

Mr. FRIEDEL. I want to thank you, Mr. Moloney, for your real thorough explanation of the bill.

Can you tell the committee, since we passed the Transportation Act in 1958, what has been the attitude of the ICC as far as cooperation for discontinuance of service? In other words, how many applications were made and how many were denied?

Mr. MOLONEY. I gave figures of that in my previous testimony. Let's not talk about notices or petitions but numbers of trains.

Mr. FRIEDEL. What I want to know is the spirit of cooperation of the ICC with the railroads, when they asked for discontinuance.

Mr. MOLONEY. I think the Interstate Commerce Commission has done a fine job in the administration of section 13a, if that answers your question. And I think it has done a fine job, both from the standpoint of the railroad and from the standpoint of the public. And I was about to point out, for instance, that in the number of trains, I think the figures were given you in my previous testimony, they required just about as many to continue to operate as they have permitted to come off.

Mr. FRIEDEL. Now, turning to the bill on page 4—not your statement—of the bill.

Mr. MOLONEY. Page 4 of the bill?

Mr. FRIEDEL. Yes, lines 5 and 12. You interpret as requiring an order by the ICC before a train could come off, just as an order is required to keep it running?

Mr. MOLONEY. Yes, sir.

Mr. FRIEDEL. Thank you very much.

Mr. Ronan?

Mr. RONAN. No questions.

Mr. FRIEDEL. Mr. Devine?

Mr. DEVINE. No questions.

Mr. FRIEDEL. Mr. Adams?

Mr. ADAMS. Mr. Moloney, I noticed that in your—

Mr. FRIEDEL. Pardon me one second.

Mr. ADAMS. It was reported last night in the Star that your operating revenues are the highest this year of any year in history, that you are up to \$10.7 billion as compared with \$10.4 million in 1967, which indicates that you have a steadily increasing revenue picture.

Now, according to the testimony of Mr. Goodfellow, who testified just before you, stated that the number of trains had dropped since 1958 from 1,448 passenger trains and a deficit of \$610 million, to last year when there was a deficit of \$485 million, with 590 intercity passenger trains

Now, we have cut in half the number of passenger trains and your revenues are going up. What is your explanation for why your net profits are going down? It doesn't seem to me it can be in the passenger train area that is causing you the problem.

Mr. MOLONEY. The first, the figures that you have mentioned, Mr. Adams, are gross revenue figures, and they are neither net railway income figures—

Mr. ADAMS. I didn't say that. I said that your revenues are up. You have cut the number of passenger trains in half. So that you are not increasing your passenger train deficit and yet you are remaining where you are in amount of loss. And so it seems to me that your net