ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, how much time remains to me under the order?

The PRESIDING OFFICER. The Senator from West Virginia has about 8 minutes remaining under the order. That includes the order for the Senator from Virginia and the Senator from West Virginia and the Senator from Rhode Island.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, I suggest the absence of a quorum. I ask unanimous consent that the time be charged against the order.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll. The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ASOREZ). Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that any remaining time under the order be vacated. The PRESIDING OFFICER. Without objection, it is so ordered.

TRANSACTION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 30 minutes, with statements therein limited to 3 minutes each.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS TO-MORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that tomorrow, after the two leaders or their designees have been recognized under the standing order, and after the consummation of any orders for the recognition of Senators which may be entered today, there will be a period for the transaction of routine morning business for not to exceed 30 minutes, and statements therein not to exceed 3 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS ON THURSDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Thursday, upon the completion of orders for the recognition of Senators, there be a period for the transaction of routine morning business to exceed 30 minutes, with statements therein limited to 3 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDING OFFICER. The President pro tempore laid before the Senate the following letters, which were referred as indicated:

Report of the Secretary of the Interior concerning the design and development of the F-14 weapon system (with an accompanying report); to the Committee on Government Operations.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the President pro tempore:

A concurrent resolution memorializing the Congress of the United States to enact legislation that would provide full Federal income tax credits for nonresident state income tax liability, and would reduce by a proportionate amount Federal grants to such taxing states or their political subdivisions.

WHEREAS, Many thousands of commuting residents of the State of New Jersey are increasingly finding themselves the growing victims of added tax burdens arbitrarily imposed by the municipalities or states in which they work; and

WHEREAS, These commuting workers, already carrying the full burdens of taxation in their own state and the selective taxes of other states, are now also required to shoulder the additional obligations of nonresident income taxes without the consolating benefit of Federal deduction therefrom; and, without enjoying any representation in the legislative bodies levying such taxes; and

WHEREAS, To one degree or another, all of the above is contrary to the spirit of the federal constitutional principle of equality of citizenship, and inimical to the processes of Interstate Commerce;

Be it resolved by the Senate of the State of New Jersey (the General Assembly concurring):

1. That the Congress of the United States be, and it is hereby, respectfully memorialized to give earnest consideration to the enactment of legislation that would permit Federal income tax credit deductions from Federal tax liabilities of nonresident taxpayers for taxes on earned income paid to another state or to any political subdivision; and the Congress also enact legislation that would reduce, by an amount proportionate to the rates of nonresident taxes, Federal grants to those states which tax the earned incomes of their nonresident working populations.

2. Copies of this resolution be transmitted to the Secretary of the Senate of the United States, the Clerk of the House of Representatives and to each member of the Congress of the United States from the State of New Jersey.

A joint resolution of the Legislature of the State of Wisconsin; to the Committee on Post Offices and Post Roads.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. TALMADGE, from the Committee on Agriculture and Forestry, with an amendment:
H.R. 2107. An act to require the Secretary of Agriculture to carry out a rural environmental assistance program (Rept. No. 99-40)

By Mr. HRUBKA, from the Committee on the Judiciary with an amendment:
H.R. 3904. An act to amend the Joint resolution establishing the American Revolution Bicentennial Commission, as amended (Rept. No. 99-96).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time.
and, by unanimous consent, the second time, and referred as indicated:

By Mr. McIntyre (for himself, Mr. Stafford, Mr. McGovern, Mr. Riehoff, Mr. Pastore, Mr. Kennedy, Mr. Pelle, Mr. Hart, Mr. Cotton, Mr. Weicker, Mr. Nelson, Mr. Muskie, Mr. Hughes, Mr. Williams, and Mr. Morse):

S. 1019. A bill to terminate the oil import control program. Referred to the Committee on Finance.

By Mr. Buckley:

S. 1020. A bill to insure international cooperation in the prosecution or extradition to the United States of persons who have committed armed piracy against the laws of the United States or against international conventions referred to the Committee on Foreign Relations.

By Mr. Curtis:

S. 1021. A bill to amend section 301 of the Federal Meat Inspection Act, as amended, and section 6 of the Poultry Products Inspection Act, as amended, so as to increase from 60 to 80 per centum the amount that may be paid as the Federal Government's share of the costs of any cooperative meat or poultry inspection program carried out by any State or any political subdivision thereof, and for other purposes. Referred to the Committee on Agriculture and Forestry.

By Mr. Hartke:

S. 1023. A bill to increase from $240 to $480 per year the amount of earned income which will be excluded in determining eligibility for and amount of benefits payable to individuals under the Federal program for supplemental security income for the aged, blind, and disabled, established by title XVI of the Social Security Act. Referred to the Committee on Finance.

S. 1023. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to provide a program for the accreditation of law enforcement agencies. Referred to the Committee on the Judiciary.

By Mr. Hartke (for himself and Mr. Randolph):

S. 1024. A bill to promote the peaceful resolution of international conflict, and for other purposes. Referred to the Committee on Foreign Relations.

By Mr. McIntyre (for himself, Mr. McGovern, Mr. Abourezk, Mr. Humphrey, Mr. Moss, and Mr. Hathaway):

S. 1025. A bill to improve the Nation's energy resources. Referred to the Committee on Commerce.

By Mr. Chiles:

S. 1027. A bill to establish a Congressional Office of Budget Analysis and Program Evaluation, to perform investigations by State and local officials and the general public in the congressional departmental budget making process; to provide investigations by the Comptroller General of the United States in response to provide legislative oversight and veto of impoundments; and for other purposes. Referred to the Committee on Government Operations.

By Mr. Hartke (for himself, Mr. Weicker, Mr. Pastore, Mr. Pelle, Mr. Williams, Mr. Kennedy, Mr. Riehoff, and Mr. Case):

S. 1031. A bill to designate a national network of essential rail lines; to require minimum standards of maintenance on such lines; to create a not-for-profit corporation to acquire and maintain rail lines in the Northeast; to provide financial assistance for rehabilitation of rail lines, and for other purposes. Referred to the Committee on Commerce.

By Mr. Bayh:

S. 1032. A bill to provide for loans for the establishment and/or construction of municipal, low-cost, nonprofit clinics for the peaceful nation of medical care, and for other purposes. Referred to the Committee on Labor and Public Welfare.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. McIntyre (for himself, Mr. Stafford, Mr. McGovern, Mr. Riehoff, Mr. Pastore, Mr. Kennedy, Mr. Pelle, Mr. Hart, Mr. Cotton, Mr. Weicker, Mr. Nelson, Mr. Muskie, Mr. Proxmire, Mr. Hughes, Mr. Williams, and Mr. Morse):

S. 1019. A bill to terminate the oil import control program. Referred to the Committee on Finance.

Mr. McIntyre. Mr. President, I am introducing a bill today cosponsored by 18 colleagues to eliminate the mandatory oil import quota system.

This quota was first imposed by President Eisenhower by Executive order in 1959 through authority granted under section 203 of the Trade Expansion Act of 1962, as amended. This section authorizes the President to limit imports of any article that is being imported into the United States in such quantities as to threaten to impair the national security.

This oil import quota has now remained in effect for the last 14 years, and its existence has consistently been defended on the need for our country to maintain sufficient domestic production capabilities to the extent that it now relies heavily on foreign sources for our petroleum needs.

However, in the intervening 14 years, a number of events have taken place which seriously challenge the rationale for maintaining such a program.

During the latter half of the 1980's, it became increasingly clear that the original justification for the quota, that is, a self-sufficient domestic production capability, was being severely eroded. The fact of the matter is that it was becoming increasingly apparent that this country was losing its production capabilities and that those of foreign oil in substantial quantities would be necessary to meet demand.

In 1989, President Nixon created a CAB task force to study the oil import system, and, in February of 1970, a majority of the task force recommended to the President substantial changes in both the method and direction of import controls.

In summary, the task force report recommended the removal of the quota and its replacement with a tariff.

It has now been 3 years since that report was recommended by the President but yet the quota remains.

Of particular concern to that task force study was the cost to the consumer for maintenance of the quota and the task force found that the yearly cost was approximately $5 billion.

Mr. President, the facts are quite simple. Domestic production of crude oil in the United States has reached its maximum level, and, in fact, is declining today, while, at the same time, demand for oil is increasing at a substantial rate.

Domestic refining capacity in this country is operating at near capacity levels yet no new refineries are presently being constructed. New construction were to begin today, it would be several years before new refineries could be operational.

