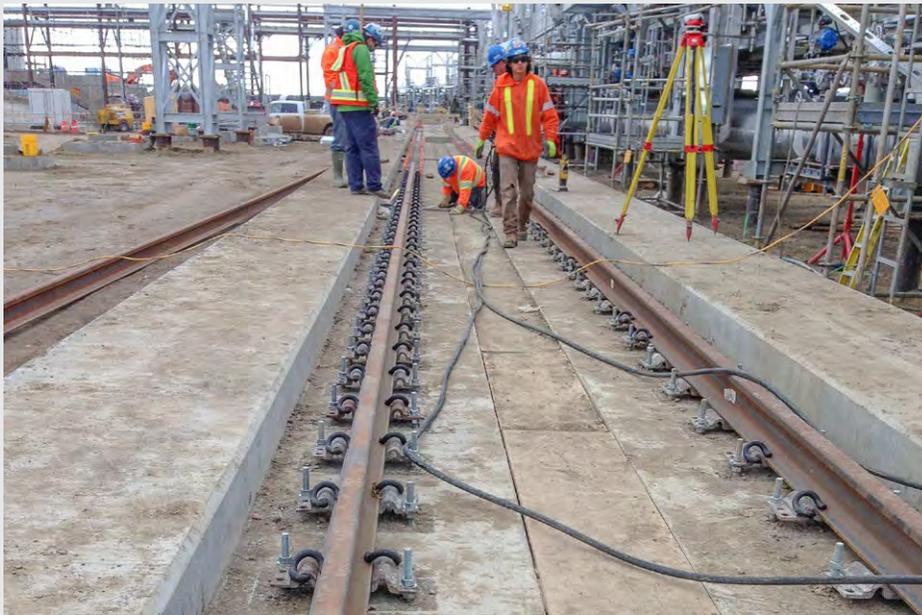


RAILWORKS® TODAY

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

Canexus' Crude-by-Rail Transformation



Crews from PNR RailWorks' Prairie Region began construction of the direct fixation (DF) track and installed the scale at the loading facilities at Canexus' North American Terminal Operations (NATO) at Bruderheim in central Alberta. With the onset of extreme winter conditions, they will return in the spring to complete the DF work, which will conclude a two-year project to build pipeline-to-rail infrastructure at the facility.

When Canexus kicked off an aggressive plan in 2011 to dramatically expand its North American Terminal Operations (NATO) at Bruderheim in central Alberta, it turned to PNR RailWorks. Over the next two years, PNR RailWorks' Prairie Region constructed an expansive rail facility to support exploding demand for crude oil and diluted bitumen by oil producers in Western Canada.

Crews began in mid-2011 on the first of three project phases to be completed by the end of 2013. Working at a greenfield site adjacent to Canexus' existing truck-to-rail transload operation, crews constructed phases I and II, a double-loop track with a connection to the main lines

of serving railroads CN and CP.

"Work progressed at an ebb and flow as we waited for earthwork to be completed," attests Field Engineer Chris Cote, who served as the project manager. "The loop tracks were fairly straightforward. With only two other contractors working in the same area, we were able to do focus on building track."

Phase II, constructing the direct fixation (DF) track on concrete slabs for the storage area, was more challenging. It required working through some design issues and coordinating with the consulting project management firm and other contractors.

INSIDE LINE

The most difficult part of the Canexus project was the challenge of simultaneously working on CN's Chappell Yard. We had lots of work but not enough people, so we had to effectively plan and juggle crews to meet our deadlines at both locations.



Scott Hunt
Regional Manager
Prairie Region

Both are important clients but they were distinctly different. The CN job was for a Class I railroad working around live train operations with a tight deadline. Canexus was at a greenfield site over two years so we were able to establish a collaborative relationship with a lot of trust. When Canexus changed engineering consultants, our field management really stepped up to keep the project moving.

Constant communications were essential on both projects and made them so much easier. We tried to give the field management the resources they needed – whether manpower or equipment – to get their work done. Through regular communications we helped field managers keep their heads above water so they could get out ahead and not get buried in the minutia. We also made regular site visits to give our field employees attention and to show that we care, especially when they worked over the Thanksgiving holiday.

Canexus' Crude-by-Rail Transformation *from page 1*

"The work area for DF track was much more congested. We were working among about 12 other contractors so safety was always the primary concern," says Chris. "We had to effectively plan our work and be precise, moving 80-foot strings of rail with 200 people at work in the same general area."

By the end of 2013, PNR RailWorks crews had constructed 36,459 feet of track with steel ties and installed 40 turnouts, to comprise the double-loop tracks and storage area.

