

OFFICE OF DIVISION MANAGER
WISCONSIN DIVISION



Milwaukee, Wisconsin
March 29, 1979

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NOTICE NO. AC-17 BC-15

CIRCULAR LETTER NO. 99

TO ALL CONCERNED: ALL DISTRICTS

Our need to reduce operating expenses in order to conserve cash, which unfortunately must be translated into reducing maintenance work forces, has been very badly handled by the press since Monday. Let me put the matter in its proper perspective and give you the facts.

It is necessary to reduce the budget for locomotive and car maintenance on April 1, 1979 by an amount which will mean that approximately 13.6 percent of the maintenance force must be furloughed. The effect of these reductions will be spread uniformly across all five Divisions and the system shops at Milwaukee.

There will be some changes affecting track forces, but in most instances the basic Division work force will be retained. Our ability to add seasonal track forces in the coming months will continue to be under constant review.

In all three areas, these changes can be expected to remain in effect through April. The ability to continue any given level of maintenance activity, or to increase it, depends upon our cash situation.

None of the revisions which will go into effect on April 1 will affect the 4R Act track and equipment programs or the rehabilitation programs which are under way with the help of Shippers and States. They will not affect RTA or Amtrak activities.

The impact of the reductions on locomotive employees in Milwaukee will be greatly minimized by a new contract which we have just signed which will put us into the locomotive rebuild business, subject to Court approval. Milwaukee Shops on April 1 will begin to overhaul locomotives for Precision National, working first on the units which we ourselves have leased. The effect of the new contract will be that our backshop employees who would otherwise be furloughed will simply go to work on Precision National engines instead of our own. We hope that the Precision National Program will continue for several months.

Some of the news stories we have seen have indicated that we were about to reduce the total employment of the railroad by 23 to 35 percent. The fact is that we shall on April 1 reduce the total employment on the Milwaukee approximately 4.6 percent.

Keeping as many people as possible working on locomotives, cars and track has been our goal since the bankruptcy proceeding began. Up to now we have been able to maintain higher force levels in these areas than were in existence before bankruptcy. As of February 1979, the level of employment in track and equipment maintenance was 30 percent higher than it was in February 1978. We did not reduce maintenance personnel when we reduced some employment elsewhere two months ago.

I shall have more to tell you about our current situation in the next issue of First Monday/Third Monday. If you do not see this newsletter directly, ask your Supervisor about it.

W. L. Smith, President

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HWW RDB CRA JEC EEG JLM AGB JEP DRD DKH RMC JM JDL TRAFFIC HHH RLQ JWG TJL MAB GAS