

# STATE RESPONSE TO RAILROAD ABANDONMENT

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This paper examines the abandonment of railroad plant from the standpoint of state government. After discussing the problem as a matter of national and state concern, the paper suggests a role for the states in analyzing both major and minor abandonment proposals. Abandonment of rail lines is simply one aspect of broader rail and transport policy problems. The abandonment issue involves two different types and levels of concern, branch-line abandonment and major system reduction. Government response to branch-line abandonment has been scattered among various agencies; the rules of the regulatory game have been qualitative and judgmental. The wholesale relinquishment of trackage produces a different sort of public concern. Government response to threatened system abandonment, precipitated by the well-known problems resulting from the Penn Central merger, culminated with passage of the Regional Rail Reorganization Act of 1973. This paper attempts to apply benefit-cost analysis to branch-line abandonment. However, benefit-cost or other methods of analysis must be supplemented or superseded by social-cost considerations. Mediation and advance negotiation are reasonable means of approaching micro abandonments. But the emerging threat of system failure and loss requires additional response by the states. The final portion of this paper describes Wisconsin's involvement in the resolution of rail abandonments.

•THIS paper addresses a current issue in transportation and regional policy, the abandonment of railroad plant, from the standpoint of state government. After pointing up just why the problem arises as a matter of national and state concern and suggesting its present magnitude, the paper offers a role for the states in analyzing both major and minor plant rationalization proposals. Such a government role must involve trading-off statewide and regional considerations against those of quite local significance and must weigh social questions of track abandonment impact against corporate financial matters. Focus is on the states because they offer special capabilities for considering abandonments in the context of all-mode transport planning and state development policy.

Present and proposed state activities regarding abandonment are then illustrated primarily by reference to the Wisconsin situation. Recommendations are made as to data and institutional requirements to strengthen the quality of state response earlier in, or preceding, the abandonment process. The paper ends on a note of warning: If legitimate state interests in rail service are ignored, or substantial regional differences in state activity arise, the danger exists of extending the individualistic nature of transportation system planning and investment on into the final quarter of the twentieth century.

## ABANDONMENT IN PERSPECTIVE

The financial difficulties of the private U.S. rail system are well known. Given a multitude of technological and institutional forces acting to shift traffic among the nation's transportation modes over nearly the last 60 years, these financial problems of falling return on investment, inability to replace capital, and rising costs with worsened service have inexorably led to a declining spiral that threatens the position of rail transport in the U.S. economy (22, 33).

Numerous transportation policy studies since the end of World War II have recommended measures to redress the rail situation by private-enterprise solutions involving greater neutrality in government transport investment and pricing plus greater freedom in regulatory standards. The upshot has been quite the opposite: nationalization of rail passenger service, additional federal programs in highways and air transport, and continued rigidity by regulatory commissions.

Abandonment of rail line, then, is simply one aspect of broader rail and transport policy problems, and one result of the downward railroad spiral. Increasing attention has been given to this abandonment aspect and rail company needs, for example by the Association of American Railroads' 1970 ASTRO Report (2, pp. 37-38). An American Assembly on transportation strongly concluded in 1971: "There must be abandonment of unneeded mileage" (1, p. 5). The Annual Report of the Council of Economic Advisors in 1972 pointed out that railroads "... are required to continue operating branch lines when such lines are unprofitable, and sometimes even when revenues do not cover their out-of-pocket costs" (34, p. 131). The Council found: "Abandonment of uneconomic branch lines... could benefit rail carriers and simultaneously provide new markets for motor carriers in accord with their comparative advantage in short-haul carriage" (34, p. 131). [The issue exists in other countries, as well; see, for example, studies by Munro (20), Bendtsen and Rallis (4), and Richards (26).]

The Congress has had before it major proposals for reform in the Transportation regulatory Modernization Act of 1971 (31) and the Surface Transportation Act of 1971 (32); it has passed a Northeast and Midwest rail bill (30); and it will consider the Transportation Improvement Act of 1974 (11). All these measures are concerned with transportation policy change, and each specifically deals with rail abandonment as part of the larger question.

But abandonment is not solely an issue for Congressional disposal nor one to be subsumed completely by macro decisions on channeling modal competition. State and local interest in the removal of rail services has always been high, and events of recent months underlining the potential comparative advantage of railroads in energy consumption have further increased public concern over additional losses. Let us then detail the history and process of abandonment, separating out and substantiating the roles most properly ascribed to local government as opposed to federal agencies and the private sector.

