



October 12, 2007

Watco Team:

Everyday we talk about Customer Satisfaction, but if someone asked you to give a specific example of Customer Satisfaction, could you? I can.

There are actually many examples of moments when our Team went above and beyond their job so a Customer would know they are important to us. However, there is one in particular I would like to share with you today.

The Midwest, Kansas and Oklahoma especially, have suffered this summer with flooding that affected nearly all SKOL Customers. While the railroad was closed for service those Customers weren't able to operate normally, affecting their business and the business of their Customers. Behind because of the flooding, Heckert Construction in Pittsburg was trying to catch up on their sand loads when their locomotive derailed because of a bad wheel. They had no alternative power, but Joe Lair, SKOL Track Inspector, offered to help them by finding power for them to use. He contacted me and with the help of Ray Pena (SKOL General Manager), Shane Stalford (Director of Locomotive Operations, Central Region) and Randy Letner (Assistant Trainmaster / Pittsburg SKOL Location Manager), we were able to find a locomotive for Heckert Construction to use while theirs was being repaired.

Heckert Construction was able to empty their sand cars and continue with daily operations, but by going out of our way to help this Customer, we also helped a second SKOL Customer. The loaded sand cars that Heckert needed to empty were sent from SKOL Customer Ark River Sand in Kellogg, KS, near Winfield. Under normal circumstances, the empties are immediately sent back to Ark River Sand. Due to the flooding though, Ark River Sand was also behind and in dire need of those empties. By assisting Heckert Construction, we were able to help Ark River Sand continue normal operations.

We should all look for opportunities to give extra attention to our Customers. It doesn't always have to be a large-scale example like this one. By focusing on our Customers' needs and making sure we meet those needs every day we will continue to be the best Team in the industry.

Great job and special thanks to Joe for going beyond his specific job and out of his way to take care of our Customer.

Thanks for being a part of our team.

A handwritten signature in black ink, appearing to read 'Joe Lair', is written below the text.