New York Times December 5, 1982

Refurbished Railroad Boon to Farms

By ANDREW H. MALCOLM
Special to The New York Times

WINNEBAGO, Minn., Dec. 3 — It didn't seem like a major accomplishment for Don Weelborg and the boys down at the Farmers Co-op grain elevator today when they finished loading 40,800 bushels of corn into 12 huge railroad hopper cars.

The empty cars had arrived in the dark from the east early this morning. Soon the 2,284,800 pounds of corn would be on its way to feed chickens in Arkansas, receding into the workers' memories with all the other corn and soybean and oat shipments that regularly move out by rail from this farming community in southern Minnesota. The shipments merge with carloads of prefabricated homes and processed meats and other products on the Middle West's crowded transportation system, wending their way to markets across the country and overseas.

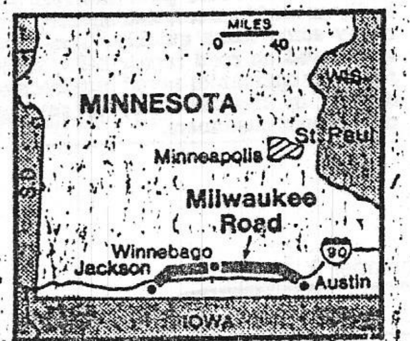
But each one of the trains that rolls along the Milwaukee Road's refurbished tracks is a moving symbol of cooperation in troubled times. The railroad had the cars and locomotives, but it was bankrupt. The farmers and businesses had the goods to move and some money, but no reliable train service. And everybody had 130 miles of crumbling ties and warped rails.

"So we just all got together and fixed things up," said Darwin Hall, a 70-year-old grain farmer and a moving force behind the project.

Project Is Being Copied

The farmers and companies, with state and Federal help, lent the railroad money to rehabilitate the single line of track serving their area. And the railroad is repaying the loans by giving the shippers minimum payments of $85 for every loaded car that moves on the line.

The plan, rated a rousing success by all sides, gives everyone a stake in its success. It is being copied elsewhere in Minnesota and its neighboring states of Wisconsin, Iowa and South Dakota. And its total economic benefit in an area hard hit by the recession is immense.



The New York Times/Dec. 4, 1982

It all seems so simple, so sensible now. But it wasn't, of course, involving, as it did several government bodies on two levels, private companies, a troubled railroad and independent-minded farmers who had nurtured an abiding animosity for the railroad over years of declining service. And therein lies a $22 million tale that Mr. Hall, Larry Long, Jim Brown and Pudge Bottomley are being asked now to tell often.

It began about five years ago when, like thousands of miles of once-vital track stitched across rural America, the east-west rail line between Austin and Jackson, Minn., was up for abandonment. The Milwaukee Road, undergoing a stringent financial reorganization that would salvage barely one-third of its 10,000-mile system, identified some lines as "must-keeps," others as hopelessly unprofitable and still others, including the line through Winnebago, as potentially profitable but at a rehabilitation cost beyond its means.

Over the years the line's ties had rotted. Spikes could be removed by hand. Rails were warped and freight service at reduced weights and five miles an hour was sporadic at best and often interrupted by derailments. The farmers, who once counted on trains to move their crops to an outside world that often seemed to be indifferent, switched from rails to trucks.

But the long, low tarpaulin-covered trucks, each hauling 24 tons of grain, burned up costly gasoline and farmers' profits and left crumbling roadways in their wake. "There was a lot of pain throughout this whole episode," said the 70-year-old Mr. Bottomley.

Then a few farmers began talking to lawmakers and state officials who knew Federal programs. There were countless organizational meetings, some of which were spent just venting anger at the railroads, yet another handy symbol to farmers of an uncaring world whose separate set of priorities so often seemed at odds with what was good for hardworking rural people.

