ALASKA LEGISLATURE COMMITTEE FILES 1995-1996 8672
9074 SENATE TRANSPORTATION

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Signature of Camera Operator

10/20/98
Date

1995-1996
SENATE TRANSPORTATION COMMITTEE
LIST OF FILES (PAGE 1) MICROFICHE #

CONFIRMATION HEARING: BOARD OF MARINE PILOTS

CONFIRMATION HEARING: COMMISSIONER DESIGNEE JOE PERKINS

MONTANA RAIL LINK, INC.

OVERVIEW OF DRAFT SURFACE TRANSPORTATION PROPOSAL, 1996-1998

OVERVIEW OF FERRY PROPOSALS

SB 28

SB 34

SB 64

SB 86

SB 196

SB 226

SB 241

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SB 290 (FILE 1)

SB 290 (FILE 2) (Governors FY97 Capital Budget Submission - Not Microfilmed)

SB 290 (FILE 3) (Capital Budget FY97 Amendments - Not Microfilmed)

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CONFIRM.

BOARD
OF
MARINE
PILOTS

Alaska State Legislature

Senator Steve Rieger, Chair
Senator Robin Taylor, Vice Chair
Senator Lyda Green
Senator Al Adams
Senator Georgianna Lincoln

State Capitol
Room 516
Juneau, Alaska 99801
(907) 465-4921

Senate Committee on Transportation

REPORT ON CONFIRMATION OF APPOINTMENTS

April 23, 1996

The Honorable Drue Pearce
President of the Senate
State Capitol
Juneau, Alaska 99801-1182

Dear President Pearce:

In accordance with AS 39.05.080, the Senate Transportation Committee reviewed the qualifications of the following and recommends the appointments be forwarded to a joint session for consideration:

Board of Marine Pilots

Dan A. Hensley, Esq. - Anchorage
Appointed: 10/02/95; Expires: 06/01/96

John C. Klepper - Valdez
Appointed: 07/21/92; Reappointed: 10/02/95; Expires: 06/01/99

Bernie Smith - Kenai
Appointed: 10/02/95; Expires: 06/01/96

Michael C. Spence - Ketchikan
Appointed: 10/02/95; Expires: 06/01/99

There were no stated objections to the named individuals. However, this does not reflect an intent by any of the members to vote for or against any of the appointments during any further sessions.

Respectfully,

/s/ _____
Senator Rieger, Chair

/s/ _____
Senator Lincoln

/s/ _____
Senator Taylor

/s/ _____
Senator Adams

/s/ _____
Senator Green

OFFICIAL BUSINESS

Alaska State Legislature
Senate
Office of the Secretary

STATE CAPITOL
JUNEAU, ALASKA 99801-1182
(907) 465-3701
FAX: 465-2832

January 30, 1996

M E M O R A N D U M

TO: Senator Rieger, Chair
Transportation Committee

FROM: Nancy Quinto NQ
Secretary of the Senate

SUBJECT: Governor's Confirmations

Pursuant to AS 39.05.080, President Pearce has referred the following names for legislative confirmation to your committee for a hearing, recommendation and report:

Board of Marine Pilots

Dan A. Hensley, Esq. - Anchorage
Appointed: 10/02/95; Expires: 06/01/96

John C. Klepper - Valdez
Appointed: 07/21/92; Reappointed: 10/02/95; Expires: 06/01/99

Bernie Smith - Kenai
Appointed: 10/02/95; Expires: 06/01/96

Michael C. Spence - Ketchikan
Appointed: 10/02/95; Expires: 06/01/99

NQ/vsw

Resumes attached

RÉSUMÉ

DAN A. HENSLEY

211 H Street
Anchorage, Alaska 99501

PROFESSIONAL EXPERIENCE

April 1995 to present	Rice, Volland, Taylor & Hensley, P.C. Civil litigation and appeals with emphasis on complex litigation involving medical, industrial safety, product manufacturing and related issues. Court appointed Discovery Master and Guardian ad Litem responsible for resolving disputes among parties in a variety of legal settings.
Sept. 1993 to April 1995	Owner, Law Office of Dan A. Hensley Civil litigation and appeals; court appointed Discovery Master and Guardian ad Litem.
October 1986 to Sept. 1993	Luce & Hensley Civil trial practice with emphasis on complex litigation.
January 1983 to Oct. 1986	Alaska Public Defender Agency Felony trial attorney, Anchorage office (1983-1985), Supervising Attorney, Juneau Office (1985-1986)
January 1978 to Jan. 1983	Managing Attorney, Duncan, Weinberg, Miller and Hensley (Anchorage Office of Duncan, Weinberg and Miller, Wash. D.C.). Civil practice with emphasis on Indian law and administrative law.
November 1974 to Jan. 1978	Attorney, U.S. Department of the Interior Office of Hearings and Appeals (1974); Solicitor's Office, Division of Parks and Recreation, Washington D.C. (1974-1976); Regional Solicitor's Office, Anchorage, Alaska (1976-1978). Legal advisor to National Park Service, U.S. Fish and Wildlife Service, Bureau of Land Management, and Bureau of Indian Affairs in public land law, natural resources and environmental law, administrative law and Indian law.

EDUCATION

J.D., University of Kansas Law School, 1974

B.A., University of Kansas, American Studies, 1971

PRESENTATIONS

April 1995 "How to Find and Work with Expert Witnesses", Anchorage Association of Women Lawyers;

July 1994, Panel Member, "Breast Cancer, Legal Issues", sponsored by Alaska Bar Association;

March 1994, Group Leader, "Advanced Cross Examination", 2 day seminar including lecture and practical application, sponsored by Alaska Academy of Trial Lawyers;

January 1994, Organizer and moderator, "Expert Witnesses", sponsored by Alaska Academy of Trial Lawyers;

September 1993, Instructor, "Civil Trial Procedures in Alaska", sponsored by National Business Institute;

August 1993, Organizer and moderator, "Arbitration and Mediation, and Legal Ethics and Malpractice", sponsored by Alaska Academy of Trial Lawyers;

June 1992, Instructor, "Civil Trial Procedures in Alaska", sponsored by National Business Institute.

OTHER ACTIVITIES AND HONORS

Member, Civil Justice Reform Committee, United States District Court for the District of Alaska, 1990 to present;

Member, Alaska Civil Liberties Union Litigation Committee, 1988 to present;

President, Alaska Academy of Trial Lawyers, 1990-91, Board of Governors 1989 to present;

Member, Association of Trial Lawyers of America, 1986 to present;

State Coordinator, Trial Lawyers for Public Justice, April 1995 to present;

Member, Alaska Bar Association, 1977 to present;

Nominee, Trial Attorney of the Year, 1988, Trial Lawyers for Public Justice, for participation in Jackson v Power, 743 P 2d 1376 (Alaska 1987), a case establishing a seminal principle of medical malpractice law regarding hospital liability.

Chairman and member, Board of Directors, Alaska Natural History Association, 1977-80.

Instructor, American History, Dodge City, Kansas Community College, 1971.

JOHN C. KLEPPER
1188 MINERAL CREEK DRIVE
P.O. BOX 3065
VALDEZ, ALASKA 99686

Home Phone: (907) 835-4239

CONSULTING COMPANY:

1995 - Director, Marine/Environmental Consultant, Associates (M/EC,A), Valdez, Alaska

RECENT EMPLOYMENT:

1994 -	Manager, Marine Alliance Program
1993 - 1994	Marine Operations Manager
1991 - 1993	Operations Manager SERVS Alyeska Pipeline Service Co. Ship Escort Response Vessel System Valdez, Alaska

GOVERNMENT APPOINTMENTS:

1/94 - Present	Chairman, Board. of Marine Pilots, State of Alaska
7/92 - 12/93	Vice Chairman, Board of Marine Pilots State of Alaska
8/92 - Present	Member Advisory Board, Prince William Sound Oil Spill Recovery Institute (Appointed by Secretary of Commerce)

FORMER GOVERNMENT APPOINTMENTS:

1/89 - 1/90	President of the Board of Pilot Commissioners, State of California
6/86 - 12/88	Commissioner for the Board of Pilots for the Bays of San Francisco, San Pablo, and Suisun, State of CA.

MEMBERSHIPS:

Napoleonic Society of America
Propeller Club of United States, Port of the Golden Gate
Council of American Master Mariners, San Francisco Chapter

DEGREES & CREDENTIALS

1985	M.B.A., Monmouth College
1972	Certificate of Advanced Engineering Studies in Environmental Engineering, The John Hopkins University
1968	B.S. in Meteorology & Oceanography, New York State Maritime College U.S.C.G. Masters Lic., First Class Pilotage(U.S.East Coast) & endorsements

OTHER CURRICULUM:

1995	Qualified Individual II: recertification (PA901, M.M.A./U.A.
1994	Incident Investigation & Analysis (Safety followup/prevention,etc.) Strategic Alliances (Structuring & Managing) - Presidents Assoc.Canada
1993	Qualified Individual Training, Mass. Maritime Academy (OPA 90 Reg) Oil Spill Dispersant Application Management SERVS Academy (Oil Spill related Training)
1992	HAZWOPER - Through Level V Yearly refresher HAZWOPER - Waste Operations & Emergency Response Various APSC Training courses

OTHER CURRICULUM (Continued):

1991	Crisis Management - ICS Command System for Planning (CMT/110,114,113, & 160) Computer Skills - Professional Office System (PROFS/PROFS Advanced) Time Management - Personal efficiency training for scheduling, calendars, timing, effectiveness of time utilization. (By Time Systems Exxon Co., U.S.A.)
1990	Environmental Response - Emergency Response Team Training: ERT Organization Training/Drill Review for Oil Spill Response Organization Environmental Response - OSHA 29 CFR 1910-120 (HASWPR)
1989	Environmental Issues - the Legal Perils of Hazardous Waste and Environmental Management, San Francisco State University.
1988-1989	Vessel Chartering - Principles of Chartering, Assoc. of Ship Brokers & Agents, Inc.
1988	Personnel Management-Management Seminar on employee Drug Use Policy, Exxon Shipping Co.
1987	Labor Relations - Positive Management Leadership, Nestle Enterprises, Inc. Vessel Management - Exxon Shipping Company Fleet Management Conference
1986	Business Scoping Study - McGraw Hill Business Planning Seminar Management Teamwork - EXCEL Leadership Enhancement Program
1984	Communications - Effective Presentation Course, Exxon Company, USA
1982	Personnel Management - Equal Employment Opportunity Training for Exxon USA Mgmt Tanker Technical - Crude Oil Washing & Inert Gas Systems Course, Leith Nautical College
1981	Management Skills - Marine Management Course, Exxon Co., USA, Marine Department
1980	Environmental Response - Oil Spill Control Course, Texas A & M Extension Service

PUBLICATIONS AND REPORTS:

1985	Hamburg Terminal Survey, (Exxon Corp. PPD Audit) Performed Corporate Survey with representative from ER&E and Esso-Chem Europe, Inc.
1980	Cos Excellence Breakout Report, 80 EUSA
1972	A report on the prototype current velocity and salinity data collected in the upper Chesapeake Bay for the Chesapeake Bay model study. (Chesapeake Bay Institute Spec. Rept. 27 Ref. 72-13) A report on the prototype data collected in the Potomac River for the Chesapeake Bay model study. (Chesapeake Bay Institute Spec. Rept. 25 Ref. 72-9)
1967	Aitken Particles as Condensation Nuclei, Journal of the Am. Meteorological Soc., 67-10

PRIOR EMPLOYMENT:

1990	Environmental Affairs Analyst Houston Headquarters Exxon Shipping Company
1985-1989	Transportation Coordinator West Coast Fleet Office Exxon Shipping Company
1985	Senior Operations Supervisor West Coast Fleet Office Exxon Shipping Company

PRIOR EMPLOYMENT (Continued):

1984-1985	Senior Turnaround Coordinator East Coast Branch Office Exxon Shipping Company
1981-1984	Agency Section Head East Coast Branch Company Exxon Shipping Company
1979-1981	Tanker Turnaround Coordinator Exxon Company, USA Marine Department, East Coast Branch
Prior 1978	Research Associate, Managing the Data Acquisition Program for the Army Corps of Engineers, Chesapeake Bay Model Program Chesapeake Bay Institute Baltimore, Maryland
	Master Coastwise Towing Vessel - JEANNE C. Poling Transportation Corp. New York, New York
	Master Motor Tanker PRINCESS BAY Eastern Tanker Corp. New York, New York
	SS AFRICAN PLANET and LIGHTING Farrell Lines, Inc. New York, New York
	Tanker ESSO BALTIMORE Humble Oil & Refining Co. Houston, Texas
	SS BALTIMORE Sea-Land Services, Inc. Port Elizabeth, New Jersey

MILITARY SERVICE

Formerly Lieutenant , U.S. Naval Reserve

Other Environmetal & Marine Safety Involvements

1979	Tanker Berth & Port Appraisals - East Coast USA; Maine to S.Carolina
1980-1984	Chemical carrier cargo system & terminal interface design and review.
1988- 1990	Bay Area Air Quality Management District lightering emission regulations
1990	Assisted in update of ESC Oil Spill Response Plan

Additional information and academic background on request.

BERNIE SMITH
MANAGER ALASKA GOVERNMENT AFFAIRS AND PROJECT MANAGEMENT

General

Over 20 years experience in project control, consisting of project cost and schedule control; performing audits of contractors' project cost and appraising effectiveness in meeting management cost and scheduled objectives; performing budget analysis; and assisting with contract negotiations. Over 8 years experience and involvement with spill response organizations: CISPRI/CIRO and Tesoro's Response Team (Deputy Incident Commander for Tesoro's Incident Command Team). Four years attendance on The Alaska Board of Marine Pilots. Chief negotiator with Southwest Alaska Pilots Association in tariff contracts for Cook Inlet. Tanker Representative on The Cook Inlet Association.

Occupation

Manager Alaska Government Affairs and Project Management

Education

Bachelor of Science Degree in Engineering Technology, Texas A & M University, 1973

Employment History

1983 - Present: Tesoro Alaska Petroleum Company

1983-1986:	Senior Field Engineer - Project Coordinator
1986-1987:	Maintenance Coordinator and Planner
1987-1990:	Mechanical Project Engineer
1990-1993:	Senior Engineer Environmental Services
1993-Present:	Mgr Alaska Government Affairs and Project Management

1979 - 1983: Litwin Engineering & Construction

Senior Field Cost and Scheduling Engineer - responsible for estimating, budgeting dollars and man hours, progress reports, forecasting percent complete and start-up of units.

1974 - 1979: Gene Nelson Incorporated - Industrial Painting and Fireproofing Contractor

Senior Estimator, Area and Project Manager

1973 - 1974: Prepad Incorporated - Refractory Lining Contractor

Cost Engineer and Superintendent

Organizations

President:	Boys and Girls Club, Kenai Peninsula
Vice-President:	Cook Inlet Spill Response Inc. (CISPRI) Board and Executive Committee
Member:	Cook Inlet Association - Tanker Representative 1993-Present
Charter Funding Member:	Cook Inlet Regional Citizens Advisory Council
Charter Member:	Alaska Steamship Association
Member:	Alaska Oil and Gas Board
Member:	AOGA Legislation Committee
Member:	Prince William Sound Risk Assessment Steering Committee
Member:	Nikiski Fire Service Board 1989 to Present

Actively involved in various community organizations

Captain Michael C. Spence

5756 Justice Court
PO Box 7981 Ketchikan, Alaska 99901
(907) 225-5508

OBJECTIVE

Appointment to the Alaska Board of Marine Pilots.

My experience as a marine pilot, in the management of marine pilot organizations and my exposure to regulatory procedures in Alaska qualify me to serve the State of Alaska in this capacity.

EXPERIENCE

Alaska Coastwise Pilots Association, *Marine pilot* **1991 to present**
Juneau and Ketchikan, Alaska
Served as President May 1992 to September 1994
Attended and testified at legislative committee hearings on HB 194, the Marine Pilot Act, and all subsequent Alaska legislative proposals regarding pilotage
Attended and testified at all regulation making meetings of the Board of Marine Pilots following the enactment of the current Marine Pilot Statute in 1991
Participated in the formation of the Alaska Coastwise Pilots Association and in its meeting regulatory requirements of the State of Alaska for recognition under the Marine Pilot Act of 1991
Performed pilotage of vessels of all sizes on waters of Southeastern Alaska

Southeastern Alaska Pilots Association, *Marine Pilot* **1980 to 1991**
Ketchikan, Alaska
Served as Director 1982 - 1988.
Bylaw review committee, 1982-86
Training and recruiting committees 1985-87,
Supervised training of pilots.
Pilotage of all size vessels on waters of Southeastern Alaska

Interport Pilots Associates, *Marine pilot* **1979 , 1980**
Atlantic Highlands, New Jersey
Pilotage of oil tankers up to VLCC class on waters of New York Harbor

State of Alaska Marine Highway System, *Deck officer/ pilot* **1976 to 1979**
Juneau, Alaska
Navigation and pilotage of ferries in capacities up to Chief Officer, on waters of Southeastern Alaska, British Columbia, and Puget Sound.

Crowley Maritime Corporation, *Deck officer* **1974 to 1976**
San Francisco, California
Navigation officer on oceangoing and shipwork tugs on waters of Pacific coast and Alaska.

Chevron Shipping Co., Pacific Far East Line, *Midshipman* **1972, 1974**
San Francisco, California
Officer apprentice aboard tankers and containerships.
Alaska and Far East service.

Four mast bark "Sea Cloud" *Ordinary Seaman* **1969-1970**
Miami, Florida
deck seaman in Atlantic and Caribbean service

COMMUNITY SERVICE

Ketchikan Sailing Foundation, Board of Directors 1994 to present

American Cancer Society , volunteer and event organizer 1984 to present

Event Organizer, Tongass Narrows Marathon, Forget Me Not Runs 1982-87

First United Methodist Church, Ketchikan Alaska 1982 to present

PERSONAL DATA

Resident of Alaska since 1976. Age 43. Happily married to Debby Spence, a teacher at Schoenbar Middle School, Ketchikan
Children: Carly age 10 and Cameron age 6, both born in Ketchikan, Alaska.

REFERENCES, PROFESSIONAL

Alaska Coastwise Pilots Association, Captain Douglas MacPherson, President Ketchikan, Alaska 907-225-7215.

Alaska Steamship Operators Association, Mr. Joe Kyle, spokesman 907-586-3107 Juneau, Alaska

Mr. Greg Erickson, Erickson and Associates, Juneau, 907-586-1200

Captain Arie Van Noordt, Northwest Cruise Ship Association Vancouver, B.C., Canada 604-681-2351

Southeast Stevedoring Corp, Mr. Bill Sharp, Vice President, Operations, Ketchikan, Alaska 907-225-6157.

Ms. Kate Tesar, Alaska Services Group, Juneau, Alaska 907-463-5667.

Western Alaska Pilots Association, Captain Bob Boyd, President, Unalaska, Alaska 907-581-5900.

REFERENCES, GOVERNMENT

Representative Bill Williams, Alaska House of Representatives, Ketchikan, 907-247-4672.

date: January 25, 1995

CORRECTION

THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
ASSURE LEGIBILITY OR PAGINATION

Captain Michael C. Spence

5756 Justice Court
PO Box 7981 Ketchikan, Alaska 99901
(907) 225-5508

OBJECTIVE

Appointment to the Alaska Board of Marine Pilots

My experience as a marine pilot, in the management of marine pilot organizations and my exposure to regulatory procedures in Alaska qualify me to serve the State of Alaska in this capacity.

EXPERIENCE

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Attended and testified at all regulation making meetings of the Board of Marine Pilots following the enactment of the current Marine Pilot Statute in 1991
Participated in the formation of the Alaska Coastwise Pilots Association and in its meeting regulatory requirements of the State of Alaska for recognition under the Marine Pilot Act of 1991
Performed pilotage of vessels of all sizes on waters of Southeastern Alaska

Southeastern Alaska Pilots Association, *Marine Pilot* 1980 to 1991
Ketchikan, Alaska
Served as Director 1982 - 1988
Bylaw review committee, 1982-86
Training and recruiting committees 1985-87,
Supervised training of pilots
Pilotage of all size vessels on waters of Southeastern Alaska

Interport Pilots Associates, *Marine pilot* 1979 , 1980
Atlantic Highlands, New Jersey
Pilotage of oil tankers up to VLCC class on waters of New York Harbor

State of Alaska Marine Highway System, *Deck officer/ pilot* 1976 to 1979
Juneau, Alaska
Navigation and pilotage of ferries in capacities up to Chief Officer, on waters of Southeastern Alaska, British Columbia, and Puget Sound

Crowley Maritime Corporation, *Deck officer* 1974 to 1976
San Francisco, California
Navigation officer on oceangoing and shipwork tugs on waters of Pacific coast and Alaska

Chevron Shipping Co., Pacific Far East Line, *Midshipman* 1972, 1974
San Francisco, California
Officer apprentice aboard tankers and containerships,
Alaska and Far East service.

Four mast bark "Sea Cloud" *Ordinary Seaman* 1969-1970
Miami, Florida
deck seaman in Atlantic and Caribbean service

EDUCATION

Bachelor of Science degree in Nautical Science 1975
United States Merchant Marine Academy, Kings Point, New York

City College of San Francisco,
San Francisco, California, 1970 - 1971
undergraduate studies in Marine Science

TRAINING

Bridge Resource Management and Emergency Shiphandling, 1994
Simulation Training and Research, Inc., Seattle, WA.

Manned Model Course 1987
College of Maritime Studies, Warsash, England.

Active Duty for Training, Lt. , U.S. Naval Reserve 1978
Training in pilotage of large U.S. Navy vessels, San Francisco Bay, California

LICENSES

State of Alaska, Marine Pilot, Unlimited tonnage,
Southeastern Alaska and Yakutat

U.S. Coast Guard, Master, Any Gross Tons, upon Bays, Lakes and Sounds

First Class Pilot: on vessels of any gross tons upon the following waters:

Southeastern Alaska and Yakutat

New York Upper and Lower Bays, Raritan Bay, Staten Island Sound

Puget Sound, Rosario Straits to Seattle

San Francisco Bay, Golden Gate to and between the Bay Bridge and the Brothers

AWARDS

United States Merchant Marine Academy
Highest Honors for Shipboard Training and thesis work

Paulsen Webber Award for Outstanding Practical Seamanship
at the U.S. Merchant Marine Academy

Knickerbocker Yacht Club Award for Outstanding Contribution to the Sailing program at the U.S. Merchant Marine Academy

Victor Lugowski Award for Creative Writing, U.S. Merchant Marine Academy

PROFESSIONAL ORGANIZATIONS

American Pilots Association, *member* 1981-1991

International organization of Masters, Mates, and Pilots, *member* 1975-1991

Royal Institute of Navigation, *member* 1979 to present

U.S. Naval Reserve, commissioned officer , honorably discharged 1971-1985

COMMUNITY SERVICE

Ketchikan Sailing Foundation, Board of Directors	1994 to present
American Cancer Society , volunteer and event organizer	1984 to present
Event Organizer, Tongass Narrows Marathon, Forget Me Not Runs	1982-87
First United Methodist Church, Ketchikan Alaska	1982 to present

PERSONAL DATA

Resident of Alaska since 1976. Age 43. Happily married to Debby Spence, a teacher at Schoenbar Middle School, Ketchikan
Children: Carly age 10 and Cameron age 6, both born in Ketchikan, Alaska.

REFERENCES, PROFESSIONAL

Alaska Coastwise Pilots Association, Captain Douglas MacPherson, President Ketchikan, Alaska 907-225-7845.

Alaska Steamship Operators Association, Mr. Joe Kyle, spokesman 907-586-3107 Juneau, Alaska

Mr. Greg Erickson, Erickson and Associates, Juneau, 907-586-1200

Captain Arie Van Noordt, Northwest Cruise Ship Association Vancouver, B.C., Canada 604-681-8351

Southeast Stevedoring Corp, Mr. Bill Sharp, Vice President, Operations, Ketchikan, Alaska 907-225-6157.

Ms. Kate Tesar, Alaska Services Group, Juneau, Alaska 907-463-5657.

Western Alaska Pilots Association, Captain Bob Boyd, President, Unalaska, Alaska 907-581-3900.

REFERENCES, GOVERNMENT

Representative Bill Williams, Alaska House of Representatives, Ketchikan, 907-247-6678.

date: January 25, 1995

CONFIRM.

COMMIS.
DESIGNEE

JOE
PERKINS

Alaska State Legislature

Senator Steve Rieger, Chair
Senator Robin Taylor, Vice Chair
Senator Lyda Green
Senator Al Adams
Senator Georgianna Lincoln

State Capitol
Room 518
Juneau, Alaska 99801
(907) 465-4921

Senate Committee on Transportation

February 14, 1995

The Honorable Drue Pearce
President of the Senate
State Capitol
Juneau, Alaska 99801-1182

Dear President Pearce:

The Senate Transportation Committee reviewed the following with regard to confirmation of the Governor's appointments:

Commissioner, Department of Transportation and Public Facilities:

Joseph L. Perkins

There were no stated objections to the confirmation of the named individual by committee members. This does not reflect an intent by any of the members to vote for or against him during any further sessions.

Respectfully,

Senator Steve Rieger, Chair

Senator Robin Taylor, Vice-Chair

Senator Lyda Green

Senator Al Adams

Senator Georgianna Lincoln

JOSEPH L. PERKINS, P.E.

PERSONAL INFORMATION

Date of Birth	November 22, 1938
Birthplace	Steelville, Missouri
Social Security Number	487-40-6725
Health	Excellent
Address	P.O. Box 20129 Juneau, AK 99801
Home Phone Number	907-364-3450
Work Phone Number	907-465-3901

EDUCATION

BS, Civil Engineering, 1961
Missouri School of Mines and Metallurgy
Rolla, Missouri

MS, Civil Engineering, 1966
University of Missouri
Rolla, Missouri

Graduate, 1973
U.S. Army Command and General Staff College
Fort Leavenworth, Kansas

EXPERIENCE

November 1992
to
January 1995

Project Manager, Design/Construction,
HF Active Auroral Research Program,
ARCO Power Technologies, Inc.

Responsible for the planning, design, and construction of facilities for the $92 million High Frequency Active Auroral Research (HAARP) program to be constructed near Gulkana, Alaska. Facilities include a 35-acre gravel pad underlaid by geotextile fabric on warm permafrost; 180 thermal pile foundations; a 1280-feet by 1040-feet antenna array with 180 towers which are 70 feet in height; 30 scientific equipment shelters 12 feet by 50 feet each; transportation and distribution of 10 megawatts of electrical energy to power the array; and other miscellaneous facilities, such as security fences, fiber optic and radio frequency cabling, and temporary electrical power for testing.

