DEPARTMENT OF TRANSPORTATION 1 WASHINGTON, D.C. 5 6 8 9 SPEECH BY 10 SECRETARY ELIZABETH HANFORD DOLE 11 AT THE DILLON LECTURE SERICES 12 HUTCHINSON COMMUNITY COLLEGE 13 HUTCHINSON, KANSAS 14 15 JANUARY 24, 1986 16 17 18 19 20 21 22 23 24 (Transcribed from a tape provided by the agency.) 25 NEAL R. GROSS COURT REPORTERS AND TRANSCRIBERS 1323 RHODE ISLAND AVENUE, N.W.

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PROCEEDINGS

MS. : We also (inaudible words) to find humor in the Washington scene and (inaudible words).

I mean, after all, who (inaudible words)

Bob Dole is also the man who not only recognizes but (inaudible words) leadership qualities in others.

And he's going to tell you this morning about one of those leaders.

But before he does, I'm going to tell you a brief true story about how I met the man who opened the door for me literally and figurately in Washington.

After I left Hutchinson Community College and went to KU, I was looking for some work to do in the summertime. So, I wrote a letter to (inaudible words) Congressman Bob Dole (inaudible words) college students for the summer, thinking, oh, well, now (inaudible words) job for the summer.

Well, it wasn't too much later than that that
I got a letter back signed Bob Dole that said yes, come
on out to Washington. Well, you can imagine how excited
I was. I was ready to go. I was going to go there and
(inaudible words).

(Inaudible words) to Washington and went to Congressman Dole's office. The aide introduced me, brought me in and showed me where I'd work. And he took

having (inaudible words) typwriters? And I said, yes.

He said, we can do something about that. And it wasn't

very long after that that (inaudible words) research and

(inaudible) services.

So, that was my first meeting in Washington with Bob Dole.

Ladies and gentlemen, it is my very special to present the senior Senator from Kansas, the Majority Leader of the United States Senate, my former boss, the husband of the exceptional woman for whom I have the privilege of working now, the Senator from our great State, the Honorable Robert Dole.

(Applause.)

SENATOR DOLE: I must say that I'm not used to a large crowd like this, and I feel a little nervous.

You'll understand. I'm a Republican, and they don't draw a big crowd.

(Applause.)

SENATOR DOLE: But, in any event, it's a (inaudible words) to be here. I've never been invited (inaudible words) here and give a lecture.

But we are very fortunate to be here. And I'm pleased that (inaudible words) was here because (inaudible words) were very helpful to me in many, many ways. And (inaudible words) an outstanding job (inaudible words)

1 in 1965. But more importantly it's good (inaudible 2 words). We don't see that much of (inaudible words) 3 that we do with each other a lot. She's the one with the power. I'm the one with 5 (inaudible words). 6 7 I am delighted that the President named her to be Secretary of Transportation, which will be (inaudible) 8 years, I guess, the first of February, or (inaudible 9 words). 10 There was a lot of excitement and a lot of 11 12 things like that. I was called one day by (inaudible words) in 13 1984. And there was a lot of speculation as to who might 14 15 be running (inaudible words.) (Inaudible words) Senator (inaudible words) 16 1984. What would you think about a Bush-Dole ticket? 17 I said, well, I hadn't thought much about it, 18 but I just don't think I have any interest. He said, 19 well, it's a good thing, we didn't have you in mind. 20 21 So, again, I --22 (Laughter.) SENATOR DOLE: I understand who the star is of 23 the family. 24 But I (inaudible) honored to be here. This is 25

an outstanding lecture series.

It's good to see (inaudible words) here this morning. Because I remember (inaudible words) looking for outstanding speakers in a number of areas to discuss the major issues, not political issues necessarily, but major issues that affect all of us.

And I would guess that probably the great thing about being here is seeing all the young faces on my right (inaudible words) faces (inaudible words) fit in (inaudible words) on my (inaudible words.)

They're going to hear an outstanding member of the President's Cabinet, I think one of the outstanding women of America, who graduated from Duke University, went on to Harvard Law School, at a time when there were not many women in Harvard Law School.

And when she was a candidate, she was asked by a male student why she was there taking some man's place who might want to become a lawyer.

