

LOOKING AHEAD

Dates to Remember

Through June 1

Montana Rail Link Exhibit
Helena - State Capitol Building

May 12 - 18

National Operation Lifesaver Week

May 15

National Operation Lifesaver Day

Helena Blitz

June (all month)

Next opportunity to enroll in or
change the 401(k) plans.

Contact the Payroll Department or
your supervisor.

Saturday, June 22

4th Annual MRL Golf Outing

Polson Country Club

August 1

Deadline for 1991 Employee

Photo Contest Entries

August

4th Annual Laurel/Billings Area

Employee Golf Outing

Washington Companies Employees

Picnic

Grant Creek Ranch

(Dates to be announced)

October 2-4

Fall Meeting of the
Association of Car Accounting and

Car Service Officers

Missoula

News Briefs

■ Profit sharing checks for 1990 were distributed with February 20 payroll checks. Tom Walsh, chief financial officer, announced the profit sharing calculations were 11.6% of the employee's wage for 1990. Heading into December, the figure was estimated at 12.086% but due to several costly derailments, the amount was reduced.

■ Service to the Polson branch and the west mainline stations has been improved. The Polson line is now being served tri-weekly (Tuesday, Thursday and Saturday) and stations on the mainline between Cedars and Trout Creek five days per week. Under the new operating plan, Missoula is the home terminal for the Polson crew. On opposite days (Monday, Wednesday and Friday) the crew makes a Missoula - Garrison turn. The Paradise Local now works the stations on the Fourth Subdivision and lines up cars for pickup at Paradise by the M-S or S-M (Missoula-Spokane trains). Failure of the M-S and the S-M trains to get over the road, significant savings in labor costs, and improvements in locomotive and car utilization, were the reasons for the change which began in mid-February. With the addition of Flathead Post & Pole, business on the Polson line has also increased.

■ Nerco Coal Corporation shipped eight trains of coal from their Spring Creek Mine in Montana (north of Sheridan, Wyoming) to Roberts Bank, British Columbia, for export to Japan in March.

(continued, turn to News on page 2)



Sawlogs are really rolling in '91! Through March we have handled nearly 400 cars, up from 50 during the same period in '90. Continued timber sourcing problems combined with competitive rail freight rates made it economically feasible for mills in Western Montana to tap new timber sources at much greater distances than in the past. Pictured here, 20 cars of logs on the last leg of their 465-mile journey from Hardin to the DAW sawmill at Cedars, Montana, on the Missoula - Spokane train west of Missoula.

Letters

To the editor:

Quiet professional competence characterizes Mark Bjorlie's work, and it certainly was apparent during the Montana Rail Link derailment west of Trident on March 16 where several cars went into the Missouri River.

Mark began the process of putting all of the information together required by the agencies that would become involved. Almost immediately the phone calls started. How many cars are involved? What are the contents? Are there any hazardous or dangerous materials? If so, what are the car numbers and what material is involved? The materials involved in an accident may, by themselves, be non-hazardous; however, a combination of several materials or the involvement of a single material in a fire may still produce serious health, fire or explosion hazards. Managers from several departments converged on

YMS/Compass to get lists of the cars and contents. Fortunately, on this Saturday, John Vandenberg, was available in the CBS department to run waybill copies for the cars involved. Meanwhile, others in the YMS/Compass area fielded phone calls from law enforcement agencies and the media (newspapers, television and radio).

Mark in his usual way handled this additional work load in stride. All this on top of working a double (16 hour) shift.

Montana Rail Link can be proud of this caliber of employee.

Jean L. Finley
Compass/YMS Clerk

Letters Policy: Employees are invited to send their comments. Be sure to include your name, work location and a phone number where we can reach you to verify your letter, if necessary. Names will be withheld upon request, but letters received unsigned will not be published. Your letter may be edited if space limitations do not permit printing it in full.

