

Looking Ahead

DATES TO REMEMBER

August 15

Livingston Employees Picnic

August 28Laurel/Billings Area
Golf Outing**August 29**Missoula Area Employees Picnic
Grant Creek Ranch
(rescheduled from September 19)**September 1**MRL Board of Directors Meeting
Billings
(rescheduled from an earlier date)**September 20-23**Railway Supply Assn. Meeting
Chicago**October 31**

MRL's 5th Anniversary

Inside this issue:

- **New Box Cars**
See Newsbriefs
- **Job Related Injury?**
what to do
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- **Feedback Info**
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- **Customer Profile:**
Earl's Distributing
See page 7

Newsbriefs

■ **Phase II of MRL's 1992-\$20 million-equipment program is underway:** We have purchased 250 used 50-foot, "Railbox" cars from GE Capital. The 17-year old cars will be rebuilt to like-new condition inside and out to achieve Plate "C" clearance specifications. The work includes raising the roofs 5 inches to achieve Plate C clearance specifications, installing new sliding doors and increasing the load capacity from 70 to 100 tons. The underframe will be removed and inspected and the intermediate floor stringers will be removed and replaced with steel plate welded to the main stringers. The cars will receive new sliding doors, Keystone™ 15-inch end of car cushioning devices, bottom shelf couplers and 100-ton trucks with 36 inch wheels. Numbered in series 21000 to 21249, the cars will carry an "XP" mechanical designation and, under provisions of AAR Rule 88, will have a new build date. Livingston Rebuild Center is doing the work which got underway on July 27. The first car is due off the line in September. Others will follow at a rate of ten per month gradually increasing to thirty until completed in July 1993. The \$10.8 million project will go a long way towards keeping us competitive and meeting the needs of our on-line shippers of paper, particleboard and lumber, including Stone Container Corporation and Louisiana-Pacific.

■ **More new box cars:** Our box car fleet is getting another boost with the acquisition of 100 new 50 foot, six-inch, 100-ton high-cube box cars which are (turn to Newsbriefs on page 2)



A first: Livingston helper No. 1, with engineer Jim Short and assistant Jim Brown, shoving a westbound, 102-car, 13,313-ton, unit grain train at East Muir, Montana, July 13, 1992. For more on this, see Newsbriefs.

Letters

To the Editor:

We the undersigned are writing this letter in appreciation to the company and employees involved for taking care of us at the Missoula Roundhouse. We have had a lot of improvements made: the lighting, sand tower, turntable, pit and storage shed, etc. These improvements have and will make our performance much better. Our goals at Missoula are to have safety first, quality work and the quantity. A positive attitude and respect to all employees is a must and will work.

Thank you.

J. W. Smith, J. E. Fisch, L. L. Miller

To the Editor:

I have experienced several firsts lately; my first visit to Montana, and my first participation in Montana Rail Link's annual golf outing.

I attend quite a few customer golf outings, both domestically and internationally, and I must say that Montana Rail Link's organization, hospitality and quality of employees was superior to any event I have attended.

Thank you for including me in your golf outing, and my congratulations to you on your outstanding employees.

Yours very truly,

Turbine Specialties, Inc.

William E. Pond

Vice President & General Manager

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.

Newsbriefs (continued from page 1)

being built by Gunderson in Portland, OR. These cars will be similar to the 10,000 series cars purchased in 1988, but will include several engineering refinements subsequently incorporated in the original cars. The new cars will be numbered in the 11,000 series with delivery in December 1992.

■ **And on the motive-power front:** An SD9 locomotive is being rebuilt at LRC. The unit will receive a Coast Engine & Equipment remanufactured 16 cylinder 567C prime mover, 26L brake equipment, new cab and controls and a complete rebuild of the electrical system. The unit is a product of MRL engineering designed to incorporate current technology in a locomotive that can be remanufactured at a very competitive price to serve U.S. and international regional railroad markets.

■ **Looking ahead business-wise:** Howard Nash, director of marketing and purchasing, sees trends in our originated and terminated traffic remaining ahead of last years performance. Bridge traffic will continue to trail last year, but overall will gain in the last half of the year bolstered by increased shipments of coal to Centralia, WA, and normal seasonal movements of grain to the Pacific Northwest. "Over all we should be about 4,000 to 5,000 revenue units under what we forecast for 1992," said Nash.

