



Soo Line Railroad Company  
records.

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October 29, 1982

TO: T. M. Beckley  
D. M. Cavanaugh  
R. H. Smith

FROM: J. D. Darling ~~SD~~

RE: Rock Island Study

I received the attached from Harvey Sims, Iowa DOT, regarding public support for C&NW by Chase Bag.

Chase Bag is apparently located on the Rock Island trackage currently being served by the C&NW. Chase Bag apparently tried and failed to secure this track by purchase. It now appears that the City of Sibley is negotiating with the Trustee.

If 706.8 miles is correct for the most recent C&NW offer, it does not appear that it includes either the trackage between Ocheyedan and Sibley, or at Sibley proper. Chase Bag is apparently satisfied to support a carrier that has left them to their own devices to secure their rail access.

There are sizable elevator facilities at Allendorf and Sibley, but neither has apparently made a commitment to multiple car loading capability.

JDD/jmz

Att. (1)



# CHASE BAG COMPANY

ESTABLISHED 1847

814 COMMERCE DRIVE

OAK BROOK, ILLINOIS 60521

*LA Holland  
Railroad Div  
FYI*

October 20, 1982

Mr. Robert Rigler  
Chairman  
Iowa Department of  
Transportation Commissioners  
Security State Bank  
New Hampton, Iowa, 50659

Dear Mr. Rigler:

Purpose of letter is to advise that Chase Bag Company fully supports the position of the Chicago & North Western in its present and future plans for purchase and lease of Rock Island trackage. We do not support the SOO Line position for the reason that the SOO Line proposal would not in any way protect or enhance the position of Chase at Sibley, Iowa nor the industrial facilities located at Sibley.

The C&NW through Mr. Wolfe has specifically stated and gone on record that they fully intend to lease and operate the vital trackage from Ocheyedan to Sibley and based on that commitment the industrial concerns at Sibley support the position that the C&NW is the only logical candidate to operate Rock Island trackage in northwestern Iowa. This support is based on the excellence of present and past services. Also based on joint meetings with the C&NW whereby we accepted the veracity of their proposals and plans to maintain a sound and efficient rail service in northwestern Iowa.

I cannot accept the premise that the future of northwestern Iowa would be enhanced by the SOO Line or other competing rail carriers solely for the purpose of establishing a spurious or nebulous basis of competition. The unrealistic concept of competition in this particular instance is fully illustrated by the present condition of the Rock Island - bankruptcy.

As a vital and integral part of the transportation requirements of the State of Iowa, I would trust and hope that your Department would clearly recognize the fallacy of the repeated efforts

October 20, 1982

- 2 -

of establishing competing railroads in northwestern Iowa,  
solely for the sake of establishing an academic, competitive  
condition.

Sincerely,

CHASE BAG COMPANY

C. J. DWYER  
General Traffic Manager

CJD:pao

cc: Mr. Warren Dunaham, Director  
Iowa Department of Transportation  
800 Lincoln Way  
Ames, Iowa, 50010

Mr. J. R. Wolfe, President  
Chicago & North Western Transportation Co.  
One North Western Center  
Chicago, Ill., 60606

November 20, 1980

Hon. Robert D. Ray  
Governor of Iowa  
State Capital Building  
Des Moines, Iowa, 50319

Dear Governor Ray:

Purpose of this letter is to offer the support of the Chase Bag Company in the effort of the Chicago & North Western Transportation Company in their bid to purchase Rock Island trackage within the State of Iowa.

Chicago & North Western Transportation Company under the original Service Order File N600 of November 1979 has performed excellent inbound and outbound rail service at Sibley, Iowa. We are entirely dependent upon rail service for our raw materials and which averages one carload every working day. Since November 1979 we have moved over 250 carloads inbound to Sibley, Iowa, and the service via the Chicago & North Western Transportation Co. has been on time and consistent.

In order to maintain our very successful manufacturing operation at Sibley, Iowa, we trust and hope that your offices and administration will lend all possible support to the Chicago & North Western in their efforts to purchase and operate the former Rock Island Railroad trackage within the State of Iowa.

Sincerely,

CHASE BAG COMPANY

C. J. DWYER  
General Traffic Manager

CJD:pap



November 20, 1930

- 2 -

CC: Mr. D. E. Hall, Manager  
Chase Bag Company  
Sibley, Iowa

Mr. W. M. Gibbons, Trustee  
Chicago, Rock Island & Pacific R.R. Co.  
Chicago, Illinois

Mr. J. M. Sullivan, Administrator  
Federal Railroad Administration  
Washington, D. C., 20590

Mr. R. J. Schiefelbein  
Deputy Director  
Interstate Commerce Commission  
Washington, D. C.

Mr. R. Rigler, Chairman  
Iowa Dept. of Transportation  
Des Moines, Iowa

Mr. R. L. Kassel, Director  
Iowa Dept. of Transportation  
Des Moines, Iowa

Joe Darling -

This info enhances the perceived  
need for SOO to have a Fuel Shippers

Meeting w/ them very soon addressing

some of their needs for specific SOO

plans as to how their needs will

be met. SELL!

X/

INTERESTED PARTY	TRACKAGE INTEREST	CURRENT STATUS
BULKMATIC CFRX CBNH	PULLMAN LINE PALMER-LAURENS ST PAUL-KANSAS CITY IOWA FALLS-ESTHERVILLE BRICELYN-OCHEYEDAN PALMER-ROYAL DOWS-FOREST CITY CEDAR RAPIDS PEORIA-HENRY JOLIET-DEPUE MO. DIV, JCT-WILTON E.MOLINE-FRUITLAND NEWTON-DEXTER ALTONA-PELLA	LEASE FOR ADDITIONAL TRACKAGE IS PENDING. NO CURRENT INTEREST. TRACK LEASE IN FORCE. PURCHASE NEGOTIATIONS IN PROGRESS. " " " NO LONGER INTERESTED PER 6-12-80 LETTER. " " " OPERATING UNDER DIRECTED SERVICE. "
CADILLAC	LIMON-COLBY COLORADO SPRING-LIMON DENVER-DUBAN	NO CURRENT INTEREST. LEASE CONTRACT DRAFTED. "
CALION LUMBER CARGILL CARTERSVILLE CNIL TRS WAREHSE CHASE BAG CHASE GRAIN CHGO SHORT LINE	CALION-ELDORADO ROYAL-MANSON NORA SPRINGS TRACK OTTUMWA, IA STALEY TRACKAGE INMAN TRACKAGE RI JCT-PULLMAN JCT CHICAGO TRACKAGE	BID SUBMITTED. HOLD PENDING DISPOSITION OF LARGER SEGMENT. SEE ROYAL-MANSON SHIPPERS ASSOC (ROYAL-MANS SHIP). TRACK LEASE IN FORCE. NO FURTHER INTEREST. MET 6-17-80. HOLD PENDING DISP. OF LARGER SEGMENT. ON SEGMENT SOLD TO COTTON BELT. MET 5-29-80. HOLD PENDING DISP. OF LARGER SEGMENT. "
CHESSIE	BLUE IS - BUREAU BUREAU-JOLIET DES MOINES-KANSAS CITY ENID-WARREN	AGREEMENT REACHED, LEASE BEING PROCESSED. DIRECTING SERVICE. OFFER SUBMITTED 4-10-81. NO CURRENT INTEREST. VALUATION IN PROGRESS. BID SUBMITTED. SEE MID STATES PORT AUTHORITY (MSPA). REAL ESTATE TO SUPPLY LAND VALUES. WITHDREW INTEREST. "
CHDATE CLAY CENTER CLYDE COOP COLEY	BELLEVILLE-MCFARLAND MEDFORD, OK TRACK MANGUM-CHICKASHA CHICKASHA-ENID	REQUESTED INFO SENT. AWAITING FURTHER RESPONSE. SALE TO SHELTON-DAVIS IN PROGRESS. INACTIVE. SALE APPROVED BY COURT. INTERIM LEASE BEING PREPARED. SALE CONTRACT SCHEDULED FOR FINAL COURT APPROVAL 8-12-81. DIRECTED SERVICE AUTHORIZED BY ICC. NO LEASE. INACTIVE.
COLYER CONOCO CONT CARBON CONTINENTAL GP CRANDIC	ELDON-KEOKUK PONCA CITY SHEERIN-ETTER HODGE-ALEXANDRIA HILLS BRANCH IOWA CITY	PURCHASE INTEREST. OPERATING UNDER DIRECTED SERVICE. NEGOTIATIONS COMPLETE. LEASE BEING PREPARED. " "
D&D TRANTER DRIBNW	S CHGO-IOWA CITY ROCK ISLAND-MILAN MOLINE E.MOLINE SILVIS DAVNPT-WILTON WILTON-IOWA CITY	CEASED DSQ OPERATION. MILWAUKEE NOW SERVING. "
DEASON	HORTON BRANCH ATCHISON BRANCH ST JOSEPH YARD	INACTIVE. NO FURTHER RESPONSE TO OUR INQUIRES. "
D&RGW	DENVER TRACKAGE COLORADO SPRINGS TRACK	WITHDREW FROM DIRECTED SERVICE OPERATIONS. STILL OPERATING UNDER DIRECTED SERVICE. NO LEASE.



CHICAGO, ROCK ISLAND & PACIFIC RAILROAD  
SUMMARY OF TRackage INTEREST

INTERESTED PARTY	TRackage INTEREST	CURRENT STATUS
	PHILLIPSBURG-SEIBERT	"
	ADRIAN-GROOM	"
	HOWIE-N. FT. WORTH	"
	WAXAHACHIE-N HOUSTON	"
BULKMATIC	PULLMAN LINE	NO FURTHER INTEREST ACCOUNT N&W SERVING.
BURLINGTON SHPPRS	HURLINGTON-MEDIAPOLIS	OFFER AND COUNTER-OFFER MADE DURING 6-5-81 MEETING.
BUTTONWOOD CORP	BL ISLD-SILVIS	SEE C F FISCHER III (FISCHER).
CFBX	PALMER-LAURENS	NO CURRENT INTEREST.
C&NW	ST PAUL-KANSAS CITY	TRACK LEASE IN FORCE. PURCHASE NEGOTIATIONS IN PROGRESS.
	IOWA FALLS-ESTHERVILLE	"
	URICELYN-OCHEYEDAN	"
	PALMER-ROYAL	"
	DOWS-FOREST CITY	"
	CEDAR RAPIDS	"
	IOWA JCT-HOLLIS	NEGOTIATIONS IN PROGRESS.
	PEORIA-HENRY	NO LONGER INTERESTED PER 6-12-80 LETTER.
	JOLIET-DEPUE	"
	MO. DIV. JCT-WILTON	"
	E.MOLINE-FRUITLAND	"
	NEWTON-DEXTER	OPERATING UNDER DIRECTED SERVICE.
CADILLAC	ALTOONA-PELLA	"
	DENVER-COLBY	AUTHORIZED BY ICC TO SERVE. NO LEASE.
	COLORADO SPRING-LIMON	LEASE CONTRACT DRAFTED.
	DENVER-DUBAN	"
CALION LUMBER	CALION-ELDORADO	BID SUBMITTED. HOLD PENDING DISPOSITION OF LARGER SEGMENT.
CARGILL	ROYAL-MANSON	SEE ROYAL-MANSON SHIPPERS ASSOC (ROYAL-MANS SHIP).
CARTERSVILLE	NOKA SPRINGS TRACK	TRACK LEASE IN FORCE.
CNTL IRS WAREHSE	OTTUMWA, IA	NO FURTHER INTEREST.
CHASE BAG	SIBLEY TRACKAGE	MET 5-26-81. OFFER DECLINED ACCOUNT LOW BID.
CHASE GRAIN	INMAN TRACKAGE	ON SEGMENT SOLD TO COTTON BELT.
CHGO SHORT LINE	RI JCT-PULLMAN JCT	MET 5-29-80. HOLD PENDING DISP. OF LARGER SEGMENT.
	CHICAGO TRACKAGE	"
CHESSIE	BLUE IS - BUREAU	AGREEMENT REACHED, LEASE BEING PROCESSED. DIRECTING SERVICE.
	CHGO-DES MOINES-KAN CTY	NO CURRENT INTEREST.
CHUATE	ENID-WARREN	INACTIVE.
CLAY CENTER	HELLEVILLE-MCFARLAND	SEE MID STATES PORT AUTHORITY (MSPA).
CLYDE COOP	MEDFORD, OK TRACK	INACTIVE.
CULEY	MANGUM-CHICKASHA	WITHDREW INTEREST.
	CHICKASHA-ENID	"
CULYER	ELDON-KEOKUK	INACTIVE.
CONOCO	PONCA CITY	SALE TO SHELTON-DAVIS IN PROGRESS.
CONT CARBON	SHEERIN-ETTER	INTERESTED IN LEASING TRackage.
CONTINENTAL GP	HUDGE-ALEXANDRIA	SALE APPROVED BY COURT. INTERIM LEASE BEING PREPARED.
CRANDIC	HILLS BRANCH	SALE CONTRACT SCHEDULED FOR FINAL COURT APPROVAL 8-12-81.
	IOWA CITY	DIRECTED SERVICE AUTHORIZED BY ICC. NO LEASE.
D&D TRANTER	S CHGO-IOWA CITY	INACTIVE.
DRISNW	ROCK ISLAND-MILAN	PURCHASE INTEREST. OPERATING UNDER DIRECTED SERVICE.
	MOLINE	NEGOTIATIONS COMPLETE. LEASE BEING PREPARED.
	E.MOLINE	"
	SILVIS	NO FURTHER INTEREST.
	DAVNPT-WILTON	CEASED DSU OPERATION. MILWAUKEE NOW SERVING.

RI LINES AUTHORIZED TO BE OPERATED BY INTERIM OPERATORS

1. Louisiana and Arkansas Railway Company (LA):
  - A. Tracks one through six of the Chicago, Rock Island and Pacific Railroad Company's (RI) Cadiz yard in Dallas, Texas, commencing at the point of connection of RI track six with the tracks of The Atchison, Topeka and Santa Fe Railway Company (ATSF) in the southwest quadrant of the crossing of the ATSF and the Missouri-Kansas-Texas Railroad Company (MKT) at interlocking station No. 19.
2. Peoria and Pekin Union Railway Company (PPU):
  - A. All Peoria Terminal Railroad property on the east side of the Illinois River, located within the city limits of Pekin, Illinois.
  - B. Mossville, Illinois (milepost 148.23) to Peoria, Illinois (milepost 161.0) including the Keller Branch (milepost 1.55 to 6.15).
3. Union Pacific Railroad Company (UP):
  - A. Beatrice, Nebraska.
  - B. Approximately 36.5 miles of trackage extending from Fairbury, Nebraska, to RI Milepost 581.5 north of Hallam, Nebraska.
4. Toledo, Peoria and Western Railroad Company (TPW):
  - A. Peoria Terminal Company trackage from Hollis to Iowa Junction, Illinois.
5. Chicago and North Western Transportation Company (CNW):
  - A. from Minneapolis-St. Paul, Minnesota, to Kansas City, Missouri.
  - B. from Rock Junction (milepost 5.2) to Inver Grove, Minnesota (milepost 0).
  - C. from Inver Grove (milepost 344.7) to Northwood, Minnesota.
  - D. from Clear Lake Junction (milepost 191.1) to Short Line Junction, Iowa (milepost 73.6).
  - E. from East Des Moines, Iowa (milepost 350.8) to West Des Moines, Iowa (milepost 364.34).
  - F. from Short Line Junction (milepost 73.6) to Carlisle, Iowa (milepost 64.7).
  - G. from Carlisle (milepost 64.7) to Allerton, Iowa (milepost 0)
  - H. from Allerton, Iowa (milepost 363) to Trenton, Missouri (milepost 415.9).
  - I. from Trenton (milepost 415.9) to Air Line Junction, Missouri (milepost 502.2).
  - J. from Iowa Falls (milepost 97.4) to Estherville, Iowa (milepost 206.9).



- K. from Bricelyn, Minnesota (milepost 57.7) to Ocheyedan, Iowa (milepost 246.7).
- L. from Palmer (milepost 454.5) to Royal, Iowa (milepost 502)
- M. from Dows (milepost 113.4) to Forest City, Iowa (milepost 158.2).
- N. from Cedar Rapids (milepost 100.5) to Cedar River Bridge, Iowa (milepost 96.2) and to serve all industry formerly served by the RI at Cedar Rapids.
- O. at Sibley, Iowa.
- P. at Hartley, Iowa.
- Q. from Carlisle to Indianola, Iowa.
- R. at Omaha, Nebraska, (between milepost 502 to milepost 504).
- S. Peoria Terminal Company trackage from Iowa Junction (RI milepost 164.32/PTC milepost .91) through Hollis, Illinois to the Illinois River bridge (milepost 7.40).

\*6. Chicago, Milwaukee, St. Paul and Pacific Railroad Company (MILW):

- A. from Newport, Minnesota to a point near the east bank of the Mississippi River, sufficient to serve Northwest Oil Refinery, at St. Paul Park, Minnesota.
- B. from Davenport (milepost 182.35) to Iowa City, Iowa (milepost 237.01).

7. St. Louis Southwestern Railway Company (SSW):

- A. from Brinkley to Briark, Arkansas, and at Stuttgart, Arkansas.
- B. at North Topeka and Topeka, Kansas.

8. Missouri Pacific Railroad Company (MP):

- A. from Little Rock, Arkansas (milepost 135.2) to Hazen, Arkansas (milepost 91.5).
- B. from Little Rock, Arkansas (milepost 135.2) to Pulaski, Arkansas (milepost 141.0).
- C. from Hot Springs Junction (milepost 0.0) to and including Rock Island milepost 4.7.
- D. from Wichita, Kansas (milepost 243.7) to Kechi, Kansas (milepost 235.9).

9. Norfolk and Western Railway Company (NW): is authorized to operate over tracks of the Chicago, Rock Island and Pacific Railroad Company running southerly from Pullman Junction, Chicago, Illinois, along the western shore of Lake Calumet approximately four plus miles to the point, approximately 2,500 feet beyond the railroad bridge over the Calumet Expressway, at which point the RI track connects to Chicago Regional Port District track, for the purpose of serving industries located adjacent to such tracks. Any trackage rights arrangements which existed between the Chicago, Rock Island and Pacific Railroad Company and other carriers, and which extend to the Chicago Regional Port District Lake Calumet Harbor, West Side, will be continued so that shippers at the port can have NW rates and routes regardless of which carrier performs switching services.

Recent Negotiations for Sale/Lease of Line Segments:

<u>Buyer</u>	<u>Location</u>	<u>Mileage</u>	<u>Most Recent Contact</u>
Alco Spring Industries	Pullman Line	5.2	1/19/82
Atlantic-Pacific	Bureau-Council Bluffs	432.7	6/18/82
Burlington Northern	Saginaw-Dallas	42.4	2/17/82
	Cadiz Yard	.8	
	Enid, Ok.-Wichita, Ks.	107.2	
	Burlington, Ia.	2.1	
	Peoria, Il.	7.7	
	Amarillo - Bushland	23.9	
	Joint Texas Division	211.1	
Cactus Feeders	Etter, Tx.	2.0	3/2/82
Centerville Rail Committee	Centerville, Ia.	6.5	7/21/82
Centrail	Enid-El Reno	59.9	6/9/82
Okarche Central	El Reno-Council	19.3	
S. Central Arkansas	El Dorado, Ar.-Ruston, La.	54.2	6/9/82
Chicago & North Western	St. Paul-Kansas City	429.4	7/7/82
	Iowa Falls-Estherville	86.8	
	Bricelyn-Ocheyedan	96.9	
	Dows-Forrest City	29.5	
	Royal-Palmer	49.0	
	Cedar Rapids	3.8	
	Hartley	0.1	
	Carlisle-Indianola	11.3	
	Hollis-Iowa Jct.	6.5	
	W. Davenport-Washington	64.0	
Chicago Short Line	S. Chicago	2.8	2/22/82
Cities Dallas/Ft. Worth	Dallas-Ft. Worth	32.0	5/24/82
City of Sibley	Sibley, Ia.	3.0	5/26/81
Evans Products	Davenport-Washington, Ia.	63.3	2/16/82

TOTAL 706.8 MILES  
 6.5 - SOLD TO CNW  
 64.0 - SOLD TO MILC

Elevator Facilities on Iowa Falls Gateway

Line Segment

1. City Zip Code

XX A. Facility (capacity) Manager, Address, Phone

└─ Car Capacity of Multiple Loading Facility

Little Rock to Rake

1. Little Rock 51243

A. Kruse Brothers Elevator Co. Alfred Kruse, 712/479-2253

B. Langel's Inc. (390,000 bu) Roman Langel, 712/479-2253

C. Little Rock Farmers Exch. (215,000 bu) L. G. Plum, P.O. Box 126, 712/479-2242

2. Sibley 51249

Farmers Coop. Elevator Co. (952,000 bu) Art Doeden, 1107 2nd, 712/754-2526

3. Allendorf 51330

N.W. Iowa Coop. (1,189,000 bu) Dan Noteboom, 712/754-2034

4. Ocheyedan 51354

50 Coop Elevator Association (1,612,000 bu) Vern Wittrock, 712/758-3621

5. Harris 51345

Harris Grain, Inc. (590,000 bu) Dean Pearson, 712/349-2123

6. Lake Park 51347

75 Farmer Exchange Coop (1,890,000 bu) Harold Nelson, 11 Market St, 712/832-3621

7. Montgomery 51353

Farmers Exchange Coop (203,000 bu) Shane Bush, Main St. Box 206, 712/336-3509

8. Spirit Lake 51360

Farmers Coop Assn. (245,000 bu) Roger Schwieger, Box 272, 712/336-2281

9. Superior 51363

75 Superior Coop. Elevator, Co (2,829,000 bu) Ivan Summa, 712/858-4491



## SPECIAL INSTRUCTIONS: SUBDIV 12B (Cont.)

## MAXIMUM WT:

Loads (gross weight of car and lading) 263,000 Lbs.  
(Except as shown below)  
Garner to Forest City 221,000 Lbs.  
Forest City to Buffalo Center 190,000 Lbs.

