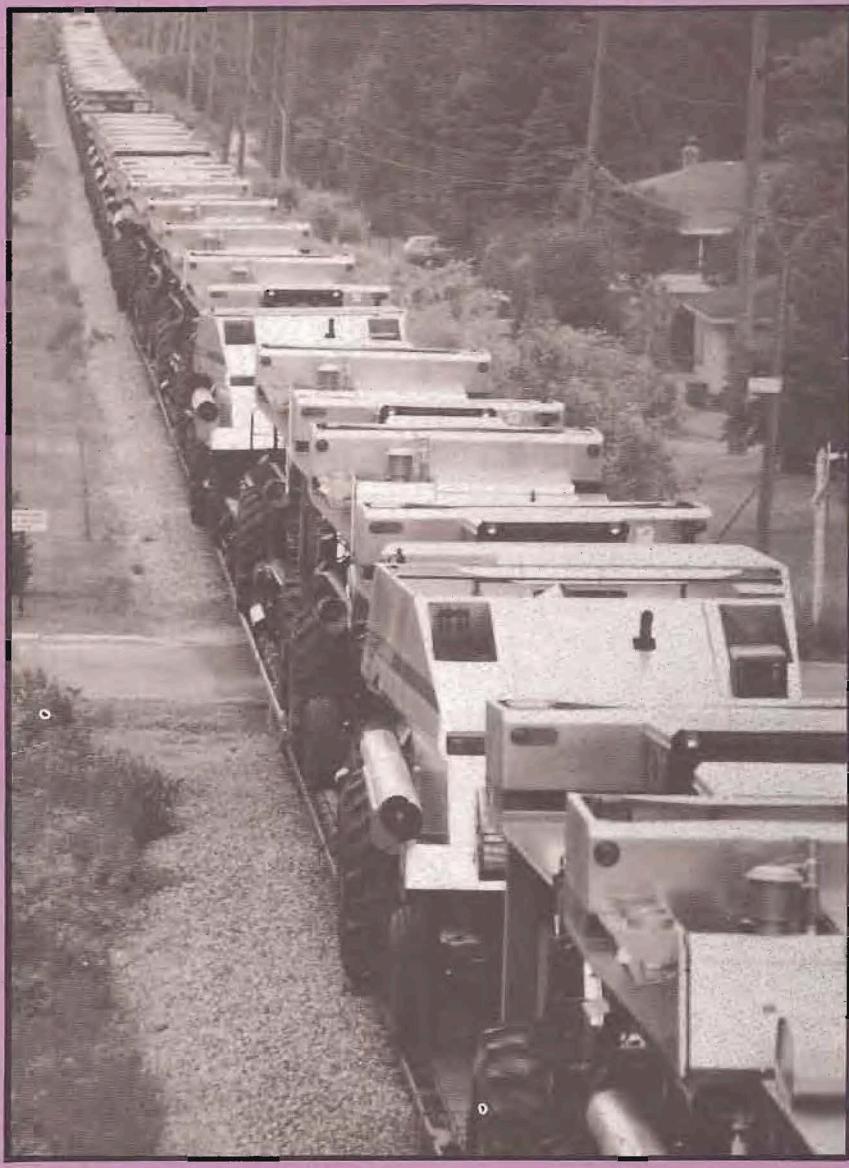


**"Combining"
with agriculture**

Page 10



2nd Quarter, 1986

Currie/White talk frankly about change
See "Driving Force", page 6

There is help!
See "When times get tough", page 12

My fellow employees,



I have previously stated to you a commitment to communication; communication about our company and our industry to be exchanged at all levels.

Communicating the successes and the challenges at hand has always been a vital part of overall good performance on the part of an organization. This has not changed.

Times in the rail industry have and will continue to change for all of us, however, and because these are non-traditional times on our railroad, the quantity and quality of our communications becomes even more critical.

Since the Soo acquired the former Milwaukee Road last year, the combined operation has not been generally profitable. Unfortunately, the cost of the debt assumed in the purchase has taken away more than revenues have given during this period of declining business levels.

The answer to this situation is two-fold; increase our business while reducing costs and achieving greater efficiency.

Two men are in charge of just those objectives at the Soo Line under the direction of the railroad's president, Mr. Bob Gilmore; Pete White as vice president marketing and sales, and Earl Currie as executive vice president operations. Pete heads railroad marketing and sales forces, charged with designing services which will entice and expand the customer base. Earl leads operations in providing those services at a cost to the company which allows sufficient return.

Beginning with this issue of the Soo Liner, Earl Currie and Pete White will be communicating our progress toward sales and operating goals in a feature called Driving Force. These men have a great deal of knowledge to pass on in these articles and have jointly committed to giving you as much of that knowledge as can reasonably be conveyed in the space allotted.

You, too, will have a responsibility in this new undertaking. Communication, good communication, is not a one-way trip. It will be an important part of this and all communication efforts that you participate in the informational exchange. A mailing address for your questions and comments is provided in the Driving Force section of this magazine.

Acquiring the Milwaukee was the best possible move for the Soo, but we must expect that the task of combining these two large organizations into one efficient transportation system will not be simple, and the return to profitability will not come without diligence.

We must also expect that the chief objectives of this company are to provide good service to customers, to produce sufficient profits and to offer challenging work to employees. With those expectations should come the realization and acceptance of the need for change; from you, from me, from us as a unified body of people.

There is no magic which will allow us to remain status quo while the rail industry, our customers and the world go forward.

Bob Gilmore and I expect that Driving Force will help you better understand the factors influencing our change, and assist you in making the personal adjustments which will bring about our success. And success will come.

While I have this space, let me use this portion of it to thank each of you for your efforts, your patience and your personal commitments which are carrying us through this period of transition.

I'll need to call upon those qualities from you for some time as we progress toward our objectives. I'm thankful that I know those qualities exist in this workforce, and can be relied on to bring us to mutual prosperity.

Sincerely,

A handwritten signature in black ink, appearing to read "Earl M. Currie".

Chief Executive Officer

Soo Liner

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To receive the Soo Liner at your home, follow these procedures:

Active employees – Report an upcoming change of address by submitting a revised Form W-4 to the payroll department, Room 410 Soo Line Building, Box 530, Minneapolis, MN 55440

Retired employees – Report an upcoming change of address by submitting the mailing label from this issue with your new address to the corporate communications department as shown above.



