

News from Senator

BOB DOLE



(R - Kansas)

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DOLE VOTES FOR CONTINUED ROCK ISLAND DIRECTED SERVICE

WASHINGTON -- Senator Bob Dole (R-Kan.) today voted in favor of a bill by Senator Nancy Kassebaum (R-Kan.), extending directed service on the Rock Island Railroad for 45 days to allow shippers and railroads extra time to finalize purchase arrangements and alternate means of transportation. Dole originally introduced a measure providing 90 days of directed service to the financially beleaguered railroad, but yielded in favor of the Commerce Committee version, which the Senate passed today by a voice vote.

"The shippers, farmers, railroad workers, businesses and consumers of Kansas and the Great Plains must have continued service on the Rock Island Railroad," Dole said in a floor statement. "Senator Kassebaum's bill, which I am pleased to cosponsor, will help to insure that adequate rail service is provided in the future to those who have relied on the Rock Island in the past.

"Thousands of Kansas communities and shippers depend upon the railroad to transport agricultural commodities and manufactured goods. Nearly 40 percent of the total grain storage capacity of Kansas is served by the Rock Island. Over 125 Kansas grain elevators receive their sole service from the Rock Island Railroad. On top of that, dozens of manufacturing companies in places like Clay Center and Topeka rely on Rock Island service."

In addition to extending directed service, the bill provides for a labor protection provision which will help resolve the major stumbling block to purchases by other railroads. Additionally, the bill would allow shippers and state and local governments to receive at least \$25 million in loans from the Federal Railroad Administration to encourage continued service where the large railroads do not make purchase offers. Dole indicated that this provision could be particularly important on the track across northern Kansas where no railroads have bid.

"I am particularly concerned about the Denver to Omaha and Kansas City route," he said. "No one has exhibited serious interest in making an offer for this track. Now that the labor protection issue is largely resolved, I hope the Denver and Rio Grande Railroad can take a hard look at that track. Millions of dollars in Federal Railroad Administration loans are available at 2 percent for rehabilitation, which is badly needed. I hope the Denver-Rio Grande will take advantage of that. Additionally, I think this bill will make it easier for some of the shipper groups looking at parts of that line -- groups I have been working with in Phillipsburg, Clay Center and elsewhere."

Dole pointed to other possible solutions to the Rock Island problem. "Many believe that additional federal funding for rehabilitation of this track is necessary to prompt purchases and facilitate adequate service on the Rock Island," he said. "While this should be a last resort, I will continue to look at the possibility of a tax credit to encourage this rehabilitation. The Finance Committee may have a role to play here.

"While Kansans desperately need continued service on the Rock Island, they realize that permanent service cannot and should not be provided by the government at the taxpayer's expense. There is a clear consensus in Kansas that the only true solution is the purchase and operation of Rock Island track by strong, healthy railroads. This bill represents a solid, inexpensive way to encourage that."