



2925 12th Street East • Glencoe, Minnesota 55336 • 320-864-7200 • www.tcwr.net • November 2010

We are doing our best to get empty cars back to our customers



By Mark Wegner, President

It is now October of 2010, and we are fortunate that we decided to renew the lease of 114 covered hopper cars back in May, when they were parked. If we could get 1000 more covered hopper cars right now we would (and we have tried!) but as many of us have heard the sayings, “you don’t build the church for Easter Sunday” or “you don’t build the shopping mall parking lot for the day after Thanksgiving”, and right now all of the grain covered hoppers in the North American

fleet are in service. Right now we are bird-dogging all of the cars in our fleet; until recently we had numerous cars under load waiting to be unloaded at Duluth/Superior, Chicago, Mississippi and Ohio. The majority of these cars are now heading back to us ready for reloading. We are doing our best to get empty cars back to our customers for re-loading, but the trade-off for getting better prices on corn and soybeans for our customers is that the railcars may get billed to destinations far away from Minnesota origins, delaying their return for reloading.

On a note of concern, I’d like to relate to both our customers and our employees our continuing dialogue with Hennepin County and the Minnesota Department of Transportation (MNDOT) regarding the rail route TCW uses to get from its southern Minnesota and eastern South Dakota origins to the Twin Cities rail interchange locations in Minneapolis and Saint Paul. Dialogue continues with Hennepin County and MNDOT, but TCW’s foundational position on potential rail routes is that it cannot diminish our cost structure, which we pass on to our shippers in the form of competitive freight rates, and that if TCW feels its low cost structure is in potential jeopardy, we will call upon our shippers and communities we serve to let their voices be heard with both Hennepin County and MNDOT. I share this with you to create general awareness – stay tuned.

We are nearing the completion of another program track maintenance season – this season was especially challenging in that we also took on the pre-lift, ballast distribution and final surfacing of the rail renewal of the Minnesota Valley Regional Rail Authority’s rail line from near

Green Isle to halfway between Arlington and Gaylord, with our existing employees – hats off to you all for completing our regular projects, the Rail Authority project and enabling our customer at Danube to enhance their rail options, and doing so safely! Hats off as well to our two signal maintainers who ensure our highway crossing signals function properly!

Our locomotive maintenance people have been refining their planning process, which has led to greater locomotive availability and reliability. Our car repair team from Holland M-Bar-D has been kept busy ensuring the railcars our customers receive are suitable for loading and going to customer locations to perform on-site repairs to on the spot car defects.

Our train crews have gone from managing hours spent in slow times (until end of June) to heavy train movements (now), while complying with the new Federal hours of service laws, and I know right now is very stressful for them. Our operations desk personnel constantly deal with on-the-spot decision making, especially now, and we appreciate their innovative ideas!

We have been heavily involved in the planning and budgeting process for 2011, and we appreciate all of the accounting department’s efforts in giving all of us useful information to help us become even more efficient deliverers of freight!

Our administrative department has been keeping abreast of the new law changes with respect to health care; additionally we installed a new phone system in October that brings TCW into the current innovations with communication options.

As we approach the 20th anniversary of TCW’s formation (July 2011), our goal has been and will be the economic growth of all of the communities we serve, both with TCW and the MPL. We are partners with our customers and communities, and I am optimistic about our region’s growth!

We work for you – please think safety in every activity you do!



By Craig Glaeser
Director of Marketing

Car turnaround down due to poor 2009 corn crop and congestion

The TCW/MPL had covered hopper cars stored from January thru June. We pulled the last cars out of storage for loading the first part of July. All of this was due to farmers not selling and hauling the corn to our elevators until July. The 2009 corn crop has caused considerable issues that affected TCW/MPL's car fleet turn times. With the poor condition of the corn all shippers suffered grade problems. The poor grades on cars once loaded were rejected by the end customer and the cars needed to be unloaded and reloaded. This caused cars to sit at origin up to a week at times when you factor in weekend times and cars would not get billed until Monday. This

problem affected all shippers due to the TCW/MPL getting behind on filling car orders in August and September.

When Russia issued a ban on wheat exports this caused wheat prices to increase and exports of wheat increased at all ports in the United States including Duluth/Superior. TCW had wheat cars move to Duluth/Superior which ended up sitting in Duluth waiting to get unloaded due to congestion at the terminal (too many cars due to high export demand). Some cars sat loaded for 45 days. End users of corn at Chicago and beyond Chicago also have been congested and cars have been constructively placed. All of this has affected TCW/MPL's ability to fill car orders. In September we filled half as many car orders compared to

August. The amount of orders filled in September was only half of our fleet size which equates to .5 turns/month on our equipment. In past years when cars moved off line TCW/MPL had an average turn on equipment of 1.5 turns/month.