News (continued from page 1)

■ We're going to be in the movies! Two movie companies are now in the site location process for feature motion pictures which are to be filmed, at least in part, in Montana and using some Montana Rail Link locations. "The Irish Story" is a Ron Howard production starring Tom Cruise. Filming will take place May through July in the Billings area. The old Northern Pacific depot in Billings is one of the locations. Filming of "A River Runs Through It" is tentatively set for the Bozeman - Livingston area and may include the vacant Bozeman depot and other sites.

■ An apprentice training program for carmen is in place as a result of an agreement with the Brotherhood of Railway Carmen/Transportation Communication Union dated December 31, 1990. Bill Honadel of Helena, and Dale Philips, Chuck Marvin, Brian Panian and Mike Thurston at Missoula, are the first participants in the comprehensive program that includes text book training (correspondence courses from the Railway Education Bureau) as well as on the job training. Each will serve six training periods totaling 5,856 hours before becoming fully qualified carmen.

■ A HazMat Instruction Train is coming. Dates tentatively set are June 21 through July 2. The train will consist of three types of tank cars; a mechanical refrigerator, and a C-6 covered hopper. It will stop at several communities (to be determined) to provide community emergency response personnel and government officials an opportunity to get some firsthand information on rail equipment and how it works. Each stop will include two hours of classroom training and field exercises. Paul Adams, manager training, rules and safety is

(continued, turn to News on page 3)

Operation Lifesaver Report

Robert K. Stevenson, switchman, Thompson Falls; Duane M. Parker, BLE instructor, Missoula; Mark C. Bjorlie, compass clerk, Missoula; Lori Cochrell, utility clerk, Missoula; Dennis Knoll, electrician, Livingston; Richard J. Jones, Stevensville; John Ward, Missoula; E. W. Long, Jr., Alberton; and V. L. Bonner, Lolo, all locomotive engineers, were certified as Operation Lifesaver presenters after receiving training on February 20.

Robert F. Fox, MRL system coordinator for Operation Lifesaver, reports that additional people are needed in the Helena and Livingston areas. •

New Fax Number for CBS

(the Computerized Billing System, that is)

Effective April 12, the Computerized Billing section fax machine has a new telephone number 406-523-1556. It replaces 406-721-9684. The Montana toll-free fax number for billing, 1-800-541-9475, is not effected by this change. •

Important Notice

Are you a rehired employee? Returning to work after a furlough? You must complete new paperwork to be covered by the health insurance plan and the 401(k) plan. Checking now will save some unpleasant surprises later on. •

The **Newsletter** is published by Montana Rail Link, Inc., issued bimonthly, and mailed First Class at Missoula, Montana, to all active and retired employees.

Readers are invited to submit news items and comments.

Editor: R. Milton Clark

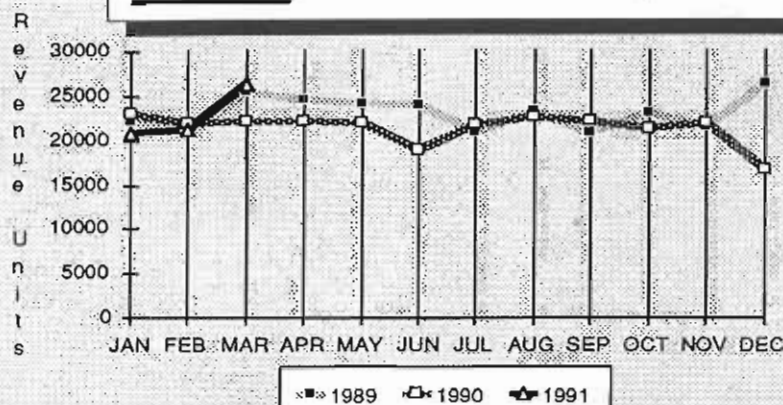
Member
Association of
Railway Communicators

No. 15 March-April/1991
April 15, 1991





Revenue Units (Carloads) Handled



Revenue units for first quarter ended March 31, 1991 totaled 68,435. This is an increase of 1,473 units or 2.2% compared to the same period of 1990.

Q&A

How many tunnels does Montana Rail Link have?

