

# 1st MONDAY 3rd MONDAY

Prepared for employees by the  
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July 18, 1983

To All Milwaukee Road Employees:

Deadlines on three Milwaukee Road debt retirement programs have been extended through August, 1983.

Last week, the reorganization court approved Trustee Ogilvie's request to continue beyond the originally scheduled June 30 expiration date his deferred tax settlement, non-employee personal injury and vacation pay programs.

These programs have been highly successful and results are reflected in the following percentages of claims settled by June 30: deferred taxes, over 80% of the total dollar amount covered, has been accepted; non-employee personal injury claims, approximately 85% of the estimated total has been settled; deferred vacation pay, approximately 91% of the total dollar amount has been settled.

Trustee Ogilvie cited minor procedural or mechanical difficulties which prevented some acceptances from being filed and approved by June 30. For example, with respect to deferred taxes, there are still some instances in Iowa where the amounts of special assessments have to be verified.

In Wisconsin, taxes assessed by cities and towns are, after a specified period, turned over to the respective counties to collect. There has not been sufficient time for adequate coordination between the Milwaukee, cities and towns and the counties. In some other cases, county officials feel that they must receive authority from each of the local taxing units, which is very time consuming.

Another example is in the deferred vacation pay program, where there was a relatively short period of time to completely implement the program, from court approval May 16 to the June 30 deadline. This was further complicated because former employees entitled to participate in the program had to be notified. In some cases, the original notifications were returned because the former employee no longer resided at the address contained on our records. The extension until August 31 only applies to those former employees who were eligible to elect this option on or prior to June 30, 1983.

Trustee Ogilvie feels continuation of these 90% settlement offers is in the interest of the individual claimants and the estate, since each acceptance allows current payments to the claimants and also eliminates more claims against the estate at a discount of 10% of their face amount.

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Last week we added a new brace of trains to our Chicago-Kansas City service. Reflecting the increased business being attracted to this important corridor, these trains are designed to provide top-notch service, primarily in connection with SSW-SP, and will allow us to adjust schedules on other trains to accommodate additional TOFC business being generated on this line.

Given symbol numbers 228 (westbound) and 229 (eastbound), these new trains will operate seven days per week in each direction.

No. 228 will leave Chicago (Bensenville) at 3:00 p.m. and arrive Kansas City (Armourdale) 25 hours later. In addition to SSW-SP tonnage, it will handle blocks of traffic destined MoPac, Santa Fe and MKT.

No. 229 will make the run from Armourdale to Bensenville in 21 hours, leaving Kansas City at 1:00 p.m., arriving Chicago 10:00 a.m.

The schedule of No. 224 will be adjusted to improve our handling of Kansas City and Rio Grande TOFC business, leaving Bensenville daily at 10:00 p.m., arriving Kansas City joint agency 6:30 p.m. - 21-1/2 hours.

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In our continuing efforts to upgrade the plant and improve the quality of our service product while responding to the challenge of reducing transportation costs, we have completed our studies regarding the West Washington yard facility at Madison, Wisconsin.

Yard and station forces have been relocated to meet specific opportunities and to minimize the number of trains and reduce the elapsed time that cars spend in yards.

The present facilities at Madison will be abandoned, but we will keep one track through Washington Avenue, as well as a run-around track from Washington Avenue westerly to the former ICG crossing.

This action will benefit the community by alleviating congestion in downtown Madison and will permit the sale of various parcels along the West Washington corridor, including the depot property, to interested parties.

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Representatives of the Milwaukee Road participated in a 5-1/2-mile, steam-engine-driven, two-antique-coach-passenger-train ride in St. Paul last week.

The rail trip was designed to show elected local and state officials, community leaders and the media an energy project under construction on our right-of-way between Northern States Power Company's near downtown High Bridge Power Plant and Champion International's recycling paper mill in the Midway district.

The \$40-million buried steam line is the longest, high pressure, high temperature underground steam line in the country designed to serve one user. The 44-inch diameter conduit will run seven feet under our existing right-of-way.

When completed by December, the pipeline will help reduce energy costs and keep the 75-year old paper recycling complex competitive. The company has been producing its own steam with natural gas and oil as boiler fuel. Champion will maintain its present powerhouse on a standby basis after completion of the new line.

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Service on our line between Austin, Minnesota and Mason City, Iowa - which was embargoed in March, 1980 - was restored last Monday, July 11.

Recognizing the importance of providing competitive service to customers on the grain gathering segment between Sheldon and Mason City, we have scheduled rehabilitation of the Austin-Mason City segment in 1983-85 at a cost of about \$6.7 million in 1983 dollars.

An application to abandon 69.2 miles of track between Austin and Calmar, Iowa will be filed this week. The stations to be abandoned are Rose Creek, Adams, LeRoy, Chester, Lime Springs, Bonair, Cresco, Ridgeway and Conover.

We will continue to serve all of our customers at Austin and Calmar.



W. L. Smith  
President