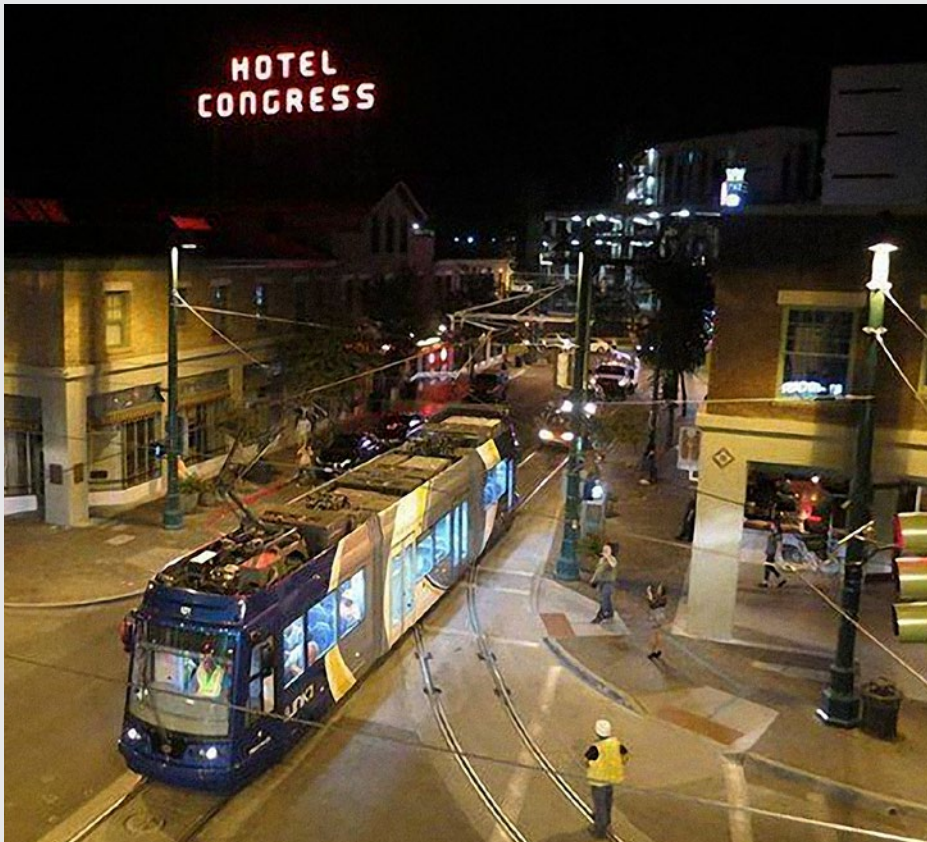


RAILWORKS® TODAY

A monthly newsletter for employees of RailWorks Corporation and its subsidiaries

Getting Tucson's Streetcars Ready to Roll



RailWorks has just wrapped up its work on the Tucson Modern Streetcar project, Sun Link. Extensive daytime and nighttime testing in October includes performing live-wire tests of the overhead catenary system, occurring here on East Congress Street at North 5th Avenue.

A September public dedication and smooth streetcar test runs earlier this month signaled RailWorks' success in constructing track and installing systems components for the Tucson (AZ) Modern Streetcar project.

RailWorks reached substantial completion October 23 on the new Sun Link system, which runs between the University of Arizona and downtown Tucson. In a \$56 million-plus joint venture with Granite Construction starting in April 2012, RailWorks Track Systems constructed 3.85 miles of embedded, double

track, including 17 pieces of special track work. L.K. Comstock National Transit performed the systems work: procuring, installing and testing the overhead catenary system, signals, and low-voltage feeder cables, and installing six traction power substations.

Track crews were able to hit the ground running due to Lead Estimator Mike McGee's intimate knowledge of the job, says Roger Boggess, project manager for RailWorks Track Systems. "Mike's experience from working closely with our JV partner Granite

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INSIDE LINE

Roger: From this project, I learned to pay attention early on to how the overall work by all contractors was progressing and the effect it would have on L.K. Comstock, following us on the project.



