

A message from our president

My column in the Second Quarter *News* began with "A lot has happened since the last issue of our newsletter." Well, the same is true of this issue; a lot has happened since the last issue.

Most significant is the proposed acquisition of nearly 1,200 miles of rail lines in the Midwest from the Canadian Pacific Railway. Turn to page four for a map and additional information. When consummated early next year, this transaction adds significant diversity to Dennis Washington's transportation holdings. The new line, to be known as I&M Rail Link, is comparable in size and revenues to MRL and initially will employ about 600 people. The line serves a good industrial base as well as areas in northern Iowa and southern Minnesota well known for production of corn and soybeans. Altogether, the new line serves more than 300 customers and connects with all rail carriers at Chicago, Kansas City and the Twin Cities. What's more, the new line will have intermodal facilities at several points, opening the door for many new opportunities. I am excited about the prospects for growing the business.

And what about MRL? Traffic has rebounded from earlier levels this year, but not to the levels attained last year. With the additional BNSF bridge trains now being routed over our line, congestion in the terminals is a challenge. Our service to customers is not at an acceptable level, and problems are compounded by the conversion to the Burlington Northern Santa Fe "Transportation Support System" computer operating system—"TSS" for short. Significant benefits will be derived from the new system

(turn to Message, page 3)

Three Firsts



▲ The first Boeing 737 "stretched" fuselage section, pictured here at Laurel, MT., moved over our line on August 26-27 en route from Wichita, KS, to their assembly plant in Renton, WA. The piece is much larger than previous 737 models and requires a load car and idler car to accommodate the overhang. Railroads play an integral part in Boeing's production with parts being shipped from several points in the U.S. and Canada to their final assembly plants in western Washington.



▲ Timberline Log Homes of Darby, MT., is using rail to ship log homes. This car, pictured here on September 5, went to Northern Maine Jct., ME. On hand for the occasion were, left to right, Timberline employees Barb Shook, Donna Hollingsworth (president), **Brian Penny**, MRL UOE, **R. B. Thompson**, locomotive engineer, **Chip Raber**, general mechanical foreman, and Adrian Payan, of Timberline. Not pictured was **Dave King**, assistant locomotive engineer on the Darby Local.

► Browning-Ferris Industries began using MRL for the movement of waste materials from Billings to Missoula using specially modified 20 cubic yard containers (owned by BFI) and mounted on MRL 89' flat cars. Pictured here, **Cliff Boyd** of BFI, and **Tom Coston**, MRL marketing manager, are on hand to observe the unloading of the first shipments on September 13.



Newsbriefs

■ **Coal shipping takes its lumps...**Mountain Inc., and coal mining in the Bull Mountains (see News, 1st Quarter) shut down, at least temporarily, on June 9 having shipped only 10 units trains. Difficult winter weather combined with a failure to meet coal sales contract obligations were cited as reason. Mountain Inc., continues to pursue sales leads domestic and overseas. The mine south of Roundup is Montana's only deep shaft coal mine and produces a good quality, high BTU, low sulfur product.

■ **A busy year...**The 1996 construction season has come to an end with much accomplished. Large projects include installation of 30 track-miles of curve rail, 105,000 cross ties and surfacing of 250 miles with more than 100,000 tons of ballast. The Toston siding was extended 3,000 feet and No. 20 turnouts installed. Four new turnouts were installed and the track layout improved at the Livingston Diesel Shop. B&B forces continue work on Phase II of the Bridge 165 rehab project and installed additional drip pans at Laurel, Helena and Missoula. They also built a new office for the Missoula Roundhouse and remodeled a former auto dealership building into a very attractive office complex and garage in Billings. Signal and Communications employees work included elimination of the code line between Frenchtown and Superior. Radio control was completed between Toston and Helena adding to the already completed Clarkston to Toston section. Coded track and radio systems were also installed between Livingston and Bozeman, and Hope and Kootenai.

■ **Coming soon...**The 1997 edition of the MRL calendar will be in the mail soon. Again, it features eight photos of scenes along our lines, the work of **Dale Belcher**, switch foreman at Laurel, **Dale Bennett**, assistant B&B supervisor, Missoula, **Alan Burns**, locomotive engineer in Missoula, **Tom Miller**, electronic control system specialist with the Signal Department based in Helena, **Jon Klasna**, machinist with the Mechanical Department in Laurel and **Mark Simonson**, assistant roadmaster in Missoula.

