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APPENDIX

**Congressional  
Letters of Request**

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 JAMES L. HUCKLEY, N.Y.

United States Senate  
 COMMITTEE ON COMMERCE  
 WASHINGTON, D.C. 20510

FREDERICK J. LUDMAN, STAFF DIRECTOR  
 MICHAEL F. MINTOCHUK, CHIEF COUNSEL  
 ARTHUR FANIGOFF, JR., MINORITY COUNSEL

March 20, 1975

Honorable Olin E. Teague  
 Chairman  
 Office of Technology Assessment  
 Room 2311 Rayburn House Office Building  
 Washington, D.C. 20515

Dear Mr. Chairman:

Within the next six months, the Senate Commerce Committee will be expected to evaluate and make recommendations to the Senate concerning the Final System Plan for reorganization of rail service in the 17 state region covered by the Regional Rail Reorganization Act of 1973. The Preliminary System Plan has already been submitted to the Congress by the United States Railway Association and is now being reviewed by the Rail Services Planning Office of the Interstate Commerce Commission, and by the staff of the Committee.

The Preliminary Plan has brought into focus a number of very important questions concerning the largest industrial reorganization ever attempted. The Senate Commerce Committee would very much appreciate any assistance that the Office of Technology Assessment could provide in reviewing this Plan and the issues it raises about the future of rail service in this region which contains 42% of the Nation's population and over 50% of the Nation's manufacturing production.

The Office of Technology Assessment could provide this Committee with assistance which would be tremendously useful and important in connection with our statutory responsibilities and we respectfully urge your favorable consideration of this request. In view of the extremely limited amount of time remaining to evaluate the Preliminary Plan, an expeditious consideration of this request will be appreciated.

Sincerely yours,

*Warren G. Magnuson* James B. Pearson  
 WARREN G. MAGNUSON, Chairman James B. Pearson, Ranking Minority Member

*Vance Hartke* Lowell P. Weicker, Jr.  
 Vance Hartke, Chairman Lowell P. Weicker, Jr., Ranking Minority  
 Surface Transportation Subcommittee Member, Surface Transportation Subcommittee

CLIFFORD P. CASE  
NEW JERSEY

COMMITTEE  
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BOARD

*United States Senate*

WASHINGTON, D.C. 20510

March 14, 1975

Honorable Richard Schweiker  
United States Senate  
Washington, D. C. 20510

Dear Dick:

Thank you for your letter concerning a proposed Office of Technology Assessment of the United States Railway Association's preliminary system plan for restructuring the bankrupt railroads in the Northeast and Midwest.

It does seem to me that an independent review of this proposal will be useful if it can be completed in about 90 days, in time for Congress to have full benefit of findings before receiving the final systems plan next July 26.

I suggest that the OTA study be directed at the basic question of whether ConRail can be expected to be profitable.

This question raises many issues. The main one, I think, has to do with the amount of money (\$2 billion) which must be spent to rehabilitate 15,000 miles of trackage and facilities.

Obviously ConRail's track and rail facilities will have to be rehabilitated. Yet, I must also agree with the New York Times that the volume of federal funds involved in rehabilitation "raises doubts about the propriety of such commitments to a private company organized for profit."

The U. S. Railway Association suggestion that a separate corporation ConFac be established to rehabilitate, maintain and hold trackage is intriguing.

Honorable Richard Schweiker

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March 14, 1975

It would be valuable to me to have a thorough discussion of this suggestion since I agree with the U. S. Railway Association that a number of public policy, legal and tax questions "remain to be resolved." Obviously this bears directly on concern about the profitability of ConRail and inevitably consideration of national ownership of trackage leads to the question of nationalization of the total rail system.

Certainly I would expect that the Office of Technology Assessment study would consider nationalization--perhaps limited to the Northeast-- as another alternative.

There is also the problem of the branch lines and I suggest that the OTA study be drafted so as to answer the following questions:


Is the federal-state subsidy program adequate for allowing continuance of lines which are necessary to the economic and social health of local communities, but which the U. S. Rail Association finds should not be included in ConRail?

What are the alternatives to the federal-state subsidy program?

At what point can so-called marginal lines be made part of the ConRail system without adverse effect to the profitability of the system?

I do think that we can depend on public hearings and the Rail Services Planning Office (RSPO) of the Interstate Commerce Commission to inform us of state and community response to the U. S. R. A. proposals and it seems to me that the OTA group should work with RSPO rather than attempting to gather the same material on its own.

Sincerely,

  
Clifford P. Case  
U. S. Senator

CPC:td

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**Congress of the United States**  
**OFFICE OF TECHNOLOGY ASSESSMENT**  
WASHINGTON, D.C. 20510

EMILIO Q. LADDARIO  
DIRECTOR

February 26, 1975

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

Dear Mr. Chairman:

The Office of Technology Assessment was created in part to provide advice to Congress on the social and economic impacts of new or modified technologies.

The United States Railway Association (USRA) today released its Preliminary System Plan for restructuring the Northeast Railroads as called for in the Rail Reorganization Act of 1973. The modifications of rail service suggested in the report will have profound economic and social consequences - not only for those who live within the region and whose jobs and well being depend on the transportation provided by railroads, but also for those who live in the entire nation and whose tax dollars will be used for the necessary subsidies or compensation of creditors if CONRAIL can not be made financially viable.

Congress has approximately 60 days in which to consider the Preliminary System Plan and comment upon it. Thereafter, USRA will work towards preparing a final system plan for submission to Congress on July 26 of this year.

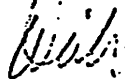
Clearly, now is the time for assessing the impacts of CONRAIL so that the concerned Congressional Committees and individual members may have the benefit of these objective and unbiased analyses when they make their response on the Preliminary System Plan.

Therefore, as a member of the Technology Assessment Board I request Board approval for OTA to undertake an immediate review of USRA's plan. Such a review should be in cooperation with the Committees of the Senate and the

House which must authorize or appropriate funds for CONRAIL. I believe a method similar to the one that OTA used to review the ERDA budget could be employed to this review.

Because of the short time until comments are due, I would appreciate your urgent attention to this request.

Sincerely,



Richard S. Schweiker  
United States Senator

cc: Members of the Technology  
Assessment Board