

Issue No. 4 Information for Employees Fall/1988

MRL Celebrates 1st Anniversary:

Comment/Bill Brodsky

Congratulations and Happy Anniversary! As we reach this milestone of our young existence, I'm sure that many of you, like myself, are wondering where the past year has gone. It's been a busy year, full of challenges—both personal and job related, full of emotional highs and lows and most importantly, a year that marks a most successful new beginning.

In looking back one can't help but recall that just one year ago we were trying to hire 650 people over the course of a two week period. We were training people on computer systems totally foreign to us all. We were learning to

operate trains over, around and through locations we had never heard of or had only seen in the latest editions of "Outdoor Life" or "Field and Stream". We were trying to find lost cars, lost yard offices and, yes, lost employees. If it sounds like organized confusion, it was. And if that's not

"...it was an excellent first year of operation and I'm looking forward to an even better year in 1989."

challenge enough, then consider the massive relocation of families, the making of new friends, and the apprehensions associated with a new and unproven company. It was quite a year!

Looking ahead, I believe we

New High-Cube Box Cars Arrive (see page 3)

have every reason to be optimistic. Most of the learning curve is behind us. Our people have settled into their new environment and adjusted well to the responsibilities of their new positions.

Traffic projections for 1989 are strong. Approximately two-thirds of the traffic on our line is bridged between the northwest and the south central and southeastern United States for Burlington Northern. The gains experienced in 1988 were attributable to generally high levels of activity, accompanied by test shipments of export coal for the Pacific rim and an extraordinary movement of export corn. We expect these move-

(continued, see Comment, page 2)

Lombard Siding Completed (for story, see page 7)



Comment (continued from page 1)
ments to continue to be strong and are therefore projecting 1989 bridge traffic to be four percent above 1988 levels.

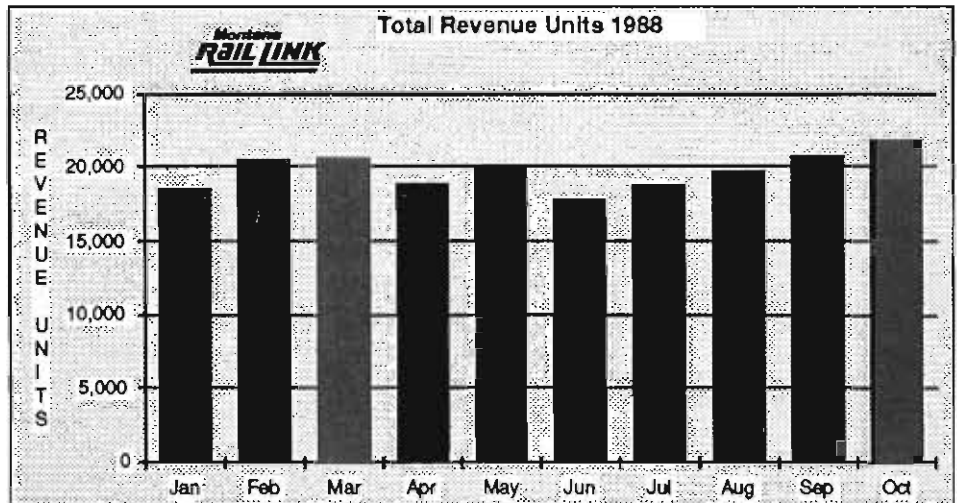
Phosphate, cement, ore concentrates, petroleum products, primary forest products, lumber and paper make up the bulk of traffic originating, terminating or local to MRL. All except lumber are expected to increase by six percent next year. Overall we expect originating, terminating and local traffic to grow by six percent in 1989. We have a major marketing focus on returning woodchips and logs to rail. If this effort is successful, our gains in local traffic are considerably understated.

Our capital budget for 1989 will be similar to 1988 with approximately \$12.5 million for track and structures, which includes 21.8 miles of new and 10 miles of second hand continuous welded rail, a major bridge renewal and yard improvements. In addition the company anticipates a locomotive acquisition and/or rebuild program costing \$7.5 million. This is a very aggressive program for a company our size and certainly reflects our commitment to be in the railroad business for a long time.