■ **Rebuilding for the future...**Renovation of the historic Northern Pacific depot in Billings got underway this past June with the granting by MRL of the structures and \$26,000 to the City of Billings, a 30-year lease at \$1 per year for the underlying land owned by Burlington Northern and a donation of \$500,000 from Philip Morris Ltd. The money is being used to restore the exterior of the building and smaller auxiliary "beanery" building. Billings Depot, Inc., a nonprofit organization, will oversee management and operation of the depot. Several potential tenants have shown an interest in refurbishing and occupying the buildings. The depot will serve as a terminal for Philip Morris' planned *Marlboro Unlimited* excursion train expected to start operations in 1998. Built in 1910, the depot was one of four structures designed by the architectural firm Reed & Stem of Minneapolis, MN, for the Northern Pacific Railway. The others are in Livingston, Helena and Missoula. The Chicago, Burlington & Quincy and Great Northern also used the depot, followed by Burlington Northern and Amtrak. The last passenger service was Amtrak's *North Coast Hiawatha*, discontinued in 1979.

■ **Honors...**Your editor, **Milt Clark**, was elected to the Executive Committee of the Association of Railway Communicators (ARC). ARC is the oldest industrial communications organization, having been founded in 1922. The organization represents not only railroads in the United States, Canada and Mexico, but labor organizations, suppliers and the trade press.

■ **Help, the United Way...**Missoula area United Way Campaign raised \$11,093 in employee contributions compared to \$4,407 last year. Heading the drive were **Dennis Meyer**, **Marc Herrington**, **Steve Werner** and **Tim Doherty** who served as campaign coordinators. Your contributions go to help the less fortunate in the Missoula community. Good work, everyone, and thanks!

■ **More power is on the way...**MRL has completed acquisition of 18 model SD45-2 locomotives from Bank of America. The ex-Southern Pacific units are numbered in SP 7500-7550 series and are coming off of a lease. This addition boosts our roster to 158 units. ●

In Memorium

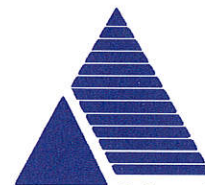
Katie Lynn Strending, 25, died of natural causes on July 14, 1996. She was a clerk at Livingston, MT, and the daughter of Helena trainmaster **Randy Strending**. Katie started working for MRL in 1992.

Katie's family gratefully acknowledges all the cards, flowers, food, memorials, and love shown to us during the loss of our Katie. The response from so many Montana Rail Link employees was overwhelming. This truly is a "family railroad" and we feel very fortunate to be a part of it.

With love and thanksgiving,

*Randy, Jennifer, Kelly Strending
and Katie's loving family.*

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Message (from page 1)

once it is up and running. Turn to page six for more information. The congestion problem is driven in part by a shortage of motive power both with ourselves and the BNSF. We are acquiring 18 SD45 locomotives and adding some local service between Laurel and Livingston, and Missoula and Garrison. This should help.

A new five-year agreement with the Brotherhood of Locomotive Engineers became effective on November 1. We are hopeful of getting agreements in place with the other labor organizations in the near future.

Always of concern is our safety record. We are not meeting our expectations in this critical area. Keeping in mind that our goal is no accidents or injuries, through September our rate was 6.37 incidents per 200,000 man-hours worked compared with 5.97 during the same period in 1995. Each of us must think safety and work safely. Our tomorrow depends on it.

October 31 marked the start of our 10th year of operation. We have accomplished many things that set us apart in this *Service Industry*, the most important of which is recognizing we are in the *People Business*. We've successfully put our philosophy of *helping our customers grow and prosper* into actual practice. Over the years, our employment doubled and business increased significantly. This is a good place to work; not perfect, but we're working at it. Indeed, we have much to be proud of and we have much more to accomplish. ●

Bill Buckley

Meet our 2nd Quarter Area Safety Employees

Laurel Area

Because **Mike Blohm**, communications technician, is very conscientious and reliable, he was selected as the Laurel area safety winner. Mike maintains radio equipment in his territory between Laurel and Helena and is on-call 24 hours a day. He drives more than 30,000 miles a year and has been injury free since coming to MRL from the Burlington Northern in 1988.

