

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

November 15, 1982

To All Milwaukee Road Employees:

Our Sprint Trains operation, which has established a 96% on-time performance record between Chicago and the Twin Cities, remains the backbone of our intermodal program.

Even though the economic downturn has affected the volume of business currently being handled, the quality of service has not changed. However, we are engaged in an ongoing study to determine the frequency of service required in today's marketplace and may make certain adjustments if necessary.

In our continuing efforts to keep this service attractive and responsive to customer needs, we have recently replaced 400 forty-foot trailers with 400 forty-five foot trailers, and are now in the process of taking delivery on 110 TTWX cars, which were formerly TTAX all-purpose cars that have been re-worked to hold two forty-five foot trailers or four twenty-foot containers, or a combination of trailers. To date we have received 87 cars of the 110 total.

An interesting article in the November issue of Container News magazine devotes several paragraphs to our restructured intermodal department and our trucking subsidiary, Milwaukee Motor Transportation Company. Here's what it had to say:

"Milwaukee Motor Transportation Company integrated its rail-motor carrier operation to increase efficiency and avoid duplication of effort, said P. L. Cowling, president. 'We decided we could best provide a function and service to the market place if we integrated our intermodal people and their functions along with our subsidiary company, Milwaukee Motor Transportation Company.'

Milwaukee Motor Transportation Company assumes the following responsibilities for the Milwaukee Road: operating all terminal facilities as a prime contractor for the Milwaukee Road; acquiring and maintaining all trailing equipment for the railroad under contracts and lease; and handling as an agent or contractor, all sub-services that enter into the intermodal picture (i.e. inspections), Cowling said.

Cowling thinks today's "new freedom" provides customers with more choices. 'Under the new climate, we can design the product to meet the shipper's needs. The product can vary from shipper to shipper. The product can be priced in all types of ways for the various shipping groups. In our pricing we are free from lengthy time delays. Pricing can be instantaneous. It can be innovative - and, in fact, it should be,' he said."

Our intermodal service ranks with the finest in the country and all employees should be proud to tell their friends and acquaintances about it and encourage its use.

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In previous issues of FM/TM, mention was made about the acquisition and programming of a Freight Master, Train Dynamics Analyzer. This system allows a locomotive engineer to operate the train over his usual territory which he sees traveling across a television screen tied to the TDA computer. Control of the "train" is accomplished in the usual fashion through the use of a conventional locomotive control and brake stand.

The TDA system is being used to acquaint locomotive engineers with practices that are designed to conserve fuel. So far, this system - housed in a large silver van - has been placed at Milwaukee, Portage, and Bensenville. Classes are currently under way at Ottumwa.

Instruction is presented by the manager of locomotive operation and the traveling engineer assigned to the territory. The TDA will spend the remainder of 1982 on the Southern Division. All crew change-points will be visited by mid-September of next year.

A review of the questionnaires submitted at the end of each training session indicates a generally favorable reaction to the TDA and the instruction program. As the program continues, all participants are urged to offer any suggestions they have in the area of fuel conservation.

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Communities located on the former Rock Island Railroad line between Muscatine and Washington, Iowa, which we recently purchased, have been made aware that we will today begin operating regular through train and local service on this segment. Four to six trains in each direction every day can be expected to pass through the communities of Fruitland, Letts, Fredonia, Columbus Junction, Cotter, and Ainsworth. Motorists and pedestrians in those areas are urged to use caution when approaching or crossing the tracks. This line segment had been closed to train movements since 1980 but will now constitute part of our main line between Chicago and Kansas City.

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Because some recent changes have been made in our Tuition Refund Program, which is designed to encourage employees to pursue self-development educational programs by providing financial assistance, a statement on the coverage and terms of the plan is included in this issue.



W. L. Smith
President

MILWAUKEE ROAD
Tuition Refund Plan

The Tuition Refund Plan of the Milwaukee Road provides financial assistance to employees who are interested in pursuing self development educational programs. The tuition refund may be approved for courses to complete grammar school, high school, or for courses to complete a certificate, special license, Associate's, Bachelor's or Master's degree, and retirement preparation courses for employees 55 years of age or older. Degree programs that may be approved are limited to business, transportation, behavioral science, law and computer science disciplines. The approval of a course or degree program covered by this Plan will be based on the relationship between the content of the course and/or degree program and the employee's present position and/or future career development with the Company.

Employees enrolling in specific seminars, workshops or courses awarding continuing education units are not covered by this Plan.

PROCEDURE: Employees who are interested in applying for financial assistance through the Tuition Refund Program can obtain a tuition refund application (Form PD 400) from the Personnel Department. The completed form should be returned to the immediate supervisor for proper departmental routing and eventually to the Personnel Department.

COVERAGE: The Plan covers 100 percent of the cost of tuition for approved course(s), 50 percent of the cost of required books, examination fees up to a \$25.00 maximum per exam, and retirement preparation courses for employees 55 years and older up to a maximum of \$200.00 per year.

ELIGIBILITY: An employee is eligible when the following criteria is met:

- 1.) Has at least 6 months of continuous service with the Milwaukee Road and works an assigned permanent position and is a full-time employee; an individual on leave of absence is not eligible for consideration.
- 2.) Must receive a grade of "C" or above, or passing/satisfactory for non-grade but credit applied course(s) to receive refund.
- 3.) An employee receiving educational grants, scholarships, or veteran's benefits is only eligible to receive reimbursement for the amount not paid by the other source of support.

TERMS: An employee accepting support under this Program agrees to the following terms:

- 1.) Application for educational support must be submitted for Company approval to your immediate supervisor at least 20 days prior to the school term to be sure the course(s) is approved. For employees enrolling in Degree Programs, attach from school catalog a copy of (1) school required core courses; (2) degree related courses; (3) approved electives and submit with application.
- 2.) Upon completion of course study and to obtain reimbursement of tuition, the employee must submit to the Director Human Resource Development - Corporate Headquarters Personnel Office:
 - A. The original grade report;
 - B. Original school statement itemizing course(s) and related fees;
 - C. Original receipt of tuition payment.
 - D. For reimbursement for required books, complete PD 402 – Book Refund Application and attach original receipt.
- 3.) Employee must pledge in good faith to remain an active Milwaukee Road employee for a minimum of 6 months after receiving tuition refund. If the employee voluntarily resigns during this specified period he/she will be obligated to repay last refund received.

If at any time an employee's application for tuition refund is not approved, the employee may appeal the disapproval. The employee must contact the Director - Human Resource Development, in writing, within 10 days of receipt of notification of disapproval. The employee's application will be reviewed again for final determination of eligibility.

If an employee has any questions regarding this program and its administration contact the Director - Human Resource Development, 516 West Jackson Boulevard, Chicago, Illinois 60606. (312) 648-3800.