BRANCH LINE		SUBDIV 12C		DES MOINES DIV	
Footage Capacity		Station Numbers	WEST ↓ STATIONS ↑ EAST	M.P. from Cedar Rapids	
Sidings	Other Tracks				
.....	.....	55035	HAYFIELD JCT ..... 5.8	148.1	
.....	1000	55006	HAYFIELD ..... 0.5	153.9	
.....	.....	.....	C&NW Crossing ..... 5.5	154.4	A
.....	880	55012	CRYSTAL LAKE ..... 6.3	159.9	
.....	1040	55018	WODEN ..... 6.6	166.2	
.....	2100	55025	TITONKA ..... 24.7	172.8	

TRAINS AND ENGINES WILL OPERATE PER RULE 93  
RULE 10(i)(2) AUTHORIZED

FLAG PROTECTION DISTANCE ½ MILE (See Rule 99)

MAXIMUM SPEED: 10 MPH

## MAXIMUM WT:

Loads (gross weight of car and lading) 190,000 lbs.

BRANCH LINE		SUBDIV 13		DES MOINES DIV	
Footage Capacity		Station Numbers	WEST ↓ STATIONS ↑ EAST	M.P. from Cedar Rapids	
Sidings	Other Tracks				
.....	Yard	58184	ESTHERVILLE ..... 6.9	206.9	BCFRTW Yd*TO(N)
.....	6000	58191	SUPERIOR ..... 9.8	213.8	
.....	1500	58201	SPIRIT LAKE ..... 4.8	223.6	
.....	1500	58205	MONTGOMERY ..... 6.3	228.4	
.....	6850	58212	LAKE PARK ..... 5.9	234.7	CRW Yd*TO
.....	1500	58218	HARRIS ..... 5.4	240.6	
.....	2250	58223	OCHEYEDAN ..... 5.8	246.0	
.....	1650	58230	ALLENDORF ..... 5.6	251.8	
.....	4950	58235	SIBLEY ..... 0.2	257.4	Yd*TO
.....	.....	.....	C&NW Crossing ..... 7.4	257.6	UX
.....	1000	58242	LITTLE ROCK ..... 58.1	265.0	

FLAG PROTECTION DISTANCE 1 MILE (See Rule 99)

MAXIMUM SPEED: 25 MPH

## SPEED RESTRICTIONS

MPH  
MP 207 Pole 4 to MP 209 Pole 3 ..... 20  
MP 257 Pole 6 C&NW Crossing ..... 20

Do not exceed 5 MPH over track scale on elevator track Superior.

## SPECIAL INSTRUCTIONS

## SUBDIVISION 13

Rule 83: Lake Park for trains originating or terminating.

Overhead or side restricted clearances as follows:

Superior — Elevator spout

Yard Limits between opposing Yard Limit signs as follows:

Estherville — Eastward MP 207 Pole 26  
Lake Park — Eastward MP 236 Pole 6  
— Westward MP 234 Pole 4  
Sibley — Eastward MP 258 Pole 12  
— Westward MP 256 Pole 8

Railroad Crossing at Grade are protected by interlocking except as follows:

MP	Crossing	Remarks	Operated By	Normal Position Gates Against	Light Arrangement For	
					Stop	Proceed
257.6	C&NW	Electric Lock Gate	Trainmen	CR&P	Red	—

Industrial or spur tracks are located at:

Mile Post	Name	Footage Capacity
256.5	Sibley Concrete	300

## MAXIMUM WT:

Loads (gross weight of car and lading) 263,000 lbs.

Cars weighing from 221,000 pounds to 263,000 pounds (gross weight) are restricted as follows:

Br. No. 2583 Town Sibley speed 20 MPH

BRANCH LINE		SUBDIV 13A		DES MOINES DIV	
Footage Capacity		Station Numbers	WEST ↓ STATIONS ↑ EAST	M.P. from Cedar Rapids	
Sidings	Other Tracks				
.....	6850	58212	LAKE PARK, IOWA ..... 9.6	234.7	CRW Yd*TO
.....	500	58410	ROUND LAKE ..... 9.7	244.3	
.....	6550	58420	WORTHINGTON, MINN ..... 7.9	254.0	
.....	1450	58427	READING ..... 7.2	261.9	
.....	1000	58434	WILMONT ..... 6.2	269.1	
.....	1000	58441	LISMORE ..... 40.6	275.3	

TRAINS AND ENGINES WILL OPERATE PER RULE 93  
RULE 10(i)(2) AUTHORIZED

FLAG PROTECTION DISTANCE ½ MILE (See Rule 99)

MAXIMUM SPEED: 10 MPH

## SPECIAL INSTRUCTIONS

Rule 83: Lake Park for trains originating or terminating. Overhead or side restricted clearances as follows:

Worthington C&NW Overpass MP 253.2

Yard Limits between opposing Yard Limit signs as follows:

Lake Park — Eastward MP 236 Pole 6

## MAXIMUM WT:

Loads (gross weight of car and loading)

Lake Park to Lismore 220,000 lbs.

Cars weighing from 220,000 pounds to 263,000 pounds (gross weight) may be handled between Lake Park and Lismore at speeds not exceeding 10 MPH at the following locations:


M.P. 244.6 to M.P. 253.10

M.P. 264.3 to Lismore



CONFIDENTIAL

October 29, 1982

TO: D. M. Cavanaugh  
FROM: J. D. Darling   
RE: Rock Island Study

On Thursday, October 28, 1982, Mike Logan, Don Hegquist, John Benz, Charlie Chotkowski, and I had a brief meeting.

Charlie has set an appointment with Mr. Crago, International Vice President, UTU, Indianapolis, Indiana, for November 9, 1982. This meeting is to be preliminary, but the Rock Island and Soo Line general chairmen will also be present.

Charlie has also had a conversation with Mr. E. E. Blakesly, Vice President, BLE, Chicago, Illinois. The BLE is open to a new agreement, including changes in terminals. Their primary concern is to secure jobs for former Rock Island employees.

Mike Logan, Don Hegquist, and John Benz have completed the proposed schedule for trainmen and will furnish you with a copy today. The next step, as I see it, is to get Cliff Leary and your approval. Work has already begun on a similar agreement for enginemen.

JDD/jmz

cc: J. Benz  
C. J. Chotkowski  
D. J. Hegquist  
C. C. Leary  
M. R. Logan

10/29/82 CS Staffer

RI - cleaning out building of  
inventory

CNW - Master - off Nov. 1, 1982

CNW crews tying up at Mason City  
instead of Hardy.

RHS info?

OCT 29 1982

Minneapolis, Minnesota

October 28, 1982

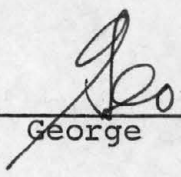
To: Mr. D. M. Cavanaugh

Fr: G. E. Warner

Subject - Attached

Dennis,

The attached represents the most comprehensive "overview" of the Employment At Will doctrine(s) without the complexity of cites to case law backup.

  
\_\_\_\_\_  
George

Att.

GEW:ar



- Conboy v. .... 327  
ision

..... 331

..... 345

..... 349

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## INTRODUCTION AND OVERVIEW

Joseph Barbash

August 19, 1982

As more people lose their jobs and have trouble finding new ones, what has been a trickle of dismissal cases may well become a flood. Discrimination cases already abound. The possibility of a discrimination lawsuit occurs every time someone in a protected group is terminated, and just about everyone is in a protected group. It had been thought that young, male, white Anglo-Saxon Protestants, unless handicapped or veterans, could not make a discrimination claim. But states like New York have passed statutes that prohibit discrimination against the young as well as the old,<sup>1</sup> and sex discrimination statutes clearly protect males. Even Americans apparently are protected against national origin discrimination by the U.S. subsidiaries of Japanese companies.<sup>2</sup>

Not every terminated employee in a protected group files a discrimination lawsuit, and not many employees obtain final judgments. But with the proliferation of these suits and the publicity given them, even executives feel they can get help in the courts when they think they have been dealt with unjustly. Thus today many non-union employees terminated or about to be terminated consult counsel about their rights,<sup>3</sup> and counsel have to answer hard questions about what the employee can do when it is clear that discrimination is not involved.

Twenty-five years ago throughout most of the United States the answer was easy -- but discouraging to the employee. Unless the employee had a written employment contract --



indeed in many states unless that contract was for a fixed term -- he or she had no right to keep the job.<sup>4</sup> Employment was presumed to be "at will", voluntary for the employee and for the employer. The employee could be fired for any reason -- provided it was not unlawfully discriminatory.

The non-union employee's vulnerability in the United States contrasted sharply with employee protections in other industrial nations. Most of these, by statutes enacted since World War II, provide damages for "unjust" or "unfair" dismissal, and several make reinstatement available.<sup>5</sup>

Hard cases, however, began to appear in some states in this country -- cases where discharge punished the employee for not violating the law<sup>6</sup> or for not submitting to sexual demands,<sup>7</sup> and the courts began to make new law. At the same time a series of articles in legal and other periodicals, notably by Professors Lawrence E. Blades and Clyde W. Summers, began to decry the vulnerability and to suggest new expansive approaches.<sup>8</sup>

Perhaps the most complete<sup>9</sup> analysis of the developments in this area appeared in the April 1981 Record of the Association of the Bar of the City of New York (reprinted below as Appendix A) as a Report by the Association's Labor and Employment Law Committee, of which Jerome B. Kauff was then Chairman. The Report (which was preceded by a symposium that filled the Association's Meeting Hall in June 1980) examines the history of the "at will" doctrine, the situation in other countries, the growing number of cases lapping away at the doctrine and the arguments for and against various new approaches. It concludes with a "minimalist" view that would keep the flood gates closed but provide remedies in the most appealing cases.

In October and November of 1981 the PLI conducted a program in New York and San Francisco on "Employment Law: New Problems in the Workplace."<sup>10</sup> This program, which attracted large audiences, featured a half-day

discussion of "employment at will" and "unjust dismissal", principally by Jerome B. Kauff and (in New York) by Professor Samuel Estreicher, one of the chief draftsmen of the Bar Association Report, and (in San Francisco) by Judge Joseph R. Grodin of the California Court of Appeals. The discussion generated special interest and led to the PLI's decision to explore the problems in greater depth and to provide the available materials to a larger audience in a new format.

Accordingly we have assembled several of the participants in the 1981 program (John D. Feerick, Jerome B. Kauff, Susan G. Tannenbaum, Roberta V. Romberg, Bruce McLanahan and Joseph Barbash), plus Laura Hoguet and Eva Robins. As in the 1981 program, we are trying to look at the problems as they arise for personnel officers, employers' counsel and employees' counsel. (These perspectives are not necessarily different, for in this area counsel for the employer sometimes becomes the vulnerable employee.) And as in the "Employment Law" program, hypothetical cases will be used to facilitate panel examination of the tough issues -- some of which have not yet arrived in the courts but confront employer decision makers and counsel for both sides. These hypothetical cases appear below.

The push for broadening the area in which employees can obtain relief for "unjust" or "unfair" dismissal is gaining momentum. Most academic writing favors it,<sup>11</sup> and little appears (except in some judicial opinions)<sup>12</sup> in opposition. As the Bar Association's report spells out, however, there is considerable debate on how far it should go and whether the courts, legislatures, private employers, or all three, should be the implementers of change.<sup>13</sup> This program will not join the debate. Instead it will attempt to provide information, analysis, prognosis and advice.

Any analysis or prognosis must take into account that the movement for change in this area is not a revolution, but part of an evolutionary or eroding process. Once the Supreme Court discarded the doctrine that the



concept of at will employment was constitutionally enshrined,<sup>14</sup> it freed Congress and the states to enact statutes that protected employees from discharge in a variety of situations. They have done so. The National Labor Relations Act, upheld in 1937, protects against discharges not only for union activity but also for "concerted activity" in general, which has been interpreted to include group protests when unions are not in the picture and even certain individual protests.<sup>15</sup> The NLRA also specifically protects, against discharge or other reprisals, employees who file charges or give testimony against their employer,<sup>16</sup> and similar anti-reprisal provisions now appear in a host of other statutes affecting employees.<sup>17</sup> State and federal discrimination statutes accelerated the process in the sixties and seventies by providing specific protections from discharge based on race, sex, color, religion, national origin,<sup>18</sup> age<sup>19</sup> or handicap<sup>20</sup> and, in most cases, from reprisals for filing charges.<sup>21</sup>

In the meantime, the surge in unionization that followed the NLRA brought a significant portion of the work force under collective bargaining agreements that either prescribe explicitly that discharges could be only for "just cause" or "cause", or are interpreted to imply such protection.<sup>22</sup> Approximately half of the discharges arbitrated under these agreements result in reinstatement of the employee.<sup>23</sup>

The protective legislation and the wholesale reinstatement of discharged employees under collective bargaining agreements does not mean that "employment at will" is as moribund as "caveat emptor". It does mean that the concept is now severely limited by statutes designed to carry out specific public policies and by union contracts that make employment "at will" for the employee but not for the employer.

These developments, moreover, have profoundly affected the climate of employment throughout the entire American economy at every level. To begin with, most employers are not arbitrary in their personnel decisions; a sense of fairness is part of the American ethic and

rationality is usually good business. Now, in addition, employers are constantly reminded that being arbitrary can get them into trouble. The issue in discrimination cases, of course, is not whether the employer had just cause to discharge the employee.<sup>24</sup> Theoretically an employer can be arbitrary and unfair in dealing with members of any protected group as long as it treats members of the unprotected group in a similar manner and the adverse impact on the protected group is not disproportionate. As a practical matter, however the employer must come up with evidence in every discrimination case that it acted in good faith and for a good reason, and it must do so whether the ultimate burden of proof is on the employer or the employee. It is far easier for employees to prove that the employers would not have discharged them but for their union activity, or their race, or their national origin, or their sex, if the employer does not have a rational basis for its actions, and the irrational employer has difficulty in persuading a tribunal that it would have discharged the employee regardless of forbidden considerations.

Similarly, the impact of "just cause" is not confined to union plants. Non-union plants often become unionized when the employees feel that a union is their only defense against arbitrary action. To forestall this some non-union employers have grievance and appeal procedures of varying degrees of formality in which the issue is "just cause", "cause" or fairness.<sup>25</sup> Many of these, of course, are institutionalizing a fairness that is already there, but might not be fully perceived by the employees.<sup>26</sup>

Also, in states where unemployment insurance is not payable when an employee is at fault, the factual inquiry is not too different from that in a "just cause" case, and employers and employees become involved in the reasonableness of employer decisions. Indeed, to a limited extent issues of cause may arise in antitrust cases where some courts have permitted employees to sue for triple damages when they allegedly were terminated for refusal to participate in antitrust violations.<sup>27</sup>

All of these inquiries contribute to a diminished perception of the employer as the court of last resort and this change of perception is likely to have several results in connection with "unjust dismissal". First, more and more terminated employees will attempt to assert claims for unjust dismissal. Second, practically every discrimination claim will be coupled with an unjust dismissal claim, almost certainly if there is any question about whether statutory time limits were met in filing the discrimination claim. Third, although employers will continue to move for summary judgment on unjust dismissal claims, judges will be increasingly reluctant to grant the motions. Fourth, some employers are likely to set up discharge review systems even for supervisory employees or, perhaps, executives, particularly if there is concern about the potential publicity of an "unjust dismissal" court proceeding that would involve allegations of corporate wrongdoing in other areas, e.g., improper payments or antitrust violations. Fifth, many employers, apprehensive about the costs and outcome of litigation, may run scared in making close personnel decisions, as have some employers in unionized plants. Sixth, any constraints on discharge are likely to be carried over, though perhaps to a lesser degree to other personnel decisions -- such as pay increases, promotions and demotions, or transfers to undesirable jobs or places. If new "unjust dismissal" legislation<sup>28</sup> is passed, of course, the problems for employers will be exacerbated and the opportunities for claimants will be enhanced depending on whether the statutory standard is "just cause", "unjust", "unfair", "arbitrary denial" -- and who has the burden of proof.

The climate for judgments on legislation and judicial extension, however, has other countervailing ingredients. Increases in litigation potential are not looked on favorably these days by legislators or the appellate judiciary as courts struggle with the tremendous upsurge brought about by new regulatory statutes, procedural "reforms" such as expanded class actions, and universal litigiousness. At the same time we are becoming acutely cost con-

scious as a nation in the face of prohibitive interest rates, and we are becoming belatedly aware of the destructive impact of our declining productivity. Thus, while most people will agree that fairness is desirable, they will also recognize that assuring fairness carries a price. Throwing into the judicial fishbowl those personnel decisions not already subject to scrutiny may carry large costs -- the costs of careful substantiation and record keeping, the costs of retaining the marginally non-productive, the cost of endless litigation.

For these reasons and because, as has been observed,<sup>29</sup> the groups that would be protected are not sufficiently aroused or homogeneous to have political clout, it is not likely that much legislation will be enacted in the immediate future. It is also unlikely that many courts will go as far as has been suggested, e.g., to make all discharges subject to "just cause" review. But there is no doubt that the courts will intercede in some situations, and there is little doubt that employers can do some things to reduce their risks.

We therefore present these materials in the hope that we can help you recognize when you may have a case or a problem and how the courts are likely to look at them, including the standards that might be applied, how these standards are applied in other situations and how the problems can be avoided or minimized.



1/28/82

Les Holland

La St Legislative Board Chairman

John D. Giblin

Manly IA

503

Linden St.

50455

Legislative Director

BLE

515-454-2848

RE Engineer CNW

Met with TMB, DMC, RHS

200 people from 500 vs. CNW

Assisting in financing

Can come to Minneapolis, met as BLE  
representative.

Another meeting at West Bend, TMB

New Issues

October 27, 1982

## Federal Farm Credit Banks

The Thirteen Banks for Cooperatives  
The Twelve Federal Intermediate Credit Banks  
The Twelve Federal Land Banks

### Consolidated Systemwide Bonds

9.00% \$1,718,000,000

CUSIP NO. 313311 GQ 9

Dated November 1, 1982

Due May 2, 1983

9.20% \$895,000,000

CUSIP NO. 313311 GW 6

Dated November 1, 1982

Due August 1, 1983

Interest on the above issues payable at maturity

Price 100%

The Bonds are the secured joint and several obligations of The Thirty-seven Federal Farm Credit Banks and are issued under the authority of the Farm Credit Act of 1971. The Bonds are not Government obligations and are not guaranteed by the Government.

BONDS ARE AVAILABLE  
IN BOOK-ENTRY FORM ONLY.

### Federal Farm Credit Banks

Fiscal Agency  
90 William Street, New York, N.Y. 10038

Peter J. Carney  
Fiscal Agent

This announcement appears as a matter of record only.



## Financing Business

### Motorola Inc. Offers Two Million Shares

By a WALL STREET JOURNAL Staff Reporter

NEW YORK—Motorola Inc. said it is offering two million common shares at \$80.75 each.

The maker of electronics and communications equipment is selling 1,603,633 shares, with proceeds to be used to reduce commercial paper debt. Goldman, Sachs & Co. is selling the remaining shares, which it acquired from the company in a swap for debentures outstanding held by Goldman. Motorola intends to record the gain resulting from the swap as an extraordinary item in the fourth quarter.

Goldman is managing the underwriting group that is handling the sale. Before the sale, Motorola had about 36.1 million shares outstanding.

\* \* \*

### RCA Unit Shelf Filing Of Debt Takes Effect

By a WALL STREET JOURNAL Staff Reporter

NEW YORK—C.I.T. Financial Corp., a unit of RCA Corp., said its recent filing of a shelf registration statement with the Securities and Exchange Commission covering the sale of \$500 million of debt securities, has become effective.