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SHORT SUBJECTS

Tuition Assistance Policy revised

According to Joyce Norals, director of management personnel, Soo's Tuition Assistance Program (TAP), revised at the beginning of this year, makes one uniform policy for both Soo Line and former Milwaukee Road employees and tightens up eligibility requirements.

The new changes reduce to six months the continuous service of employment requirement needed for 100% tuition reimbursement. "To be eligible for this provision, an employee must be in an assigned permanent position or working off a regulated extra board," Norals indicated.

Courses needed for certificates and licenses, and retirement preparation courses for employees and their spouses 55 or older, are also covered under TAP.

"New employees currently enrolled in a degree program may be eligible for 100% reimbursement of at least three classes within the first six months of employment," Norals explained. She added that all employees seeking a degree, license or certificate will be career counseled by the Personnel Department.

Employees may obtain an application and statement summarizing the new TAP policy by contacting any Regional Personnel office or the Personnel Department.

Soo Line Building sold

The Soo Line Building was sold at the beginning of June for \$20 million to a group affiliated with Rosewood Corporation, a real estate and development firm headquartered in the Twin Cities.

The 20-story building, which has been the headquarters of the railroad since 1915, will continue in that capacity.

At the time of its construction in 1915, the Soo Line Building was the tallest west of Chicago, with 20 stories

Gift clock program clarified

In the first quarter 1986 issue of "Soo Liner" it was incorrectly reported that all retirees would receive a gift mantle clock.

Soo's retirement gift clock program only covers those Soo Line employees who retired on or before January 1, 1985 and those former Milwaukee Road employees who retired on or before January 1, 1986. Employees who retired prior to these two effective dates are not eligible under the program.

To be receive the clock, an employee must:

- Have been an active employee January 1 on the year of retirement (1985 for Soo Line and 1986 for Milwaukee Road retirees).
- Retire (defined as (a) eligible to collect a pension under the Soo Line Funded Pension Plan, or (b) eligible for a Railroad Retirement Annuity, i.e., 60-61 years of age with 30 or more years of service with Soo or Milwaukee Road, (c) 62 or more years of age with 10 or more years of service, or (d) leave employment with the company for any reason and have 30 or more years of service.)



New medical services manager on board

"The most challenging part of my job has been developing an effective medical program for an employee base that's spread out over a dozen states," says Mary Rehor, hired March 3 as Soo's manager of medical services.

Rehor is a registered nurse (RN), receiving her diploma from Northwestern Hospital in Minneapolis. She's also certified in Occupational Health from the American Board of Occupational Health Nurses and is currently working on a bachelor of science degree in nursing at Augsburg College in Minneapolis.

Rehor's credentials allow her a wide range of duties, including updating and reviewing Soo's physical exam program, making decisions on when an employee injured off the job can return to work and acting as a resource for the General Claims Department in rehabilitation cases involving on-duty injuries. "I also monitor the Federal Railroad Administration's drug and alcohol testing program by training supervisors to insure tests are done properly," she adds.

Rehor also works in conjunction with the Employee Assistance Program staff in helping to develop the "Wellness Seminars" program. "EAP already had great success with the stress management seminar offered this spring," she indicates. In connection with that program, Rehor plans to survey employees to determine what types of Wellness Seminars they would like to see offered.

above the street and three stories beneath street level. For years, the building was jointly owned by Soo and First National Bank of Minneapolis.

Soo Line will continue to lease 55% of the available commercial space in the 303,000-square-foot building. The remaining 45% will be occupied by major tenants with long-term leases.

No major renovations are planned, although the lobby will be upgraded, officials at Rosewood said.

The product is service

"We place ourselves right alongside the manufacturers these days in terms of having a product to sell," says Warren Peterson, newly-appointed vice president of production for Soo.

"The unique thing about Soo as a railroad is that we've officially recognized this need and given it a name — the production department."

Peterson explains that a product-oriented business consists of three basic functions — product design, manufacturing and marketing/sales. The three are separate, yet totally dependent upon each other.

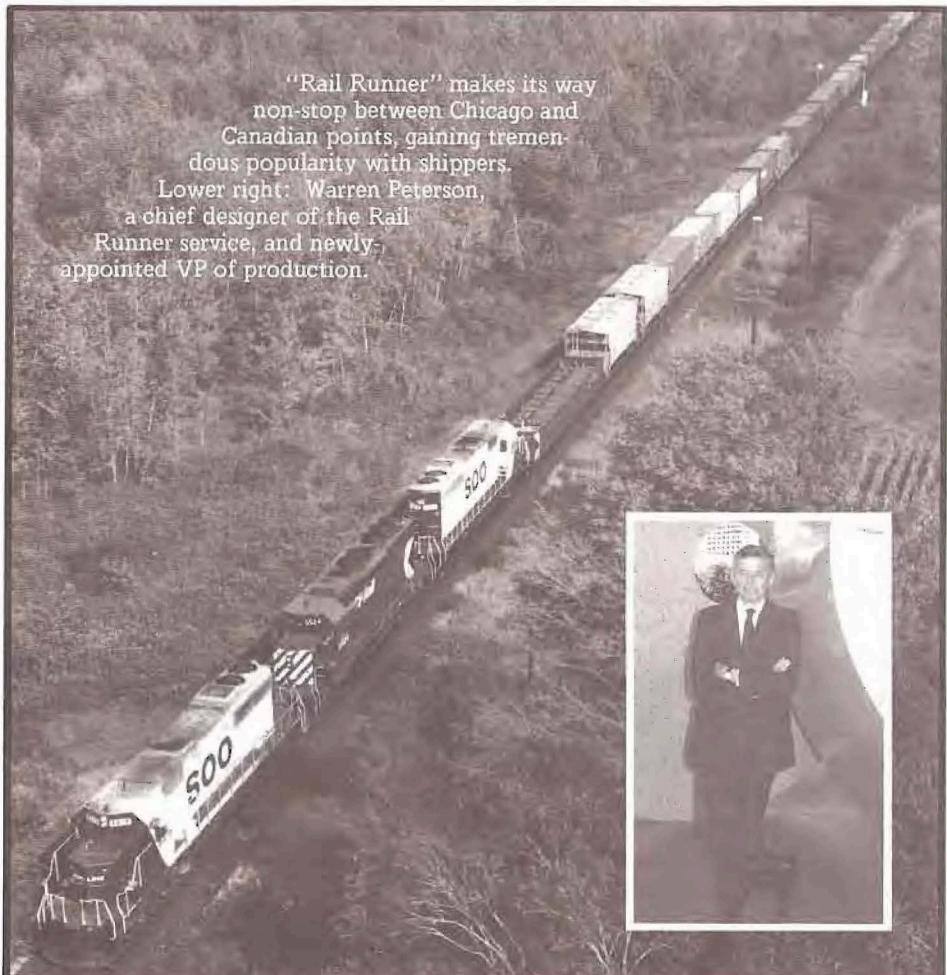
In Soo's case, the manufacturing unit represents our operating capability while marketing/sales sells that capability to customers. Production lies between the two, making sure that our operations are designed as closely as possible to customer needs while still meeting the financial requirements of the railroad.

