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America has been restored by renaming the carrier the Illinois Central Railroad, a name it had borne until a 1972 merger with the Gulf, Mobile & Ohio Railroad that resulted in the Illinois Central Gulf.

As a result of continually upgrading the property, the IC "has absolutely no deferred maintenance," said Charles P. Davis, vice president of the engineering and mechanical departments.

B.J. White, a conductor based in Memphis who is local United Transportation Union chairman there, offered this assessment of the new IC from a trackside perch:

"We're real proud of the railroad. Our track is in such good condition that it's like an interstate highway from Chicago to New Orleans."

"I think things will be all right," said Ross Hanna, a veteran locomotive engineer from Mahomet, Ill. "It makes sense to run only Chicago to New Orleans instead of being spread all over the map."

Chairman Bruce put it another way: "We're a north-south railroad in an east-west world. That's our

"Ours was a bunch of disjointed activities that no longer fit into the brave new world of railroad deregulation, in which free market forces are the final judge rather than any governmental agency.

"We disposed of the marginal lines by putting together, from the appendages of the spine, free-standing companies that we could sell as offthe-shelf entities to viable buyers with proper financial backing.

"We pushed for our own market niche. We created a core railroad

from Chicago to the Gulf. And we came within 100 miles of our objec-

All that remains to be done is to spin off the railroad from its holding company, IC Industries, an event awaiting a favorable finding by the Interstate Commerce Commission.

When that occurs, hopefully later this year, the railroad will once again become a freestanding, publicly traded corporation, as it was from its charter in 1851 until 1963, when IC Industries was formed to diversify the company's interests.

By next Dec. 31, the railroad's total indebtedness will have been reduced to \$607 million from the \$1.3 billion it owed in 1983, according to Richard P. Bessette, the IC's chief financial officer.

"We did that three ways," he said. "We didn't take on any new debt in the last five years. What we spent was all internally generated. We applied some of the \$478 million from line sales. And we used operating revenues to further reduce debt."

The move to restructure the Illinois Central map from a sprawling network of branch lines to a core railroad paralleling the Mississippi River through the American heartland actually started in the early 1970s, said Henry B. Borgsmiller, vice president of transportation.

In the following decade, some 2,200 miles of low-density lines were abandoned, leaving stranded shippers with a rancid taste in their mouths.

"It was a very distasteful process," Borgsmiller said. "There had to be a better way to accomplish what we were trying to do in improving the economics of the railroad." Enter Bruce as the new CEO in

1983. Bruce, who started his railroading career as a steam locomotive fireman during college, had joined the IC in 1975 as senior

vice president for marketing.

Bruce had an idea about shrinking the IC by selling off lines to entrepreneurs. They could operate them as shortlines and regional railroads with smaller train crews and more relaxed work rules than a major carrier. Since then, a similar strategy has been followed by numerous railroads nationwide.

At the time, the IC often had to operate certain switching runs with five-man crews as much as 100 miles to fetch as few as five carloads of freight from an isolated shipper at the end of a branch.

"There was no way the IC could afford to operate the lines any longer," Borgsmiller said.

Today, the railroad is more efficient and its expenses more controllable, he said. By being fed traffic by the new branchline owners, 35 to 50 percent of that revenue has been re-

Meanwhile, 57.8 percent of all train crews have been reduced from four to three persons, under a 1980 agreement with the unions.

Gerald F. Mohan, senior marketing vice president, said carloadings have increased in part because of aggressive targeting of major chemical producers in Texas and the 33-mile long industrial corridor along the IC mainline between this southern port and Baton Rouge. The IC also has experienced a surge in grain and coal shipments this summer as a result of low water levels on the Mississippi River.

Mohan expects to record a total of about 850,000 carloads this year, a 9 percent increase over 1987 carloadings. Gross revenue, however, is expected to remain about the same, roughly \$600 million, because the average freight haul is shorter as a result of spinning off track mileage.

"I see this railroad growing,"

Mohan said. "In the last 15 years, the IC has averaged 10 to 15 new or expanded industries a year on its

"We're not dependent on the railroad industry to bring us business. We originate or terminate about 95 percent of our traffic and over 50 percent is strictly local to our rail-

A majority of other carriers, Mohan said, are highly dependent on interchanging traffic with other railroads.

"We don't sell speed; reliability means everything to us," said Davis, whose responsibility includes spending more than \$90 million this year on maintenance and capital invest-

"We handle the business in our traffic lane and we get there—on

In recent years, IC planners have devised innovative ways to stretch a

Since 1984, track inspectors have been lubricating straight track as well as curves, to achieve a 10 to 15 percent saving in diesel fuel. The railroad last year burned 57 million gallons of fuel at a cost of \$29.7 million.

At the same time, Davis said, the IC's management style has been changed from autocratic to participatory, with rank-and-file suggestions heartily welcomed.