The securities may be sold directly by the company to purchasers, or through agents, dealers, or underwriters. The underwriters may include Dillon, Read & Co. and Salomon Brothers Inc.

The company, a financial services concern, said it will use proceeds to reduce short-term debt.

\* \* \*

### Tyler Corp. Shelf Files 3.3 Million Warrants

By a WALL STREET JOURNAL Staff Reporter

DALLAS—Tyler Corp. said it filed a shelf registration with the Securities and Exchange Commission covering the sale of up to 3.3 million warrants, exercisable at a rate of one common share for each warrant.

The company said the warrants are to be

This announcement

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Bache Halsey Stuart Shie  
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Blyth Eastman Paine W  
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Drexel Burnham Lambe  
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Kidder, Peabody & Co.  
Incorporated

Merrill Lynch White Wel  
Merrill Lynch, Pierce, F



October 25, 1982

TO: T. M. Beckley  
D. M. Cavanaugh  
C. H. Clay  
R. H. Smith  
R. L. Murlowski  
~~D. J. Boyer~~  
J. D. Darling

FROM: B. D. Olsen


RE: Rock Island Trustee's Report

I attach a copy of the Trustee's report for the two month period ending August 31, 1982. It is longer than usual because, in addition to the usual description of "progress" being made in disposing of the estate, a section on assumptions and projections being used for reorganization planning is also included. This appears to be a more thorough look at the current financial condition of the estate. It includes projected proceeds from rail line sales in the future. Some of the information may be useful in our further negotiations with the Trustee.

BDO/sjp  
Attachment

October 25, 1982

Memorandum to File

From: D. J. Boyer 

Re: Rock Island Study  
Omaha Bank for Cooperatives

I received a telephone call from Mr. K. Hide, Senior Loan Officer above bank.

Conversation by Ken Hide centered on a visit to the bank on Thursday, October 21 by representatives of the Chicago & North Western. Chicago & North Western representatives were T. A. Tingleff, Vice President-Finance, and J. W. Conlon, Senior Vice President-Planning. The object of their visit to the bank was to secure financing sources for the C&NW ventures. It was understood by Ken Hide to be acquisition of Rock Island trackage in Iowa.

Ken Hide understood from conversation with C&NW representatives that Soo and the C&NW made approximate same dollar offer to the Rock Island Trustee. C&NW representatives indicated the Rock Island Trustee was going to "do something within the next six months time". This was understood by Hide to be a negotiated sale.

Ken Hide indicated to C&NW representatives that the bank would review the C&NW request; but the heavy debt may be a barrier to financial assistance.

Ken Hide stated no discussion or questions relative to Soo surfaced during the course of their visit.

Discussion with Ken Hide turned to present status of the project to identify real estate of Iowa users presently leased from the Rock Island Trustee. The bank is accumulating the information from leases it has within the bank and the association of membership is polling other interested rail users on leased Rock Island real estate. The bank and its members may even consider including all non-rail real estate simply to get it out of the Rock Island Trustee's control. I will call again next week for progress in this matter.



Memorandum to File  
October 25, 1982  
Page Two

Ken Hide reported a discussion between bank customers and Agri Industries representative which relates to Soo position on car hire for association membership freight cars. He stated that a week or two ago a Soo traffic representative in a discussion with Agri Industries representative, had left the impression that Soo would "pick up the per diem and mileage on 3,000 shipper owned hopper cars which are in use on Iowa lines". His direct question to me was for confirmation of this Soo position. I advised that I cannot confirm and I am not aware of such a position by Soo. I pointed out that privately owned cars collect only mileage - not per diem as he indicated.

Ken Hide requested whether it would be possible to get back to him with clarification of Soo position with respect to car hire. I advised that I would make an effort to do so.

cc: T. M. Beckley

10/24/82

Harvey Simms

Chase Bay, Oak Brook IL

Chairman IA DOT Commission

Director IA DOT

Governor of Iowa

Mr. Wolfe

Mr. Gibbons

Mr. Sullivan, FRA

Mr. Shiplebin, ICC

Sibley, IA

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Sea Shipper support

Chief Dispatcher CNW

Les Rous IANR

\$75,000,000

Reassess RT tenderage


Zitto - \$100,000,000 cash in  
inking fund

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BLE legislative rep - RT employees  
- defer wages

CONFIDENTIAL

October 22, 1982

TO: D. M. Cavanaugh  
FROM: J. D. Darling   
RE: Rock Island Study

On Thursday, October 21, 1982, Cliff Leary, Mike Logan, Don Hegquist, Charlie Chotkowski, and myself met to review the progress toward drafting potential labor agreements for the proposed Rock Island acquisition.

Charlie Chotkowski reported on his investigation into the labor conditions that might be imposed by the ICC. A copy of a letter from George Warner to Byron Olsen requesting confirmation of the findings is attached.

At this time, the situation appears to be as follows:

1. If the Soo Line and labor organizations have negotiated contracts prior to the Soo Line seeking ICC operating authority, the ICC is required to approve these contracts. These contracts would have to address hiring, protection and work conditions.
2. In the absence of a previously negotiated contract, it is anticipated that hiring would be in accordance with the Rock Island Employee Assistance and Transition Act, and that the ICC would impose New York Dock protection conditions on the Soo Line, MN&S, and new employees, and that the ICC would also impose Soo Line or Rock Island work rules and wage rates.

George Barker and Warren Peterson are considering the need for changes in the agreements covering organized employees in their areas. A seven day rip track agreement is desired by the Mechanical Department.



D. M. Cavanaugh  
Page Two  
October 22, 1982

An initial draft contract for trainmen is more than one-third (1/3) complete and should be ready late next week. Some of the concepts being considered in drafting this contract are listed as follows:

1. A single roster for conductors, trainmen, yard conductors, and switchmen.
2. A new hire would have six months or a specified number of days of service to qualify as a conductor.
3. Conductors would also have to qualify as engineers within one year, or a specified number of days of service.
4. The carrier would have the ability to control work assignments to insure adequate employee experience.
5. Crew size determined by local supervision as conditions warrant.
6. No organizational barriers to holding seniority on multiple rosters. For example, conductors might also qualify as agents or clerk operators, or even sectionmen. The carrier would provide the opportunity for training.

The next meeting to review progress in this area is scheduled for 1:15 p.m., on Monday, November 1, 1982, in the Fourth Floor Conference Room.

JDD/jmz

cc: C. C. Leary           )  
     M. R. Logan         )  
     D. J. Hegquist     ) with attachment  
     C. J. Chotkowski)

OCT 22 1982

October 22, 1982

TO: T. M. Beckley  
D. M. Cavanaugh  
R. H. Smith  
D. J. Boyer

FROM: J. D. Darling JDD

RE: Rock Island Study

Attached are two articles dated September 21, 1982 that I recently received from Les Holland of the Iowa DOT.

JDD/jmz

Att. (2)

Record-Herald & Tribune  
Cir. 5.085  
Indianola, Ia 50125

SEP 2 1962

# Laverty Elevator officials 'neutral' on bidding for rail line

By Debbie Miller

Officials at Laverty Elevator, Inc. are cautious about voicing support for either of the two railroad companies vying to purchase the rail line Laverty depends on for grain hauling.

Last week, the Soo Line Railroad Company made an offer to buy the railroad tracks that run by Laverty Elevator in Indianola, plus the north-south main line through Iowa and 200 miles of branch lines in central and northern Iowa. Those lines are now owned by the defunct Rock Island Lines.

## Bidding War

By submitting the offer, Soo Line entered a bidding war with North Western Railway. North Western has been operating the Rock's main line and the branch lines since May 1960 under a lease arrangement with the railroad's bankruptcy trustee. North Western has been negotiating with the trustee to purchase those lines.

North Western has provided

good service along the branch line Laverty uses from its elevator north to Carlisle, according to John Landon, grain and transportation manager at Laverty.

"I feel we have had excellent service since North Western took over the line from the bankrupt Rock Island," Landon said.

In fact, Landon said North Western's service has been better than what Rock Island provided.

## Neutral on Issue

But neither Landon nor elevator owner Charles Laverty would say which railroad company they support as the future owner of the line.

"I'm just completely neutral on this affair," Landon said.

He added, "I feel there are advantages for a rail line to have proper maintenance from a permanent owner. Therefore, it would be an advantage for someone to buy it."

Charles Laverty said he is glad there is bidding com-

petition between two railroad companies. North Western has been alone in bidding for the purchase the past two years and negotiations had come to a standstill.

Laverty said the new interest in the rail line "improves Indianola's chances for keeping the railroad from here on out."

He said he and other grain elevator officials are neutral on the issue.

"Mainly we're interested in good service," he stated. "We look forward to doing business with either railroad."

Laverty has been told the sale could be resolved by the first of next year. The new owner will be decided by the Rock's trustees and the bankruptcy court judge, he added.

## Rail Service

In the meantime, the elevator is expecting rail service as usual this harvest season. Landon said the line is in very good condition and will be able to handle the volume of grain Laverty expects to ship this fall.

Extensive repairs were made on the line running to Laverty last summer.

The elevator has been shipping an average of 1,000 railroad cars a year, or 3½ million bushels of grain, Landon reported. He expects to ship at least that amount this year.

Laverty depends entirely on the rail line to haul its grain. But a collapse of the rail line would not mean the end of the elevator, Laverty said.

"The rail line certainly means a lot to the agricultural community of Indianola," he said. "If we didn't have the line, then we'd have to change to a truck operation, rather than rail."

The Soo Line, based in Minneapolis, Minn., would be a newcomer to Iowa if the Rock Island purchase goes through. It currently operates rail lines in seven Midwestern states. The North Western is the largest railroad in Iowa.

The amount of the railroad company's bid was not disclosed.



# Soo Line bid on Rock Island is welcomed by grain shippers

By James Q. Lynch

An offer by the Soo Line Railroad Company to buy 650 miles of the Rock Island railroad track, including that portion in Hardin County, is welcome news to area elevator operators.

Mike Abildtrup, general manager of the Iowa Falls Farmers Cooperative Elevator Company, and Marv Nygaard, manager of the Hubbard Farmers Cooperative Elevator Company, agree that the offer by the Soo Line may speed up the sale of the Rock Island tracks.

The Rock Island tracks are lifelines for several country elevators in northern Iowa, especially those between Iowa Falls and Ocheyedan. But for the last two years, ever since the Rock Island went bankrupt, those elevators have not had guaranteed service. The Chicago and North Western railroad has been operating on the Rock Island's tracks, but only on a month-to-month basis.

However, last week the Soo Line offered to buy the Rock Island's tracks from Kansas City, Mo., to Northfield, Minn., and from Iowa Falls northwest to Ocheyedan. Although no purchase price was discussed by Soo Line officials, it is thought that the company offered between \$75 million and \$100 million. If those estimates are correct, the Soo Line has offered more than the Chicago and North Western, which offered \$60 million for the tracks.

Monday both railroad companies were on hand at a meeting of the Gateway Shipper's Association to make their pitches to companies which rely on the Rock Island tracks to ship their merchandise and products.

"THE BEST THING is that now we have two bidders for the Rock Island," Nygaard said. "That should hurry up



The dotted lines represent the Rock Island tracks the Soo Line and the Chicago and North Western are interested in purchasing.

the process of getting the tracks sold. I think the Rock Island was at an impasse with the North Western offer. Now with the second bidder they have a better idea of the true value of the tracks."

Abildtrup sees the situation in the same way. "I hope this second offer will get things moving. It should knock things off dead center and get things moving."

Although neither Abildtrup nor Nygaard have a favorite in the bidding at this point, they are both satisfied with the service the Chicago and North Western has provided. The Chicago and North Western, Iowa's largest railroad, has been operating on the Rock Island's main lines and branch lines under a lease agreement with the bankruptcy trustee in Chicago. During

that time it has kept open its offer to buy the tracks.

Abildtrup said that in addition to the \$60 million the Chicago and North Western offered the Rock Island, it had intended to spend as much as \$80 million to rehabilitate and upgrade the track. The company said it expected an annual return of \$2 million on the tracks.

Rehabilitation of the tracks is important to Abildtrup who points out that for the last two years the Chicago and North Western has been maintaining the tracks, but not improving them. "They've just been patching over things," he said and compared the situation to that of a renter who doesn't want to invest his own money improving someone else's property.

Some railroad industry analysts believe the Soo Line has the inside track

on buying the Rock Island because of its debt ratio — about one-third that of Chicago and North Western — and its profit picture — the Soo Line posted a \$6 million profit in the first quarter of the year while the Chicago and North Western lost more than \$7 million. The Soo Line is the American arm of Canada's largest corporation, Canadian Pacific, Ltd.

ABILDTRUP HAS SOME unanswered questions about the Soo Line, however. The Soo Line has little experience with grain unit trains, but Abildtrup doesn't think that would present a problem.

"Whoever gets the line will need experience in unit trains," he said. "There's probably more bushels loaded per mile in this part of Iowa than anywhere in the nation."

What may present a problem, according to Abildtrup and Nygaard, is the Soo Line's lack of connections to the Mississippi River. "They could probably work around it by making

(MORE)

Soo line

(con't.)

38

reciprocal agreements with another railroad to use their lines like the Milwaukee Road or even the Chicago and North Western," Nygaard said.

Abildtrup agreed that the Soo Line should be able to work out something, but wonders if it will make shipping costlier.

The Hubbard and Iowa Falls elevators don't ship to the river on a regular basis, according to their managers. Right now most of the grain is being shipped to the southern poultry producers. During export years, the grain goes by rail to the Gulf of Mexico, they say.

Abildtrup thinks that at some point the Gateway Shippers Association will get behind either the Soo Line or the Chicago and North Western. But the shippers will have to get more information before they do that.

"Right now North Western is saying 'We've come in here and operated on the Rock Island track; we've given you service and paid our lease and deserve

your vote of confidence,'" Abildtrup said. "I can't disagree with that, but I don't know enough about the Soo Line to make a decision right now."

THE ELEVATOR MANAGERS think the Chicago and North Western may have an advantage now because they have been operating in Iowa (the Soo Line has no tracks in Iowa at this time) and shippers are familiar with their service. "It's even better than when the Rock Island was in business," Nygaard said.

But Nygaard isn't sure that the shippers' opinions will carry much weight.

"I think the Rock Island's trustee will look at both offers and make a decision based on what's best for the Rock Island, not the shippers," Nygaard said.

Abildtrup and Nygaard have no idea when the Rock Island's trustee will make his decision. The sale of the tracks is subject to the approval of the Interstate Commerce Commission.

Journal  
Sioux City, IA 51102

SEP 21 1982

## // The rail strike

Most people reacted with surprise when the nation's railroad engineers went out on strike Sunday. In the first place, there was not all that much attention paid to negotiations between the railroads and the Brotherhood of Railroad Engineers. Secondly, the pattern of labor negotiations during this recessionary period has been to avoid strikes (the current local situation at IBP notwithstanding).

Regardless of surprise or lack of attention, the necessity is for a quick resolution on this strike. Negotiations had been resumed again on Monday, but the rhetoric was unyielding. This labor crisis is a lot like most labor crises in that it is impossible to judge the situation unless one is sitting at the negotiating table. The engineers, for instance, are saying that the main hurdle to a settlement is the industry's insistence for a "no strike" clause in the proposed contract. But the industry's chief negotiator says the main issue is money.

The effects of a long-term rail strike are not hard to imagine. The entire economy will be affected, and this at a time when the country is just beginning to pull out of the recessionary

doldrums.

Already, the auto industry and the coal industry are being hurt. South of Siouxland, farmers will immediately feel the effects. And north of us, Dakota wheat farmers are concerned, although the pattern of recent years has been to truck much of the grain harvest to the port of Duluth.

For Siouxland farmers, the rail strike right now is just one more problem to worry about. Their immediate concern, of course, is for continuing sunshine and ripening weather. But once that worry has passed, the necessity will be for transportation to move the harvest.

So let's hope this is a quick one. Let's hope that the president and Congress will move on emergency legislation to halt the strike if the negotiators can't resolve the issue.

No strike comes at a "good" time; that's the leverage that any union has. But there are legal approaches to a rail strike that can be taken. And we'd think both administration and Congress are ready to move in that direction.

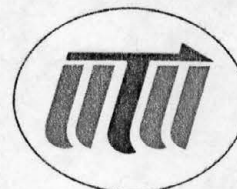


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CLEVELAND, OHIO 44107

*R. M. Crago - Vice President • Consolidated Rail Bldg., 31 E. Georgia St., Rm. 202 • Indianapolis, IN 46204  
Bus. Phone: (317) 634-9228 • Res. Phone: (317) 862-6149*

October 22, 1982

SOO LINE RAILROAD  
RECEIVED

OCT 29 1982

OCT 27 1982

Mr. G. E. Warner, Director  
Labor Relations  
Soo Line Railroad Company  
Soo Line Building  
Box 530  
Minneapolis, Minnesota 55440

DIRECTOR OF LABOR RELATIONS

RE: Purchase R.I. Line

Dear Mr. Warner:

This will acknowledge receipt of and thank you for your letter to me under date of October 15, 1982, with attached Soo Line News release dated September 14, 1982.

I shall be in your office at 10:00 a.m., November 9, 1982, as suggested in your letter, for an exploratory meeting concerning the above-captioned matter.

Thank you very much for your prompt reply and looking forward to meeting you, I remain,

Very truly yours,

*R. M. Crago*  
R. M. Crago  
Vice President

RMC:js

cc: Mr. F. A. Hardin, President  
Mr. R. Tambaro, G.C., Former R.I.  
Mr. M. Alamphrese, G.C., Former R.I.  
Mr. J. E. Beyer, G.C., Soo Line  
Mr. R. L. Kaminen, G.C., Soo Line

Brothers:

Please feel free to attend this meeting if you desire.

Fraternally yours,  
R. M. Crago, Vice President

*DMC*  
*Note/recipient of cc*  
*interesting.*  
*JGW*



FRED A. HARDIN  
International President

R. R. BRYANT  
Assistant President

JOHN H. SHEPHERD  
General Secretary and Treasurer

**united**  
**transportation**  
**union**



14600 DETROIT AVENUE  
CLEVELAND, OHIO 44107  
PHONE: 216-228-9400

*Warner*

October 5, 1982

Mr. R. M. Crago, Vice President  
3822 Wildwood Drive  
Indianapolis, Indiana 46239

Re: Purchase of certain former Rock Island  
trackage by Soo Line Railroad

Dear Sir and Brother:

At the appropriate time, this will serve as your authority to meet with Soo Line Management in connection with that railroad's purchase of former Rock Island trackage with the endeavor to put forth every effort to see that the Soo Line Railroad complies with the March 4, 1980 Agreement to provide protection for the former Rock Island employees.

With kindest regards, I am

Faternally yours,

*Fred A. Hardin*

President

cc: Mr. M. R. Alamprese, Chairman  
Mr. R. P. Tambaro, Chairman  
GCA, Chicago, Rock Island and Pacific



U.S. Department of  
Transportation

**News:**

Office of Public Affairs  
Washington, D.C. 20590

*DJB*  
*JDD*

FOR IMMEDIATE RELEASE

Friday, October 22, 1982

FRA 20-82

Contact: John R. Winston

Tel.: (202) 426-0881

**FRA AWARDS \$26 MILLION IN  
GRANTS DURING FY 1982 FOR  
LOCAL RAIL FREIGHT SERVICE**

Federal Railroad Administrator Robert W. Blanchette has announced the award of approximately \$26 million in grants during Fiscal Year 1982 to help 46 states preserve local rail freight service.

Almost \$23 million was awarded to 37 states for rail facility improvement projects, including the rehabilitation of 690 miles of line and the construction of projects to help connect shipper facilities on abandoned rail lines to viable rail systems.

In addition, 31 states and the District of Columbia received a total of \$3 million to continue their rail planning efforts. Both the project and planning grants were awarded under the FRA's Local Rail Service Assistance program.

"These funds will help ensure continuation of the most essential local rail freight lines as feeders to the national rail system," Administrator Blanchette said.

Following is a list of the various states involved and the FY 1982 funds received.

Persons seeking more information should contact the Office of Public Affairs, FRA, 400 Seventh Street, S.W., Washington, D.C. 20590.