There are nine tunnels on our railroad. The longest and the newest is the 3,015 foot Bozeman Tunnel west of Livingston constructed in 1945 when the grade over Bozeman Pass was reduced. It replaced an old tunnel near the same location. The shortest is the 189-foot Quinns Tunnel No. 8 on the Fourth Subdivision. On our route but on BN trackage are the 3,898-foot Mullan Tunnel west of Helena and Garrison Tunnel west of Garrison.

Have a question you want answered? Contact the editor, we'll try and get it for you.

News (continued from page 2)

coordinating this joint program with the Burlington Northern and Montana State Disaster Emergency Services. Trainers will include MRL and BN personnel as well as a representative from the Federal Railroad Administration and the Association of American Railroads Bureau of Explosives.

■ The Washington Companies' report they contributed \$172 million to the Montana economy in 1990 in employee wages, profit sharing checks, taxes and purchases. Employees received more than \$10 million in profit sharing. The corporations also reported paying \$26 million in state taxes, \$78 million in Montana purchases of goods and services and a \$58 million payroll. Dorn Parkinson, president of the Washington Corporations, said the profit sharing program is possible largely because employees effectively keep operating costs at a minimum. "Our low fixed costs and productive work force will allow us to survive during tough times and to have our employees benefit through profit sharing during the good times," Parkinson said. The 15 companies founded by Dennis Washington employ more than 2,500 people in the state. Montana Rail Link's 1990 expenditures were \$32.3 million payroll, \$4.9 million property and payroll taxes, and \$18.9 million in purchased goods and services. The railroad has approximately 900 employees. ■

Health Plan News

Outpatient Mental and Nervous Benefits

There are several requirements for outpatient therapy which exist to make sure that our employees receive the appropriate quality care they deserve.

There is an annual payment limit on these services of \$1,000 and services are paid at 50% up to \$40 per visit. The \$200 medical deductible does apply to these services. A lifetime maximum of \$25,000 applies to all mental and nervous treatment whether inpatient or outpatient. Outpatient substance abuse counseling is paid under outpatient mental and nervous benefits.

Contact your family physician. Our plan requires that a medical doctor be involved in the counseling treatment plan. At the very least, you will need a signed referral (or prescription) for counseling prior to your first session. Your physician may recommend a counselor best suited to your particular problem.

Choosing a counselor is a very private and personal decision. Interview counselors prior to seeking treatment. What is their educational background? What type of services are they licensed to provide? How long have they been counseling? Do they have a particular field of expertise or specialty? If a counselor is not willing or able to answer these and other questions or if they are not considering your needs, you should consider carefully whether you have the right counselor.

Counselors often require prepayment. Billing arrangements are strictly between you and your therapist. Administration Services will send the payment wherever you request. If you and your counselor have questions about billing or coverage, contact Administration Services directly. ■

FRA Assessments: a tool for improving quality

Over the past several months Montana Rail Link has received 124 Federal Railroad Administration (FRA) defect citations. The citations cover the period from start-up through mid-1989. Because of personnel shortages at the FRA, they are only now being received. The FRA is authorized to levy substantial penalties ranging from \$250 to \$10,000 per defect.

Fred Simpson, executive vice president, and Mel Dinius, chief mechanical officer, met with Chester Southern, FRA regional inspector, Dick Clairmont, FRA deputy regional director, and ten other FRA officials in Billings on April 3 to review the assessments and factors in mitigation of proposed penalties. The FRA's initial proposed fines exceeded \$300,000, but it appears that it will be possible to compromise on a lower amount when the review is complete. The majority of the defects were due to the condition of cars including those received in interchange, documentation and placarding on hazardous materials shipments and the condition of locomotives moving across MRL.

