

passenger train operated by the carrier in interstate commerce between any two points.

I feel that it is important that you be advised of the deleterious effect which such legislation would have on Seaboard Coast Line and I would also like to take this opportunity to place the so-called train discontinuance problem in what I believe to be its proper perspective.

First of all, I hasten to assure you that Seaboard Coast Line is not in any way attempting to withdraw from providing passenger service where there is a demonstrated need for such service. At the present time we operate several streamline passenger trains which compare favorably with any operated in the United States or in any foreign country. Such trains as the SILVER METEOR, SILVER STAR, CHAMPION, SOUTHWIND and CITY OF MIAMI offer an excellent passenger service truly responsive to the needs of the traveling public. In addition, we operate the FLORIDA SPECIAL during the winter season between New York and Miami. This train has been a pioneer in railroad passenger service spawning such innovations as candlelight dining, fashion shows, hostesses and recreation cars. We have no intention of discontinuing any of the primary trains, which trains are well patronized and are accepted by the traveling public. Operating in the Florida tourist market as they do, we certainly believe that they have an excellent future and that they will be around for a long time to come.

In addition to these trains, however, we operate many secondary trains whose future is somewhat doubtful. These trains have been operated over the years primarily for the movement of mail and express traffic and were abandoned by passengers many years ago. When mail and express traffic is withdrawn from such trains, there is no longer any need for their operation. At that point, the trains have outlived their purpose and when revenues disappear as swiftly as they do when mail service is removed, it is imperative that we be in a position to quickly and efficiently discontinue their deficit operations.

This has been the situation on several of our Seaboard Coast Line trains in recent months. Since December 30, 1967, due almost solely to loss of mail revenues, Seaboard Coast Line has utilized the provisions of Section 13a(1) to discontinue five pairs of passenger trains. The combined annual out-of-pocket losses on these trains was \$1,974,978 or \$164,581 per month. As the term "out-of-pocket" implies, these losses only took into account solely related costs and did not include any amount for depreciation, return on investment, sales expense, expense of maintaining tracks and stations and taxes thereon, or for other overheads. All of these trains were discontinued without investigation and one pair represented the last remaining passenger train on the particular line.

Had the proposed amendments to Section 13a(1) been in effect during this period, our Company would have lost \$164,581 more than it did, due to the Commission's having an extra 30 days within which to decide whether to investigate the discontinuances and would have been forced to operate one pair of trains during the two-year moratorium period at an annual loss of \$196,081, or \$392,162 for the two years. Just based upon this six-month past experience, therefore, the proposed amendments to Section 13a(1) would have cost Seaboard Coast Line \$556,743.

In addition to the above trains, we are operating on our railroad today several other sets of passenger trains which have lost most of their mail and express revenues and have been abandoned by the traveling public. Applications to discontinue three of these pairs of passenger trains are presently pending and others will be filed. In some cases, these trains represent the last remaining service and in other cases the Commission has, or will, investigate the proposals. Considering these trains, the amendments to Section 13(a) could very likely cost Seaboard Coast Line in excess of \$1,000,000.

Congressman Staggers, I need not advise you of the many problems facing the nation's railroads. Rising costs and shortages of high-priced equipment have made it necessary for us to seek two Ex Parte revenue increases in recent months. In these circumstances it seems pure economic waste to expend \$1,000,000 in order to postpone the discontinuance of services which are no longer required or needed by the public.

In summary, therefore, I believe that all concerned should recognize that there are certain passenger services operated by the nation's railroads which are simply no longer required by the traveling public. Whatever may be the merits of railroad passenger service as a solution to the transportation problems facing this country, the postponement of the discontinuance of unused and unwanted