Continued

Some Beaucratic Problems

"Finally," said Mr. Bottomley, a tough-talking negotiator, "I said, 'I've had it with horror stories. Here we are today. What are you going to do to make it better?' "

Sector by sector, the farmers' grain co-ops, the large grain companies, local governments and even banks and some companies like George A. Hormel & Company, a meat-packing concern, contributed thousands of dollars to an interest-free loan fund and bargained with the railroad.

There were bureaucratic troubles with Washington and St. Paul, fund freezes and misunderstandings. "Gradually," said Jim Barber, transportation manager of Hormel's plant in Austin, "people realized what needed doing and, more importantly, what they could do themselves."

The rehabilitation began. Then other good things began happening. For example, Hormel, assured of good rail transport, spent millions refurbishing its plant, where 1,300 local workers can turn 10,000 hogs a day into carloads of processed meat and canned products like Spam, Dinty Moore stew and chili. Other companies, including the Weyerhaeuser Company, which would have left without the trains, decided to stay.

The co-ops on the line, which got a special unit-train freight rate, began shipping more by cheaper rail, which made them more competitive with other areas. It also gave the railroad badly needed business and enabled it to repay some loans quickly. The state also saved on road repair bills, while fertilizer companies saved hundreds of dollars in freight costs, a savings passed on to customers.

Mr. Hall estimates local savings at several million dollars a year, at least $250,000 per town.

More importantly, perhaps, the experience seems to have provided a unity of purpose that had often been absent previously. Individual co-ops combine their few cars to form more efficient unit trains. Rail cars are cheerfully lent to competitors with more pressing need because the railroad can be counted on to replace them promptly. The rail depot agents respond rapidly to farmers' requests. And railroad men in Chicago, bureaucrats in St. Paul and farmers in Winnebago remain on a friendly first-name basis.

"Now there is greater involvement," said Larry Long, an assistant vice president for the Milwaukee Road. "People seem to ask themselves more, 'How can we help each other, how can we use the railroad more?' "

"In short," said Mr. Hall, sitting in the Village cafe here, "it's a complete switch."

Chicago Tribune, Thursday, December 9, 1982

Senate panel OKs 5-cent gas tax hike

WASHINGTON (AP) — The Senate Finance Committee gave overwhelming approval Wednesday night to a 5-cent-a-gallon increase in the federal gasoline tax to finance a multibillion dollar program of highway and mass transit improvement.

The vote was 15-4 to send the measure to the Senate floor, where opponents are hoping to kill it with a filibuster.

Despite the threat, Sen. Bob Dole [R., Kan.], the committee chairman, predicted the measure endorsed by President Reagan will pass. Debate is expected to begin Friday, and Dole conceded, "It's going to take awhile."

The House approved a similar measure early Tuesday on a vote of 262-143.

The Senate committee's version contains the same 5-cent increase in the federal gasoline tax, now 4 cents a gallon, as the House bill. But the panel voted to roll back some of the excise and heavy use-tax increases the House voted on heavy trucks.

THE GASOLINE-tax increase would raise $5.5 billion a year, money that supporters say would create 320,000 jobs at a time when national unemployment stands at a 40-year high.

About $4.4 billion would go to highway and bridge work, while the remainder would be earmarked for mass-transit construction.

The Senate Public Works Committee, meanwhile, approved 16-0 a five-year plan for upgrading the nation's deteriorating highways, roads and bridges, a plan that would be financed by the gasoline-tax increase. That measure is expected to go before the full Senate Thursday.

The Reagan administration, which supports the gasoline-tax bill, says the tax increase would cost the average motorist about $30 a year.

But some critics claim the tax increase actually will result in lost jobs. Some environmental groups also are opposed because they object to some of the federal interstate highway projects that would be constructed.

IN ADDITION, Senate Democrats will attempt to defeat the plan by substituting their own $9.7 billion jobs bill, financed by reducing or eliminating the portion of next July's 10 percent personal income-tax cut that would go to wealthy taxpayers.

Despite the opposition, the measure is expected to clear Congress during the current lame-duck session.

