

on track



Focus on:

New training simulator opportunities in Egypt



NYAB begins our first simulator project in the Middle East

Train Dynamic Systems (TDS) will design and build five customized training simulators for a state-of-the-art railway training facility in Egypt.

TDS Team in Egypt

In March, seven TDS employees traveled to Egypt to start the simulator project planning stages – Director Mike Hawthorne, Principal Engineer Mackay Foster, Mechanical Engineer Lynden Lee, Senior Staff Scientist Steve Fuhrman, Graphics Modeler Jane Fuhrman, Program Manager Darwin Cooley and Systems Engineer Brett Wallace.

Cover photo:
Lynden Lee sees the pyramids in traditional style.

Above left photo:
Darwin Cooley (at left) and Brett Wallace (right) settle for seeing the sights on horseback.

Above right photo:
The GE locomotive delivered to ENR in 2008 is an adaptation of the powerful EVOLUTION Series locomotive.

When MPRI approached New York Air Brake last spring about new training simulators for the Arab Academy for Science, Technology & Maritime Transport, our TDS team was excited by the prospect of a project in the Middle East, a potentially promising market for us.

Maximizing safety and efficiency

MPRI, a world-wide supplier of vehicle and maritime simulator products, services and turnkey training facilities, is working with the government-run Egyptian National Railways (ENR) to modernize and improve both passenger and freight train service throughout the country. A key element of this program is training railroad personnel to maximize safety and efficiency using simulators at the Academy, currently under re-construction in Wardan (see blue marker on map above).

TDS is designing a customized simulator for five locomotive models used by Egyptian National Railways – Canadian, Henschel, Adtranz, GE and EMD.

In addition to being TDS' first simulators designed with control stands on the left of

the cab, the Egyptian units will feature new-to-the-industry simulator functionalities like starting the locomotive engine and experiencing a variety of malfunctions.

TDS will also create new state-of-the-art Computer Generated Imagery (CGI) for 770 km of Egyptian track, about 20 percent of ENR's mainline. The new higher fidelity, higher resolution CGI will show more detail than the present TDS-5000 imagery, including more accurate landscapes and more realistic textures, with representations of actual stations, their surroundings, and even moving people.

We plan to ship the simulator hardware to Egypt this year, with software customization to follow on site. Once the five simulators are installed, TDS personnel will train Academy and Egyptian National Railway staff to use the equipment. TDS also hopes to sell ongoing maintenance and support, currently an option in the existing contract.

The TDS team welcomes the new and unique challenges of this project in Egypt – look for periodic updates on our progress.

Darwin Cooley ■



Applying the brake (shoes)

During the 4th quarter of 2008, New York Air Brake acquired Anchor Brake Shoe Company, a leading North American manufacturer of locomotive and freight car brake shoes.

Anchor Brake Shoe (ABS), manufacturing in West Chicago, Illinois since 1977, has earned an excellent reputation for the quality, durability and performance of its brake shoes due to ABS' focus on customers, commitment to process quality and continuous product improvement. Products (*several brake shoes shown top right*) include high and low friction composition shoes as well as tread conditioning shoes for a variety of AAR freight, locomotive and transit applications.

Anchor Brake Shoe is AAR-M-1003, ISO-9001/2000 certified, and was the first railroad supplier to install an AAR approved dynamometer (*pictured bottom right*), resulting in reliable standardization of testing parameters and significant cost-savings through annual compliance testing in house.

Ensuring a smooth transition

Earlier this year, 26 NYAB engineering, sales, marketing and field support personnel spent two and a half days at the West Chicago facility (*pictured above*) familiarizing themselves with the Anchor Brake Shoe Company, its people and its products. NYAB participants included – Marshall Beck, Joe Bruce, Tim Carr, Chuck Coyle, Don Crews, Joe D'Agostino, Warren Fargo, Robert Finton, Chuck Fratangelo, Bill Gallagher, Mark Garvin, Dave Harvey, Bob Hodge, Art Ivins, Thomas Mangnall, Michael Michaelis, Bryan McLaughlin, Brian Morrow, Joe Parisian, Keith Perry, Mark Rife, Marc Robbins, Gary Rogers, Steve Shanta, Fred Sweazey and Bill Waide.

