



# NEWS

FOR IMMEDIATE RELEASE

**Contact:** Julie Fortman  
620-231-2230  
jfortman@watcocompanies.com

## **Growth spurs regional management changes for Watco Companies, Inc.**

**PITTSBURG, KANSAS– August 19, 2005** –Terry Towner, President and Chief Operating Officer of Watco Companies, Inc. (Watco) announced multiple management changes today.

“As a company, Watco has experienced significant growth over the last three years,” Towner said in announcing the changes that effect positions across the United States. “To sustain this level of growth, it is imperative that we continue to invest in and focus on the development of our people.

“These changes in our management team are intended to leverage the strengths of our people and enable them to continue to execute on our foundation principles of Customer Satisfaction and Profitability over the Long Term”, Towner said.

Towner pointed to the growth Watco has had, particularly in the East and Gulf regions of the country, as reasons for today’s announcement.

The Gulf Region will be separated to bring greater focus on existing and future growth in the Houston area, while the Southeast and Northeast Region will be consolidated into a single East Region . The creation of the Houston Metro region is due to the significant growth opportunities in the Houston area, including the Companies recent acquisition of the Greensport Industrial Park located on the Houston Ship Channel. The addition of three new Watco shortlines created from leases with the Kansas City Southern Railway in the mid-south, and other

opportunities in this region will demand greater focus from our management in this geographic region. The Eastern United States also represents significant present and future opportunities for growth with the creation of Appalachian and Ohio Railroad as a spin-off from the CSX Railroad in March 2005.

“We are very proud of our entire team of over 1,200 employees throughout the United States who are dedicated to providing our customers with exceptional service. It is this dedication and commitment to quality that has allowed Watco to grow and prosper over the last 22 years and that will sustain our success well into the future,” Towner said. “We appreciate the hard work each of these, and all of our managers, do every day.

“Please join us in congratulating them.”

Specific changes are as follows:

- **David C. Eyermann-COO East Region**

David Eyermann will join the Watco team August 25, 2005, as the new Chief Operating Officer, East Region. Eyermann comes to Watco with 15 years of experience in the railroad industry. He began as an apprentice electrician at Witherow Locomotive Services, later joined RailTex and held positions as Chief Mechanical Officer, Conductor, SLE, Superintendent of Operations and Assistant General Manager. He later moved into several senior management positions with both RailTex and RailAmerica.

Most recently, Eyermann worked as Regional Vice President, Lone Star Region, RailAmerica Operations Support Group, Inc. with RailAmerica. In this position, he was responsible for the management of six RailAmerica Properties including the DGNO, KRR, KYLE, MNA, SLRG and the TNER. His responsibilities included safety, operations, financial planning, government relations, labor relations and involvement in several acquisitions. He is on the Board of Directors for the American Short Line and Regional Railroad Association, President of the Texas Short Line and Regional Railroad Association, Representative for the Central Region of Railroad Industry Working Group and is currently a member of the American Association of Railroad Superintendents.

Eyermann is a graduate of Ranken Technical College in St. Louis MO. He and his wife Gina have two daughters, Kylee and Brooke.

As COO, East Region, he will assume the responsibilities for all Watco operations in what were formerly the Southeast and Northeast regions. Eyermann will initially focus on operations in the Northeastern United States while Terry Towner, President, will assume interim responsibility for operations in the Southeast Region, including the shop at Jacksonville.

The Northeast and Southeast regions will be formally consolidated under Eyermann's leadership in the first quarter of 2006. He will be based out of Fort Worth, TX and can be reached by email at [deyermann@watcocompanies.com](mailto:deyermann@watcocompanies.com) or by phone at (972) 816-6245 or (972)-889-0985.

- **Paul Schiefelbein-VP Service Design and System Engineering**

Paul Schiefelbein joined the Watco team August 1, 2005, in the newly-created position of Vice President Service Design and System Engineering. Responsibilities of this position include the advancement and continued development of Watco's proprietary service system called the *On Time Delivery System and the Annual Operating Plan (AOP)* systems. This will include further application of work planning and management applications in track maintenance and repair, locomotive maintenance and repair, refinement of work measurement systems, project leadership in software development of these systems and the development and implementation of field training and development programs.

