

STATEMENT OF DREW LEWIS, SECRETARY OF TRANSPORTATION,
BEFORE THE SUBCOMMITTEE ON COMMERCE, TRANSPORTATION, AND
TOURISM OF THE HOUSE COMMITTEE ON ENERGY AND COMMERCE,
MARCH 5, 1981

Mr. Chairman, it is a pleasure to be here today. I look at this as an opportunity to open a continuing dialogue with you and the committee on transportation issues. As these issues unfold, I anticipate that we will cover the full spectrum of railroad questions, including passenger, freight, energy transportation, and restructuring. As we discussed, today I will focus on my preliminary observations regarding the Northeast Corridor.

The Northeast Corridor is a unique and complex railroad operation. Stretching 600 miles from Washington, D.C. to Boston, it serves a densely populated part of the country, an area with high passenger travel demand in addition to heavy freight movements. The Corridor handles a mixture of commuter, intercity passenger, and freight trains unmatched anywhere else in our national transportation system. The nature of the physical operations is further complicated by the numerous agencies and institutions that have responsibility for a portion, usually an overlapping portion, of the operations.

The existing arrangements in the Northeast are not totally satisfactory to any of the users. I have asked my staff to look into the full range of Northeast Corridor issues and to prepare recommendations for resolving them.

Because of its high passenger ridership, both commuter and Amtrak, the Corridor will continue to receive the Administration's support. Our overall objective is to assure that safe, dependable, and comfortable transportation is available to the public. Our secondary objective is to resolve, in a fair and equitable manner, the issues of organizational responsibilities and the proper allocation of cost burdens.

I have requested my staff to look into the balancing of expenditures in the corridor to assure an equity of benefits among the users. When this analysis has been completed, we will work closely with you and your staff to explain the details and the resulting balance among the users.

We are also looking at the question of which entity should operate the commuter services in the Corridor. We are studying the impact of commuter operations on Conrail's costs and exploring the degree to which Conrail's financial resources and management attention are being diverted by commuter responsibilities from achieving a stable freight transportation system. We are also studying the New Jersey Transportation Commissioner's study of alternative commuter operating strategies. The results of our analyses will be an important element in our April 1 and May 1 reports on Conrail and in continuing dialogue with Congress.

Finally, I have asked our railroad costing specialists to look into the variable cost/full cost issues surrounding the payments made between the operating entities in the Corridor. Conrail is concerned that it has been required to bear substantial costs resulting from a difference between the payments which commuter agencies make to Conrail and those Conrail makes to Amtrak for the same services. We plan to have recommendations on these issues in the near future.

