

REMARKS PREPARED FOR DELIVERY BY
SECRETARY OF TRANSPORTATION ELIZABETH HANFORD DOLE
TO THE DOWAGIAC CHAMBER OF COMMERCE
DOWAGIAC, MICHIGAN
JUNE 25, 1986

THANK YOU GREG (O'NIEL; PRESIDENT OF CHAMBER) FOR THAT VERY
WARM WELCOME TO DOWAGIAC (PRONOUNCED DOE-WAH-JACK). I HAD THE
PLEASURE OF MEETING GREG'S BROTHER-IN-LAW, KENNETH KEARNEY
(PRONOUNCED KERR-KNEE), WHEN I VISITED TRAVERSE CITY EARLIER THIS
YEAR.

RECENTLY CELEBRATED 3RD ANNIVERSARY;
PEOPLE MAGAZINE STORY
WASHINGTON POST
TESTIFYING

WHAT A JOY IT IS TO BE HERE IN MICHIGAN, ONE OF THE MOST
IMPORTANT INDUSTRIAL AREAS OF THE UNITED STATES, A GREAT CENTER OF
TRADE AND MANUFACTURING AND A STATE THAT HAS LONG BEEN SYNONYMOUS
WITH TRANSPORTATION. COMBINING A MARVELOUS MIX OF HERITAGE AND
VISION, YOUR STATE IS HOME TO THE BICYCLE SHOP OF ORVILLE AND WILBUR

WRIGHT AS WELL AS THE AUTOMOBILE CAPITAL OF THE WORLD -- AND MARKS ITS TRUE GEOGRAPHIC CENTER, I'M TOLD, SOMEWHERE NORTHWEST OF CADILLAC!

AND DOWAGIAC, A CITY WHICH SPRANG ALONG A STAGE COACH ROUTE WHICH FOLLOWED THE GRAND RIVER INDIAN TRAIL, CONTINUES THIS FINE MICHIGAN TRADITION. TODAY IT IS A TOWN FRAMED BY THE CASS COUNTY MEMORIAL AIRPORT, RAILROAD TRACKS AND MAJOR HIGHWAYS LEADING TO SOUTH BEND AND KALAMAZOO. YOUR TOWN DEPOT, RECENTLY REFURBISHED, IS AGAIN IN USE AS A TRANSPORTATION CENTER. AND I'M DELIGHTED TO JOIN YOU HERE TONIGHT AT THE ELKS CLUB, AN ORGANIZATION KNOWN FOR ITS STRONG COMMUNITY INVOLVEMENT AND COMMITMENT TO THE CITIZENS OF DOWAGIAC.

ANYWHERE YOU LOOK THESE DAYS, YOU'LL SEE CHANGE, NOWHERE MORE APPARENT THAN HERE. YOU HAVE BEEN AN ACTIVE PARTICIPANT IN A NATIONAL RENEWAL AS WELCOME AS THE APPLE BLOSSOMS AND ROBINS TO A MICHIGAN SPRING LANDSCAPE.

AND SPEAKING OF CHANGE, MASSIVE DEFICITS AND THE GRAMM-RUDMAN LAW ARE FORCING US TO REASSESS THE PROPER FEDERAL ROLE IN TRANSPORTATION.

OBVIOUSLY, DEFENSE AND THE FACILITATION OF INTERSTATE COMMERCE ARE VERY IMPORTANT FEDERAL ROLES, BUT IN SOME OTHER AREAS WHERE IT MIGHT BE A DESIRABLE FUNCTION, BUT NOT A NECESSARY FUNCTION, WE WILL NOT BE ABLE TO DO ALL THAT WE'VE DONE IN THE PAST. IT IS ABSOLUTELY NECESSARY THAT ALL OF US IN THE GOVERNMENT AND ALL OF US AS CITIZENS ACROSS THIS COUNTRY SUPPORT EFFORTS TO BRING DOWN THESE DEFICITS SO

THAT WE CAN SEE THE CONTINUATION OF ECONOMIC EXPANSION AND HEALTHY GROWTH IN OUR ECONOMY.

