all employees,” said Manager-Safety and Regulatory Compliance Art Miller.

Due to traffic growth and construction on the Permian Basin, 2011 training was held in January 2012. The first training started in 2010, but limited to the larger railroads — Arizona Eastern, San Luis & Rio Grande, West Texas & Lubbock and Texas-New Mexico.

“We experienced a lot of success with the initial training and decided to bring it to all our railroads,” Miller said. “This is the first year we’ve done it for all six Permian Basin railroads.”

According to Miller, the programs are tailored to the need of each railroad, specifically whether they are passenger or freight. Saratoga & North Creek Railway, largely a passenger railroad, focused on passenger operations rather than HazMat training, which is required for freight rail.

“West Texas & Lubbock Railway had the Polar Express train this year, so it was a fun change to focus on passenger operations with a railroad that is usually freight oriented,” Miller said.

The operating crew instructional program touched on several FRA regulations that require refresher training including operations safety, hours of service law and locomotive engineers’ certification. The management seminar focused on managerial and commercial subjects.

“Managers focus on what is needed for their reports so they can better interact with the revenue, accounting and contracting personnel,” Miller said. “Our focus also is on FRA regulations because they are coming fast and furious.”

Local railroad managers were given the opportunity to build on the training. In addition to contributing safety pointers, Mark Westerfield, TNMR interim general manager, spoke about operating schedules and how they conform to the FRA hours of service regulation.

Westerfield and Miller both amplified the concept of teamwork. Miller said crews have to pay particular attention during job briefings to develop plans to eliminate potential risks throughout their workday.

“Although our job is physical, there is a high degree of mental concentration and teamwork that goes into running trains,” he said. “The teamwork is something we are stressing because better teamwork and job briefings are an active way to prevent safety issues.”

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Texas-New Mexico Railroad 2011 Annual Recurrent Training

Operating Crew Instructional Program

- General Code of Operating Rules
- Network Operations Center
- Federal Regulations Update
- Hazardous Materials Instructions
- Permian Basin Railway’s Efficiency Testing Program Review

Management Seminar

- Permian Basin Railways’ Strategic Safety Initiatives
- Understanding the Network Operations Center
- Federal Regulations
- Changing the Way We Talk About Safety
- Practical Safety, Training and Regulatory Compliance Recommendations