■ **Help for the helpers:** Trainmaster/Roadforeman Kim Kautzman thought it could be done and made the proposal. Rail Sciences Inc. of Atlanta, GA, a railroad engineering and consulting firm, analyzed train data and track profiles of our Bozeman Hill using a specialized computer model and confirmed it could be done safely. We tried it and proved it could be done. Unit grain and coal trains require helper assistance over Bozeman Pass west of Livingston. Until now, helpers (usually four units) have been cut into the middle of the trains to balance the tonnage between the road power and the helper. Starting on July 13, the helpers were attached to the rear of unit trains. The new helper operation saves a minimum of one hour which gets the trains over the road and helpers back in position at Livingston. Safety is also enhanced by providing a safer alternative for reverse movements when they become necessary.

■ **ICC raises threshold for Class I status:** The Interstate Commerce Commission has voted to raise the annual revenue threshold level for a railroad to achieve Class I status from \$96.1 million to \$250 million. For a railroad to reach Class I status it will now have to report annual revenues of at least \$250 million
(turn to Newsbriefs on page 3)

**Make working
safely your #1
priority!**

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.

R. Milton Clark, Editor

Mary Semmens, Associate Editor

Member
Association of
Railway Communicators

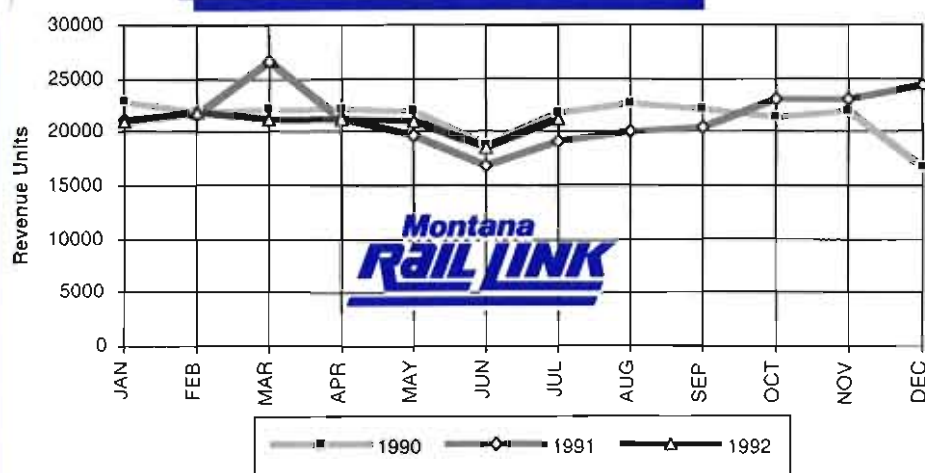


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REVENUE UNITS (CARLOADS) HANDLED



Revenue units for the seven months ended July 31, 1992, totaled 145,956, a decrease of 663 or 0.43% compared to the same period in 1991. Bridge traffic accounted for 96,670 units, a decrease of 5,735 or 5.6%, due largely to reduced movements of grain. Traffic which MRL originates or terminates posted a gain of 2,980 units or 7.9% for the period. Increased movements of lumber, paper and primary forest products coupled with the new shipments of coke from Conoco's Billings refinery contributed to the strong performance in this area.

Newsbriefs (continued from page 2)

for three consecutive years. That threshold is expressed in 1991 dollars and will be indexed annually for inflation.

As part of the same proceeding, the ICC also voted to increase the threshold level for Class II railroads from \$19.2 million to \$20 million, again expressed in 1991 dollars.

Class III railroads will be those with less than \$20 million in operating revenues and all switching and terminal companies, regardless of revenue level.

Class I railroads are subject to more stringent reporting and regulatory requirements than other railroads.

As a result of the reclassification, one current Class I railroad – the Florida East Coast – will be reclassified as a Class II carrier. In addition, four other railroads – Wisconsin Central; **Montana Rail Link**; Western Rail Properties; and Duluth, Missabe & Iron Range – will retain Class II status instead of being reclassified as Class I carriers.