The production department was officially inaugurated May 1st, and Peterson and his team are already designing new products. The product is train service and Soo is out to make it not only better, but more cost-efficient than its competition.

"Production will meet with the Marketing Department to find out what the customers need," says Peterson, "then we'll turn around and work with the Operating people to see how it can be developed in a way that not only maximizes quality, but keeps costs and price at the minimum."

Production's first project was the development of Rail Runner, the expedited intermodal service between Chicago, Detroit and Canada. Beginning on August 7th of last year, the service which shaved more than a day off of Soo's former schedule has gained enough popularity to demand a second daily train each way.

Rail Runner II commenced operation on April 30 of this year. Both trains utilize the CSX track between Chicago and the Canadian border, and CP Rail's line to Montreal.



"Rail Runner" makes its way non-stop between Chicago and Canadian points, gaining tremendous popularity with shippers.

Lower right: Warren Peterson, a chief designer of the Rail Runner service, and newly-appointed VP of production.

"Employees will see a lot of inter-railroad cooperation coming out of this department," says Peterson. "We are, right now, working with two other roads to develop customized services between the West Coast and Canada that will better serve the import/export and domestic markets."

Peterson summarizes the production function by saying, "This department will serve as a bridge between our marketing department which is driven by customer needs, and our operating department, driven by capacity and costs."

"Product designs will come in many forms as we strive to satisfy both

arms of our operation. Among the answers will be unit trains, mixed trains, intermodal or integral trains. We'll be looking at routing, handling, transit time, connections and facilities.

"Computerization, technology and new equipment will provide some of the tools we call upon in the design. We'll look beyond our services into our customers' markets and potential markets to see if there aren't ways we can serve them that even they haven't thought of.

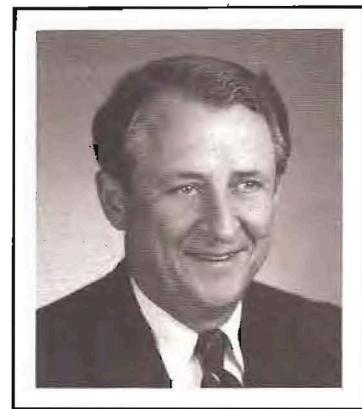
"This is a new department providing a new service to a new company. It's a new industry and Soo's a very important part of it."

This is the first in a series of editorials prepared by Earl Currie, executive vice president operations, and Pete White, senior vice president marketing and sales, for the benefit of employees and their families.

Messrs. White and Currie encourage you to respond to these articles by writing with questions or comments regarding past and future topics. Address questions and comments to: Laurie Hennings, Manager Employee Communications, Soo Line Railroad, Box 530, Minneapolis, MN 55440. All letters will be reviewed by Mr. Currie or Mr. White and future articles will be designed to answer employees' questions.

Driving force

Why communicate?



by Peter C. White,
Senior vice president
marketing & sales

As we're all well aware, the rail industry is not what it used to be. Mature industries such as railroading are rapidly adapting to a contemporary environment.

Most employees accept this fact in theory, yet find the swallowing difficult when it affects them personally. An individual asked to retrain, relocate, learn new methods, accept an electronic or mechanical partner, or take on additional workload can easily balk at these intrusions into the comfortable lifestyle he or she has fashioned.

This is not a character defect, it's human reaction to change. In honesty, I suffered a number of the normal symptoms of "change-a-phobia" when giving up my 17-year home in Chicago to start new roots in Minneapolis. But having moved 13 times in 13 years at one point in my career, I've had opportunity to become acquainted with the personal effects of change.

There is isolated change; the spotty sort which affects one crew here, one clerk there. And there is chronic

change; vast and continual, eventually touching everyone as it sweeps through an organization or industry. The Soo is experiencing the second type of change; the type necessary to adapt to rapidly-fluctuating conditions in national and international economies, and the direct effects of those conditions upon our corporate economy.

The reason I am addressing this topic, is because I and those around me are directly accountable for instigating much of this change. It is my job to assess the new environment accurately, and to make sure that Soo holds a key place in it.

At the same time, I fully realize that my efforts are futile unless the entire organization, every man and woman in the company, is geared to carry out what must be done today. I also believe that that cannot be accomplished unless you are aware of the reasons behind the changes. Consequently, I hold a responsibility to tell you what I know about the direction and impact of the environment on your company.

"...chronic change, eventually touching everyone as it sweeps through an organization"

Earl Currie, my counterpart heading up the operations department, feels just as I do about these responsibilities to the team. Therefore, we've committed ourselves to using this space in the Soo Liner each quarter to keep you informed of market trends, financial impact, changes in Soo's competitive environment, and changes in your personal work environments which will continue to come as we move forward in the adaptation process.

Earl and I have made it our objective to be specific in our explanations of change on the Soo, and to handle information in the most timely manner possible. We accept the fact, however, that we'll never be as specific as some would have us be, especially in areas regarding individual jobs. For instance, to inform you that the industry is experiencing vast declines in the movement of potash and the reasons for those declines, may not necessarily explain how potash and you are related.

