

1st MONDAY 3rd MONDAY

Prepared for employees by the
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September 19, 1983

To All Milwaukee Road Employees:

A \$7.1 million track improvement project on our Kansas City gateway line is nearing completion. This undertaking will enhance Chicago-Kansas City service by upgrading the stretches of track between Muscatine and Ainsworth, Iowa (30 miles), and between Ottumwa, Iowa, and Lucerne, Missouri, near the Iowa border (70 miles).

The Muscatine-Ainsworth project - scheduled to be completed in October - continues rehabilitation work begun last year after the Milwaukee Road purchased former Rock Island Railroad trackage. It includes the installation of over seven miles of continuous welded rail, with supporting ballast and crossties, and the rebuilding of the communications network and CTC (Centralized Traffic Control) signal system.

Between Ottumwa and Lucerne, almost 25 miles of continuous welded rail, 55,000 crossties and 80,000 yards (four inches) of new ballast have been installed. At present, our people are concentrating on repairing and renewing road crossings on this segment.

The track improvement project will result in reduced transit times, better equipment utilization and safer operations, with resultant cost-saving benefits.

Principal commodities handled on the Kansas City gateway line are chemicals, automobiles and auto parts, grain and grain products, and intermodal traffic - trailers and containers moving on flat cars.

Markets in the southwest and west coast are linked to the Chicago, Twin Cities and Duluth gateways for the movement of freight between the sunbelt and markets in the east, midwest and Canada via this important part of the Milwaukee Road core route system.

The rehabilitation of this line continues our program to upgrade the entire plant, which during 1983 will see the installation of 128 miles of continuous welded rail, 226 miles of ballasted track and 310,000 ties.

In the years we have been in reorganization, over \$600 million has been reinvested in the railroad plant, and the equipment to run it. During that time, we have installed almost four million crossties, 400 track miles of CWR and ballasted more than 1,200 track miles. This is in keeping with our commitment to provide high quality freight service to customers, and in the corridor where we operate Amtrak passenger trains, to provide the dependable, on-time service the public has come to expect from us.

* * *

In an application filed with the Interstate Commerce Commission, Trustee Ogilvie proposes to discontinue 12.8 miles of trackage rights over Burlington Northern from Savanna to Ebner, Illinois, and to abandon 11.2 miles of railroad from Ebner to Albany, Illinois. The Milwaukee Road will continue to serve all of its customers at

Savanna and Albany, regardless of the outcome of the application. The reorganization court has been requested to direct the Commission to report on the application within 90 days of filing, that is, by November 30, 1983.

In other court related actions, Judge McMillen last week entered an order authorizing abandonment of the Alley track remnants in Green Bay, Wisconsin, which totals 0.81 miles. We are working with the city and all involved to coordinate a shutdown date and accommodate those having an interest in the proceeding.

Also, the reorganization court last week authorized the Trustee to retain and compensate the firm of Charles River Associates, Inc. to perform certain analyses in connection with the Chicago & North Western Transportation Company and Mid America Rail Properties, Inc.'s application to acquire the Milwaukee Road's operating assets.

In support of his motion, Trustee Ogilvie pointed out that under the C&NW plan, the C&NW and Milwaukee systems would be consolidated, and that the plan may have impacts on competition and public interest - including adequacy and cost of rail service to the public and employment of Milwaukee Road employees. The Trustee will assess the potential impact of the C&NW plan on the public interest and advise the court and the ICC with respect to the C&NW application. The procedural schedule set by the ICC, which requires a response by November 7, 1983, required the use of an outside consultant in order to respond effectively to the C&NW proposal in the time allotted.

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You still have time to let your elected representatives know your views on coal slurry pipeline legislation. Last week, the House began debate on controversial legislation that would give coal slurry pipelines the right of eminent domain to cross railroad lines, but a final vote on the issue is not expected until this week. Here's what the Association of American Railroads has to say on the subject:

IT LOOKS LIKE THE SLURRY PEOPLE ARE AMENDING THE DICTIONARY

e-equal-i-ty (i kwal'atē) n. ~~state or instance~~
~~of being equal~~. The granting of special favors to one by giving it a competitive advantage over another.

The slurry people obviously have another dictionary than the rest of us.

We think that equality means balanced treatment, not special favors.

There's no law against slurry pipelines. And it's not railroads that are keeping slurry pipelines from being built.

What the pipeline people want is a federal law to force ranchers, farmers and others to surrender their land - at court established prices - whether the private property owners want to sell or not.

The railroads think that slurry pipeline people should play by the same rules as all other business. Their success or failure should be based upon market forces and not special favors.

IT'S TIME THE SLURRY PEOPLE BEGAN USING THE
SAME DICTIONARY AS ALL OTHER AMERICANS.

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This is a special message to Chicagoland employees as we prepare to launch our annual United Way/Crusade of Mercy campaign.

The United Way/Crusade of Mercy is the Chicago area's largest and most inclusive charitable fund raising drive. It supports more than 350 voluntary, human care agencies that provide vital health and social services in Chicago and the suburbs.

That's right, even though the campaign is conducted where you work, your local community - in the city or suburbs - substantially benefits from the gift you make. Two hundred suburban communities participate in the campaign through the United Way of Suburban Chicago and receive a share of all contributions. On the average, suburban United Ways receive several dollars for every dollar raised in their local campaigns. A Fair Share gift here will help your suburban community more than giving a few bucks to them directly.

If, however, you still want your contribution to go to only one agency, for whatever reason, you can specify that agency on your pledge card.

This year we are also including the Heart Association in our fund raising campaign. Those people who want a portion, or all, of their donation to go to the Heart Association can so designate on their pledge cards.

Why the Heart Association? Heart attack is the leading cause of death. As many as 1,500,000 Americans may have a heart attack this year, and about 550,000 of them will die. In addition, there will be 500,000 new stroke victims, which will contribute another 170,000 deaths. We need to fight back and the Heart Association is at the forefront in this battle by providing many vital services to our employees, such as CPR training. The most recent service was the blood pressure screening done in Union Station last week.

We need to unite together in this effort, union and management, to help those who need help the most. Please give your Fair Share this October at the United Way/Crusade of Mercy employee meetings.



W. L. Smith
President