



NEWS from
**U.S. Senator
Bob Dole**

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FOR IMMEDIATE RELEASE CONTACT: JANET ANDERSON
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WASHINGTON, D.C.-- Senator Bob Dole today asked the Interstate Commerce Commission to take immediate action to provide hopper cars to grain elevators for grain shipment.

"Hundreds of grain elevator operators and farmers have called me about the shortage of railroad cars," Dole said, "and if cars are not made available soon, grain companies will start dropping the price of wheat drastically to allow for discounts assessed to them for late shipments."

Dole explained that extreme winter weather conditions, a limited number of locomotives, and a change in normal export shipments from the last six months of last year to the first three months of this year have contributed to the problem of a limited number of cars available.

During the past two months Senator Dole has been in touch with ICC officials and railroad company personnel in an attempt to obtain cars for the grain elevators. "Many elevators have over 100 cars of grain contracted to ship during March and even more in April," Dole explained, "and if they are late they face discounts up to 1¢ per bushel per day on the price they sold for. This cost will be passed on to farmers through comparable drops in the farm price."

Dole urged all interested farmers and grain producers to attend one of the ICC meetings on this problem -- meetings are scheduled in Des Moines on Monday; Omaha on Tuesday; Salina on Wednesday (8:30 a.m., Mid American Motel).

- Extreme weather conditions in January and February caused dislocation of these covered hopper cars on railroads in the northwestern sector of the nation when they are needed in the grain producing areas;
- This weather also caused inordinate damage to an already short supply of power equipment with which to pull these cars (some 8 to 10 percent),

- The switch from narrow door boxcars to covered hopper cars seems to be about complete, and this coupled with a strike at one of the major manufacturers of these hopper cars (Pullman-Standard) since last September has prevented delivery of an anticipated 2,000 additional cars;
- Low prices at harvest caused by a drop in export shipments the last six months of 1977, shifted increased shipping demand to this year when exports picked up;
- Coal shipments from the west, of course, complicated this matter.

Now, when we need these cars to ship grain, they are also needed to ship potash for the manufacture of fertilizer, and to ship that fertilizer to the grain-producing areas. Exports will likely continue through wheat harvest and feed grain harvest, so a continued shortage is anticipated throughout the remainder of 1978.

From my talks with constituents and grain elevator operators, and from the discussion at your Thursday's meeting, I would like to suggest that the Commission consider expeditious action to:

- (1) Impose an incentive per diem charge to railroads who do not promptly return covered hopper cars to the railroads that own them. You should also consider allowing the funds generated from the incentive per diem on narrow door boxcars to be utilized in the purchase and/or leasing of covered hopper cars.