

1st MONDAY 3rd MONDAY

Prepared for employees by the
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July 16, 1984

To All Milwaukee Road Employees:

Following appearances by an impressive array of congressmen, other federal, state and local government representatives, and sundry other interested parties, the Interstate Commerce Commission ended its hearings on the disposition of Milwaukee's core assets in Washington, D.C., last Thursday.

The Commission said it will hold an open conference in Washington at 10:00 a.m., July 26, at which time it is expected to announce a decision on the matter.

A written decision, along with the reasons for the Commissioners' positions, will follow at a later date. The deadline for the Commission's response to Judge McMillen remains September 10, 1984.

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We and the Burlington Northern have signed a long-term contract with Wisconsin Power and Light Company to transport coal from the Powder River Basin in Montana to WPL's Portage, Wisconsin, generating station.

The ten-year contract will result in withdrawal of litigation concerning coal rates to the facility currently pending in U.S. District Court in Madison, Wisconsin.

Contracts are playing an increasingly important role in our marketing department's scheme of things. We now have more than 660 contracts in place, which produce almost 50% of our freight revenues.

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Several times in the past, we've written about our efforts to locate former employees whose back-pay checks have been returned as undeliverable and remain unclaimed.

We've tried every traditional way to contact these employees and even went so far as to publish their names, listed alphabetically by state, city and employee, in FM/TM last year. Despite these efforts, as of this date, there's a total of 1,094 checks outstanding. Most are for small amounts but some checks have a value of more than \$1,000.00

In a final attempt to reach these individuals, we're enlisting the aid of the Internal Revenue Service. At a contractual cost to our company, we will seek to enter into an agreement with the IRS to use their letter forwarding service in a last-ditch effort to locate these former employees before turning the unclaimed 1982 back-pay checks over to the appropriate state government agency.

The letter being sent by our Treasurer, M. W. Bonnom, asks the individual to write to the Treasurer's office here and furnish his or her social security number, present address, and previous address at time of last compensated service with the Milwaukee Road.

The IRS policy in this regard requires our company to advise the individual of confidentiality protection and that the IRS has no interest in the matter aside from forwarding the Treasurer's letter.

As we've said before, Trustee Ogilvie is firm in his belief that these former employees are entitled to the wages they've earned, and he wants no stone left unturned in our efforts to get the checks to their rightful owners.

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The current issue of World magazine, Peat Marwick's high-quality publication, carries an article written by Samuel A. Cypert called "Engineering a Turnaround: The Milwaukee Road Story."

It's an interesting account of the trials and tribulations of our reorganization journey, ending with an upbeat message: "Whoever acquires the Chicago, Milwaukee, St. Paul and Pacific Railroad Company will have bought themselves one helluva railroad."

Copies of the magazine have been distributed to various locations on line for the benefit of our employees, and our marketing department has provided some to interested customers. We have a limited supply on hand and will make them available to readers upon request.

* * *

We will be participating along with other groups and organizations in the third annual Operation Lifesaver National Symposium being held in St. Paul, Minnesota, this week.

The theme of the symposium is, "Making A Good Thing Better." Sponsors say its purpose is to provide a forum in which private and public agencies and individuals are able "To Learn/To Share/To Improve/To Instruct" for a more effective Operation Lifesaver effort.

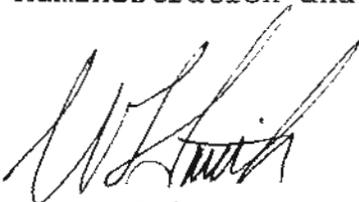
The National Safety Council, which is co-sponsoring the event, points out that Operation Lifesaver has been in place and growing for about a dozen years. From its start in Idaho, it has grown to embrace more than three-quarters of the contiguous states and Canada.

It's an effort that the Milwaukee Road supports enthusiastically.

While much progress has been made in educating the public about grade crossing safety, two recent tragic collisions - one in South Carolina last week of an Amtrak train and a gasoline tank truck, the other last Friday in Indiana of our train No. 256 and an automobile - underscore the need for a continuation of the program.

Just a couple of weeks ago, we staffed the Illinois Operation Lifesaver booth at a recent Job Fair in Bensenville, and an estimated 3,000 people visited the display. We welcomed the opportunity to get this important message to so many individuals over one weekend. And to the extent resources permit, we want to continue to spread the word to the communities we serve.

In addition to the National Safety Council, other sponsoring organizations of the St. Paul session include the Minnesota Safety Council, Association of American Railroads, Railway Progress Institute, Federal Railroad Administration and Federal Highway Administration.

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

W. L. Smith
President