The training began Tuesday, January 20 with a plant tour of the 64,000 sq. ft. facility led by ABS personnel Mike Tatera, Glenn Guelde, Jason Ball and Dan Gosselin (*in burgundy shirt, above right*), followed by two days of group briefings about the construction, manufacture and performance of Anchor freight, sintered and locomotive brake shoes, as well as discussions about the company's customers, sales and market overviews/opportunities.

"Anchor is a good strategic fit for New York Air Brake" said J. Paul Morgan, President. "The addition of brake shoes to our product line will allow us to provide a more comprehensive service to our North American customers while the global network of the Knorr-Bremse Group will help Anchor penetrate new markets."

Dan Gosselin ■



Compliance smooths the way for international trade

In 1993, the Customs Modernization Act mandated that companies like New York Air Brake, with international imports and exports, be responsible for compliance with customs regulations.

At NYAB's Transportation / Customs Compliance Department, our role is to provide US and Canadian Customs with up-to-date, fully compliant information on all our imports and exports as well as to supply accurate information to our brokers and to audit all entries that customs brokers submit on our behalf. Ignorance is no excuse – importing and exporting is a privilege.

The benefits of compliance for NYAB include:

- Saving the company and our customers thousands of dollars annually by taking advantage of Free Trade Agreements (i.e. NAFTA, AUSFTA) to obtain preferential duty treatment
- Avoiding non-compliance fines and penalties by being proactive and knowledgeable regarding the various government agencies' regulations
- Maximizing duty refunds through post-entry auditing
- Keeping costs down by negotiating annually with carriers and forwarders as well as auditing carrier invoices, bill backs and freight claims.

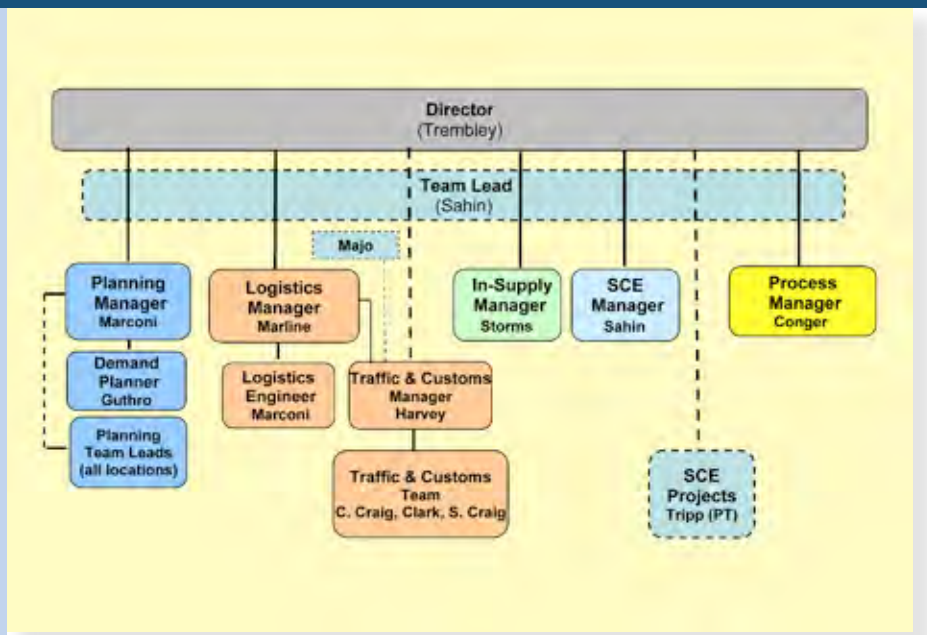
Compliance goals for 2009

As we continue looking for ways to improve our customs compliance processes and to create additional SOPs, initiatives for this year include working with Engineering on a review process to determine whether export-ready parts require an export commerce control number (ECCN) and/or export license. Another objective is to complete a project with a 3PL/freight cost management company to increase savings, decrease transportation costs and provide timely, detailed reports.

Our Customs Compliance Department staff is ready to assist NYAB employees, customers, suppliers and brokers who have questions or concerns about domestic or international transportation and customs processes, trade agreements and partnerships, SAP product trade data, government correspondence concerning compliance, product tariff classifications, etc. Contact us when you need help with any aspect of transporting, importing or exporting NYAB products and materials.

