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BREAKFAST MEETING WITH  
CONGRESSMAN HEINZ ET AL  
FRIDAY, JULY 11, 1975  
8:00 - Conference Dining Room

*File*

*Follow up*

*Follow up*

*Talk w/ Jack Marsh*



## COMPARATIVE SUMMARY OF MAJOR BILLS



H.R. 7065, H.R. 7066, and H.R. 7067

are identical bills introduced by Rep. Heinz and 44 other Congressmen on May 19, 1975.

S. 1730

(Passed by the Senate on May 16, 1975)

### GRANTS TO FINANCE LABOR COSTS

These bills authorize the Secretary to make grants to railroads to pay for the wages and benefits of persons employed in jobs maintaining or rebuilding railroad rights-of-way. The Secretary may give preference to railroads in reorganization, to railroads with high-density freight lines and lines with serious safety hazards or substantial bottlenecks, and railroads whose right-of-way work occurs in areas of severe unemployment. Applicant railroads would be required to submit for DOT approval a maintenance-of-way employment program and would be prohibited from substituting jobs provided under a grant for existing railroad jobs.

S. 1730 directs the Secretary to make grants to eligible applicants for projects involving the repair or improvement of railroad facilities. Grants are available solely to pay wages and benefits of persons employed in programs funded by the bill. Grants are not to be a substitute for any other funds the applicant would have reasonably been expected to use in the absence of the bill for facility repair and improvement. Eligible applicants include (1) States and their political subdivisions; (2) railroads; (3) regional, State, or local transportation authorities; and (4) the Appalachian Regional Commission and the Regional Action Planning Commissions established under title V of the Public Works and Economic Development Act. Eligible facilities include (1) those included in USRA's preliminary or subsequent plans; (2) those used in a substantial way by rail communities; (3) those used by Amtrak or in other intercity rail passenger service; (4) those having logged at least 5 million gross ton-miles per mile of road in any calendar year beginning with 1970; (5) those identified to the Secretary by any State or political subdivision or regional commission as



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significantly contributing to improvements in or the continuation of essential transportation needs, if the Secretary so concurs; and (6) those owned by a State or public entity.

The objectives to be achieved through these grants are (1) the reduction of unemployment in areas the Secretary of Labor identifies as areas of substantial unemployment; (2) the improvement of deteriorated facilities that constitute a significant risk to safety and seriously inhibit the expeditious movement of freight or passengers; and (3) the improvement of facilities that contribute significantly to a balanced national rail transportation system and meet national or regional transportation needs and policies.



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### PROCEDURE

Within 30 days after the date of enactment of the bill, the Secretary is required to establish by regulation necessary procedures for providing such grants.

The Secretary is required to publish within 30 days after the date of enactment of the bill procedures for making and evaluating applications for grants. The Secretary is required to act upon any complete application within 15 days after it is received.

### PRIORITY OF EMPLOYMENT

Grant agreements must contain assurances that employment priority will be given first, to unemployed maintenance-of-way workers; second, to other unemployed railroad workers; and third, to individuals registered on the State unemployment rolls.

Jobs created by the bill first shall be made available to furloughed maintenance-of-way and signal system maintenance employees. Thereafter, the jobs are to be made available to the following unemployed or underemployed persons: (1) those who have exhausted all unemployment benefits; or (2) those who have been unemployed for 15 weeks or more. The Secretary of Labor must establish procedures to provide for referral of eligible persons to applicants who receive funds under the bill.

### PROTECTION OF INTERESTS OF THE UNITED STATES

The Secretary is required to include in grant agreements conditions which provide that, in the event that rail property improved as a result of financial assistance under this section is sold, leased, or transferred to any entity, the railroad shall pay or assign to the Secretary that portion of the proceeds of such sale, lease, or transfer that reflects value attributable to the improvement provided pursuant to such assistance.

No comparable provision relative to grants for the payment of wages. However, see the paragraph below for a comparable provision applicable to grants for equipment and materials.

FINANCIAL ASSISTANCE FOR MATERIALS  
AND EQUIPMENT.

