



DEPARTMENT OF TRANSPORTATION

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The U.S. Department of Transportation Broadcast News Service for Friday, February 1, has two excerpts from Secretary Brinegar's news conference today on railroad reorganization. The cuts follow a lead-in.

Transportation Secretary Claude Brinegar today released his Department's recommendations for restructuring the rail system in the northeast and midwest United States, called for in the Regional Rail Reorganization Act. The report will be the subject of public hearings held by the ICC and will then be used by the new United States Railway Association as the starting point for its work in actually designing the new rail system. Secretary Brinegar explained the report.

SECRETARY BRINEGAR: "Our report proposes establishing a streamlined high-volume interstate railroad network. This network would be based on the concepts of consolidated facilities and coordinated rail service. It would also involve consolidated common trackage to be used by competing railroad lines. We believe that only through such a plan can we obtain the concentration of traffic and the high productivity needed to enable the railroads in the region--both the ones in bankruptcy and the existing solvent railroads--to operate profitably.

"Our analysis of freight shipments by each of 184 local-service zones indicates that it is possible to cut back on light-density trackage by about 25% and still serve at least 96% of the region's local originating and terminating rail traffic. With the subsidy provisions of the Act or with combination rail/truck service, in fact, I believe it's likely that the rail freight cut-backs will be less than 4%. To us, the fact that the necessary line cut-backs are possible with so little overall impact on rail freight shippers is a most encouraging conclusion."

Secretary Brinegar commented that the recommended improvements should also benefit passenger service with improved track, signals and other facilities for lines carrying both freight and passengers.

This has been the Transportation News Report.

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