



connections

THE BELT RAILWAY COMPANY OF CHICAGO

Belt Restructures Management Team

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The Belt Railway began 1999 with a reorganized management team in place. Nine employees from the administration department—many long-time veterans—accepted early retirement packages, and eight employees were promoted into key leadership positions.

Those retiring from the Belt included Woodrow M. Cunningham, Vice President and General Counsel; Ruth A. Taylor, Secretary and Treasurer; John W. McGuire, Director Revenue and Car Accounting; William M. Walztoni, Manager Property & Facility Administration; William P. Mutzbauer, Supervisor Track; Michael D. McCarthy, Director Corporate Relations; Kenneth H. Smith, Superintendent of Motive Power; James D. Mowery, Superintendent of Car Department; and James Q. Anders, Chief Engineer.

Stepping into new positions are Timothy E. Coffey, General Counsel, Secretary, and Director Human Resources; Pamela S. Hagen, Assistant Treasurer and Assistant Secretary; Patrick J. O'Brien, Vice President, Controller & Treasurer; Michael S. O'Donnell, Superintendent Mechanical Department; Jacqueline F. O'Neill, Director General Accounting; Ronald G. Strong, Chief Engineer; Rod Wojcik, Director of Agency and Customer Service; and James J. Zalumsky, Director Information Systems.

The Belt also hired Edward L. Cammire as Director of Service Planning and Randall D. Smith as Engineer, Track and B&B.

The Belt thanks all those who retired for their many years of dedicated service and wishes them a long and healthy retirement.

Employee Assistance Program Offers Help

Is a situation in your life causing you great stress? Perhaps you are worried about a family member who is drinking too much, or your post-holiday bills seem especially overwhelming this year, or you feel depressed about your recent separation from your spouse.

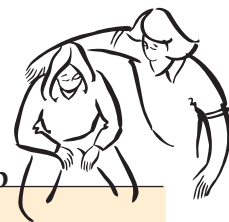
Remember that the Belt Railway provides you and your family with a comprehensive Employee Assistance Program to help you solve difficult personal and family problems. The EAP

is confidential and provides problem assessment, counseling services, and referrals to other professionals, if necessary.

The program can help with situations such as:

- Personal adjustment problems
- Depression
- Anxiety and stress
- Alcohol and drug abuse
- Marital problems
- Family problems
- Financial problems
- Legal problems

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how to get help

For information or assistance, contact:

DeRosa, Peirce & Associates, Inc.

Joe DeRosa, LCSW
Loring Peirce, MBA, or
Sandi Peirce, MA
Certified Employee Assistance Professionals

1-800-EAP-9115

(Counseling Services) or

1-708-789-1167 / 1179

(Business)

Offices:

TEMB Building
16 W. 375 West 83rd Street
Burr Ridge, IL 60521-5841

1034 Sterling
Flossmoor, IL 60422

Dear BRC Employees:

The tragic death last May of Switchman Gene Janik has caused all of us not only grief, but substantial uneasiness because of the allegations and mistrust that have ensued.

After thinking long and hard about whether the smear campaign waged against the Belt Railway and its officials by the national leadership of the United Transportation Union and its law firm merited the dignity of a response, I have decided that it is time to tell Belt employees the complete story.

This conviction was strengthened when I saw the article in the February 1999 issue of *UTU News*. It is especially disconcerting to me that UTU, which claims to represent the interests of our employees, should attack the Company when our very ability to improve safety and ensure job stability are being jeopardized by questionable claims against our assets.

You deserve to know all the facts:

- 1 Following the tragic coupling death of Switchman Gene Janik on May 26, another Belt switchman, Kenneth D. Filipiak, came upon Mr. Janik's body. He stated over the yard radio channel (which was recorded automatically), and later in an oral statement, that Gene was dead when he found him. He also said that Gene had been "coupled up."
- 2 At a luncheon following Gene Janik's funeral, the lead counsel for the law firm representing the estate hand-wrote a statement for Mr. Filipiak's signature that completely changed the story. It stated, first, that Gene was conscious when Mr. Filipiak found him and, second, that Gene was not coupled when found, but rather scissored between two drawbars. This handwritten statement not only conflicted with Mr. Filipiak's initial reports, but was also

contrary to what was witnessed by the many people who arrived on the scene, all of whom saw Gene's body coupled up.

- 3 After the switchman told this new version of the facts at his deposition on November 3, the attorneys amended their lawsuit and asked for an additional \$4 million from the Belt.