#### THE RAIL ABANDONMENT ISSUE

In a growing economy, the typical concern of transportation management or government administrators lies with expansion of the transport network and the extension of transport services. Federal highway, airport and airways, and even transit programs all now indicate, to varying degrees, public support for increased transportation activity. However, following decades of trackage growth far in advance of demand, and with the development of new modes of transportation, the high-water mark was reached for the railroads in 1916, when miles of U.S. rail line peaked at 254,000. Thereafter, rather than expand geographic coverage, the railroads shrank continuously over the decades to reach today's level of some 200,000 line-miles (15, p. 111).

Sufficient questions of local and regional economic or social impact arise regarding instance after instance in the continued, long-term shrinkage of the U.S. rail plant to have focused administrative and political attention on railroad retrenchment and decline. In fact, abandonment questions may be illustrative of the class of concerns facing other transport modes in today's energy-short, uncertain era. But quite recent intimations have threatened radical system changes—for example, the Penn Central's wish to cut nearly in half its 20,000 line-miles (33, pp. 79-80) and the U.S. Department of Transportation's suggestion that 21,000 miles of the nation's rail plant could cease operation, saving up to \$42 million annually (11, p. 3). Accordingly, "Abandonment now threatens whole systems; and even the surgery required to save them may involve abandonments on an unprecedented scale" (23, p. 9).

The abandonment issue therefore appears to involve two different types and levels of concern, which we will refer to as Case I, branch-line abandonment, and Case II, major system reduction. Likewise, governmental response should take different approaches for Case I versus Case II abandonments.

### Case I: Branch-Line Abandonment

With maturation of the rail system, the federal government undertook regulatory control of line abandonments under the Transportation Act of 1920. Abandonment experience over the first 43 years of the Act is detailed by Cherington (6) and Conant (8). Most early instances of abandonment were of the branch-line type. Such abandonments were primarily localized responses to the depletion of natural resources, the duplication of light-density line in agricultural areas, or the drain from extensive short-haul competition (although recent important exceptions include the Lehigh and New England, 1961; Rutland, 1962; Chicago, Aurora, and Elgin, 1961; and Chicago, North Shore, and Milwaukee, 1963). Since the 1920 Act, the Interstate Commerce Commission (rather than individual state commissions, in most instances) has proceeded to weigh the railroad's burden imposed by its duty to serve on an unremunerative line against the public burden resulting from abandonment. An extensive body of case-by-case administrative law has developed on abandonment, primarily concerning branch-line or short-line actions (13, pp. 28-41; 15, pp. 595-599). Far less extensive is evidence of the actual effects borne by former rail users following abandonment, although one study, sampling 15 cases, established at least some degree of congruence between anticipated and actual effects on shippers from 4 to 8 years after abandonment (28, p. 16).

Heretofore, government response to branch-line abandonment has been scattered among various agencies; the rules of the regulatory game have been qualitative and judgmental. Rarely can a railroad or a protestant be certain of the outcome in a contested case, despite the similarity of the proceedings to others just decided by the commissions. Rarely is substitute service made a central issue in abandonments. How might these proceedings be structured to make it more certain that truly uneconomic lines can be abandoned? What need be done to make sure that the complete traffic potential is investigated? Are there ways to soften negative impacts on small communities and rural areas? Above all, before cases even begin, what kinds of studies, inquiries, or negotiations will give hope for long-term arrangements to overcome abandonment pressures? There has been and remains room for imagination and innovation in these cases and, we will argue, a role for state transportation agencies to take in promoting logical, economic decisions.

### Case II: System Abandonment

The wholesale relinquishment of trackage, as a second type of abandonment, produces an entirely greater sort of public concern. The discontinuance of service and even physical dismemberment of an entire railroad or major system segment raise several fears. The immediate rail labor impact can be large; the effect on the competitive position of shippers can be disastrous. Social as well as economic outlook darkens. The long-run result might be regional isolation and decline. These dismal predictions are the perceived results of large trackage reductions that lead government agencies and coalitions of user groups to strongly oppose abandonment.

Whether the measured results of abandonment, when major system changes result, actually equal perceptions remains an open question. For example, studies of the Rutland Railway's abandonment indicate no substantial impact on area employment and growth potential (5). Nevertheless, Vermont later reactivated a portion of the line at a cost of over \$2.7 million (36, p. 14). Yet a recent report on what might occur, were the Boston and Maine Railroad to end operations, forecasts quite major effects (5, pp. 24-25). It may be that projections of future system abandonments must simply retain a high degree of uncertainty, because past experience offers too little guidance for events of such magnitude.