Joyce Harvey ■

Cathy Craig ■



Supply Chain Management focuses on excellence

New York Air Brake is growing through new products and by acquisition, with more distant customers worldwide and additional remote manufacturing locations. Supply chain activities are also growing at a rapid pace – so we addressed this complexity with a new integrated and synchronized team approach including best-in-class practices.

In February 2009, NYAB launched a new Supply Chain Management (SCM) Organization with responsibility for supply chain planning, process & logistics and Supply Chain Excellence (SCE) programs across the NYAB Strategic Business Unit (SBU).

The new organization will work closely with all other SBU functions at all locations to provide leadership for the following goals and KPIs –

- Customer and supplier delivery performance (D95)
- Inventory performance (traditional scope of days and demand turns)
- Logistics cost reduction (warehouse cost, transportation cost, order entry cost, MRP cost, in-plant / inter-company material movements)
- SAP / SCM / ERP process excellence
- SCE fit (cost optimization strategies, pull share, consignment, supply side configuration management)

This organization will be based on matrix management principles with a central function of experts defining work content, policy and procedure to achieve uniform SCM processes and execution at all SBU locations.

Additional objectives for 2009 include – improving service center / international / intercompany logistics and warranty consignment / customs processes as well as introducing inventory performance tools and processes at Anchor Brake Shoe, coordinating MRP planning at all SBU locations and integrating SOP with SCE Dashboard.

Bob Trembley ■



Clean, green oil-free compressors expand in new directions

New York Air Brake engineer experiences living in Europe while helping to adapt existing technology for North American heavy haul railroads.

Knorr-Bremse's Air Supply CoC, headquartered in Munich, has successfully developed technology that allows air compressors to run without a drop of oil. This clean and green technology is aptly named "oil-free." Oil-free compressors are highly reliable, low maintenance, inexpensive to operate and easy on the environment.

In November 2005, I joined the Air Supply group in Germany on behalf of NYAB to contribute to the design of an oil-free compressor for the heavy haul locomotive market, including locomotives made by General Electric and Electro-Motive Deisel. Air Supply designs and manufactures several models using oil-free technology, but the largest existing compressor was one-third the size required for the long trains that are common to North America.

After fully understanding the requirements of the North American (AAR) system, our group designed and built prototypes for testing and qualification purposes. In March, we finished the qualification testing required in order to start field testing. The next step of the VV1000T development is to exhibit oil-free technology in terms of its effectiveness in lowering life cycle costs, reducing impact

on the environment and ability to endure harsh locomotive conditions. This field demonstration activity is slated for Q3 2009. NYAB is coordinating with the railroads as well as the locomotive OEMs on the details of the demonstration. The first demonstration will take place in cooperation with Norfolk Southern Railway.

Doing as the Germans do

When I committed to this assignment, I decided to live like a German as much as possible. I used a bike and mass transit instead of a car, adopted the native menu, learned enough German to get around and tried the pastimes appreciated by that culture.

One of the most difficult habits for me to overcome was "turning tables" in restaurants. In Germany you are encouraged to savor the meal (*typical fare shown right*). This is especially enjoyable when the weather is nice enough to visit Munich's famous beirgartens.

Europe is a collection of very small countries when compared to the United States, but there are a lot of Europeans, so compact designs are practical and desirable. (*like the extraordinarily small smart car pictured at right*)

continued on page 6

The oil-free design team, above left to right – Klaus-Michael Scheider, Matthias Fritz, Gerhard Proell, Michael Hartl, Bill McCurdy, Brendan Crowley, Ludwig Obermaier, and Christian Achatz





...new directions, continued from page 5

For example – bedrooms, bed sizes, bathrooms and cars are more compact and personal space is much less generous than I'm used to. My American-sized comfort zone was commonly overrun. Lines do not form well in Germany – the concept of queuing is not embraced, so budging or cutting in happens without discussion or argument.

With many cultures and languages in a compact area, speaking three or four languages is a necessity. It can be frustrating. Although I was able to communicate using a combination of German and English, it was an uphill battle – all the way!