Helena Area

With many train starts and the helper operation, Helena is a "hot spot" at MRL, and **Kelly Lower**, yard clerk, is right in the middle of it. Kelly was selected for this award because she takes the time to learn the rules and seeks answers to questions.



Kelley Lower

She's an employee who likes to see that the job is done correctly and safely. Kelly joined MRL in 1991.

Livingston Area

James R. Smith, section laborer at Belgrade, is the Livingston Safety Committee's selection. Jim approaches all of his assignments with a safe attitude and sets a good example for his fellow employees. He is well organized, giving consideration to all of the tasks he performs which contributes to his safety record on the job. He is qualified to hold positions of laborer, welder grinder and relief foreman. Jim has been with MRL since start up in 1987.

Missoula Area

Missoula's safety employee is carman **Gary "Spud" Padilla**. Gary's railroad career started in 1968 on the section and maintenance gangs. In 1975 he hired out in the car department and had a stint in the Operating Department prior to the MRL start up. He then returned to the Mechanical Department where he has been ever since. At present Spud works as a train yard carman and seems to always be one



▲ Railroad yards are dangerous places for any trespasser, but particularly so for a two year old girl who wandered into Missoula Yard on July 12. Fortunately, **Spud Padilla**, pictured here center, was in the right place at the right time and was able to rescue her. In recognition, he was presented with a gift by **Joe Richardson**, manager training, rules, and safety-mechanical, left, and **Chip Raber**, general mechanical foreman.

step ahead of everybody and their needs. He performs his job very professionally, safely, and has never had an accident in his career with Montana Rail Link.

These folks are proof that "Safety is a Value at MRL." Congratulations!

This award program gives special recognition to one employee working in each of the four areas each quarter. Supervisors submit the names and a short account of the employees and their contribution to our safety program to the area Safety Committee. Each committee makes the final determination. To be eligible, the employee must have no discipline for any accidents or incidents in the past three years. Those selected may choose an item with a value up to \$100 from a catalog. ●

Going East?

by Milt Clark

Go East, young man, go East! This isn't *exactly* the advice Horace Greeley, New York newspaper editor of the 19th century is famous for giving, but it works for us. Dennis Washington is heading east to the Midwestern states of Illinois, Iowa, Missouri, Wisconsin and Minnesota with a new railroad project. In an October 23 press release, the Canadian Pacific Railway (CP) announced that Mr. Washington was the successful bidder for nearly 1,200 miles of rail lines being offered for sale. CP selected the Washington offer from a field of 15 potential purchasers vying for the property. A letter of intent has been signed and both parties are working to complete the purchase documents.

A new company to be known as I&M Rail Link will be formed to acquire and operate the lines. "I&M" derives from the first letter of the major states to be served. Although details of the formal agreement are still being hammered out, CP is expected to acquire a one third interest in the new company. The transaction, which is subject to Surface Transportation Board approval, should close in early 1997.

Engineering and operating reviews, the signing of a definitive agreement with CP, open house meetings for employees, meetings with shippers and selection of a corporate headquarters are expected to be completed by mid December. At the present time it appears that the company will select a headquarters in the Quad Cities area.

