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CHICAGO - October 15, 1976

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ALL

Mr. Worthington L. Smith:

Following is the equipment situation for the month of September 1976 and thus far in October 1976.

BOX CARS AND COVERED HOPPERS

During the month of September and thus far in October 1976, we have had a tight supply of 40-ft. and 50-ft. wide door box cars over the entire system. In conversation with transportation people on other railroads and the AAR it is evident that there is a nationwide shortage of this type of equipment. We did have some spot shortages of these types of box cars on the western region and have had a continuing shortage of 50-ft. box cars at Green Bay, Wisconsin. Green Bay is an especially sore point at this time because there are three (3) railroads serving this point all short of box cars. We have been sending the system 50-ft. box cars to the western region for some time and supplying Green Bay with available, suitable unrestricted foreign box cars and will try to increase the number of cars sent to Green Bay. Our bad order ratio of 50-ft. box cars is now in excess of 18%.

The supply of covered hoppers for grain loading during September was adequate with the exception that we did have some shortages towards the end of the month in the Iowa and Minnesota area due to the slow return of covered hoppers from the western region due to train service interruption, as well as a backlog of loaded cars in the Pacific Northwest awaiting unloading. We are not using any foreign or private covered hoppers except those running in unit grain trains. At present the supply of covered hoppers is adequate except that the grain loading on the Northern Montana has again picked up, and in spite of seven hundred (700) covered hoppers working in the western region, we are having difficulty filling orders in that area this week. The western region is working with connecting lines and elevators in that area in an attempt to get cars unloaded and returned to the Great Falls area. There were two (2) unit grain trains operating during the month of September and at present we have ten (10) unit grain trains in operation with one hundred (100) system, fifty (50) foreign and two hundred seven (207) private covered hoppers. We expect to add two (2) more unit trains with seventy-five (75) private cars by the end of the week. We have been short of small cubic covered hoppers for sand loading at Portage, Wausau and Hanover. We are short of covered hoppers.

Marketing is making an analysis of the forecasted loading and profitability of this business to justify the cost of sandblasting some of the hoppers released from cement loading to make them fit for sand.

Grain and soybean loading:

September 1976. . . . .	.4,806	cars	
September 1975. . . . .	.6,840	"	
Decrease. . . . .	.2,034	"	or-29.7%
First twelve days of October 1976 . . . . .	.1,949	cars	
First twelve days of October 1975 . . . . .	.2,868	"	
Decrease. . . . .	.919	"	or-31%

Mr. Worthington L. Smith:

BOX CARS AND COVERED HOPPERS (continued)

The grain loading during September was very disappointing and the first twelve days of October statistics indicate that the trend is continuing. In discussion with the grain people and Marketing, the problem seems to be that there is no export demand of any consequence and terminal storage is full. The total grain loading for the month of October 1975 was 8,244 and we estimate that in October 1976 we will load about 5,500 carloads of grain.

Lumber loading:

September 1976. . . . .	.5,353	cars	
September 1975.	<u>.4,643</u>	"	
Increase. . . . .	.710	"	or 15.2%

First seven days of October 1976. . . . .	.1,194	cars	
First seven days of October 1975.	<u>.1,134</u>	"	
Increase. . . . .	.60	"	or 5.2%

FLAT CARS

We have an adequate supply of chain tie-down flat cars for machinery loading, however, due to the strike at Deere and Company at East Moline and Dubuque, we have a surplus of these cars.

We continue to have plain flat cars stored, although we are switching out all plain flat cars with suitable decks and sending them to Seattle for lumber loading on the British Columbia Railway and subsequent movement to Alaska for machinery providing the latter movement develops.

We have loading for all of our bulkhead flat cars at this time, but our supply of these cars is adequate.

Machinery loading:

September 1976. . . . .	.1,657	cars	
September 1975.	<u>.2,123</u>	"	
Decrease. . . . .	.466	"	or 21.9%

First seven days of October 1976. . . . .	.334	cars	
First seven days of October 1975.	<u>.576</u>	"	
Decrease. . . . .	.242	"	or 42%

MULTI-LEVEL AUTOMOBILE EQUIPMENT

September 1976. . . . .	.2,383	cars	
September 1975.	<u>.2,537</u>	"	
Decrease. . . . .	.154	"	or 6%

First seven days of October 1976. . . . .	.426	cars	
First seven days of October 1975.	<u>.601</u>	"	
Decrease. . . . .	.175	"	or 29.1%

MULTI-LEVEL AUTOMOBILE EQUIPMENT (continued)

The strike at Ford Motor has resulted in the decrease and with the settlement of this strike it would be anticipated that our loading will return to the expected level.

