

A message from our president

A lot has happened since the last issue of our newsletter. Our company has just completed what will certainly be considered the most difficult six months in our nearly nine years of operation. In February, mother nature challenged us with near 100 degree temperature swings over a 30 hour period. Subsequent ice jams, falling rocks and a serious derailment due to a washout at Heron, reminded us of what real winters can be like in Montana.

In April, two major derailments occurred within 30 minutes of each other, the most significant being the April 11 chlorine spill near Alberton, Mont. It was a bad situation that has caused us to re-examine every facet of our operation. We are all committed to finding ways to assure that similar accidents will not occur in the future. These accidents were not just another challenge; they were an extreme test of all our skills and I sincerely believe that you have distinguished yourselves with your work ethic, your professionalism and your general sense of caring for fellow human beings. Thanks to each of you for a job well done.

How you make the best of a bad situation ultimately says a lot about an organization. I'm especially proud of the way all employees in every department pulled together to work on the many aspects of this incident. Many of you found yourselves performing totally unfamiliar jobs. Somehow, through your caring concern and dedication, the jobs got done and done extremely well. The inconvenience of those affected was minimized and their concerns were handled in a responsible manner. Your effort to "do what's right" was recog-

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◀ MRL 51108, one of an order for 110 jumbo covered hopper cars, has just rolled off the line at Thrall Car Manufacturing's Chicago Heights, IL, assembly plant. Thrall Car photo.

Newsbriefs

■ **UP-SP merger gets green light from surf board** The Surface Transportation Board gave unanimous approval to the largest railroad merger in the history of the US on July 3. The decision allows the Union Pacific and Southern Pacific to merge on September 12. The railroad would operate 31,000 miles of track with 50,000 employees serving 25 states with a combined annual revenues of \$10.6 billion. Only one significant condition was attached to the merger, that of granting the Texas Mexican Railroad trackage rights to connect with the Kansas City Southern. Other conditions were essentially cosmetic and have no competitive impact. No divestitures of any lines were ordered. Commenting on the decision, **Fred Simpson**, executive vice president, said, "This is a very disappointing decision. It essentially puts in question what if any purpose the STB serves." The unanimous positions of the Justice Department, DOT, and the Department of Agriculture was that this was the most anti-competitive merger in history and would cost shippers millions of dollars in increased freight rates. Conrail, Kansas City Southern and Montana Rail Link filed to intervene with plans calling for divestiture of various lines including the "Central Corridor" route between Kansas City and California. The board stated that in their view private parties usually know what is best and government should not be involved. "They obviously saw no distinction between private railroad parties knowing what is best for themselves and what is best for the public," continued Simpson.

■ **Home of the whopper** The first of our 110-car order of jumbo covered hoppers began arriving in June. The cars have 5,150 cubic feet capacity and are equipped with aluminum top hatch covers and Keystone-brand bottom gates with an automatic locking

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Reservations? ...Mary's the one to see

by Milt Clark

Just supposing 1,000 people showed up on your doorstep needing a place to stay ...and all at the same time. What would you do? For starters, you had better have a **Mary Semmens** around or someone just like her.

This couldn't happen? It did, and here's the story. At 4:03 a.m. on April 11, Train 196, a mixed freight en route from Pasco, Wash., to Galveston, Tex., derailed 19 cars at mile post 155 west of Lothrop, Mont. Four tank cars of chlorine were in the consist, one of which, ACFX 85824, received a puncture releasing a cloud of gas. The incident created an emergency that required the evacuation of the town of Alberton, population 324, and the surrounding area and the closure of I-90 to through traffic. As might be expected, it not only had an impact on residents of the area, but our employees as well.

Much of what ensued is a matter of public record. The daily newspaper and local television news recounted events in detail. Working tirelessly for 17 days, many of our employees were involved in all aspects of the incident. Tasks included daily briefing meetings with evacuees, seeing that livestock and pets were cared for, clearing the wreck and restoring service to the line and much more. There were far too many people to mention by name, but the effort encompassed staff from the mechanical, engineering, operations, accounting and administration departments.