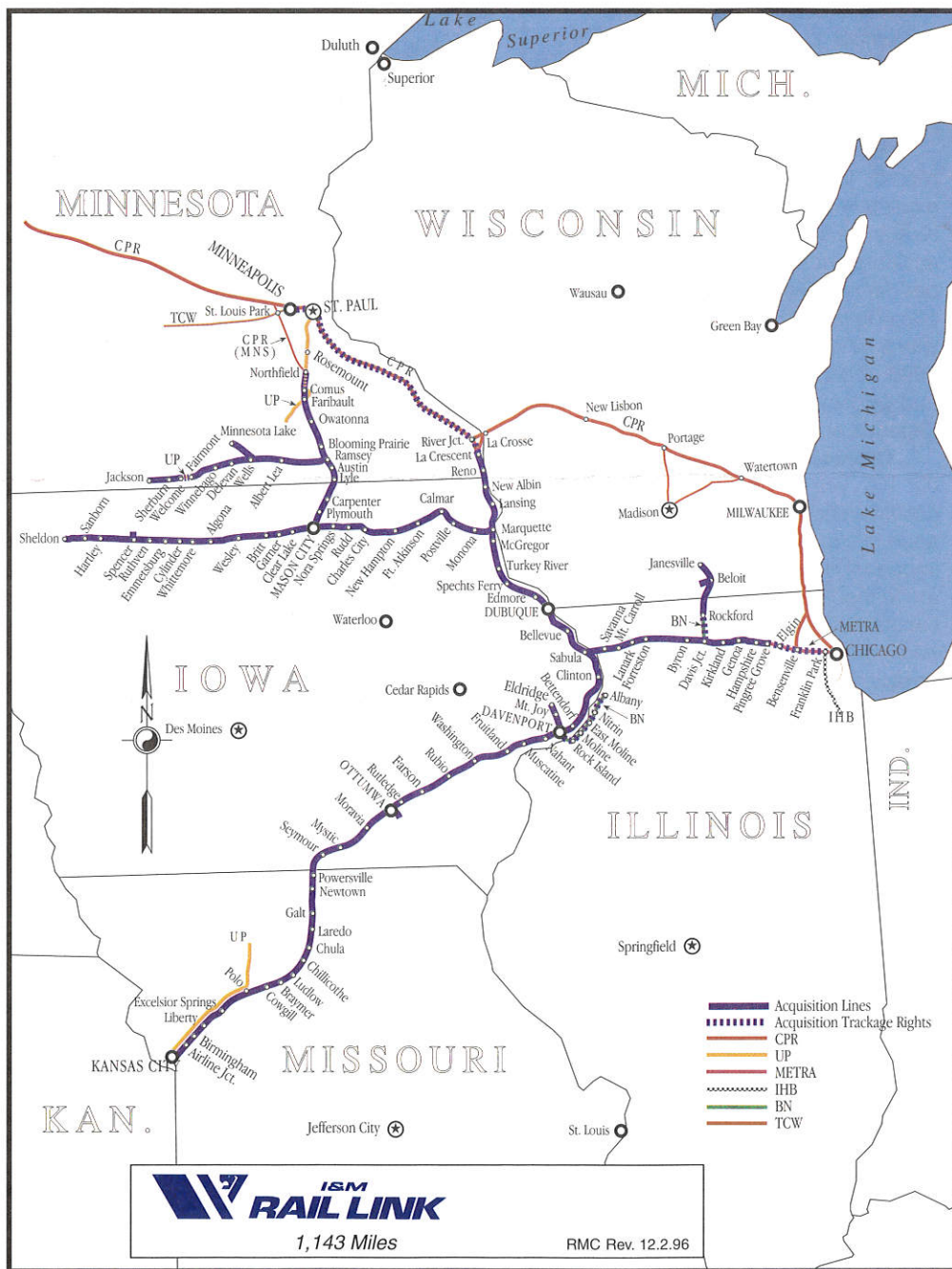
Current CP employees working on the affected lines will have the first opportunity to work for the new company. "We hope that they'll opt to stay with us," said Bill Brodsky, "Their experience and expertise will be important in giving the new company a solid base. We expect the new company to grow steadily and experienced employees who know the property will make our goals much easier to accomplish." I&M Rail Link will be a union operation with labor agreements, rates of pay and benefits very similar to those at MRL.

The new railroad consists of a main line linking the Twin Cities and Chicago with Kansas City. Major branch lines serve Iowa and Minnesota agricultural areas and Janesville in southern Wisconsin.

The "I&M" will have a diverse traffic mix that includes agricultural, industrial and chemical products. The Quad Cities area of Iowa and Illinois, with a large industrial base, is at the heart of the system. The lines in northern Iowa and southern Minnesota serve an area well known for its production of corn and soybeans.

The lines were all formerly those of the Milwaukee Road, a company the Soo Line Railroad acquired in 1985 and then merged into their system on January 1, 1986. In 1988, the CP acquired full control of the SOO.

