

March 20, 1979

LB 508

responsibility. The increased revenue that is derived from moving products over these rebuilt lines is then used to repay the fund for the cost of the construction. So you really do not have a burden upon the state or upon the shipper in the long run because the funding returns through increased revenue. We all know that unless something is done that these lines will continue to deteriorate. Senator Cullan has advanced LB 105 and LB 103 is coming along and these bills drastically change the taxation system on the railroads. In my opinion that legislation will further encourage the railroads to not upgrade the branch lines. Senator Cullan may disagree and he has every right to do so and he may have better information than I do and if he does have, I stand to be convinced, but that is the way I look at it at the present time. I think that unless we do something positive because of the increased demand upon the railroads to transport large amounts of coal principally over main lines and also because they have found that it is almost financially impossible to rebuild those branch lines to the specification necessary to transport the large hopper cars, those branch lines are going to be in the future, abandoned. I am a little bit disappointed, in fact I am considerably disappointed that some of the individuals and some of the companies who depend upon the railroads to a great extent for the movement of grain did not see fit to come forward and support this legislation. We continually hear complaints because of the lack of available transportation for grain but I can tell you very frankly that without the support of those shippers we are not going to find those railroads rebuilt. It will cost the shippers on the branch lines anywhere from ten to fifteen to twenty cents per bushel more to move their grain by other methods. The shippers on the branch lines in the small boxcars suffer at least a ten to fifteen cent per bushel discount over what the shipper can realize if they are provided with the large hopper type of cars. When you multiply this by the tens of millions of bushels of grain that can be moved in the next twenty or thirty years over these rebuilt lines we find the investment to be very, I believe, very minimal. But the plain facts are that the funds available for redevelopment are not plentiful and the demands upon railroad capital are such that they are going to spend their money where the greatest return is and you can't blame them for that. So those of us who find ourselves in a position which is less than satisfactory are called upon to adopt measures which we think offer at least some degree of success. I know as I have said earlier that the Public Works Committee is seriously

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