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PROCEEDINGS —

Seventeenth Annual Meeting

Theme:

“Beyond The Bicentennial:
The Transportation Challenge”

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TRANSPORTATION RESEARCH FORUM

IN ALL MAJOR RAIL legislation recently passed, the stated purpose of the Congress is to promote the revitalization of the nation's railway system so that the rail mode of transportation will remain viable in the private sector of the economy. At the same time, it is the policy of the Congress to balance the needs of carriers, shippers, and the public.

The needs of the public in rail transport have generally been defined by agencies such as ICC and DOT, and to a much smaller degree in intra-state issues, by the state equivalent of these Federal agencies. The Regional Rail Reorganization Act of 1973 (RRRA) altered this lineup significantly in that a major objective in reorganizing the seven bankrupt railroads in the Midwest and Northeast region was to directly introduce the States (and local or regional transportation authorities) into the on-going rail planning process in the 18-state region. A major concern was the problem of what to do with about 6,000 miles of light density lines in this region. It was apparent to most that state and local officials would be far more knowledgeable than Washington-based planners in assessing the immediate impact of discontinuance of service on many of these rail lines.

The recently enacted Rail Revitalization and Regulatory Reform Act of 1976 (RRRA) provides \$360 million for a five-year national rail service assistance program for light density freight branch lines beginning July 1 this year. The program will be funded by grants to the states and will provide for operating subsidies, the purchase or rehabilitation of little used lines to be abandoned by rail carriers, planning grants, and for the development of services which may be less expensive than continued rail service, such as intermodal terminals. The federal share starts at 100 percent the first year and decreases annually to 70 percent for the fourth and fifth years of the program.

The RRRA provided \$180 million to the 18 states in the Northeast and Midwest region for continuation of local rail freight service for a two-year period. Under the new 1976 act, these states will then phase into the national program at the end of the two-year period.

Under both Acts, the Congress has given to the States the major role in local rail planning and continuation of local rail services by providing Federal assistance for:

- 1) establishing State Rail Plans;
- 2) contracting for continuation of local rail services directly with carriers, trustees, etc.;

3) acquiring and/or modernizing rail facilities as part of the State surface transportation infrastructure.

The requirement for local match causes the states to make cross-modal decisions such as:

1) where should local rail services be retained, instead of supplanted by other modes;

2) where should rail facilities be rehabilitated, modernized, or acquired; and

3) where should highways be upgraded to support the additional motor carriage to supplant rail service which is to be discontinued.

When the support for local rail service was wholly paid by user charges (as determined by ICC rates), the sole functions left to local government were to:

1) tax the carrier;

2) regulate the carrier (on intrastate matters only); and,

3) support/oppose/ignore a carrier's request for abandonment.

Now, with Federal assistance and with an increasing State/local role, the states can make decisions on retention of what they perceive to be needed rail service and to help in rationalizing redundant rail plant. These efforts should be made through a rational state rail planning process. No longer must these states react under crisis conditions to a sudden abandonment petition filed by a rail carrier.

Both the RRRA and RRRA institutionalize the requirement of a state rail plan as a prerequisite for Federal assistance. However, these plans are not to be established in a vacuum. On the contrary, the new Act specifically states that the State must establish "an adequate plan for rail services . . . as part of an overall planning process for transportation services" in that State.

What we have here is the need for states to do transportation planning across all modes so that they can make rational transportation choices when seeking Federal assistance. While FRA cannot pay for the development of state-wide transportation plans from its very modest authorization for rail planning grants alone, we certainly will be looking for evidence from States seeking local rail service assistance that careful consideration was given to all modes of transport in their overall planning process.

We see a continuing trend at DOT away from single mode considerations towards broader intermodal approaches to transportation problems. For example, the DOT has established Intermodal

A Summary Paper on the Coordination of Rail Programs with State Government

by William E. Loftus*

Planning Groups throughout the standard Federal regions to address issues that arise in metropolitan area planning across all modes. Another example is the recent issuance of regulations, jointly by FHWA and UMTA, on transportation improvement programs. FRA, in the rail planning process described in its regulations (49 CFR 255.9), seeks the best transportation solution in areas threatened by discontinuance of rail service.

**Acting Associate Administrator, Federal Railroad Administration.*

Railroad history in this country has shown that the trend in influencing this industry has gone from local to Federal government as the nation expanded and developed across this continent. In my judgment, the pendulum swing in this direction seems to have stopped and is beginning to swing back. Thus, we see states and local government playing an ever-increasing role in decisions that will affect rail service within their jurisdictions. We in FRA think that this is healthy, constructive and useful in balancing the needs of carrier, shippers and the public.