Headquartered in Calgary, Alberta, the CP currently operates 18,000 miles of rail line in Canada and the United States with about \$4 billion (Cdn) a year in revenues and 21,000 employees. ●





◀ The Helena Mechanical Department employees passed the three-year mark without an injury last March, a stellar record in anyone's book. And it continues. **Jack Hazard's** team was treated to dinner at the Colonial Inn in Helena on October 23 with each receiving a special commemorative belt buckle. Pictured here, l to r: **Bart Thompson, John Woods, Mr. Hazard, Kevin Leonard, Doug Garcia, Norm Smith, Gary Devine, Rich Labbe, Dale Mattila, Tom Burden, Bill Honadel and Mark Turner.**



Photo Album



▲ Our dream fielders (and hitters): MRL's Missoula Co-ed Softball team finished the season with a 8-4 record placing them second in a field of 11 teams in the Missoula Tobacco Root Co-Rec League. It was their third trophy in four years. Pictured here, top: **Duane Parker.** Middle row: Cheri Parker, Stephanie Boyer, **Julie Meyer,** front: Mike Dunwell, Johnna Eisenmann, Chris Beaulieu, **Carter Meyer, Mark Eisenmann** and Eva Parker. Not pictured were **Kevin Denman, Allen Tims, Jerad Parker, Scot Stewart,** Kathy Marthaller, Paula Rosenthal, **Leo Block, Perry Smith, Brenda Daum,** Travis Smith, **Jamie Van Doren,** and Barbara Likert (scorekeeper). Bolded names indicate they are MRL employees.

► As a farewell project at the time of his retirement, Laurel carman **Tony Rehling** built a scale model of an MRL box car which is displayed at the Laurel Car Shop. See Keeping Track on page 7 for more information.



▲ More than 40 well wishers gathered at the Jokers Wild in Missoula on November 16 to honor retiring assistant roadmaster **Earl Perrine.** **Augie Cantu,** general roadmaster, left, and **Rich Keller,** chief engineer, are pictured here presenting Mr. Perrine with a dramatic photo taken by **Marty Rau** of cutting rail at Rivulet, MT. **Jay Lentzner** photo.

▲ The Northern Pacific Historical Association held their annual meet in Missoula July 18-21. A special excursion train with 186 aboard made a Paradise Turn traveling west via the 4th Subdivision and returning on the 10th Subdivision. Pictured here, MRL locomotive engineer (and chairman of the meet) **Al Burns**, left, punches the ticket of **Warren McGee,** retired NP conductor and well known photographer and historian.



Transportation Support System (TSS): What it is—What it does

by Dennis Meyer

Car movements, train lineups, hazmat documentation, billing, locomotive distribution and records, car management, and track warrant deliveries are just some of the functions that a railroad manages.

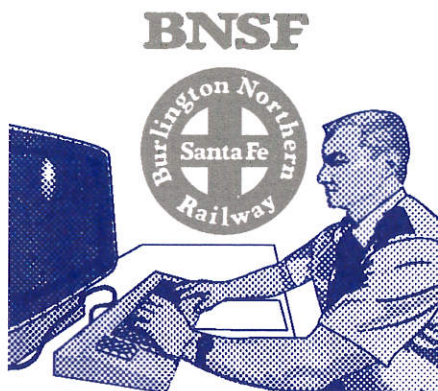
Let's face it, if we don't know where our cars and trains are, we're in trouble. Computers and systems are tools used to effect these controls.

A new operating system is being adopted to help us better manage these important assets. Called TSS, short for Transportation Support System, the program is scheduled for cut over on December 8. We have been preparing for it for quite some time.

In case you did not know, since start up, MRL has used the Burlington Northern's computer system, really three different systems. They are Yard Management System (YMS), Complete Operating Movement Processing And Service System (Compass) and the Centralized Billing System (CBS). Although the systems all function, they are somewhat awkward and not really very user friendly. All three systems trace their origins to a computer system developed more than 20 years ago by the Southern Pacific. Over the years, the system has undergone a metamorphosis in the form of add-ons, patches and so forth.

TSS combines all of the functions into one system. It, too, is a mainframe platform system that is accessed through terminals in the field. Some of our terminals will use PC's with Windows 3.11, and some locations will have so-called "dumb tubes" with full-color. Originally developed by the Santa Fe, TSS has been in use there since 1992. With the merger of the BN and Santa Fe last year, it was decided to adopt TSS on both railroads. Over the last few months, it has undergone some modifications to make it work on the BN.

