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Prepared for employees by the
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Delayed Issue

February 13, 1985

To All Milwaukee Road Employees:

There have been a number of unusual developments since the last issue of FM/TM and we're out of sequence in reporting events to you through this publication.

By now you know that last Friday Judge McMillen announced his decision to approve the Soo Line's offer to purchase Milwaukee Road core assets. This followed a full schedule of oral argument in reorganization court last Thursday during which Trustee Ogilvie and nine other parties expressed their views on the competing proposals of Soo Line and Chicago and North Western Transportation Company. In addition to Counsel for the Trustee, attorneys for the following concerns testified at this session:

Soo Line; Chicago and North Western Transportation Company; Chicago Milwaukee Corporation; the States of Minnesota, Wisconsin, Iowa and Missouri; the Interstate Commerce Commission; Justice Department on behalf of U.S. Department of Transportation; a shipper and community group called the "Coalition to Save the Milwaukee Road"; Rail Labor Executives' Association and Seaboard System.

On Monday, February 4, when establishing the schedule for oral argument, Judge McMillen announced in open court that his inclination was to favor Soo Line's bid, and all employees were advised of this development.

Earlier, a rumor had surfaced that Governor Ogilvie was stepping down as Trustee because he had been named to the Board of Directors of the Continental Illinois Bank.

To set the record straight, Trustee Ogilvie has, in fact, taken on additional responsibilities as a member of the bank board of directors, but he most assuredly is not leaving the Milwaukee Road at this time. And he won't until the job he's undertaken here is completed. He's put too much time and energy into the reorganization process to walk away from it now that the goal he set is close to being accomplished.

Now back to court proceedings. When announcing his oral decision last Friday, Judge McMillen indicated a written judgment will be issued Tuesday, February 19, since there's no court next Monday because of the legal holiday.

Following the announcement, Chicago and North Western President, James Wolfe, advised Trustee Ogilvie the North Western was withdrawing its purchase offer and does not plan to appeal the court's decision.

However, yesterday CMC filed an appeal with the U.S. 7th Circuit Court of Appeals asking that the court exercise extraordinary jurisdiction and prevent Judge McMillen from entering an order approving a sale to the Soo Line.

The Court of Appeals has asked all parties to file a response by Friday, February 15, but has not indicated when it might rule.

No sale can be concluded until the Judge enters his order.

Amid uncertainties on the possibility of future litigation, one fact remains. More than ever we have to work together to continue the progress we've made in restoring this railroad to a viable transportation system. We've said right along that our greatest asset is our employees, and the challenge we now face will test the mettle of all once again. Until the reorganization issue is resolved, we need to build upon the foundation that's been laid, to capitalize on every marketing opportunity, to compete efficiently with motor carriers and other railroads by utilizing the flexibility offered through deregulation, to tailor competitively priced services to meet the demands of the marketplace, to continue to cultivate a solid working relationship with connecting rail carriers, and to manage every asset available in the most cost-effective way possible.

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For the first time in history a woman is the winner of the mechanical department's Safety Slogan Contest.

Ms. Leone Forbes, steno-clerk, at the St. Paul dieselhouse won the 1985 competition with this entry:

Make Safety First Your Daily Mode
While You Work on the Milwaukee Road

A committee of craft and management representatives named her slogan the best of 59 entries submitted by mechanical department employees.

New safety stickers bearing this slogan have been distributed to all mechanical department points for application to hard hats.

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To Chicago and Suburban Employees:

Thank you for your support of this year's United Way/Crusade of Mercy/Heart Association campaign.

The total raised this year was \$109,340, an 8.5% increase over what was raised last year!

Even though we fell short of our goal of \$116,000, it's gratifying that enough of you cared so we were able to post an increase over last year.

Given the uneven nature of our environment, it's a tribute to our employees that your generous response to this worthwhile appeal produced an excellent showing.

It's people like you that have made the United Way work for 50 years. Fifty years of caring for the handicapped, seniors, and abandoned children. In addition, contributions to United Way fund a wide range of services that meet many other needs of individuals and families throughout Chicago and the suburbs, services that you may already be using, such as day care centers, family counseling, Girl Scouts, YWCA and YMCA.

Thank you for caring.

A handwritten signature in black ink, appearing to read 'W. L. Smith', with a stylized, flowing script.

W. L. Smith
President

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