Schiefelbein started his career in the chemical industry as a chemist and then proceeded into chemical engineering. He initially worked in Project/Process Engineering at various chemical manufacturing facilities, later spending 12 years in Operations Management. He then progressed to Research and Development and finally into General Management at the Jayhawk Fine Chemicals plant near Riverton, KS. During his time at Jayhawk Fine Chemicals, his general management responsibilities entailed the development of company management systems that were compliant with the highly regulated chemical industry. These systems were based on the

ISO and cGMP Health, Safety, Environmental and Quality standards. Schiefelbein also has extensive experience with the implementation of Six Sigma process improvements.

Schiefelbein earned a Bachelor of Science in Chemistry from Pittsburg State University and a Bachelor of Science in Chemical Engineering from Colorado School of Mines. He and his wife Claudia have been married for 31 years. Their daughter Jill is a recent graduate in Communication from Arizona State University and lives near Phoenix, AZ. They also have a son, Scot, who lives in Pittsburg and is a junior majoring in Accounting and Management at Pittsburg State University. Schiefelbein enjoys golfing and fishing in his spare time.

He will be based out of the corporate office in Pittsburg, Kansas and can be reached at [pschiefelbein@watcocompanies.com](mailto:pschiefelbein@watcocompanies.com) or by phone at (620) 231-2230.

- **Randy Bennett-COO/EVP Business Development, Houston Metro Region**

Effective September 1, 2005, Randy Bennett will assume responsibility of Chief Operating Officer/Executive Vice President Business Development, Houston Metro Region. He will be responsible for the development and implementation of new business opportunities in the Houston metro area, to include Galveston, TX. Bennett's extensive experience in switching, mobile mechanical and railroad operations, along with past responsibilities for marketing switching and mobile mechanical operations were key considerations in directing his focus to this important market in the Gulf region.

Bennett was instrumental in the acquisition of and operations of the Greens Port Industrial Park, a 640 acre industrial park located in the Houston ship channel. The property includes more than five million square feet of industrial space, more than 3,000 linear feet of dock frontage to the Houston ship channel and more than 20 miles of rail infrastructure, including the capacity to store 1,200 railcars. He also took the lead in the recent development of a strategic business relationship with Magellan Midstream Partners, LLP to provide unit train services for bulk transfer of diesel and refined fuel from the Greens Port facility to destinations in the Northwestern United States.

Bennett has held various management positions with Watco, including Site Manager, Regional Manager, Vice President of Operations – Southern Region and Executive Vice President of Switching Services. He currently serves as COO, Gulf and Northeast Regions.

Bennett began his career in the railroad industry in 1979 working for the KCS Railway in the Maintenance of Way Department. He joined Watco in 1984, in the company's first switching operation at DeRidder, LA.

The Houston Metro Region will have a geographic proximity of 50 miles surrounding the Houston metropolitan area, which will include the following operations: Greens Port Industrial Park, four switching operations located in Houston, Alvin and Deer Park, TX and locomotive and railcar repair operations in the Houston area.

Bennett and his wife Trish have been married for 22 years and have one son, Trey, who is 10 years old. Bennett will continue to be based out of Leesville, LA and can be reached at [rbennett@watcocompanies.com](mailto:rbennett@watcocompanies.com) or by phone at (337) 238-4254, extension 14.

- **Trish Bennett – Regional Controller-Gulf Region and Houston Metro Region**

Effective September 1, 2005, Trish Bennett will assume the position of Regional Controller, Gulf Region and Houston Metro Region. Bennett currently serves as the Regional Controller of the Gulf and Northeast Regions. She will provide assistance to the COO Gulf Region and COO/EVP Business Development Houston Metro Region and direct the accounting and financial activities for those regions.

Bennett joined Watco as an Administrative Assistant in 1992. She was instrumental in establishing and initiating accounting processes and procedures for Watco switching services. Bennett was directly responsible for overseeing all of the financial and accounting activities for all Watco switching service departments company wide prior to being appointed as the Controller for the Gulf and Northeast regions.

Bennett and her husband Randy have been married for 22 years and have one son, Trey, who is 10 years old. Trish will continue to be based out of Leesville, LA and can be reached at [tbennett@watcocompanies.com](mailto:tbennett@watcocompanies.com) or by phone at (337) 238-4254, extension 13.

