

TRANSPORTATION ASSOCIATION OF AMERICA,
Washington, D.C., September 13, 1968.

HON. HARLEY O. STAGGERS,
Chairman, Interstate and Foreign Commerce Committee, House of Representatives, Washington, D.C.

DEAR CHAIRMAN STAGGERS: On behalf of the Board of Directors of the Transportation Association of America, I should like to express TAA's strong support of S. 913, as passed by the Senate. This bill, on which hearings are to be held by your Committee on September 17, would amend Part III of the Interstate Commerce Act to provide for the recording of trust agreements and other evidences of equipment indebtedness of water carriers, and to amend the Bankruptcy Act to provide for the exemption of such agreements from Section 116, Chapter 10 (11 USC 516).

For the record, TAA is a national transportation policy organization composed of transport interests of all types who work collectively to develop sound national policies aimed at the creation of the strongest possible transportation system under private enterprise. Policy positions, prior to final vote by the 115-member TAA Board of Directors, are first studied carefully by eight permanent advisory Panels composed of approximately 350 leaders from user, investor, air, freight forwarder, highway, oil pipeline, rail, and water carrier fields respectively. All eight Panels advised the Board, prior to approval of a policy position on legislation such as incorporated into S. 913, that they either support or do not oppose it.

Passage of S. 913 would permit the parties to a lease or a conditional sales contract to agree to make proceedings under Section 116, Chapter 10 of the Bankruptcy Act inapplicable insofar as they affect title and the right to possess vessels. Thus, in the event of default, the right of these creditors to take possession would be preserved. Furthermore, by providing for the recordation of these security agreements at the Interstate Commerce Commission, information on these instruments will be available at one central location and thus afford creditors protection from unknown liens on equipment.

We believe that legislation under this bill would permit water carriers to provide shippers, consumers, and communities with more modern and efficient equipment through equipment trust financing. The reason for this is the greater security afforded conditional sales vendors and lessors which would result in an increased availability of capital and at a lower interest rate than would be demanded under present conditions. The existence of similar legislation for rail and air carriers has enabled those carriers to obtain financing from sources which may not have been otherwise available at relatively favorable interest rates.

The proposed legislation would not adversely affect the financial well being of either a water carrier or a financial institution, as it is strictly permissive and can only be utilized where both parties mutually desire to take advantage of this particular type of financing. On the other hand, it will permit the domestic water carrier industry to continue to modernize its fleet for service to the public.

For the reasons stated above, we believe that passage of S. 913 would be in the public interest and respectfully urge that your Committee take favorable action on this legislation at the earliest possible date.

We request that this letter be made a part of the official transcript of the hearings on S. 913.

Sincerely,

HAROLD HAMMOND, *President.*

THE NATIONAL INDUSTRIAL TRAFFIC LEAGUE,
Washington, D.C., September 17, 1968.

HON. HARLEY O. STAGGERS,
Chairman, Committee on Interstate and Foreign Commerce, House of Representatives, Washington, D.C.

MY DEAR CHAIRMAN STAGGERS: The National Industrial Traffic League desires to support S. 2687, a bill to amend Section 17 of the Interstate Commerce Act to provide for judicial review of orders of the Interstate Commerce Commission and for other purposes.

The National Industrial Traffic League is a voluntary organization of shippers, groups and associations of shippers, chambers of commerce, and boards of