Government response to threatened system abandonment, precipitated by the well-known problems resulting from the Penn Central merger, culminated with passage of The Regional Rail Reorganization Act of 1973 (38, 39, 40). The Act will bring about an unprecedented restructuring of rail ownership and operations by 1975, funded by a variety of grants and loans, but meanwhile prohibits abandonments by railroads in reorganization. Following creation of a final system plan, abandonment can be expedited. However, state, regional, or local government may obtain federal aid to subsidize or purchase lines not made part of the final system.

National concern over the northeast railroads has thus produced, for much of the country, major government intervention in planning, financing, and operating a re-structured rail system. The result is a freeze on Case II, system abandonments; but as a side effect, some 17 northeastern and midwestern states are drawn into the planning picture and in essence are required by 1975 to establish their own policies with regard to rail system needs. What are the bounds of a state railroad policy? Should states produce railroad plans, reflecting and refining these policies? How will state and federal rail activities mesh? Do state rail or multimodal plans portend new implementation measures and powers? Will we next have an "Interstate Railroad System"? In undertaking to face these questions, we will argue that there exists a substantial role for multimodal state transportation agencies. How well this role is performed in 1974 and 1975 in the Northeast will impact greatly on the remaining states that will inevitably eventually face the same rail policy questions.

## A STATE ROLE IN RAIL ABANDONMENT

### Federalism and Transport

The present role of the states in transportation is to some extent autonomous in both investment and regulatory matters. They raise their own funds, which are spent partly on programs of their own devising. However, the primary state role in a federated system is that of a cooperative, and knowledgeable, partner with the national government. As the U.S. Department of Transportation points out (37, p. 8):

Of very great significance is the fact that state and local bodies have long played a major role in determining and managing the actual application of Federal transportation funds. For example, States select the locations for roads and highways where Federal monies are involved. . . . States and localities decide when and where to spend Federal Aid for highways. Local public authorities determine the locations of airports, and city or metropolitan bodies decide where and how to spend Federal transit funds.

It would seem politically inappropriate, perhaps more expensive, and likely to generate both ill will and coordinative difficulties to administer nationwide rail programs by any mechanism that does not parallel the federal-state partnership already used for other major transport modes. While there may be some belief that broader, regional groupings would be more suited than individual states to performing rail planning or direct public rail programs, the development of regional agencies would be time-consuming and questionable, whether related solely to railroads or to all of transportation (6, pp. 7-8; 12, pp. 337, 356-357, 368-369; 21, p. 300). Regional agencies would need to cover most or all of the United States and be capable of carrying out investment programs. It can be argued that if states are able to cooperatively plan and implement an Interstate Highway program, they have a similar capability to work together and with the federal government in rail system activities.

### New State Capabilities

The fact that during the early 1970s the states have undertaken broader responsibilities and have improved their ability to understand interactions of transport systems as well as the reciprocal influences of transport, ecology, economics, and social systems strengthens the argument for having states take a larger role in rail activities. About half the states (and nearly all the more populous ones) now centralize transport promotion in state Departments of Transportation; state DOTs (and highway departments in non-DOT states) unanimously offer "socioeconomic and environmental" as well as planning and engineering skills, all of which might be made available for work in the railroad field. The impact of federal legislation, institutional restructuring of agencies to produce DOTs, and general awareness of multimodal problems are leading to changes in name and mission of key transportation organizations, such as the American Association of State Highway Officials to State Highway and Transportation Officials and the Highway Research Board to Transportation Research Board. Research and training are less and less modally oriented and broader in scope to permit exposure to the tech-

niques and attitude sets of those in many transport-related disciplines.

Perhaps the most compelling reason for states to play a part in abandonment matters, however, is that trade-offs involving explicit government support for the several modes are most commonly made at the state or metropolitan level. As state powers and funding increase, the project-level decision will frequently arise as to whether subsidy should be given a rail operation or capital investments be undertaken on a parallel highway.

#### A Note on Methodology

If we may take for granted the entry of states, particularly as represented by state DOTs, on the rail abandonment scene, plus their broadened capabilities, we may now attempt to set out a role for states to perform. The conceptual framework of this role is relatively simple to describe.