Roger Boggess
Project Manager
RailWorks Track Systems

Zafar: We typically are the last contractor on a project. If we encounter a quality or scheduling issue, we usually send a letter to the



Zafar Arif
Project Manager
L.K. Comstock National Transit

prime contractor to resolve the issue and wait. It halts our progress while they fix a problem. On this project, there had been some construction issues causing the schedule to slip. But because there were two contractors from the same company, I could simply speak directly and frankly to Roger and his team. They were always accessible. The effort and time required to address concerns came down markedly, and our team was able to proceed.

Roger: Part of our solution was to pull in a project manager with a deep civil construction background to dog the schedule. Pat Devine checked the subs' work and ensured everything was in place for L.K. Comstock to move forward. This approach helped us overcome obstacles and meet our schedule.

Tucson Modern Streetcar Project Leadership Team

RailWorks Track Systems

Roger Boggess, Project Manager
 Pat Devine, Project Manager
 Keith Drennen, Project Engineer
 Ashlee Gauna, Office Manager
 T.J. McChristy, Project Superintendent
 Mike McGee, Project Estimator
 James Miller, Superintendent
 Garwood Nichol, Office Engineer
 Andrew Rolf, Field Engineer
 Donny Sondej, Superintendent
 Ricky Waynes, Safety/Quality Control Manager

L.K. Comstock National Transit

Zafar Arif, Project Manager
 Eric Crighton, Quality Control Manager
 Andy Ledesma, Project Engineer
 Shelley McCoy, Office Manager
 Aaron Neeley, Construction Manager
 Ben Neeley, Construction Manager

Getting Tucson's Streetcars Ready to Roll *from page 1*

during the bidding phase made him the perfect candidate to get the job kicked off. He processed early submittals and purchase orders for permanent materials, ensuring a smooth handoff to the project team.

"This job had a very aggressive startup and required materials on site much faster than most of our projects," Roger says. "The Notice to Proceed was issued on March 20, 2012, and RailWorks started receiving rail on April 11, 2012."

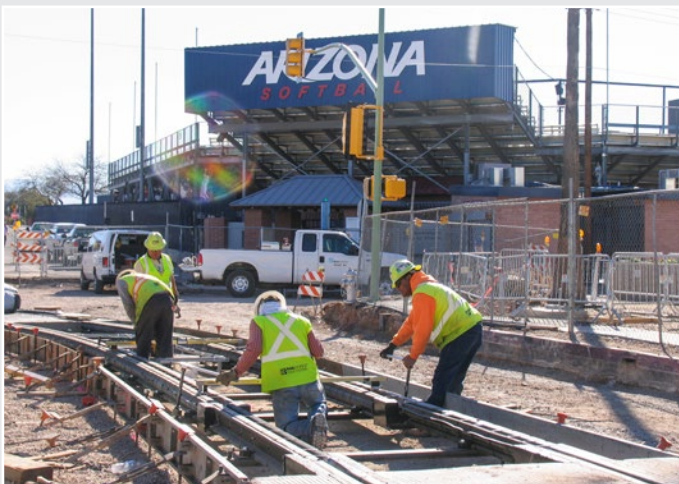
On a project of this size, almost invariably, the schedule is compromised. But RailWorks was able to overcome scheduling challenges, in part due to having sister companies working together on the same job.

"This project provided us a good opportunity to display to a project owner the advantages of having both Track and L.K. Comstock at work," Roger says. "Usually, only after the track work is done is this area handed over to the systems contractor. But when we're on the same job, we can be involved in a portion of the work and have L.K. Comstock schedule their work, too. We can occupy the same physical area and regain ground."

