

1st MONDAY 3rd MONDAY

Prepared for employees by the
Milwaukee Road's Corporate Relations Department
518 West Jackson Boulevard Chicago, Illinois 60606
Telephone 312 648-3324

February 17, 1981

To All Milwaukee Road Employees:

Service on the Miles City line segment continues to receive our active attention. The following status report was filed in Reorganization Court Tuesday:

On January 15, 1981, the Trustee, in his Milwaukee Road Reorganization Feasibility Report, advised the Court that a decision would be made on February 17, 1981, with respect to the future of the so-called Miles City Line.

Since January 15, 1981, a coalition of state officials, shippers and power companies has been formed and has undertaken intensive efforts to arrange the required \$49 million financing to rehabilitate the line. In the absence of the availability of long-term, low-interest financing in this amount, the Trustee will be unable to maintain the Miles City Line as part of a reorganized Milwaukee II. In order to allow this coalition the opportunity to explore sources for this financing, the Trustee has agreed to delay further action with respect to abandonment of the Miles City Line.

However, if there is no financial commitment for rehabilitation satisfactory to the Trustee by April 15, the Trustee will initiate abandonment proceedings with respect to the Miles City Line.

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A number of employees have asked why they received more than one envelope containing tax withholding statements, thinking it would have been more economical to put all withholding statements in one envelope, thereby saving the additional postage required for multiple mailings. In response to those questions, I asked Larry Harrington to explain for the benefit of all the procedures used in handling this important task. Here is what he had to say:

This year in an effort to save hundreds of employee hours and to minimize the number of lost and/or misfiled,

misplaced W-2's - again necessitating more employee hours to locate or duplicate - we designed specifically for machine stuffing and mass mailing W-2 statements and corresponding envelopes so that the Post Office would effect actual delivery to the employee.

Over the weekend of January 17 - 18, we printed some 28,000 W-2 statements in two separate runs, i.e., federal, in one run; state, county, and/or city, in the second run. We mechanically stuffed some 25,000 such statements - at the rate of 11,000 per day - and by Monday, January 26, we finished and mailed the last batch. We mailed about 22,000 at 13¢ and 3,000 at 15¢ utilizing some 56 employee hours.

With two separate computer printings for the W-2's and with the machine doing the stuffing, we could not afford the luxury of hand stuffing all W-2's due an employee in one envelope, particularly considering the average clerical rate of \$9.86 per hour.

All W-2's with improper, invalid, incorrect addresses will be, if they already have not been, returned to Payroll. If you know of anyone who has not received a W-2, please have him or her call extension 3157 in Chicago, or write Payroll, Room 224, the Milwaukee Road, 516 West Jackson, Chicago, Illinois 60606.

We are anxious to properly handle any and all inquiries, but we will need specifics in order to serve you. A number of anonymous letters have been received and obviously there is no way we can respond to that kind of communication.

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Another significant development has been achieved through the efforts of all our Labor Management Action Group involving turnaround train service between Milwaukee, Wisconsin, and Chicago, Illinois. With the cooperation of the UTU and BLE and their members and local division officers, the new service was put into effect yesterday.

The investment in track rehabilitation in this corridor, designed to provide improved freight service enabling us to compete more effectively in the market place, and to improve the efficiency of our operation, made this new service possible. Studies indicate potential savings of \$500,000 annually may be realized as a result.

Specifically, the agreement provides that crews called at Milwaukee will be called on a continuous time turnaround basis. They will handle a train from Milwaukee to Bensenville and return with another train from Bensenville to Milwaukee with minimal delays. In the unlikely event

that a return train is not available at Bensenville, the crew will be transported home by other means.

While there are economic advantages for the railroad under the new agreement, employees benefit through an improved quality of work life in that each employee is able to return home upon completion of his turnaround assignment. Overnight lodging, and the expenses affiliated with it will be eliminated.

A joint labor-management group has been established to monitor the performance of this innovative operation.

A handwritten signature in black ink, appearing to read 'W. L. Smith', with a stylized, cursive script.

W. L. Smith
President