"MRL's capital budget for 1989 will be \$20 Million...reflects our commitment to be in the railroad business for a long time."

My primary area of concern deals with the safety of our employees. This past year's performance saw far too many personal injuries and human error derailments. I suspect we can attribute much of the problem to the newness of our activities and in many cases an overly enthusiastic, although experienced work force. We must attack the problem individually and collectively to ensure ourselves a better, safer, more productive year in 1989.

Profit sharing will be paid out



Comment (continued)

in February 1989. Despite almost two months to go in 1988 and a number of unsettled issues with Burlington Northern that could affect the final settlement of revenues, I'm comfortable telling you that the 1988 profit sharing will be between ten and fifteen percent. This is actually a little higher than we had projected in our business plan for the first full year of operation and is attributable to better than expected traffic levels.

Overall, I think it was an excellent first year of operation and I'm looking forward to an even better year in 1989. It won't happen, however, without the continuing effort of each and every employee striving to be the best of the best—the most professional railroaders in the industry. I'm sure you are well acquainted with our "customer driven" philosophy and the fact that every employee regardless of position or title must be a marketing manager at heart. The actions and attitudes of our employees have a direct impact on the public's perception of our company. A truly customer driven company leaves nothing to chance. It's a very realistic goal and one I hope that each of you share with me. Again, congratulations on a great first year!

Incident at Athol

Athol, Idaho, Friday, July 8, 1988. (Joint BN/MRL territory between Sandpoint and Spokane). Westbound BN train 01-CDSWT-07 apparently failed to observe and react to the absolute signal at the west end of Athol siding. Eastbound train 01-120-08 with MRL engineer Oscar Kinzle, assistant Rocky Hook, and utility man Dave Smith noticed something wrong. Reacting quickly, they brought their train safely to a stop preventing a collision. "Your crew's alert and professional response to this incident went a long way in avoiding what could have been a serious accident," says BN assistant superintendent transportation D. L. Maze in a letter to J. L. Grewell. Maze went on to say that: "It is a tribute to your railroad that you have employees of this caliber in your employment. I would appreciate it if you would see that these men receive our thanks."

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Editor: Milt Clark

Readers are invited to submit news items and comments.

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New Box Cars In Service

Montana Rail Link 10004 and 10005, the first of a 100-unit order for 50 foot, 100-ton high-cube box cars purchased by the railroad, were loaded with pulpboard at the Stone Container Corporation plant at Schilling, MT and particleboard at Louisiana-Pacific plant in Missoula October 17.

MRL President Bill Brodsky said, "This car acquisition reflects the commitment of our railroad to meet the needs of its customers and is significant in that these are the first box cars constructed since the early 1980's." The new equipment is valued at \$6 million.

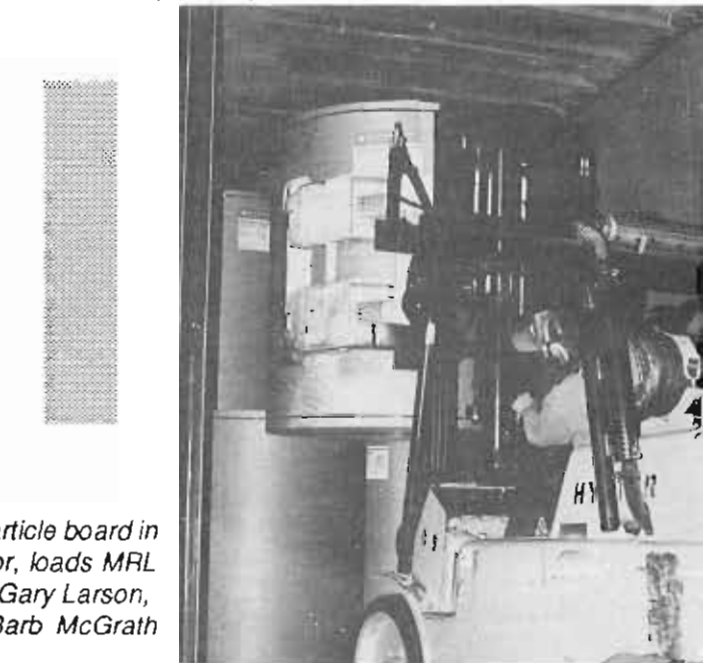
The cars, built by Gunderson, Inc., in Portland, OR, were acquired primarily for pulpboard and particleboard shipments from two of the railroad's major customers: Stone Container Corporation and Louisiana-Pacific which has a large plant in Missoula. Stone is the largest maker of pulpboard and corrugated containers in the world.



