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WASHINGTON, D.C. 20590

RELEASE AT WILL

DOT 13-74

Phone: (202) 426-4321

The number of passengers traveling by aircraft, bus, boat, and auto increased during the third quarter of 1973, ending September 30, 1973, over a year ago, while those using rail declined.

(NOTE: The figures do not reflect the drastic change in freight and passenger movement caused by the energy crisis which began in October 1973.)

During the same period, the volume of freight carried by rail, aircraft and pipelines increased but water transportation had a slight decrease.

These statistics are contained in a report of national transportation system activity prepared by the Transportation Systems Center of the Department of Transportation.

Attached are the comparisons, by mode, for the third three months of 1973 and the similar period of 1972.

NATIONAL TRANSPORTATION SYSTEM ACTIVITY

THIRD QUARTER 1973

	Third Quarter 1972	Third Quarter 1973
PASSENGERS CARRIED		
RAILROAD (CLASS I) (PASSENGERS)	63,920,000	62,590,000
AIR (PASSENGER-MILES)	46,530,000,000	50,060,000,000
BUS (CLASS I: INTERCITY (REGULAR) ROUTE (PASSENGERS ONLY) WATER (INTERSTATE)	37,780,000	37,840,000
(PASSENGERS)	2,187,000	2,280,000
AUTOMOBILE (VEHICLE-MILES)	242,000,000,000	249,000,000,000
FREIGHT CARRIED		
RAILROAD (CLASS I) (TONS)	636,200,000	663,100,000
AIR (TON-MILES)	1,156,000,000	1,326,000,000
HIGHWAY (CLASS I) (TONS)	170,400,000	181,300,000
WATER (INTERSTATE) (TONS)	44,740,000	43,160,000
PIPELINE (BARRELS)	2,244,000,000	2,360,000,000

PREPARED BY: Information Division, Directorate of Systems Research

and Analysis, Transportation Systems Center, U.S.

Department of Transportation.

SOURCES:

Federal Highway Administration; Civil Aeronautics Board; Interstate Commerce Commission.

DEPARTMENT OF TRANSPORTATION OFFICE OF THE SECRETARY Washington, D.C. 20590

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WASHINGTON, D.C. 20590

FOR IMMEDIATE RELEASE Feburary 1, 1974 DOT 10-74

Phone: (202) 426-4321

Secretary of Transportation Claude S. Brinegar today recommended a revitalized railroad network for the midwest and northeast that would preserve service for virtually all rail traffic and maintain a high level of competition.

"The recommendations for revitalizing railroads in the region that are contained in the report we are releasing today mark the first step in the planning process scheduled to end 20 months from now with submission for the approval of Congress of a final system plan," Secretary Brinegar said.

"The next and a most important step in the planning process," the Secretary said, "is a series of public hearings in major cities in the region to be conducted by the Rail Services Planning Office of the Interstate Commerce Commission so that local officials and shippers may comment on my recommendations."

The Secretary's recommendations for streamlining the existing overbuilt rail system rely heavily on the participation of the region's solvent railroads both in the planning and operation of the ultimate system. With that cooperation, implementation of the Secretary's recommendations could result in a rail network capable of continuing service for about 96 percent of the region's rail traffic with a 25 percent reduction of route miles.

The railroad region studied in the report covers 17 states and the District of Columbia. It contains approximately 61,000 route miles operated by both bankrupt and solvent carriers. The estimated potential excess of mileage is 15,575. The existing system in 1972 carried just under 24 million carloads of freight.

The Secretary's recommendation and conclusions for regional rail restructuring are contained in a two-volume report required by the Regional Rail Reorganization Act of 1973 which was signed by President Nixon on January 2, 1974. The report contains just under 1,000 pages.

The Secretary's recommendations address both the interstate service between major markets and local rail service for communities and shippers.

The Secretary recommended competitive rail service to the top 19 major traffic centers in the region including New York, Newark, N.J., and Boston, now served only by bankrupt carriers.

The remaining 16 major centers are New Brunswick, N.J., Philadelphia, Baltimore, Norfolk, Beckley, W. Va. (coal), Pittsburgh, Buffalo, Cleveland, Bristol, Va. (coal), Detroit, Toledo, Gary, Indiana; Chicago, St. Louis, Washington and Cincinatti.

The Secretary recommended that the final system plan provide continuation of local service to all but two of the 184 zones in the region. These are the Westerly, Rhode Island, and Cape Charles, Virginia.

A recommendation against inclusion of mileage in the final system plan does not necessarily preclude continuation of that service. Such mileage may be reinstated for economic or other reasons as the planning process progresses or it may be eligible for state subsidized service as provided by the Act.

The Act places with the Secretary the responsibility of preparing "a comprehensive report containing his conclusions and recommendations with respect to the geographic zones within the region in and between which rail service should be provided and the criteria upon which such conclusions and recommendations are based."

"This report establishes basic planning guidelines for use by the newly formed U.S. Railway Association as it carries on the remainder of the 20-month planning process," Secretary Brinegar said. "The report also presents specific recommendations for continuing vital rail service in the midwest and northeast region while identifying sections of track that may be duplicative and unnecessary," he said.

The bulk of the report consists of detailed analyses of all rail traffic-generating centers in the region. For the purposes of the study and report, the region was divided into 184 geographic zones.

"The purpose of the report is threefold," Secretary Brinegar said. "First, to provide a description of the existing rail system in the region; second, to analyze the capital and operating problems that exist and the possible improvements that might be realized; and third, to recommend both where rail service should be provided and for the restructuring and consolidation of interstate and local service.

The recommendations contained in the report are:

- * The solvent carriers in the region are urged to become full participants in the planning and restructuring of the region's rail system.
- * The Association should concentrate its planning efforts on two levels of the region's rail system -- local rail service and high volume, interstate rail service -- with respect to physical plant and operations. Each of these levels should be restructured in order to improve the economic efficiency and financial viability of the rail mode in the region.
- * At the local service level, continued direct rail service should be provided for nearly all of the region's normal rail freight traffic. Only about 4 percent of the region's rail traffic is originated or terminated on lines which are potentially excess and much of this traffic can be retained through a combination of truck and rail service.
- * At the interstate level, duplicative lines and facilities should be eliminated and service coordinated with the goal of substantially increasing utilization of the consolidated and restructured system.
- * Except for major rail traffic points, rail service at the local level should generally be limited to a single railroad providing the pick-up and delivery service in a given geographic area.
- * Existing interstate routes should be consolidated and rationalized to establish a high volume interstate network which warrants a major modernization program.
- * Competition should be maintained over the high volume interstate network between major traffic generating centers which provide a sufficient volume of rail traffic to produce at least eight train loads per day each moving more than 200 miles in the same general direction. Other points do not require mainline service by more than one railroad.

Under the planning process prescribed by the Regional Rail Reorganization Act, the Rail Services Planning Office of the Interstate Commerce Commission will hold public hearings on the report and prepare a report containing an evaluation of the Secretary's recommendations.

The United States Railway Association will prepare a detailed preliminary system plan based on the reports of the Secretary and the ICC.

The legislation establishes the U.S. Railway Association (USRA) as the principle planning and financing agency for the restructuring of the region's railroad system.

A nonprofit government corporation, USRA is being formally incorporated in the District of Columbia today. The incorporators are the Secretaries of Transportation and of the Treasury and the Chairman of the Interstate Commerce Commission. They or their authorized representatives are named to the board of directors of USRA by the legislation. The three men will constitute the Association's board of directors until the chairman and seven other directors are appointed by the President and confirmed by the Senate.

The Class I bankrupt railroads in the region are the Ann Arbor, Boston & Maine, Central Railroad of New Jersey, Erie Lackawanna, Lehigh Valley, Penn Central and Reading. The Class II bankrupt railroad is the Lehigh & Hudson River.

The 17 states as designated in the Act include Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, District of Columbia, Ohio, Indiana, Illinois, Michigan, Virginia and West Virginia.

In addition, the contiguous areas of Louisville, Kentucky; St. Louis, Missouri; Davenport, Iowa; and Manitowac and Kewaunee in Wisconsin are considered in the Secretary's report as part of the region.

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BROADCAST NEWS SERVICE 74-25

Broadcast: Friday, February 1, 1974

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 rail-road 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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OFFICE OF THE SECRETARY

WASHINGTON, D.C. 20590

FOR RELEASE MONDAY, 12:30 P.M. February 4, 1974

DOT 11-74 Phone: (202) 426-4321

Under Secretary of Transportation John W. Barnum said today that the 1975 fiscal year budget authority of \$9.8 billion requested by the Department of Transportation would meet the "challenges and initiatives of President Nixon's commitment to safe, efficient and environmentally sound transportation" by "redirecting resources to meet new priorities" rather than by "layering people and dollars."

"As the President said in his budget message, we are proposing a unified transportation assistance program this year that will provide \$2.3 billion in highway and mass transit funds for states and localities," Mr. Barnum stated, adding that terms of the program authorize flexible allocation in accordance with local needs and priorities.

He said the proposed legislation would authorize approximately \$16 billion of highway and mass transit funds for urbanized areas over the next six years. It will also permit, for the first time, mass transit operating assistance and additional funding and flexibility for small urban and rural areas.

Mr. Barnum said that the 1975 fiscal year request would accelerate by \$450 million the 1974 program level.

"Greater emphasis will also be placed on urban mass transit grants -to conserve energy and to reduce the pollution and congestion of our
cities and towns," he explained.

Strengthened efforts are also expected for research in automotive efficiency, alternative low-energy transportation strategies, improved freight utilization and improved mass transit vehicles.

"We believe Secretary of Transportation Brinegar's emphasis on good management, on having sound program objectives, and on meeting them with as much innovation as these times demand has an obviously important bearing on our capacity to keep the Department's budget within bounds," Mr. Barnum said.

He said every program anticipated in the budget was designed to assure "efficient use of energy" and "improvement of the effectiveness of the nation's transportation system so fuel is transported at minimum cost and with minimum delay."

Authorized personnel positions for the Department of Transportation for FY 1975 will be set at 111,500, an increase of approximately 600 over 1974 levels, according to Mr. Barnum. He explained that the total figure includes about 37,700 military personnel in Coast Guard service.

The personnel increase, he stated, would be largely directed toward "maintaining and hopefully improving the nation's improving transportation safety record and minimizing the effects of transportation on the environment."

Mr. Barnum said the President's budget also would include \$261 million in fiscal year 1974 supplemental appropriation requests. This would be transmitted to Congress with the 1975 budget. He explained that about one-half of these supplemental requests are for pay increases already in effect, while the bulk of the remainder is scheduled for rail-related programs.

Barnum noted that the enactment of the Transportation Improvement Act of 1974, which was proposed by Secretary Brinegar on January 10, 1974, would ultimately effect the budget to "some relatively small degree depending upon its date of enactment." He termed the act "an important step toward providing new vitality to the nation's privately-owned rail-road and trucking industries."