Thankfully the 2010 crop is in better condition than the previous crop. With the 2010 corn crop coming out of the field with low moisture, good test weights and less foreign material will equate to better quality of corn while stored. The good quality of corn will help increase car turn times on the TCW/MPL going forward. As of now TCW/MPL will be going into November behind on filling car orders. Hopefully by the end of November we will be caught up with car orders.

The City of Glencoe recently completed renovating the deserted Henry Hill School building. The building was converted into a City Center that houses the City offices, Senior Community room, Chamber offices, event areas, and a spacious public library. As members of the community and the Glencoe Chamber, TCW's Operation Lifesaver program donated a train table to the library.





By Robin Bergeron, Director of Sales

West-Con continues to grow and prosper

In 1983 three local farm elevators located in Danvers, Holloway and Appleton determined they needed to grow to compete in the market place. A favorable vote of their patrons was cast to consolidate and as a result Western Consolidated Cooperative, now known as West-Con, was founded. Twenty-seven years later West-Con continues to grow and prosper.

TCW provides rail service to the Appleton Terminal-A facility which is referred to as the “wheat house”. Through the years of serving its patrons, the Appleton location has gone through many upgrades. This year’s upgrade when completed will consist of two grain bins

that will each hold 280,000 bushels of grain that will be filled from the current dumping pits at the terminal. This will allow Appleton to diversify in the grains it handles on a consistent basis in the future as well as double its holding capacity. The improvements will also result in greatly increasing the amount of rail traffic they move. Additionally in 2010, TCW completed work on the upgrade to their side track so it can safely support the increase in rail traffic. The West-Con locomotive located in Holloway will be relocated to Appleton to assist in train loading. TCW looks forward to the future for providing reliable rail service to West-Con Appleton!



Staggers Act reaches 30th Anniversary

The freight-rail industry marked the 30th anniversary of the Staggers Rail Act of 1980, which revitalized the nation's railroads.

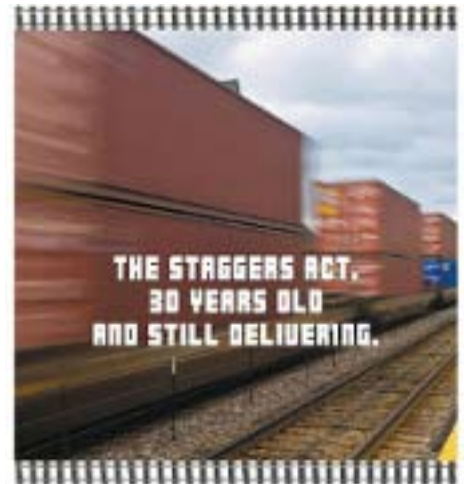
Named after former Rep. Harley Staggers (D-W.Va.), who at the time chaired the House Interstate and Foreign Commerce Committee, and signed into law by former President Jimmy Carter on Oct. 14, 1980, the Staggers Act replaced a regulatory structure that had existed since the 1887 Interstate Commerce Act and deregulated the U.S. rail industry.

Before the Staggers Act was passed, the future for the nation's railroads appeared to look bleak. The government regulations inhibited competition, leaving railroads unable to compete in the marketplace. As a result, many railroads went bankrupt, investments stagnated,

infrastructure crumbled and rail service to customers suffered. By extracting the federal government from the day-to-day running of railroads, and allowing the marketplace to determine success or failure, the Staggers Act assisted in putting a weak rail industry on sound financial footing.

The AAR reports that the Staggers Act is credited with lowering average inflation-adjusted rail rates; for improving rail safety and productivity; increasing rail market share; and returning financial stability to an industry that since 1980 has reinvested \$460 billion back into the nation's rail infrastructure.

Today, freight rail is a driving force in the nation's economy, supporting more than 1 million jobs and keeping American businesses competitive in the market place. The TCW and MPL



© 2010 American Association of Railroads. All rights reserved. The Staggers Act was signed into law by President Jimmy Carter on October 14, 1980. The Staggers Act replaced a regulatory structure that had existed since the 1887 Interstate Commerce Act and deregulated the U.S. rail industry.



are two short line railroads, from a Nations total of over 600 that businesses rely on for moving their commodities to market. Thank you Staggers Act!

Holiday Greetings

from the TCW staff!

Avoid slip, trip, and fall injuries

By Bob Suko
General Manager of Operations

With winter quickly coming upon us this is a good time to remind ourselves about winter safety. We were fortunate enough last winter to avoid any slip, trip, or fall injuries (knock on wood) and I'd like to see that trend continue. One thing we hope to accomplish from the perspective of the safety committee is to get out and do a facility audit at as many customers as possible prior to the winter fully setting in. If you have any ideas on locations or issues please let your committee rep know as soon as possible.