- more -

U.S. Department  
of Transportation

**Federal Railroad  
Administration**

400 Seventh St., S.W.  
Washington, D.C. 20590

Official Business  
Penalty for Private Use \$300

Postage and Fees Paid  
Federal Railroad  
Administration  
DOT 516



DT-32Ca  
L H Murray, Pres  
Soo Line Railway  
PO Box 530  
Minneapolis MN 55440

FISCAL YEAR 1982  
LOCAL RAIL SERVICE ASSISTANCE GRANTS

<u>STATE</u>	<u>OBLIGATION</u>
ALABAMA	\$ 350,000
ALASKA	100,000
ARIZONA	350,000
ARKANSAS	622,174
CALIFORNIA	100,000
COLORADO	412,300
CONNECTICUT	100,000
DELAWARE	77,074
DISTRICT OF COLUMBIA	100,000
FLORIDA	350,000
GEORGIA	138,955
IDAHO	350,000
ILLINOIS	1,787,152
INDIANA	100,000
IOWA	3,185,815
KANSAS	100,000
KENTUCKY	355,003
LOUISIANA	382,858
MAINE	350,000
MASSACHUSETTS	100,000
MICHIGAN	693,630
MINNESOTA	1,677,181
MISSISSIPPI	615,351
MISSOURI	928,867
MONTANA	1,223,049
NEBRASKA	765,102
NEVADA	350,000
NEW HAMPSHIRE	350,000
NEW JERSEY	328,542
NEW MEXICO	350,000
NEW YORK	503,298
NORTH CAROLINA	350,000
NORTH DAKOTA	1,766,028
OHIO	920,406
OKLAHOMA	1,454,861
OREGON	350,000
PENNSYLVANIA	100,000
SOUTH DAKOTA	1,238,756
TENNESSEE	392,754
TEXAS	100,000
UTAH	100,000
VERMONT	350,000
VIRGINIA	350,000
WASHINGTON	776,788
WEST VIRGINIA	350,000
WISCONSIN	100,000
TOTAL	\$25,895,944



10/22/02 Bill Sells

Concrete ties,

Cement type slab

OTM, rail

financing available

Shells, ~~as~~, ~~as~~

Wear plates

AAR specs.

Use old bid as indication of  
prices and financing

Minneapolis, Minnesota  
October 21, 1982

PERSONAL & CONFIDENTIAL

TO: Mr. B. ~~D.~~ Olsen  
FROM: G. E. Warner *GEW*  
RE: ROCK ISLAND STUDY

Labor Relations has been requested to determine whether the I.C.C. could impose labor protective conditions in the event the Soo Line did acquire the Rock Island line to Kansas City, and if so, what conditions likely would be imposed.

After discussions with your office, we have reviewed the pertinent documents in the Southern Pacific/Cotton Belt acquisition of the former Rock Island Tucumcari line, which is the only acquisition of a significant portion of former Rock Island trackage by a major railroad of which we are aware.

We conclude that Soo Line's acquisition of the line to Kansas City would be subject to I.C.C. approval under the Interstate Commerce Act, 49 USC 11343, and therefore the Commission would be obliged to impose employee protective conditions under 49 USC 11347, unless the parties executed their own labor protection agreements. In the absence of such agreements, the Commission has indicated the so-called New York Dock conditions (360 ICC 60) as the standard to be imposed.

The Soo Line is not a party to the Milwaukee--Rock Island labor protective agreement dated March 4, 1980, and executed by most midwestern roads, which is sometimes referred to as the "Hiring Agreement" or the "Miami Accord." This agreement came to the notice of the I.C.C. in the matter of the Cotton Belt seeking temporary authority to operate the Rock Island line between Memphis, Tenn., and Alexandria, La., St. Louis S.W. Ry. Co. -- Temp. Authority -- Chicago (360 ICC 729), wherein the Commission concluded (at 738):

We have reviewed the negotiated labor protection agreement and find that it adequately safeguards the interests of affected employees. We commend the parties for negotiating a mutually acceptable private solution to the RI labor situation and encourage the development of similar negotiated settlements whenever possible in the future. Accordingly, we shall incorporate by reference the negotiated labor protection agreement --and any subsequent amendments to it--as the appropriate level of employee protection in this proceeding.



Mr. B. D. Olsen  
October 21, 1982  
Page 2

The Commission also caused the entire March 4, 1980 Agreement to be reproduced as an appendix to its decision (360 ICC at 744-751).

The matter of labor protective conditions again was addressed by the I.C.C. in its decision approving acquisition of the Tucumcari line (F.D. No. 28799, served June 10, 1980). The Commission appears to consider the March 4, 1980 conditions as a lesser standard of protection agreed to by labor as an incentive for the carriers to purchase former Rock Island trackage. The issue came up in connection with S.P. employees not covered by that agreement:

It is obvious that labor negotiated the Hiring Agreement with various carriers in an attempt to provide as many of its members with jobs as possible. Few carriers seemed willing to purchase portions of RI or Milwaukee in large part due to the expenses of labor protection. In order to give carriers an incentive to purchase RI and Milwaukee lines, and thus hire RI and Milwaukee employees, RLEA agreed to the Hiring Agreement level of protection for affected employees of the hiring carrier in the same seniority districts. It does not follow, as SP would have us believe, that all other affected SP employees should be limited to that protection.

In its order approving the Tucumcari acquisition, the Commission, inter alia, ordered:

12. Employees of Southern Pacific Transportation Company, St. Louis Southwestern Railway Company, and Chicago, Rock Island and Pacific Railroad Company affected by this transaction who are not specifically covered by the Labor Protective Agreement Between Railroads Parties thereto Involved in Midwest Rail Restructuring and Employees of such Railroads Represented by the Rail Labor Organizers Operating Through the Railway Labor Executives' Association shall be entitled to the standard level of protection enunciated in New York Dock Ry. - Control - Brooklyn Eastern Dist., 360 I.C.C. 60 (1979), unless an agreement is entered prior to acquisition, in which case protection shall be at the negotiated level.

Accordingly, we conclude that in the event the Soo Line sought approval to acquire Rock Island trackage, and the Soo Line neither adhered to the March 4, 1980 Agreement nor negotiated a substitute agreement, the I.C.C. would impose New York Dock conditions.

Please review the above conclusions and advise if our understanding is correct. Also advise if there have been any new developments since 1980.

cc: Mr. J. D. Darling



10 1/2 1/2 TMB, DMC, BDO, JTH, WM, JDD, RLM, DDB,  
CHC

\$10,000,000 ahead of CHC

State money for MILW



BROTHERHOOD OF LOCOMOTIVE ENGINEERS  
IOWA STATE LEGISLATIVE BOARD

JOHN G. GIBLIN,  
Chairman  
503 Linden St.  
Manly, Iowa 50456

October 20, 1982

OCT 22 1982

Mr. Dennis M. Cavanaugh  
Executive Vice President  
Soo Line Railroad Company  
Soo Line Building  
Minneapolis, Minnesota 55440

Dear Mr. Cavanaugh,

I thank you for taking the time to meet with us at the Iowa Department of Transportation meeting in Ames. If the Soo Line is successful in its negotiations with the trustee of the Rock Island Railroad, I hope I will have the opportunity to work for your company and to assist in any way through my position as Legislative liaison with the Brotherhood.

I've enclosed three letters which speak for my efforts to work with management so that all can benefit.

Best wishes in your endeavor to acquire the Rock.

Sincerely,

*John Giblin*  
John G. Giblin



REGION VII

DEPARTMENT OF TRANSPORTATION  
REGIONAL REPRESENTATIVE OF THE SECRETARY

ROOM 634, FEDERAL BUILDING  
601 EAST 12th STREET  
KANSAS CITY, MISSOURI

August 20, 1980

TO WHOM IT MAY CONCERN:

This letter is to transmit my personal recommendation as to the character and ability of John Giblin.

I have known Mr. Giblin since my days in the Iowa legislature when I was chair of the Iowa House Transportation Committee and John was legislative representative for the Brotherhood of Locomotive Engineers. In his capacity as lobbyist for the BLE, John spent many long and hard hours at the Iowa Capitol, selling his position on rail issues to legislators. In my dealings with John, I found him to always be fair and honest. He had an uncommon ability to see both sides of an issue and was often effective in reaching practical compromises.

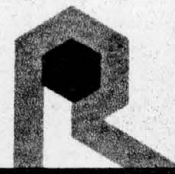
Later in private industry, with Land O'Lakes, and now with the Federal Government, I have continued to use John as an advisor and point of contact on rail labor issues. In various meetings, some of which were fraught with emotion during the shutdown of the Rock Island Railroad, John was able to keep his head. He was a calming influence who did much to avoid confrontation and work toward real solutions to the problems which were confronting the people he represented.

I recommend him highly.

Respectfully,

Bob Krause  
Regional Representative





John D. Mitros  
Vice President, Staff

May 30 , 1978

Mr. John G. Giblin  
503 Linden Street  
Manly, Iowa 50456

Dear Mr. Giblin:

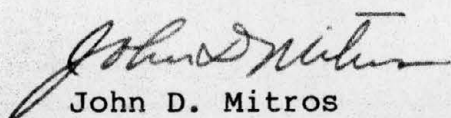
Forgive the delay in responding to your letter.

It was so unusual, I hardly knew how to proceed.

I am looking into the idea with our purchasing and operating people, and will let you know what the consensus is.

In any event, I'd like to thank you for your dedication and loyalty to the railroad that sustains us all. If we had a few more folks like you, we'd be OK.

Best wishes,



John D. Mitros

tk

cc: Messrs. J. A. Burnett:  
M. L. Cassell: Comment?  
W. C. Hoenig:



THE SECRETARY OF TRANSPORTATION

WASHINGTON, D.C. 20590

OCT 20 1980

Mr. John Giblin  
503 Linden Street  
Manley, Iowa 50956

Dear Mr. Giblin:

Bob Krause has told me of your efforts and assistance in passing the rail deregulation bill.

The Staggers Rail Act of 1980 is a good piece of legislation which I believe will change the future course of our nation's railroads. Your strong support was instrumental in this achievement.

Sincerely,

A handwritten signature in dark ink, appearing to read "Neil Goldschmidt", is written over the typed name. The signature is stylized with a large, sweeping initial "N".

Neil Goldschmidt



# ROCK ISLAND STUDY

## ANNUAL REVENUES & EXPENSES FOR OVERHEAD TRAFFIC ONLY

(NORMALIZED ANNUAL EXPENSE)

DOLLARS IN THOUSANDS AT  
CURRENT COST LEVELS

	ANNUAL AMOUNTS		500. 1981
		20161	YEAR
<u>REVENUES</u>			
<u>TRANSPORTATION EXPENSE</u>			
A. T & E	\$ 2034		
B. OTE PERSONNEL	285		
C. FUEL OIL	2354		
D. JOINT FACILITY (K.C.)	1501		
E. TRAIN INSPECTION/LOCO SERVICING	563		
F. CASUALTY & OTHER	1045		
G. TOTAL		7782	
H. RATIO		38.6%	36.8%
<u>EQUIPMENT EXPENSES</u>			
A. LOCOMOTIVE COSTS	\$ 638		
B. CAR COSTS	2710		
C. JOINT FACILITY (K.C.)	398		
D. CASUALTY & OTHER	403		
E. TOTAL		4149	
F. RATIO		20.6%	17.9%
<u>WAY &amp; STRUCTURES</u>			
A. NORMALIZED TRACK MAINT	<div style="display: inline-block; vertical-align: middle; text-align: center;"> <div style="border-left: 1px solid black; border-right: 1px solid black; padding: 0 5px;">CNW TRACK JOINT EXPENSE</div> <div style="display: inline-block; vertical-align: middle; margin-left: 5px;">→</div> </div>	\$ 2600	
B. TRACK RENTAL		926	
C. JOINT FACILITY (K.C.)		858	
D. CASUALTY & OTHER		124	
E. TOTAL		4508	
F. RATIO		22.4%	22.4%
<u>GENERAL &amp; ADMINISTRATIVE</u>			
A. RATIO		1166	7.4%
TOTAL OPERATING EXPENSE		17605	
A. RATIO		87.3%	84.5%
<u>OPERATING INCOME</u>		\$ 2556	
<u>SELECTED STATISTICS</u>			
A. CARLOADS HANDLED		27184	
B. TRACK MILES OPERATED (NORTHFIELD - K.C.)		428.6	
C. REVENUE TON MILES (MILLIONS)		876	
D. GROSS TON MILES (MILLIONS)		1770	

①



NOTES AND ASSUMPTIONS

10-20-84

① REVENUES - ALL CARLOADS OVERHEAD TO THE TRACKAGE BETWEEN THE TWIN CITIES AND KANSAS CITY (BASED ON PREVIOUS CARLOAD TRAFFIC STUDY)

② SERVICE - ONE TRAIN EACH DIRECTION FOR 350 DAYS ANNUALLY (MINNEAPOLIS - KANSAS CITY)

③ TRACKAGE RIGHTS OVER CNW LINE - SOO TO PAY CNW FOR <sup>(a)</sup> RENTAL OF PROPERTY, <sup>(b)</sup> DISPATCHING AND CONTROLLING TRAINS, <sup>(c)</sup> WAY AND STRUCTURE MAINTENANCE EXPENSES (APPROXIMATELY 20%) AND <sup>(d)</sup> ON A USAGE BASIS

LINE SEGMENT	GROSS TONS PER MILE (MILLIONS)	
	SOO	COMBINED SOO-CNW
97 MILES	3.7 (34%)	11.0
119 "	3.7 (19%)	20.0
212 "	3.7 (14%)	26.0

SHARING OF COSTS IS BASED ON A

→ "SINGLE LINE CONCEPT" (NOT TWO CNW LINES)

④ TRACK RENTAL - BASIS INCLUDES (a) "SINGLE LINE CONCEPT", (b) AMORTIZATION OF \$40 MILLION TRACK VALUE OVER 20 YEARS (c) 10% RETURN ON INVESTMENT (DECLINING BALANCE) AND (d) PAYMENTS REFLECTING USAGE

⑤ ALL OTHER EXPENSES - BASED ON PREVIOUS NORMALIZED ANNUAL EXPENSE STUDY

10-20-84

# ROCK ISLAND STUDY

## ANNUAL REVENUES & EXPENSES FOR OVERHEAD TRAFFIC ONLY

(1)

DOLLARS IN THOUSANDS AT  
CURRENT COST LEVELS

(NORMALIZED ANNUAL EXPENSE)

10-20-82

8-5-82  
PRELIMINARY

ANNUAL AMOUNTS

CHANGE  
FROM  
8-5-82  
↓500 1981  
YEARREVENUESTRANSPORTATION EXPENSE

A. T+E	-45%	3700	2034.
B. OTE PERSONNEL	-64%	800	285.
C. FUEL OIL	-26%	3200	2354.
D. JOINT FACILITY (K.C.)	-21%	1900	1501.
E. TRAIN INSPECTION/LCC SERVICE	30%	800	563.
F. CASUALTY + OTHER	-42%	1800	1045.
G. TOTAL	-36%	12,200	
H.	RATIO	35.9%	

7782.

38.6%

-4190

36.8%

EQUIPMENT EXPENSES

A. LOCOMOTIVE COSTS	-68%	2000	638.
B. CAR COSTS	-13%	3100	2710.
C. JOINT FACILITY (K.C.)	-	400	398.
D. CASUALTY + OTHER	-33%	600	403.
E. TOTAL		6100	
F.	RATIO	17.9%	

4149.

20.6%

-32%

17.9%

WAY & STRUCTURE

A. NORMALIZED TRACK MAINT	7500	CNW TRACK	2600.
B. TRACK RENTAL	200	JOINT EXPENSE	926.
C. JOINT FACILITY (K.C.)	1200		858.
D. CASUALTY + OTHER	100		124.
E. TOTAL		9000	
F.	RATIO	26.5%	

4508.

22.4%

-50%

22.4%

GENERAL & ADMINISTRATIVE

A.	RATIO	5.6%	
----	-------	------	--

1166.

5.7%

-39%

7.4%

TOTAL OPERATING EXPENSE

A.	RATIO	85.9%	
----	-------	-------	--

17605.

87.3%

-40%

84.5%

OPERATING INCOME

A.		4800	
----	--	------	--

2556.

-47%

SELECTED STATISTICS

A. CARLOADS HANDLED	-42%	50300	
B. TRACK MILES OPERATED (NORTHFIELD-K.C.)		428.	50 miles
C. REVENUE TON MILES (MILLIONS)	-26%	2372	475%
D. GROSS TON MILES (MILLIONS)		466	
E. TRAIN MILES (000)	-28%	466	

27184.

428.6.

876.

1770

335

CONCLUSIONS HAVE  
ON CNW TRACK  
WATER SHIP  
OF COSTS

Private  
car  
% participation

# NOTES AND ASSUMPTIONS

10-20-84

- ① REVENUES - ALL CARLOADS OVERHEAD TO THE TRACKAGE BETWEEN THE TWIN CITIES AND KANSAS CITY (BASED ON PREVIOUS CARLOAD TRAFFIC STUDY)
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LINE SEGMENT	GROSS TONS PER MILE (MILLIONS)	
	500	COMBINED 500-CNW
97 MILES	3.7 (34%)	11.0
119 "	3.7 (19%)	20.0
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- ⑤ ALL OTHER EXPENSES - BASED ON PREVIOUS NORMALIZED ANNUAL EXPENSE STUDY





# Iowa Department of Transportation

800 Lincoln Way, Ames, Iowa 50010 (515) 239-1054

October 20, 1982 OCT 25 1982

Ref. No. 930

*TMB*  
*JDD*  
*cc: copies sent 11/1/82*

Dennis M. Cavanaugh  
Executive Vice President  
Soo Line Railroad Company  
Soo Line Building  
Minneapolis, MN 55440

Dear Mr. Cavanaugh: *Dennis*

Either you or Tom Beckley asked a question as to what portion of Iowa corn and soybeans moved into international commerce and I don't believe that the question was answered.

The attached information may be helpful to you even though our research on that figure has not been updated since 1977. We have reason to believe, however, that the Iowa portion of U.S. export has increased over the period since 1977 and we know that a major portion of Iowa's export originates in the Iowa Falls Gateway (some 44%) and that it has traditionally moved to the Gulf, essentially to central and western ports except for ICG originations. Very little movement has moved to the Great Lakes or to the North Atlantic ports.

I apologize in that I cannot obtain more definitive figures for you, but I am hoping that what I have done will answer in part what was wanted.

