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Prepared for employees by the
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August 15, 1983

To All Milwaukee Road Employees:

Hearings on the Trustee's Amended Plan of Reorganization, which includes acquisition of the reorganized Milwaukee Road by Grand Trunk Corp., started today before the Interstate Commerce Commission in Washington, D.C.

Scheduled for appearances during this phase of hearings are Governor Ogilvie, T. F. Power, Jr., VP-Reorganization; P. F. Cruikshank, VP-Operations; and P. C. White, VP-Marketing.

The Commission announced last week that a decision to accept or reject for filing the Chicago & North Western's alternative acquisition proposal will be reached "on or about August 26, 1983."

In establishing a proposed supplemental procedural schedule, the ICC said: "On July 27, 1983, the Chicago & North Western Transportation Company and its wholly owned subsidiary, Mid American Rail Properties, Inc. filed an inconsistent plan of reorganization in this proceeding under Section 77 of the Bankruptcy Act. The plan contemplates acquisition by MARP of most of the assets of the Milwaukee Road, and stock control, lease and operation by CNW of MARP. The proposal also contemplates control of Milwaukee Motor Transportation by CNW, construction of a rail line between Seymour and Allerton, Iowa, and abandonment of about 1,110 miles of CNW and Milwaukee track in Illinois, Iowa, Minnesota, Missouri, and Wisconsin."

In Judge McMillen's March 30, 1983, order transmitting the Milwaukee/GTC amended plan to the Commission, he requested the Commission to proceed with hearings to certify an approved plan of reorganization to the court (or report that no plan considered by it is feasible) by December 31, 1983. The court recognized that it had no jurisdiction to impose a time limit. In an April 29 decision accepting the amended plan, the ICC formulated a procedural schedule to comply with the December 31 deadline.

Because the Reorganization Court has requested expedited consideration of the proceeding as well as the earlier filed plan of reorganization proposed by the Trustee and GTC, the Commission issued a procedural schedule for consideration of the CNW proposal, in advance of a decision formally accepting or rejecting the CNW's application.

It said further that it recognized that the procedural schedule for consideration of CNW's proposal extends 3 months beyond the December 31 deadline set by the court but that it believes the additional time is necessary to insure due process to all participants in the proceeding and to carefully consider the substantial

transportation issues raised by the GTC, CMC and CNW proposals. The schedule provides adequate notice and opportunity for all interested individuals to participate in the proceeding, while attempting to comply with the court's interest in expedition. If CNW's application is rejected, this schedule will be vacated.

The Commission said that in its view, the most expeditious manner in which to handle the proceeding and afford due process is by two separate but simultaneous proceedings.

In the proposed schedule for hearing on CNW's reorganization plan and inconsistent application, the ICC has allowed interested parties a total of 60 days in which to file requests for conditions on CNW's proposal, to submit verified statements in support or opposition to the plan, and to submit requests for hearing and proposed cross-examination. This 60-day time frame is the minimum time necessary for such submissions, particularly since CNW not only seeks to acquire the rail assets of the Milwaukee, but also seeks to abandon 512 miles of CNW lines and 633 miles of Milwaukee lines in five midwestern states. Because the proposed 1,100 miles of abandonment may affect numerous shippers and others that may wish to comment on CNW's plan, a 60-day time frame is necessary to accord basic fairness to all participants. In addition, the Commission said, parties should have the opportunity to request conditions on the CNW plan just as they have been able to do with regard to the Milwaukee/GTC plan.

In view of the complexity of the proceeding, which already involves three separate plans of reorganization - the Milwaukee/GTC plan, the Chicago Milwaukee Corporation plan, and the CNW plan - numerous requests for modification of the Milwaukee/GTC plan, and opposition evidence that may be submitted to each of the plans, the Commission's procedural schedule must permit several weeks for consideration and preparation of a decision. So the three proposals and other responsive proposals to GTC/Milwaukee will continue to be considered as previously scheduled by the Commission and the Administrative Law Judge; hearings concerning CNW's inconsistent plan and any requests for conditions to it will be held separately. If oral argument is held, it will be consolidated, and one decision will be issued on all of the proposals.

Here's the schedule set by the Commission on August 8, 1983:

July 27, 1983 - Incomplete application filed.

August 8, 1983 - CNW advised that by September 7, 1983, it must complete giving notice of the reorganization - and CNW/MILW proposed abandonments to significant users and those persons entitled to receive abandonment notices under ICC rules.

The notice must summarize CNW's reorganization plan, specify the appropriate line proposed for abandonment, and state that verified statements in support or opposition, and requesting hearing, must be filed by November 7, 1983. The notice must also state that the Commission will publish a notice in the Federal Register on or about August 26, 1983, concerning the proceeding.

August 26, 1983 - Commission decision accepting or rejecting CNW proposal published.

September 7, 1983 - CNW completes required notice.

October 7, 1983 - Parties seeking conditions to CNW's proposal shall file with the Commission and serve on the parties a list of proposed conditions.

November 7, 1983 - Verified statements in support or opposition, requests for conditions with all evidence, requests for hearing, stating proposed witnesses for cross-examination, including specific disputed facts for cross-examination, must be filed.

December 6, 1983 - CNW replies to verified statements and requests for cross-examination due.

December 12, 1983 - Cross-examination, if any, begins on CNW's proposal.

January 20, 1984 - Simultaneous opening briefs on CNW's proposal due.

February 3, 1984 - Simultaneous reply briefs due.

February 15, 1984 - Consolidated oral argument. This date is tentative.

March 30, 1984 - Consolidated decision to be served.

In another development, on Monday, August 8, an attorney representing the Soo Line advised Judge McMillen that the Soo may seek authority to file an alternative plan of reorganization. No terms or details were disclosed pending approval by the Soo's Board of Directors, which was scheduled to meet last week. There is nothing further to report at this time.

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The Milwaukee Motor Transportation Company has been granted thirty-one state operating authority for the transportation of general commodities. The scope of the authority is between points in all of the following states:

Arizona	Iowa	Montana	Pennsylvania
Arkansas	Kansas	Nebraska	South Dakota
California	Kentucky	New Jersey	Tennessee
Colorado	Louisiana	New York	Texas
Georgia	Massachusetts	North Dakota	Utah
Idaho	Michigan	Ohio	Washington
Illinois	Minnesota	Oklahoma	Wisconsin
Indiana	Missouri	Oregon	

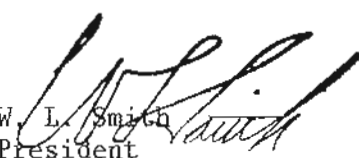
This permits us to operate in the important areas of Wisconsin and the adjacent states surrounding Kansas City, Missouri.

A bulletin prepared by MMTTC for distribution to prospective customers invites those having requirements for trucking service to call and "we will be happy to discuss the publication of rates and charges to meet your needs."

CALL

1-800-621-0279
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W. L. Smith
President