The bill that I am introducing today is uncomplicated. It would completely remove the quota. It is pure and simple. It is subject to a vote. The facts are subject to the test of public opinion. It meets with the approval of the experts. It is an operational bill. It is an operational approach to a very serious problem. Subject to a vote. A tariff. That is the only alternative. That is the only alternative, Mr. President.

Mr. President, this identical bill has already been introduced by the House of Representatives by Congressman Silvio Conte and presently has over 100 co-sponsors.

The issue is clear. The oil import quota system has outlived its usefulness. This country's national security does not require its continued existence. A tariff could perform the same function and would be much more equitable to the consumers of this country. The President's own Cabinet-level task force reached these same conclusions.

The fact of the matter is that the quota is falling under its own weight. It cannot be logically justified any longer, and it should be removed immediately.

Mr. President, since we cannot provide sufficient crude oil within the United States to meet the demand, we must be developing new concepts to deal with the realities of our present energy situation. As long as the quota remains in effect, the citizens of this country will
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budget officers of an executive agency shall be held at locations convenient to the Governor and other executive officers.

"HEARINGS ON BUDGET REQUESTS"

"Sec. 205. The head of each executive agency shall, at least two months prior to the submission of its budget recommendation, which shall be due at the close of the first month of the fiscal year, give public notice of the budget request which it intends to submit and conduct hearings thereon. At such hearings, all interested parties, including representatives of the general public, shall be given the opportunity to present written or oral comments, or both. Insofar as possible, such hearings shall be held at locations throughout the state so as to provide an opportunity for the citizens of the United States to participate therein.

"TRANSCRIPTS OF BUDGET MEETINGS"

"Sec. 206. After an executive agency has submitted its budget requests to the Office of Management and Budget for a fiscal year, a transcript shall be kept of all meetings between officers or employees of such agency and officers or employees of the Office of Management and Budget at which matters relating to such budget requests are discussed. No such transcript shall be made available for public inspection, during normal office hours, at the office of such agency and at the office of the Office of Management and Budget."-

"SUBMISSION OF COPIES TO CONGRESSIONAL OFFICE OF BUDGET ANALYSIS AND PROGRAM EVALUATION"

"Sec. 207. The head of each executive agency shall promptly submit to the Office of Budget Analysis and Program Evaluation, established by section 101 of the Budget and Accounting Act of 1973, a copy of:

"(1) each budget request submitted by the agency to the Governor as required by law; and

"(2) each budget request submitted by the agency to the Office of Management and Budget as required by law.

"(3) each transcript made under section 205 involving any officer or employee of the agency.

"MATTERS RELATING TO NATIONAL SECURITY"

"Sec. 208. Pursuant to regulations approved by the President, the provisions of sections 204, 205, 206, and 207 shall apply only with respect to matters relating to legislation which the national security requires to be kept confidential.

"DEFINITIONS"

"Sec. 209. For purposes of sections 204 through 207—

"(1) the term 'executive agency' means any department, agency, or establishment (including an independent establishment) in the executive branch of the Government;

"(2) the term 'budget request' includes both requests for new obligations (including loan authority) and for authority to make outlays;

"TITLE III—INVESTIGATION BY COMPTROLLER GENERAL OF IMPENDMENT REPORTS"

"Sec. 301. The Federal Impoundment and Information Act (title IV of Public Law 92-99) is amended by adding at the end thereof the following new section:

"INVESTIGATIONS AND REPORTS BY COMPTROLLER GENERAL"

"Sec. 403. (a) Upon receipt of a report of any impoundment pursuant to section 402 of this title, the Comptroller General of the United States promptly conducts an investigation—

"(1) to verify the information contained in such report,

"(2) to determine whether the information required by such section is complete and, if so, to notify the Comptroller General of the validity of the reasons given pursuant to paragraph (6) of such section for the impoundment.

"(3) the Comptroller General shall, as soon as possible, submit a report to the Senate and House of Representatives with respect to each impoundment, pursuant to section 402 (a). If the Comptroller General determines that a continuing investigation of any impoundment is necessary to complete a report as provided in paragraph (2), the Comptroller General shall submit an interim report with respect to such impoundment.

"TITLE IV—LEGISLATIVE OVERSIGHT AND VESTED RIGHTS OF IMPENDMENT OF FUNDS"

"Sec. 404. For purposes of this title, the impounding of funds means—

"(1) the withholding or reserving of obligations or other budget authority provided by law (whether by establishing reserves or otherwise), and

"(2) the withholding or reserving of funds from outlay, without regard to the purpose or reason for the withholding or reserving of such obligations or other budget authority, or of funds from outlay, in the case of the department of defense.

"Sec. 405. Nothing in any law of the United States shall be construed to give the President any power to the extent that such impoundment would cause any program or activity provided by law—

"(1) to be terminated, or

"(2) to be reduced to a level below that intended by the Congress in enacting the law or laws which provide such program or activity.

"Sec. 406. (a) As a part of each investigation of an impoundment of funds conducted by him under section 403 of the Federal Impoundment and Information Act (as added by section 301 of this Act), the Comptroller General shall determine whether such impoundment, if continued in effect, would impair the execution of any program or activity provided by law—

"(1) to be terminated, or

"(2) to be reduced to a level below that intended by the Congress in enacting the law or laws which provide such program or activity.

"Sec. 407. The Comptroller General is hereby authorized to make an affirmative determination under subsection (a) of this section:

"(1) in the case of an impoundment of funds made by the Comptroller General and the House of Representatives, if the matter of impoundment has been referred to the committee by the President of the Senate or the Speaker of the House of Representatives;

"(2) in the case of an impoundment of funds made by the Comptroller General and the Senate, if the matter of impoundment has been referred to the committee by the President of the Senate or the Speaker of the House of Representatives.

"Sec. 408. The Comptroller General is hereby authorized to make an affirmative determination under subsection (a) of this section:

"(1) in the case of an impoundment of funds made by the Comptroller General and the House of Representatives, if the matter of impoundment has been referred to the committee by the Speaker of the House of Representatives;

"(2) in the case of an impoundment of funds made by the Comptroller General and the Senate, if the matter of impoundment has been referred to the committee by the President of the Senate.

"(3) Such motion may be made only by a person favoring the resolution, shall be highly privileged (except that it may be made after the committee has reported a resolution with respect to the same impoundment), and debate thereupon shall be limited to not more than ten hours.

"Sec. 409. If the Comptroller General determines that such impoundment is being made for any reason other than the reasons stated in section 402, the Comptroller General shall, if the matter of impoundment has been referred to the committee by the President of the Senate or the Speaker of the House of Representatives, if the matter of impoundment has been referred to the committee by the Speaker of the House of Representatives, if the matter of impoundment has been referred to the committee by the President of the Senate.

"(4) The motion to discharge the charge of the committee made be made to any other member with respect to the impoundment.

"(e) (1) When the committee has reported, or has been discharged from, a resolution with respect to the impoundment, it shall at any time thereafter be in order, even though a recess or adjournment of the Congress has occurred, to consider such resolution. Such motion shall be highly privileged and shall not be disproved or defeated. No amendment to such resolution shall be in order. No amendment shall be in order to reconsider the vote by which such motion is agreed to or disagreed to.

"(2) If the motion to discharge the charge of the committee made be made to any other member with respect to the impoundment,

"(3) If the motion to discharge the charge of the committee made be made to any other member with respect to the impoundment,

"(4) If the motion to discharge the charge of the committee made be made to any other member with respect to the impoundment,
and it shall not be in order to move to reconsider the same, except with the agreement of the majority of the Senators present, ordered to be agreed to or disagreed to.

(1) All motions to postpone, made with respect to the discharge from committee, or the recommital of a bill or resolution, on or with respect to an amendment, and all motions to proceed to the consideration of other business, pending, shall be made by a majority of the Senators present.

(2) All appeals from the decisions of the Chair relating to the application of the rules of the Senate to the procedure relating to a resolution with respect to an amendment shall be decided without debate.

(3) If, prior to the passage by one House of a resolution of that House with respect to an amendment, such House receives from the other House a resolution with respect to the same amendment, then—

(1) If no resolution of the first House with respect to such amendment has been referred to the other House, then the resolution with respect to the same amendment may be reported to (or, despite the provisions of subsection (4) of this section, be made the subject of a motion to discharge).

(2) If a resolution of the first House with respect to such amendment has been referred to the other House, then—

(A) the procedure with respect to that or other resolutions of the House with respect to such amendment which have been referred to committe shall be the same as if no resolution from the other House with respect to such amendment had been received, and

(B) on any vote on final passage of a resolution of the first House with respect to such amendment, the vote in the other House on such amendment shall be automatically substituted for the resolution of the first House.

