

News from Senator

BOB DOLE



(R - Kansas) SH 141 Hart Building, Washington, D.C. 20510-1601

FOR IMMEDIATE RELEASE
Friday, January 30, 1987

CONTACT: BRENT BAHLER
(202) 224-6521

OPPOSITION TO UP-KATY RAIL MERGER EXPRESSED

Washington, DC -- A proposed merger of the Union Pacific (UP) and Missouri-Kansas-Texas (Katy) railroads would have a "tremendous negative impact" on Kansas and would result in "an untold amount of human suffering", according to U.S. Senators Bob Dole and Nancy Kassebaum, and Rep. Bob Whittaker.

In a letter sent today to the Interstate Commerce Commission, (ICC) the three members of Kansas' congressional delegation opposed the merger because it would disrupt the employment of more than 250 persons in the Parsons area.

Writing to ICC Chairman Heather Gradison, the trio said, "If the merger is approved, it is anticipated that the unemployment level in Labette County will rise from 7.1-percent to 10-percent. The county will lose \$8 million in payroll, sales taxes in the area would decrease over \$100,000, and assessed property valuation in the community of Parsons would decrease by \$250,000. To expect a community the size of Parsons to absorb such a shock to its economy in such short period of time is unconscionable."

The letter noted that the Katy railroad has long been a major employer in Kansas, with more than 400 Katy employees currently working in the Parsons area at a large diesel locomotive and car repair shop. In its merger application, UP makes clear its intention to shut down the diesel shop, resulting in the termination of 171 jobs and the transfer of 100 people to other UP Divisions.

Dole, Kassebaum and Whittaker said the ICC would be receiving further comments in opposition to the merger from local citizens. "We hope that you will review the comments closely and agree with us that the merger application, as it currently stands, should not be approved," they said.