

S O R E

February 22, 1979

Dear Milwaukee Employees:

S.O.R.E. has made significant progress toward proving that Milwaukee Lines West can be rebuilt and operated as a profitable independent railroad. The trustee continues to oppose us at each turn and reduce the level of service in the west. We are now to a point where further reductions will close the operation.

On February 8, 1979 S.O.R.E. formally petitioned to intervene in the reorganization proceedings. We are hopeful that with the cooperation of the court the condition of the railroad can be stabilized and efforts can begin toward rebuilding. The trustee and the Chicago banks have indicated that they will oppose participation by S.O.R.E. in the court. Our attorneys are vigorously pursuing an alternative to liquidation.

At the same time, Jim Wickwire has been actively meeting with the congressional delegation in Washington, D.C., seeking their understanding and support. Senator Jackson's office is now reviewing the matter and Senator Baucus' office has invited S.O.R.E. to present our material to a hearing the senator has called for February 24, 1979 at Butte.

Your help is vital in two areas. We need money and we need political support. The litigation and lobbying efforts are expensive and I ask that each of you who are not now participating consider supporting S.O.R.E. If you are already contributing perhaps you can encourage some of your acquaintances to join. The S.O.R.E. representative in your area has copies of materials submitted to the court which demonstrates the quality and responsibility of the effort.

In addition to financial support, it is very critical that you write your U.S. Senators and Representatives now, asking them what they are doing to see that the S.O.R.E. proposal for reorganization gets a fair opportunity to be heard. The trustee is trying to keep us out of the court, and the I.C.C. apparently is not now taking any active roll in the reorganization. We need an opportunity to present our information to a responsible agency and our congressmen can help assure that opportunity.

The present condition of the railroad is extremely fragile. Service is being reduced and many jobs have been or are being abolished. I realize that the future must appear bleak to many of you, as it does to our shippers. In spite of these circumstances, we are optimistic that S.O.R.E. can succeed if we stay with the effort and if others will rally with us to see that justice is done.

Thank you.

J. Fred Simpson