

# 1st MONDAY 3rd MONDAY

Prepared for employees by the  
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November 3, 1980

To All Milwaukee Road Employees:

I will begin this letter by describing the good fortunes of our Chicago - Kansas City services. We operate run-through trains directly to and from Missouri Pacific, Santa Fe, and Union Pacific, and a train serving the Joint Agency; a total of four long-distance trains in each direction daily. We also operate run-throughs, consisting primarily of unit grain trains, to Missouri - Kansas - Texas, and are negotiating to establish daily schedules for all types of traffic to that railroad. On October 22, we ran train 220 on an expedited demonstration or test run departing Armstrong Yard, Kansas, with 98 cars. At Ottumwa, crew and locomotive were changed, and the train departed with 51 cars. Another crew change was made at Savanna, and arrival at Bensenville was less than nineteen hours out of Kansas City. This performance indicates that a projected 24-hour schedule is possible in this service corridor. Moreover, the results of the test trip will provide an effective tool in our efforts to secure additional business.

A Muscatine firm had been somewhat apprehensive of the Milwaukee succeeding the Rock Island as local carrier. However, our actual service has dispelled their misgivings. Permit me to quote from a recent letter I received from this company: "...this...has given... a different perspective on railroads in general and the Milwaukee specifically. You can count on our support...and we look forward to a long term relationship with you."

Improved levels of service and dependability have resulted in a return, plus gains, of chemicals and canned goods to the Kansas City line. We are becoming increasingly attractive as an interchange carrier at Kansas City. Transit times via "Milwaukee II" have decreased markedly. For example, the time interval between receipt from connecting line at Kansas City and delivery to connecting line at Chicago has improved by 45%; departure from Green Bay to delivery to connecting line at Kansas City has decreased by 41%; and receipt at Kansas City to arrival in Milwaukee by 33%.

In recognition of the momentous increase in importance of the Kansas City line, we have strengthened the management team of the Illinois-Iowa division by appointing, effective November 1, Ronald L. Tewell to the newly created post of General Superintendent in Kansas City. C. D. Nunley will continue as Superintendent of the Joint Agency.

The Liberty, Missouri, experiment has been expanded following a Labor - Management Action Group meeting in Ottumwa on October 8. When the siding at Liberty is full, run-through trains may now set out Kansas City local cars at Lawson. Short turnaround crews now move from Kansas City to pick up cars at Liberty and make direct delivery to connecting railroads and to the MILW-KCS Joint Agency. Another new agreement enables one eastbound run-through train per day to pick up cars at West Wye Tower in Kansas City.

LMAG has established in Milwaukee a better connection to forward to Bensenville cars arriving at Glendale Yard from the Wisconsin & Southern. Estimates are that this will result in savings of approximately \$135,000 annually in per diem and switching charges. The Materials Division LMAG group has arranged for publication of a brochure explaining methods to reduce damage when shipping company material and has initiated steps to provide a better working environment in their section. Clayton Smith, Assistant Vice President - Mechanical, is establishing an LMAG program in his department.

You are all familiar with the UTU agreement making possible the delivery of unit grain trains or blocks of grain cars directly to the C&NW at Washington Street in Milwaukee. This cooperation between labor and management produced savings in operating costs effecting lower rates attracting new business. With this new service, thus far between August 25 and October 20, we have operated from Mason City to Milwaukee 17 unit grain trains made up of 1,105 covered hoppers.

LMAG teams at Austin and Mason City have worked closely with Minnesota - Dakota division officers in examining car delays and crewing questions on the Jackson line, the Austin - Marquette line, and the Mason City - Marquette line. Agreement has been reached to handle extra trains between Austin and Marquette with a single crew, and service has been increased between Austin and Calmar and between Austin and Jackson.

All of these LMAG efforts contribute to better service for "Milwaukee II" customers and greater job security for "Milwaukee II" employees. They are indicative of how we can all work together to help insure our future.

To explain its program in detail to the Local Chairmen and Grand Lodge representatives, LMAG participated in the BRAC System Board Meeting in Milwaukee on October 23 and received a warm welcome. LMAG has been represented at recent local BLE and UTU meetings as well.

As October drew to a close, the disposal of routes not included in the "Milwaukee II" system moved at an accelerated pace. On the 27th, Judge McMillen approved the sale to the South Dakota Railroad Authority of approximately 764 route miles in an

\$18,750,000 sale scheduled to close, in escrow, November 15. South Dakota is acquiring lines from Canton through Chamberlain and Kadoka to Rapid City; between Aberdeen, Mitchell, Yankton and North Sioux City; the branch between Napa and Platte; and shorter segments between Trent - Sioux Falls - Canton; and from Britton to a connection with Burlington Northern. Individual options provide for possible South Dakota purchase of routes between Canton and Elk Point; North Sioux City, S. Dak., and Sioux City, Iowa; and Canton, S. Dak., and Sheldon, Iowa.

Three days earlier, the Judge gave final approval to the Burlington Northern and Union Pacific sales. We expect to close those transactions, which will total \$40 million, before the end of the year. The BN and UP acquisitions will assure continued service to virtually all major customers formerly served by the Milwaukee in Montana, Idaho, and Washington. South Dakota Railroad Authority's lines, through interchange at Aberdeen, and possibly at Sheldon, will restore to our railroad revenues lost by the embargo, particularly with respect to grain movements via Miles City.

Proceeds from these sales are valuable to our reorganization process but are not available to fund railroad operations except under Court order.

I am pleased to announce that P. Laurin Cowling, President of the Milwaukee Motor Transportation Company, has been elected a director of the Illinois Trucking Association. MMT driver James Hansen has been awarded the Illinois Driver of the Year trophy.

Our own motor vehicles afford an opportunity to project the Milwaukee image away from our physical property. While most of our automobiles and trucks presently display our corporate emblem, I have approved a policy which requires, no later than December 1, placement of our logo on all vehicles except those used by the Adjustment Services and Police departments. If you need them, monograms and accompanying serial numbers can be obtained from Chet Miller, 831 Union Station, Chicago, Illinois 60606.

Please be advised Gary Bloker has been appointed Regional Manager - Social Counseling. Chicago area employees should feel free to visit him at 600 East Higgins Road, Elk Grove Village, Illinois 60007, or phone him at 228-0606.

Finally, gremlins worked their way into Third Monday of October 20. The opening paragraph should have concluded: "...and this was the first time since December 1979 that borrowings were not required."



W. L. Smith  
President