A major effort is now being made to review and analyze reports made by FRA inspectors as part of our program to improve the quality of our operation. We will be looking for patterns where the same problem reoccurs and will then examine our practices to see how we can avoid the problem in the future. As another step in the effort, field copies of FRA assessments, which are available at the time of the inspection, will be sent immediately to the general offices and reviewed at the daily operations meeting. This will allow us to respond to problems as they arise rather

(continued, turn to FRA, page 6)



A Shift with a Switch Crew: the Billings 9 AM job handles a variety of tasks



Counter clockwise from above: **Schuppe** marks a switch list indicating the tracks where cars will be placed; **Perkins** couples air-brake hoses between the engine and a car; **Perkins** rides an airslide covered hopper being spotted at Western Sugar; Billings clerk **Lorna Pettigrew** hands **Bankston** a copy of the switch list; **Bankston** leans from the locomotive cab watching for hand signals from a crew member; **Schuppe** signals the engineer indicating number of car lengths remaining on a shoving move to the storage track with coal for Western Sugar; the 9 AM switch crew at Western Sugar, left to right, **Rob Perkins**, **Roger Schuppe**, and **Terry Bankston**.

In an era of centralized agencies and fax machines, interface between the customer and the railroad is often just a voice on the telephone. The arrival of the railroad switch crew at an industry is the exception and provides an opportunity for personal contact. At the very least, the work done, a car spotted or pulled, is evidence of the railroad at work performing the original or final transaction in transporting goods for the customer. In fair weather or foul, the switch crew is on the job switching cars. It's an important part of the service railroads offer.

Identified as assignment No. 3, the 9 AM Billings switch engine performs a variety of tasks including spotting the Billings Intermodal Hub Center, a priority; switching transfers from Laurel; weighing; and various industry work. The timing is largely dependent upon the arrival of intermodal trains from the East and the other work is adjusted around this. The 9 AM job also has the responsibility for switching Western Sugar.

During the campaign (September

(continued on next page)



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Western Sugar; and return to Billings Yard with cars from Western Sugar and tie up.

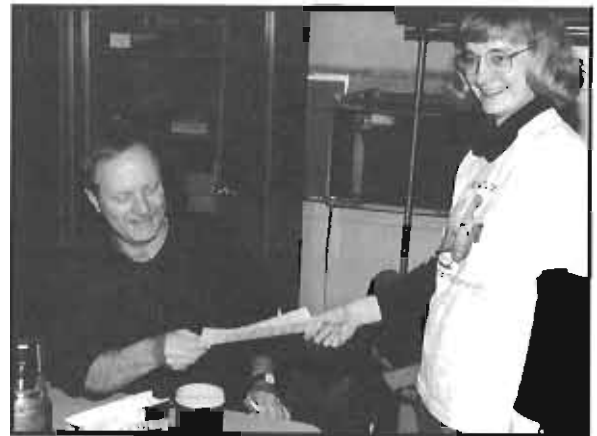
The old adage "the job is never completed until the paper work is done" applies to switching also. The Compass/YMS computer system is used to keep an inventory of the cars. It is necessary to know what cars are on which tracks and in

through February when Western Sugar is processing sugar beets) the objective is to be at the plant by mid-afternoon. It is assigned 7 days per week. A relief crew works the job on Friday and Saturday.

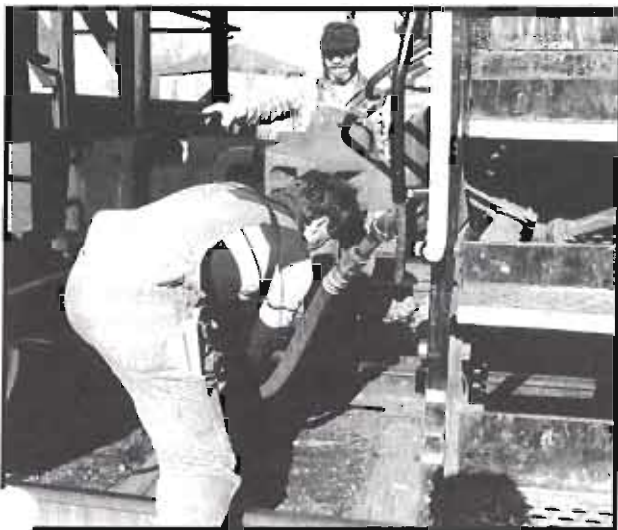
Today, Wednesday, February 15, Terry Bankston, locomotive engineer, Roger Schuppe, switch foreman, and Rob Perkins, switchman, make up the crew. The locomotive is No. 18, an SW1200. The work: get the intermodal cars off of No. 21 arriving from Birmingham and Kansas City and spot them at the Hub; switch out coal for Western Sugar and put on the storage track; get intermodal cars off No. 19 arriving from Northtown and spot at the Hub; spot an empty gondola at Pacific Hide & Fur; switch a transfer from Laurel to get cars needed at Western Sugar; make up the transfer to Western Sugar; switch