Why were the discrepancies in the case so important? The attorneys were able to dramatically increase the claim against our Company to \$6.5 million because, under the Federal Employers' Liability Act, families of a fatally injured worker may receive higher settlements if it can be proved that suffering occurred before death. Under the Safety Appliance Act, a plaintiff's claim improves if it can be shown that a coupler was defective. While *UTU News* trivialized these discrepancies on Mr. Filipiak's part (referring to them as "tiny" distinctions), you will see in a moment why truthfulness in this case is so critical to our jobs and our company's future.

Subsequently, we consulted with two board-certified physicians regarding the amount of time Gene could have survived following his accident and, more importantly, how long he could have remained conscious. Both experts reviewed Gene's autopsy records and concluded that loss of consciousness and death occurred almost instantaneously. Based on this expert opinion and the evidence gathered during the accident investigation, the Belt decided to remove the switchman from service with pay, pending a full investigation, charging him with lying.

Why Mr. Filipiak revised his account so fundamentally in the handwritten statement of May 29, we cannot be sure. But we do know that for our Company to ignore this kind of


in the news

The February 1999 issue of *Progressive Railroading* magazine praised the Belt for its communications skills in coping with an early January snowstorm that dumped up to 22 inches of snow on Chicago.

A news brief entitled "Communication helps Belt Railway combat snow" described how the Belt hosted daily

conference calls between the railroads that it serves. Representatives from the railroads took turns relaying information to the Belt and others about traffic flows, track conditions, and rerouting plans.

"The day-to-day communication certainly helped everybody get through this as easily as possible,"

Tim Coffey, the Belt's general counsel, told *Progressive Railroading*.

The snowstorm, considered the worst to hit Chicago in 20 years, paralyzed much of the city's freight and passenger train operations due to deep snow, frozen switches, and crew shortages. The Belt shut down for 36 hours, a first in its history.

conduct could open the door for baseless claims against the Company and its assets.

4 After two months of continuances, during which the national leadership of the UTU relayed an incomplete version of the facts of this case and made accusations of harassment by the Belt to our owner railroads, the Federal Railroad Administration, and various Congressmen, a formal hearing was held. There was substantial evidence presented to uphold the charges and Mr. Filipiak was formally terminated.

The FRA, having monitored this situation almost from the day the switchman was first removed from service, attended the investigation and stated afterwards that the Belt was not harassing this employee and had held a fair hearing.

As president of the Belt, I would like you to understand why I have a duty to you and to the owners to protect the Company's assets from attack. I believe that the 620 employees who hope to someday retire from the Belt expect me to do so. This is because your job security depends on it and so does our ability to further improve safety on the job.

In 1998, this Company had revenues of approximately \$68 million and operating expenses of approximately \$53.5 million, resulting in after-tax net income of approximately \$8 million. The cash flow generated from operations allowed the Belt to invest more than \$18 million in capital projects, primarily in track and signal upgrades that directly contribute to the safety of our operations. You will be pleased to know that the Belt's Board of Directors has approved for 1999 a capital expenditure program totaling more than \$20 million, with continued emphasis on

strengthening the track and signal infrastructure, including replacement of the hump control system. Moreover, since my arrival we have spent almost \$2 million to clean up dangerous debris. We continue to make safety our primary concern.

Even more disturbing than the union's attack on the way the Belt has handled this discipline case, however, was its equally unwarranted attack on our commitment to safety. I have pledged to you since I became president that safety is my No. 1 priority. I believe I have followed through on my promise by instituting new safety policies and spending a large amount of money improving our infrastructure. This trend will continue regardless of the attacks.

If you have any concerns or questions about the facts outlined here, I hope you will come to me, personally, to discuss them. I will value your candor and my door will always be open to you.

Please keep in mind that all Belt employees must work together as a team if we hope to continue the success we have enjoyed over the past few years. We must not let the self-serving agendas of others influence our dedication and commitment to doing our jobs well. The Belt Railway will remain a viable and integral part of the railroad industry long after such individuals have faded away.

Let's honor Gene Janik's memory by working together to make 1999 the safest year in Belt history!

Sincerely,



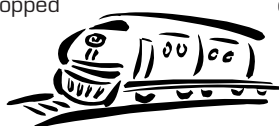
C.T. (Tom) Shurstad

An editorial in the Chicago Sun-Times last July advised Congress to move away from the current system of railroad regulation to self-determined performance standards. Ian Savage, a faculty member in the Economics Department and Transportation Center at Northwestern University, wrote the commentary,

entitled "Railroads safer than they seem." Savage also published a book last summer, *The Economics of Railroad Safety*.

Savage argues that railroad accidents make headlines, but the rates of collisions, derailments, and passenger fatalities have dropped greatly in recent years.

According to Savage, current regulations may limit safety improvements by "codifying into law and fossilizing working practices and engineering designs from past decades." He advocates a system that sets safety performance goals and lets companies decide on their own how to meet them.



