

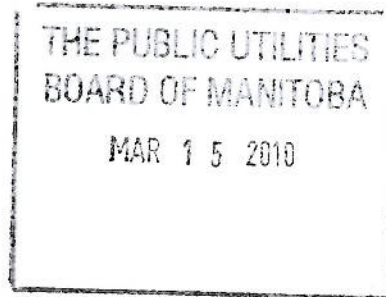


311 S. Wacker, Suite 5300 | Chicago, IL 60606

(312) 922-4511 tel | (312) 922-4517 fax | www.amstedrail.com

March 1, 2010

Mr G. Gaudreau
The Public Utilities Board
400-330 Portage Avenue
Winnipeg, Manitoba R3C 0C4



Dear Mr. Gaudreau:

Griffin Wheel Company operates four railroad freight car wheel manufacturing facilities in North America. Griffin's business environment has changed dramatically as a result of the worldwide economic downturn which has affected the railroad market to an unprecedented degree. As a result, we idled our Winnipeg wheel plant in October 2009, which enabled us to retain key staff that would be critical to successfully returning to full production. We also reduced the operating schedules of our remaining facilities which are located in Iowa, Ohio, and Kansas. If the Winnipeg plant is to continue operation, improvements in the competitiveness and productivity must be realized. Since idling, we have renegotiated the labor agreement in Winnipeg and are underway with an \$8 million transformer upgrade, but the market has not yet recovered and further actions must be taken to ensure the viability of the Winnipeg operation.

Our goal is to keep our plants operating, and to keep our employees at work. We took advantage of the Demand Deferral program offered by Manitoba Hydro which enabled us to maintain our plant in a state of readiness. Keeping four plants running at low operating levels is not a viable solution. We have recently met with Manitoba Hydro and also with the Provincial Government and are discussing hurdles faced by our Winnipeg facility that our US facilities do not have to overcome.

Our plan is to restart the Winnipeg facility especially in light of the commitment from our employees which was signaled by their ratification of a new three year agreement. We are also moving ahead under the premise that Hydro and the Province will help and have reason to be encouraged. We are now reaching out to you.

We ask for your consideration to make the Demand Deferral program a concession versus a potential loan. While Manitoba Hydro decided not to extend the program past November 2009, we further ask that consideration be given to extending this concession until May of 2010 for Griffin Wheel and other companies in Manitoba who are still struggling with the economic recovery. We are a large user of energy, but the peak demand charges that must be paid during periods of reduced plant operation erodes our ability to compete with offshore competitors.



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Griffin Wheel Company has a long standing history, and has been operating the Winnipeg plant since 1958. We are very dedicated to our employees; providing an attractive wage and benefit package. We are moving ahead with implementation of our plan to restart our Winnipeg plant based on the assumption that you, the PUB, will assist with the aforementioned requests.

We would like to request a meeting to meet with you personally to discuss the issues presented above.

Sincerely,

Mark Shirley

A handwritten signature in black ink that reads "Mark Shirley".

Chief Operating Officer
Amsted Rail

cc. Kathleen McCallum, Project Manager, CEDC
Bob Brennan, President & CEO, Manitoba Hydro
Roy Kirkwood, Works Manager, Griffin Wheel – Winnipeg
Dave Schade, Director of Finance, Amsted Rail