NOW, WE HAVE ENJOYED, OF COURSE, BEGINNING IN 1982, 42 CONSECUTIVE MONTHS OF ECONOMIC GROWTH. PRODUCTIVITY HAS RISEN. INFLATION REMAINS SUBDUED AT JUST 1.6 PERCENT, AND FACTORIES AND OFFICES ALIKE HAVE CREATED NEARLY 10 MILLION JOBS SINCE NOVEMBER 1982, THE HEIGHT OF THE RECESSION. THE PRIME INTEREST RATE IS 8.5 PERCENT. NOW, YOUNG PEOPLE CAN DREAM THE TRULY AMERICAN DREAM OF HOME-OWNERSHIP AND REALISTICALLY EXPECT TO ACCOMPLISH IT. WE WANT TO SEE THIS TREND CONTINUE BY GETTING THESE DEFICITS UNDER CONTROL.

AND, TRANSPORTATION, OF COURSE PLAYS A MAJOR ROLE IN OUR ECONOMY AND IN OUR BUSINESSES. TRANSPORTATION, LADIES AND GENTLEMEN, IS AN \$800 BILLION INDUSTRY, WHICH ACCOUNTS FOR 20

PERCENT OF OUR GROSS NATIONAL PRODUCT. MY DEPARTMENT ALONE HAS A \$27 BILLION BUDGET. WE HAVE 100,000 EMPLOYEES, AND OUR RESPONSIBILITIES, QUITE LITERALLY, COVER EVERYTHING THAT MOVES.

AND, INTERESTING ENOUGH, 70 PERCENT OF MY BUDGET IS SUPPORTED BY USER FEES, WHERE THOSE WHO ACTUALLY USE THE SERVICES PAY FOR THEM WHETHER IT'S ON OUR HIGHWAYS OR IN OUR AIRWAYS OR ON OUR WATERWAYS.

IN A BROADER SENSE, WE ARE LETTING THE MARKET, IF YOU WILL, LEAD US INTO THE 21ST CENTURY. FREE MARKET PRINCIPLES ARE THE GUIDING FORCE OF ECONOMIC DEREGULATION OF TRANSPORTATION INDUSTRIES. THE 1980 MOTOR CARRIER ACT, WHICH PROVIDED FOR SOME ECONOMIC FREEDOM, HAS HAD SIGNIFICANT AND POSITIVE EFFECTS ON THE TRUCKING INDUSTRY. WITH FREER ENTRY INTO THE TRUCKING BUSINESS, WE'VE HAD AN EXPLOSION IN THE NUMBER OF FIRMS WITH INTERSTATE COMMERCE COMMISSION

(ICC) OPERATING AUTHORITY FROM ROUGHLY ABOUT 18,000 FIRMS TO ALMOST 31,000 LAST YEAR. TRUCKS CARRY 70 TO 80 PERCENT OF ALL INTERCITY FREIGHT TRANSPORTATION IN MICHIGAN. NEW SERVICE AND PRICE OPTIONS OFFER SHIPPERS MORE OPPORTUNITY TO SELECT THE KIND OF SERVICE THAT THEY NEED.

ESTABLISHED CARRIERS HAVE BECOME MORE EFFICIENT: THEY'VE BECOME MORE INNOVATIVE BECAUSE THEY CAN RESTRUCTURE THEIR ROUTES. THEY DON'T HAVE TO TRAVEL ON JUST ONE SET ROUTE. THEY'VE REDUCED THEIR EMPTY BACK-HAULS. AND THEY'VE BEEN ABLE TO PROVIDE SIMPLIFIED RATE STRUCTURES AND OFFER SHIPPERS INCENTIVES TO MOVE FREIGHT MORE EFFICIENTLY. SO OVERALL, WE FEEL THAT IT'S BEEN VERY POSITIVE.

AND I SENT LEGISLATION TO THE CONGRESS THAT PROMISES TO FINALLY GET THE FEDERAL GOVERNMENT OUT OF THE TRUCKING BUSINESS. OUR

LEGISLATION WILL RELEASE THE INDUSTRY TO OPERATE IN THE FREE MARKET WITHOUT FILING TARIFFS, REPORTING ENTRY, OR DEALING WITH THE RED TAPE OF ICC RATE REGULATION.