So, she finished Harvard Law School. And with a lot of other attorneys in the Federal Trade

Commission worked for the President and the White House.

The first woman to become a member of the Cabinet was appointed way back in 1933 by Franklin Delano Roosevelt.

Elizabeth was the second woman to be in the

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Cabinet, appointed by Ronald Reagan in 1982. 1 And, so, (inaudible words.) The one thing I find as I travel around the country is the respect that people have for Elizabeth. And that's the only reason I don't bring her with me, if she's along, I know she's going to top me. So, I finally (inaudible words) North Carolina, or whether it's in Cleveland, or whether it's in California, or whether it may be in Kansas. But I can say this (inaudible words). None of us are perfect. We all make mistakes. I'm not a very (inaudible) person. (Inaudible words) everybody here is. If (inaudible) set out to something, (inaudible) focus on it (inaudible words). I have to have (inaudible words). Elizabeth is one of those rare persons who can focus on issues (inaudible words). That's the way she approaches her job, that's the way she approaches her church, that's the way she approaches her marriage, that's the way she approaches about everything (inaudible words). Another thing I've found. I know that some

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men or some women can be threatening to other people of

their own sex. (Inaudible words). I may do it, probably

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do.

But I never (inaudible words) to (inaudible words) Elizabeth (inaudible words).

My purpose (inaudible words) is to introduce Elizabeth to you.

(Inaudible words) started this series.

Elizabeth (inaudible words). It's an outstanding lecture series. And I know Hutchinson is very proud to have (inaudible words).

(Inaudible words) you're about to hear one of the, I think, (inaudible words) in the Republican party.

I think she can also be a minister if she wants to leave (inaudible words) because of her deep faith and her feelings about people.

So, I'm very proud to introduce (inaudible words) transportation. (Inaudible words) here this morning. (Inaudible words.)

(Laughter.)

So, let me (inaudible words) Elizabeth Dole. Thank you.

(Applause.)

SECRETARY DOLE: Thank you so very much.

(Inaudible words). We had the opportunity to (inaudible words) for at least a little while this morning. And he (inaudible words).

It's very rare that we have the opportunity these days to travel together. You have given us a very special privilege and pleasure of being able to spend some time together.

But it seems we do go in opposite directions more often than not due to responsibilities in different part of the country.

And recently (inaudible words) different area.

We were (inaudible) back in Washington (inaudible words)

about four days. And we met up at a Kansas Chamber

of Commerce meeting (inaudible words) in Washington.

And of all things (inaudible words) and shook hands with

my own husband. And I said, you've lost a little weight

since I saw you last. And he said, Elizabeth, you're

wearing your hair a little differently. And I think

people are still kind of scratching heads (inaudible

words).

But it is an interesting, challenging time for the two of us. And we feel (inaudible words) limited (inaudible words) at times, but we (inaudible words) people. And if there are some (inaudible words) in terms of personal (inaudible) and not be able to do as many things together as we would like, that, too, is something that in later years we'll be able to make up for. And there's the quality time (inaudible words)

share (inaudible words).

Bob gave such a beautiful introduction that I really think I'm going to put aside all the (inaudible words) that I had planned (inaudible words) this morning, and just play it seriously.

As I indicated, last night he had a speech at the Chamber of Commerce meeting. I really believe that he is (inaudible words) as one of the great leaders of this country. And I am very proud, as I am sure you are as Kansans, of the job he's doing as the Majority Leader of the United States Senate.

I can't imagine a tougher job, where you have so many disparate points of view, trying to bring a whole body of people, so many different points of views, and work with the Administration and with the House of Representatives, and do the very important things that (inaudible words) and the future of this country. Because we are facing very tough problems and a number of complex issues.

And I think one of Bob's (inaudible words) right through to the heart of the problem and to come up with answers, and to do it creatively.

So, it's a pleasure when the two of us can work on issues together, as we are right now, (inaudible words) refer to a little later in my remarks.

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But before I get to the issue, let me just say

I am deeply, deeply honored to be invited to participate
in this particularly prestigious forum.

I have had the privilege to serve now for four years as the Secretary of Transportation (inaudible words). And I've had the opportunity to (inaudible words) issue that I think give me a chance to make a positive difference in the lives of people in this country, and also, hopefully, to leave some lasting changes with regard to (inaudible words) proper goals (inaudible words) transportation policy.

