

BN Reopens Milwaukee Track

By Jay Berger
Special Correspondent

Southeast from Great Falls, traveling across Montana's high plains country, the road slices through harvested wheat fields and dissects herds of cattle. The land is flat at first, but it gradually takes shape and form as gentle hills emerge. And soon you're dodging buttes and slipping between coulees, heading toward the mountains and a vortex called Lewistown.

Lewistown, 110 miles from Great Falls, is at the bottom of several mountain ranges — the Big and Little Snowy, the North and South Moccasin and the Judith. It's tucked into the Big Spring Creek Valley of the Judith Basin. Big Spring Creek gushes out pure, clean water, enough to quench the thirst of the 7,000 people who live in the city where a water filtration plant isn't needed.

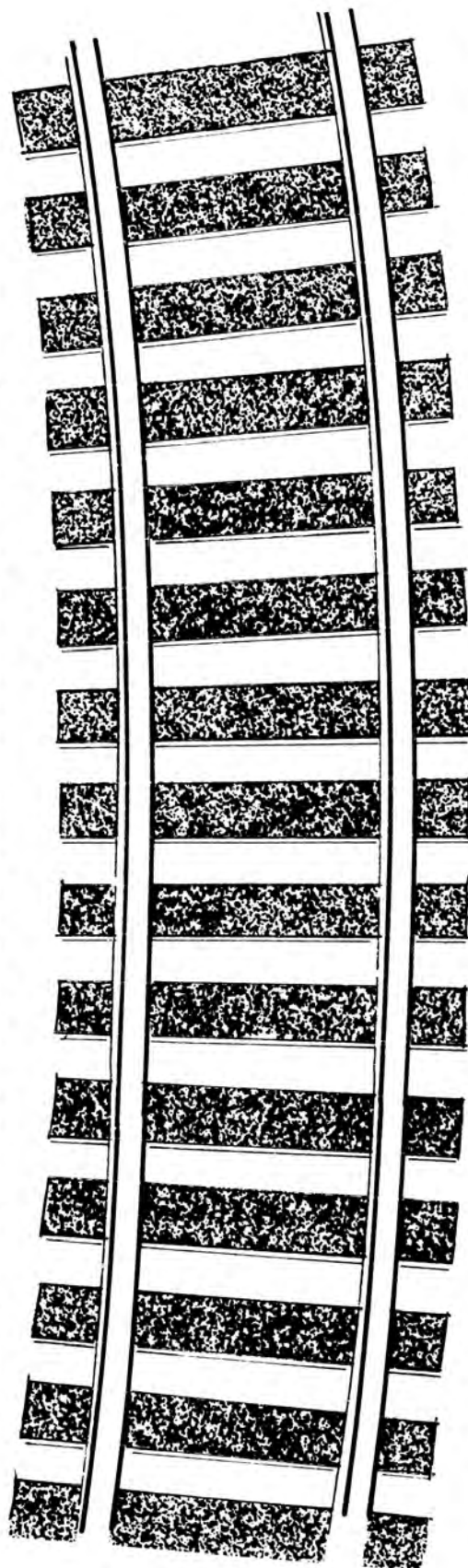
Travel up the last big hill on Highway 87, crest it and descend down into the town. Mature trees planted 100 years ago by settlers contrast with the wheat and barley fields that surround the city. Big Spring Creek runs through the town, between red brick buildings and older ones made of stone cut from the nearby hills.

The Indians used to call the place Snow Hole. And the next October day, Mother Nature dumped more than 8 inches just to prove the Indians knew what they were talking about.

The spring, the creek, the mountains, the valley and man's work have formed Lewistown. But, there is a fly in the ointment; the railroad track.

It's the site of some of the worst track Burlington Northern owns.

"It's just a worn out railroad," says Jerry Zweep, BN roadmaster. "When the winds blow, the weeds



cover the tracks. You can't even see the rail."

Chunks of concrete fall out of the tunnel casing. The trains go no faster than 25 miles per hour. It's 10 mph over bridges. And 5 mph slow orders are common and frequent.

Yet, it is better than it was in April when BN began operating the lines. It's part of the 383 route miles of Milwaukee Road track that BN is buying in seven states. The Lewistown area represents the largest chunk with 117 miles on three segments serving the towns of Geraldine, Moore and Heath. A fourth line, BN's, connects Lewistown with the line between Billings and Great Falls.

The Geraldine line, at 73 miles, is the longest and lousiest, Zweep said. "It's neglect of maintenance," he explained. "There hasn't been a major tie program since the early 1940s."

In its purchase application to the Interstate Commerce Commission, BN agreed to pay \$21 million for

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the Milwaukee Road trackage. But it also told the ICC that it would spend another \$13.7 million in repairs.

But why buy lines in such an awesome state of disrepair? The idea is to serve shippers and farmers who otherwise would be hard pressed to get their commodities to market and to make a fair profit, said Stanley E. Collum, director of Special Projects in BN's Sales and Service Division. BN expects to move at least 41,000 cars a year over the 383 route miles of former Milwaukee Road lines.