- **Keith LaCaze-COO Gulf Region**

Effective September 1, 2005, Keith LaCaze will assume the role of Chief Operating Officer, Gulf Region, filling the position previously held by Randy Bennett. In this position, LaCaze will be responsible for all operations and services in the Gulf Region states, except those in the Houston Metro Region. Business units under LaCaze's responsibility will include the Timber Rock Railroad, Louisiana Southern Railroad, Mississippi Southern Railroad and Alabama Southern Railroad, eight switching operations located in Westlake, DeRidder and Sulphur, LA, Monroeville and Prattville, AL, Pensacola, FL and El Dorado, AR and mechanical operations in Ft. Worth, TX and Meridian, MS.

LaCaze began working for Watco part-time when he was 18 years old in 1985. Working for Watco for the past 20 years, he joined the company at its DeRidder, LA location. LaCaze was promoted to various positions such as Location Manager, Assistant Regional Manager for Switching and Director of Switching Operations. He currently serves as Assistant COO, Gulf and Northeast Regions.

Together, LaCaze and his wife Tammy have four sons; Keith Jr, 19; Hunter, 14; Cory, 10 and Layne, 15 months. He will continue to be based out of the Leesville, LA office. He can be reached by e-mail at [klacaze@watcocompanies.com](mailto:klacaze@watcocompanies.com) or by phone at (337) 238-4254, extension 11.

- **Dan Linden-Director of Mechanical Services-Central Region**

Effective September 1, 2005, Dan Linden will assume the position of Director of Mechanical Services, Central Region. Linden will be responsible for all mechanical operations in the Central Region, including the shops in Coffeyville and Pittsburg, KS and all mobile mechanical operations.

Linden has extensive experience in the railroad industry, with more than 14 years of service directly with Watco. He joined the company in 1991 as a Trackman for the SKOL in Coffeyville, KS. He was promoted to various positions as Track Inspector, Vice President Track Maintenance and Regional Manager Switching. Linden additionally held various management positions including General Manager and Roadmaster of the SKOL Railroad. He currently serves as the Director of Mechanical and Switching Services on the Central Region.

Linden and his wife Janie have two daughters, Anne, 29 and Danielle 27. He will be based at the Cherryvale, KS office and can be reached by e-mail at [dlinden@watcocompanies.com](mailto:dlinden@watcocompanies.com) or by phone at (620) 336-3592

- **Joe Keys – Regional Controller-East Region**

Effective September 1, 2005, Joe Keys will assume the position of Regional Controller, East Region. Keys previously served as Regional Controller of the former Southeast Region. Keys will direct the accounting and financial activities for the Eastern region, which is comprised of the operations that were formerly in the Southeast and Northeast regions.

Before joining the Watco team, Keys worked for CSX Intermodal's miscellaneous billing department, and Bombardier Capital Rail, where he was hired in Maintenance Analysis. He was promoted to Senior Accountant and Fleet Manager before joining Watco as Regional Controller in 2004.

Keys is a graduate of the Culverhouse School of Accounting, University of Alabama, with a Bachelor of Science in Accounting. He and his wife Jennalee have seven children; Ella, 14; Joseph, 12; Brigham, 11; Spencer, 6; Leanne, 4; Louis, 2 and James, seven months. Joe will

continue to be based out of the Jacksonville, FL office and can be reached at [jkeys@watcocompanies.com](mailto:jkeys@watcocompanies.com) or at (904) 786-1700 extension 223.

Watco Companies, Inc. (Watco), a Pittsburg, Kansas, based company, operates 16 short line railroads in 15 states. Watco operates the Alabama Southern, Appalachian and Ohio, Arkansas Southern, Eastern Idaho, Great Northwest, Kansas and Oklahoma, Kaw River, Louisiana Southern, Mission Mountain, Mississippi Southern, Palouse River and Coulee City, Pennsylvania Southwestern, South Kansas and Oklahoma, Stillwater Central, Timber Rock and Yellowstone Valley Railroads. Watco also operates industrial switching locations and mechanical and locomotive shops across the United States. More information about Watco can be found on their website at [www.watcocompanies.com](http://www.watcocompanies.com)

###