

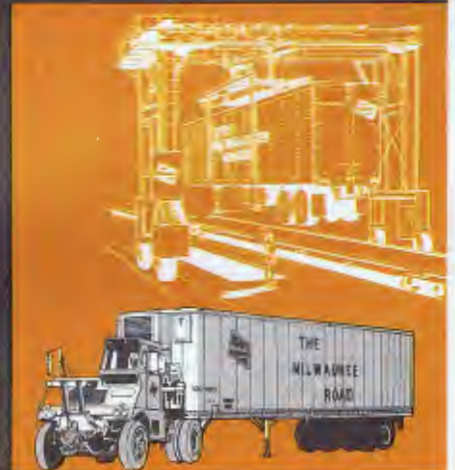
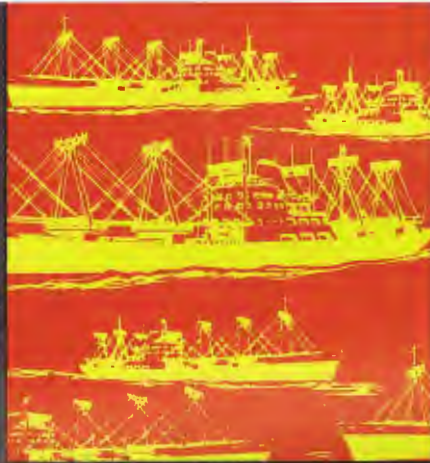


ENGINEERING DEPARTMENT

WELCOME

a guide book to the many facets of the

MILWAUKEE ROAD



WELCOME

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COVER

- 1) Aerial view of Piggyback Park at Bensenville shows rapid growth of one of the newest and best known developments — piggyback traffic.
- 2) Another new trend is handling of freight in containers, a method of special importance today for import-export shipments.
- 3) New diesel locomotives now in use are more powerful, versatile, yet need less maintenance. Average cost is now about \$250,000 each.
- 4) Computers are playing a vital and quickly expanding role in all areas of operation at the Milwaukee.
- 5) The Milwaukee's trade mark. The basic design dates as far back as 1880, when tilted rectangle began to be used as company symbol.
- 6) The Milwaukee has more than 15,500 employees, who can be found at work in virtually every state, and Canada.
- 7) An extensive, complex signals and communications system protects the 10,500 miles of road. Protection also is given to more than 10,000 grade crossings in its territory.
- 8) The Milwaukee Road serves a 14-state territory, reaching from the Midwest to Pacific Northwest.
- 9) Modern freight handling methods are typified by gantry cranes that can lift a piggyback trailer from a flatcar in 90 seconds or less.



A railroad is different.

This is because it owns things, does things or operates in ways that are different from many other businesses or industries.

Part of the reason for this difference that a railroad has no product to sell. It makes money by selling a service - by carrying things for people or companies.

Today, a railroad sells its services in a highly competitive market that is getting more competitive each year, as new equipment and new ideas come faster and faster in American transportation. This, by itself, helps to make the industry different today than it was about 50 years ago, when there was much less competition.

Some of the other differences can be illustrated by examples taken from our railroad, the Milwaukee Road.*

The Milwaukee owns 5,975 bridges; uses about 58,000 miles of wire and operates 1,066 radios in its own privately owned communications network; has its own 107-man police force; and recently served 430,117 meals in a year, or 1,178 meals each day of that year.

We operate our own barge line on Puget Sound; own nearly a quarter million acres of timberland in the Pacific Northwest, including two large tree farms; have freight car rebuilding and repair facilities big enough to be considered an industry-within-an-industry; and operate a motor trucking subsidiary which has more trailers than many trucking firms.

As a seller/supplier of transportation, the Milwaukee Road carries more than 40 million tons of freight each year. This freight can consist of almost literally anything. For some fairly far-out examples, consider that in one year we have carried 49 tons of gold and silver ore, more than 22,000 tons of coffee and 20,000 tons of magazines; several hundred carloads of clothing; and 6,400 tons of macaroni, spaghetti, vermicelli and noodles.

*The more informal name for the Chicago, Milwaukee, St. Paul and Pacific Railroad Company.

This list could go on and on, through steel and seal skins, bricks and books, autos and agricultural implements, raw materials or finished products, foods, furniture or hundreds of other individual categories of freight.

We also carry people - more than 7 million riders per year, when commuters are included in the total.

The people who work for us have all kinds of jobs. Some work in metallurgy, chemistry or geology. We have lawyers, bridge and track engineers, agricultural experts, welders, steamfitters, blacksmiths, salesmen, tax men, public relations and advertising people, cooks, safety experts, electricians, architects, real estate experts, carpenters, switch-board operators, secretaries, truck drivers—and, of course, locomotive engineers, firemen, brakemen, switchmen, conductors, porters, waiters, station agents and others.

Our salesmen work out of 54 offices, including offices at such cities within our operating territory as Chicago, Milwaukee, Minneapolis, St. Paul, Omaha, Seattle, Tacoma, Kansas City and Des Moines. Other offices are pretty far from our operating territory: in New York, New Orleans, Atlanta, Dallas, Los Angeles, Toronto, Vancouver and even in Tokyo.

Our "plant" stretches over a good part of the United States, inasmuch as we serve 14 states. The Milwaukee's system has 10,500 miles of road, and reaches from Chicago and Indiana on the eastern end to Omaha and Kansas City on the southwestern end, and to Seattle and Tacoma in the northwest.

Our property is something else that makes us different. As a matter of curiosity, what price would you put on a piece of land that is 100 feet wide and 2,200 miles long? This is a reasonably good description of our main line between Chicago and Seattle.

Our basic working tools include property and equipment valued at a billion dollars. Included in this is approximately \$370 million in equipment: freight cars, passenger equipment, locomotives, etc.

Each year the Milwaukee earns about a quarter of a billion dollars (\$250 million) for carrying freight or people. The freight side of the business accounts for about \$220 million of the revenues, by far the greatest part.

The expenses, or operating costs, can get pretty impressive, too - about \$200 million a year. We spend as much as \$10 million a year for locomotive fuel.

(All of the above examples are based on figures taken from a typical recent year, as will be others used later.)

These are some of the things that make

the Milwaukee Road different - even from some other railroads.

These differences are why this little guide book is meant especially for new employees, but it also is for visitors to our offices, the press, students, libraries, or others who, for one reason or another, want to know something about who we are, and what we do.

Let's go on with this description by telling about one of the most important parts of the Milwaukee Road—



Two transcontinental freights (eastbound No. 262 at left and westbound No. 263 on the right) meet at Malden, Washington.

More and more freight, moving inland or overseas, is being carried in containers which protect against weather, theft and damage while cutting shipping costs.

The People

The Milwaukee has approximately 15,500 employees, who can be found at work in virtually every state, as well as in Canada and Japan.

Of course, most of the employees work within our operating area. The largest number of employees, about 4,500, are in Illinois. The next largest number is in Wisconsin, where there are about 4,400. Then come Iowa, Minnesota and Washington, each with well over 1,000 of our employees, followed by Montana with about 800 and South Dakota with nearly 700. Idaho, Indiana, Michigan, Missouri and North Dakota each have between 100 and 300 employees. Slightly more than 100 are in the "all other" category.

Most of our people are directly involved in working with trains, including those employed at yards or stations. About

a year to \$14 million. (The Milwaukee also pays about \$10 million a year in property taxes to various states.)

If the payroll is broken down to a "per employee" basis, it averages out to about \$8,800 a year per employee, with this figure including about \$1,000 of the various benefits. On an hourly basis, it comes to nearly \$4.60. Approximately 56 cents of each dollar received in operating revenues is paid out in wages and benefits.

The Milwaukee's employees are of all races, religions, colors and beliefs because the railroad is an equal opportunity employer.

The Rolling Equipment

The Milwaukee uses more than 800 locomotives. Sixty of these are electric locomotives used only on the 656 miles

The Freight

As noted earlier, the Milwaukee carries more than 40 million tons of freight each year, or about a million carloads.

The commodity carried in the largest volume is grain, which averages about 12 per cent of annual tonnage, or about 5 or 6 million tons per year.

Coal is another major item, averaging about 11 per cent of yearly tonnage, or around 5 million tons.

Grain mill products (grain after processing) is another big one, amounting to more than 4 per cent of volume or about 2 million tons per year.

Freight categories that fall into a range of about 1 or 2 million tons a year each include canned or preserved fruits, vegetables and seafoods; primary forest



6,000 employees are in this general category.

Approximately 3,500 people do professional, clerical or general work, and about 3,000 are involved in maintaining equipment and seeing that supplies of stores and materials are kept up. Some 2,000 employees maintain our right-of-way (track and roadbed) and thousands of structures and buildings.

The Milwaukee's payroll is about \$120 million a year. To this can be added more than \$16 million, with this breaking down into about \$4.5 million for health and welfare benefits, and more than \$12 million in payroll taxes, which pay for unemployment and sickness benefits. The total annual payroll expense, then, is about \$140 million.

The Milwaukee's payrolls in individual states amount to as much as \$35 million, Illinois and Wisconsin each being in this category. Payrolls in other states range from half a million

of electrified operation in Washington, Idaho and Montana.

The others are the more familiar diesel-electric locomotives, of which about 60 are passenger units. The rest are road or switching units; in other words, freight locomotives.

About 38,000 freight cars are in our fleet. Most of these - or 19,000 - are box cars of various types. There are 6,500 gondola cars and 4,500 hopper cars. There also are 3,300 flat cars and 1,100 refrigerator cars, leaving about 5,000 of miscellaneous types, including ballast, ore, stock and tank cars. More than 500 cabooses are used.

The passenger car fleet has about 475 cars, including baggage, express and mail cars, as well as coaches, dining, sleeping and lounge cars.

The company's "work" fleet - equipment used to maintain our own property - has more than 1,600 cars. We use about 900 motor vehicles.

products, which include logs and pulpwood; lumber products; paper and similar products; industrial chemicals; non-industrial chemicals; stone, clay or glass products; and iron and steel products. The non-metallic minerals, a category that does not include such fuels as coal or coke, amount to 3 million tons annually.

Each year the Milwaukee carries more than half a million tons each of meat, soybeans and malt liquors; about a quarter million tons of potatoes, and also of fresh fruits and vegetables; and nearly a million and a half tons of miscellaneous foods.

Through most of its history the Milwaukee has been a major carrier of import-export freight, especially that freight which moves through the Pacific Northwest ports of Seattle, Tacoma and Longview. We also participate in freight shipments moving to Alaska by either sea-going barge or a "trainship."

The Freight Trains

There really is no such thing as an "average" freight train, since our individual freight trains vary from switching movements with only a few cars to 100- or 120-car transcontinental freights.

However, averaging out our annual statistics would give a typical freight train with 70 cars, of which about 45 would be loaded and 25 empty. An average of nearly 1,600 tons is carried per train.

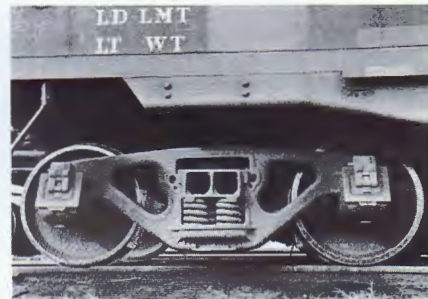
The total annual mileage rolled up by Milwaukee freight trains is about 10 million miles.

The Commuter Trains

About 6 million passengers use the Milwaukee's suburban service each year. This operates on a line west from Chicago to Elgin, Ill., and on a north line from Chicago to Fox Lake, Ill., and Walworth, Wis.

There are 66 commuter trains on weekdays, with the west line having 16 in each direction and the north line having 16 northbound and 18 southbound.

The equipment used consists of 62 double-deck stainless steel coaches which are electrically heated and air-



Because some commuter coaches are equipped with cabs having operating controls, these suburban trains can operate in either direction without needing to be turned around.

Train 263, above center, rounds a curve westbound at Plummer Junction, Wash., as it carries freight from Chicago and the Midwest to the Pacific Northwest.

The Passenger Trains

In a typical recent year, the Milwaukee operated 27 daily inter-city passenger trains. Most of these were between Chicago-Milwaukee and St. Paul-Minneapolis, or between Chicago-Omaha and the Pacific Coast.

More than a million passengers are carried annually.

The famous passenger trains operated by the Milwaukee include the Hiawathas and the Pioneer Limited trains between Chicago and the Twin Cities.

Operated jointly with the Union Pacific are the City of Los Angeles, City of San Francisco, City of Denver and the City of Portland.

These "Cities" trains have operated over Milwaukee Road tracks between Chicago and Omaha since 1955.

conditioned. Twenty of the coaches have cabs equipped with controls for locomotive engineers, so that the trains can operate in either direction without having to be turned around.

The other 42 coaches are without cabs. These are slightly larger in seating capacity, but each type of coach can carry about 160 passengers.

Seventeen specially equipped locomotives are used in suburban service.

Approximately 21,000 riders use the commuter trains each week day, or about 10,500 individual passengers. Traffic is about evenly divided between the two lines, but the north line gets somewhat heavier traffic.

Modernization of the service began in 1961, when 40 of the new coaches were put in service. The other 22 cars were added in late 1964 and early 1965. The Milwaukee's present investment in land, facilities and equipment related to the suburban operations is more than \$17 million.

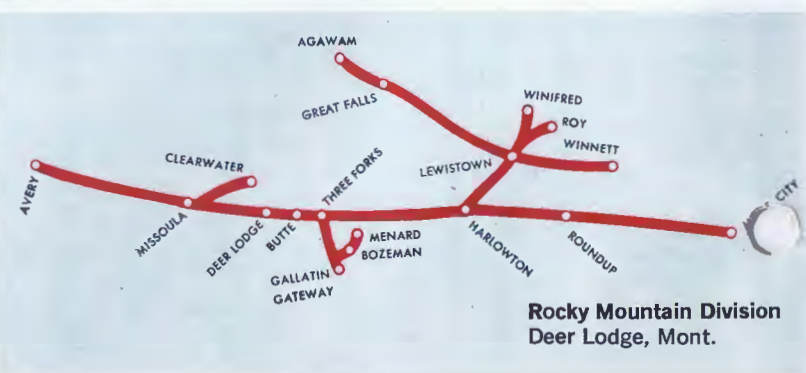
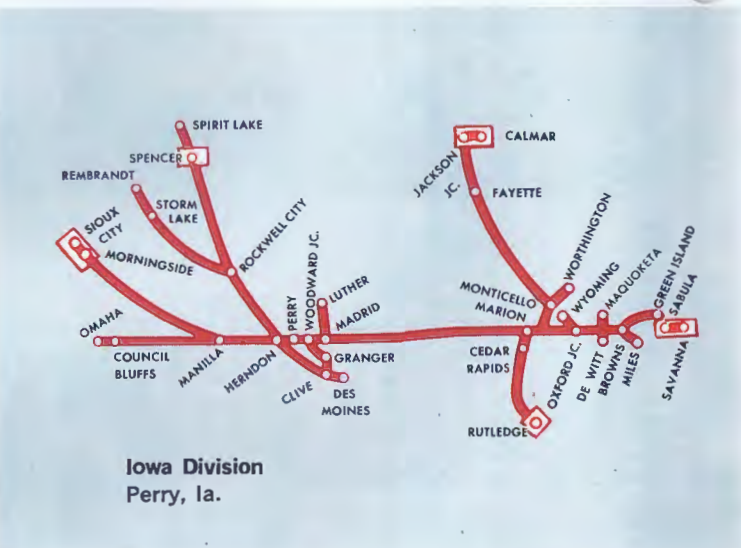
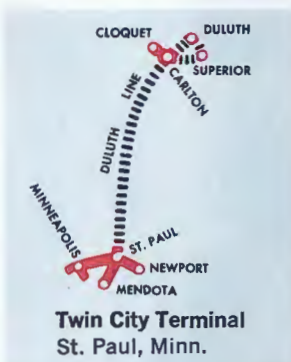
The Divisions

The Milwaukee's operations are divided geographically into 12 operating divisions, each of which operates in a manner similar to a small, fully-staffed railroad. A division superintendent oversees operations, and a division engineer is in charge of engineering, signals and communications for the division.

Note: In the individual divisional maps, lines and towns enclosed in box are not part of the divisions with which they are shown.



Our divisions and headquarter cities are:



The Freight Yards

If you define a yard as a place where a number of tracks are set aside for switching freight cars, then the Milwaukee has as many as 300 freight yards.

About 85 of these can be called major yards. The largest yards are concentrated, as you would expect, at the most important points, such as Chicago, Milwaukee, the Twin Cities, Seattle, etc.

The largest freight yard is the one at Bensenville, Ill. It covers 330 acres, has more than 125 miles of track, can hold nearly 8,000 freight cars, and has a switching capacity of about 3,000 cars per day.

The Bensenville yard uses 70 tracks in the "classification" operation, in which cars are sorted by destination and by the trains in which they'll be moved. Of these tracks, 37 are in the eastbound classification yard and 33 in the westbound.

There are 20 tracks on which cars from incoming trains are received, and 5 tracks used to hold cars in outbound trains.

At this yard, at Milwaukee, and at St. Paul, cars to be sorted are pushed by locomotive to the crest of a man-made hill called the "hump." After a car, or group of cars, is uncoupled, they roll down to individual classification tracks, thereby being sorted by train and destination. On the way down, they pass through sets of retarders which squeeze the wheels of the cars to slow them to a proper speed that will prevent damage from coupling at too-high speeds.

The Bensenville yard has a master retarder that is just below the hump crest, plus four intermediate retarders and then 11 final retarders, which are near where the tracks fan out into the car holding areas.

This yard was constructed in 1953 at a cost of more than \$5 million.

The next largest yard is the "Pigs Eye" yard at St. Paul, Minn., holding 3,200 cars on 120 acres of land, and with a 2,000 car per day switching capacity. The St. Paul yard has a master retarder, two intermediates and five final retarders. It was built in 1956 at a cost of nearly \$5 million.

The third largest yard is the Air Line Yard in Milwaukee, Wis. This has a 1,799 car capacity on 60 acres, using a master and four final retarders, with a hump switching capacity of 1,500 per day. This yard was built in 1952 at a cost of about \$3 million.

At all other yards, so-called "flat-switching" is done, in which locomotives are used to move the cars during switching.

The Milwaukee has more than 3,000 miles of track in yard tracks or sidings.

The Subsidiary Companies

In addition to the Milwaukee Motor Transportation Co. mentioned elsewhere, the Milwaukee Road has several other wholly-owned subsidiaries: The Milwaukee Land Co.; Macy Trucking, Inc.; Bremerton Freight Car Ferry, Inc.; Washington, Idaho & Montana Railway Co.; and M.L.C. Equipment Co.

The Major Facilities

In addition to those already mentioned, the Milwaukee has these other major facilities:

The **Milwaukee Shops**, located in the city of the same name, are the major point for heavy repairs, for testing, and for servicing and maintenance of freight and passenger cars and locomotives. One important function here has been a freight car rebuilding program begun in 1963. In the years from 1963 through 1968, more than 11,000 freight cars - or nearly a third of the

fleet - have been lengthened, converted to new uses, otherwise modified or have had protective and loading equipment installed. The shops also are a central point for stores of supplies and materials.

The **Fullerton Avenue Offices** in Chicago house a large part of the finance and accounting department, under the supervision of the assistant comptroller. At this building are the offices of the auditor of expenditure, auditor of capital expenditures, director of revenue accounting, auditor of freight accounts, auditor of freight settlements, auditor of equipment accounts, auditor of passenger accounts, director of internal audit, freight claims, the paymaster, and the systems and procedure and data processing sections of the management services department. A considerable part of the company's computer equipment is housed at the Fullerton building, doing work that especially involves financial and accounting record keeping.

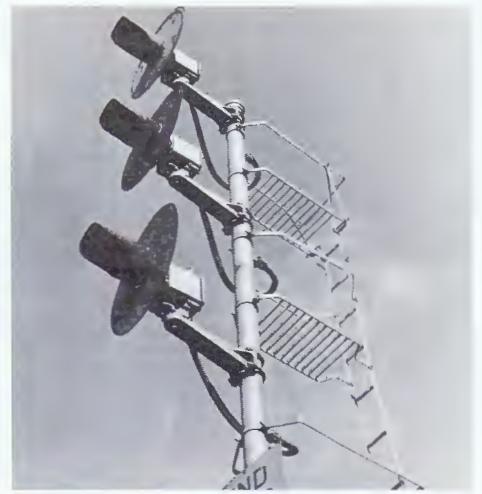
The **Tomah Shops** (at the city of the same name in Wisconsin) reclaims used rail. This is done mostly either through straightening of bent rail or by cutting off worn or broken rail ends; any defective rail is scrapped. Tomah also is a principal storage and distribution point for maintenance-of-way materials, and for the manufacture of track switches and frogs - the latter being those X-shaped permanent devices installed where tracks intersect.

