

1st MONDAY 3rd MONDAY

Prepared for employees by the
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May 17, 1982

To All Milwaukee Road Employees:

As part of the observances scheduled for National Transportation Week (May 16-22), we are participating in the movement and display of an "Operation Lifesaver" exhibit car, an interesting and unusual rolling museum designed by Chessie System Railroads. Operation Lifesaver is the highly successful joint rail industry - National Safety Council Program aimed at reducing grade crossing accidents.

The museum-on-wheels has, according to Chessie, traveled thousands of miles over the past few years to introduce visitors to the Operation Lifesaver project. It features scale models, four large panels of graphics, and an elaborate 24-foot diorama to outline a comprehensive safety message. The walls of the display car are painted in the bright "Signal Yellow" that is standard for warning signs to support the program's themes of caution and alertness.

The Chessie says that the car's central diorama is a detailed representation of one of the fatal grade-crossing collisions that have occurred on railroad tracks in recent years. Modeled in "HO" scale, it traces a veteran engineer's efforts to stop his 100-car freight train from smashing into an automobile stalled at a crossing. Viewers can follow the tragedy from the point where the engineer first sounded his standard warning whistle, more than 1,500 feet from the crossing, to the locomotive's final braking point, nearly 1,000 feet after crushing the auto.

That "wallop" is underscored in the display car's rear showcases, where a series of larger-scale models form an exhibit titled "Historic Mismatches." Railroad locomotives and road vehicles from a half dozen periods of American transportation are displayed next to signs giving their respective weights. The message: Even the lightest locomotive has outweighed the heaviest contemporary road vehicle by at least 60 to one, a ratio that has grown steadily greater over the years.

Four sets of large accordion screens round out the display car's message of crossing safety. One set traces the century and a half of railroad efforts to keep crossings safe, beginning with the flagwaving horsemen who rode ahead of primitive locomotives in the 1820's, and continuing through experiments with strobe-lit signals. Another covers the railroads' efforts to communicate crossing-safety messages over the decades, and features a collection of rare "art deco" posters as well as scenes from current films.

Designed by Chessie System Railroad's visual communications team, the rolling museum and exhibit center will be on display Monday-Wednesday on Track 4 in Chicago Union Station. The public is invited to tour the car and its exhibits between 1 and 6 p.m. Monday; from 8 a.m. to 6 p.m. Tuesday; and from 8 a.m. to noon Wednesday.

It will be moved to Milwaukee, Wisconsin, on Wednesday and be on display at Milwaukee depot May 20 and 21. On Saturday, May 22, it may be viewed at Jones Island in Milwaukee as part of the interesting exhibits being presented in connection with National Transportation week ceremonies there.

It is scheduled to leave Milwaukee May 23 on a C&NW freight train to go to the Twin Cities for use by Burlington Northern in kicking off Operation Lifesaver in Minnesota.

Chicago Union Station will be the scene Thursday, May 20, of ceremonies for a commemorative stamp to be issued during National Transportation Week. Traffic Clubs International arranged for the two-cent stamp, depicting a steam locomotive, to be issued May 20 with a program starting at 11 a.m. sponsored by the U.S. Postal Service. Trustee Ogilvie and I have been invited to be guests at the ceremony in the main waiting room.

Last week the reorganization court approved three separate actions designed to aid the reorganization process.

1. Trustee Ogilvie's May 6 agreement with the Trustee of the Rock Island to purchase the Rock Island line between Culver and Washington, Iowa, for \$4 million received Judge McMillen's approval.

Acquisition of the line will provide the Milwaukee Road with direct access to the coal-fired electric generating plant nearing completion at Fruitland, Iowa. Rehabilitation of the line will permit the movement of unit trains of coal to the plant. All necessary track rehabilitation work to accommodate the coal trains has been programmed into the 1982 work season.

Trustee Ogilvie said the purchase represents a sound investment opportunity and is consistent with his revised plan of reorganization.

The Rock Island trackage being acquired is parallel to our existing main line between Chicago and Kansas City. By providing an alternate route for its through trains, acquisition of the line will enable the Milwaukee to abandon its line between Washington and Culver. The court authorized the Trustee to file applications with the Interstate Commerce Commission to purchase the Rock Island's line and abandon our line between the same two points.