"...my efforts are futile unless every man and woman is geared to carry out what must be done today"

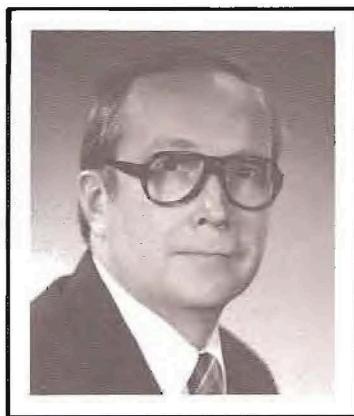
Therefore, these editorials will require you to think, and the astute reader should be able to make some appropriate correlations between business trends and their personal roles in the organization. A "two percent reduction in pricing combined with a reduction in carloadings", for example, should tell you that the company will be looking for ways to bring the employment force and costs into line with revenues. A "ten percent increase in container handlings", on the other hand, will signal the ambitious employee that this is a growth area on the railroad.

We hope to present you with a real service in these pages. Both Earl and I want to contribute what we can toward your personal well-being and growth in the new railroad environment.

In order that we can know what topics most keenly interest you, we'd like to receive your questions about matters relating to Soo's business and changes in your field, and your comments regarding the relevance of these articles to your personal situation.

"Therefore, these editorials will require you to think..."

Changing for success



by Earl J. Currie

*Executive vice president
operations*

Since Pete White used much of his space to share our mutual intentions for these editorials, I will reciprocate by briefly outlining recent market and company trends.

Carloads handled during the first quarter, 1986, were 5% below those

for the same period in 1985. Revenue units in the categories of Pulp & Paper, Farm Products, Food Products, Autos & Auto Parts, Lumber & Wood, and Metals all fell below 1985 levels. Intermodal units, primarily containers, once again

"...we spent 97 cents of every dollar earned...This is unacceptable."

made the greatest growth strides, coming in 14% above last year's numbers. Coal and Chemicals also showed minor growth.

Beginning in the next issue, Pete will look deeper into the "why's" of such statistics. At this time, I would like to explain how these and other factors are affecting you and I.

Our operating ratio, the comparison of dollars spent to dollars earned on train service, stood at 97% for the first quarter, meaning we spent 97 cents of every dollar earned to handle a carload. This is unacceptable.

Industry average is an operating ratio of 85%. The best performers operate at less than 80%. To meet the industry standard of 85% and resume operating at adequate profitability, we are required to cut approximately \$78 million from our annual operating expenses.

Our corporate and personal success depends entirely on our success in selling our product — namely rail service, specifically carloads. Only those efforts which contribute to our performing better than our competition can be justified on the cost-side of our financial ledgers. Only those activities which account for the necessary work being performed in the most cost-efficient manner, can likewise be justified.

Soo's former car repair and track maintenance operations did not meet the criteria called for in today's business environment. Technology and mechanical improvements have made considerable strides in recent years; strides which allow us to perform more needed work, while reducing the amount of money needed to do it.

It is this situation, and this situation only, which now results in consolidating Soo's light repair work into four shop locations around the

"Soo's former car and track maintenance operations did not meet the criteria called for..."

system — St. Paul, Milwaukee, Chicago and Nahant — and the simultaneous phase-out of 16 former light repair locations.

It is also the imperative need to scale down costs while still providing the needed levels of maintenance, which accounts for our recent installation of more Super Trucks to facilitate track work. Before the end of the year, 50 more such trucks will be obtained and put on-line by Soo.

Just as maintenance equipment is allowing us greater productivity, so too has rail equipment become more reliable and efficient. Mechanical parts on locomotives are being replaced with transistors, requiring much quicker change-outs of bad components. Freight cars are stronger, and frankly, in excess on the Soo. Our current business levels could be met with a fleet of about

call for less break-downs, and less cars mean reduced track wear.

In marketing moves which Pete will be explaining in future issues, train service in some areas will be undergoing change. The reason for these service changes is singular — to better serve the customer than our competition. Marketing and service packages developed by our primary rail competition in the past couple of years has negatively impacted our market share in some sectors. We must return the competitive edge to our favor. There is only one way to do this; offer better, faster service together with lower prices.

It is our plan to return this company as quickly as possible and prudent, to a financially healthy operation. At the top of our plan is consideration for our employees and their futures. Our intentions lie

"Fifty more Super Trucks...this year."

11,000 active cars. Soo owns or leases 23,000.

Combine these facts with the statistical facts given in my second paragraph, and reasons for some of the restructuring of work should become glaringly clear. Equipment requires less repair and less time to achieve repair. Lower business levels

focused in developing an organization which is stable and secure for employees, and which out-performs all other midwestern transportation companies.

Only change will see the realization of these goals for us as a corporation, and as individuals.

"Only change will see the realization of these goals for us as a corporation, and as individuals."

Walking for the health of it

People over 50 easily relate to their feet as a transportation mode. Maybe it's because, as kids, most of us didn't have the luxury of riding a school bus or cruising around town on wheels like today's youth.

But, while walking was regarded for years as nothing more than the means from point "A" to "B", its health benefits went virtually unnoticed until recently.

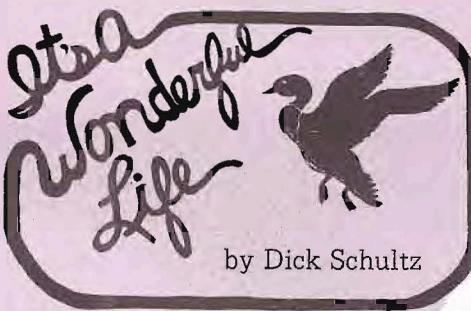
According to Dr. Rene Braun of Northport Medical Center in Minneapolis, just two of the advantages of a daily walk are lifting of the spirit and reduction of stress. Dr. Braun recommends regular walking as exercise for his retired patients since it also aids in weight control, and strengthens muscles.

I took the opportunity to walk with three Soo retirees: Ray Blacik, John Holman and Carl Quist. All three men use walking as the backbone of their individual exercise programs.

Ray Blacik retired as chief supervisor in the car data bureau 15 years ago. A few years later, he learned he had diabetes. In 1977, he started a daily walking program and today his regimen covers about two miles. Ray walks outside the

Brookdale Shopping Center on good days, but takes his feet inside the mall during the Minneapolis blizzard season.