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Belt Management Meets with Labor Representatives

The Belt hosted a luncheon Feb. 19 for the labor representatives of Belt employees at the Olde Barn Restaurant in Burbank.

Representatives attended from the Transportation Communications Union, Brotherhood of Locomotive Engineers, United Transportation Union, Brotherhood of Maintenance of Way Employes, International Association of Machinists, International Brotherhood of Electricians, Brotherhood of Railway Carmen, National Conference of Firemen & Oilers, and the American Railway & Airline Supervisors Association.

This luncheon gave representatives the opportunity to meet Belt President Tom Shurstad and say good-bye to the Belt's long-time Director of Corporate Relations Mike McCarthy.

Tim Coffey, the Belt's general counsel, secretary and director human resources, welcomed the

group and introduced Jim Ford, manager crew development and performance, as the person who will be assisting him in human resources matters.

Mr. Shurstad then spoke, promising to continue his commitment to keeping the property clean and providing Belt employees with safe and proper tools. He also talked about his plans for the Belt Railway, including the modernization of our locomotive fleet.

BMWE General Chairman Leon Fenhaus, who had not visited Clearing Yard in two years, was most impressed with the massive clean-up which has occurred. Other representatives indicated that Belt employees were very appreciative of the clean-up efforts.

Two visitors from France tour the Belt

The Belt Railway said *bonjour* and welcome Feb. 26 to two French dignitaries. Jean Vaury, the deputy trade commissioner with the French Trade Commission in Chicago, and Laurent Bromberger, an editor of *La Vie du Rail et des Transports*, a leading French rail journal, visited the Belt to learn more about freight railroading. Tim Coffey and Roy Gelder explained the history of the Belt and its role in the Chicago Terminal to the two French gentlemen. They were very impressed with the magnitude and efficiency of the Belt's operation.

Employee Assistance Program Offers Help

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The confidentiality of this service means that no information provided to an EAP counselor by a Belt Railway employee or family member will be divulged to **anyone**, including other family members, without the specific consent of the employee or family member.

To use the Employee Assistance Program, you or an eligible family member may contact the Employee Assistance Program directly by calling the EAP staff listed on page 1. The counselor will provide you with information, problem assessment, counseling services, and if necessary, referral for a wide range of personal problems.

You may also refer a fellow employee whom you feel needs

help with a personal problem, but you must identify yourself and allow your identity to be known to the person you are referring.

There is no cost to you or your eligible family members for the Employee Assistance Program services. There may be a charge if you are referred to a counselor, agency, or medical facility in your area for additional services. Your health insurance may cover most of this cost. The counselor will be glad to provide you with information about the benefits that are available to you.

If you need another copy of the EAP brochure and wallet card, contact the Belt's Personnel Department.



the EAP can help, but only if you call



interchange

THE BELT RAILWAY COMPANY OF CHICAGO
EMPLOYEE NEWSLETTER

Belt Offers Prescription Safety Eyewear Program

All Belt employees now have access to free safety prescription glasses. In concert with Vallen Vision Safety Prescription Eyewear, Belt employees of all crafts and occupations may obtain for free up to two pairs of high-quality prescription glasses specially designed to comply with the Belt's Cardinal Rules dealing with personal protective equipment.

To get your glasses, contact your department supervisor, and request a Vallen Vision order form. Take the Vallen form and your own prescription to one of the dispensers listed at right and have your order filled. Turnaround is about a week or so.

The program provides for two pairs per year of polycarbonate lenses in any kind of lens prescription. Choose one of the four frame types covered under the program and also whether you want tinted lenses. The glasses come with UV-protective and scratch-resistant coatings and a replacement guarantee.

The program does not provide for an eye exam. Your new Vision Service Program effective

Jan. 1 provides for a free annual eye exam. If you haven't had an exam within the last two years or so, you should take advantage of the VSP exam for your own non-safety-related glasses. The same prescription from your VSP doctor is fine for use in the prescription safety glasses program.

For the sake of your most precious gift, your eyesight, take advantage of this program.

safety eyewear dispensers

Visit any of the following Tropical Optical locations to fill your prescription for safety eyewear:

- | | |
|---|---|
| <p>Tropical Optical
9137 S. Commercial Ave.
Chicago, IL 60617
Ph: 773-768-3648</p> | <p>Tropical Optical
3205 W. 47th Place
Chicago, IL 60632
Ph: 773-247-2630</p> |
| <p>Tropical Optical
3624 W. 26th Street
Chicago, IL 60623
Ph: 773-762-5662</p> | <p>Tropical Optical
6141 West Cermak Rd.
Cicero, IL 60650
Ph: 708-780-0090</p> |
| <p>Tropical Optical
2769 N. Milwaukee Ave.
Chicago, IL 60647
Ph: 773-276-4660</p> | |



Service Anniversaries

Congratulations to the following Belt employees on their recent service anniversaries.