Above: Richard Norton, L-P fork lift operator places a skid of particle board in MRL 10004. Right: Duane Dailey, Stone clamp truck operator, loads MRL 10005 with pulpboard. Below: Missoula switch crew: (l to r) Gary Larson, Locomotive Engineer; Dave Ryan, Lead UOE; and UOE Barb McGrath prepare to pull MRL 10004 from the Louisiana-Pacific plant.



MRL 10001 at the Gunderson Plant in Portland, OR. The cars have an inside length of 50'6", inside width of 9'6" with 6,156 cubic foot capacity and are equipped with 16' double plug doors and end-of-car cushioning devices. The first car was accepted September 28.



Above: MRL and Stone officials at the unveiling of the new cars: (l to r) Milt Clark, MRL Mktg. Mgr.; Dick Wood, Stone Container Traffic Mgr.; Bill Brodsky, MRL President; Fred Simpson, MRL Exec. VP; Larry Huff, MRL Mktg. Mgr.; Jim Coleman, MRL Asst. Trainmaster; Howard Nash, MRL Director Purchasing; Duane Dailey, Stone Container Clamp Truck Opr.; Bob Salo, StoneContainer Shipping Foreman.

EXPLANATION OF HEALTH BENEFITS

Second Opinion Mandatory

There is a list of surgical procedures in the employee benefit handbook which require second surgical opinions. Any physician can provide a second surgical opinion as long as he does not in any way participate in your surgery. The physician cannot be affiliated with the surgeon who operates. When seeking a second surgical opinion, be sure the physician indicates on his billing that he is, in fact, reviewing a possible operation and rendering an opinion regarding its necessity.

Regardless of his opinion, the consulting physician will be paid at 100%. If a third opinion is desired, it too will be paid just as the second surgical opinion if it is marked as a surgical consultation.

In the event that there is only one doctor or group of doctors available to give an opinion, request your surgeon to get the procedure pre-authorized by submitting a treatment plan in writing to our administrator. Any procedure can be preauthorized.

In case of a medical emergency, the second surgical opinion is waived.

The administrator, however, may require documentation of the emergency.

Life Insurance

All MRL employees who have signed up for the health plan and have a payroll deduction taken are covered by life insurance in the amount of \$150,000 and an additional \$150,000 accidental death and dismemberment coverage.

Vision Coverage

Vision coverage is part of the medical coverage. This means that the medical deductible applies to all vision services. Once the deductible is satisfied, any remaining vision care services are paid at 80% up to the maximum calendar year benefit of \$100 per covered individual. This benefit applies to exams, eyeglasses and contact lenses. Eye surgery does not usually fall under this limited benefit, but is processed as a surgery claim.

Supplemental Accident Provision

The accident rider benefit is \$300 per covered individual per calendar year. The only restriction placed on this benefit is that it be used for services rendered within 90 days of the injury. It is not necessary to have emergency room treatment to qualify for this benefit nor does going to an emergency room automatically qualify for this benefit. Since there is a limited dollar amount per year, it pays to be a wise consumer and avoid the high overhead of hospital treatment whenever possible. Services relating to an accident are paid at 100% without being applied to the deductible. Once the \$300 benefit is exhausted, normal major medical benefits apply. Any remaining deductible will be taken and the remainder of any bills will be paid at 80%.

Questions should be directed to Bev Gunderson/MRL Manager Payroll or Sue Blair at Administration Services, P. O. Box 5434, Spokane, WA 99205, telephone 509-328-0300.