Ray sets a good pace, and at 77, looks and feels fit. Ray describes walking, now, as his "addiction" and says that weight control is just one of many benefits he derives from it.



Retired Communications Representative

John Holman, retired machinist and former local union chairman, had a by-pass operation more than a year ago. His recovery was delayed by setbacks, and doctors recommended he begin walking daily. The day I

Pictures of health,
(left to right):
Carl Quist
Ray Blacik
John Holman



joined John, we did a five-miler at the Brookdale center. Like Ray, his pace is brisk, and doctors now term his recovery from heart surgery "remarkable".

You don't need to wait for disease to take you down in order to start a walking fitness program. Carl Quist is a retired lease agent for the Soo. Perhaps one of the reasons Carl has enjoyed only good health, is that he started retirement off on the right foot. Carl walks almost daily around the three-mile perimeter of Lake Harriet in south Minneapolis. In bad weather, he rides his stationary bike the same distance.

The weather has to be pretty bad for Carl to exercise at home, however, since an important side effect of lake walking for him is the social feature. Few joggers, bikers, and yes, pretty girls, escape a wave and "good morning" from Carl. And he gets back even more greetings than he gives.

Even the bikini-clad beauties who roller skate past Carl each morning can't seem to push his blood pressure beyond "normal", and at 76, he's obviously fit and feeling great.

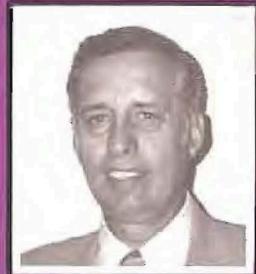
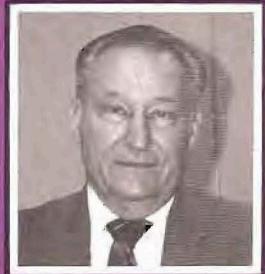
Just as you needn't wait until you feel bad to feel good, you don't have to retire before getting active. Walking is a safe and easy form of exercise for all ages. Naturally, each individual should check with a doctor to determine the most appropriate walking program for him or her.

So, see your doctor, get yourself a pair of comfy shoes and join us, won't you?

SooLiner

"Gleaners"

across America



Soo's Kansas City sales force put the company's first unit combine move together. (Left to right):

Bob Swanson
Terrence Sweeney
Larry Whelchel

The Soo engines pulled out slowly in order that television cameras on the ground and overhead could show Kansas City viewers what 93 gleaners look like moving in unison.

Deutz-Allis, manufacturer of the farm combines known as "gleaners", was out for just such publicity when it scheduled the June 4 combine move. "Deutz" represents the German corporation which bought the combine division of Allis-Chalmers last year, and the unit train of Deutz-Allis equipment was used as fanfare for the new owners.

The combine plant sits alongside Missouri Pacific trackage in Independence, Missouri, just outside Kansas City. Although the plant ships several hundred carloads of equipment annually, the former Milwaukee Road didn't participate heavily in that traffic.

When Soo was chosen as the preferred carrier for Deutz-Allis' unveiling, then, the day symbolized more than just the German company's premier performance.

"We sort of considered it our 'debut', too," says Terry Sweeney, District Sales Manager in Kansas City and the primary coordinator of Soo's first unit combine train. "This was not just an ordinary move for the manufacturer. It had to be special; so special that I'm frankly surprised they didn't rely on their long-term working relationships with other railroads to pull it off."

Sweeney first heard of the proposed special train in March and immediately made the customer contact to make Soo a part of it. He followed up with Deutz-Allis managers, convincing them that Soo Line was ready to meet the task.

"The first call from Deutz-Allis came on the morning of April 1," says Sweeney. "I was scheduled to leave town at 10 am, but rushed over to meet with their representatives at 7 that morning, hauling my luggage and traveling gear behind me."

Initially the equipment manufacturer had contemplated using Soo Line for only the first leg of the trip. After working with sales personnel, however, Deutz-Allis decided to stay on Soo tracks through the Twin Cities and then onto points in Minnesota, North Dakota and the Canadian border.

"We did everything we could to make their lives easier," says Sweeney. "It took the full cooperation of operations people in Minneapolis, top sales executives and employees in the KCS/Soo joint facility right here. Everyone really went the extra mile on this one."

Three Soo locomotives were scrubbed and polished before delivery to Deutz-Allis where plant employees saw to the draping of special banners and flags on the SD-40's. The units lined up ceremoniously at the KCS/Soo joint facility with their 56 flatcars and almost 100 combines in tow while photographers snapped and

three local TV stations covered the event live on the 5 pm news.

"The move was specially synchronized to depart at exactly 5:05 so that television reporters could cover it on site," says Sweeney. "More hoopla was scheduled at points enroute."

Heavy rains and a resulting mud slide in Iowa set the schedule back more than five hours through that state, yet crews brought the train into Minneapolis well before ceremonies were set to begin.

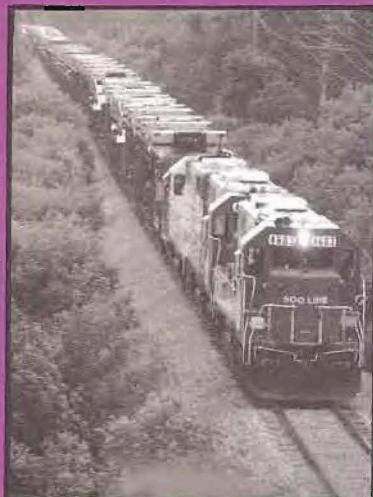
A specially-outfitted caboose, No. X5001, was put on behind the locomotives at Atwood station just outside the Twin Cities. Dignitaries from Deutz-Allis and Soo managers boarded the caboose there and rode with the train to Minneapolis. Lunch and more pomp at Minneapolis sent the combines off to destinations throughout upper North America.

"I think the manufacturer was really trying to say a couple of things," says Sweeney. "They wanted to get across the message that they'd bought the company and developed a quality product.

"They also were making a statement about agriculture in the United States and Canada. Amidst all the disappointing news surrounding farm issues, Deutz-Allis was sort of staging a celebration of farming saying, 'we've been hit but not licked'.