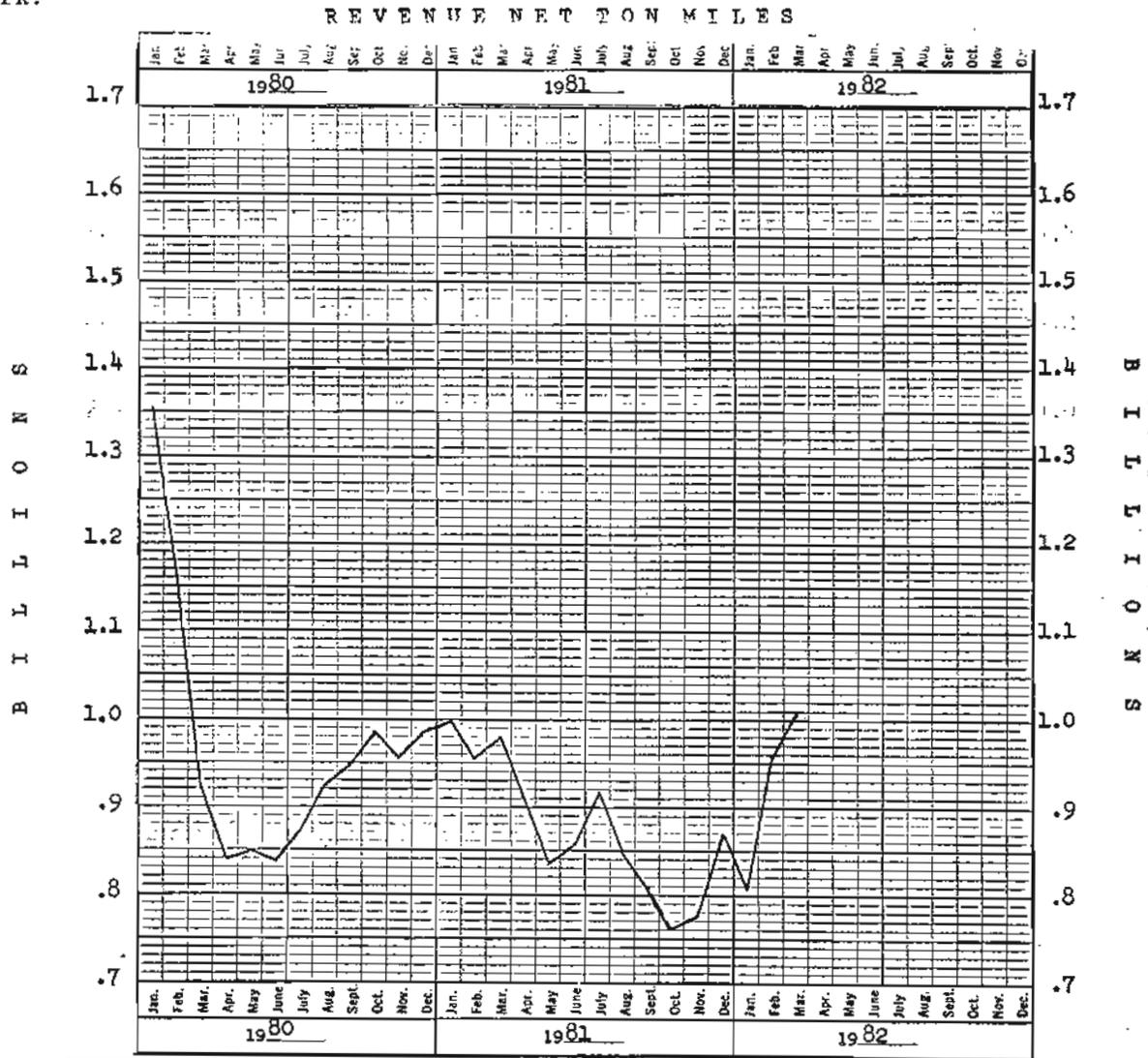
2. The court granted Trustee Ogilvie authority to enter into an agreement with the Brotherhood of Locomotive Engineers, providing for voluntary separation of surplus engineers.

The agreement is similar to that reached with the UTU earlier this year.

Under the BLE Agreement, in seniority districts where the Trustee has determined that there is a surplus of engineers, those employees may elect to take separation on a voluntary basis and receive a separation allowance as stipulated in Section 5 of the Employee Protection Agreement.

If the number of engineers in such seniority districts desiring to voluntarily separate is greater than the number of engineers the Trustee has determined to be surplus, the Trustee will separate only those employees in seniority order, beginning with the most senior engineer, determined to be surplus. The payment of the separation allowances is to be made as soon as possible.

3. Trustee Ogilvie's request to enter into a contract to repair and upgrade the branch line between Davenport and Eldridge, Iowa was approved. Under the contract between the Trustee, the Railroad Transportation Division of the Iowa Department of Transportation and the Iowa-Quad Cities Shippers Association funds and materials estimated at \$1,973,800 will be provided to perform the work.



The revenue net ton miles graph above dramatically demonstrates the improved performance we have been able to achieve despite the continuing economic doldrums. This is the most accurate method of measuring freight transportation performance because the "ton-mile" (one-ton moved one mile) reflects both tonnage and distance.

This illustrates that our objective to bring into being a free-standing, self-supporting rail network that has economic utility in the eyes of its customers is possible.

W. L. Smith
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 President