The **Seattle Offices** are the western headquarters for representatives of virtually all railroad departments, as well as for the vice president and western counsel.

There are **Service Facilities**, of varying sizes, located throughout the system. For example, there are facilities for servicing, maintaining or repairing freight cars at 54 locations, and servicing and maintenance facilities for locomotives at 47 locations.

As freight cars are being humped, retarders squeeze the wheels to slow cars to proper coupling speeds. This is the master retarder at Bensenville.





The efficiency and economy of carrying autos on multi-level rack cars has helped the Milwaukee recapture a market virtually lost to trucking a few years ago.

In three retarder yard operations, freight cars pushed to hump crest are uncoupled, then roll to proper place on a classification track.

The Milwaukee participates in freight shipments moving to or from Alaska. The railroad cars move over the water journey on sea-going barges or a "trainship."

The Piggyback Operations

The Milwaukee Motor Transportation Co., a wholly-owned subsidiary of the railroad, operates terminal or ramp facilities for handling piggyback trailers or containers (trailers without wheels) carried on our trains.

(In piggyback service, as you probably already know, regular highway trailers or containers are carried on railroad flatcars.)

The Milwaukee began piggybacking in 1958. Today, some 10 years later, thousand of trailers are carried each year.

The largest piggyback facility we have is Piggyback Park, located in our freight yards at Bensenville, Ill., just west of Chicago. This park is a fully surfaced specially laid out 46-acre facility that now is exactly 10 times

the size it was when we began piggybacking operations there.

The park has two huge gantry cranes, which straddle a railroad track while lifting trailers on or off flatcars. Each crane takes 90 seconds or less to load or unload a trailer.

Also in use there is a Piggy Packer, a four-wheel drive vehicle that uses two huge, jointed arms to lift trailers on or off cars, taking about the same time to do this as one of the cranes. The Piggy Packer, used primarily to supplement crane operations, adds flexibility since it can move easily anywhere in the park.

Other Piggy Packers are in use at the St. Paul, Minn., and Seattle, Wash., piggyback facilities.

At all of the other 47 MMTC locations, where piggyback is handled, a ramp

loading system is used. In this, trailers are backed up a ramp and over the flatcars in loading.

The MMTC subsidiary uses more than 200 truck tractors in terminal operations or to pull trailers over the highway. About 2,100 piggyback trailers are in the MMTC fleet, including approximately 750 refrigerated trailers. The balance are "dry van" non-refrigerated units, and others of various types, including flat bed trailers.

The volume of trailers carried by our trains has been growing very rapidly in recent years. This growth has included increases of more than 17 per cent in 1967, nearly 50 per cent in 1966, about 26 per cent in 1965 and more than 20 per cent in 1964.



Mechanical handling of trailers is key to fast, high capacity operation of Piggyback Park, where two gantry cranes and a Piggy Packer are used to lift trailers on or off railroad flatcars.

The use of a Piggy Packer at the St. Paul piggyback facility increased capacity there by 30 percent.



The Milwaukee Road is organized into these departments:

Operating

which also includes within it transportation (responsible for allocating equipment, car tracing, equipment utilization, etc.); safety; police; fire prevention; mechanical (car and locomotive repair, testing, service and maintenance); freight claim prevention; mail, baggage and express; and the sleeping and dining car operation.

Rates and Divisions

which sets prices for our services, and does pricing research.

Real Estate and Industrial Development

which oversees property owned, sold or leased by the railroad, and which works to locate new industries on sites served by our lines.

Finance and Accounting

Treasurer

Purchases and Material

Employment Training and Development

Corporate Secretary

Sales and Service

which also includes the passenger department, marketing and research, and agriculture and mineral development.

Law

which also includes the tax department, and the claim departments.

Labor Relations

which negotiates labor agreements with the approximately 20 brotherhoods (unions) having Milwaukee Road membership.

Engineering

which basically has three sub-sections: structures, relating to design, construction or maintenance of bridges and buildings we own; maintenance of way, relating to maintaining the track and right-of-way; and signals and communications.

Public Relations and Advertising

Milwaukee Motor Transportation Co.

Management Services

which includes cost research, systems and procedures, and electronic data processing.



The History

The Milwaukee's history dates to a predecessor railroad which in 1850 operated the first train in Wisconsin. In the 1860's and 1870's many smaller railroads were merged into a system called the Milwaukee & St. Paul Railway until 1874, when the name became the Chicago, Milwaukee & St. Paul.

The system continued to grow in the midwest, either through construction or by acquisition, during the remaining part of the 1800's. In 1900 the system had virtually all of its present midwestern mileage.

In 1906, an extension to the Pacific Northwest was begun, being completed in 1909. In the early 1920's, the present Terre Haute division was acquired, with its trackage in north-eastern Illinois and western Indiana.

The company's present name, the Chicago, Milwaukee, St. Paul and Pacific Railroad Company, dates from 1928.



Computers are used for many important jobs in today's railroad. At the Chicago headquarters, this IBM 360 system is used especially for car tracing and improved equipment utilization. In a virtually instantaneous operation, answers are flashed on a video screen in response to inquiries about car location.

**THE
MILWAUKEE
ROAD**



CHICAGO, MILWAUKEE, ST. PAUL and PACIFIC RAILROAD COMPANY
UNION STATION BUILDING, CHICAGO, ILLINOIS 60606



CHICAGO SWITCHING DISTRICT-TERRE HAUTE DIVISION CONNECTIONS

CHICAGO TERMINAL

Chicago Terminal consists of four (4) Freight Yard Operations and one (1) Passenger Yard Operation. The main train yard is located between Franklin Park and Bensenville, Illinois and is known as the BENSENVILLE FREIGHT CLASSIFICATION YARD.

BENSENVILLE FREIGHT CLASSIFICATION YARD

This yard was re-designed and built into a retarder yard in 1953 and as shown on the print Yard "A" has 71 classification tracks; Yard "B" is the outbound yard and has five (5) tracks and Yard "C" is the receiving yard and has 20 tracks. In addition, we have a West Yard which is mainly used for the storing of equipment and has our Bensenville Washing facilities where 104 cars are cleaned and washed daily. The Roundhouse facilities at Bensenville maintain the road power operating in and out of Chicago. In 1961 one of the largest One-Spot Car Repair facilities in the nation was constructed just south of our hump tower. Piggyback Park, which handles our TOFC traffic, is also served from the East End of the Bensenville Yard.

FREIGHT TRAIN OPERATION

All Freight Trains off the D&I DIVISION are yarded in the Bensenville "C" Yard and classified for city as well as connecting lines.

KANSAS CITY GATEWAY—EASTBOUND Train No. 86 arrives Bensenville between 11:00 a.m. and noon daily. Train No. 64 between midnight and 1:00 a.m. These trains handle the perishable into Bensenville. **WESTBOUND D&I 65** departs for Kansas City at 10:30 p.m. daily, classified into nine separate blocks for immediate delivery on arrival Kansas City.

OMAHA GATEWAY—EASTBOUND Train No. 62 arrives Bensenville about 12 noon and No. 64 arrives 11:00 p.m. Both trains carry perishable and this perishable is switched at the East End of the Bensenville "C" Yard for both the Indiana Harbor Belt as well as Western Avenue Gateway connections with the B&OCT and Pennsylvania twice each day. **WESTBOUND** Train No. 61 pre-blocked for Union Pacific, departs at 11:00 a.m. and Train No. 63 at 8:30 p.m.

D&I 2ND DISTRICT AND IM&D DIVISION—EASTBOUND Train No. 62 which has the perishable out of Sioux Falls, Austin and Dubuque arrives Bensenville at 12 noon Tuesday through Sunday and Train No. 68 at 1:00 a.m. Tuesday through Sunday. **WESTBOUND** Train No. 71 departs Bensenville at 7:00 p.m. daily and handles cars for Dubuque, and IM&D Division.

LOCAL SERVICE TO D&I DIVISION—is provided from Bensenville on Train No. 91 departing 2:30 a.m. Monday through Saturday and this train carries cars for Savanna as well as local traffic for points between Elgin, Illinois and Mt. Carroll. The Spaulding Patrol serves the Industrial areas between Bensenville and Elgin, Illinois.

MILW DIVISION—ARRIVALS (EASTBOUND) On the MILW Division, we have C&M 98, one of the "Roaring 90's" arriving at 4:30 a.m. Tuesday through Saturday with TOFC traffic from the Twin Cities. C&M 72 from St. Paul arrives between 9 and 10 a.m. daily; C&M 82 with connections from Superior and LaCrosse Divisions at 1:30 p.m.; No. 262, the "Thunderhawk" at 9:15 p.m. from the Pacific Northwest and C&M 70 at 11:00 p.m. from Milwaukee. Train No. 264-266 arrives from the Pacific Northwest at about 9:00 p.m.

DEPARTURES (WESTBOUND) C&M 65 departs Bensenville 2:00 a.m. for St. Paul and in addition to the St. Paul cars, handles cars for the Wisconsin Valley Division. No. 63 departs 5:00 a.m. performing local service for industries on the C&M Division in addition to Milwaukee traffic. No. 261, "X-L SPECIAL," departs Bensenville 2:30 p.m. daily and is classified into four blocks with the first Coast Line block being that of Spokane, then our interchange at Marengo, Seattle and Tacoma. In this way, a minimum of time is spent enroute. C&M 263 is due to depart at 5:00 p.m. daily and is also a Coast Line train which carries our intermediate Coast Line business as well as empties required for loading on the Coast and business for Minneapolis, St. Paul and Minnesota Transfer. C&M 99, another one of the "Roaring 90's" departs Bensenville 7:30 p.m. Monday through Friday and handles our important TOFC traffic for an early arrival at St. Paul. C&M 75 departs Bensenville at 12:30 p.m. and handles Milwaukee and Superior Division business.

JANESVILLE-MADISON LINE EASTBOUND—JL No. 166 is due Bensenville daily except Monday at 1:30 a.m. out of Madison, Wisconsin with perishable from Oscar Mayer & Company. There is also JL 194 Monday, Wednesday and Friday out of Janesville.

WESTBOUND—JL No. 163 departs Bensenville 12:30 a.m. daily except Saturday with the cars for Chevrolet plant at Janesville and Madison connections. JL 165 departs Bensenville Tuesday, Thursday at 11:30 a.m. and 12:30 a.m. Sunday providing Tri-weekly service to industries between Rondout and Janesville.

TERRE HAUTE DIVISION

NORTHBOUND—SE No. 71 departs Bedford, Indiana for Bensenville about 5:30 a.m. and arrives about 7:00

a.m. with connections from the Terre Haute Division which include cars from the MONON, B&O, Pennsylvania, NYC, IC, N&W, TP&W, C&EI and EJ&E. This train operates on a daily basis. SE No. 77 runs daily except Sunday and Monday from Terre Haute, arriving Bensenville around 7:00 p.m.

SOUTHBOUND—SE No. 82 departs Bensenville at 7:30 a.m. with connections for points between North Harvey and Seymour, Indiana and SE No. 84 departs 7:00 p.m. with connections between North Harvey and Terre Haute, Tuesday through Saturday.

The above operation is as shown by advertised schedules which are printed for information of the public. The Operation, however, of the Terminal is just as exact of that of a road time freight and the operations between connecting lines and other industrial yards on the Milwaukee Railroad in Chicago are scheduled to fit in with the arrival of road time freights and connections with foreign lines as well as industrial crews operating out of the Industrial yards east of Bensenville.

TRANSFER OPERATION

Between **BENSENVILLE** and **GALEWOOD**, Eastbound transfers depart Bensenville at 10:30 a.m. and 9:30 p.m. Westbound at 7:00 p.m. and 1:00 a.m.

Between **BENSENVILLE** and **WESTERN AVENUE**, Eastbound transfers depart 9:00 a.m. with cars for the B&OCT, Western Avenue Proper and the Penna cars. Transfer departs 1:00 a.m. with cars for the B&OCT, Western Avenue Proper and the Conway cars. Perishable arriving on the "meat" and fruit trains for Western Avenue Gateway connections are handled at 3:30 p.m. and 3:30 a.m. for a 5:00 a.m. and 5:00 p.m. connection to the Pennsylvania, B&OCT, CPT and Wood Street as well as Yard 2 in the Union Street area. Westbound transfers depart 5:00 a.m. and 8:00 a.m. with cars for D&I 61's connection; 12:00 noon with cars for No. 261 and 263 and 9:00 p.m. with cars for Chevrolet at Janesville as well as other connections.

Cars for the **UNION STREET DISTRICT** are handled with our Western Avenue Transfer traffic perishable on our perishable connection deliveries to Western Avenue, due into Western Avenue at 5:00 a.m. and 5:00 p.m.

Our **DIVISION STREET DISTRICT** located at Goose Island receives cars from Bensenville at 1:00 p.m. daily and brings cars to Bensenville at 10:00 a.m. daily. During the winter months, an additional transfer is operated from Bensenville at 9:00 p.m. and 6:00 p.m. to Bensenville.

CONNECTING LINES

Connecting Line deliveries from Bensenville, the largest being the interchange to the **INDIANA HARBOR BELT** are delivered to their Norpaul Yard via Milwaukee crews. This traffic is blocked at Bensenville in five different classifications; i.e., Block No. 1, New York Central; Block No. 2, Norpaul Industries and Western connections on the Harbor between Norpaul and the Santa Fe; Block No. 3, Blue Island cars; Block No. 4, Grand Trunk Western cars and Block No. 5, Erie-Lackawanna cars. The New York Central Block 1 cars are delivered at 10:00 a.m. and 8:00 P.M. daily; Block 2 cars are delivered at 1:00 p.m. and 11:00 p.m. daily; Block 3 cars are delivered at 10:00 a.m., 7:00 p.m. and the Per Diem run and 2:00 a.m. and the Block No. 4 and Block No. 5 cars are delivered at 7:00 a.m. daily. The Indiana Harbor Belt delivers a New York Central connection known as LS #1, to the Milwaukee at 9:00 a.m. daily; the Grand Trunk Western connection arrives at 10:00 a.m. and deliveries from the Harbor-Blue Island District at 8:00 a.m. and 11:00 p.m. Indiana Harbor Belt crews handle the perishable for Eastern Connections on a transfer identified as a "whippet" at 1:30 p.m. and 3:00 a.m.

The Interchange between the Milwaukee and **BELT RAILWAY COMPANY OF CHICAGO** consists of a transfer leaving Bensenville at 10:00 a.m. and 9:30 p.m. and the Belt Railroad brings cars to Bensenville at 5:00 a.m. and 6:00 p.m.

Live stock and perishable for the U. S. Yard District is handled with Milwaukee crews over the Indiana Harbor Belt to the CJ at 5:00 a.m.

GALEWOOD INDUSTRIAL YARD

Galewood yard is the base yard for the industrial points in Chicago, handling the Dunning Line and industries from Elmwood Park to Tower A-5. In addition, the Morton Grove and Healy Patrols on the MILW Division are made up at the Galewood Yard and C&M Train 69 for Milwaukee departs Galewood at 11:00 p.m. Tuesday through Saturday with traffic out of the Galewood industries and off the Belt Railway Company of Chicago as well as from Western Avenue for Milwaukee and Milwaukee connections. The Belt Railway Company of Chicago interchanges cars to the Milwaukee at the Galewood Yard for industrial districts in Chicago. Cars from this area are delivered on the Per Diem run each night to the Belt at their 22nd Street Yard.

WESTERN AVENUE FREIGHT YARD

Western Avenue Freight Yard is the yard for industrial traffic in this area between Tower A-5 and Tower

A-2, in addition, the interchange yard for the railroads shown. The Pennsylvania cars are blocked by the Milwaukee into two blocks, Penna cars and Conway cars. Conway cars depart 8:30 a.m. daily and Pennas are moved at 1:00 p.m. and 5:00 p.m. In addition, the Pennsylvania pulls at 5:00 a.m. and 5:00 p.m. the perishable. The Pennsylvania delivers trains identified as Train PR #1 at 7:30 a.m. The B&O, N&W, Erie and Illinois Central deliver cars at 7:00 a.m. which deliveries are moved to Bensenville for connection starting with D&I 61. In addition, transfer operation to the Illinois Northern, CPT, Wood Street and the CR&I originate at Western Avenue.

DIVISION STREET YARD

The Division Street Yard is located at Goose Island and is the base yard for industries east of Tower A-5.

WESTERN AVENUE COACH YARD

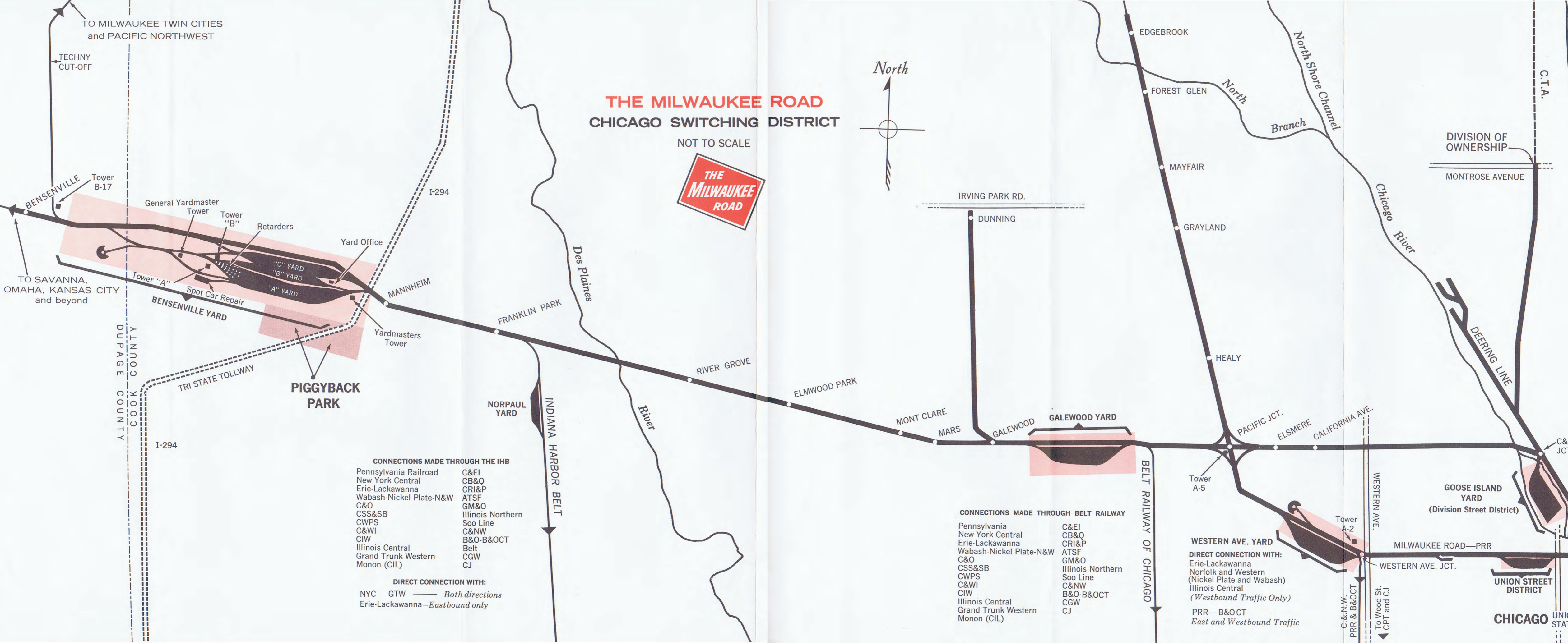
The Western Avenue Coach Yard is the main passenger yard, handling the passenger equipment for the Milwaukee Railroad for servicing. The Western Avenue area also contains the Commissary facilities for supplying the passenger trains and the roundhouse facilities for servicing all passenger engines as well as yard engines for the Galewood-Western Avenue and Division Street areas.

PASSENGER TRAIN OPERATION

12 passenger trains in each direction operate in and out of the Chicago Union Station serving the Twin Cities, Milwaukee, Upper Michigan, Madison and Omaha-West Coast points. In addition, 32 Suburban trains operate in each direction on week days between Chicago-Elgin and Chicago-Fox Lake, with reduced frequency on Saturdays and Sundays.