First, from the standpoint of a railroad as a business firm, there should be general understanding by government that the discounted future net cash flows from most light-density lines, treated on an individual basis, are minimal. So long as potential revenues from services are less than the anticipated marginal costs of providing those services, over the horizon of the firm's planning period, it is simply not sensible for a business to continue operations if it has any alternative. If expected revenues do not sufficiently exceed long-run marginal costs, asset replacement cannot be justified and operation should continue only until replacement becomes necessary. As a business matter, then, when a railroad has performed a capable job of analyzing a relatively unimportant branch line and has concluded that it is uneconomic to continue, the proper decision has been reached; after all, in the extreme, there is no better judge of profitability than capable management. [That "capable job" would appropriately investigate alternative operating, marketing, and pricing arrangements; review rate and cost divisions; determine how to dispose of the rail capital at the highest salvage value possible; and utilize the firm's internal rate of return.]

The business case for abandonment can appropriately be treated by application of benefit-cost analysis or similar analytical techniques (3; 14, p. 2; 23, pp. 11-13). However, even for Case I, the single branch-line abandonment, the business approach must be qualified because it supposes (a) that the competitive situation is not biased by the firm's market power or by public regulation or promotion and (b) that rail operations create no externalities—there are no important, although perhaps localized, secondary or social effects that outweigh the need to run a profitable business.

These criticisms of the business case are valid, because railroads are not micro-cosmic economic units, nor are they so treated by the public sector. Benefit-cost or other methods of analysis must therefore be supplemented by social-cost considerations or be superseded.

As for Case II abandonments, with their system-wide effects, the business case for track reduction is more difficult to analyze, more questionable, and even more subject to external effects.

It is clear, then, that the presence of externalities, in real but perhaps unmeasurable form, compels a broader look at abandonment than permitted by the boundaries of the business approach. The state role is to use its new and broad capabilities in drawing out, examining, and placing in perspective the externalities adjunct to abandonment.

#### Resolution of Case I Abandonments

Yet even in the single instance of a little-used branch line, how are externalities to be measured and weighed against more quantifiable factors? The economist has no truly satisfactory answer; the regulatory process has been patently unsuccessful.

Government and operators grope for solutions (7; 23, p. 15; 29). Shippers are becoming carriers in order to surmount the problem (25).

A valuable state role would therefore seem one that promotes an exploratory process, more qualitative than quantitative, at an early stage of abandonment activity. Resolution might best be handled on an individual basis but preferably outside the traditional regulatory setting. Efforts to either redress the conditions that lead to abandonment or prepare all parties for the eventual outcome should be stressed, not adversary pro-

ceedings. State action, with multimodal implications, might take place in the framework of an early administrative process that would contain the following elements [a similar approach is advocated by New York DOT (24, p. 54)]:

1. In advance of and as a condition to regulatory hearings, administrative mediation of branch-line abandonments should be required. Mediation would be governed less by technical rules of evidence than by practical efforts by concerned parties to reach flexible agreements among themselves.

2. An impartial Abandonment Mediation Service should be established at the national level, independent of any transportation agency, on the model of the Federal Mediation and Conciliation Service. Mediators could be members of the American Arbitration Association, with special training in transportation, business methods, and socioeconomic research, or might be full-time employees of the mediation service. Mediation costs could be shared equally by federal and state government.

3. The mediation service would bring together all factions, seeking data and information plus suggestions. Special traffic, environmental, or other studies could be requested and performed by state DOTs, perhaps with the assistance of regional planning agencies. Complete investigations could attempt (a) to measure divertable traffic, as shown by Morton (19); (b) to calculate marginal costs of extra highway traffic, as investigated by Woods and Domencich (41) and by Shurson and Sparks (27); (c) to determine rate change or subsidy potential and the opportunity for service modification; or even (d) to look at short-line operations. (It must be understood, however, that information is an economic good, and the expense of acquiring the information needed for a complete investigation of the typical Case I abandonment is likely to be justified only infrequently.) Mediation could help sort out how a prepaid revenue supplement program would work, as suggested by Sullivan (29). It is hoped that mediation would allow a closer look at the entire process of rate-setting, leading to possibilities of implementing concepts as discussed by Lundy (16), McCallum (17), and DeJarnette (9).

4. Mediation would be exactly that, a search for solutions, rather than arbitration, but the failure of mediation would force the parties, in time, to regulatory hearings. Just as the strike and the lock-out are instruments of last resort in forcing labor resolutions, the carrier would be influenced by losses or subpar return on investment and the possibility of an expensive regulatory case, while the shipper or receiver of goods would be influenced by what Meyer et al. (18) call "transition capital cost problems" (reduced property values resulting from withdrawal of transport service or replacement with more expensive service) to reach compromise decisions. Public bodies and citizens are influenced by the threat of uncompensated social costs in terms of reduced community growth potential and lowered community status.