Missoula area employees donate \$2,759 to United Way

Thanks to the effort of the MRL Missoula Women's organization and the generosity of our employees, \$2,759 was collected and contributed to the United Way 1988 campaign in November. Debbie Parkinson, Mollie Browne, Debby Hofmeier, Kay Jones, Angie Sloan, Jody Spring, Jeanie Franz and Sharon Prinzing participated with the drive, the proceeds of which benefit 28 local agencies. Montana Rail Link also made a corporate contribution of \$2000 which will be distributed to other United Way campaigns in communities that we serve.

HELP STAMP OUT MISTEAKS!

Operating personnel needing a rubber stamp with employee number and name for use on time slips should contact Niki Froines in payroll. Use of a stamp reduces the chance for any errors in processing time slips.

Important 401(k) Savings Plan Information

Employees may enroll in the 401(k) retirement savings plan or, if already enrolled, may change the percentage of deduction during the month of December. Please complete an enrollment/change form and return it to Bev Gunderson in Payroll by December 30. Any enrollment and/or change will be made effective the first payroll in 1989.



Trainmaster Kim Kautzman, left, and Safety Committee Chairman and locomotive engineer Terry Bankston received the first MRL jackets, a safety award presentation awarded for least lost work days. All operating department personnel are divided into teams. Jackets are award to members of the winning teams in a random drawing.

Dispatching center enhancements

Rocky Scalise, Manager Control Systems (maintains the dispatching center equipment), has been working with General Railway Signal personnel installing the Operations Reporting System and programming for control points with power switches at Lothrop, Rivulet, Superior and Paradise since October 24.

The Operations Reporting System provides automated reports on train and helper operations directly from the CTC (centralized traffic control) computers. The ORS meets Federal Railroad Administration reporting requirements and eliminates a great deal of manual record keeping and reporting. A terminal at each train control console and in the crew management center will provide timely status and location reports for all trains operating on Montana Rail Link.

The control point at West Lothrop will be operational November 8 followed by West Rivulet on Novem-

Car Hire Expense and Its Impact on MRL

Car hire represents a significant expense for Montana Rail Link. For the first ten months of 1988, we have incurred \$6.4 million of car hire expense, and it is running at 150% of the expense level originally planned. Although we are also handling more business than expected, car hire expenses are higher than is accounted for by the change in traffic level.

Robert E. Beck, retired Assistant General Superintendent of Transportation of the Santa Fe Railway and a consultant to MRL, conducted seminars at Missoula and Laurel September 28 and 29 on what can be done to control car hire expense. Some of the key points: (#1) Per diem is charged by the hour and starts when a car is received from a connection and terminates when delivery is made to a connection (interchange). Timely and accurate reporting is essential. (#2) The rules that regulate per diem permit the railroad holding cars to make offering reports if the receiving road can not take cars or does not have regular service. Watch for opportunities to fill out offering reports. (#3) All employees should be alert for delayed cars. As you are on the property, watch for cars that have been in place for five days or more and report them to your supervisor or call Rick Zimmer in Missoula. Foreign cars containing company material (ties, rail, etc.) should be unloaded promptly and reported as being ready to send off-line. Keeping close control over per diem expense and finding opportunities to increase freight car utilization does have a positive impact on operating expenses.

ber 15. West Superior and East Paradise will be installed when parts are received. East Paradise will be the first of our new solid state Centracode control points. The power switches will provide a major improvement in train performance on the 4th Sub, saving up to an hour on each meet.

Car Hire: What is it?

Car hire is a fee paid by a railroad using freight cars to the owner of the freight cars. Car hire, or per diem as it is also known, consists of hourly and mileage payments to compensate the car owner for ownership costs (depreciation and interest) and maintenance costs.

The car hire rates vary greatly from about \$0.20 cents per hour to over \$1.30 per hour. The average foreign car costs Montana Rail Link \$0.44 cents per hour or \$10.56 per day.

Anniversary Open Houses: A Report

Montana Rail Link celebrated its first anniversary with open houses for employees and their families and friends on Sunday, October 30. It was a great opportunity for families to see where mom or dad works, and for employees, a chance to get better acquainted with the company.

