



DEPARTMENT OF TRANSPORTATION



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The U.S. Department of Transportation Broadcast News Service for Tuesday, August 14 has an actuality on Penn Central.

At a Monday news conference in Madison, Wisconsin Transportation Secretary Claude Brinegar was asked about the Penn Central and the bankrupt railroads of the northeast and he commented on a Federal bailout:

"There are some in Congress who would like to see the railroads owned by the Government, and they've been reluctant to face the issue of streamlining. We don't want to see it liquidate. We don't want to see a lot of government money put in. And we've made it clear that we will help a bit. I think that the taxpayers can put up some money, but I think it has to be a joint product of the private sector, and as we've said, we will help go the last mile. If the railroad can start to streamline itself and face up to the redundant trackage, find a way to do that. And if it takes a loan guarantee or we've even proposed \$85 million in short term operating capital, just grants simply, in order to forestall liquidation. We don't want to do it, but a real liquidation, an abrupt liquidation of the Penn Central would have quite a serious impact on the Nation. And we would like to avoid that by all means."

This has been the Transportation News Report.

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