April 1991
to
November 1992

Vice President/Project Sponsor,
Ebasco Services, Inc.
Santiago, Chile

Senior Ebasco executive in South America and Project Manager for construction of the new U.S. Embassy and Consulate in Santiago, Chile. Was assigned to project one year after project start to resolve construction delays and other significant project problems. Directed an independent Ebasco office and supervised 20 U.S. Ebasco employees and 900 Chilean personnel.

Construction management of the $34 million facility was particularly complex due to strict security measures; logistics problems due to importation of most materials from the U.S.; and numerous design changes which resulted in extensive contractor claims.

Also was responsible for business development functions in Peru and other parts of South America.

July 1985
to
April 1991

Vice President, Frank Moolin and Associates, Inc. and Ebasco Constructors, Inc. (Enserch Divisions)
Anchorage, Alaska

Vice President/Project Management from July 1985 to November 1988. Senior Enserch executive (Vice President) in Alaska from November 1988 to April 1991. As senior Enserch executive, directed all business in Alaska, including engineering, project management, construction, survey, and utility consulting services. As Chief Operating Officer for the Alaska profit center, supervised administrative functions such as personnel management, payroll management, contract administration, and financial reporting. Managed project workload of approximately $400 million and staff of over 50 professional personnel, including project managers, resident engineers, cost and schedule engineers, environmental scientists, contract administrators, procurement specialists, and quality control inspectors as well as accountants, personnel managers and clerical staff.

Also was responsible for business development and project marketing. Directed project public relations activities at clients' requests, including preparation of press releases, representation at press conferences, organization of newspaper and television coverage, and appearances before Municipal Assembly, Community Councils, and Corporate Boards.

Projects completed during the period included the Anchorage Fine Arts Museum, Loussac Library, Anchorage Accelerated Road Program, Kenai School Program, U.S. Postal Construction Program (100 post offices throughout Alaska), Barrow Direct Bury Water and Sewer Project, and several utility consulting projects for Homer Electric, Chugach Electric and Anchorage Municipal Light and Power Utility. Served as Project Manager for the Municipality of Anchorage Regional Landfill and Ship Creek Waterfront Development Projects. Managed two joint ventures involving Native Corporations and personally performed expert consulting services pertaining to professional project management issues and problems, such as cost/schedule disputes, constructibility analyses, and claims reviews and analyses.

January 1985
to
July 1985

Principal, Ferguson, Yerkes, Perkins, and Smith, Inc.
Anchorage, Alaska

Directed work of professional firm, including engineering, construction management, surveying, project planning, and consulting assignments throughout Alaska. Provided analysis and expert testimony concerning engineering and construction claims for the Alaska Attorney General's Office, Alaska State Housing Authority, and other public and private sector clients. Negotiated settlement of all claims concerning the construction of the Coal Handling Facility in Seward. Other projects included Design and Construction Management for Bike and Equestrian Trails for the Municipality of Anchorage and for various large, private subdivisions in the Anchorage area.

1982 to 1985

Associate Executive Director for Projects, Alaska Power Authority
Anchorage, Alaska

Established and developed the Engineering/ Construction Directorate of the Alaska Power Authority (APA), including the initial hiring of project management/engineering personnel and the development of policies and procedures for the directorate, such as project contract administration, contractor selection, and project development procedures.

Was responsible for all engineering and construction programs in the APA, including management of a $500 million construction program and a $50 million engineering program. Was responsible for all planning, licensing and design activities for the $350 million Bradley Lake Hydroelectric Project. Supervised 20 APA personnel and a professional contractor staff of over 400.

Supervised all intergovernmental coordination with State and federal agencies and conducted public information programs concerning planning, engineering, and construction of APA projects. Presented project status/construction progress reports and decision papers to Boards of Directors. Testified before Alaska Legislature regarding APA programs and construction methods. Negotiated, directed, resolved and implemented the APA's position for all formal arbitration and litigation proceedings. Supervised preparation of legislative budget packages and participated in project financial development, including advising bond counsel of project factors affecting financial and economic feasibility determinations.

Major projects constructed included the Anchorage-Fairbanks 345KV Electrical Transmission Intertie, Terror Lake Hydroelectric Project, Tyee Lake Hydroelectric Project, and Swan Lake Hydroelectric Project. Also implemented program of feasibility, design and construction of waste heat facilities throughout rural Alaska. Facilities were constructed at many sites and resulted in decreased use of diesel fuel in remote villages.

1981
to
1982

Deputy District Engineer, U.S. Army Corps of Engineers, Alaska District
Anchorage, Alaska

Deputy Commander and Contracting Officer of the U.S. Army Engineer District, Alaska, which consisted of 16 military officers and over 400 civilian personnel involved in management, planning, engineering, and construction for the Army, Air Force, National Guard and civil authorities throughout Alaska. Major civil works projects supervised included the Chena River Flood Control Project in Fairbanks, design of the third electrical power generation unit at the Snettisham Hydroelectric Facility, several Alaskan boat harbors, and planning for the Bradley Lake Hydro facility.

Conducted liaison, intergovernmental coordination, and public involvement programs with senior military, congressional, federal, state and local officials, and the general public concerning engineering, planning, construction, maintenance, emergency operations and real estate issues pertaining to Corps projects. Supervised Corps of Engineers Sections 404 and 10 Regulatory Programs, and issued permits for construction and dredged fill.

1979
to
1980

Deputy District Engineer, U.S. Army Corps of Engineers, Al Batin District, Columbia, Maryland

Served as the government's Contracting Officer for Morrison-Knudsen Saudi Arabia Consortium, Cost-Plus Contract for construction, construction support, life support and management assistance for the King Khalid Military City in Saudi Arabia. Contract was valued at over $1.1 billion. Supervised government staff of 35 and professional contractor staff of over 600 located in Columbia, Maryland, Delft, Holland and Saudi Arabia.

1977 to 1979 — Project Engineer, U.S. Department of Energy
Construction and Facilities Management Division
Washington, D.C.

Assigned to the Department of Energy pursuant to an agreement between the Chief of Engineers (Corps of Engineers) and the Secretary of Energy. Provided guidance and assistance to the Department concerning the planning, management and control of the multi-billion dollar Uranium Enrichment, Nuclear Waste, and Strategic Petroleum Reserve programs. Participated in planning for energy requirements and for alternate solutions.

1975 to 1977 — Deputy District Engineer and Resident Engineer,
U.S. Army Corps of Engineers, Alaska District
Juneau, Alaska

Represented District Engineer and was liaison between the Corps of Engineers and the State of Alaska and the Alaska Legislature. Was responsible for the Corps Public Information Program in southeast Alaska. Conducted public hearings regarding Corps of Engineers projects and permits. As Contracting Officer, was responsible for supervision and contract administration for all Corps of Engineers design and construction in southeast Alaska. Major projects included the design and construction of the Snettisham 138KV Transmission Line Relocation, completion of the Snettisham Hydroelectric Facility, and the construction of the Haines Small Boat Harbor.

1973 to 1975 — Assistant Resident Engineer, U.S. Army Corps of
Engineers, Alaska District
Fairbanks, Alaska

Was responsible for all construction, field design and contract administration for the Chena Lakes Flood Control Project and for military projects at Fort Wainwright, Fort Greely, Eielson Air Force Base, and at remote Air Force sites. Projects included roads, air fields, family housing rehabilitation, post exchange facilities, an aircraft control tower, and sewage disposal facilities.

1970 to 1972	Resident Engineer, U.S. Army Corps of Engineers, Huntsville Engineer Division, Perimeter Acquisition Radar (PAR) Site Langdon, North Dakota Supervised government staff which varies between 25 and 40 personnel. Was responsible for contract administration for construction of the multi-million dollar PAR portion of the Safeguard Anti-Missile Defense System.
1969 to 1970	Operations Officer, U.S. Army Corps of Engineers, 36th Engineers Battalion Vinh Long, Republic of South Vietnam Was responsible for all design, construction and combat operations accomplished by the battalion.
1963 to 1969	U.S. Corps of Engineers, various locations. Engineer Staff Officer: Responsible for programming and developing military construction requirements for Hawaii, Vietnam, Thailand, Korea, and Japan. Participated in Stability Operation in Dominican Republic (8 months). Advisor to Vietnamese Army (one year). Company Commander, 76th Engineer Battalion, Korea: Constructed various projects throughout Korea, including roads, missile sites, and buildings (13 months).

OTHER PROFESSIONAL QUALIFICATIONS

Registrations:	Professional Engineer, Civil Engineering, State of Alaska, No. 3871-E, 1975 to Present.
Organizations:	Past President of the Alaska Chapter of the Project Management Institute. Member of the State of Alaska and National Society of Professional Engineers. Past member of the Board of Directors, Alaska Chapter, Society of American Military Engineers.

MONTANA

RAIL LINK, INC.

Keep us/ copy of our letter.

DENNIS R. WASHINGTON

101 INTERNATIONAL WAY
POST OFFICE BOX 8182
MISSOULA MONTANA 59807
TELEPHONE (406) 523-1300
FAX (406) 523-1398

October 4, 1995

President Drue Pearce
716 West 4th Avenue, Suite 500
Anchorage, Alaska 99501-2133

Dear President Pearce:

I am writing to you to indicate my strong interest in purchasing The Alaska Railroad Corporation (ARRC). I am simultaneously sending a copy of this letter to the Chairman of the railroad, Governor William Sheffield, and asking his advice on how we should proceed to achieve this goal.

My interest in ARRC stems from my broad interest and involvement in transportation logistics and my feeling that upgraded and modernized systems can contribute greatly to a region's economy. At present I am the principal owner of Montana Rail Link, a major regional railroad, that has brought upgraded transportation service to the State of Montana and materially enhanced the local economy. I am also heavily involved in tug and barge activities in the Pacific Northwest and British Columbia and extending into Alaska.

My specific reason for this proposal stems from my deep interest in the economic development of Alaska. It is my feeling that the State's economy could benefit greatly from an improved and modernized railway system and I am prepared to commit to an upgrading of the railroad. I can also envision that with the involvement of Canadian interests we can work towards the construction of a railroad that connects Alaska with the lower states and ultimately into a PanAmerican Railway system. It is clear to me that a worldwide Global Intermodal System is taking shape and I believe it is essential for the economy of Alaska that the State become an integral part of the network.

I would like to be clear from the outset that my interest lies primarily in the transportation aspects of ARRC and utilizing all of the Company's assets to enhance operation of the system. I am prepared to commit to investing to upgrade the railroad and to work with the State Government to plan for service levels that will facilitate the State's economic development. My vision for the railroad encompasses imaginative passenger service offerings and real estate development activities that will help build the tourist trade as well as efficient freight service incorporating the most up-to-date intermodal concepts.

I would relish the opportunity to discuss this proposal with each of you and answer any questions you may have. I am prepared to dedicate the analytical and financial resources necessary for the evaluation and consummation of the proposed transaction. My staff and advisors have extensive acquisition experience in the transportation industry and are confident that we can move quickly in evaluating ARRC. I look forward to hearing from you.

Sincerely,

Dennis Washington

/ke

ALASKA RAILROAD CORPORATION

Corporate Address: P.O. Box 107500, Anchorage, Alaska 99510
327 W. Ship Creek Avenue, Anchorage, Alaska 99501

VIA U.S. EXPRESS MAIL

October 19, 1995

EXECUTIVE OFFICE
TELEPHONE (907) 561-1403
FACSIMILE (907) 258-1456

Dennis R. Washington
101 International Way
P.O. Box 8182
Missoula, Montana 59807

Dear Mr. Washington:

I am writing in response to your letter of October 4, 1995 inquiring whether it is possible to open a confidential dialogue with respect to your desire to acquire the assets of the Alaska Railroad Corporation ('Corporation'). The Board of Directors of the Corporation ('Board') met in executive session on Thursday, October 19, 1995, to discuss your inquiries, and I am writing to advise you of our consensus on how to proceed.

By way of background, the Corporation is a public corporation of the State of Alaska, managed by a Board of Directors appointed by the Governor. The Corporation was formed in 1984, to hold and operate the assets of the Alaska Railroad being acquired from the federal government. Since the transfer to State ownership in 1985, we have made substantial progress in streamlining the freight and passenger transport operations and in initiating the development of the Corporation's collateral assets. Perhaps as importantly, the period of State ownership has enabled Alaskans to work towards forging a consensus on the management and future of this vital transportation asset. Alaska's history of population growth and resource development offers recurring testimony to the critical, often determinative, role of transportation corridors. The extent to which Alaska prospers in the coming years may well be dependent on the future growth and operations of the Alaska Railroad.

As I trust you appreciate, the question of whether, or when, to facilitate privatization of the Corporation raises a host of difficult political and business considerations. At this point, the strong inclination of the Board is that privatization is premature. While we appreciate that growth does not necessarily require public stewardship, we believe public involvement in establishing a consensus on such a vital component of an 'Alaska agenda' is best served at this time through continued public ownership.

The Board also appreciates, however, the substantial experience, expertise and financial resources which you potentially offer the

State. While we think it unlikely that our discussions will lead to a sale transaction at this time, we are certainly willing and prepared to meet with you to discuss your interest in the Corporation.

The statutes which govern the Corporation may provide for alternative procedures for a sale of the Corporation or its assets. Clearly, a sale may be structured under a public procurement. At this point, the Board has no intent to initiate work on development or issuance of a competitive procurement, though we are prepared to revisit the issue upon receipt of an unsolicited offer which sets forth, in sufficient detail, terms and conditions of a proposed sale. Receipt of an unsolicited offer would enable the Board to weigh the relative benefits of initiating a procurement process on a more specific basis than was possible in review of your general letter of preliminary interest. Were the Corporation to undertake a sale through a public procurement, state law precludes confidential discussions with a prospective bidder which materially affect the public bidding process or which confer a competitive advantage on any party.

Alternatively, the Corporation is reviewing with legal counsel whether it may negotiate sale terms on a confidential basis providing that valuation is established or confirmed through an independent appraisal process. If legal counsel concludes that such an approach is authorized by statute, the Corporation is prepared to proceed on this basis, providing that your company enter into an unqualified agreement to reimburse the Corporation for all costs associated with the possible transaction. We anticipate that, were our discussions to lead to retention of independent appraisals, costs may well exceed $2.0 million.

Were the Board to approve a sale under either procedure, the transaction must be approved by the Governor and submitted to the Alaska Legislature for approval by law.

Upon consideration of our views as to whether, at this time, a sale is ultimately likely to be approved by the Board, please advise whether you would like to arrange a meeting to discuss your interest in the Alaska Railroad. We certainly appreciate your interest and we share your view of a bright future for the Alaska Railroad.

Sincerely,

William Sheffield
Chairman

Alaska State Legislature

Senator Steve Rieger, Chair
Senator Robin Taylor, Vice Chair
Senator Lyda Green
Senator Al Adams
Senator Georgianna Lincoln

State Capitol
Room 516
Juneau, Alaska 99801
(907) 465-4921

Senate Committee on Transportation

MEMORANDUM

To: Senate and House Transportation Committee members
Senate Finance Committee members

From: Senator Steve Rieger, Chair
Senate Transportation Committee

Date: March 25, 1996

Re: Information on Montana Rail Link, Inc.

In preparation for the March 26 meeting, my office requested a literature search for articles which referenced Montana Rail Link, Inc. I have enclosed these articles for your review, and also an information sheet provided by Montana Rail Link, Inc.

MONTANA RAIL LINK, INC.

Montana Rail Link, Inc., is a regional railroad linking southern and western Montana with the nation's rail network. The main line extends from Huntley, Montana (just east of Billings) to Spokane, Washington, and is a major corridor for rail traffic between the central and southern states and the Pacific Northwest and Canada. Completed in 1883 by the Northern Pacific Railroad (NP), the route linked the Great Lakes with Puget Sound making it the nation's first northern transcontinental line. On March 2, 1970, the NP along with the Great Northern, Chicago, Burlington & Quincy and Spokane, Portland & Seattle merged to form the Burlington Northern Railroad. Montana Rail Link assumed control of the line from the BN in October 1987.

The main line traverses the Belt Mountains at Bozeman Pass west of Livingston and the Rocky Mountains (Continental Divide) at Mullan Pass west of Helena. The physical plant includes over 600 miles of high-speed mainline maintained to allow freight train speeds of up to 60 miles per hour. The majority of Montana Rail Link's main line is single track with passing sidings and is controlled by Centralized Traffic Control (CTC) from the Transportation Center in Missoula. The remainder of the main lines are a variety of single or multiple main tracks controlled by CTC, Automatic Block Signals, Track Warrant Controll, or are within Yard Limits. Electronic hot box and dragging equipment detectors spaced at 30 mile intervals ensure the safe passage of trains. Branch lines serve the Flathead, Bitterroot and Ruby Valleys, and the Montana City and Harrison areas. Major freight classification yards and car repair shops are situated at Laurel and Missoula. The majority of the locomotive maintenance is done at the Running Repair facility in Livingston.

Montana Rail Link moves more than 20,000 carloads of freight monthly. Five priority transcontinental trains (two intermodal and three general

Information provided by Montana Rail Link, Inc.

freight) run daily in each direction in addition to unit coal and grain trains. Frequent local service is provided to more than 100 stations. Forest products (paper, lumber, plywood, particleboard and wood chips), grain, petroleum products, ores and concentrates, primary metal products, lime, cement, talc, and sugar constitute the major commodities originated. On-line customers receive chemicals, coal, scrap paper, grain and feed, and automobiles.

Montana Rail Link is one of a group of companies owned by Dennis R. Washington. The Washington Companies have greatly diversified interests that include construction, mining, environmental cleanup/management, construction equipment sales and leasing, heavy haul trucking, shipping and other related activities. MRL's more than 1,000 employees are dedicated to providing quality, cost-effective service and applying our company philosophy to help our customers grow and prosper. •

MONTANA RAIL LINK

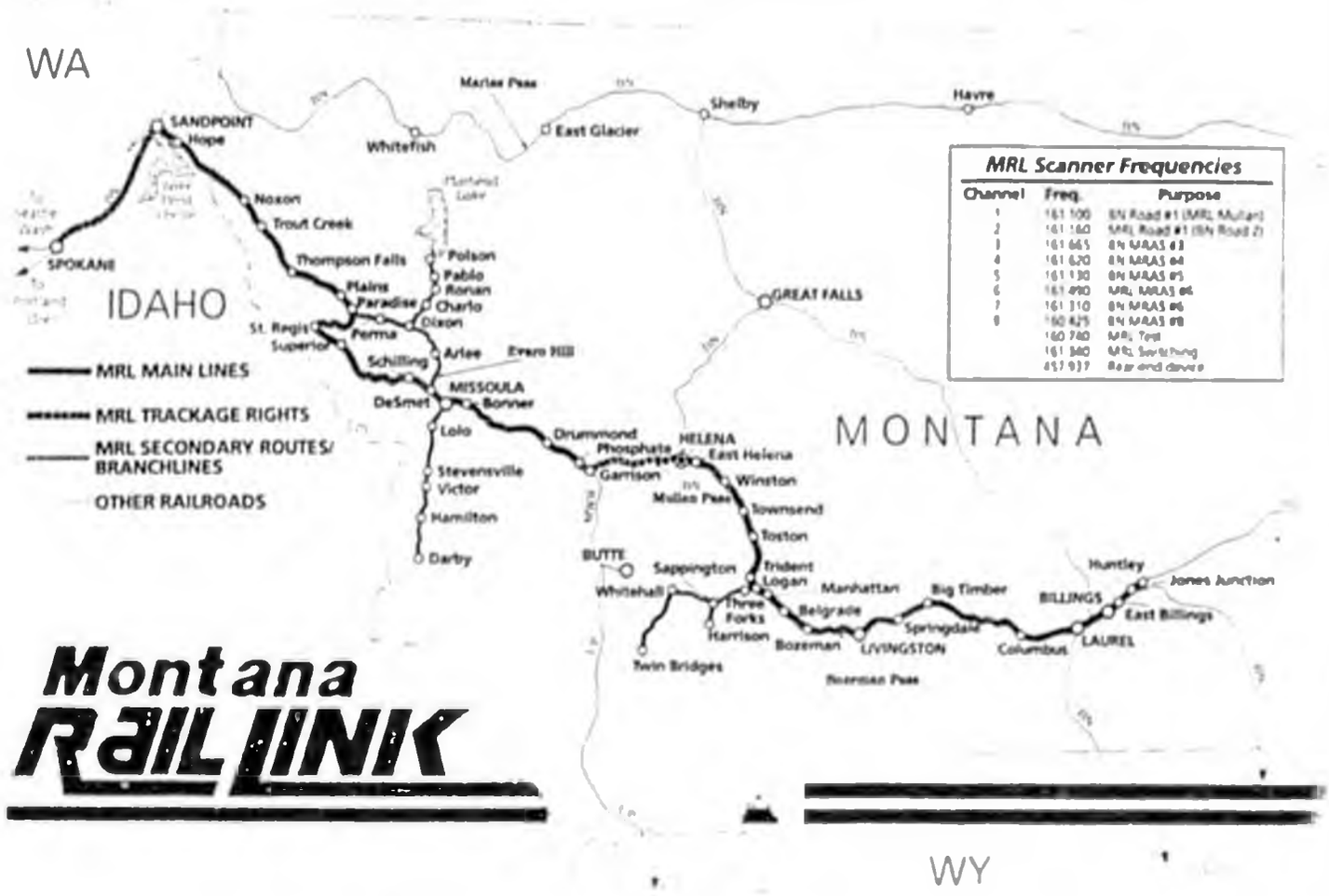
Service Industry...People Business!

Revenue Units (Carloads)

1995	304,224	+ 42,307	16.03%
1994	262,187		

Post Office Box 8779 • Missoula, Montana 59807 • 1-800-338-4750

Rev. March 21, 1996



Montana RAIL LINK

BY D. LARRY ZEUTSCHEL

Montana Rail Link officially began operations one minute past midnight Oct. 31, 1987, and soon after an act of inaugural sabotage literally launched the new railroad into the national spotlight. The power for a BN No. 91 job (BN SD40-2 6377 and two new GE LMX B39-8s on lease to BN) was released from its train at Livingston, Mont., and sent full throttle up Bozeman Pass. The units reportedly reached 80 mph making it to the opposite side of the Pass where they tore through the middle of West End siding and burrowed down a 30 foot embankment thoroughly demolishing themselves in the process. Ironically, when the damage was assessed the main line was found to be intact and trains were moving within hours.

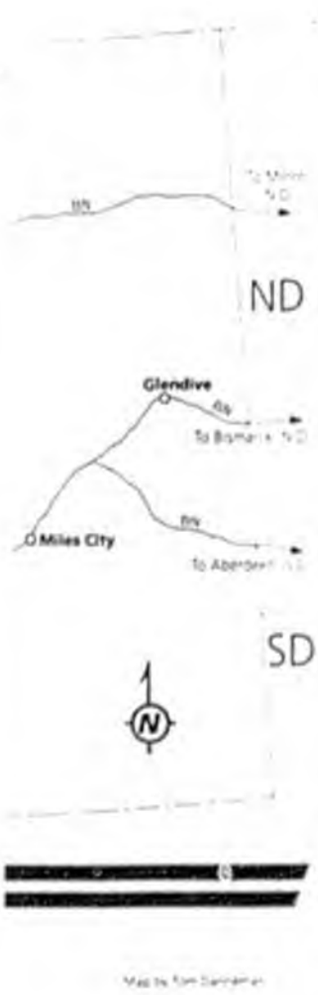
Montana Rail Link has rebounded admirably from that tough start up and has emerged as one of the success stories of regional railroading. The railroad thrives on a combination of overhead traffic provided by Burlington Northern and a growing base of natural resource-related traf-

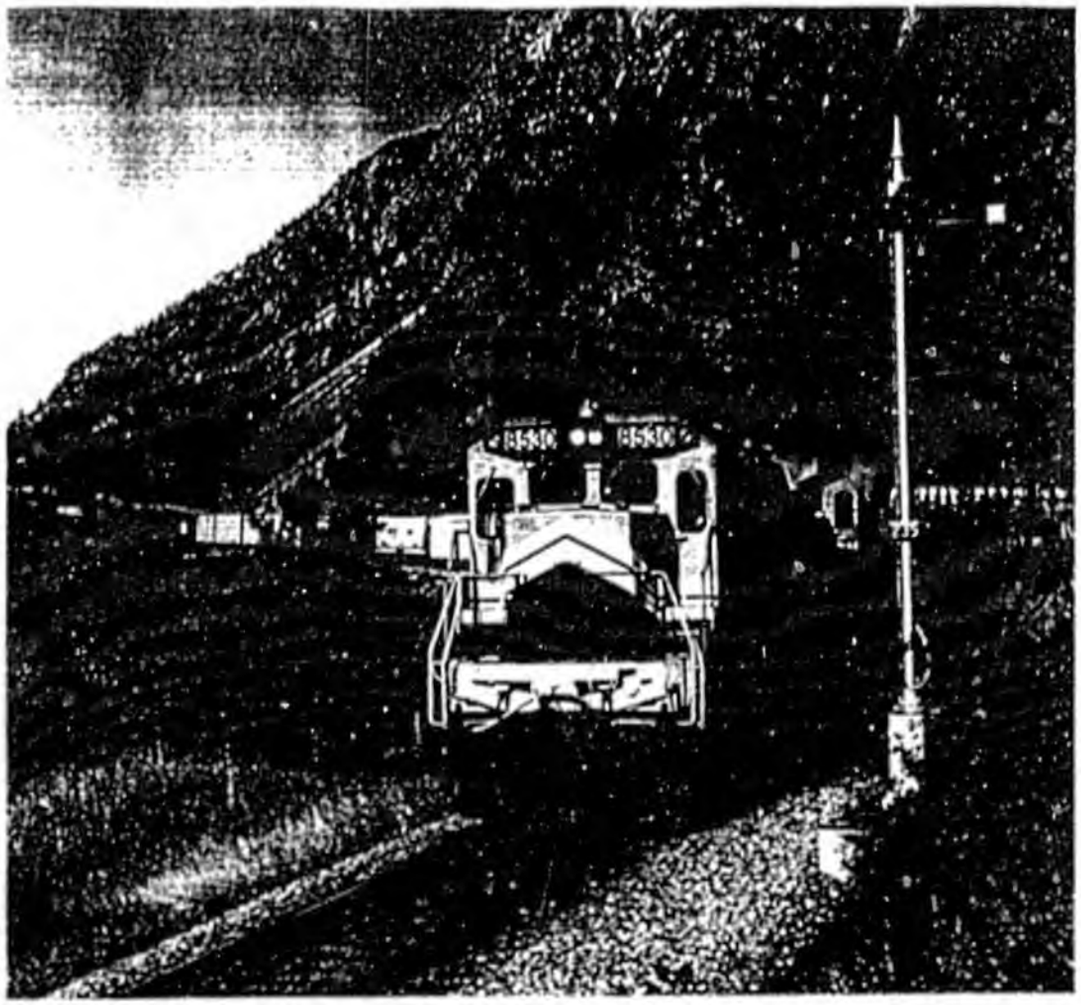
fic—all amidst a beautiful mountain backdrop. MRL, one of a growing family of companies owned by Dennis Washington and collectively known as the Washington Corporations, all operates in a new facility in Missoula, Mont. That city is the headquarters of the corporation is Washington Construction, 13th largest heavy construction firm in the United States, which formed the nucleus of the Washington's various ventures.

