



To: All Transportation Department Employees

From: Mike Paras

Date: January 18, 2007

**SUBJECT: Reissued General Orders, Bulletins and Notices – 2007**

Enclosed are copies of the latest General Orders, Bulletins and Notices effective January 17, 2007.

The posting of General Orders, Bulletins and Notices has been discontinued. They are now readily accessible and printable by employees directly from The Belt Railway's Web Site ([www.beltrailway.com](http://www.beltrailway.com)). All PC's on the property now allow access to the Web Site. Instructions for accessing and logging into the site are included in General Notice No. 1. Future enhancements to your individual login will include a view of your Efficiency Testing performance. We will also be issuing a new Safety Book and Air Brake Book in 2007 in addition to an updated Time Table & Special Instructions.

I would also like to take the opportunity to provide you with a Belt Railway Update.

**Safety: Personal Injuries**

2006 was not a good year for personal injuries. Our company Frequency Severity Index finished the year at 3.13 injuries per 200,000 man-hours. 99% worse than 2005. 52 employees suffered an incident. 36 of these employees work in the Transportation Department, 5 in Engineering, 10 in Mechanical and one in Administration. Unfortunately, sixteen of the injuries resulted in lost time. We definitely have an opportunity in this area in 2007. The primary cause of injuries in 2006 resulted from a Slip, Trip, or Fall. Failure to properly use body mechanics and keep eyes on path was the primary causes of these incidents. We have an opportunity in 2007. The Belt Railway includes some of the most professional and knowledgeable railroaders in the industry. Rules compliance improved in 2006. Awareness improved in 2006. I am confident we will succeed in 2007.

**Safety: Derailments**

Derailments were slightly worse in 2006 than 2005, primarily caused by an increase in by-pass coupler derailments. Costs associated with derailments improved by 33%. A good news story took place during the last three months of the year where we improved by-pass coupler derailments by 55%. This is primarily attributed to changing our hump process to a single car cut operation in the West. We are going to do the same in the East effective February 1<sup>st</sup>. A great news story took place in connection with a reduction in Human Factor Derailments, Run Through Switches and Run Outs. Many thanks to each of you for your increased vigilance and rules compliance. This behavior will make the Belt "Best in Class".

**Service:**

Intermediate traffic (cars humped) remained relatively flat in 2006 versus 2005 while the number of cars handled directly over our railroad by carriers increased approximately 4%. It may surprise you to know that combined intermediate and direct movement traffic resulted in our railroad moving over 2.6 million cars through the Chicago Gateway in 2006. The Belt Railway is Chicago!

On Time Train Departure performance in accordance with the standard established by railroads operating through the Chicago gateway, closed the year at 63%. Train Set performance, which is our biggest responsibility in connection with outbound carriers living up to their commitments, averaged 83% for the year. We exceeded a 90% set performance in October, November and December. An average of 87% of cars humped made the first connection. Again, a great accomplishment by the employees working at the Belt. Car Dwell, the period of time a car is on hand at Clearing, averaged 27.5 hours for the year. This is the lowest dwell we have had in the last three years.

The 2007 business forecast, due to a softer economy, looks like it is going to follow the national trend and also be somewhat lower. The future for the Belt Railway, however, is still promising. We will be strengthening the physical plant in 2007 with the installation of new turnouts, inert retarders, and two new group retarders. In addition, we will continue the upgrading of our bridges.

In closing, I would like to reiterate my June 2006 comments regarding the expectation by our internal and external customers. Our owners, customers, and employees expect a safe operation and service reliability that fulfills the requirements set forth. 2006 was a year of improvement in many areas. We all should be proud of these improvements. It was also a year of disappointment in the Personal Injury area. We have a definite opportunity here. Improvements in this area cannot be made without the support and alignment of all employees. Working safely must be an above-the-line, individual commitment. Every employee has the responsibility to work with ZERO injuries and free of a Human Factor incident. In addition, I must also ask each of you to keep rail security at the forefront. In today's environment we cannot afford to place our company in a position of weakness or increased exposure. Report trespassers or suspicious activity immediately to the Belt Police. Thank you for all your efforts in 2006 and I look forward to a successful and safe 2007.