



U.S. Department of
Transportation

News:

Office of Public Affairs
Washington, D.C. 20590

Contact: Thomas Blank
Dick Schoenfeld
Tel.: (202) 426-4570

REMARKS PREPARED FOR DELIVERY BY SECRETARY ELIZABETH HANFORD DOLE
COMMONWEALTH NORTH
ANCHORAGE, ALASKA
JUNE 3, 1983

It's great to be in Alaska. I really had to come here to appreciate the full impact of this state's splendor.

You, who have forged this young and vibrant state and made it your home and your repository of hope, are blessed with a most spectacular environment worthy of the Aleutian word meaning "great land" -- which is Alaska.

From Mount McKinley to Glacier Bay National Park, with its awesome ice sheets, you have a wealth more valuable than your abundant mineral resources, for it is a wealth that nourishes the human soul.

D. H. Lawrence said, "The human soul needs actual beauty even more than bread." And I have no doubt that the beauty of Alaska will be a source of strength for many generations. Alaska inspired the writer Clarence L. Andrew and the painter Sydney Lawrence, who gave us many of our early impressions of this magnificent land. And Carl Ben Eilson, pioneer of commercial flying in Alaska, the prospector and gold miner Joe Juneau and the state's first millionaire, Austin E. Lathrop, were influenced by their environment.

Alaska has been called the "land of great extremes" first among states in area and smallest in population. Your huge land mass, your large coast liberally punctuated by inlets and bays and your 500 mile distance from another U. S. state elevates the importance of transportation to Alaska. But how we travel, the economies and efficiency of travel, what we're doing to make transportation safer and better, are important to all of us in America. And that's what I want to talk about today.

I know, too, that residents of this young state have had many frustrations with the Federal government. In fact, I've probably shared many of your frustrations, which is one major reason I'm part of this Administration today working to bring about change. Your state's history coincides with a quarter century of diminution of the power of the states and the increasing focus of that power in the central government in

Washington. Perhaps you thought the heavy Federal hand in your affairs was unique. It was instead the rule and not the exception.

Your statehood commission's preliminary report described what we found when President Reagan came to Washington.

In fact, the Alaska Statehood Commission drew a very important conclusion which bears recalling. Its preliminary report said the relationship between the national government and the states "has grown recently without guidance, developing into a wild garden of intertangled laws, regulations and mandates.

"It is a garden still capable of producing fine fruits for its owners," the commission found, "But it is overgrown with weeds of confusion, and everywhere it is brambled by vigorous, choking evergreen arms of the Federal Government. The entire system begs for conscientious tending and vigorous pruning."

Ladies and gentlemen, the Reagan Administration has labored for the last two years in that garden of opportunity vigorously pruning the overbearing powers of the Federal government. From removing and rewriting unnecessary and burdensome regulations to transferring power and leadership to the states and local governments -- transfers such as the Alaska Railroad -- this Administration has worked with determination to see the states function once again in the service of their inhabitants and to let the free market, the very foundation of our great national economy, have a chance to work.

Nowhere is that effort more apparent than in transportation. This Administration believes, for example, the government should get out of the railroad business here in the far Western reaches of our country as well as in the Northeast. We are proceeding to sell Conrail, the government-owned freight railroad in the Northeast to the private sector. Similarly I want to see you take your railroad back as soon as possible and run it as you see fit for the residents of Alaska and the people who come here to visit. We are firmly convinced that all wisdom does not reside in Washington, that services are provided most economically and efficiently by governments that are closest to the people.

It is true that the Alaska Railroad served the interests of the Federal government by opening up the Territory of Alaska and providing transportation for government cargo. But the transportation needs of the residents of Alaska have changed. The Federal government's needs have changed. Today the railroad exists primarily for the benefit of residents and shippers in the state and for the tourists who visit here.

The Administration began early in 1981 to develop legislation to transfer the railroad to the state. Two years later, in January of this year, the President signed the Alaska Railroad Transfer Act.

We are working with the state to effect the transfer and will submit our closing report to Congress and the state legislature by July 14, 1983. The report will describe the assets and liabilities to be transferred to the state and will be used by the state to prepare for the takeover. It will form the basis for the actual conveyance documents that DOT will deliver to the state on the date of the transfer.

Because the Alaska state legislature must act on companion legislation, we expect the date of the transfer to be late Spring 1984. But we can look forward to the day when the Federal Government will be out of the railroad business in Alaska, and out of the railroad business entirely.