Canexus did not waste any time commissioning and ramping up activities at its pipeline-connected unit train expansion. In December, it started the first pipeline-to-rail unit train operation in Alberta. During March, the expanded facility is projected to load 14 unit trains, or about 30,000 barrels per day.

PNR RailWorks crews will return to Bruderheim this spring to complete construction of DF track on concrete slabs at the loading facilities to connect with both loop tracks.

In addition to currently performing snow removal at the facility, PNR RailWorks hopes to participate in future expansion plans as well. With the addition of another loop track, Canexus plans to ramp up to 10 and a half unit trains per week by October and is considering possible longer-term expansions.

Project Leadership Team

Chris Cote, Project Manager

Pat Russett, Superintendent

Brad Belcourt, Health & Safety Advisor



PNR RailWorks first constructed 18 tracks to create a rail car storage area at Canexus' Bruderheim Terminal. This area provides capacity for 109 tanker cars, which contain chlor-alkali used in horizontal drilling and fracturing operations in Western Canada.

Back-To-Basics Safety Pop Quiz

Test your knowledge of basic railroad protection with this quiz in our new monthly feature.

1. **What is the best way to reduce the risk of backing up a vehicle?**
 - a. Ask a coworker to "spot" for you.
 - b. Adjust your rear view mirror and honk your horn two times before reversing.
 - c. Whenever possible, avoid backing up.
 - d. Walk completely around the vehicle before putting the vehicle in reverse.

2. **In the rail industry, RMM stands for:**
 - a. Read My Mind
 - b. Roadway Maintenance Machine
 - c. Rail Road Machine
 - d. Remote Rail Management

3. **Train Approach Warning (TAW) protection is commonly known as:**
 - a. Watchman/Lookout Protection
 - b. Train Coordination
 - c. Positive Train Control Protection
 - d. Exclusive Use of Track Protection

4. **What organization's specification must all RailWorks' spike mauls meet?**
 - a. National Safety Council
 - b. National Fire Protection Agency
 - c. American Railway Engineering and Maintenance-of-Way Association
 - d. Board of Railroad Safety Engineers

5. **The standard required personal protective equipment for RailWorks employees when on the job site is:**
 - a. Hard hat, safety glasses (or other eye protection), protected-toe work boots, hi-visibility outer clothing, gloves and hearing protection.
 - b. Hard hat, hi-visibility vest, and safety glasses.
 - c. Protected-toe work boots, safety glasses, hi-visibility outer clothing and gloves.
 - d. There is no standard at RailWorks.

(See quiz answers on page 5.)

RailWorks Values In Action: **Customer Focus** **Making It Happen at CN's Chappell Yard**

"We need to make this happen. What's it going to take?"

When CN's Chief Engineer, Design & Construction James ("Jim") McLeod issued that challenge last June, the PNR RailWorks Track office in Alberta took it seriously. No reservations. No excuses. No complaints. Just plain hard work and a can-do attitude to complete this important work for a valued customer, no matter what else also was on the schedule.

For operational reasons, CN needed to make a number of improvements to its Chappell "switching" Yard in Saskatoon, Saskatchewan, by the end of the year to accommodate through trains. PNR RailWorks quickly mobilized a small crew that went to work in August. Soon after, Jim reiterated the urgency of his request. "Treat this like a derailment," he clarified.

"We knew what that meant," said Scott Hunt, regional manager for the Prairie Region. "Figure out a way to get it done. So we did."

From that point on, PNR RailWorks dedicated substantial resources to getting the work completed on time with crews that peaked at 30 employees, scheduled around the clock at critical points in the project, seven days a week, from September through December 11, when the first through-train passed through the yard.

From the very beginning, Jim established clear expectations and an open line of communication that set the tone for the project and ultimately contributed to its success. "Communication can never be overdone," he emphasized. Jim requested and received daily updates on the status of the project from Field Engineer Chris Cote.



Even with the early onset of frigid winter weather, work was completed on time for the arrival of the first through-train in Chappell Yard on December 11.



Prairie Region-based crews worked from August into early December to construct an additional main line to accommodate through-trains at CN's Chappell Yard in Saskatoon, Saskatchewan. A crew assembled for the daily job briefing with a train in the background loaded with some of the rail used to construct 4.3 miles of continuous welded rail track. (front, l to r) Operator Minh Pham, Superintendent Troy Dunkin, Foreman, Brennon DeRose, Operators Steve Cornwall and Blair Collins, (back, l to r) Operator Jeff Thrun, Trackmen Tony Anastacio and Bobby Thind, and General Foreman George Derwenchuck.

