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NEWS from U.S. Senator Bob Dole

(R.—Kans.)

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FOR IMMEDIATE RELEASE

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DOLE URGES ICC TO CONTINUE ROCK ISLAND SERVICES

Washington, D. C. -- In a letter today to George Stafford, Chairman of the Interstate Commerce Commission, Senator Bob Dole called upon the regulatory agency to "move with all dispatch" in assuring that the essential services provided by the bankrupt Rock Island Railroad are continued.

Dole voiced the concern of many Kansas wheat farmers and grain dealers who fear that Monday's filing for Reorganization by the 123 year-old line may result in an interruption of the shipping schedules which are so critical to the upcoming harvest.

"Even though the ICC has the authority to order other railroads to take over Rock Island operations for up to 240 days -- at probably twice the cost to the Government that a loan for the company to stay in business for the same period would have been -- there is some question as to whether this is really feasible, especially for the more remote branch lines served exclusively by that carrier," Dole explained.

"There is also the problem of job terminations for many of the 2,000 Kansans employed by Rock Island," the Senator pointed out to Stafford, "and I urge you to do everything possible to insure that those positions are retained in any plan you develop."

Dole, who had favored one-time emergency loan assistance to Rock Island while a longer-range solution was being worked out, suggested that the U. S. Railway Association's loan denial last Friday may have been a demonstration of insensitivity to the needs of the Midwestern system. "I just hope," he remarked, "that the Association's Board of Directors wasn't so wrapped up in the problems of the Northeast lines that it felt compelled to make an unnecessarily strict interpretation of the law providing loan authority for the Rock Island."

"Congress just voted to pour another \$347 million into the bankrupt Penn Central -- with no expectation of repayment -- and in view of the size of the \$30 million loan request by Rock Island -- with at least some hope of a return -- it seemed to me a reasonable and preferable interim alternative to bankruptcy."

The ICC began meeting with Midwest rail executives in Washington Tuesday morning to discuss the future of Rock Island services. "Unless an acceptable arrangement is agreed-upon soon," Dole advised, "more than 75 million bushels of commercial storage capacity could be adversely affected throughout our State -- at a potential added energy cost of about \$2 million for shipment to alternate elevators."

"That is a serious prospect from anyone's view -- whether it be the farmer himself, or the consumer. As disappointing as it is to witness the end of a pioneer railroad which has contributed so much to the progress of the Midwest," Dole commented, "if the industries and economies of the states it has served suffer in the process, the impact may be reflected in more than just our history books."