



# News

FOR IMMEDIATE RELEASE

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## **Yellowstone Valley Railroad Announces Lease of Montana Rail Lines from BNSF**

**FORT WORTH, TEXAS and PITTSBURG, KANSAS August 15, 2005 –**

Yellowstone Valley Railroad, Inc. (YSVR), an affiliate of Watco Companies, Inc., (Watco) and BNSF Railway Company (BNSF) today announced that YSVR has entered into a lease agreement for two segments of BNSF rail operations from Glendive to Snowden (72 miles) and Bainville to Scobey (99 miles). YSVR is taking over operations on the leased line today. The YSVR trackage will serve existing and potential customers along the leased track, and the transaction includes related yard, industry and main-line trackage rights. Commodities on the line are primarily agriculture products, bulk foods and petroleum. BNSF's Glendive yard will not be impacted. Also, BNSF will continue to serve existing customers at Bainville.

YSVR will also acquire trackage rights connecting these two leased premises and interchange rights to access Glendive yard. Snowden is the primary interchange point and Glendive is secondary to allow efficient service.

“Shortline operators can provide valuable and efficient service that can support our growth plans by feeding us traffic through service offerings closely tailored to their shippers’ needs,” says Pete Rickershauser, BNSF Vice President, Network Development. “We have found the Watco organization to be nimble and competent service providers when dealing both with us

and with our mutual customers, and we look forward to their successful operation of this BNSF property.”

Watco President Terry Towner is pleased about the opportunity to serve additional customers in Montana. “This will be our second railroad in Montana, and we are looking forward to expanding our operations in Montana and providing quality service on these two lines. Additionally, we appreciate this opportunity from BNSF. We have a strong relationship with the BNSF and these line additions will allow us to grow our operations in Montana.”

“Our focus will be to provide our customers with superior service and a commitment to help with their transportation needs for the long-term,” Towner said. “We have been able to grow the business on each railroad we have acquired by focusing on the foundation principles of our company which are to improve customer satisfaction, improve our profitability and do both over the long-term. We have a great team of experienced railroaders, and some local newly employed local residents, ready to go to work for our new customers.”

Watco Companies, Inc. (Watco), a Pittsburg, Kansas, based company, operates 15 other short line railroads in 15 states. In addition to the YSVR, Watco operates the Alabama Southern, Appalachian and Ohio, Arkansas Southern, Eastern Idaho, Great Northwest, Kansas and Oklahoma, Kaw River, Louisiana Southern, Mission Mountain, Palouse River and Coulee City, Pennsylvania Southwestern, South Kansas and Oklahoma, Stillwater Central and Timber Rock 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)

A subsidiary of Burlington Northern Santa Fe Corporation (NYSE:BNI), BNSF Railway operates one of the largest railroad networks in North America, with about 32,000 route miles covering 28 states and two Canadian provinces. BNSF is an industry leader in Web-enabling a variety of customer transactions at [www.bnsf.com](http://www.bnsf.com). The railway is among the world's top transporters of intermodal traffic, moves more grain than any other American railroad, transports

the components of many of the products we depend on daily, and hauls enough coal to generate about ten percent of the electricity produced in the United States.

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