Sixty (60) of the one hundred (100) new tri-levels have been released by the fabricator and we are waiting completion of financial arrangements for delivery. The initial release of the second one hundred (100) is scheduled to begin about November 23.

OPEN TOP HOPPER EQUIPMENT

Coal and coke loaded and received:

September 1976. . . . .	.7,737	cars
September 1975.	<u>.8,493</u>	"
Decrease. . . . .	.756	" or 8.9%
First seven days of October 1976.	1,816	cars
First seven days of October 1975.	<u>1,873</u>	"
Decrease. . . . .	.57	" or 3%

The decrease in coal loadings is due to the Gascoyne-Big Stone City unit train not operating due to the power plant being closed down for maintenance. It is expected that the regular 5-day movement will resume about October 22.

The ore movement from Randville, Michigan to Granite City will be reduced effective next week from four (4) 85-car unit trains per week to three (3) seventy-car trains per week. We have had an adequate supply of hoppers and the reduction in the ore movement will result in a surplus.

GONDOLA EQUIPMENT

During September and early in October we have had an adequate supply of gondolas with the exception we have been short for scrap loading in Milwaukee this week and are getting help from the EJ&E for this movement. We had several unusual movements in gondolas, including a movement from Anaconda to Seattle and Vancouver, Canada of which we have loaded about thirty (30) cars and expect to move a total of ninety (90). In addition, we have an order for three hundred (300) carloads of breakwater stone out of Bedford, Indiana for Lorain, Ohio which we expect to furnish.

We continue to be short of covered coil steel gondolas with the heaviest orders coming from Inland Steel.

We have an adequate supply of bulkhead and regular covered gondolas.

REFRIGERATOR AND DF CARS

From January 1 to October 3, 1976, we have loaded 2,488 mechanical refrigerators in the Columbia Basin compared to 2,375 in 1975. The loading of fresh potatoes was extremely light until about the second week of September and at which time we became extremely short of mechanical refrigerators. Since that time we have been able to get help from the PFE and we have an adequate supply at this time, and in fact are filling all orders on eastern regions at this time.

Mr. Worthington L. Smith:

REFRIGERATOR AND DR CARS (continued)

Beer Loading in Milwaukee:

September 1976. . . . .	.1,648	cars
September 1975.	<u>.1,874</u>	"
Decrease. . . . .	.226	"

The loading at Miller Brewery decreased 167 carloads during September, compared with September 1975 and our carloads decreased only 45 carloads. The principle loss was borne by the Soo Line who were down 161 carloads. Schlitz Brewery had a decrease of 340 carloads and The Milwaukee Road showed a 179-car decrease and the Soo Line a 146-car decrease. The Schlitz Brewery has gone to double deck loading on all cars which have sufficient cubic capacity to do so, which include one hundred (100) new Soo Line cars and the cars furnished by the RS&P for this loading. The arrangements for the RS&P were made thru a joint effort of Schlitz, our Marketing people and the RS&P and will amount to one hundred (100) cars when full assignment is completed. I also understand that the Soo Line will place one hundred (100) additional new cars in this service.

AIRSLIDES

We have a surplus of airslide hoppers at this time.

PIGGYBACK LOADING

September 1976. . . . .	.7,553	cars
September 1975.	<u>.6,952</u>	"
Increase. . . . .	.601	" or 8.6%
First seven days of October 1976. . . . .	.1,842	cars
First seven days of October 1975.	<u>.1,737</u>	"
Increase. . . . .	.105	" or 6%

There is a severe nationwide shortage of trailers at this time and we are facing this problem mainly in the Midwest area. The United Parcel Service strike has resulted in extremely heavy demands on the Post Office who has trouble keeping up and as a result is tying up a lot of trains. We did operate two (2) unit mail trains from ConRail to Perry, Iowa for the bulk mail center at Des Moines and return over the past week.

TOTAL REVENUE FREIGHT LOADING

September 1976. . . . .	.75,873	cars
September 1975.	<u>.76,408</u>	"
Decrease.	535	" or 0.7%
First twelve days of October 1976 . . . . .	.29,983	cars
First twelve days of October 1975	<u>.30,929</u>	"
Decrease.	946	" or 3.1%

October 1976 has 20 working days compared to 22 in October 1975. The October 1975 total carloadings were 83,116 and we estimate for October 1976 we will load approximately 77,000 carloads.

R. S. B. Jr.

General Superintendent Transportation

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