L.K. Comstock National Transit Project Manager Zafar Arif agreed. "When there's an issue, in order to avoid any rework or any potential liability, we do not proceed and it halts progress." He said that the ease of coordinating with another RailWorks company made the difference. "If the owner wants to make scheduling progress and meet a deadline, this is a combination that works."

With all the track and systems work completed, Tucson is now awaiting arrival of the remainder of their fleet of streetcars. The Sun Link streetcar line is scheduled to open for revenue service in the summer of 2014.

At left, L.K. Comstock National Transit had the challenge of installing a 50,000-lb. traction power substation (TPSS) between a four-story parking structure and a wall with a total of just 5 feet of clearance between the two. Following extensive planning, they maneuvered the TPSS among trees and low-hanging utility wires – including one live high-voltage line within the reach of the crane arm that could not be de-energized – to set it into place.



In March, RailWorks Track Systems employees at work on the streetcar route check pre-curved track at East 2nd Street on the University of Arizona campus.



Early this month, at the same East 2nd Street location, one of the new modern streetcars completes its test run. A Sun Link employee waits for the car to pass before switching the track.

Calendar Notes

Nov. 4-27 Open Enrollment for 2014 Benefits (for most U.S. non-union employees)

Nov. 11 Veterans/Remembrance Day

Nov. 13-14 Leadership Training for Mid-Managers, Houston, TX

Nov. 21-22 RailTrends, New York, NY

RailWorks Values In Action: Industry Leadership

Leadership Conference Introduces 2014 Battle Cry

“What will you do different?”

Senior managers from across all of RailWorks companies who met in Indianapolis, IN, October 2 and 3 heard that challenge again and again over the two-day annual Leadership Conference.

Executive Vice President **John August** kicked off the first session by explaining the focus of the conference. “How do we expand our company yet also ensure that every dollar we spend makes a difference?”

With no new programs planned for 2014, he suggested that attendees must closely examine their areas of responsibility to determine what they can do differently to improve performance and grow our business.

RailWorks President & CEO **Jeff Levy** reviewed the state of the company, including areas critical to the company’s future success: Employee Recruitment and Training (“Build the Bench”), Safety, and Market Development to attract new customers.

Attendees also heard updates in these areas:

- Vice President and Chief Information Officer **Bob Cummings** recapped the August 5 implementation of Enterprise Resource Planning (ERP), efforts since then to ensure a smooth implementation and areas that require additional attention in the near term. (See the ERP update on page 5 for additional details).
- **Mike Holt**, president of RailWorks Projects, Inc., explained the purpose of this newly formed subsidiary as the “face-to-the-market” organization for major projects. He said this organizational change will help RailWorks better market and develop major project opportunities involving all of RailWorks’ services in all market sectors.
- **John August** reviewed progress of “The RailWorks Way” teams, who have developed, documented and implemented standardized field management processes and tools in six key areas. In 2014, teams will determine the basic qualifications that make up a competent worker.
- Freight Rail Infrastructure Vice President **Jim Hansen** outlined the

success of the Regional Marketing Associate program in cultivating new track business and pinpointed future expansion areas.

- Executive Vice President and General Counsel **Ben Levy** identified members of the legal team and explained their responsibilities, reviewed elements of the company’s compliance program and conducted annual business ethics training.
- Corporate Treasurer **Glenn Hartrick** reported on successful procurement efforts to achieve savings and greater efficiency -- including the P-card, rebates and tax credits -- and said that a little savings locally can drive bigger, bottom-line savings across the entire organization. He also reviewed other sourcing opportunities with potential savings.
- Human Resources Vice President **Harry Glantz** reviewed the build-the-bench program and detailed changes in benefits for 2014, noting that Open Enrollment will occur November 4-27 for eligible U.S. employees. Training & Development Manager David Mason conducted annual Respect in the Workplace training.
- Safety, Health & Environmental Director **Tammy Mathews** reviewed the safety performance and emphasized that we are best able to influence safety performance with management that is visibly involved with safety. She outlined what works and what doesn’t work when it comes to improving safety performance.
- Corporate Equipment Manager **Danny Brown** reviewed Department of Transportation (DOT) updates on the proper operation of vehicles, hours-of-service regulations, and driver fitness and training. He cited ERP’s impact on U.S. Track operations in setting up new equipment and centralizing the creation of work orders. He also noted an expansion in the fleet for 2014, but said we are reducing the number of vehicle options to standardize our fleet and realize cost savings.

