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FOR IMMEDIATE RELEASE:
TUESDAY, MARCH 2, 1982

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KANSAS SENATORS SEEK SOLUTION TO ROCK ISLAND NEGOTIATIONS

WASHINGTON -- Senator Robert Dole (R.-Kan.) today made the following statement on the Senate floor on the passage of Senate Bill 1879, co-sponsored by Sen. Nancy Kassebaum (R.-Kan.):

Let me first say that this Senator appreciates the fine work performed by my colleague from Kansas, Senator Kassebaum, and by other Senators on the Commerce Committee in ushering this bill through Committee and onto the floor in such timely fashion. The speedy manner in which this bill was handled indicates the degree of urgency that we are confronted with out in the grain producing states.

The Rock Island Railroad commenced bankruptcy proceedings in March of 1975, shortly after President Ford took office. Passage of time has been marked by intricate legal and political maneuvering, culminating this very day in the Supreme Court's decision regarding the Rock Island Transition and Employee Assistance Act, passed by Congress in 1980.

It will come as no surprise to most of you that Kansas and other midwestern states produce a large volume of grain and other agricultural commodities. As a result, rail service has grown to play a very large role in our system of transportation, and it has proved especially viable as a means of transporting these agricultural commodities.

Having been on Agriculture Committees in either the House or the Senate for the past 21 years, I can say with confidence that the effects of permanent abandonment of rail service would be devastating to farmers and farm communities. And agriculture is certainly not the only industry affected by rail service; it does happen, however, that the increased transportation costs stemming from alternative modes of transportation can not be absorbed by the markets, nor passed on in their entirety to consumers. In this economic climate, we can not ask the farmers, already saddled with exorbitant interest rates, to bear the financial burdens attendant to abandonment of rail service in the farm areas.

Increased transportation costs are not the only effect of rail abandonments. Some commodities, because of unique physical or marketing characteristics, will not be able to be moved at all. Furthermore, movement of those commodities capable of being moved by truck will result in further deterioration of our nation's highways and more inefficient use of our limited supply of fuels. In short, secondary reverberations will be felt throughout the economy.

Some of us have been saying for years now that we will do everything feasible to insure the future of rail service in the midwest. We are not now asking the government to step in and run the railroad -- or bail it out of bankrupt status. All we are trying to do is establish a procedure to facilitate the purchase of lines by willing and able carriers or shippers so that continued rail service can be provided.

S.1879 simply provides that when the trustee and interested purchasers are not able to negotiate a purchase price, the ICC can establish a price upon application of the interested purchaser. This bill will hopefully help bring about an end to this seven-year old Rock Island controversy.