



DATE: September 13, 2005
TO: Watco Companies Managers and Employees
FROM: Gary C. Vaughn
Vice President, Safety
SUBJECT: Safety Department Personnel

The Watco Companies Safety Department continues to focus on improving overall safety for all services provided by Watco Companies. To reach the high standards we have set for ourselves, we must continue to educate and train members of the Watco Team.

All of the following safety managers are responsible for providing employee and supervisor training and materials according to policy guidelines. Our safety managers develop and provide training, working to improve our overall strategies for safety. Additionally, they monitor drug and alcohol testing, monitor certification and incidents, and prepare reports on safety and compliance. Most importantly though, they provide all recurrent training.

Please review the following information about the members of our Watco Safety Team and familiarize yourself with their names. These are the people responsible for providing the skills and knowledge for all Watco Team members to do their job safely and efficiently. If you have questions or concerns regarding safety, I urge you to contact your regional safety manager. You may also e-mail me at gvaughn@watcocompanies.com or call me at 620-231-2230.

Ü Dale Anderson: Regional Safety Manager, Central Region
Kansas, Oklahoma and Missouri

Dale is responsible for safety and training company-wide, including railroads, mechanical, switching and administrative personnel in the Central Region. Dale began his Watco career in 1997 as a conductor for the South Kansas and Oklahoma Railroad (SKOL) in Owasso, OK. He held various positions such as engineer, switchman and carman until 2000 when he became the Location Manager at the Sunoco switching operation in Tulsa, OK. In 2001, he was promoted to Trainmaster for the Kansas and Oklahoma Railroad (KO) and held that position until 2004, when he became the Regional Safety Manager, Central Region. Dale and his wife Melanie live in Wellington, KS, and have three children. Their sons Alex and Ryan are 3 and 2; daughter Katy is 1. Dale can be reached by e-mail at danderson@watcocompanies.com or by cell phone at 316-215-4061.

Ü Mark Arsenault: Quality Assurance Director

Company-wide

Mark is responsible for quality assurance and safety for mechanical services company-wide, including mobile and shop. Mark began his career in the rail industry with the Chicago and Northwestern Railroad at Kansas City in 1970. During his thirteen years at the C&NW he enjoyed working as a carman and car inspector for six years and was promoted to Car Foreman in 1976. With the closure of the railroad at Kansas City in 1984, Mark continued his railroad career in the contract shop environment where he held various positions; Car Inspector, AAR Billing Manager and Quality Assurance Manager. In 1990 he joined Chrysler Rail Leasing Company as Mechanical Operations Manager, responsible for maintaining their car fleet. Mark joined Watco Companies in 1998 as the Quality Assurance Manager at the Jacksonville, FL. Shop. He was promoted to Company Quality Assurance Manager in 2004. Mark and his wife Linda recently moved to the Central Region and Mark will work out of the Corporate Office in Pittsburg, KS. Mark and Linda have two sons: John, 34 and Aaron, 30. Mark can be reached by e-mail at marsenault@watcocompanies.com or by cell phone at 904-673-4607.

Ü Jim Busser: Regional Safety Manager, Gulf Region

Louisiana, Arkansas, Alabama and Mississippi

Jim is responsible for safety and training at all switching, railroad and mechanical locations in the Gulf Region. Jim earned a BA from the University of Connecticut and a MBA from the University of Buffalo. He began his career in the rail industry in 1972 as an engineer with Penn Central and Conrail. In 1988 he went to work as Trainmaster for ConRail, working there until 1999. During the next four years, Jim worked in various positions such as Manager of Service Delivery and Business Development Manager for CANAC and RJ Corman. In 2003 Jim joined the Kansas City Southern Railroad as Terminal Trainmaster and was promoted to Assistant Director Training and Development. In 2005 he joined Watco as Regional Safety Manager, Gulf Region. Jim and his wife Gini live in Pineville, LA and have one son and three daughters: Brad 28; Katy and Shannon 24; Amy 22. Jim can be reached by e-mail at jbusser@watcocompanies.com or by cell phone at 409-383-7295.

