


RAILWORKS® TODAY

*A monthly newsletter for employees of
RailWorks Corporation and its subsidiaries*

Holy Toledo! Now That's a Port



RailWorks Track Services replaced dilapidated dock tracks at the Port of Toledo's general cargo terminals, restoring on-dock rail service to stage and build trains.

For decades, disrepair at the Port of Toledo's general cargo terminal complex stymied the opportunity to stage and build trains onsite. But RailWorks Track Services' completion of a \$4.1 million project this month will boost efficiency at the international seaport, which annually processes 12 million tons of cargo.

For the past 10 months, RailWorks crews have worked to rehabilitate the port's rail infrastructure, including constructing a new on-dock rail loop for 100-plus cars for Ohio's Toledo-Lucas County Port Authority. The improvements will bolster the commercial shipping capacity for CSX Transportation, Norfolk Southern and CN, the Class I railways that operate through the bustling Great Lakes – St. Lawrence Seaway system.

"We rebuilt the port's three connector tracks with upgraded materials: new CWR and concrete ties," says Project Manager Kevin Kennedy. "Those three tracks give access to dock tracks where they stage the unloading of vessels that come in off of Lake Erie. I don't think it had been touched in better than 50 years. The dock track rail was degraded to the point of falling apart. The port wasn't able to use rail service on the docks as they'd wanted to.

"We upgraded both tracks on the dock to new 100 lb rail, all buried in asphalt. This is a mile-long dock, so we built two miles of

track with four brand new crossovers."

RailWorks performed the following work:

- Constructed 7,590 track-feet of new continuous welded rail (CWR) track atop concrete ties
- Constructed 4,024 track-feet of relay jointed track
- Installed nine turnouts, four crossovers, concrete panel and timber crossings
- Performed track maintenance and replaced ties
- Rehabilitated and relocated six crane rail diamonds
- Managed subcontractors who installed asphalt paving, concrete utility encasements, new catch basins and drainage pipes along the tracks.

Over the course of the project, RailWorks implemented 13 change orders to address project redesigns and upgrades. Due to its prior experience, RailWorks recommended and then implemented solutions that were operationally effective but also cost-conscious.

"We offered a lot of assistance and expertise in showing them the best use of funds and putting that into this project," Kevin says. "Without moving the overall dollar amount, we eliminated work and changed the scope of the work to best suit our customer."

INSIDE LINE

RailWorks rebuilt basically every track at the general cargo terminal. We had to accommodate the port authority's regular terminal operations during the construction process. When we had outages, there was no negative impact on regular operations.



Kevin Kennedy
Project Manager
RailWorks Track
Services

Anytime you work at ports in general there's the unique challenge of addressing heightened security. All our workers were required to have Transportation Worker Identification Credential (TWIC), which involved completing a federal background screen. Even though there's a six-to eight-week waiting period in order to get somebody cleared, our stable labor base at RailWorks helped facilitate that process.

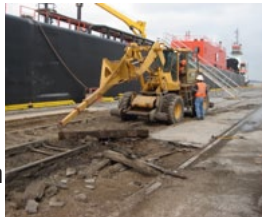
We also had a unique safety situation. The two dock tracks are right along Lake Erie. We don't often deal with having a large body of water next to our work. Our crew wore personal flotation devices for some of the work. It was a busy, highly congested area with numerous pieces of heavy equipment shuttling on and off of ships. From a safety standpoint, this environment is very, very challenging. If they were unloading a ship, we weren't going in that area until it was unloaded. We had to plan our work around areas that were open to us and used extra prudence in planning our work safely.

Waterway Projects Expand Port Expertise

RailWorks has established an impressive portfolio of work for North American cargo ports. Since January of 2010, the company's work on ports, including some of the projects featured here, represent revenues in excess of \$8 million.

Port of Toledo Toledo, OH

The Toledo-Lucas County Port Authority looked to RailWorks to help modernize the general cargo facility at the Port of Toledo. During the 10 months it worked on this \$4.1 million project, RailWorks rebuilt three connector tracks; constructed a new rail loop on the mile-long dock as well as nine turnouts and four new crossovers; replaced crossties and switch ties; and refurbished and relocated six crane rail diamonds.



BC Port Subdivision Maintenance Vancouver, BC

PNR RailWorks provides ongoing track and signal maintenance for Class 3 track along a major route serving the Roberts Bank Superport for "Port Sub," part of Port Metro Vancouver. The company is responsible for complete track and signal maintenance: day-to-day tasks, monthly preventive maintenance and emergency efforts as well as rail and tie change programs, and track surfacing. Crews maintain 24 miles of track that connect TSI Deltaport and Westshore Coal Terminals to all points east and south through CP Rail, CN Rail and BNSF railways.