The Downgrading of the South Line

The road to becoming part of a successful regional was an uncertain one for the trackage now operated by MRL. The former Northern Pacific line across southern and western Montana came to be known as the South Line following the March 1970 Burlington Northern merger and became the corridor for traffic between the Gulf states and the Pacific Northwest. Foundations for scrapping the South Line were laid when St. Louis San Francisco and Burlington Northern merged in November 1980. The SLSF brought a new man-

MOUNTAIN COU





LMX B39-8 8530 races eastbound in October near Eddy, Mont. (east of Thompson Falls), with a Burlington Northern 124 train. A good share of the trains running over this former Northern Pacific line come in the form of Burlington Northern overhead traffic—business guaranteed by the original MRL sale agreement. Alan S. [illegible]

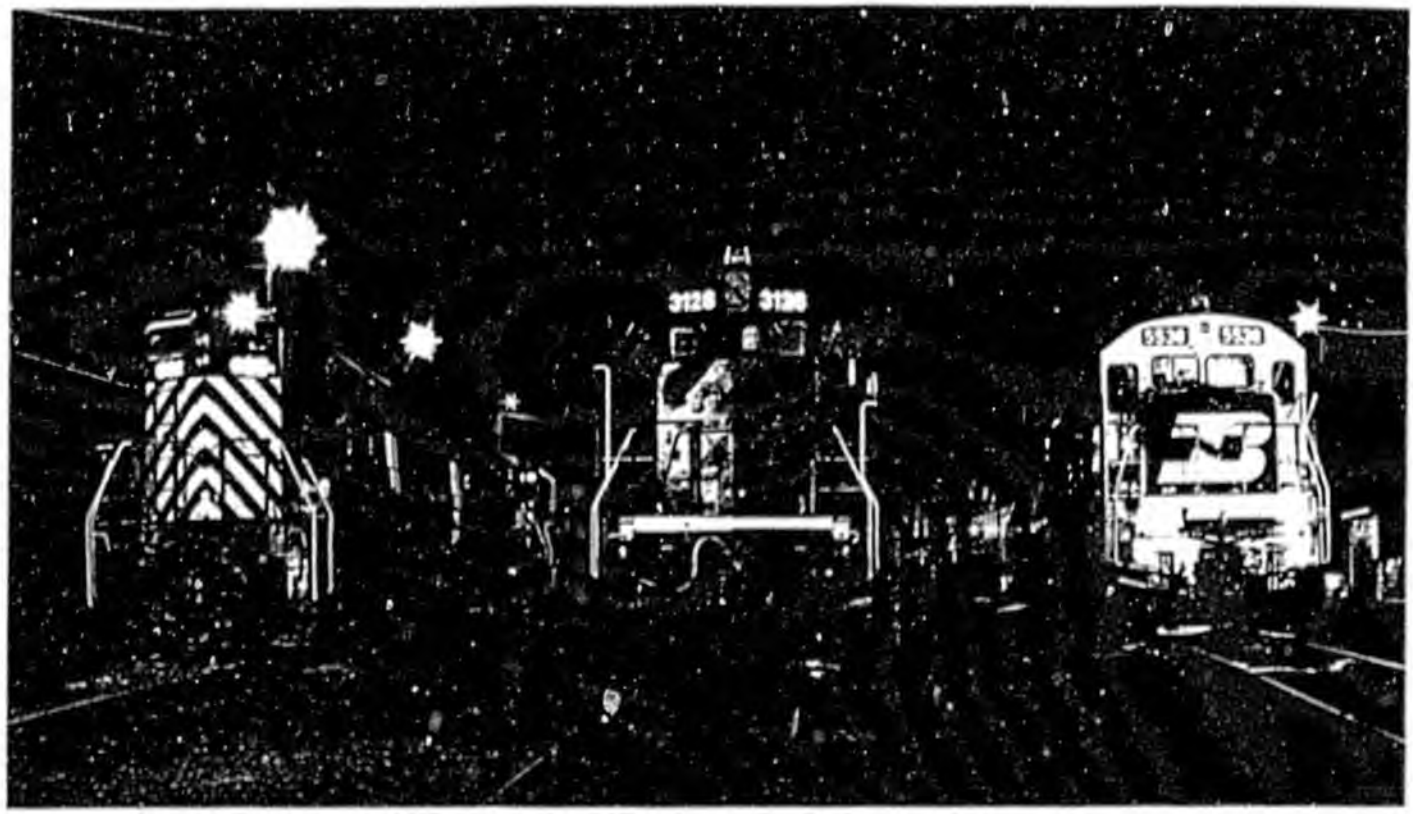
agement team with a non-rail business philosophy. Burlington Northern was facing increasing competition from deregulation and escalating expenses. The new management saw the solution in eliminating excessive line duplication, paring the labor force and cutting its tax burden.

The ex-Northern Pacific trackage in Montana soon came under fire. The secondary main from Whitehall to Butte over the 2.2 percent grade of Homestake Pass on the Continental Divide was embargoed by BN in 1983. The line's ABS signals were removed and several sets of the tri-color heads replaced mainline semaphores between Toston and Winston the following year. Northern Pacific's original main line over Evaro Hill—a gruelling operation of 2.2 percent grades home of the NP's highest bridge, Marent Trestle—was the next to face the axe. The DeSmet-Dixon segment was closed in late 1984, and its ABS signal system removed. Freight with load clearance problems had been routed over the hill; however clearance work was completed the previous year on the 'water-level' route to Paradise, eliminating any need for an extra main line. Like all things taken a step too far, a major siding along the Missouri River at Lombard was torn up, creating an immediate bottleneck.

The other problem tackled by BN was dealing with what it considered to be an excessively large work force working on the South Line. Workers were pated by job elimination buy-out offers and early retirement. Protected employees retaining their positions were eventually required to sit out their time in 'rubber rooms.' One group BN couldn't eliminate rapidly was the trainmen who had a secure contract and a union that refused to make concessions. A proposed innovation was the Winona Bridge concept of leasing out trains and giving trackage rights; this idea fell to an adverse court decision in 1988. Eliminating the South Line's mainline status by rerouting traffic of a sale was the next alternative.

Plans were made public in 1982 to divert mainline Gulf Coast-Pacific Northwest traffic off the South Line. This was to be accomplished by

NTRY REGIONAL



An evening at the Laurel engine terminal—such as this one in May 1989—can be a real treat for the visitor, with a variety of MRL and BN motive power usually on display. From left to right: MRL SD9 602, BN tigerstripe GP50 3128 and BN whiteface C30-7 5538. D.L. Joyce

routing from Mossman (just east of Laurel yard) to Shelby. Replacement with welded rail was begun and plans drawn up for installation of CTC to be activated off the former South Line. However, major problems soon surfaced with this plan. Tight tunnel clearances and numerous wooden trestles formed the project.

The Genesis of Montana Rail Link

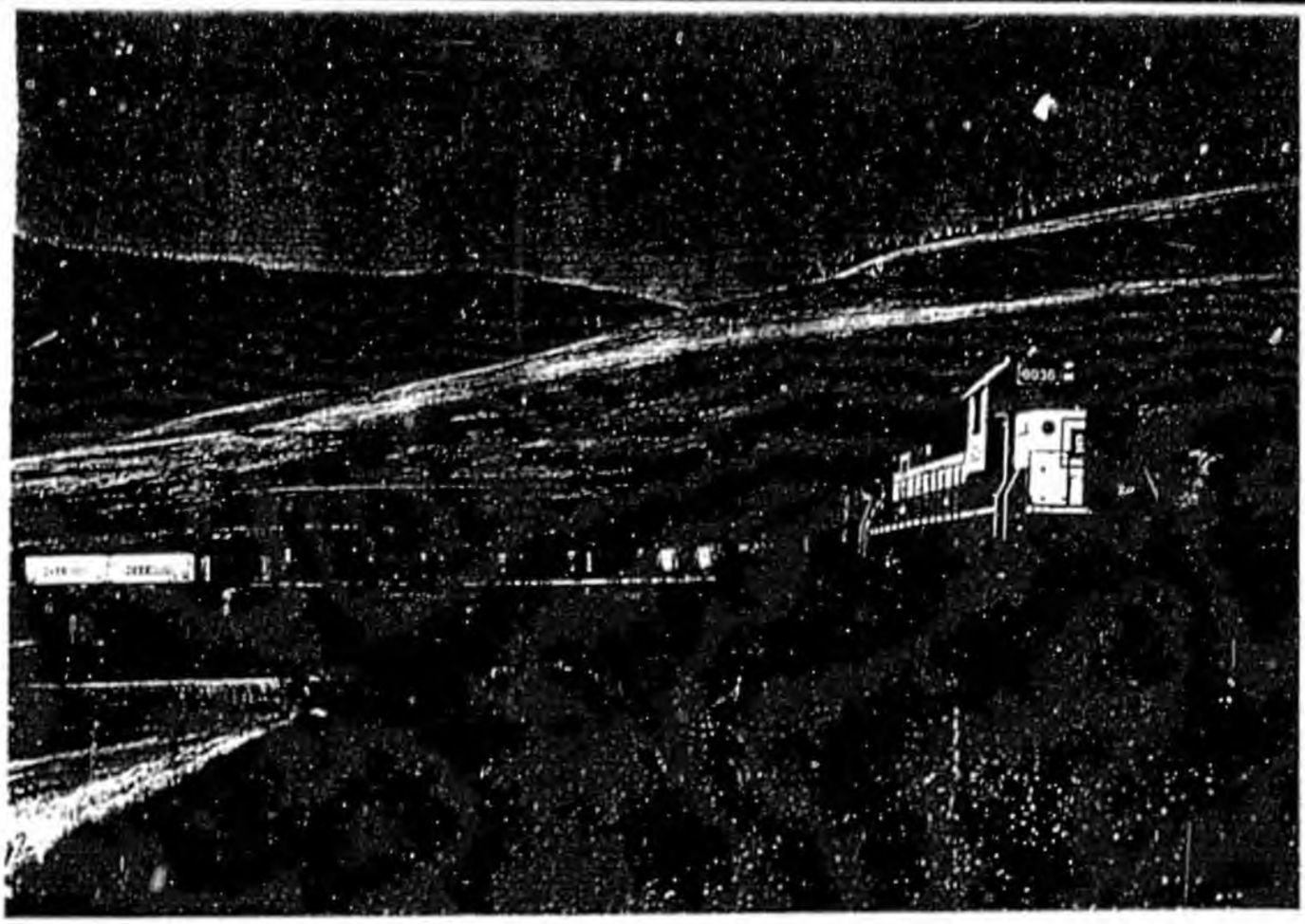
Dennis Washington and Burlington Northern began negotiations in early spring 1987. When it became public, Washington was interested in purchasing the Southern Montana trackage; opposition was considerable. The sale was seen as merely a ploy by BN to get around existing labor contracts. Dennis Washington was noted for the conspicuous absence of unions in his various companies. A union-free MRL was not ruled out, but former rules and contracts would definitely not be retained.

Exactly what the new Montana Rail Link would control was a big question as negotiations progressed. The original intent was for BN to sell track from Sandpoint Junction, Idaho, to Sparling (four miles west of Laurel yard). Montana Rail Link negotiators, however, wanted inclusion of the Laurel yard. Burlington Northern relented and added all track through Billings to Jones Junction. The Junction is the North side of a loop track BN coal trains use from the Powder River Basin to the upper Great Lakes.

Montana Rail Link's major concession was Mullan Pass, which effectively cut the railroad in two parts. Burlington Northern kept track from Helena Junction (where the former Great Northern line from Great Falls enters the main line) to Phosphate. Burlington Northern retains interchange at Garrison and access to a large phosphate mine. All maintenance and dispatching of train movements over this segment is the responsibility of BN. Burlington Northern also kept the Homestake Pass line, blocking MRL's direct access to Butte and UP at Silver Bow. Burlington Northern retained trailer and container loading operations with its large piggyback container hub at Billings and a smaller ramp at Missoula. Burlington Northern pays MRL to switch both facilities. A guarantee of minimum traffic along with an incentive for on-time performance was included by BN in the package.

A total of 939 miles of track was involved, of which approximately one-third was branch lines. These were purchased outright and the main line leased. Burlington Northern has trackage rights between Laurel yard and Jones Junction, while MRL has the same between Sandpoint and Spokane.

Bill Bradsky was hired by Washington as president of the new Montana Rail Link. His previous experience included working for the Milwaukee Road electrification and operating departments and the Santa Fe operating department. One of the tasks Bradsky was involved with was the search for a union that would represent employees under a labor contract. The United Transportation Union (UTU) had no desire to give MRL breaks and, in fact, was actively fighting against the sale. The Brotherhood of Locomotive Engineers (BLE) was willing to negoti-



Oakway SD60 9036 glides off the Evaro Hill grade near Nago, Mont., with an eastbound BN No. 24 from this grade-restricted secondary route has come close to abandonment several times in the last decade, but MRL has used the line frequently when trackwork on the main via St. Regis ties up traffic. Alan

ate and an agreement was reached. However, the contract only covered the operating trainmen. Other employees are covered by their previous unions under separate contracts.

Train crew size was dramatically affected under the new BLE contract. Road crews were reduced by half from the four people utilized under BN. It was decided to eliminate Livingston entirely as a crew change, giving MRL three districts (Laurel-Helena, Helena-Missoula and Missoula-Spokane) instead of the four maintained under BN. The result: Montana Rail Link now uses six people to operate a train over the same line BN did with 16.

Work rules were also made more flexible. Under BN agreements, helper crews had defined districts such as Livingston to Bozeman. If a train stalled at Bridger (approximately 10 rail miles west of Bozeman), the helper crew sent to assist the train went outside its district and received another day's pay. Under the new MRL contract, helper crews are paid for hours of service only. Montana Rail Link has been profitable since its beginning—in part due to wages being lower than under BN. However, employees participate in the company's gains through a profit sharing plan.

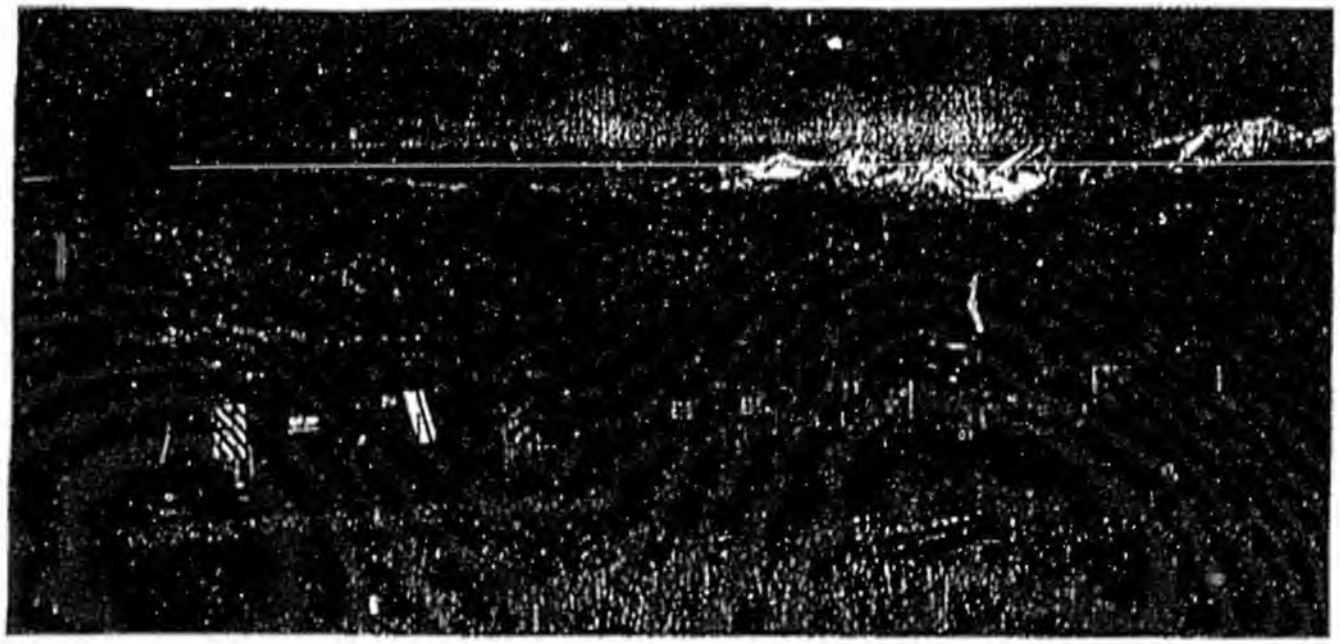
Motive Power Fleet

Included in the line sale were 20 SD40s, 22 GP9s and eight 1,200 h.p. switchers to operate the railroad along with about 800 freight cars. The motive power was soon found to be breakdown prone. Soon the shop was available to work was contracted to BN at Glendive and even Denver. This proved fatal to GP9s 1904 and 1725 in a collision west of Glendive. BN replaced the units with 1897 and 1717.

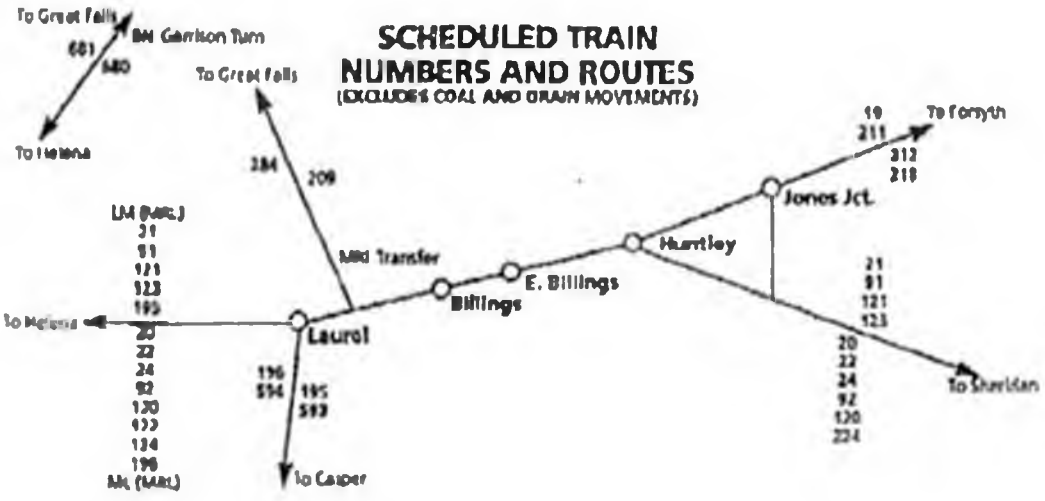
The Livingston Shops reopened in 1988 with MRL operating the run-through portion and the remainder as the Livingston Rebuild Center (LRC). Burlington Northern had closed and completely stripped the shop in 1986 with the situation further complicated by groundwater and soils contamination. Burlington Northern and The State of Montana reached an agreement on cleaning the site with MRL and LRC not held liable. However, LRC still had no equipment to begin locomotive rebuilding. Financing for this came from a $10 million loan, 80 percent of which came from the State in October 1988.

January 1988 saw the arrival of the first non-BN locomotive purchases: two former Grand Trunk Western GP35s, one painted DT&I and a leased Helm unit (ex ICG GP40) which was LRC's first non-MRL project. An assortment of former Elgin, Joliet & Eastern and Southern Pacific SD7/SD9s arrived from various dealers during mid-1988. The EJ&E units were in need of major work, and most were painted awaiting parts. The SP SD7s and SD9s needed only minimum repairs and were working soon after arrival. These units were not up to mainline service on MRL's eastern end. They have since been assigned to yard, transfer and west end mainline duties.

Montana Rail Link's terrain requires reliable locomotives and a shortage of helper power developed with increasing traffic. This power



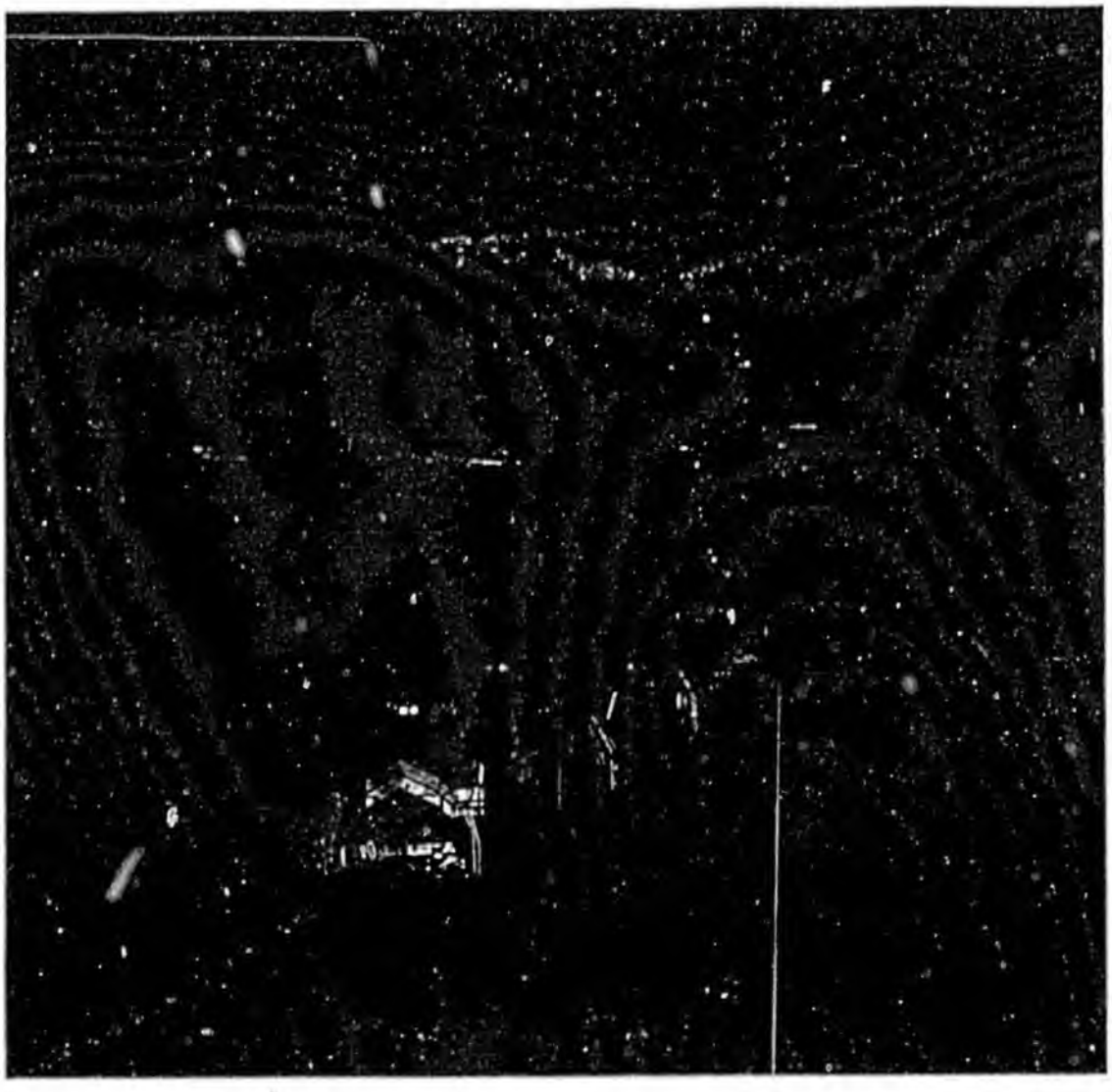
Montana Rail Link's LM (Laurel-Missoula) train rolls along the Yellowstone River at Elton, Mont. (east of Livingston) on May 15, 1988. On the point, freshly painted SD40 204, joined by an assortment of other ex-BN power still in green paint including a pair of SD40s, a GP9 and an SW1200. Thomas K. Miller



squeeze was eased with the purchase of four ex-Norfolk & Western SD35s from a used locomotive dealer in June 1988 and the leasing of eight ex-BN SD45s from HLC (Helm Leasing) in November. The SD45s were the first major undertaking for the LRC and loaded the shop floor getting them operational. Rented to MRL for two months to pay for repairs, the lease extended until MRL purchased them in October 1989. During July 1989, eight former CSX SD45-2s in schemes from Clinchfield black to the latest CSX "Stealth Gray" were acquired, renumbered and put to work.

Livingston Rebuild Center also rebuilt two wrecked units for MRL's fleet. Burlington Northern SDP40 6395 was purchased by MRL after a Helena helper head-on in December 1987 requiring major front-end work and a new prime mover. The unit was painted specially for Montana's Centennial in June 1989. A "true" RD40-2 was added following the total reconstruction of the former BN 6377 from the inaugural day wreck. Eventually all of the MRL SD40s will be rebuilt to Dash 2 standards.

Consolidated Leasing, Inc. (CLI), yet another Washington entity, was created in early 1990 for leasing the ex-Chicago Great Western/Chicago & North Western RD40s that LRC acquired the previous year. CLI's first (and to date, only) lease was a total of four of these units to MRL for six months beginning in April 1990. The CLI units substituted temporarily for MRL's own SD40s which were in the Dash 2 program at LRC. The CLI units copy MRL's paint scheme, but carry their own heralds on the cab with 3000-series



On July 2, 1989, a B39-8/ B30-7AB team climbs an easy grade along the Gallatin River at Logan with a Burlington Northern No. 92 intermodal train; 30 miles ahead lies the summit of Bozeman Pass, pinnacle of a tough 1.9 percent gradient. Jack Dorsey

road numbers. The four SD40s are now stored east of LRC's Livingston shop.

Although General Electric's kit-rebuilt 'Super 7' C30s tested on MRL in the first week of November 1989, there are no plans presently to purchase any non-EMD rebuilt power.