"We believe the Department's budget will meet the challenges of the changing times. It proposes new initiatives to meet the nation's pressing transportation problems. Yet, at the same time, it is fiscally responsible," Mr. Barnum said.

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BROADCAST NEWS SERVICE 74-27

Broadcast: Tuesday, February 5, 1974

The U.S. Department of Transportation Broadcast News Service for Tuesday, February 5, has two cuts on the bicycle, they follow a lead-in.

Under Secretary of Transportation John Barnum in a speech before the Bicycle Institute of America today in Florida, commented on bicycle commuters.

UNDER SECRETARY BARNUM:

"The individual who can bike to work or to school does the community, and the Nation, a great service. He saves fuel, he reduces air pollution, and he relieves urban congestion. By keeping in shape, he may also be doing himself a favor."

Under Secretary Barnum explained appropriate Federal actions concerning bicycles for which efforts are underway.

UNDER SECRETARY BARNUM:

"We believe first that the Federal Highway Administration should encourage bicycle transportation planning as a regular part of the urban transportation planning process, and should encourage the use of relevant highwayaid planning and construction programs to assist the use of the bicycle as a practical means of transportation. Secondly, we believe that the Urban Transportation Administration should encourage bicycle transportation as a regular part of the urban transportation planning process. Thirdly, we believe the National Highway Traffic Safety Administration should augment, to the extent possible, its efforts to conduct research into bicycle safety and to develop standards designed to reduce bicycle accidents."



NEW

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BROADCAST NEWS SERVICE 74-28

Wednesday, February 6, 1974 Broadcast:

The U.S. Department of Transportation Broadcast News Service for Wednesday, February 6, has an actuality on a consumer warning. The material is embargoed until after 6:30 p.m. today. The cut follows a lead-in.

The Department of Transportation issued an urgent public warning today concerning some child car seats. Consumer Affairs Director Ann Uccello explained.

MISS UCCELLO: "Some child car seats -- of the fold-up type -- may painfully cut or even amputate children's fingers in the folding mechanism of these seats, unless special care is taken to keep fingers clear while locking these child seats into place.

> "The National Highway Traffic Safety Administration believes there may be several of these folding seats which can inflict these painful injuries, but we know of one. . . the folding child seats called Kantwet. Only the Kantwet folding type can be dangerous and only those built before April, 1973.

"All Kantwet seats have the date of manufacture stamped on the back of the seat. If you have a Kantwet folding seat, and the date stamped on it is prior to April 1973 -or if the date is missing -- take special warning. Keep children's hands and fingers clear while locking these seats in place!"

For further information call (202) 426-0670.

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BROADCAST NEWS SERVICE 74-29

(NATIONAL LINES)

Broadcast: Thursday, February 7, 1974

(Different versions were used on the National and local lines 2/7/74)

The U.S. Department of Transportation Broadcast News Service for Thursday, February 7, has a spokesman reading a statement by Secretary Claude S. Brinegar on the Independent Truckers' Issue.

"The Department of Transportation has underway a thorough review of the question of increasing permissible weights and sizes of trucks using the Interstate System. As the speed limit reduction has reduced the productivity of the trucking industry, an increase in the carrying capacity of trucks is one way to offset this loss.

"Another area we are looking into is the difference in State laws on truck sizes and weights. These differences cause numerous inefficiencies, including wasteful uses of fuel. The Department is also studying this problem, as well as other respects in which State laws and regulations impose undesirable burdens on interstate trucking.

"I am giving these matters personal attention, and we expect to have recommendations for legislative or other action in the very near future.

"Some of the truckers haul products, typically farm products, which are exempt from ICC rate regulations. To recover the increased costs of hauling these products, truckers have to negotiate with the shippers on appropriate rate increases. I am asking the shippers to recognize the need for higher rates.

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BROADCAST NEWS SERVICE 74-30
(LOCAL LINES)

Broadcast:

Thursday, February 7, 1974 (Different versions were used on the National and local lines 2/7/74)

The U.S. Department of Transportation Broadcast News Service for Thursday, February 7, has a story on new legislation extending the Coast Guard's authority in fighting oil spills.

"The Coast Guard would be able to take action on the high seas to prevent or minimize oil pollution damage to U.S. shorelines caused by ship accidents, under legislation signed this week by President Nixon.

"However, the law will not become effective until an international convention on the issue is ratified by 15 nations, including the U.S.

"Currently, the Coast Guard has such authority in U.S. territorial waters -- even including destroying a vessel -- if there is a threat of oil pollution from an accident. The new measure extends this authorization to the high seas.



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RELEASE AT WILL

DOT 12-74

Phone: (202) 426-4321

Secretary of Transportation Claude S. Brinegar today announced publication of the third annual <u>Summary of National Transportation Statistics</u>.

The report, part of the Department's program to improve availability of transportation statistics to industry and government, contains cost, inventory, and system performance data for all modes of transportation in the United States from 1961 to 1972. Included in the 121-page report are a variety of charts and graphs.

The Department of Transportation publishes an updated version of the summary each November. Copies may be obtained from the National Technical Information Service, 5285 Port Royal Road, Springfield, Virginia, 22151. Orders should include accession number: PB 226-747-AS, title, and a check or money order for \$4.25.

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BROADCAST NEWS SERVICE 74-31

Broadcast: Friday, February 8, 1974

The U.S. Department of Transportation Broadcast News Service for Friday, February 8, has a story on a youth traffic safety conference.

"Two youth leaders from each of 47 States, Puerto Rico, and Washington, D.C., will participate in a three day conference exploring ways to increase young people's involvement in traffic safety on the local level. The conference will be sponsored by the Department of Transportation. Dr. James Gregory, National Highway Traffic Safety Administrator, who will keynote the conference, has expressed confidence in the enthusiasm displayed by the participants. The Youth's Highway Safety Advisory Committee -- A 15 member group appointed by the Safety Administration -- will meet in Washington, D.C. this weekend to co-ordinate efforts for the conference to be held March 29-31 in Arizona."

This has been the Transportation News Report.

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BROADCAST NEWS SERVICE 74-32

Broadcast: Saturday, February 9, 1974

The U.S. Department of Transportation Broadcast News Service for Saturday, February 9, has a spokesman reading a statement issued by Secretary of Transportation Claude S. Brinegar on the trucking issue.

"Reports received from Department of Transportation check points established throughout the country show a substantial continuing increase in truck traffic on the Nation's principal routes during the past 24 hours. Even in the states where the slow-down has been the most critical, truck movements today are reported to be approaching normal. Traffic in Indiana, Illinois and Michigan has increased to between 80 and 90 per cent of normal. Ohio and Pennsylvania reports indicate significant increases.

"Nightime traffic still is down in some areas. It remains at normal levels in the Far West and the Southwest.

"Incidents are down sharply from yesterday. Eighteen states reported 34 incidents today, compared with 129 in 29 states yesterday...and, no injuries were reported today.

"Escort service still is available in the five states where the situation has been the most critical. The encouraging increase in traffic where there is strict law enforcement provides strong evidence that the majority of the truckers are anxious to move their cargoes. This strengthens our conviction that the trucking industry as a whole will respond to government efforts to help solve industry problems and will resume its important role in our transportation system."

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WASHINGTON, D.C. 20590

BROADCAST NEWS SERVICE 74-33

Broadcast: Monday, February 11, 1974

The U.S. Department of Transportation Broadcast News Service for Monday, February 11, has a story about a study on the transportation disadvantaged.

"A new study report has been published on transportation for the elderly and handicapped. The Urban Mass Transportation Administration announced publication of the study made in 4 medium-sized geographically dispersed cities. It identifies the major constraints on the use of mass transit systems by the elderly and handicapped and includes physical and psychological limitations, transportation costs, travel needs, information needs, and other problems. The study, which recommends courses of action which may be taken by transit operators to remove barriers for this group of transportation disadvantaged, was made by the National Urban League of New York, under a Department of Transportation grant."

For further information call (202) 426-4043.

This has been the Transportation News Report.

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WASHINGTON, D.C. 20590

February 11, 1974

Phone: (202) 426-4321

UNITED STATES RAILWAY ASSOCIATION News Bulletin #5

Following its release on February 1, the Secretary's report containing recommendations for a revitalized railroad network in the Midwest and Northeast received a complimentary reception.

While in some cases expressing disagreement with specifics of the report, members of Congress, Governors, shippers and railroad executives have generally praised the comprehensiveness with which the problem was presented and recognized the report's value as a planning document. Representatives of shippers and local communities are being advised by the Department to address their particular comments to the ICC Rail Service Planning Office at its hearings which start in several cities on March 4.

The ICC hearings, many of which will be conducted simultaneously by a team of Commission Administrative Law Judges, will be held in Washington, Baltimore, New York City, Chicago, Boston, Philadelphia, Detroit, Indianapolis, St. Louis, Pittsburgh, Columbus, Albany, and Charleston.

The Department will be sending to the Commerce Business Daily this week a notice to engineering firms interested in making an examination of the corridor facilities from Boston to New Haven and from New Haven to Washington. The Act authorizes the Secretary to begin engineering studies for establishment of improved high-speed rail passenger service consonant with the recommendations of the Secretary in his report of September 1971 entitled, "Recommendations for Northeast Corridor Transportation." The program will require a detailed study of the specific tracks to be upgraded, the bottlenecks to be relieved, the specific needs for effective separation of freight and passenger movements, identification of power requirements and a revised cost estimate for the facility modifications necessary to achieve the objectives of the Northeast Corridor Project.

A preliminary draft has been prepared of the regulations for the rail service continuation subsidy program that will allow freight service to continue on lines not included in USRA's final system plan. Under Section 402(d) of the Act, such regulations must be issued by April 2, 1974.

As this Federal-State matching grant program requires extensive planning and preparation at the State level, with the assistance of the Rail Service Planning Office of the ICC, proposed regulations will be issued for public comment prior to the effective date.

The names of potential nominees for the seven nongovernment directorships of the Association will be sent to the White House this week. The delay in this transmittal has been largely caused by the large number of persons recommended to represent the financial and shipping communities (102 and 33 respectively) and the absence in many instances of any indication that the nominee is prepared to serve as a director.

The first week of the recruiting effort to fill executive positions in the Association has resulted in an encouraging number of expressions of interest from persons in the financial and railroad communities. A steady flow of employment applications with resumes is being received by the USRA Control Center, Room 9200, 400 Seventh Street, S.W., Washington, D.C. 20590.

USRA is a private employer. Its employees will not be members of the Federal Service. The expected tenure of employment in most cases is two years.

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FACT SHEET

UNIFIED TRANSPORTATION ASSISTANCE PROGRAM (UTAP)

This program will provide, over the next six years, approximately \$16 billion to urban areas for use in a wide variety of transportation projects, including urban highway construction and capital and operating expenses for mass transit systems. The new program will also offer a rural transportation program.

