

service in this country will simply cease. I don't believe it should cease, but that decision is up to this Congress.

Thank you.

(Mr. Mahoney's prepared statement, with attachments, follows:)

STATEMENT OF WILLIAM G. MAHONEY, COUNSEL, RAILWAY LABOR
EXECUTIVES' ASSOCIATION

My name is William G. Mahoney. I am a partner in the law firm of Mulholland, Hickey & Lyman, 620 Tower Building, Washington, D.C. My law firm is General Counsel to the Railway Labor Executives' Association and I was requested by that Association to appear here today to testify in regard to S. 2711 which has passed the Senate and which would amend Section 13a(1) of the Interstate Commerce Act dealing with the discontinuance of interstate passenger trains.

The Railway Labor Executives' Association requested me to testify on this bill because of my personal experience with the circumstances surrounding the train discontinuance case which led to the introduction and passage of S. 2711. My client also requested me to testify because I have participated to some degree in every train discontinuance case which has come before the Interstate Commerce Commission since the enactment of Section 13a.

The Railway Labor Executives' Association is an organization of the chief executives of the national and international railway labor unions which represent virtually all employees in the railroad industry. The chief executives of the following rail unions are affiliated with our Association:

- American Railway Supervisors Association.
- American Train Dispatchers' Association.
- Brotherhood of Locomotive Firemen and Enginemen.
- Brotherhood of Maintenance of Way Employees.
- Brotherhood of Railroad Signalmen.
- Brotherhood of Railroad Trainmen.
- Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employees.
- Brotherhood Railway Carmen of America.
- Brotherhood of Sleeping Car Porters.
- Hotel and Restaurant Employees and Bartenders International Union.
- International Association of Machinists and Aerospace Workers.
- International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers.
- International Brotherhood of Electrical Workers.
- International Brotherhood of Firemen and Oilers.
- International Organization Masters, Mates and Pilots of America.
- National Marine Engineers' Beneficial Association.
- Order of Railway Conductors and Brakemen.
- Railroad Yardmasters of America.
- Railway Employees' Department, AFL-CIO.
- Sheet Metal Workers' International Association.
- Switchmen's Union of North America.
- Transportation-Communication Employees Union.

The Congress enacted the Transportation Act of 1958 to provide the railroads of this country with emergency assistance. The Act was introduced and passed in a time of severe economic recession. Many of the railroads of this country were operating at large deficits and they needed temporary emergency assistance. Section 5 of the Act, which became Section 13a of the Interstate Commerce Act, was inserted to permit the railroads to circumvent certain state regulatory agencies which, according to the railroads, had blocked the discontinuance of passenger trains which were losing a great deal of money and which were not being used by the public. My client opposed the enactment of Section 13a as it feared that its provisions would be used by the railroads, not merely to rid themselves of unused, uneconomical trains, but to destroy passenger service which have never—and indeed could never—return to the railroads the profits they received from their freight service. The fears of the Railway Labor Executives' Association proved correct.

Section 13a accomplished its primary purpose almost immediately. Within two years following its enactment all of the trains which the railroads had testified they could not discontinue because of allegedly obstinate state agencies, had been discontinued. But unfortunately Section 13a did not expire after it had accomplished its objectives; it remained in effect thereby providing the railroads an