The change in threshold level was originally sought by **Montana Rail Link** and Wisconsin Central. In seeking the change, the two railroads noted that – as regional carriers – they were much smaller and substantially different than the Class I railroads.

They also cited the significant cost they would incur if forced to meet Class I report requirements. Just the cost of complying with those requirements was estimated at \$115,000 for MRL, \$100,000 for DMIR, \$80,000 for WC, and \$50,000 for WRP, which is a subsidiary of a Class I carrier, the Chicago & North Western.

While voting to increase the threshold level for Class II railroads to \$20 million, the ICC decided not to increase it to \$40 million as requested by the American Short Line Railroad Association. "We are amenable to considering the change that ASLRA has proposed, but we do not have enough information to justify going forward on this record," the Commission said. ●

Benefits Info

The 401(k) Plan

This is the last of three articles in which we examine the Washington Companies 401(k) plan and how it is administered.

Investment Managers

Ashfield & Company based in San Francisco, California, manages the equity portion of our 401(k) plan. Their investment style is based on conservative growth. The investment portfolio contains about twenty stocks consisting of rapidly growing companies with proven earnings. Stocks are sold when it is determined a company has become mature and future earning growth prospects appear reduced.

The bond portion of our 401(k) plan is managed by Financial Aims, an affiliate of the Great Falls-based D. A. Davidson & Co. They primarily invest in intermediate government bonds and large corporate bonds. An "A" rating is the minimum requirement for a bond in this portfolio. The varied maturities of the bonds stabilize the fund while getting the most earnings without taking unnecessary risk.

Wentworth, Hauser & Violich manages the money market portion of our 401(k) plan. Also located in San Francisco, their primary objective is modest growth with absolutely no quarterly losses. Wentworth uses short term bonds to reduce risk. Their bonds are one to two years in maturity thus one can best describe their portfolio as an enhanced money market fund. Brought on board in 1991, they are our newest fund manager.

The 401(k) plan is one of the most important fringe benefits you, as an MRL employee, have available to you. Check it out! ●

Injured on the job? a look at the options

by Mark Bjorlie

Railroading is interesting yet hazardous work. Workers are exposed to a number of dangers – especially those who are switching and operating trains, maintaining the tracks, and repairing freight cars and locomotives. When a worker is injured on the job, a railroad has responsibility, like any business, to make sure that he or she gets the proper medical care and other help to get back to work in a productive capacity as soon as possible. In most other industries today, worker's compensation and other forms of insurance cover the costs of rehabilitating the worker. In the railroad industry, we fall under the scope of a law called: The Federal Employers Liability Act (FELA). Enacted around the turn of the century, this law allows a worker injured while working for a railroad to sue for costs and damages. The primary difference between FELA and worker's compensation is that FELA uses a fault finding method to assign negligence to the parties involved, while worker's compensation does not assign blame for causing the injury (at least in theory).

Under FELA an injured worker has a right to sue the railroad. This means, literally, that (the injured employee retains an attorney who files a lawsuit against the railroad.

That action basically changes the employer/employee relationship to one of plaintiff/defendant – an adversarial position. Montana Rail Link will not take any lawsuit lightly, and you should weigh all factors carefully before pursuing this route.

These lawsuits may ultimately result in some kind of settlement, the amount of money involved can be small or it can be quite large. To cover these costs, MRL must currently accrue (or set aside in an accounting procedure) at a rate of approximately 7% of total payroll. This money (about \$2 million per year) cannot be earmarked for pay raises, profit sharing, or any other purpose. There are also costs to the worker receiving a settlement. The attorney will take at least 1/3 as a contingency fee. Then expenses must be paid to the attorney, Railroad Retirement Disability must be paid back, etc. One final cost impacts both MRL and the worker: these settlements usually involve an "out of service" clause. That means MRL loses an experienced worker and he or she will never again work for MRL.

