STATEMENT OF CONGRESSMAN BOB DOLE

First District - Kansas

in accordance with investigation ordered by the
Interstate Commerce Commission

Finance Docket No. 24869

Atchison, Topeka, and Santa Fe Railway Company

February 23, 1968
Dodge City, Kansas

MR. EXAMINER, LADIES AND GENTLEMEN:

I am pleased to have this opportunity to present my views on the discontinuance of passenger trains Nos. 19 and 20, and Nos. 23 and 24, between Chicago and Los Angeles. In providing passenger service between those two great cities, these trains -- by the nature of their routes -- also serve sixty-three communities in Kansas. These trains cover many of our metropolitan areas reasonably well; they serve much of our rural community very well.

OPPOSED TO DISCONTINUANCE

Let me say at the outset -- I am unalterably opposed to the discontinuance of this service. Few persons realize just how much Kansas depends upon the Chief and the Grand Canyon, long the prime examples of quality railway passenger service across our state.

When the discontinuance of these trains became generally known, a flood of mail arrived at my office. Many older persons related their dependence upon the service. Students stated financial reasons for using the passenger trains. Persons who do own autos do not in all cases choose to drive across country for reasons of health, comfort or safety. These persons have made themselves heard in their letters to me, and in my capacity as Congressman, I today convey their concern to you, Mr. Examiner.

What can be the basis for the decision to discontinue a service to the public, such as a passenger train? Conversely, what can be the compelling arguments for maintaining such a service? Is the financial balance sheet of a scheduled run the sole determining factor for continuance? Indeed, if such were the case in public transportation, there would be few cross-town buses late at night in our major cities. Few subways and elevated trains would make their early morning runs. And few suburbs would have bus service outside the rush hours.

The elements of "public good" and "public interest" must, of course, be considered in each discontinuance case. This is, of course, one of the reasons for these hearings.

I will not presume to describe to you, Mr. Examiner, the elements of these decisions with which you are so well acquainted.

Train No. 19, for example, carried 849 more passengers in the latter year.

A breakdown for all the trains follows:

YEAR	TRAIN NO.	NO. OF PASSENGERS
1962	19	148,285
1966	19	149,134
1962	20	153,261
1966	20	161,372
1962	23	101,946
1966	23	108,117
1962	24	68,881
1966	24	71,436

I ONLY WISH FARM PRICES HAD HELD UP AS WELL!

From 1962 to 1966, while auto registration continued to climb -- while use of the airways skyrocketed -- while many interstate highway miles were being completed -- STILL THE NUMBER OF PERSONS USING THE CHIEF AND THE GRAND CANYON MANAGED TO INCREASE!

We should consider the financial condition of the carrier. Among those represented at this hearing, I am certainly not the most qualified to discourse on the financial condition of the Santa Fe Railway Company.

I did note, from the company's own balance sheet, that the net revenue from railway operations jumped from $127.6 million in 1962 to $162.5 million in 1966. These are not statistics of decline!

The total net income for the company jumped from $70.7 million in 1962 to $84.8 million in 1966. These figures may be compared with a shareholder's equity of $1.4 billion. I respectfully submit that six percent on the money is not bad.

POTENTIAL LOSS

Finally, the potential loss to the carrier by the continuance of the service must be considered.

These trains have shown a profit for the Santa Fe for many years. Nos. 19 and 20 made the company $1.1 million in 1966. Nos. 23 and 24 earned $1.4 million in the same year, and again I am using the company's own figures.

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We are informed, with the recent loss of mail contracts, and the attendant loss of over $8.5 million in annual revenue from that source, that the trains cannot continue to operate.

The Santa Fe is quoted as saying, in their brief filed with the ICC, Finance Docket No. 24869, the following:

> "Santa Fe inability to retain a meaningful share of the transportation market has not resulted from a failure on its part to actively seek out patronage."

ADVERTISING COMPARISONS

The company indicates it has spent $7.0 million on advertising its passenger service in the last five years. I do not intend to quibble about advertising outlay, but do wish to submit figures provided me by the Library of Congress, which show the following outlays by other major companies for advertising in 1966 alone:

Proctor and Gamble	$196 million
General Motors	$192 million
Bristol Myers	$122 million
Ford	$120 million
General Food	$108 million
Chrysler	$ 88 million

Perhaps it is unfair to compare the advertising outlay of a railway with a company like General Motors, but it was somewhat significant to me that an auto company would spend over 130 times as much on advertising as the Santa Fe.

Accusations and counter-accusations about image building and public relations expenditures on the part of the railroads here would be a futile exercise. The fact is, these trains, and dozens of others across the nation, face imminent discontinuance. They should be saved.

A way must be found to accomplish that end.

DETERIORATION IN PASSENGER SERVICE MUST BE HALTED

I do not have data or the facilities for a study to determine the directions of needed new horizons in rail passenger service. I would hope, however, that those who are experts in this field are making an all-out effort to do what is necessary to prevent any further deterioration in rail passenger service.

A survey by the National Association of Railroad Passengers in Chicago says 75 trains were dropped in the last half of 1967, nationwide. That's more than 10% of all the trains running in the entire nation.

In my opinion, before discontinuance of any passenger train is approved, the carrier should be required to show that the continued service would cause serious damage to the financial condition of the company. The carrier should be required to show that continued operation of the passenger trains would adversely affect freight and other services rendered by the company.

Thank you.

Maybe Santa Fe should hire Mary Wells

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ADDENDUM

In my statement before the hearing examiner in Dodge City, Kansas, on February 23, reference was made to advertising expenditures of various companies. There was some question that these figures were pertinent because the companies involved were not directly engaged in transportation. I have since learned from the Library of Congress that in 1966 alone advertising expenditures of selected companies engaged in transportation were as follows:

United Airlines	$20 million
TWA	$22 million
Eastern Airlines	$13 million
Continental Airlines	$ 5 million
Greyhound	$ 5 million

These figures compare with $7.0 million expended by Santa Fe (by its own calculation) over the past five years. Again, I would express the opinion that if passenger service is, in fact, declining, then perhaps a more expansive and aggressive advertising campaign should be undertaken.