Attendees participated in one of two half-day breakout sessions – branch operations and major projects – where they discussed “do-different” strategies to cultivate improvements and new opportunities.

RailWorks Corporation – 15 Years Strong

A highlight of the Leadership Meeting was a celebration of the 15th anniversary of RailWorks Corporation, which was founded in 1998 by consolidating more than a dozen rail industry firms throughout North America.

President & CEO Jeff Levy led the celebration by validating the vision of RailWorks – to create an integrated enterprise uniquely qualified to serve the rail transportation industry – and acknowledging the critical role of dedicated employees in making the company “15 years strong.”

He affirmed that RailWorks’ growth was achieved through an undivided focus on serving our customers and suggested we must earn our customers’ trust every day to ensure our strength in the future.

Go to www.railworks.com to view RailWorks’ anniversary brochure and the accompanying video. The video also is posted on the Communications page in SharePoint.



RAILWORKSMART RAILWORKSAFE

Construction Industry Insights Will Drive Safety Improvements

Continuing the theme set by RailWorks' leadership in its annual meeting, several speakers at the 2013 RailWorks Safety Summit challenged attendees to determine "What Will You Do Different?" in 2014.

Tammy Mathews, corporate director of Safety, Health & Environmental, urged attendees to "do different" to improve safety scores, in part by bolstering their understanding of the construction industry.

"We're not a railroad company," she told safety professionals and others who came together Oct. 8-10 in St. Louis, MO. "We are a construction company that happens to do railroad construction." RailWorks' safety issues, she said, are the same as with any other construction company, pointing to vehicle accidents, fatigue and improper lifting among several



RailWorks employees discuss machine safety with Progress Rail shop employees before examining a Pandroll Jackson K6700 tamper.

examples. Incidents involving vehicles have been the top RailWorks safety problem over the past two years.

She noted that President & CEO Jeff Levy has called on all seven RailWorks companies at more than 30 locations to be continually thinking of, and planning for, safety, and she reminded safety managers that they are in the role of key influencers when it comes to employee attitudes about safety.

Other meeting speakers included Executive Vice President John August, who said the outlook for the company remains vibrant in today's highly competitive market. Piggybacking on Tammy's remarks, he added that "Even though we're a construction company at heart, we're a customer service company," and cautioned that customer needs are increasingly challenging. He also noted an increasingly stringent and complex regulatory environment. He told safety managers that while safety efforts have been good, the results can improve. He said that in their meetings following the summit, "the discussion should be what will we do different?" including changing how safety inspections and audits are conducted.

Among the others giving presentations were in-house safety professionals George Luce, Scott Kachurik, Paul Sonnenfeld, Ben Ingram and Bill Field; Kathy Simpson of Corporate Communications; Ben Levy and Chris Smith from the Legal Department; and Harry Glantz and Dave Mason from Human Resources.

A highlight of the summit was a visit to the Progress Rail Services Maintenance of Way Equipment Division in nearby Granite City, IL. RailWorks employees discussed machine safety awareness and practices with Progress Rail shop employees, who led discussions during examinations of a Pandroll Jackson K6700 tamper, a Kershaw Model 46 Series ballast regulator and a Nordo CX spike driver. Danny Brown and Ginger Raglin of the corporate fleet group in Bridgeton, MO, arranged the trip.



Employees attending RailWorks' Safety Summit gather Oct. 9 with Progress Rail employees during a visit to Progress Rail's equipment shop near St. Louis.

