

## MILWAUKEE ROAD NEWS

It is no wonder the Milwaukee Road is bankrupt if the Eau Claire Branch line experience has been the mode of operation of the road in general. Mr. Knutson, Eau Claire station agent for the Milwaukee, relates the following: Prior to the Durand line bridge damage, Milwaukee Road was paying BN \$2.00 per ton mile over 40 miles of BN track between Trivino and Winona. At that time, four days a week was the standard operation of the Durand branch. After the bridge was damaged, effectively closing the line south of Durand, it was necessary to pay C&NW \$3.50 per ton mile over 70 miles of track each between Eau Claire and Minneapolis, as well as a \$15,000 per month pilot fee for three months.

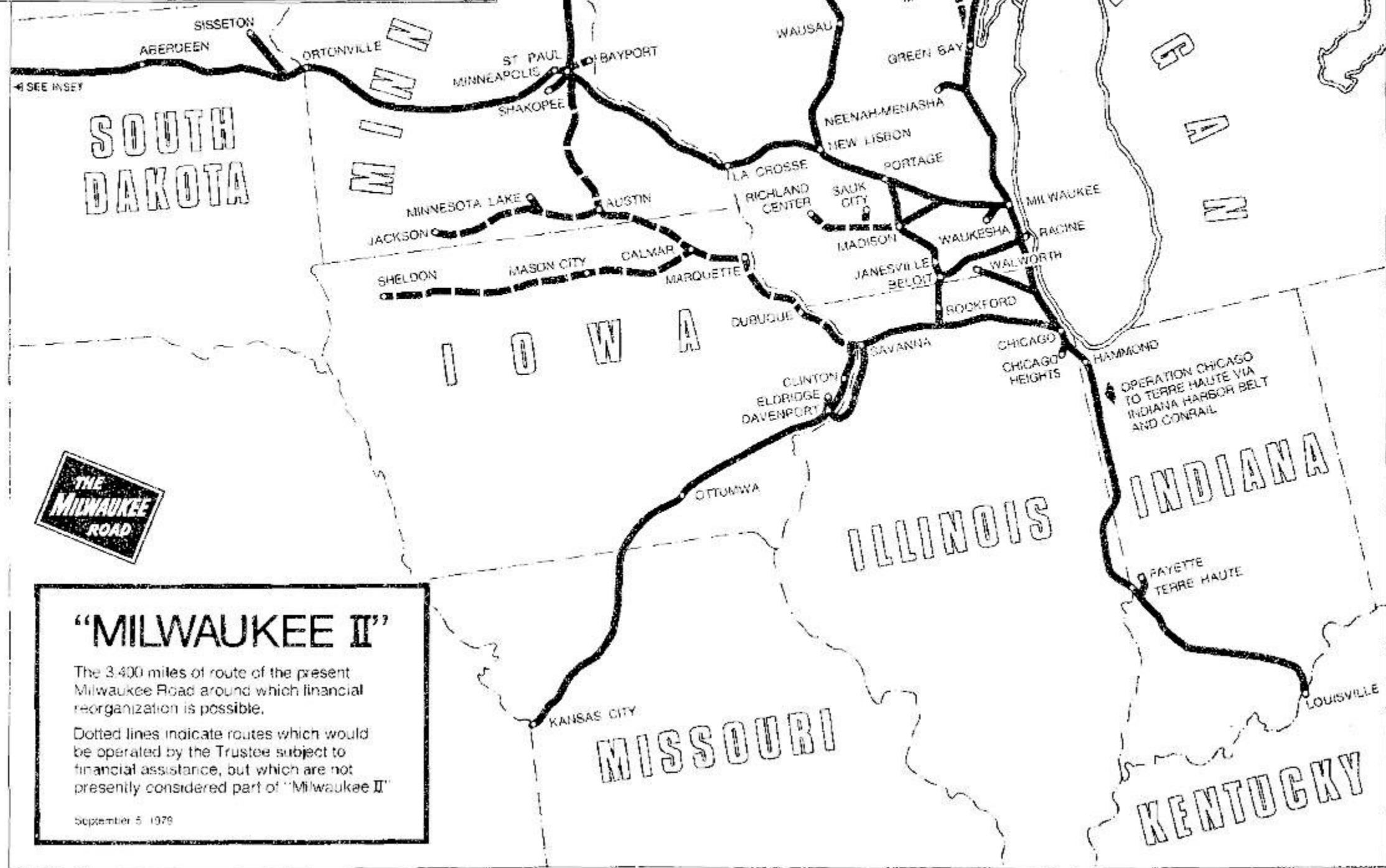
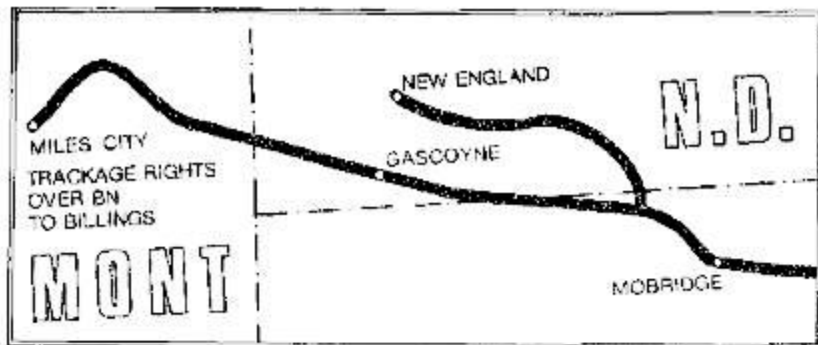
While the four days of service per week have dropped to three days of service after the bridge damage, train crew days have increased to six days per week because of the extra run to Minneapolis on Monday, Wednesday and Fridays.