Under the bill, the tax increase would take place next April 1 and remain in effect until Sept. 30, 1988. A motion by Sen. Russell Long [D., La.] to make the tax increase permanent was defeated on a vote of 9-2.

In addition to the tax increase itself, the legislation is expected to contain a major overhaul in a series of excise and road-use taxes that now apply to automobile and truck parts, as well as to trucks themselves.

The changes would place more of a tax burden on large trucks and reduce it on smaller ones.

Des Moines Register
December 7, 1982

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Gas tax bill would raise rates for biggest trucks

WASHINGTON, D.C. (TUESDAY) (AP) — The House early today voted approval, 262-143, for a nickel-a-gallon increase in the federal gasoline tax to finance a massive program of highway, bridge and mass transit construction.

The vote sent the measure to the Senate, where approval is expected either late this week or early next week. The bill is expected to clear Congress before the lame-duck session ends this month.

In addition to the gasoline tax increase, the measure calls for sharply higher taxes and road fees on heavy trucks in exchange for liberalized regulations on truck sizes and weights. The trucking industry was trying to get that part of the tax increase changed.

Bigger Trucks

In exchange for paying higher taxes, truckers would win the right to run heavier, longer and wider trucks.

Acting on that part of the proposal, the Senate Commerce Committee voted to increase the legal width of the trucks from 96 inches to 102 inches and prohibit states from banning single trailers up to 48 feet long or 28 feet per trailer for doubles.

The version acted on by the Commerce Committee also provides for greatly improved federal and state truck safety regulation and enforcement and gives the transportaton secretary authority to set insurance requirements for motor carriers.

Journal of Commerce December 6, 1982

Partial Abandonment Of Track Urged

Journal of Commerce Staff

WASHINGTON — Although the Chicago and North Western Transportation Co. has been deliberately allowing a 181-mile branch line between Norwood and Madison, Minn. to deteriorate, the Interstate Commerce Commission should approve abandonment of most of the trackage, an administrative law judge has recommended.

However, the judge agreed with Agri-Rail, a coalition of shippers, that one end of the line between Madison and Hanley Falls, Minn., a total of 36 miles, should be operated for another two years.

The railroad "solicited traffic . . . in a neglectful manner . . . expanded insufficient funds for proper maintenance," and is guilty of "deliberate downgrading of the line," the judge concluded.

At the same time, the judge said the carrier should not have to pay the "huge cost" of continued operation. Three other railroads serve the area, he added.

Chicago and North Western told the Commission it was losing more than $900,000 a year on the line.

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Chicago Tribune
December 5, 1982

Truck size grows with gas tax

Reagan plan permits twin trailers, despite safety questions

WASHINGTON (AP)—President Reagan's highway rebuilding proposal will mean higher taxes for many truckers, but the industry also would gain a long-sought goal—the right to use bigger, heavier trucks, including twin trailers, on major hauls.

For years, the trucking industry has tried to win a uniform weight standard in all states to permit the use of twin rigs across the country. But Congress has always balked.

Fourteen states, mostly in the Northeast, have refused to allow the twin trailers, arguing they are less safe and do more damage to highways. Illinois, Arkansas and Missouri have truck weight ceilings below the 80,000-pound maximum allowed elsewhere.

These barriers, the industry has argued, have been an impediment to efficient movement of freight at a time when truckers are facing increasingly strong competition from railroads.

BUT THE ADMINISTRATION'S proposed 5-cent boost in the 4-cent federal fuel tax, which appears to be moving rapidly toward approval in Congress, also requires states to allow the twin trailers and raises the weight ceilings to 80,000 pounds.

It also would allow trailer configurations that could increase the width and length of the large trucks. Some highway safety experts believe that as a result the truck of the future will be up to 20 feet longer than today's rigs.

Approval for the larger trucks is coming, however, at considerable expense to truck operators.

