

OPENING STATEMENT OF ELIZABETH HANFORD DOLE
 SECRETARY OF TRANSPORTATION
 BEFORE THE
 HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION,
 CONCERNING
 PROPOSED TRANSFER
 OF THE METROPOLITAN WASHINGTON AIRPORTS
 TO AN INDEPENDENT AIRPORT AUTHORITY
 JUNE 24, 1986

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

I AM DELIGHTED TO HAVE THE OPPORTUNITY TO URGE ENACTMENT OF H.R. 2337, THE PROPOSED METROPOLITAN WASHINGTON AIRPORTS TRANSFER ACT. I HAVE WITH ME TODAY FORMER GOVERNOR LINWOOD HOLTON, WHO CHAIRED THE COMMISSION I APPOINTED TO DEVELOP THE TRANSFER PROPOSAL; GREG DYER, OF SOLOMON BROTHERS -- WHO'S AN EXPERT ON BONDS AND FINANCING -- AND JIM WILDING, THE DIRECTOR OF THE METROPOLITAN WASHINGTON AIRPORTS. I WANT TO THANK ALL WHO HAVE WORKED SO HARD TO THIS POINT. IT'S BEEN MY PRIVILEGE, MR. CHAIRMAN, TO WORK ALONGSIDE MANY PERSONS ON "BOTH SIDES OF THE AISLE," SO TO SPEAK, COMMITTED TO THE IMPROVEMENT OF OUR AIRPORTS.

THINK ABOUT IT -- NATIONAL AIRPORT WAS DEDICATED BY PRESIDENT ROOSEVELT IN 1940, AND BY THE END OF WORLD WAR II WAS ALREADY BEYOND ITS PRIME. DULLES WAS DEDICATED BY PRESIDENT KENNEDY IN 1962 AND -- IN FACT -- WHEN FAA LAST IMPROVED EITHER AIRPORT, NOT A SINGLE MEMBER OF THIS COMMITTEE OR THE

FULL COMMITTEE WAS IN CONGRESS. IF THE HOUSE CAN THUS CHANGE, THEN SO SHOULD THE AIRPORTS -- AT LEAST ONCE IN ALMOST A QUARTER CENTURY! THIS PROPOSAL MAKES GOOD COMMON SENSE -- WHAT REASON COULD THERE BE NOT TO GO AHEAD AND TAKE ACTION?

AT THE BIPARTISAN RALLY ON THE CAPITOL STEPS LAST WEEK, GOVERNOR BALILES CHARACTERIZED THE PROBLEMS AS FOLLOWS: "THE TRUTH IS, NATIONAL IS A JOKE WITHOUT A PUNCH LINE, A COMEDY WITHOUT LAUGHTER. NATIONAL AIRPORT HAS BECOME A NATIONAL DISGRACE. NATIONAL IS CROWDED, NOISY AND INCOMPREHENSIBLE. TRAVELERS NEED EASY ACCESS TO THE TERMINAL. WHAT THEY GET INSTEAD IS HALF MARATHON, HALF OBSTACLE COURSE -- AND TOTAL CONFUSION."

JIM MURPHY, IN CHARGE OF AIRPORT MATTERS FOR THE AIR TRANSPORT ASSOCIATION, SAYS "IT IS A MAJOR HORROR STORY OF MODERN PLANNING. YOU CAN'T OVERSTATE THE PROBLEMS. IT HAS THE MOST SEVERE FACILITY CONSTRAINTS PER SQUARE FOOT OF ANY AIRPORT I HAVE EVER SEEN."

OUR TENANT, ED COLODNY, PRESIDENT OF USAIR, WHO HAS OBSERVED THE SITUATION FROM HIS OFFICE IN ONE OF THE "NEW" HANGARS -- BUILT IN 1948 -- NOTES: "THE PROBLEMS HERE ARE ISSUES BEYOND THE CONTROL OF MANAGEMENT." AND BY THE WAY, ED'S ROOF LEAKS.

