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CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

October 16, 1973

A statement by Worthington L. Smith, President of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company

Since February of this year, when the Milwaukee Road announced its intention to phase out its electrified operations, that program has progressed according to plan.

The territory affected is the 440-mile stretch of main line on the railroad's Rocky Mountain Division between ~~Harlowton, Mont., and Avery, Ida.~~ The 216 miles of electrified line on the Coast Division between Othello and Seattle/Tacoma, Wash., were converted to full scale diesel operation in 1971.

As observers of the phase out know, however, the Milwaukee's faster time freights have been powered primarily by diesels for a number of years, the aging electric motors on the Rocky Mountain Division being used largely on secondary trains and in helper service.

The 82 new diesel locomotives acquired by the railroad in 1972 and 1973 have already helped make it possible to withdraw all of the old boxcab electric units from train service, the last of them having been retired from that service this fall, even with traffic moving at an all-time high level.

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Only the 12 "Little Joe" electrics, the largest and newest of the motors in the Milwaukee's ownership, are seeing fairly regular service today, either on extra trains or as helpers on time freights between Harlowton and Avery.

By the end of October, the Milwaukee Road will have completed a 60-day study during which all available diesel power has been worked into the main line power pool on the Rocky Mountain Division and careful records have been kept of our operating experience. We feel that this study will provide us with the information required for a decision later in 1973 with respect to when the phase out can be completed.

We estimate at the present time that additional diesel power which we anticipate putting into service in 1974 will enable the Milwaukee to start the final phase out by mid-year 1974, although no definite schedule can be arrived at prior to the completion of the present study. It must also be recognized that the level of traffic and the availability of fuel oil may have some bearing on this decision.

From a system-wide point of view, the Milwaukee Road has been able to operate its trains normally, despite the fuel oil shortage which has existed, and there is no reason to anticipate serious problems ahead, although it is not possible to say at this time what further complications may develop. It is significant to note, however, that only

3 per cent of the total locomotive unit miles on the Milwaukee Road system in 1972 were electrically operated, and that if all electrical operations had been replaced by diesel power in 1972, our diesel fuel oil consumption would have increased by only about 4 per cent. With higher levels of system traffic in 1973, these percentage figures would be proportionately lower.

As with other aspects of the final phase out, decisions regarding diesel maintenance requirements will have to await findings of the present study and possibly other factors to be developed at a later time. It is significant to note, however, that personnel now engaged in locomotive repair work in the electrified area are, for the most part, machinists and electricians who work on both diesels (more accurately, diesel-electrics) and straight electric motors. These employees, like those in the Electrical Department itself, are individuals whose skills and experience with the Milwaukee Road have been important to us and which will continue to serve us well.

Employees working in electric power substations or engaged in the maintenance of the overhead power supply system were notified of the railroad's phase out decision prior to the public announcement of that decision in February. Meetings were held with those employees at the time, and other meetings have since been held in an effort to keep them informed of all developments and proposed actions.

Briefly, it can be stated that all affected personnel will have the benefit of a wage protection agreement liberally applied. It is anticipated that the great majority of these individuals, although accorded considerable latitude, will elect to remain with the railroad in occupations which, with certain guarantees, will prevent their being adversely affected.

The Milwaukee Road continues to feel that the economics of its phase out decision are sound and its course of action imperative for the long-term good of the company and the areas it serves.

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TO THE EDITOR: Also note attached news release and fact sheet of February 20, 1973.