

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

H

2

HOUSE BILL 57*
Committee Substitute Favorable 5/9/91

Short Title: Railroad Advisory Commission.

(Public)

Sponsors:

Referred to:

February 12, 1991

1 A BILL TO BE ENTITLED
2 AN ACT TO CREATE A RAILROAD ADVISORY COMMISSION.
3 The General Assembly of North Carolina enacts:

4 Section 1. The General Assembly makes the following findings of fact:

- 5 (1) The existence of the North Carolina Railroad Company and the
6 Atlantic and North Carolina Railroad Company spurred the economic
7 development of North Carolina. The two companies have recently
8 merged to form a single company, the North Carolina Railroad
9 Company, which continues to be a valuable resource to the State of
10 North Carolina.
- 11 (2) Continued freight service on the route is essential to the further
12 economic development of North Carolina.
- 13 (3) Passenger rail service is currently in operation along the route, with the
14 Carolinian running from Raleigh to Charlotte, the Crescent running
15 from Greensboro to Charlotte, and the Silver Star running from Selma
16 to Raleigh.
- 17 (4) In 1985, upon the recommendation of the Legislative Research
18 Commission's Committee on Railroad Operations, the General
19 Assembly created a Railroad Negotiating Commission (Part XII of
20 Chapter 792 of the 1985 Session Laws, as amended by Chapter 1032
21 of the 1985 Session Laws). The Commission was charged with either
22 negotiating a sale of the State's stock in the two existing railroads or

1 working with the boards of directors of the two railroads to enter into
2 new leases prior to the expiration of their leases.

3 (5) Before the Railroad Negotiating Commission could begin its work, the
4 Office of the Attorney General determined that there were potential
5 antitrust problems in attempting to link the negotiations of two private
6 railroad companies. The Commission terminated on June 30, 1988,
7 never having carried out its charge.

8 (6) The General Assembly has determined that a new Railroad Advisory
9 Commission should be created to act as an advisory body to the
10 Governor, Council of State, and General Assembly, by giving them its
11 opinion regarding the interests of the State of North Carolina as
12 majority stockholder in the North Carolina Railroad Company.

13 Sec. 2. There is created the Railroad Advisory Commission, hereafter
14 referred to as the "Commission."

15 Sec. 3. The Commission shall consist of 10 members, appointed as follows:

16 (1) Two members appointed by the Governor, one of whom shall be
17 knowledgeable about the railroad business and one of whom shall be
18 an advocate of passenger rail service;

19 (2) The Speaker of the House of Representatives or another member of the
20 House of Representatives serving as his designee, and one other
21 member of the House of Representatives appointed by the Speaker of
22 the House of Representatives;

23 (3) The President Pro Tempore of the Senate or another member of the
24 Senate serving as his designee, and one other member of the Senate
25 appointed by the President Pro Tempore of the Senate;

26 (4) The Secretary of Transportation, or a member of his staff appointed by
27 him;

28 (5) The State Treasurer, or a member of his staff appointed by him;

29 (6) Two officers or directors of the North Carolina Railroad Company
30 appointed by its board of directors.

31 The Attorney General or his designee shall also participate and attend
32 meetings of the Commission in accordance with Section 13 below.

33 Sec. 4. Commission members shall be appointed no later than September 1,
34 1991, and shall serve at the pleasure of the appointing authority. Any vacancies on the
35 Commission shall be filled by the appointing authority. The President Pro Tempore of
36 the Senate or his designee on the Commission shall call the initial meeting of the
37 Commission.

38 Sec. 5. (a) The President Pro Tempore of the Senate and the Speaker of the
39 House of Representatives shall each appoint a cochairman from the membership of the
40 Commission.

41 (b) The cochairmen of the Commission may appoint an executive committee for
42 such purposes as determined by the Commission.

43 Sec. 6. Whenever an appointing authority has designated a person to serve on
44 the Commission in his place as permitted by this act, that person shall be compensated

1 in accordance with G.S 120-3.1, if a member of the General Assembly, and in
2 accordance with G.S. 138-5 in any other case.

3 Sec. 7. The Commission shall terminate June 30, 1995.

4 Sec. 8. The Governor, in making appointments to the Board of Directors of
5 the North Carolina Railroad Company under the charter provisions, should seek to
6 ensure continuity in the Board and to maintain cooperation between the Board and the
7 Commission.

8 Sec. 9. The Commission or its executive committee may meet in executive
9 session.

10 Sec. 10. The Commission shall advise the Governor, Council of State, and
11 General Assembly of its opinion of any proposed lease or other transaction involving all
12 or a substantial portion of the assets of the North Carolina Railroad Company. If
13 shareholder approval by the Governor and Council of State of a lease or other
14 transaction is required, the Commission shall advise the Governor, Council of State, and
15 General Assembly of its opinion on whether approval should be granted.

16 Sec. 11. If the Commission determines by June 30, 1993, that it is unable to
17 recommend any action, it shall report that fact to the General Assembly so that
18 alternative action may be taken prior to the expiration of the leases on December 31,
19 1994.

20 Sec. 12. Upon recommending to the General Assembly a lease or other
21 transaction, the Commission shall also recommend the use to be made of increased
22 dividend payments.

23 Sec. 13. The Department of Justice shall provide necessary legal assistance
24 to the Commission.

25 Sec. 14. This act becomes effective July 1, 1991.