

Chicago - August 12, 1966.

Mr. William J. Quinn:-

Further to my report of May 19th, to you, relative to the possible acquisition of the Port Townsend RR; the feasibility and preliminary cost of providing a barge transfer bridge at Port Angeles for the loading and unloading of rail cars; and possibility of a barge operation between Port Angeles, Port Townsend and Seattle.

With the thought in mind that the owners of the Port Townsend RR have such a good thing under the present set-up; and would not consider selling the railroad and would continue to make unreasonable demands for their part of the operation, I have thought of another plan for your consideration.

At the present time we are calling the train and engine crew to meet the barge at Port <sup>Townsend</sup> Angeles, and taking the loads and empties to Port Townsend for loading on the barge, and bringing back cars from the barge.

Instead, we could do the following:

- 1 - Build a car slip at Port Angeles.
- 2 - Call crew from Port Angeles to operate to Discovery Jct., and interchange cars with the Port Townsend RR. (We have a connection with the Port Townsend RR at Discovery Jct., and in former years cars were interchanged at this point) This crew could do necessary work at Sequim, Maynard and switch at Port Angeles, if necessary.
- 3 - Abandon the car slip at Port Townsend.

This would eliminate the Port Townsend RR from receiving a division of rates on cars originating on The Milwaukee Road between Discovery Jct. and Port ~~Townsend~~.

*Angeles*

It would be necessary to maintain railroad between Port Angeles and Discovery Jct., but it would only be necessary to operate as service requires. In other words, it would be possible to operate such service tri-weekly.

We would continue to furnish Port Townsend RR with a switch engine and crew, (for which they would have to pay us), to do the necessary switching at Port Townsend and to deliver and receive cars at Discovery Jct.

By handling the business in this manner, it would not be necessary to barge from Port Townsend, but could be a direct operation to and from Port Angeles and Seattle.

This would result in the Port Townsend RR having to live on the income from industries at Port Townsend, i.e., Crown Zellerbach, and any others between Port Townsend and Discovery Jct.

As long as we continue a railroad operation on the Peninsula, we are going to have to barge to Seattle. Under this plan, we could abandon the barge slip at Port Townsend, and save paying the division of rates to the Port Townsend RR.

There would be no savings inasmuch as there would be a longer barge haul, and it would be necessary to continue the railroad and service to Discovery Jct.; however, I feel there is sufficient competition on Puget Sound that The Milwaukee Road could obtain a favorable rate for towing and a guarantee of service.

cc - Messrs. F. G. McGinn  
L. V. Anderson

ORIGINAL SIGNED  
R. G. SCOTT