



DEPARTMENT OF TRANSPORTATION

NEWS

OFFICE OF THE SECRETARY

WASHINGTON, D.C. 20590

SPOTMASTER 73-138

Broadcast: Wednesday, July 11, 1973

The U.S. Department of Transportation Broadcast News Service for Wednesday, July 11 has an actuality on Northeast Railroad legislation and a story on railroad loans to repair flooding damage.

First, Transportation Secretary Claude Brinegar is sending to Congress proposed amendments to the Nixon Administration's Northeast Railroad Restructuring Act. The proposed legislation would create a streamlined rail system from parts of six bankrupt railroads. The Under Secretary of Transportation, John Barnum, commented:

"The cash needs of the bankrupt railroads are such that, without financial assistance, several will not be able to meet their payrolls over the next 18 months. We propose government grants of up to \$85 million to meet their needs for cash during that transitional period before the Northeast Railroad Corporation begins to function. In addition, we would encourage greater public participation in designing the system and require Congressional review of the final package.

"Finally, although we still believe that a viable private sector railroad can be achieved through private financing, when we submit the final package to Congress we are prepared to recommend the appropriate Federal aid required to go the last mile. In this way, the Department, the Congress and the public would work together in the process of revitalizing this important form of transportation."

Next, a story on railroad loans to repair flooding damage.

"\$27 million in loans have been approved for four railroads which were hard hit by last year's floods. President Nixon and the Department of Transportation advocated this effort in order to restore essential services in both the Northeast and in South Dakota. Congress made \$35 million available for the program which Transportation Secretary Claude Brinegar noted was of particular importance to railroads in the Northeast which are in the process of reorganization.

"Most of the money will be used as reimbursement for repairs already completed."

This has been the Transportation News Report. Tomorrow's material will deal with a new law involving aerial smuggling of drugs.

####