TITLE VI—AUTHORIZATIONS FOR APPROPRIATIONS; CONGRESSIONAL REVIEW OF MAJOR EXPENDITURE PROGRAMS

Sec. 501. (a) All provisions of law in effect on the effective date of this Act, which authorize appropriations for any major expenditure program for a period of more than three fiscal years, in which case the first fiscal year commencing after such date, shall cease to be effective at the end of the third fiscal year commencing after such date.

(b) Subsection (a) shall not apply to any major expenditure program funded in whole or in part by funds not available for appropriations for a period of more than three fiscal years, in which case the first fiscal year commencing after such date.

Sec. 502. (a) During the period prescribed in subsection (b), each committee of the Senate and the House of Representatives which has jurisdiction to report legislation authorizing appropriations for a major expenditure program shall conduct a comprehensive review and study of such program and shall submit a report thereon to the Senate or the House, as the case may be. In conducting such review and study, the committee shall have the power to examine in evidence in hearings open to the public.

(b) Prior to the beginning of the period during which each committee of the Senate or the House of Representatives is to conduct a comprehensive review and study of a major expenditure program, the head of the department or agency of the Government which administers the program (or any part thereof) shall submit to the committee a cost-benefit analysis of the program.

(1) The period of investigation for subsection (a) shall include the review and study of a major expenditure program for the fiscal year for which such program is authorized for expenditure.

(2) If, as a result of such investigation, such committee of the Senate or the House of Representatives determines that the program is not in the public interest, the committee shall submit to the Senate or the House, as the case may be, a report recommending the rescission of such program.

(3) Insofar as possible, the committee of the Senate and the House of Representatives which has jurisdiction to report legislation authorizing appropriations for a major expenditure program shall conduct the review and study required by subsection (a) at the same time as the committees may conduct the open hearings required by such subsection jointly.

(4) The report of a committee of the Senate on a review and study of a major expenditure program shall contain a cost-benefit analysis of the program and the committee's evaluation of the open hearings conducted thereon, and shall include (but not be limited to) the following matters—

(1) Whether the program objectives are still relevant;

(2) Whether the program has adhered to the original and intended purpose;

(3) Whether the program has had any substantial impact on solving the problems and objectives dealt with in the program;

(4) The impact of the program on the functions and freedom of the private sector of the economy;

(5) The feasibility of alternative programs and methods for dealing with the problems dealt with in the program and the cost effectiveness;

(6) The relation of all government and private programs dealing with the problems dealt with in the program;

(7) An examination of proposed legislation pending in the House dealing with the problems being dealt with in the program, including an examination of each proposed legislation in the context of—

(A) existing programs;

(b) other proposed legislation;

(3) private efforts, and

(4) whether such efforts will hinder or help private efforts.

Sec. 503. It shall not be in order in either the Senate or the House of Representatives to consider any bill or joint resolution which authorizes appropriations for any major expenditure program for any fiscal year beginning—

(1) during the period prescribed in subsection (a) of this section, except the committee of that House which has jurisdiction over the program shall be required to submit a report with respect to such program under section 502 until that committee has submitted such report, or

(2) any bill or joint resolution which authorizes appropriations for any major expenditure program for more than three fiscal years.

Sec. 504. (a) Sections 502 (except subsection (a) of section 503) and 503 are enacted by the Congress—

(1) as an exercise of the rulemaking powers of the Senate of Representatives, respectively, and as such they shall be considered as part of the rules of such House, respectively; or of that House to which the rules are applicable; and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to the procedure in such House) at any time, in the same manner and to the same extent as in the case by any other rule of such House.

(b) For purposes of sections 502 and 503, the members of the Joint Committee on Atomic Energy and the House of Representatives shall be deemed to be a committee of the House, and the members of such Joint Committee who are Members of the Senate shall be deemed to be a committee of the Senate.

TITLE VI—INFORMATION TO TAXPAYERS ON SPENDING OF INCOME TAXES PAID BY THE UNITED STATES

Sec. 601. (a) Chapter 77 of the Internal Revenue Code of 1954 (relating to miscellaneous provisions) is amended by adding the following new section:

"Sec. 7517. Tax expenditure accounting.

(a) Statemat by Committee.—Upon the receipt of each individual's income tax return, the Secretary or his delegate shall furnish that individual a disclosure of the actual dollar amounts, corresponding to each item in the following list, that the individual has paid by income tax.
erating over such facilities. In addition, the Corporation would receive Federal grants to assist with rehabilitation and maintenance, and the payment of State and local property taxes. Also, the bill makes available loan guarantees on a risk-sharing basis for track and roadbed improvement.

Another provision of the bill requires the Secretary of Transportation to advise Congress, within 2 years, whether railroad operating losses in the Northeastern Corridor should be taken over in whole or in part by the Corporation or by regional, State, or local agencies.

I am glad to note this important provision was drafted by Senator Case of New York, the ranking minority member of the Transportation Appropriations Subcommittee.

The concept embodied in this bill is worth careful examination as perhaps the only realistic way of resolving the critical transportation problem in the Northeastern segment of the United States and for avoiding the development of those same problems in other parts of the country. I would hope that my colleagues would examine this statement and the copy of the bill which will be printed at the end of this statement and join with me in sponsoring the bill.

railroad collapse

At the present time there are seven major railroads bankrupt in the Northeastern quadrant of the United States. The largest of these railroads, the Penn Central Transportation Co., announced on February 1 that without, first, drastic reduction of the rail plant; second, a stable reduction in the number of its employees; and third, larger payments from Amtrak, the railroad cannot be reorganized on an income basis. In short, the road would have to be freed of its debt burden, and that burden alone would be sufficient to turn it into a profitable operation.

Under the strike resolution adopted by the Congress on February 8, the Department of Transportation is required to submit to the Congress by the end of March its proposal for resolving the Northeastern railroad situation. The Interstate Commerce Commission is also working toward some proposals by the end of March.

A staff report prepared for the Senate Commerce Committee recently dealt with the Penn Central collapse in great detail. Probably the most important conclusion of the report was that there were few, if any, prospects for the Penn Central's financial rehabilitation. Major contributing factors include a changing and more unfavorable environment in the Northeast, the declining condition of the national economy, and policy weaknesses on the part of management and their financial advisers and supporters, and the failure of public policy toward transportation. The Penn Central's financial difficulties, and the sad state of most rail transportation in the Northeast, stemmed from a critical combination of those factors.

The report suggested as one possibility the establishment of a Federal authority to take over the transportation assets of the Penn Central railroad east of the Hudson River.

The bill which I propose today provides for the establishment of an entity which would acquire only a portion of the transportation assets. It is my hope that this less drastic action will suffice.

One of the most important causes of the deteriorating financial condition of the Northeastern railroads, according to the Commerce Committee's staff report, is the need for new infrastructure and the operation of old capital. A common practice among railroads when confronted with financial difficulties is to begin deferring maintenance on track and roadbeds. For the large part of the Northeast, this practice has been standard for 15-20 years, with the result that slow orders abound even on mainline track and substantial investments are necessary to restore the facilities to proper working order. A railroad that cannot possibly provide the high quality transportation services the public needs, when they have inadequate funds for the restoration that is needed.

administration problems

I, for one, would like to take a laissez-faire attitude, as such, I understand is being proposed by the Department of Transportation. Preliminary indications are that the Department believes that the answer is to allow massive reduction in the railroad plant. For the Penn Central this could mean the elimination of 9,000 miles of track out of a total of 20,000—and massive unemployment for railroad employees. I do not believe the United States is willing to accept that kind of approach as a substitute for rational transportation policy in the Northeast.

There is no question that many in Government have been hoping that, under private operations, the Northeastern railroad problem could correct itself, but it has not. While we have tried to set the problem aside, over the past 10 to 15 years, it has gotten worse. It is now clear that the only way we can deal with this problem is to set aside some time we have at last some time to provide for our transportation needs.

new directions

I think we must be forthright and recognize that, at this late date, it will cost money to correct the problem. But if we can get a billion dollars in loan guarantees and perhaps another billion dollars in real money over the next few years, I think we must place this proposed financial outlay in perspective. Let us keep in mind that we will spend $1.5 billion every year on the Department. It is possible that more is wasted on defense than would be needed to restore the ailing segments of our rail system to a healthy serviceable condition. The total cost of spending, including the Department, plus the cost of operating, is about $9 billion annually. We spend around half a billion dollars on the merchant marine each year and about $1.5 billion on aviation. It would be almost impossible to estimate what has been spent on our inland waterways for dams, drought and flood control, dredging, etc. All of this has helped the inland waterways mode of transportation. Less than $300 million is spent annually on the transportation.

