

Chicago, November 18, 1977

File: R-29 - Board Report

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Mr. Worthington L. Smith:

The following is the equipment situation report for the month of October, 1977 and to date for November, 1977.

GENERAL SERVICE BOX CARS

During the month of October and continuing to the present date, we have experienced a severe shortage of 50-ft. box cars throughout the system to meet demands indicated both by the Traffic Department and the individual station agencies. While in October and to the present date in November, we have been able to maintain last year's loading levels, we have reason to believe the demand for this equipment has exceeded our supply by at least 15%. We continue to forward system cars to the western region, as the demand for equipment remains very active. We continue to utilize all foreign freight car equipment that is available to us for loadings in the paper territory of northern Wisconsin and Michigan. In the past four weeks we have had the benefit of the release of a total of 304 new box cars released to us for loading by SSI Corporation at Portland. We have reason to believe that we may have opportunities to find initial loading for approximately 100 more SSI cars between now and the end of the year.

Our 40-ft. wide door and 50-ft. box cars continue to be on a Car Assistance Directive. The percentage of system 50-ft. cars off-line increased by 2% to the 54% level during November. The Car Condition Report indicates 677 of our 50-ft. box cars bad order which represents 12.8% of our total fleet and 41% of all system empties on-line that could be available for loading.

Paper Loading:

October 1977.	3,729	cars	
October 1976.	<u>3,793</u>	"	
Decrease. . . . .	.64	"	or 1.6%
First 14 days of November 1977.	1,796	cars	
First 14 days of November 1976.	<u>1,649</u>	"	
Increase. . . . .	.147	"	or 8.9%

Lumber Loading:

October 1977.	5,120	cars	
October 1976.	<u>5,058</u>	"	
Increase.	62	"	or 1.2%
First 14 days of November 1977.	2,232	cars	
First 14 days of November 1976.	<u>2,480</u>	"	
Decrease.	248	"	or 10.0%

COVERED HOPPERS AND GRAIN BOX

The demand for equipment to service grain orders during October and the first two weeks of November have been quite active. We have been consistently short of covered hoppers to handle grain orders systemwide throughout October and November, with our shortages ranging from 500 to 700 short per day during this period. We have been unable to receive assistance from any of the adjoining carriers, as their demand has been active

Handwritten calculations:
500 - mt alone
50 - WASH
2225 (-) 94(SBO) = 2131
650 - WEST
1481 - EAST

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COVERED HOPPERS AND GRAIN BOX (continued)

during the corresponding time. The Northern Montana orders for covered hoppers have been extremely active during October and continue into November. We have been unable to transfer large numbers of covered hoppers from the eastern region to the Northern Montana because we have been filling multiple car shipments on the east end of the railroad that are destined to North Pacific Coast ports. The numerous service disruptions that we have been experiencing on the Montana and Washington Divisions have further hampered our efforts toward maximum car utilization of available equipment during this period. We have been experiencing moderate shortages for 40-ft. box cars during this period, but as it is difficult to substitute 40-ft. cars for covered hoppers for corn shipments, the shortages of box cars do not reflect the same severity as for covered hoppers. We continue to pre-cooper cars at Montevideo to service adjacent branch line points with a great deal of success.

On the 1st of October, we were operating six unit grain trains, utilizing 189 private cars, 12 foreign cars and 95 system cars. At the present time, we are operating six trains, utilizing 196 private cars, 43 foreign cars and 38 system cars. We have recently received several inquiries concerning the establishment of unit grain trains in mid-December and early January. Due to the recent developments concerning the fall Harvest in the Soviet Union particularly, we now anticipate there will be no significant drop-off in demand for equipment for grain loading in the month of December and that the export movements during the first quarter of 1978 will be much heavier than originally anticipated.

The total grain loading for the month of November, 1976 was 4,149 carloads and we anticipate for November, 1977 we will load 4,900 carloads.

Grain and Soybean Loading:

October 1977.	5,428	cars	
October 1976.	<u>5,032</u>	"	
Increase.	396	"	or 7.8%
First 14 days of November 1977.	2,340	cars	
First 14 days of November 1976.	<u>2,306</u>	"	
Increase. . . . .	.34	"	or 1.4%

SMALL CUBE COVERED HOPPERS

The supply of small cube covered hoppers for cement and sand loading was generally sufficient to take care of all demands during the month of October to the present date, although we did have some spot shortages for cement cars at Linwood and Mason City, Iowa.

