

U. S. Department of Transportation

news:



Office of Public Affairs
Washington, D.C. 20590

STATEMENT OF SECRETARY OF TRANSPORTATION NEIL GOLDSCHMIDT FEBRUARY 4, 1980, WASHINGTON, D.C.

As you will see from the printed materials, we have received 17 bids to operate portions of the Milwaukee Railroad and 17 bids on sections of the Rock Island.

Those portions that bidders propose to operate are shown on this map, which is reproduced in the handouts. Before I turn the platform over to Bob Gallamore and Bill Loftus for the details, let me say what we have learned today:

(1) Putting both the Milwaukee and Rock Island on the same restructuring schedule has been effective. It got results.

(2) If and when the bids are nailed down, only four and one half percent of the Milwaukee customers would lose service, and only 7 percent on the Rock Island.

Even then, these maps may not be final. Where there are bids, we will try hard to avoid service interruptions. Where major shippers are not covered by the bids, we'll go back and negotiate with the railroads to serve them.

(3) The positive steps taken today by the railroads, the states involved and the shippers themselves shows that re-organization -- through long term loans to the railroads -- is better than having Uncle Sam buy up these bankrupt lines.

We still have a lot of work to do. We will be reviewing these proposals with the White House, and by mid-month we will be making recommendations to the ICC for continuing service and financing of the interim operations.

We'll be talking to the rail labor unions and to the states that depend on this service.

We don't yet have a healthy patient, but we see signs that the medicine is beginning to have some effect.

#####