

"KEEP IT MOVING"

CHICAGO - May 6, 1977

File: R-29 - Board Report

Mr. Worthington L. Smith:

Following is the equipment situation for the month of April, 1977.

GENERAL SERVICE BOX CARS

During the month of April, continuing to date, our supply of 50-ft. general service box cars has been inadequate to meet demands systemwide. This shortage has been most severe in the paper loading areas of Wisconsin, and the western region of our railroad has also felt the impact of this shortage to a lesser extent. We are utilizing all foreign equipment and Clearinghouse cars available to us even to the extent of forwarding Clearinghouse cars to the western region from the east end of the railroad to be utilized for lumber loading. Due to a labor disruption at FMC at Portland, production of SSI equipment has been delayed and as stated in last month's letter, the Burlington Northern is soliciting for their share of this equipment, and as a result, has moderated the opportunities available to us from this source.

50-ft. box cars continue to be on a Car Assistance Directive. Our percentage of system 50-ft. cars off-line has decreased to 53% versus 60% for last month, which represents an increase of approximately 300 additional system cars on-line daily. This upward trend has been detected for the last three weeks and in our review reflects a moderation in the nationwide car shortage that we have experienced since the first of the year. The Car Condition Report indicates 492 of our 50-ft. box cars bad order which is 9.0% of our fleet with a slight increase over last month.

Paper Loading:

April 1977. . . . .	3,114	cars	
April 1976. . . . .	<u>4,211</u>	"	
Decrease. . . . .	-1,097	"	or -26.0%

Lumber Loading:

April 1977. . . . .	4,954	cars	
April 1976. . . . .	<u>5,191</u>	"	
Decrease. . . . .	- 237	"	or -4.5%

COVERED HOPPERS AND GRAIN BOX

The demand for covered hoppers for grain loading continues to be heavy, although orders for 40-ft. narrow door box cars has decreased substantially. We have commenced the process of relocating covered hoppers from the western region back into the Dakota, Minnesota and Iowa areas in anticipation of

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COVERED HOPPERS AND GRAIN BOX (continued)

moderate to strong demands for covered hoppers for loading in these regions between now and the Harvest season. We continue to have a shortage of approximately 700 covered hoppers daily, principally in the eastern region. The Montana Division has dropped substantially as a result of the incentive rates expiring on May 5.

Our supply of 40-ft. narrow door box cars for grain loading continues to be surplus and we now have 150 cars stored serviceable on-line.

During April we operated nine grain trains, utilizing 139 system, 196 private and 38 foreign cars. We are now operating eight unit grain trains, with the cancellation of a FGDA unit train that was using 25 cars. UPA does anticipate starting up a 25-car unit train from Jefferson, Iowa going to river ports in the very near future. We have had difficulty operating two unit grain trains at Alpha, Minnesota (Cargill) and Welcome, Minnesota (Pillsbury), due to deteriorated track conditions necessitating first reducing the line to 220,000 lbs., and then at one point closing the line entirely. We do anticipate the resumption of service next Monday.

The total grain loading for the month of May, 1976 was 5,422 carloads and we estimate that for May, 1977 we will load 4,800 carloads.

Grain and Soybean Loading:

April 1977. . . . .	4,582 cars
April 1976. . . . .	<u>4,875</u> "
Decrease. . . . .	- 293 " or -6.0%

SMALL CUBE COVERED HOPPERS

The demand for small cube covered hoppers for cement loading was heavy during the month of April, and with the acceleration of the construction season, our shortage has become acute. All other roads contacted for assistance have also indicated substantial car shortages. We estimate at the present time that we need an additional 130 cars to meet present orders.

Sand and granual loading in the Portage-Wausau, Wisconsin areas were substantial during the month of April and continue to the present date, with some car shortages resulting particularly for granual loading out of 3M at Wausau.

AIRSLIDE COVERED HOPPERS

American Crystal Sugar Company at Renville, Minnesota continues to have some moderate loading requiring airslides, with surplus reported at Scalley and Billings.

OPEN TOP HOPPER EQUIPMENT

We continue to show a surplus of 50-ton open top hoppers, although the surplus has been reduced from approximately 400 cars to 250 cars due to company ballast requirements and some increase in sand and gravel activities.

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OPEN TOP HOPPER EQUIPMENT (continued)

Unfortunately the movement from Forsyth, Montana to Granite Falls, Minnesota did not materialize due to a last minute price conflict between the shipper and the consignee. We are in the process of giving the Southern Pacific 50 of our open top cars for service down in Southern Arizona which will allow them to place additional 100-ton hopper cars into a movement in Southern Arizona of copper up to Butte, Montana on our line.

Indianapolis Power & Light ran 17 days with 17 trains, carrying 648 cars or 67,768 tons. Public Service operated 24 days with 42 trains, carrying 2,159 cars or 162,888 tons.

The Gascoyne-Big Stone City train made 26 trips during April and the Colstrip-Columbia unit train made nine trips via our line and nine via St. Paul.

Coal and Coke Loading:

April 1977. . . . .	9,541 cars	
April 1976. . . . .	<u>7,426</u>	"
Increase. . . . .	+2,115	" or +28.4%

FLAT CARS

During the month of April the shortage of the chain tie-down flat cars, particularly for implement loading in the Quad Cities area began to moderate. As a result, the demand for plain deck flat cars for farm implement loading have declined substantially. We continue to have a sharp demand for plain deck flat cars, particularly on the east end of the railroad which has necessitated continued use of Clearinghouse equipment and other foreign flat cars terminating on our railroad. Increased demands for flat cars for company material loading in conjunction with our 1977 track campaign will occupy a good percentage of our system equipment for the balance of the fair weather months.

