



NEWS

FOR IMMEDIATE RELEASE

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

Stillwater Central Railroad Employees to Conduct Representation Revote

PITTSBURG, KANSAS – March 21, 2006 – The train and engine service employees of the Stillwater Central Railroad (SLWC) will conduct another vote under the direction of the National Mediation Board (NMB) for determination of possible union representation. The SLWC is a wholly owned subsidiary of Watco Companies, Inc. (Watco).

The representation effort was originally voted down by a majority of the train service members in August of 2005. However, the NMB recently ruled that a second vote will take place based upon its belief that the SLWC influenced the voting process by offering water, approving scheduled wage increases and making changes in management to improve the quality of life for its train service team members. In addition, the NMB noted that SLWC shared factual information with its team members about labor agreements.

“We are disappointed and disagree with the NMB’s ruling because we stand by what transpired in the previous election and do not believe we did anything that was wrong or that unduly influenced the election,” said Pat Cedeno, Chief Operating Officer for Watco’s Central Region. “We believe that the original vote was a true depiction of the feelings on the SLWC by the train service team. Effectively, what the NMB has ruled is that a railroad can’t even give its team members water during the hot summer months in Oklahoma without it being somehow deemed coercive or designed to influence the vote, if there is a pending representation election” Cedeno added.

-- more --

“We did what was fair, and more importantly what was right, in regards to our team members who take care of our customers,” Cedeno added. “The Stillwater Central is pro-customer and not anti-union in any way. This is how it has been since the SLWC started and we will continue to be driven by our foundation principles of improved customer satisfaction and improved profitability, with both being measured over the long term.” Cedeno added, “We will never sacrifice our foundation principles for anyone, and regardless of the outcome of the revote, will always remain focused on our customers’ needs and continue our efforts to improve each day.”

Watco Companies, Inc. (Watco), a Pittsburg, Kansas, based company, operates the Stillwater Central Railroad and 16 other short line railroads in 15 states. In addition to the SLWC, 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, Timber Rock, Vicksburg Southern 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

###