Within a few hours of the incident, evacuated people looking for help with lodging began arriving at the offices in Missoula. Semmens, a marketing assistant, is no stranger to working with hotels since her duties include manag-



Mary Semmens

ing travel matters for the MRL general office staff. Mary jumped right in and began making all of the arrangements. During the course of the next three weeks, she worked daily with 30 area hotels booking, at times, more than 600 rooms per night. She worked with ten area restaurants so that meals could be direct billed to the company. What's more, Mary handled travel arrangements for nearly 200 technicians, claims agents, fire fighters and others who came here to work on the derailment and for relatives of several people injured in the incident. The volume of telephone calls and paper created is nothing short of astonishing. On top of this, people moving about from one place to another greatly complicated matters. She audited lists daily to see who was where, testing her considerable people skills and usual calm demeanor. She tackled all of these chores with aplomb.

Mary is just one of many people within our ranks who responded "above and beyond" the call to duty during this crisis. We are indeed fortunate to have her. She joined MRL in 1989 as a receptionist, has two grown children, and is married to John Semmens. ●

1996 Photo Contest

Grab your camera, if you haven't done so already, some film, take some photos and enter the contest. The entry blanks and rules were stuffed with the June 19 payroll. They will also be made available at all work locations.

We've changed the rules a little this year, so read them carefully. One of the big changes is that we are increasing the award for each winner to \$100, but only eight will be selected as that is the number of photos we need for the 1997 calendar. Because of the need for use of winning photos in various publications, displays, visual presentations, the photos selected as winners become the property of MRL and will not be returned. All others will be returned. Call Milt Clark, 523-1437, or Lynda Frost, 523-1417 if you have questions. All entries must be received by 5:00 p.m. on August 1st. So, good luck, happy and safe shooting! ●



 **BlueCross BlueShield
of Montana**

Health Insurance Claim Questions?
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Montana**

in Helena, toll free at
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or for preauthorization of treatments,
call

Managed Care Montana
1-800-635-5271

MRL News needs you!

We can use information and photos of
activities in your work area.
Call Milt Clark at 523-1437.

All-a-board:

Fred Simpson to serve on surf board advisory council

Fred Simpson was recently appointed to serve on the newly established Railroad-Shipper Transportation Advisory Council that is a part of the Surface Transportation Board (STB). The Council is to focus particularly on matters of concern to small rail shippers



Fred Simpson

and small railroads, such as rail car supply, transportation rates, competitive issues, and procedures for addressing legitimate claims. STB chairman Linda J. Morgan announced Mr. Simpson's appointment and 14 others on April 19. The Council was established pursuant to Section 726 of the ICC Termination Act of 1995 (Public Law 104-88, 109 Stat. 803) (ICCTA) to serve as a forum for private-sector discussions concerning solutions to business conflicts. Earlier this year, Chairman Morgan issued a notice requesting candidate recommendations in the proceeding entitled Railroad-Shipper Transportation Advisory Council, STB Ex Parte No. 526. Mr. Simpson was selected from close to 80 nominations from individuals and groups nationwide.

The council consists of 15 private-sector senior executive officers involved with the rail or shipping industries, the Secretary of Transportation, and the three STB board members, and is to meet at least semiannually. To facilitate any necessary regulatory or legislative concerns, the Council is to provide advice

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Message (from page 1)

nized throughout our community and will serve as a model for handling any future incidents of this type. We're especially indebted to Terry Corson and Wisconsin Central Ltd. for sharing their expertise in this difficult situation and to the many responders who distinguished themselves throughout the incident as true professionals.

The good news is that the four crewmen injured in the incidents at Heron and Alberton are making steady progress and, we hope, are on the road to full recovery. We are advised by doctors that time is the critical element in their recuperation. By the time this newsletter is released, I'm confident some of these employees will have returned to work. In addition, the non-railroad people exposed most severely to the chlorine gas have all made significant progress and are recovering.

What are the financial implications for our company in the aftermath of the chlorine spill and the other derailments we have experienced this year? The costs of lodging for the evacuees, restoration of service to the rail line, lading, equipment, emergency services by federal, state and local law enforcement and hazardous incident responders are all extremely significant. MRL does have adequate insurance that will cover much of the cost. The remainder will be borne by the company and those costs will have a negative impact on our profit sharing for the year. Other factors, such as the weak demand in the paper industry and curtailed production at Stone Container, also hurt our profitability during the first half of the year. Our challenge will be to better manage the second half of the year to recapture as much of the short fall as possible.

Are we maintaining the railroad properly? While our track programs are a matter of record, the unequivocal answer is yes. MRL's track structure is in far better condition today than it was at the time we took the railroad over from Burlington Northern in 1987. We have spent over \$200 million maintaining and upgrading the track structure. Approximately 26 miles of new rail is being installed this year alone. Major bridge and signal work are also part of the annual program designed to keep our physical plant in top condition. The Federal Railroad Administration's (FRA) detailed

inspections and reports show we are in compliance with all regulations.