The legislation, which is aimed at providing $5.5 billion a year for highway construction, also would sharply increase various fees and taxes on operators of tractor-trailer rigs. The American Trucking Association said the increased fees and the added 5-cent tax on diesel fuel will raise the tax bill for a typical operator to $5,000 a year from about $1,750.

Transportation Secretary Drew Lewis says the shifting of the tax burden to the large trucks reflects government findings that those trucks do a disproportionate amount of damage to highways.

Truck weight and the use of double trailers long has been controversial.

IN A SPECIAL referendum in April, Missouri voters voted against a law that would have increased the maximum truck weight to 80,000 pounds. The state legislature had approved the heavier trucks the year before.

The prohibition against the double trailers, which are widely used in the West, has been challenged by the trucking industry in a number of states. Iowa and Wisconsin agreed to allow the trailers only after being ordered to by the U.S. Supreme Court.

The American Trucking Association argues that the larger trucks, including double trailers, are needed to increase productivity. Use of the double trailers, the trade group contends, will save 20 percent in fuel costs.

The industry strongly disputes allegations that the twin trailers are less safe than single-trailer rigs.

"MORE THAN 25 years of operating experience and billions of miles of travel have proven the safety record of twin trailers is outstanding in every respect," the association argues.

The American Automobile Association disagrees and contends safety is reduced particularly when the twin trailers, normally each 28 feet in length, are lightly loaded or empty.

Both sides cite numerous studies supporting their arguments.

Last year a study from the transportation department concluded that an examination of accidents in six Western states showed twin-trailer trucks had a higher accident rate.

LIKEWISE, A STUDY by researchers at the University of Michigan concluded that the fatal accident rate involving the double trailers was 50 percent higher than for other tractor-trailer rigs.

But another study by the University of Michigan in 1971 examining traffic on the Indiana Toll Road concluded that the accident rate of double trailer trucks was half that of single trailer rigs. And the Supreme Court, in invalidating bans against 65-foot, twin-trailer trucks in Wisconsin and Iowa, said it found no justification for the prohibition on safety grounds.

Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, Pennsylvania, West Virginia, Virginia, Tennessee, North Carolina, South Carolina, Tennessee and Alabama do not allow double trailers.

Mississippi allows twin trailers with a total truck length of 60 feet. Georgia and New Jersey allow them with a total length of 55 feet. The legislation before Congress would prohibit a ceiling on total length.

Canadian lumber might be harming U.S. products, commission rules

PORT ANGELES DAILY NEWS - November 18, 1982

WASHINGTON (AP) — The U.S. International Trade Commission has issued a preliminary finding that $1.9 billion in shipments of Canadian lumber to this country might be harming American producers.

The 3-0 ruling Wednesday could eventually lead to stiff penalty duties on imports of Canadian softwood lumber, shakes and shingles, and fencing.

The ruling could irritate further the often stormy relationship between the United States and its northern neighbor. Among the divisive issues that have strained relations in recent months are Canadian restrictions on foreign investment and Canadian concern about acid rain pollution drifting across its borders from the United States.

Canada is the United States' largest trading partner.

The finding was issued on an unfair subsidy complaint brought by the United States Coalition for Fair Canadian Lumber Imports, which represents eight U.S. softwood timber associations and some 350 companies.

Now that the trade commission has issued its initial determination that the imports might be injuring, or threatening to injure, the domestic industry, it's up to the Commerce Department to decide whether the imports are subsidized and by how much. The Commerce Department has until Jan. 3 to issue its preliminary finding.

In filing its complaint, the U.S. coalition contended that the imports of the softwood lumber products are hurting the domestic industry at a time of financial pressure from the weak economy. The subsidies, it alleged, are "making an already bad situation worse."

Specifically, the petition alleged that the federal and provincial governments in Canada provided up to a 65 percent subsidy for their timber companies in 1980.