To avoid this situation, MRL has been working to develop an alternative to the FELA lawsuit. Under the alternative, the railroad takes responsibility for a worker injured on the job in several ways: 1) Medical costs due to the injury are paid; 2) Wages to the worker continue to be paid; 3) The complex legal issues involved are beyond the experience of most of us, and MRL may pay for the worker to retain legal counsel on an hourly basis; 4) The struggle to heal and return to work can be severe and MRL has a network of rehabilitation professionals available; 5) In the event that the injury resulted in permanent disability, MRL can provide retraining or education so the worker can find suitable work on the railroad or elsewhere; 6) When there is total disability, MRL will provide a structured settlement that will take care of

(turn to Injured on page 6)

Meet Sunny Hoffer

"Superintendent's office, Sunny speaking." That's the way most people are introduced to superintendent John Grewell's office and Sunny Hoffer when calling. Sunny has been administrative assistant to the superintendent since MRL began operations in 1987. Her railroad experience began in 1966 with the



Sunny Hoffer

Northern Pacific Railway in Glendive, MT, as a steno clerk to the B&B supervisor. Since then she has served in engineering, mechanical, material and operations. General Orders and Notices, F-27 Accident reports, fact-finding transcripts, correspondence, time claims for the BLE and TCU, travel arrangements and arranging social functions just begins to describe the varied duties she expertly handles. ●

Thanks to Laurel switchman Robert Fox for this information.

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

FEEDBACK

problem solving through group effort

The second annual Attitude Survey and Feedback Sessions are complete. The program is designed to learn what each employee feels are strong and weak points about the company, and to develop ways of correcting any problems. Most importantly, the feedback sessions are conducted by employee work-groups (maintenance of way, mechanical, etc.). Problems are discussed and solutions recommended in a group setting. The process is ongoing. Here are a few of the problems presented and resolved since the last issue of the Newsletter:

- Cross-overs have been installed at the west end of Laurel Car Shop
- Access to the Laurel Car Shop improved with the addition of a side door
- Tool boxes furnished for each shift at Missoula Car Shop
- Missoula Roundhouse furnished blue prints for locomotives
- Air brake maintenance training seminars conducted for Missoula mechanical department employees by instructors from New York Air Brake Co.
- A new safety awards program is in place for Helena mechanical department employees. Modeled after the one in used by Operating, employees who complete six-month and 12-month accident-free periods will now have a choice of premiums from which to select
- At Livingston, locomotive maintenance scheduling improved - locomotives assignments are now rotated
- An air compressor to operate tools and machinery will be placed in the 1993 capital budget request.
- At Livingston, the bad order locomotive count expected to remain workable with equipment planner scheduling work
- The Accounting Department's first BBQ and picnic was held on July 29 as means of improving intra-departmental communications
- Monthly information meetings now scheduled with directors of revenue accounting and general accounting as a means of improving communications
- Training Center improvements completed with the installation of new carpeting

Center for Values Research, a Dallas, Texas-based consulting firm, developed the Attitude Survey and provided assistance with training, implementation and evaluation of the results. The aim of the program is to make our company a better place to work. This survey is used by all Washington Companies.

WELCOME NCA!

Personnel of NCA in Argentina will be our guests beginning August 17. They are here for training in preparation for beginning operations of their railroad. We're delighted they're coming. Here are a few words translated into Spanish to help you make them feel welcome:

hello	<i>hola (ola')</i>	how are you?	<i>como esta usted</i>
welcome	<i>bienvenido</i>	I am fine thank	
good day	<i>buenas dias</i>	you	<i>soy bien gracias</i>
good afternoon	<i>buenas tardes</i>	train	<i>tren</i>
good evening or		locomotive	<i>locomotora</i>
night	<i>buenas noches</i>	yard	<i>patio</i>
my name is	<i>mi llamo es</i>	office	<i>oficina</i>
(me yamo es)		railroad	<i>ferrocarril</i>

A look at training, rules and safety

The list is long and the responsibilities are many for this department...

hazardous material instruction and response to incidents; training locomotive engineers and switchmen; statistical data and reports for the Federal Railroad Administration and Association of American Railroads; rules and instructions; timetables; safety award programs; Operation Lifesaver; security and much more.

Brian P. Heikkila, director of training, rules and safety, heads the department. **Paul L. Adams**, serves as manager; **Sabe Pfau** is chief of security; **Duane M. Parker** is the BLE instructor; and **Frances J. Rohn** is administrative assistant.