During 1995 the traffic over MRL's main line jumped by nearly one third to 40 million gross tons per mile. We've responded to this traffic gain by increasing the amount of new rail installed and by increasing the number of inspections by the Sperry Rail Service to three per year. Using ultra sound and magnetic resonance, this testing is considered to be the most technologically advanced rail defect detection.

A rail defect known as a vertical split head appears to have caused the Alberton and second Noxon derailments. We are concerned that these problems were not detected and have discussed our concerns with Sperry Rail Service. Obviously, detection techniques are not good enough and we have asked FRA administrator Jolene Molitoris to provide assistance working with the railroad industry in developing better technology.

Other preventive measures employed on MRL include testing our main line twice each year with Burlington Northern Santa Fe's track geometry car (see article on page 4). In addition, the FRA inspects the main line on a random basis with their T-10 track geometry car. The FRA will make an inspection run over our lines this summer.

All of this technology aside, we are taking additional steps to increase our ability to detect problems before they occur. A new position of general roadmaster was established to coordinate the work of the four roadmasters. What's more, we added two assistant roadmaster positions on the west end of the railroad: one based at Plains and the other at Helena. Their primary function is to make day to day detailed inspections of the track and coordinate with the section forces to assure that any potential problems are identified and repaired promptly.

Overall, MRL's operations continue to be among the best in the industry. We excel in just about every area of comparison. Recent months have shown, however, that we can do much better and we will. Our customers will demand it. We're all looking forward to a safe and prosperous second half of 1996. ●



One of the most important functions of maintaining railroad track is to assure the correct relationship of one rail to the other. This is defined by such measurements as gage (the distance between rails), cross-level (the height of one rail above the other), surface (low spots in the rail) and alignment (proper straightness or curvature in the horizontal plane). These values can be measured manually with levels, transits, etc., but such measurements require a lot of time and do not check the rail under load.

The Burlington Northern Santa Fe has two Track Geometry Cars, No. 85 and B9, that make these and other measurements under load and at speeds up to 60 miles per hour. They note any important variations in these measurements on a printed record, computer files and special optical disks. The record also shows mile posts, switches, etc., in order to locate the defects for subsequent repair. Another function of the Track Geometry Cars is to

Track geometry:

Gauging conditions with elec

develop a rating for each mile of track indicating its quality relative to any other mile or to itself on a previous run. This information can be used to program major maintenance work such as is done by surfacing gangs and also to check on effectiveness of a particular maintenance program.

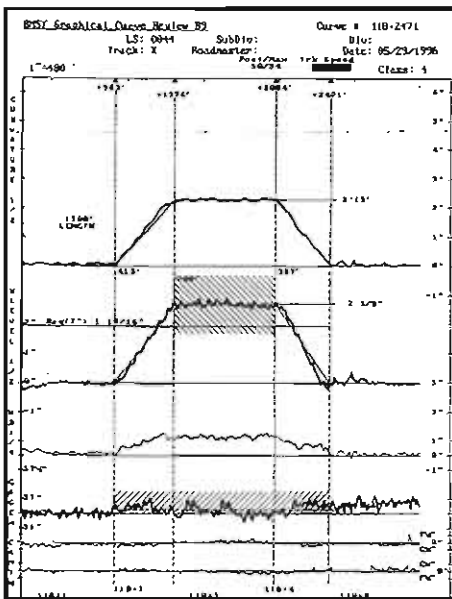
This article describes testing done with the B9 since this is the car that has been used to test on Montana Rail Link. The B9 was converted in 1973-74 from a heavy-weight coach (GN 1083 built by Pullman in 1920). It now weighs 110 tons with 3 axle trucks and a floor-to-roof glass rear observation end. The rear truck is equipped with linear displacement transducers (devices that transform measurements into electronic data input to the computers), a tachometer, and laser optics. Geometric measurements are made at one foot increments along the track, and rail profile measurements are made at 15 foot increments. Track geometry data is processed by five on-board computers and a gyroscope in real time at track speed. Rail profiles can be produced in real time to a limited extent, but most of the profile data is processed at a later time. On-board video cameras record the track and structures along the route. The B9 travels with a caboose that carries supplies and extra equipment. A locomotive pulls the two car train across the railroad running at track speed.

