

a comma and inserting, immediately after, the phrase "or to permit the proposed discontinuance or change at the expiration of said thirty-day period."

(3) The fourth sentence is amended by striking the word "otherwise" both times it appears by inserting in lieu of the word "otherwise" the first time it appears the word "have".

(4) The fifth sentence is amended by striking the word "has" and inserting in lieu thereof the words "would have" and by inserting after the fourth comma the phrase "or if the carrier or carriers discontinue or change such operation or service in contravention of the provisions of this paragraph,".

Passed the Senate December 1, 1967.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., February 19, 1968.

HON. HARLEY O. STAGGERS,
Chairman, Committee on Interstate and Foreign Commerce,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your request for the views of the Bureau of the Budget on S. 2711, "To amend section 13a(1) of the Interstate Commerce Act, as amended, and for other purposes."

This bill would amend the procedures under which the Interstate Commerce Commission may permit discontinuance of unprofitable passenger train services.

In its report to your Committee on S. 2711, the Department of Transportation discusses the problem that the bill aims at correcting and the apparently unintended effect it would actually have on the achievement of the objectives of section 13a. It recommends amendment of the bill to correct this effect.

Section 13a has been useful in permitting the elimination of unprofitable service for which there has been little demand and thereby strengthening the carriers that had been required to provide this service. Accordingly, while we have no objection to amendments clarifying the jurisdiction of the Commission, as intended by this bill, we would recommend against favorable action on S. 2711 in its present form.

Sincerely yours,

WILFRED H. ROMMEL,
Assistant Director for Legislative Reference.

DEPARTMENT OF TRANSPORTATION,
OFFICE OF THE SECRETARY,
Washington, D.C., February 19, 1968.

HON. HARLEY O. STAGGERS,
Chairman, Committee on Interstate and Foreign Commerce,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Your Committee has requested the views and recommendations of this Department on S. 2711, a bill "To amend Section 13a(1) of the Interstate Commerce Act, as amended, and for other purposes." Section 13a(1) of the Interstate Commerce Act established the procedures by which a rail carrier can seek to discontinue or change interstate passenger train or ferry service. Under its provisions a carrier can bypass state regulatory commissions by filing with the Interstate Commerce Commission notice to discontinue 30 days in advance of any proposed discontinuance or change in service. A carrier filing such notice with the Commission may discontinue or change the service pursuant to the original notice unless the Commission institutes an investigation within 20 days and orders continuance of the service for four months. Among provisions of this section are 1.) discontinuance or change can be effected regardless of state laws; 2.) discontinuance of obviously poorly patronized trains can be expedited; and 3.) public is given 30-day notice of change.

S. 2711, was introduced to close a "loophole" that developed in a recent application of the 30-day notice period.

After filing two notices for discontinuance of trains, Nos. 3, 4, 7, and 8, on October 9, the Santa Fe Railroad, on October 18, wired the Interstate Commerce Commission that it proposed to annul the trains for the remainder of the 30-day period. The trains were discontinued October 19 and 20, the same dates that the Interstate Commerce Commission's Division 3 decided not to conduct an investigation.