BN estimates made last spring show that from the Lewistown area

alone it will originate more than 1,700 cars of grain annually. Inbound traffic will amount to more than 200 cars, most of it fertilizer.

There are more than a dozen elevators in the area being served by BN, according to Trainmaster H. Marshall Ault. He, like Zweep, was assigned to Lewistown in April

"There just aren't the trucks," she said. "And it takes four semis to handle a carload of grain." She estimates she will ship 150 cars of grain a year, mostly wheat and some barley. "It just isn't in the cards for me to send out 600 trucks.

"I depended on trucks to get my barley out of here and they didn't

than one major railroad serve more of the state, he's happy that BN agreed to purchase the track abandoned by the Milwaukee. "There's no way the grain people in Montana can survive without a railroad," McDunn said.

As the situation with the Milwaukee worsened over the years, cars became increasingly scarce and truckers upped their rates during the height of the shortage by 33 cents a hundredweight, he said. Now that BN is running the rail business, hopper cars are readily available, service is good and the truckers have lowered their rates in an attempt to be competitive, he said.

The farmers, too, have found the new shipping situation enticing. Robert Conard is a farmer and grain chairman for the National Farmers Organization (NFO) in Fergus County. He and other farmers are trying to set up a small consortium, contracting at least 50,000 acres of wheat for an annual harvest of at least 1.5 million bushels. If they can get that amount of wheat on contract, they can build a terminal at

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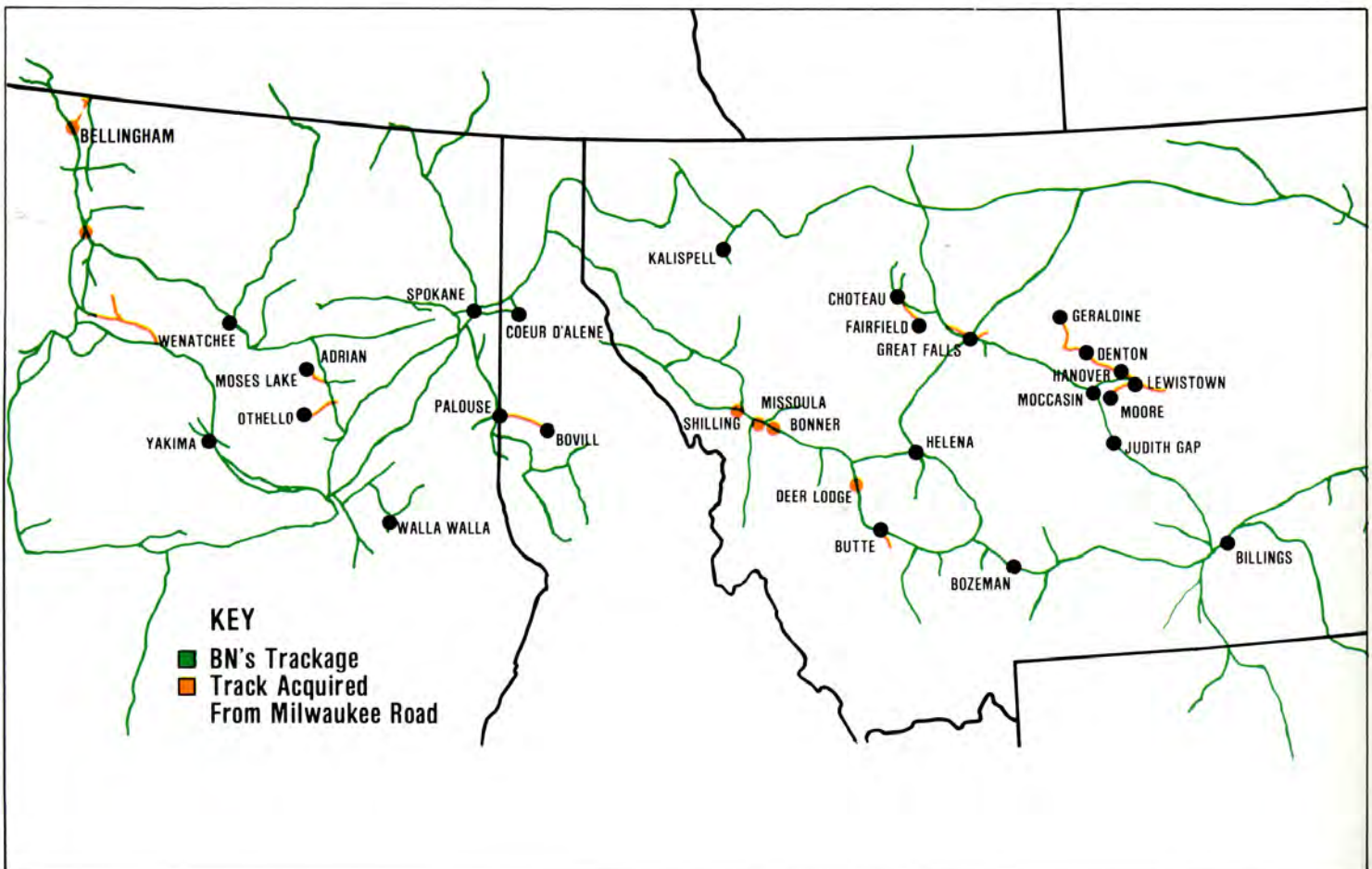
when BN began operating the lines. Most of the shippers had been affected gradually by the continuing demise of the Milwaukee Road, he said. Toward the end shippers were playing a juggling act — if they couldn't get rail cars on time from the Milwaukee, they had to try for trucks.