FOR PASSENGERS IN A HURRY, NATIONAL CAN BE QUITE FRUSTRATING, AND IT IS OFTEN OUR OVERWORKED POLICE OFFICERS WHO MUST DEAL WITH THEM. "THEY JUST LOSE CONTROL SOMETIMES," REPORTS ONE OF THE OFFICERS IN A RECENT WASHINGTON POST STORY, "THEY START SCREAMING AND THROWING THEIR BAGS AT ME."

THE LEADERSHIP THIS COMMITTEE HAS SHOWN IN ITS WILLINGNESS TO ADDRESS THIS CRITICAL TRANSPORTATION PROBLEM, DESPITE A BUSY SCHEDULE, IS MOST GRATIFYING. FOR I BELIEVE YOU RECOGNIZE NOT ONLY THAT WE MUST ADDRESS THESE PROBLEMS AT WASHINGTON NATIONAL AND DULLES TO MEET THE DEMANDS OF THE TRAVELING PUBLIC, BUT ALSO THAT ADEQUATE FACILITIES AT THE AIRPORTS SERVING THE NATION'S CAPITOL ARE INDEED IMPORTANT TO THE ENTIRE NATION.

CONSIDER THE PRESENT SITUATION. EXCEPT FOR TEMPORARY BUILDINGS, VERY LITTLE HAS BEEN DONE AT DULLES SINCE IT WAS OPENED IN 1962. I CAN'T THINK OF ANOTHER MAJOR AIR CARRIER AIRPORT WITH THE SAME RECORD. THERE IS A LIMIT TO HOW LONG THE FAA CAN RIG TEMPORARY SOLUTIONS TO GROWTH AT DULLES.

NATIONAL HAS BEEN AN EMBARRASSMENT FOR SO LONG THAT MOST OF US FORGET TO NOTICE. NO STATE OR LOCAL GOVERNMENT COULD TOLERATE SUCH AN OVERBURDENED, ANTIQUATED FACILITY. WE ARE MOVING INTO THE '90S WITH AN AIRPORT OF THE '40S. IT WAS OPENED JUNE 16, 1941, WITH BASICALLY THE SAME RUNWAYS, SAME TERMINAL BUILDING, AND SAME ROADWAYS SYSTEM AS IT HAS TODAY. I HAVE SOME PHOTOGRAPHS SINCE THE '40S -- AND EXCEPT FOR THE VINTAGE AND SHEER NUMBERS OF THE CARS, NATIONAL AIRPORT REMAINS VIRTUALLY UNCHANGED. IN ITS FIRST YEAR, NATIONAL SERVED NEARLY 350,000 PASSENGERS. TODAY IT SOMETIMES SERVES THAT MANY IN A WEEK AND ALMOST 15 MILLION A YEAR WITH ESSENTIALLY THE SAME FACILITIES.

THE TIME IS NOW TO ADDRESS THE SOLUTION. THE DEVELOPMENT NEEDS ARE ENORMOUS. BUT AS JIM WILDING HAS SAID, "THERE REALLY ISN'T MUCH WE CAN DO ABOUT IT UNLESS THE TRANSFER GOES THROUGH. IT'S NOT THAT THESE THINGS ARE

IMPOSSIBLE TO ACCOMPLISH. BUT THE AIRPORT HAS BEEN NEGLECTED FOR SO LONG, MANY PEOPLE HAVE GROWN USED TO IT. THERE ARE TIMES WHEN I SEE PEOPLE OUT THERE THAT HAVE NEVER BEEN TO WASHINGTON BEFORE. TO THOSE PEOPLE I CAN ONLY SAY I'M SORRY." IT'S TIME TO STOP APOLOGIZING FOR NATIONAL.

A SOLUTION IS AT HAND: H.R. 2337. IT HAS THE SUPPORT OF A LARGE, BIPARTISAN COALITION -- AN UNUSUAL COALITION. STATE AND LOCAL ELECTED OFFICIALS SUPPORT IT. ALL THE AIRLINES -- INCLUDING THE COMMUTERS --SUPPORT IT. COMMUNITY ORGANIZATIONS SUPPORT IT. THE AIRPORT EMPLOYEES SUPPORT IT. ALL KINDS OF BUSINESS INTERESTS SUPPORT IT, BOTH THOSE NEAR THE AIRPORTS, AND THOSE WHO JUST USE THEM.