We offer the following ideas to be discussed during job briefings during the winter months:

1. Watch for early morning frost that has formed on wooden or metal structures
2. Use small steps
3. Use handrails where available
4. Use smooth motions
5. Stretch
6. Stay alert and aware. If possible avoid doing other tasks while walking. For example, read the switch list before walking.
7. Always look forward. Never walk backward on ballast or near any railroad equipment.
8. Establish sure footing with each step. When moving through an area, choose a path that is most level and stable
9. Be especially careful while walking on ballast in wet conditions, at night, on a slopping surface, and on coarse main line ballast.
10. Walking related injuries often occur when people rush or take shortcuts. Take sufficient time to perform job tasks safely.

Please take the time to follow these few steps and let's work to make this another injury free winter!

LOOK WHO'S COOKING



The Legendary Hot Brown Recipe

Ingredients (Makes Two Hot Browns):

2 oz. Whole Butter
2 oz. All Purpose Flour
1 Qt. Heavy Cream
1/2 Cup Pecorino Romano Cheese,
Plus 1 Tablespoon for Garnish
Salt & Pepper to Taste
14 oz. Sliced Roasted Turkey Breast
2 Slices of Texas Toast (Crust
Trimmed)
4 slices of Crispy Bacon
2 Roma Tomatoes, Sliced in Half
Paprika, Parsley



By Susan Clark
Operations Coordinator

In a two-quart saucepan, melt butter and slowly whisk in flour until combined and forms a thick paste (roux). Continue to cook roux for two minutes over medium-low heat, stirring frequently. Whisk whipping cream into the roux and cook over medium heat until the cream begins to simmer, about 2-3 minutes. Remove sauce from heat and slowly whisk in Pecorino Romano cheese until the Mornay sauce is smooth. Add salt and pepper to taste.

For each Hot Brown, place one slice of toast in an oven safe dish and cover with 7 ounces of turkey. Take the two halves of Roma tomato and set them alongside the base of turkey and toast. Next, pour one half of the Mornay sauce to completely cover the dish. Sprinkle with additional Pecorino Romano cheese. Place entire dish under a broiler until cheese begins to brown and bubble. Remove from broiler, cross two pieces of crispy bacon on top, sprinkle with paprika and parsley, and serve immediately.



Fast Tracks SPOTLIGHT

By Sue Bombeck, Office Manager

This is the season for hustle and bustle. Once harvest is over, we will be hustling right into the holiday season and before we know it, the New Year will be upon us.

TCW's Board of Directors approved our recommendation to purchase a new office phone system, which will provide better access to customer service for our customers and connecting carriers. As with any change, there is an adjustment period to learn the new system and all the advantages it provides. We appreciate your patience with us. Thank you to our Board of Directors, for your commitment to us and our mission to provide excellent customer service to our patrons.

To recap the last couple of months:

- **September 25, 2010** – TCW's Operation Lifesaver program hosted the Buffalo Lake-Hector 4H group on a tour of our locomotive and shop.
- **October 15, 2010** – Steve Glischinski – TCW is preparing for our 20th Anniversary in 2011. With that preparation, Mr. Steve Glischinski was on TCW property taking photos of our MOW and shop staff working

and of our trains operating. We look forward to seeing the results of Steve's work and selecting which photos we will use for our big celebration next year!

- **October 19, 2010** – CRHR Meeting – TCW belongs to a group of HR professionals in our surrounding area. Most of the organizations involved in the group are manufacturers; however there are few of us outside the manufacturing industry. TCW hosted the 4th quarter meeting and provided a small tour of our locomotive/ car shop. Although the rail industry is interesting, the highlight during our tour was the Fastenal Vending Machine that provides Personal Protective Equipment (PPE) and miscellaneous supplies for our employees. As HR professionals, we discuss legal, payroll and safety issues. First Aid kits happened to be a topic of discussion this quarter, so the timing was perfect!

- **October 20, 2010** – TCW installed a new phone system

Upcoming events:

November 25 & 26, 2010 – **Thanksgiving Day & day after** – Company Holiday, office closed

December 6, 2010 – **All Employee Meeting** – Glencoe Event Center, office closed
All Employees – please note that there is parking available on the east side (smaller parking lot, closest to the meeting room), in front of the building and on the west side (larger parking lot, furthest from meeting room). Meeting will start at 0800. TCW's operations department will meet prior, at 0700 in TCW's conference room, then gather at the City Center with the rest of the employees.

December 24, 2010 – **Christmas Eve** – Observed Company Holiday, office closed

December 31, 2010 – **New Years Eve** – Observed Company Holiday, office closed

January 22, 2010 – **TCW's Annual Holiday Party** – Jackpot Junction Casino, Morton MN. Invitations will be mailed out November 15, 2010. Be sure to mark your calendar!!

Bundle up and hunker down, those long, cold winter days will soon be here!