The main strengths of the new program are as follows:

- It will assist urban areas in solving transportation problems that they are unable to handle alone. These problems are being intensified by the energy crisis and the need to meet environmental standards.
- 2. It will combine two separate and relatively inflexible capital programs that are, in various ways, distorting current local decisions on transportation investment choices and transit operating practices. Combining the programs and opening up the range of uses will encourage better planning and better resource decision-making at the local level.
- It will provide the States and urban areas with an assured source of Federal funds over several years so that long-term planning can be done at the local level.
- 4. It will add flexibility to the rural transportation program and provide rural bus service for these rural and small urban areas.

The key features of the program are:

 \$2.4 billion in UMTA funds will be distributed to the States, earmarked for major metropolitan areas, by formula for the FY 1975-1977 period. At local option, these funds could be used for transit operating assistance, as well as transit related capital investments.

- 2. \$4.2 billion in Federal grants will be available for major public transit capital projects over the six-year period of the bill.
- 3. For FY 1978-1980, \$6 billion in general funds will be available for allocation to the States for a new unified urban transportation assistance program -- combining transit capital and operating assistance and highway capital funds.
- 4. Highway funds would be available for bus purchases in rural and small urban areas; current rural public transportation demonstration programs would be increased and broadened to permit operating assistance in rural areas.

Table 1 URBANIZED AREA PROGRAMS

(Contract Authority in \$ Millions)

	Urbanized Area Highway Programs	Transit Optional Use <u>l</u> /	Total Formula Allocation	UMTA Discretionary Funds	Total
FY 75	\$1,100	\$ 700	\$1,800	\$ 700	\$2,500
76	1,100	800	1,900	700	2,600
77	1,100	900	2,000	700	2,700
78			2,000	700	2,700
79	[2/	2/	2,000	700	2,700
80	[_	2,000	700	2,700

- I/ Funds may be used for transit capital improvements, operating assistance, and transit-related highway projects.
- 2/ These programs are merged in 1978.

The key elements of the urban portion of the program, which is its major thrust, are shown by Table 1. The program for the rural and small urban areas, which is an extension and broadening of an existing program financed from the Highway Trust Fund, is shown in Table 2.

Program features:

 Highway Trust Fund authorizations can continue to be used for urban highway and urban public transit capital investment (as provided by the Federal Aid Highway Act of 1973.)

- 2. Apportioned General Fund dollars for FY 75-77 can be used for any urban public transportation purpose, including transit operating assistance.
- 3. \$700 million of the General Fund authorizations for each FY (1975-1980) will be reserved for direct urban mass transit capital grants. All other funds will be apportioned by formula.
- 4. Apportioned dollars in FY 1978-1980 can be used for urban highway and public transit capital and transit operating assistance.
- 5. Local sharing will be on a 20/80 percent basis, as is current UMTA policy.

TABLE 2 SMALL URBAN AND RURAL PROGRAM

			(\$ in Millions)	
		1975	1976	1977
Α.	Basic Rural Highway Program (Primary/Secondary Systems)			
	Contract Authority	\$1,100	\$1,100	\$1,100
В.	Rural Highway Public Transportation Demonstration Program			
	Contract Authority	10	20	+45

Program features:

- 1. Provide \$1.1 billion in new authorizations for rural highways for FY 1977.
- 2. Permit rural highway funds to be used for bus purchases (effective 1975).
- 3. Add \$45 million in new authorizations for the rural highway public transportation demonstration program and permit these funds to be used for operating subsidies (effective 1975).
- 4. Change the State/Federal matching requirement to 20/80 (effective 1975).





OFFICE OF THE SECRETARY

WASHINGTON, D.C. 20590

FOR RELEASE WEDNESDAY February 13, 1974 DOT-R-11-74

Phone: (202) 426-4321

Secretary of Transportation Claude S. Brinegar today announced the establishment of an interagency group to coordinate the exchange of information and the development of possible solutions to problems of international facilitation of civil aviation.

The body, formed under the auspices of the Interagency Group on International Aviation (IGIA), will be known as the IGIA Ad hoc Group on Aviation Facilitation.

The group includes representatives from the Departments of Agriculture; Commerce; Health, Education and Welfare (Public Health Service); Justice (Immigration and Naturalization Service); State; Transportation; Treasury (U.S. Customs Service); Defense, and the Civil Aeronautics Board.

The group is expected to devote attention, among other activities, to the goal of improving United States compliance with the standards and recommended practices of the International Civil Aviation Organization's Annex 9 on Facilitation.

The Secretariat functions for the committee will be handled by the Office of Facilitation of the Department of Transportation.

Robert E. Redding, Director, Office of Facilitation is the DOT representative; William R. Myers, alternate.





OFFICE OF THE SECRETARY

WASHINGTON, D.C. 20590

EMBARGOED UNTIL 12:00 noon, Wednesday February 13, 1974

DOT 15-74 Phone: (202) 426-4321

President Nixon today sent to Congress two key legislative proposals to further achieve the "more sensible utilization of our transportation resources" he called for in his January 30 State of the Union message.

One measure -- the Unified Transportation Assistance Program -- will increase by 50 percent the funds available for public transit and, for the first time, provide Federal financial assistance for transit operations.

The second bill -- the Transportation Improvement Act -- will bring financial and regulatory relief to the Nation's private-sector railroad industry.

In proposing the bills to Congress, President Nixon stressed the fuel efficiencies implicit in improved public transportation and rail operations. "The energy crisis," he said, "has made urgent what once seemed only necessary: the building of a transportation system that permits all Americans to travel efficiently and at reasonable cost; and a railroad industry capable of serving the Nation's economy to its full potential."

Secretary of Transportation Claude S. Brinegar said "Both measures build on prior Administration initiatives. Both contain new Federal resources and reflect new Federal direction for transportation progress."

Under the Unified Transportation Assistance Program, \$2.5 billion will be designated for public transportation purposes in FY 1975, and a total of \$16 billion over the next six years. Of the \$2.5 billion, \$1.8 billion will be allocated to cities on a formula basis. The remaining \$700 million will be awarded as grants to cities confronted with major transit construction programs.

The unified program provides \$10 billion <u>more</u> for public transit through 1980 than the sum of the two urban transportation funds now on the books. Currently, transit funds are available through the Urban Mass Transportation Administration capital grant program, and through the

flexible urban funding provision of the 1973 Federal-aid Highway Act. The new proposal would combine these programs and add a new dimension -- the freedom of both urban and rurals areas to use a portion of allocated funds to help pay for transit operations. The funds in the unified program would be available on an 80/20 matching basis.

The Transportation Improvement Act is a three-pronged proposal that will remove those regulatory constraints adversely affecting economic rail operations, authorize up to \$2 billion in Federal loan guarantees for rail capital improvements, and provide \$35 million for a National rolling stock scheduling and control system.

"A healthy railroad industry is a great National asset," President Nixon said, in sending the bill to Congress. "Unfortunately the industry is suffering today from a number of problems which prevent it from operating at peak efficiency. The Transportation Improvement Act provides the resources and the mechanisms to remedy those problems."

The proposal will:

- -- Authorize \$2 billion in Federal loan guarantees to finance needed improvements in rolling stock, rights-of-way, terminals and other facilities and systems;
- -- Permit the abandonment of uneconomic lines, but provide for the continuation of needed rail services through state or local agency subsidy;
- -- Require rates to cover variable costs;
- -- Amend rate bureau procedures to encourage competitive practices and to foster efficient carrier operations;
- -- Eliminate discriminatory taxation and special rates for Government shippers; and
- -- Provide \$35 million for the design and implementation of a National freight car scheduling and control system, for better utilization of rolling rail stock.

The Transportation Improvement Act complements the Regional Rail Reorganization Act, signed by the President January 2, 1974, which set in motion a 21-month process to restructure eight bankrupt Northeastern railroads. "The Transportation Improvement Act," Secretary Brinegar says, "is essential if we are to avoid a replay of the Northeast rail crisis elsewhere in the country."

Funding requirements for both the Transportation Improvement Act and the Unified Transportation Assistance Program are included in the 1975 Department of Transportation budget.

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NEWS

OFFICE OF THE SECRETARY

WASHINGTON, D.C. 20590

BROADCAST NEWS SERVICE 74-35

Broadcast: Wednesday, February 13, 1974

The U.S. Department of Transportation Broadcast News Service for Wednesday, February 13, has two actualities from Transportation Secretary Brinegar's news briefing today on proposed legislation. Each follows a lead-in.

Transportation Secretary Claude Brinegar today briefed news men on the major legislative proposals President Nixon sent to Congress today on two of the Nation's most energy efficient modes of transportation -- public and rail freight. Secretary Brinegar commented on the two bills.

SECRETARY BRINEGAR:

"We consider both of these bills to be most timely and urgent. The Unified Transportation Assistance Act will strengthen the ability of urban governments to make the transportation decisions and investments needed to relieve congestion, conserve energy, and reduce pollution, and it will help rural areas make needed expansions in their public transportation systems. The Transportation Improvement Act will improve the regulatory climate and financial health of our vital rail freight system, with resulting significant economic, energy and environmental benefits for the entire Nation."

The Unified Transportation Assistance Act proposes to spend nearly 16 billion dollars in public transportation assistance in the fiscal years of 1975 through 1980. Secretary Brinegar explained.

SECRETARY BRINEGAR:

"The first big plus this new bill offers is more Federal dollars for public transportation--including more funds for public transportation in rural areas. The second plus is that it provides that the bulk of the Federal funding would be allocated to urban areas on a formula basis, enabling cities to make longer-term plans based on the assured receipts of predictable

sums of money. The third plus is that a substantial portion of these allocated funds can be used to help pay for transit operating costs, if the cities so choose. We consider this local-decision "tradeoff" between capital and operating costs as the proper way to deal with the problem of transit deficits. We continue to oppose legislation to set up a specific categorical grant program for operating deficits."

This has been the Transportation News Report.

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OFFICE OF THE SECRETARY

WASHINGTON, D.C. 20590

BROADCAST NEWS SERVICE 74-36

Broadcast: Thursday, February 14, 1974

The U.S. Department of Transportation Broadcast News Service for Thursday, February 14, has an actuality with the Under Secretary on university research. It follows a lead in.

The U.S. Department of Transportation has selected for funding 73 proposals from professors at 54 universities for research and development work on both short and long term transportation problems -- including safety, the environment, land use, energy and increasing capacity. Speaking to the American Enterprise Institute for Public Policy Research, today in Washington, Under Secretary of Transportation John Barnum gave the university people this challenge...

UNDER SECRETARY BARNUM:

"And I ask you to think, as you think about what should the interface be between the universities and government, think of how you are inspiring the people in your universities to work on transportation questions. Because indeed the transportation of this country in the future will be no better than your students."

OFFICE OF THE SECRETARY

WASHINGTON, D.C. 20590

BROADCAST NEWS SERVICE 74-37

Broadcast: Friday, February 15, 1974

The U.S. Department of Transportation Broadcast News Service for Friday, February 15, has two cuts on Experimental Safety Vehicles, they follow a lead-in.