IDENTICAL STATUTES CREATING A NEW AUTHORITY HAVE ALREADY BEEN ADOPTED BY VIRGINIA AND THE DISTRICT OF COLUMBIA. THE METROPOLITAN WASHINGTON AIRPORTS AUTHORITY WILL COME INTO EXISTENCE THE MOMENT THE PRESIDENT SIGNS A TRANSFER BILL.

IF THAT HAPPENS BY THE END OF THE SUMMER, I CAN PROMISE THAT WE WILL NEGOTIATE THE REQUIRED LEASE AGREEMENT BY THE END OF THE YEAR. IN THE MEANTIME, FINANCIAL PLANNING WILL BEGIN, AND THE NEW AUTHORITY WILL BE ABLE TO ISSUE BONDS AND EVEN BEGIN CONSTRUCTION BEFORE 1987 IS OUT. NO OTHER ALTERNATIVE WILL ALLOW US TO MEET THAT SCHEDULE.

I VERY MUCH APPRECIATE AND RESPECT THE COMMITTEE LEADERSHIP'S INTENTIONS IN INTRODUCING H.R. 5040, AND THE OPENMINDEDNESS OF BOTH THE CHAIRMAN AND THE RANKING MINORITY MEMBER OF THIS COMMITTEE EXPRESSED IN

THEIR FLOOR STATEMENTS INTRODUCING IT. THE FEDERAL CORPORATION ALTERNATIVE, PROPOSED SO MANY TIMES IN THE PAST, SHOULD INDEED BE AIRED. BUT I DO NOT BELIEVE THE CORPORATION ALTERNATIVE CAN BE DEVELOPED INTO A BILL THAT WILL COMMAND ENOUGH OF A CONSENSUS TO BE ENACTED THIS YEAR. TIMING ALONE IS SUFFICIENT REASON TO ENACT H.R. 2337. A GOVERNMENT CORPORATION BILL WAS FIRST SUBMITTED TO CONGRESS IN 1954, AND THERE HAVE BEEN SUBSEQUENT EFFORTS IN EVERY CONGRESS UNTIL THE 91ST -- IN 1969-1970. H.R. 5040 IS A PROPOSAL THAT MADE GOOD SENSE IN THE 1950S, BUT NOT NECESSARILY TODAY.

H.R. 2337 IS BASED ON MODEL AUTHORITIES ELSEWHERE, YET ALSO CONTAINS PROVISIONS THAT REFLECT THE SPECIAL CONCERNS WE ALL SHARE FOR A SMALL, LIMITED-ACCESS AIRPORT JUST ACROSS THE RIVER FROM OUR NATION'S CAPITOL. I HOPE YOU WILL AGREE THAT IT REPRESENTS THE BEST THINKING IN THIS COUNTRY ON HOW A U.S. AIRPORT SHOULD BE OPERATED AND FINANCED. THE COALITION OF BROAD BASED SUPPORT IS IN PLACE. I URGE YOU NOT TO LOSE THIS OPPORTUNITY FOR IMMEDIATE ACTION TO SOLVE THE PROBLEM OF NATIONAL AND DULLES.

UNDER H.R. 2337, NATIONAL AND DULLES WOULD BE LEASED FOR 35 YEARS BY AN INDEPENDENT PUBLIC AUTHORITY CREATED BY VIRGINIA AND THE DISTRICT OF COLUMBIA, CONSTITUTED SOLELY TO OPERATE BOTH AIRPORTS AS PRIMARY AIR CARRIER AIRPORTS. ALL REVENUES MUST BE DEVOTED TO PAYING FOR AIRPORT OPERATIONS AND CAPITAL COSTS. IT WILL FINANCE BADLY NEEDED IMPROVEMENTS BY RAISING PRIVATE CAPITAL THROUGH THE SALE OF REVENUE BONDS.