NOW LET'S TALK ABOUT RAILROAD DEREGULATION FOR JUST A MOMENT. THE CONTRAST BETWEEN THE '70S AND CURRENT CONDITIONS MAKES THE CASE FOR RAIL DEREGULATION PROVIDED BY THE STAGGERS RAIL ACT. TODAY'S RAILROAD INDUSTRY SURVIVED THE RECENT RECESSION, THE DEEPEST SINCE THE 1930S, WITHOUT A SINGLE BANKRUPTCY. CAPITAL INVESTMENT HAS INCREASED DRAMATICALLY. DEFERRED MAINTENANCE HAS BEEN VIRTUALLY ELIMINATED FROM THE NATION'S MAINLINES. THERE ARE 30,000 CONTRACTS NOW BETWEEN RAILROADS AND SHIPPERS SO THAT YOU CAN TAILOR YOUR NEEDS WITH A SPECIFIC CONTRACT, AND THAT WAS NOT PERMITTED UNDER REGULATION. AND 1985 WAS THE SAFEST YEAR IN THE HISTORY OF

RAILROADS. OUR STUDIES SHOW BOTH THE NUMBER OF ACCIDENTS AND THE ACCIDENT RATE PER MILLION TRAIN MILES DECREASED.

AS WE MOVE FORWARD WITH ECONOMIC DEREGULATION, LET ME ASSURE YOU THAT WE WILL IN NO WAY PERMIT SAFETY TO BE DIMINISHED. WE HAVE JUST SUCCEEDED AFTER 12 YEARS IN GETTING A RULE ADDRESSING THE SIGNIFICANT PROBLEM OF DRINKING AND DRUGS ON THE RAILROADS.

WE'RE GOING TO ADDRESS THE SAFETY ISSUES, WHETHER IT'S ON THE RAILROADS OR ON THE HIGHWAYS, WHERE 93 PERCENT OF THE FATALITIES OCCUR. AND, WE WILL PUSH ON UNTIL WE GET EVERY LAST DRUNK DRIVER OFF THE ROADS AND HIGHWAYS OF THIS COUNTRY.

APPROXIMATELY 44,000 AMERICANS LOSE THEIR LIVES IN HIGHWAY ACCIDENTS EACH YEAR. AND IF WE CAN JUST GET PEOPLE TO REALIZE THAT USING THAT SAFETY BELT IS IMPORTANT, WE CAN ELIMINATE 10,000 DEATHS

A YEAR. IF WE ELIMINATE DRINKING AND DRIVING, WE CAN PREVENT 25,000 DEATHS A YEAR. SO, WE CERTAINLY HAVE OUR WORK CUT OUT FOR US.

SOME OF YOU WHO HAVE NEW CARS MAY BE FAMILIAR WITH THE HIGH-MOUNTED STOP LIGHT REQUIRED ON ALL NEW CARS. OUR STUDIES SHOW THAT IF EVERY CAR HAD THIS LIGHT AT THE BASE OF THE REAR WINDOW IT WILL PREVENT ABOUT 900,000 ACCIDENTS INVOLVING REAR END CRASHES, AND SAVE ALMOST HALF A MILLION DOLLARS IN PROPERTY DAMAGE EVERY YEAR.

THE SAFETY BELT RULE THAT TOOK EFFECT TWO YEARS AGO (RULE 208) HAS SPAWNED 26 STATE SAFETY BELT LAWS. AND IN MICHIGAN, AFTER A LAW BECAME EFFECTIVE LAST JULY, SAFETY BELT USE MORE THAN DOUBLED. THE NATIONAL CLIMATE IS NOW FIRMLY BEHIND SAFETY. AND LOOK AT THE RESULTS: IN 1985, THE FATALITY RATE ON THE NATION'S HIGHWAYS DECLINED TO THE LOWEST LEVEL IN HISTORY AND IN THE LAST FIVE YEARS,

THE NUMBER OF FATALLY INJURED DRIVERS WHO WERE LEGALLY INTOXICATED DECLINED BY 25 PERCENT.