Two Experimental Safety Vehicles designed and manufactured by the Nissan and Toyota Motor Companies of Japan were delivered to the Department of Transportation today. The prototype safety vehicles will undergo five months of rigorous testing by the National Highway Traffic Safety Administration Under Secretary of Transportation John Barnum representing the U.S. officially received the cars from Japanese Minister Toshio Yamazaki. Under Secretary Barnum had these comments. . .

UNDER SECRETARY BARNUM:

"Three years of work by these companies, and support from the Japanese Government have brought to us a truly significant step forward in safety vehicles in this size. They were produced as a part of the international experimental safety vehicle program under which all major auto manufactures in the world, many of whom are cooperating under the auspices of the NATO committee on the challenges of modern society, are directing their best designing and manufacturing skills in the production of safer and safer vehicles.

"We at the Department are proud of the Experimental Safety Vehicle Program. We are proud of our own progress. And we are proud of the progress of our partners. Today we pay special tribute to the Japanese people, and to their auto industry and to their government for the contributions they will each make to automobile safety around the world."



OFFICE OF THE SECRETARY

WASHINGTON, D.C. 20590

FOR RELEASE MONDAY February 18, 1974

DOT 14-74 Phone: (202) 426-4321

Secretary Claude S. Brinegar today announced that the Department of Transportation has joined a growing 'number of Federal agencies in "adopting"

<u>Johnny Horizon</u> as a public service spokesman for environmental action and awareness.

Patterned as a cooperative public service campaign, <u>Johnny Horizon</u> was developed by the Department of the Interior to symbolize citizen concern for a cleaner environment, and to channel that concern into positive action.

"We're pleased to have a part in the <u>Johnny Horizon</u> program," Secretary Brinegar said. "Our Department is working in many ways to make the means of transportation cleaner, quieter, and more pleasing to the environment. But it takes a conscious effort on the part of everyone involved -- planner, builder, and user -- to keep them that way. The <u>Johnny Horizon</u> goal -- a cleaner America -- deserves the support of every traveler, every citizen."

The Department of Transportation becomes the ninth major Federal agency to support the <u>Johnny Horizon</u> program, endorsed by the American Revolution Bicentennial Commission for its "Let's Clean Up America for Our 200th Birthday" theme.

Detailed information on the <u>Johnny Horizon</u> program, including ways individuals and organizations can join in "clean-up America" projects, can be obtained by writing to: <u>Johnny Horizon</u> '76, Washington, D. C. 20240.



Let's Clean Up America For Our 200th Birthday



OFFICE OF THE SECRETARY

WASHINGTON, D.C. 20590

74-19

FOR RELEASE TUESDAY February 19, 1974

Area Code 202-426-8521

FAA TO HOLD BIENNIAL AIRWORTHINESS REVIEWS

A new Federal Aviation Administration program providing for a comprehensive review of FAA airworthiness regulations on a two-year cycle in cooperation with industry and the public was announced today by FAA Administrator Alexander P. Butterfield.

Butterfield said, "Present agency procedures of amending airworthiness regulations on a piecemeal basis have become increasingly less effective because of the rapid growth and technological advances of the aviation industry in the United States and abroad. We believe a comprehensive review of the regulations on a periodic basis is a more feasible approach and will insure that needed changes are made in a timely and orderly manner."

Butterfield said that participation by foreign governments and industry will be encouraged in an effort to promote international standardization of airworthiness requirements.

A special FAA Airworthiness Review Staff has been established in FAA's Flight Standards Service to administer the new program. It reports directly to the Director of that Service.

The first two-year cycle is keyed to an airworthiness review conference scheduled for next December. The conference agenda will be developed from proposals submitted by industry and the public in response to a notice published in the Federal Register of February 15, 1974

Proposals are invited on the various Federal Aviation Regulations (FARs) pertaining to airworthiness. These include FAR Part 21 (Certification Procedures for Products and Parts), Part 23 (Normal, Utility and Acrobatic Airplane Standards), Part 25 (Transport Airplane Standards), Part 27 (Rotorcraft Standards), Part 31 (Balloon Standards), Part 33 (Engine Standards) and Part 35 (Propeller Standards).

Also involved are those provisions of FAR Part 36 (Noise Certification Standards), Part 37 (Technical Standard Order Authorizations) and Part 43 (Maintenance and Alterations) which may be related to proposed changes.

FAA also solicits proposals which deal with the airworthiness requirements and performance operating limitations contained in the general operating rules of FAR Part 91 and the specific operating rules for air carriers (Part 121), helicopter air carriers (Part 127), rotorcraft with external loads (Part 133) and air taxis (Part 135).

To further assist in the development of proposals, the Federal Register notice contains an appendix summarizing the status of the principal FAA airworthiness parts and a list of regulatory dockets concerning airworthiness. Some of these may be included for consideration in the airworthiness review if not near completion.

Proposals should be submitted by April 15 to the FAA Airworthiness Review Staff, Flight Standards Service, 800 Independence Avenue S.W., Washington, D. C. 20591. All submissions should identify the affected regulation by title, number and section and include adequate justification for the suggested change.

After evaluation, proposals considered acceptable will be compiled and distributed for comment not later than May 30. All comments received before August 1 will be considered in preparing the final conference agenda which should be ready by mid-October. The Airworthiness Review Conference itself is scheduled for December 2-11 at the Shoreham Hotel in Washington, D.C.

Following the conference, a notice of proposed rule making will be prepared based on the conference record and published not later than May 30, 1975. Comments on the NPRM will be accepted until September 1, 1975. Final rulemaking action will be completed by mid-February 1976, ending the two-year airworthiness review cycle.

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For further information: Irv Ripps

Distr: WRMNC-2, FAT-7, FIA-0, minimum, ZPA-403



OFFICE OF THE SECRETARY

WASHINGTON, D.C. 20590

February 19, 1974

Phone: (202) 426-4321

UNITED STATES RAILWAY ASSOCIATION News Bulletin #6

The Secretary received under date of February 12 a.request for emergency financial assistance under the provisions of the Regional Rail Reorganization Act from the Penn Central Trustees.

The Trustees applied for a grant of \$11.1 million, the projected cash deficit at the end of March. Of that amount, the Trustees projected a deficit at the end of February of \$3.4 million. The Trustees in addition projected a \$20 million cash deficit at the end of August 1974.

The Under Secretary on February 13 notified the Trustees that the Federal Railroad Administrator, acting as the Secretary's delegate, is prepared to enter into an agreement under which the Government will make Penn Central's installment payments on certain locomotives and freight cars, including a conditional sale agreement installment of \$3,484,333 which was payable on February 15. It was stipulated that the interest purchased by the Government is to be purchased from it by Penn Central by June 15, 1974, a date on which the Trustees' cash flow forecast indicates that ability.

Work on implementing this plan proceeded through the weekend, and Judge Fullam received the Trustees' petition yesterday.

For the longer term deficit projection, the recommendation was made that it be remedied under Section 215 of the Act. This section provides a loan program with U.S. Railway Association funding for acquisition, maintenance or improvement of equipment necessary to improve property to be included in USRA's final system plan.

The Department will publish this week in the <u>Federal Register</u> regulations to cover agreements that may be made under <u>Section 215</u> of the Act between railroads in reorganization and the Association for acquisition, maintenance or improvement of railroad facilities and equipment necessary to improve property that will be included in USRA's final system plan.

The notice to engineering firms interested in making an examination of rail corridor facilities from Boston to New Haven and from New Haven to Washington in connection with the proposed establishment of improved high-speed rail passenger service was published in the February 14 edition of the Commerce Business Daily. Copies of the work statement may be obtained from the Federal Railroad Administration, Contracts and Procurement Division, Room 5414, 400 Seventh Street, S.W., Washington, D.C. 20590

The Department has received notification of the following schedule of hearings before appropriate bankruptcy courts for determinations of reorganization under Section 77 of the Bankruptcy Act.

Penn Central	March 25
Reading	March 27
Erie Lackawanna	March 27
B&M	March 28
Lehigh & Hudson River	April 1
Central of New Jersey	April 3
Lehigh Valley	April 8
Ann Arbor	notification not vet received.

In addition to the 13 cities listed in Bulletin #5, the ICC Rail Services Planning Office will hold hearings on the Secretary's Rail Service Report in Scranton, Pennsylvania; Hartford, Connecticut; and Green Bay, Wisconsin.

A second printing of the Secretary's Service Report has been completed by the Government Printing Office and is available from that source. This black and white edition contains in Parts 1 and 2 of Volume 2 an errata list as reproduced on the attached pages.

MAINE

Zone

- 1 Delete Tunk Lake and St. Luce from list of Points Recommended for Local Rail Service
- 2 Delete Winslow Mills and Thomaston from list of Points Recommended for Local Rail Service
- 4 GT line from Locke Mills to South Paris should be shown as potentially excess (extend orange line)
- 5 a) Westbrook and Cumberland Mills are separate points
 - b) GT line between Portland and zone boundary should be shown as potentially excess (add orange line)

NEW HAMPSHIRE and VERMONT

Zone

- 6 a) BM line from Tilton through Meredith north to zone boundary should be shown as potentially excess (add orange line)
 - b) Line from Sanbornville to Wolfeboro should be shown as potentially excess (add orange line)
 - c) Delete Laconia, Meredith and Tilton from list of Points Recommended for Local Rail Service
 - d) BM line from Portsmouth south to zone boundary through Hampton should not be shown as potentially excess (delete orange line)
 - e) Add Salem to the list of Points Recommended for Local Rail Service
 - f) BM line from Salem south to zone boundary should not be shown as potentially excess (delete orange line)
- 8 a) BM line from Concord south to zone boundary should not be shown as potentially excess (delete orange line)
 - b) BM line to Greenville should be shown as potentially excess (add orange line)
 - c) BM line to Peterboro should be shown as potentially excess (add orange line)
 - d) BM line from southern boundary of zone to Hollis should be shown as potentially excess (add orange line)
- Line from Sheldon to St. Johnsbury through Morrisville and Walden should not be shown as potentially excess in this analysis because it is a Class II railroad (delete orange line)
- Line from Rutland to Gassetts through Mt. Holly should not be shown as potentially excess in this analysis because it is a Class II railroad (delete orange line)

MASSACHUSETTS

Zone

- Delete Salem from list of Points Recommended for Local Rail Service [added as Recommended Point in Zone 6, (see Zone 6 e)]
- BM line from N. Chelmsford north to zone boundary should not be shown as potentially excess (delete orange line)
- 14 a) BM line to Woburn should not be shown as potentially excess (delete orange line)
 - b) BM line to Stoneham should not be shown as potentially excess (delete orange line)
 - c) PC line from Needham east through Forest Hills should not be shown as potentially excess (delete orange line)