THE MILWAUKEE ROAD CHICAGO SWITCHING DISTRICT

NOT TO SCALE



TO MILWAUKEE TWIN CITIES
and PACIFIC NORTHWEST

TECHNY
CUT-OFF

TO SAVANNA,
OMAHA, KANSAS CITY
and beyond

ALTAUOOC
DUPAGE COUNTY
KOOOC

I-294

TRI STATE TOLLWAY

PIGGYBACK
PARK

CONNECTIONS MADE THROUGH THE IHB

Pennsylvania Railroad	C&E
New York Central	CB&Q
Erie-Lackawanna	CRI&P
Wabash-Nickel Plate-N&W	ATSF
C&O	GM&O
CSS&SB	Illinois Northern
CWPS	Soo Line
C&WI	C&NW
CIW	B&O-B&OCT
Illinois Central	Belt
Grand Trunk Western	CGW
Monon (CIL)	CJ

DIRECT CONNECTION WITH:
 NYC GTW — Both directions
 Erie-Lackawanna — Eastbound only

CONNECTIONS MADE THROUGH BELT RAILWAY

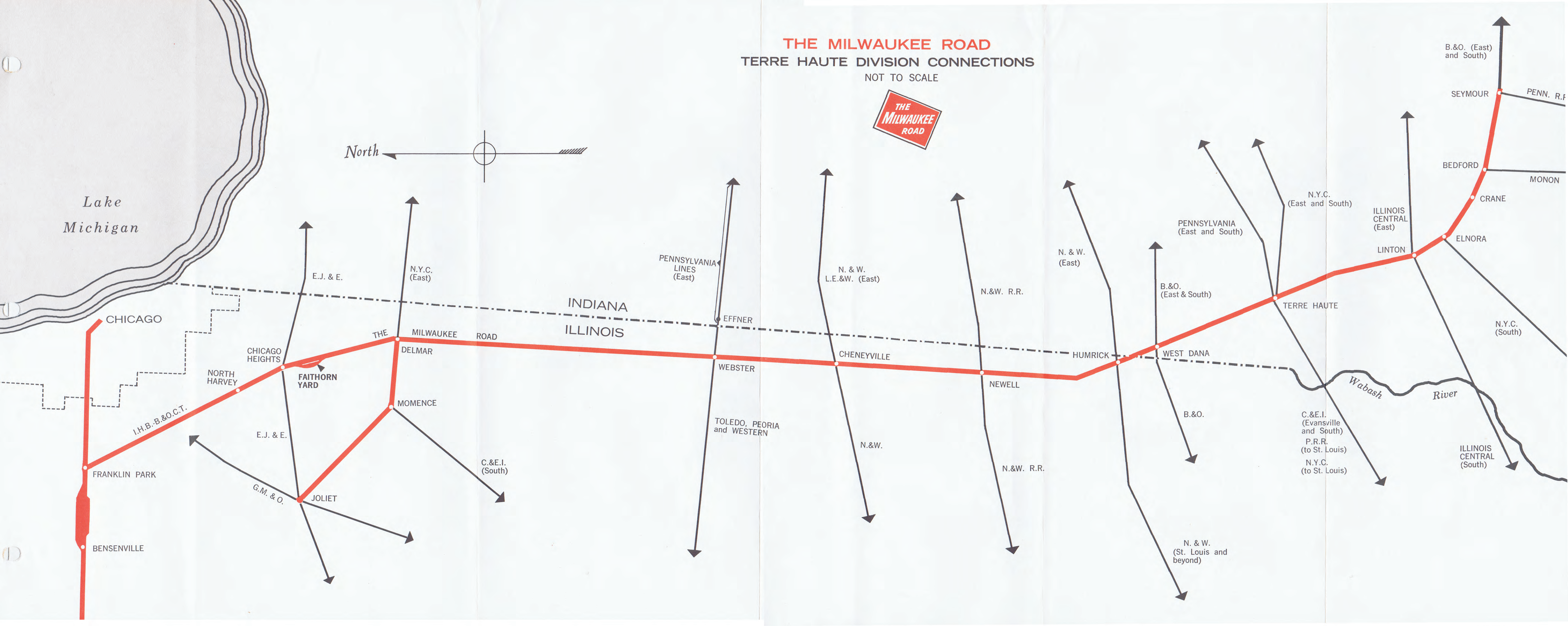
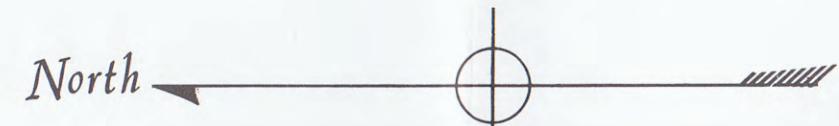
Pennsylvania	C&E
New York Central	CB&Q
Erie-Lackawanna	CRI&P
Wabash-Nickel Plate-N&W	ATSF
C&O	GM&O
CSS&SB	Illinois Northern
CWPS	Soo Line
C&WI	C&NW
CIW	B&O-B&OCT
Illinois Central	CGW
Grand Trunk Western	CJ
Monon (CIL)	

WESTERN AVE. YARD
DIRECT CONNECTION WITH:
 Erie-Lackawanna
 Norfolk and Western
 (Nickel Plate and Wabash)
 Illinois Central
 (Westbound Traffic Only)
 PRR—B&OCT
 East and Westbound Traffic

DIVISION OF
OWNERSHIP
 MONTROSE AVENUE

CHICAGO
UNION STATION

THE MILWAUKEE ROAD
TERRE HAUTE DIVISION CONNECTIONS
NOT TO SCALE



COUNCIL BLUFFS-OMAHA-SOUTH OMAHA TERMINALS

COUNCIL BLUFFS, IOWA

Council Bluffs is the fifth largest rail center in the United States, behind Chicago, Ill.; St. Louis, Mo.; Kansas City, Mo. and Omaha, Nebraska. This important gateway is served by the Milwaukee Road; Chicago & North Western; Chicago, Burlington & Quincy; Chicago Great Western; Rock Island; Illinois Central; Union Pacific and Norfolk & Western railroads.

All Milwaukee Road yard operations are handled at Council Bluffs, including TOFC. We have only six industries located on our trackage in this area, all located in Council Bluffs. This does not include the Janesville Auto Facilities which are owned by the Milwaukee Road and leased to the Janesville Auto Transport Company.

TIME FREIGHTS

<i>Westbound</i>	61	63	
Bensenville Yd., Ill.	11:00 A.M.	8:30 P.M.	
Council Bluffs, Iowa	10:00 P.M.	10:00 A.M.	

<i>Eastbound</i>	62	64	
Council Bluffs, Iowa	8:00 P.M.	9:45 A.M.	
Bensenville Yd., Ill.	11:00 A.M.	11:00 P.M.	

Train No. 61 handles mainly U. P. Traffic, TOFC and other rush traffic.

Train No. 63 handles all other freight available.

Train No. 62 handles outbound perishable traffic.

Train No. 64 handles all other traffic available.

We also have a westbound freight, Train 73, which operates from Savanna, Illinois and Eastbound Train 68, which is a freight.

PASSENGER TRAINS

<i>Westbound</i>	111	103	19
Chicago, Ill.	3:00 P.M.	6:00 P.M.	8:10 P.M.
Omaha, Neb.	11:15 P.M.	2:20 A.M.	7:50 A.M.
Un. Station			

<i>Eastbound</i>	112	104	20
Chicago, Ill.	10:15 A.M.	11:59 A.M.	8:50 A.M.
Omaha, Neb.	2:00 A.M.	3:40 A.M.	9:00 P.M.
Un. Station			

Our interchange with the Union Pacific Railroad is accomplished at a centralized point, commonly referred to as the Pool Yard. Most railroads serving this area interchange cars at this location. The Milwaukee Road delivers to the Union Pacific on track number 12, (our train No. 61 is delivered on this particular track)

and tracks 7, 8 and 9; also a track known as "Joe track." The Union Pacific delivers to the Milwaukee at North yard Number 7 track. We own tracks 7, 8, 9 and "Joe track." Cars delivered to the Union Pacific (with the exception of our train No. 61 and LA Forwarder connections) are handled approximately 4½ times before leaving Council Bluffs.

The Union Pacific Yard, Council Bluffs, holds a total of 3,500 cars on the so-called "Live Tracks." They work an average of 32 switch engines every 24 hours. Also located here are the ice docks which are a vital part of the Union Pacific operations. This facility is operated by the Pacific Fruit Express Company, which has its own ice manufacturing plant with a capacity of 259 tons per day. There is storage capacity for 23,600 tons. The ice dock holds a total of 100 cars on each side for re-top or body icing. The top icing takes an average of 56 seconds per car.

Delivery to the C&NW is accomplished on Track Number 3. We receive from them on track Number 7.

Delivery to the CB&Q is made at 15th Avenue, off of Main Line. They deliver to us any place in our yard, the track being designated by the Yardmaster on duty.

Interchange to and from the Chicago Great Western is made through the CB&Q.

Delivery to the CRI&P is accomplished at the North yard of transfer and we receive on Track Number 7.

Interchange to and from the IC is made off of the Main Line on a spur track known as "J track."

Delivery to the N&W is done off of Main Line track at Number 305 Station, a small building which we own. This is "home" for a switch tender who goes on duty at 10 P.M. to throw the switches for the City Trains as well as Freight. We receive from the N&W on Track Number 13.

OMAHA, NEBRASKA

Omaha is the fourth largest rail center in the nation behind Chicago, Illinois, St. Louis, Missouri and Kansas City, Missouri.

This Gateway is served by the Milwaukee Road; Chicago & North Western; Chicago, Burlington & Quincy; Chicago Great Western; Chicago, Rock Island and Pacific; Illinois Central; Missouri Pacific, Union Pacific and Norfolk and Western railroads.

An agreement between the Union Pacific and the Milwaukee Road, dated May 25, 1898, permits us to use, jointly with other railroads, certain trackage facilities of the Union Pacific between Council Bluffs,

Iowa and a point within one and one half miles south of the then existing passenger station of the Union Pacific at South Omaha, Nebraska. This distance is 7.98 miles, of which 5.62 miles are in Nebraska.

All should understand that our railroad has no industries in the Omaha area served by ourselves. In view of the contract we have with the Union Pacific we consider all Union Pacific Industries the same as ours, excepting that actual placement of cars is made by the Union Pacific engine and crews and not our own.

The Milwaukee Road delivers and receives freight on tracks in what is known as the "7th Street Yard." We deliver on any clear track and receive on what is known as Track Number 26. Enroute from South Omaha, we stop here to pick up only perishables.

The freight house at 9th and Jackson streets is a joint operation between the Milwaukee Road, Norfolk & Western and the Union Pacific. The Union Pacific furnishes the facilities and forces.

All the railroads entering Omaha, Nebraska from Council Bluffs, Iowa use the Missouri River Bridge which is owned by the Union Pacific with the exception of the Illinois Central who have their own bridge about 2 miles north of the UP Bridge. We are informed by the UP East tower operator, there are from 70 to 80 trains per day using this bridge. The Chicago, Burlington & Quincy Railroad can use their bridge at Plattsmouth, Nebraska by using their tracks on the west side of the Missouri River. Cars are handled on a wheelage basis over the UP Bridge to Omaha and South Omaha by our own terminal crews from Council Bluffs.

We do not have a direct connection with the Missouri Pacific Railroad at the Omaha-South Omaha Switching District. Delivery to and from the Missouri Pacific is made through the Union Pacific at Omaha or via South Omaha and the South Omaha Terminal (SOT) Railway. The Missouri Pacific at Omaha has direct interchange with the C&NW, CB&Q, IC and UP.

The relocation trend of present industry and location of new industry at Omaha is to the west.

They are moving to the Omaha Industrial Districts 1, 2, 3 and 4 and later new districts will be secured. This area is served by the Union Pacific. This company has a tendency to give railroad siding names to these industry sites such as Woody, Weco (Western Electric Company), IpcO (International Paper Company), Ruf, Foxley and Seymour, Nebraska. This enables the Union Pacific to secure a line haul to and from such firms instead of receiving a switching charge. These firms are not open to reciprocal switching to any railroad.

The Union Pacific Railroad works 18 switch engines at this terminal on Sundays. Mondays to Fridays inclusive they work 34 engines and on Saturdays they work 28.

SOUTH OMAHA, NEBRASKA

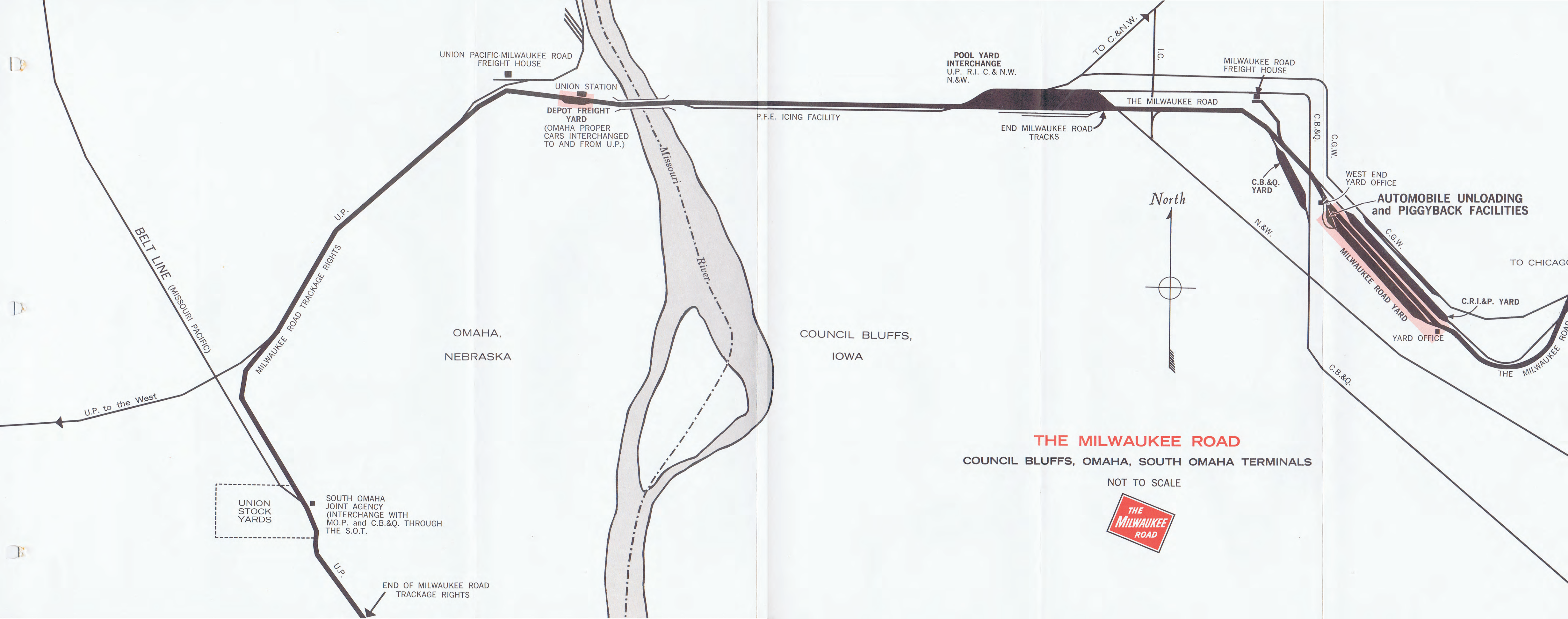
This particular Gateway is served by the same carriers that serve Omaha, Nebraska. There is a switching railway here known as the South Omaha Terminal (SOT) Railway, a subsidiary of the Union Stock Yards Company of Omaha, Ltd.

South Omaha, is the largest of the stock markets. Total receipts of livestock for the year 1966 were 4,916,719. Salable, receipts of livestock for the year 1966 placed South Omaha first with 4,212,299 animals.

Swift and Company and Armour and Company are served by the SOT Railway. Wilson and Company is served by the Union Pacific. Most of the Independent packers are located on the Burlington railroad.

We make delivery to the South Omaha Terminal (SOT) Railway on tracks 1, 2 and 3 and they deliver to us on Track Number 6. We deliver to the Union Pacific on what is known as the front and back scale tracks and they will deliver to us also on Track Number 6.

The only connection that we have with the CB&Q, C&NW and the MP in the South Omaha terminal is by using the SOT Railway as an intermediate carrier. We operate over the Union Pacific into the South Omaha District giving us a direct interchange with that carrier.



UNION PACIFIC-MILWAUKEE ROAD
FREIGHT HOUSE

UNION STATION

DEPOT FREIGHT
YARD
(OMAHA PROPER
CARS INTERCHANGED
TO AND FROM U.P.)

P.F.E. ICING FACILITY

POOL YARD
INTERCHANGE
U.P. R.I. C. & N.W.
N.&W.

THE MILWAUKEE ROAD

MILWAUKEE ROAD
FREIGHT HOUSE

END MILWAUKEE ROAD
TRACKS

C.B.&Q.
YARD

WEST END
YARD OFFICE

AUTOMOBILE UNLOADING
and PIGGYBACK FACILITIES

MILWAUKEE ROAD YARD

C.R.I.&P. YARD

YARD OFFICE

TO CHICAGO

THE MILWAUKEE ROAD

BELT LINE (MISSOURI PACIFIC)

MILWAUKEE ROAD TRACKAGE RIGHTS

U.P.

Missouri River

OMAHA,
NEBRASKA

COUNCIL BLUFFS,
IOWA

North



THE MILWAUKEE ROAD

COUNCIL BLUFFS, OMAHA, SOUTH OMAHA TERMINALS

NOT TO SCALE



UNION
STOCK
YARDS

SOUTH OMAHA
JOINT AGENCY
(INTERCHANGE WITH
M.O.P. and C.B.&Q. THROUGH
THE S.O.T.)

END OF MILWAUKEE ROAD
TRACKAGE RIGHTS

U.P.

U.P. to the West

ENGINEERING DEPARTMENT

The Engineering Department is responsible for maintenance and construction of the road property.

The General Office Staff is located in the Union Station, Chicago, Illinois. This staff handles administrative matters and technical matters applicable to the entire system and the design of structures and track standards. The General Staff is divided into sub-departments, consisting of the Structural (Bridge & Buildings) Department, the Track Department, and the Signals and Communications Department.

The Structural Department is responsible for the construction and maintenance of both bridges and buildings, and related facilities, for the entire system. It prepares plans and specifications for new construction, as well as for alterations and repairs to existing facilities, and has supervision over the repair and maintenance programs.

The Structural Department handles negotiations with public agencies in connection with public improvements, including railroad-highway grade separation projects and grade crossing protection. It also handles negotiations with the U. S. Corps of Engineers in connection with Government projects involving flood control and improvements to harbors and waterways.

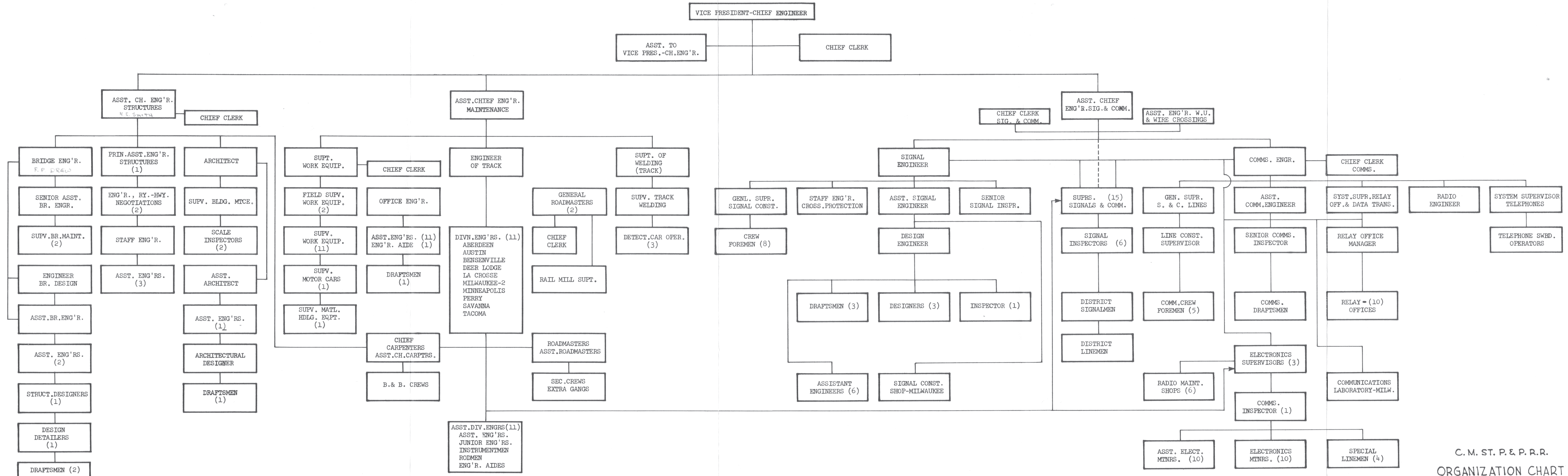
In respect to clearances this department reviews for the Operating and Transportation Departments all matters related to excessive load dimensions or wheel loads. The scope of the Architectural sub-department extends to include shop buildings, and investigations in both air and water pollution.

