

HJR 8 INTRODUCED BY FRITZ, ET AL.
 URGES THE INTERSTATE COMMISSION TO REFRAIN FROM
 APPROVING RAILROAD DIVESTITURES

1/21 INTRODUCED
1/21 REFERRED TO BUSINESS & LABOR
1/29 HEARING
2/14 COMMITTEE REPORT--BILL PASSED AS AMENDED
2/17 2ND READING PASSED AS AMENDED 82 11
2/19 3RD READING PASSED 91 4

 TRANSMITTED TO SENATE
2/21 REFERRED TO BUSINESS & INDUSTRY
3/18 HEARING
3/18 TABLED IN COMMITTEE

1 House JOINT RESOLUTION NO. 8
 2 INTRODUCED BY Spitz Raney Special Kehlhuber
 3 HARP

4 A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF
 5 REPRESENTATIVES OF THE STATE OF MONTANA URGING THE
 6 INTERSTATE COMMERCE COMMISSION TO REFRAIN FROM APPROVING
 7 DIVESTITURES OF CONTROL OR SALE OF RAILROAD PROPERTY WITHOUT
 8 COMPLETE STUDY AND PUBLIC HEARINGS IN ORDER TO GRANT
 9 CONGRESS TIME TO REVIEW THE PROBLEMS ARISING FROM
 10 DIVESTITURE.

11
 12 WHEREAS, under existing law the Interstate Commerce
 13 Commission lacks authority to protect the public interest in
 14 the matter of the divestiture of control, sale, or
 15 abandonment of railroad properties because it cannot require
 16 these actions to conform to any pattern that might serve the
 17 most efficient development of the national railroad network
 18 or the long-term future needs of the nation for economic
 19 expansion, defense, or transportation; and

20 WHEREAS, railroad companies are currently engaged in an
 21 intensive effort to divest through sale or abandonment of
 22 strategic regional railroad properties in order to maximize
 23 profits and extend monopolistic control of traffic in
 24 producing areas, without consideration of the adverse
 25 effects, including elimination and curtailment of railroad

1 services, creation of smaller, weaker regional railroads
 2 prone to failure, and the welfare and convenience of the
 3 general public, small businesses, shippers, and industries
 4 in the respective areas; and

5 WHEREAS, the Interstate Commerce Commission has been
 6 actively encouraging divestiture of control, sale, or
 7 abandonment of railroad property on any basis, however
 8 fragmentary, without regard for the effect on the long-range
 9 transportation needs of the nation; and

10 WHEREAS, the Interstate Commerce Commission has
 11 recently rejected appeals for the suspension of divestitures
 12 until it has undertaken a study to establish proper patterns
 13 and policy for divestiture, and has refused to hold public
 14 hearings that would protect the welfare and convenience of
 15 the general public; and

16 WHEREAS, an evaluation of the adequacy of rail service
 17 requires consideration not only of what service and
 18 equipment is required to serve the economy in the territory
 19 involved, but also what level of competitive interstate rail
 20 service should be maintained and preserved and what
 21 equipment and manpower is required to satisfy the needs of
 22 national defense as specified by the national transportation
 23 policy, including maintenance of the strategic rail network;
 24 and

25 WHEREAS, sales or divestitures of control that have



1 been accomplished or proposed are creating great
 2 difficulties for newly created, weaker regional railroads,
 3 including elimination of access to equipment and a financial
 4 base adequate to provide continuation of service,
 5 elimination of competition, curtailment of railroad
 6 facilities in respective areas, and a fragmented, permissive
 7 approach to making the adjustments necessary for the
 8 nation's railroads to serve a dynamic, expanding economy.

9

10 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE
 11 OF REPRESENTATIVES OF THE STATE OF MONTANA:

12 That in order to afford Congress time to review the
 13 problems arising from the present railroad divestiture
 14 movement, to consider amending the Interstate Commerce Act
 15 and Staggers Act to provide greater protection of the public
 16 interest, and to develop a nationwide plan for
 17 reorganization of the nation's railroad network, the
 18 Interstate Commerce Commission be urged to act with extreme
 19 caution and full deliberation in considering applications
 20 for the divestiture of control or sale of railroad property,
 21 and to refrain from granting approvals without complete
 22 study of the fiscal and environmental impact of divestiture
 23 and public hearings concerning the regional impact of
 24 proposed divestitures.

25 BE IT FURTHER RESOLVED, that the Secretary of State

1 send copies of this resolution to the Interstate Commerce
 2 Commission and the Montana Congressional Delegation.

-End-

APPROVED BY COMM. ON
BUSINESS AND LABOR

HOUSE JOINT RESOLUTION NO. 8

INTRODUCED BY FRITZ, RANEY, SPAETH,
KOEHNKE, HARP

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA URGING THE INTERSTATE COMMERCE COMMISSION TO REFRAIN FROM APPROVING DIVESTITURES OF CONTROL OR SALE OF RAILROAD PROPERTY WITHOUT COMPLETE STUDY AND PUBLIC HEARINGS IN ORDER TO GRANT CONGRESS TIME TO REVIEW THE PROBLEMS ARISING FROM DIVESTITURE DIVESTITURES.