Sincerely,

Harvey E. Sims  
Rail Operations Manager  
Railroad Division

HES:e  
Enclosures  
cc: Ray Smith

PRODUCTION AND USE OF IOWA  
CORN AND BEAN CROPS

I. Corn & Bean Production (in bushels)

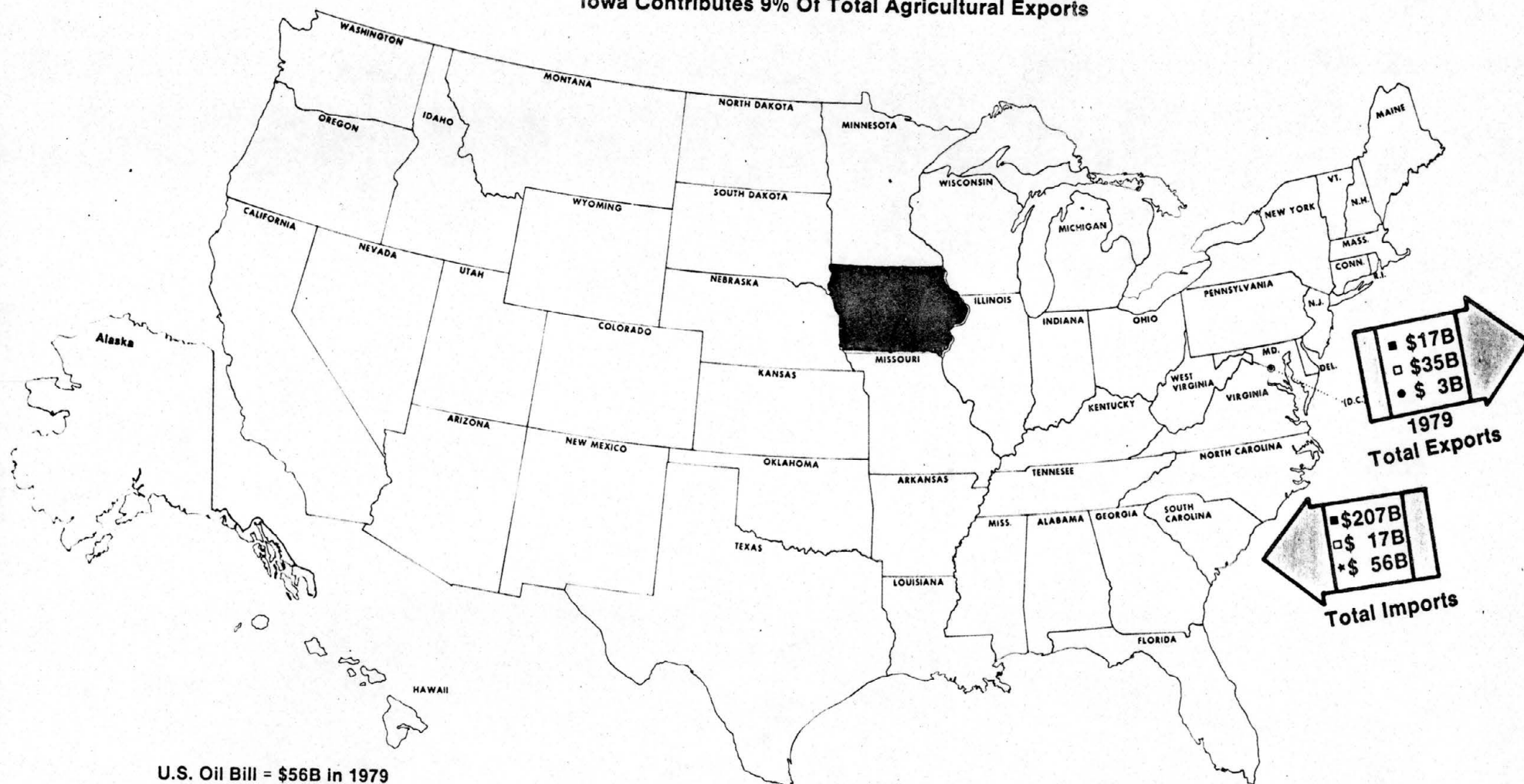
YEAR	CORN			BEANS		
	U.S.	IOWA	%	U.S.	IOWA	%
1981	8,200,951,000	1,739,900,000	21.2	2,030,452,000	330,075,000	16.3
1980	6,644,841,000	1,463,000,000	22.0	1,792,062,000	318,395,000	17.8
1979	7,938,819,000	1,663,700,000	21.0	2,267,901,000	306,375,000	13.5
1978	7,267,927,000	1,477,750,000	20.3	1,868,754,000	283,125,000	15.2
1977	6,505,041,000	1,092,200,000	16.8	1,767,267,000	251,340,000	14.2
1976	6,266,359,000	1,173,900,000	18.7	1,287,560,000	199,950,000	15.5
1975	5,797,048,000	1,107,000,000	19.1	1,546,120,000	236,980,000	15.3
1974	4,663,631,000	960,000,000	20.6	1,214,802,000	199,080,000	16.4
1973	5,646,806,000	1,206,960,000	21.4	1,547,165,000	263,500,000	17.0
1972	5,579,832,000	1,229,600,000	22.0	1,270,608,000	216,000,000	17.0
1971	5,646,260,000	1,178,100,000	20.9	1,176,101,000	178,750,000	15.2

II. Use

	<u>CORN</u>	<u>BEANS</u>
Consumed on Farm (Feed and Seed)	40-50%	1-5%
Iowa Users (Grain handlers, processors, feed manufacturers, etc.)	5-10%	50-60%
Shipped to Other States	10-15%	10-15%
Export	30-40%	25-35%
Iowa portion of US Export - 1977	16.8%	10.3%

10/19/82

**One-Third Of Our Oil Bill Made Up By U.S. Agriculture  
Iowa Contributes 9% Of Total Agricultural Exports**



U.S. Oil Bill = \$56B in 1979  
 U.S. Exports - U.S. Imports = Total Surplus (Deficit)  
 \$178B - \$207B = (\$29B) Deficit  
 Exports - Imports (Agriculture = Surplus (Deficit)  
 \$35B - \$17B = \$18B  
 Iowa Agricultural Exports = \$3B

■ Total U.S. Commodities  
 □ Total U.S. Agricultural Commodities  
 ● Iowa Agricultural Commodities  
 ★ Oil Bill



Joe Darling -

This info enhances the perceived  
need for SOO to have a Fuel Shippers  
Meeting w/ them very soon addressing  
some of their needs for specific SOO  
plans as to how their needs will  
be met. SELL!

Xam

LA Holland  
Railroad Div.  
FYI

# CHASE BAG COMPANY

ESTABLISHED 1847

814 COMMERCE DRIVE

OAK BROOK, ILLINOIS 60521

October 20, 1982

Mr. Robert Rigler  
Chairman  
Iowa Department of  
Transportation Commissioners  
Security State Bank  
New Hampton, Iowa, 50659

Dear Mr. Rigler:

Purpose of letter is to advise that Chase Bag Company fully supports the position of the Chicago & North Western in its present and future plans for purchase and lease of Rock Island trackage. We do not support the SOO Line position for the reason that the SOO Line proposal would not in any way protect or enhance the position of Chase at Sibley, Iowa nor the industrial facilities located at Sibley.

The C&NW through Mr. Wolfe has specifically stated and gone on record that they fully intend to lease and operate the vital trackage from Ocheyedon to Sibley and based on that commitment the industrial concerns at Sibley support the position that the C&NW is the only logical candidate to operate Rock Island trackage in northwestern Iowa. This support is based on the excellence of present and past services. Also based on joint meetings with the C&NW whereby we accepted the veracity of their proposals and plans to maintain a sound and efficient rail service in northwestern Iowa.

I cannot accept the premise that the future of northwestern Iowa would be enhanced by the SOO Line or other competing rail carriers solely for the purpose of establishing a spurious or nebulous basis of competition. The unrealistic concept of competition in this particular instance is fully illustrated by the present condition of the Rock Island - bankruptcy.

As a vital and integral part of the transportation requirements of the State of Iowa, I would trust and hope that your Department would clearly recognize the fallacy of the repeated efforts

October 20, 1982

- 2 -

of establishing competing railroads in northwestern Iowa,  
solely for the sake of establishing an academic, competitive  
condition.

Sincerely,

CHASE BAG COMPANY

C. J. DWYER  
General Traffic Manager

CJD:pao

cc: Mr. Warren Dunaham, Director  
Iowa Department of Transportation  
800 Lincoln Way  
Ames, Iowa, 50010

Mr. J. R. Wolfe, President  
Chicago & North Western Transportation Co.  
One North Western Center  
Chicago, Ill., 60606



November 20, 1980

Hon. Robert D. Ray  
Governor of Iowa  
State Capital Building  
Des Moines, Iowa, 50319

Dear Governor Ray:

Purpose of this letter is to offer the support of the Chase Bag Company in the effort of the Chicago & North Western Transportation Company in their bid to purchase Rock Island trackage within the State of Iowa.

Chicago & North Western Transportation Company under the original Service Order File N600 of November 1979 has performed excellent inbound and outbound rail service at Sibley, Iowa. We are entirely dependent upon rail service for our raw materials and which averages one carload every working day. Since November 1979 we have moved over 250 carloads inbound to Sibley, Iowa, and the service via the Chicago & North Western Transportation Co. has been on time and consistent.

In order to maintain our very successful manufacturing operation at Sibley, Iowa, we trust and hope that your offices and administration will lend all possible support to the Chicago & North Western in their efforts to purchase and operate the former Rock Island Railroad trackage within the State of Iowa.

Sincerely,

CHASE BAG COMPANY

C. J. DWYER  
General Traffic Manager

CJD:pap

November 20, 1930

- 2 -

CC: Mr. D. E. Hall, Manager  
Chase Bag Company  
Sibley, Iowa

Mr. W. M. Gibbons, Trustee  
Chicago, Rock Island & Pacific R.R. Co.  
Chicago, Illinois

Mr. J. M. Sullivan, Administrator  
Federal Railroad Administration  
Washington, D. C., 20590

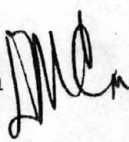
Mr. R. J. Schiefelbein  
Deputy Director  
Interstate Commerce Commission  
Washington, D. C.

Mr. R. Rigler, Chairman  
Iowa Dept. of Transportation  
Des Moines, Iowa

Mr. R. L. Kassel, Director  
Iowa Dept. of Transportation  
Des Moines, Iowa

8

October 19, 1982

TO: G. E. Warner  
FROM: D. M. Cavanaugh   
RE: Miami Accord

When you meet with the UTU on our signing the Accord, would you get a detailed understanding from the UTU as to their interpretation.

We have to determine if this Accord would benefit or burden the economic analysis for the acquisition.

DMC/jmz



March 4, 1980 Agreement  
("Miami Accord")

LABOR PROTECTIVE AGREEMENT  
between  
RAILROADS PARTIES HERETO  
INVOLVED IN MIDWEST RAIL  
RESTRUCTURING  
and  
EMPLOYEES OF SUCH RAILROADS  
REPRESENTED BY THE RAIL  
LABOR ORGANIZATIONS  
operating through the  
RAILWAY LABOR EXECUTIVES' ASSOCIATION

The scope and purpose of this agreement are to provide, pursuant to the Milwaukee Railroad Restructuring Act (45 U.S.C. Sec. 901 et seq.) and the Interstate Commerce Act (49 U.S.C. Sec. 10101 et seq.), a fair, equitable and complete arrangement for protection of Milwaukee and Rock Island employees taken into the employ of interim service operators and purchasing carriers signatory hereto and to enable the interim service operator or purchasing carrier to be operated in the most efficient manner, as set forth herein, immediately upon authorization for such operation.

Article I. General Provisions

1. Definitions -- Whenever used in this agreement, unless its context requires otherwise:

(a) "Purchasing carrier" means a signatory party to this agreement who is either the interim service operator (pursuant to Commission or Court Order) or the eventual purchaser of a line of railroad of the Rock Island or the Milwaukee, or who is a remaining operating carrier under an existing joint trackage agreement with the Rock Island or Milwaukee.

(b) "Rock Island" means the Chicago, Rock Island and Pacific Railroad Company.

(c) "Milwaukee" means the Chicago, Milwaukee, St. Paul and Pacific Railroad Company.

(d) "Bankrupt carrier employee" means any person with an employment relationship (i.e., in active service or on furlough) with the Rock Island, or with the Milwaukee as of the date of this agreement.

(e) "Transaction" means restructuring of the Rock Island and/or the Milwaukee by sales or transfers of railroad lines to a purchasing carrier, or interim operator.

2. Labor Protection Obligations --

(a) The provisions of this agreement shall constitute the complete labor protection obligation of a purchasing carrier to the bankrupt carrier employees who are taken into its employ because of a transaction. A purchasing carrier will have no labor protection obligation to any other bankrupt carrier employees.

(b) The labor protection obligation, if any, for employees of the Rock Island who are not taken into the employ of a purchasing carrier because of a transaction, and for moving expenses of those employees of the Rock Island who are taken into the employ of a purchasing carrier because of a transaction, will not be the responsibility of the purchasing carrier.

3. Notice and Negotiation -- A purchasing carrier will notify interested employee representatives, including those on the Rock Island or Milwaukee, of each transaction as soon as it has been authorized to become an interim service operator or finalizes arrangements to be a

purchaser. Thereafter, except as specifically provided in Article II the purchasing carrier shall be relieved of any requirement to notify its employees or to reach implementing agreements concerning that transaction.

## Article II. Hiring and Work Rules

1. Eligibility for Hiring -- All employees of the Rock Island or Milwaukee who held seniority on the effective date of this agreement in a craft represented by one of the labor organizations signatory hereto shall be eligible for participation in the hiring procedures described in this Article.

2. Determination of Need for Additional Employees -- A purchasing carrier shall determine its necessary additional manpower requirements by craft due to its taking over those Rock Island and Milwaukee Lines. Each of the determinations shall be discussed with representatives of the crafts on purchasing carrier, and on the Rock Island or Milwaukee with detailed explanation to them of the basis for each determination prior to serving notice under paragraph 4 hereof, but there shall be no delay in hiring employees or in commencement of operations. If a purchasing carrier has employees on furlough they will not be subject to recall as a result of the additional manpower requirements resulting from a transaction, until after bankrupt carrier employees on appropriate seniority rosters have exhausted their opportunity to be hired hereunder.

3. Preferential Hiring -- As a carrier determines its need for additional employees under this Article, it shall allow eligible employees in seniority order on the Rock Island or Milwaukee the first right of hire respectively, dependent on whose trackage is involved, and consistent with the purpose of Section 8 of the Milwaukee Railroad Restructuring Act. Each carrier, whether acquiring lines or operating



lines on an interim basis, shall independently make such determination of its needs for additional employees irrespective of any determination of this nature made by other carriers. In carrying out the purposes of this section, the purchasing carriers shall first utilize existing seniority rosters applicable to the appropriate craft and seniority district for the lines and territories involved in fulfilling employment needs in connection therewith.

4. Notification of Hiring -- When a carrier determines that it needs additional employees under this Article, such carrier shall notify the labor organizations representing employees of the Rock Island or Milwaukee of its specific needs and advise them exactly where and how eligible employees of the craft needed from the Rock Island or Milwaukee should apply for such vacancies. Eligible employees of the Rock Island or Milwaukee interested in such vacancies shall have the responsibility of applying to the carrier for vacancies in the manner described by the carrier. An employee shall have 7 days to apply after receipt of notice from the carrier or the organization or 20 days after the labor organization has received notice from the carrier, whichever occurs first, subject to paragraph 9 hereof. To the extent that the carrier has determined a need for additional employees under this Article, applicants will be required to meet those physical and rules standards which the carrier applies to its own employees on reexamination. The applicant's seniority in the appropriate craft and seniority district on the bankrupt carrier will prevail if the number of qualified applicants exceeds the carrier's determined need for additional employees. Bankrupt carrier employees who are in service with a bankrupt carrier at the time of interim operation or purchase and who are hired on the commencement of

operations by a purchasing carrier pursuant to this agreement will be presumed qualified physically and purchasing carrier will have the burden of proof if it wishes to challenge such qualifications.

Those employees who are subject to examination on purchasing carrier's operating book of rules may be required to pass a re-examination on those rules.

5. Duration of Preferential Hiring -- The procedures established in this Article shall continue in full force and effect for not less than one year from the effective date from the commencement of operations or as otherwise provided for by law, but in no event beyond April 1, 1984. ✓

6. Employee Election -- An eligible employee of the Rock Island or Milwaukee afforded the first right of hire pursuant to this Article by more than one carrier signatory hereto shall have the option to elect on which carrier the employee will exercise such right. Should a transaction involving another purchasing carrier occur subsequent to the employee's initial election which the employee finds is preferable, the employee will have one opportunity to be hired by another purchasing carrier.

7. Termination of Seniority -- When final agreement has been reached pursuant to Paragraph 9 of this Article dealing with seniority, those Rock Island and Milwaukee employees who are hired by a purchasing carrier will be considered as having severed their employment relationship with their former employer.

8. Application of Work Rules --

(a) A purchasing carrier shall not take over or assume any of the contracts, schedules or agreements in effect between the Rock



Island or Milwaukee and its employees concerning rates of pay, rules, working conditions or fringe benefits, and shall not be bound by the terms and provisions thereof.

(b) An employee of the Rock Island or Milwaukee hired by a purchasing carrier shall come under the coverage of all contracts, schedules and agreements in effect between such carrier and its employees concerning rates of pay, rules, working conditions and fringe benefits, and shall be bound by the terms and provisions thereof in the same manner and to the same extent as other employees of the purchasing carrier working in the same craft.

(c) The purchasing carrier shall have the option:

(1) to commingle, under the purchasing carrier's work rules, work in connection with lines acquired from the Rock Island and/or the Milwaukee with work in its existing seniority districts, including expansion of those seniority districts to encompass the acquired lines; and where there are agreed-upon switching limits for yards at a common point, switching limits of the purchasing carrier will be extended to include the switching limits of the acquired property; or

(2) to operate the acquired property as a separate seniority district or districts under the purchasing carrier's work rules.



9. Implementing Agreement --

(a) In accordance with the option selected under paragraph 8 of this Article, agreements will be reached on each purchasing carrier concerning the manner in which seniority will be allocated in filling additional job assignments, between the purchasing carrier's employees and the bankrupt carrier employees hired by the purchasing carrier. In the absence of an agreement, in order to avoid delay in operations, the purchasing carrier may, on a temporary basis, hire qualified and available bankrupt carrier employees to the extent needed where additional jobs are established at the outset. Such employees will be placed at the bottom of the current list of active employees, and they will remain in such status until an agreement is reached respecting seniority in accordance with the provisions of this paragraph. Where no additional jobs are established, the purchasing carrier's present employees' jobs may be expanded to include work on or in connection with the acquired property. If, as a result of the agreement on allocation of seniority, bankrupt carrier employees used on such a temporary basis do not secure jobs with the purchasing carrier, their employment with the purchasing carrier will be terminated without any preservation of rights or benefits with the purchasing carrier.

(b) If an agreement is not reached within ten (10) days from the date of the notification given under Article I, paragraph 3 hereof, either party to the dispute may utilize the following procedures for determining the allocation of seniority referred to above:

(1) Within five (5) days after notice in writing from one party to another that it desires to arbitrate the dispute, the parties shall select a neutral referee and in the event they are unable to agree upon the selection of said referee, then the National Mediation Board shall immediately appoint a referee.

(2) No later than twenty (20) days after a referee has been designated a hearing on the dispute shall commence.

(3) The decision of the referee shall be final, binding, and conclusive and shall be rendered within thirty (30) days from the commencement of the hearing of the dispute.

(4) The salary and expenses of the referee shall be borne in accordance with the Railway Labor Act.

Notwithstanding any of the foregoing provisions of this section, the purchasing carrier may proceed with the transaction, provided that all hired bankrupt carrier employees shall be provided with all of the rights and benefits of this agreement.

(c) An employee hired by a purchasing carrier in one craft but who also has seniority in another craft with Rock Island or Milwaukee, such as a yardmaster who also has seniority as a yardman, will be given seniority in both crafts on the purchasing carrier. This issue will be handled in the negotiations under paragraph (a) hereof.

(d) The issue of seniority date and service date where an employee transferred from one roster or craft to another on the bankrupt carrier will be handled in the negotiations under paragraph (a) hereof.

(e) Special projects -- Protection, seniority and contracting (pursuant to existing agreements) in special rehabilitation projects will be subject to negotiations between individual purchasing carriers and interested employee representatives.

Article III. Monthly Compensation Guarantee

1. Coverage -- A purchasing carrier will provide a monthly compensation guarantee, as hereafter provided, only to bankrupt carrier employees hired by the purchasing carrier pursuant to this agreement and to its own employees who are (1) working in the same seniority district in the zone or working district of the acquired property and (2) are in active service on the date that interim operation is begun or purchase completed, whichever first occurs.

2. Duration -- Each employee described in paragraph 1 of this Article shall be entitled to receive a monthly compensation guarantee payment for a total of not more than 36 months from the date employee makes a claim for it, except that:

(a) the period of entitlement to a guarantee payment shall not exceed the employee's total months of service prior to date interim operation is begun or purchase completed, whichever first occurs, with the bankrupt or the purchasing carrier, as the case may be; and

(b) payments of this type received from a bankrupt carrier, or any interim service operator, or a purchasing carrier or under supplementary unemployment insurance (such as Section 10 of Milwaukee Railroad Restructuring Act) all count toward the limit on the total number of months as set forth above; and



(c) no compensation shall be provided under this section after April 1, 1984, unless it is necessary in order to provide an employee with at least eight (8) months of the payments, but after such date, that employee shall receive the eight-month minimum only if that employee is not employed continuously after that date.

3. Guarantee -- the monthly compensation guarantee shall be an amount equal to:

(a) 80 percent of an employee's average monthly straight-time compensation (including all general wage increases negotiated nationally for railroad employees) earned from the Milwaukee (or purchasing carrier) during the period beginning June 1, 1977 and ending October 31, 1979, or from the Rock Island (or purchasing carrier) during the period June 1, 1977 and ending on May 31, 1979.

(b) In the case of an employee who served as an agent or a representative of a class or craft of employees on either a full- or part-time basis during the period set forth in subsection (a) above, 80 percent of the average monthly straight-time compensation (including all general wage increases negotiated nationally for railroad employees) of the employees actively employed in his class or craft involved immediately above and below him on the same seniority roster or 80 percent of his own average monthly straight-time compensation as computed in subsection (a) above, whichever is greater. This subsection (b) shall also be applicable to railroad officials, supervisory or fully exempt personnel who return to their respective crafts.

4. Payments and Offsets --

(a) Each employee described in paragraph 1 of this Article shall be eligible to receive a monthly compensation guarantee payment for any month in which such employee's monthly compensation guarantee exceeds such employee's actual compensation for that month with an offset for any losses due to absences from service or account of injury, sickness, disability, or discipline for cause in accordance with existing agreements. In computing such offset the guarantee will be reduced proportionately on the basis of working days in the month. Claims for guarantee shall be paid within 30 days after date claim is filed, except in the case of the initial claim it will be paid within 90 days of filing.

(b) Notwithstanding other provisions of this agreement, the carrier may reduce the "monthly compensation guarantee" for each day lost under emergency conditions such as flood, snowstorm, tornado, cyclone, hurricane, earthquake, fire or strike, provided that operations are suspended in whole or in part and provided further that because of such emergencies the work which would be performed by the incumbents of the positions to be abolished or the work which would be performed by the employees involved cannot be performed. The reduction in monthly compensation guarantee will be reduced proportionately on basis of working days in the month.