The Track Department designs track layouts and approves track plans prepared by division forces. The

Track Department works closely with the Industrial, Operating and Traffic Departments in the development of track plans to serve new industries and industries that are expanding. System maps and reports are maintained by the General Office Staff. Programs prepared by Division Engineers are reviewed and approved by the General Office Staff.

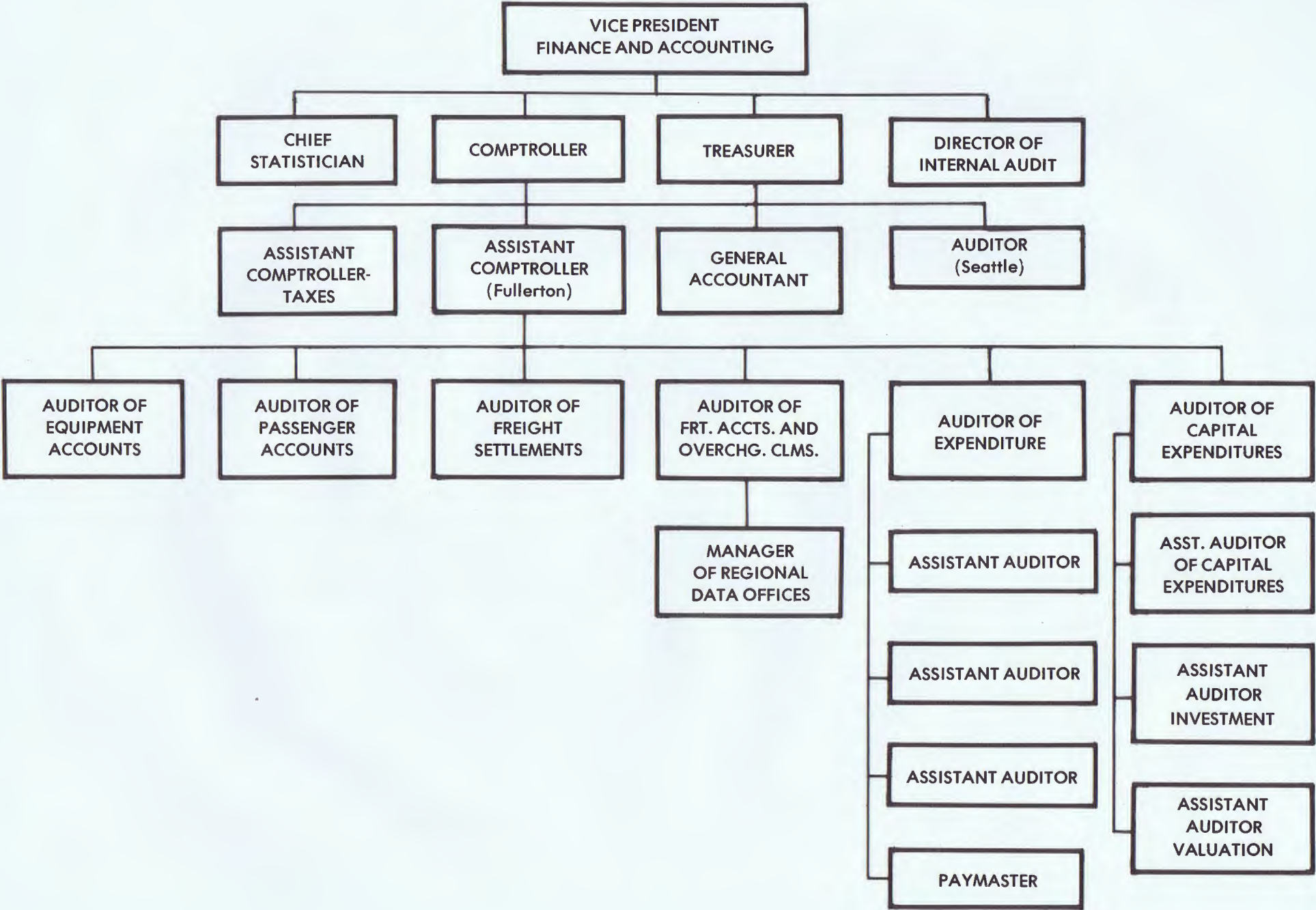
The Signal and Communication Department is responsible for the design, construction and maintenance of the Signal and Communication facilities. These facilities consist of the wayside and cab signals, interlockings, centralized traffic control systems, automatic highway crossing protection, classification yards, hot-box, dragging equipment, loose wheel and broken flange detectors, teleprinter and telephone network and base and mobile radio equipment. This department is also responsible for the operation of the teleprinter relay offices and major on-line telephone switchboards.

The Division Engineering Staff, located at Division Headquarters, handles engineering and maintenance work in the field and in the office, pertaining to surveys for new industry track, surveys and drainage studies for bridge and culvert replacement, inspections for annual track and structures repair programs, investigations for signals and communications installations, inspections for signal and communication repair programs, investigation of assessments, investigation of leases, and numerous matters requiring technical services on the division. Among such matters are proposed installations involving anhydrous ammonia and/or flammable liquids, liquids emitting flammable vapors, compressed gasses and other hazardous liquids transported in tank cars or other containers.



C. M. ST. P. & P. R. R.
 ORGANIZATION CHART
 ENGINEERING DEPARTMENT
 JANUARY 1, 1969

FINANCE AND ACCOUNTING DEPARTMENT



KANSAS CITY TERMINALS

Our yard facilities at Kansas City are operated jointly with the Kansas City Southern. There are two train yards involved. Our East Kansas City yard is designated as an inbound train yard where both railroads' inbound trains arrive and are switched for deliveries to our own industries and connecting lines business.

We have three scheduled trains into Kansas City at present:

#75 due at 5:00 AM
#65 due at 1:30 PM
#2/65 due at 11:45 PM

All trains are supposed to be blocked, and with normal arrivals and proper blocking, deliveries to connecting lines are made promptly. Our delivery schedules call for the following deliveries in connecting lines outbound yards:

To:

SANTA FE—Noon and Midnight

FRISCO—2 PM and 9 PM

MKT—9 AM

CRIP—9 PM

UP—4 AM and Noon

MOP—About 45 minutes after train arrival. We have a 4 track connection in the East Yard area adjacent to the MOP where interchange of receipts and deliveries are made.

KCS—Interchange timing is made when train is completely switched in East Yard and then the road-haul cars for the KCS are shuttled to Knoche Yard (Outbound Yard) at least twice daily at about 3 AM and Noon.

CBQ—4:30 AM and 6 PM

CGW—9 AM and 11 PM

GM&O—3 PM and 6 PM

N&W—5 AM and Noon

K. C. TERMINAL—5 AM at Mill St. Yard
(All except cars for Montgomery Ward which are delivered at 11 PM in the Blue River Yard.)

BROADWAY YARD—9 AM

COBURG YARD—9 AM

STOCKYARDS—When necessary to deliver or pick up

All deliveries as noted above, with the exception of the MOP and the KCS, are made direct in the outbound train yard of the connecting line to facilitate

handling. We do not deliver through an intermediate, such as the Kansas City Terminal, but simply use the Kansas City Terminal's trackage to get from one place to another. Our inbound yard office and Superintendent's offices are located in our East Yards.

Our receiving yard and outbound train yard is located in the Knoche Yard, which is adjacent to and directly west of the East Yards. Our outbound yard office is located in the west end of Knoche Yard (the KCS yard office is located in the east end of Knoche Yard). All connecting lines deliver to us in this yard, where transfers are switched for outbound movement, and local industry cars must be shuttled to the East Yard.

We have three outbound scheduled trains from Kansas City:

#64 due out 7:00 AM

#86 due out 5:20 PM

#70 due out 9:00 AM

Trains #64 and #86 handle our perishable and preferred traffic, and carries an one hour cut-off. We generally adhere to a 4 hour cut-off on dry freight. Trains are blocked according to instructions when departing from here.

Our TOFC facilities are located in the Knoche Yard area in a very serviceable position. Cut-off times of TOFC shipments are 5:00 AM for #64 and 4:00 PM for #86.

Within the Milwaukee-KCS joint agency setup, there are various yards for service of industries primarily. The Broadway Yard is wholly Milwaukee Road owned and all industries in this area are Milwaukee industries and we collect switching charges. The Coburg Yard is a jointly owned facility. However, the Cargill Elevator located in this yard is totally Milwaukee, similar to our Broadway industries. The Milwaukee Freighthouse prior to our joint agency affiliation was operated in the West part of Kansas City, Missouri, 3 or 4 blocks from the Missouri-Kansas state line. It still remains on property which is included as Milwaukee-KCS jointly owned property.

Various other yards, such as the Elmdale Yards, Wyandotte Street Team Tracks, Henning Street Yards (where our present MILWAUKEE-KCS Joint Agency Freighthouse is located), Fifth Street Yards in Kansas and Armourdale Yards in Kansas, are all part of and served by the Milwaukee-KCS Joint Agency, although industries in these areas are wholly KCS where they collect all switching charges.

The Greater Kansas City Switching Zone comprises Kansas City, Missouri, Kansas City, Kansas, North Kansas City, Missouri, Sugar Creek, Missouri,

KANSAS CITY TERMINALS

Claycom, Missouri, Lenexa, Kansas, as well as various districts of Kansas City, Kansas known as Fairfax, Armourdale, Rosedale, and Argentine.

The TOFC Commercial Zone includes the above and even extends beyond in all directions.

Kansas City is unique in that with only a few exceptions, all industries served by rail are open to reciprocal switching and in addition, many of our connecting lines have open team tracks.

Our operations here are computerized, and the Sales

& Service Department receives a copy of all of the pertinent information such as interchange, on hand, inbound and outbound train lists, etc., so that we are in a position to give immediate information relative to tracing of cars.

We are on the Milwaukee Road's telephone communication system, and also have Company printers and a Western Union Telex machine in our office.

The various facets entering into accounting, personnel, power, and so forth, are complicated, and will not be covered in this report.

LAW DEPARTMENT

VICE PRESIDENT and GENERAL COUNSEL
Overall supervision of all
legal matters of the Company

GENERAL SOLICITOR
Merger-Commerce-
Administration

GENERAL SOLICITOR
P. I. — Labor — Legislation

<p>CORPORATE COUNSEL Corp. financing-Mortgages-Bd. Dir. Resolutions-Stockholder problems-Taxes</p>
<p>WESTERN COUNSEL General supervision of Seattle Law Dept.</p>
<p>GEN. ATTY. & C. C. Commerce Matters</p>
<p>GEN. ATTYS. (5) 1. Contracts - Insurance 2. Motor Transp. subsidiary-Commerce-Merger 3. Commerce matters - Mergers 4. Commerce - Mergers 5. Personal Injury-Litigation</p>
<p>ASST. GEN. SOLICITOR Bankruptcies-Collections-Misc. matters</p>
<p>ASST. GEN. ATTY. Asst. to Western Counsel</p>
<p>ATTORNEY Personal Injury-Litigation - Labor</p>

<p>STATE SOLICITORS: Wis. - Minn. Iowa - N. D. & S. D. Mo. - Mont. Neb. - Ind. Handle legal matters arising in various states.</p>
<p>LOCAL ATTORNEYS Approximately 190 Handle such local matters assigned by State Solicitors or Chicago office.</p>

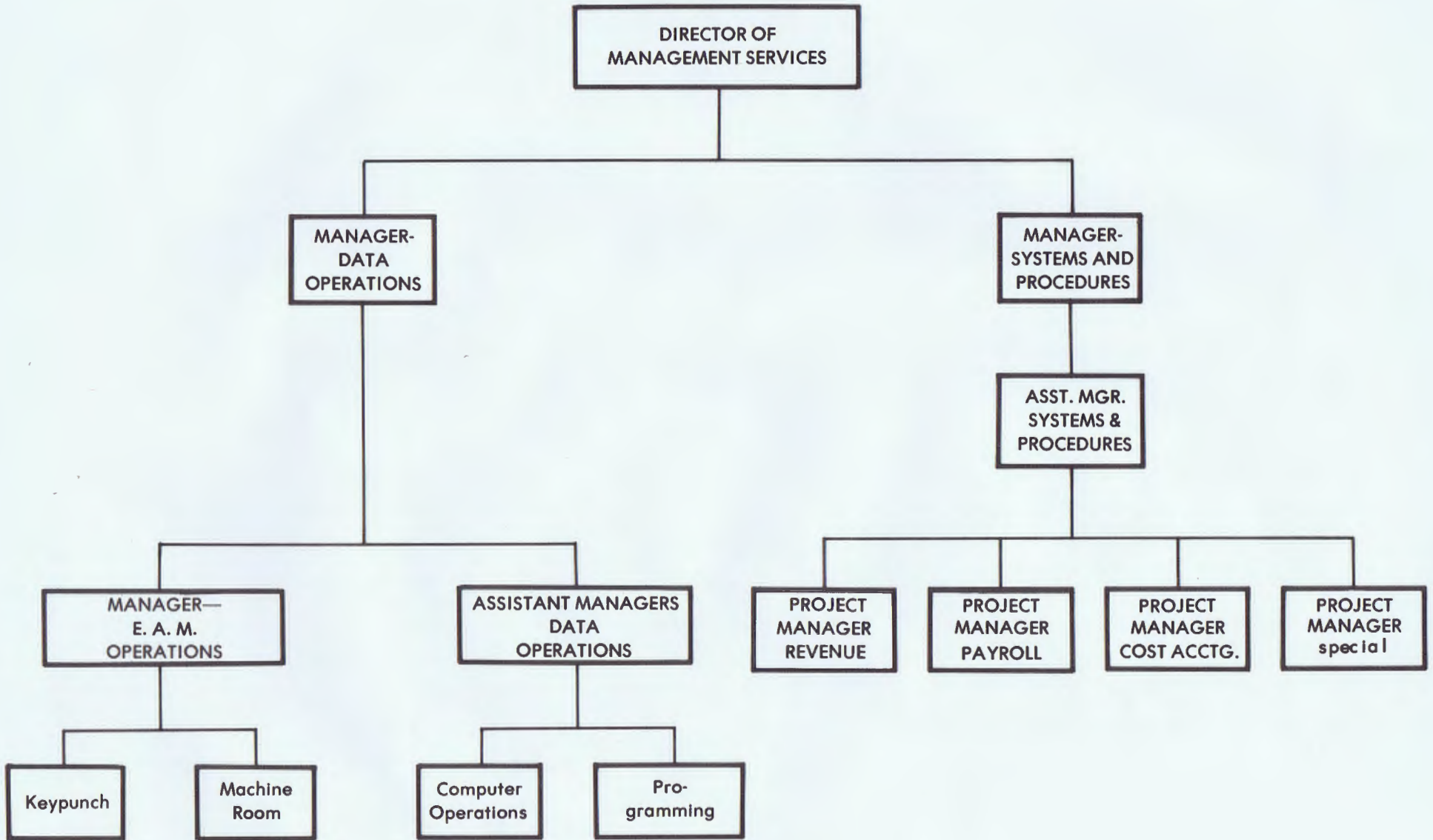
LAW DEPARTMENT

- A.** The Law Department has a distinctive function to perform, and at times it is difficult to draw a clear line between—
1. Legal considerations, and
 2. Managerial considerations.
- B.** Our true function is to advise on legal matters without regard to:
1. Traffic considerations,
 2. Popularity or unpopularity of a cause,
 3. Personal wants and desires of Department heads.
- C.** The Law Department is made up of four sub-departments:
1. Law Department proper
 2. General Adjuster's department
 3. Freight Claim Department
 4. Tax Department.
- D.** The work of the Law Department proper is divided into two broad categories:
1. Law
 2. Commerce
- E.** For organization of Law Department see organizational chart attached.
- F.** Items handled in the "Law" side of the Law Department (see separate outline attached for Commerce):
1. Personal injury and property damage;
 2. Defense of Company in general litigation of all kinds, which includes jury and non-jury trials, writing of opinions, investigations, depositions, pleadings, etc.
 3. Representing Company in suits where the Company is the Plaintiff for collections, recovery under contracts, etc.
 4. Labor matters, which would include legal advice in connection with labor negotiations, handling of injunction suits, and other labor litigation.
 5. Legislation, both state and federal.
 6. Contracts, which includes drafting of all Company contracts including side track agreements and others.
 7. Corporate matters, which would include financing of equipment purchases, resolutions for Board of Directors meetings, stock transfer matters, stockholders' meetings, questions of Company Mortgages, etc.
- G.** Mergers—During the past years, an increasing amount of the total time of the Law Department is being devoted to the handling of pending mergers, which include Milwaukee-North Western Consolidation; Union Pacific-North Western-Rock Island Merger Case; Northern Lines' Merger case; C&NW-Great Western Merger case; Pennsylvania-New York Central Merger case; and Norfolk and Western-C&O-B&O Merger case.

Outline of "ICC PRACTICE AND PROCEDURE"

1. Function of the Interstate Commerce Commission
2. Makeup of the Commission
 - a. Division I (Operating Rights)
 - b. Division II (Rates, Tariffs, and Valuation)
 - c. Division III (Finance, Safety, and Service)
 - d. Examiners, Employee Boards, staff, etc.
3. Persons Who May Practice Before ICC
4. "Rules of Practice" Before ICC
5. Types of Proceedings
 - a. Formal proceedings
 - b. Informal proceedings
6. Typical Case:
 - a. Complaint filed
 - b. Defendant files answer
 - c. Hearing
 - d. Examiner's Recommended Report and Order
 - e. Exceptions to Examiner's Recommended Report and Order
 - f. Commission's (Division's) Report and Order
 - g. Petitions for Reconsideration or Rehearing
7. Judicial Review of ICC Decisions
8. "Modified Procedure" in Lieu of Oral Hearing

MANAGEMENT SERVICES - DATA PROCESSING



MANAGEMENT SERVICES - DATA PROCESSING

I. ORGANIZATION

- A. Data Operations—Computer Operating Functions
- B. Systems and Procedures—Planning Section

II. COMPUTER OPERATIONS

- A. Payroll
- B. Car Accounting
- C. Inventory Control
- D. Freight Revenue

III. SALES REPORTS FROM REVENUE

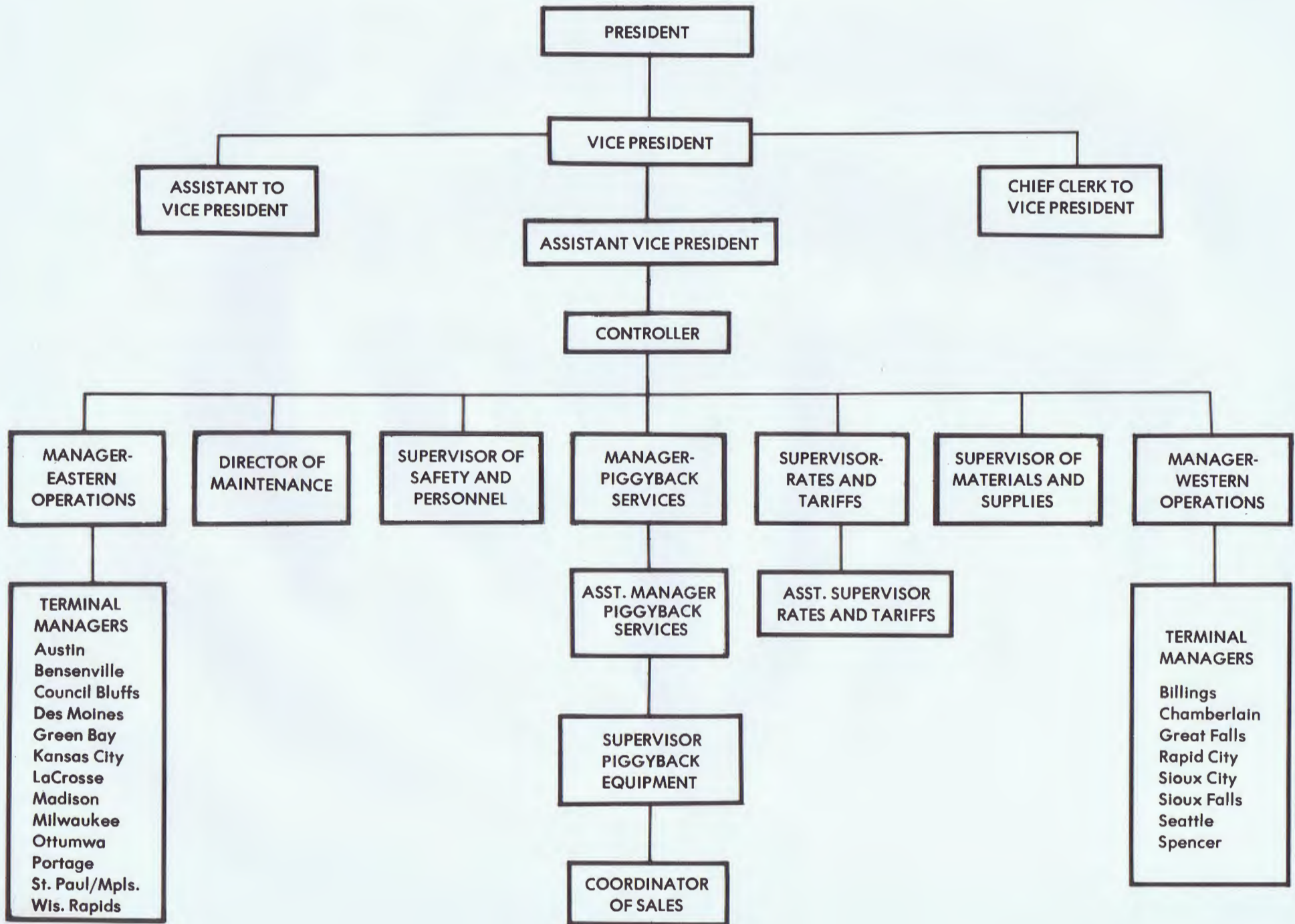
- A. Reports from Accounting vs. Car Movement
- B. Problems of Timely Reporting
- C. Problems of Revenue Estimates (Milwaukee portion)

IV. NEW SYSTEMS

- A. Third Generation Computer Equipment
- B. Needs of Sales Department

V. GENERAL DISCUSSION

MILWAUKEE MOTOR TRANSPORTATION COMPANY



MILWAUKEE MOTOR TRANSPORTATION COMPANY

EXPLANATION OF MILWAUKEE MOTOR TRANSPORTATION COMPANY HISTORY:

Incorporation in the State of Wisconsin as a separate corporation in July, 1960.