And I (inaudible words) discussing some of these opportunities with you and to (inaudible words) a Department which is a hundred thousand strong. We have a twenty-eight million dollar budget, and we literally are responsible for everything that moves in the United States. (Inaudible words.) It was a challenge and very, very (inaudible words).

No, I assure you, as we work through the very challenging issue of safety across all modes of transportation (inaudible words), we do not talk highway safety in Washington without (inaudible words).

(Inaudible words) and you're well aware that if (inaudible words) United States (inaudible words)

Administration.

(Inaudible) has been my closest advisor on every highway safety issue. And she is doing (inaudible words) an outstanding job in one of the most important positions in Government today.

And everyone in Hutchinson certainly has a right to be very proud of (inaudible) good work.

Of course, --

(Whereupon, nothing further was recorded on Side 1.)

SECRETARY DOLE: ... and as (inaudible) puts it, you must like people, working with people.

What an honor (inaudible words) such people this morning as an adopted Kansan.

Recently, I heard a story about a young man who walked into a grocery store. And he said, I'd like to purchase a half a grapefruit. And the clerk there said, sir, did I hear you correctly? And he said, I would like to buy a half a grapefruit.

Well, this young clerk had never been confronted with anything like that before, run into the back room to the manager and said, there is this nut out there, a man who wants to buy a half a grapefruit.

And as he said it, he noticed out of the corner of his eye that the gentleman had followed him into the back room.

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Without a moment's hesitation, the young clerk turned and said, and this gracious gentleman has agreed to buy the other half.

(Laughter.)

SECRETARY DOLE: Ladies and gentlemen, I think this day and age, in this fast paced world of ours, it seems that we must constantly be adjusting and be adapting to ever-changing circumstances. It's very challenging, these times.

And I recall when I entered at Harvard Law School back in 1962 I was one of about thirty-five women in a class of five hundred and fifty.

And the first day, as I walked into my class, one of the men came up to me and he said, Elizabeth, -- it was one of my classmates -- Elizabeth, what are you doing here? What are you doing here? Don't you realize there are men who'd give their right arm to be in this law school, men who would use their legal education?

That was my introduction to Harvard Law School.

And, of course, the implication was that I was taking the place of a man.

Some, by the way, may (inaudible words) transportation.

But, indeed, times have changed enormously since 1962. And this is one of the areas where there has

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been that continuous adaptation and change.

We have had, ladies and gentlemen, a guiet revolution in this country over the last fifteen to twenty years.

For example, that entering class of Harvard Law School is now almost forty percent female.

And women who are achieving and who are acquiring their Master's in Business Administration degrees today, that number has increased by twenty-four hundre percent in the last fifteen or twenty years.

So, all across this land, there has been a great change, as so many talented and highly qualified women have been entering our work force.

(Inaudible words) another example of the attainment on the part of a woman. And I think it's (inaudible words) say just open the door for young women in so many areas, like science and math, which have sort of been areas that women (inaudible) get into. Now, (inaudible words) that they too can achieve in science and math. And that opens up a lot of doors for the future. It will open up some (inaudible).

As I look at all the young people in the audience today, I'm just so grateful and thankful for all of the potential that's there.

You're so much more sophisticated than our

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group was at the same age.

I remember back at Duke University we were sort of concerned with what was going on within the walls of that campus back in the 1950's, the late '50's.

Today, our young people are very sophisticiated.

They're involved in a lot of things, community activities and things beyond the campus. That they are involved, of course, with State, national, international global affairs.

So, there's tremendous potential. And, of course, your day is just dawning. And very soon, with the good training that you're getting, you will be able to join us in trying to provide that better life for America.

Many women today, of course, are finding doors open, and are serving in roles that traditionally were reserved for men.

Many quality decisions are being made by women now in some of the toughest, most challenging issues of our time. And I think it's wonderful that there are young women who feel that they have the same opportunities for growth as well if they decide that they want to follow a career path.

I think there's no more challenging assignment than that of being a wife and a mother and raising a

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family. No more challenging assignment.

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But if a woman decides she does want to go into a career area, doors are opening up. But certainly we've not reached the limit.