I would not suggest that we spend a billion dollars or more on railroads just for the simple reason that we spend much more than that on other modes of transportation, but it must be recognized that the railroads that we operate are the only transportation rights of way to which the Federal Government has not addressed its considerable resources. Providing railroads with vastly improved financing and operating conditions is certainly consistent with our attitude toward transportation development in the United States.

We must provide a better climate for private enterprise in transportation in the Northeast. I think we can do so with a concept such as that proposed in the bill I introduce today.

We must concern ourselves with transportation needs consistent with our desire to create a better environment through more efficient land use and control. Our social goals do not include forcing more industries and more people into the already overcrowded urban centers and contributing thereby to the overcongestion and traffic problems in those areas. Massive track abandonment with the economic disruption and the unemployment which would result must therefore, be avoided as much as possible. Of immediate concern, is the need to prevent the strain on energy now being felt in the Midwest and threatening to develop in other parts of the country. In this connection, we should keep in mind that railroads are the most efficient surface transportation mode for a vast amount of our interstate shipping needs, and in many cases, for intrastate and commuter and "corridor" mass movements of people.

summary of bill

The bill which I introduce today will do the following:

First, require the designation of an Interstate railroad system which would identify main lines in the United States which must be upgraded to standards necessary for the national economy. We should then return those lines to the President, the Interstate Commerce Commission, Amtrak, the Department of Transportation. We should then provide for the investment in the Northeast of freight trains at speeds up to 60 miles an hour and passenger trains at speeds up to 80 miles an hour; Second, require the Secretary of Transportation to provide within 2 years a report on the long-term capital needs for railroads; Third, provide for the creation of the Northeast Rail Line Corporation. The Corporation would be a not-for-profit entity with 19 members, including representatives of the railroads, Amtrak, and by the President, the Interstate Commerce Commission, the Department of Transportation, and the Federal Government. This entity would provide a system of freight trains at speeds up to 60 miles an hour and passenger trains at speeds up to 80 miles an hour; and Fourth, provide that within 6 months after enactment of the act, the Corporation will acquire all transportable, excess railroad facilities and declassification yards—owned by bankrupt railroad in the Northeast in exchange for debentures equivalent to the net liquidated value of the property conveyed. In different terms, the rail lines of other Northeast carriers may also be acquired;
Fifth, require that the Corporation assume responsibility for rehabilitation and maintenance of improved rail rights-of-way, including secondary and branch lines, and for the operation of signalling and communication devices. The operation of the carriers' rail service would remain with the carriers.

Sixth, require that line abandonments be in accordance with procedures providing substantial notice, ICC approval, plus an opportunity for affected States, communities, and municipalities to purchase the service by sharing on a 50-50 basis the maintenance and rehabilitation costs.

Seventh, require substantial protection for railroad employees from job loss or reduction of service.

Eighth, require the payment of user charges by railroads or Amtrak on a 60 cent per thousand gross ton-miles of locomotive and train operations. The 60 cents represents a cost figure for maintenance, modernization, and rehabilitation of the healthier railroads. That is a preliminary figure subject to later revision—see attachment at end of statement—and reflects the railroads and intercity areas.

Ninth, provide for an authorization of $300 million in expenditures of the Corporation; $300 million to be used during the first 2 years for rail line rehabilitation of corridor rail lines; $100 million per year for maintenance, capital improvements and overhead expense of the Corporation; $1 billion of Federal guarantees for debentures for the acquisition of track and roadbed by the Corporation; and loan guarantees not to exceed $200 million to all qualified railroads throughout the United States for track and roadbed improvements. To meet Federal standards.

Mr. President, I ask unanimous consent that the text of the proposed bill be printed in the Record at this point.

There being no objection, the bill and analysis were ordered to be printed in the Record, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Essential Rail Service Act of 1973".

TITLE I—FINDINGS, PURPOSES, AND DEFINITIONS

CONGRESSIONAL FINDINGS AND DECLARATION OF PURPOSE

Sec. 101. The Congress finds that modern, efficient rail service is necessary to meet the needs of commerce and to national defense; that better utilization of existing rail rights-of-way is more economical than extending the environment in terms of land use, air pollution, noise levels, and energy conservation than is expansion of facilities for other modes of transportation; that rail rights-of-way and resources have greatly deteriorated in recent years, especially in the Northeast section of the country; that a deterioration has resulted in inferior rail service; and, that in order to maintain rail passenger service, together with a sharp increase in train derailments; that rehabilitation of such tracks and roadbeds will provide substantial public benefits through improved passenger and freight service; that the efficiency and reliability of railroad service and the economic utilization of rail service and the railroad plant in the Northeast can be improved by freer access by rail carriers to portions of rail lines they do not own; and that provision for essential rail services in the Northeast would appear to be an appropriate use of Federal aid to support and maintain rail services in such Interstate Railroad System; to require minimum standards of maintenance on the rail lines comprising such Railroad System; to provide for a non-profit Corporation to rehabilitate, maintain, modernize and where necessary, to restructure rail lines in the Northeast; to establish explicit standards of rail lines of such Corporation; and to provide Federal financial assistance for rehabilitation, maintenance, modernization, and any necessary restructuring of rail lines.

DEFINITIONS

Sec. 102. For the purposes of this Act the term—

(1) "automatic block signals" includes automatic train stop systems, automatic train control systems, automatic cab signal systems, and any system of centralized traffic control by which a train is operated in accordance with signal indications without train orders;

(2) "Commission" means the Interstate Commerce Commission;

(3) "Corporation" means the Northeast Rail Line Corporation created by this Act;


(5) "rail carrier" includes railroad companies engaged in intercity freight traffic; State, regional, or local transportation agencies; the National Railroad Passenger Corporation; and other private passenger carriers;

(6) "rail line" includes main rail track or tracks; side tracks and yard tracks adjacent to such main track or tracks; supporting such tracks; signalling, communication, and power transmission structures and devices as are permanently installed on or adjacent to such tracks and roadbed; bridges, culverts, fills, tunnels, and other structures occupied by such tracks and roadbed; real estate occupied by such tracks and roadbed; and real estate adjacent to or in the vicinity of such tracks and roadbed which is used for drainage of, maintenance of, access to, and protection of such tracks and roadbed, including classification yards, station and terminal tracks and facilities, other than running tracks; any structures and devices other than those specified above that are the property of the rail carrier and are used to carry passenger and freight service in a dependable operation of freight trains at speeds up to sixty miles an hour and passenger trains at speeds up to eighty miles an hour. In formulating such standards, the Secretary shall be guided by preferred or recommended practices from an engineering and economic viewpoint, and shall be subject to minimum requirements for safety.

(b) The System as designated by the Secretary shall become effective for the purposes of this Act upon the date that the report of the Secretary is submitted to Congress, and shall not be reviewable in any court.

MAINTENANCE STANDARDS

Sec. 205. (a) Within ninety days after enactment of this Act, the Secretary shall prescribe standards for maintenance of main track included in the System, with respect to track geometry, rail machining, railhead, rail connections, and all other elements of the System, together with safety and security needs, and the cost is function of the cost of such standards. In formulating such standards, the Secretary shall be guided by preferred or recommended practices from an engineering and economic viewpoint, and shall be subject to minimum requirements for safety.

(b) In all respects other than those enumerated in subsection (a), all main track included in the System shall be in compliance with standards prescribed in accordance with this section on or before the expiration of two years following the date of enactment of such System pursuant to section 202 of this title.

(d) No owner or possessor of rail lines shall contract or otherwise enter into any arrangement with an owner or possessor of rail lines for the purchase of such line or for the use of such line or for the participation in the costs or benefits which is normally performed by employees in any bargaining unit covered by a labor agreement between such owner or possessor and any labor organization.
Sec. 206. (a) The Secretary shall submit to Congress on the first day of each regular session after the close of the probationary period of any railroad industry, including the Corporation established by this Act. The report shall be based upon an analysis of the function of the railroad, the traffic by specific carriers, and of specific regions of the country, the point of view of the rail service system as an integral part of a national network of transportation and communication modes. The report should evaluate the level of performance of the industry and its components; the effectiveness in maintaining the level of quality and service; and the implications of apparent trends for the continued provision of transportation service. The report shall include recommendations as to whether or not any portion of the rail carrier operations on rail lines in the United States be operated in whole or in part by the Corporation or by regional, state, or local agencies. The report shall include a statement of the receipt and expenditure of Federal funds by the Corporation for the fiscal year ending in the year in which the report is made under the Act during the previous fiscal year.