what order they stand. This information is updated in the computer from switch lists marked by the switch foreman. The switch lists indicate where cars were placed. The clerks at the Billings Yard Office, Lorna Pettigrew on first shift and Linda Thompson on second, run the lists for the crews and later input data indicating the work done. All of this documentation is required in order to keep accurate records, prepare train and transfer lists and any necessary demurrage or switching bills and reports.

Billings is a busy terminal and there are many industries served. Two other switch engine shifts are scheduled, one starting at 7 AM (6 AM on Monday) and another at 4 PM. Both are assigned Monday through Friday. Switching directly



affects the performance of other rail service. You can be sure if the job is not done in a safe, efficient and timely manner, an unhappy customer will be calling. Assignment No. 3, and all others like it, are vitally important to our total operation. •



Car Hire Accounting

Take a look at any freight train. Notice the reporting marks (initials) on the cars. In most cases you will see many different railroads and private car owners represented: BN, ICG, CR, UTLX, ATSF, TTX, UP, GATX, BAR, DRGW, SP, PGEX – there are literally hundreds. Governed by the Car Hire Rules and Association of American Railroads (AAR) Mechanical Interchange Rules, rail cars interchange between carriers and move about the U.S., Canada and Mexico. It's one of the concepts that makes our great rail system work. An individual railroad need not serve a station in order for a shipment to go there. A load of particle board from Missoula, Montana, to Bangor, Maine, for example, may travel over four or five railroads. Each road shares the revenue based on the distance hauled and the costs associated with using the car. The car owner is compensated for the car's use while on foreign lines, based on time and mileage. Car hire is a term that applies.

Cars owned by railroads have two car hire cost figures associated with them. One is an hourly charge related to the cost of the car new, less depreciation. The other covers maintenance of the car and is based on the number of miles hauled. That rate remains constant for extended periods of time. Our MRL 10,000 series, high-cube, box cars provide a good illustration. When purchased in 1988, the cars cost about \$60,000 each and the hourly car hire rate was \$1.27. With depreciation, those cars now earn \$1.20 per hour while off line. The mileage rate is \$0.087 per mile. Cars of private ownership (those with the reporting marks ending with an "X") generally receive a higher rate to compensate for ownership costs and are paid on the loaded miles only. A typical tank car will earn the owner \$0.40 to \$0.60 per loaded mile.

The Car Hire Accounting department keeps track of all this. Bev Gunderson serves as manager and

reports to Dave Koerner, director of revenue accounting. Our more than 900 revenue producing freight cars earn an average \$275,000 per month while off our line. In contrast, we average \$650,000 in payments to other carriers and private car companies for the use of their cars while on our line. Under provisions of our agreement with the Burlington Northern, they settle all of our payables with the various companies and we settle with the BN. Rail Car Management, a company based in Atlanta, Georgia, accounts for the car hire receivable side. This firm receives the interchange and mileage reports from all participating railroads and generates car hire bills for the Montana Rail Link equipment. Bev works closely with both the BN and Rail Car Management for revenue figures which are posted to the general ledger and become an integral part of the railroad's monthly financial report.

Essential to the job is a thorough knowledge of the Car Hire and Interchange Rules, the BN/MRL contract, as well as an attention to detail. A great deal of time is spent reviewing computer records, verifying interchange dates and times and checking for exceptions.

Computer systems play a significant role. After more than a year of testing and software development by Laurie Wilson Pace and Jay Wood of the Washington Corporation MIS department, a new Digital DECsystem 5000/200 computer has been installed. With 64 million characters of CPU memory and 16.6 billion characters of disc storage, it has enough capacity to hold three years of MRL operating system data. A car hire audit system is the first task assigned using a data base management system called "Progress" and fourth generation programming language. We use the Burlington Northern Compass/YMS computer system for operating information. Car movement and revenue data is provided MRL by computer tapes generated in St. Paul. Called "Cold Base Tapes", they are

received weekly and transferred to the Digital computer.