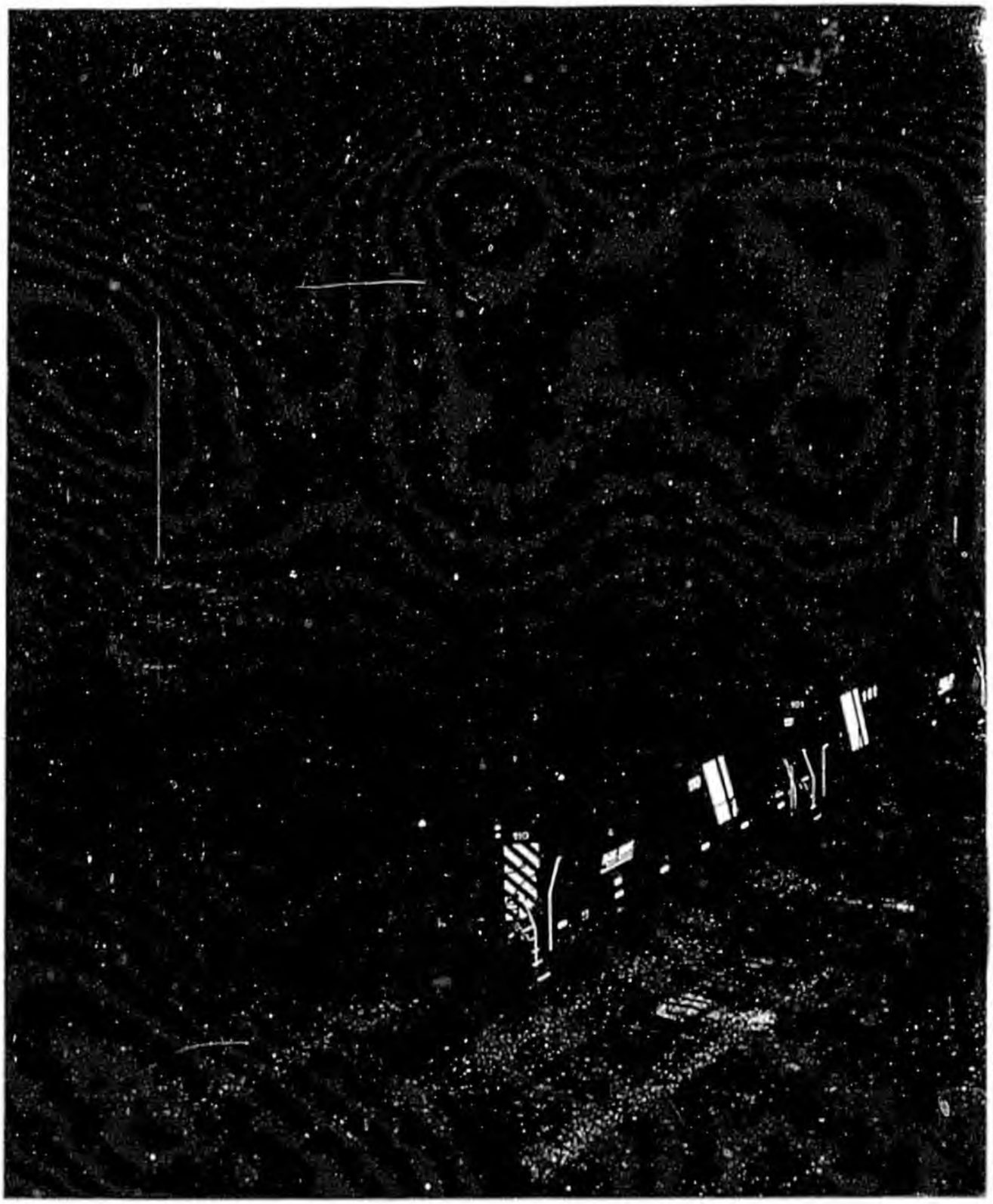
Major Line Improvements

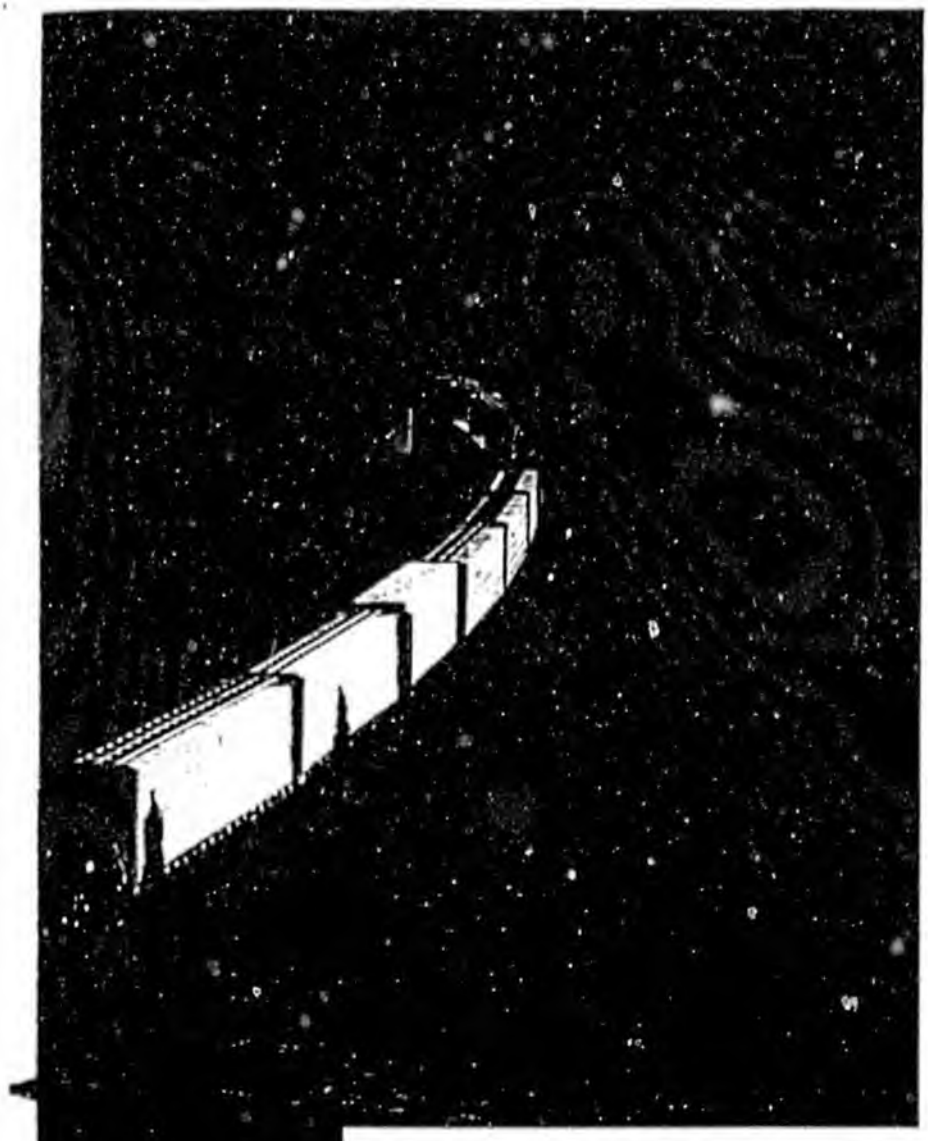
A number of major improvements have raised performance to a higher level on the MRL. Lombard siding was reinstalled and lengthened in 1988, and a tight curve to the west was reworked raising a 10-mph slow order to 25 mph. Together, these projects through the Missouri River Canyon shortened travel time between Laurel and Helena. Another project of track extension and rebuilding in Helena yard was completed in late 1989. The result was conversion of a yard track to a passing track relieving major train congestion problems.

Bridge work begun in 1988 continues between St. Regis and Paradise. Three bridges were scheduled for rebuilding, as well as one west of Thompson Falls—all crossing the Clark Fork River. This involves adding arches to the deck trusses, pier reinforcement and installing concrete ballasted decks. The program began with the second bridge downstream of the old Donlan site, 10 miles northeast of St. Regis.

In December 1990, unexpected problems occurred when the deck truss over the Thompson River (4.5 miles east of Thompson Falls) collapsed under a westbound grain train derailed by a broken rail. The resulting detours dramatically demonstrated what would have happened had BN carried out its abandonment scheme of the late 1980s. Coal and grain trains (loads and empties) and the 195/196 trains ran on the old GN Laurel-Shelby line. All other traffic was routed east to the ex-CB&Q West Sioux City (Neb.) Branch, and over ex-GN lines in northwest Iowa, southwest Minnesota and across North Dakota.

The bridge work and the track-warrant controlled (TWC) portion of the 4th Subdivision between Frenchtown and Paradise caused additional delays. Cabooseless trains require a crew member to walk forward after lining a siding

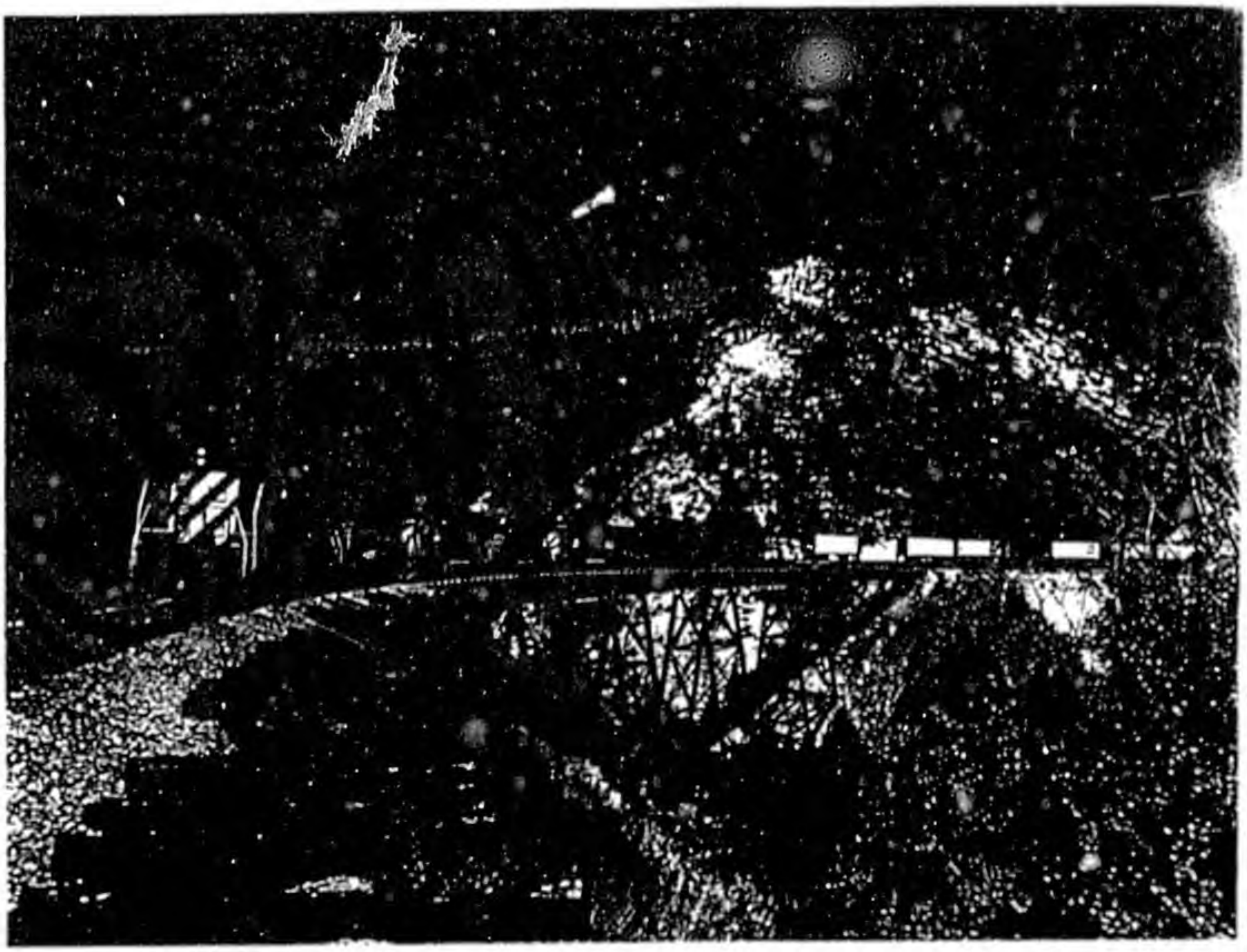




switch for a meet on TWC territory. The alternative was to reopen what became MRL's 10th Subdivision over Evaro Hill in mid-1988. With 2.2 percent grades on either side, this route is usually limited to trains carrying enough power to get it over without helpers.

The latest CTC installation reduced mainline TWC territory to between west of Superior and Paradise. Due to the ongoing bridge rebuilding, however, it is not likely that MRL would embargo the Evaro Hill line again. This track is just under 30 miles shorter than the 4th Sub's main line, and is the preferred route for the lighter trains. Semaphores are still in use on the main line's TWC territory, and coexist with CTC from east of Thompson Falls to Sandpoint. They are also found on the main east of East Helena to Winston, and in the Missouri River Canyon between Lombard and Toston. However, these upper-quadrant sentinels of the "Main Street of the Northwest" are being replaced as they wear out.

LEFT: Following the (rail)road to Paradise? A three-unit set of GP9s leads the Missoula-Paradise local at St. Regis, Mont., on May 29, 1989. The train is following the "water-level" route along the Clark Fork river, built by NP to avoid the grades of Evaro Hill. Kirk Petty BELOW: Helm ex-BN SD45s leased (and eventually purchased) by MRL have become real workhorses for the regional carrier. On June 25, 1989, four of the big SDs rise to the challenge of Bozeman Pass, lugging a freight eastbound over the Gallatin Range toward Livingston. D. L. Zeutschel



One of the segments retained by BN after the line sale to MRL was the route over Mullan Pass. On July 23, 1988, five units lead a westbound 51 train on the pass west of Skyline. Working out of sight on the rear of this train were a pair of SD9s, set off at Garrison after their duties as helpers units were complete. [illegible]

Montana Rail Link gained direct control of its operations with computerized dispatching installed in the corporate headquarters and operating by June 1988. Dispatching control is divided between two districts. The West Dispatcher controls a set of crossovers west of Helena Yard and all trackage from Phosphate to Sandpoint Junction. His CTC schematics include both the 9th and 10th subdivision's TWC lines. The East Dispatcher directs all traffic from Helena to Jones Junction.

East-end Operations

A majority of the trains running over the MRL comes in the form of Burlington Northern overhead traffic. Just as in the days prior to the MRL sale, BN sends most of its Pacific Northwest Gulf Coast loadings—including high-priority intermodal trains—via the "South Line." The only difference is that MRL crews now run the trains. In addition to a full complement of scheduled runs, BN also routes a good share of grain via MRL, as well as coal.

In addition to the "bridge" work it does for BN, MRL has an interesting array of trains of its own geared primarily to on-line customers. Let's take a geographical look at MRL operations starting on the east end.

Billings requires two 1,200 h.p. switchers and a GP9 to work the area. The GP9 ventures east as far as Huntley to a Coors malt barley storage facility and a grain elevator. A coal loading and storage site was developed in winter and spring 1990 for a new mine north of Billings. If test trains are satisfactory, MRL could originate [illegible] trains. An Exxon refinery east of Billings has the GP9's major work, and the job may run twice a day. The refinery also produces coke, and MRL has run occasional unit trains for export. The two SW's are kept busy working area industry, but mainly move piggyback cars at BN's Intermodal Hub. UPS receives seven to twelve trailer loads daily from Chicago and the Twin Cities for regional sorting. Other piggyback business arrives and departs continually from BN's intermodal fleets. A Laurel transfer hauls the general freight to Billings and returns with power usually consisting of two SD7/SD9s.

Laurel Yard is a major hub for BN's priority traffic and a terminal for secondary trains [illegible]

MONTANA RAIL LINK

MOTIVE POWER

SWITCH

OLD #	NEW #
BN19	11
BN208	12
BN220	13
BN203	14
BN218	15
BN269	16
BN215	17
BN216	18

GP9

OLD #	NEW #
BN1946	101
BN1732	102
BN1832	103
BN1834	104
BN1903	105
BN1931	106
BN1934	107
BN1835	108
BN1710	109
BN1897	110
BN1833	117
BN1929	122
BN1717	
BN1721	
BN1729	
BN1731	
BN1744	
BN1831	
BN1924	
BN1925	
BN1926	
BN1927	
BN1930	
BN1935	

GP35

OLD #	NEW #
DT6353	401
GTW6358	402

SD7/9

OLD #	NEW #
EJE604	600
EJE606	601
EJE603	602
SP4361	603
EJE605	604
SP1541	605
SP4316	606
SP1515	607
EJE611	608
EJE609	609
EJE610	610

SD35

OLD #	NEW #
NW1566	701
NW1546	702
C&O591	703
NW1543	704
NW1553	705

SD40

OLD #	NEW #
BN6341	200
BN6301	201
BN6306	202
BN6312	203
BN6317	204
BN6336	206
BN6317	207
BN6324	208
BN6322	209
BN6307	210
BN6308	211
BN6310	212
BN6315	213
BN6316	214
BN6320	215
BN6337	217
BN6345	218
BN6346	219
BN6377	250
UP3002	251
MKR205	252
BN6395	290
BN6335	216
MKR203	253
MKR212	254

SD45

OLD #	NEW #
BN6445	351
BN6493	352
BN6497	353
BN6567	354
BN6568	355
BN6681	356
BN6665	357
BN6694	358

SD45-2

OLD #	NEW #
CSX8975	301
CSX8976	302
CSX8977	303
CSX8978	304
CSX8979	305
CSX8980	106
CSX8981	307
CSX8992	308

CORPORATE LEASING INCORPORATED (CLI)

SD40

OLD #	NEW #
CNW6928	CLI 3001
CNW6924	CLI 3002
CNW6925	CLI 3003
CNW6927	CLI 3004

Notes: SD45-2s 301-303, 305-307 painted
No SD45s painted or renumbered
All CLI units stored at Livingston
Roster current as of Dec. 1, 1990

Montana Rail Link SD40 212 leads an eastbound SM ("Sam" or Spokane-Missoula train) at Heron, Mont., just miles past the Idaho-Montana state line in October 1989. The SM trains run six days per week, usually departing BN's Yardley facility in Spokane by 7 a.m.—in time to avoid the eastbound flood of green. Alan R. Burns

all five intersecting lines. Montana Rail Link does all switching, engine servicing and mandatory FRA car inspections. A large car shop takes care of any bad orders. Four switching jobs (two at each end of the yard) are at work every day. Burlington Northern maintains a new rail welding plant at the south side of the yard which MRL also switches. Switching includes an auto and truck unloading ramp for regional area dealerships and an oil refinery.

The majority of cars coming to MRL are usually ready when eastbound symbol ML (Missoula to Laurel) arrives. MRL's road power spends just enough terminal time to service and return west as symbol LM (Laurel to Missoula). Traffic has grown steadily with up to three through MRL trains per day between Missoula and Laurel. The symbols handle the larger pick-ups and set-outs at Livingston, Helena, Garrison and Missoula.

Livingston is home terminal for a local switcher and 840/841, the Livingston-Helena daily locals. The switch job classifies the 840/841's cars, switches local industry and takes care of growing business at Big Timber—business BN had previously given up to trucks. The 841 local departs Livingston around noon, and usually runs down the branch from Logan to Three Forks (or sometimes beyond) before terminating at Helena. The eastbound 840 generally leaves Helena by 6 a.m. and arrives in Livingston about noon. On Saturday only, the 840 runs to Livingston, and returns to Helena Sunday as 841. Power for these locals are usually two or three GP9s.

Based at Livingston is the power for the 1.9 percent Bozeman Pass helper district, usually consisting of four high-horsepower units. The

Montana Rail Link SD7/SD9 set 605 and 603 (which still look a lot like Southern Pacific 1541 and 4361) have a worn extra in tow on July 16 1988, as they travel east of Bozeman over the pass. MRL rosters 11 "Cadillacs," four ex-SP units, the remainder of Elgin, Joliet & Eastern heritage. [illegible]

helpers work between Livingston and Bozeman as a rule, but it is not uncommon to see them go west to Logan or east to Big Timber. Some really [illegible] [illegible] when LRC releases to [illegible] for testing on the helper.

Helena is a crew change point and terminal for the majority of MRL's helper power. Five crews are normally assigned to operate two or three sets of four SDs. All westbound double grain and coal trains require two of these sets on the 2.2 percent Mullan Pass grade. General freights and single grain trains use one set, while the priority intermodal trains add two or [illegible] [illegible] units. These [illegible] [illegible] helpers are cut off and returned on [illegible] siding west of Mullan Pass. The regular helper sets with crews are [illegible] at either Helena [illegible] in the yard [illegible] eastbound [illegible] [illegible] traffic.

At 1.4 percent, the west side of Mullan Pass is a much easier grade for eastbounds. However, these trains may pick up helpers (manned or not) at Garrison [illegible] en route to the top. Westbound helpers are usually cut from trains at Blossburg — the top of Mullan Pass — or Elliston. Helpers are getting more common east of Helena, too. Heavy MLs can get a boost up to Winston, and grain or coal trains can get help at Townsend or even Toston.

A GP9 is assigned to Helena for switching the yard, a cement plant at Montana City (on the remnant of the ex-GN-MC line to Butte), and

drop or pick up cars from the ASARCO lead smelter in East Helena. ASARCO contracted WATCO (another Washington subsidiary) for plant switching in fall 1989.

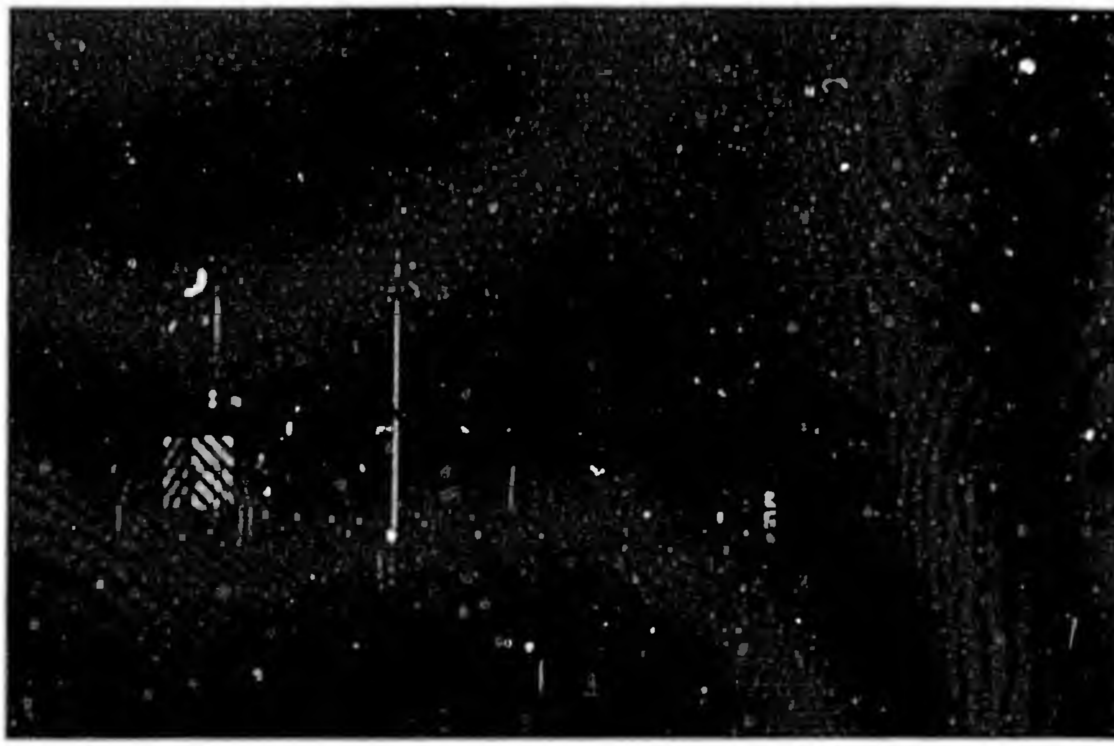
Burlington Northern's Garrison local 681 is on duty at Great Falls around 10:30 a.m. Monday, Wednesday and Friday. It usually arrives in Helena around 2 p.m., making a daylight run up the Missouri and Little Prickly Pear canyons. The BN local may run into Helena to interchange with MRL, or switch at the Junction and proceed on [illegible] Garrison. Return from Garrison is Tuesday, Thursday and Saturday as No. 680, on duty around 7 a.m. Power usually consists of sets of GP38-2s or SD40-2s.

West-end Operations

[illegible] is a crew change point and main terminal for [illegible] serving the various industries and western branches. These locals collect [illegible] at Missoula for forwarding to the ML and MS symbols. These locals usually operate with [illegible] to three GP9s and a caboose.

ML (Missoula to Laurel) trains consist of [illegible] ly wood and wood products from the Missoula area shipped east. The train is scheduled to depart Missoula around 4 a.m., arriving at Helena before noon and Laurel by early evening. Power usually consists of the big SDs.

The MRL Garrison local works Monday [illegible] Friday from Missoula with no set duty times. Garrison is an interchange for MRL and BN [illegible]



Ex-BN 6377—now the 250—is the only SD40-2 on the MRL roster, having been wrecked and later rebuilt by the Livingston Rebuild Center. The unit is shown assisting a BN grain train near Louisville, Mont., on Sept. 2, 1989. [illegible]

connections to UP and Butte. Burlington Northern initially handled all work here; however, MRL gained interchange with a charge for each car to BN. Montana Rail Link has a sizeable fleet of covered hoppers dedicated to business originating at Phosphate. The phosphate is destined for Canada through an interchange with UP at Sandpoint.

The phosphate traffic and cars to and from Spokane or Seattle-Portland have generally kept the MS (Missoula-Spokane, or "Mess") and its eastbound counterpart SM ("Sam") running Mondays-Saturdays. These six-day-a-week movements usually avoid switching delays caused by BN run-throughs. The "Sam" is usually out of BN's Yardley facility by 7 a.m., with the "Mess" departing Missoula by 3 p.m. Power is usually SD7/SD9/SD35 pairs often matched with GP9s or one of the two GP35s or occasionally an SD40.

The Paradise local works west to Thompson Falls (and sometimes beyond) Monday, Wednesday and Friday. Tuesdays and Thursdays it makes a round trip up the Polson Branch from Dixon on the 10th Sub. The local is on duty by 7 a.m. at Paradise and normally returns to Missoula from there on a Friday afternoon eastbound. Saturday's [illegible] usually includes the power and cars from Missoula for the Monday morning work.