40 Years

Alvin Harris, Jr.
Transportation
Feb. 20, 1959

35 Years

Hermilo Melo
Mechanical
Oct. 17, 1963

30 Years

Ray Hensley
Administration
Nov. 21, 1968

John Franco
Mechanical
Dec. 17, 1968

William Blonda
Mechanical
Jan. 21, 1969

25 Years

Jose Diaz
Transportation
Nov. 17, 1973

Austin Morgan
Clerical
Nov. 21, 1973

Michael Washington
Transportation
Nov. 28, 1973

Raymond Barnat
Clerical
Dec. 3, 1973

Jose Silva
Track
Jan. 8, 1974

Jesus Santoyo
Track
Jan. 14, 1974

Ernesto Antillon, Jr.
Track
Jan. 22, 1974

George Miller
Transportation
Feb. 15, 1974

James Hayes
Transportation
Feb. 24, 1974

James Elam
Transportation
March 12, 1974

Michael O'Donnell
Administration
March 18, 1974

James Langone
Transportation
March 20, 1974

20 Years

Robert Katterman
Mechanical
Oct. 3, 1978

Edward Stec
Mechanical
Jan. 22, 1979

James Weyhe
Dispatcher
Feb. 18, 1979

Charles Pickett
Transportation
Feb. 20, 1979

Frank Carasotti
Transportation
March 1, 1979

Joseph Gray
Transportation
March 6, 1979

15 Years

Paul Hajek
Mechanical
March 5, 1984

JINGLE BELT



ROCK

The Belt Railway Labor/Management Safety Committee hosted its annual holiday party December 20 at Lexington House in Hickory Hills. Nearly 900 employees and family members attended the event, which featured dinner, music, gifts, holiday entertainment, and the celebrity of the season—Santa.

Photography by Roy Gelder







The Belt Railway Company of Chicago
6900 S. Central Ave.
Bedford Park, IL 60638
www.beltrailway.com

The Belt Railway Company of Chicago welcomes your comments.
Send all correspondence to: CONNECTIONS,
The Belt Railway Company of Chicago,
6900 S. Central Ave., Bedford Park, IL
60638. For service inquiries or more
immediate assistance, call (708) 496-4000.

“The Best Serving the Best”

employee transitions

Retirements

Fifteen employees recently retired from the Belt. We wish them all the best in retirement.

James G. Anders, Chief Engineer, 3 years of service
Woodrow M. Cunningham, Vice President and General Counsel, 37 years of service
William D. Dye, Engineer, 42 years of service
Wallace J. Harper, Electrician, 20 years of service
Henry J. Kazmierczak, Switchman, 44 years of service
Michael D. McCarthy, Director Corporate Relations, 32 years of service
James P. McDonald, Switchman, 14 years of service
John W. McGuire, Director Revenue and Car Accounting, 42 years of service

James D. Mowery, Superintendent of Car Department, 19 years of service
William P. Mutzbauer, Supervisor Track, 33 years of service
Lee Robinson, Jr., Switchman, 40 years of service
Kenneth H. Smith, Superintendent of Motive Power, 22 years of service
Ruth A. Taylor, Secretary and Treasurer, 36 years of service
William M. Walztoni, Manager Property & Facility Administration, 33 years of service
Mathis Whitaker, Switchman, 41 years of service

New Hires

During the past few months, the following employees have been hired by the Belt. Please make them feel welcome.

Switchmen

Michael Carollo
Charles Edwards
Rodney Emme
Robert Lenart
Juan R. Perez
Israel Soto
Robert Stakenas
Jerald W. Cummins
Brian A. Erickson
Neil D. McCulley
Kyle A. McCawley
Michael P. Izzo
Lucius R. Keys
Christopher S. Reyes
Richard J. Rizleris
Deran M. Mitchell
James J. Saia
Michael L. Long
Joe K. Walters

Thermon Peters Jr.
Vincent J. Mirabella
Charles B. Kincade
Charles L. Hopkins
William Chladek
Luis Mosquera
Stephan A. Bosniack

Carmen

Brian Broda
Ryan Manciu
James L. Stahl
Gerard Ramirez

Signal

James A. McNeill
Jeffrey M. Pelletier

Track

Juan P. Morales
Phillip Dropez

Engineering

Ronald G. Strong
Chief Engineer
Randall D. Smith
Engineer Track & B&B
Sandy Herath
Steno Clerk

Accounting

Julio Villareal

Administrative

Edward L. Cammire
Director of Service Planning