A synopsis of activities:

Livingston

The Running Repair Facility and Yard Office were open with 175 attending. Door prizes were won by Ken Brenna and Elmer Lieu. Vicki Langley and Frank Fessenden were coordinators.

Missoula

Over 450 persons toured the Car Shops and General Office Building where the new train dispatching center was of considerable interest. The locomotive, log flat, box car and caboose display along with an informative "Operation Lifesaver Booth" staffed by Bob Bateman and an "anniversary" cake were the highlights of activities centered at the Car Shops. St. Patrick Hospital offered free blood pressure screening. Coordinators: Evy Hendrickson, Debbie Browning, Chuck Galer, Loreen Strate and Gayle Sheahen.

Laurel

Several hundred people viewed the new roundhouse building, (continued, see Open House, page 6)

Hello Helena

The clock took a licking and now its back ticking.....

After vandals destroyed the Helena depot clock hands last summer several MRL employees sprang to the rescue. New wooden replacement hands were crafted by Wally Case of the B&B department using fragments of the old hands as patterns and equipment at his home. Doug Thomson and Rich Labbe of the Helena mechanical department handled the installation and adjustment of the hands, and considering the height of the clock tower, not a job for the weak of heart. The Helena depot is designated as a historic landmark. All involved in this clock restoration project can take pride in a job well done.



Doug Thomson and Rich Labbe install new hands on the depot clock (a Seth Thomas, ca. 1903) at Helena.

Helena beats the "Sadie Hawkins Day" blues

A mid-September Sunday afternoon, Sadie Hawkins eve, saw 160 Helena area employees and families gathering together for a picnic that included great food, live music

and good conversation. Trainmaster Bob Estes awarded 120 door prizes. Tim and Toni Olds walked away with the grand prize: one night in a honeymoon suite with breakfast. Wayne and Diane Guptill received an evening in a hot tub while Walt and Maggie Larson got a \$100 gift certificate. Sue Winslow, Sherrie Van Orman, Kris Moe, Cath Marsch and Roxi Smith can take credit for organizing this event.



Bob Estes assists as Cathy Marsh, left, wife of engineer Pat Marsh draws door prize winners with the help of Sherrie Van Orman, wife of engineer Mark Van Orman.

A Look at the Helena MRL Women's Organization

A wealth of talent and energy are merging in Helena. This people oriented group of wives and employees is carefully selecting and planning events for the remainder of 1988 and into 1989. It is the hope of the committee, through our common bond of the railroad, to strengthen the network of support. Meetings will be held the 2nd Tuesday of each month at 7 PM in the depot conference room. Anyone interested in participating may contact Sue Winslow 933-5506. Sue is wife of UOE Gary Winslow.

Work Safely Today

Open House (cont'd from page 5) walked through an MRL caboose and locomotive, toured the Operating Department facilities at the Yard Office and the Mechanical Department facilities at the Car Shop.

Yard Clerk "Little" Mary Mjellstad baked and decorated five cakes for all touring locations which were served with ice cream, coffee and soda pop. Mary also added to the festivities by making herself a clown costume to wear while serving cake and passing out helium balloons to the children.

Car Foreman Bob Wilkinson visited with vendors in the Billings/Laurel area and was offered "favors" from 33 companies to help celebrate our one-year anniversary. Sunny Hoffer, Dan Sokolowski and John Maxon were coordinators.

Helena

About 175 Helena employees, close family friends and several neighbors delighted in the Open House celebration. Helena Hostler Doug Garcia and Jean Harris, family member of Livingston UOE Gary Rasmussen, each won a door prize. Locomotive 108 made a number of trips with passengers from the depot east to Carter Street crossing and proved to be the "main attraction." MRL Helena Women's Club hosted a bake sale and kept all the children supplied with balloons. Special thanks to Kate Conner and Sheila Sutton, wives of UOE's Sam Sutton and Bill Conner, for serving the cakes and hosting the guests. Safe passage of employees and their children to and from Locomotive 108 is credited to UOE's Rich Curtis and Sam Thompson.