MMTC role in construction projects in conjunction with the Milwaukee Railroad—i.e.

- (a) Titan Missile Bases—State of Washington. Waunapum Dam, Beverly, Wash. 1959-1963 Contribution of revenue to Milwaukee Road—\$3,000,000.00.
- (b) Minuteman Missile Bases—Great Falls area of Montana. Minuteman Missile Bases—Rapids City area, S. Dakota. 1961-1963 Contribution of revenue to Milwaukee Road—\$2,000,000.00.
- (c) Big Bend Dam Site—Railhead Chamberlain, S. Dak. 1961-1965 Contribution of revenue to Milwaukee Road—\$2,500,000.00.
- (d) Transmission Line and Platte River Bridge, State of South Dakota. 1963-1965 Contribution of revenue to Milwaukee Road—\$400,000.00.

Beginning of Flexi-Van Piggyback operation in late 1958, and full-scale TOFC operations beginning in 1959.

PIGGYBACK TERMINALS OPERATED BY MILWAUKEE MOTOR TRANSPORTATION COMPANY:

Of the 48 piggyback ramp points on The Milwaukee Road, the following are operated by the MMTC.

Austin, Minn.	Billings, Mont.
Chamberlain, S. D.	Council Bluffs, Ia.
Des Moines, Ia.	Great Falls, Mont.
Green Bay, Wis.	Kansas City, Mo.
LaCrosse, Wis.	Madison, Wis.
Milwaukee, Wis.	Ottumwa, Ia.
Portage, Wis.	Rapid City, S. Dak.
Seattle, Wash.	Sioux City, Ia.
Sioux Falls, S. D.	Spencer, Ia.
St. Paul/Minneapolis, Minn.	Wisconsin Rapids, Wis.

MILWAUKEE MOTOR'S ROLE IN THE HANDLING OF PIGGYBACK TRAFFIC:

As of March 1, 1957, the MMTC employed 255 persons.

At the beginning of 1967, the MMTC had a trailer fleet ownership of 1,476 units, as follows:

Refrigeration trailers	752
Dry Van Equipment	641
Others	83
	1,476

All piggyback trailing equipment is OWNED or LEASED by the Milwaukee Motor Transportation Co., for use by the railroad company on a daily per diem basis.

The MMTC owns and operates over 100 gas and diesel single and tandem-axle tractors for terminal operations and over-the-road handling.

MMTC handles the ramping and deramping of piggyback trailers at the terminals where it operates, as well as at other ramp points near MMT terminals, such as Harlowton, Mont., Iron Mountain, Mich., Oshkosh, Wis., Winona, Minn., etc.

MMTC performs the pick-up and delivery on Plan II traffic for the railroad company at terminals where it operates, under a schedule of contract charges drawn between the motor carrier and the railroad.

Mr. P. L. Cowling, Vice President and General Manager of MMTC and Assistant to the President, The Milwaukee Road, also has jurisdiction over the rail-highway sales department, as Co-ordinator of Rail-Highway Sales.

The MMTC General Office in Chicago is comprised of the following sub-departments:

- Controller—Accounting*
- Assistant Vice President—Operations*
- Assistant to Vice President—Administration*
- Manager-Eastern Operations*
- Manager-Western Operations*
- Piggyback Services Department—Service, Equipment, etc.*
- Maintenance Department*
- Safety and Personnel*
- Rates and Tariffs*

PIGGYBACK GROWTH ON THE MILWAUKEE ROAD:

During the year 1959, The Milwaukee Road handled 2,796 trailers in piggyback service.

During 1960, total handling were 8,036 trailer loads, an increase of 187%.

In 1965 the Milwaukee Road handled 34,933 loads and in 1966 total loadings were 52,109 loads.

1966 handlings in piggyback service were over six times the amount handled in 1960.

Piggyback revenues in the year 1962 amounted to \$2,057,170.00 and in the year 1966 revenues amounted to approximately \$11,000,000—five times that of 1962. It is anticipated revenues during 1967 will exceed \$14,000,000.

MILWAUKEE SWITCHING DISTRICT

The Corporate name of the Carrier is Chicago, Milwaukee, St. Paul & Pacific Railroad Company. At all times the **Milwaukee** portion of the above caption should not only be capitalized but should be shown in italics to stress the importance of the City of Milwaukee to the Milwaukee Road.

Milwaukee is a city of some 750,000 people and when the suburbs are included runs well over a million in total population and its importance to the CMStP&P becomes more apparent.

For many years more steel was fabricated in the City of Milwaukee than in any other city in the United States, and this incidentally, includes the city of Detroit where automobiles are made. The metropolitan area of Milwaukee for all practical purposes is served by two Railroads, namely the Milwaukee and the Chicago and North Western, and we point with a great deal of pride to the fact that the Milwaukee has over a long period of years maintained about a 65 per cent proportion of the Milwaukee carloadings, both inbound and outbound. The city of Milwaukee is probably the most important single city on the entire CMStP&P Railroad. The position of the city of Milwaukee, incidentally, would be considerably enhanced business-wise should the proposed merger of the C&NW and the Milwaukee be effected in the not too distant future.

It is to be remembered of course that the Soo Line Railroad operates in and out of Milwaukee one train a day, and both the C&O Railroad and the Grand Trunk Railroad operate a car ferry service into the city of Milwaukee. We do not believe there is a metropolitan area in the entire United States that is as important to one railroad as the city of Milwaukee is to the CMStP&P RR.

The Milwaukee Road operates out of Milwaukee to and from Chicago on the Milwaukee Division, to and from Kansas City and Council Bluffs on the Milwaukee Division, (Old R&SW) to and from the Twin Cities and the Pacific North West via the LaCrosse Division, to the central important points of Wisconsin on the old Northern Division, including such important towns as Horicon, Beaver Dam, Ripon, Berlin, Fond du Lac, and Oshkosh, and on the old Superior Division to and from towns along the Lake shore extending to Green Bay and northward to the lumber, paper and iron ore territory of the Upper Peninsula of Michigan, and to the old Wisconsin Valley Division which branches off at New Lisbon and serves such cities as Wisconsin Rapids, Wausau, Merrill and Tomahawk.

Milwaukee Terminal Division which does the switching, interchange and various other duties in the area,

operates on an average of about 80 switch engines per work day, and consists of some 25 or 30 various industrial yards and train yards. The Milwaukee acts as agent for the C&O and handles all Soo Line business within Milwaukee under contract. Wayfreights are presently being operated on the Superior Division, Northern Division, LaCrosse and the Madison Divisions and as far as Rondout on the Milwaukee Division. Milwaukee Terminals forward over the various divisions a considerable number of time freights. Generally speaking this is on a seven day week basis. Trains operated as follows:

No. 169 and 82 on the Superior Division. No. 67 and 82 on the Northern Division. Nos. 65 and 68, 75 and 86 on the R&SW. On the LaCrosse Nos. 69, 65, 266, 72, 263, 264, 261 and 262, and last but not least our newest Nos. 98 and 99 TOFC trains. On the Milwaukee Division between Chicago and Milwaukee Nos. 75, 86, 261, 262, 263 and 264, 98 and 99, 82, 65, 70, 63, 69 and 74. Also extras as might be required to handle the volume of business available at either Milwaukee or Chicago.

A very fine fleet of passenger trains operates between various points on our Railroad, namely, Nos. 56, 4, 24, 12, 6, 46, 2 and No. 58 and in reverse as Nos. 27, 5, 3, 23, 9, 1 and 55.

You have before you a map, which shows simplified outline of the railroad area of the metropolitan city of Milwaukee.

Next to each Yard or District is the legend carrying the name of the yard, located in that particular area. The entrance into the Milwaukee metropolitan area from Chicago is at the upper far right corner and the first industrial area that comes to our attention is the so-called Bay View Yard area showing the Stowell and Bay View, and particularly the Jones Island sections. Jones Island of course is a large industrial complex operated for the inland waterways by the city of Milwaukee. From this port millions of tons of industrial products are shipped not only across the country by water but to many foreign ports. It is not unusual to see 8 to 10 flags of foreign nations and foreign shipping lines adorning the Milwaukee harbor area. On Jones Island we likewise interchange cars to the C&O Railroad and likewise at Bay View interchange cars to the Grand Trunk Railroad. In these instances the railroads meaning car ferries. In the Bay View area we have such famous industries as the Heil Corporation, Nordberg Mfg. Company, Filer & Stowell, General Iron and Metal, the Louis Allis Company and many others.

As you proceed to the left on your map you come to a division of the railroad and by proceeding west straight you come to the solely owned new Milwaukee

MILWAUKEE SWITCHING DISTRICT

Road Depot in which the Chicago and North Western Railroad is a joint user.

Since the CMStP&P Railroad is the contract mail hauler between Chicago and the Twin Cities, obviously Milwaukee due to its size is an important mail transfer point. A new Post Office building is presently being constructed just to the east and south of our depot which when completed will be five stories high and from a standpoint of area footage will be Milwaukee's largest building. From a point near the Fowler St. yard to the junction at the foot of the Canal yard, passenger trains operate to the so-called "Cut-Off" at which point the passenger main line joins with the freight main line. All along this area are various large industries, and coal docks, exemplified by industries such as Geuder, Paeschke, Frey, and American Plumbing and Heating Co.

If you will go back to your map to that point where inbound trains arrive from Chicago, pass Jones Island and Bay View sectors you will note that one set of tracks drops down abruptly. In doing so this freight track goes by a section designated as our Reed Street yard, the destination of all fruit and perishable from Council Bluffs, Kansas City, and likewise the home of our freight houses, all presently leased to important freight forwarders, such as, Acme, Loop Distributors, Lifschultz, ABC Forwarders, Universal Carloading, National Carloading, and P&A Shippers. Many other industries are on the fringe and in the immediate vicinity of the Reed Street yard.

A large Elevator just off the extreme east end of the West Yard (Muskego) is owned and operated by the Cargill people, and familiarly known as Elevator "E."

Burnham Bridge is the terminology used for the east end of the West Yard, and here again on both sides of this yard we have large industrial complexes. At the west end of the West Yard, or south side of West Yard is the so-called Harvester District which contains some 25 or 30 industries, the largest of them being the International Harvester Company; there is also the Miller Compressing Company, several coal firms, several scrap paper firms, and building supply companies, featuring handling of brick, tile, plaster, etc.

On the left or north side of the West Yard is the huge Plankinton and Canal Yard industrial complexes. In this area are such industries as Armour Company, Universal Atlas Cement, coal firms, Marquette Cement Company.

As you approach the 27th Street Viaduct you approach the junction of the freight and passenger main lines as indicated previously. Near here is the home of one of Milwaukee's largest industries, the Falk

Corporation, and just west of the Falk plant is the huge Milwaukee Shops complex. It is here that heavy repairs are scheduled for the car and locomotive fleet of the entire system both freight and passenger. The car shops have the capacity for new car construction as well.

Let us take you back to the west end of West Yard (Muskego) where the Division Operating Offices of the Milwaukee Terminal Division are indicated.

Moving down the map to the west we arrive at the fully automated Airline Hump Yard, one of the first three constructed on the system, which serves as the eastbound train yard for the Milwaukee terminals. Services today out of Milwaukee eastbound are the best they have been in many many years.

Proceeding west on the Air Line you come to Soldiers Home yard where the track breaks out abruptly to the south or to your right, as you proceed west towards Madison. This is the so-called Menomonee Belt area and the total amount of revenue loads going to and from this highly concentrated industrial area is very substantial. It is an industrial area some 2 or 3 miles in length and is a joint operation of both the Milwaukee and the C&NW Railroad. Here are located some of the most famous names in industry, Harnischfeger Corporation, Krause Milling and Kurth Malting Company, Froedtert Malting Company, Inland Steel, Hot Point and the Chain Belt Company, to mention a few.

If we proceed directly south across Lincoln Avenue on this Belt Line we end up in the Mitchell Yard of the C&NW Railway wherein cars are interchanged between the Milwaukee Road and the C&NW two times daily; the Milwaukee delivers their cars to the Mitchell Yard and the C&NW delivers their cars to the Air Line Yard of the Milwaukee.

From Soldiers Home Yard we move straight ahead (west) to the area of the City of West Allis. It is a city of heavy industry and its artisans and engineers and mechanics are famous all over the world for their ability to produce.

Some of the more important firms in the West Allis area of course are the Allis Chalmers Mfg. Company, Ryerson Steel, Pressed Steel Tank and others.

Let's now go back to Soldiers Home Yard and turn north to Blue Mound and New Blue Mound Yard just north of which is a junction. Here the passenger and the freight main line branch off again, one to the left going to the LaCrosse Division, and one to the right going to the old Northern and Superior Divisions (North Milwaukee). The LaCrosse Division from the junction

point at Grand Avenue leads to the city of Wauwatosa on the west and passes through an industrial district in the city which is served by wayfreights of the LaCrosse Division harboring such well-known firms as Sears Roebuck, Grede Foundries, and several building supply firms.

At the junction of the LaCrosse Division and the Northern and Superior Divisions referred to before we find one of Milwaukee's most important industries, the famous Miller Brewing Company and just to the north of the Miller Brewing Company, the well-known manufacturer of motorcycles, the Harley Davidson Company.

As we proceed on the north line which is practically encased in industry we arrive at North Avenue which contains a small yard and a number of Milwaukee's industrial giants exemplified by the Master Lock Company, the Koehring Company, and the start of the famous A. O. Smith Corporation.

The A. O. Smith plant could conceivably be the largest single industry on the entire Milwaukee system. The Glendale Yards territory is used exclusively for their cars. A. O. Smith is a well diversified industry. They are the largest manufacturers of electrically welded pipe, General Motors and Chrysler automobile frames, cat walks for boxcars, Harvestore silos, hot water heaters, and other items.

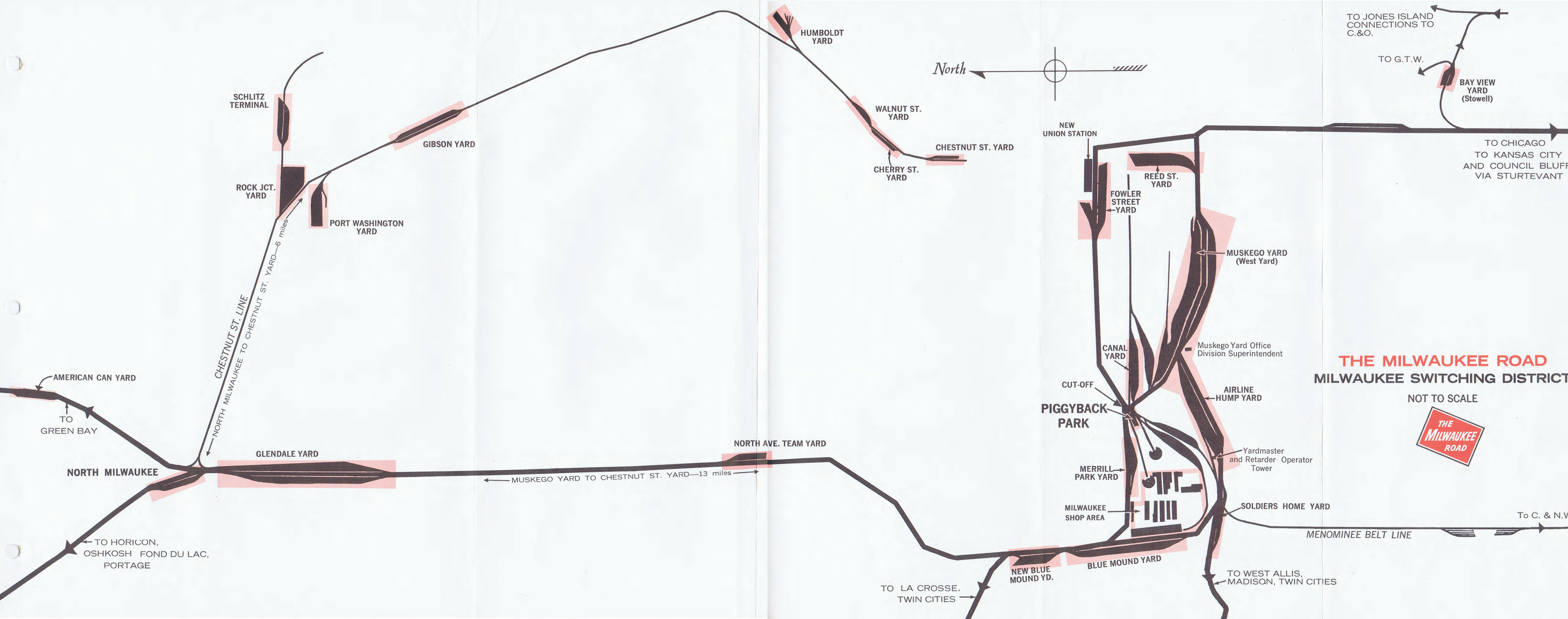
At North Milwaukee, presently a part of Milwaukee, the Northern Division branches off towards Horicon, and the Superior Division branches off towards Green Bay. In this area are American Can, Gaylord Container, Waldorf Paper, lumber companies, American Bridge and Iron, and many more.

Branching off to the east (toward the top of your map) from North Milwaukee is Milwaukee's famous

"Beer Line." This line serves many industries, including Downing Box, American Motors, Inland Container, the Jos. Schlitz Brewing Company and Pabst Brewing Company. There are also grain elevators, building supply firms, and manufacturing firms of many kinds.

