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CHICAGO - September 16, 1977

File: R-29 - Board Report

Mr. Worthington L. Smith:

Following is the equipment situation report for the month of August, 1977 and to date for September, 1977.

GENERAL SERVICE BOX CARS

During the month of August our supply of general service 50-ft. box cars to meet demands was slightly deficient throughout the system. Although our originating loading on-line for lumber and paper commodities exceeded the performance for August of last year, we did suffer shortages in the Pacific Northwest and the paper territories of Northern Wisconsin and Michigan. During September our car supply shortages for 50-ft. box cars has moderated to a great extent, particularly in the paper loading areas. We are now being forced to send greater numbers of system box cars to the western region of the railroad to protect loadings, as we are no longer receiving the benefit of newly constructed box cars releasing at Portland or Renton. While SSI continues to receive new freight cars, they are billing this equipment under revenue charges for movements east. We do have hopes of receiving 50 cars for revenue loading sometime in November. We continue to utilize foreign and Clearinghouse equipment that is available to us in the eastern region of the railroad to support paper loadings in the Green Bay area.

Our 50-ft. box cars continue to be on Car Assistance Directive No. 540 and our 40-ft. wide door box cars are the beneficiary of Car Assistance Directive No. 544. The percentage of system 50-ft. cars off-line increased from 50% to 52% during the month of August as compared to July. This change represents a decrease of approximately 125 system cars on-line daily for loading, as compared to July. The Car Condition Report indicates 558 of our 50-ft. box cars bad order which represents 10% of our fleet which is a decrease from last month.

Paper Loading:

August 1977. . . . .	3,860	cars	
August 1976. . . . .	<u>3,950</u>	"	
Decrease . . . . .	.94	"	or 2.3%

First nine days of September 1977. . . . .	1,265	cars	
First nine days of September 1976. . . . .	<u>1,309</u>	"	
Decrease . . . . .	.44	"	or 3.3%

Lumber Loading:

August 1977. . . . .	5,164	cars	
August 1976. . . . .	<u>5,349</u>	"	
Decrease . . . . .	185	"	or 3.4%

First nine days of September 1977. . . . .	1,735	cars	
First nine days of September 1976. . . . .	<u>1,996</u>	"	
Decrease . . . . .	261	"	or 13.0%

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Mr. Worthington L. Smith:

COVERED HOPPERS AND GRAIN BOX

The demand for equipment to service grain orders during the month of August experienced a surge during the first 15 days of August, triggered mainly by the desire of the farmers to transfer old grain into storage in order to make ready to receive the new crops. Unfortunately, the demand for cars collapsed during the second half of August dramatically. In response to this situation, we did forward all foreign 40-ft. grain box and covered hoppers off-line as expeditiously as possible. The Upgrading Program at Aberdeen, South Dakota was terminated after 360 cars were completed. Since the implementation of the Pre-coopering Program for 40-ft. grain box at Montevideo, Minnesota, there has been approximately 1,300 cars cleaned and pre-coopered at this facility. With the approach of the corn harvesting season, we do expect an increase of car orders in the second half of September, but again the re-positioning of old grain to storage will be the principal catalyst for movements in September. We expect the car orders to increase considerably on the east end of the railroad and we anticipate that the Northern Montana and other western regions will remain relatively quiet during this period. We do not anticipate any difficulty in being able to supply sufficient covered hoppers and box cars to handle grain orders during the remaining days of September.

On the first of August we are operating one grain train consisting of 50 private cars. By the end of August we were operating two trains, utilizing 76 privates, 25 foreign cars and 24 system cars. At the present time we are operating four trains, running with 136 privates, 74 system cars and 13 foreign cars. There is a possibility of two additional trains commencing operation sometime before the end of September. Several other customers have indicated interest, however, due to the Longshoreman strike on the Gulf Coast, there is some hesitation concerning scheduling of additional unit trains at this time.

The total grain loading for the month of September, 1976 was 4,801 carloads, and we estimate for September, 1977, we will load 5,400 carloads.