It was also an opportunity for all to meet the new management team of Trainmaster Mike Lemm and his wife Lisa and son and daughter and Assistant Trainmaster Tim Van Orden and his wife Cheri and their two young daughters. They are welcome additions to the MRL Helena family.

We are indebted to Lynda Frost, purchasing agent at Missoula, who was responsible for chairing the entire anniversary open house effort.

Keeping Track

Montana Rail Link Personnel Changes

Effective 1 July 1988:

George W. Harper to Assistant Superintendent at Laurel, Montana. Harper served previously as Terminal Manager at Laurel.

Diana Homan to Assistant Trainmaster at Missoula. Homan served previously in various clerical positions at Missoula.

Effective 31 October 1988:

Michael R. Lemm to Trainmaster at Helena, Montana, replacing Robert M. Estes who resigned. Lemm served previously as Trainmaster at Laurel.

Timothy G. Van Orden to Assistant Trainmaster at Helena replacing Dan Sifton who resigned. Van Orden served previously as Assistant Trainmaster at Laurel.

Effective 1 November 1988:

Terry W. Hoke, Director of Revenue Accounting and **Anthony P. Dunn**, Assistant Director General Accounting resigned.

Cathy A. Rogers to Manager Customer Billing at Missoula. Rogers served previously as Manager Customer Service.

Pennie J. Mobley to Manager Property and Inventory Accounting at Missoula. Mobley served previously as an accounting supervisor.

Karyn L. Prestwich to Manager Accounts Payable at Missoula. Prestwich served previously as Supervisor Accounts Payable.

R. Dirk Cloninger to Manager General Accounting. Cloninger served previously as Assistant Director Managerial Cost & Financial Analysis.

Ollie A. Munier to Manager Special Revenue Projects at Missoula. Munier served previously as Manager Data Control.

Kimberly K. Lewis to Manager CBS (computerized billing). Lewis served previously as Billing Technician.

April Branning to Technician in Inventory Accounting from Payroll.

Patty Seabaugh to Staff Assistant in General Accounting from Payroll.

Kelly Gieser to Senior Payroll Technician from Modern Machinery. Kelly handles all non-operating time slips and can be reached at 406/523-1435.

Nikl Froines to Payroll Technician from Crew Calling. Nikl handles the operating time slips and can be reached at 406/523-1414.

Effective 5 November 1988:

Kenneth E. Stevenson to Assistant Roadmaster with headquarters at Plains, Montana. Stevenson served previously as a rail grinder.

Effective 21 November 1988:

Dave S. Swanson to Manager Crew Calling at Missoula. Swanson served previously as Assistant Trainmaster at Missoula.

Effective 25 November 1988:

Joseph S. Zawada to Assistant Trainmaster with headquarters at Helena. Zawada served previously as a locomotive engineer at Bozeman.

Mary M. Mjelstad to Assistant Trainmaster at Laurel. Mjelstad served previously as yard clerk at Billings.

Retirements

The following employee retirements have been recorded during 1988:

Fred L. Goughnour, locomotive engineer at Missoula, February 19.

Bill Short, locomotive engineer at Missoula, May 31.

Ron Cox, locomotive engineer at Missoula, June 30.

Carl Scherle, signal maintainer at Big Timber, September 2.

We wish our retirees all the best.

Lombard Siding Completed (see cover photo)

The new Lombard Siding was placed in service November 18. The project, costing more than \$800,000, consisted of grading which was contracted to Industrial Constructors, a Washington Corporations subsidiary, a new steel girder bridge spanning Sixteen Mile Creek, construction of a 9225 foot track with continuous welded rail (jointed rail removed west of Missoula earlier this year and welded at Laurel) and signal work with power switches controlled by the MRL east dispatcher at Missoula. The new bridge, a former Milwaukee Road span over MRL at St. Regis, was rebuilt to a heavier loading design by Roscoe Steel Co. in Missoula.

The addition of this intermediate point between Clarkston and Toston for the meeting and passing of trains improves the operation by reducing waiting time at meeting points on this busy section of railroad and permits trains to get over the road more quickly.