Port of Pasco Pasco, WA

RailWorks assisted the Port of Pasco in upgrading rail service to its Big Pasco Industrial Center, a 600-acre facility along the Columbia River in northwest Washington. Crews added rail service via a new connection from the east, laying about 2,000 feet of track tying into a lower track, and also constructing a turnout and a crossing.



In a separate project, to facilitate future expansion at the port, RailWorks built a crossing, switch point derail and roughly 1,200 feet of new track. The construction will serve a planned grain facility at the port.

Port of Ephrata Ephrata, WA

This project consisted of replacing 6,500 ties as part of track rehabilitation at the Port of Ephrata, a 2,200-acre industrial complex in the Ephrata port district in Grant County, Washington. The track upgrade allowed for more efficient handling of containerized cargo and also BNSF main line traffic.



Westshore Terminals Maintenance Vancouver, BC

PNR RailWorks has more than 20 years' experience looking after the tracks at Westshore Terminals, a coal and coke export facility at Roberts Bank. Work includes ongoing maintenance for four miles of loop track and four turnouts; 12,000 linear feet of stacker tracks and quadrant rail for three ship loaders. Presently PNR RailWorks is rebuilding 760-foot sections of two tracks including two, 100-foot crossings.



Port of Vancouver Terminals Vancouver, BC

PNR RailWorks has worked at most of the 25 major marine terminals and 17 bulk terminals that make up Port of Vancouver, serving about 80 percent of the sites on a regular basis. Keeping the trains running and on time is paramount for the port and for CN, CP and BNSF railways, the three major railways servicing the facilities. PNR RailWorks performs monthly track inspection and any repair and maintenance required on the basis of inspection.



Port of Montreal Montréal, QC

Every year PNR Coyle is working at most of the terminals at the Port of Montreal and on the Port of Montreal railway to maintain and repair the tracks. It provides emergency repair services and, since the 2008-2009 winter season, has provided equipment leasing and labor to remove snow and ice from railway tracks and switches.



Port of Wilmington Wilmington, NC

RailWorks installed three crane rails and replaced two tracks on Berth No. 8 at the Port of Wilmington in North Carolina, part of the total replacement of the berth. RailWorks installed 1,290 linear feet of 175-lb. crane rail and two 110-lb. railroad tracks totaling 900 track feet, all on an Atlantic Track & Turnout System.



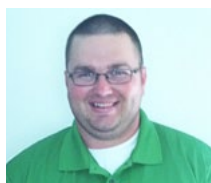
RailWorks' port expertise is not limited to the projects noted above. In recent years RailWorks companies also have completed projects for ports and a range of industrial clients with port-related facilities. Other recent port clients include the Port of Tacoma, Port of Tillamook Bay, Port of New Orleans, and numerous port facilities along the Texas-Louisiana coastline.

RAILWORKSMART RAILWORKSAFE

Lessons Learned

Addressing Rail Tension Forces

RailWorks' approach to safety management is rooted in the practice that we can control hazards when we evaluate incidents and then implement appropriate remedies. This is the first installment in a new series featuring lessons learned from our field safety managers.



Steven Bevills
Manager, Division Safety
RailWorks Track Systems
- Texas

Situation #1 – A crew arrived on site to repair a turnout following a derailment. One of the closure rails was twisted and bent and had to be removed. Not recognizing the potential stored energy hazard of the bent rail, employees pulled all the spikes and began unbolting the closure rail at the healblocks. Once unbolted, the rail suddenly sprang loose and, without warning, struck an employee in the left leg.

Lesson Learned – When faced with removing a rail that could be under tension or compression, the rail should first be secured with a backhoe or

suitable piece of equipment. Remove joint bars and observe any movement. Then proceed with caution to remove spikes from the open joint towards the bolted joint. Secure a second piece of equipment if necessary or apply two chains to opposite rails to prevent movement.

Situation #2 – A crew was installing a replacement rail in a curve. Using a backhoe and raildogs, the operator attempted to pull one end of the rail into alignment so that it could be bolted up properly. The employee on the ground approached the rail from the line-of-fire side and attempted to install the joint bars. This action caused the raildogs to slip, which released the rail. The rail moved suddenly and without warning and struck the employee in the foot.