The difference in cost of operation between the two routes is even more pronounced when repair cost to the bridge is considered. The two section men assigned to Eau Claire estimate they could repair the damage to the piling approach to the bridge for approximately \$7,000.

The subject of maintenance cost per mile of track is interesting. Milwaukee Road cost accounting department takes the total maintenance cost and divides it by the total mileage to arrive at ~~\$150,000 to \$200,000 per mile of track maintenance cost.~~ In actual practice, however, most of the maintenance cost goes to mainline track and very little goes to branch line track. In fact, Mr. Knutson estimates that over a 20 year period, Milwaukee Road has spent less than \$5,000 total maintenance cost for the Eau Claire Branch Line. Few who walk the track would dispute this.

Mr. Knutson feels that the large Milwaukee system executives have lost track of the origin of their money with the discontinuation of one branch line service after another, from where the traffic generation will come is hard to tell. In his estimation, even with a well-maintained Chicago-Minneapolis corridor, Milwaukee Road will not gain enough traffic from Minneapolis to sustain itself. After all, the railroads already in the Twin Cities have their own outlets and are not likely to turn traffic over to Milwaukee II. So, Milwaukee II not only gains nothing from the railroad, but loses its own on line traffic generation. This suggests that Milwaukee II won't survive, leaving possibly BN to pick up the pieces, including the Chicago-Minneapolis corridor.

The immediate future of the Eau Claire-Durand line again is uncertain. The March 15th scheduled discontinuation of service has not occurred. Mr. Knutson feels March 24th may be the new date as discontinuation probably will coincide with one of the days Milwaukee Road goes into Minneapolis, i.e. Monday, Wednesday or Friday. All equipment will be removed (snowplow #X-900 260, flanger #X900 277 and Sandcar #33066). To date, Clinton Jones neither has any extra equipment other than his Alco engine, nor has he made arrangements with C&NW or Soo for interchange of revenue cars. The current seven man crew (one station agent, four train man crew, and two section men) has a five day notice of termination of work clause, and to date, no notification has been given.



**"MILWAUKEE II"**

The 3,400 miles of route of the present Milwaukee Road around which financial reorganization is possible.

Dotted lines indicate routes which would be operated by the Trustee subject to financial assistance, but which are not presently considered part of "Milwaukee II"

September 5, 1979