Keeping data current in UMLER (Universal Machine Language Equipment Register) for Montana Rail Link's rolling stock is another important function of the department. Using the RAILINC computer system (a subsidiary of the AAR) and a modem, equipment registration data is fed directly into the computer system in Washington, D.C. Correct reporting is essential so when our cars are off-line, the railroads using them pay the correct amount of car hire. The UMLER files contain detail on each; dimensions, special equipment, tare weight and assignments (if special equipment assigned to a shipper), built dates and much more. The data plays a significant part in numerous

(continued, turn to Car Hire on page 7)

Health Insurance Claim Questions?

Call Administration Services
in Spokane, toll free at
1-800-344-3639

Office Hours:
9-5 Mountain Time - Monday thru Friday

FRA (continued from page 4)
than waiting up to two years while the Washington, D.C., office of FRA does their processing. The assessments will also be a basis for internal testing and improvement in our over-all quality control process.

On the positive side of the ledger, the FRA reported that they have seen substantial improvement in our locomotive fleet and that MRL mechanical people have done an excellent job in turning marginal locomotives into very serviceable units. The hazmat inspectors were particularly complimentary of the work Cathy Richardson's CBS billing group has accomplished in upgrading hazardous material documentation. •

Keeping Track

Montana Rail Link Personnel Changes

Marcus L. VanOrman appointed trainmaster/road foreman of engines with headquarters at Spokane, Washington, effective May 1. Mr. VanOrman served previously as assistant trainmaster/road foreman at Helena. He replaces Bernard C. Bidwell who is retiring. •

Wheel of Fortune-ate



Noxon signal maintainer **Dick Abromelt** was the right person at the right place at the right time. The place: his home near the tracks at Noxon, Montana. The time: 12:45 am on March 9. Hearing a loud banging sound from a passing loaded coal train, he attempted to telephone the dispatcher's office in Missoula. The line was busy. The train had to be stopped, so he went outside and used the radio in his company truck to contact the train crew. The car was set out averting a potential derailment. Pictured here, Dick, left, receives a check for his effort from **Steve Griffin**, signal & communication supervisor. The problem wheel, shown above, had a "shell-out." As can be seen, a good sized piece is missing.



Customer Profile: Georgia-Pacific Corporation

Georgia-Pacific manages more than six million acres of trees and is one of the largest forest products companies in the world and the largest single distributor of building products in the United States. After entering the pulp and paper business in 1957, the company today is a top competitor in market pulp, linerboard, printing and business papers, corrugated containers and other important paper products, and is among the industry's leading tissue producers.

Georgia-Pacific was founded in Augusta, Ga., in 1927 as the Georgia Hardwood Lumber Company. The company began as a wholesaler of hardwood lumber, but soon began manufacturing as well.

After World War II, the plywood industry began an era of rapid growth on the West Coast. In 1947, Georgia-Pacific acquired its first plywood plant at Bellingham, Wash. Headquarters moved to Olympia, Wash. six years later, and then to Portland, Ore., in 1954.

In 1959, G-P entered the chemical business. The company now is able to produce a variety of chemicals and resins used in numerous building

products and papermaking operations.

As a result of new product developments and Georgia-Pacific's subsequent expansion, the South became the focal point of the company's growth opportunities. In 1982, Georgia-Pacific relocated its corporate headquarters from Portland, Ore. to Atlanta, Ga., 150 miles from its original home.

Today, with approximately 44,000 employees at more than 390 plants, mills, distribution centers and offices throughout North America – plus Brazil and the United Kingdom – they are still growing.

Montana Rail Link serves two Georgia-Pacific building products distribution centers, one in Billings and the other in Missoula. Dennis Yonts manages the Billings store which covers eastern Montana, northern Wyoming and western North and South Dakota. The Missoula store serves western Montana and is managed by Steve Krause. •

Georgia-Pacific



Tenth in a series of articles designed to acquaint us with our customers.