If arbitration of branch-line abandonment is required and is supported by all parties under government sponsorship, the prospects of continued service will improve and information will become more available. Arbitration is a positive, dynamic process compared with inflexible and passive agency regulation. Certainly the states, by supporting bargaining and a broad search for substitutes as a method of conflict resolution, have the chance to help produce national decisions that slow the downward rail spiral.

#### Resolution of Case II Abandonments

Mediation and advance negotiation are reasonable means of approaching micro abandonments. But the emerging threat of system failure and loss requires additional response, in part by the states. Today, as a result of passage of the Northeast rail bill, national rail planning is beginning on an unprecedented scale. Northeastern and mid-western states must decide, on the basis of their own comprehensive evaluations, it is hoped, whether to subsidize, preserve for future use, or actually acquire the lines of bankrupt roads. The implications—financial, developmental, and in terms of state function—are radical. Accelerated programs are required:

1. States must set up lines of communication with operators and users and gather rail traffic data, specific to commodity tonnages, revenues, and attributable costs. Data for use in abandonments cannot be predicated on system- or region-wide averages,

particularly those based on the outdated ICC accounts, but rather must be specific to the situation and of a marginal, not average, nature.

2. States need to develop and follow an integrated set of principles or policies regarding transportation.

3. State transportation plans, including anticipations about railroads, should be begun. These plans may build on existing highway and airport facility plans, using standardized investment and pricing criteria for allocation among the modes. Reliable forecasts for the near-term and intermediate (8- to 10-year) period are necessary.

4. Plans are of little long-run effect unless states have the ability to implement their goal-directed facility and service needs; state implementation capability should be obtained in the form of state transportation funds.

Systemic, integrated planning is being given new federal direction and requires state support. There appears to be no turning back from the spread of government participation in transport investment; indeed, such response is proving the only means of meeting the results of this nation's inarticulate, uncertain, unbalanced policy toward transportation. The challenge remaining is to retain the maximum mix of private-enterprise operation in this sector in conjunction with socially rational investment and pricing policies. Deeper attention should be paid Dodge's approach to government ownership and maintenance of the rail right-of-way and pricing out the ways to operate companies on an equivalent, variable-cost basis, compared with competing modes (10). An initial step to such a semi-nationalized system would begin with a determination of national and state rail needs and designation of an "Interstate Rail Network," coupled with a state-federal "guarantee" of the network's continuation and replacement.

#### WISCONSIN STATE EXPERIENCE IN ABANDONMENT RESOLUTION

Through the process of trial and occasional error, the Wisconsin Department of Transportation has been attempting over the last several years to put into effect some of the suggestions this paper has made for resolving abandonment issues. It might prove instructive to report certain of those efforts, just as it has been useful to the Wisconsin DOT to have corresponded with planners in other states about their rail activities.

#### Data Gathering and Analysis

Wisconsin has been blessed with some highly cooperative railroads that have voluntarily provided advance abandonment plans to the state and to their customers. Excellent lines of communication with management at all levels have been opened. Further, traffic flow data (trackage producing more or less than 34 cars per mile) have been provided. In turn the DOT prepared and distributed a state railroad map, is providing information on local land use planning affecting railroads, and has discussed its ideas concerning abandonment influences and methodology with the major railroads serving the state and several industrial groups.

Information about abandonments from 1960 to 1972 on a county-by-county basis has been reviewed. The findings may be generalized as suggesting that abandonments occurred mainly in counties of smaller and less dense population, experiencing slower population growth, with lower median personal income and greater unemployment compared with counties having few abandonments.

#### Studies and Surveys

As an outgrowth of one discussion on abandonment prospects, the Wisconsin DOT is performing a shipper expectations survey for a user group that will cover movements by all transport modes and is specifically pointed at forecasting declines or shifts in traffic from the rails.

A major proposal has been made to investigate the potential for Lake Michigan car ferry service, which is threatened with abandonment, and its regional impacts. This study would coordinate with and expand other rail planning efforts.

A number of ridership surveys and analyses have been made on Wisconsin-Chicago

commuter trains, and more are planned. Investigations of AMTRAK service extension have taken place. We have, of course, participated in the National Transportation Study and just finished our own needs, revenue, and allocation study; in both cases estimates of rail needs to 1980 were produced.

### Shipper Survey

In advance of June 1973 abandonment hearings on the Mondovi-Fairchild line of the Chicago and Northwestern, the Wisconsin DOT made a particularly intensive survey of affected area shippers. Questionnaires were distributed with the assistance of County Agricultural Agents and University of Wisconsin Extension Resource Agents, under the cosponsorship of the Mississippi River Regional Planning Commission. The data requested concerned rail use; truck use; changes over time in transport use and anticipated future use by all modes; perceived effects of increased or improved rail service; perceived effects of abandonment; attitudes about the importance of rail and of truck service and community business climate; and a general community attitude survey.

