

1st MONDAY 3rd MONDAY

Prepared for employees by the
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September 2, 1983

To All Milwaukee Road Employees:

Because of the Labor Day holiday on the First Monday of the month, this is being written and mailed earlier than usual to facilitate delivery.

Last Friday, August 26, the Interstate Commerce Commission announced that it had accepted for consideration the Chicago and North Western's inconsistent application asking that Mid America Rail Properties, Inc., a C&NW wholly owned subsidiary, be permitted to purchase the Milwaukee Road's operating assets.

It appears the Commission will follow the dates set in the supplemental procedural schedule it issued August 8, 1983. That schedule was carried in FM/TM dated August 15.

In addition, the Administrative Law Judge has established the following schedule for the remaining proceedings with respect to the Trustee's Amended Plan:

- September 12, 1983 - Requests for cross-examination of opposition witnesses.
- September 19, 1983 - Reply filings to responsive proposals, which include C&NW (trackage rights only), GB&W (trackage), Conrail (trackage), RLEA, LaSalle National Bank, CMC (alternate plan) and Federal DOT.
- September 19, 1983 - Brief cross-examination on responsive proposals scheduled to begin.
- October 11, 1983 - Optional rebuttal statements of parties due. This includes our rebuttal to opposition cases of Soo, C&NW, and all others.
- October 31, 1983 - Initial briefs from all parties due.
- November 14, 1983 - Reply briefs from all parties due.

The first phase of the ICC hearings in Washington, D.C., on the Trustee's Amended Plan, which includes GTC acquisition of the re-organized Milwaukee Road, ended August 24, a couple of days ahead of schedule. The proceedings went smoothly, and we're indebted to the shipper witnesses who appeared in our behalf.

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Aside from the hearings in Washington, the Milwaukee is making news in other quarters. Three nationally distributed publications have recently featured our railroad. We appeared on the cover of the July issue of Modern Railroads in a photo of our intermodal operations at Franklin Park, Illinois.

The August issue of Railway Age carries an article entitled, "Milwaukee Road: Trimmed down, shaping up", which focuses on our investment in track improvements and maintenance programs. It says, in part, "Improving key line segments is an important part of Milwaukee's marketing strategy."

In its September issue, Trains magazine has a full page story called, "Milwaukee Road - still Sprint-ing along." This features an interview with P. Laurin Cowling, Vice President-Intermodal and President of our trucking subsidiary, Milwaukee Motor Transportation Company, and is an update of the coverage of our SPRINT trains that the magazine ran on its pages back in April, 1981.

If you haven't read these current articles, you may want to try to obtain a copy of the issues named as they provide interesting reading.

* * *

We're getting close to a resolution of two trackage problems that have been a matter of concern for some time.

In one case, the ICC has recommended that the reorganization court authorize abandonment of the remnants of the Alley track in Green Bay, Wisconsin, a distance of 0.81 miles.

Abandonment will allow the railroad to save substantial operating and maintenance expenses and the City of Green Bay to save about \$400,000 in street repairs.

In a related proceeding, we asked for trackage rights over terminal facilities of C&NW and GB&W to continue serving a plant currently served over the trackage to be abandoned. In light of the progress being made in the settlement of this matter, the Commission has decided to hold the proceeding in abeyance until September 15.

In another case, we have advised officials of the City of Minneapolis that we have signed a letter of agreement with the Soo Line settling our differences on the Washington Avenue viaduct in downtown Minneapolis, and anticipate court approval of these arrangements later this month. The railroads will transfer interchange operations that depended on the viaduct to yards in St. Paul. This will permit the viaduct to be demolished and alleviate congestion that has been a major problem in the area, particularly with the construction of the domed stadium nearby.

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In what was billed as a re-creation of the Northwoods Hiawatha - our passenger train that was introduced to Wisconsin Valley service in 1935 - last Wednesday, August 31, we hosted a rail inspection trip to

commemorate the completion of the cooperative project that rehabilitated our line between Wausau and Tomahawk. The special train, which consisted of a locomotive, The Stanley E. G. Hillman business car and a training car, carried representatives of the partners in the project, as well as media reps, over the 41.4 miles of reconstructed track, with stops along the way for lunch and a firsthand look at the work that had been done. Participants in the \$6 million rehabilitation project include: Wisconsin Department of Transportation, Lincoln County Shippers Association, Lincoln County and the Milwaukee Road.

A handwritten signature in black ink, appearing to read 'W. L. Smith', written in a cursive style.

W. L. Smith
President