I enjoy the baker's dozen mentality – buy 12 get one free, bigger is better. In Europe, quality is the main selling point, whether it's cheese, coffee, furniture, cars or houses. We Americans tend to expect things to look, feel and behave like new or we throw them away. In Germany, they buy high quality and expect it to last a lifetime.

Maybe this is because Europe is steeped in history, amazing architecture and art masterpieces in world-famous museums. The culture all around me inspired me to learn more about world history.

By taking on this engineering assignment in Munich, I had the rare opportunity (of a lifetime) to learn not only about other cultures, but also about American culture and about myself.

Bill McCurdy ■



Great ideas thrive in 2008...

A total of 1,115 ideas were submitted in 2008 with an achieved cost savings of over \$600K, more than double the corporate goal of \$250K!

In the 4th quarter, we celebrated that Top Performer Club membership reached an all-time high with 61 total members from all NYAB locations combined – and recognized all of the 4th quarter 2008 Top Performers Club members. We extend special congratulations to the 20 employees who were Top Performers Club members for all four quarters of 2008.

Bob Trembley presented Craig Monaco (*at left in photo above*) with a \$500 check for the most implemented ideas in 2008. Debbie Farrell, NYAB, and Michael Leblanc, KC, were each winners of the \$200 quarterly drawing.

2008 gain sharing event

In 2008, 25 employees gain-shared \$12,000 for submitting and implementing cost savings ideas. The Leadership Team approved and announced these gain-sharing awards. To qualify for gain sharing, each idea had to be implemented in 2008 and verified by the manager of the impacted area.

Many other cost savings ideas were also submitted in 2008, and are now in the process of being implemented. In the future, every cost savings idea that qualifies will be considered for gain sharing. "If the business saves money resulting from your idea, we are happy to share the gain as appropriate and as approved by top management." Hats off to NYAB employees for your outstanding performance in 2008!

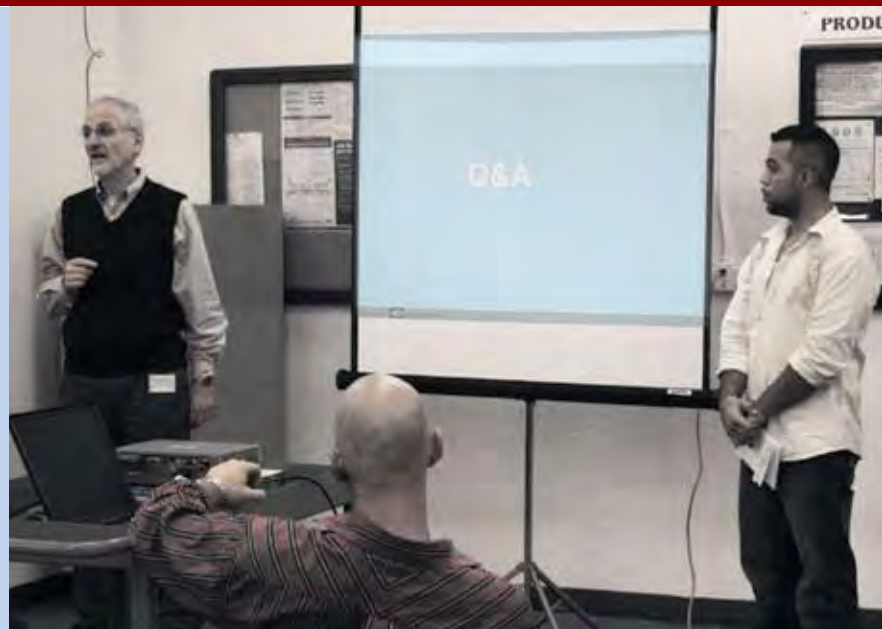
Looking ahead...

We have recently implemented a new system in which points = \$\$\$\$. For example, 30 points will be equivalent to \$25. We have also incorporated a wellness component into the ideas program. Employees will have the opportunity to gain points by taking part in various wellness activities, and these points will be combined with idea points. Employees will also have the choice of saving the points or redeeming them monthly for various gift cards in our online catalog. We expect to launch the online catalog by the 2nd quarter 2009.

A new team with the same focus

Ajit Patil, working closely with Scot Zaffora-Reeder, took over day-to-day *ideas@work* program management on March 1. Bob Trembley will continue supporting the program as an advisor, and Diane, Jamie and Meghan will remain on the team. Please support Ajit and Scot as they take *ideas@work* to a new level of success.