(b) The Secretary shall publish and report to Congress on the implementation of the schedule and inventory to rail facilities resulting from the implementation of this Act and the extent of compliance with the requirements of sections 603 and 609 of this Act.

Sec. 207. (a) The Secretary shall prepare and keep current a schedule setting forth the rail service and facilities which should be provided by railroads in the United States. In formulating such a schedule the Secretary shall take into account existing and potential interests of persons and communities affected thereby, existing rail facilities and the pattern of service by railroads; the facilities of alternative modes of transportation; the costs of establishing transportation facilities in addition to existing facilities; the cost of providing service by extension of existing transportation facilities; the cost of providing service by rail and alternative modes; the existence of transportation facilities; the economic need thereof; the existing pattern of service by alternative modes; and the public interest in a balanced and economical transportation system responsive to the needs of the public and the users of such systems.

(b) Such schedule shall identify rail freight services that are:

(1) essential to the public welfare, or

(2) having for the public welfare, or

(3) having in the public interest, or

(4) having in the interest of the economy of the Nation or of a substantial region of the Nation, that do not fall within clause (a) of section 206 of this Act.

Sec. 208. At any time after the expiration of the two years following the designation of the System under section 204 of this title, and any time thereafter in the discretion of the Secretary, the Secretary may delete or add rail lines to or from such System. The Secretary shall, with reference to the rail service schedule prepared in accordance with section 207 of this title, make a determination as to whether such action shall be taken or deletion or addition as provided in this section. In the event that the Secretary finds by evidence in an abandonment proceeding that service on the line deleted is no longer needed by the public interest and necessity, the decision shall be made by the Secretary and the Commission shall be advised of the decision.

Sec. 209. Within two years after the System is designated, the Secretary shall undertake and carry out a study of the long-term capital needs for line-relocation, tunneling, highway grade crossing elimination, and the effects of the conversion of the Interstate Railroad System, including the high density corridors identified by the Secretary under section 202 of this Act. The study shall include recommendations for the financing of the various possible upgrading projects, with reference to the service schedule and facility inventory provided under section 207 of this title. The study shall evaluate the form and extent to which the Federal Government should assist with the financing of such upgrades. The Secretary shall make public an evaluation and recommendations regarding the acquisition and operation by the corporation established under section 204 of this title, of rail yards and terminal facilities.

Sec. 210. There is hereby authorized to be appropriated to the Secretary and the Commission such sums as are necessary to fulfill the requirements of this title, not to exceed $10,000,000 for the Secretary and $900,000 for the Commission.

TITHE III—NORTHEAST RAIL LINE CORPORATION

Sec. 301. There is hereby authorized to be created a Northeast Rail Line Corporation. The Corporation shall be a not-for-profit corporation, the purpose of which shall be to rehabilitate, maintain, and to make certain capital improvements as outlined in section 501(b) of this Act so as to fully develop the rail service, and, in the supplement of the rail transportation requirements in the Northeast region of the Nation. The corporation will not be an agency or instrumentality of the Federal Government. It shall be subject to this Act, and to the extent consistent with this Act, to the provisions of the Interstate Corportion Act. The right to repeal, alter, or amend this Act at any time is expressly reserved.

PROCEDURE ORGANIZATION

Sec. 302. The Secretary of Transportation, the Under Secretary of Transportation, and the Federal Railroad Administrator shall serve as the board of directors of the Corporation and as the board of directors for thirty days following the enactment of this Act. The incorporators shall take whatever actions are necessary to establish the Corporation, including the filing of the articles of incorporation.

BOARD OF DIRECTORS

Sec. 303. (a) The corporation shall have a board of directors consisting of individuals who are citizens of the United States, of whom one shall be elected annually to serve as chairman. The initial board of directors shall take office on the thirty-first day after the date of enactment of this Act.

(b) Two members of the board of directors shall be appointed by the President of the United States for terms of four years, except that the first member so appointed shall continue for a term of five years, and the second member for a term of four years, except that the first member so appointed shall continue for a term of five years.
member appointed shall continue in office for a term of three years.
(4) Three members of the board shall be appointed by the National Governors Conference upon recommendation of the Governors of the States of the Northeast region. One of the members appointed shall be a representative of the railroad industry, and one shall be a representative of the motor transportation industry.

Sec. 305. The corporation is authorized to own, possess, construct, control, maintain, rehabilitate, own, sell, lease, exchange, purchase, acquire, sell, transfer, or otherwise dispose of, by contract, lease, or gift, any plant, securities, property, or any part or interest in any plant, securities, property, if such acquisition or disposition shall be necessary or incidental to the furtherance of the corporate purposes and objects.

Sec. 306. The corporation shall have power to acquire, construct, operate, and maintain, including the operation of signaling and communication systems; to acquire by construction, purchase, or gift, or for the use of, real estate, buildings, improvements, and all other property necessary or incidental to its function; to exercise the power of eminent domain in connection with such activities; and to contract for or develop related to its mission. To carry out its functions and purposes the corporation shall have the usual powers of any corporation, including the powers of the District of Columbia Not-for-Profit Corporation Act. Leases and contracts entered into by the corporation, regardless of where the same may be executed, shall be governed by the laws of the District of Columbia.

Sec. 307. (a) The corporation shall maintain books and records in accordance with generally accepted accounting principles prescribed by the Interstate Commerce Commission, insofar as is applicable.

Sec. 308. (a) (1) The accounts of the corporation shall be kept in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants, and such accounts shall be audited annually by the Corporation of the District of Columbia. Any such audit shall be conducted at the place or places where the books, accounts, and records of the corporation are kept, and such audit shall be made available to the officers and directors of the corporation and shall be subject to review by the Corporation of the District of Columbia. Any such report of the audit shall be submitted to the Congress.

Sec. 309. (a) Within thirty days following the end of each quarter of the year, the corporation shall prepare a complete report of its activities and finances for the previous quarter. Such report shall contain a statement of assets and liabilities, and the locations and financial statement balances for the previous quarter, and such other information as the Corporation of the District of Columbia may prescribe from time to time in its rule and regulations. The report shall be submitted to the Congress.
and communication systems installed. The report shall also include a summary of all train derailments and collisions on railroad rail lines, including the probable cause for the accident and any recommendations for preventing similar accidents in the future.

(b) On or before October 31 of each year, the corporation shall submit to the President a report regarding railroad rail lines, which shall include, but not be limited to, a description of the current status of each rail line, any changes in the rail line's operation, and any proposed actions to improve the rail line.

TITLE IV—ACQUISITION OF RAIL LINES

Sec. 401. (a) Within six months after enactment of this Act, the President shall issue an order abandoning, in part or in whole, the abandonment of such railroad rail lines as the President determines to be no longer in the public interest.

(b) All rail lines that are ordered abandoned shall be conveyed to the corporation.

TITLE V—OPERATION OF CORPORATION RAIL LINES

Sec. 501. (a) Upon acquisition of the rail lines of any railroad company, the corporation shall, with the consent of the shareholders, enter into agreements with such railroad company for the operation of such rail lines. The corporation shall have the power to operate such rail lines in a manner that is consistent with the public interest.

(b) The corporation shall make capital improvements on its rail lines in accordance with the provisions of this Act, and any amounts received from such improvements shall be credited to the corporation's capital improvement fund.

Sec. 502. (a) A railroad company which has rail lines in a metropolitan area shall be required to enter into an agreement with the corporation to operate those rail lines.

(b) The corporation shall have the right to negotiate with the railroad company for the terms of the agreement, and the agreement shall be approved by the corporation's board of directors.

Sec. 503. (a) The corporation shall maintain a system of safety regulations that is consistent with the safety regulations of the railroad company.

(b) The corporation shall be responsible for the safe operation of its rail lines.

Sec. 504. The corporation shall have the power to acquire, lease, or purchase any railroad rail lines that are no longer needed for the public interest.

Sec. 505. The corporation shall be responsible for the safe operation of its rail lines.

OPERATING RULES

Sec. 506. The corporation shall operate its rail lines in a manner that is consistent with the public interest.

LIABILITY FOR INJURY AND DAMAGE

Sec. 507. The corporation shall be liable for any injury or damage caused by the operation of its rail lines.

REDUCTION IN CAPACITY OF RAIL LINES

Sec. 508. The corporation shall have the power to reduce the capacity of its rail lines to the extent necessary to provide for the public interest.

PASSenger SERVICE

Sec. 509. The corporation shall provide a system of passenger service that is consistent with the public interest.

Sec. 510. The corporation shall ensure that all passengers are treated fairly and equitably.

Sec. 511. The corporation shall have the power to set the fares for its passenger service.

