

TALKING POINTS PREPARED FOR
SECRETARY OF TRANSPORTATION ELIZABETH HANFORD DOLE
ADMINISTRATIVE ASSISTANT'S BREAKFAST
JULY 23, 1985

INTRODUCTION

- * THANK YOU, PETER (NEWBOULD), FOR THAT INTRODUCTION.
- * REMINDED OF GRAPEFRUIT STORY.
- * YOUR JOB REQUIRES SUCH VERSATILITY AND ABILITY TO ADAPT AND SO DOES MINE.
- * I KNOW THE VALUE OF CONGRESSIONAL STAFF MEMBERS AND ESPECIALLY THE ADMINISTRATIVE ASSISTANTS; HOW HARD YOU WORK; HOW MUCH YOU HAVE TO KNOW ABOUT MANY ISSUES.
- * OPPORTUNITY TO REVIEW A FEW ISSUES OF IMPORTANCE TO THE DEPARTMENT OF TRANSPORTATION.

INTERNATIONAL AVIATION SECURITY

- * THE TWA HIJACKING AND OTHER RECENT TERRORIST ATTACKS ON

INTERNATIONAL CIVIL AVIATION HAVE CREATED GLOBAL CONCERN ABOUT THE SAFETY OF INTERNATIONAL AVIATION.

* STEPS THE ADMINISTRATION HAS TAKEN TO IMPROVE THE SECURITY OF COMMERCIAL AVIATION:

-- DOT, ALONG WITH THE DEPARTMENT OF STATE, PUT IN MOTION A NUMBER OF INITIATIVES DESIGNED TO TIGHTEN SECURITY:

1. ENHANCEMENT OF FAA'S FEDERAL AIR MARSHAL FORCE;
2. SECURITY ASSESSMENTS OF FOREIGN AIRPORTS;
3. REQUIRE AIRLINE "SECURITY COORDINATOR" BE DESIGNATED FOR EVERY FLIGHT;
4. ADDITIONAL SECURITY TRAINING FOR AIRLINE PERSONNEL.
5. NEW BAGGAGE AND CARGO SECURITY RULES.

6. EXPANSION OF RESEARCH INTO TECHNOLOGY WHICH WILL IMPROVE DETECTION.

* ON JUNE 27, 1985, I ASKED THE COUNCIL OF THE INTERNATIONAL CIVIL AVIATION ORGANIZATION TO FOCUS ON THE PROBLEM OF TERRORISM AGAINST INTERNATIONAL AIR TRANSPORTATION

* ACTIONS TO ISOLATE BEIRUT AIRPORT.

-- ON JULY 1, PRESIDENT SUSPENDED AIR SERVICE BETWEEN U.S. AND LEBANON. NEXT DAY I SIGNED ORDER REVOKING AUTHORITY OF ALL LEBANESE CARRIERS TO TO FLY TO THE U.S. FROM LEBANON AND I HAVE SINCE PROHIBITED THE SALE OF TICKETS TO LEBANON IN THIS COUNTRY.

* THE DEPARTMENT'S EXPERIENCE HAS INCREASED OUR CONVICTION THAT ADDITIONAL LEGISLATION WOULD BE EXTREMELY USEFUL TO HELP US TO COMBAT TERRORISM EFFECTIVELY.

* WE SENT CONGRESS A BILL ON JUNE 20, INTRODUCED AS S. 1343 AND H.R. 2827, TO ADDRESS TWO SPECIFIC WEAKNESSES WE PERCEIVED IN CURRENT LAW.

-- FIRST, IT WOULD PROVIDE AUTHORITY FOR THE DEPARTMENT TO DEPUTIZE AND ARM AIR MARSHALS AND WOULD AUTHORIZE ADDITIONAL FUNDS FOR CONTINUED IMPROVEMENT OF THE AIR MARSHAL PROGRAM.

-- SECOND, IT WOULD PROVIDE CLEAR AUTHORITY FOR THE SECRETARY OF TRANSPORTATION TO TAKE IMMEDIATE ACTION TO SUSPEND FLIGHTS TO AND FROM FOREIGN AIRPORTS DETERMINED TO HAVE INADEQUATE SECURITY.

* VARIOUS MEMBERS OF CONGRESS HAVE INTRODUCED BILLS. I APPRECIATE THEIR EFFORTS AND GOOD INTENTIONS. HOWEVER, I BELIEVE OUR BILL STRIKES THE BEST BALANCE AND I ASK YOU TO SUPPORT IT.

* I AM DEEPLY CONCERNED THAT ANY PROVISION THAT REQUIRES THE U.S. GOVERNMENT TO DISCLOSE PUBLICLY ALL OF ITS ATTEMPTS TO UPGRADE SECURITY AT FOREIGN AIRPORTS MIGHT CAUSE FOREIGN GOVERNMENTS TO RESIST OUR EFFORTS.

COMMERCIAL SPACE INITIATIVE

* I APPRECIATE YOUR INTEREST AND SUPPORT IN THE PRESIDENT'S COMMERCIAL SPACE INITIATIVES.

* CONGRATULATIONS ON THE IMPORTANT ROLE YOU PLAYED IN PASSAGE OF THE COMMERCIAL SPACE LAUNCH ACT LAST OCTOBER.

* PLEASE CONTINUE YOUR INTEREST AND GIVE US YOUR SUPPORT IN ELIMINATING BARRIERS TO PRIVATE SECTOR PARTICIPATION IN SPACE DEVELOPMENT.

CONRAIL

- * I WAS DELIGHTED WHEN I ASKED SOME OF YOU WHAT THE GROUP MIGHT LIKE TO HEAR AND YOUR ANSWER WAS "SPEAK ABOUT ANYTHING YOU WANT BUT WE ARE VERY INTERESTED IN CONRAIL."
- * IT IS IMPORTANT THAT WE WORK COOPERATIVELY WITH THE CONGRESS IN ORDER TO SELL CONRAIL THIS YEAR.
- * LET ME GIVE YOU A BRIEF BACKGROUND ON HOW WE GOT TO THIS POINT.
- * IN 1981, CONGRESS DIRECTED US TO TAKE THE GOVERNMENT OUT OF THE FREIGHT RAILROAD BUSINESS.
- * THE PLAN I HAVE SUBMITTED TO CONGRESS WAS REACHED AFTER MANY MONTHS OF CAREFUL DELIBERATION.
- * NORFOLK SOUTHERN WILL PAY US A MINIMUM OF \$1.2 BILLION IN CASH AT CLOSING. THE ACTUAL DOLLAR AMOUNT WILL PROBABLY BE HIGHER, SINCE

THE FINAL PURCHASE PRICE IS KEYED TO THE AMOUNT OF CASH CONRAIL HAS ON THE DAY OF CLOSING. NORFOLK SOUTHERN WILL ALSO SURRENDER CONRAIL'S ACCUMULATED TAX BENEFITS, \$1.8 BILLION IN NET OPERATING LOSSES AND \$306 MILLION IN INVESTMENT TAX CREDITS, REPRESENTS TRUE VALUE TO THE U.S. TREASURY.

- * NORFOLK SOUTHERN HAS ALSO AGREED TO BE BOUND BY A STRONG SET OF PROTECTIVE COVENANTS THAT WILL SAFEGUARD THE PUBLIC INTEREST FOR FIVE YEARS DURING THE TRANSITION TO PRIVATE OWNERSHIP. AND I FEEL STRONGLY THE COVENANTS ARE THE HEART OF THIS PROPOSAL.

CONCLUSION

- * I WILL BE HAPPY TO ANSWER YOUR QUESTIONS ON ANY ISSUES YOU WISH TO RAISE.

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