

RECORD # 01

~~800 TCY THIS IS RERON OF CHG 0952
RTV~~

~~C CHGO 0952 10.07 05/14/79 GARB CARB KCVB KNYB 0712 1011 1012 1013 1014 1015 1016 1017 1018 1019 1020 1021 1022 1023 1024
SAYD SYSS, 11.17 0074~~

~~CALL CHGO 5-14~~

~~BROADCAST TO ALL SYSTEM STATIONS:~~

~~INSTRUCTIONS:~~

~~PLEASE POST AND DISTRIBUTE THIS MESSAGE FOR THE BENEFIT
OF ALL EMPLOYEES.~~

~~TO ALL CONCERNED:~~

~~THE CHICAGO TRIBUNE THIS MORNING CONTAINS A STORY CONCERNING
THE LABOR-PROTECTION ASPECTS OF THE MILWAUKEE S REORGANIZATION
PROCEEDING WHICH QUITE UNFAIRLY PORTRAYS MY POSITION WITH
REGARD TO PROTECTION FOR EMPLOYEES WHO ARE DISADVANTAGED AS
THE RESULT OF THE FURLOUGH WHICH WE NEED TO PRESERVE SOME PROSPECT OF
REORGANIZABILITY FOR THE RAILROAD AS A WHOLE. PLEASE WILLO ME TO
CORRECT THE STORY AND TELL YOU WHAT MY POSITION REALY IS.~~

~~IT IS INDEED TRUE THAT THE BASIC QUESTION OF LABOR PROTECTION
IS AN ISSUE IN THE PROCEEDING. THERE IS A POSSIBILITY THAT,
IF THE CONDITIONS MOST RECENTLY IMPOST BY THE ICC -- THE SO-
CALLED NEW YORK DOCK CONDITIONS -- WERE APPLIED TO ALL
MILWAUKEE ROAD EMPLOYEES PURSUANT TO A COMPLETE LIQUIDATION,
PROTECTION COSTS COULD BE MORE THAN \$1 BILLION. QUITE
LIKELY THE LEGAL QUESTION OF LABOR PROTECTION IN THE MILWAUKEE S
CIRCUMSTANCES WILL BECOME A PRINCIPAL ISSUE IN THE BANKRUPTCY
PROCEEDING.~~

~~BUT WHAT THE TRIBUNE S STORY DOES NOT SAY IS THAT, DURING
THE HEARING ON MAY 4, I AGREED TO BEGIN IMMEDIATELY THE
PROCESS OF FILING ABANDONMENT APPLICATION S WITH THE ICC FOR
ALL LINES WHICH WOULD BE EMBARGOED. A NEW TITLE 0111 MAP IS BEING
PREPARED AND WILL BE FILED VERY SOON. THE ACTUAL
APPLICATIONS WILL FOLLOW AS QUICKLY AS WE CAN DO THE PAPERWORK.~~

~~THUS, WHILE AN EMBARGO AS WE NEED IT IS NOT THE SAME AS AN
ABANDONMENT, WE SHALL TAKE STEPS AT THE EARLIEST POSSIBLE
MOMENT TO BRING BEFORE THE COURT AND THE ICC THE QUESTION OF
PROTECTION FOR EMPLOYEES WHO MIGHT BE AFFECTED ADVERSELY BY
THE REDUCTION IN THE MILWAUKEE S OPERATED MILEAGE.~~

~~PLEASE SEE THAT ALL EMPLOYEES AND THEIR FAMILIES RECEIVE THIS
MESSAGE. A COPY OF THIS MESSAGE IS BEING SENT TO THE
CHICAGO TRIBUNE WITH THE REQUEST THAT IT BE PRINTED AS A
LETTER TO THE EDITOR. IF YOU HAVE QUESTIONS, PLEASE DIRECT
THEM TO MR HARRINGTON. THANK YOU.~~

~~STANLEY F.G. HILLMAN
TRUSTEE~~