

Watco Companies, Inc.

NEWS: For Immediate Release

Contact: Ed McKechnie
Chief Commercial Officer
620-231-2230
www.watcocompanies.com

Watco CEO to testify at House Transportation and Infrastructure Subcommittee Meeting

January 27, 2009 - Rick Webb, Watco Companies, Inc. CEO will testify tomorrow in front of the House Transportation and Infrastructure Subcommittee beginning at 10 a.m. Eastern/9 a.m. Central.

Webb will be testifying on behalf of the American Short Line and Regional Railroad Association (ASLRRRA) regarding the current and future state of the nation's railways. America's 500 short lines operate nearly 50,000 miles of track, or almost one third of the national railroad network. In some areas the short line is the only connection to the national railroad network.

"For the small businesses and farmers in those areas, our ability to take a 25-car train 75 miles to the nearest Class I interchange is just as important as the Class I's ability to attach that block of traffic to a 100-car train moving across the country," said Webb. "My Kansas grain customers cannot make the journey to export markets in the Gulf without Class I railroad service, but they can't start the journey without short line service."

The talk in Washington is all about the economic stimulus, and short line railroads can play a part in reviving the economy. Short lines have received assistance from the Federal Government in the past in the form of tax credits and the RRIF Loan Program and these funds were put to use to improve track conditions that without the funding could take over twenty years to complete. Improved track allows customers to ship their products in a faster and safer manner.

Another benefit to the economy is that short line projects are basically "shovel ready" and work can begin as soon as funding is available. Crews working on projects could continue upgrades as they move down the line if capital were available. The ASLRRRA has identified \$781 million in "shovel ready" projects throughout the short line network. Most short lines hire contractors and laborers to do the rehabilitation work and 30,000 jobs would be created if the funding were available for "shovel ready" projects. This doesn't include

-more-

Transportation

Mechanical

Intermodal / Transload

economic activity generated by purchases for materials and needs provided by the service industries.

Many short lines are managed by individuals who have taken a personal financial risk to build their businesses, as in the case of Watco, and additional funds devoted to short lines will leverage significant additional private investment and allow owners to create strong businesses that will serve as engines for continuing job creation.

A question and answer session will follow Webb's testimony.

Watco Companies, Inc. (WCI), a Pittsburg, Kansas, based company, owns Watco Transportation Services (WTS) who owns 19 railroads in 16 states. WTS railroads are: the Alabama Southern, Austin Western, Arkansas Southern, Baton Rouge Southern, Eastern Idaho, Great Northwest, Kansas and Oklahoma, Kaw River, Louisiana Southern, Mission Mountain, Mississippi Southern, Pacific Sun, Palouse River and Coulee City, Pennsylvania Southwestern, South Kansas and Oklahoma, Stillwater Central, Timber Rock, Vicksburg Southern and Yellowstone Valley Railroads.

Watco also operates industrial switching locations and mechanical locomotive shops across the United States. Watco Mechanical Services operates 14 car repair shops in Coffeyville, KS; Council Bluffs, IA; Fitzgerald, GA; Hockley, TX; Houston, TX; Hollidaysburg, PA; Jacksonville, FL; Junction City, KS; Marshall, TX; Neodesha, KS; Omaha, NE; Pittsburg, KS; Zwolle, LA and Wood River, IL. Watco owns a transloading subsidiary, Reload Inc. More information about Watco and its subsidiaries can be found at www.watcocompanies.com.