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I have been employed as a clerk by the Milwaukee Road for eight years. Most of this time I have worked as car desk clerk, first in Tacoma and for the last five years in Seattle. Part of my duties has been to process the waybills on carloads of lumber that originate in British Columbia on the BCOL railroad and move to Seattle on the Foss Launch and Tug railcar barges for furtherance on the Milwaukee Road. Foss Launch and Tug provides a list of all cars on the barge, the waybills for cars going beyond Seattle on the Milwaukee and a switch order for cars going to the BN line.

In my opinion the management of the Milwaukee Road has made decisions to eliminate revenue generated from the Western portion of the railroad and used these self-induced revenue losses to support the abandonment proposal. One example of self-induced revenue loss is the elimination of the large volume, revenue-producing lumber shipments originating in British Columbia.

During July I noticed a decrease in the number of carloads routed via Seattle Milwaukee and an increase in the number of cars routed via Seattle BN. I checked to find out why the decrease in carloads routed via Milwaukee and was told that officials of the Milwaukee Road had informed the Council of Forest Industries of British Columbia, that the Milwaukee would file for permission

to increase freight rates on carloads of lumber originating in British Columbia and routed via Milwaukee lines. The result of this action by the Milwaukee Road to discourage business was a letter dated July 6, 1979, from the Council of Forest Industries of British Columbia to the various lumber shippers in British Columbia urging them to discontinue the use of Milwaukee routings when possible and maintain the routes via BN.

Attached is a chart showing the number of carloads of lumber shipped each month from British Columbia routed via BCOL, Foss Launch and Tug and then Milwaukee or BN beyond Seattle. Of particular significance are the figures for July, August and September 1979 which show the response of the British Columbia shippers to the Milwaukee's proposed rate increase.

A conservative estimate of the Milwaukee's portion of the revenue averages \$1,600 per car. This figure is arrived at by using the following divisions:

Via Seattle Milwaukee to Junction at --

Kansas City	25%
Minneapolis	53%
Chicago	67½%
Louisville	71½%

and an average total revenue of \$3,000 per car.*

Additional examples of management decisions that reduce revenues can be supplied if desired.

*I was not able to find anything in the abandonment documents that showed the amount of revenue or carload movements nor the impact that the loss of the option to ship via Milwaukee would have on customers of rail service.

Carloads of lumber shipped from British Columbia via BCOL-North Vancouver, B.C., Foss Launch and Tug, Seattle and the Milwaukee Road or the Burlington Northern for 1977, 1978 and through September 26, 1979.

	<u>1977</u>		<u>1978</u>		<u>1979</u>	
	MILW	BN	MILW	BN	MILW	BN
January	703	399	561	190	274	172
February	718	338	365	135	154	181
March	961	259	346	201	204	180
April	812	241	455	265	202	236
May	786	228	398	250	226	288
June	824	261	520	225	294	181
July	605	192	547	225	125	285
August	731	228	581	220	5	382
September	589	180	528	202	1	336
October	629	171	496	178		
November	582	181	480	221		
December	<u>532</u>	<u>178</u>	<u>399</u>	<u>240</u>		
TOTAL	8472	2856	5676	2552	1485	2241
Estimate of Milwaukee Road's Portion of the Revenue	\$13,555,200		\$9,081,600		\$2,376,000	