Ü Tony Bybee: Regional Safety Manager, Southeast Region

Jacksonville, Panama City, Gainesville and Fort Pierce, Florida; Alabama and Mississippi

In addition to safety and training, Tony is also responsible for quality assurance for the Southeast Region mechanical and switching locations. Also, Tony oversees safety and training at the Prattville and Monroeville, AL switching locations, Meridian, MS locomotive shop and Pensacola, FL switching location. Tony began his career in the rail industry in 1985 with Progress Rail. During his eight years there, he worked in various positions such as Carman, Department Manager and Corporate Quality Assurance Manager. In 1993 he joined Watco as a locomotive rebuild team member moving to Quality Assurance Manager in Jacksonville, FL, and later being promoted to Leasing/Fleet Manager. Since 1993, he has held other positions such as General Manager of the Green Cove Springs, FL Mechanical shop and Manager of Mechanical

Billing. In 2005, he joined the safety department as Regional Safety Manager, Southeast Region. Tony and his wife Kim live in Middleburg, FL, and have two daughters and one son: Kearston 12; Kayleigh 13; Luke 3. Tony can be reached by e-mail at tbybee@watcocompanies.com or by cell phone at 904-759-6958.

Ü Karl Freeze: Regional Safety Manager, Northeast Region

Pennsylvania, West Virginia and Illinois

Karl is responsible for all safety and training at the mechanical and switching locations in the Northeast Region. He began his career in the rail industry as an Engineer with CSX in 1975, earning more than 29 years seniority with the CSX, before joining Watco's Appalachian and Ohio Railroad (AO) in 2005. While employed by the CSX, Karl held such positions as Engineer Instructor, Trackman, Engineer, Assistant Trainmaster and Road Foreman. He has also attended additional training in Leadership Management, RCO and SLP. Earlier this year he joined the AO as Trainmaster/Road Foreman of Engines, and was recently promoted to Regional Safety Manager, Northeast Region. Karl and his wife Tammy live in Grafton, WV and have one daughter, Kasandra, who is 27. Karl can be reached by e-mail at kfreeze@watcocompanies.com or by cell phone at 304-613-1750.

Ü David Hambrick: Regional Safety Manager, Texas Region

Texas

David is responsible for all safety and training at the mechanical, switching and railroad locations in the state of Texas. He began his career in the railroad industry as a clerk for the Missouri Kansas Texas Railroad in 1971. He was promoted to marketing and sales, train dispatching and general claims, continuing to work for the Union Pacific after the merger. From 2000 to 2003, he worked for CANAC and OmniTrax. In 2003, he joined Watco as a switchman at Greens Port Industrial Park in Houston, TX. Last year he was promoted to Regional Safety Manager, Texas Region. David and his wife Nancy lives in Spring, TX and have 19-year-old twin sons, Benjamin and Matthew. David can be reached by e-mail at dhambrick@watcocompanies.com or by cell phone at 832-514-0105.

Ü Ron Isaacs: System Track Services Safety Manager

Company-wide

Ron is responsible for all safety and training regarding track services, company-wide. He began his career in the rail industry as a track laborer 32 years ago with the Union Pacific Railroad. He worked for the UP until 2003, holding positions such as Foreman, Machine Operator, Assistant Roadmaster, Roadmaster, Manager of Track Maintenance and Track Trainer. Ron joined Watco in 2003 as Director of Track Practices, later being promoted to Chief Engineer in Gulf Region. He recently joined the safety department as System Track Services Safety Manager. Ron and his wife Donna live in Madisonville, TX, and have two daughters: Ruth, 28 and Rebekah 25. Ron can be reached by e-mail at risaacs@watcocompanies.com or by cell phone at 409-429-8374.

Ü Jason Stutzman: Regional Safety Manager, West Region

Idaho, Oregon, Washington, Montana

Jason is responsible for all safety and training at the mechanical, switching and railroad locations in the West Region. Jason's work history includes four years active duty in the United States Army as an Airborne Ranger, special operations. In 1997 he joined the Eastern Idaho Railroad as Conductor and later worked as Engineer. In 2001, he transferred to the KO to serve as Trainmaster. In 2003, he was promoted to Regional Safety Manger, West Region. Jason and his wife Danelle live in Rupert, ID and have a daughter, Brinley, who is 6 and a son, Braedan, who is 3. Jason can be reached by e-mail at jstutzman@watcocompanies.com or by cell phone at 208-731-6880.

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