The response rate to the survey was quite low (the questionnaire was probably too long). However, the respondents as a whole did not indicate that major disruptions would follow abandonment, so perhaps failure to respond might suggest a general lack of interest in rail service. Motor carrier transport was available and carried the major portion of area goods, according to respondents. There was some feeling that abandonment might be undesirable for community development reasons, but few rail customers believed that their transportation costs would rise significantly. In short, the findings were that social impact due to abandonment would be minimal, and partly as a result the Wisconsin DOT did not oppose abandonment before the ICC, stating (in the department's brief) that abandonment of the line appeared to be the only economically feasible finding available to the Commission. The department did seek various conditions to abandonment to soften what impact there might be, to stage the abandonment, and to retain the traffic on the rails.

The questionnaire used in the Mondovi-Fairchild survey is now ready for revision and use in additional abandonment cases and for general data-gathering as input to local planning efforts.

### Community Survey

A portion of the shipper questionnaire dealing with community attitudes has been revised and used in a research project that pairs small communities where abandonments have occurred within the past 5 to 10 years with those of similar characteristics that have retained rail service (34). The questionnaire is reproduced in the Appendix to this paper.

The process of obtaining paired Wisconsin communities included reviewing population data (relative size, trends, age distributions, and migration); geographic location and distance from larger cities; sales tax collections; business and industrial composition; demand for utility and transportation services; median income; and other information. Data from the 1970 Census proved most useful. Personal face-to-face interviews of both the business and the non-business sectors of two paired communities were then undertaken in December 1973. (Additional interviews were planned in two other paired communities in 1974.)

The hypothesis tested was that negative social impacts will be felt by both shippers and the community in general where abandonments have taken place. Effects that might be reflected in attitudinal differences include dissatisfaction with social and community services and government, an uncertain economic climate, outmigration tendencies, and general negative feelings toward the community as a place to live.

Initial use of the community survey in the small cities of Athens and Monticello produced rather interesting findings, based on 70 interviews. The results are still being analyzed. However, the community that lost service exhibits a type of isolation-anxiety syndrome, indicating greater differences between expectations and desires (as with parents' wishes for their children's continued residence in the community), greater



numbers of worries or fears, especially about local matters (including street crime), and a type of "conspiracy theory" about city government (being run by a few persons). Any findings about differences are tentative, because once the questionnaire is reviewed and shortened, additional surveys will be made to get a sufficiently reliable sample. If the end result of the study, though, is to extract significant differences between the communities that are accounted for by abandonment, potential impact areas can be identified and the cost of moderating these social impacts might be estimated. Further, more experience with such surveys should mean that attitude determination and monitoring could take place in advance of abandonment for use in negotiation processes.

### State Transportation Plan

For the last year the Wisconsin DOT has been deeply involved in thrashing out the policy elements of a state transportation plan. The effort has built on that of the New York DOT (24), adapting policy statements to the local case with the assistance of a "panel of judges", the DOT's Transportation Planning Council, composed of several administrators of key divisions. In the fall of 1974 the plan, complete with rail portion and abandonment policies, will be published and presented in a statewide series of meetings. Following this review and revision, the policy plan will be redrafted and then will constitute the DOT position. Meanwhile, rail and other system planning efforts will be taking place, along with attempts to implement an all-mode Transportation Commission and a state transportation fund.

### CONCLUSION

Because railroad rationalization is one part of a pervasive policy concern—the decline of the railroads as the end result of questionable regulatory and promotional policies—this paper has discussed the abandonment issue both in the narrow sense of branch-line loss and in the broad sense of systemic effect. A substantial role was laid out for the states in helping reach satisfactory, mediated decisions about branch lines and planned, goal-oriented findings on rail system needs. Evidence gathered by the state of Wisconsin was described as illustrative of input on which state planning depends.

Indeed, it is time that integrated, decentralized agencies such as state departments of transportation undertook roles in rail matters and improved state government interaction with the rail sector. The U.S. experience with inadequate institutions and policies in transportation should not be allowed to continue into the remaining decades of the twentieth century. The role this paper ascribes to the states would seem in concert with the national movement toward redirecting transport policy and revising the decline of the railroads.