There is still another significant change affecting the face of transportation in America and it is called deregulation. Deregulation may not sound very exciting. It's difficult to glamorize or sloganize, and yet it spells the difference between regulated pricing and competitive pricing; between controlled market entry and free entry; between routes that carriers must follow, even if it adds miles to the trip, and routes they can choose to follow to provide more efficient service. We have partially deregulated the trucking industry and the railroads and more fully deregulated the airlines and the bus industry.

We also strongly support regulatory reform of the ocean shipping industry. The regulatory reform legislation to update the Shipping Act of 1916 will provide needed clarification of antitrust immunity to liner operators. It will ensure that U.S.-flag carriers are not subjected to more restrictive regulatory ground rules than those governing their foreign competitors.

It is the keystone of the Administration's national maritime policy. A regulatory reform bill passed the House of Representatives last year, but was not acted upon by the Senate. The current version, called the Shipping Act of 1983, was passed by the Senate earlier this year. We anticipate approval by the House again and expect that a strong regulatory reform bill will be enacted into law sometime this year.

We also support the repeal of the Federal Maritime Commission's rate-setting authority over carriers in the domestic trades.

Some of our maritime policy changes are being set in place administratively and others require the approval of the Congress. In April I transmitted to the Congress proposed legislation to help carry out the President's maritime policy. The legislation is intended to remove burdens which handicap U.S.-flag ship operators.

Among other things, the proposals would renew statutory authority for U.S. foreign trade ship operators to construct, convert or acquire vessels outside the United States without forfeiting eligibility for operating subsidies. Temporary authority granted by the Congress in 1981 expired on September 30, 1982.

Under that temporary authority, U.S.-flag companies will build 34 new vessels and reconstruct 13 others.

Let me emphasize that, given the great disparity between U.S. and foreign shipbuilding prices, none of these economical and fuel-efficient vessels would be built if the orders had to be placed in the United States.

Taken together, these vessel construction projects will substantially upgrade the competitiveness of the U.S.-flag merchant fleet without massive outlays of tax dollars.

While deregulation and getting the government out of local affairs are the order of the day, I also recognize that the central government has a tremendous responsibility and obligation in transportation and an important role to fulfill.

We have a responsibility for safety in navigation and law enforcement in U.S. waters and on the high seas throughout the world. That responsibility is carried out in exemplary fashion by the Coast Guard.

In the Coast Guard I found my little corner in history as the first woman to head a branch of the Armed Forces. And I'm very proud of the awareness and the recognition you give the Coast Guard in this state. The Coast Guard has a force of 2,525 in Alaska and its services range from research and development in Arctic Oil pollution response to enforcing fishery laws to saving lives and property.

The Coast Guard has been mindful of local needs, and has responded in effectively managing the resources and public funds entrusted to it. The importance we place on service to the public is illustrated in the expansion of the Coast Guard activities in Cordova. Its population increases markedly during the summer fishing season. In response to local concern in 1979 we constructed an air shelter at the Cordova airport. But it provided only basic shelter from the elements for one helicopter.

Responding to continuing local concern, funds have been requested in the FY 84 budget to upgrade the facility.

Of course the Coast Guard performs a variety of services but it is also prepared to defend our domestic shores in time of national emergency. Historically, you are probably more aware of that need than just about anybody, because the only foreign occupation in North America in World War II occurred in the Aleutians, and of course we have the Defense Early Warning System there today.

We see as our obligation, too, to continue to work with you wherever we can in the areas of promotional and technical assistance as we have done in the past through the Alaska Maritime Commission and Port Development Conference. The Maritime Administration, which is a part of the Department of Transportation, has done six studies since 1980, ranging from National Petroleum Reserve -- Alaska Marine Transportation Analysis to Transportation of Coal and Coal Products from the Beluga Coal Fields.

We want you to be as swept up as we are in the revolution that is occurring in transportation -- not just in maritime and railroads ---- but across the whole spectrum of transportation in America.

Let's take the highways, for example. We are in the beginning phases of a nationwide program to rebuild and preserve our highways, bridges and public transit systems. No superficial facelift or patchwork project, this rescue operation will assure that the high quality surface transportation system we enjoy today will endure for future generations. The resources for this program come primarily from the nickel a gallon increase in the Federal gasoline tax revenues that are already being put to work. Although the additional tax only went into effect April 1st, we awarded \$2.9 billion to

the states in the first quarter of this year and will fund more than \$12 billion for bridges and highways over the full year -- the highest levels in the history of our highway program.

The Surface Transportation Assistance Act will provide \$141 million for Alaska this fiscal year. That is an increase of 31 percent over the \$108 million in fiscal 1982 and quite obviously provides considerable resources for highway improvements in this state.