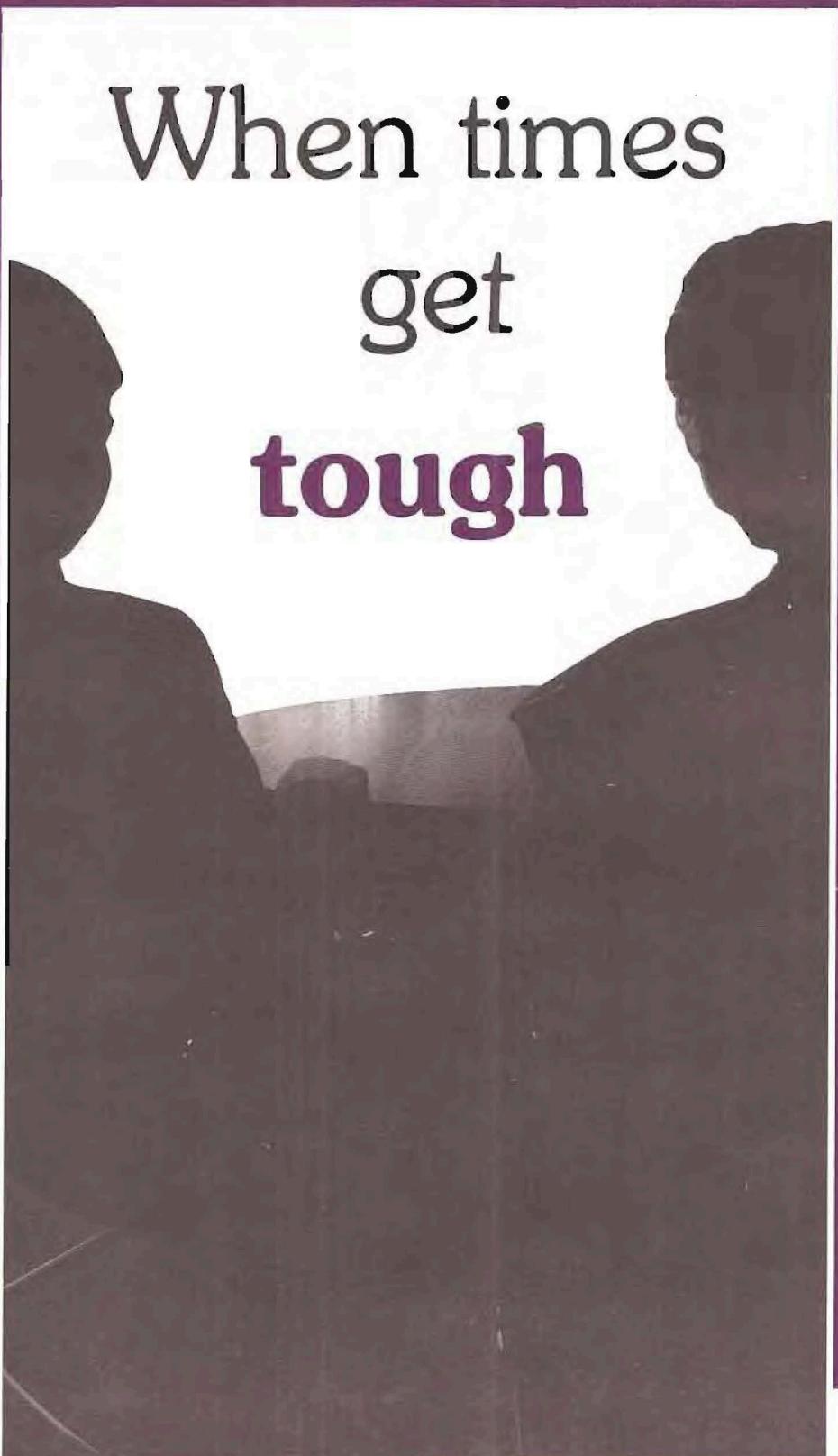
"I'm glad we could be a part of that."

"Gleaners" make up time through southern Minnesota after having been set back by a mud slide in Iowa.



If Karen Bream and Gary Bloker seem to know their material when they discuss the pain involved with personal and family problems, it's with good reason.

When times get tough



Bream and Bloker, Soo's employee assistance program (EAP) coordinators, have both been there; Bream as the daughter of an alcoholic parent, Bloker as a former alcohol and drug user — both as individuals who've needed help through bad times.

Karen Bream graduated from the University of Minnesota with her degree in social work, then served as counselor in both a halfway house for female criminal offenders and in a women's correctional institution, helping women get back on their feet in society.

Gary Bloker attended the University of Iowa, was the director of a men's residence and then performed outpatient counseling in chemical dependency for a community facility in Waterloo.

Yet, even with their adequate credentials to head Soo's EAP program, both Karen and Gary believe that their strongest qualification for working with people with problems is their first-hand knowledge of tough times and the ability to relate heavily to others experiencing similar periods in life.

"Not only have I lived in an environment of chemical abuse, I'm at higher risk of myself becoming dependent upon alcohol or drugs than are children from abuse-free families," says Bream. "Experts have found that the disease is caused by a combination of environmental and hereditary factors."

Bream has been a member of the co-dependent support group, Alanon, for years. She explains that the help she received in coping and dealing with her own turmoil led her to a career decision; one dedicated to helping others deal with problems that, left unattended, often ruin lives and families.

The EAP program has given Karen that opportunity for the past five years. A program to help employees and their family members face and find answers to personal problems began on the Soo about the same time that a similar program was started on the former Milwaukee Road. Since inception, the combined programs have served almost 3,000

employees and family members with problems ranging from financial debt to obesity.

"Many people have erroneously pegged the program as just dealing with chemical dependency problems," says Bream. "In reality, we see about as many people regarding marital difficulties as we do abuse problems. I've also received an increase in calls where teen-age children are causing family distress.

"Most recently, we're helping a number of employees cope with personal stress as a result of the merged companies; the anxiety of change."

Gary Bloker, an active member of both Alcoholics Anonymous (AA) and Narcotics Anonymous (NA), estimates that almost half of his clients schedule time with him for assistance in dealing with their own drug and/or alcohol problems.

Bloker and Bream are not only well aware of the stress and affects of coping with personal and family problems, both are equally assured that problems can be dealt with and need not mean the destruction of families, careers or the individual. No one says it's necessarily easy, but EAP coordinators know that recovering is most often possible.