(c) The sum of (A) the amount of any benefits payable to such employee for such month under the Railroad Unemployment Insurance Act or under any state unemployment insurance program, and (B) the



amount of any earnings of such employee for such month from employment or self-employment which is first engaged in after the employee is adversely affected, may be used as an offset.

(d) The monthly compensation guarantee payment shall cease prior to the expiration of the period as set forth in paragraph 2 of this Article in the event of the employee's resignation, death, retirement, dismissal for justifiable cause under existing agreements, failure to exercise seniority on an available position less than 125 railroad route miles from his or her residence, and for failure without good cause to accept a reasonably comparable position which does not require a change of residence, for which he is physically and mentally qualified, if his return does not infringe upon employment rights of other employees under a working agreement. "A change of residence" as used herein means a transfer to a work location which is located either (A) outside a radius of 30 miles of the employee's former work location and further from his residence than was his former work location or (B) is located more than 30 normal highway route miles from his residence and also further from his residence than was his former work location.

(e) If, for any reason, an interim service operator is denied Commission approval or court authorization for final sale or transfer of a line of a bankrupt carrier, or ceases to be an interim operator, or if a successor carrier agrees, or is ordered to, perform the functions formerly performed by the Rock



Island or Milwaukee under an existing joint trackage agreement, the employment of bankrupt carrier employees who may be employed to fill the positions necessary for the operation of such service on such line may be terminated simultaneously with the cessation of that service, without preservation of rights or benefits with that purchasing carrier.

5. Initiation -- The monthly compensation guarantee payment will be the responsibility of an interim service operator from the date of the start-up of interim operations until its proposed acquisition is allowed, denied or withdrawn, or until the employee's eligibility terminates, whichever occurs first. The successful purchaser will have responsibility for monthly compensation guarantees once the proposed transaction is consummated, until the employee's eligibility terminates.

6. Elections -- Nothing in this agreement shall be construed as depriving any employee of the purchasing carrier whose employment relationship began prior to the effective date of this agreement of any rights or benefits or eliminating any obligations which such employee may have under any existing job security or other protective conditions or arrangements; provided, however, that if a protected employee otherwise is eligible for protection under both this agreement and some other job security or other protective conditions or arrangements, he shall elect between protection under this agreement and, for so long as he continues to be protected under the arrangement which he so elects, he shall not be entitled to any protection or benefit (regardless of whether or not such benefit is duplicative) under the arrangement which he does not so elect; and,

provided further, that after expiration of the period for which such employee is entitled to protection under the arrangement which he so elects, he may then be entitled to protection under the other arrangement for the remainder, if any, of his protective period under that arrangement.

7. Seasonal Work -- In computing the monthly compensation guarantee for employees who, during the period beginning June 1, 1978 and ending on May 31, 1979, did not hold a job on a year-round basis due to seasonal requirements, their monthly compensation guarantee will be computed using the actual number of months assigned to work in such period. Such guarantee as thus computed will apply to the same number of months each year after commencing work with a purchasing carrier.

#### Article IV. Miscellaneous

1. Effect of Severance Payment -- This agreement shall not apply to any bankrupt carrier employee who has elected to receive a severance payment under any other protective conditions or agreement.

2. Health and Welfare Coverage -- The purchasing carrier will pay a premium under the national health and welfare, dental and supplemental sickness plans, for the first month of employment of bankrupt carrier employees accepting employment pursuant to this agreement with the purchasing carrier.



3. Milwaukee or Rock Island employees accepting employment with a purchasing carrier pursuant to this agreement will be given credit for service with the former employer in computing vacation qualification, entry rates and sick leave.

4. This agreement shall be construed as a separate agreement by and on behalf and each of the carriers signatory hereto and its employees represented by each of the organizations signatory hereto.

Signed at Washington, D.C., this 4<sup>TH</sup> day of MARCH, 1980.

FOR THE CARRIERS:

BURLINGTON NORTHERN INC.  
FORT WORTH AND DENVER RY. CO  
DAVENPORT, ROCK ISLAND AND NORTH-  
WESTERN RAILWAY

C. E. Giers V.P. - L.R.  
UNION PACIFIC RAILROAD CO

P. J. Jordan  
SOUTHERN PACIFIC TRANS. CO.  
ST. LOUIS SOUTHWESTERN RY CO

W. R. Denton  
VP LE

R. Russell  
S.V.P. - Admin.  
C & N. T. Co.

J. M. Hamilton  
C.M. ST. P. & P. R. R. Co.

J. L. Sweeney  
The Kansas City Southern R. Co.

FOR THE EMPLOYEES:

AMERICAN TRAIN DISPATCHERS  
ASSOCIATION:

B. C. Wilbur

AMERICAN RAILWAY SUPERVISORS  
ASSOCIATION:

Frank D. [unclear]

BROTHERHOOD OF LOCOMOTIVE  
ENGINEERS:

John F. Lytton  
[unclear]

BROTHERHOOD OF MAINTENANCE OF  
WAY EMPLOYEES:

Orin [unclear]



(LABOR PROTECTIVE AGREEMENT-MIDWEST RAIL RESTRUCTURING)

J. L. Kearney  
General Superintendent  
Branch  
 ILLINOIS CENTRAL GULF RR

BROTHERHOOD OF RAILROAD SIGNALMEN:

R. B. Bates

E. C. Trank  
 LOUISIANA & WESTERN RR

BROTHERHOOD OF RAILWAY, AIRLINE  
 AND STEAMSHIP CLERKS, FREIGHT  
 HANDLERS, EXPRESS AND STATION  
 EMPLOYEES:

V. F. Bauman  
Gen Mgr. Des Moines  
Mo  
 MISSOURI PACIFIC RAILROAD

Frank J. Knoll

BROTHERHOOD RAILWAY CARMEN OF  
 THE UNITED STATES AND CANADA:

Ray L. Buchanan  
 SJSR RAILROAD

AW Jacobson

C. J. Stephenson  
 Div of Pers. - PR & Ry.

INTERNATIONAL ASSOCIATION OF  
 MACHINISTS AND AEROSPACE WORKERS:

John J. Petersen (601)

INTERNATIONAL BROTHERHOOD OF  
 BOILERMAKERS, IRON SHIP BUILDERS,  
 BLACKSMITHS, FORGERS AND HELPERS:

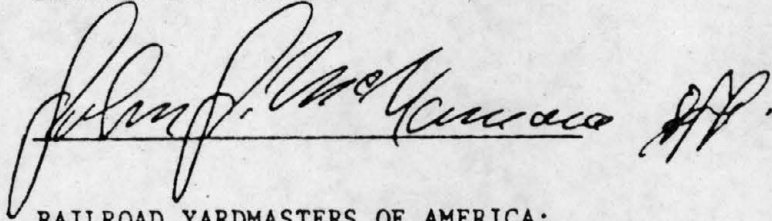
Harold J. Berry

INTERNATIONAL BROTHERHOOD OF  
 ELECTRICAL WORKERS:

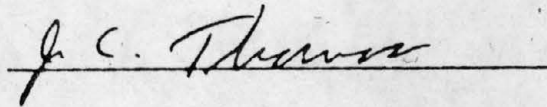
A. W. Lipp

(LABOR PROTECTIVE AGREEMENT-MIDWEST RAIL RESTRUCTURING)

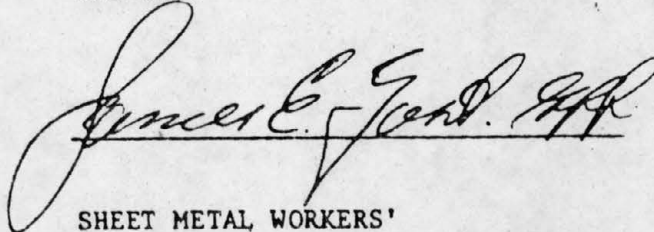
INTERNATIONAL BROTHERHOOD OF  
FIREMEN AND OILERS:

 John J. McManis *JJM*

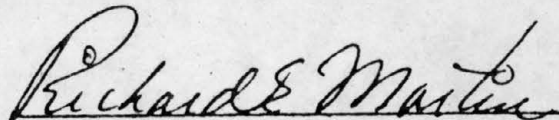
RAILROAD YARDMASTERS OF AMERICA:

 J. C. Thomas

RAILWAY EMPLOYEE'S DEPARTMENT,  
AFL-CIO:

 James E. Ford *JEF*

SHEET METAL WORKERS'  
INTERNATIONAL ASSOCIATION:

 Richard E. Martin

UNITED TRANSPORTATION UNION:

 Fred A. Martin

Soo Line Railroad Company



Soo Line Building  
Box 530  
Minneapolis, Minnesota 55440  
(612) 332-1261

October 18, 1982

Commander Don Farran  
United States Navy Retired  
Rowan, Iowa 50470

Dear Commander Farran:

I wish to thank you for your interest and support in our effort to acquire Rock Island trackage.

We were generally aware that some segments of track in your area were not currently being operated, and we appreciate the confirmation and additional information which you have provided.

We look forward to the possibility of serving the shipping public in your area.

Sincerely,

JOE D. DARLING  
Director, Special Projects

JDD/jmz



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October 18, 1982

TO: C. C. Leary  
M. R. Logan  
W. B. Peterson

FROM: J. D. Darling JDD/BS

RE: Rock Island Study

I have been advised by C. J. Stoffer, Iowa Northern, that Jim Kemp, currently signal inspector for the State of Iowa, was formerly a signal supervisor for the Rock Island and is familiar with the CTC and ABS systems. I am sure that I could put you in contact with Mr. Kemp through the Iowa DOT if any of you so desire.

JDD/jmz

October 18, 1982

TO: D. M. Cavanaugh  
FROM: W. C. Serkland  
RE: Release and Indemnification Agreement Required  
by the Rock Island Trustee

I have reviewed the release and indemnification agreement attached hereto and have initialed the same as approved for execution. It should be noted, however, that by this agreement the Soo Line is indemnifying the Rock Island against any loss or damage attributable to the presence of our employees, including loss or damage caused by the negligence of Rock Island employees. I assume the Soo Line must assume this obligation in order to obtain the permission which we have requested. The alternative to executing this agreement as presented would be to attempt to negotiate changes in the form of the indemnification. Since this situation involves no exposure to active train operations I would recommend that the agreement be executed in order to avoid the probable substantial delay of attempting to negotiate changes.

WCS/sjp  
Attachment

INDEMNITY AND RELEASE

WHEREAS, employees of the Soo Line Railroad Co. (hereinafter "Soo") will be entering upon the properties of William M. Gibbons, Trustee of the Property of the Chicago, Rock Island and Pacific Railroad Company, Debtor (hereinafter "Trustee"), and whereas, Trustee desires to be indemnified by Soo against potential liability arising out of D. I. Kjellman & W.D. Smith's presence upon said property.

NOW THEREFORE, in consideration of the Trustee's consent to the aforementioned presence upon his property, Soo hereby agrees to indemnify and hold the Trustee harmless from and against all cost, including attorney's fees, claims, judgments or liability for injury to or death of any and all persons, including employees of Soo and the Trustee, as well as third parties, and damage to or loss of property of any kind, arising out of the presence of D. I. Kjellman and W.D. Smith ~~employees or agents~~ on or about Trustee's property, whether or not said injury, death, loss or damage results from the negligence or concurring negligence of said Trustee, his employees or agents, successors and assigns.

Soo further agrees to hold the Trustee harmless and indemnified against, and assume the defense of any claims, suits or judgments brought against the Trustee under the Federal Employer's Liability Act whenever Soo's employees claim that they are employees of the Trustee within the meaning of said Act, and in the event such a claim or suit is brought against Trustee, he shall give Soo reasonable notice in writing of the pendency of the claim or suit and, upon receipt of said notice, Soo shall forthwith assume the defense of the claim or suit, and shall save and hold harmless the Trustee from any loss, cost, expense and liability by reason thereof. If Soo fails to assume the defense of such claim or suit, Soo shall be bound by the settlement or judgment as to all matters which could have been compromised or litigated in such settlement negotiations or suit.

IN WITNESS WHEREOF, Soo has caused this Indemnity and Release to be executed in duplicate this 19<sup>th</sup> day of October, 1982.

Soo Line Railroad Company  
By: [Signature]  
EXECUTIVE VICE PRESIDENT

ACCEPTED:

\_\_\_\_\_  
William M. Gibbons, Trustee of the  
Property of the Chicago, Rock Island  
and Pacific Railroad Company, Debtor

APPROVED  
FOR L. & P. CO.

[Signature]  
L. & P. CO.



10/5/82 DMC, HSN, JSD

1. CNW truckage rights

\$10-12,000,000

Volume - Mpls to KC

10/1/02 C.I. Staffer

Special Agents from RI

Jim Kemp - State signal investigator  
former signal supervisor for RI



10/18/82 HSN

Commander Don Farran

USN Retired

Rowan Iowa STS-853-2342

Regarding RT. Very important info  
before THB goes to Chicago  
Estherville - Iowa Falls

Rowan between Dows and Belmond  
discontinued Estherville to Iowa

Falls several months ago

Serving Rowan from Dows

Turn from Forest City to Belmond?

11,500 shares of Soo stock

Cargill Elevator at Rowan

Don Farran

Rowan Iowa S470



CONFIDENTIAL

October 15, 1982

TO: D. M. Cavanaugh  
FROM: J. D. Darling *[Signature]*  
RE: Rock Island Study

11-9-82

With reference to the meeting held on Thursday, October 14, 1982, at 2:00 p.m., with C. C. Leary, M. R. Logan, C. J. Chotkowski, you, and myself in attendance.

Mr. Crago, International Vice President, UTU, Indianapolis, Indiana, who has represented the UTU with regard to the acquisition or operation of portions of the Rock Island by the SSW, MKT, and CNW, has been authorizaed to contact the Soo and has requested a meeting. Charlie Chotkowski will arrange to meet with Mr. Crago early in November.

There is a possibility that the ICC will impose labor conditions when authorizing any acquisition by the Soo. Charlie Chotkowski will determine from the Law Department the legal basis and likely nature of any such labor conditions.

It is anticipated that the major differences in labor agreements will be with regard to train and enginemen. Wholesale differences are not anticipated with respect to clerks, operators, agents, dispatchers. No yardmasters are anticipated.

I will check with George Barker and Warren Peterson to determine if any differences in labor agreements for the crafts in their areas are desired.

The draft agreement prepared by Mike Logan, John Benz, and Don Hedquist is thought to provide the basis for a desirable trainmen agreement. It is also anticipated that it can be readily modified to provide the basis for an enginemen's agreement. Mike Logan and Cliff Leary will begin a detailed review of this agreement on Monday, October 18, 1982.

Several other points were mentioned. The use of radio dispatching is anticipated. Use of remote teletype printers or agreement permitting conductors to copy their own train orders is desired. A consolidated crew district between Shoreham and Iowa Falls appears desirable, perhaps with Shoreham crews protecting an assigned through freight with either Shoreham or Iowa Falls crews protecting extra trains. There also appears to be a good opportunity (at Iowa Falls for example) to utilize yard crews outside traditional yard limits to facilitate grain train operations.

D. M. Cavanaugh  
Page Two  
October 15, 1982

A second meeting will be held at 1:15 p.m., on Thursday, October 21, 1982, in the Fourth Floor Conference Room to review the adaptation of the draft agreement and further analyze the proposed operations.

JDD/jmz

cc: C. C. Leary  
M. R. Logan  
C. J. Chotkowski

October 15, 1982

Mr. R. M. Crago, Vice President  
United Transportation Union  
3822 Wildwood Drive  
Indianapolis, Indiana 46239

Dear Sir:

Reference is made to your telephone conversation of October 12, 1982, with Mr. C. J. Chotkowski of this office, at which time you stated that you had been authorized by U.T.U. President Fred Hardin to contact the Soo Line regarding our proposed purchase of Rock Island trackage between Minneapolis and Kansas City.

As mentioned in the conversation, we are pleased to enclose for your information a copy of the Soo Line news release dated September 14, 1982, which announced our offer to purchase the trackage.

You have requested a meeting to discuss the proposed transaction. While the Carrier is not in a position to negotiate on the labor relations aspects of the transaction at this time, we would be very glad to schedule an exploratory session to have the benefit of your views on the subject. Your suggested date of Tuesday, November 9, 1982, is agreeable to us, and we suggest meeting at 10:00 A.M. in our offices, Room 320, Soo Line Building, Fifth Street South and Marquette Avenue, Minneapolis, Minnesota. Wednesday, November 10, would be an acceptable alternate date. Please advise.

We look forward to meeting you.

Yours truly,

*G. E. Warner*

G. E. Warner  
Director of Labor Relations

Encl.

cc - Mr. D. M. Cavanaugh



of southern Utah after the blasts, the crucial issues in the trial are just much radiation fell on residents and whether the levels were capable of producing disease.

A witness said that following a 1953 test named "Harry," which the government said was one of its "dirtiest" above-ground blasts, a radio broadcast advised residents of the southwestern Utah city of George to take cover until the clouds cleared, and then to wash white dust from their cars and clothing.

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Dr. G. Tamplin, a Virginia biophysicist, said the AEC studies on radiation exposure showed those downwind from the weapons produced inconclusive data. For the sake of exact study, he added, such data are a little bit better than nothing."

## of Transcontinental Energy Coal Unit Near

WALL STREET JOURNAL Staff Reporter  
NEWPORT, La. — Transcontinental Energy Corp. said it is "very close" to selling its coal operations.

The \$3.5 million of the energy company's \$3.9 million pre-tax loss in the first quarter from its East Kentucky coal operation. But it said any sale is expected to produce a profit over the book value of the company. The company asserted that the book value wasn't "readily available."

Coal operations contributed \$5 million in revenue in the first half, or 14% of Transcontinental Energy's \$30.1 million total

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## Farm Credit Banks Plan \$1.6 Billion Bond Sale

By a WALL STREET JOURNAL Staff Reporter  
NEW YORK—The Federal Farm Credit Banks plan to offer today slightly more than \$1.6 billion of bonds.

The offering will include \$875 million of four-year, nine-month bonds, due July 20, 1987, and set to return 10.625%. The remaining \$740 million of eight-year, two-day securities mature Oct. 22, 1990, and carry a yield of 10.6%.

All the obligations are priced at par and dated next Wednesday. Proceeds will be used to retire bonds due next Wednesday and for lending operations.

The offerings will be made through Peter J. Carney, fiscal agent, and a nationwide group of securities dealers and dealer banks.

## Canadian Steel Output Off

OTTAWA—Canadian steel ingot output declined to 205,363 metric tons in the week ended Saturday, off 15% from 241,830 tons the previous week and off 7.7% from 222,531 tons a year earlier, Statistics Canada, a federal agency, said. A metric ton equals 2,204.6 pounds.

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### New Issues

October 14, 1982

## Federal Farm Credit Banks

The Thirteen Banks for Cooperatives  
The Twelve Federal Intermediate Credit Banks  
The Twelve Federal Land Banks

## Consolidated Systemwide Bonds

10.625% \$875,000,000

SERIES-E 1987 CUSIP NO. 313311 JA 1  
Dated October 20, 1982 Due July 20, 1987

Interest payable January 20, 1983 and semi-annually thereafter

10.60% \$740,000,000

SERIES-E 1990 CUSIP NO. 313311 JB 9  
Dated October 20, 1982 Due October 22, 1990

Interest payable April 22, 1983 and semi-annually thereafter

Price 100%

The Bonds are the secured joint and several obligations of The Thirty-seven Federal Farm Credit Banks and are issued under the authority of the Farm Credit Act of 1971. The Bonds are not Government obligations and are not guaranteed by the Government.

BONDS ARE AVAILABLE  
IN BOOK-ENTRY FORM ONLY.

## Federal Farm Credit Banks

Fiscal Agency  
90 William Street, New York, N.Y. 10038

Peter J. Carney  
Fiscal Agent

This announcement appears as a matter of record only.



(1) ask Coop Bank (6 mil?)

finance Royal Manson line - Assoc group? (4.6 mil)

Need RE estimate \$-fig as part of negotiation

Identity - location  
Est area & fair value

(2) Talk to Gordon - No commitment from Soo!  
Info - ok

October 14, 1982

TO: T. M. Beckley  
D. M. Cavanaugh  
C. H. Clay  
B. D. Olsen  
G. E. Warner

FROM: J. D. Darling *JDD/jmz*  
RE: Rock Island Study

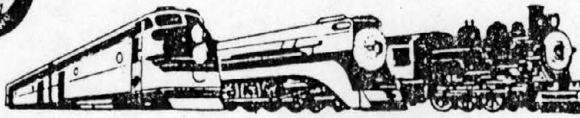
Attached is a copy of a letter dated October 11, 1982 from John G. Giblin, Brotherhood of Locomotive Engineers, for your information.