Journal of Commerce
December 7, 1982

Conrail Files Appeal In Grand Trunk Case

Journal of Commerce Staff

Conrail has appealed to the U.S. Sixth Circuit Court in Cincinnati the issuance of a preliminary injunction prohibiting it from closing through routes to Grand Trunk Rail System.

The appeal follows the Nov. 17 decision by U.S. District Judge Robert E. DeMascio in Detroit to enjoin Conrail from closing routes and ending joint rates with the Grand Trunk. The Interstate Commerce Commission has also suspended the Conrail tariff which would have ended joint rates, until April next year.

Black porters win pay from union

From Chicago Tribune wires

WICHITA, Kan. — A transportation union must pay about $6 million in back wages to 71 blacks who were victims of discrimination by their union, a federal judge has ruled. U.S. District Judge Wesley Brown issued a the ruling requiring the United Transportation Union to give the back pay to the black porters, saying they had been locked into lower-paying jobs by the union's seniority system while performing the same work as white brakemen. Joe Vernon Sears of Kansas City, Kan., filed the first lawsuit that led to the 10-year-old class action proceedings. He said he spent years attempting to win a promotion from porter to brakeman. An attorney for the UTU said the union had not decided whether to appeal the award. The Santa Fe Railway Co. agreed in 1976 to settle its back pay claims from the porters for $120,000. The damages average approximately $85,000 per person, with payments ranging from several hundred dollars to about $350,000.

Chicago Tribune
December 3, 1982

Historical society buys railroad station

Cedarburg — The Ozaukee County Historical Society has purchased the turn-of-the-century railroad station at Highland Dr. and Portland Rd. from the Milwaukee Road, Raymond Maas, society treasurer, said Friday.

The society paid $1 for the station, Maas said.

The station will be moved to Pioneer Village on Highway I in the Town of Saukville, Maas said. It will be refurbished and used to house exhibits, archives and offices, he said.

It will cost about $13,900 to move the depot and an unknown amount to refurbish it, Maas said. The money will be raised through bank loans and a fund drive.

Maas said he hoped the depot would be ready to open in May.

Milwaukee Sentinel Dec. 4, 1982

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THE WALL STREET JOURNAL, Monday, December 6, 1982

Railbox Co. Is Seeking Creditor Accord To Avert Default Threatened in January

By NORMAN PEAGAM
Staff Reporter of THE WALL STREET JOURNAL

CHICAGO – Railbox Co., a freight-car supplier owned by the nation's railroad industry, said it will start defaulting on its annual $80 million of debt-service payments next month unless it reaches an accord with creditors at a meeting scheduled for Dec. 16.

The company's difficulties reflect very weak demand for rail shipment of freight. An industry official said nearly 268,000 freight cars stand idle on sidings across the country.

Raymond C. Burton Jr., president and chief executive officer of the company's industry-owned parent, Trailer Train Co., said Railbox's total liabilities exceed $500 million. Another spokesman said that much of the debt involves equipment-lease payments due over many years. He said that of Railbox's annual debt-service payments totaling about $80 million, the next payment is due in January.

Railbox said Friday that the board of Trailer Train vetoed extending any more credit to enable the subsidiary to pay debts. It explained that significant improvement in demand for Railbox cars isn't expected for at least several years. Railbox said it was only able to pay creditors this year by borrowing $43 million from Trailer Train.

'Accommodation' Sought

Railbox said it will meet with secured creditors and equipment lessors here "to discuss the situation and see what can be done about it." Asked whether Railbox might file for liquidation or other bankruptcy court proceedings, a spokesman said: "That's very premature. That's the last thing you'd want to do. I just believe that an accommodation will be reached."

Trailer Train is owned by 30 railroads, including all the nation's major ones, and the estates of three bankrupt railroads. It was established in 1955 to operate a pool of flat freight cars, which it leases to the railroads on demand. Railbox was created in 1974 to provide the same service, specializing in boxcars.