But you do find women in many challenging areas today. And I am privileged to be the first woman to serve as the Secretary in the Department of Transportation.

In fact, I've also discovered my little footnote in history, in that I'm the first woman to head a branch of the armed services.

I have the Coast Guard within my responsibility at DOT. And I hasten to say, ladies and gentlemen, before you become concerned, that we should we, heaven forbid, ever find ourselves involved in another war, I will not be leading the troops into battle. That is not my expertise.

They transfer, at that point, to the Navy Department.

But (inaudible words) I am just so proud to have the Coast Guard working within the Department. They do a wonderful job of drug interdiction, trying to keep out illegal drugs entering our cities and our communities, also, of course, search and rescue missions. They're responsible for saving many lives every year, resucing people from the waters. And they

do a tremendous peace-keeping job, as well as being prepared always to stand (inaudible words) in any kind of emergency that required (inaudible words).

Now, looking at the various responsibilities of the Department, let me just (inaudible words) on safety this morning, because I think that's an issue that concerns all of us, whether we are young people, who are still involved in our schooling, or whether we're older people, who have moved along well into our careers.

Safety is my top responsibility. And if you want to try to make that difference in the limited period of time that you serve in a Government post like this, if you want to try to make that positive difference, I can't imagine anything that gives you more opportunity than the safety arena.

And, of course, when (inaudible) or ninety-two percent of the fatalities in transportation are on our highways, that must be a major area of focus.

So, as I indicated earlier, I am trying to work very hard on the problems in this area. And we approach them, really, in a three-pronged manner, if you will.

One is to rehabilitate roads and bridges across this country.

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Now, our infrastructure is badly, badly in need of repair. (Inaudible words) 1982, the Surface Transportation Assistance Act was passed by Congress.

And that enabled us to literally double the amount of funding that goes to the States every year to rehabilitate roads and bridges.

And this year, for example, fourteen and a half billion dollars will go to this kind of purpose, which is a very large amount indeed.

We're going to continue to fund. We're going with a new Highway Reauthorization Bill soon.

In looking out at the future, the completion of our interstate (inaudible), we will also be looking to further to be able (inaudible words).

Now, in addition to the safety of our roads and bridges, certainly one of the very important aspects of highway safety is the behavior of the driver.

And while all of you may not agree, let me tell you that I think it's good, I know President Reagan thinks it's good, that you did pass the age twenty-one here in the State of Kansas.

I understand that some young people may not feel that this is the best thing to do. But the problem that the President had -- he's very much a States-righter, he wants the States to decide, as much as possible

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in these areas.

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He said, Elizabeth, there's one question I simply can't answer, and that is the question of (inaudible words). Where one State has age twenty-one, and there's another State on the border that has a lower age, that is positive incentive for a young person to drink and drive, to cross the State line, to consume alcohol, and come back home under the influence. And he said, I simply feel that (inaudible words) incentive there to eliminate that problem. I can't see any other way.

So, as you know, the Federal Government is responsible. We're withholding five percent of highway funds, starting this September, and it's ten percent the following year unless the States has passed age twenty-one.

Now, I feel that there's a real consciousness raising across this country. And one of the things is grassroots organizations, like the Mothers Against Drunk Drivers -- I love this one, the Bartenders Against the Drunk Drivers, that's called BADD, and all the other grassroots groups who have joined hands to ensure that we do everything we possibly can get every last drunk driver off the roads and highways of this country.

And there's a real (inaudible) out there, no

question. People are no longer willing to tolerate lax laws and lenient judges. We're making a lot of headway.

Safety belts. That's (inaudible words.) So, it's the best defense against the drunk driver, the use of the safety belt.

If we could just convince people how important it is. It is. You know, fifteen years we've had seat belts in the cars, and the voluntary rate of usage is somewhere in the fourteen to fifteen percent range.

So, what we have done is through Rule 208.

And that's a rule that we put in place a year ago last
July.

We have provided, I think, a mechanism, which is small now. About seventeen State safety belt laws.

Let me tell you just a word or two about that.

What it does is to provide (inaudible) two-thirds of the population of the United States is not covered by safety belt laws by this coming September, then passive restraints will begin to (inaudible) in in automobiles.

