

1st MONDAY 3rd MONDAY

Prepared for employees by the
Milwaukee Road's Corporate Relations Department
516 West Jackson Boulevard Chicago, Illinois 60608
Telephone 312 648-3324

August 20, 1984

To All Milwaukee Road Employees:

Questions have been raised about a notice appearing on bulletin boards throughout the system concerning Soo Line purchase of the core assets of the Milwaukee Road and the effect such acquisition may have with respect to the dismissal or displacement of employees and a rearrangement of forces.

The notice, which contains excerpts from the operating plan filed by the Soo Line, was posted at Soo's request to comply with provisions of the so-called New York Dock labor protection conditions that require advance notice to the work force of anticipated changes. Since it's not known when closing will occur, making this information available now will help minimize delays in the notification process once a plan has been approved.

Identified in the notice are certain areas of operations that may be affected, including the coordination of main lines, consolidated traffic flows, changes in train service, terminal and maintenance facilities and an estimate of the number of positions that may be eliminated.

Incidentally, a correction was issued regarding a statement on maintenance facilities which mistakenly identified Minneapolis (instead of Milwaukee) as the location of our major freight car repair shop.

It is expected the Chicago and North Western will request posting of a similar notice to advise employees of its intentions.

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Financial figures released last week indicate the core operating rail system had net income of \$5.4 million on operating revenues of \$215.8 million for the first half of 1984.

For the second quarter, 1984, we reported net income of \$4.5 million on operating revenues of \$111.1 million.

Our traffic volume, measured by ton-miles, increased 29.4% in the second quarter and 32% in the first half of 1984 over comparable periods in 1983.

The total railroad industry reported a ton-mile increase of 17.7% in the second quarter and 15.8% in the period of six months.

The principal commodity groups responsible for our volume improvement in the first half were grain, coal, nonmetallic minerals, chemicals, primary metal products, automobiles, stone, clay or glass products and intermodal traffic.

In the second quarter the same commodity groups registered increases in ton-mile volume, except that grain traffic was about even with 1983.

Operating expenses rose as a result of handling a greater volume of traffic this year. Increased maintenance of both track structure and rolling stock, higher payroll taxes and added maintenance and transportation expenses incurred early in the first quarter of 1984 because of severe cold weather and other winter-related factors also contributed to the operating expense increase.

For the first six months of 1984, the total railroad company, including subsidiaries, reported consolidated net income of \$7 million on revenues of \$219 million. Second quarter results showed net income of \$6.7 million on revenues of \$113 million.

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Following is an update on benefits for employees covered under the National Health and Welfare Plan, GA-23000.

SECOND SURGICAL OPINION

All covered employees are reminded that the mandatory second opinion provisions under the National Health and Welfare Plan, GA-23000, require that a covered individual must get a second opinion prior to surgery to be eligible to receive payment under the Surgical Expense Benefits for non-emergency surgical procedures in the following general categories:

Breast	Hemorrhoids	Prostate
Bunion	Hysterectomy	Nose
Cataract	Hernia	Tonsils and Adenoids
Gall Bladder	Knee	Varicose Veins

If a second opinion is not obtained for a procedure in one of these general categories, the surgeon's reasonable charge and any charge for the administration of anesthetics will be covered only under the Major Medical Expense Benefits.

Further details can be obtained from the benefits department, your regional personnel office, or from Travelers.

CLAIMS OFFICE

To provide better and more prompt service for railroad employees and retirees, the Travelers has established five regional claims processing offices and installed a new computer system for processing and paying claims under both the National Health and Welfare Plan, GA-23000, and the Early Retirement Major Medical Benefit Plan, GA-46000.

Persons covered under the plans are now to mail their claims to one of five regional claims processing offices which service the state in which they live. Providers of service are also to mail their bills to one of the regional claims processing offices.

The addresses of the five regional offices are listed below along with the states they service:

RESIDENTS OF THESE STATES:

Connecticut	New Jersey
Delaware	New York
Maine	Pennsylvania
Massachusetts	Rhode Island

SEND CLAIMS TO:

The Travelers
50 Wolf Road, Suite 325
P.O. Box 313
Albany, New York 12201

RESIDENTS OF THESE STATES:

SEND CLAIMS TO:

Illinois
Indiana
Iowa
Michigan
Minnesota

North Dakota
Ohio
South Dakota
Wisconsin

The Travelers
2200 East 170th Street
P.O. Box 1200
Lansing, Illinois 60438

Alabama
District of Columbia
Florida
Georgia
Kentucky
Maryland
Mississippi

North Carolina
Puerto Rico
South Carolina
Tennessee
Virgin Islands
Virginia
West Virginia

The Travelers
1058 Claussen, Suite 111
P.O. Box 2500
Augusta, Georgia 30999

Alaska
Arizona
California
Hawaii
Idaho
Montana

Nevada
Oregon
Utah
Washington
Wyoming

The Travelers
415 Bearcat Drive
P.O. Box 30985
Salt Lake City, Utah 84130

Arkansas
Colorado
Kansas
Louisiana
Missouri

Nebraska
New Mexico
Oklahoma
Texas

The Travelers
1137 South Jupiter Road
Garland, Texas 75040

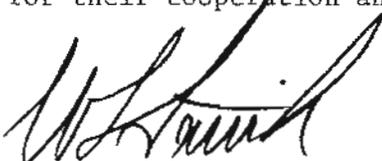
P.O. Box 660145
Dallas, Texas 75266-0145

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An estimated 2,000 people heard the Operation Lifesaver grade crossing safety message the past three days during visits to the Milwaukee Road railroad display at the annual Great River Days festival in Muscatine, Iowa.

LMAG volunteers, in cooperation with the Iowa Department of Transportation, distributed literature, showed video tapes and answered questions aboard our instruction car X-5002 and business car Milwaukee which were stationed on the riverfront.

Our thanks to all who contributed to the success of the program and to the local media for their cooperation and support in publicizing the event.



W. L. Smith
President

First Monday / Third Monday
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