As the project progressed, PNR RailWorks' team confronted and tackled a number of challenges in its quest to construct 22,700 feet of continuous welded rail (CWR) track – 4.3 miles – and two turnouts for a new additional main line extending the length of the yard. Crews were finally able to resolve a key bottleneck when a subcontractor completed rebuilding a retaining wall under the yard overpass to make room to construct the main line track. Also, at the height of work intensity in November, temperatures dipped to -35°C (-31°F).

PNR RailWorks' exceptional efforts to successfully complete this project by the deadline and with zero safety incidents did not go unnoticed.

"We are very appreciative of the work PNR (RailWorks) has done," asserted Jim. "You had good guys on the ground and we trusted that they knew what they were talking about. You were an extension of CN, which is just what we were looking for."

Project Leadership Team

- Alan Godecki, Project Manager
- Chris Cote, Field Engineer
- Troy Dunkin, Superintendent
- Brad Belcourt, Safety Manager

Calendar Notes

Safety Training

Feb. 24-28	RailWorks Track Services, Youngstown, OH
March 4-6	RailWorks Track Services, S. California
March 24-28	PNR RailWorks Quebec, Delson, QC
March 26	RailWorks Track Systems, Dallas/Fort Worth
March 28	RailWorks Track Systems, Lake Charles, LA
April 3-4	RailWorks Track Systems, Deer Park, TX

Industry Events

March 13	Railroad Day on Capitol Hill, Washington, D.C.
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ERP Training and Implementation

Feb. 26	Training - Estimators and Procurement Staff Palisades, NY
Feb. 27-28	Mock Cutover, All affected offices
March 3-7	Training - NY Transit and L.K. Comstock National Transit Project Managers Palisades, NY
March 10-14	Training - Office Managers and PNR RailWorks Project Managers, Orlando, FL
April 7-20	Go Live and follow-up support All affected offices

RAILWORKSMART RAILWORKSAFE

Safety Takes on New Life Under 'Do Different' Banner

Some common safety practices are emerging with uncommon vigor in 2014, aligned with the "what will you do different?" challenge issued last year by Executive Vice President John August.

After John posed his question in leadership and Safety manager meetings, the responses have been swift and focused. One prominent activity that has emerged across the RailWorks network is a renewed emphasis on on-site safety leadership.

For example, RailWorks Track Systems Vice President & General Manager Bob Rolf says that he and other managers in the South Region are conducting monthly jobsite safety audits. The same goes for the Quebec Region, where PNR RailWorks Quebec Regional Manager Benoit Labrosse reports that Health and Safety Advisors and other leaders are making it a point to be present and more active on jobs than they had been in the past.

In addition to ramping up on-site safety involvement, RailWorks field leaders note that another "do different" step toward improved safety performance is the utilization of the new RailWorks Way tools for standardizing processes. Benoit says that "integrating the best-in-class RailWorks Way across the entire region is a top priority."

Dan Doyle, area manager for RailWorks Track Services, is also working



to improve safety through The RailWorks Way processes and documentation. He says he's observed "more consistency and more detail than we've had in the past" after implementing The RailWorks Way.

"The Pre-Job Planning Agenda and Checklist has a safety element in it, and it's a tool to communicate between the project manager and the field superintendent about what potential hazards might exist and what the customer's expectations are when it comes

to safety on the job site" says Dan. "We've been using the PJP tool well, and have been monitoring that with our SharePoint site. In the same vein, we're monitoring the Daily Job Briefings though SharePoint. The information is uploaded and presented to us in real time. We're able to monitor and see that everyone has seen and signed off on everything."

Richard Carney, general manager of RailWorks Track Systems' Western Region, also mentions the Daily Job Briefing structure as conducive to conducting a briefing of exceptional quality. For him, "The 'do different' message is that the content of the Job Briefing is more important than fulfilling the requirement."

He points back to the detail of the briefing form and companion tools, and using them consistently. "A well-trained and -informed crew has the greatest potential for a safe and productive day."

Countdown to ERP 'Go Live'

As the implementation of Enterprise Resource Planning (ERP) marches toward an April Go Live period for PNR RailWorks, L.K. Comstock National Transit, New York Transit and HSQ Technology, here is a summary of key activities occurring over the next seven weeks.

Feb. 27 and 28 - The ERP Team will conduct a mock cutover. Functional team representatives from all offices will test the system using real data to determine the actual go-live requirements.

From late February through mid-March - Detailed training sessions for estimators, procurement personnel, project managers, office managers and controllers will focus on system functionality and usage. The training will feature instructor-led demonstrations plus hands-on exercises for attendees.

