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CHICAGO FREIGHT CAR & PARTS COMPANY

Railway Car Equipment and Car Parts

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29TH AND COUNTY ROAD • PUEBLO, COLO.

CABLE ADDRESS
CHICARCO

April 13, 1948

Col. J. P. Johnson
Alaska Railroad
Anchorage Hotel
Anchorage, Alaska

Dear Colonel:

We would refer you to your letter of April 6, also phone conversation today with reference to the matter of supplying equipment for your use in Alaska. With reference to the matter of increasing cars on our present commitment, we will advise as follows:

On the Refrigerator Cars, I spent part of last week at our Pueblo shop going into this situation and in going over the matter we find that it will be possible to increase our production at this point by 100% and we expect as of Monday of next week to start turning cars out at the rate of one car per day or five cars per week. This should increase our production to 20 cars per month in place of 10 as originally contracted for.

On the box cars, we are now turning out box cars at the rate of two cars a day or 40 cars per month. We have already delivered 100 cars. This is the full capacity at which this shop can be operated with the facilities we have at that point. This delivery is, as you know, 100% over our contractual delivery rate of 20 cars per month. On this basis, we will complete this contract about the end of August.

In checking our material situation for the 90 additional box cars on order, we find that this material will be available by the time the 300 lot of cars is completed, which would permit us to continue turning out box cars at the same rate. These 90 cars would be completed in November and would make this shop available for other orders at that time.

On the Flat Cars, we have checked with all of our material suppliers on the prospect of earlier deliveries on material for these cars and we now find that we should be able to start work on these cars on June 1. We anticipate turning these cars out at the rate of one car per day and all plans are being made accordingly.

April 13, 1948

In connection with your Invitation for Bid on Outfit Cars that closed as of April 12, we submitted our letter advising your Seattle office that we were ready to bid but could not accept the liquidated damages clause. We did not submit actual figures because of our previous experience with the original contract for box cars and refrigerator cars. At that time, we were told not only by the legal advisors in the Seattle office but also those in Washington, D. C. that where conditions were changed by elimination of liquidated damages it was necessary to submit new bids. The Pacific Car and Foundry's bid also stated that they would not accept liquidated damages. We have our figures ready to submit if it is decided to request bids on this contract without liquidated damages clause.

From your letter, it appears that the greatest need will be for box cars. With our production line already organized at Auburn we believe we can turn out these cars in a shorter period at the Auburn shop than would be possible in any new facilities in Alaska. Since all of the cars in Alaska can be utilized as work equipment, we would like to suggest consideration of conversion of the remaining 60 cars at Auburn into box cars. If we were authorized to place orders for materials immediately on 60 additional cars, we believe it is possible to obtain the material in time to continue our box car line and deliver these cars this year.

If the plan of making the 60 remaining cars at Auburn into box cars is acceptable, this would leave all of the troop ~~all~~ cars now in Alaska available for conversion to work equipment. The materials involved in the conversion of the troop equipment cars can be obtained more readily than some of the specialty items involved in the box car. If you would be willing to accept wood running boards, we believe that work can be started within 60 days and cars completed at the rate of 30 cars per month, provided Alaska shop facilities mentioned are adequate.

Mr. England will be in Anchorage by the time this letter arrives to check the available facilities and go over this matter more clearly with you. We have the necessary supervision available to undertake the work as soon as required contract can be drawn up.

With reference to sample flat cars and hopper cars, in accordance with your request we are preparing to construct these two types of sample cars and have them completed for inspection on or about May 1. It is our understanding that you expect to be in the States to make this inspection at that time and I plan on meeting you at Pueblo for this inspection.

April 13, 1948

In view of the increased production on both the box car and refrigerator car, it will create a greater financial burden on us to carry this increased number of cars and if it can be conveniently arranged, we would appreciate an increase of \$300,000.00 in funds that would be payable to us above the \$450,000.00 in the fiscal year ending June 30, 1948.

Anything you can do on this will be greatly appreciated.

Very truly yours,

CHICAGO FREIGHT CAR & PARTS CO.



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