In addition to making grants to pay wages associated with a railroad rehabilitation project, the Secretary is authorized to provide financial assistance for the acquisition of materials and equipment necessary and appropriate for the project. The assistance may take the form of loan guarantees or grants. In the case of grants which add value to the rail properties, the Secretary may require assurances that the Federal Government be compensated for any such value added through such a mechanism as reduced user fees for service operated by Anitrak. In the event of a transfer of facilities to the Government or any corporation established by the Government, the transferring railroad would not receive compensation for that portion of the value of the facilities added by the materials and equipment obtained with grants provided under the bill.



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are identical bills introduced by Rep. Heinz  
and 44 other Congressmen on May 19, 1975.

AUTHORIZATIONS

The bill authorizes \$500 million for FY 1975, and \$1 billion for each of the fiscal years 1976 and 1977. No obligations could be made subsequent to a determination made by the Secretary in consultation with the Secretary of Labor that the rate of national unemployment has receded below 4.5 percent for three consecutive months. Obligations could be resumed, however, if the unemployment rate subsequently exceeded 4.5 percent for three consecutive months.

S. 1730

(Passed by the Senate on May 16, 1975).

The bill authorizes the appropriation of \$600 million for grants to pay wages and benefits, of which not more than \$7 million is available to the Secretary for his administrative expenses. It authorizes \$100 million for grants to acquire equipment and materials. These funds would remain available for obligation only through December 31, 1976. The bill also places a \$100 million ceiling on the amount of obligations which can be guaranteed for the purpose of acquiring equipment and materials.



## OTHER SIMILAR BILLS

H.R. 6808. - Introduced by Chairman Staggers on May 7, 1975.

This bill is substantially the same as the Senate-passed bill (S. 1730) except that it contains slightly larger authorizations (\$850 million for grants to finance labor costs and \$150 million for grants for the acquisition of materials and equipment).

H.R. 6962 - Introduced by Messrs. Florio and Santini on May 14, 1975.

This bill is substantially the same as the Senate-passed bill (S. 1730) except that it omits the provisions respecting financial assistance for the acquisition of materials and equipment.

H.R. 4622 - Introduced by Rep. Heinz on March 11, 1975.

This bill was the pioneer House bill on this subject. Messrs. Hastings and Skubitz cosponsored the bill. It is essentially the same as H.R. 7065, H.R. 7066, and H.R. 7067 which Heinz introduced on May 19 for the purpose of lining up additional cosponsors.

H.R. 5221 - Introduced by Devine on March 19, 1975.

This bill contains an authorization of \$250 million for the Secretary to make grants to railroads for wages of persons employed in programs to maintain and improve their rights-of-way. It is generally devoid of special conditions and requirements except that it does contain the important condition that persons employed under the bill shall not acquire interests entitled to protection or the imposition of protective arrangements under the Interstate Commerce Act or any other law (including title V of the Regional Rail Reorganization Act of 1973).

H.R. 4850 - Introduced by Rep. Evans on March 13, 1975.

Provides \$500 million for grants for wages and \$2 billion in 3% interest loans for equipment and materials. Also it contains the labor protection provision in the Devine bill.



H.R. 6767 - Introduced by Heinz on May 7, 1975.


Identical to the bill originally reported by the Labor Committee in the Senate (S.1326). Authorizes \$300 million for FY 76 and such sums as are necessary for FY 77 for the Department of Labor to distribute based on certifications by DOT as to who is eligible for grants and which of their programs are eligible.

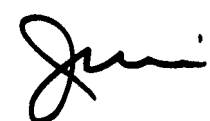




CONGRESSIONAL BREAKFAST - Friday, June 11, 1975 - 8:00 a.m.  
Conference Dining Room  
West Wing

ATTENDEES:

  
Congressman ~~Heinz~~  
Congressman ~~Hastings~~ (NY)  
Congressman Bud Brown  
Congressman Sam Devine (Ohio)  
Congressman Joe Skubitz (Kansas)

  
Secretary Coleman (For coffee only - he has an 8:30 meeting.)  
\* James Lynn  
Dick Dunham  
Bill Seidman  
Mike Duval

\*James Lynn will not be able to attend, but would like  
to send Calvin J. Collier, Associate Director for Economics  
and Government, to represent him.