Our supply of bulkhead flat cars for loading has been adequate for West Coast needs with no substantial car shortages reported for this type of equipment for the month of April to the present time. We are continuing to use some UP and SP bulkhead cars which are being made empty on our line for reloading at Alcoa, Riverdale, Iowa to California destinations.

Machinery (including electrical) Loading:

April 1977. . . . .	1,466 cars	
April 1976. . . . .	<u>2,129</u>	"
Decrease. . . . .	- 663	" or -31.1%

MULTI-LEVEL AUTOMOTIVE EQUIPMENT

During the month of April we loaded 105 tri-levels and one bi-level from Galewood to western destinations. The reduction in bi-level loading was due to a decision by Chrysler to discontinue forwarding trucks out of Galewood

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MULTI-LEVEL AUTOMOTIVE EQUIPMENT (continued)

until later this summer when we receive our enclosed bi-levels. Shipping activity from Galewood has been reduced substantially at the present time due to a strike at the Chrysler stamping plant at Detroit. During April 164 Hondas and 51 Chrysler imports were loaded off the West Coast and brought to the east. Today we have an outstanding order for 32 enclosed tri-levels to move Hondas east from Portland, with no other orders placed with us at this time. It should be noted, however, that while we have thus far moved 457 carloads of Hondas from the West Coast to the east, it is still the intention of Honda to ship a minimum of 1,600 and possibly as high as 2,000 carloads before the end of the year, which indicates that movements from Portland should be very heavy for the balance of the year. We have experienced spot shortages on the West Coast, but to date this has only resulted in minor delays in shipping.

Motor Vehicle Loadings:

April 1977. . . . .	3,151 cars
April 1976. . . . .	<u>3,126</u> "
Decrease. . . . .	+ 25 " or +.7%

GONDOLA EQUIPMENT

The demand for covered coil gons in April continues to be very strong, with weekly shortages of approximately 20-30 cars per week. This trend will most likely continue at least thru the balance of the month of May.

The demand for bulkhead and regular covered gondolas continues to exceed our ability to supply. We have been able to receive some assistance from the Santa Fe and the Union Pacific to supplement our requirements, particularly at Alcoa Company, Riverdale, Iowa.

The regular gondola situation during the month of April deteriorated substantially, with an increase of orders for both scrap and finished metal products. The increase in demand was exemplified by the EJ&E placing an order for regular gondolas with us for the first time in well over a year. We continue to use all Clearinghouse and other foreign equipment available to us, and in addition we have been seeking modifications wherever possible on foreign cars covered by various CAD orders. The shortage of gondola cars should become quite severe for the next four to five months. Our 1977 track campaign will require a minimum of 2,500 carloads simply to move new and secondhand ties. We have met with the Engineering Department to discuss their requirements, and in turn we are in the process of having every Milwaukee Road gondola, particularly the cars that have been outlawed in interchange, inspected to determine if they will be suitable for the movement of ties. We feel we have no alternative but to give our track program first priority over all considerations, including revenue demands to ensure that our campaign can be accomplished on schedule.

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REFRIGERATOR AND DF CARS

During the month of April our shortage of mechanical refrigerators moderated substantially. The moderation was a result of additional assistance that we were able to receive from ART and the Fruit Growers Express. We did not suffer any substantial shortages on the West Coast during this period, and only moderate or spot shortages on the east end of the railroad. We anticipate that during the month of May we should have substantial assistance available to us so we do not anticipate any extreme difficulties during this month. January thru May 1 we have loaded 1,028 mechanicals off the West Coast, as compared to 1,226 cars in 1976. Since our last report there has been no mechanical trailers used in the Othello area.

During the month of April the demand for RBL equipment, particularly for canned good loading began the seasonal decline. No substantial car shortages are reported in any region.

Beer Loading in Milwaukee:

April 1977. . . . .	1,596 cars
April 1976. . . . .	<u>1,803</u> "
Decrease. . . . .	- 207 " or -11.5%

Total beer loading in Milwaukee was 2,511 cars for April, 1977; compared to 2,777 cars for last year which is a net decrease of 288 cars. The greatest decline was at Schlitz Brewery with a total of 256 railcar decline over last year, versus Miller who actually had a 56-car increase in shipping from the previous year.

During the month of April we did not have a substantial car shortage at Miller Brewery, like we experienced in the previous several months. We have noted some deterioration in the car supply due to most of their assigned cars being out under load during the last several days.

PIGGYBACK LOADING

April 1977. . . . .	7,376 cars
April 1976. . . . .	<u>7,166</u> "
Increase. . . . .	+ 210 " or +2.9%

We began the month of April with a slight shortage of TOFC/COFC equipment, but as the month progressed, the surplus disappeared and we do not have any substantial shortages of TOFC/COFC container flats at this time.

TOTAL REVENUE FREIGHT LOADING


April 1977. . . . .	75,085 cars
April 1976. . . . .	<u>77,639</u> "
Decrease. . . . .	-2,554 " or -3.2%

May, 1977 has 21 working days, as compared to 20 working days in 1976. The total number of carloads for May, 1976 was 76,222 cars and we estimate that we will load approximately 76,800 carloads in May, 1977.

*H. B. Greenhalgh*

General Superintendent Transportation

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