I have acknowledged receipt.

JDD/jmz

Att. (1)





BROTHERHOOD OF LOCOMOTIVE ENGINEERS  
IOWA STATE LEGISLATIVE BOARD

JOHN G. GIBLIN,  
Chairman  
503 Linden St.  
Manly, Iowa 50456

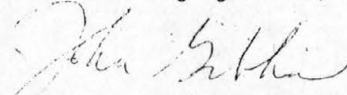
October 11, 1982

Mr. Joe D. Darling  
Soo Line Railroad Co.  
Soo Line Bldg  
Minneapolis, Minnesota 55440

Dear Mr. Darling,

As a former Rock Island employee, I'm delighted the Soo Line Railroad has shown interest in the purchase of Rock Island trackage in the state of Iowa. In the event the Soo Line purchases the Rock Island trackage, I will assist in any way possible to support any legislation beneficial to your railroad that arises in the state legislature.

Sincerely yours,

  
John G. Giblin

7 Apr 1972

To: H.C. Upt

From: E. D. Hall

Re: RI Study

Attached is our latest estimate of accelerated maintenance or rehabilitation. As this estimate is preliminary and may become involved with requests for FRA and Power funds, I would appreciate it if you kept confidential

8  
Soo Line Railroad Company



Soo Line Building  
Box 530  
Minneapolis, Minnesota 55440  
(612) 332-1261

October 14, 1982

Mr. John G. Giblin, Chairman  
Iowa State Legislative Board  
Brotherhood of Locomotive Engineers  
503 Linden Street  
Manly, Iowa 50436

Dear Mr. Giblin:

I have received your letter of October 11, 1982.

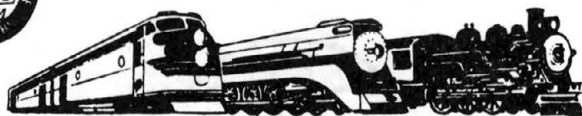
We appreciate your favorable reaction to our interest in the Rock Island trackage. As you are aware, we have made an offer to purchase the Twin Cities-Kansas City line and the Iowa Falls Gateway branches. We look forward to the possibility of having increased concern in legislative matters in the State of Iowa.

Sincerely,

JOE D. DARLING  
Director, Special Projects

JDD/jmz





**BROTHERHOOD OF LOCOMOTIVE ENGINEERS  
IOWA STATE LEGISLATIVE BOARD**

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Chairman  
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Manly, Iowa 50456

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Sincerely yours,

*John Giblin*  
John G. Giblin

10/13/82 CHC

Crago

Fred Hardin OTU

Authorized to contact Joe

SSW, OKT, ONW

Requesting visit in November

10/13/82

BOX

~~12.00~~

Duluth to KC, expedited service

BN - White Bear Lake - Hoffman Ave

RT - Marly - Des Moines - CGW

Daily

W/F Allentown to Mylo

CNW Dispatcher at St. Paul MN



10/1/62

Mr. Crago 200 U.P.

UTU Indianapolis IN

SSW Tucumcari Line

377-862-6149

300 PM this afternoon

10/1/82

Jerry Miller, 43

Diesel Electrician RI/CNW

Des Moines, IA

2nd on roster to 63 year old.

October 11, 1982

TO: T. M. Beckley  
D. M. Cavanaugh  
R. H. Smith

FROM: J. D. Darling *JDD*

RE: Rock Island Study

On Friday, October 8, 1982, Harvey Simms of the Iowa DOT called to convey some points that Les Holland, also of the Iowa DOT, though might be appropriate to mention in the meetings with Governor Ray and the Iowa DOT Board on Tuesday, October 12, 1982.

These were:

1. The Soo Line is an American company, financially strong, and can purchase and rehabilitate now.
2. The Soo is an expert in moving grain (farm products 22 percent of 1981 gross revenues).
3. Soo would reach all major interchange points of interest to Iowa shippers and receivers. Soo would provide competitive rates to Kansas City and elsewhere.
4. Soo would begin immediate rehabilitation on branch lines.
5. Soo wants to serve Iowa shippers and work closely with them to meet their needs.
6. Soo would provide effective competition to grain export areas from Iowa.
7. Another meeting at West Bend is anticipated in the near future.
8. The purchase offer includes elevator property and trackage.
9. Soo would honor current OT-5 private car loading authorizations.

JDD/jmz



10/8/82 Harvey Swins per Les Holland  
Selling goats to Governor and Board

1. Sooline is an American company, financially strong, has cash to purchase and rehab now.
2. Expect moving grain, percent, years
3. Reaches all major I/K points of interest to Iowa shippers and receivers. Competitive rates to KC and elsewhere.
4. Begin immediate rehab on bunches.
5. Want to serve Iowa shippers and work closely with them to meet needs
6. Provide effective competition to grain export areas from Iowa
7. Another meeting at West Bend in near future.
8. Includes elevator property and truckage.

2

9. Card - owner OT-5

10/8 11:30 P Harvey Sims

Iowa DOT will help with press conference.

Press conference

Robert D. Ray, Governor



Warren B. Dunkham, Director, Iowa DOT  
Les Holland, Director, Railroad Transportation  
Division

Doug  
Harvey

Mpls - Des Moines

OZ 655 8<sup>00</sup>AM 8<sup>47</sup>AM

Des Moines - Ogo

UN 646 9<sup>20</sup>AM 10<sup>18</sup>AM



# JDD Review pl

Re: C & NW

Estimated Freight Revenue loss as a result of CN-Milw run through service and Soo proposed acquisition of RI Mh Mpls - KC and IFG Branch lines.

## (1) CN-Milw Run Through Service:

### (a) Duluth - Mpls

10,000 Chs x 70T x 150 Mi = 105.0 Mil TMs

### (b) Duluth - KC

10,000 Chs x 70T x 600 Mi = 420.0 " "

### (c) Duluth - Chicago

20,000 Chs x 70T x 550 Mi = 385.0 " "

Revenue generated @ .03667 per TM 910.0 " " \$ 33,369,700

## (2) Soo - MNS acquisition:

### (a) MNS - CNW interchange Randolph/Northfield

8000 Chs SB KC-SW @ Riv Rch 100 5,600,000

4000 " " Intermediate @ " " 500 2,000,000

### (b) Soo - CNW interchange - St Paul

20,000 Chs SB KC - Intermediate @ 600 12,000,000

## (3) IFG - Soo proposed acquisition

20,000 Chs corn, beans and fertilizer 1000 20,000,000

## (4) Des Moines Branch Lines

22,000<sup>+</sup> Chs = 3.6 Mil 1978 max @ 51.73% increase 5,400,000

## (5) Soo interchange @ KC - NB projected per study

14,700 Chs 9,100,000

Projected Total Loss - Freight Revenue

\$ 87,500,000  
\$ 87,500,000

Factors used:

Western District Net Tons per Load 1981 = 69.8 T per AAR

CNW projected op fee per TM 1982 = 3.631¢ and 1983 = 3.667¢

per Reinheimer's Marshburg, Iowa 7-20-82 Report.

DB 10-7-82



October 7, 1982

TO: T. M. Beckley  
D. M. Cavanaugh  
R. H. Smith

FROM: J. D. Darling JDD

RE: Rock Island Study

Attached is a copy of the agenda items submitted by  
Les Holland, Director Railroad Division, Iowa DOT, for  
discussion at the Iowa DOT Board Meeting to be held on  
Tuesday, October 12, 1982.

JDD/jmz

Att. (1)

DEPARTMENT OF TRANSPORTATION

AGENDA ITEM / COMMISSION ORDER / STAFF ACTION

Division/Bureau/Office Railroad Division Item/Order No. \_\_\_\_\_

Submitted by Les Holland Phone No. 239-1646 Meeting Date October 12, 1982

TITLE: Soo Line Offer to Purchase Rock Island Lines (Delegation)

DISCUSSION / BACKGROUND:

On September 28, 1982, the Commission was informed that an offer to purchase 657 miles of Rock Island trackage was submitted to the Trustee on September 14, 1982, including:

1. About 400 miles of the spine line between Kansas City and Northfield, Minnesota.
2. About 245 miles of the Iowa Falls Gateway: from Iowa Falls through Estherville to Ocheyedan and Rake along with Dows to Forest City.
3. The 12 mile branch line from Carlisle to Indianola.

Senior officials of the Soo Line will discuss plans for the purchase of these lines with the Commission.

PROPOSAL / ACTION RECOMMENDATION:

For information only.

COMMISSION ACTION / STAFF ACTION:

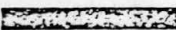
Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_


Vote

Aye Nay Pass

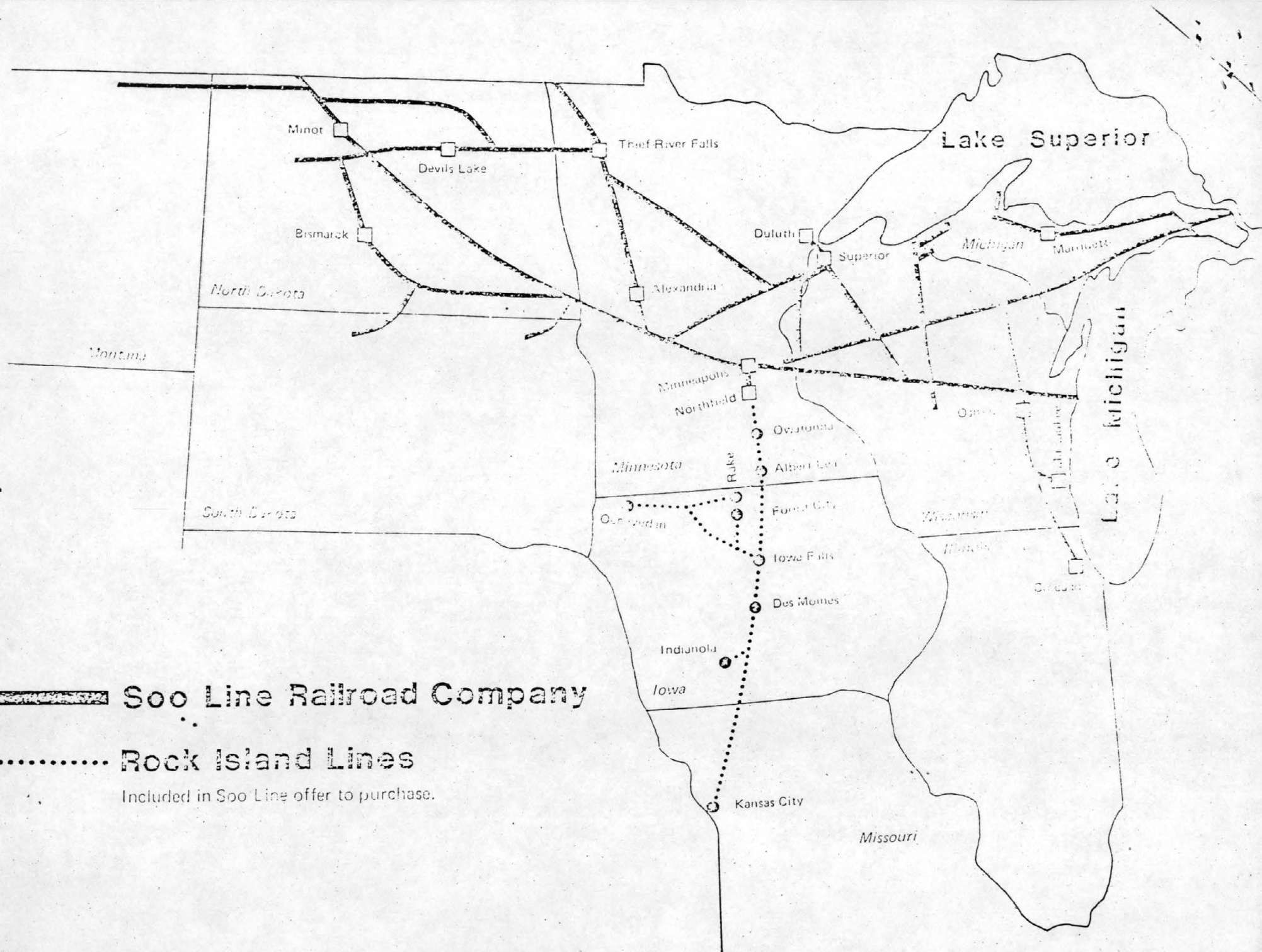
Dunn	_____	_____	_____
Fair	_____	_____	_____
Rensink	_____	_____	_____
Rigler	_____	_____	_____
Turner	_____	_____	_____
Van Horn	_____	_____	_____
Voy	_____	_____	_____

*Les H. 07*

 Soo Line Railroad Company

 Rock Island Lines

Included in Soo Line offer to purchase.





10/6/82 Bill Siller 3<sup>00</sup> PM.

OTM, anchors, wheels and anchors  
at reasonable rates with tax benefits.

Org Corp.

\$5,000,000 over two years.

Line of credit at Soc Bank  
Barkleys

October 6, 1982

TO: T. M. Beckley  
D. M. Cavanaugh

FROM: J. D. Darling *JDD*

RE: Rock Island Study

In a phone conversation today, Harvey Simms of the Iowa DOT advised that the Milwaukee Road had recently included in its core system its currently idle line between Austin and Mason City, and had placed its line between Austin and Calmer in Category I. This may indicate an intention to continue operating their own line between Comas and Austin in preference to seeking trackage rights between Comas and Plymouth Jct. via Manly on the Rock Island and CNW.

Harvey also mentioned that at an Iowa Rail Finance Authority Board meeting, Fred McKim, IRFA Board member from the West Bend Elevator, spoke positively in response to questions regarding the potential Soo acquisitions from other Board members.

JDD/jmz

October 5, 1982

To: Thomas M. Beckley  
From: J. D. Darling *JDE*  
Re: Rock Island Study

Meeting with Governor Robert D. Ray of Iowa confirmed for 10:30 a.m., Tuesday, October 12, 1982.

Harvey Simms of the Iowa DOT will meet you at the airport and provide transportation to the meeting with the Governor and to the DOT Board of Directors meeting at Ames.

The Iowa DOT asked if you wish a press conference immediately after meeting with the Governor. They recommended it, but it would be for the Soo Line as opposed to for the Governor.


The press will also be at the DOT Board meeting which is public.

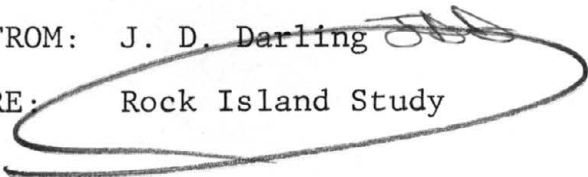
The Iowa DOT press staff can assist if we have any questions.

At this time D. M. Cavanaugh, R. H. Smith and yourself all have reservations on the same flight to Des Moines.



October 5, 1982

TO: D. M. Cavanaugh  
FROM: J. D. Darling   
RE: Rock Island Study



Jim Hartnett would like me to accompany him on a trip to Des Moines, Iowa October 19-21, 1982. The purpose of the trip would be to locate industries on the ground for subsequent contact by Traffic alone. The goal is to determine if we should seriously consider additional Rock Island trackage in Des Moines.

May I have your approval?

JDD/jmz

October 5, 1982

TO: T. M. Beckley  
D. M. Cavanaugh

FROM: J. D. Darling

RE: Rock Island Study

In a September 3, 1982 phone conversation with Dick Lane of the Rock Island, I was advised that the three sales to adjacent property owners of segments totaling 2.7 of the 13.0 miles of the right-of-way between Allerton and Seymour were pending, but not closed.

On September 24, 1982, Dick Lane called to say that he had noted our bid included the Allerton to Seymour segment and asked in few of our previous conversations if we had intended to include this segment. I told him that we had. He said he would check on the status of these sales.

On October 4, 1982, I returned a call to Dick Lane and he advised that two of the sales totaling two miles had been closed. He asked if they should hold any additional sales in abeyance, and I said that they should.

This opportunity has faded considerably. However, I believe we should keep it open at least until we talk directly with the Milwaukee. As the Milwaukee would be the sole operator of this segment, we should be able to approach acquisition and reconstruction solely on the basis of securing financing for the Milwaukee. This limited liability should be more than offset by the rental and shared operating expenses on the main line between Allerton and Polo.

JDD/jmz

October 5, 1982

TO: W. B. Peterson

FROM: J. D. Darling

RE: Rock Island Study

Attached is a contact regarding the Rock Island signal system.

Also, Harvey Sims of the Iowa DOT has expressed a willingness to have his field inspectors discuss the condition of the Rock Island property with us.

C. J. Stoffer of the Iowa Northern Railroad Company can also put us in contact with at least two former Rock Island roadmasters.

JDD/jmz

Att. (1)



DIRECT DIAL (412) 273-4004

R. D. BIRT  
MANAGER, FIELD INSTALLATIONS



UNION SWITCH & SIGNAL DIVISION  
AMERICAN STANDARD INC.  
SWISSVALE, PA 15218 (412) 273-4000

Form F-36

Soo Line Railroad Company



Date 9-23-82

To: DMC

From: DRB

- ☐ Please note and return.  
☒ For your information.  
☐ Please reply directly to attached.  
☐ Please give me your recommendations.  
☐ Please draft reply for my signature.  
☐ Please handle.  
☐ Would like to discuss with you.  
☐ Proposed draft attached for your review and suggestions.  
☐ Comments?

*Suggest you call and discuss  
what you want re RI  
Communication/signals system.  
He sez controls not a problem  
to move.*



## Railroad Division

Harvey E. Sims

Rail Operations Manager

800 Lincoln Way  
Ames, Iowa 50010

515/239-1054

## IOWA NORTHERN RAILROAD COMPANY

C. J. STOFFER  
GENL. FREIGHT AGENT  
NORTHERN DIVISION  
P. O. BOX 640  
GREENE, IOWA 50636

OFFICE  
1-515-823-5870

HOME  
1-515-454-2118

8

October 5, 1982

TO: C. C. Leary  
M. R. Logan  
S. M. Mrosak  
W. B. Peterson

FROM: J. D. Darling JDD/jmz

RE: Rock Island Study

Attached is a revised list of Rock Island station and right-of-way maps in our possession.

JDD/jmz

Att. (1)

October 4, 1982

TO: T. M. Beckley  
D. M. Cavanaugh

FROM: J. D. Darling

RE: Rock Island Study

On Tuesday, September 28, 1982, Cliff Leary and I met with Mr. J. E. (Earl) Hare, Superintendent, Kansas City Division, St. Louis Southwestern Railway Company, in Kansas City, Kansas.

We were to have met with Mr. W. (Bill) C. Hoenig, Assistant Vice President, Operations and Maintenance Department, Southern Pacific Transportation Company, San Francisco, California. However, we were unable to meet with Mr. Hoenig, as his inbound flight was delayed and he was unable to delay his departure the following morning. As a result, there were no substantive discussions on our entry into the Cotton Belt facilities on even a preliminary basis.

Mr. Hare and other members of his staff were most cordial, however, and took time both Tuesday afternoon and Wednesday morning to show us their operations, as well as the general operations of the Kansas City terminal.

Presently, the Cotton Belt operates two through trains in each direction. A portion of one is an intermodal run through operation with the BN. They operate their trains at 70 m.p.h. with horsepower to gross ton mile ratios of three to one. During the recent strike, they were able to conduct all of their normal operations on this division with supervisory crews. Supervisory crews operated over one district of over 400 miles within the hours of service.

Some eastbound blocking is done at Tuscon and El Paso. Some westbound blocking is also done at Armourdale. All of this blocking is subject to complicated considerations such as hazardous material, friction bearings (40 m.p.h.), weight distribution within the train and other restricted cars.

The Cotton Belt has rehabilitated a major portion of the former Rock Island Armourdale Yard and has plans for considerable additional work. Some of the additional work will await further increase in traffic. Armourdale was a hump yard, but the hump operation has not been rehabilitated and future plans call for expansion



T. M. Beckley, D. M. Cavanaugh  
Page Two  
October 4, 1982

of the flat switching capacity instead.

With the configuration currently being utilized, the yard has two switching leads, each with 10 to 12 classification tracks. The tracks for eastbound classification are former hump yard bowl track and are rather short, 30 to 40 cars. The necessity of dedicating three or four tracks to hold our cars was mentioned, although as most of our cars would come from other connections, perhaps our trains would be made up in their west-bound yard.

The Cotton Belt interchanges directly with every carrier in Kansas City. In most instances, they deliver their cars to other roads and the other roads deliver to the Cotton Belt. In some instances, a single transfer handles deliveries to several roads. In at least one instance, that of the NW, the Cotton Belt has a reciprocal interchange arrangement, whereby each road delivers and pulls alternately for four month periods. The impression given was that such agreements can readily be attained insofar as labor agreements are concerned, but are not numerous due to the time required to make many of the transfer moves.