We have saved for the end of our presentation the latest and newest of the Milwaukee Road's innovations, namely the over-night TOFC trains between the Twin Cities and Chicago, the TOFC facilities at (Piggyback Park) Milwaukee. This you will recall was the subject matter of the recent "Red Vest" Campaign wherein the entire Milwaukee TOFC operation was covered by a special sales group to help inaugurate the initial operation of the TOFC trains. The TOFC strip in Milwaukee is located just east (or above) the shop area, almost directly in the center of the Milwaukee Terminals area. Presently at the TOFC strip we are using circus type loading and unloading. Events of the past months have proven the present Milwaukee TOFC to be inadequate in area of usable space and management is presently engaged in first, locating, and secondly, building a new TOFC strip at Milwaukee at which time we may consider going to a dual operation of the TOFC track, namely, circus type ramp loading and Gantry crane operation such as presently is in use at Bensenville, Illinois. The rapid growth of Milwaukee TOFC business is directly a result of the "Blitz" Campaign used in its behalf as recently as September 1966.

We have endeavored to the best of our ability to give you a picture of the Milwaukee metropolitan area and its numerous industries and industrial complexes, and particularly indicate the tremendous part that is played by the Big "M" which in this instance can only mean one thing the big "M" in the CMStP&P Railroad.



**THE MILWAUKEE ROAD
MILWAUKEE SWITCHING DISTRICT**

NOT TO SCALE



North

TO JONES ISLAND
CONNECTIONS TO
C.&O.

TO G.T.W.

BAY VIEW
YARD
(Stowell)

TO CHICAGO
TO KANSAS CITY
AND COUNCIL BLUFFS
VIA STURTEVANT

CHESTNUT ST. LINE
NORTH MILWAUKEE TO CHESTNUT ST. YARD—6 miles

MUSKEGO YARD TO CHESTNUT ST. YARD—13 miles

AMERICAN CAN YARD
TO GREEN BAY

NORTH MILWAUKEE

GLENDALE YARD

TO HORICON,
OSHKOSH FOND DU LAC,
PORTAGE

NORTH AVE. TEAM YARD

TO LA CROSSE,
TWIN CITIES

NEW BLUE
MOUND YD.

BLUE MOUND YARD

TO WEST ALLIS,
MADISON, TWIN CITIES

MENOMINEE BELT LINE

To C. & N.V.

Muskego Yard Office
Division Superintendent

Yardmaster
and Retarder Operator
Tower

MINNEAPOLIS-ST. PAUL TERMINALS

The Twin City Terminals as you will note on the map attached shows the Milwaukee Pig's Eye Yard. This is the train yard of the Twin City Terminals. All road trains start and terminate in the Pig's Eye Yard with the exception of the Hopkins Patrol, which operates out of Minneapolis, and our TOFC train #98 and #99. These two trains start and terminate at Minneapolis and neither of these trains go into Pig's Eye Yard. They pickup and setout the St. Paul cars in what is known as the Old Yard where our TOFC at St. Paul is located.

At St. Paul beside the train yard operation we make a direct connection with cars to the Great Northern at Como Yard, to the Northern Pacific at Mississippi Street Yard, and the Chicago & North Western at Western Avenue Yard. Cars for the Northern Pacific would also include Soo Line cars. Interchange for the CB&Q, CGW and the Rock Island are handled from our Old Yard at St. Paul. All of these interchanges with the exception of the Rock Island and the CGW are made to the connecting lines, and the connecting lines deliver any cars they have for us to our New Pig's Eye Yard. The Rock Island picks up the cars we have lined up for them at the Old Yard and setout any cars they have for the Milwaukee at the Old Yard. The Chicago Great Western interchange is on a month-to-month basis; for example, one month the Milwaukee would deliver to the CGW at State Street Yard and pickup any cars the CGW has for the Milwaukee and bring them back. The following month the CGW would make the interchange in both directions.

With regard to industrial switching at St. Paul, our largest operation is the Ford Motor Plant which you will note on the map is a line that branches off from our main line just west of Chestnut Street. Also, we have the Farmers Union Grain Terminal elevator which is located at our Chestnut Street Yard which lies just between Chestnut Street and the Western Avenue Yard of the C&NW. The only other switching district actually in St. Paul is our Macalester District which

serves Montgomery Ward, Corning-Donohue, Gould-National Batteries, and other industries in that area.

All line to line cars for the Great Northern, Northern Pacific and Soo Line are delivered from the St. Paul Pig's Eye Yard to the Minnesota Transfer, which you will note on the map is just west of the Macalester District.

We make two regular deliveries per day with cars from Pig's Eye Yard to the Minnesota Transfer.

You will also note on the map a Hoffman Avenue Yard of the CGW, which is located between St. Paul Pig's Eye Yard and the Old Yard. This yard is used for delivery to the CGW of any cars for South St. Paul and the packing plants in that area. Also any loads coming from the South St. Paul District would be interchanged to the Milwaukee Road at this yard and picked up by a Milwaukee crew and brought to the Pig's Eye Yard.

Minneapolis so to speak, is strictly an industrial and interchange operation. We have a large industrial area especially in our I&M District and also in the Upper Yard District, as well as many industries located between South Minneapolis and the Bass Lake Yard. We have a heavy interchange at Minneapolis which is made mostly at our East Side Yard where we have a direct interchange with the NP, GN, CGW and the Soo Line via the NP. At our Upper Yard we interchange also to the GN, C&NW, and the MN&S via the G.N.

The bulk of the grain is handled at our Bass Lake Yard where it is setout for inspection and after being billed is switched at this point and lined up for either interchange to other railroads, for industries on our line at Minneapolis, or road haul which would be transferred to St. Paul for outbound trains.

In Minneapolis, the Milwaukee handles under contract, all of the Rock Island's Industry Switching.

SEE TERMINAL DATA ON REVERSE SIDE

DATA ON MINNEAPOLIS TERMINAL

EAST SIDE YARD

Interchange direct—N.P., G.N., CGW., Soo
via N.P.
Balcom's yard—5 tracks—125 cars
Erie Street team track

UPPER YARD DISTRICT—28 tracks—320 cars

FREIGHT HOUSE

3 inbound tracks—36 cars
5 outbound tracks—50 cars
Fruit House—18 car capacity
Team Tracks—4 tracks—32 cars
Auto Platform—11 car capacity
Electric operated derrick.

INTERCHANGE

Thru Minneapolis Eastern Ry. (jointly
owned by CN&W and our line) to G.N.,
C&NW. and MN&S. thru G.N. thru Rail-
way Transfer Co. (owned by M&StL) to
Soo—M&StL—N.P.

PASSENGER DEPOT

NEW COACH YARD—8th St.

**SOUTH MINNEAPOLIS YARDS—61 tracks—1315
cars as follows:**

Harts yard	19 tracks	500 cars
Platform yard	15 tracks	325 cars
Garden yard	15 tracks	250 cars

Old Lite Yard 12 tracks 240 cars
Shops—lite repairs (heavy repairs moved to
St. Paul)

Interchange with CRI&P.

Team Tracks—26th St. and 26th Ave. (also
platform)

Team Tracks—28th and Hiawatha

New main line to and from St. Paul—elim-
inates turning on wye and permits Aber-
deen Divn. 261, 263 and 63 to be made
up at St. Paul.

I&M DISTRICT—Elevator and milling district

MINNEHAHA STATION

(Not in Minneapolis switching district)
team tracks

FORT SNELLING

(Not in Minneapolis switching district)

BASS LAKE YARD—29 tracks—1800 cars
Belt Line industrial
center (industrial sites
for sale)

ST. LOUIS PARK—Team tracks

HOPKINS—Team tracks and platform

8th WARD

Team track—Humboldt and 29th St.
Team track—5th Ave. and 29th St.

a checklist . . .

Especially for New Employees

We're glad you're with us.

It takes lots of people—doing all kinds of jobs—to keep this railroad running. We need experienced, reliable old-timers and we also need beginners brand new to our company.

We realize that some of the jobs may seem to have nothing at all to do with railroading. Many jobs involve paper, not locomotives, switches or track. On the other hand, some jobs are closely involved with daily operation of freight or passenger trains. Some jobs are in a sales office, some in freight yards, some in business offices, and some are far out along the track.

There's a great variety of jobs—but all of the jobs are important, and everybody makes a contribution to our success. It *does* make a difference how well you do your job, whether you're in your first week or 40th year.

Our business is selling transportation services to people who need such services, and who will buy our services if they are good enough, dependable and priced right. Needless to say, our services have to be competitive—not just with other railroads, but also with airplanes and air freight, with buses, barges, pipelines, trucks and even with the family car.

As a company or as individuals, we will do best when the Milwaukee Road offers the best services. We do that when each of us does a reliable, conscientious, better-than-just-necessary job.

We know that the best employees usually are the best-informed employees, and so we want to start you off right.

However, there are some problems in trying to tell you about vacations, paydays or similar things in a general book that applies to all employees. It's easier to do this in other industries, where nearly all of the people are in one building or plant, or in only a few places.

There are more than 15,500 Milwaukee Road employees, in all kinds of jobs, working over 10,500 miles of road, in our 14-state territory, in other states and even in Canada and Japan.

Then, we have labor agreements with about 20 different brotherhoods, or unions. These agreements have provisions which may vary slightly or greatly.

Another thing is that a railroad operates day and night, every day of the week, every week of the year. This around-the-clock operation inevitably means that some people have to work on different days or times than others, and that days off, vacations and other things vary.

Therefore, many things said on this card are general statements, meant only to give you a good start in finding out things. Obviously, some of the things said don't apply in all cases, and may change. One major reason is that our labor agreements have specific rules and requirements that have to be followed exactly, and which take priority over anything said on this card.

These are some of the reasons for preparing this special card in this form. Whenever specific information, applying to all employees, is available, it's on the card. When we can't give specific information applying to you, then there's a place for information to be written in and notes to be made during the time when you're being interviewed and hired.

There also is a built-in postcard, already addressed, that you can use if you want additional information on a certain subject. We want you to be fully informed, so please be sure that you have information on all of the subjects checked below. Feel free to ask your supervisor, or the one who hired you, any questions you have.

YOUR SUPERVISOR IS
(name) _____

(title) _____

YOUR WORK LOCATION IS (room number, building, area)

OTHER NAMES, TITLES that you may want to remember
are _____

IF YOU ARE UNABLE TO REPORT TO WORK because of illness or another reason, please call in as early as possible. Call:
(name) _____

(title) _____

(phone and extension) _____

YOUR LUNCH PERIOD IS _____

YOUR REST PERIOD, if provided, is _____

YOUR DAYS OFF _____

HOLIDAYS ARE _____

VACATION _____

INSURANCE AND HOSPITALIZATION BENEFITS provided you by the company are fully described in information booklets given to you after you've been with us for a specified time, which in most cases is 30 days. In the meantime, your supervisor can outline the basic features of the insurance and hospitalization policies that will be given to you: _____



TRANSPORTATION PRIVILEGES. The Milwaukee's policy is to provide free or reduced rate transportation to our employees, subject, of course, to the rules and regulations that may apply.

Employees in the Chicago and suburban area are given a pass that can be used on our commuter trains.

Trip passes, for trips on the Milwaukee's inter-city trains, are available for you and your eligible dependents upon request after you have been with the railroad for a year. Half-rate trip passes on our inter-city trains are available after 90 days.

Half-fare on certain other railroads is available to you and your dependents after you have six months of service with the Milwaukee Road.

It should be pointed out that the Milwaukee Road has no control over the pass privileges granted by other railroads. Privileges on other lines, or the Milwaukee, are subject to change from time to time.

Retired employees are given the same transportation privileges as employees still in active service.



RAILROAD RETIREMENT BENEFITS. The railroad industry is not covered by Social Security, but instead has a generally similar system that is administered by the Railroad Retirement Board, which operates under Federal laws.

Railroad Retirement provides retirement, disability, unemployment and sickness benefits, as well as health insurance under "Medicare."

It is financed in about the same way as Social Security. That is, deductions taken from your pay are matched by equal amounts paid by the Milwaukee Road, and the total amount is credited to your account.

In addition, the railroad pays an extra amount for a supplemental annuity you may be eligible for if you meet certain requirements for years of service and age.

The deductions continue as long as you work for us, or another railroad. If you should leave railroading with less than 10 years of service, your account would be turned over to Social Security and your benefits would be received through that, rather than through Railroad Retirement. With more than 10 years of railroad service, you would collect from both Social Security and Railroad Retirement.

The above comments are simplified discussions of complicated subjects. Therefore, on this card we can only outline them. Full information is available from your supervisor, in printed booklets or from the Railroad Retirement Board, which has offices in all major cities.

In general, here are the benefits provided you by Railroad Retirement:

Your retirement annuity, paid monthly, is available:

- 1) at age 65, if you have at least 10 years of railroad service;
- 2) at 62, on a reduced basis, if you have at least 10 but less than 30 years of railroad service;
- 3) at 60, if you have at least 30 years of railroad service, but the annuity of a male employee will be reduced for early retirement.
- 4) at any age if you become permanently disabled and are unable to work at your regular job, if:
 - a) you have at least 10 years of railroad service;

b) have at least 20 years of railroad service and a current connection with the railroad industry;

c) or, at 60, if you have at least 10 years of railroad service and a current connection with the industry.

There also are benefits for which your wife or husband can qualify, as well as benefits for which certain survivors may qualify after your death.

Qualified employees can receive unemployment and sickness benefits under the Railroad Retirement plan. These are paid for by the railroads; employees do not contribute.

You and the railroad pay taxes on the first \$650 of your monthly earnings. The tax rate for 1969 is 9.55 per cent, which includes 8.95 per cent retirement and .60 per cent for hospitalization or Medicare. This tax rate will rise slightly in 1971, and again in succeeding years.



CREDIT UNIONS: The Milwaukee's employees presently operate credit unions, for saving and loaning money, at 11 locations on our system. Three of these are in Milwaukee and two in Chicago. Others are at Savanna, Ill.; Ottumwa and Cedar Rapids, Ia.; La Crosse, Wis.; Miles City, Mont.; and Seattle, Wash.



THE MILWAUKEE ROAD MAGAZINE, containing news about company activities and personal news about employees, is mailed to your home every other month.



SCHOLARSHIPS: Five scholarships are available annually to qualified sons or daughters of Milwaukee Road employees. Selection of the students receiving the scholarships is made by an independent committee of educators.

Three of the scholarships are J. T. Gillick Scholarships, of which two pay either full tuition or \$600 per year, whichever is greater, and the third pays \$600 per year.

Two of the scholarships, each for \$600 per year, are given by the Milwaukee Road Women's Club.

All of the scholarships are renewable, so as to cover four years.

Applications are available from the J. T. Gillick Scholarship Committee, 824 Union Station, Chicago, Ill. 60606. The usual annual deadline for submitting applications is May 15. Parents of students must have two years of service with us, and earn not more than \$10,500 per year.



PAYROLL SAVINGS PLAN: a withholding plan is available for employees who wish to purchase either Series E or Freedom Share U.S. Savings Bonds.



TUITION REFUND PLAN. This plan is available to pay part of the costs for employees who want to continue their education or take special training. It applies to job-related courses at properly accredited universities, colleges, junior colleges, technical institutes, or trade schools. Full information and application forms

can be obtained from your supervisor, or from the Employment, Training & Development Dept., 738 Union Station, Chicago, Ill. 60606.

Applications must be approved by the employee's supervisor and department head.

Upon completion of an approved course, the employee is given a refund for proper expenses: tuition, printed books, work books, and related fees.


The amount of the refund varies, ranging from 80% of costs when an A grade is received to 75% for a B and 70% for a C or equivalent grade. When the course gives only a passing grade or certificate of completion, a 50% refund is given.

VETERAN EMPLOYEE'S ASSOCIATION. This employee organization is open to anyone with 20 or more years of Milwaukee Road service. In most years, a reunion meeting and banquet is held in early summer, meeting at different cities in our territory. A membership office is at 383 Union Station, Chicago, Ill. 60606.

MILWAUKEE ROAD WOMEN'S CLUB. This social and charitable organization has chapters at many points on our system. It is open to women members of employee families. A secretary's office is at 383 Union Station, Chicago, Ill. 60606.

PAYCHECK AND DEDUCTIONS: Your paycheck will look

like this sample. You will be paid on _____ assuming you are regularly employed.

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY		23 710
01146	DATE DEC. 15, 1968	NUMBER 9876543
		
PAY TO THE ORDER OF		
DESTINATION 1234	SOCIAL SECURITY NO. 987 65 4321	PAY EXACTLY \$***224.32*
I. M. EMPLOYEE 2345 SHADY LANE ANY TOWN, U.S.A.		
PAYMASTERS DRAFT		
TO TREASURER, C. M. ST. P. & P. R. R. CO. Payable Through CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO CHICAGO, ILLINOIS		
SPECIMEN		
⑆07⑆0⑆0003⑆ 20⑆00598⑆		

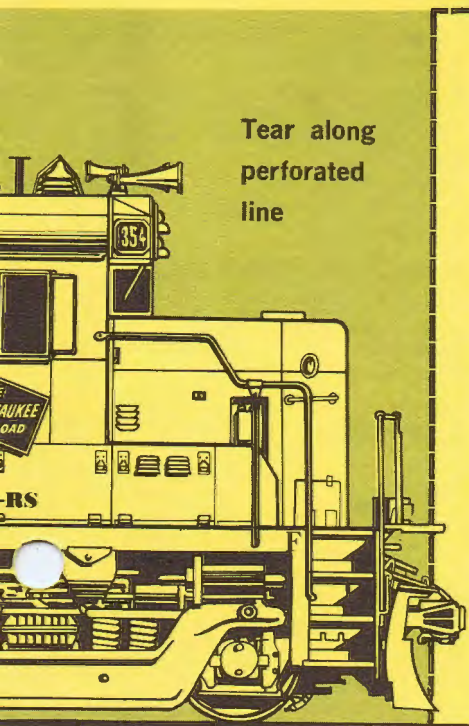
CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY										
NUMBER 9876543		DATE DEC. 15, 1968			MO 12	YR 8	PER 1	SOCIAL SECURITY NO. 987 65 4321		NET AMOUNT 224.32
TAXABLE EARNINGS AMOUNT		NON TAXABLE ALLOWANCES AMOUNT		CODE	FE	WITHHOLDING TAXES AMOUNT		MISCELLANEOUS DEDUCTIONS AMOUNT		
201	336.53			FED RRA STATE	03 03	40.58 29.95 11.13	INS. BOND COM FUND	6.80 18.75 5.00		

If Address On Check Is Incorrect, Complete Form PM-10 And Forward To Paymaster, Chicago, Ill.

STATEMENT OF EARNINGS AND DEDUCTIONS - RETAIN THIS STUB AS YOUR RECORD

Deductions are indicated on a statement of earnings and deductions that looks like the sample shown above. Deductions may be for Federal income tax withholding; city or state tax; Railroad Retirement; and voluntary deductions for savings bonds,

or for certain charities, such as Community Chest or United Fund donations. Union dues can be withheld in some cases. The earnings statement on the back has a numbered key to deductions.



