



DEPARTMENT OF
TRANSPORTATION

NEWS

OFFICE OF THE SECRETARY

WASHINGTON, D. C. 20590

STATEMENT BY CLAUDE S. BRINEGAR,
SECRETARY OF TRANSPORTATION, ON H. R. 9142,
"RAIL SERVICE ACT OF 1973," DECEMBER 21, 1973

I wish to applaud the actions Congress has taken in its final consideration of H. R. 9142, the bill directed to the Penn Central and related rail bankruptcies.

This legislation, as finally drafted by the Conference Committee and now passed by the full Congress, is significantly improved over the separate House and Senate versions. I am confident that it provides the means for solving the problems of the seven bankrupt rail carriers serving the northeastern and middle western sections of the country, and I will recommend its signature by the President.

Congress as a whole and the Commerce Committees of both the House and the Senate are to be commended for their efforts. I particularly applaud the House and Senate Conference Committee for its quick and constructive resolution of the differences between the two

versions of the bill and for the full consideration it gave to the recommendations made by the Administration.

Congress agreed with our recommendation that this legislation focus on the problems of the Northeast and Midwest rail system-- problems which were posing immediate threats to our National economy and which are now being intensified by the energy crisis. Industry-wide rail problems must now be addressed, and we intend to work closely with Congress to that end.

As finally approved, the legislation meets the basic principles set forth in the Administration's report submitted last March. It authorizes the restructuring of the bankrupt lines into one or more profitable, privately owned systems and it provides that this be done in such a way as to minimize the burden on the American taxpayer. It is true there are Federal costs which the taxpayer must bear--costs which, in some respects, we believe are greater than they should be. But in its final form the legislation strikes a reasonable balance between Federal aid and private sector involvement.

Our important task now is to move forward promptly in implementing the planning and restructuring procedure, as directed by the legislation.

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