

1st MONDAY 3rd MONDAY

Prepared for employees by the
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May 16, 1983

To All Milwaukee Road Employees:

The Interstate Commerce Commission has accepted for consideration Trustee Ogilvie's Amended Plan of Reorganization which contemplates the acquisition by Grand Trunk Corporation of the reorganized Milwaukee Road.

The following schedule has been set for the proceedings. In addition, the ICC may require any party to submit additional information.

May 27, 1983 - Comments on the amended plan are due. By this date, the Commission must also be notified of the filing of responsive applications, including requests for conditions, and notice must be submitted of the proposed filing of alternate plans of reorganization. Requests to cross-examine witnesses are due and must include specific Milwaukee Road and GTC witnesses whose verified statements were filed with the Amended Plan and indicate why cross-examination is necessary or clearly desirable for the development of the record.

June 6, 1983 - An official service list of the proceeding will be issued. Only those persons who indicated in comments that they wish to be considered parties of record will be so designated. By June 16, copies of all comments previously filed with the Commission will be given to parties of record.

July 13, 1983 - All evidence in support of or in opposition to the Amended Plan must be submitted in the form of verified statements. Also due on this date are alternate plans of reorganization responsive applications, opposition evidence, supporting evidence and public testimony.

July 25, 1983 - Requests for cross-examination of witnesses whose verified statements were filed on July 13 are due. Requests shall specify the statements and indicate why cross-examination is or is not necessary or clearly desirable for development of the record. A decision will be issued setting a schedule for the remainder of the evidentiary phase of the proceeding after the July 25 submission. The decision will, if necessary, schedule oral hearings for the purpose of cross-examination as warranted by the record.

August 8, 1983 - Cross-examination of witnesses, if necessary, is tentatively scheduled to begin.

September 21, 1983 - Simultaneous opening briefs are due.

October 6, 1983 - Simultaneous reply briefs are due.

The Commission also stated that since it is under strict time constraints in the proceeding, petitions for extensions of time to file alternate plans of reorganization or responsive proposals will not be entertained. Also, the initial decision will be waived, and the determination of the merits of the proposals will be made in the first instance by the entire Commission.

Administrative Law Judge Nolin J. Bilodeau has been assigned to handle any prehearing matters which might arise and to manage and conduct all oral hearings found necessary during the course of the proceeding.

* * *

As discussed at recent Employee Open House meetings, certain territorial changes in the Northern and Southern operating divisions were implemented May 1.

Former Southern Division territory extending from Marquette, Iowa (but not including Marquette) to Sheldon, Calmar to Jackson, Mason City and Austin and Wells to Minnesota Lake, is now part of the Northern Division.

This modification brought all the territory formerly dispatched from the St. Paul office under the jurisdiction of the Northern Division and required no changes in dispatching territories.

This action will allow Southern Division personnel to focus on the increased demands in the Chicago-Kansas City corridor, triggered by customer acceptance of our run-through services and price competitive marketing efforts.

* * *

In support of our Minority Business Enterprise Program, all departments within the Milwaukee Road structure will be represented at the 16th Annual Chicago Business Opportunity Fair to be held at the Palmer House here on May 24 and 25.

We will join other major corporations participating in the two-day trade show to promote the utilization of minority firms as suppliers and meet and exchange ideas and information on mutual buying and selling needs.

The fair offers us the opportunity to assess the products and services of the hundreds of MBEs attending the event. We plan to do this by staffing a booth with company representatives who will interview visiting MBEs and discuss our purchasing requirements with them.