The *ideas@work* Team



Little Rock Service Center – On February 10, J. Paul Morgan reviewed existing business and the outlook for the future with LRSC management and operations personnel. He then participated in a plant tour and concluded his visit with a presentation of the outlook for New York Air Brake in 2009 to the entire workforce (*photo at left above*). Translator Andres Martinez (*far right in photo at right above*) assists Paul in his NYAB review/outlook presentation to employees.

Knorr Brake Limited hosts MBA Venture Study Tour

On June 4, KBL hosted three groups of MBA students participating in the Venture Study Tour. The objective of the tour is for MBA students, spending a year in Kingston studying at Queen's University, to become aware of businesses starting or already established in and around the city.

Many of the students have never been in Kingston before, having taken an undergraduate degree at other universities. Most of them have at least two years' work experience across Canada or beyond.

While studying management at the Queen's School of Business, they spend 12

months working on many different case studies or projects. During the Venture Tour, they visit three different sites around Kingston as a team. The teams were then assigned to develop an "elevator pitch" of 90 seconds or less, about one of the three sites they visited, to present to an audience of their classmates and the hosts of all the other sites.

Opportunities to network

Based on an evaluation by a panel of three judges from the local business and organizational community, one of the team pitches won a prize. Following the presentations, while the judges deliberated,

there was a reception during which the students and hosts had an opportunity to mingle and network. In many instances this has led to major projects and, in some cases, future employment.

The Venture Study Tour enhances the student's awareness of what Kingston has to offer and at the same time it provides an opportunity for the hosts to appreciate the capabilities of the students and some of what is happening at Queen's. It is reasonable to say that both parties enjoyed it and found it valuable.

Trish McMullen ■



KC hires through May 31, 2009

Gerhardt, Michael – *Temp Production*
 Hoskins, Herbert – *Temp Production*
 Martinez, Armando – *Temp Production*
 McKown, Bradley – *Temp Production*
 Sysvant, Royal – *Temp Production*
 Williams, Charles – *Temp Production*

LR hires through May 31, 2009

Ramirez, Roberto – *Technician 1*
 Davis, Justin – *Technician 1*

NYAB hires through May 31, 2009

Rogers, Gary – *Field Services Engineer*
 O'Leary, Joseph – *Warehouse Logistics Spec*

TDS hires through May 31, 2009

Wallace, Brett – *Systems Engineer*
 Shaw, Milton – *Technical Documentation Specialist*
 Ince, Eric – *Field Service Technician*
 Lawson, Lane – *Field Service Technician*
 Barringer, Mary – *Project Manager*
 Chidester, Scott – *Embedded Systems Developer*
 Geng, Biao – *Embedded Systems Developer*
 Adams, Sean – *Systems Engineer*
 O'Donnell, Timothy – *Embedded Systems Developer*
 Akif, Sammy – *Systems Engineer*
 Faught, Daniel – *Embedded Systems Developer*
 Ihry, Michael – *Field Service Technician*
 Pallett, Freddy – *Systems Engineer*
 Ratliff, Russell – *Systems Engineer*



From March until June, 30 NYAB employees competed in a variety of YMCA North Country Community Cup sporting activities, along with 13 other teams from Jefferson and Lewis Counties. The main goals of the Olympic-style events are to promote a lifetime commitment to health, to encourage community involvement and to foster pride in the companies we work for.

As this year's captains, we can proudly say that our team members showed lots of enthusiasm, spending numerous hours working out and participating in a wide variety of community-oriented activities. For one week in June, each team competed in final events including basketball, golf, running, bocce, volleyball and dodgeball. Our team's top events were:

- 1st place – Home Run Derby**
- 3rd place – Adventure Scramble**
- 4th place – Dodgeball**
- 5th place – 440 Yard Relay**
- 6th place – Basketball and Participation**

Final results were very close with many of the teams only separated by a few points. While our team finished seventh out of 14 teams, we look forward to improving our performance at next year's event!

Erin Hunter, Dave Socha ■

Bryan Mehaffy: hiking gear – \$500, gas to the Adirondacks – \$30, spending time with your sons – PRICELESS!