Lesson Learned – Never utilize raildogs to pull on the rail when attempting to get the proper bend or curvature to bolt up. The bucket of the backhoe should be used directly. Also, the employee on the ground should not approach the rail from the line-of-fire side.

News Across the Line

RailWorks Corporation

RailWorks Corporation earned the following rankings in the May 16, 2011 issue of ENR magazine:

- *Top 400 Contractors* – #107, up from #138 in 2010
- *Top 50 Heavy Contractors* – #36, compared to #37 in 2010.
- *Top 50 Contractors Working Abroad* – #33, compared to #26 in 2010.

See the complete results at the link on RailWorks' homepage at www.railworks.com.

FORTUNE magazine released its 2011 ranking of the most admired companies. UnitedHealth Group was ranked #1 among health care insurance and managed care companies. Hay Group, a global management consulting firm, compiled the rankings based on industry surveys completed by 4,100 executives, directors, and securities analysts. UnitedHealthcare provides medical insurance

coverage for eligible RailWorks employees in the United States.

RailWorks Track Systems



RailWorks Track Systems provided emergency response services in early May when a Portland & Western Railroad train derailed.

The Western division was ready to assist on May 4 when the Portland and Western Railroad derailed a log train, which then hit some ethanol cars on a siding. The ethanol cars caught on fire and then burned some of the logs on derailed log cars. RailWorks mobilized a crew,

a RailWorker excavator and a grapple truck to immediately start cleaning up and repairing the destroyed track structure, totaling about 300 feet of track and a #9 turnout. While cleanup activities were under way, RailWorks dispatched a tie gang to replace 3,000 ties over the three miles of damaged track. Our crews worked hard over three days to restore service and to install all the ties by the seventh day. Siding reconstruction will continue after others complete cleaning up contaminated soil.

Joe Watlington, yardmaster/supervisor of rail operations for Chevron Phillips Chemical Company in Pasadena, Texas, acknowledged a milestone in RailWorks' efforts to work injury-free at the facility. "Rail Operations achieved 6 years with no recordable injuries on May 9th, 2011. RailWorks achieved 5 years with No Recordable Injuries on April 16th, 2011," wrote Watlington.

Chevron Phillips Project Superintendent **Kevin Lilly** added his two cents. "Thank

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News Across the Line *Continued from page 3*



RailWorks Track Systems was not deterred from its job of constructing new track for the Western Wake Freeway project in Apex, N.C., during April, even after a tornado caused extensive damage in the area.

you all for your effort and dedication to an injury free work place, staying focused and going home safely every day! Stay tuned for our Celebration Dinner!”

Congratulations to RailWorks Foreman **Eleazar Frias** and his team for this significant accomplishment at Chevron Phillips. Eleazar has achieved an unprecedented safety record over his 23 years on this job with only one recordable incident.

Project Manager **Reggie Barrett** and Supervisor **John McGee** led work at the Western Wake Freeway Project, located about 20 miles

south of Durham, N.C., in Apex. The RailWorks crew constructed 5,500 feet of track just off of CSX Transportation's main line.

RailWorks Track Services

Superintendent **Tom Jorczak** is leading the \$4 million-plus project to improve CN's Kirk Yard in Gary, Ind. RailWorks is working from April through December as a subcontractor to Dyer Construction.

This project is part of more than \$100 million invested by CN on infrastructure improvements to continue integrating

the EJ&E into its other lines and improve rail fluidity in Chicago. Planned improvements to Kirk Yard will make it CN's No. 1 switching yard in the United States.

PNR RailWorks

Al Schroeder was promoted to regional manager for the Pacific Division, based in Abbotsford, British Columbia, on April 1. In his new position, Al is responsible for overseeing the entire division. Al has worked for PNR RailWorks his entire career and most recently served as Assistant Manager of the Pacific Division. Al takes the position previously held by **Herb Schmidt**, who has taken on a new role at PNR RailWorks.

Congratulations to the Track and S&C groups of the Eastern Division based in Guelph, Ontario. They were recently awarded a five-year renewal of their maintenance contract with GO Transit. The contract covers track and signal maintenance for 120 miles of GO Transit-owned track in the Greater Toronto area in Ontario. PNR RailWorks has been performing this work for the past 10 years. This contract renewal comes with the option for a 20-year extension.



RailWorks Track Services set up a flash-butt welding process in CN's Kirk Yard to efficiently weld rail strings for new rail track construction.



PNR RailWorks won a five-year contract to perform track and signal maintenance for GO Transit.