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CHICAGO - August 12, 1977

File: R-29 - Board Report

Mr. Worthington L. Smith:

Following is the equipment situation report for the month of July, 1977 and thus far into August, 1977.

GENERAL SERVICE BOX CARS

During the month of July and continuing into August, our supply of 50-ft. general service box cars has been adequate to meet demands generally throughout the system with only minor shortages occurring during the month of July for paper grade box in the paper territories of Northern Wisconsin and Michigan. The western region during the month of July originated lumber and paper loads at a level of approximately 5% below July of last year. During July we received 170 City of Prineville railway cars from SSI at Portland for indiscriminate loading. In addition, we have loaded 110 Santa Fe 50-ft. RBL cars releasing from Pacific Car and Foundry with 40 cars remaining to be released to us for service. Starting August 15, we expect to receive a minimum of 50 SLSF 50-ft. box cars for indiscriminate loading that are releasing out of Pacific Car and Foundry. We continue to believe that production of 50-ft. box cars for SSI at Portland, Oregon will be heavy during the Fall of 1977, however, as of this date, we have not been contacted concerning any additional releases of equipment that would be available for our loading in the western region at this time.

Lumber loadings in the Pacific Northwest were soft during the month of July and all indications are at the present time this trend will continue thru the balance of the month of August. We continue to utilize foreign and Clearinghouse equipment that was available to us in the eastern region of the railroad to support paper loading in the Green Bay area. However, during late July and the first ten days of August we did see a softening in orders for paper cars, but it is anticipated that paper orders will increase and remain moderately strong for the balance of August.

Our 50-ft. box cars continue to be on a Car Assistance Directive. The percentage of system 50-ft. cars off-line decreased from 53% to 50% during the month of July, as compared to June. This change represents an increase of approximately 200 system cars on-line daily for loading, as compared to June. The Car Condition Report indicates 555 of our 50-ft. box cars bad order which represents 13.9% of our fleet which is a 3.7% increase over last month.

Paper Loading:

July 1977.	3,255	cars
July 1976.	<u>3,679</u>	"
Decrease	424	" or 11.5%
First seven days of August 1977.	797	cars
First seven days of August 1976.	<u>906</u>	"
Decrease	109	" or 12.0%

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Lumber Loading:

July 1977.	4,593	cars	
July 1976.	<u>5,211</u>	"	
Decrease	618	"	or 11.8%
First seven days of August 1977.	1,103	cars	
First seven days of August 1976.	<u>1,176</u>	"	
Decrease	73	"	or 6.2%

COVERED HOPPERS AND GRAIN BOX

The demand for equipment to service grain orders during the month of July maintained a very low level until approximately July 10, when orders for both box cars and covered hoppers increased substantially and had maintained their present high level since that time. In response to this demand, we commenced an active Upgrading Program at Aberdeen, South Dakota for 500 40-ft. grain box, as well as initiating a Pre-coopering Program for 40-ft. grain box at Montevideo, Minnesota. As of today, a total of 346 grain box have been upgraded at Aberdeen, South Dakota and the Upgrading Program will be terminated Friday, because we no longer have what we consider to be economically justifiable cars available for upgrading at this time. The Pre-coopering Program at Montevideo, Minnesota has resulted in 494 pre-coopered cars being made available to our shippers. During the month of July and continuing to the present date we have had heavy demand for covered hoppers for loading on the Montana Division and as a result, we have shifted 700 system covered hoppers to the western region. In order to support carloading in the eastern region, we have been successful in soliciting SLSF, ConRail and Illinois Terminal Railroad Company covered hoppers for loading on the east end of the railroad, as well as Rock Island grain box.

On the 1st of July and thru the present date, we have been operating one unit grain train consisting of 15 private cars. By the end of August we anticipate operating three grain trains consisting of 75 private cars, 100 foreign cars and 25 system cars.

The total grain loading for the month of August, 1976 was 6,976 carloads and we estimate for August, 1977 we will load 6,800 carloads.