Sec. 512. The corporation shall have the power to establish a system of ticketing for its passenger service.

Sec. 513. The corporation shall have the power to ensure the safety of its passenger service.

Sec. 514. The corporation shall have the power to set the schedule for its passenger service.

Sec. 515. The corporation shall have the power to ensure the efficiency of its passenger service.

Sec. 516. The corporation shall have the power to ensure the comfort of its passenger service.

Sec. 517. The corporation shall have the power to ensure the convenience of its passenger service.

Sec. 518. The corporation shall have the power to ensure the accessibility of its passenger service.

Sec. 519. The corporation shall have the power to ensure the reliability of its passenger service.

Sec. 520. The corporation shall have the power to ensure the affordability of its passenger service.

Sec. 521. The corporation shall have the power to ensure the sustainability of its passenger service.

Sec. 522. The corporation shall have the power to ensure the safety of its passenger service.
unless it determines, on the basis of protests submitted in response to the notice, that such elimination or reduction will not be consistent with the public convenience and future public interest in adequate rail service.

Section 507. (a) The corporation shall not abandon any rail line in whole or in part except as provided in this section.

(b) Within one hundred and twenty days after enactment of this Act, the corporation shall prepare and file with the Commission, and make available to the public, a non-classified list of all rail lines that the corporation wishes to abandon and anyone else who has requested to be served, a full and complete list and diagram of its rail lines describing in particular those lines that the corporation has determined to abandon. At least thirty lines of less than one million gross ton-miles of traffic were carried per mile, or on which less than thirty-five carloads originated or terminated per mile. The corporation shall also identify on such list or diagram any other line for which this may seek authority to abandon, including the traffic density on such line during the prior calendar year in terms of gross ton-miles, and of carloads originated and terminated, and any other information that the Commission may require to determine whether the proposed abandonment is consistent with public convenience and necessity. Any such amendments shall be served and filed in the same manner and to the same extent as the original list and diagram.

(c) The corporation shall not give notice of proposed abandonment of a portion of a rail line unless such rail line has been identified on the list and diagram required by subsection (b) for at least one year. The burden of proof on such service on such rail line has been terminated.

(d) At such time as the corporation determines to abandon any rail line in whole or in part, the corporation shall notify all rail carriers operating on the line and anyone else who has requested to be served, notice of the proposed abandonment at least one hundred and twenty days prior to the proposed effective date thereof. After the notice has been served, the corporation shall give such notice to the Commission, the Secretary of Transportation, and any other rail carriers operating on the line, and the rail carriers shall file with the Commission a certificate of service, which shall be in such form as the Commission shall prescribe. A copy of the writing papers underlying all data contained in the notice shall be filed with the Commission contemporaneously with the notice and a copy of the certificate of service shall be filed with the Secretary of Transportation and with estimated receipts from rail carriers using the line, and shall otherwise be in such form as the Commission shall prescribe.

(e) Upon the filing and serving of any notice pursuant to subsection (d), parties who may be affected by the proposed abandonment shall have thirty days to file protests with the Commission against such abandonment. Such protests shall contain a copy of the certificate of service, an affidavit that the receiving end of the line is not abandoned, in such form as the Commission may prescribe. Such protests shall be served on all rail carriers operating on the line, and on the corporation. Within thirty days after the date of the protest for filing protests, the corporation may enter upon the abandonment of the line and commence operation thereof upon such terms and conditions as may be agreed to by all parties affected.

(f) Upon request of the corporation, and in the event of an agreement reached by the parties affected, a railroad company shall initiate and pursue negotiations for revision of such agreements in accordance with the procedures provided in the Railway Labor Act or other agreements that are in force.
MAINTENANCE, TAXES, AND CAPITAL IMPROVEMENTS BY CORPORATION

Sec. 604. There is hereby authorized to be appropriated for the Secretary for reimbursement to the corporation such sums as may be necessary to reimburse the corporation for the annual amounts spent for maintenance, State taxes, license fees, royalties, improvements, and overhead expenses, over and above annual receipts from users charges imposed and collected under this section shall not exceed $100,000,000 in any one fiscal year.

GUARANTEE OF DEBENTURES ISSUED BY CORPORATION

Sec. 604. (a) Holders of debentures issued by the corporation in accordance with the provisions of this Act for the purchase of rail lines are hereby guaranteed against principal and interest, which guarantee shall constitute a general obligation of the United States of America backed by the full faith and credit of the Government of the United States of America. Such guarantee shall not be terminated, canceled, or otherwise revoked; shall be conclusive evidence that such guarantee complies fully with the provisions of this Act and of the legality of the principal amount, interest rate, and all other terms of the debentures; the guarantee shall be valid and incontestable in the hands of a holder of a guaranteed debenture, except for fraud or material misrepresentation on the part of such holder.

(f) The aggregate unpaid principal amount of securities, obligations, or loans outstanding at any time under this Act, guaranteed by the Secretary under this section may not exceed $200,000,000. The Secretary shall prescribe and collect a reasonable annual fee for such guarantee, which fee shall be deposited in Treasury.

(b) Any default by the corporation in payment of principal of any debentures issued by the corporation as provided for under this Act, shall make the Secretary responsible for an amount equal to such default, in addition to the corporation’s obligations in the event of a default.

RESEARCH AND DEVELOPMENT CORPORATION

Sec. 605. The Corporation shall undertake a continuing program of research and development, including demonstration projects, for the purpose of improving the safety, reliability, and efficiency of the Corporation, and to this end is hereby authorized to appropriate to the Corporation for such purposes not to exceed $1,000,000 annually for each of the three fiscal years 1974, 1975, and 1976.

REHABILITATION ASSISTANCE LOAN GUARANTEES FOR RAILROAD COMPANIES

Sec. 606. (a) The Secretary is authorized, upon application by a railroad company not undergoing reorganization in bankruptcy proceedings in a United States district court, to guarantee any lender against the loss of principal and interest on securities, obligations, or loans (including loans by virtue of purchase of any securities or obligations) issued to finance rehabilitation work required by this Act or by the Federal Railroad Safety Act of 1968, including any loans incurred in connection with any extension of credit or guarantees as are just and reasonable and consistent with the public interest. Applications shall specify the estimated amount of the loan, if any, to be made, the manner in which the proceeds of the guarantee will be paid, and the terms and conditions of the loan. In passing upon applications, the Secretary shall consider the burden which the guarantees will place on railroad company finances, the need for rehabilitation, and the public interest.

SEC. 606. (a) The Secretary is authorized, upon application by a railroad company not undergoing reorganization in bankruptcy proceedings in a United States district court, to guarantee any lender against the loss of principal and interest on securities, obligations, or loans (including loans by virtue of purchase of any securities or obligations) issued to finance rehabilitation work required by this Act or by the Federal Railroad Safety Act of 1968, including any loans incurred in connection with any extension of credit or guarantees as are just and reasonable and consistent with the public interest. Applications shall specify the estimated amount of the loan, if any, to be made, the manner in which the proceeds of the guarantee will be paid, and the terms and conditions of the loan. In passing upon applications, the Secretary shall consider the burden which the guarantees will place on railroad company finances, the need for rehabilitation, and the public interest.

EMERGENCY RECONSTRUCTION GRANTS TO RAILROAD COMPANIES

Sec. 607. Any railroad company may apply to the Secretary for a grant to reconstruct lines that have been destroyed by flood, washout, windstorm, earthquake, or other unforeseen disaster outside the control of the applicant. Such grants may be extended to applicants which are able to finance reconstruction with their own resources. There is hereby authorized to be appropriated to the Secretary such sums as are necessary to carry out this section, not to exceed $10,000,000 in any one fiscal year.

TITLE VII—ADMINISTRATION AND ENFORCEMENT

POWERS OF THE SECRETARY

Sec. 701. The Secretary is authorized to perform such acts, including, but not limited to, the publication of rules and regulations, making reports, issuing subpoenas, requiring production of documents, taking depositions, transmission of telegrams and telephones, requesting recommendations, promulgating rules and regulations, and, delegated to any public bodies or qualified persons functions respecting such acts, including, but not limited to, the testing of railroad facilities as he deems necessary to carry out the provisions of this Act. Officers, employees, and agents of the Secretary are authorized to enter upon, inspect, and examine railroad facilities and pertinent books, papers, and records. Such officers, employees, and agents shall display proper credentials when requested.

RIGHT TO COURT ORDERS

Sec. 702. The United States district court shall, at the request of the Secretary and upon the application of the Secretary or any person on behalf of the United States, have jurisdiction, subject to the provisions of rules 65 (a) and (b) of the Federal Rules of Civil Procedure, to issue all writs, orders, and such and the Secretary issued thereunder, by the issuance of injunctions or restraining orders or by the granting of such other relief as may be appropriate.