TSS includes on-screen help and the ability to create training sessions, features



which will allow MRL customer service managers and BNSF trainers to educate our employees and implement the new system on our line. The system also requires identification of the user when they log on. Any work done at that terminal then carries the "ID"

of the person performing the work. Improved quality will result, as it will be easy to identify problems for correction and help for people who need additional training.

Other changes will occur with the implementation of TSS. All tracks will get assigned new four digit numbers and all industries will get new Shippers Perpetual Inventory Number System (SPINS) identification. With TSS, SPINS will change to "CLIC," an acronym for Car Location Inventory Control. To support this, **Mark Simonson**, assistant roadmaster, is drawing maps of each station showing all of the tracks, industries and identification numbers. Trains will carry a new alpha identification system with letter codes indicating at a glance the origin, destination and type of train.

Besides Mr. Meyer, **Jeff Jamison**, assistant trainmaster at Missoula, **Tim Van Orden**, trainmaster at Laurel, **Cathy Richardson**, manager of customer service, **Christy Mowrey**, revenue auditor, **Don Smith**, director train movement, and **Jim Watkins**, manager train movement, have all had TSS training. Although BNSF has a team of technicians here to help with the change over, much of the training and implementation will be done by our personnel.

Our customers will be the ultimate beneficiary of this new computer system; a more efficient transportation system will help to control costs and provide better customer support, with timely car movement records and accurate billing. ●

It's here: auto payroll

An automated payroll system was placed in service starting October 14. Here's how it works: When a crew is called for a job, the event is entered into the computer data base by the crew caller. When the individual completes that assignment, they call the crew office to register a tie up which is entered into the computer. The two events complete a record for payment for that individual.

At payroll closing, the accumulated data is downloaded to the Washington Corporations AS400 computer for editing and correction by the Payroll Department. The data is merged with manually keyed time slips (required for any penalty payments, flex-time or any activities not directly handled through the Crew Management office).

Benefits of automation include reduction or elimination of the "lost time slip" problem, improved accuracy and a streamlining of the whole payroll process. Savings will result from the eventual elimination of a position in the Payroll Department whose main function is to key in 5,000 to 6,000 time slips each period. This figure should drop to about 500 now.

As a backup and to verify computer records, timeslips will still have to be completed and filed until the first of the year. Following this, a delay report of some form will continue to meet the needs of the Operating Department. A new timeslip will be coming out for penalty, flex and anything that does not go through crew calling.

Ginger Golding, a programmer with the Washington Corps. Data Processing, wrote the program for the automated crew calling and payroll system while **Debbie Grebenc** handled the same function for the AS400 aspect of the project.

Patty Seabaugh, manager payroll accounting, really likes the new system. "I see it reducing the amount of phone calls we receive and time spent making error corrections," said Patty. "I think the people whose payroll is affected, really think it is great, too. I have had a number of favorable comments," she continued. ●

Safety is a value at MRL

Keeping Track

Richard L. Vickers to assistant roadmaster with headquarters at Helena from section foreman at Helena, effective September 23.

Effective October 31, **John L. Grewell**, superintendent, assigned to the Midwest rail line acquisition project (see page 4); **Michael R. Lemm** to acting superintendent from terminal manager and **Gary E. Waddell** to acting terminal manager from trainmaster at Laurel.

Mark W. Simonson to assistant roadmaster, with headquarters at Missoula from field engineer at Missoula, effective November 18.

Retirements...

Tony E. Rehling, carman at Laurel, August 9 with 42 years of service starting with the Northern Pacific. See photo on page 5.

Walter W. Esterby, section laborer at Dixon, August 30 with 40 years of service. Except for the last two years, Mr. Esterby's career was with the B&B Department having started with the NP in 1955. He was foreman of the crew on the Bridge 208 rehabilitation project completed in 1990.

Lawrence H. "Cactus" Young, signal maintainer at Missoula, August 30, with 37 years of service starting with the Northern Pacific Railway.

Earl C. Perrine, assistant roadmaster at Missoula effective December 31 with 44 years of service starting with the Northern Pacific Railway. See photo on page 5.

Our best wishes for a happy retirement!