## Grain and Soybean Loading:

August 1977. . . . .	6,040 cars	
August 1976. . . . .	<u>6,983</u> "	
Decrease . . . . .	943 "	or 13.5%
First nine days of September 1977. . . . .	1,858 cars	
First nine days of September 1976. . . . .	<u>2,080</u> "	
Decrease . . . . .	222 "	or 10.6%

SMALL CUBE COVERED HOPPERS

The demand for small cube covered hoppers for cement loading was seasonally active during the month of August and continuing to date. There has been a slight excess of small cube covered hoppers suitable for sand loading during this period.

AIRSLIDE COVERED HOPPERS

The supply of airslide covered hoppers for loading on our railroad remained seasonably surplus during August and to date. Renville, Minnesota has experienced strike problems which forced the re-location of their airslide covered hoppers down to Mason City, IA, so that they could ship from storage. Renville is expected to return to work around the 19th of September. We expect airslide covered hoppers to remain seasonably surplus for the balance of September.

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Mr. Worthington L. Smith:

OPEN TOP HOPPER EQUIPMENT

The demand for 50-ton open top hoppers during the month of August to the present date has been seasonally active, and we have experienced some spot shortages of this equipment, mainly in the Janesville and Milwaukee areas necessitated by the diversion of empty equipment to support coal loadings in the Terre Haute area. Car supply remains stable with demand during the month of September and we anticipate no shortages of this equipment for the balance of the month.

Indiana Power and Light operated 21 days with 21 trains, carrying 981 cars, or 100,757 tons.

Public Service ran 26 days with 45 trains, carrying 2,452 cars, or 179,329 tons.

The Colstrip-Columbia unit train made a total of 21 trips with ten routed via St. Paul and 11 routed via Miles City. The Gascoyne-Big Stone City train made 23 trips during August. It should be noted that the Big Stone City power facility has been closed down for annual repairs and that unit train operation ceased on August 27 and will not be operating again until the week of October 10.

Coal and Coke Loading:

August 1977. . . . .	.10,198	cars	
August 1976. . . . .	<u>7,999</u>	"	
Increase . . . . .	2,199	"	or 27.4%
First nine days of September 1977. . . . .	2,870	cars	
First nine days of September 1976. . . . .	<u>2,642</u>	"	
Increase . . . . .	228	"	or 8.6%

FLAT CARS

The supply of chain tie-down flat cars was adequate to cover all orders during the month of August for implement loading systemwide. This surplus of equipment continues during the month of September, as apparently implement loadings have decreased considerably no doubt in proportion to the dismal grain marketing conditions that exist in the country today.

The surplus of plain deck flat cars that we started experiencing in June continues to the present date. As a result, we are storing numerous general service flat cars throughout the system. There has been some spot demands for 60-ft. plain deck cars in September.

Our supply of bulkhead flat cars for loading was adequate to meet demands for most of the month of August, with some spot shortages being experienced during the month. For September we are again experiencing a surplus of bulkhead flat cars of all lengths and varieties with the exception of the so-called A-Frame flat car that continues to be in high demand. We have been short of the A-Frame flat car for loading throughout this period.

Machinery (including electrical) loading:

August 1977. . . . .	1,475	cars	
August 1976. . . . .	<u>1,497</u>	"	
Decrease . . . . .	22	"	or 1.4%

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Mr. Worthington L. Smith:

Machinery (including electrical) loading: (included)

First nine days of September 1977. . . . .	.419	cars	
First nine days of September 1976. . . . .	.610	"	
Decrease . . . . .	.191	"	or 31.3%

MULTI-LEVEL AUTOMOTIVE EQUIPMENT

The car supply to support Galewood and import loadings was sufficient during the month of August and to the present date, with no car shortages resulting during the period. With the termination of the 1978 Model changeover period, Galewood loadings did resume in August at a moderate rate for tri-levels. We have yet to commence the loading of bi-level traffic out of Galewood to West Coast destinations, but we should commence some bi-level loadings by the end of next week. It should be noted that we have received 36 bi-levels from Whitehead and Kales Company, but now this firm is on strike and this will delay the subsequent delivery of the other 64 bi-levels we have yet to receive. Import loading during the month of August remained strong, but in September, Honda Company will experience Model changeover actions. As of this writing, we have 30 car orders to commence next week and we anticipate light import loadings from Honda for the balance of September.