THE AUTHORITY WOULD PROCEED IMMEDIATELY WITH THE CONSTRUCTION OF TWO MIDFIELD TERMINALS AT DULLES, MORE PARKING AND ROADWAY IMPROVEMENTS AT BOTH

AIRPORTS, AND RECONSTRUCTION AND MODERNIZATION OF THE SADLY OUTMODED TERMINAL FACILITIES AT NATIONAL. PARKING IS A PROBLEM FOR SO MANY PEOPLE. IN FACT, -ONE CONGRESSMAN TOLD ME THE OTHER DAY THAT EVEN WITH RESERVED CONGRESSIONAL PARKING, HE NO LONGER DRIVES TO THE AIRPORT...IT'S SO BAD. NEW PARKING STRUCTURES WILL PROVIDE CLOSE, COVERED AND MORE SECURE ACCESS TO THE TERMINALS. TODAY THOSE PASSENGERS WHO CAN FIND PARKING OR ARRIVE ON THE METRO MUST DODGE THE CARS ON THE MAIN AIRPORT ROADWAY. AT THE MAIN TERMINAL, THEY MUST FIND THEIR WAY THROUGH THE LINE OF CABS -- A LINE WHICH, BY THE WAY, SNAKES ALONG THE ROADWAYS, TAKING OVER TRAFFIC LANES. ONE THING I'M VERY PLEASED ABOUT: THE TRANSFER BILL CALLS FOR WAITING CABS AT NATIONAL TO BE MOVED OUT OF SIGHT INTO A HOLDING PEN ON THE LOWER LEVEL.

ALL THE PRESENT 650 FEDERAL EMPLOYEES -- AND BY THE WAY, THEY'RE THE BEST AIRPORT TEAM IN THE NATION -- WOULD LEAVE THE FEDERAL PAYROLL AND BECOME EMPLOYEES OF THE NEW AUTHORITY. THE TRANSFER BILL GUARANTEES THEIR JOBS AND SALARIES FOR TWO YEARS, AS WELL AS THEIR BENEFITS. THE CORPORATION BILL, H.R. 5040, WOULD LEAVE THE EMPLOYEES WITHIN THE RESTRICTIONS OF THE FEDERAL PERSONNEL SYSTEM, WHICH HAS NEVER MET THE AIRPORTS' NEEDS. HOW MUCH LONGER CAN WE FIND AND KEEP FIRST-CLASS MANAGERS IN GOVERNMENT SERVICE WHEN THEY CAN EARN MUCH MORE ELSEWHERE? CONSIDER THE POLICE. UNDER THE TRANSFER BILL, THE AUTHORITY WILL BE ABLE TO CORRECT A PERSONNEL SITUATION THE GOVERNMENT HASN'T BEEN ABLE TO FIX SATISFACTORILY, DESPITE THE BEST EFFORTS OF THE DEPARTMENT AND OPM. THE AUTHORITY WILL BE ABLE TO INCREASE POLICE PAY TO PREVAILING LEVELS FOR THE METROPOLITAN AREA, THEREBY ENABLING THE OFFICERS TO EARN A DECENT SALARY WITHOUT SUBSTANTIAL OVERTIME, ENDING THE HIGH TURNOVER RATE AND CREATING FOR THE FIRST TIME A FULLY STAFFED POLICE

FORCE. IN THESE TIMES OF SERIOUS CONCERN FOR AIRPORT SECURITY, I CAN'T OVEREMPHASIZE THE IMPORTANCE OF SUCH ACTION.

THE TRANSFER BILL WOULD MAKE DULLES AND NATIONAL ELIGIBLE FOR GRANTS UNDER THE AIRPORT IMPROVEMENT PROGRAM. OUR ESTIMATE TO THE APPROPRIATIONS COMMITTEES OF THE SHORT-TERM CONSTRUCTION NEEDS AT DULLES AND NATIONAL TOTALED ABOUT \$700 MILLION. ABOUT \$400 MILLION IS FOR TERMINAL FACILITIES FOR WHICH FEDERAL AID IS LIMITED. THUS, THE LARGEST SHARE WILL HAVE TO BE FINANCED WITH REVENUE BONDS.