"The switch to a participatory style is having a positive effect and improving our performance," said Tom Utroska, an assistant superintendent from Mt. Vernon, Ill. "The feedback we get from people makes them feel more involved."

"I feel good about this railroad," Chairman Bruce concluded. "I feel good about its top management team. And I feel very good about its employees."

Continued from page 3

return until Tuesday, July 5, when he discovered the boot and the ticket. The car was parked in a spot assigned to fellow prosecutor Joseph Hartzler, who had previously given permission to Zenner to park in the slot two days a week.

Gottschall ruled that the ticket was issued on one of the two days that Zenner was entitled to be in the spot. Zenner, the prosecutor prose- not be scant for an undergraduate cuted by another prosecutor and, now, one of the few defendants to beat the government here, declined to comment.

It's a farewell to sporting life

The indictment here of three football agents and one NFL football player may bring to the surface an array of rogues and odd characters. There are few more notable than M.L. "Mike" Trope, onetime sports agent who says he's lawyering full-time since getting his law license last December. The Californian made an appearance here for the arraignment of one of the three indicted agents, New York's Lloyd Bloom.

Bloom and colleague Norby Walters are accused of using threats and payments of money and other gifts to secure agreements with college athletes to allow the agents to act as their bargaining agents with profession-

al teams. Trope was one of the first bigtime football agents and last September published a book, "Necessary Roughness," detailing es-

capades as an adviser to star,

His first client was Johnny Rodgers, star running back and Heisman Trophy winner from the University of Nebraska. Trope was still a student at the University of Southern California when he began a career as sports agent. "Rodgers took me to dinner," says Trope, who eventually went on to earn more than \$1 million as a sports agent. Rodgers was already wearing a fancy fur coat in those days, suggesting that sources of income may gridiron hero.

But Trope says he's through with the sports agent biz, folks. "And I'll probably move onto something else eventually. I don't like to get stagnant." But his days on the Bloom case may be numbered, sources say, because of a possible conflict. Trope took a \$25,000 retainer from Bloom, but that money came from a Bloom client, Kansas City Chiefs running back Paul Palmer, whom the government alleges was bilked by Bloom. Bloom allegedly took lots of money meant for Palmer investments and invested it in Bloom, or at least trinkets, like a Rolls-Royce Corniche convertible, to benefit Bloom. The government does not say Trope did anything wrong in taking the retainer.

BRIEFS—Dan Purdom, former federal prosecutor, is named a partner for Hinshaw, Culbertson, Moelmann, Hoban and Fuller.... It might not be as rousing as hearing Jim and Tammy Bakker, but attorney Jay Krafsur and David Slutzky, president of Environmental Risk Consultants, speak on "Hidden Environmental Risks Related to Property Transfer or Ownership" on Oct. 19, noon, at IIT Chicago-Kent College of Law.