Although Bloker has chosen to come forward with information regarding his own problems and recovery process, he regards confidentiality above all else in his meetings and dealings with employees.

"If anyone else had a key to my office I wouldn't stay in this job," says Bloker. "My clients know that only one person hears the information they choose to tell me, and only one person will ever know that information, unless they personally request that I release it to another."

Currently, Gary sees about 15 clients at his Elk Grove Village office, near Bensenville, on a weekly counseling basis. He visits with an average of five to 10 new clients each week. Some make only one or two visits, others choose to continue seeing Gary regularly for months.

Gary Bloker (left) takes a tour of Minneapolis mechanical facilities and talks with Hubert Smith (center on step), Manager Reclaim, and Lee Schiestl, Manager Twin Cities Agency.



"This is not my program or even the company's program as I see it," says Bloker. "There is no set 'process' once someone comes through that door.

"In talking with the employee and/or family, we jointly arrange a plan for help. Sometimes that results with the individual seeing me on a pre-arranged schedule. Sometimes the plan includes another professional who can enhance my input. It can be mutually agreed that hospitalization is in order, or that I'm best used as a referral to another program, counselor or doctor.

"It's a very individualized, one-on-one service that escapes any fixed explanation."

Bream also structures her dealings on a "custom-made" basis. In the business of helping people through what's often some of their toughest times, she believes that it is important to ensure the comfort of the person in need of help.

"Both Gary and I realize and accept that people experiencing personal problems need to be matched with

the helper they feel best about," says Bream. "There are employees who prefer to talk with a man about their situations, and others who feel less intimidated by a female.

"Employees should feel free to contact either of us, despite our locations. The only hard and fast rule we maintain is, if someone's asking for help, he or she gets it."

A drawback of the program is that coordinators are located in Minneapolis and Illinois while trying to provide personal assistance to employees in 12 states. It's not the best possible arrangement, but Bream says that what is sometimes suffered in inconvenience is generally made up in dedication.

"We take the employee in North Dakota or Indiana as seriously and personally as the one who works a mile down the street," Bream says. "We've familiarized ourselves extensively with the professionals and quality of help available in communities on the Soo and can provide assistance to employees who can't meet with us face-to-face."



"Bloker and Bream are assured that problems can be dealt with and need not mean the destruction of families, careers or individuals"

Karen Bream,
center, EAP
Coordinator,
Minneapolis

Both Bream's and Bloker's offices are in commercial buildings, away from company property, to ensure confidentiality. When away from their offices, Gary and Karen keep in constant touch with their answering services to receive and return calls.

Employees wanting assistance should call for telephone consultation, or to make an appointment to visit the EAP office. Karen Bream is in Minneapolis at: (612) 781-8225. Gary Bloker can be reached in Chicago at: (312) 228-0606 or through company extension 3860. In Milwaukee, Gary's at: (414) 475-6757.

Long distance calls from employees or members of their families should be placed collect.

EAP offices are located in the Central Investment Corporation Building in Minneapolis at 919 — 24th Avenue N.E., and in Elk Grove Village, IL at 600 East Higgins Road.

EAP coordinators suggest that employees who are seeking help with personal problems without using the company assistance program should check their insurance to ensure financial coverage of the help. If employees need assistance with company insurance matters, they should call the compensation and benefits office in Minneapolis, at: (612) 337-8565 or 8562.

Bloker acknowledges that the job requires him to call upon a great deal of personal flexibility.

"My schedule calls for me to be in the Chicago area Monday through Thursday from 8:00 to 5:00 and in Milwaukee during those hours on Friday," he says. "But very few weeks go as scheduled.

"There are a number of clients who want to meet at night so I'm often at the office until 9:00. I also make a point of traveling if special circumstances call for it."



It's about solutions

The concept couldn't be simpler — employees meeting to solve problems on the job.

That's the concept on which Soo's Labor Management Action Committee (LMAC) and its individual groups called Problem Solving Teams (PST's) were formed this year.

Although it first seems that LMAC was born to answer gripes, gripes have no place in the LMAC process, according to LMAC manager Mike Kocon.

"Gripes are minimized in the program," says Kocon. "We realize

that people are used to defining problems by griping, and we let them gripe their way through the first session just to get it out of their systems. Then they learn to extract the problem from a gripe, define it, and create a solution. Solutions are what LMAC is about."

Kocon pairs up with Ty Rommelfanger to implement the LMAC program for the committee. The program was established on the Soo in January with Kocon, former locomotive engineer, and Rommelfanger, clerk at Madison, chosen to take direction from 10 labor and management members on the committee in setting up program guidelines.

Rommelfanger brings to the program first-hand knowledge in working with employee problem-solving teams. The BRAC clerk helped lead the former LMAG (Labor Management Action Group).

Kocon, who refers to himself as a former "hoghead", went to work for the Soo in 1971 while also attending college and receiving his teaching degree from University of Wisconsin, Superior.

Rommelfanger and Kocon spent about four months adapting and expanding the LMAG program, introducing LMAC to work teams beginning in June. Training will be given newly-established teams throughout the summer with fourteen teams up and running in 1986.

"The first task for each team is to set the ground rules for interacting within the group," says Kocon. "Teams decide their own rules of conduct and post them in full view at each meeting. It sets the tone so that, whatever might have just happened out there between you and the other guy, you know how you'll be treated once inside the meeting room.

After adopting the code, the first order of business for a PST is to "brainstorm" for problems. Here again, LMAC sets out specific guidelines for developing problem lists.

Brainstorming sessions are conducted by going around the group in turn and asking each member to state a problem. Problems are accepted around the room until every member eventually passes. Then the problem list gets refined.