Shipt of Danni, Daisy, et al.

7/11/75

leaps. Rather than spend 1.6

under CETA under public

work. - Work Work jobs.

Workman seen to

put ports to work

of a lasting nature.

HR 4620

From Trans. 3 day

wrap up at 11 AM.

meets Adam objectives

can get 46 funds immediately

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Impressions back in mind - at  
discretion of the Transportation  
money - 600 -  
1 Billion in for 2 1/2 yrs

Trans Committee will support  
~~some~~ kind of legislation

with it responsibility of power  
and confrontation

Joe Starnes / Do we have another  
\$700 M / veto -

want to work something out  
Public Works Bill?



Collins. Way to start out  
be made to help  
R.R.

---

1) \$2 B w loan. other  
used to R.R.'s

---

2) was he up within 2 weeks  
to provide money to accomplish  
what we want

3) 200 y in NE for bank account

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standing - - diff - to go back  
at R.R.'s bank.

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But Brown - Fundamental women  
of Power system  
Every other man has  
a Federally maintained  
light of way



women like the Fed  
just take on debts of  
way & want to  
them -

If could internalize that in some  
way.

Jim Hunt?

Political side - ~~Robert~~, O'Leary,  
Baker, Hoover -

Political dream to get  
a man out - not necessarily

Going to be confronted  
at a point.

Portals for the President  
on these





for - Leonbach RN - 80

Forst can take over  
want even -

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Sam Devine - objective

Due to frustration an idea -

White - 1500 - 1000 -

shouldn't be taking  
power but

Moscow we can do this =

Short-term program to lead  
to a long-term objective.

Cal -



Deadline ~~10 days -~~  
~~Answer~~  
- by next

~~10 days~~  
by the 20th

COA - showing ~~that~~ on the  
labor -

1/2 + 1/2 -

Task - Put up camp  
picture

Hartman - Health warning  
Bri - can  
guarantee 50% of  
doctor's fees

\$8 @ for doctors -



THE WHITE HOUSE  
WASHINGTON

July 25, 1975

MEMORANDUM TO: MAX FRIEDERSDORF  
FROM: JIM CANNON  
SUBJECT: Rep. John Heinz III -  
Railroad Jobs Bill

The Domestic Council and OMB have been in touch with Representative Heinz on this subject. Our position is that his specific proposal should not be considered until the total financial package relating to the final system plan, Conrail, and other railroad initiatives are worked out.

We have conveyed this position to John Barnum in DOT and John Barnum is meeting with John Heinz this morning on this subject.

cc: Charles Leppert



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THE WHITE HOUSE  
WASHINGTON

DATE: July 24, 1975

TO: DICK DUNHAM

FROM: JIM CAVANUGH

SUBJ: Rep. John Heinz III (R-Pa)

FYI \_\_\_\_\_

Action x

Would you please get back to  
Charlie Leppert and figure out  
how to handle this one.

RED TAG

THE WHITE HOUSE  
WASHINGTON

July 22, 1975

MEMORANDUM FOR:

JIM CANNON

THRU:

MAX FRIEDERSDORF *mb.*  
VERN LOEN *VL*

FROM:

CHARLES LEPPERT, JR. *CLJ.*

SUBJECT:

Rep. John Heinz III (R-Pa.)

Rep. John Heinz is interested in the Administration's position on the railroad jobs bill reported in the Subcommittee on Transportation and Commerce of the House Interstate and Foreign Commerce Committee. This is the bill which I handed to you at the 7:30 a.m. Staff Meeting. Heinz says that he and others are interested in adding some money to that bill but would like some reaction from the Administration before doing so. The bill is H.R. 8672.

*Told C. Leppert*

cc: Loeffler

*that OMB has said DOT cannot be  
considered until total package of  
FSP, ConRail, & other RR initiatives.  
also called DOTL*