In one instance, that of the Milwaukee, most of the interchange in both directions is handled by the Milwaukee road crews. The Milwaukee apparently blocks inbound trains for connections at Ottumwa, Iowa and makes as many deliveries and pulls with the inbound crew as possible. They then call one of two road crews, called "catchers", based at Kansas City to continue the operation. Inbound cars awaiting delivery and outbound cars awaiting departure of the train to Ottumwa are left on sidings on the joint Milwaukee-Rock Island trackage north of town. One significant motivation on the part of the Milwaukee to conduct this type of operation is apparently the desire to avoid using the KCS-Milwaukee joint yard and its associated costs. Under this operation, it is sometimes three days before the Milwaukee gets around to pulling the Cotton Belt, but when the SSW threatens to deliver the Milwaukee cars to the KCS-Milwaukee joint yard, the Milwaukee usually arranges to pull promptly. The use of road crews avoids the necessity for reciprocity in the interchange arrangement.

The Cotton Belt felt that we could operate from Trenton to Armourdale and return on one tour of duty. They said that we would use the Kansas City Terminal route and that you tend to move right along on the KCT. We did, however, witness numerous instances of delay entering KCT trackage at both ends of the KCT route. For that matter, we also witnessed instances of delay leaving the KCT route as well.

T. M. Beckley, D. M. Cavanaugh  
Page Three  
October 4, 1982

The Cotton Belt mentioned that we would no doubt want to deliver unit trains directly to the receiving road to avoid back haul and excessive zone or wheelage charges. This we would, of course, like to do, as it would no doubt improve transit time as well.

The Cotton Belt stated that the KCT will handle cars in interchange between road haul carriers, and that in fact initially much of their interchange was received this way. However, they also stated that a delay of two days over direct delivery can be expected. No indication of the cost per car or the method of allocating costs was mentioned.

We did observe that UP trackage is in place and in use that would permit a move east from Armourdale via an alternate route to the KCT route that would use UP, MP, and KCS trackage to leave town. This route is not currently used for this purpose and the SSW apparently does not have the right to do so.

The maps of the Kansas City terminal show a Rock Island bridge across the Kansas River east of Armourdale and a small yard on the Missouri side. This bridge and some of the track is in service to serve a few industries. However, it runs through the parking lot of a sports facility and both the SSW and the sport facility would be happy if it could be removed.

In summary, while Mr. Hare mentioned that they were always looking for extra business and either had or could readily provide the necessary room, he could make no positive statement as to the desire of the SSW to host our Kansas City operations. From our point of view, the SSW facilities at Armourdale would appear far down on the list. For one, cars for all roads other than the SSW and possibly the UP and KCT, would have to be backhauled through some trackage zones of the KCT or other roads. In addition, cars received from other roads would also have to be hauled through more trackage zones than if received at a facility closer to our point of entry to the terminal area. To date, we do not know what these zone charges are, but assuming they are comparable to Chicago, they could add up to a significant amount. Second, there is concern that entry into the SSW facilities may be accompanied by high rental and use charges as a result of the past and future rehabilitation expenses incurred by the SSW. In spite of the recent financial troubles, the SP still appears to approach things with a different perspective than we would. They operate their trains at 70 m.p.h. They strive for horsepower to gross ton ratios of three to one. They spent \$97 million rehabilitating 545 miles of the Tucumcari Line. There is some concern that their approach to the rehabilitation and operation of the Armourdale Yard would be at the same level.

JDD/jmz  
cc: C. C. Leary



Soo Line Railroad Company



Soo Line Building  
Box 530  
Minneapolis, Minnesota 55440  
(612) 332-1261

October 4, 1982

Mr. J. E. Hare, Superintendent  
Kansas City Division  
St. Louis Southwestern  
Railway Company  
618 Scott Avenue  
Kansas City, Kansas 66105

Dear Mr. Hare:

Just a note to thank you and the members of your staff for your kind hospitality. While we had hoped to meet with Mr. Hoenig, the time was well spent. Thanks to your efforts, we feel we have an excellent general knowledge of the terminal operations in Kansas City. We also appreciate the time you took to discuss your excellent safety program and your computer support.

We look forward to the opportunity of working with you again.

Sincerely,

JOE D. DARLING  
Director, Special Projects

JDD/jmz



10/4/82 9<sup>30</sup>AM

Dick Lane

Two sales closed, two miles, whole  
width of right of way, to adjacent  
farmers.

10/4/82 C-S Staff 10<sup>30</sup> AM

BN looking at property, talking to  
shippers

Harvey Sims says BN says no further  
interest

Systems Project Manager (Roadmaster at  
Roadmaster at Marley)

ICC toll free number

CNW telling local chairman Soo will  
not hire any RI people. Want  
people to support CNW.

CGW at Mason City, North York

3-4-5-6 belong to RI

RI to MILW, MILW to RI near

Depot

City of Marley.



October 4, 1982

Memorandum to File

✓ From: D. J. Boyer

Re: American Short Line RR Assn.  
Annual Conference, ~~October~~ 29 - ~~November~~ 1  
Tulsa, Oklahoma *September* *October*

During the course of attendance at the ASLRA conference, I spoke with many persons in attendance most of whom were well aware of Soo interest in Rock Island trackage to Kansas City. Conversations with individuals are briefly described in the event it is determined a follow-up to secure additional information may be beneficial. Most of these persons searched me out for conversation.

- (1) T. W. Logel, Vice President Operations & Traffic Development  
Iowa Railroad Company, Des Moines, Ia

Tom Logel developed into an interesting conversationalist. His background is the Agent, Rock Island at Iowa Falls at the time of Rock Island collapse March, 1980. CNW hired him in place. He dispatched all trains on the gateway and reviewed all traffic in the area. I asked specifically about CNW volumes. He stated that after one year of operation by CNW a study was done to determine profitability, which would determine lease trackage rates. Trustee sent his people into review all CNW studies which was summarized in a report to the Trustee. I asked if he had a copy of this report and he said no, but was well familiar with the volumes, etc. Said he may be able to get a copy of the report, but would be willing to talk to Soo about traffic information

- (2) William H. Zeidel, Vice President-Administration  
Missouri-Kansas-Texas, Dallas, Texas

Above individual not registered for attendance at conference. Appeared at social function with legal counsel of M-K-T.

Subject introduced himself and extended an invitation to visit M-K-T. Asked when Soo was going to acquire M-K-T.

Advised he was on his way to visit Rock Island Trustee. Inquired if Soo had yet received a response from Trustee to offer?



Memorandum to File  
October 4, 1982  
Page Two

- (3) Roy Gordon, Vice President  
L. B. Foster Co.

Preregistered for conference attendance. L. B. Foster had large hospitality room.

I visited with Gordon several times during course of conference. Very inquisitive of Soo Line offer details. He spoke as though he was privy to general terms of all offers to Trustee. L. B. Foster would like very much to put a "big deal together." During his conversations he kept referring to 9% money.

- (4) R. L. Taylor, General Manager  
Keokuk Jct. Railway

Registered attendant at conference. Wanted to know if Soo would consider acquiring line from Des Moines to Keokuk? Keokuk Jct. serves a large plant manufacturing fructose. Approximately 5,000 car loads terminating and originating. This plant gets its corn from IFG area by truck, but would like rail for stability. Product outbound is in tanks.

I asked if Keokuk Jct. could reach barge terminals; answer was yes. Keokuk does not freeze over in winter.

Offered that Iowa DOT has rehabilitation program completed to Pella - 25 mph track. I asked if he was considering acquisition to Des Moines? He said if a railroad he could work with had the mainline he would consider such a move.

- (5) Nancy Archer, Manager  
Greyhound Leasing & Financial Corp.  
Phoenix, Arizona

Greyhound holds the largest claim against the Rock Island Trustee of all equipment companies. Would like to visit with Soo. Large operator, portfolio of assets \$1 billion plus.

- (6) James Layton - Consultant  
Chicago, IL  
Long time member of ASLRA. Diesel specialist.

Asked if Soo was interested in an excellent water connection in Chicago.

Layton will have for sale the Chicago, West Pullman & Southern Railroad and steel plant which it serves:

Memorandum to File  
October 4, 1982  
Page Three

CWP - 29.88 miles  
300 Acres - steel plant  
15 miles Yard and Rts over Rock Island  
10 EMD SW (600 - 1200 HP)  
234 Cars - various  
General offices  
Steel plant has yard and exclusive routes to serve  
an 800 foot slip 25 ft. deep on Calumet River.  
(excellent location)  
Appraised at \$2.6 million - (Acquire much less)  
New not yet listed or advertised.

Connections: ICG, BRC, RI, EJE, IHB, LN

Layton will send details of facility.

Kansas City Southern (Rumor)

Did not get the name of the lady talking but she is of  
the Purchasing Department - KCS. Latest study is that  
of GT for the acquisition of KCS.

CNW (Rumor)

UP is to have advised CNW to prepare for bankruptcy.

cc: T. M. Beckley  
D. M. Cavanaugh  
R. H. Smith  
J. D. Darling

## NEWS from the Soo

Public Relations Department  
Soo Line Railroad Company  
Soo Line Building  
Minneapolis, Minnesota 55440

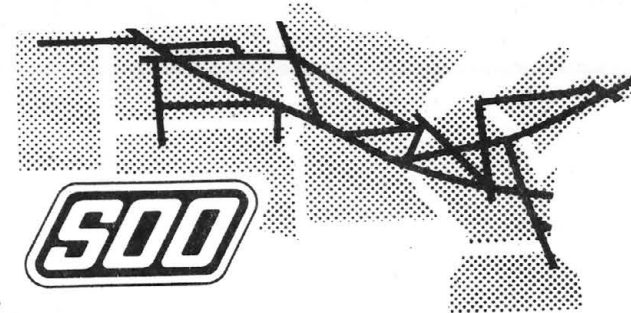


## NEWS from the Soo

Public Relations Department  
Soo Line Railroad Company  
Soo Line Building  
Minneapolis, Minnesota 55440  
(612) 332-1261

FOR RELEASE  
AFTER 12:00 NOON  
OCTOBER 12, 1982

*6:00 PM  
C. W. Chinn  
Soo Line*



### SOO REPRESENTATIVES MEET WITH GOVERNOR TO DISCUSS PURCHASE OF RAIL LINES FROM ROCK ISLAND

Representatives of the Soo Line Railroad Company met today with Iowa Governor Robert D. Ray to discuss the possible purchase by the Soo of 650 miles of rail line currently owned by the Chicago, Rock Island and Pacific Railroad Company. The proposal of the Soo would extend its direct service from Minneapolis to Kansas City via Des Moines and open up an extensive grain producing region in Iowa to service by the Soo. There has been considerable interest by Iowa agricultural and business groups in the Soo proposal.

Soo's offer was presented to the Trustee of the Chicago, Rock Island and Pacific Railroad Company on September 14. The offer calls for the Soo to purchase approximately 400 miles of Rock Island main line between Northfield, Minnesota and Kansas City, Missouri and approximately 250 miles of branch line in the northern half of Iowa. The branch lines involved run from Iowa Falls through Estherville, to Ocheyedan and Rake, from Dows to Forest City, and from Carlisle to Indianola.

Mr. Thomas M. Beckley, President of the Soo said that Soo's access to corn and soybean growing areas of Iowa would provide assurance of a level of service and maintenance

- more -



appropriate to the needs of the shippers. Mr. Beckley also said that Soo service to Iowa would provide shippers with direct access to many important markets and would provide Iowa businesses and farmers with access to raw materials and fertilizers from Canada and paper and forest products from a large variety of origins served by the Soo and its connections.

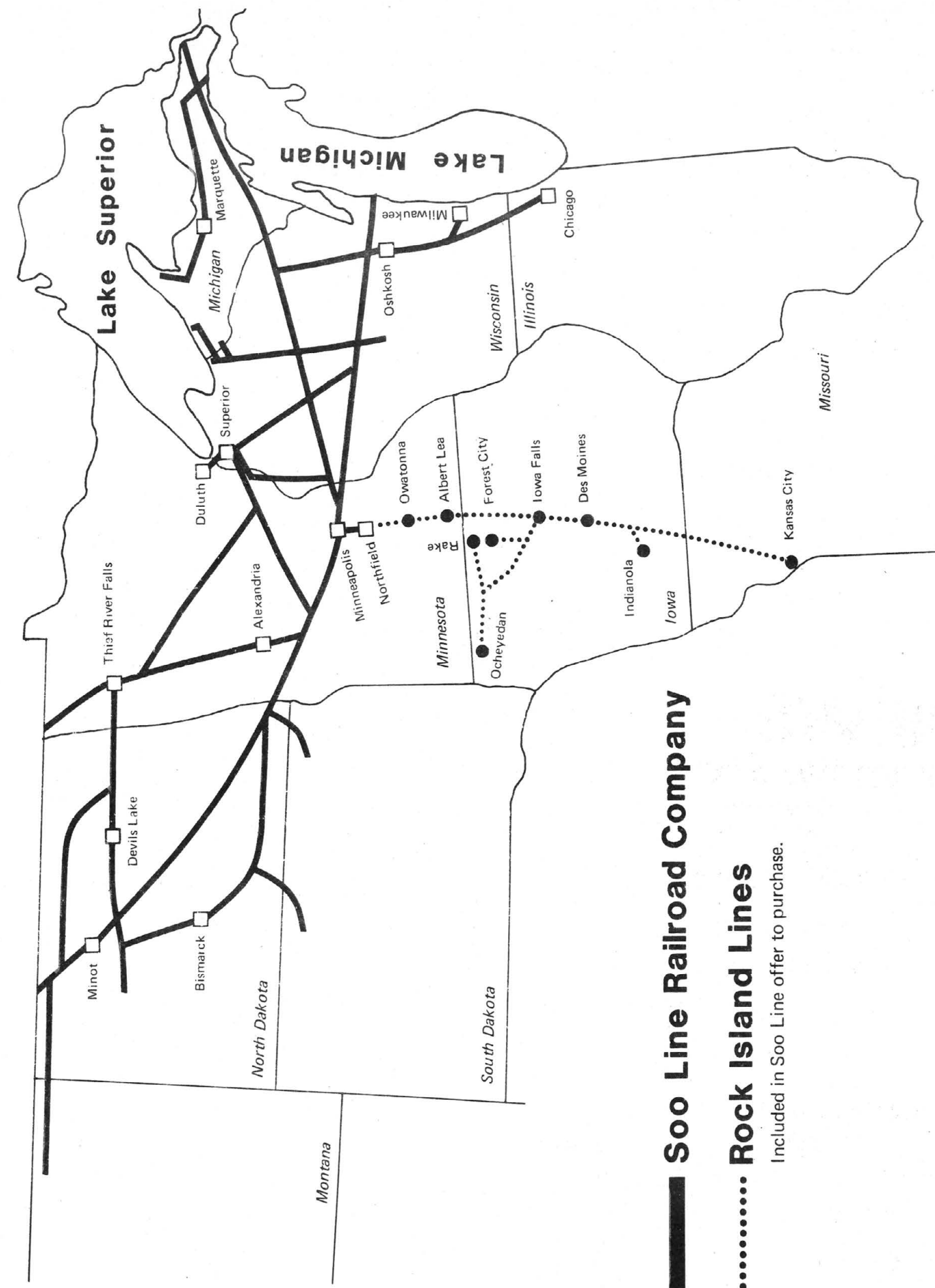
Soo currently operates more than 4,400 miles of line in seven states with its principal operations carried on in Minnesota, Wisconsin, Illinois and North Dakota. The company has important connections with Canadian railroads at four points and operates in the corridors running from the Twin Cities and Twin Ports to Chicago. Soo has served grain producers in the Dakotas and Minnesota for nearly a century and a large portion of its freight car fleet is designed to handle bulk farm products and farm supplies.

The Soo had railway revenues of \$330 million in 1981 and net income of \$36.4 million. The company currently has approximately 3,700 employees.

Warren B. Dunham, Director of the Iowa Department of Transportation, and Les Holland, Director Railroad Division of the Iowa Department of Transportation, also attended the meeting with the Governor as well as Dennis M. Cavanaugh, Executive Vice President and Ray H. Smith, Vice President - Traffic of the Soo Line Railroad Company.

The offer to purchase, if accepted by the Trustee and the Reorganization Court overseeing liquidation of the Rock Island, would be subject to approval by the Interstate Commerce Commission.

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October 4, 1982

Memorandum To File

Re Omaha Bank For Cooperative

From D. D. Beyer

Received telephone call from Ken Fide, Senior Loan Officer, Omaha Bank to advise they are proceeding with land descriptions from their ~~sketch~~ Elevator and other business customers who wish to acquire land presently leased from RT Trustee.

Asked if our negotiations with Trustee had moved along sufficiently enough for the Omaha Bank to start with consortium organization — answer, Not at this time!

*[Signature]*

TMB  
JMC  
JDD

October 4, 1982  
Memo To File  
From D. J. Boyer

Re Am Short Line RR Assn  
Annual Conference, October 29 - November 1  
Tulsa, Oklahoma

During the course of attendance at the ASLRA conference I spoke with many people in attendance ~~with~~ most of whom were well aware of Soo interest in RI trackage to KC. Conversations with individuals are briefly described in the event it is determined a follow up to secure additional information may be beneficial. Most of these people searched me out for conversation.

(1) Iowa Railroad Company, Des Moines, Ia  
T. W. Logel, UP Operations & Traffic Development

Tom Logel developed into an interesting conversationalist. His background is the Agent, RI at Iowa Falls at the time of RI collapse 3-80. CNW hired him in place. He dispatched all trains on the gateway and reviewed all traffic in the area. I asked specifically about CNW volumes. He stated that after one year of operation by CNW a study was done to determine profitability, which would determine lease trackage rates. Trustee sent his people in to review all CNW studies which was summarized in a report to the Trustee. I asked if he had a copy of this report and he said no, but was well familiar with the volumes, etc. Said he may be able to get a copy of the report, but would be willing to talk to Soo about traffic information if Soo wished.



ASLRA-2

(2) William H. Zeidel, VP - Administration  
MKT - Dallas, Texas

Above individual not registered for attendance at conference. Appeared at social function with legal counsel of MKT.

Subject introduced himself and ~~also~~ extended an invitation to visit MKT. Asked when Soo was going to arrive MKT.

Advised he was on his way to visit RI Trustee.

Inquired if Soo had yet received a response from Trustee to offer?

(3) Ray Gordon, VP  
LB Foster Co.

Pre registered for conference attendance. LB Foster had large hospitality room.

I visited with Gordon ~~two~~ several times during course of conference. Very inquisitive of Soo line offer details. He spoke as though he was privy to general terms of all offers to Trustee. LB Foster would like very much to put a "big deal together". During his conversations he kept referring to 9% money.

### ASLRA - 3

(4) R.L. Taylor, CUM  
Keokuk Let by

Registered attendant at Conference. Wanted to know if S&W would consider acquiring line from Des Moines to Keokuk? Keokuk Let serves a large plant manufacturing fuel tanks. Approximately 5,000 Ch's terminating and originating. This plant gets its corn from IFCO area by truck, but would like rail for stability. Product outboard is in tanks.

I asked if Keokuk Let could reach barge terminals; answer was yes. Keokuk ~~does~~ does not freeze over in winter.

Offered that Iowa DOT has rehab program completed to Pella — 25 MPH track. I asked if he was considering acquisition to Des Moines? He said if a RR he could work with had the ~~ML~~ <sup>ML</sup> he would consider such a move.



## ASLRA - 4

- (5) Nancy Archer, Mgr  
Grayhound Leasing & Financial Corp.  
Phoenix, AZ  
Grayhound holds the largest claim against  
the RTI Trustee of all ~~coll~~<sup>equipment</sup> companies.  
Would like to visit with Soo.  
Large operator, portfolio of assets \$1.6 billion Plus.

- (6) James Layton - Consultant  
Chicago, Ill.  
Long time member of ASLRA. Diesel  
Specialist.  
Asked if Soo was interested in an excellent  
water connection in Chicago?

Layton will have for sale the Chicago, west  
Pullman & So RR and steel plant which it  
serves:

CWP - 29.88 miles  
300 Acres - steel plant  
15 Miles yard & Rts over RI  
10 2MD Sw (600-1200 HP)  
234 Cars - various  
General offices

Steel plant has Yd & exclusive Rts to serve  
an 800 ft ship 25 ft deep on  
Calumet River. (excellent location)

Appraised at 2.6 Million - (Acquire much less)  
Never yet listed or advertised.

Connections: ICC, BRC, RI, EJE, IHB, LN

Layton will send details of facility.



ASLRA - 5

KCS (Rumor)

Did not get the name of the lady talking, but she is of the purchasing dept - KCS. Latest study is that of CT for the acquisition of KCS.

CNW (Rumor)

UP is to have advised CNW to prepare for bankruptcy.

CC TMD

DMC

RS

LOD