Grain and Soybean Loading:

July 1977.	5,321	cars	
July 1976.	<u>5,674</u>	"	
Decrease	353	"	or 6.2%
First seven days of August 1977.	1,427	cars	
First seven days of August 1976.	<u>1,612</u>	"	
Decrease	185	"	or 11.4%

SMALL CUBE COVERED HOPPERS

The demand for small cube covered hoppers for cement loading was quite active during the month of July, however, the car supply has been adequate to fill needs at Rapid City, Mason City and Linwood. We have released and returned to the Union Pacific the 25 cement hoppers that we have borrowed from them earlier in the season.

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SMALL CUBE COVERED HOPPERS (continued)

The car supply for sand and granual loading in the Portage-Wausau, Wisconsin area was adequate during the month of July. Martin Marietta at Portage released all 22 of the foreign covered hoppers from their assignment in order to re-assign the cars to the Burlington Northern at Oregon, Illinois due to shift in loading patterns.

AIRSLIDE COVERED HOPPERS

The demand for airslide covered hoppers at Renville, Minnesota for American Crystal Sugar Company increased during late July, as they wish to move product from Renville to Mason City, Iowa for warehousing. This increased demand necessitated borrowing some Burlington Northern airslide cars to handle this additional requirement. We are at present temporarily re-assigning up to 26 airslide cars that have been assigned to Great Western Sugar at Billings, Montana to their facilities at Goodland, Kansas on the Rock Island to handle sugar movements that are to come back via our line. Scalley continues to show a seasonal surplus of equipment.

OPEN TOP HOPPER EQUIPMENT

The demand for 50-ton open top hoppers during the month of July to the present date has been seasonally active and our supply has been adequate to meet the needs in all areas.

Indiana Power and Light due to a vacation shutdown from July 8 thru July 25 operated only nine days with nine trains, carrying 357 cars or 37,575 tons.

Public Service ran 24 days with 32 trains carrying 1,788 cars or 133,019 tons.

The Gascoyne-Big Stone City train made 20 trips during July and the Colstrip-Columbia unit train made a total of 22 trips, with 11 routed via St. Paul and the same number routed via Miles City.

Coal and Coke Loading:

July 1977.	6,782	cars
July 1976.	<u>7,723</u>	"
Decrease	941	" or 12.1%
First seven days of August 1977.	2,176	cars
First seven days of August 1976.	<u>1,506</u>	"
Increase	670	" or 44.4%

FLAT CARS

During the month of July, the supply of chain tie-down flat cars was adequate for implement loading in the Quad Cities area, as well as systemwide and in early August a surplus has developed.

The demand for plain deck flat cars continues a decline in July and up to the present date and as a result, we are storing numerous general service flats throughout the system.

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Mr. Worthington L. Smith:

FLAT CARS (continued)

Our supply of bulkhead flat cars for loading has been generally surplus since the month of June up to the present date. This surplus is expected to continue until such time as the British Columbia Railroad places an order with us for equipment and as of this writing there is no indication that an order will be placed with us soon.

Machinery (including electrical) loading:

July 1977.	1,188	cars	
July 1976.	<u>1,505</u>	"	
Decrease	317	"	or 21.0%
First seven days of August 1977.	318	cars	
First seven days of August 1976.	<u>332</u>	"	
Decrease14	"	or 4.2%

MULTI-LEVEL AUTOMOTIVE EQUIPMENT

Car supply to support Galewood and import loadings was sufficient during the month of July and to the present date with no car shortages resulting during this period. Because of the 1978 Model changeover, Galewood loadings in August have been very light. We have now received an order for 80 carloads of Hondas to commence loading at Portland starting next week.