The Federal Railroad Administration (FRA) categorizes track into six different classes with a maximum allowable speed for each and has specific, exact limits of each geometric parameter for each speed. On a typical testing run, the B9 is staffed with two BNSF technicians and track supervisory personnel for the area being tested. On MRL this would include the general roadmaster, roadmaster and assistant roadmaster. Electronic sensors signal the computers when a deflection occurs at a sensor location. The on-board computers using the strength of each signal determines sensor deflection, writes deflection data to hard copy reports and stores this data on special optical disks. Deflections in excess of BNSF standards are marked with paint on the track and recorded on exception reports. The standards for each class of track are resident in the computer system. For example if FRA Class IV track is being tested, that track is measured against the standards and the variances from the standard are reported.

Track supervisors are given a strip chart, an exception report, curve detail report, a curve summary report and track quality index (TQI) report at the end of their territory. Measurements in excess of BNSF standards are immediately cor-

◀◀ The B9 affords good visibility of the track. Dennis Helmer, left, BNSF manager of track measurement watches for "events" such as mile posts, which are electronically marked in the data recordings. Others present include Augie Cantu, general roadmaster, Rich Keller, chief engineer, and John Hood, assistant roadmaster, whose territory at that time included the 10th Subdivision west of MP 16 where this test took place on May 22.

◀ Video display units mounted at the rear of the car show the rail profile, cant, curve data, gauge, twist, dip and surface. The speed at which the train is moving is displayed on a digital readout.



Curve data report





▲ BNSF B9 Track Geometry Car received extensive retrofitting with new computers and other equipment in the winter of 95-96 at the Topeka Shops. Mark Simonson photo.

◀ General roadmaster Augie Cantu reviews information on a strip chart with assistant roadmaster John Hood who is seated in the track supervisor's position in the B9 car.



rected by section crews following the car, or are protected by temporary slow orders until repairs are made.

The B9 tests about 31,000 miles of track annually. MRL is included in the testing under an agreement we have with BNSF for this service. Our main lines (both tracks in double track and two main track territory), and the 10th Subdivision are tested biannually, normally taking two full days and one partial day to complete.

And it's a good thing. The B9 is a very sophisticated piece of equipment. The value of the information obtained by testing is important to our maintenance-of-way forces, as it tells us exactly what needs attention now and where we need to do work to prevent new problems before the next run six months later.

Testing with a Track Geometry Car is just one more way we work to provide quality service to our customers. ●

◀ *Barnie Ellis, BNSF assistant manager track measurement, monitors several video display units as well as five computers from the control console.*



Four named Safety Employees of the Quarter

A new safety awards program kicked off in April with Laurel locomotive engineer **Tom Griffin**, Thomas K. Miller, electronic controls specialist in Helena, Livingston machinist **Dale Guidi** and **Tom Schuster**, a locomotive engineer from Paradise named as honorees.

Awards will be given to four employees working in the four areas (Laurel, Livingston, Helena and Missoula) quarterly for a total of 16 each year. The plan calls for supervisors to submit the name of an employee to the area Safety Committees who will make the selection. To be eligible for an award, the employee must have no discipline for any accidents or incidents in the past three years and have no personal injuries in the past three years. The supervisors must submit a short account of the employee's safety contributions. Those selected can choose an item from a catalog with a value up to \$100.

Congratulations to these folks who exemplify the word **S-A-F-E-T-Y** in their everyday lives! ●

Saturday, September 7
Missoula Area Picnic
Grant Creek Ranch
Rob Quist and the
Great Northern Band
games·fun·food



'Safety' train time at Polson



Safety Train at Polson. Paul Fugleburg/Lake County Leader photo. Used by permission.

More than 400 emergency/disaster personnel from communities throughout the western United States attended a week-long hazardous material training session in Polson, Mont., in April. To provide responders an opportunity to learn firsthand how railroad tank cars work, Rohm and Haas, a chemical company, provided their "Safety Train" that includes a tank, and box car that serves as a classroom. The classroom has displays, demonstrations and audio visual equipment for up to 25 students. The tank car has three domes and over thirty external fittings representing virtually all of the major types that

emergency responders are likely to encounter. Pressurized air, water and theatrical smoke can be used to simulate leaks and releases of hazardous materials. Instruction is designed for fire fighters, police officers and others who may respond to transportation emergencies. Rohm and Haas annually bring the training program to 5,000 public safety and emergency responders and 2,000 employees of their own company and the chemical industry. MRL participated by providing transportation, our new training car and the site for this event. **Joe Richardson, Chip Raber, Jack Gabrian and Gary Waddell** attended. ●

■ Safety Score Card ■

Through May 1996, our casualty rate stood at 5.93 incidents per 200,000 man-hours worked. MRL ranked 14th compared with 19 other railroads having under 4 million, but more than 250,000 man-hours. The national average through May was 5.53. Our rate through the same period in 1995 was 5.16.

