



October 12, 2009

Watco Team:

It seems not long ago we were welcoming the New Year, but here we are in the final quarter of 2009. Watco has seen many changes and endured many challenges brought on by the economic downturn but the Watco Team has persevered and made great strides of improvement.

With the cooler weather approaching and the many distractions the holidays bring, now is the time to focus even more on reaching our year-end goals. By always putting our Customers First and taking care of our company by making the right decisions on how to spend our hard earned dollars and deploy our valuable assets, we will end 2009 successfully for the Watco Team.

Focusing on doing the right things to improve our Customers' satisfaction with our services and our profitability can build Customer relationships, save time, money and most importantly, lives. A lack of focus can result in putting a fellow team member in harm's way, which is never acceptable.

By continuing to achieve our Foundation Principles, our EVA improvements will increase thus positively affecting each and every one of us on the Watco Team by improving our financial and personal well being. Every accident, wasted hour and monetary loss takes away from our success, which means every time there is an accident or a derailment it's like someone is sticking their hand in your pocket and taking your money.

Right now our EVA improvements are in line for our 2009 AOP expectations, which means we will have the opportunity to be rewarded with an EVA bonus by continuing down this road of success. That reward should increase because of our accomplishments and the new opportunities we have discovered. Continue to provide the best service in the industry by working safely, efficiently and effectively and we will all benefit.

Keep making great things happen,

*Rick*