NEW YORK

Zone

- a) DH line from Plattsburgh to northern boundary of zone should not be shown as potentially excess (delete orange line)
 - b) DH line through Middle Granville should be shown as potentially excess (add orange line)
- 42 a) DH line from Schenectady north toward Ballston Lake and Elnora should not be shown as potentially excess (delete orange line)
 - b) PC line entering the zone from the south next to PC label should not be shown as potentially excess (delete orange line)
- 43 PC line through Sabbatis at extreme northern corner of zone should not be shown; service has been abandoned
- 45 a) PC line from zone boundary to Oneida Castle should not be shown as potentially excess (delete orange line)
 - b) PC line from east of Harbor to Mohawk should not be shown as potentially excess (delete orange line)
 - PC line between Rome and Camden should be shown as potentially excess only beyond McConnellsville (shorten orange line)
- EL line between Oswego and Syracuse should be shown as potentially excess only on portion north of Fulton (delete orange line)
- 50 a) EL line southwest of Dayton through Cherry Creek should not be shown as potentially excess (delete orange line)
 - b) BO line from Machias Junction to southern boundary of zone through Great Valley and Limestone should be shown as potentially excess (add orange line)
- 52 a) PC line north from Elmira to Horseheads should not be shown as potentially excess (delete orange line)
 - b) LV line in southeast corner of zone from Ludlowville to Ithaca should not be shown as potentially excess (delete orange line)
- 56 LH line from Maybrook through Sugar Loaf to southern boundary of zone should be shown as potentially excess (add orange line)
- 58 EL line from Suffern to Tallmans should not be shown as potentially excess (delete orange line at Tallmans)

NEW JERSEY

- a) JC line between Matawan and Keyport should not be shown as potentially excess (delete orange line)
 - b) PC line from Jamesburg to Dayton should not be shown as potentially excess (delete orange line)
- RG line from Ajax Park to junction with branch line to Lawrenceville should be shown as potentially excess (add orange line)
- JC line from Bridgeton Junction through Vineland to eastern boundary of zone should be shown as potentially excess (add orange line)

PENNSYLVANIA

Zone

- a) RG line from Coatesville to Modena should not be shown as potentially excess (shorten orange line)
 - PC line from Chester to West Chester should not be shown as potentially excess (delete orange line)
 - PR line from Woodbury through Swedesboro to southern boundary of zone should not be shown as potentially excess (delete orange line)
- 68 RG line Boyertown to southeastern boundary of zone should not be shown as potentially excess (shorten orange line)
- 70 a) LV line from Jim Thorpe through Hauto to zone boundary should be deleted
 - LV line from Penn Haven Junction to zone boundary should not be shown as potentially excess (delete orange line)
- 72 Entire PC line from center of zone southwestward through Nescopeck to western boundary of zone should not be shown potentially excess (delete orange line)
- WM line from Bowest Junction to zone boundary should not be shown as potentially excess because it is a solvent carrier with a density of over five million G.T.M. (delete orange line)
- a) RG mainline from Camp Hill through Carlisle Junction and Shippensburg to western boundary of zone should not be shown as potentially excess (delete orange line)
 - b) PC line from New Kingston through Gettysburg Junction and Newville to western boundary of zone should be shown as potentially excess (add orange line)
 - PC line running north from southern boundary of zone to Dillsburg Junction should be shown as potentially excess (extend orange line)
- a) LV line between Coaldale and Tamaqua should not be shown as potentially excess (delete orange line)
 - b) LV line from Hometown to Raven Run should be shown as potentially excess (add orange line)
- 83 RG line from Peach Glen 10, but not including Biglerville should be shown as potentially excess (shorten orange line)

MARYLAND, DELAWARE and DISTRICT OF COLUMBIA

- 84 PC line heading west from Townsend to western boundary of zone should be shown as potentially excess (add orange line)
- 85 PC line from Selbyville to Millsboro should be shown as potentially excess only as far as, but not including Indian River (shorten orange line)
- 86 Line from Kings Creek to Crisfield should be shown as potentially excess (add orange line)
- 87 WM line from Middleburg west to zone boundary should not be shown as potentially excess (delete orange line)
- 88 WM line from Hagerstown through Thurmont to zone boundary should not be shown as potentially excess (delete orange line)
- 89 PC line south of Woodsell to Lothair should be shown as potentially excess (add orange line)

OHIO

Zone

- 91 AY line through Huntington and Bakers should be shown as potentially excess (add orange line)
- 95 BO line from Barberton Siding to Clinton should not be shown as potentially excess (delete orange line)
- 96 PC line from Waynesburg to Magnolia in lower southeast corner of zone should be shown potentially excess (add orange line)
- 100 PC line from Genoa to Lindsey should not be shown as potentially excess (delete orange line)
- 102 a) PC line between Dexter City and Pleasant City should be shown as potentially excess north of Dexter City only (shorten orange line)
 - b) Delete Cumberland from list of Points Recommended for Local Rail Service
- 103 a) PC line from Columbus through Hayden should be shown in red as mainline "C"
 - b) PC line from Columbus to the west through Columbia Heights should be shown as potentially excess (add orange line)
 - c) PC line from Columbus through Amlin should not be shown as potentially excess (delete orange line)
 - d) PC line from Scioto to connection with CO line should not be shown as potentially excess (delete orange line)
- 108 PC line through Cedarville, Wilberforce, Spring Valley and Roxanna should be shown as potentially excess (add orange line)
- 109 PC line through South Charleston in southeast corner of zone should be shown as potentially excess (add orange line)
- 110 PC line from Celina to Coldwater should not be shown as potentially excess (delete orange line)
- 111 DT line from Lima to Ford Park should not be shown as potentially excess (delete orange line)
- PC line from St. James to Sims Station should not be shown as potentially excess (delete orange line)
- 114 a) DT line from Wauseon to Napoleon should not be shown as potentially excess (delete orange line)
 - b) PC line from Paulding to North Paulding should not be shown as potentially excess (delete orange line)

INDIANA

- PC line from Roseburg through Fairmont should be shown as potentially excess (add orange line)
- 120 NW line from New Castle to Mt. Summit should not be shown as potentially excess (delete orange line)
- 122 a) PC line from Speedway to Lebanon should not be shown as potentially excess (delete orange line)
 - b) PC line from Indianapolis to Lebanon should be shown as potentially excess (add orange line)
 - c) PC line from Indianapolis to Coatesville should be shown as potentially excess (add orange line)
- 123 a) SO line from Orleans to Paoli should not be shown as potentially excess (delete orange line)
 - b) SO line from Oakland City Junction to Kerwin should not be shown as potentially excess (delete orange line)
 - c) LN line from Ft. Branch to Owensville should not be shown as potentially excess (delete orange line)
 - d) CM line from Jasonville to Latta should not be shown as potentially excess (delete orange line)

INDIANA - Continued

Zone

- 124 IC line from Henderson to West Henderson should not be shown as potentially excess (delete orange line)
- 125 a) PC line from Carbon to Otter Creek Junction should not be shown as potentially excess (delete orange line)
 - b) PC line from Carbon to Terre Haute should be shown in red as mainline "B", instead of present mainline "B" through Brazil
 - PC line from Brazil to eastern zone boundary should be shown as potentially excess (add orange line)
 - d) CM line from Terre Haute through West Dana should not be shown as potentially excess (delete orange line)
 - e) NW line through Cayuga should not be shown as potentially excess (delete orange line)
- 126 a) PC line through Fern should be shown in red as mainline "C"
 - PC line from Limedale through Reedsville should be shown as potentially excess (add orange line)
 - PC line from Greencastle to eastern boundary of zone should be shown as potentially excess (add orange line)
- 127 a) LN line from Lafayette to Ash Grove should be shown in blue as continuation of mainline "B"
 - b) NW line through Clarks Hill should not be shown as potentially excess (delete orange line)

ILLINOIS

Zone

- 131 Mainline "I" should be mainline "J" and mainline "J" should be mainline "I"
- 134 a) PC line from Hennepin to Howe should not be shown as potentially excess (delete orange line)
 - NO line from Dimmick to Troy Grove should not be shown as potentially excess (delete orange line)
- 137 a) TW line from Reed City to Kolbe should be shown as potentially excess (extend orange line)
- 141 a) IC line from Cisco to Monticello should not be shown as potentially excess (delete orange line)
 - b) IC line from Deland to Lodge should not be shown as potentially excess (delete orange line)
 - c) Mainline "D" from southern zone boundary to Edgewood should be blue

MICHIGAN

Zone

- 151 PC line from Kalamazoo to Upjohn should not be shown as potentially excess (delete orange line)
- 153 PC line from Ypsilanti to Pittsfield should be shown as potentially excess (add orange line)

VIRGINIA

Zone

189 SO line from Broadway to Shenandoah Caverns should not be shown as potentially excess (delete orange line)

WEST VIRGINIA

- 195 CO line from zone boundary at West Hamlin south to Logan should be shown in blue as mainline "C"
- 200 CO line from Barboursville south to zone boundary should be shown in blue as mainline "C"



WASHINGTON, D.C. 20590

BROADCAST NEWS SERVICE 74-38

Broadcast: Tuesday, February 19, 1974

The U.S. Department of Transportation Broadcast News Service for Tuesday, February 19, has a story on a drop in pedestrian fatalities, and a cut on reduced insurance rates for carpoolers. First the story.

"The U.S. Department of Transportation says there was a substantial drop last month in the number of pedestrian and bicycle fatalities, based on preliminary information from 35 states and the District of Columbia. 271 such deaths have been recorded for January of '74, compared with 396 in January of last year. In addition, the survey by the National Highway Traffic Safety Administration showed a reduction in the number of school-age pedestrian deaths -- from 82 in 1973 to 49 in 1974. There has been concern expressed that Daylight Saving Time -- which started in January -- would result in an increase in pedestrian fatalities, especially among children enroute to school in the pre-dawn period."

Next an actuality on lower insurance rates for people in carpools, it follows a lead-in.

After a series of meetings with representatives of the insurance industry, Deputy Under Secretary of Transportation Robert Clement has indicated that people who have joined carpools may be in line for lower insurance rates, Deputy Under Secretary Clement commented.

DEPUTY UNDER SECRETARY CLEMENT:

"Along with reduced gas consumption, less congestion and cleaner air, carpooling could bring about lower insurance rates. We have had indications from the insurance industry that lower rates would be made available to carpoolers who drive to work only once or twice a week, instead of every day. People whose overall mileage or whose mileage driven to and from work is reduced may also be eligible for rate reductions. New Jersey has

already ordered a 20% reduction for some carpoolers insurance rates, hopefully other states will follow their lead. With regard to coverage, unless a person charges more than reasonable costs for the trip, most policies are adequate. Industry spokesmen have said that any additional passenger coverage would be usually less than \$10.00 a year, and would be more than offset by the "carpoolers" rate reduction.

This has been the Transportation News Report.