"We had trouble getting cars," said Stacey Atchison, manager of the ConAgra elevator in Lewistown. Had BN not taken over the routes, she would have been in trouble.

show up until after harvest. And I had the barley sold."

Hers is a small elevator selling everything from egg scales to horse louse duster. But next door at the Farmers Union Grain Terminal Association (GTA) elevator, the operation is considerably larger. Henry McDunn, the GTA manager, predicts he'll ship between 400 and 500 cars a year. All but a small percentage goes to Pacific Northwest ports for export.

While he would like to see more



the Milwaukee's small yard in Lewistown. BN has its own yard there and hasn't purchased the Milwaukee yard.

But the NFO wants that trackage because of what BN has to offer — service to the Pacific Northwest at a bargain price.

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At Geraldine, Richard Motley, manager of the Equity Co-operative Association elevator, views the rail situation from a rather pragmatic point. “If Burlington Northern hadn't taken over, we'd have been without a railroad.” It would have meant shipping his 300 rail cars worth of grain by truck and probably losing much of his business to competing terminals in cities still served by rail to the north and west.

“Historically, steel on steel is the cheapest way to haul,” Motley said. It costs him 11 cents a hundredweight more to ship by truck.

“I want good service and to have it be competitive. That's all. If they need \$1.60 (a hundredweight) to make a decent profit — so be it.

“BN runs it like a business; they run it to make a profit; and they provide good service.”

Nearly 500 miles to the west, in the mid section of the State of

Idaho.

Out of Washington's Columbia Basin came more than 1.5 billion pounds of potatoes in 1979. The basin is also ripe with other farm products — wheat, onions, beans, fruits and seeds.

The area is well served by railroads. BN crisscrosses the state. And other railroads are well situated. But at Othello, in the heart of the basin, shippers used 38 miles of Milwaukee Road track to link up with BN in Warden. And in Moses Lake there was 25 miles of Milwaukee line to BN in Seiler. BN also picked up those lines last spring.

But before BN took over, the shippers were faced with costly declining service from the Milwaukee for several years. “The rail car availability was so poor we ended up trucking to Walla Walla 100 miles away and transferring to BN there,” said Joan Paris, manager of customer service and distribution for Chef-Reddy, a producer of frozen french fries for commercial and institutional use throughout the country. Because she couldn't get enough mechanical rail cars last year and had to ship some by truck and transfer, it cost 68 cents a hundredweight more, or roughly \$500,000.

Chef-Reddy is owned by the P.J. Taggares Co. which also ships fresh potatoes and onions, according to Peter Taggares, owner and founder of the company. He ships about a million 50-pound sacks of onions a

paired. Potatoes would thaw and there were complaints about the product from customers.”

There are about a dozen potato-processing plants in the Othello-Moses Lake area. Across from Chef-Reddy is a 100 million-pound-a-year plant owned by Carnation. Carnation has four processing plants, including one in Nampa, Idaho, managed by George White in Moses Lake.

“Our rapport with the Milwaukee group was good, but they were limited to what they could do,” White explained. There weren't enough mechanical cars and delivery was slow.

With BN now providing the rail service in Othello, his operation has become more cost effective.

“BN runs it like a business; they run it to make a profit; and they provide good service.”

“The service group of BN is another breed, more sophisticated,” White said. “We're getting equipment and getting it on time. And delivery times are good.”

He was jotting on a BN notepad and sipping from a Union Pacific coffee mug when the old shipper refrains that BN is the only railroad in town came up. This time it had a different twist:

“Everyone has to be concerned about a monopoly, and that in essence is what BN has. But, I haven't heard anyone express any concern about BN's business integrity.”

It's the only game in town, but an honest one in a town that knows a lot about abandonment — the military closed its air base there 14 years ago, the big sugar beet plant closed last year, and the Milwaukee Road gave up this year. But like the farmers who turned the desert into a profitable, productive valley, BN sees some good in the land.

The idea is to serve shippers and farmers who otherwise would be hard pressed to get their commodities to market and to make a fair profit.

Washington, was a problem similar to the one suffered by grain shippers along the Milwaukee Road line being abandoned in Montana.

This is ex-desert. In the 1950's following the completion of the Grand Coulee Dam, irrigation was introduced. The soil was fertile, needing only water. There are now 511,000 acres under irrigation. As a result, this area ranks second in potato production to the State of

year.

“The BN saved us and saved the community,” Taggares said.

The Milwaukee Road once served his firm well. “They were very good when we got started 20 years ago,” he explained. However, during the last 10 years service began to slip as the Milwaukee's financial situation worsened. “They weren't paying claims. It was taking 18 to 30 days to get to New York. Cars weren't re-