The manufacturer will be responsible for deciding what it will be, whether it will be a passive belt on the door, or an airbag, or some other form of technology that will meetin our standards.

Now, it will be ten percent the first year of

the new car fleet, then twenty-five percent, then forty
percent, and finally a hundred percent.

If at any point we reach the two-thirds of the

If at any point we reach the two-thirds of the population that meet Federal criteria for safety belt laws, that process stops.

Now, this is not something that we just wrote on a clean tablet, on a blank tablet so to speak. We had a Supreme Court remand, a case that had up on appeal was remanded with instructions to the Department to go back and look at all of this area again. And that is something that happened just after I became Secretary of Transportation.

And I think that the system that we prepared -and really it was the toughest public policy issue I
think I've ever dealt with in all my years of public
service.

But this particular issue I do believe has saved many, many lives as a result of 208 being promulgated.

And if everyone used their safety belts, we would save ten thousand lives a year.

Again, if drinking and driving were stopped, we would save about twenty-five thousand deaths a year out of the statistics.

So, you can see how vital this is.

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When New York passed its safety belt law, within the first six months it translated into ninety-seven lives saved. In one State, in a six month period.

So, this is very serious business. And I can't tell you what a good thing you do to yourself if you put on that safety belt when you leave this auditorium today. Not just on the long trips. A lot of them, a majority of them happen on short trips.

So, those are issues that we will continue to pursue. And right now we're a point where very soon we'll be giving advise to the States on whether their State laws meet our Federal criteria.

So, that will cause the States to understand whether amendments will be needed.

There's a third prong to this highway safety approach. And that is the design of the vehicle, in addition to the roads themselves and the behavior of the driver.

Now, some of you may have bought new cars. If you have, you have a high mounted stop light, that little light in the rear window or the base of the window.

And I'm very pleased with that because I like to be associated with (inaudible words) safety is at issue.

(Inaudible words) very hard on (inaudible words).

And we are delighted to be able to go forward with the regulation that is so cost effective. It costs us a very few dollars. And, yet, five years of study with a national telephone fleet and also with a taxi fleet indicated that as much as nine hundred thousand accidents a year can be eliminated with that one little light, these rear end crashes. Nine hundred thousand a year (inaudible) can be eliminated.

And also about five -- four hundred and thirty-four million dollars in property damage, as well as forty-eight thousand injuries a year. So, that's really what you call cost effective regulation.

And, indeed, we will continue to explore all avenues to achieve results in a positive way if we can to eliminate these tragedies from our highways.

Next week is (inaudible works) safety week.

We're going to be focussing on issues there which are
a great concern to us.

One of (inaudible words) in many States still permit a person (inaudible) to drive everybody, to get in a truck or tractor trailer and drive off without any special requirements or any special training.

(Inaudible words) care of by working with the States. And I think it would be a tremendous accomplishment because that is (inaudible words), that's

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not (inaudible words) taking special training to drive one of these tractor trailers.

That's the kind of thing we'll be working on as we move toward truck safety and bus safety.

Air safety. That's an area of great concern.

And many people say, well, (inaudible words.)

There were a number of tragedies worldwide

last year. And one tragedy is one too many. And

(inaudible words) worldwide a record year as far as

(inaudible words) fatalities. There were two thousand

fatalities.

Ladies and gentlemen, we can find no common thread, no common thread between those fatalities.

And I think I can put everything in perspective.

Remember, each year, in the United States, there are

fourteen thousand flights, one million people travelling

by air every day. 99.999 percent without an accident.

We have the safest system in the world. In fact, we were just talking about forty-three, forty-two thousand deaths a year in the United States alone on highways.

Now, this is two thousand worldwide. And that's two thousand too many.

But we do have the safest system in the world.

We have (inaudible words) control system, our standards

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are patterned (inaudible words) around the world. And we can be very proud of our (inaudible words).

But (inaudible words) safe system (inaudible words). (Inaudible words.)

And as we look out at the future, we've got to prepare for an increasing number of people flying as well as more air carriers. Therefore, we will be adding five hundre more inspectors, and we will be adding a thousand more air traffic controllers over the next couple of years, as fast as they can absorbed into the system, to address this matter of increasing our air travel over the future.

These and many other things, as I say, are underway.