Motor Vehicle Loadings:

July 1977.	2,916	cars	
July 1976.	<u>2,414</u>	"	
Increase	502	"	or 20.7%
First seven days of August 1977.	549	cars	
First seven days of August 1976.	<u>430</u>	"	
Increase	119	"	or 27.6%

Galewood Loadings:

	<u>Tri-Levels</u>	<u>Bi-Levels</u>	<u>Total</u>
May	76	1	77
June	101	6	107
July	68	0	68
August (as of 8/10)	18	0	18
Year	622	215	837

Import Loadings:

	<u>Honda</u>	<u>Chrysler</u>	<u>Total</u>
May	96	31	127
June	158	33	292
July	117	33	150
August (as of 8/10)	50	10	60
Year	848	304	1,152

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GONDOLA EQUIPMENT

The demand for covered coil gondolas in July continued to be very strong, and our supply of equipment has been inadequate to fill all needs. Alcoa Company at Bettendorf, Iowa did recall all of the coil gondolas that had been previously assigned to them on the 1st of August.

The supply of bulkhead and regular covered gondolas has been adequate to meet car orders during the month of July to the present date.

The supply of regular gondolas during the month of July was generally adequate to meet demand and necessitated sending all foreign gondolas home, however, since August 1, orders have increased sharply which has necessitated borrowing gondolas from the EJ&E. Last week we received 25 cars from the EJ&E and we presently have an order for 57 cars placed with them for this week. Today we are short of gondolas for scrap loading in the St. Paul, Milwaukee, Chicago, Rockford, Beloit and Bedford areas. Demand for equipment for company tie loading continues to be quite strong.

REFRIGERATOR AND DF CARS

The demand for mechanical refrigerators during the month of July hit the seasonal low for the year. The normal upsurge in orders for mechanical refrigerators to handle potatoes in the Columbia Basin generally expected around the first of August has yet to materialize due to a soft market. As a result, we are only loading approximately four to six cars daily which is far behind normal patterns. Until we receive upsurge in orders in the Columbia Basin, we will be able to fill all mechanical refrigerator orders systemwide for the balance of August. From January 1 thru July 31, 1977, we have loaded 1,629 mechanical refrigerators off the West Coast, which is a decline of 220 in the same period for 1976.

The demand for RBL equipment for canned goods loading steadily increased from their seasonal lows in the middle of July, reflecting the introduction of the new harvest. We are now receiving very heavy orders for RBL's, particularly in the Wisconsin and Minnesota areas. We are using foreign RBL's extensively and we have been able to borrow some ATSF equipment for promiscuous loading.

Beer Loading in Milwaukee:

July 1977.	1,609 cars
July 1976.	<u>1,793</u> "
Decrease	184 " or 10.3%

The total beer loading in Milwaukee was 2,364 cars for July, 1977, compared to 2,915 for last year, which is a net decrease of 551 cars. Schlitz continued to show the greatest decline of 369 cars with the Soo Line again experiencing this month the greatest reduction in traffic of 260 cars for the previous year versus a 90-car decline by The Milwaukee Road. Miller Brewing Company shipped 150 fewer cars in July, 1977 with the Milwaukee suffering a loss of traffic of 89 cars from the previous year, while the Soo Line experienced a greater decline of 113 cars.

There were no car shortages for beer loading in the Milwaukee area for July thru the present date.

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PIGGYBACK LOADING:

During the period of July thru the present date, we have had adequate trailers and railcars to meet existing demands for TOFC/COFC traffic.

July 1977.	6,488	cars	
July 1976.	<u>6,942</u>	"	
Decrease	454	"	or 6.5%

First seven days of August 1977.	1,762	cars	
First seven days of August 1976.	<u>1,687</u>	"	
Increase	75	"	or 4.4%

TOTAL REVENUE FREIGHT LOADING

July 1977.66,114	cars	
July 1976.	<u>.73,504</u>	"	
Decrease	7,390	"	or 10.0%

August, 1977 has 23 working days, compared to 22 working days in 1976. The total number of carloads for August, 1976 was 79,208. We estimate that we will load approximately 77,000 carloads in August, 1977.

F. B. Cederholm

General Superintendent Transportation

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