

# 1st MONDAY 3rd MONDAY

Prepared for employees by the  
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December 6, 1982

To All Milwaukee Road Employees:

The heavy rains that battered the midwest last week caused flooding in certain of our service areas and created problems for our Operating Department.

Particularly hard hit were our operations in the Quad Cities where service was interrupted early Thursday, December 2, by the abnormally heavy rain runoff into the Government Bridge depression on DRI&NW trackage at Davenport. This is a critical point since all of our Chicago - Kansas City freight train fleet operates over this particular segment. The track was blocked by some eight feet of water over the rail until approximately 2:00 p.m., Friday, December 3. This blockage caused a delay in train service between Clinton, Iowa, and our Nahant yard of approximately thirty hours, including our Chicago - Kansas City trains.

Using our own pumps, as well as equipment rented from other agencies, we employed a total of up to eight units to pump water from the underpass in an effort to restore service as quickly as possible. All three pieces of our equipment are housed in a masonry facility at the bridge depression. When triggered by certain flood conditions, two automatic pumps are activated on a principle similar to the operation of a sump pump in many homes. The other unit is placed in service as the situation demands.

We also reach out - as we did in this case - to obtain gasoline-driven and other electric pumps to alleviate flood conditions.

Also, in the Chicago area flooding, south of Blue Island on the IHB, caused train 204 to be held at Bensenville for about twelve hours before detour arrangements around the high water areas were put in place.

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An interesting brochure dealing with our Minority Business Enterprise program has been prepared for distribution to interested minority vendors and contractors.

The brochure points out that the Milwaukee Road's MBE program was launched in February 1977. Since then, it has been responsible for the purchase of millions of dollars of goods and services from ethnic minority and female-owned business firms.

The purpose of the program is to see that minority businesses get an equitable share of business from Milwaukee Road. This is accomplished by systematically finding the right commodity or service needs and matching them with available sources of minority business firms.

A keystone of the program is the establishment of annual MBE goals. These goals are described in percentages of dollar purchases that are forecast for MBE participation. Percentage goals are also described by departments, types of goods and services, and distribution among the major MBE groupings.

Another feature of the program is the certification requirement. To meet the requirement a firm must prove that it is a bona fide minority business in accordance with DOT Rule 49 CFR Part 23. This means that the firm is at least 51 percent owned and controlled by racial or ethnic minorities, or women, who actively manage the daily operations of the business. All firms wishing to participate in the program must meet this requirement.

Our Statement of Policy asserts our commitment to a policy of non-discrimination in our purchase of goods and services. It is our policy to offer an equal opportunity to all vendors, irrespective of race, color, religion, national origin, sex, age, or physical handicap. All vendors, who are capable or have the potential, shall be given consideration in our buying decisions.

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The U.S. Railroad Retirement Board recently issued a release concerning Railroad Retirement Tax Increases.

Beginning January 1, 1983, the maximum amount of railroad employee compensation subject to the tier I railroad retirement tax increases from \$2,700 a month to \$2,975 a month; and the maximum amount of compensation subject to the tier II tax increases from \$2,025 a month to \$2,225. However, the 1983 tier I and II tax rates remain unchanged from 1982.

The tier I tax rate of 6.70% on employers and employees is the same as the social security tax rate. Both the tier I tax rate and the amount of compensation subject to the tax increase whenever there are corresponding increases under social security law. The tier II tax rate on employers is an additional 11.75%; for employees it is 2%.

Because the maximum amounts subject to taxes are increased, higher salaried workers will pay more in railroad retirement taxes in 1983.

Employees earning at least \$2,975 a month, the maximum taxable in 1983, will pay \$243.83 a month in railroad retirement taxes, \$22.43 a month more than in 1982. For railroad employers, the maximum monthly regular retirement tax on an employee's earnings increases from \$418.84 to \$460.77.

In addition to regular railroad retirement taxes, railroad employers pay railroad unemployment-sickness taxes and supplemental railroad retirement annuity taxes. Throughout 1983, railroad employers will continue to pay a

tax of 8% on the first \$400 each employee earns each month to finance the railroad unemployment-sickness benefit program. The supplemental annuity tax rate for the first quarter of 1983 will be 18½¢ per work-hour, a 1½¢ increase from the 17¢ rate effective in 1982, which is paid by the employer.

1983 Regular Railroad Retirement Taxes

	<u>Tax rate</u>	<u>Taxable monthly earnings</u>	
<u>Tier I</u>			
Employees and Employers	6.70%	\$2,975	
<u>Tier II</u>			
Employees	2.00%	\$2,225	
Employers	11.75%	2,225	
<u>Maximum Monthly Regular Taxes</u>			
	<u>Tier I</u>	<u>Tier II</u>	<u>Total</u>
Employees	\$199.33	\$ 44.50	\$243.83
Employers	199.33	261.44	460.77



W. L. Smith  
President