

OCTOBER 1, 1976

Office of the White House Press Secretary

NOTICE TO THE PRESS

The President has signed H. R. 13325--Supplemental Authorizations for the U. S. Railway Association. This bill will authorize appropriations of \$20 million for the period from May 1, 1976, through September 30, 1977, for the United States Railway Association (USRA) to carry out certain administrative responsibilities. The funds, to remain available through fiscal year 1978, would allow USRA to:

--modify the Final System Plan for reorganizing the bankrupt railroads of the Northeast and Midwest; this modification is required because of the decision of the Chessie System and Southern Railroad not to acquire the properties originally contemplated.

--increase monitoring of the Consolidated Railroad Corporation (ConRail) and make loans for pre-conveyance debts of the bankrupt railroads, a new responsibility assigned to USRA by the Railroad Revitalization and Regulatory Reform Act of 1976 (P. L. 94-210).

--assume the major responsibility for the United States in defending the reorganization process in the courts from legal challenges.

The bill would also make a number of amendments to the Regional Rail Reorganization Act of 1973 (P. L. 93-236). These amendments are mainly designed to make possible a transfer of properties to the State of Rhode Island. The amendments would clarify that the existing protection for ConRail or other transferees (including a State) against deficiency judgments applies to all actions on all properties transferred pursuant to the Final System Plan to meet the needs of commuter or intercity rail passenger service.

Finally, H. R. 13325 would amend P. L. 93-236 to provide that the current exemption from State and local taxes on transfers of property made under that Act would also apply to any transfers made at any time to carry out the rehabilitation of the Northeast Corridor called for by P. L. 94-210.

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