Organization Coping Well with ERP Arrival



ONE DESIGN - ONE FUTURE

Birthing the company's new JD Edwards/Enterprise Resource Planning (ERP) system bears some striking similarities to having a baby.

Even with months of planning to get ready, nothing quite compares to the moment when the baby is born. It is painful yet both exhilarating and exhausting. You cope the best you can, learn as you go, and manage with advice and support from others. You soon realize life will never be the same.

After about 11 weeks since RailWorks' ERP system was born on August 5, the RailWorks family – RailWorks Corporation and U.S. Track offices – has had much the same experience. Thanks to all of our preparations and the follow-up efforts of committed employees, our ERP baby is healthy and progressing right on schedule.

Need ERP Help?
Email: Support@railworks.com
Call: 631-592-5890

"All in all, our go-live was successful but we've learned some lessons along the way," affirms Bob Cummings, vice president and chief information officer. "We have already made some adjustments, primarily to address concerns from our field employees. First, we realize that we need greater reporting capabilities from the system. Next, we discovered that the monthly close process could use some refinement and the job set-up process needs greater support. Finally, some of our field employees could benefit from some refresher training, which already started the first full week of October."

The ERP implementation team is currently addressing all of those issues and working closely with field employees to resolve any other concerns. Meanwhile, preparations continue for the arrival of our next bundle of joy in April 2014. That's when ERP will go live for U.S. Transit operations and our Canadian businesses.

News Across the Line

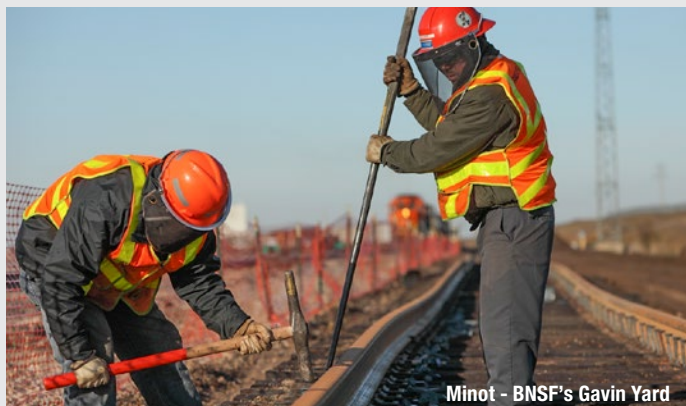
RailWorks Corporation

EC&M (Electrical Construction & Maintenance) magazine recently released its annual "Top 50 Contractors" list. RailWorks Corporation/L.K. Comstock ranked No. 30, compared to No. 25 in 2012.

RailWorks Track Systems

The oil boom in the Bakken region has fueled six new construction projects in North Dakota. A late spring and wet conditions have intensified schedules so work can be completed before harsh winter conditions hit in the coming weeks.

Superintendent **Rick Burkhardt** is leading crews at Burlington Northern Santa Fe (BNSF) Railway's Gavin Yard in Minot. To expand yard capacity and to provide better access to make up and run trains, crews are constructing 17,450 feet of track with pre-plated wood ties and 1,200 feet of concrete-tie track, and installing 29 turnouts. Work will continue at this site through November.



Minot - BNSF's Gavin Yard



Minot - North Dakota Port Services

Just to the north of the BNSF Yard in Minot at North Dakota Port Services, Foreman **Chuck Treague** is managing work to expand this transload facility. Crews are constructing 8,000 feet of track with four turnouts.

Under the direction of Superintendent **Roger Recker**, crews are wrapping up work on a new oil load-out facility in New Town called Pioneer Project for Dakota Petroleum Transport Solutions, LLC. Crews are constructing 17,860 feet of track comprised of two 8,300 loop tracks, each capable of 120-car unit trains, and a lead track to connect with Canadian Pacific Railway (CPR).



Dakota Petroleum Transport Solutions, LLC