OF COURSE GRAMM-RUDMAN-HOLLINGS PREVENTS SUCH FUNDING TODAY. BUT EVEN IF WE COULD APPROPRIATE SUCH LARGE AMOUNTS, OTHER AIRPORTS WOULD RISE UP IN ARMS. THE MOST THE FAA HAS GRANTED TO A SINGLE AIRPORT AUTHORITY WAS \$150 MILLION TO DALLAS/FORT WORTH AND IT TOOK THEM 10 YEARS TO GET IT.

UNDER H.R. 5040, THE CORPORATION WOULD BE SUBJECT TO THE GOVERNMENT CORPORATION CONTROL ACT. THAT MEANS THE AIRPORTS ARE INCLUDED IN THE PRESIDENT'S BUDGET. IN ADDITION, EXPENDITURES ARE STILL SUBJECT TO ANNUAL APPROPRIATION. AN EXEMPTION FROM GRAMM-RUDMAN-HOLLINGS IS INTENDED TO HELP, BUT WITH THE CORPORATION ON-BUDGET, ITS CUTS WOULD HAVE TO BE MADE UP ELSEWHERE IN THE DOT BUDGET OR SOME OTHER BUDGET.

THERE ARE TWO FUNDAMENTAL PURPOSES MET BY TRANSFERRING THE AIRPORTS. THE FIRST -- AND THE ONE THAT CAUSES THE URGENCY -- IS THE NEED TO FINANCE IMPROVEMENTS. THE SECOND, ALSO IMPORTANT IN MY VIEW, IS TO GET THE FEDERAL

GOVERNMENT OUT OF THE BUSINESS OF RUNNING AIRPORTS, TO FREE THEM OF THE BURDEN OF FEDERAL PROCEDURES.

IF OMB AND THE APPROPRIATIONS COMMITTEE COOPERATE, A GOVERNMENT CORPORATION MAY MEET THE FIRST PURPOSE, ALTHOUGH AT A GREATER COST THAN THE TRANSFER. BUT IT DOES NOTHING TO RESOLVE THE SECOND. AND I AM CONVINCED WE SHOULD NOT PASS UP THE OPPORTUNITY TO DO THE WHOLE JOB.

A GOVERNMENT CORPORATION IS DESIGNED TO ALLOW AN AGENCY TO OPERATE MORE LIKE A BUSINESS BY PROVIDING SOMEWHAT MORE FLEXIBLE FINANCING AND OPERATIONS, WHILE RETAINING FULL GOVERNMENTAL OVERSIGHT. YET, IT IS THAT VERY OVERSIGHT -- THROUGH PERSONNEL RULES, PROCUREMENT REGULATIONS, THE BUDGET PROCESS, AND SO ON -- THAT MUST INEVITABLY PRECLUDE A GOVERNMENT AGENCY FROM EXERCISING THE BUSINESSLIKE FLEXIBILITY AND VIGOR OF A TRULY PRIVATE CONCERN.

SUCH RULES AND REGULATIONS ARE ESSENTIAL TO PROVIDE RESPONSIBLE STEWARDSHIP OVER THE USE OF FEDERAL FUNDS AND THE CARRYING OUT OF FEDERAL RESPONSIBILITIES, IN THE CASE OF NATIONAL AND DULLES, HOWEVER, THERE IS NO REASON TO KEEP THE AIRPORTS FEDERAL. RUNNING AIRPORTS IS MORE PROPERLY A LOCAL GOVERNMENTAL, RATHER THAN FEDERAL FUNCTION, AND THEREFORE THE RULES AND REGULATIONS OF FEDERAL STEWARDSHIP ARE SIMPLY OUT OF PLACE. THESE AIRPORTS CAN BE RUN AS A BUSINESS -- WITH ALL THE FLEXIBILITY AND DYNAMISM THAT THAT IMPLIES.