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OFFICE OF THE SECRETARY

WASHINGTON, D.C. 20590

FOR IMMEDIATE RELEASE February 19, 1974 DOT 16-74 Phone: (202) 426-4321

"Insurance costs should go down as ridership in carpools go up," Deputy Under Secretary of Transportation Robert H. Clement said today, following a series of discussions with officials of major insurance companies and associations.

The Insurance Services Office, a national insurance rate-making organization, proposes nationwide rate reductions for carpoolers who drive to work only once or twice a week instead of every day, he said. People whose overall mileage or whose mileage driven to and from work is reduced may also be eligible for rate reductions.

The State of New Jersey has ordered insurance companies to reduce rates as much as 20 percent for some carpoolers. Other states announced similar reductions or are expected to soon do so.

Carpoolers and potential carpoolers are urged to check with their insurance agent to find out if they are entitled to a rate reduction. They also are urged to check with their agent to make sure that they have adequate insurance coverage. Most existing policies provide enough medical and property damage protection to cover carpool members, but insurance industry spokesmen say additional bodily injury coverage may be needed to cover additional passengers. Industry spokesmen say the cost of the additional coverage usually will be less than \$10 per year and will, in many cases, be more than offset by the "carpoolers" rate reduction.

Many policies prohibit coverage in cases where a driver charges the riders more than the "reasonable costs" of the trip. Generally this provision applies only to persons who use the automobile indiscriminately as a "for hire" vehicle.

Department of Transportation studies indicate that 12.6 cents per mile is the approximate cost of an urban trip in a medium-automobile. Mr. Clement suggests that this figure is helpful in determining "reasonable costs."





WASHINGTON, D.C. 20590

BROADCAST NEWS SERVICE 74-39

(NATIONAL LINES)

Broadcast:

Wednesday, February 20, 1974

(Different versions were used on the National and local lines 2/20/74)

The U.S. Department of Transportation Broadcast News Service for Wednesday, February 20, has two cuts on Congressional testimony about truck weights. The first has a lead-in.

The U.S. Department of Transportation today proposed temporary legislation to increase truck weights to compensate for productivity losses resulting from reduced speed limits. Federal Highway Administrator Norbet Tiemann told the Transportation Subcommittee of the Senate Public Works Committee.

ADMINISTRATOR TIEMANN:

"The net effect of this proposal is to require the States to allow, for the time that the 55 mph speed limit is in effect, the Interstate System operation of existing tractor-semitrailers loaded approximately 10 to 15 percent heavier than they are now and the operation of twin 27 foot trailers within the 70 foot length limitation.

"I believe that modest, calculated increases in weights as limited overall by lengths under the bridge formula and on the Interstate System alone, will provide substantial relief from the fuel pinch to the truckers, shippers, and the general public with minimal risk of lasting harm to the highway systems we rely on for this type of transport."

OFFICE OF THE SECRETARY

WASHINGTON, D.C. 20590

BROADCAST NEWS SERVICE 74-40

(LOCAL LINES)

Broadcast: Wednesday, February 20, 1974 (Different versions were used on the National and local lines 2/20/74)

The U.S. Department of Transportation Broadcast News Service for Wednesday, February 20, has three cuts on Congressional testimony about truck weights. The first has a lead-in.

The U.S. Department of Transportation today proposed temporary legislation to increase truck weights to compensate for productivity losses resulting from reduced speed limits. Federal Highway Administrator Norbet Tiemann told the Transportation Subcommittee of the Senate Public Works Committee.

Note: The first two cuts were identical on both lines. The third cut was as follow.

ADMINISTRATOR TIEMANN:

"Our legislative proposal, which will be submitted very soon, would provide relief to truckers and shippers on a temporary basis by increasing the existing Federal weight limits with the bounds imposed by manageable vehicle lengths. To encourage the States to prompt action it would require, as a condition of approval of further Federal-aid projects within a State, that the State raise its limits to 20,000 pounds on a single axle, 34,000 pounds on a tandem axle, and set gross weights in accordance with the familiar bridge formula. Since the bridge formula employs vehicle wheelbase as one of the determinants of gross weight, overall length would be set at 70 feet."



WASHINGTON, D.C. 20590

FOR IMMEDIATE RELEASE February 20, 1974

DOT 17-74 Phone: (202) 426-4321

The United States Department of Transportation approved proposed legislation today which would increase allowable truck weights on Interstate highways to compensate for loss of productivity resulting from the Federally mandated 55-mile speed limit.

The policy decision was announced by Transportation Secretary Claude S. Brinegar and presented to Congress by Federal Highway Administrator Norbert T. Tiemann. Under the proposal, legal weight limits on the Interstate System would be increased from 18,000 to 20,000 pounds for single axles and from 32,000 to 34,000 for tandem axles. In addition a 70-foot length limit would be established.

Secretary Brinegar said the proposal is designed to meet complaints of the trucking industry. He said the increased legal weight would help offset losses resulting from the reduced speed limit without incurring safety risks.

In presenting the proposal to Congress FHWA Administrator Tiemann said the reduced speed limit resulted in an overall productivity loss by truckers of eight percent. He said the proposed remedy would compensate for that loss by a 10 to 15 percent productivity increase and make it possible for seven trucks to carry loads now carried by eight.

Tiemann said the greater weights would increase road and bridge maintenance costs by 20 percent. He added, however, that such an increase is acceptable on a short-term basis as a remedy for the problems encountered by the trucking industry.

Currently, there are no Federal restrictions on vehicle length. State laws vary from as little as 55 feet to as much as 75 feet. Secretary Brinegar said that the 70-foot length which the Department supports is based on the use of twin 27-foot trailers.

A few eastern U.S. turnpikes now permit use of the 40-foot twin trailers under special regulations. The proposed legislation, according to Secretary Brinegar, would not prohibit the use of 40-foot twin trailers where they are now permitted.

Secretary Brinegar said the recommendation of a 70-foot length limit was based on the assumption that Congress would also adopt the widely-used "bridge formula" for calculating permissable gross vehicle weights.

Under this formula, the maximum allowable weight increases with an increase in the number of axles or with an increase in the distance between axles.

The formula would set the maximum allowable weight of a 5-axle vehicle at about 88,000 pounds while the maximum allowable weight of a 9-axle, 70-foot vehicle would be about 108,500 pounds.

The Secretary said that the Department's proposal would be offered as an amendment to the law which originally established the 55-mile per hour speed limit. Thus, the weight and length limits would remain in effect for the duration of the speed limit now set to expire June 30, 1975.

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DEPARTMENT OF TRANSPORTATION OFFICE OF THE SECRETARY Washington, D.C. 20590

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WASHINGTON, D.C. 20590

FOR IMMEDIATE RELEASE February 20, 1974

DOT 18-74 Phone: (202) 426-4321

Under Secretary of Transportation John W. Barnum today called on the electric vehicle industry to redouble its efforts to aid the future transportation needs of the Nation.

Speaking to the Third International Electric Vehicle Symposium, Under Secretary Barnum stressed the electric-powered vehicle's "great potential" for "reducing the world's dependence on petroleum-based fuels."

He warned, however, that merely shifting fuel consumption from the highways to the Nation's electric power generating plants would not solve the problem.

"Nuclear power plants," he said, "are essential if any large-scale conversion to electric cars, trucks and buses is to be practical from an energy-savings point of view." Mr. Barnum pointed out that President Nixon's 1975 budget calls for \$1.8 billion in energy research and development, with \$725 million marked for nuclear fission work -- a 36 percent increase over 1974.

Noting that "transportation is in a state of transition," the Under Secretary reviewed Administration efforts since 1970 to achieve "more efficient, better balanced, innovative transportation systems."

He pointed out that two recent Administration transportation initiatives -the proposed Unified Transportation Assistance Program and Transportation
Improvement Act -- are intended to bring about "better utilization of the
efficiencies inherent in public transit and rail transportation."

In his prepared speech, Under Secretary Barnum reported on the progress of the state-of-the-art commuter rail cars, and the all-new Advanced Concept Train now under development. The Advanced Concept Train (ACT) will be powered by a flywheel propulsion system designed to store and re-use electric power.

"A successful energy storage system," Mr. Barnum said, "could reduce peak hour transit power requirements by one-third, saving the New York subway system \$10 million a year in operating costs."

The Electric Vehicle Symposium and Exposition is sponsored by the Electric Vehicle Council and the International Union of Producers and Distributors of Electrical Energy. More than 800 participants are attending the three-day program in Washington's Sheraton Park Hotel.

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FIRST CLASS





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WASHINGTON, D.C. 20590

BROADCAST NEWS SERVICE 74-41

Broadcast: Thursday, February 21, 1974

The U.S. Department of Transportation Broadcast News Service for Thursday, February 21, has a cut with lead-in dealing with an international transportation agreement.

Federal Aviation Administrator Alexander Butterfield has announced the creation of an FAA committee to implement an agreement between the U.S. and Russia on cooperation in transportation. Selected as chairman from the FAA is Dr. Alfonse Miele, who discussed both prior and future activities.

DR. MIELE:

"We agreed to exchange information in writing and by technical staff discussions in the fields of airworthiness standards, and certification procedures. We also had discussions about non visual approach landing systems and decided that there would be a meeting of experts by October of 1974 in this area. Representatives of the National Transportation Safety Board are going to get together with the Soviets in the area of accident investigation and also in the area of training aircraft accident investigators. And in the field of general aviation, the Soviets have done some great work in agricultural aircraft and using helicopters for construction, and so have our people, and so they will be getting together in that particular area. And finally, specialists in the Department of Transportation will be getting together with the Soviets in the whole field of the security of passengers, aircraft and cargo."





WASHINGTON, D.C. 20590

FOR RELEASE FRIDAY February 22, 1974

DOT R-12-74

Phone: (202) 426-4321

Seven Department of Transportation officials will outline provisions of the Administration's new Transportation Improvement Act during a day-long public seminar February 28 at the American University in Washington, D.C.

Representing the Department are: Robert H. Binder, Assistant Secretary for Policy and International Affairs-Designate; John Snow, Deputy Assistant Secretary for Policy and International Affairs; Henri Rush, Deputy Federal Railroad Administrator; James Hagen, Associate Administrator for Economics, Federal Railroad Administration; Samuel Eastman, Director of the Office of Policy Review, Office of the Secretary; William Loftus, Acting Associate Administrator for Policy and Plans in the Federal Railroad Administration; and Russell Murphy, Office of Transportation Policy and Development in the Office of the Secretary.

The Department presentation at the Seminar will be a general overview of the proposed railroad legislation. It will include discussion of the bill's provisions affecting rate regulation, carrier rate bureaus, freight car supply, railroad abandonments, loan guarantees and a summary of the Department's rail transportation views by Deputy Administrator Rush.

Other panelists participating in the seminar include
Paul Cunningham, counsel for the Senate Commerce Committee; Alan R.
Ferguson, Executive Director of the Public Interest Economics
Center; Jack Pearce, General Counsel for the Committee on Modern
Efficient Transportation; Rafe Pomerance, Executive Director, Urban
Environment Conference; and Emery White, Technical Transportation
Director, Chase Manhattan Bank.