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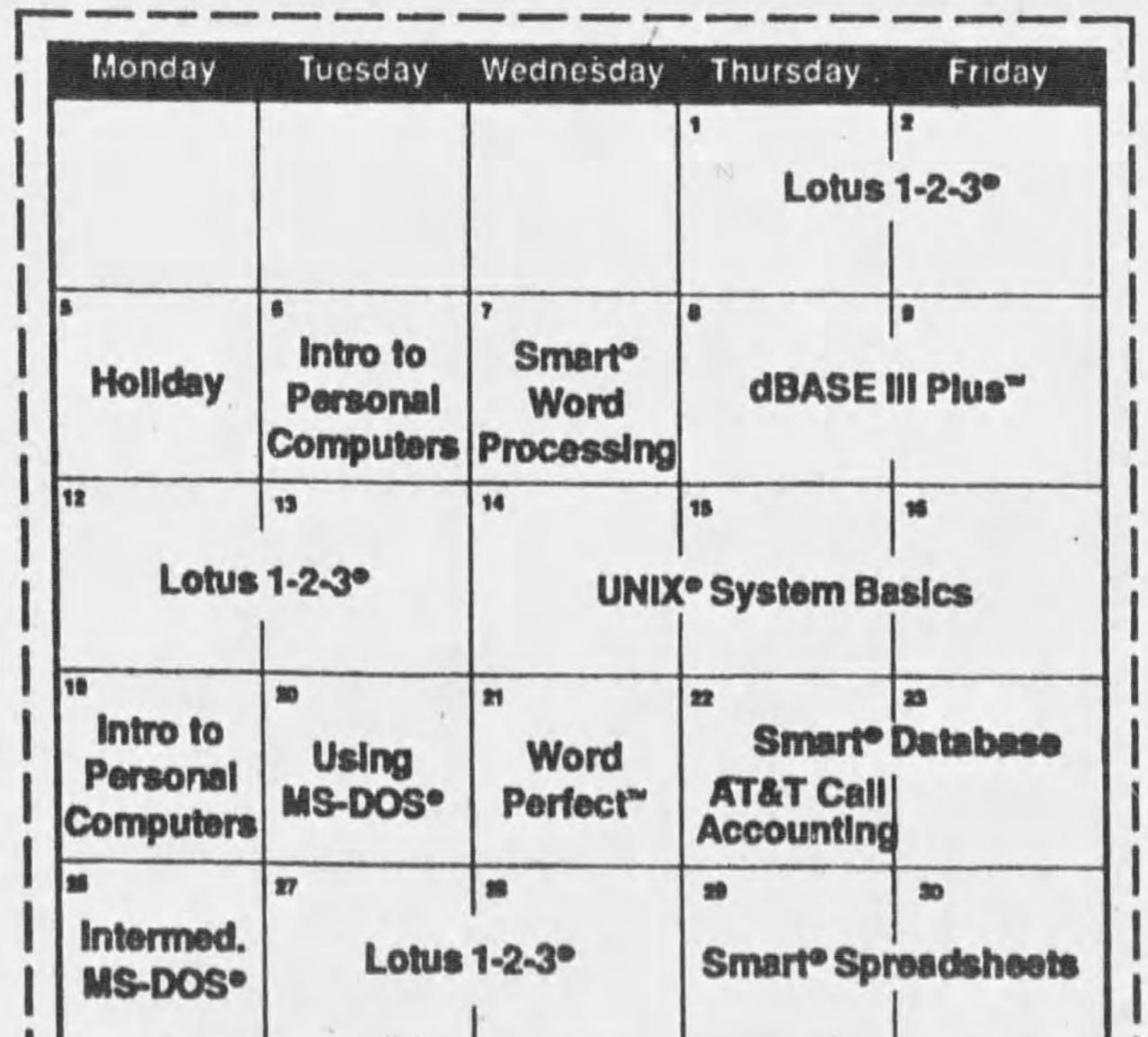
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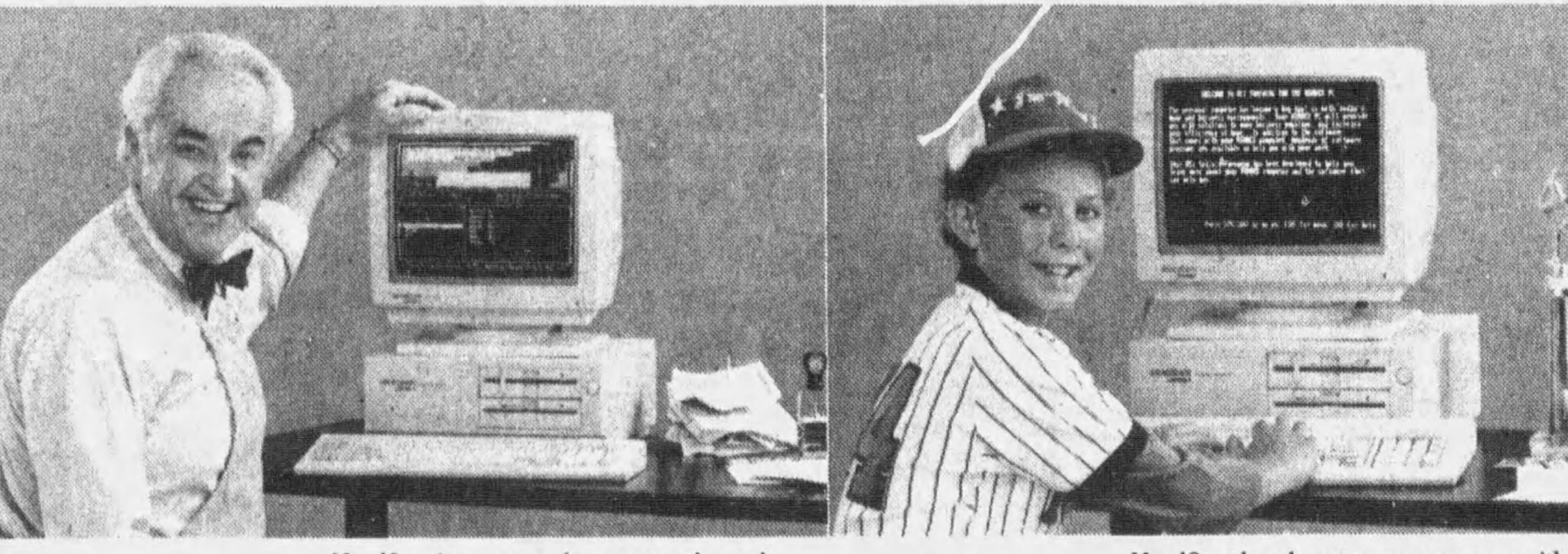
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