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# APPENDIX

## QUESTIONNAIRE

### COMMUNITY SURVEY

State of Wisconsin / Department of Transportation

T-128-73

Name	Address	Occupation
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The purpose of this survey is to gather community data for use in planning a better transportation system in Wisconsin. Your answers will be strictly confidential and will be compiled with others for statistical analysis only. Your cooperation is appreciated.

1. What do you like about your community? (Check all that apply)
  - Friendly, nice place to live
  - Good education facilities
  - Good business climate
  - Opportunity to advance
  - Social-recreational facilities
  - Government
  - Other (specify) \_\_\_\_\_
2. What don't you like about your community?
  - Unfriendly
  - Limited job opportunities
  - Poor education facilities
  - Limited social and recreational facilities
  - Dirty, pollution
  - Government
  - Other (specify) \_\_\_\_\_
3. Where do you expect your children will live in the future?
  - Live here
  - Larger community
  - Smaller community
  - Community of same size
  - Not sure
4. Would you like to see your children stay in this community?
  - Yes
  - No
  - Not sure
  - Why or why not? \_\_\_\_\_
5. Do you EXPECT that you will remain in your community until you retire?
  - Yes
  - No
  - Not sure
6. Do you EXPECT that you will remain in your present occupation until you retire?
  - Yes
  - No
  - Not sure
7. As nearly as you can tell, what kinds of things do people around here worry about MOST?
  - Personal matters, health, children
  - Local problems, community or neighborhood affairs
  - State, national, or international affairs
  - Any other social problems (specify) \_\_\_\_\_
8. What about you? What things are you most worried about these days?
  - Personal matters, health, children
  - Local problems, community or neighborhood affairs
  - State, national, or international affairs
  - Any other social problems (specify) \_\_\_\_\_
9. Compared to 3 years ago, do you feel:
  - More afraid and uneasy on the streets today
  - less uneasy
  - no difference
  - not sure
10. Do you have the feeling that your community is run by a few people?
  - Yes
  - No
  - Not sure
11. What do you think of these people?
  - Qualified, doing a good job
  - Unqualified
  - Unscrupulous
  - No opinion
12. Here is a list of subjects which sometimes pose problems for cities in the United States. Would you please indicate which of these have been very serious problems, which have been fairly serious, and which have not been serious problems in your community in the last 3 years?
 

	Very serious	Fairly serious	Not at all serious	Don't know
a) Industrial and economic development and unemployment (new plants, electrification, employment, labor supply)	_____	_____	_____	_____
b) Housing and building (sufficient housing, and zoning, urban renewal)	_____	_____	_____	_____
c) Public improvements, services and utilities (transportation roads, streets, sewerage)	_____	_____	_____	_____
d) Health (public and private hospitals, sanitation)	_____	_____	_____	_____
e) Culture, recreation, sports (libraries, clubs, theatres, ball parks, golf course)	_____	_____	_____	_____
f) Public education and schools (school construction, curriculum)	_____	_____	_____	_____
g) Social improvement and welfare (child welfare, crime, delinquency, poverty, care for aged, handicapped)	_____	_____	_____	_____

	Very serious	Fairly serious	Not at all serious	Don't know
h) Air pollution (regulations of industrial and private emissions)	_____	_____	_____	_____
i) Loss of tax paying residents	_____	_____	_____	_____
j) General population growth or decline	_____	_____	_____	_____
k) General community conflict, lack of public cooperation or trust, cliques	_____	_____	_____	_____
l) Government organization and coordination; mismanagement or poor leadership	_____	_____	_____	_____
m) Business leaving	_____	_____	_____	_____
n) Community declining, general pessimism	_____	_____	_____	_____

13. Do you want your community to grow in population?  
 Yes  No  Not sure

14. How would you react if employment forced you to move from your community?  
 Very upset  Somewhat upset  Not at all upset  Not sure

15. In the past 3 years do you feel your family's income has:  
 Kept pace with that of your neighbor  Increased faster than your neighbor's  
 Increased slower than your neighbor's  Not sure

16. If unemployment due to automation and technological progress forced you to leave your job, would you:  
 Leave your community  Stay and make an adjustment  Not sure

17. Would you say that in general the business leaders of the community take an active leadership position in public affairs?  
 Yes  No  Not sure

Please estimate the percentage of the board or council that are business leaders, (Do not include those engaged in farming)  
 Business leaders on School Board \_\_\_\_\_% City Council or town leaders \_\_\_\_\_% County Board \_\_\_\_\_%  
 Citizen Committees to advise govt. \_\_\_\_\_% Members of United Fund Drive \_\_\_\_\_%

18. Compared to 3 years ago, do you think State Government is:  
 More responsive to your needs  Less responsive  About the same  Not sure