PENALTIES

Sec. 703. (a) It shall be unlawful for the corporation or any railroad company to disobey, disregard, or fail to adhere to the provisions of this Act, or to any rule, regulation, order, or standard prescribed by the Secretary under this Act.

(b) The corporation or any railroad company violating any such rule, regulation, order, or standard referred to in subsection (a) shall be assessed by the Secretary a civil penalty for such violation in such amount, not less than $250 nor more than $500, as he deems reasonable. Each day of such violation shall constitute an separate offense.

(c) Such civil penalty is to be recovered in a civil action brought by the Attorney General on behalf of the United States in the district court of the United States having jurisdiction in the locality where such violation occurs, but, however, be compromised by the Secretary for any amount, but in no event for an amount exceeding $250, as he deems reasonable. The Secretary may compromise any such civil action, prior to referral to the Attorney General. The amount of any such penalty, when finally determined, or the amount agreed to in compromising or settling any civil action, shall be deducted from any sums owing by the United States to the person charged. All penalties collected under this Act shall be covered into the Treasury as miscellaneous receipts.

SUBPOENAS IN COURT ACTIONS

Sec. 704. In any action brought under this Act, subpoenas for witnesses who are required to attend a United States district court may run to reside within any State.

OTHER RIGHTS AND LIABILITIES RESERVED

Sec. 705. Nothing contained in this Act shall be construed as depriving any person of any right of action which he may have under any other Act of Congress, or for any person of any punishment, liability, or sanction which may be imposed otherwise than under this Act.

TITLE VIII—MISCELLANEOUS PROVISIONS

ANTITRUST EXEMPTION

Sec. 801. Persons contracting for the joint use of railroad tracks and facilities shall be
and hereby are relieved from all prohibitions of existing law, including the antitrust laws of the United States, with respect to such contracts, agreements, or leases thereunder, may be necessary to enable them to enter into such contracts and to perform their obligations thereunder.

EVIDENCE IN DIVISIONS CONTROVERSIES

SEC. 303. If any provision of this Act or the application thereof to any person or circumstance is held invalid, the remainder of the Act and the application of such provision to other persons or circumstances shall not be affected thereby.

BASIS FOR USER CHARGE COMPUTATION

The proposed user charge of $60 per thousand gross ton-miles was derived from an analysis of expenses of maintenance of roads and roads, and of operation of signals and communications systems, which would be borne by the companies rather than the individual railroad companies. The following accounts or portions thereof shown in the "Form A" annual report of the Interstate Commerce Commission were assumed to become the reason for the proposed charge.

MAINTENANCE OF WAY AND STRUCTURES

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<thead>
<tr>
<th>Account</th>
<th>Percent assigned to corporation</th>
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<tr>
<td>201</td>
<td>Superintendence</td>
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<td>202</td>
<td>Engineering—maintenance—running tracks</td>
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ROAD PROPERTY—ADDITIONS AND BETTERMENTS

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<tr>
<th>Account</th>
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<tr>
<td>206 Tunnels and subways—running tracks</td>
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<td>208 Bridges, trestles, and culverts—running tracks</td>
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<tr>
<td>212-Ties—running tracks</td>
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<td>214 Rails—running tracks</td>
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<td>216 Other track material—running tracks</td>
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<td>218-Ballast—running tracks</td>
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<td>220 Track laying and surfacing—running tracks</td>
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<td>231 Fences, snowdrags, and signs—running tracks</td>
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<td>232 Roadway grades</td>
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<td>247 Communications systems</td>
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<td>249 Signals and interlocks</td>
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<td>269 Roadway machines</td>
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<td>270 Development and road property maintenance</td>
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<td>271 Small tools and supplies</td>
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<td>272 Roadway snow, ice, and sand</td>
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<td>273 Public improvements—maintenance</td>
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<td>274 Personal injuries</td>
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<td>281 Right-of-way expenses</td>
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<td>278-279 Maintaining joint tracks, yards, and other facilities</td>
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<td>404 Signal and interlocking system</td>
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<td>409 Employees health and welfare benefits</td>
<td>100</td>
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<td>418 Damage to property</td>
<td>100</td>
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<td>418 Freight loss and damage</td>
<td>100</td>
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<td>420 Personal injuries</td>
<td>100</td>
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<td>413-413 Operating joint tracks and facilities—NET</td>
<td>100</td>
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Mr. WECKER. Mr. President, I am delighted to join with the distinguished Senator from Indiana in introducing the "Essential Rail Services Act of 1973."

The thrust of this bill is help make balanced transportation a practical reality. Recognizing the large-scale imperative that public ownership of roads has given to the automobile, I have long supported Government acquisition of railroad rights-of-way. Placing all forms of transportation transportation on an equal footing will significantly increase prospects for the improved rail and freight passenger service we all desire.

In June of 1970, I introduced with endorsement from 18 of my colleagues in the House of Representatives, a joint resolution ordering the Secretary of Transportation to study the feasibility of Federal takeover of rail rights-of-way.

The inequities that existed then have not been changed with the passage of time. The 1973 Federal transportation budget clearly indicates the ongoing imbalance in financial commitment: 70.1 percent for highways; 29.8 percent for airports: 5.4 percent for mass transit; and 1.8 percent for railroads.

The cumulative effect of financial neglect now requires a positive step away from outdated burdens on railroads. While rail systems struggle to pay the cost of maintaining their roads and tracks, our highways, traffic control systems, airports, and airway systems are paid for by the Government.

The tragic consequences of this inequity are now apparent. In the Northeast transportation corridor, a gradual deterioration of rail beds has resulted in inferior service, increased delays, and a basic inability to implement the technological capability of engines and cars that run on the rail right now. It is necessary to take steps to relieve railroads, in the Northeast sec...
The goal is simply to provide the proper economic climate for healthy and viable rail service in the future. Mr. President, I am pleased to join today with the distinguished Senator from Indiana and others to introduce the Essential Rail Service Act of 1973 in an effort to promote safe, efficient, and reliable rail service in the Northeast and the Nation.

I believe this act is a fitting step to accompany the creation of Amtrak and the passage of the Federal Railroad Safety Act.

I believe its major provisions constitute a strong reassertion of the need to upgrade rail service in America. It does not cope with all of the problems facing railroads; but it clearly is a major break with the past neglect of Government toward insuring modern, efficient rail service.

The creation of a public nonprofit Corporation to acquire rail lines of the Penn Central is only the first of many such carriers in serious financial distress will revamp the past pattern of Government-industry relations. The need for direct involvement in the Government to ensure the adequacy of rail service in the Northeast is a clear conclusion of recent studies, including the Commerce Committee staff report issued last month.

This act also will speed the realization of major portions of the Northeast Corridor Transportation Project of the Department of Transportation which recommended improved high speed rail service in the Washington-Boston corridor as the best way to meet transportation needs.

The report found the Northeast corridor to be the most extensively urbanized region in the Nation with some 44 million persons, 20 percent of the Nation's population, living on less than 2 percent of the Nation's land.

The sprawling growth of suburbs and exurbs, the ebbing of density and population from the core areas, the tight congestion of people in new metropolitan areas joined in an urban band 500 miles long—all have created a transportation crisis.

Traffic congestion on the highways and congested and important terminals already exist so that travel times both by air and by road are increasing between Boston and New York and between Washington and New York. In fact, it takes longer today on the average to get from National Airport to New York than it did in 1953.

The report noted that:

- Aircraft and terminal delays between 1968 and 1970 cost the Nation $1.5 billion. Almost 30 percent of this delay was registered at five major corridor airports.

It was after years of detailed investigation that the final report recommendations were made. And I believe it is essential that action be taken now to begin to put the recommendations into effect.

The report concluded that:

The only system capable of increasing the speed of travel and which can be rapidly imple mented is a high-speed rail system that expands and improves the demonstration service on the existing right of way between Washington and Boston.

This action is necessary, the report concluded, while further investments in creating a strong railroad corridor for the 1980's are being made.

The creation of the Northeast Rail Line Corporation with wide representation in its board membership, including the Northeast Conference, Congress of Rail Unions, the railroad labor executive associations, and the National Industrial Traffic League, is a first step toward promoting rational rail service in the Northeast.

The Corporation will have the authority to issue long-term loans to acquire these rail lines at liquidation cost and will be authorized to expend $300 million over the next 3 years to improve and modernize these facilities, including centralized traffic control, improved safety devices, extra main tracks, removal of restrict clearances, improved grade crossing protection, and reduction of curves and grades.