The Seminar will be moderated by Professor Robert Nelson of American University's School of Business Administration and is open to the public. The session will open at 9:30 a.m. in the university auditorium on Ward Circle at the intersection of Massachusetts and Nebraska Avenues, N.W.



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BROADCAST NEWS SERVICE 74-42

Broadcast: Friday, February 22, 1974

The U.S. Department of Transportation Broadcast News Service for Friday, February 22, has a story by a Department spokesman on a suit by the National Highway Traffic Safety Administration against the General Motors Corporation.

"The U.S. Department of Transportation's National Highway Traffic Safety Administration has filed a suit against General Motors Corporation for the company's refusal to comply with a Government directive that it notify the owners of 1959-1960 model year Cadillacs of the existence of a safety defect in the steering pitman arm of the vehicles. The action seeks injunctive relief as well as civil penalties in the amount of \$400,000.

"The steering pitman arm is a critical component of the vehicle steering system. When the pitman arm fails, directional control of the vehicle is lost."

For further information dial (202) 426-9550, this has been the Transportation News Report.

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WASHINGTON, D.C. 20590

BROADCAST NEWS SERVICE 74-43
(NATIONAL LINES)

Broadcast: Monday, February 25, 1974

The U.S. Department of Transportation Broadcast News Service for Monday, February 25, has an actuality on reductions in highway deaths, following a lead-in.

The nation had a significant drop in highway fatalities during January. That testimony today by the National Highway Traffic Safety Administrator Dr. James Gregory who told the Senate Commerce Committee the decrease was due to the energy shortage.

DR. GREGORY:

"Before the advent of the energy crisis, we were predicting a significant increase in fatalities for 1973 over 1972. However, in November there was a reduction in total fatalities followed by a larger drop in December. The major factors underlying the decrease were of course the lowering of maximum speed limits by certain States and the decrease in the total travel by the American populace. While all States had fewer fatalities in December '73 over December '72, that is, nationally speaking, the decrease was twice as great in the 18 States that had lowered their speed limits as compared to those that had not. We are releasing today figures for January from all the 50 States that show that there were 853 death fewer last month than for the corresponding period in 1973. This is a reduction of almost 23 percent."

NOTE: Different versions were used on the National and local lines on 2/25/74.



WASHINGTON, D.C. 20590

BROADCAST NEWS SERVICE 74-44

(LOCAL LINES)

Broadcast: Monday, February 25, 1974 (Different versions were used on the National and local lines on 2/25/74)

The U.S. Department of Transportation Broadcast News Service for Monday, February 25, has an actuality on reductions in highway deaths and a story on child car seats. First the actuality following a lead-in.

The nation had a significant drop in highway fatalities during January. That testimony today by the National Highway Traffic Safety Administrator Dr. James Gregory who told the Senate Commerce Committee the decrease was due to the energy shortage.

NOTE: The first cut was identical on both lines. See #74-43. The following cut was used only on the local lines.

Next a story on child car seats.

"The Department of Transportation has proposed to upgrade its Federal Safety Standard dealing with child seating systems in automobiles. National Highway Traffic Safety Administrator Dr. James Gregory said the new proposal should provide the highest level of protection for children in cars the industry can devise with the product within the financial reach of the consumer. In addition to car seats, the standard would cover car beds, infant carriers, and child harnesses which are not now included. Effective September 1, 1975, the proposed standard would also change the requirement from static tests to simulated in-motion crash tests. These tests on all child restraint systems would use test dummies in frontal impacts simulating 30 mile per hour crashes, and lateral and rearward impacts at 20 miles per hour against a rigid obstacle."



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BROADCAST NEWS SERVICE 74-45

Broadcast: Tuesday, February 26, 1974

The U.S. Department of Transportation Broadcast News Service for Tuesday, February 26, has a cut from the first United States Railway official, following a lead-in.

Under Secretary of Transportation John Barnum this week introduced the first executive of the U.S. Railway Association to be employed. He is Paul F. Cruikshank, Jr. who will serve as Vice President of planning and coordination of the Association, known as USRA, which will reorganize the railroads of the Northeast and Midwest. Cruikshank, who since 1971 has been President of the Fort Worth and Denver Railway, said the USRA and the eventual Consolidated Rail Corporation must succeed.

MR. CRUIKSHANK:

"I have, personally, a very firm dedication to transportation -- and particularly to private enterprise transportation -- so I have very strong feelings that this effort must be a success and it's a great pleasure and challenge to me personally to be able to come and participate in this effort."

This has been the Transportation News Report.

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BROADCAST NEWS SERVICE 74-46

Broadcast: Wednesday, February 27, 1974

The U.S. Department of Transportation Broadcast News Service for Wednesday,

February 27, has a story by a Department spokesman on railroad safety.

"The U.S. Department of Transportation's Federal Railroad Administration is developing new standards to eliminate potential fire and other hazards on cars used to transport Class A explosives. Part of the process involves a public hearing which will be held March 21 in Sacramento, California, to discuss a proposed amendment to the Hazardous Materials Regulations. It would call for a change in the requirements involving materials used in the cars' braking systems and in the use of roller bearings."

This has been the Transportation News Report.

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WASHINGTON, D.C. 20590

FOR IMMEDIATE RELEASE February 27, 1974

DOT 19-74

Phone: (202) 426-4321

A proposed agreement among seven North Atlantic containership operators to establish a revenue "pool" as a way to decrease excess capacity and eliminate destructive or excessive competition would instead result in rate increases and a decline in service, according to the U.S. Department of Transportation.

Furthermore, the Department said, the agreement will benefit the proposed pool's members without a corresponding benefit for the public.

The Department's comments were contained in a brief filed February 26 with the Federal Maritime Commission taking exception to a report issued on December 10, 1973, by an FMC Administrative Law Judge in a proceeding docketed as Agreement No. 10,000 - North Atlantic Pool.

The Administrative Law Judge's report recommended approval of an agreement proposed by the seven carriers to pool revenues and rationalize service in the ocean trades between the United States North Atlantic and the European Continent. The carriers contended the pool was an appropriate and needed solution to serious problems afflicting the North Atlantic container trade.

In taking exception to the Judge's report, the Department contended that proponents of the pooling arrangement "have not come close to demonstrating that competition has become ruinous or destructive, nor made any showing to justify the major invasion of antitrust policy which the pool represents."

DOT also noted its exception to intermediate conclusions reached by the Judge, particularly objecting "to his method of resolving doubts in favor of the pool with the rationalization that if any harmful result does occur, the (Federal Maritime) Commission can always act later to correct it."

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BROADCAST NEWS SERVICE 74-47

Broadcast: Thursday, February 28, 1974

The U.S. Department of Transportation Broadcast News Service for Thursday, February 28, has two actualities from Senate testimony on the elderly. They follow a lead-in.

Assistant Secretary of Transportation for Environment, Safety and Consumer Affairs, Benjamin O. Davis, Jr., testified today before the Senate special Committee on Aging. He pointed out the factors intensifying the challenge of improving transportation services for the elderly.

ASSISTANT SECRETARY DAVIS:

"Although most of the elderly have per capita incomes in excess of the national average, the number of elderly persons with incomes below the poverty level is about double that of the general population. . . The elderly presently rely on a transportation system that is strongly oriented toward the private automobile. Many elderly persons don't drive. . . There are physical and psychological barriers to their effective and convenient use of public and common carrier inter-city transportation.

"As the nation moves toward an increased reliance on public transportation, toward service innovations, toward flexible, demand-responsive vehicles and services, we would like to encourage the recipients of Federal funds to be innovative -- to be responsive to the needs of our senior citizens, within the framework of concepts and standards that assure that the service is undertaken seriously and provided reliably."

OFFICE OF THE SECRETARY

WASHINGTON, D.C. 20590

February 25, 1974

Phone: (202) 426-4321

UNITED STATES RAILWAY ASSOCIATION News Bulletin #7

Paul F. Cruikshank, Jr., became the first U.S. Railway Association executive when the Board on February 22 approved his employment as Vice President, Planning and Coordination.

Mr. Cruikshank, 43, since 1971 has been President of the Fort Worth and Denver Railway, a part of the Burlington Northern System. Prior to the merger in 1970 that created Burlington Northern, Mr. Cruikshank had served since 1967 as Assistant Vice President for Marketing and Planning with the Great Northern Railroad and until going to the Fort Worth and Denver retained that position with Burlington Northern, Inc.

As Vice President, Planning and Coordination, Mr. Cruikshank will be responsible for staff advice to the President and Board of Directors of USRA in the areas of railroad planning and for liaison with the railroads in the region.

A graduate of Yale University and a Navy veteran of the Korean War, Mr. Cruikshank began his railroad career with Great Northern in 1952 as a brakeman and assistant to the trainmaster, after having previously worked during summer vacations as a track laborer and telegrapher.

A native of Washington, Connecticut, the USRA Vice President is married and the father of four children. He was a director of the Fort Worth Chamber of Commerce and a director of the Continental National Bank in that city. He was appointed a member of the Tarrant County Welfare Board in 1972.

A revised organization chart in this bulletin reflects the addition of the new executive position held by Mr. Cruikshank.

A hearing was held on February 22 in Washington before the Judicial Panel on Multi-District Litigation on the Association's petition for consolidation in a single, three-judge U.S. District Court of all judicial proceedings with respect to the final system plan. The Association's petition requests consolidation of all suits challenging the constitutionality of the Regional Rail Reorganization Act, and asks that the Court sit in Washington, D.C.

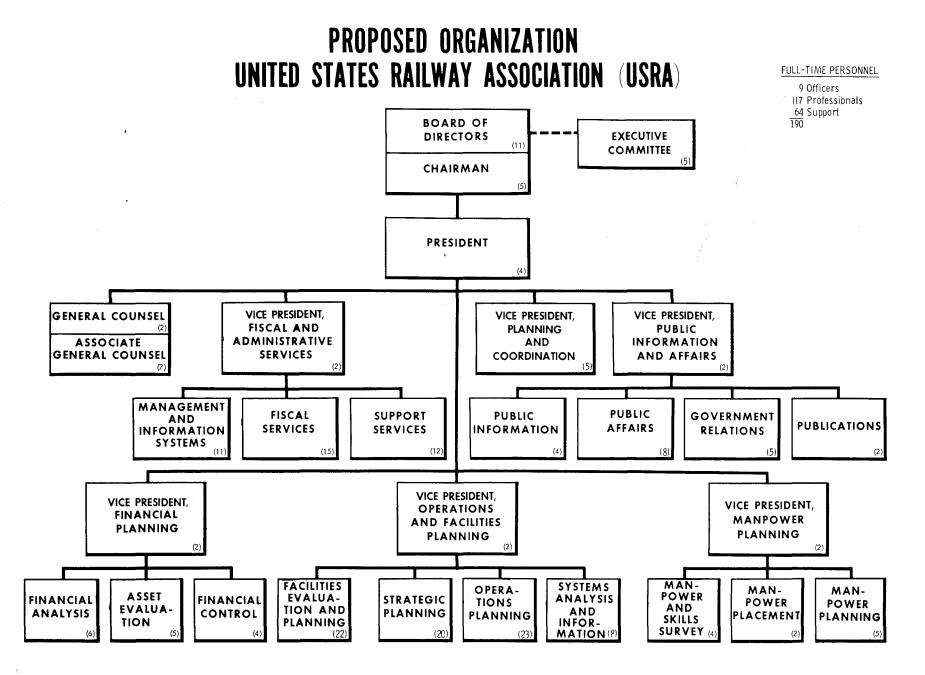
The Association is represented in these cases by the law firm of Wilmer, Cutler & Pickering as special counsel.

