the decision been made somewhere in the industry to concentrate chiefly on freight rather than passenger trains?

At least, I gather that, that the whole emphasis has been trying to get the freight business and trying to give the airlines and the buses the passenger business, if they can.

Mr. TIERNEY. The railroads have found, I am sure, that generally speaking the passenger business has been unprofitable.

Whether they have done enough to assure it being profitable is another question. But overall, I think, the public has gone to other forms of transportation, Mr. Harvey.

Mr. HARVEY. I think that is true. In the State of Michigan, where I come from, we discontinued most rail passenger service years ago, other than one or two lines. I can think of nothing north of Detroit as dependable rail transportation.

Just out of curiosity, what does the railroad have to show after they publish this notice in order to satisfy the Commission that they should be able to discontinue this particular service?

Mr. TIERNEY. There are two general areas provided for by the statute. One, that the public convenience and necessity does not require the operation, and, two, that if we required continuance, it would be a burden on interstate commerce, in effect a burden on the railroad, Mr. Harvey.

Mr. HARVEY. These are the two legal terms within the statute. But as a practical matter, what is necessary to satisfy the Commission? How long, for example, must a railroad have been losing money in order to discontinue?

Mr. TIERNEY. I don't think we have any specific length of time. We look at the record and determine how much of a loser it is. We take into consideration the carrier itself, and its ability to withstand losses. On the other side of the coin, we look at how much service it is necessary for the public, and whether there are other forms of transportation available to them.

If it doesn't appear that there would be a great inconvenience to the public by discontinuing the train, then we would probably permit discontinuance in the event there are carrier losses which are substantial.

Mr. HARVEY. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Van Deerlin?

Mr. VAN DEERLIN. Mr. Tierney, do you look at all into the potential of passenger development which might be realized on some of these short-haul lines if we were to adopt some of the technological changes that have marked the railroad business in, say, Japan? There, as we know, it is possible to provide faster train service over a 300-mile run from Tokyo to Osaka than it is to serve that same corridor by air, with trains that have achieved 150 to 175 miles an hour.

Mr. TIERNEY. There is no doubt in my mind, Mr. Van Deerlin, that this would make passenger travel more attractive. But I think we must remember first of all that requires a huge capital investment.

In the northeastern corridor we are investing a minimum amount of money. The Government is contributing some $10 million or $11 million and the Pennsylvania Railroad about $45 million. This represents a limited investment to determine whether or not better passenger service would be attractive and be economically viable.

It is a pilot program. We are trying to determine in the most densely populated area of the United States whether or not that type of service would attract enough people to make it economical.