WHEREAS, under existing law the Interstate Commerce Commission lacks authority to protect the public interest in the matter of the divestiture of control, sale, or abandonment of railroad properties because it cannot require these actions to conform to any pattern that might serve the most efficient development of the national railroad network or the long-term future needs of the nation for economic expansion, defense, or transportation, and

WHEREAS, railroad companies are currently engaged in an intensive effort to divest through sale or abandonment of strategic regional railroad properties in order to maximize profits and extend monopolistic control of traffic in producing areas, without consideration of the adverse

effects, including elimination and curtailment of railroad services, creation of smaller, weaker regional railroads prone to failure, and the welfare and convenience of the general public, small businesses, shippers, and industries in the respective areas, and

WHEREAS, the Interstate Commerce Commission has been actively encouraging divestiture of control, sale, or abandonment of railroad property on any basis, however fragmentary, without regard for the effect on the long-range transportation needs of the nation, and

WHEREAS, the Interstate Commerce Commission has recently rejected appeals for the suspension of divestitures until it has undertaken a study to establish proper patterns and policy for divestiture, and has refused to hold public hearings that would protect the welfare and convenience of the general public, and

WHEREAS, an evaluation of the adequacy of rail service requires consideration not only of what service and equipment is required to serve the economy in the territory involved, but also what level of competitive interstate rail service should be maintained and preserved and what equipment and manpower is required to satisfy the needs of national defense as specified by the national transportation policy, including maintenance of the strategic rail network, and



1 ~~WHEREAS, sales or divestitures of control that have~~
2 ~~been accomplished or proposed are creating great~~
3 ~~difficulties for newly created, weaker regional railroads,~~
4 ~~including elimination of access to equipment and a financial~~
5 ~~base adequate to provide continuation of service,~~
6 ~~elimination of competition, curtailment of railroad~~
7 ~~facilities in respective areas, and a fragmented, permissive~~
8 ~~approach to making the adjustments necessary for the~~
9 ~~nation's railroads to serve a dynamic, expanding economy.~~

10 WHEREAS, MONTANA, BECAUSE OF ITS GEOGRAPHICAL LOCATION
11 AND DISTANCE FROM MARKETS, IS HEAVILY DEPENDENT ON
12 TRANSPORTATION SERVICES FOR ITS ECONOMIC WELL-BEING; AND

13 WHEREAS, RAIL FACILITIES ARE VITAL TO THE
14 TRANSPORTATION SERVICES AVAILABLE TO MONTANA; AND

15 WHEREAS, A TREND EXISTS IN THE RAILROAD INDUSTRY TO
16 DISPOSE OF REGIONAL RAILROAD PROPERTY, AND SUCH DISPOSITION
17 COULD HAVE A SIGNIFICANT IMPACT ON SHIPPERS, INDUSTRIES,
18 SMALL BUSINESSES, AND THE GENERAL PUBLIC IN MONTANA; AND

19 WHEREAS, THE CURRENT PROCEDURES UTILIZED BY THE
20 INTERSTATE COMMERCE COMMISSION MAY NOT ADEQUATELY PROVIDE
21 FOR PUBLIC OR GOVERNMENTAL INPUT INTO THE APPROVAL OF
22 DIVESTITURES OF REGIONAL RAILROAD PROPERTY; AND

23 WHEREAS, NEWLY CREATED REGIONAL RAILROADS MAY FACE
24 DIFFICULTIES MAINTAINING EQUIPMENT AND AN ADEQUATE FINANCIAL
25 BASE; AND

1 WHEREAS, THE RELATIONSHIP BETWEEN LAND GRANTS
2 ORIGINALLY AWARDED FOR THE CONSTRUCTION OF RAILROADS AND THE
3 PRESENT HOLDINGS OF RAILROAD COMPANIES IS UNRESOLVED IN THE
4 PUBLIC MIND.

5
6 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE
7 OF REPRESENTATIVES OF THE STATE OF MONTANA:

8 That in order to afford Congress time to review the
9 ~~problems arising from the present railroad divestiture~~
10 ~~movement, to consider amending the Interstate Commerce Act~~
11 ~~and Staggers Act to provide greater protection of the public~~
12 ~~interest, and to develop a nationwide plan for~~
13 ~~reorganization of the nation's railroad network, the~~
14 ~~Interstate Commerce Commission be urged to act with extreme~~
15 ~~caution and full deliberation in considering applications~~
16 ~~for the divestiture of control or sale of railroad property,~~
17 ~~and to refrain from granting approvals without complete~~
18 ~~study of the fiscal, ECONOMIC, and environmental impact of~~
19 ~~divestiture and public hearings concerning the regional~~
20 ~~impact of proposed divestitures.~~

21 BE IT FURTHER RESOLVED, that the Secretary of State
22 send copies of this resolution to the Interstate Commerce
23 Commission and the Montana Congressional Delegation.

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