Tear along perforated line

Dear Mr. Rogers:

Yes, I feel that I was properly informed about all of the subjects on the checklist, but I would like to know more about _____

(name) _____

(street or p.o. box) _____

(city) _____

(state and zip) _____

THE MILWAUKEE ROAD



CHICAGO, MILWAUKEE, ST. PAUL
and PACIFIC RAILROAD COMPANY
UNION STATION BUILDING, CHICAGO, ILLINOIS 60606

No postage stamp
necessary if mailed
in the United States

Tear along
perforated
line

BUSINESS REPLY CARD

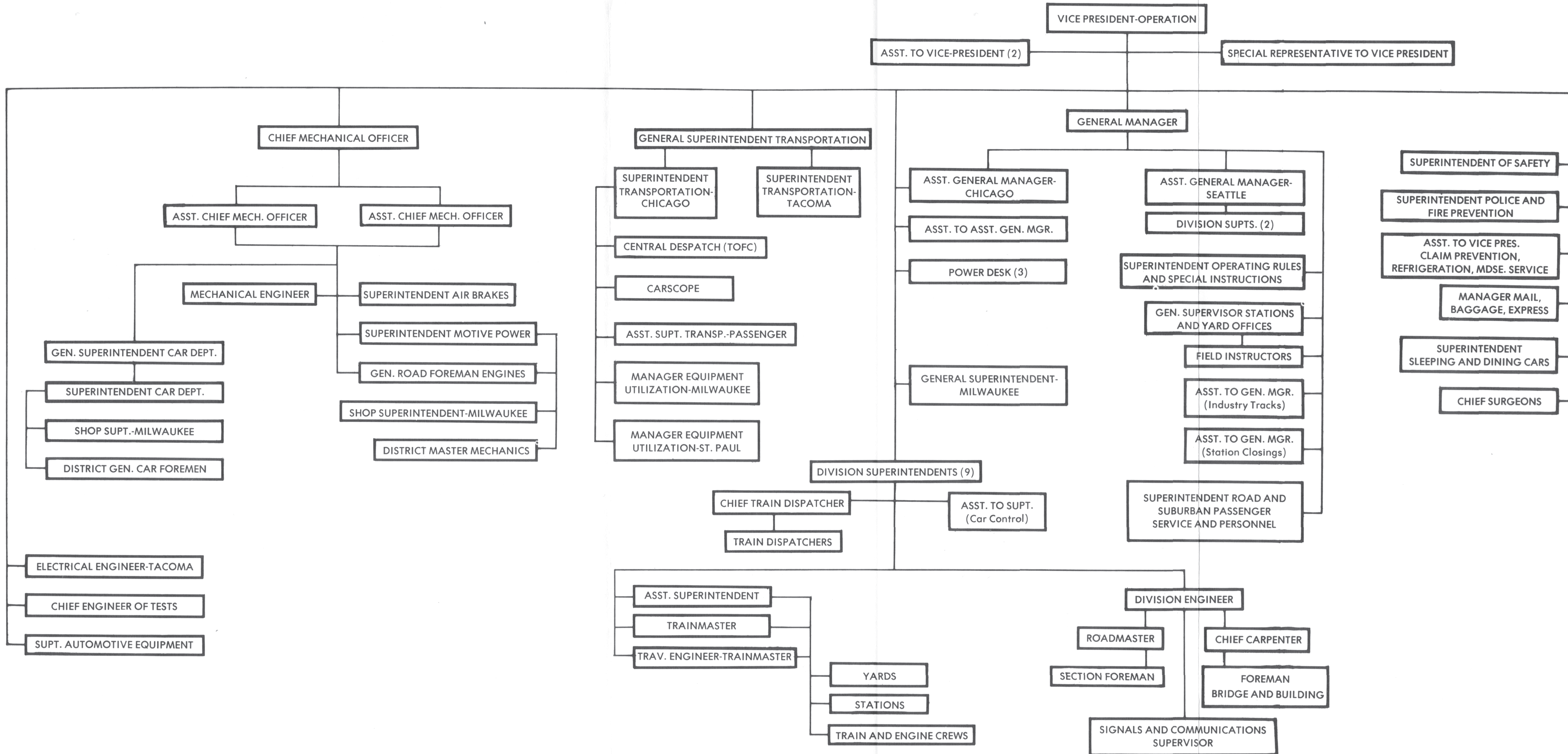
First Class Permit No. 18841, Chicago, Illinois

First class postage will be paid by:

WILLIAM W. ROGERS
EMPLOYMENT, TRAINING &
DEVELOPMENT DEPT.
THE MILWAUKEE ROAD
738 UNION STATION
CHICAGO, ILL. 60606



OPERATING DEPARTMENT



OPERATING DEPARTMENT

INTRODUCTION

OUTLINE OF OPERATING DEPARTMENT

Basic definition and responsibility areas of each section—Operation; Transportation; Mechanical; Safety; Claim Prevention; Chief Surgeon; Sleeping & Dining Car; Mail, Baggage and Express; Police and Fire; Rules; and including Maintenance of Way and Structures and Labor Relations.

GENERAL DESCRIPTION OF RAILROAD

Diesel

Electric

DETAILED DEFINITION OF G.M. RESPONSIBILITY TO INCLUDE:

Organization of Regions and Divisions

Terminal & Road Freight and Passenger Operation

Detailed applicable schedule discussion

Detailed handlings of receipt and delivery to and from connections

Detailed handlings of Terminal arrangement and operation

Distribution of power

Controlling expenses

Discipline

Rules—Claim Prevention in operation

Contract Office

Responsibility to Traffic & Industrial Depts.

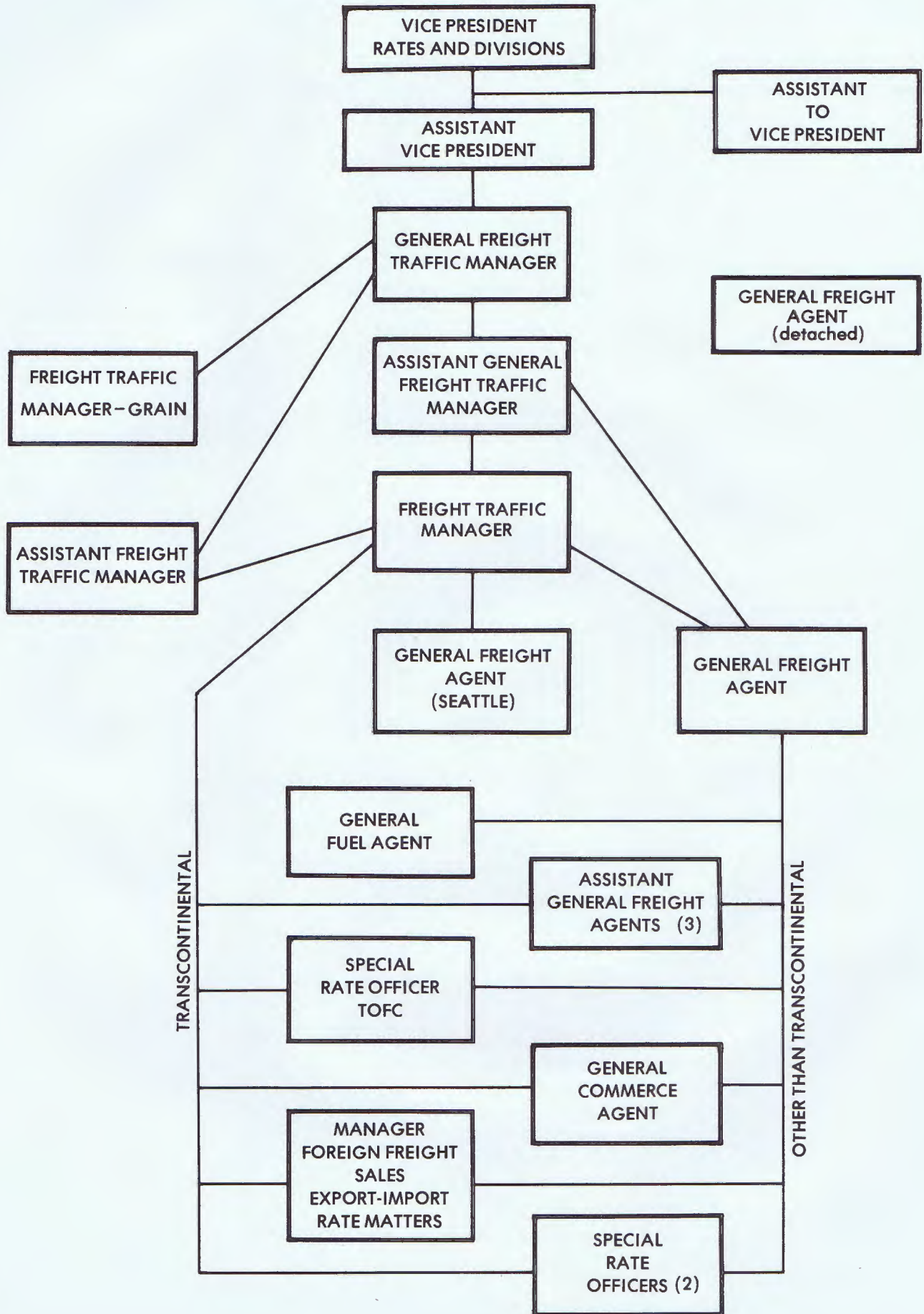
Leases—all kinds

Track plans and layouts for Industry

Distribution of policy of Operating Department to Industries through Traffic Representatives.

QUESTIONS

RATES and DIVISIONS DEPARTMENT



RATES and DIVISIONS DEPARTMENT

The Rates and Divisions Department is responsible for the pricing of our services, whether rail car or TOFC (Piggyback) service and are obliged to make certain that our company receives a fair and just share of the revenues on joint traffic, i.e., traffic which moves in connection with two or more lines.

Our Rate Officers must be constantly alert to ever-changing methods and theories of rate making as well as competition, not only with other railroads, but with other modes of transportation and intermodal competition.

This is for the purpose of securing new or additional business or to retain traffic in which we now participate. We must keep our firms competitive, ratewise, with other firms in their industry.

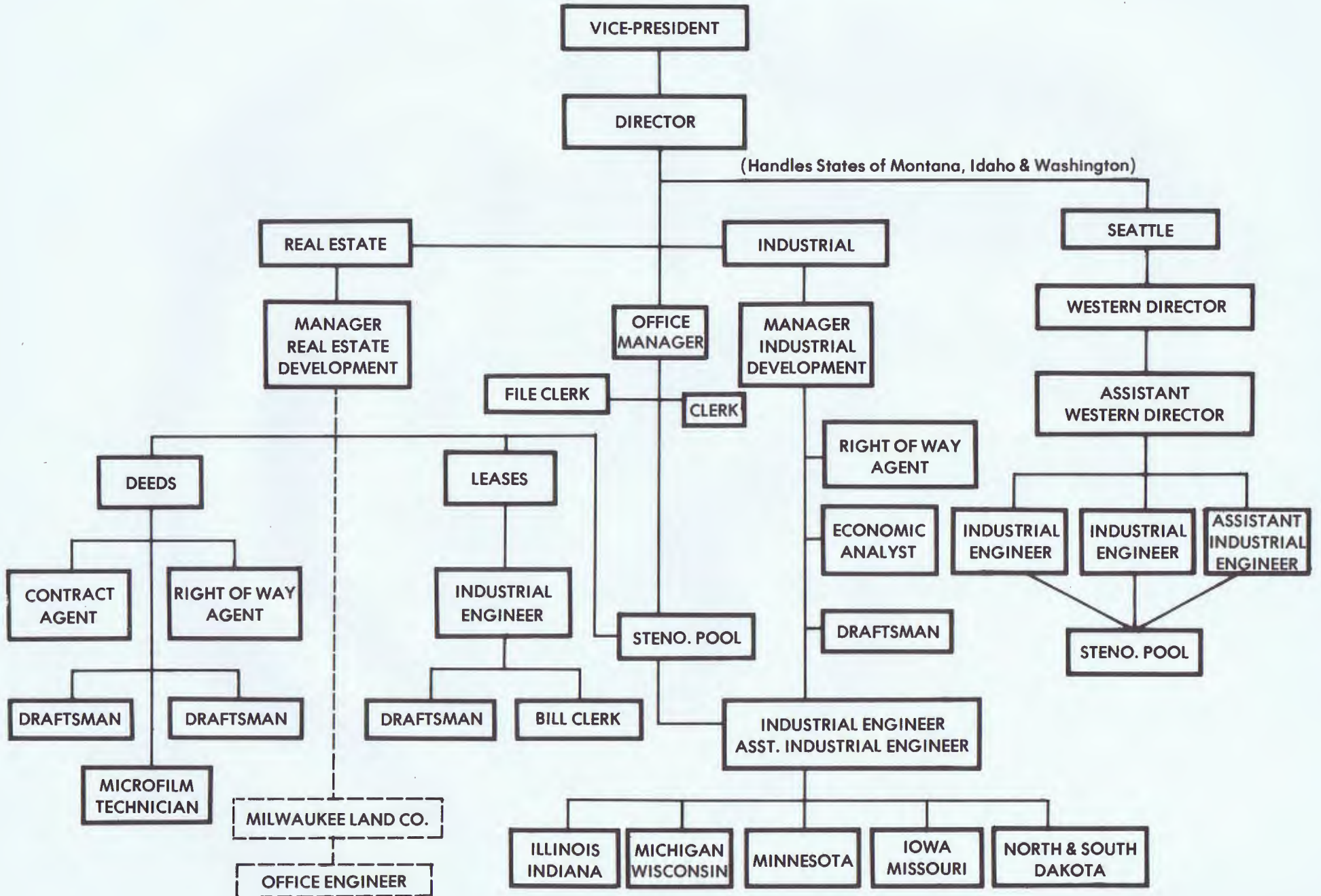
Because of the length and breadth of our railroad we, the Milwaukee Road, are a member of as many,

if not more, rate jurisdictions than any other railroad, including the Western Trunk Line Committee, Trans-Continental Freight Bureau, General Freight Traffic Committee, Eastern Railroads, North Pacific Freight Tariff Bureau, etc.

These committees issue about 25,000 rate applications each year, all of which must be read to determine our interest. These applications embrace proposals for incentive loading rates, multiple car rates, volume rates, unit train rates, single trailer rates, two-trailer on a flat car rates, and others too numerous to mention.

We also have a Commerce Section whose personnel assist in defense of our position in I&S and other proceedings before the Interstate Commerce Commission and State Commissions, including voicing our opposition to truck lines being granted operating certificates where they may have an adverse effect on our revenues.

REAL ESTATE and INDUSTRIAL DEVELOPMENT DEPARTMENT



REAL ESTATE and INDUSTRIAL DEVELOPMENT DEPARTMENT

(Including Townsite and Industrial Division of the Milwaukee Land Company)

This department was established to handle the real estate matters of the company and carried out the functions of Real Estate management until the Second World War. During World War II when every effort was being made to establish war plants, the Railroad attempted to establish these plants where they could be served with trackage. The Real Estate Dept., working with other departments on the railroad, was successful in assisting many of these war plants in locating adjacent to our line. A fine example of such a facility is the Crane Naval Ammunition Depot at Crane, Indiana.

As a result of the success in locating these desirable plants on our line, the President issued an announcement in September 1945 establishing the department as the Industrial Department reporting direct to the President, and charged with the responsibility of managing the real estate holdings of the Railroad Company and promoting industrial development for rail-served industries in Milwaukee Road territory. The department at that time was expanded and for the first time files were built to accumulate information regarding industrial possibilities in communities and for sites served by our railroad.

There have been several name changes in the department since 1945 with the latest change to the Real Estate and Industrial Development Department occurring during the late 1950's for the purpose of giving full recognition to both the real estate and industrial development functions. The head of the department has been accorded the title of Vice-President for the past several years.

INDUSTRIAL DEVELOPMENT FUNCTIONS

This department, in co-operation with the Traffic Dept., seeks out industries with good rail traffic potential, who may contemplate an expansion or relocation. The process of identifying prospects is a difficult one, and we rely upon personal contact, cold prospecting calls, news releases in media such as The Wall Street Journal, Chemical Week, and Moody's (Industrials). In addition to these sources, we also obtain leads from State Industrial Development Agencies, Chambers of Commerce and by direct inquiry from prospects. A portion of the Company's annual advertising budget is set aside for use by the Industrial Dept. To a certain extent we rely on direct mail advertising.

Once a prospect is identified, every effort is made to provide the prospect with information regarding available sites, buildings and community information. We work very closely with representatives of gas and elec-

tric utilities and Area Development Agencies for the purpose of obtaining and filing pertinent information regarding key factors required by most industries. If there are specific and unusual requirements of the prospect, or if information on file is out-dated or incomplete, then a representative of this office will attempt to secure the necessary information for the prospect.

It is the obligation of this department to coordinate information furnished by other departments on the railroad, such as the Engineering, Operating, Traffic, Accounting and Law Departments, and to properly evaluate and present this information to the prospect. In a sense, one of the most important functions of the department is that of expediting information desired by an industrial prospect. Another important feature is to funnel information through one individual contact within the railroad rather than requiring the prospect to contact many different departments of the railroad.

Representatives of the department are called upon frequently to make speeches before local, state or regional industrial development agencies and to assist in training local industrial development people to become proficient in the assembly and distribution of information which will be helpful to industrial prospects. We retain memberships in several regional and national industrial development organizations and make every effort to be active in the government and activities of such organizations.

We work very closely with private consulting firms who are frequently employed by industrial prospects for the purpose of selecting communities and sites in which their clients can find the necessary ingredients to permit the location of a major facility. Such organizations are Fantus Factory Locating Service and The Austin Company. There are many others and each year seems to bring more of such consultants into the picture.

When a site has been selected by a prospect, we frequently will either option the property with our own forces for the industry, or in some cases, will engage the services of private real estate brokers for the purpose of optioning property, always, of course, at the expense of the prospect. In many instances we assist in arranging for topographic surveys, zoning changes, annexation and negotiations for providing sanitary and storm sewers, water supply and public access roads.

In carrying out many of these functions, it is necessary for representatives of the department to be well acquainted with political bodies including the Mayors,

City Attorneys and Engineers, Chamber of Commerce personnel, County and State Highway Dept. representatives and personnel of State Development Agencies. Frequent contact is made with such people for the purpose of keeping up-to-date with changes in political bodies.

Most of the personnel of the department has been recruited from an engineering background and are qualified to provide maps, and to interpret maps and other technical information to assist a prospect in evaluating a location. Detailed track plans are obtained from our Engineering Dept. and in turn included in factual brochures which are provided for a prospect's consideration.

Steps are now being taken to computerize site and community data. Initial studies are well under way and it is hoped that we will be able to utilize our computers to permit us to better serve prospects by supplying them with much more detailed and factual information on an accelerated basis. It is anticipated that the use of the computer will permit us to match more of the requirements of prospects on an initial "go-around" than we can do on the present manual system. If this system proves to be as helpful as we presently anticipate, then it is hoped that we will be able to use it not only to service prospect's applications but also to identify prospects or at least classify the types of industries which we should be soliciting for new locations.

REAL ESTATE FUNCTIONS

The department is charged with the responsibility of managing all of the real estate holdings of the Railroad Company and of the Industrial and Townsite Division of the Milwaukee Land Company, a wholly owned subsidiary.

1. Milwaukee Land Company

This department manages the real estate holdings of the Townsite and Industrial Division of the Milwaukee Land Company, but not the holdings of the Timber Division. The Timber Division is somewhat autonomous and is under the jurisdiction of a General Manager with headquarters at Seattle. Occasionally certain unusual projects of the Timber Division are referred to this department for comment and recommendation.

The Townsite Division is rather dormant, consisting primarily of properties held from our original extension to the West Coast. There are frequent inquiries and applications regarding title matters concerning these properties but income and volume of correspondence can be considered insignificant.

The Industrial Division is a very important function

of our operations. This division is used for the purpose of acquiring large tracts of land to be held and developed for the location of rail-served industries. About 5,500 acres of land have been acquired during the past few years by the Land Company at key locations throughout our system for this purpose. The responsibility of ferreting out suitable properties for development purposes falls upon this department and negotiations for the purchase of the property at a suitable price is also a function of the department.

Plans for the development of the property are prepared under the direction of this department, either by our Engineering Dept. or by outside consultants employed by the Railroad. Development of such holdings requires suitable zoning, deed covenants as to setbacks and performance standards, installation of roadways, sewer (sanitary and storm), water mains and lead trackage. In some instances major site grading is required. Fully improved sites are offered for sale to rail-served industries and brochures are prepared supplying full site and utility information. Real estate brokers are encouraged to refer their clients to the Railroad Company for the purpose of locating in these developed districts. The Land Company pays real estate commissions to brokers co-operating in the location of industries in these areas.

It is expected that our investment in such industrial holdings will produce a sufficient profit to induce Management to invest in other acreage tracts, not only for the purpose of increasing our transportation revenue but also for the purpose of obtaining a profit from the development and sale of real estate. In one instance an operating golf course was acquired and has been operated at a substantial profit for a period of several years. Perhaps in the future other diversified projects will provide opportunities for investment of Milwaukee Land Company funds to produce revenues for the combined companies.

The Milwaukee Land Co. has also provided financial assistance to certain industries on the west-end of the Railroad, primarily in the Columbia Basin area. In such instances, because of the competition of other carriers, the Land Co. has loaned money up to a certain percentage of the total investment in facilities on long-term contracts, which moneys are repaid together with interest during the life of the contract. Usually the land occupied by the facilities is sold to the industry under the terms of the contract. It is not our desire to act as a financial institution to provide money for such developments but usually the industries cannot obtain funds from normal financial institutions either because there are no such services available in the territory involved, or because the industries are not well enough established to have an acceptable financial rating. If the funds to permit the construc-

tion of such facilities were not made available by an agency of the Railroad, then it is likely that the installations would not be placed on our line or perhaps constructed at all and we would reduce our potential for generating trans-continental rail income. Generally speaking, our investments have been recovered and the desired rail revenue has accrued to the benefit of the Milwaukee Road.

The Milwaukee Land Company does not have any corporate mortgages. Its Board of Directors consists of officers of the Railroad Company who can be called together on short notice, providing flexibility and quick action in the approval of a project to accommodate a prospect. This is contrasted to the rather cumbersome procedure involved in obtaining approval for a major sale or lease of railroad property which must be submitted for consideration by our Board at a meeting which is held only once a month.

