

(2) state and local assistance, and (3) Federal Government assistance in the form of a subsidy.

In this connection, the Commission noted that Federal, state, and local government promotional programs for highway development and a policy of continued subsidy to air carriers operated to the disadvantage of railroad passenger service. The Commission further noted the country was experiencing a population explosion intensified by a shift from rural to metropolitan areas and, as a result, rail commutation service would be more important in the years to come. Although the railroads could effectively compete with other modes under conditions of competitive equality, in view of the subsidies to other modes of transportation, a modest Federal subsidy program to alleviate the railroad passenger deficit problem was considered essential.

The Commission has also submitted several recommendations to the Executive Branch to improve the intercity rail passenger service, including a proposal that the Department of Transportation and the ICC conduct a study of an essential national rail passenger system.⁴¹

The assistance provided by governmental agencies to reduce commuter deficits has been increasing in scope and magnitude in the past few years. State and local aid in the Northeast, in particular, has been instrumental in preserving essential commuter service during the past three years. Without this help, it is doubtful that commuter service would exist today for many communities.

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Hearings on Passenger Train Service Before the Subcommittee on Surface Transportation of the Senate Committee on Commerce 90th Cong., 1st Sess., ser. 90-17, pt. 2, at 205 (1967).