Ongoing from now through April - Functional teams will continue to check data that's been converted to the new system to ensure accuracy as an indication that data will be converted correctly during the Go Live. The Payroll team has already started repetitive payroll testing in a highly

secured, separate environment. In addition, The Corporate Accounts Payable group is gearing up to process PNR RailWorks' accounts payable.

Go Live

Around March 31 - Legacy systems will close. Timberline and Explorer will be available for inquiry only (no updating). Actual data conversions and validations occur at this time.

On April 7 - A three-week deployment period begins. Through April 20, teams comprised of RailWorks Corporate Finance and Information Technology staff; RailWorks Track Systems and RailWorks Track Services functional experts who have experienced the first Go Live in August; and Deloitte Consulting resources will troubleshoot daily issues and conduct GoTo Meetings and supplemental onsite training as required.



News Across the Line

RailWorks Corporation

Now employees, customers, industry associates and others can have *RailWorks Today* automatically delivered to the email address of their choice. With this new option, anyone can opt in to receive the monthly newsletter via email by signing up on our website homepage at www.railworks.com.



This option may be of particular interest to employees who are not set up on our company email system but can receive the newsletter at another email account. Please invite these employees and customers who you believe may be interested to sign up at www.railworks.com.

L.K. Comstock National Transit

RailWorks Track Systems

HSQ Technology

You think it's been an unusually long and cold winter? Just ask the L.K. Comstock National Transit crews who have been hard at work on The Interchange project in downtown Minneapolis. They have braved subzero conditions for 44 days this winter, 16 of those consecutive days, to install the overhead catenary system (OCS).

Despite delays in turning over work and harsh winter conditions, RailWorks has completed about 90 percent of its portion of project work. The rest will wrap up over the next two months leading up to a May 17 grand opening. Working under the direction of Project Manager **Chuck Brainerd**, three RailWorks subsidiaries have contributed to building a central, multi-modal transportation hub serving the entire region. Connections to the existing Hiawatha Light Rail Transit (LRT), Northstar Commuter Rail, and the Central Corridor LRT added complexity to the work.

RailWorks Track Systems has completed track removal and construction. L.K. Comstock National Transit removed the old OCS and signal system. Crews already have installed a new signal system and now are finishing up installation of the OCS. HSQ Technology, which installed the communications system, is participating in testing currently under way.



Delays in turning over work have caused L.K. Comstock National Transit crews to work during the harsh Minnesota winter to install the overhead catenary system (OCS) for The Interchange project. Record cold and snow – about 50 inches this winter – have challenged crews working to wrap up work by March 8, when the new OCS ties into the existing system.

RailWorks Track Services

After a term as vice chair, Vice President and Regional Manager **Bill Dorris** is the new chairman of the board of the National Railroad Construction and Maintenance Association (NRC). Bill took office during the NRC's annual conference, which concluded January 8. In his new role, Bill will lead the board as it provides strategic direction and guidance related to the trade association, which serves the railroad and rail-transit construction industry. Bill has been involved with the NRC for 12 years and has been a board member for eight. "I have always welcomed a challenge throughout my 37 years in this industry," Bill says. "This was just another one."



Bill Dorris, Chairman of the Board, National Railroad Construction and Maintenance Association (NRC)

Read more about Bill's industry experience and his outlook for the industry in the February issue of *RT&S* magazine. Find a link on the RailWorks website homepage at www.railworks.com.

PNR RailWorks

Pacific Region crews are working on upgrading the power rail system on Greater Vancouver's Expo Line light rail system. Work began last May and will continue through the end of 2014 to replace components that are 28 years old. The new system will expand capacity and allow for more frequent trains on the line.



PNR RailWorks crews work at night on an elevated structure to change out power rail components on the Expo Line in Greater Vancouver, British Columbia.

"We invested a lot of effort upfront to develop an 'engineered' solution to achieve the daily production stipulated in the contract," reports Project Manager **Daniel Kabat**. "The nightly requirement – to remove and install 130 track meters of new power rail and supporting components in a 6 ½ hour window – initially seemed like an overwhelming task. Through collaboration with Vice President **Peter Pearce**, we developed our own construction drawings by surveying and developing an "as build" of the existing system. By performing all the cutting, drilling and sequencing of the material in advance, our team was able to remove that work from the limited window of access each night on the guideway."

The project team, supported by Project Coordinator **Lucas Dorn** and Foremen **Mike Sotiris** and **Sheldon Joynes**, is comprised of separate engineering, preparation and installation teams that work various shifts around the clock. According to Daniel, "The project truly relies on the coordination and support of each individual team working in cohesion to achieve overall project success."

Safety Quiz Answers (See quiz on page 2.)

1. C 2. B 3. A 4. C 5. A