Adams, a certified hazardous materials technician, responds to incidents involving hazardous materials. His training includes Association of American Railroads Haz-Mat Technical Training and Tank Car Safety Programs. Paul also oversees the Operating Department safety award program, safety committee functions at all locations, and assists with all aspects of locomotive engineer training and certification.

Pfau is responsible for the security of all MRL properties and coordinates this effort with on-line law enforcement agencies and other organizations with which we contract for security services. Other duties include removal of transients from trains (159 so far this year) and other trespassers from our property. He also investigates grade crossing and other accidents and provides security at derailments.

Parker, a locomotive engineer, serves as the Brotherhood of Locomotive Engineers instructor in the department. His responsibilities include training and qualifying of engineers and switchmen. He spends much of his time riding trains and

(turn to Training on page 6)

Operation Lifesaver is an employee involvement success story at Montana Rail Link. Thirty-six MRL employee volunteers are trained Operation Lifesaver presenters who regularly provide grade crossing and trespasser safety presentations to a variety of public audiences across our railroad. During the first half of 1992, our MRL team made presentations to 8,125 people. An additional 4,085 contacts were made through special events.

Safety director **Brian Heikkila** administers the program, but the hard work and day to day management of the program are the responsibilities of Laurel switch foreman **Robert Fox** who serves as the system coordinator. Area coordinators are: **Tom Ricci** for Laurel/Billings; **Dennis Knoll**, Livingston area; **Maggie Larson**, Helena area; and **Carter Meyer**, Missoula area.

Operation Lifesaver is a nationwide safety coalition dedicated to the goal of eliminating highway/railroad grade crossing collisions through the three "E's" of Engineering, Education and Enforcement. ●



Training (continued from page 5) working with trainees to determine their readiness for service or promotion. His dedication to safety and professionalism provide an excellent example for individuals learning a new trade.

Rohn is responsible for preparation of the various safety and rules manuals, correspondence and reports to the FRA and AAR. Her skills in program development and computers contribute immeasurably to the smooth operation of the department. She is also very knowledgeable of federal rules and regulations governing rail operations.

Heikkila developed Montana Rail Link's random drug testing program, operations testing procedures, and our locomotive engineer training programs. A major task over the last year has been developing the new federally mandated Engineer Certification Program. As reporting officer

to the FRA, Brian has established an efficient criteria for FRA and AAR reporting of accidents and injuries.

As you can see, the functions of this group are widespread and immensely important. SAFETY, however, is their main and ongoing



MRL's Training, Rules & Safety team, left to right: Brian Heikkila, Duane Parker, Fran Rohn and Paul Adams.

responsibility. In reality, we, as employees, are all a part of the safety team and are responsible for the safe operation of the railroad. A safe railroad is a good railroad. ●

Injured (continued from page 4)

the worker and his or her family until retirement age.

If you are a railroad worker injured on the job at MRL, I urge you to maintain your employee relationship by using company resources available. As an employee you have a lot invested in your company and your company has a lot invested in you. Contact your field supervisor, department head, or Mark Bjorlie, the new manager for injury prevention and claims at 523-1538 before you sign any contingency fee contracts with a lawyer. MRL is committed to support injured workers with whatever it takes to keep you working on Montana Rail Link. ●



◀ *The Madison-Jefferson Wool Pool hadn't used rail to ship wool for ten years. Because of competitive rates and service offered by MRL, this year's fleece was handled differently. Pictured here, members of the Pool load a box car at Whitehall, MT, on June 30, which was shipped to Center of the Nation Wool's warehouse in Billings.*

Keeping Track

Personnel Changes at Montana Rail Link

Mark W. Simonson appointed field engineer with headquarters in Missoula effective June 8. Mr. Simonson was formerly a consulting engineer with Huitt-Zollars in Dallas, TX. Prior to that he was with Envirodyne Engineers in Chicago, and was with the Santa Fe Railway engineering department from 1979 to 1990 where he held a variety of positions. He holds a BS degree in architectural engineering from the Milwaukee School of Engineering in Milwaukee, WI.

Mark C. Bjorlie to manager of injury prevention and claims, a new position, effective June 24. Mr. Bjorlie was formerly a customer service representative, a position he had held since joining MRL in March 1988. He has a background in scientific research and holds a BA degree in biology from Moorhead State University in Moorhead, MN.