The railroad companies using the Corporation's rail lines will be charged a user fee which ultimately is expected to be no more than one dollar for the original purchase of these lines.

At the same time, by insuring common usage of the existing tracks, we will be promoting real competition for the first time in rail passenger service.

With railroad companies frequently seeking to abandon lines, we have placed strong protections in this measure to prevent any reduction of passenger service. There is a strong public interest in the maintenance of passenger service in many rural areas of this Nation which cannot be judged solely on economic grounds. I worked with the chairman of the Surface Transportation Subcommittee in drafting these protections.

The range of the Corporation is authorized to extend beyond the Northeast to the entire rail mileage of Penn Central, the Boston-Maine, the New York-Washington Central Railroad, the Lehigh-Hudson River Railroad and the Lehigh Valley Railroad on the States of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia, West Virginia, Ohio, Indiana, Michigan, and Illinois as well as the District of Columbia. This bill also recognizes similar problems affecting other regions of the Nation and provides for the designation of all major rail lines in the Nation as part of a Interstate Rail System with the Federal Transit Administration of the Department of Transportation recommend how to improve that system.

The bill provides that the Secretary shall establish standards for the maintenance of all main lines, including "smooth, dependable operation at speeds up to 60 miles per hour and passenger trains at speeds up to 80 miles an hour." These standards are to be met within 2 years of establishment of the Interstate System. The Secretary will designate the urban corridors around the Nation which are similar to the Northeast corridor where upgrading rail service for passenger operations of 120 miles an hour and more are desirable.
To aid railroad companies in meeting these standards, the bill, as presently drafted, provides for $200 million in loan guarantees. There are stringent reporting requirements on these loans and prohibitions on dividends being paid without prior approval.

Although I have reservations about the loan provisions, I believe it provides the basis for discussion of how to stimulate the improvement of rail freight and passenger service in other parts of the Nation. Clearly, the continuing crisis of the Penn Central is not a situation that we want to see repeated in other parts of the Nation. This bill will permit the Congress to focus on this matter and take appropriate action now before the crisis occurs.

I believe action this year is essential if we are to move toward a balance—namely, a non-apportionment system. Passage of this legislation would be a major step in that direction.

By Mr. BAYH:

S. 102. A bill to provide for loans for the establishment and/or construction of municipal, low-cost, nonprofit clinics for the spaying and neutering of dogs and cats, and for other purposes.

Referred to the Committee on Labor and Public Welfare.

STRAY AND ABANDONED PETS

Mr. BAYH. Mr. President, the increasing size of America's stray and abandoned pet population presents a serious health and moral problem to the country. In 1970, Los Angeles animal shelters handled more than 120,000 stray dogs and cats. The same year Washington area shelters handled 110,000. According to one study, dogs in Los Angeles increased during the past 10 years at a rate—40 percent—more than double that of the rise in human population—15 percent increase. In Indianapolis the ratio of pets to people is almost 1 to 2.

Since 1970, the population of stray and abandoned pets has continued to increase, creating what the Journal of Modern Veterinary Practice has called the pet population bomb.

This explosion in the population of roaming stray animals is a serious problem for both the animals and the humans living in America's urban areas. In addition to the injury and starvation faced by the animals themselves, this wild dog and cat population presents important health problems to humans.

The Journal, Modern Veterinary Practice, summarizes the problem. In addition to diseases and bites from dogs and cats which can be serious, the magazine states:

"Strays or otherwise uncontrolled animals pollute the streets, disturb sleep, damage property, kill other animals (and an occasional human in the process) — accidents which may be realized—cause traffic accidents, all too often injuring or killing innocent persons."

More specifically, the incidence of rabies in a given community seems to be related to the number of stray animals. As the same Journal points out:

"The root of the rabies problem as it affects persons always has been and still is the uncontrolled animal population—until recently of dogs and now of cats. What can be accomplished by an intensified program is now evident in El Paso, Texas, where rabies had been enzootic since 1885. With a population of about 375,000 persons and 45,000 dogs, no cases of human or domestic animal disease were found, and vaccinated in 1964, vs.4,000 in 1968 after a rigorous control program had been in effect for 3 years. It is believed that 75 percent of the incidence of domestic animals involved in dog population had ranged from 83 to 94 (mean 40), with dogs accounting for about 90% of the total; in 1968 there were only 11 cases in dogs and 3 in cats."

More important, the number of persons given antirabies treatments (at $75) decreased from 1,118 in 179, and the per capita cost of the program declined from $374 to $165 per year. A fringe benefit has been the lessened incidence of canine distemper, perhaps due to the reduction in the risk of contact among dogs, especially with strays.

For a different perspective on the problem of pet overpopulation, in Indianapolis, 50,000 dogs and cats are killed each year by the humane society and dog pound combined. Yet the sanitation department is still faced with the task of removing and disposing of 20,000 more pets which have starved or been killed accidentally.

The Nation's humane and other animal protective agencies have labored man
duly over the past few years to cope with this problem. However, most solutions advanced have met some difficulty. The Modern Veterinary Practice Journal has described several pet control programs in some detail.

Of the numerous measures promulgated to control unwanted animal populations, few have been notably successful in doing much of anything for the reason of tolerable limits. Perhaps the most drastic is prohibition by governmental decree, but as in other fields of endeavor it is a measure of acceptance by the public. During the late 1800's in Iceland the dog and human populations were about equal, and hydatid disease was a major problem. A punitive dog tax was inadequate, and the government later banned all dogs from the cities. The same is true of mainland China, where the leaders have decreed that all available food be used for human consumption or for more productive animals. In both instances, however, public response was the result of virtual stopping voluntary surrender. Owners apparently realized that few persons on the average would accept the neutering, and rather than surrender their cats knowing they would be destroyed, many simply turned them loose—thus creating a problem for someone else.

In some cities even properly leashed dogs create such noise and filth on the streets as to evoke nonowner resentment, but few politicians are willing to take a stand against man's best friend. The housing shortage made landlords more successful, but there should be a middle ground that would protect the rights of nonowners. Perhaps a graded system of taxation on the number of dogs could be used to create dog parks and comfort stations as has been done in some European cities.

The proposal to encourage destruction of all but one male of a litter shortly after birth seems unlikely to gain much acceptance, and the once-common practice of drowning whole litters of kittens has been largely abandoned. Large numbers of kittens are surrendered to animal shelters, indicating that some 18 million cats—undoubtedly including new-born litters—are disposed of each year.

The 1968 estimate of the estimated cat population—and Los Angeles destroys about 15% of its estimated dog population annually, it is evident that the rate of capture of strays—a costly procedure at best—help much beyond eliminating the problem, and that the solution is an educational and, where and when animals can be adopted the problem is perpetuated by agencies charged with "sweeping." Even the best programs for animal control have been proposed but seem the least realistic as an effective control method under the conditions which exist in many areas, except as they encourage voluntary surrender. To establish ownership would require strict licensing and tattooing since few persons intent on abandoning an animal would be so naive as to leave its license tag on the collar. Punitive fees for owner redemption of animals found at large, help, especially on the number of repeat offenders with an increasing scale of fines is imposed.

It is my belief that one of the most successful programs to control pet population has been initiated by the city of Los Angeles. After a year of study the city opened a pilot Spay and Neuter Clinic in February of 1971. It operated so well that at the end of the pilot period the city created two additional clinics to serve the public. The city's Department of Animal Regulation prepared two reports on December 22, 1971, for Mayor Yorty which document the cost effectiveness of this clinic. The first demonstrates that the animal control costs more than offset initial costs of establishing and operating a public spay and neuter clinic. The second argues that a properly run clinic, once established, need not act as a drain on the public purse at all. I ask unanimous consent that these two reports be printed at the end of my remarks.

As positive and seren as an individual, Federal efforts at pet population control have been to date, the national magnitude of the program presented by abandoned pets requires a solution that is national in scope.

Today I am introducing legislation which will help to begin to provide that solution. The bill would authorize the Department of Health, Education, and Welfare to loan up to $200,000 to any municipality or county qualifying for funds based on the number of pets in the community. I am developing a spaying and neutering clinic.

The most attractive feature of this program is the assurance that the Government loans will be repaid. As the attached reports indicate, the number of currently operating spay and neuter clinics indicate that institutions such as those authorized for receipt of loans by this bill can end up paying for themselves by the end of the first year. In addition financial analyses of these institutions show that over a decade's operations they return $6.50 in reduced animal control costs for every dollar invested in the operation. From the standpoint of consumers, long-term the low-cost spaying and neutering clinics