But in recent years, shippers have increasingly moved away from boxcars to more flexible "piggyback" rail transportation, in which truck trailers and containers are loaded onto flat railroad cars for intercity transport. In addition, the recession has hurt companies in the industry. As a result, about 75% of Railbox's 25,000-car fleet is idle.

Railbox bought 9,000 of its cars with proceeds from the sale of interest-bearing equipment trust certificates. The spokesman said seven or eight of these issues are outstanding, all secured by boxcars.

Leasing Method Used

The company acquired the use of its other 16,000 cars through leveraged leases. Under this system, railbox ordered the cars but arranged for another company or bank group–assisted by insurance companies, pension funds and other institutions–to take title to the equipment. Railbox then leased back the boxcars typically for 20 or 25 years, and in turn leased the cars on demand to its railroad owners.

This system gave the railroads use of the equipment at minimal cost. The owners received such tax breaks as interest deductions and investment credits. And the institutions helping to finance the owners received a steady and predictable flow of revenue.

The spokesman said 14 of these leveraged leases are outstanding, 10 of them guaranteed by individual railroads and the others guaranteed by Railbox.

He said the company's equipment lessors include General Electric Credit Corp., Borg-Warner Corp. and several banking groups, including Bank of New York, Bank of Hawaii, Crocker National Bank and J.P. Morgan & Co.

The spokesman said the railroads that guarantee 10 of the leveraged leases, and that are also part-owners of Trailer Train, are expected to stand behind their guarantees. A spokesman for Burlington Northern Inc. said the railroad guaranteed the lease of 1,500 boxcars. "If Railbox can't meet the payments, we'd have to make them and we'd take the boxcars. That's not a problem for us," he said.

Trailer Train officials asserted that Railbox's debt problems aren't hurting the parent company. "It obviously isn't therapeutic, but Trailer Train is financially strong," said Mr. Burton, the president, who joined the company just last Wednesday.

Traffic World Magazine December 6, 1982

Canadian National Reports Losses in Earnings

Canadian National has reorted a net loss of $9.2 million for the third quarter of 1982. This compares with a profit of $18.7 million for the corresponding period in 1981 and brings the net loss for the first nine months of this year to $45.4 milion, as against a profit of $157.3 million for the three quarters last year.

The company said the effects of the continued depressed economies in Canada and the United States were felt most strongly in the rail transportation divisions—CN Rail, TerraTransport and Grand Trunk Corporation—which accounted for substantially all of the decline in the results from operations this year. This was offset somewhat by improved results from CN Enterprises and CN Express.

CN Rail, the largest division, recorded a loss of $5.4 million to the end of September, 1982. This compares with a profit of $182.2 million for the corresponding period last year. Excluding grain, traffic was down about 18 per cent, with only agriculture and food products showing increases. By contrast, statutory grain traffic increased about 20 per cent, which only worsened the loss. The general decline in traffic volumes meant that despite rate increases—except, of course, for statutory grain—revenues were about three and half per cent below last year's levels. Inflation in wages, material prices and interest rates produced expenses higher than last year's. Savings from reduced workloads and from management action to contain costs offset these increased expenses somewhat. In addition, receipts for prior years' services, at $70 million, were $29.9 million above the 1981 level for the nine-month period.

TerraTransport, responsible for CN's Newfoundland operations, saw its nine-month loss increase by $3.5 million to $24.2 million, while Grand Trunk Corporation had a nine-month profit of $1.8 million, compared with income of $25.7 million in the corresponding period of 1981.

CN Enterprises, which includes CN Communications, CN Trucking, CN Hotels and Tower, CN Marine Inc., Real Estate and other businesses, made a profit of $49.9 million for the first nine months of 1982, a $10 million improvement over last year.

CN Express reduced its loss by $8.3 million to the end of September, 1982, through continuation of the reduction of uneconomic services and expenses.