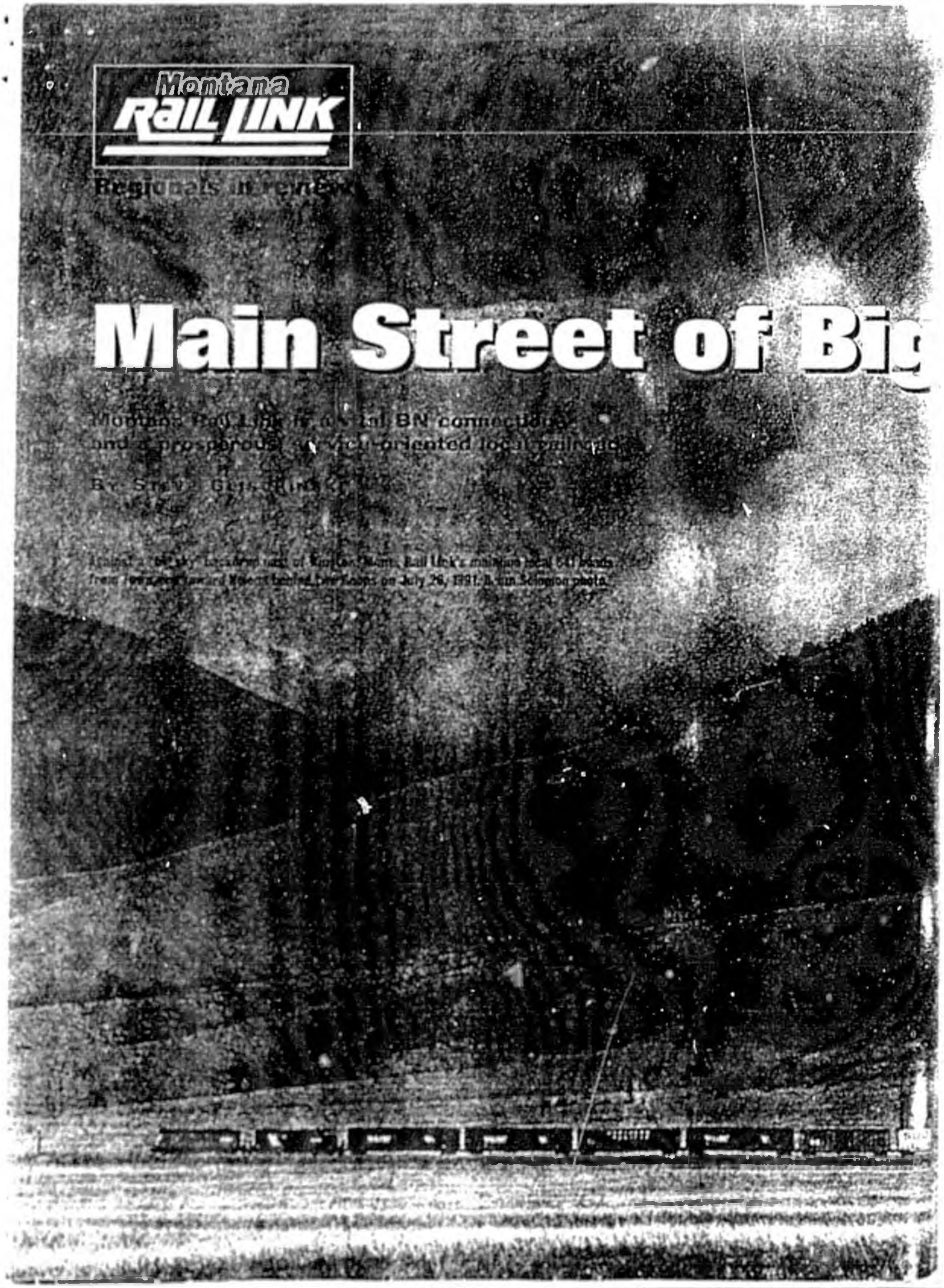
Tuesday and Thursday the Darby local operates down the former NP Bitterroot Branch. The crew is on duty at Missoula around 10 a.m.

Missoula's paper and lumber industry is very important to MRL. Stone Container Corporation's pulp mill west of Missoula at Schilling (13.5 miles southeast of Frenchtown) is MRL's largest on-line industry. Montana Rail Link purchased 100 new boxcars in mid-1988 specifically for this and other forest-related industries in the area. The daily Schilling local takes wood chips, chemicals and old cardboard in, and returns with carloads of liner board (for cardboard boxes) and [illegible]. This local usually runs twice per day, with the daylight run on duty at Missoula [illegible]. A Bonner local may also run [illegible] as needed. However, the Bonner [illegible] serviced by an afternoon yard [illegible] from Missoula. The Missoula yard units are a [illegible] either a SD7/SD9 or one of the two [illegible].

Railfanning

Paved highways generally parallel MRL's tracks except for the Missouri River [illegible] between Trident and Toston and [illegible] Harrison Branch. The BN line between [illegible] and Paxton over Mullan Pass is [illegible] paved roads; however, taking [illegible] yields good results, and the best way [illegible] find action is by monitoring a scanner. Montana Rail Link uses BN road channel No. 2 and BN channel No. 1 is used on the Mullan Pass segment. Mobile phones (MRAS) are used extensively, and when combined with MRL's other frequencies the listener should be able to determine where the action is.

The author thanks Jack Dorsey, Dave [illegible], Tom Muller, Alan Burns and Montana Rail Link for supplying information, Art Jacobsen for editorial work, and Janet Koerber for typing the original manuscript.



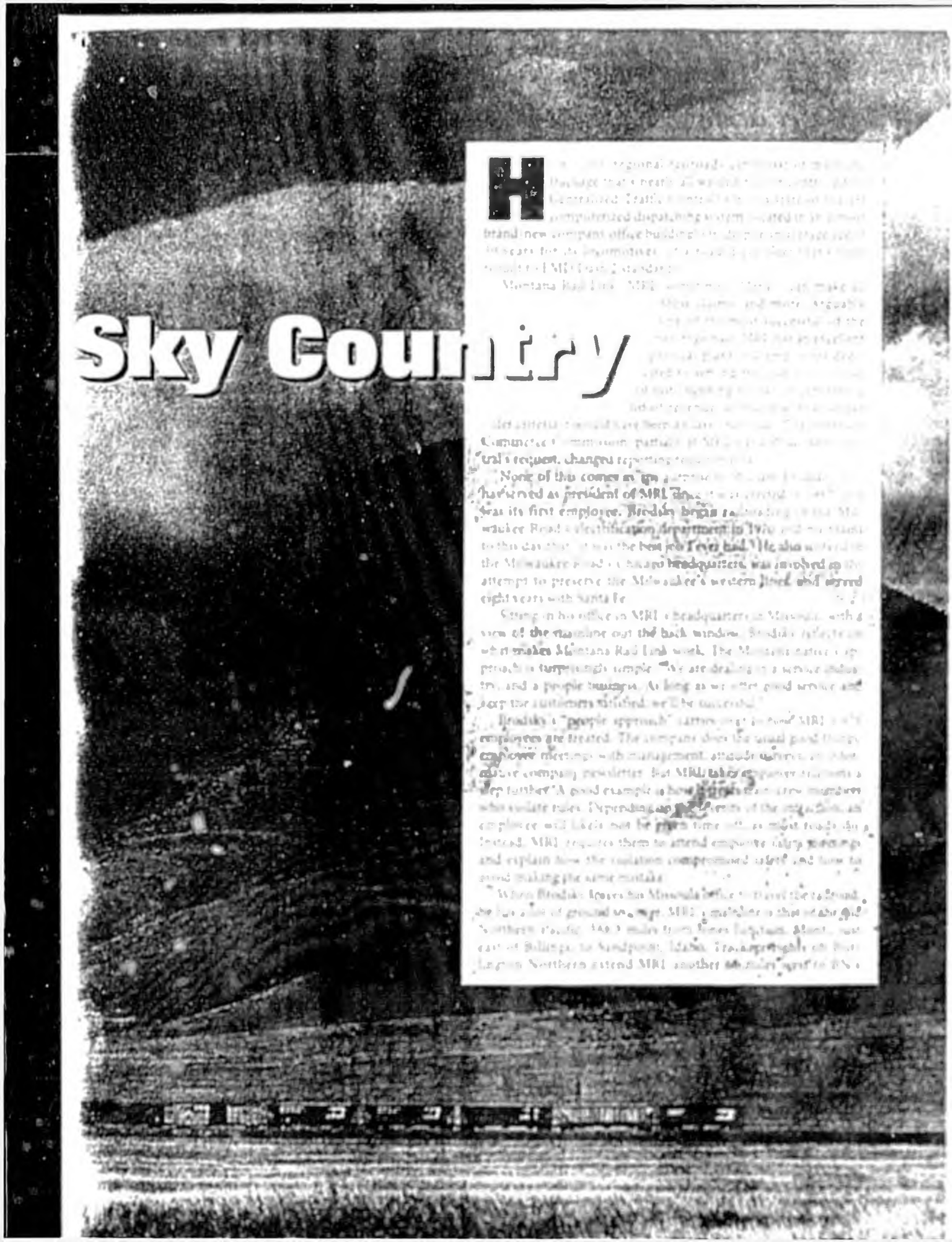
Regionals in review

Main Street of Big

[illegible] BN connection [illegible] oriented [illegible]

By [illegible]

[illegible] July 26, 1991. [illegible] photo.



Sky Country

Montana Rail Link

A tough piece of railroad

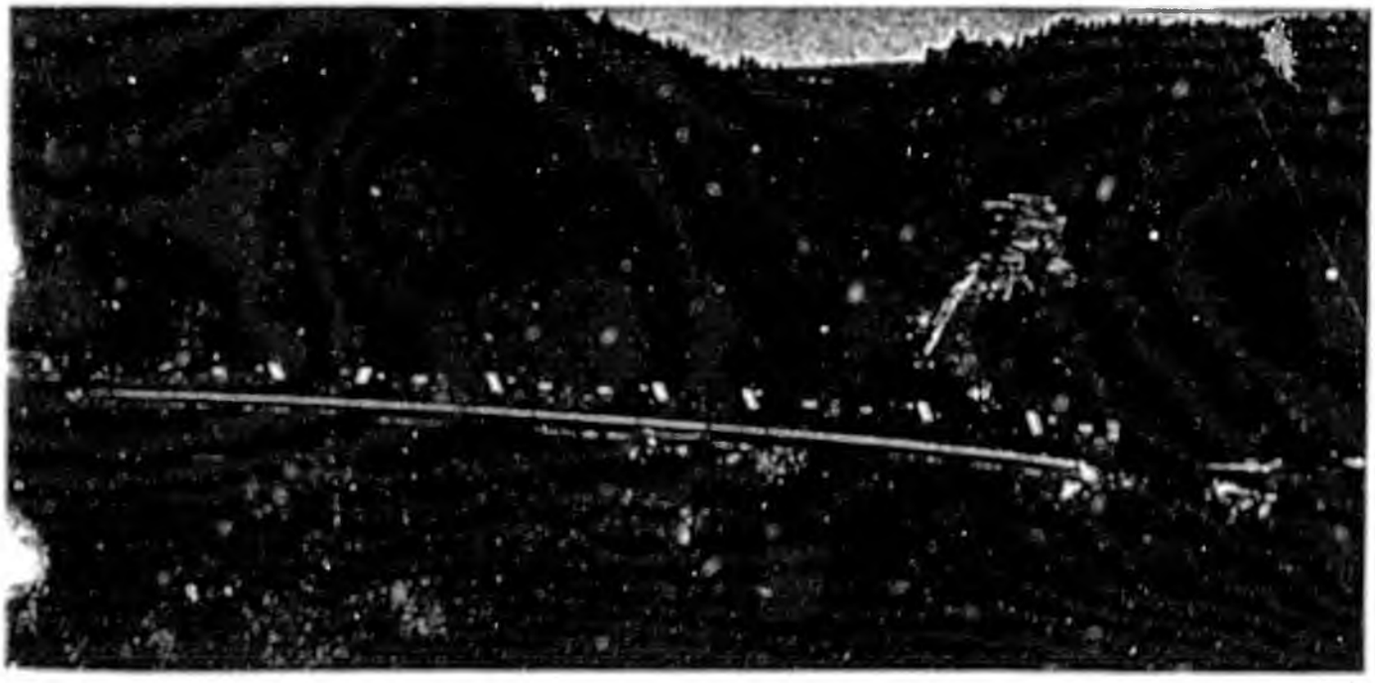
Classic Northern Pacific semaphores [illegible]

A rough beginning

Riding MRL's Continental Crossing: Mullan Pass

Helpers are visible from lead unit BN 3117 as train 123 crosses Greenhorn Creek trestle.

A name, and an image



The seven locomotives leading daily road freight ML over Skyline Trestle on Mullan Pass on September 30, 1992, include helper units.

Montana Rail Link

Rail Link President Bill Brodsky listens to a train crewman at an employee meeting.

Lots of locals

The blue fleet

A leaking carload clouds up MRL's ex-BN right of way as BN train 120 crosses Pend Oreille Lake east of Kootenai, Idaho on July 1, 1991.

Montana Rail Link locomotives

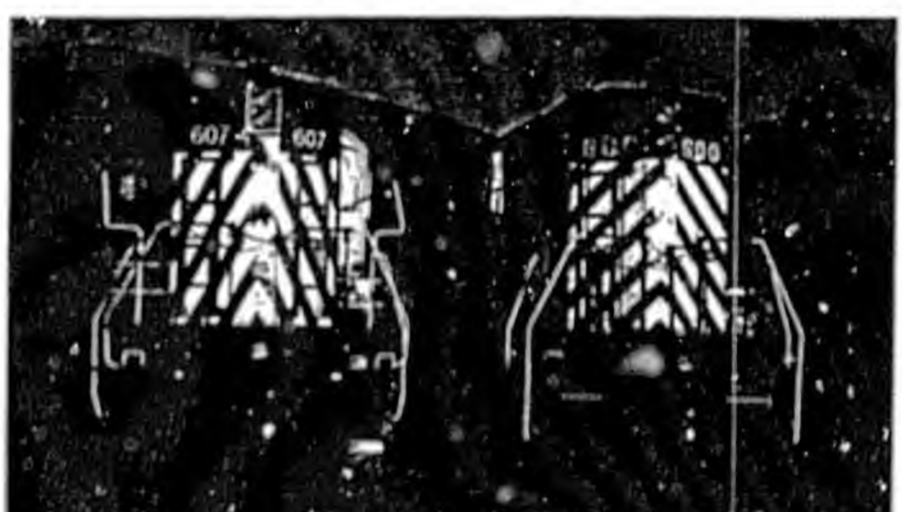
No.	Model	Built	Heritage, notes
11	NW12	1939	BN 19, rebuilt 1975 from NW2 469, ex GN 122, 5322
12	SW1200	1957	BN 228, ex NP 149
13	SW1200	1957	BN 220, ex NP 151
[illegible]	SW1200	1956	BN [illegible], ex NP 144
[illegible]	SW1200	1957	BN 224, ex NP 159
[illegible]	SW9	1952	BN 249, ex SLSF 314
17	SW1200	1957	BN 225, ex NP 156
18	SW1200	1957	BN 226, ex NP 157
104	GP9	1956	BN 1834, ex GN 682
105	GP9	1957	BN 1903, ex NP 318
106	GP9	1958	BN 1931, ex NP 352
107	GP9	1958	BN 1934, ex NP 355
108	GP9	1956	BN 1835, ex GN 683
109	GP9	1955	BN 1710, ex NP 210
110	GP9	1956	BN 1897, ex NP 290
111	GP9	1956	BN 1717, ex NP 260
112	GP9	1956	BN 1721, ex NP 273
113	GP9	1957	BN 1729, ex NP 291
114	GP9	1957	BN 1731, ex NP 293
116	GP9	1958	C&NW 4507, rebuilt 5/73 from 706, ex M&StL 706
117	GP9	1956	BN 1833, ex GN 681
118	GP9	1957	BN 1924, ex NP 339
119	GP9	1957	BN 1925, ex NP 340
120	GP9	1957	BN 1926, ex NP 341
121	GP9	1957	BN 1927, ex NP 342
122	GP9	1957	BN 1929, ex NP 344
123	GP9	1958	BN 1930, ex NP 351
124	GP9	1958	BN 1935, ex NP 352
125	GP9	1958	MRL 101, BN 1946, ex NP 367
126	GP9	1957	MRL 102, BN 1732, ex NP 294
127	GP9	1954	MRL 103, BN 1832, ex GN 680
151	GP10-1	1957	Rebuilt 1991 from GP9 1744 (was to have been MRL 116), ex BN 1744, NP 306; leased to A&CR 12/91-7/92
200	SD40	1968	C&S 6341, ex 481
204	SD40	1968	C&S 6347, ex 487
205	SD40	1968	C&S 6344, ex 484, wrecked at Helena 2/89, scrapped 6/90
206	SD40	1968	C&S 6326, ex 475
[illegible]	SD40	1971	BN 6322, stored serviceable
[illegible]	SD40	1971	BN 6308
[illegible]	SD40	1971	BN 6325
214	SD40	1971	BN 6326
215	SD40	1971	BN 6320
216	SD40	1967	C&S 6335, ex 475
218	SD40	1967	C&S 6345, ex 485
220	SD40	1966	MRL 3001, CLI 3001, ex C&NW 903, CGW 404
[illegible]	SD40	1966	MRL 3002, CLI 3002, ex C&NW 904, CGW 404
[illegible]	SD40	1966	MRL 3003, CLI 3003, ex C&NW 905, CGW 405
[illegible]	SD40	1966	MRL 3004, CLI 3004, ex C&NW 907, CGW 407
[illegible]	SD40	1966	C&NW 901, ex CGW 401
[illegible]	SD40	1966	C&NW 909, ex CGW 409
[illegible]	SD40-2	1974	BN 6377, wrecked on MRL 11/87, returned to service 7/88
[illegible]	SD40XR	1966	UP 3002, upgraded 5/90
[illegible]	SD40XR	1966	UP 3028, upgraded 6/90
253	SD40XR	1971	Upgraded 10/90 from MRL 201, ex BN 6302
[illegible]	SD40XR	1971	Upgraded 11/90 from MRL 212, ex BN 6313
[illegible]	SD40XR	1967	Upgraded 12/90 from MRL 219, ex C&S 6346, 486
[illegible]	SD40XR	1971	Upgraded 1/91 from MRL 207, ex BN 6317
[illegible]	SD40XR	1971	Upgraded 4/91 from MRL 202, ex BN 6306
258	SD40XR	1967	Upgraded 6/91 from MRL 217, ex C&S 6337, 477
259	SD40XR	1971	Upgraded 6/91 from MRL 208, ex BN 6324
260	SD40XR	1971	Upgraded 10/91 from MRL 210, ex BN 6307
261	SD40XR	1971	Upgraded 12/91 from MRL 201, ex BN 6301
290	SD40XR	1966	BN SDP40 6395, wrecked on MRL 1/88, upgraded 6/93, ex BN 9551, GN 321
301	SD45-2	1974	CSX 8975, ex SBD 8975, CRR 3617
302	SD45-2	1974	CSX 8976, ex SBD 8976, CRR 3618
303	SD45-2	1974	CSX 8977, ex SBD 8977, CRR 3619
304	SD45-2	1974	CSX 8978, ex SBD 8978, CRR 3620
305	SD45-2	1974	CSX 8979, ex SBD 8979, CRR 3621
306	SD45-2	1974	CSX 8980, ex SBD 8980, CRR 3622
307	SD45-2	1974	CSX 8981, ex SBD 8981, CRR 3623
308	SD45-2	1974	CSX 8982, ex SBD 8982, CRR 3624
351	SD45XR	1967	Upgraded 11/91 from NHL 6445, ex BN 6445, GN 415
352	SD45	1970	NHL 6493, ex BN 6493, ordered by CB&Q, to have been 532
353	SD45	1970	NHL 6497, ex BN 6497, ordered by CB&Q, to have been 536
354	SD45	1970	NHL 6557, ex BN 6557
355	SD45	1971	NHL 6558, ex BN 6558
356	SD45XR	1969	Upgraded 2/92 from NHL 6681, ex BN 6681, SLSF 934
357	SD45	1969	NHL 6686, ex BN 6686, SLSF 939
358	SD45	1969	NHL 6694, ex BN 6694, SLSF 947
401	GP35	1964	DT&I 6353, ex 353
402	GP35	1964	GTW 6355, ex DT&I 355
600	SD9	1956	MRL 604, NREC 604, ex EJ&E 604, DM&IR 107, stored serviceable
601	SD9	1957	MRL 606, NREC 606, ex EJ&E 606, DM&IR 127
602	SD9	1956	MRL 603, NREC 603, ex EJ&E 603, DM&IR 105
603	SD9	1956	MRL 4361, ex SP 4361, rebuilt 12/72 from SP 3955, ex 5461, being upgraded to SD19-1 652
604	SD9	1956	MRL 605, NREC 605, ex EJ&E 605, DM&IR 108
605	SD7	1953	MRL 1541, ex SP 1541, rebuilt 5/80 from SP 1441, ex 5334, stored
606	SD9	1954	MRL 4316, ex SP 4316, rebuilt 11/70 from SP 3808, ex 5347, stored
607	SD7	1953	MRL 1515, ex SP 1515, rebuilt 11/80 from SP 1424, ex 5317
608	SD9	1958	EJ&E 611, ex DM&IR [illegible], stored
610	SD9	1957	EJ&E 602
651	SD19-1	1956	Rebuilt 4/91 from MRL [illegible], ex EJ&E 601
701	SD35	1965	MRL 1566, ex N&W 1566, stored
702	SD35	1965	MRL 1546, ex N&W 1546, stored
703	SD35	1965	SBD 4591, ex SCL 1918, ACL 1014, stored
704	SD35	1965	MRL 1543, ex N&W 1543, stored
705	SD35	1965	MRL 1553, ex N&W 1553, stored
1725	GP9	1957	BN 1725, ex NP 297, wrecked on BN, Marsh, Mont., 1/88, scrapped
1831	GP9	1954	BN 1831, ex GN 679, wrecked in 1990, scrapped 3/91
1904	GP9	1957	BN 1904, ex NP 312, wrecked on BN, Marsh, Mont., 1/88, scrapped
4337	GP9	1951	Overhauled for lease or sale. C&NW 4337, ex 120, rebuilt 2/74, ex CGA 120, rebuilt by EMD from GP7, 1/56
4555	GP9	1957	Overhauled for lease or sale. C&NW 4555, ex RI 4448 (2nd), 4538, rebuilt 4/77 from RI 1315

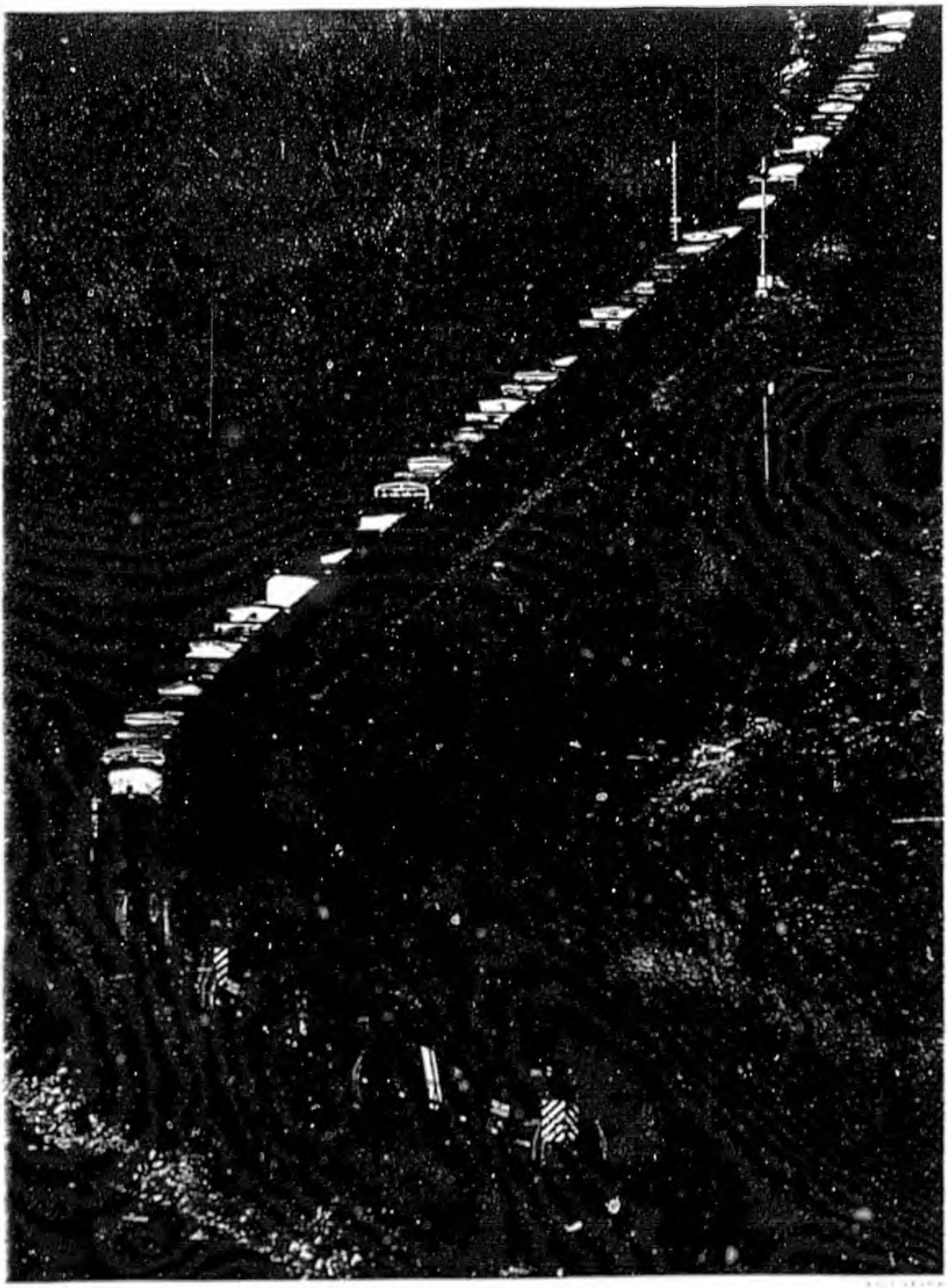
Notes:

Key to initials: ACL, Atlantic Coast Line; A&CR, Arizona & California; BN, Burlington Northern; C&NW, Chicago & North Western; C&S, Colorado & Southern; CB&Q, Chicago Great Western; CLI, Corporate Leasing Inc.; CRR, Clinchfield; DM&IR, Duluth, Missabe & Iron Range; DT&I, Detroit, Toledo & Ironton; EJ&E, Elgin, Joliet & Eastern; GN, Great Northern; GTW, Grand Trunk Western; M&StL, Minneapolis & St. Louis; N&W, Norfolk & Western; NHL, National Health Leasing; NP, Northern Pacific; NREC, National Railway Equipment Co.; RI, Rock Island; SBD, Seaboard System; SCL, Seaboard Coast Line; SLSF, St. Louis-San Francisco (Frisco); SP, Southern Pacific; UP, Union Pacific.

