

V. COMMISSION RECOMMENDATIONS: 1959-1967

The Commission's investigation of rail passenger service has not been confined to section 13a. In its report issued in 1959,³⁹ the Commission recognized that the carriers cannot be expected to sustain heavy losses on passenger service indefinitely without some public assistance. Nine steps, including such public policies as tax relief and public subsidies for essential passenger services were recommended to maintain and improve rail passenger service. A detailed list of those steps is attached as Appendix K.

The Commission found that the New Haven's passenger deficit was the primary cause of that carrier's financial difficulties in a 1961 case which concerned a general increase request for passenger fares and later a petition under section 77 of the Bankruptcy Act.⁴⁰ To enable the carrier to operate again on a sound basis, the Commission made recommendations in three areas: (1) self-help by the carrier (principally abandoning unprofitable operations and reducing operating costs with emphasis on wage savings),

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Railroad Passenger Train Deficit, 306 I.C.C. 417 (1959)

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Passenger Fares, New York, New Haven and Hartford Railroad Company, 314 I.C.C. 377. (1961)