IN FACT, IF YOU CURE ALL THE DEFECTS OF H.R. 5040, SO THAT THE CORPORATION CAN FUND IMPROVEMENTS INEXPENSIVELY AND THE MANAGERS HAVE ALL THE FLEXIBILITY THEY NEED, THE DEGREE OF FEDERAL CONTROL WILL BE NO MORE THAN THE DEGREE OF FEDERAL CONTROL THE CONGRESS CAN EXERCISE THROUGH THE DEVICE OF THE H.R. 2337 LEASE.

WHY TAKE THE GOVERNMENT CORPORATION APPROACH WHEN A PERFECTLY VIABLE, COMMON SENSE ALTERNATIVE IS AVAILABLE, AN ALTERNATIVE THAT ENJOYS THE UNANIMOUS SUPPORT OF ALL AIRPORT USERS, OF THE AIRPORT EMPLOYEES, OF COMMUNITY GROUPS, AND OF ALL AFFECTED GOVERNMENTS OTHER THAN THOSE IN MARYLAND?

I AM AFRAID THE ANSWER IS THAT SOME MEMBERS BELIEVE THE FEDERAL INTEREST MIGHT NOT BE SERVED BY A LOCAL PUBLIC AUTHORITY. THEREFORE IT'S IMPORTANT TO ADDRESS THE FEDERAL INTEREST IN TRANSFER.

THE CONGRESSIONAL INTEREST IN THE AIRPORTS IS WELL KNOWN. MEMBERS OF CONGRESS ARE HEAVY USERS OF THE AIR TRANSPORTATION SYSTEM. YOUR BUSY SCHEDULES INCLUDE MANY TRIPS BACK TO YOUR DISTRICTS. YOU DEPEND ON THE ABILITY TO GET TO THE AIRPORT QUICKLY, TO PARK QUICKLY, TO GET TO THE AIRPLANE QUICKLY. TRANSFER CAN ONLY IMPROVE THE SITUATION AT NATIONAL FOR YOU AND YOUR CONSTITUENTS TRAVELING TO THE NATION'S CAPITOL.

IN THE EXTREMELY UNLIKELY EVENT THE NEW AUTHORITY SHOULD TAKE ACTION UNACCEPTABLE TO CONGRESS, H.R. 2337'S LEASE MEANS THE CONGRESS WILL ALWAYS BE LOOKING OVER ITS SHOULDER. THE BOARD OF DIRECTORS WILL KNOW THAT ITS

ACTIONS ARE ALWAYS SUBJECT TO OVERSIGHT HEARINGS, THAT ULTIMATELY THE CONGRESS WILL BE ABLE TO TAKE THE AIRPORTS BACK IF DISSATISFIED WITH THE AUTHORITY'S OPERATIONS. AND PROVISIONS OF H.R. 2337 MAY BE ENFORCED IN FEDERAL DISTRICT COURT BY ANY INTERESTED PARTY.

IN THE END, THE FEDERAL INTEREST IN DULLES AND NATIONAL IS NOT DIFFERENT FROM THE PUBLIC INTEREST. WE WILL ALL BENEFIT FROM IMPROVED FACILITIES AND IMPROVED AIR SERVICE THAT WILL RESULT FROM THE TRANSFER. I URGE YOU TO MOVE FORWARD WITH H.R. 2337. IT IS GOOD PUBLIC POLICY TO PUT THE WASHINGTON AIRPORTS ON A PAR WITH OTHER AIRPORTS.

MR. CHAIRMAN, YOU AND THE COMMITTEE MEMBERS UNDERSTAND THE DILEMMA WE FACE BETTER THAN ANYONE. UNDER YOUR LEADERSHIP, WE CAN SOLVE THIS PROBLEM. I KNOW YOUR CONSTITUENTS AND THE AMERICAN TAXPAYER WILL APPLAUD YOUR EFFORTS AS WE CLOSE THE FINAL CHAPTER OF FEDERAL STEWARDSHIP OF THESE AIRPORTS. AFTER EIGHT TRIES SINCE 1948, GOVERNOR BALILES SUMMED IT UP BEST ON THE STEPS OF THE CAPITOL LAST WEEK WHEN HE SAID, "OUR MESSAGE TO MEMBERS OF CONGRESS IS DRAWN FROM THE SCRIPTURES, LET OUR AIRPORTS GO."

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