

United States Senate

WASHINGTON, DC 20510

September 28, 1988

The Honorable Heather J. Gradison
Chairman
Interstate Commerce Commission
12th Street and Constitution Avenue, N.W.
Washington, D.C. 20423

Dear Chairman Gradison:

Recently, the Senate Committee on Commerce, Science, and Transportation, by a one vote margin, declined to report legislation that would reform the Interstate Commerce Commission's implementation of the Staggers Rail Act of 1980. Based upon the statements of members during the Committee markup, the vote was not an endorsement of the record of the Commission in providing the shipper protections that were intended by the Staggers Act; it was a vote to give the Commission another chance.

We note that the Commission has made some progress during recent years in addressing captive shipper concerns. However, problems remain. We are particularly concerned that the Commission:

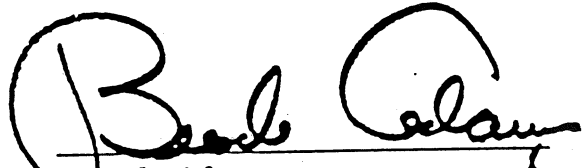
- assure that the Rail Cost Adjustment Factor is a true cost index by making the reforms called for by the Railroad Accounting Principles Board;
- assure that the captive shipper rate reasonableness process is not so complex, costly and time consuming that it fails to provide the protection intended by Congress;
- assure that the Commission is discharging its responsibility to preserve and provide competitive railroad transportation alternatives; and
- assure that the abandonment process of the Commission provides an accurate economic assessment of the proposed abandonment and an opportunity for a local hearing.

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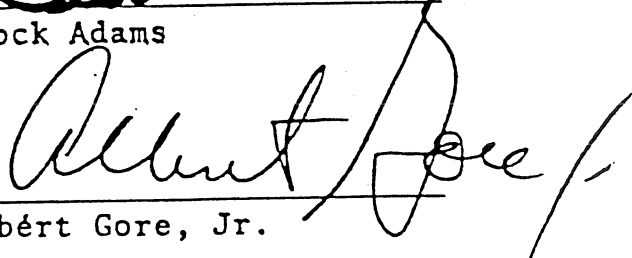
The Commission has both the opportunity and the responsibility in the coming months to address many of the problems that have been brought to the attention of the Commerce Committee. If these problems continue, it is likely that next year Congress will again consider legislation regarding the discharge by the Commission of its responsibilities under the Staggers Rail Act of 1980.

Sincerely,


John D. Rockefeller IV

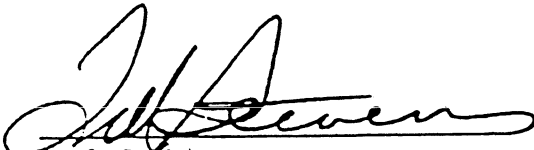

Brock Adams

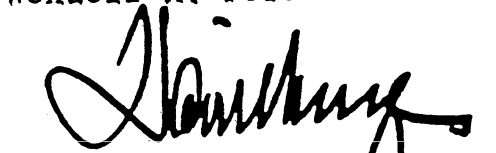

John F. Kerry

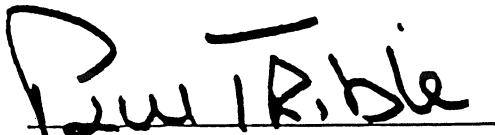

Albert Gore, Jr.

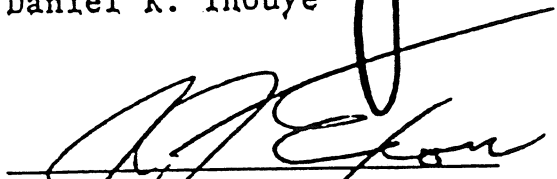

Nancy Landon Kassebaum



Wendell H. Ford


Ted Stevens

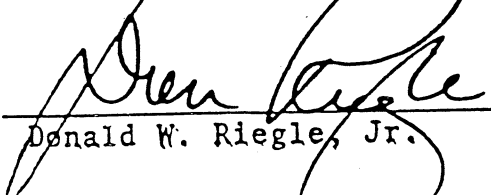

Daniel K. Inouye

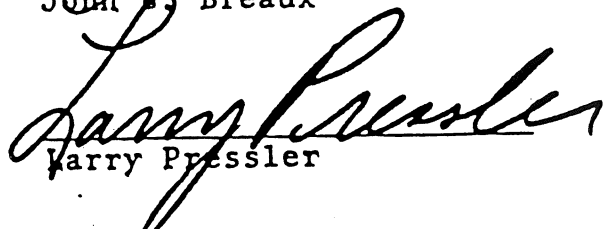

Paul S. Tribble, Jr.


J. James Exon


John McCain


John B. Breaux


Donald W. Riegle, Jr.


Larry Pressler