2. Railroad Company

There are approximately 11,500 leases of railroad property, which leases are negotiated, prepared, serviced and billed by this department. About 1,000 new leases are made each year which, of course, does not mean that we add 1,000 leases per year when taking into account lease cancellations and revisions. Lease rental is now approximately \$2,337,000 annually. These leases are primarily for industrial purposes either on land on which the lessee will carry on his business, whether it be through open storage or in a facility which he constructs on the property, or in buildings which have previously been constructed by the Railroad and are now leased to industries. We do, however, have many commercial type leases on properties which are used for such purposes as filling stations, restaurants, parking lots, etc. These commercial leases are often billed on a percentage basis so that we participate in the profits of the operation. There are also accommodation-type leases whereby we lease properties for agricultural purposes which, in many instances, are beneficial to the Railroad by eliminating expenses for such items as weed cutting and policing of our property.

It is also a function of the department to promote the sale of industrial properties or surplus properties no longer required for railroad operation. For the past several years income from the sale of such railroad

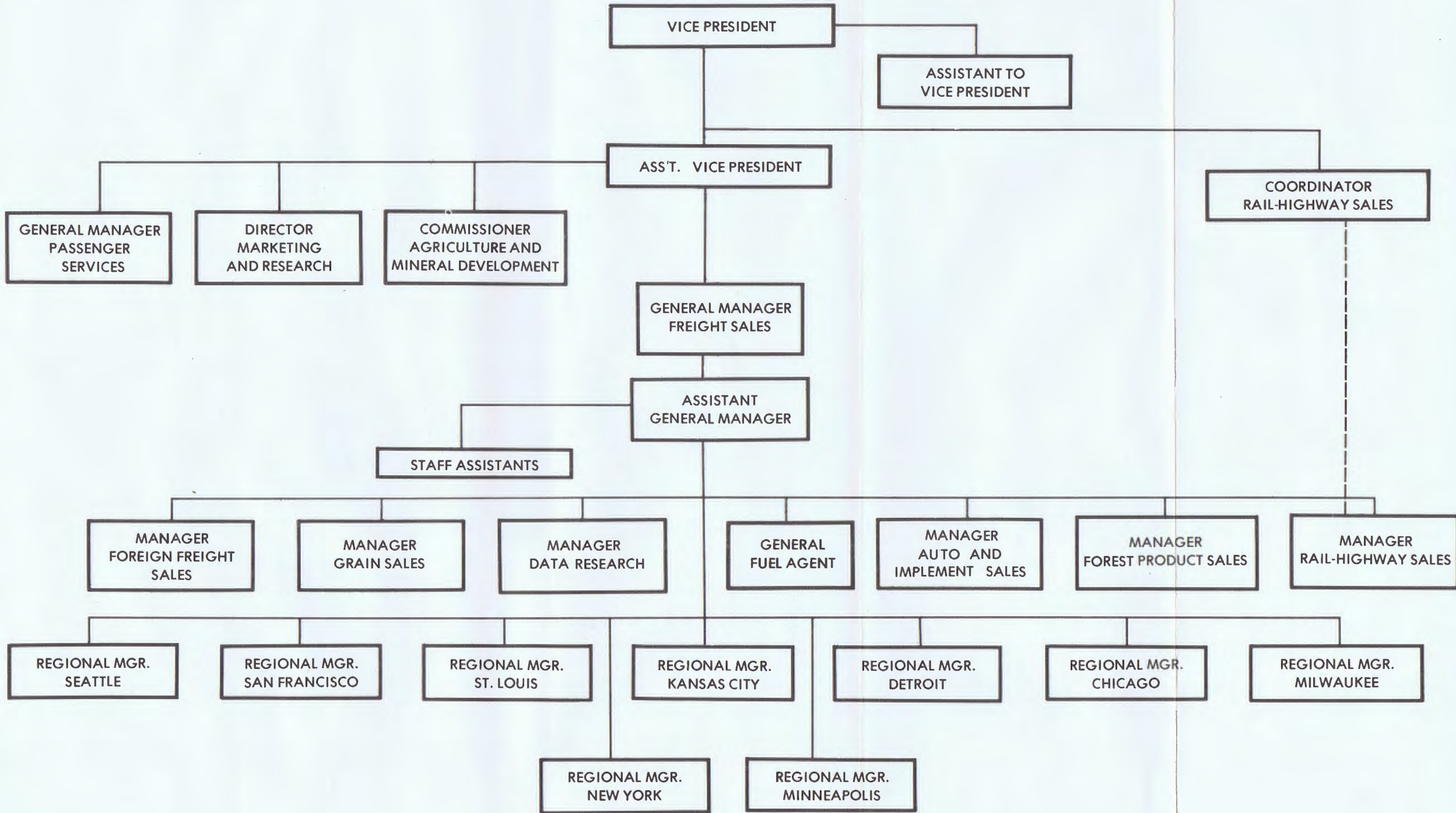
properties has been in the vicinity of \$2,000,000 annually and occasionally has exceeded \$3,000,000. Included in this figure is a rather nominal amount for the sale of abandoned rights-of-way upon retirement of lines of railroad.

Increasing interest in air rights over railroad trackage has been beneficial to the Railroad and every effort is made to interest well-qualified developers in developing major facilities on air rights over our tracks in Metropolitan areas. One such development of solely owned Milwaukee Road air rights is the Post Office Project in Downtown Milwaukee. Another area of keen interest in air rights is over the Chicago Union Station where the Milwaukee Road is a 25% owner and where two new 20-story office buildings have recently been completed by the Tishman Construction Co. Additional buildings are contemplated and much interest in the Union Station Company's air rights has been displayed by other developers.

This department acquires all land required for railroad purposes, whether it be the right-of-way required for the construction of a new branch line, or merely the acquisition of additional property to permit the extension of a culvert or the expansion of a yard facility. Generally speaking, there are not many such acquisitions each year but the acquisitions are frequently difficult because there is no choice in the property which must be acquired. It is not as though you were selecting a home site and could accommodate your needs by acquiring any piece of property within a two or three-block area.

The department negotiates the financial consideration to be paid to the Railroad Company for the longitudinal occupancy of right-of-way for overhead or underground pole lines or pipe lines, either by public organizations or by private institutions. Likewise the department negotiates the consideration to be paid by the Highway Departments for use of extra width portions of our right-of-way. These occupancies of our property, although not necessarily desirable from an operating standpoint, do provide a fair portion of our annual income from the utilization of real estate. More and more utilities are finding it desirable to negotiate with railroads for joint occupancy of rights-of-way to reduce the number of people with whom they must negotiate for cross-country installations.

SALES AND SERVICE DEPARTMENT



SEATTLE TERMINALS / TACOMA TERMINALS

SEATTLE TERMINALS

The Milwaukee Railroad operation into Seattle Terminal is by way of Black River Junction and into Van Asselt Yard, which appears in the lower left hand corner of the Seattle Terminal map.

Road crews bring trains into Van Asselt Yard and then switch crews, which are headquartered at Stacey Street, perform transfer service from Van Asselt Yard into Stacey Street where trains are normally broken up and then switched either through the interchange to various industries or by our own switch engines to various industries. The Seattle area, shortly after World War I, was broken up into zones and by mutual agreement, each railroad was assigned a zone to switch. The Milwaukee Railroad switches only Zone 3. In Zone 3 we have the Hanford Street Elevator, the major port grain facility and also Pier 27, which is the location for the handling of the car ferries. The Milwaukee Railroad operates this car ferry slip in conjunction with the Foss Launch & Tug and movements are made to and from Pier 27 to Bremerton, Port Townsend, Shelton, Port Gamble and North Vancouver, British Columbia.

Most of the interchange movements between the railroads in Seattle are accomplished at Duwamish Avenue Interchange Yard, which is a part of the Union Pacific facility, and is located in the lower left hand corner of the map.

The small map in the right hand corner gives the relative position of Black River Junction, Van Asselt Yard and Stacey Street Yard. All movements from Black River Junction to Van Asselt are such that if you pull into Van Asselt from Black River Junction you must then make a reverse movement back out to Black River Junction, as the main line between Tacoma and Renton and then on east by-passes the Seattle operation. As a result, you make a side trip into Van Asselt Yard to either leave Seattle cars or pick up Seattle cars.

The United States Navy operates a major facility in the vicinity of Pier 91, shown in the upper right hand corner of the map. This area is open to all of the carriers under a reciprocal switching arrangement. Most of the industries in the Seattle area are open on a zone switching arrangement or, in other words, a pro-rata cost based upon cars handled.

TACOMA TERMINALS

The Milwaukee Railroad operates a substantial switching yard at Tacoma from which point several outlying branches are served. These lines include the lines to Aberdeen and Hoquiam, Raymond, Morton and Longview. The major industry at Tacoma is the St. Regis Paper Company. They also operate the subsidiary, St. Paul and Tacoma Lumber Company. At Tacoma we maintain a major Car Department Shop and Locomotive Shop for the handling of our equipment.

At Tacoma we interchange with the GN, NP and UP, as well as the Municipal Belt Line, and the Port of Tacoma. The interchange between the GN, NP, UP and Milwaukee occurs in an interchange yard adjacent to our main line within a half mile of our yard operation and is a very good location insofar as the Milwaukee Railroad is concerned. On the map at the center on the right hand side, is shown Tacoma Junction. The main line of the railroad Seattle south on to Longview and perhaps some day to Portland, actually by-passes the Tacoma Yard and a main line operation between Chicago and Portland could be maintained without entering into the Tacoma Yard.

SPOKANE CUT-OFF

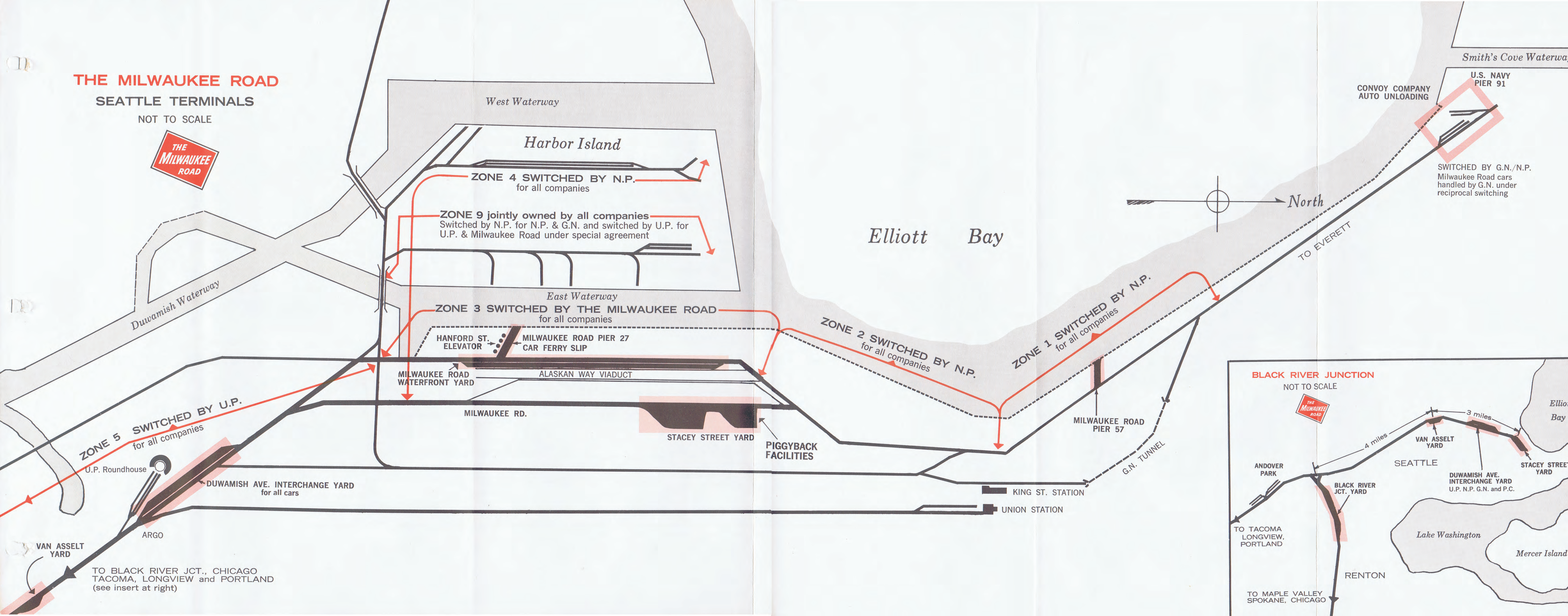
The small scale map of the Spokane area shows that Plummer Junction, Spokane and Marengo form a triangle. Our main line freight trains #261, #262, #263 and #264 operate by way of the freight main line Plummer Junction to Marengo and thence west to Othello. The map also shows the relative location of the Columbia River Basin, namely, Othello, Warden and Moses Lake. The relative distance between Plummer Junction and Marengo is about 100 miles and between Marengo and Othello, about 50 miles.

Cars destined to or from Spokane moving between Spokane and Plummer Junction are handled between these two points on the so-called Plummer Turn. This assignment is normally done in the early hours of the morning at Spokane and goes to Plummer Junction in time to connect with Train #261 and bring the Spokane block of cars back to Spokane. At the same time, this train takes to Plummer Junction all cars moving east or west of the main line out of Plummer Junction. These would be cars for Trains #262, #263 and #264.

THE MILWAUKEE ROAD

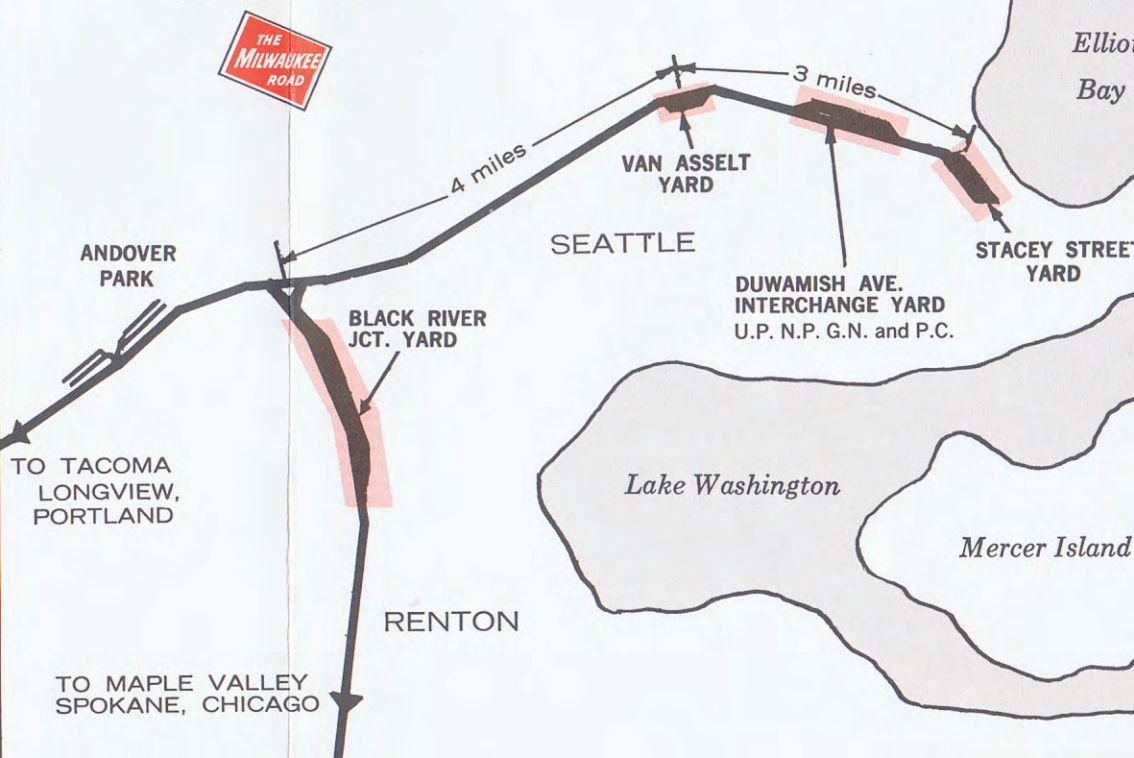
SEATTLE TERMINALS

NOT TO SCALE



BLACK RIVER JUNCTION

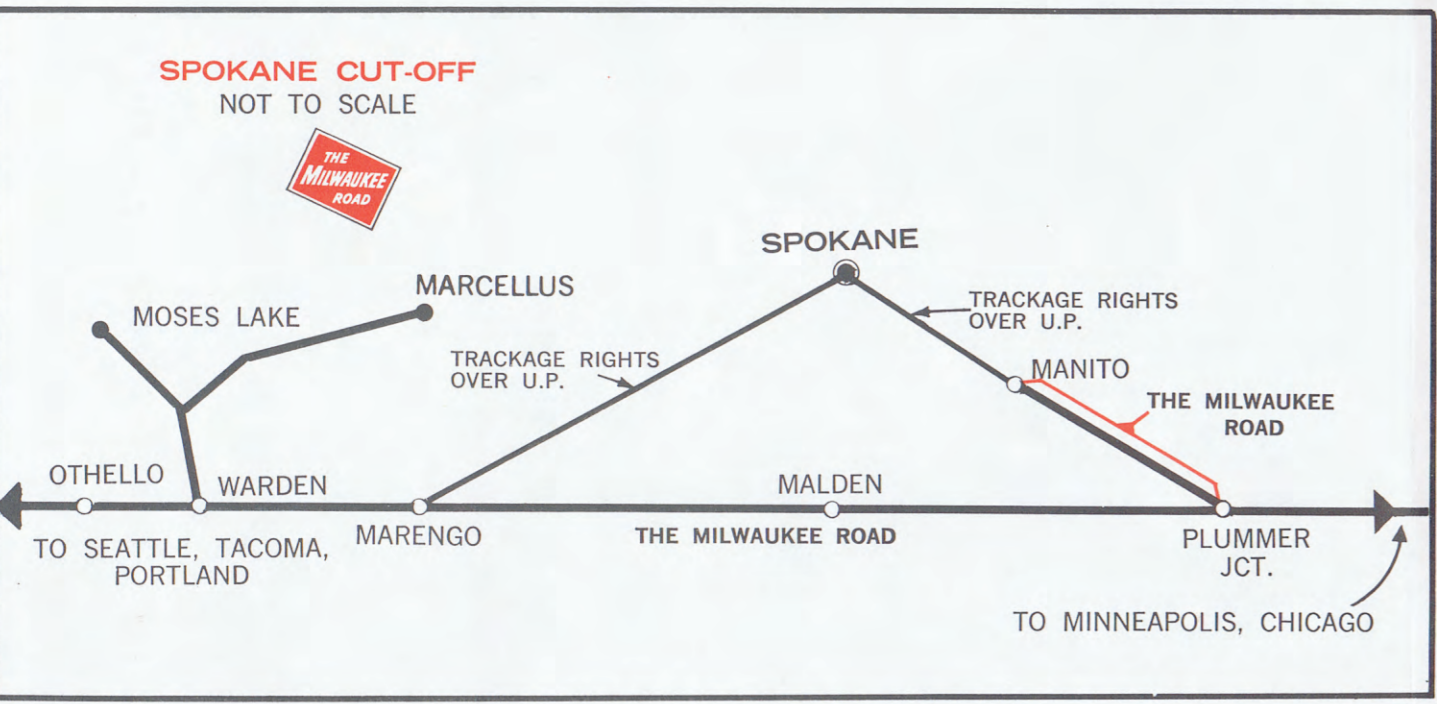
NOT TO SCALE



Puget Sound

BROWN'S POINT

North



Commencement Bay

Hylebos Waterway

Wapato Waterway

Sitcum Waterway

TIDE FLATS YARD

MILWAUKEE WATERWAY

Puyallup Waterway

Middle Waterway

City Waterway

THE MILWAUKEE ROAD

TACOMA TERMINALS

NOT TO SCALE



MUNICIPAL

BELT LINE

J I I C

MILWAUKEE SHOPS

THE MILWAUKEE ROAD
INTERCHANGE WITH
G.N. N.P. AND U.P.

TACOMA JCT.

Puyallup

River

TO SEATTLE—CHICAGO
VIA BLACK RIVER JCT.

THE MILWAUKEE ROAD
FREIGHT HOUSE

THE MILWAUKEE ROAD

TO LONGVIEW AND PORTLAND