And also security is very important on the top of the priority list.

The people, of course, here from Hutchinson need to (inaudible words).

And security is a major issue at the Department of Transportation as well as the (inaudible words) and other areas of Government.

We have required, now, that every carrier, both domestically and internationally, have a security coordinator on the plane.

We have also expanded our Air Marshall program.

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These are people who are very, very carefully trained, who are armed, who fly on certain flights where (inaudible words) flight (inaudible words).

Obviously, that's an area where you have to be very careful, know what you're doing, trained very carefully.

But that (inaudible words) expanding. We also are (inaudible words). We have beefed up the review of the inspection of baggage, carry-on baggage as well as checked baggage and cargo. And we're continually (inaudible words).

And if we find that their security is not up to standards, then I have the authority to stop our carriers from going there and their carriers from coming to the United States.

So, both at home and around the world, this will continue to be a top priority in the Department of Transportation and the Governmental generally.

Rail safety. One last comment on the safety area. For twelve years they tried to get a rule that would address the problem of drinking and drugs on our railroads.

Now, I hate to tell you, but there is a significant problem of drinking and drugs on the railroads.

Just recently we achieved that goal. We now have a regulation in place to address this problem. And that is something that I think is going to be crucial, as we look down the road, in eliminating accidents on the railroads.

You know, there haven't been that many in terms of numbers, but you look at a train with the kind of speed of a train, carrying hazardous material, and you can really do a lot of damage. One accident can really wipe out a community.

So, we want to make absolutely certain that this is safe and that you do not have a problem of someone under the influence of alcohol or drugs who's involved in any kind of operation of a train.

And we've got a very tough rule in place. We have been challenged on it. And the court is looking at it right now. But we're going to win it because that's a very, very important safety issue.

Those are some of the things that are happening.

I want to talk for just a moment -- you know, it's (inaudible words) being in this thing, and I want to visit with you about some of our economic issues as well.

Someone has said recently in a humorous vein that the answers are difficult and also the answers may

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1 not be the same from one generation to the next when 2 you're trying to wrestle with these kind of tough public 3 policy problems. I remember once when a friend returned to college, 5 where she'd studied (inaudible words). And she found to 6 her amazement that the professor was still asking the 7 same questions that he'd been asking for ten years since 8 she'd been there. 9 And she said, won't the students catch on to 10 this? 11 And the professor said, oh, (inaudible words) 12 what's going to be on the test. 13 Well, (inaudible) no question about it, I ask 14 the same questions each year. But then every year, he 15 said, I change the answers. 16 Well, (inaudible words) too, with the kind of 17 things we're dealing with. 18 But one of the new answers that we're very 19 much enthused about is what we call privatization. And 20 I'd like to talk a minute about that. Privatization 21 means the opposite of Government ownership. 22 (Inaudible words) should be owned and run by 23 the private sector. (Inaudible words) run more 24 (inaudible). And, of course (inaudible words) we're 25 looking at everything that looks like it would a

(inaudible words) potential.

Until recently, the (inaudible words)

privatization was pretty much (inaudible) Thatcher and the kinds of programs and splendid programs that she's had underway in transferring responsibility for many services now provided by Government agencies to private (inaudible words) enterprises.

I had the great experience of visiting with her (inaudible word) England. And she visited the Department of Transportation on one of her recent trips to the United States.

So, I (inaudible) had a chance to learn firsthand from her not only (inaudible words), which she's very enthusiastic about, (inaudible) ninety-nine percent of the people in England are using seat belts. The fatality rate is down twenty-five percent.

But she's also helped me in the area of privatization.

And certainly this (inaudible) has generated enthusiasm from the Potomac to the Ganges. Japan,

Turkey, and a number of other governments are exploring ways to privatize their services, too.

One thing that you're probably going to be hearing a lot about. It's a major theme for 1986 and beyond. How do we get the Federal Government out of

the business of running railroads, and also out of the business of running airports?

Now, let's talk about (inaudible) for a minute, because we have the flagship of privatization before the Senate of the United States right now. And that (inaudible words) Conrail.

We have already sold the Alaska Railroad, by
the way, to the State of Alaska. And the two airports,
National and Dulles, (inaudible words) transferred
(inaudible words) because they're the only two run by the
Federal Government in the entire United States.