Key to models: Designations are those of Electro-Motive Division, original builder of all units on the MRL or rebuilt or upgraded units. GP series are four-motor B-B's; SD series are six-motor C-C's.

Roster effective December 1, 1992. Sources: Montana Rail Link (Alan Burns), "Burlington Northern Motive Power Annuals", Burlington Northern, C&NW Historical Society, EMD Product Reference Data, "Extra 2200 South", "Southern Pacific Annuals", "Union Pacific Motive Power Annuals".—J.D.I.





It's only company ballast train XD6, but you can't fault the view near Lombard, Mont., as four Rail Link SD's roll east on April 25, 1992.

[illegible] SD40-2 [illegible] SD40s [illegible] upgrades [illegible] of the SD40s [illegible] will be [illegible].

Other road [illegible] SD45s and [illegible].

[illegible] unit is [illegible] in SDP35 [illegible] passenger service. It's essentially an SD40 with [illegible] the extra space housed [illegible] generator for passenger-car heating. Acquired from BN after a wreck on MRL at Helena, the unit was repainted with a special logo in 1989 to celebrate Montana's centennial.

Maintenance on MRL units is performed at a five-track run-through diesel facility at Livingston, adjacent to the former NP backshop (now Livingston Rebuild Center; see "Observations"). LRC is not affiliated with MRL, although it does [illegible] work for the company. "They have to bid on the business like everyone else," [illegible] says. "While they do have an advantage in transportation costs because they are located on our railroad, that doesn't mean they get all our work."

Fueling and minor work is done at Missoula, Helena, and Laurel. Each of these [illegible] had a roundhouse, but BN razed them. Although winter protection might be nice, [illegible] says this has worked out [illegible] MRL. [illegible]

[illegible]

[illegible] NP [illegible] had in [illegible] business car [illegible] from [illegible] Helena [illegible] using it to [illegible] but the [illegible] was found to be in poor condition and was scrapped at Livingston. The business car, a former Rock Island car built by Pullman-Standard in 1950, was rebuilt by MRL and local Missoula contractors. Named [illegible], it's parked on a special spur next to the Washington Corporation offices.

Montana Rail Link also has 1481 freight cars, many of which have been overhauled and repainted. In its first year, MRL made news by ordering 100 new boxcars for

Switchers keep busy at Laurel Yard, an MRL hub. We're looking west in April 1991.

paper loading, at the time the first order for new boxcars in the U.S. in many years.

A first-rate property

Although BN [illegible] a well-maintained [illegible] to MRL [illegible] the newer [illegible] has aggressively [illegible] to improve [illegible]. [illegible] cost-cutting measures [illegible] increased traffic [illegible] operations. MRL [illegible] the siding at [illegible].

[illegible] extended [illegible] miles [illegible] and MRL [illegible] the remaining [illegible]

[illegible] MRL [illegible] state-of-the-art computerized facility in Missoula headquarters. The railroad is divided in half for dispatching purposes: the east dispatcher controls Jones Junction-Helena, the west dispatcher Helena-Sandpoint.

While MRL has a modern dispatching and signaling system, there remain in three areas sentinels of the past along its right-of-way: NP upper-quadrant semaphores. You'll find them on the 2 percent grades of Winston Hill just east of Helena; along the Missouri River near Toston; and at the railroad's west end. However, they are gradually being replaced by newer color-light signals.

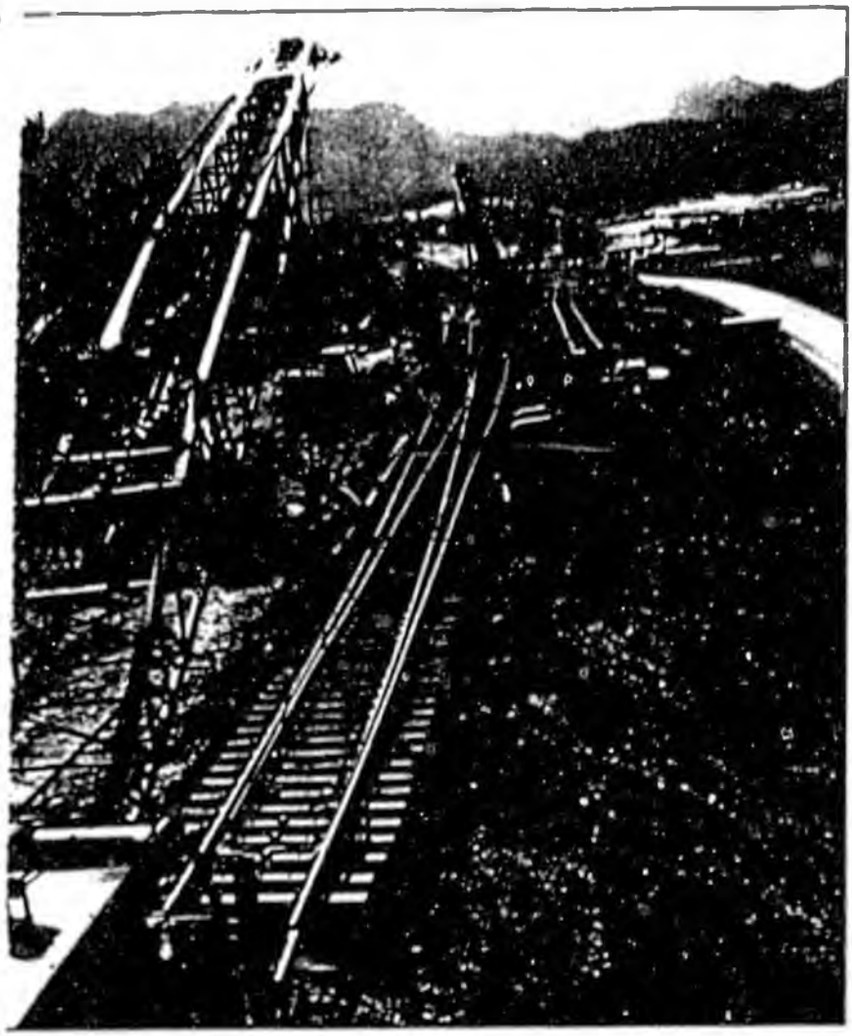
MRL also is replacing the last of its jointed-rail track with continuous welded rail, and bridge rebuilding is a part of the long-term engineering plan. A big undertaking was the rehabilitation of bridge 208 between St. Regis and Paradise. Built in 1908, the 543-foot, six-span structure was rebuilt during 1989-1990 by superimposing a new arch reinforcement within the old deck truss structure, the first time this method was employed on a railroad bridge. Others will also be done.

With more and more improvements, steady local and overhead traffic, and rebuilt motive power, MRL's future appears to be bright. Coal mines opening north of Billings offer new opportunities. Already the railroad handles one coal train that originates in the Powder River Basin destined for Portland General Electric's plant at Castle Rock, as well as export coal, coke, and clay shipments.

The company has also participated in the effort to privatize railroads in Argentina, sending employees to serve as consultants on a long-term basis. Rebuilt SD45s may also be sent south to the Argentine railways.

[illegible] sums up MRL's future succinctly: "We expect to be a bigger player in the rail scene." Perhaps someday MRL will expand beyond its present boundaries, but one thing is certain: the old Northern Pacific through Montana is once again a main street for rail traffic. ■

[illegible]



Making the grade on Montana Rail Link

MRL took a solid base spun off from the BN, improved it, and carved a regional niche of its own.

Montana Rail Link isn't a big railroad. But its 620-mile mainline runs through some pretty rugged country and handles a respectable 32 million gross tons of traffic per year. MRL Chief Engineer Richard Keller (left) tells RT&S Editor Bob Tuzik what kind of maintenance is required and how it's done on this eight-year-old Burlington Northern spinoff.

RT&S: For starters, give us the lay of the land on Montana Rail Link.

KELLER: We operate 620 miles of mainline, about 190 miles of secondary mains and branchlines, and about 400 miles of sidings and yard tracks in western Montana and eastern Idaho. Most of our mainline is single track with the exception of about 12 miles of double track between Laurel and Billings and about five miles in the Helena area. All of our trackage is former Burlington Northern—Northern Pacific, before BN.

We go through some pretty rugged terrain on this railroad. There are more than 750 curves, with curvature up to 10 degrees, 2.2% grades, two mountain passes and 11 tunnels on the mainline.

RT&S: I'd imagine that the mainline you inherited was in pretty good shape to start with, but I'd suspect that you've had to make improvements over the past eight years.

KELLER: Yes, generally speaking, the railroad was in pretty good shape. We've put in a lot of ties and welded rail, and we've done a lot of yard work, especially in Billings and at Laurel, which is our major yard. We've taken out, to this point, 75 miles of jointed rail and installed welded rail. We've also upgrading sidings, and installed and upgraded a number of turnouts.

RT&S: What are your standard turnout sizes on the mainline?

KELLER: We use No. 11s, 16s and 20s. Over the years, we've been upgrading our sidings that have No. 11 turnouts and replacing them with No. 20s. About three quarters of our sidings have either 16s or 20s, so we're able to maintain 25 miles per hour or better through them. We've been installing premium turnouts—premium in that we use Pandrol plates and clips throughout and frogs with manganese inserts. We're going to spring frogs on some of our smaller turnouts. We like them; they've really done well for us.

RT&S: How long are your passing sidings on single track stretches?

KELLER: We have sidings approximately every eight to 10 miles. Some of them are about a mile long, the average length, though, is about 7,500 feet. Consequently, we have a problem with train meets sometimes. When we took over the railroad back in October of 1987, a number of sidings were not capable of handling heavier trains, but we've done a lot to upgrade them over the past eight years.

Above: MRL is replacing No. 11 turnouts with No. 20s to allow 25-mph speeds through mainline sidings.

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RT&S: As you say, you run through some rugged country up here. What types of operating and maintenance problems do you encounter?

KELLER: We go over two mountain passes on the mainline. At Mullen Pass, which crosses the Continental Divide near Helena, we have a 2.2% grade, 10-degree curves and a 4,000-foot-long tunnel at the top of the grade. The grade on the mountain pass near Bozeman isn't quite as steep, but there are a lot of curves and a 3,500-foot-long tunnel at the top. These passes, incidentally, are our helper districts. It takes 13 3,000-horsepower locomotives—five on the head end, four in the middle of the train and four at the rear end—to get a 104-car grain train over the pass at Helena.

In recent years, we've done a lot of work to eliminate the icing problems we've had in those tunnels. A few years ago, we were working seven days a week, four or five months out of the year clearing ice out of the tunnel at Mullen Pass. Two years ago, we gutted the entire tunnel, dug down to the rock base and put in all new ballast, wood ties with Pandrol fasteners and welded rail. We installed flexible drain pipe with insulated heat tape inside on both sides of the track. We also installed insulated heat tape behind the insulation in areas where water was leaking through the lining of the tunnel. We've had no ice-related problems in either of the tunnels over the past two years.

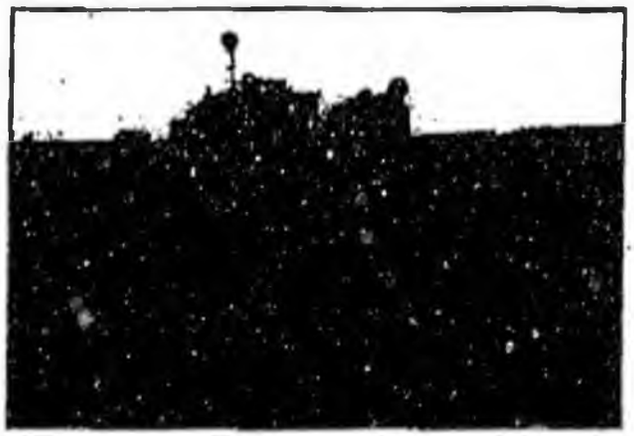
RT&S: What about snow removal? You must get socked pretty good in the mountains.

KELLER: Actually, snow removal is not a big problem on this railroad. The mountain passes are about 5,500 feet, but, believe it or not, our biggest snow problem occurs at the lowest elevation, in the west, near Sandpoint. But even there, we rarely have to plow. The biggest problem in Montana is the temperature extremes, especially on the east side of the Continental Divide. In the Winter, temperatures can drop to 30 and 40 below—it's been 50 below at the top of Mullen Pass. In the Summer, it can get up to 105 degrees out here, and the rail temperature can get up to 140 degrees. It gets difficult sometimes to hold some of our higher-degree curves, when the rail goes through such a wide range of temperatures. So, we're very careful when we lay rail to keep it at a minimum temperature of 85 to 90 degrees.

RT&S: What are your capital operating expenses for engineering and maintenance-of-way?

KELLER: I have a budget of about $34 million in '95, $11.6 million of which goes toward capital expenses. Rail and ties account for our biggest expenses, of course. We'll put in about 90,000 ties this year—all hardwood. We have some concrete ties and about 2,500 Cedrite ties that we installed in a few curves back in '89, '90 and '91, but our standard is hardwood ties. We don't have a problem with rot as they do on railroads in other parts of the country. Our tie life is determined by mechanical wear.

RT&S: And rail?



MRL operates one 34-person gang to alternately insert ties and lay rail. Smaller gangs perform spot maintenance.

KELLER: The mainline is about 95% cwr. Half of it is 132- and 136-pound; the other half is 115. Our current standard is 136-pound rail. We use premium rail on curves over three degrees, and even some areas of two degrees or less. This year we're putting in approximately nine track miles of curve and tangent rail. Some of the 132-pound rail coming out of curves and 115-pound that we're taking out of tangents is already welded and will be cascaded down to yards and sidings. The tangent 115-pound rail we're taking out this year was gas-welded and installed back in 1960. The majority of it will have to be scrapped.

RT&S: And your surfacing program?

KELLER: We'll surface about 250 track miles this year. One of our three surfacing gangs follows the tie or rail gang, which is one and the same gang on our railroad. The other two gangs do work on other mainline track sections that need surfacing.

RT&S: Let's talk about the make-up of your gangs.

KELLER: We operate one 34-man gang to put in ties and to lay rail. Our maintenance season extends from mid-April to mid-November. The gang does tie work in the early and latter part of the season, and rail work during the warmer part of the Summer. We normally put in 90,000 to 100,000 ties, and lay anywhere from 10 to 20 miles of rail per season. With 20 or more trains on the system per day, track time on some days gets pretty slim. We also have three smaller maintenance gangs for various projects—gauging, yard work, turnout work and laying curve rail in some locations. Right now, we also have five thermite welding crews eliminating rail joints. We also have two signal crews and three bridge crews.

RT&S: What's the size of your engineering-maintenance force?

KELLER: Including management, track, bridge and building, signal and work-equipment people, we have 170 permanent employees in the Engineering Department. Each Summer, we call back approximately 90 to 100 furloughed people for tie, rail and bridge work. When we started this railroad, virtually all of the maintenance people came from the BN. With the number of people that have been hired within the past eight years, about 60% of the workforce is former BN.

RT&S: What kind of tonnage and traffic densities are you seeing?

KELLER: When we started operations, we were handling about 25 mgt of traffic. Last year we ran about 32 million gross tons. We've run as many as 35 trains in one day, but, typically, we run between 20 and 28 trains per day, depending on the number of grain or coal trains going through. Approximately 60% of our traffic is bridge traffic—traffic that we get from BN on one end and give back to them on the other; the other 40% is other traffic—lumber products, wood chips, grain, paper, asphalt coke and intermodal traffic that either originates or terminates on our line. We have increased our on-line business every year since we began operations; the BN bridge traffic has fluctuated, but it's up this year as compared to last year.

RT&S: What are your operating speeds?

(Continued on page 27)

use of federal set-asides in government construction. NRC has provided Frank's office with information regarding the abuses of the set-aside program that many NRC members have experienced. NRC members who want to communicate with Franks on this issue can do so by calling 202-225-3822 or by writing him at 133 Cannon House Office Building, Washington, D.C. 20515.

Section 13(c) repeal

NRC is seeking a repeal of the Urban Mass Transit Act's Section 13(c), which is a requirement on public transit agencies who receive federal funds to seek labor approval of how those funds are spent if labor is "affected." This gives extraordinary control to unions over transit authorities, and the net effect is to deprive transit operators of the ability to achieve reasonable productivity. NRC believes that the regulations do nothing to advance legitimate federal interests.

I can report that the House Appropriations Transportation Subcommittee has agreed with NRC's position and includes a repeal of 13(c), along with any contracts implementing 13(c), as part of the transportation appropriations bill. By the time you read this article, the full committee mark-up will have occurred in the House. Our efforts to eliminate 13(c) may face more roadblocks in the Senate, and NRC remains committed to the issue.

Marketing guide available

Scott Brace, Railroad Service, Inc., chairman of the NRC Business Development Committee, has announced that the Committee has completed work on its Handy-Dandy Marketing Guide for Railroad Contractors. One copy of the handbook is available to all NRC contractor members at no cost. Additional copies are available for $10 each. Non-member contractors may purchase the handbook for $30.

NRC conferences

Remember that the 1996 NRC Management Conference will be held Jan. 19-24, 1996, at The Biltmore Hotel, Westin Hotel and Resorts in Coral Gables, Fla.

And, looking ahead, the Conference Committee has chosen the Marriott Mountain Shadows Resort in Scottsdale, Ariz., as the site for the 1997 NRC Management Conference. The dates are Jan. 10-16, 1997. Mountain Shadows is tucked away in the shadow of Arizona's Camelback Mountain.□

Montana Rail Link

(Continued from page 17)

KELLER: Our timetable speed is 60 miles per hour. On our heavy mountain grades and curves we drop down to about 25 miles per hour. We maintain the track to Class 4 over the entire mainline.

RT&S: What do your rail grinding and lubrication programs consist of?

KELLER: We grind twice per year, about every 15 mgt or so. We do switch grinding about every three years. Pandrol Jackson has been doing our grinding for the past few years. We have both wayside and high-rail lubricators. Two of our eight track inspectors' vehicles are equipped so they can lubricate the track as they inspect it. We have a lot of wayside lubricators, and we're adding more. Whenever we see flecks of steel where the wheels are grinding the rail away, we add a lubricator. We've virtually stopped rail gauge-face wear in some areas, so we believe that the cost of adding a lubricator is worth it.

RT&S: What types of bridges do you have?

KELLER: We have more than 300 bridges of various types—through trusses, deck-plate girders, concrete and timber—on the system. Mainline bridges are either concrete or steel—the majority being steel. Our longest bridge is 1,100 feet long; the highest is 227 feet high—the highest bridge on the former Northern Pacific. We have clearance restrictions on a few through-plate girder bridges that handle the wide Boeing cars that go through, but we're in the process of eliminating them. We're gradually upgrading some of the older bridges that were designed with E-62 ratings to E-80 or 90.

RT&S: What's your position on the use of advanced, or premium, materials and technology?

KELLER: Well, we've gone to the use of Pandrol plates and fasteners in curve territory, or any place where we have problems with gauge widening, and in our No. 20 turnouts. We're getting about 10 years of life on our No. 20 frogs with manganese inserts, and we're seeing good results from the spring frogs we use. We can't justify the use of swing-nose frogs, or any advanced geometry turnouts, but we do need and use high-quality materials. As I've said, this is a difficult piece of railroad, and over the course of our 620-mile mainline, we encounter many of the same problems that the bigger railroads have to deal with.□

Montana
RAIL LINK

WILLIAM H BRODSKY
President

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The ever changing railroad scene by Milt Clark
(article appearing in MRL News No. 32 - 1st Quarter 1996)

If there is any doubt that we are in the era of gigantic railroad mergers, consider these recent developments. In August, the Union Pacific and Southern Pacific announced plans to merge their huge systems. In September Burlington Northern and Atchison, Topeka & Santa Fe merged. In October, the Union Pacific completed the acquisition of the Chicago & North Western. There is continuing talk about forming true transcontinental lines involving combinations of the western roads and eastern roads of Norfolk Southern, Conrail and CSX. Canadian roads play into this mix, too. The Canadian Pacific, through the acquisition of the Delaware & Hudson and the assimilation of the Soo Line, now reaches deep into the U.S. What's more, the Canadian National, with U.S. subsidiary Grand Trunk, recently transformed itself from a stodgy government-owned railroad into a more modern, privately-owned carrier.

What does all this mean and how does Montana Rail Link fit in this picture? How does it affect shippers, competition and market shares?

When the UP-SP merger was announced, the UP acknowledged that they needed to address the problem of competition in the "Central Corridor," generally the route between the Midwest and the West Coast via Denver and Salt Lake City. Montana Rail Link, as an experienced and successful operator in mountain territory, was invited by UP to present a proposal to provide competition in this corridor. After a meeting in Omaha at which MRL outlined a proposal to purchase and operate a competitive system from Kansas City to Stockton, California, UP agreed to provide traffic data toward development of a detailed plan. Several weeks passed without the traffic data being provided and then UP announced that in exchange for the BNSF agreeing to the UP SP merger, the BNSF

could have trackage rights to serve some shippers in the Central Corridor.

MRL was advised of the UP's decision moments before the public announcement. UP stated that they had discussed various alternatives with several railroads, including MRL, and decided on the BNSF proposal as the best solution. MRL at that point, closed its file and went on to other matters. The UP's announcement did not allay the concerns of shippers in the corridor that they would lose competitive rates and service.

Re-enter MRL. Central Corridor shippers, representing interests in Utah and Colorado coal and metals, formed a group called the Western Shippers Coalition headquartered in Salt Lake City. The coalition undertook the task of examining the impact on competition and various ways to address their concerns. In their deliberations, they asked Kansas City Southern, Wisconsin Central, Montana Rail Link and others to explain their respective proposals to the UP. After the shippers coalition had reviewed the various proposals, MRL was encouraged to present its plan to the Surface Transportation Board (successor to the Interstate Commerce Commission) as a plan the shippers could support.

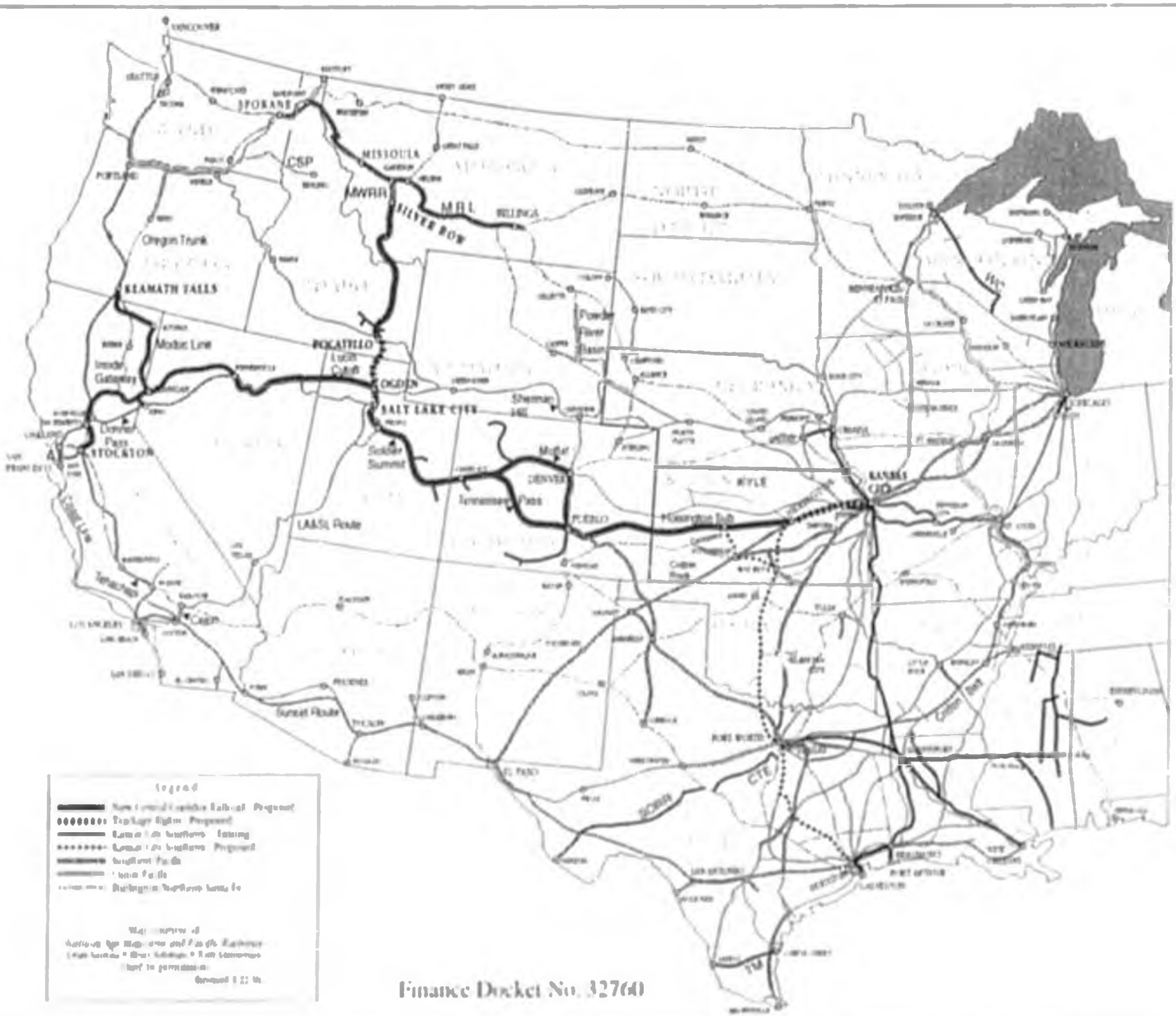
The result was our filing notice with the Surface Transportation Board on January 29 of MRL's intention to participate in the UP-SP merger and to file an inconsistent plan. Our filing states that we intend to file a formal application for a new company controlled by Dennis Washington to acquire certain rail lines, incidental trackage rights, interchange access and proportional rate making authority in the Central Corridor. As part of its acquisition, the new company would grant UP-SP and BNSF overhead trackage rights on its main line, thereby addressing the capacity concerns of those carriers and adding traffic volume to support the new system.

The lines to be purchased include UP lines in California from Stockton, through Sacramento to Flanigan, Nevada, including the UP line from Reno Junction south to Reno, Nevada, and the branch south from Hawley to Loyalton, California; the SP's Modoc Line from Flanigan, to Klamath Falls, Oregon; the UP line east from Flanigan to Winnemucca, Nevada, and the SP line from there to Ogden, Utah; the line south from Ogden to Pueblo, Colorado, encompassing all of the DRGW lines in Utah and Colorado; the former Missouri Pacific line east from Pueblo to Herington, Kansas, and trackage rights over the SP to Kansas City; and, finally, the UP line, including branches, from Silver Bow, Montana, to Pocatello, Idaho, and trackage rights from there to Ogden. The line would include more than 3,600 route miles.