Make working safely your No. 1 priority!

Simpson (from page 3)

to the Board Chairman; the Secretary of Transportation; the House of Representatives Committee on Transportation and Infrastructure, and to issue a report annually.

In making the membership announcement, Chairman Morgan noted the broad interest that has been expressed in the Council and the breadth of expertise, experience, and geographical and transportation interests represented by the many submissions. While the high caliber of the nominees and the intense interest shown made the selection process a difficult one, the Chairman noted that the final appointments to the Council represent the solid diversity of interest in accordance with the statute.

In his application, Mr. Simpson noted, "...small railroads, such as Montana Rail Link, interchange over 95% of their traffic with one or more other railroads. To succeed in serving our customers, we must provide a coordinated effort with connection railroads. This is difficult at best. The growing disparity in size between the Class 1's and the rest of us has exacerbated the problem. Not only has relative difference in size made it difficult for the small railroads to make themselves heard; the Class 1's in their efforts to down size have reduced or eliminated many of the traditional points of contact. When small railroads have trouble communicating with their larger brethren, shippers, especially small ones, have an almost impossible challenge. At this time when regulation is fast fading and when the disparity in size among railroads and between shippers and railroad is growing, it is imperative that we fashion new mechanisms to facilitate debate and resolve perceived problems in the private sector. If we fail, there is sure to be a growing demand for re-regulation. The next few years will be critical in determining whether we go forward as a healthy industry open to diversity of ideas while building the necessary cohesion to serve customers large and small. While the opportunities are unprecedented there is the very real risk that we will lose sight of our common carrier obligations as we strive for ever greater efficiency."

Fred Simpson is a member of the American Short Line Railroad Association and serves on the executive committee of the Regional Railroads of America. ●

Keeping Track

Octavio P. "Augie" Cantu to general roadmaster, a new position, with headquarters at Missoula from trainmaster at Missoula, effective May 13. Prior to appointment as trainmaster, Mr. Cantu served as roadmaster at Missoula.

Tammy J. Brown to administrative assistant for the Training, Rules and Safety department from human resources specialist effective June 17.

Mark S. Smith to trainmaster at Missoula from assistant trainmaster, effective June 21.

Jay A. Hart to assistant trainmaster at Helena from locomotive engineer, effective June 21.

Randy A. Gustin to assistant roadmaster at Plains, Mont., from assistant field engineer effective June 24. Mr. Gustin's territory extends from MP 16 on the 10th Subdivision to Eddy and the Polson Branch.

Jason R. Hills to assistant roadmaster at Helena from machine operator effective June 24. Mr. Hills territory extends from Tobin to Drummond, Mont. ●

► Through May, we have handled 119,464 revenue carloads, a decrease of 7,624 or 2.5% through the same period in 1995. Traffic that we bridge declined by 7,880 cars or 3.6%. Fueled largely by gasoline shipments that began moving from Helena to Thompson Falls, Mont., in March, traffic that MRL originates or terminates, totalled 29,373 carloads, up 1,614 cars or 5.8% for the period.



Augie Cantu

Newsbriefs (continued from page 1)

and unlocking feature. At locations where permitted, they can be loaded with about 112 tons of lading. In terms of wheat, this translates to about 3,735 bushels.