(Inaudible words) Secretary of Transportation (inaudible words) at Washington National Airport.

So, we (inaudible words) achieving that, hopefully, this year.

The Conrail is (inaudible words) challenge.

And I think it's worth a few minutes.

This freight railroad was put together from some bankrupt railroads back in 1976. And, at that time, it was (inaudible words) to continue to provide a service to the Northeast (inaudible words) impact on the Midwest and Far West, to continue to provide this service.

And the (inaudible words) has now put through the taxpayers seven billion dollars in one form or another into the railroad. Part of that (inaudible words) Amtrak

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system on the Northeast corridor.

Those were all (inaudible words) Conrail in order to, for example, keep the services going, (inaudible words) operations, pay labor protection, and other things of that sort.

But now we're at the point of returning it to the private sector because it's been profitable for the last four years.

But why should the Government be running a freight railroad, much less one that's been profitable for four years, and has special benefits which it utilizes as it competes against other railroads? For example, they pay no State taxes in fifteen States through which the train runs. And we pay their labor protection, as high as a one hundred and twenty-five million dollars in one year. And up until recently they had (inaudible words).

So, in 1981, Congress said to the Secretary of Transportation, develop a plan now to return this profitable railroad to the private sector.

For three years, I've been working on that through a very (inaudible) careful process. We went out and (inaudible words) the railroad. And we talked to a hundred and ten corporations about the possibility of buying this freight railroad.

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I (inaudible words) one bid. (Inaudible words) got fifteen bids. Fifteen.

Then we began the process of narrowing it down to six, and then to three. And the finalists, the three finalists, included the Norfolk Southern Corporation.

I knew then that there might be (inaudible words) railroads. And the (inaudible words) exempt under the law from actually (inaudible) sale of their (inaudible).

So, I (inaudible words) public standard

(inaudible words) railroaders (inaudible). They looked

at it extremely thoroughly and independently. There's

not one (inaudible) on the merit of putting the Department

of Transportation (inaudible words).

They came back saying (inaudible words), here's what would have to be done through (inaudible words) railroads of certain lines and (inaudible words).

(Inaudible words) although that had been done. The Justice Department (inaudible words) merger. It's going to go out and check and see if the (inaudible) are where they say they are. (Inaudible words) check right now.

But we approved the merger. (Inaudible words) anti-competitive, we think it's pro-competitive. Why? Because, for example, from New England out to Chicago and

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Saint Louis, where it (inaudible words) impact the shippers from Kansas, there will now be for the first time in two decades competing long haul, single line railroads. We'll have more than one to choose from (inaudible words) all the way from New England, all the out to Saint Louis and Chicago.

When you don't have to change railroads, that means you pay lower rates, that means you have quicker delivery of goods.

So, for that and many other reasons, it is a pro-competitive merger.

One major comment (inaudible words) it will strengthen, the Norfolk Southern purchase will strengthen Conrail.

Conrail (inaudible words) is going to be marginally, marginally profitable out into the 1990's. It carries recession sensitive traffic. It has very short hauls because (inaudible words) short distances, which means truck competition is rampant. And they do not (inaudible words).

(Inaudible words) freight that they carry has been going down at the rate of 3.6 percent a year for the last twenty years, and there's no change in sight.

So, (inaudible words) strengthening. They need

(inaudible words) strength (inaudible words) railroad.
They can't continue to shrink their way to prosperity by
laying off workers, by abandoning lines, and by generally
cutting back on the system.
And the plan is that they will cut back another

third to (inaudible words).

Norfolk Southern has the highest operating and maintenance standards in the business. It is extremely well run. It's a strong system that will bring a hundred and eighty million dollars of extra cash to Conrail every year (inaudible words).

So, for these and many other reasons, I think it's important that we get this railroad sold and that we do it now.

(Inaudible words) this issue. It's time to move because they will pay \$1.2 billion, cash on the barrel head, the day of closing. (Inaudible words) the equivalent of ten percent of what Gramm-Rudman would require for (inaudible words). And, of course, it's the flagship of privatization.

(Inaudible words) then it's going to undermine all those (inaudible words) privatization that business and Government hope to achieve in 1986 and beyond. It's very, very important to win the first one and keep the momentum going.