Motor Vehicle Loadings:

August 1977. . . . .	2,209	cars	
August 1976. . . . .	2,053	"	
Increase . . . . .	156	"	or 7.5%

First nine days of September 1977. . . . .	980	cars	
First nine days of September 1976. . . . .	1,051	"	
Decrease . . . . .	.71	"	or 6.7%

Galewood Loadings:

	<u>Tri-Levels</u>	<u>Bi-Levels</u>	<u>Total</u>
August	79	0	79
September (as of 9/14)	37	0	37
Year	720	215	935

Import Loadings:

	<u>Honda</u>	<u>Chrysler</u>	<u>Total</u>
August	128	26	154
September (as of 9/14)	20	2	22
Year	946	322	1,268

GONDOLA EQUIPMENT

The demand for covered coil gondolas in August to the present date continues to be very strong and our ability to supply this equipment has been inadequate to fill all needs.

The supply of bulkhead and regular covered gondolas to meet demand has been extremely tight and we have experienced shortages during the months of August and September. The supply of regular gondolas during the month of August was generally

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GONDOLA EQUIPMENT (continued)

adequate to meet demands systemwide, however, we are now experiencing an increase in gondola orders due to increases in the price of scrap. Our commitment of gondolas to our Tie Loading Program was heavy during the month of August and continues into September. We are loading company ties out of Terre Haute, Duluth, Kansas City and Bangor. We have had some spot shortages in supporting this program, but at the same time we are emphasizing very heavily to the Engineering Department and our Division personnel to do all that they can to get these cars unloaded as promptly as possible in order to meet both the demands for company material and revenue loadings.

REFRIGERATOR AND DF CARS

The demand for mechanical refrigerators during the month of August was unusually low. The normal upsurge in orders for mechanical refrigerators to handle potatoes in the Columbia Basin did not materialize due to the suppressed market price for potatoes. As a result, we have limited loading during the month of August and have only recently, within the last four days, experienced any significant demand for mechanical refrigerators for loading in the Columbia Basin. From January 1 through August 31, 1977, we loaded 1,848 mechanical refrigerators off the West Coast, which is a decline of 288 in the same period for 1976.

The demand for all RBL equipment for canned goods loading maintained their seasonal high levels in the month of August and continues at the present rate in September. We are experiencing severe shortages for RBL cars in all areas of the railroad, particularly in the Wisconsin and Minnesota regions. We are using foreign RBL's extensively, although our ability to borrow foreign equipment during this period has been severely limited due to high demands on other carriers lines.

Beer Loading in Milwaukee:

August 1977. . . . .	1,468	cars
August 1976. . . . .	<u>1,835</u>	"
Decrease . . . . .	367	" or 20.0%

The total beer loading in Milwaukee was 2,268 cars for August 1977, compared to 2,699 in 1976, which is a net decrease of 431 cars. Schlitz continued to show the greatest decline of 337 cars with the Milwaukee Road experiencing the greatest reduction of 195 cars, while the Soo Line Railroad had a decrease of 135 cars. It should be noted that the Soo Line Railroad shipped 209 cars during the month of August; while the Milwaukee Road received 195 carloads from this firm. Miller Brewing Company for the month of August had a decline of 67 cars over the same period for last year, with the Milwaukee Road receiving a 180-car decrease, while the Soo Line received a 69-car increase. There were no significant freight car shortages for loading by the breweries during the month of August.

PIGGYBACK LOADING:

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

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PIGGYBACK LOADING: (continued)

August 1977. . . . .	8,338	cars	
August 1976. . . . .	<u>7,234</u>	"	
Increase . . . . .	1,104	"	or 15.2%
First nine days of September 1977. . . . .	3,002	cars	
First nine days of September 1976. . . . .	<u>2,772</u>	"	
Increase . . . . .	229	"	or 8.2%

TOTAL REVENUE FREIGHT LOADING

August 1977. . . . .	78,147	cars	
August 1976. . . . .	<u>79,206</u>	"	
Decrease . . . . .	1,059	"	or 1.3%

September, 1977, has 21 working days, compared to 21 working days in 1976. The total number of carloads for September, 1976 was 75,873. We estimate that we will load approximately 72,100 carloads in September, 1977.

*FB Cedarholm*

General Superintendent Transportation

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bcc: Messrs. J. L. Agnew, Regional Superintendent Transportation, Tacoma  
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