"Often times members are pre-programmed to state problems as solutions," Kocon says. "For instance a member might state, 'The driveway needs repaving' when he actually

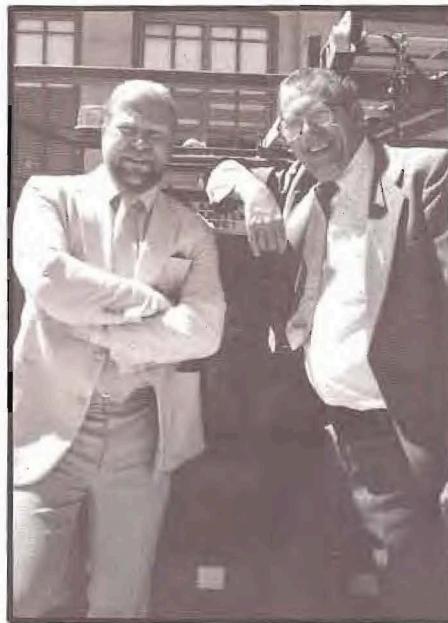
means 'there's a big pot hole in the driveway'. Repaving is a solution. The hole is the problem and there may be more than one way to lick it.

"If the money's there to fill the hole but not to repave the entire driveway, is that at least a workable solution for now?"

LMAC money is limited, but Rommelfanger and Kocon are outwardly pleased with the allocation

be outside the team's scope of knowledge and demand new information before a solution can be formed.

"We'll arrange for guests at their meetings if it's potentially helpful to a solution," says Kocon. "For instance, a team may have a complicated safety problem. Or, they might know that some employees have had questions about the employee



Mike Kocon (left) and Ty Rommelfanger lead the new LMAC program

the company has committed to the new program.

"We've been given \$100,000 for 1986," says Kocon. "For the first year, we think that's a definite statement that the company wants to reduce problems for employees."

After brainstorming and problem refinement processes are completed, teams prioritize the problem list and establish who and what are needed to bring about solutions. Some solutions can be handled strictly through a team's own resources. Many require help from other departments, outside contractors or company administrators. A few problems will

assistance program. A team may believe that employees have health concerns.

"We'll help arrange for a safety technician, an EAP coordinator, the health supervisor or anyone else to meet with the team to provide information which might help with the solution."

Although there are guidelines for setting up and conducting problem-solving teams, LMAC was created largely with the attitude that teams structure and conduct themselves according to their individual specifications and needs.

"Ty and I don't see ourselves as caretakers," Kocon says. "Once a team has a solution and determined they need help with its implementation, we'll provide names.

The Mason City LMAC problem-solving team was reinstated this year with 29 solutions under its belt, leaving 15 problems to tackle. With Mike Kocon (left) and Ty Rommelfanger (fourth from left) are some Mason City PST members, (left to right): Jerry Koath, trainmaster; Jim Ewalt, signal maintainer; Herb Masching, agent and Dan Thomson, mechanic in charge.

Inset photo:
Mason City PST members believe some yard ballast is too large for comfortable walking (shown in left hand), and should be replaced with smaller "fines" such as in the right hand.



resources, communication channels or anything that's needed to turn the solution into reality. We're the key to a help network."

The LMAC concept that "no idea is stupid" is one of the most valuable guidelines to the program and one which both LMAC leaders strongly believe.

"If a team determines that something's a problem, it's a problem. The solution might mean reviewing a team plan that would

change an entire company operation, or it might mean buying a microwave oven. No problem is stupid, no solution is outside consideration."

Although cost-savings is not the foremost reason for LMAC, similar programs on other railroads have returned the costs of programs in

ratios ranging from three-to-one to five-to-one. "There's living proof that employees are often the best qualified to know the problem and to figure out a better way," says Kocon.

In Mason City, LMAC is already coming up with better ways. The Iowa city's PST is picking up its former LMAG list of 44 problems which has been whittled to 15. Many problems were resolved before the program was put on hold last year, but team members are surprised to find that some items have been taken care of by employees during hiatus.

For instance, Dan Thomson, mechanic in charge, didn't wait two years to seed the ground between the roundhouse and sandhouse. The team could scratch the soil erosion and weed problem in that area off its list.

"Solving problems becomes a way of life," says Kocon, "and meetings are used to exchange pats on the back as problems are scratched off."

Mason City employees decide to attack the left-over problems before brainstorming for new items. Situations involving what the team believes is too-large ballast and too-

close clearance in the yard is slated for referral to the safety department the next day. Then, discussion is directed toward proper training on new computer equipment.

"I've been an operations man all my life," says team leader/trainmaster Jerry Koath to the other members. "I don't know the front from the hind side of a computer, but with the recent staff reductions, I'm going to have to learn. After the computer training team leaves, I won't know where to turn."

Koath is informed that there's a new Soo computer service called the "Help Desk". Herb Masching, Mason City agent and another future user of Fastway, Yardex and other Soo computer programs, volunteers to call the Help Desk and find out what assistance it can offer.

Masching and Koath are also reminded that the computer training team hasn't arrived. Therefore, they have only a "concern" and group action should be suspended until it's determined they have a "problem".

Hearing about "Help Desk" seems to make Koath feel better. Even

realizing that he was worried about something that wasn't yet a problem, appears to alleviate a bit of the trainmaster's tension.

But knowing that his co-workers are interested in his situation and stand ready to jump in if he incurs trouble, is perhaps the greatest benefit to Koath and the hundreds of Soo PST members like him.

"We aren't frustrated by problems," Kocon says. "We're frustrated by not knowing how to resolve problems and by the feeling of helplessness when solutions seem out of our control and no one appears to care."

"The labor/management action committee has been established because there is concern for employees and their problems, as well as a desire to help make the workplace better. The committee will provide the support, the time, the room and the training. Those necessities combined with employees' creativity should see great number of improvements being made on the property."

Students receiving Distinguished Scholarships, not pictured, are:

Doreen Christiansen
Enderlin, ND
Parent —
Carol Christiansen,
Operator

Melissa Fraki
Coon Rapids, MN
Parent —
James Fraki,
Communications Mtr.

Charles Larson
Chippewa Falls, WI
Parent —
Charles Larson,
Asst. Foreman

Honorary Scholarships



Mary Kremer
Fond du Lac, WI
Parent —
Kenneth Kremer.
Machinist



Carla Mangler
Sabula, IA
Parent —
Charles Mangler,
Locomotive Engr.

Students receiving Honorary Scholarships, not pictured, are:

Liisa Kaminen
Aurora, CO
Parent —
Ronald Kaminen,
Locomotive Engr.

Stacy Swift
Savanna, IL
Parent —
Russell Swift,
Rate Clerk

Lori Wenthold
Cresco, IA
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Louis Wenthold,
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