The new railroad would offer the measure of competition needed to preserve balance in this critical corridor of the U.S. while addressing the capacity issues that face most railroads. Of significance, the proposal provides alternatives that allow BNSF to better use gateways such as Klamath Falls or Silver Bow to enhance service and address capacity issues.

Capacity issues are problems that railroads have not had for years. Since the beginning of transportation deregulation in 1980, railroads, in general, have abandoned track and otherwise acted to reduce plant and costs to meet competition. Recently, there has been a resurgence of business with the growth of intermodal and unit trains for bulk commodities such as coal and grain. Now the railroads find themselves in a situation where additional tracks and yards are being installed.

Montana Rail Link believes there is a vital role for a new railroad in the Central Corridor to meet anticipated business growth while maintaining the competition necessary for a deregulated economy to function successfully.



Finance Docket No. 32760

The railroad companies that survive and prosper in the 21st century will be those that value customer service above all else. Montana Rail Link recognizes that it is a Service Industry . . . People Business.

MRL is one of a group of diversified Washington Companies, which have interests in construction, mining, equipment sales, environmental cleanup/management, shipping and other related activities.

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Ordering Cars	(406) 523-1422
Service Representative	(800) 600-6632
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"Our people are our most important asset."

MONTANA RAIL LINK

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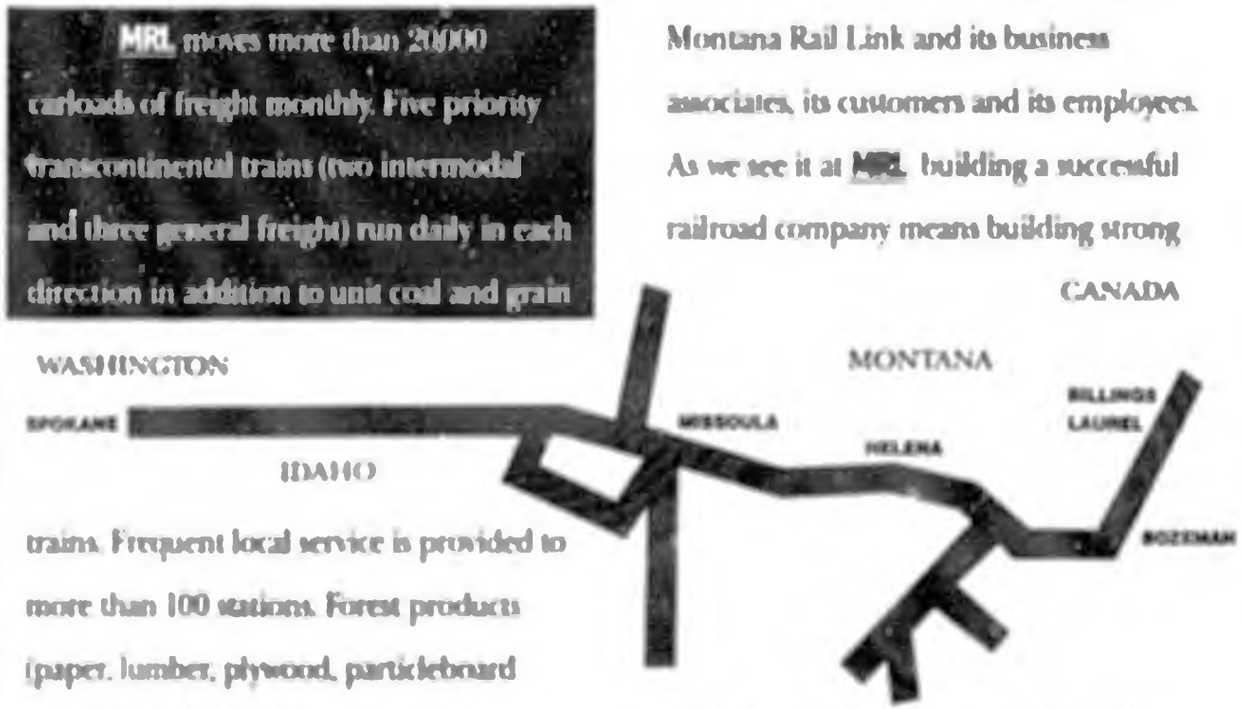
(800) 338-4750 (406) 523-1500 FAX (406) 523-1493

MRL is a regional railroad linking southern and western Montana with the nation's rail network. The route is a major corridor for rail traffic between the central and southern states and the Pacific Northwest and Canada. The main line was originally completed in 1883 by the Northern Pacific Railroad and linked the Great Lakes with Puget Sound making it the nation's first northern transcontinental route. In 1970, the NP along with the Great Northern; Chicago, Burlington & Quincy; and Spokane, Portland & Seattle merged to form the Burlington Northern Railroad. Montana Rail Link assumed control of the line from the BN in 1987.

The physical plant includes over 600 miles of high-speed mainline, maintained to allow freight train speeds of up to 60 miles per hour. Electronic hot box and dragging equipment detectors spaced at 30-mile intervals ensure the safe passage of trains. Branch lines serve the Flathead,

Bitterroot and Ruby Valleys, and the Montana City and Harrison areas. Major freight classification yards and car repair shops are located at Laurel and Missoula. The majority of the locomotive maintenance is completed at the Running Repair facility in Livingston.

MRL moves more than 20000 carloads of freight monthly. Five priority transcontinental trains (two intermodal and three general freight) run daily in each direction in addition to unit coal and grain



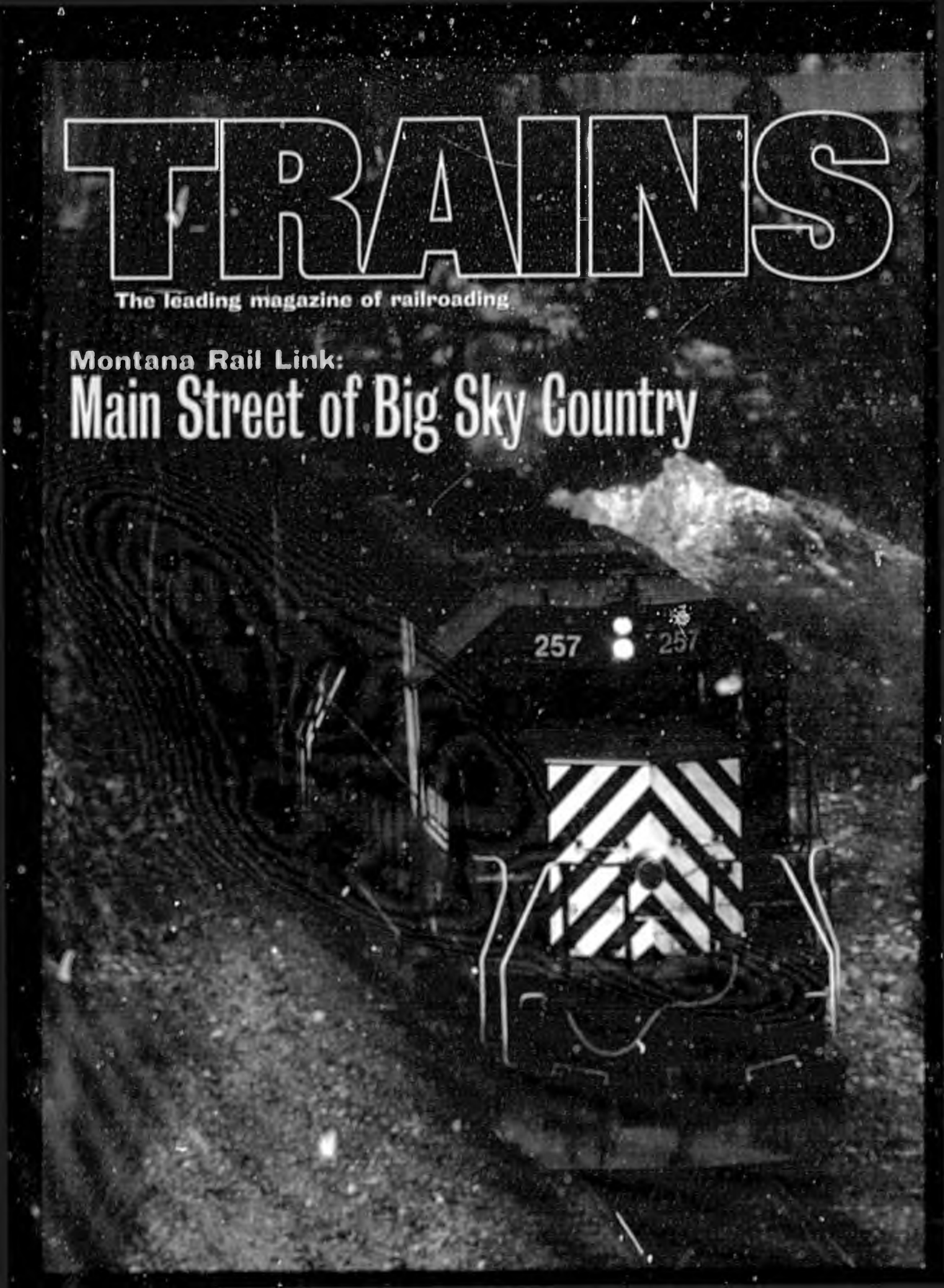
trains. Frequent local service is provided to more than 100 stations. Forest products (paper, lumber, plywood, particleboard and wood chips), grain, petroleum products, ores and concentrates, primary metal products, lime, cement, talc and sugar constitute the major commodities originated. On-line customers receive chemicals, coal, scrap paper, grain and feed, and automobiles.

But a railroad is not simply cold steel and iron; it is people – people with families, financial obligations, professional responsibilities and goals; and it is a series of partnerships – partnerships between Montana Rail Link and its business associates, its customers and its employees. As we see it at MRL, building a successful railroad company means building strong enduring partnerships. And that begins with creating a cohesive team of trained and empowered employees who not only meet but consistently exceed the customers' expectations.

TRAINS

The leading magazine of railroading

Montana Rail Link:
Main Street of Big Sky Country



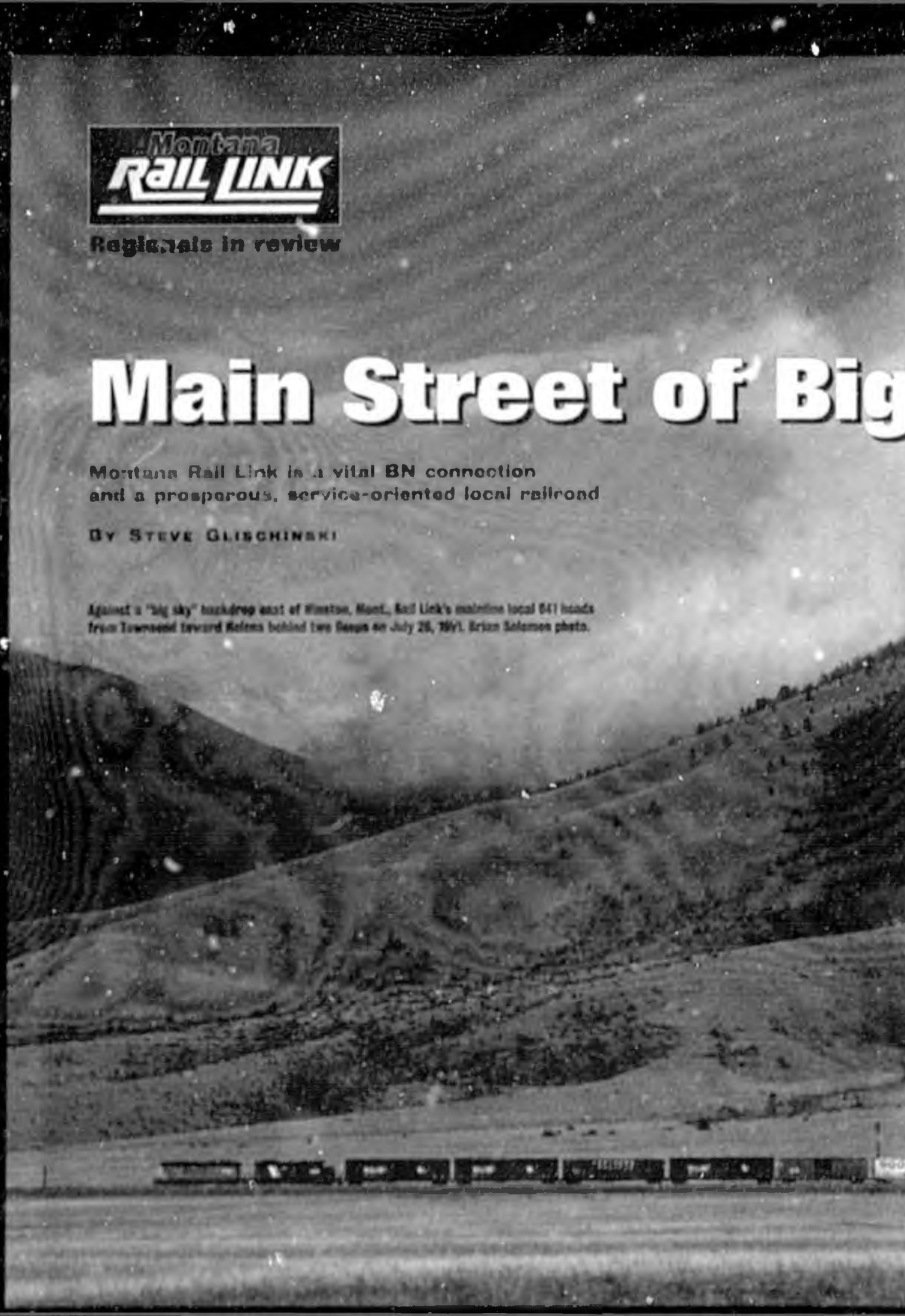
Montana Rail Link

Regionals in review

Main Street of Big

Montana Rail Link is a vital BN connection and a prosperous, service-oriented local railroad

By Steve Glischinski



Against a "big sky" backdrop east of Winston, Mont., Rail Link's mainline local 641 heads from Townsend toward Helena behind two Geeps on July 26, 1991. Brian Solomon photo.

Sky Country

How many regional railroads can boast of mainline trackage that's nearly all welded rail, or controlled by Centralized Traffic Control? Or of a state-of-the-art computerized dispatching system, located in an almost brand-new company office building? Or, despite an average age of 30 years for its locomotives, of a road diesel fleet that's been rebuilt to EMD Dash 2 standards?

Montana Rail Link (MRL, sometimes "Merle") can make all these claims, and more. Arguably one of the most successful of the new regionals, MRL has an excellent physical plant and employees dedicated to serving the customer instead of just "running trains." It generates a lot of revenue, so much so that under older criteria it would have been a Class I railroad. The Interstate Commerce Commission, partially at MRL's and Wisconsin Central's request, changed reporting requirements.

None of this comes as any surprise to William Bradley, who has served as president of MRL since it was created in 1987, and was its first employee. Bradley began railroading in the Milwaukee Road's electrification department in 1970 and maintains to this day that "it was the best job I ever had." He also worked in the Milwaukee Road's Chicago headquarters, was involved in the attempt to preserve the Milwaukee's western lines, and served eight years with Santa Fe.

Sitting in his office in MRL's headquarters in Missoula, with a view of the mainline out the back window, Bradley reflects on what makes Montana Rail Link work. The Montana native's approach is surprisingly simple: "We are dealing in a service industry, and a people business. As long as we offer good service and keep the customers satisfied, we'll be successful."

Bradley's "people approach" carries over to how MRL's 971 employees are treated. The company does the usual good things: employee meetings with management, attitude surveys, an informative company newsletter. But MRL takes employee relations a step further. A good example is how it treats train crew members who violate rules. Depending on the severity of the infraction, an employee will likely not be given time off, as most roads do. Instead, MRL requires them to attend employee safety meetings and explain how the violation compromised safety and how to avoid making the same mistake.

When Bradley leaves his Missoula office to travel the railroad, he has a lot of ground to cover. MRL's mainline is that of the old Northern Pacific. 568.3 miles from Jones Junction, Mont., just east of Billings, to Sandpoint, Idaho. Trackage rights on Burlington Northern extend MRL another 45 miles west to BN's

Montana Rail Link

Yardley/Parkwater yard in Spokane, Wash.

MRL leased this mainline from BN in a transaction completed on October 31, 1987. The lines were leased because 19th century Northern Pacific bonds are still outstanding and can't be paid off until the year 2047. MRL then has the option to purchase the lines. The company did acquire direct ownership of 238 miles of Montana branchlines unencumbered by the bond arrangements. MRL's 888 miles rank it behind only Wisconsin Central, MidSouth (now being acquired by Kansas City Southern), and Dakota, Minnesota & Eastern among new regionals.

For its first five years, Montana Rail Link was a divided railroad. BN retained control over a 52-mile stretch between Helena Junction and Phosphate, smack in the middle of the MRL mainline. This portion traverses scenic Mullan Pass, MRL's passage across the Continental Divide. BN wanted to retain its connection at Garrison to Montana Western, which operates another spun-off BN line 52 miles south to Butte. BN reached Garrison off its line from Great Falls to Helena Junction. On October 13, 1992, the entire Jones Junction–Sandpoint mainline came under MRL control for the first time when BN relinquished operation of the "gap."

A tough piece of railroad

The line over Mullan Pass requires helpers on most trains, thanks to a 2.2 percent westbound grade. Three or four sets of high horsepower, six-axle units based at Helena provide the muscle [page 40]. But Mullan isn't the only mountain pass MRL trains must climb with helpers. At Livingston, a pair of three- or four-unit helpers are assigned to assist trains over Bozeman Pass through the Bear Mountains. Westbounds face a 1.8 percent grade, climbing 986 feet from Livingston to the summit at Muir, 12 miles west. Eastbounds out of Bozeman face a 1.9 percent grade.

Another grade, west of Missoula, is Evaro Hill. Westbound trains face a maximum 2.2 percent climb between De Smet and Evaro, culminating with the crossing of Marent Viaduct, at 226 feet the lofties bridge on the former NP. Eastbounds approaching Evaro face an identical grade. This route goes on west to Paradise, where it rejoins the 92-mile alternate route that follows the Clark Fork River west from De Smet. Although this line is 28 miles longer than via Evaro Hill, most trains go this way because the easier river-level grade.

NP's premier passenger train, the *North Coast Limited*, and its Amtrak successor, the *North Coast Hiawatha*, used the shorter Evaro route despite the grades. After Amtrak discontinued the train in 1979, BN removed signaling from the line and eventually closed the Dixon–DeSmet portion. MRL reopened the route to serve as an alternate main and to retain access from Missoula to the 33-mile Polson branch.

One grade with which MRL does not have to contend is NP's old Homestake Pass line east of Butte, used by the *North Coast Limited* and Amtrak. BN abandoned this in favor of the old freight cutoff through Helena, used by NP's and BN's secondary passenger train, the *Mainstreeter*. The Butte–Garrison line then became the MW. With all these grades, the old NP was vastly inferior to the former Great Northern "high line" across Montana to the north, which has only one helper district. After the 1970 merger which created BN, the former GN west of Cavalton, N. Dak., became the new railroad's primary transcontinental route. The old NP assumed secondary status, especially west of the Powder River coalfields between Billings and Miles City, Mont.

Over the years, BN had its share of problems in Montana, particularly with its unions, which resisted the railroad's efforts to reduce crew sizes, lengthen districts, and downgrade seniority after the St. Louis–San Francisco merger in 1980. Livingston, especially, was a labor flash point. BN also considered Montana's taxes high.

In the 1980's, BN looked at line sales as a solution. In 1987, BN spokesman Howard Kallaud told *The Missoulian*, a Montana daily newspaper, "The whole railroad is for sale. . . . If someone offers a decent price, any part of it is for sale."

Classic Northern Pacific semaphores bracket local 640 east of Helena on October 2, 1992.

MONTANA RAIL LINK

at 1800 hours, November 6, 1987

Along the southern mainline that would become Montana Rail Link, local freight business was still strong, but in BN's opinion not strong enough to justify keeping the entire route. BN had considered rebuilding the ex-GN from Missoula to Great Falls through Great Falls to the transcontinental route at Shelby. This would handle the overhead business as well as traffic off former Chicago, Burlington & Quincy routes in Wyoming. The old NP west of Laurel could then be downgraded. The projected cost of rebuilding the Great Falls line was too high, but the southern route still went on the block.

A rough beginning

Enter Missoula industrialist Dennis Washington. He was owner of the Washington Corporation, parent of several companies with interests in construction, mining, environmental management, and heavy equipment sales and leasing. Washington, 57, and a Missoula native and high school graduate, founded his own construction firm at age 24 and by the 1980's was a certified millionaire. One of his biggest successes was reopening the dormant Anaconda Copper mine in Butte and making it profitable by 1986.

BN preferred a local buyer, and Washington's group was one of the few in Montana with the finances to put together a deal rumored at $100 million. But Washington's companies were also known for being non-union. Once the brotherhoods got BN divested, Washington was expected to go for the old NP lines; they vigorously objected, resorting to picketing and court actions in an attempt to block the sale.

Brookes remembers well MRL's early days. "I was the first employee hired by Dennis Washington, on July 1, 1987. As the closing date of the sale came closer in October 1987, we set up round the clock hiring. We hired 300 employees in a week, who came from 30 or 40 different railroads. It was pretty chaotic." MRL became another Washington Corporation firm, with Brookes managing the company. He reports to Dorn Parkinson, president of the corporation.

The original closing date for MRL start-up was set for October 26, 1987, but was delayed five days by court order. "The delay actually helped us get the championship us," Brookes says. The sale went through

Riding MRL's Continental Crossing: Mullan Pass

The "big hill" for Montana Rail Link is its line over the Continental Divide at Mullan Pass, west of Helena. Maximum grades are 2.2 percent for westbounds and 1.4 for eastbounds. Pete Storseth, MRL's Helena trainmaster and a veteran of BN operations in North Dakota, says MRL usually keeps three sets of helper engines at Helena: two with four units and one with three. Five 2-person crews are based at Helena to work them.

Depending on a train's tonnage, the helpers are placed either on the head end or mid-train. Westbound trains of 5000 tons or more get helpers; eastbounds must exceed 7500 tons fo. help. Most trains aren't that heavy, but coal or grain unit trains of 100-plus cars are heavy enough to employ two helper sets at once. The helpers stay on westbounds to either the top of the grade at Blossburg, 20 miles from Helena, or 8 miles beyond to Elliston.

To experience Montana Rail Link's most challenging operating obstacle, I will ride with Pete Storseth and the crew over Mullan Pass. We climb aboard train 123 at the Helena depot on October 2, 1992, at 11:28 a.m. The train, a BN through run, had arrived earlier and was given a quick switch by the Helena yard job. Motive power is three 4-axle BN units totaling 10,400 h.p.: GP50 3117, B30-7A 4016, and EMX B39-8 8599. The train has 71 cars: 57 loads and 14 empties totaling 7420 tons. Our crew is two BN veterans. Engineer Tom Talburt worked on the Powder River Basin coal line, and assistant engineer Leo Black in Montana.

Helpers are visible from lead unit BN 3117 as train 123 crosses Greenhorn Creek trestle.

By 11:50 a.m., our train is rolling on the double track out of Helena Yard, but 5 miles out we stop at Helena Junction, where BN's line from Great Falls meets the main. On the way is a four-unit helper set, all MRL units: SD40-2NR 259, SD40-2NR 305, SD45-2 307, and SD40-2NR 260. They are rated at a total 12,000 h.p., which gives us 23,000 h.p. to conquer the mountain.

At 11:50 the helpers are cut in and 123 is under way. But not for long. Ten minutes and only 2 miles out, we are stopped at the west end of double track at Tobin to wait for eastbound train 120. Soon it rolls by behind a brace of BN SD40-2's. At 12:22 p.m., we blast west from Tobin, the beginning of the long grade to Blossburg. We reach a top speed of 18 mph, then drop to a steady 16.

Two miles east of Austin, the 2.2 percent grade begins, and at the west switch, the line swings into a 10 degree horseshoe curve, the first of several that Northern Pacific surveyors laid out to conquer the grade. Our lead unit, GP50 3117, begins to slip. "These four-axle units just aren't designed for these steep grades and curves," Talburt says. "Six-axle power grips the rail much better."

As we climb above Austin, we can glance back and see the mid-train helper. The track then makes a sharp curve to the west, passing through a large cut NP made to bypass Iron Ridge Tunnel; the abandoned bore is visible just west of the right of way. Emerging from the cut, we can spot the rear end of our train making its way through the horseshoe.

Weed spur (12:59 at a steady 14 mph) is one of several passing sidings abandoned by BN during an austerity program prior to MRL's formation. The wheel-slip from 3117 now becomes a constant grind. Another curve swings us around to the north, and we see Greenhorn Creek trestle. The curved steel bridge is one of two on Mullan; it crosses over the creek and an open field with a small A-frame house. An old Volkswagen micro-bus, complete with flowers painted on it as if from the 1960's, rests in the yard. The trestle sits in the middle of another horseshoe, so Black leans out of 3117's window to inspect the train.

Skyline is another siding-turned-spur. At 1:07 we cross Austin Creek trestle, the second curved one on the pass. Beyond one more curve is the east portal of Mullan Tunnel. Visible as we enter are the unusual squirrel-cage ventilating fans that NP and BN employed to clear the 3875-foot bore; today it is naturally ventilated.

Mullan resembles a cave more than a railroad tunnel, with a rocky ceiling that leaks water. On March 2, 1949, the tunnel caved in, forcing trains to be rerouted over Homestake Pass and through Butte. NP lowered the tunnel floor and reopened on December 7, 1949. Midway through the tunnel, our pace proves too much for 3117 and it gives up the ghost, automatically dropping from throttle notch 8 to 6. Fortunately our momentum carries us over the top.

In an explosion of black diesel exhaust that shoots skyward, we emerge into daylight at Blossburg at 1:16. A few moments later the helpers emerge in a similar display. As I watch the smoke slowly dissipate into the clear Montana sky, it's easy to understand why the helper units quickly become covered with soot despite going through the locomotive washer at Livingston.

MRL leaves it up to the engineers and dispatchers to determine whether to cut off the helpers at Blossburg or Elliston. Today, Talburt decides to go through to Elliston, since MRL train LM is close behind us. Blossburg, at 5548 feet elevation, is the top of the Mullan grade, and we quickly roll up to 40 mph as we descend the 1.4 percent on the 8 mile run to Elliston, where we arrive at 1:33.

Storseth heads across the highway to pick up some Cokes for the crews, who quickly cut out the helpers and head them into the siding. The two halves of 123's train are coupled back together and it is soon on its way. I climb aboard the helper set, but not before LM blasts by. With a short train, LM didn't require helpers and will make good time on the 90 mile trip to Missoula.