As of May 9, the State of Alaska had obligated \$65 million of the \$141 million. We will be working closely with the State Highway Department in advancing projects in the remainder of this year.

The Surface Transportation Assistance Act also raised heavy truck taxes while authorizing the use of tandem trailers on the Interstate system and on qualifying primary roads.

The higher use taxes still do not bring the heavy trucks up to their fair share of the highway costs. After the full increase is phased-in -- and the full tax does not take effect until 1989 -- truckers still stand to enjoy a substantial net gain in benefits over costs. We recognize the importance of greater productivity in the trucking industry, but not at the expense of safety. For that reason, we have "de-designated" some of the primary routes temporarily included in the interim system of non-Interstate roads accessible to tandem trailers. Right here in Alaska we even had the unique situation of "de-designating" several Interstate routes.

As you know 1,100 miles of existing highway in Alaska was designated Interstate on the last day of 1981. It is a two-lane highway, many miles of which were built years ago. Because of the Interstate classification, all of the 1,100 miles were included in the April 5, 1983 interim designation of truck routes for the larger trucks. The Alaska Department of Transportation requested a change because some of the routes cannot safely accommodate the larger trucks. We went along with Alaska and the interim designation published May 12 in the Federal Register includes only 470 miles of designated Interstate highway for the larger trucks.

Safety has and always will be our number one consideration in transportation services. And we have made a significant beginning in an all-out, all-modes effort to improve transportation safety.

Alaska is doing its part to get drunk drivers off our highways and to encourage people to use safety belts and child restraint devices. Your Highway Safety Planning Agency is joining DOT's National Highway Traffic Safety Administration in a Drunk Driving Program Management Course in Anchorage in July 1983. Your state legislature has pending bills to require use of safety seats for children under four and use of safety seats and safety belts for children four to six, and also a bill to raise the drinking age from 19 to 21 and to increase penalties for two and subsequent drunk driving offenses.

You are very much a part of a national movement and a movement which is beginning to show gratifying results in the decline in highway fatalities. Deaths were down by more than 10 percent last year -- due in large part, we

believe, to the stronger laws and the tougher penalties being devised by legislators as well as magistrates.

For too many years we seemed to regard death on the highways as a tragic truism. For years, lax laws and lenient judges let irresponsible motorists get away with murder on our highways. Today that is changing -- dramatically -- because aroused citizens have generated a protest against drunk drivers that has led to an increasing number of new state laws and a growing safety consciousness all across America. You can be proud that Alaska is a leader in the crusade for greater driver responsibility and for stronger anti-drunk driving measures. The public attitude toward drunk driving is changing as well because President Reagan has taken the initiative at the Federal level, through the very active and effective work of the Presidential Commission on Drunk Driving. Congress has followed up by voting incentive grants for states that take a tougher stand against drunk driving.

We are also presently engaged in a nationwide program, with extensive private sector participation and support, to encourage greater use of safety belts for, indeed, the safety belt is the best insurance against the drunk driver. This is a high pay-off area. Every one percent increase in safety belt usage will save about 200 lives and prevent 3,000 injuries nationwide. The belts are in our cars and trucks; all we have to do is buckle up -- or "get it together" as our campaign slogan puts it -- and we can reduce highway deaths and injuries.

To talk a little further about safety, the new technologically-advanced air traffic control system now under development will greatly reduce the risk of human error while permitting the growth in air travel that we expect.

This project has been described as the biggest national undertaking since the Apollo man-on-the-moon program. When completed, it will greatly increase capacity, substantially reduce operational costs and improve the overall safety of travel. It will give system users and airport operators a virtually "weather-proof" system. And while it will cost an estimated \$9 billion, financed entirely through user fees, it will save \$25 billion.

In addition to greater safety, we want transportation of the future to be more efficient, more economical and more responsive to our needs as shippers, travelers and commuters. Such objectives cannot be achieved through Federal money or Federal authority alone. Our success depends on a working partnership with the states and communities, and a common commitment on the part of the public and private sector to share responsibility along with the benefits that flow from our effort.

Alaska knows that a unified economy, based in turn on a reliable transportation network, is the real bonding element in this age of fragmented small communities and assorted special interests. No state knows this better than Alaska, whose growth owes much to the quality of her rail, highway, aviation and port facilities.

Just as surely as your state motto says "North to the future", I have no doubt that Alaska will meet the challenges posed by change. As much as I appreciate your hospitality, I appreciate your ingenuity, your strength of purpose and your frontier spirit even more.