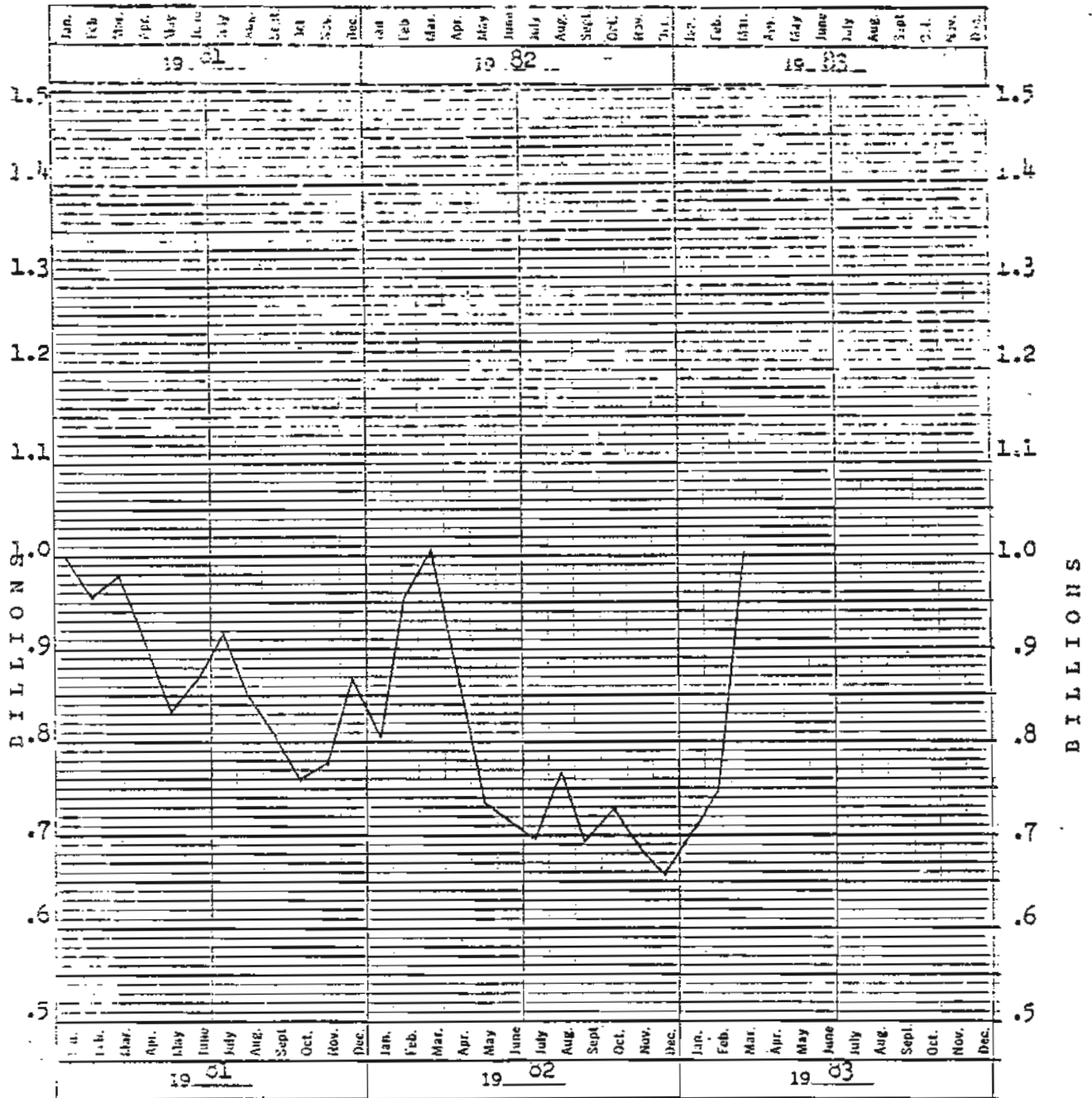
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The following Revenue Net Ton Miles graph shows that for the first time since we ceased operations on the Miles City line, we reached the billion plateau.

The most accurate method of measuring freight transportation performance is the "ton-mile" (one ton moved one mile), because it reflects both tonnage and distance.

Now that we've regained this distinctive plane, our challenge is to maintain this level in the months to come.

REVENUE NET TON MILES



W. L. Smith
President