

A Review of National Railroad Issues

December 1975

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**A Review of
National Railroad Issues**

December 1975



UNITED STATES CONGRESS
Office of Technology Assessment

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December 9, 1975

The Honorable Warren G. Magnuson
Chairman, Committee on Commerce
United States Senate
Washington, D. C. 20510

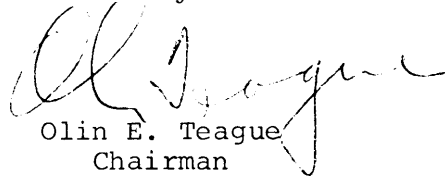
Dear Mr. Chairman:

On behalf of the Board of the Office of Technology
Assessment, we are pleased to forward a report: A
Review of National Railroad Issues.

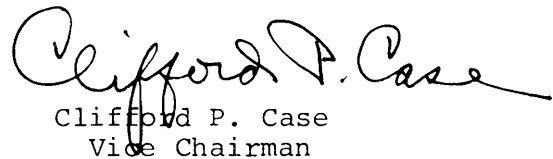
This study is in keeping with your request, and that
of Senator Richard S. Schweiker of the Technology
Assessment Board, for a review of the United States
Railway Association's Plan for restructuring the
bankrupt Northeast railroads.

This report is being made available to your Committee
in accordance with Public Law 92-484.

Sincerely,


Olin E. Teague
Chairman

Sincerely,


Clifford P. Case
Vice Chairman

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December 9, 1975

The Honorable Olin E. Teague
Chairman, Technology Assessment
Board
United States Congress
Washington, D. C. 20510

Dear Mr. Chairman :

This report, entitled A Review of National Railroad Issues, was prepared by the Office of Technology Assessment in response to requests* received from Senator Warren G. Magnuson, Chairman of the Senate Committee on Commerce, and Senator Richard S. Schweiker of the OTA Board.

The study will be used by the Commerce and Appropriations Committees in the Senate and the House of Representatives as they complete their deliberations on legislation authorizing and appropriating funds for the reorganization of the Northeastern railroads.

Preparation of this report was undertaken by the OTA Transportation Assessment Program, under the supervision of Dr. Gretchen Kolsrud, who was assisted by an ad hoc task force of consultants knowledgeable in rail industry operations and problems, a contractor, and by other members of the OTA staff.

Sincerely,


EMILIO Q. DADDARIO
Director

* See Appendix C

Preface

In 1973, the financial disarray of the Northeast and mid-West railroads led to the passage of the Rail Reorganization Act of 1973. The Act established the United States Railway Association (USRA) to develop a plan for a Consolidated Rail Corporation (CONRAIL) to be formed of the financially distressed railroads. On February 26, 1974, USRA issued a Preliminary System Plan for CONRAIL, and on 26 July USRA submitted the Final System Plan to Congress.

This review was prepared in response to requests from the Senate Commerce Committee and the House Subcommittee on Transportation and Commerce. This review is based on the Final System Plan to maximize its utility to the Congress. This report examines national railroad issues that were considered by the Committees in preparing the implementing legislation for CONRAIL.

This review was accomplished in a three month period by OTA'S Transportation Assessment Group supported by Harbridge House, Inc. and a task force of individuals knowledgeable in railroad problems. Contact was maintained with the Commerce, Appropriations and Budget committees of the Senate and the House.

This assessment is a joint product, identifying different possible points of view but not necessarily reflecting the opinion of any individual.

¹ Correspondence is attached in Appendix C