Since there is no eastbound coming that needs a push, we head east as a light engine, departing Elliston at 2:05. By 3:30 we are back at the Helena depot, another trip over Mullan completed. The helper crew gets little rest, though, for train 195 is arriving and will soon will need its lift over the Divide.—Steve Glischinski

on October 31, but all did not go smoothly. Early that morning, three diesels—two EMX GP's and a BN SD40-2—were set loose over Bozeman Pass. They eventually derailed after reaching speeds up to 80 mph, injuring an unlucky transient who had hitched a ride. Brodsky recalls: "We came into existence at 12:01 a.m., and by 2 a.m. we were $4 million in the hole." The FBI was called in, but no arrests were ever made and the case is still open.

Brodsky said the experience worked in MRL's favor. "The incident really pulled our group together. Before that happened, there was a lot of sympathy for opponents of the sale. But when that happened, the sympathy was gone. Our people circled their wagons and came together."

Brodsky is also quick to point out MRL is far from being non-union. "The Brotherhood of Locomotive Engineers represents our operating personnel, and we have another single contract that includes seven other crafts." MRL trains use two-person crews, with an engineer and "assistant engineer," both of whom are qualified to operate trains. Some local trains use three-person crews. The mainline is divided into three crew districts: Laurel-Helena, 223 miles; Helena-Missoula, 118; and Missoula-Spokane, 280.

Part of Washington's philosophy is to share the gains—and the risks—with his employees. MRL employees are beneficiaries of profit-sharing and 401k retirement/investment plans. There is also a "quality of life" article in the union contracts pledging regular time off and minimum time away from home. On the other hand, no one is guaranteed a job, so if business goes bad, layoffs are possible.

A name, and an image

Washington came up with the name "Montana Rail Link" when he was negotiating for the lines. The name is indicative of MRL's role for Burlington Northern: it serves as a captive, low-cost link for traffic to/from the Pacific Northwest and the Midwest and South. With one transaction, BN was able to rid itself of its Montana problems, at least on the ex-NP route, and yet keep what is in effect a through route.

According to Brodsky, Washington is sensitive to the image of the company. This helps account for the fairly rapid repainting of MRL's locomotive and car fleets into dark blue and white, a scheme Washington helped design.

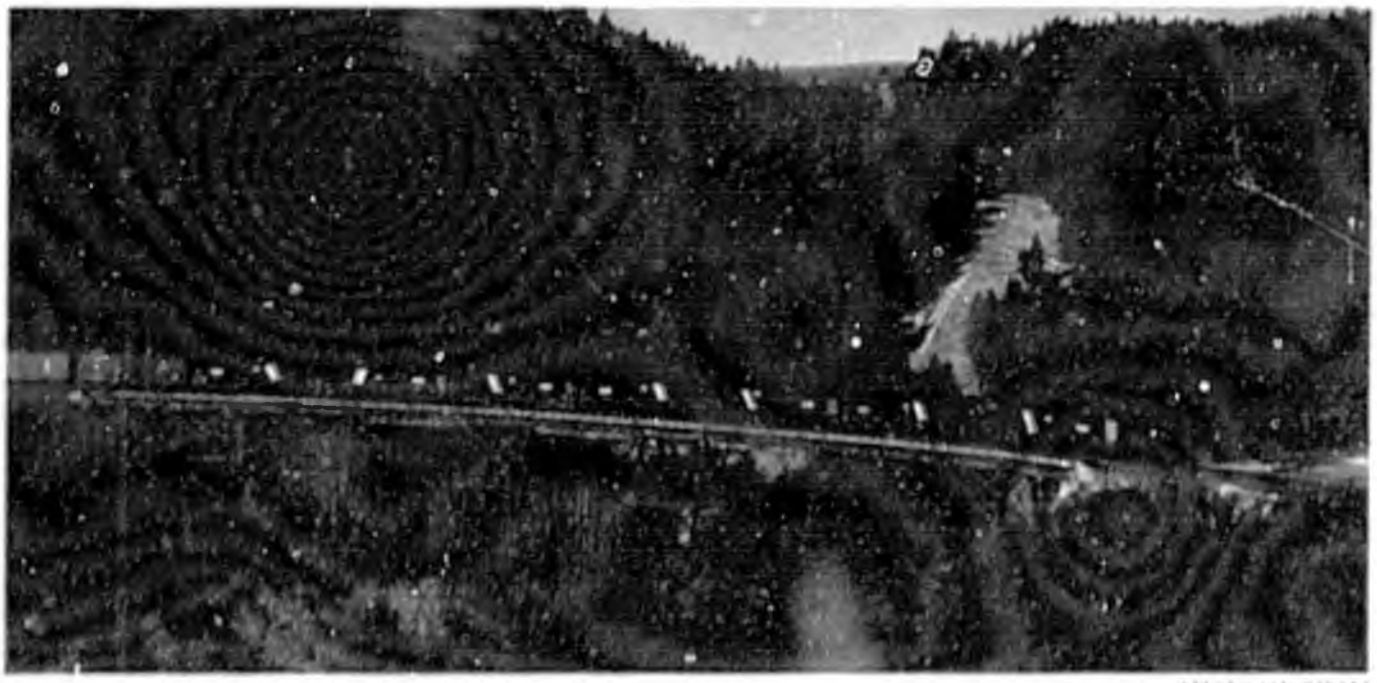
And what about that small red dot on the ends of MRL's locomotives? Rumors have circulated that "the dot" represented the old NP monad symbol, or Japanese interests which supposedly had bought into the company. But Brodsky says the dot's origin was fairly simple. "We had a salesperson trying to sell us decals for the locomotives, and Dennis Washington saw the red dot in the salesman's case. He held it up to an engine and thought it looked pretty good, so we started applying them." The dots are reflectorized to increase visibility for motorists.

Two-thirds of MRL's traffic is made up of "overhead" traffic—BN trains which MRL moves between Laurel and Spokane-Westbound. MRL crews take over from BN's at Laurel, site of MRL's largest yard and also a car shop. To place all Billings-area business on the new carrier, BN gave up ownership at Jones Junction, east of the city, which at 67,000 is Montana's largest.

As a condition of the sale, BN maintains certain traffic levels over MRL. Brodsky refuses to call this a "guarantee" but does admit that the railroad would be "far different" if not for the BN traffic.

"We are an independent company, locally owned and managed. While we have a great relationship with BN and value that relationship, they don't tell us how to run our railroad," Brodsky emphasizes. While NP referred to itself as the "Main Street of the Northwest," MRL reigns as the "main street of Montana" with all the traffic it handles. Up to 22 scheduled BN trains operate over MRL each day, depending on the day of the week. On most of these trains, BN diesels run through. MRL has direct interchange with two railroads besides BN: Montana Western at Garrison and Union Pacific at Sandpoint, the old Spokane International route. MRL also reaches UP at Silver Bow, Mont., via Montana Western.

Local traffic has become more and more important to MRL. "We are bringing business back to the railroad," Brodsky says. "Our customer base is up 26 percent since 1987 and growing. It takes three or



The seven locomotives leading daily road freight 81 over Skyline Trestle on Mullan Pass on September 30, 1992, include helper units.

four years to get customers back who have left the railroad, but they are coming back." Since MRL is privately owned, the company does not reveal financial data, but Brodsky says the company has "never had a month that wasn't profitable." As a measure of MRL's success, consider that it was able to pay off the debt incurred to purchase the branchlines in only four years. The company handles more than 240,000 carloads each year. Major on-line commodities include lumber, paper, chemicals, cement, and talc.

Lots of locals

To handle its local business, MRL operates several types of trains. Laurel-Missoula symbol "LM" and its counterpart "ML" operate daily to handle originating and terminating traffic. They set out and pick up only at terminals and junction points. At MRL's far east end, the Carter Local works between Billings and Huntley, switching oil refineries and grain elevators six days a week. There is also a six-day transfer run between Laurel and Billings. A switch job works Livingston and the main line east to Big Timber, plus the remnant of the old branch to Yellowstone Park.

Daily mainline locals 640 and 641 switch customers between Livingston and Helena, frequently taking 12 hours to handle all the business. They also make a side trip to Three Forks, Whitehall, and Twin Bridges as necessary. The last 20 miles of this branch to Alder is out of service. As far as Whitehall, this route was once part of the scenic mainline over Homestake Pass. The Whitehall-Butte segment, still owned by BN, has been unused since 1982 but the rails are still in place. MRL expects to purchase this line from BN.

Helena is another interchange point with BN, which runs a Great Falls-Helena turn to make the connection. But MRL's headquarters city of Missoula is probably its busiest point for local train activity. Three days a week Missoula dispatches a local which makes a round trip to Garrison for Montana Western interchange and local switching. West of Missoula, the Paradise local makes a round trip to Paradise six days a week, meeting another local that runs between Paradise and Sandpoint.

Each day, the Schilling local makes a round trip from Missoula Yard west 12 miles to Schilling, site of a pulp mill of Container Corporation, MRL's largest customer. Missoula Yard was once a hump facility which BN downgraded to a "flat" yard. When traffic is heavy, the Schilling job will make two round trips in a day. Another local runs from Missoula to Bonner, 6 miles east, to switch a lumber mill.

Branchlines are also serviced by Missoula-based locals. The Polson local travels the Evaro Hill route to Dixon and up the branch to Polson on Tuesdays, Thursdays, and Saturdays to serve lumber producers. On Tuesdays and Fridays another job heads south out of Missoula on the 66-mile branch through the Bitterroot Valley to Darby, working lumber-related industries. One branch, between Drummond and Phillipsburg, is out of service.

Rail Link President Bill Brodsky listens to a train crewman at an employee meeting.

The blue fleet

Montana Rail Link's fleet of 97 EMD units is the charge of Mel Dinius, chief mechanical officer. He spent 30 years with Illinois Central and Illinois Central Gulf before coming to MRL in its first year. He supervises 191 employees.

Dinius says MRL picked up 52 units from BN at startup but quickly had to purchase more units from dealers. MRL's 97 units include ... GP9's, 8 switchers, and handfuls of SD...s, SD9's, and GP35's. The backbone of its road fleet are 16 SD40's, one SD40-2 (one of the units wrecked on MRL's first day), and 11 SD40's upgraded

A leaking carload clouds up MRL's ex-NP right of way as BN train 120 crosses Pend Oreille Lake east of Kootenai, Idaho, on July 1, 1991.

Montana Rail Link locomotives

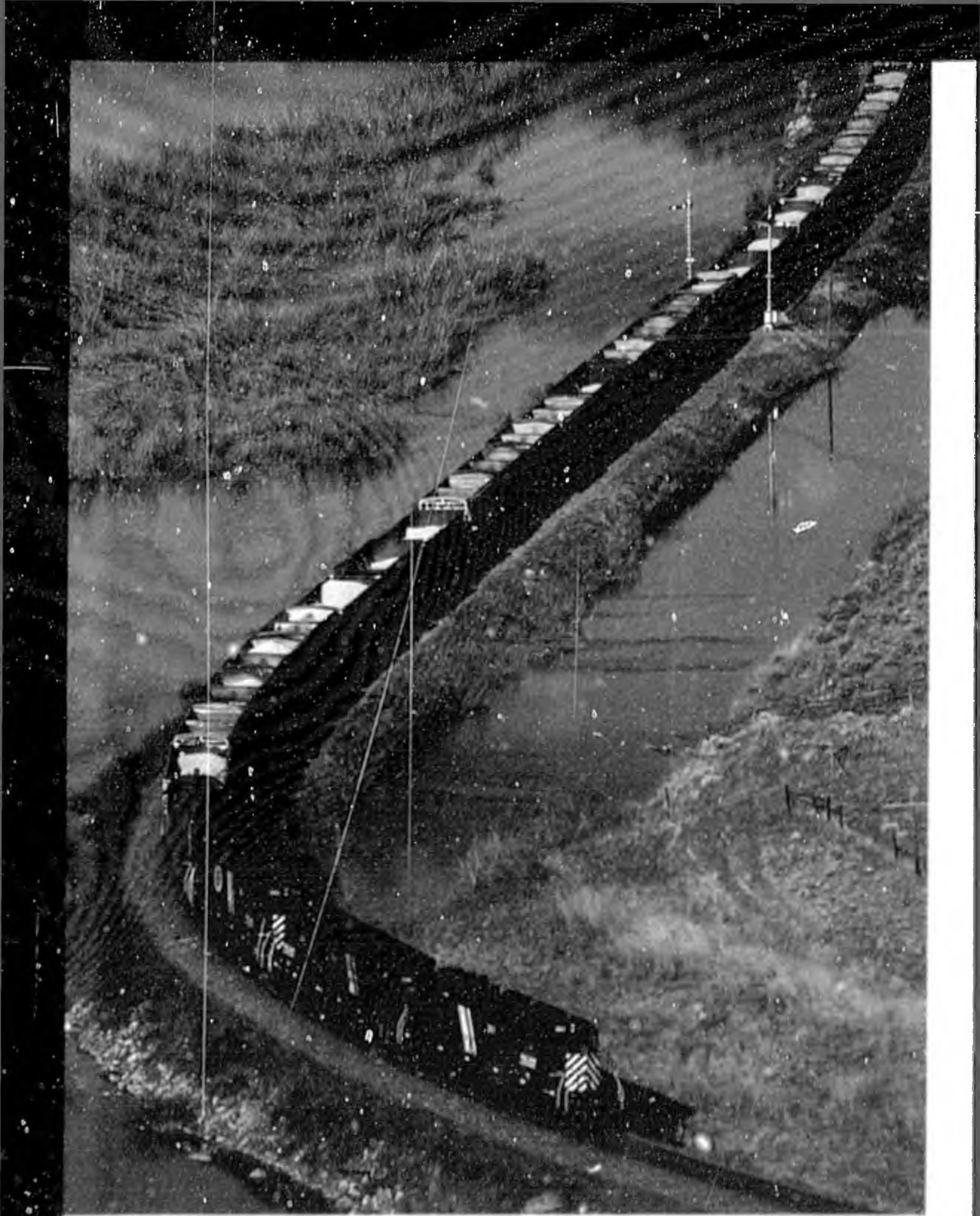
No.	Model	Built	Heritage, notes
11	NW12	1939	BN 19; rebuilt 1975 from NW2 469; ex GN 122, 5322
12	SW1200	1957	BN 208; ex NP 149
13	SW1200	1957	BN 220; ex NP 161
14	SW1200	1956	BN 203; ex NP 144
15	SW1200	1957	BN 218; ex NP 159
16	SW9	1952	BN 269; ex SLSF 314
17	SW1200	1957	BN 215; ex NP 156
18	SW1200	1957	BN 216; ex NP 157
104	GP9	1956	BN 1834; ex GN 682
105	GP9	1957	BN 1903; ex NP 318
106	GP9	1958	BN 1931; ex NP 352
107	GP9	1958	BN 1934; ex NP 355
108	GP9	1956	BN 1835; ex GN 683
109	GP9	1955	BN 1710; ex NP 210
110	GP9	1956	BN 1897; ex NP 280
111	GP9	1956	BN 1717; ex NP 269
112	GP9	1956	BN [illegible]721; ex NP 273
113	GP9	1957	BN [illegible]729; ex NP 291
114	GP9	1957	BN 1731; ex NP 293
116	GP9	1958	CAHW 4507; rebuilt 5/73 from 706, ex M&StL 706
117	GP9	1956	BN 1833; ex GN 681
118	GP9	1957	BN 1924; ex NP 339
119	GP9	1957	BN 1925; ex NP 340
120	GP9	1957	BN 1926; ex NP 341
121	GP9	1957	BN 1927; ex NP 342
122	GP9	1957	BN 1929; ex NP 344
123	GP9	1958	BN 1930; ex NP 351
124	GP9	1958	BN 1935; ex NP 352
125	GP9	1958	MRL 101, BN 1946; ex NP 367
126	GP9	1957	MRL 102, BN 1732; ex NP 294
127	GP9	1954	MRL 103, BN 1832; ex GN 680
151	GP19-1	1957	Rebuilt 1991 from GP9 1744 (was to have been MRL 116); ex BN 1744, NP 306; leased to AZCR 12/91-7/92
200	SD40	1968	C&S 6341; ex 881
204	SD40	1968	C&S 6347; ex 887
205	SD40	1968	C&S 6344; ex 884; wrecked at Helena 2/89; scrapped 6/90
206	SD40	1968	C&S 6336; ex 876
209	SD40	1971	BN 6322; stored serviceable
211	SD40	1971	BN 6308
213	SD40	1971	BN 6315
214	SD40	1971	BN 6316
215	SD40	1971	BN 6320
216	SD40	1967	C&S 6335; ex 875
218	SD40	1967	C&S 6345; ex 885
220	SD40	1966	MRL 3001, CLI 3001; ex CAHW 928, CDW 408
221	SD40	1966	MRL 3002, CLI 3002; ex CAHW 924, CDW 404
222	SD40	1966	MRL 3003, CLI 3003; ex CAHW 925, CDW 405
223	SD40	1966	MRL 3004, CLI 3004; ex CAHW 927, CDW 407
224	SD40	1966	CAHW 921; ex CDW 401
225	SD40	1966	CAHW 929; ex CDW 409
250	SD40-2	1974	BN 6377; wrecked on MRL 11/87; returned to service 7/88
251	SD40XR	1966	UP 3002; upgraded 5/90
252	SD40XR	1966	UP 3024; upgraded 6/90
253	SD40XR	1971	Upgraded 10/90 from MRL 203; ex BN 6312
254	SD40XR	1971	Upgraded 11/90 from MRL 212; ex BN 6310
255	SD40XR	1967	Upgraded 12/90 from MRL 219; ex C&S 6346, 886
256	SD40XR	1971	Upgraded 1/91 from MRL 207; ex BN 6317
257	SD40XR	1971	Upgraded 6/91 from MRL 202; ex BN 6306
258	SD40XR	1967	Upgraded 6/91 from MRL 217; ex C&S 6337, 877
259	SD40XR	1971	Upgraded 6/91 from MRL 208; ex BN 6324
260	SD40XR	1971	Upgraded 10/91 from MRL 210; ex BN 6307
261	SD40XR	1971	Upgraded 12/91 from MRL 201; ex BN 6309
290	SD40XR	1966	LN SDP40 6395; wrecked on MRL 1/89; upgraded 6/89; ex BN 9851, GN 321
301	SD45-2	1974	CSX 8975; ex SBD 8975, CRR 3617
302	SD45-2	1974	CSX 8976; ex SBD 8976, CRR 3618
303	SD45-2	1974	CSX 8977; ex SBD 8977, CRR 3619
304	SD45-2	1974	CSX 8978; ex SBD 8978, CRR 3620
305	SD45-2	1974	CSX 8979; ex SBD 8979, CRR 3621
306	SD45-2	1974	CSX 8980; ex SBD 8980, CRR 3622
307	SD45-2	1974	CSX 8981; ex SBD 8981, CRR 3623
308	SD45-2	1974	CSX 8982; ex SBD 8982, CRR 3624
351	SD45XR	1967	Upgraded 11/91 from NHL 6445; ex BN 6445, GN 415
352	SD45	1970	NHL 6493; ex BN 6493 (ordered by CB&Q, to have been 532)
353	SD45	1970	NHL 6497; ex BN 6497 (ordered by CB&Q, to have been 536)
354	SD45	1971	NHL 6557; ex BN 6557
355	SD45	1971	NHL 6558; ex BN 6558
356	SD45XR	1969	Upgraded 2/92 from NHL 6681; ex BN 6681, SLSF 934
357	SD45	1969	NHL 6686; ex BN 6686, SLSF 939
358	SD45	1969	NHL 6694; ex BN 6694, SLSF 947
401	GP35	1964	DTM 6353; ex 353
402	GP35	1964	GTW 6355; ex DTM 355
600	SD9	1956	MRL 604, NREC 604; ex EJ&E 604, DM&IR 107; stored serviceable
601	SD9	1957	MRL 606, NREC 606; ex EJ&E 606, DM&IR 127
602	SD9	1956	MRL 603, NREC 603; ex EJ&E 603, DM&IR 105
603	SD9	1956	MRL 4361; ex SP 4361; rebuilt 12/72 from SP 3956; ex 5483; being upgraded to SD19-1 652
604	SD9	1956	MRL 605, NREC 605; ex EJ&E 605, DM&IR 108
605	SD7	1953	MRL 1541; ex SP 1541; rebuilt 5/80 from SP 1441; ex [illegible]; stored
606	SD9	1954	MRL 4316; ex SP 4316; rebuilt 11/70 from SP 3908; ex 5347; stored
607	SD7	1953	MRL 1515; ex SP 1515; rebuilt 11/80 from SP 1424; ex 5317
608	SD9	1958	EJ&E 611; ex DM&IR 121; stored
610	SD9	1957	EJ&E 602
651	SD19-1	1957	Rebuilt 4/91 from MRL 609; ex EJ&E 601
701	SD35	1965	MRL 1566; ex N&W 1566; stored
702	SD35	1965	MRL 1546; ex N&W 1546; stored
703	SD35	1965	SBD 4591; ex SCL 1914, ACL 1014; stored
704	SD35	1965	MRL 1543; ex N&W 1543; stored
705	SD35	1965	MRL 1563; ex N&W 1563; stored
1725	GP9	1957	BN 1725; ex NP 287; wrecked on BN, Marsh, Mont., 1/88, scrapped
1831	GP9	1954	BN 1831; ex GN 679; wrecked in 1990, scrapped 3/91
1904	GP9	1957	BN 1904; ex NP 319; wrecked on BN, Marsh, Mont., 1/88, scrapped
4337	GP9	1951	Overhauled for lease or sale; CAHW 4337; ex 120, rebuilt 2/74; ex CGW 120; rebuilt by EMD from GP7, 1/58
4555	GP9	1957	Overhauled for lease or sale; CAHW 4555; ex RI 4484 (2nd), 4538; rebuilt 6/77 from RI 1315

Notes:

Key to initials: ACL: Atlantic Coast Line; AZCR: Arizona & California; BN: Burlington Northern; CAHW: Chicago & North Western; C&S: Colorado & Southern (BN); CDW: Chicago Great Western; CLI: Corporate Leasing Inc.; CRR: Clinchfield; DM&IR: Duluth, Missabe & Iron Range; DTM: Detroit, Toledo & Ironton; EJ&E: Elgin, Joliet & Eastern; GN: Great Northern; GTW: Grand Trunk Western; M&StL: Minneapolis & St. Louis; N&W: Norfolk & Western; NHL: National Helm Leasing; NP: Northern Pacific; NREC: National Railway Equipment; RI: Rock Island; SBD: Seaboard System; SCL: Seaboard Coast Line; SLSF: St. Louis-San Francisco (Frisco); SP: Southern Pacific; UP: Union Pacific.

Key to models: Designations are those of Electro-Motive Division, original builder of all units; as of MRL an rebuilt or upgraded units. GP series are four-motor B-B's, SD series are six-motor C-C's.

Roster effective December 1, 1992. Sources: Montana Rail Link (Alan Burns), "Burlington Northern Motive Power Annuals", Burlington Northern, CAHW Historical Society, EMD Product Reference Data, "Extra 2200 South", "Southern Pacific Annuals", "Union Pacific Motive Power Annual."-RBJ



It's only company ballast train X06, but you can't fault the view near Lombard, Mont., as four Rail Link SD's roll east on April 25, 1992.

to Dash 2 standards and termed SD40XR's. Plans call for the remaining SD40's to be similarly upgraded. Over the next five years all the GP9's and SD9's will be overhauled and get chopped noses.

Other road units include 3 SD35's and 8 each SD45's (two upgraded) and SD45-2's. The most unusual MRL road unit is SD40XR 200. Built in 1966 as an SDP35 for GN passenger service, it is essentially an SD40 with a longer carbody; the extra space housed a steam generator for passenger car heating. Acquired from BN after a wreck on MRL at Helena, the unit was repainted with a special logo in 1989 to celebrate Montana's centennial.

Maintenance on MRL units is performed at a five-track run-through diesel facility at Livingston, adjacent to the former NP backshop, now Livingston Rebuild Center (see "Observations"). LRC is not affiliated with MRL, although it does lots of work for the company. "They have to bid on the business like everyone else," Dennis says. "While they do have an advantage in transportation costs because they are located on our railroad, that doesn't mean they get all our work."

Fueling and minor work is done at Missoula, Helena, and Laurel. Each of these places had a roundhouse, but BN razed them. Although winter protection might be nice, Dennis said this has worked out well for MRL. "We were able to consolidate all our maintenance in one location. If there is ever a problem with a unit, we know where the problem originated, rather than trying to figure out which roundhouse last worked on it." A new $[illegible] locomotive washer was installed at Livingston in November [illegible] [illegible] 100 units each month.

MRL has also had some locomotives remanufactured. In 1990 it began having its SD40's rebuilt to Dash 2 specifications. [illegible]

[illegible]

For a short time, MRL even had an E unit. Dennis Washington purchased ex-Milwaukee Road E9A 37C in 1990 from Chicago Metra with an eye on using it to pull the company's business car, but the unit was found to be in poor condition and was scrapped at Livingston. The business car, a former Rock Island car built by Pullman Standard in 1930, was rebuilt by MRL and local Missoula contractors. Named Silver Cloud, it is parked on a special spur next to the Washington Corporation offices.

Montana Rail Link also has 1801 freight cars, many of which have been overhauled and repainted. In its first year, MRL made news by ordering 100 new boxcars for

Switchers keep busy at Laurel Yard, an MRL hub. We're looking west in April 1991.

paper loading, at the time the first order for new boxcars in the U.S. in [illegible].

A first-rate property

[illegible]

[illegible]

[illegible]

the art computerized facility in Missoula headquarters. The railroad is divided in half for dispatching purposes: the east dispatcher controls Jones Junction-Helena, the west dispatcher Helena-Sandpoint.

While MRL has a modern dispatching and signaling system, there remain in three areas sentinels of the past along its right-of-way: NP upper quadrant semaphores. You'll find them on the [illegible] grades of Winston Hill east of Helena, along the Missouri River near Toston, and at the railroad's west end. However, they are gradually being replaced by newer color-light signals.

MRL also is replacing the last of its jointed rail track with continuous welded rail, and bridge rebuilding is a part of the long-term engineering plan. A big undertaking was the rehabilitation of Bridge [illegible] between St. Regis and Paradise. Built in 1908, the [illegible] [illegible] was rebuilt during 1989-1990 by [illegible] a new [illegible] within the old [illegible] structure, the first time this method was employed on a railroad bridge [illegible].

[illegible]

[illegible]

[illegible]

DATES OF INTEREST

A message from Bill Brodsky

Dan Watts n...