AIRSLIDE COVERED HOPPERS

The supply of airslide covered hoppers during the month of October to the present date have been sufficient to meet demand, with no shortages reported systemwide.

OPEN TOP HOPPER EQUIPMENT

The supply of 50-ton open top hoppers during the month of October to the present date has been extremely tight with spot shortages reported virtually systemwide. The demand

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OPEN TOP HOPPER EQUIPMENT (continued)

for open top hoppers increased quite dramatically due to the operation of the ore train from Randville, Michigan to Granite City, Illinois; the fall movement of limestone from Superior to Renville, Minnesota; the test shipping of coal from Forsyth, Montana to Granite Falls, Minnesota, along with the continued need for cars to move rock out of Dell Rapids, South Dakota, due to the relatively mild weather experienced for construction projects during the month of October.

Indiana Power and Light operated 20 days with 20 trains, carrying 833 cars, or 88,224 tons.

Public Service ran 21 days, with 38 trains, carrying 2,514 carloads, or 182,959 tons.

The Colstrip-Columbia unit train made a total of 21 trips with 11 routed via St. Paul and ten routed via Miles City. The Gascoyne-Big Stone City unit train operation commenced operation on October 25, after the fall shutdown and ran two trains during the month of October.

Coal and Coke Loading:

October 1977.	7,662	cars	
October 1976.	<u>7,433</u>	"	
Increase.	229	"	or 3.0%
First 14 days of November 1977.	4,854	cars	
First 14 days of November 1976.	<u>4,193</u>	"	
Increase.	661	"	or 15.7%

FLAT CARS

The demand for chain tie-down flat cars increased significantly during the month of October. Our supply of chain tie-down flat cars which had been surplus for several months were rapidly depleted and spot shortages have been reported, particularly in the Quad Cities area.

The surplus of plain deck flat cars we have been experiencing for quite some time continued in October and up to the present date. It is our understanding that there has been several meetings concerning Retrograde movements from Alaska to Moses Lake, Washington, but to date none of these matters have been settled and it would appear that it will be Spring before demand will increase to necessitate the re-positioning of equipment for this movement.

Our supply of bulkhead flat cars for loading was adequate to meet demand during the month of October and up to the present date. The 48'6" bulkhead flat cars were surplus at various times during this period in the Pacific Northwest, however, we are in the process of releasing some of this equipment back to Trailer Train at this time.

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FLAT CARS (continued)

Machinery (including electrical) Loading:

October 1977.	1,367	cars	
October 1976.	<u>1,190</u>	"	
Increase.	177	"	or 14.8%
First 14 days of November 1977.	635	cars	
First 14 days of November 1976.	<u>658</u>	"	
Decrease. . . . .	.23	"	or 3.4%

MULTI-LEVEL AUTOMOTIVE EQUIPMENT

The car supply to support Galewood and import loadings was generally sufficient during the month of October and to the present date, although a spot car shortage did occur in the first week of November to handle import loadings off the Pacific Coast. Galewood loadings have accelerated significantly in the past two weeks since more of the automobiles and trucks that we had been previously receiving under load directly from Detroit are now being handled by the trucking contractor to the Galewood ramp. We anticipate an extremely heavy period of automobile traffic moving between Galewood and the Pacific Coast, as well as increased loadings of import automobiles in the Pacific Northwest. It is anticipated that commencing November 28, Honda will be moving a total of 350 carloads of automobiles to the Midwest.

Motor Vehicle Loadings:

October 1977.	2,974	cars	
October 1976.	<u>2,112</u>	"	
Increase.	862	"	or 40.8%
First 14 days of November 1977.	1,362	cars	
First 14 days of November 1976.	<u>1,214</u>	"	
Increase.	148	"	or 12.1%

Galewood Loadings:

	<u>Tri-Levels</u>	<u>Bi-Levels</u>	<u>Total</u>
October	44	4	48
November (as of 11/16)	47	44	91
Year	880	263	1,138

Import Loadings:

	<u>Honda</u>	<u>Chrysler</u>	<u>Total</u>
October	24	31	55
November (as of 11/16)	72	10	82
Year	1,042	394	1,436

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GONDOLA EQUIPMENT

The demand for covered gondolas of all types in October and continuing to the present time, has been very strong and our ability to supply this equipment has been inadequate to fill all orders. We estimate that we are failing to fill approximately 25 car orders per week in this equipment.