► Through October, we have handled 221,892 revenue carloads, a decrease of 31,460 or 10.34% compared to the same period in 1995. Traffic that we bridge declined by 33,160 cars or 15.18%. Traffic that MRL originates or terminates, totalled 63,379 carloads, up 3,482 cars or 5.81% for the period propelled largely by strong shipments of gasoline moving from Helena to Thompson Falls, and seasonal movements of asphalt and cement. Market conditions have tended to keep shipments of wheat weak to this point.

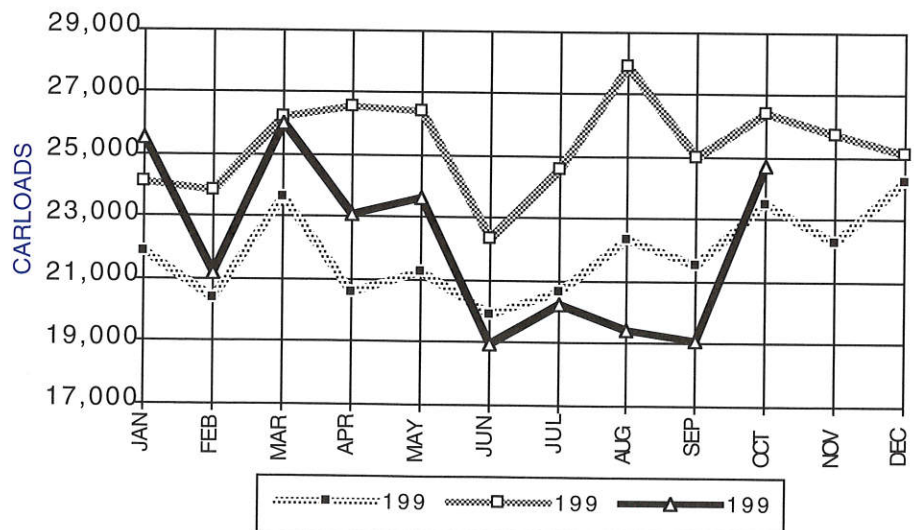


▲ Several hundred carloads of steel pipe were shipped to various points in Montana this past summer, the result of the construction of a pipeline connecting the oil fields of Alberta, Canada, with refineries in Wood River, IL. MRL participated by providing unloading areas and in the move, handling 135 cars at Laurel and 85 cars at Park City, pictured here. Express Pipelines was the builder. **Mark Simonson** photo.



▲ Headed for a new home: After residing for more than 30 years at a museum in Nevada City, MT., four antique passenger cars, including a rare chapel car named 'St. Paul', and a Shay-type steam locomotive, were acquired by the Escanaba & Lake Superior Railroad and shipped to Wells, MI, for restoration. Pictured here, the cars are being loaded on flat cars at Twin Bridges, MT, on October 4.

How we're doing: CARLOADS HANDLED





▲ The Alaska Railroad needed some extra power for work trains, so north to Alaska went three MRL units on lease for about five months this year. Pictured here, GP9's 121 and 108 at Fairbanks, AK. Photo courtesy Eugene V. Koch.

▼ Another first: In nearly nine years of operation, we had never had an Amtrak detour movement...that is until August 28. A derailment on the BNSF near Whitefish, MT, caused Amtrak to detour Seattle-Chicago Train No. 8 over our line from Sandpoint, ID, to Helena Jct., MT, then BNSF to Shelby, MT, where it resumed its normal route. Pictured here, the train is passing through DeSmet, MT.



◀ Love a parade? MRL employees at Livingston, MT do. They participated in the annual Livingston Roundup parade held on July 2nd. Promoting grade crossing safety and Operation Lifesaver, the Livingston Section truck pulled a trailer containing a vehicle involved in a train crossing accident. Jeanne Hay photo.

DATES OF INTEREST

November 28

Thanksgiving Day Holiday

Saturday, December 7

Missoula Santa Express

Southgate Mall

11 to 2

Christmas Parties

Laurel

Friday, December 6

Helena

Friday, December 6

Livingston

Saturday, December 7

Missoula

Saturday, December 21

Wednesday, December 25

Christmas Day Holiday

Wednesday, January 1

New Years Day Holiday



MRL News needs you!

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



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R. Milton Clark, Editor

PRINTED ON RECYCLED PAPER

December 3, 1996

No. 34 • Third Quarter 1996

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