Rail News Update - AAR
November 17, 1982

BN Rejects $76 Million For Powder River Line

WASHINGTON — Burlington Northern has rejected as too low a $76 million price set by the Interstate Commerce Commission for Chicago & North Western's purchase of a half interest in the BN's rail line in Wyoming's Powder River Basin.

The BN challenged the Commission's price in a suit filed in the U.S. Court of Appeals for the District of Columbia November 8, three days after the C&NW offered evidence that it now has the financial resources to pay for the half interest.

The C&NW's acceptance of the ICC's $76 million price was contingent upon BN's approval of the figure. BN rejected the ICC figure, claiming that it was far too low. The Commission also has no power to detail the conditions of the joint operating agreement between the two railroads, the BN maintained. In a letter to C&NW officials, BN Vice President-Law Donald E. Engle said, "the agency's attempt to prescribe the particulars of our relationship represents improper usurpation of our private initiative."

Mr. Engle stated in the letter that the BN's offer to sell a half interest in the Powder River line for $90 million expired November 5, and that no offers currently exist.

USA Today

NOV 29 1982

INDUSTRY SPOTLIGHT

EACH DAY IN THIS SPACE, USA TODAY SPOTLIGHTS THE DEVELOPMENTS IN A MAJOR INDUSTRY

Coal slurry lines drawn for battle

By Kathy Rebello-Rees
USA TODAY

While the economy chokes businesses into cutbacks and bankruptcies, some concerns are talking about the birth of a brand new industry: coal slurry pipelines.

Business operators say that millions of miles of pipeline, carrying a sloshy mixture of coal and water, will mean good news for the nation: At least 46,000 new jobs during construction, another 5,000 permanent jobs for those maintaining the pipelines, a $2.8 billion annual payroll and a boost to heavy equipment and steel producers.

Sound good? To the coal industry, utilities and consumer groups hoping for an end to rapidly-rising costs, it's seen as a boon — "a private sector shot in the arm," said Joseph Hillings, executive director of the Alliance for Coal and Competitive Transportation.

He said the project also will create another 100,000 indirect jobs for those involved in manufacturing steel, heavy equipment, valves and pumps. As a result, Hillings calls the push for coal pipelines a push for "economic recovery."

But some of the strongest opposition comes from the railroad industry, which ships 65 percent of the nation's coal.

"They would be taking our lowest cost, high profit area," said Thomas C. White, of the Association of American Railroads. Every permanent pipeline job created would mean the loss of six railroad jobs and railroad revenues would be slashed $750 million a year, he said.

Slurry supporters argue that pipelines could cut coal transportation costs as much as one-third. And that, they say, is a must because coal demand is expected to double by 1990 and triple by the year 2000.

"It's our energy ace in the hole," said Robert Kiernan, energy director for the National Association of Manufacturers.

Those who want to build slurry pipelines say they can't do it without the power of federal eminent domain. Most pipeline routes would cross railroad tracks and it is unlikely the railroads will voluntarily let their competitors through.

Two Congressional bills granting eminent domain — one in the House, the other in the Senate — have received committee approval. The House bill has not left the rules committee, but the Senate bill is ready to go to the floor.

John Wasowicz said eminent domain would help the ailing coal industry, which has 20 percent unemployment. While the United States has the world's greatest coal reserves, coal meets only 25 percent of the country's energy needs.

The railroad industry's stronghold over coal transportation is the impetus behind the pipeline push, said Joseph Lema, the National Coal Association's vice president of transportation.

Railway rates, Lema said, range between $6 and $26 a ton — about one-third of the total purchase price of a ton of coal.

If the legislation is approved, pipeline manufacturers would file for access and, once that is obtained, begin construction. Nine pipelines are on the drawing boards, totaling more than 7,000 miles and carrying a capacity of 163 million tons of coal a year.

The pipelines would crisscross the country with 3-to-5-foot pipes placed 4 to 6 feet underground. The pipelines would start at the mine's entrance where the coal will be pulverized, mixed with water and flushed through to their end destination, probably a utility or port.