The supply of regular gondolas during this period was short during the month of October, but with the entry of ConRail into the Clearinghouse on November 1, coupled with the decreased demand for gondolas to support company tie loading, the shortages have moderated to the point where we feel our supply is current with orders at the present time.

REFRIGERATOR AND DF CARS

The demand for mechanical refrigerators during October was seasonally high and shortages were reported in all areas, particularly in the eastern region during this period. The demand for mechanical refrigerators in the first two weeks of November have moderated and with the exception of spot shortages on the east end of the railroad, our supply is able to meet demands. From January 1 thru October 31, 1977, we loaded 2,430 mechanical refrigerators off the West Coast, which is a decline of 417 in comparison to the same period for 1976.

The demand for RBL equipment for canned goods loading maintained is seasonally high level in the month of October and continues to the present date. As usual, we are experiencing severe shortages of RBL cars for all areas of the railroad, particularly in the Minnesota and Wisconsin regions.

The total beer loading in Milwaukee was 1,996 cars for October, 1977, compared to 2,419 in 1976. This represents a decrease of 423 cars. Schlitz showed a decline of 177 cars, with The Milwaukee Road experiencing a reduction of 70 cars, while the Soo Line had a decrease of 80 cars. The Milwaukee Road did receive 124 carloads in comparison to 120 carloads given to the Soo Line by this firm in October. Miller Brewing Company for the month of October had a decline of 256 cars over the same period for last year, with The Milwaukee Road experiencing a 79-car decrease, while the Soo Line suffered a 140-car decrease. During the week of October 10, the breweries did experience a significant freight car shortage, however, since that time there has been no freight car shortages for loading at the breweries.

Beer Loading in Milwaukee:

October 1977.	1,444 cars
October 1976.	<u>1,581</u> "
Decrease.	137 " or 8.7%

PIGGYBACK LOADING

During the period of October and up through the present date, we are experiencing a very severe shortage of trailers to meet demand for TOFC traffic. This shortage is nationwide and it is expected to continue for the balance of the month. We have had no significant shortages of railcars for the movement of trailers or containers during this period.

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PIGGYBACK LOADING: (continued)

October 1977.	8,506	cars
October 1976.	<u>8,439</u>	"
Increase.67	" or .7%
First 14 days of November 1977.	3,950	cars
First 14 days of November 1976.	<u>3,828</u>	"
Increase. . . . .	.122	" or 3.1%

TOTAL REVENUE FREIGHT CARLOADING

October 1977. . . . .	.72,893	cars
October 1976.	<u>.77,323</u>	"
Decrease. . . . .	.4,430	" or 5.7%
First 14 days of November 1977. . . . .	.34,247	cars
First 14 days of November 1976.	<u>.36,191</u>	"
Decrease. . . . .	.1,944	" or 5.3%

November, 1977 has 21 working days, compared to 21 working days in 1976. The total number of carloads for November, 1976 was 73,781. We estimate that we will load approximately 71,500 carloads in November, 1977.

F. B. Cederholm
General Superintendent Transportation

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|------------------------------|------------------|---------------|
| cc: Messrs. P. F. Cruikshank | G. F. Reynolds | W. W. Abbey |
| M. Garelick | D. M. Wiseman | J. T. Taussig |
| W. F. Plattenberger | P. C. White | H. H. Melzer |
| Q. W. Torpin | R. K. Merrill | L. L. Struble |
| L. V. Anderson | G. H. Kronberg | G. U. Fisher |
| R. F. Kratochwill | L. W. Harrington | |
| W. F. Ploeger | E. J. Stoll | |
| B. J. Worley | J. J. Nagle | |

bcc: Messrs. J. L. Agnew, Regional Superintendent Transportation, Tacoma
L. J. Bigott, Ass't. Chief Statistician, Room 746 - Building

CRS/mlm