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So, for reasons beyond (inaudible words) transportation policy, it is a very important initative.

And that's something that's going to take me back, I'm afraid, to Washington early.

(Inaudible words) because we're in the midst of the votes on the Conrail (inaudible words).

(Inaudible words) needs, ladies and gentlemen, can only be achieved by making the proper choices. And, as I said, I think it's one of the toughest decisions that I had to make (inaudible words) recent years.

(Inaudible words) this is one of the great things about public service. And I hope that you might consider, as your careers develop, the possibility of going into public service.

So, everyday when I get in my car and start for the office, it's a great vocation. It gives me an opportunity to sink my teeth into some of the toughest issues and really to sort of stretch myself to the limit of my being, and to work with very talented people to make a difference for people across this country.

And I hope many of you will feel that this is

the kind of challenge that you'd enjoy as well,

because I'd like very much to see you joining me in

public service and enjoying the challenges and (inaudible words) that make the difference.

....

But as you look at these tough choices, another great President who understood tough choices is buried less than a hundred miles from here in a serene little (inaudible words), a place of meditation. The modern architecture of the Eisenhower Library (inaudible words) reflects the President whose Administration gave us the Interstate Highway system, and the Saint Lawrence Seaway, and many of the modern transportation miracles that are my responsibility today.

Although he was born in Texas, and he was educated at the U.S. Military Academy, and he was a resident of many cities around the world as his brilliant career unfolded, Dwight Eisenhower loved Kansas. He loved Kansas deeply.

And his (inaudible words) Kansas (inaudible words) today. "May we pursue the right without (inaudible words). May we know unity, without conformity. May we grow in strength, without pride in self. May we in our dealings with all the people of the earth ever seek truth and serve justice. (Inaudible words.)"

Dwight Eisenhower represented strength and determination of character. And we are reaping the benefits of the tough choices that he made a generation ago.

And I (inaudible words) another President, when 1 (inaudible words) current President also (inaudible words) 2 of strength. 3 Today, the issues are different (inaudible 4 words) challenging (inaudible words) one another. 5 (Inaudible words) opportunities (inaudible words). These 6 are the issues (inaudible words) and challenges to 7 everybody. (Inaudible words) challenging (inaudible 8 words) . 9 President Reagan said one time that when he was 10 (inaudible words) Governor of California that every 11 (inaudible words) every (inaudible words). And he 12 (inaudible words) look over his shoulder (inaudible 13 words). 14 (Inaudible words) fulfill the challenges of 15 this job another day (inaudible words.) 16 And I would just say in closing that I certainly 17 agree with that. I don't think I could (inaudible words). 18 I don't think I (inaudible words) to do it. But I 19 think (inaudible words) it's what really (inaudible 20 words) opportunities that we have (inaudible words). 21 I (inaudible words) nor (inaudible words) 22 courage (inaudible words). 23 Those of you who are students, as I said 24 before, (inaudible words). You are (inaudible words) 25 **NEAL R. GROSS**

1	join us in our efforts to make life better for all
. 2	Americans.
3	With your help, with the support of all
4	(inaudible words), we will (inaudible words.)
5	(Inaudible words) and our children (inaudible
6	words).
7	Thank you very, very much.
8	(Applause.)
9	MS. : (Inaudible words.)
10	(Whereupon, the speech
11	was concluded.)
12	
13	MS. : Amtrak System.
14	SECRETARY DOLE: Okay. Amtrak.
15	Last year, the President (inaudible words)
16	subsidy on Amtrak, which (inaudible words).
17	The Congress cut back about eleven percent on
18	these subsidies, but it did not (inaudible words).
19	Let me just quickly mention to you why the
20	(inaudible words) with Conrail, that we have to find
21	some other way (inaudible words) Amtrak (inaudible
22	words).
23	And I know that everyone will not agree with
24	that. But when you are trying to cut two hundred and
25	twenty billion dollars so that we don't have this
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enormous deficit, well, (inaudible words). You can't leave Amtrak off the list to look at because it serves only one percent of intercity traffic. And it's (inaudible words) set up as a for profit corporation as an experiment. It's set up as a two-year, for profit --(Whereupon, nothing further was recorded on the tape.)