Train 841 (Livingston - Helena local) was the first train to use the siding. Pictured here at the "last spike" ceremony are front row, left to right: Joe Zawada, Asst. Trainmaster; George Harper, Asst. Supt.; John Grewell, Superintendent; Dan Morley, Welder; Bill Cornish, Asst. Roadmaster; Pete Christensen, Roadmaster; Dave Cook, B&B Supervisor; Robbie Gupitill, Laborer; Rich Keller, Chief Engineer; Bill Olsen, Laborer; Ken Loessberg, Section Foreman; Leonard Carden, Machine Operator; Tom Hart, Machine Operator; Alton Ramsey, Machine Operator. Back row, left to right: Jay Lentzner, Design & Maintenance Engineer; Jerry Brown, Signal & Communication Supervisor; Greg Hampson, Work Equipment Supervisor; Brent Halvorson, Laborer; Larry Hotzel, Laborer; Dave Stevens, Laborer; Bob Davis, Laborer; Bill Levengood, Section Foreman; Bill Loessberg, Truck Driver; Terry Burdett, Signal Maintainer; Darrick Whatoname, Laborer. On locomotive: Jim Brown, UOE; Gary Rasmussen, Co-engineer; Rick Fitterer, Engineer.

Participants in the Lombard project but not pictured were Track Department employees: Rich Vickers, Relief Foreman; Dane Sark, Laborer; Jim Black, Truck Driver; Gus Weickum, Laborer; Dave Gupitill, Foreman; Joe LaVigne, Laborer; Tom Ness, Laborer; Don McKenzie, Laborer; Wayne Gupitill, Gang Foreman; Jim Parry, Laborer; and Gerry Feeney, Engineering Contractor. Signal & Communications Department: Gary Loeffler, Signal Foreman; Mike Hardesty, Asst. Signal Maintainer; Tom Fontaine, Signal Laborer; Gary Fritel, Asst. Signal Maintainer; Pete Molenda, Asst. Signal & Communications Supervisor; and Tom Miller, Signal Inspector. Bridge & Building Department: H. W. Wilkinson, B&B Foreman; Wally Case, Carpenter; Ted Dahl, Carpenter; Richard Esterby, Carpenter; Wally Esterby, Truck Driver; Bill Huffman, Carpenter; Tom McMichael, Carpenter; Bob O'Dell, Laborer; Kim Peltier, Machine Operator; and Dave Richeson, Laborer.

Montana **RAIL LINK**

P. O. Box 8779
101 International Way
Missoula, Montana 59807

FIRST CLASS

More MRL Caps to be available

1700! Numbers speak for themselves, and that is the number of MRL caps that have been distributed free or sold to employees to date. By popular demand, another 700 caps have been ordered from a vendor. When they are available, employees will be notified of details on how they can be purchased. As information, all employees, when hired, should have received a free cap. However, if you did not get one, please contact your supervisor.



In August, the 10th Subdivision (DeSmet to Paradise) was reactivated as a main line to detour trains while the steel gang worked on the 4th Subdivision laying new rail. Although some 28.1 miles shorter than the route via St. Regis, the line had not seen regular service, except for the portion between Dixon and Paradise, because of the heavy grades on Evaro Hill. The 10th Sub received some upgrading with ties and ballast and will see continued use in the future as needed for any trains not requiring helper service. Pictured here, Jay Lentzner, Design and Maintenance Engineer, left, and Rick Woodruff, Roadmaster, right, give Train 122 a roll-by inspection at Dixon, Montana, on August 31, 1988.

MRL Christmas Festivities

MRL Employees Christmas parties are scheduled as follows:

*Helena 10 December - Night Owl
Supper Club, 6 PM*

*Livingston 11 December - Elks
Club, 6 PM*

*Billings 16 December - Holiday
Inn, 6 PM*

*Missoula: 18 December - Holiday
Inn, 5 PM*

The parties are for all employees and their spouse or a friend. Those traveling or away from home are welcome to attend any of the events.

Questions? Please contact Lynda Frost at Missoula.