



MEDIA RELEASE

For Immediate Release

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Date: February 22, 2019

Watco Announces Business Model Adjustments at Chicago Ferro Terminal

PITTSBURG, KS – February 22, 2019 – Watco Companies, LLC is pleased to announce that after considering the concerns of the community, Alderwoman Susan Sadlowski-Garza, the Chicago Department of Public Health (CDPH), and the US Environmental Protection Agency (EPA), its Chicago Ferro Terminal will no longer handle bulk concentrated manganese material, specifically high carbon manganese and silicon manganese in bulk format at its location on the Calumet River on the southside of Chicago. Watco stands by its long-standing foundation principles of creating solutions for its Customers, as well as focusing on the safety of its team members, communities, and the environment.

While the Terminal has handled this material for more than 30 years, (Watco acquired the Terminal in February 2017), Watco is undertaking the repurposing of its Chicago Ferro Terminal and in doing so, will continue complying with all EPA and CDPH bulk material handling rules and regulations. A new operations plan is in development to stop inbound bulk manganese and remove the remaining manganese at the terminal in consultation and cooperation with our Customers.

Watco is also pleased to announce the results for its air quality monitoring program for its Chicago Ferro Terminal for December 2018 and January 2019. As reported to the US Environmental Protection Agency (EPA), December 2018 results came in at .254 $\mu\text{g}/\text{m}^3$ and .217 $\mu\text{g}/\text{m}^3$ for January 2019. The measures and best managements practices put in place at the Terminal have resulted in a 0.235 $\mu\text{g}/\text{m}^3$ average for the last two reported months, well below the minimum risk level as set forth by the Agency for Toxic Substances and Disease Registry for chronic exposure.

Watco appreciates the advocacy of Alderwoman Sadlowski-Garza for her community and the guidance received from EPA and CDPH in helping us address the community's concerns.

About Watco Companies, LLC

Watco Companies, LLC, is a Pittsburg, Kansas based transportation company providing transportation, terminal and port, mechanical, and supply chain services for Customers throughout North America and Australia. Watco's Transportation Services group is one of the largest short line rail transportation service providers in the U.S. and Australia. Watco's Terminal and Port Services group operates throughout the U.S. and Mexico. Watco's Mechanical Service group has one of the largest rail car repair shop networks in North America, and Watco Supply Chain Services group provides supply chain services in highway, intermodal, rail logistics, and international logistics. More information about Watco and its subsidiaries can be found at www.watcocompanies.com.