Federal Judge John P. Fullam tomorrow in Philadelphia will hear the petition of the Penn Central Trustees for approval of an agreement with the Secretary to make payment of some \$10.8 million of installments on equipment obligations. Payment of these obligations is expected to eliminate the Penn Central's forecasted cash deficit in March. The agreement being submitted to Judge Fullam is the product of the Secretary's response to an application filed February 12 by the Trustees for emergency financial assistance under Section 213 of the Regional Rail Reorganization Act.

Agreements have been made with six banks and some \$6.8 million of Penn Central equipment obligations which were due February 15 have already been paid by the Department.

Price Waterhouse & Co. has been selected by the Board of Directors to assist the Association in establishing its financial record and reporting systems. The selection was made as a result of the review of proposals received from eight major public accounting firms. Price Waterhouse will provide the professional accounting staff and services required during the initial start-up period of the Association.

The Board has also selected the Riggs National Bank to provide commercial banking services to the Association.





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FACT SHEET

TRANSPORTATION IMPROVEMENT ACT OF 1974

The Transportation Improvement Act of 1974 has three objectives:

- To provide for financial assistance to the railroad industry in the form of loan guarantees for investment in plant and equipment.
- To improve the regulatory climate by removing a number of regulatory constraints that adversely affect the economic performance of the railroad industry.
- To initiate a major research effort to materially improve freight car utilization by means of a rolling stock scheduling and control system.

BACKGROUND

The railroad industry suffers from a number of serious problems. Net income as a percent of equity for the industry as a whole is less than two percent.

Many railroads cannot generate earnings sufficient to make needed improvements in track, roadbed and facilities. The result is deterioration of a substantial part of the Nation's rail system.

Railroads' share of total intercity freight ton miles and the average revenue per ton mile have been declining. The operation and maintenance of many miles of unprofitable line are a financial drain and add substantially to operating costs. Parts of the railroad system at the same time are operating at or close to capacity. These segments must be upgraded or expanded if the railroad industry is to be capable of carrying projected traffic. The industry is unable to generate internally sufficient funds to undertake the needed modernization of plant. Funds from outside sources are not available to even the healthiest railroads for these purposes.

A major cause of the industry's problems and unsatisfactory performance is an outmoded and excessively restrictive Federal regulatory policy that prevents the railroads from adapting to changing economic and competitive conditions in the transportation industry. Regulatory policy discourages the abandonment of uneconomic lines. The rigid pricing structure regulatory policy has produced inhibits the offering of innovative services, blunts the response to competition and results in a failure to attract traffic for which rails should have a comparative advantage.

FINANCIAL ASSISTANCE THROUGH LOAN GUARANTEES

To achieve the needed long-term restructuring of the existing rail system the bill would provide \$2 billion in Federal loan guarantee authority to finance improvements in rolling stock, rights-of-way, terminals and other operational facilities and systems.

The bill authorizes the Secretary of Transportation to guarantee loans based on the following criteria:

- 1. The proposed improvement will contribute to the establishment of a national, efficient, and economical rail system.
- 2. The ability of the railroad requesting the loan guarantee to repay the loan.
- 3. The return on investment of the project for which the loan guarantee is sought and the increase in rail efficiency to be derived from it.

The bill also requires the Secretary to take into account other factors, including the potential for intermodal connections and substitutions and for improved utilization of freight cars.

REMOVAL OF REGULATORY CONSTRAINTS

The Transportation Improvement Act would amend the Interstate Commerce Act to remove regulatory constraints that adversely affect the economic performance of the railroad industry. The result would be to place greater reliance on the forces of competition. A basic premise of the bill is that the removal of outmoded constraints is an essential condition to the revitalization and improved performance of a privately-owned railroad transportation system capable of providing efficient and innovative service.

LIBERALIZED RAILROAD ABANDONMENT PROCEDURES

The bill would require the Interstate Commerce Commission (ICC) to permit the abandonment of rail service when the continued operation of a line would not yield sufficient revenues to cover the long-run

costs of operating that line. These lines might be continued if State and local governments or other interested parties pay an operating subsidy to a railroad for continuation of uneconomic service.

Under present procedures, the ICC may require continued operation of an uneconomic line if it determines the operation is required by the "public convenience and necessity." Because explicit economic standards for defining public convenience and necessity do not exist, abandonment cases often entail expensive and protracted hearings and a highly uncertain outcome. The expense, delay and uncertainty discourage abandonment applications.

The railroad industry in 1971 was operating 205,000 route miles of line. Of these, approximately 21,000 miles were light density branch lines on which the carriers incurred losses. It is estimated that by ceasing operation of these uneconomic lines the railroads would save up to \$42 million annually.

SUBSTITUTE SERVICE TO FILL GAPS CREATED BY LIBERALIZED ABANDONMENTS

To ensure for shippers that there will be an effective and efficient alternative to an abandoned uneconomic rail line, the bill provides that the ICC assure adequate common carrier service is available by a motor or water between each point on the line of railroad abandoned and the nearest railroad ramp.

RATEMAKING IMPROVEMENTS

The bill would require that rail rates cover the variable costs of the services offered.

It also provides that a rate equalling or exceeding variable costs cannot be found unreasonable because it is too low.

It is estimated the railroad industry loses \$450 to \$500 million annually on traffic handled below variable costs. These rates create a serious financial drain on the carriers and require that other rates be set too far above variable costs. This cross subsidization misallocates resources -- both within the transportation field and in the economy at large.

By providing that a rate decrease cannot be suspended on the ground that it is below a just and reasonable level, the bill should encourage railroads to reduce rates on traffic where they have a cost advantage. Because regulatory constraints have held many railroad rates at levels far above cost, a substantial volume of traffic on which railroads appear to have a comparative advantage is moving by other modes even though railroads may be more efficient. The result is higher shipping costs, higher prices to the ultimate consumers and a misallocation of transportation resources.

The time, expense, delay and uncertainty associated with the regulatory process discourages experimentation with service innovations and impedes their introduction. The bill alters the suspension power of the ICC and provides that where a tariff proposed by a railroad requires a capital investment of \$500,000 or more the ICC within 180 days must determine whether the proposed tariff would be unlawful. The tariff thereafter may not be set aside for a period of five years except on grounds it is noncompensatory.

RESTRICT CERTAIN PRACTICES OF RATE BUREAUS

The bill prohibits railroad rate bureaus from voting on single line movements and limits consideration of joint line rates to those railroads actually participating in the joint movement.

The bill prohibits rail rate bureaus from taking any action to suspend rates established by independent action, while prohibiting motor carrier or freight forwarder rate bureaus from protesting a rate filed by independent action unless the protest is supported by facts showing the rate appears to be less than the variable costs of rendering the service. Thus, on single line rates, individual carriers will have complete freedom to propose rates based on the cost of the most direct routing, and in the case of joint rates the influence of carriers not participating in the movement will be reduced.

The bill also requires all rate bureaus to dispose of proposed rate changes within 120 days, and it requires all rate bureaus to maintain and to make available for public inspection records of the votes of members.

The basic thrust of these proposals is to remove the inhibiting influence of rate bureaus on ratemaking and to place greater reliance on competitive forces in ratemaking. The proposals would encourage efficient carriers to reduce rates and thus would establish the incentive for traffic to be carried by the most efficient carriers.

ADEQUATE REVENUE LEVELS

The bill consolidates the various standards applied to determine the reasonableness of rates and would require the ICC to prescribe uniform methods and criteria for estimating the rate of return based on costs of capital and risk and the cost impact of changes in the general level of prices and wages.

The ICC by applying these criteria will be better able to assess the economy and efficiency of railroad financial and operating management and thereby determine the true revenue requirements of the industry.

UNIFORM COST ACCOUNTING

The bill requires the ICC jointly with the Secretary of Transportation to study and recommend uniform cost accounting and revenue accounting methods for rail carriers, and to issue regulations prescribing new uniform cost and revenue accounting methods within two years from the date of enactment of the bill.

The development of improved cost and revenue accounting procedures is essential to improved regulation of transportation. The ICC's present accounting system is outmoded and inadequate to resolve the complex problems of modern transportation firms.

ELIMINATE DISCRIMINATORY STATE AND LOCAL TAXATION OF INTERSTATE CARRIERS

The bill prohibits discrimination in assessing the properties of interstate carriers and in establishing tax rates for those properties.

Discriminatory taxation of interstate carriers is widespread. It results in the railroad industry's annually paying about \$55 million in excessive taxation.

Because any savings to the railroads and other interstate carriers will reduce State and local government revenues, the bill provides a three-year moratorium before compliance with its substantive provisions.

ELIMINATE SUBSIDIZATION OF GOVERNMENT SERVICE AT EXPENSE OF OTHER SHIPPERS

The bill requires governmental shippers to pay the same rates as other shippers, except in service performed in time of war or for transportation of commodities which may be carried by motor carriers or barge lines exempt from economic regulation.

Under existing regulation, Federal, State, and local governments are permitted to negotiate rates with carriers below those which nongovernmental shippers are required to pay.

INTRASTATE RATEMAKING

The bill transfers jurisdiction over intrastate rates to the ICC whenever State regulatory agencies have not adjusted appropriate intrastate rates promptly.

The railroad industry suffers significant loss from the failure of State regulatory agencies to act promptly to adjust intrastate rates in accordance with ICC approved changes in the level of interstate rates.

ROLLING STOCK SCHEDULING AND CONTROL SYSTEM

The bill authorizes an appropriation of \$35 million to the Secretary of Transportation to design and recommend a national rolling stock scheduling and control system.

Individual railroads have made some progress in developing more efficient control over car movement, but the Nation lacks an efficient national freight car control system. Recent advances in communications, computer data processing and applied mathematical analysis make such a national system possible.

One of the basic railroad problems is low freight car utilization. A typical freight car moves loaded only 25 days a year and empty, 18 days. Thus, for 323 days or 88 percent of the time it stands idle.

Freight car ownership represents about 25 percent of the railroad industry's net investment. A 20 percent increase in car fleet productivity would reduce the annual need for new cars by 10,000 to 15,000 cars, representing a saving of up to \$300 million in new car purchases.