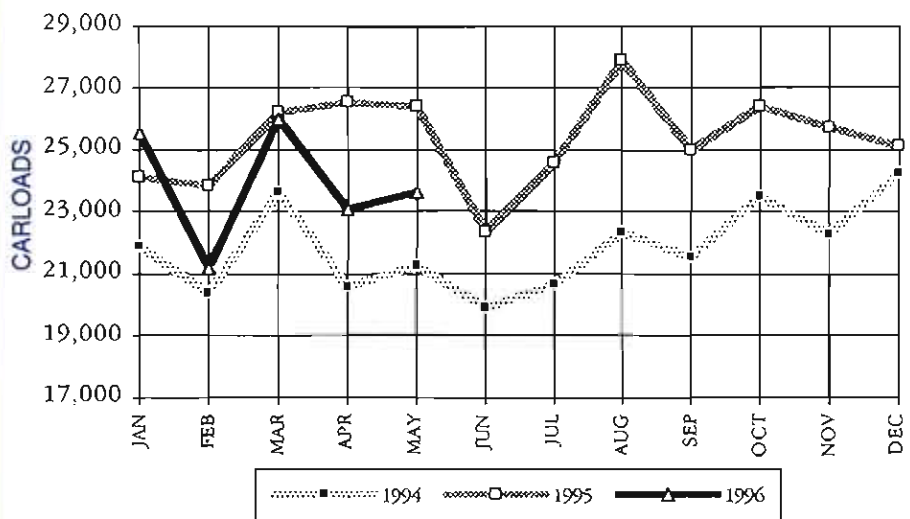
■ Morrison Knudsen and Washington Construction announce agreement to merge

In the announcement made May 13, M-K, the giant construction firm based in Boise, Idaho, has agreed to merge with the Washington Construction Group. Terms call for Washington to pay \$205.3 million in cash and stock and assume up to \$50 million in outstanding loans. The transaction is expected to become final in August. M-K Rail is not a part of the transaction. Washington Construction Group, Inc., based in Highland, Cal., is a diversified construction company with operations in infrastructure, contract mining, environmental remediation, commercial construction and construction materials markets serving both government and private customers in the western United States.

■ **Excursion operations** The first run of the *Northern Parks Limited* excursion trains departed Paradise, Mont., on June 7 with 55 passengers aboard bound for Livingston. In this series of trips, the participants start their tours at Kalispell or Billings and see Glacier Park and Yellowstone Park by motor coach. The rail portion takes part of three days to complete and includes overnight stays at Missoula, Helena and Livingston where the passengers stay on board in first class accommodations. Stops en route at Garrison and Trident or Bozeman allow passengers to visit such places as the Grant-Kohrs Ranch Historic Site near Deer Lodge and the Gallatin Gateway Inn. The *Montana Rockies Daylight* series began the first of eight scheduled round trips from Sandpoint, Idaho, to Laurel, Mont., on June 28. The train parks at Missoula overnight and passengers are put up in local hotels.

■ **And the winners are...**Linda Nguyen of Western SynCoal in Billings, Joe Richardson, manager training, rules and safety - mechanical, and Susan Emrick, receptionist at the general offices, all won trips on the *Montana Rockies Daylight* excursion trains. Says Emrick, who, along with son Bryn, recently returned from a trip to Laurel, "Beautiful scenery, wonderful food...I had a great time!" The trips were drawn at the General Staff Meeting in Billings and the Yard Office Open House on April 4, and at the Missoula 9th Annual Golf Outing. Our thanks go to Marsha Pilgeram and the folks at Rail Views Limited for these prizes. ●

How we're doing: CARLOADS HANDLED





◀ Our customers and employees in Billings got a chance to see our new offices and facilities located at 2 South 29th Street at an open house held April 4. Tom Ricci, a hostler/laborer at Laurel and Operation Lifesaver presenter, manned an exhibit on rail safety and took this photo.

▶ Promoting grade crossing safety is the goal of Operation Lifesaver. Employee volunteers make regular presentations to all sorts of groups including school children and professional drivers. The OL presenters must be recertified periodically. Pictured here, Carter Meyer, a manager of train movement in Missoula, right, gets checked out by MRL OL coordinator Bob Fox who is a switchman at Laurel.



◀ Movie star? MRL caboose 1005 will appear in 'Going West', a motion picture also starring Dennis Quaid and Danny Glover. The action-adventure film was shot in Colorado on the Rio Grande Railroad in March and April. The production company leased the 1005, moving it to Colorado where it was redecorated for the film. Watch for it in a theatre near you later this year. Photo courtesy James Clark & Co.

DATES OF INTEREST

May 19 thru October 5

Rails Across the Rockies

a historic exhibition about railroading

in the Pacific Northwest

Livingston Depot Center

Saturday, July 20

Alberton Railroad Days

July 18-21

Northern Pacific Historical Association

Annual Meet • Missoula

August 1

1996 Photo Contest Closing

Friday, August 30

Billings/Laurel Area Golf Outing

September 2

Labor Day

September 7

Missoula Area Picnic

Grant Creek Ranch



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Association of
Member
Mary Semmens, Associate Editor
R. Milton Clark, Editor