Leslie C. Hull to assistant trainmaster/road foreman with headquarters at Laurel effective June 29. Mr. Hull was formerly a locomotive engineer.

Marjorie L. Sawyer to manager materials at Missoula Car Shop, a new position, from purchasing agent effective June 29.

Lawrence A. Rehmer to mechanical foreman at Livingston Running Repair from electrician effective July 27. ●

► The spurtrack serving the Western Sugar Factory at Billings, MT, is being rehabilitated this summer in a joint project with the State of Montana which also involves reconstruction of State Avenue. The \$175,000 project, partially funded by the state, includes new rail through the numerous grade crossings on the line, new ties, ballasting and surfacing. Pictured here, members of maintenance gang No. 1957 replace deteriorated ties.

Customer Profile:



EARL'S DISTRIBUTING, INC.

No. 17 in a series of articles designed to acquaint us with our customers.

"We teach our employees professionalism. Our business is built on service and we have grown by making our customers our partners," says Earl Sherron, owner of Earl's Distributing, Inc. The proof of this is evident. Mr. Sherron bought the Missoula-based distributorship in June 1968. Housed in a small warehouse on Madison Street, the now defunct *Great Falls Select* beer was the major brand and they also handled *Olympia*. The business built the *Olympia* label and sales gradually grew. The *Miller* label was added in the early 1970s at the time when their trend-setting "Lite" beer was just catching on. Today, *Miller* is their number one brand.

In 1972, Earl's relocated to a new warehouse on Great Northern Way on Missoula's west side. The *Coors* and *Stroh* labels and a second warehouse location came with the acquisition of the Missoula Distributing Co. in 1985. Work is now in progress to consolidate all operations at their Great Northern Way location. A new, 9,000 square-foot office building opened in December 1991. Plans call for expansion of their 32,500 square-foot warehouse this year.

Earl's product line now includes the domestic beers mentioned previously, several imported labels including *Molsons*, *Labatts*, *Guinness* and *Corona*; and a number of wines and non-alcoholic beverages including bottled water. The sales territory includes most of southwestern Montana. The firm employs 60 people. Bill Kieniger, purchasing agent, is liaison with the railroad and Bob Rees unloads the rail cars.

As with other food products, beer has a fixed shelf life. Getting fresh product to the grocery stores, bars and other outlets is a big part of running a beverage distribution business. Railroads play a significant role in the process. A large percentage of the beer moves by rail: *Miller* from their brewery in Milwaukee, WI, and *Olympia* from Tumwater, WA. Montana Rail Link serves Earl's Distributing and is pleased to play a part in providing for their transportation needs. ●





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◀ Another transportation problem solved: The highway crossing at Huntley, MT, was undergoing rehabilitation on July 15 causing traffic to be detoured over a gravel road. Well, most of it. When a lady with a baby came by, a few steps were saved thanks to Billings section foreman **Bret Barnes**, left, and Billings signal maintainer **Rick Stabio**.



▼ The Historical Museum at Fort Missoula received an obsolete motor car donated by MRL and locomotive engineer **Bob Bateman** of Missoula donated his time. Thanks to him, 267 children had a chance of experience railroading with a short ride on track at the museum at the annual Independence Day Celebration.



▲ A new safety award program is underway. Beginning with July, a "Safety Employee of the Month" will be selected from each area. Candidates for the award are chosen by their supervisor. The names are submitted to the area safety committee who then make the selection. Final approval comes from the Training, Rules and Safety Department. The employee's name will be put on a plaque which is prominently displayed at each location. Recipients receive a \$25.00 gift certificate at the merchant of their choice. Pictured here, Missoula carman **Gary Padilla**, left, is presented the Missoula area plaque by general mechanical foreman **Chip Raber**. Other awards for July were presented to **Richard Labbe**, an electrician at Helena; **Tom Gilbert**, a locomotive engineer at Livingston; and **John Strecker, Jr.**, a carman at Laurel. Missoula locomotive engineer **E. W. Long**, who is alternate chairman of the Missoula safety committee, suggested the new program.