Car Hire (continued from page 6) other functions including car distribution, waybiling and operations. Newly acquired cars must be registered the month prior to first day of use for the car hire charges to be effective. Bev also works closely with mechanical department personnel. They furnish her with specifications of the cars and changes in weight or equipment after rebuilding or modifications take place.

"I've always liked numbers," exclaimed Bev. Indeed, numbers have played a significant role in her work with Montana Rail Link. She was our manager of payroll from start-up until moving to her new assignment in

March 1989. "I'm the only one (in the department) and I'm excited about the new computer system," she continued. Prior to coming to MRL, Bev held various positions within the Washington Corporations since 1984. She's the analytical type and enjoys the work. The specialized work is unique to the railroad industry. Bev has made many valuable contacts in the industry through membership and participation in the Association of Car Accounting and Car Service Officers. Semiannual meetings are held at various locations. Montana Rail Link will host the Fall 1991 meeting in Missoula October 2 - 4. •



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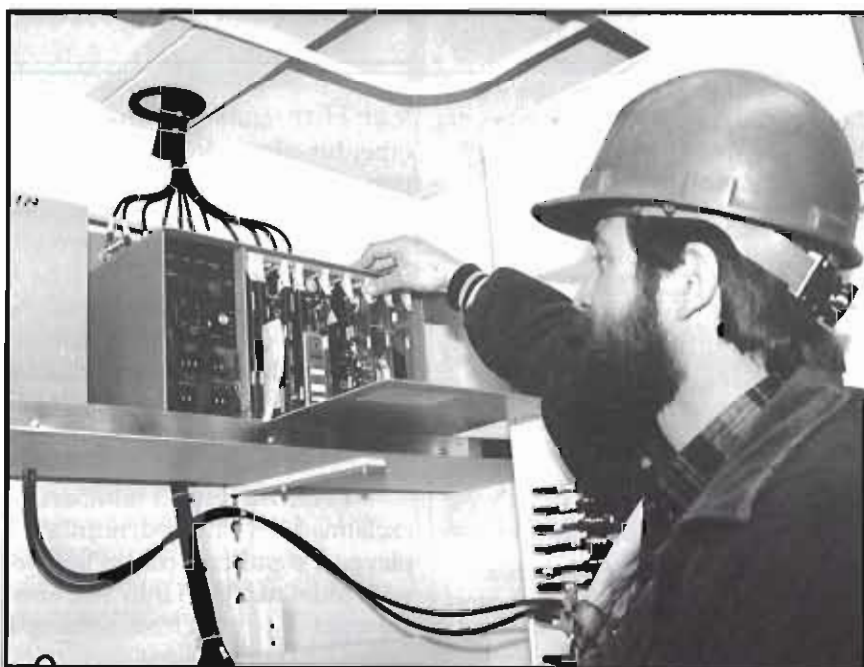
Above, Missoula signal maintainer **Lawrence 'Cactus' Young**, checks the operation of the new crossing signals at Butler Creek Road west of Missoula. Right, assistant signal supervisor **Dale Smith** inspects the "Highway Crossing Predictor," an electronic device that measures train speed and starts operation of the gates to provide a 30 second warning of train arrival.

On February 22, Montana Rail Link's Signal Department completed the last of 20 highway crossing signal projects budgeted for 1990. The sites selected received either upgrades with new equipment or were completely new installations. These projects were a turn-key operation with Harmon Electronics doing all the construction work. MRL employees tested and cut-over

each location. These new crossings have the latest and greatest in crossing equipment. Each is designed around the "fail safe" method and each crossing has its own back up system, records and displays warning time, and train speed at crossing. Completely funded by the State of Montana, the installation and cut-over costs range from \$60,000 to \$90,000 each. It is estimated an additional 14 crossing will be installed or improved in 1991. •

Grade Crossing Protection:

Hi-tech electronics improve reliability and cut maintenance costs



No job is so important . . . or so urgent . . . that
time cannot be taken to accomplish it
SAFELY !