19. Please specify if you or a member of your family is a member of a labor union.  
 I am a union member  Union member in family  No union member in family

20. Do you belong to any organizations or service clubs that take stands on local issues or are active in local affairs? (Kiwanis, Lions, etc.)  
 Yes  No  
 How many?  
 1  2  3  over 3

21. How many business competitors do you have?  
 \_\_\_\_\_

22. Have any new competitors to your business moved into your community in the last 3 years?  
 Yes  No  How many? \_\_\_\_\_  
 Have any competing businesses left the community or declared bankruptcy in the last 3 years?  
 Yes  No  How many? \_\_\_\_\_

23. Has your business improved or has it declined over the last 3 years?  
 Improved  Stayed the same  Declined  Not sure

24. Is most of your business transacted with local customers?  
 Yes  No  Not sure

25. Do you have any supplemental sources of income?  
 Wife working  Second job  Property rental  Other

26. Do you expect that these sources of income will remain constant, increase, decrease, or dissolve?

	Remain constant	Increase	Decrease	Dissolve	Not sure
1) Wife working	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2) Second job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3) Property rental	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4) Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Specify _____					

27. What has been your increase in gross dollar sales in the last 3 years?  
\_\_\_\_\_

28. What has been the % change in net profit over the last 3 years?  
\_\_\_\_\_

29. To what do you attribute this change?

- Increased demand     Decreased demand     Higher transportation costs     Lower transportation costs  
 Higher wages     Lower wages     Higher cost of supplies     Lower cost of supplies

30. How many employees do you have now?

Part time \_\_\_\_\_ Full time \_\_\_\_\_

31. How many of these are unpaid family members?

Part time \_\_\_\_\_ Full time \_\_\_\_\_

32. How many more or less is this than 3 years ago?

More part time \_\_\_\_\_ More full time \_\_\_\_\_  
Fewer part time \_\_\_\_\_ Fewer full time \_\_\_\_\_

To what do you attribute the change?

- Increased demand     Decreased demand     Higher transportation costs     Lower transportation costs  
 Higher wages     Lower wages     Higher cost of supplies     Lower cost of supplies

33. Has this pattern changed in the last 3 years?

Yes     No     Not sure

34. Are you aware of any new state laws or action that have affected your business? (Please specify)

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

What has been the effect?

\_\_\_\_\_

\_\_\_\_\_

35. Has there been a change in your customer's demands for service in the last 3 years?

Yes     No     Not sure

36. If there has been a change in types of customers in the last 3 years, specify what that change is:

- Older     Younger     More local customers     More customers from outlying areas  
 No change     Other \_\_\_\_\_

37. Based on trends in the last 3 years, how do you feel about the business climate of your community?

Optimistic     Guarded optimism     Pessimistic     Not sure

38. Are you at this time considering expansion?

Yes     No

39. Are you at this time considering curtailment or closure?

Yes     No

40. Is unemployment in your community more severe or less severe than 3 years ago?

More     Same     Less     Not sure    To what do you attribute this? \_\_\_\_\_

41. How do you think abandonment of rail freight service in your community would affect business?

Improve business     Adversely affect business     No effect     Not sure

42. Do you think transportation facilities are adequate or inadequate for your business needs?

Adequate     Qualified response     Inadequate     Not sure

43. What percentage of your supplies or products are transported by rail?

0 - 10%     11 - 20%     21 - 30%     31 - 40%     41 - 50%     51 - 75%     76 - 100%

How much would you like to ship by rail if additional facilities were available?  
\_\_\_\_\_

44. Has your pattern of transporting supplies or products changed in the last 3 years?

Yes     No     Not sure

How?

More shipped by rail     Less shipped by rail     More shipped by truck     Less shipped by truck

45. Do you think railroads would be run more efficiently if government owned and operated them?

Yes     No     Not sure

45. Do you favor government ownership of railroads?  
 Yes  No  Not sure
47. Which of these statements comes closest to expressing the way you feel about the railroads in your community?  
 Railroads are essential to the business of the community  Railroads contribute greatly to the community  
 Railroads are a financial asset to the community  Community could probably get along without the railroads
48. Which of these statements comes closest to expressing the way you feel about the trucks in your community?  
 Trucks are essential to the business of the community  Trucks contribute greatly to the community  
 Trucks are a financial asset to the community  Community could probably get along without the trucks
49. Do you feel that community safety is affected by the railroad?  
 Yes  No  Not sure
50. Do you feel community safety is affected by trucks?  
 Yes  No  Not sure

Thank you for your time and assistance