AIR SAFETY IS ON EVERYONE'S MIND TODAY. AND AGAIN, DEREGULATION HAS BEEN SUCCESSFUL IN THE AIRLINE AREA. FIRST AND FOREMOST, LET ME EMPHASIZE THAT WHEN WE SPEAK OF "AIRLINE DEREGULATION," WE ARE TALKING ABOUT THE ELIMINATION OF ECONOMIC REGULATION. SAFETY HAS MOST ASSUREDLY NOT BEEN DEREGULATED. AND THE BENEFITS OF ECONOMIC DEREGULATION BOTH TO THE CONSUMER AND THE AMERICAN ECONOMY AS A WHOLE CANNOT BE EXAGGERATED. THEY ARE REAL, SUBSTANTIAL AND ONGOING, AND THEY ARE MEASURED IN BILLIONS OF DOLLARS IN REDUCED TRAVEL COSTS.

UNDER DEREGULATION, ENTREPRENEURS LAUNCHED A NEW ERA IN AVIATION. TODAY THERE ARE TWELVE MAJOR CARRIERS FLYING, ANOTHER SCORE OR SO OF MEDIUM-SIZED CARRIERS AND A HOST OF REGIONAL AND COMMUTER AIRLINES. DEREGULATION HAS CLEARLY BROUGHT A NEW LEVEL OF

COST CONSCIOUSNESS AND SERVICE OPTIONS TO THE AIRLINE INDUSTRY. BEFORE DEREGULATION WHEN WE TRAVELLED, OUR CHOICE WAS LIMITED TO FIRST CLASS OR COACH. TODAY, YOU CAN FIND AS MANY AS 10 CATEGORIES OF FARES, EACH TAILORED TO A SPECIFIC MARKET SEGMENT.

THE LOW FARES MEAN THAT AIR TRAVEL HAS BEEN BROUGHT WITHIN THE FINANCIAL REACH OF MILLIONS WHO OTHERWISE COULD NOT HAVE AFFORDED TO FLY. SINCE DEREGULATION AIR SERVICE TO MICHIGAN IS UP 67 PERCENT AND SEAT CAPACITY HAS INCREASED 55 PERCENT.

ONCE AGAIN, HERE IS THE IMPORTANT POINT: THESE BENEFITS HAVE NOT, AS SOME WOULD CLAIM, COME AT THE EXPENSE OF AVIATION SAFETY. FLYING REMAINS ONE OF THE SAFEST FORMS OF TRANSPORTATION, AND AIR TRAVEL IN THE UNITED STATES IS STILL THE SAFEST IN THE WORLD. EACH DAY, SOME 15,000 SCHEDULED AIRLINE FLIGHTS CARRY AN AVERAGE OF ONE

MILLION PASSENGERS, AND 99.999 PERCENT OF THESE FLIGHTS REACH THEIR DESTINATIONS WITHOUT SO MUCH AS A MINOR OPERATIONAL ERROR.

NOW THERE HAS BEEN A LOT OF CONCERN RECENTLY BECAUSE COMMERCIAL AVIATION WORLDWIDE IN 1985 EXPERIENCED ITS HIGHEST NUMBER OF FATALITIES IN A SINGLE YEAR -- 1,622 PEOPLE LOST THEIR LIVES. WHILE EVEN ONE FATALITY IS TOO MANY, IT IS CRUCIAL, HOWEVER, THAT THIS BARE STATISTIC BE PUT IN PERSPECTIVE. ABOUT 70 PERCENT OF THESE FATALITIES OCCURRED IN ACCIDENTS ON FOREIGN AIRLINES AND OVER 50 PERCENT OCCURRED IN THE CRASHES OF JAPAN AIR LINES WITH 520 DEATHS AND AIR INDIA WITH 329 DEATHS WHICH WAS SABOTAGE. WE HAVE FOUND NO COMMON THREAD IN THE CAUSES OF LAST YEAR'S TRAGIC ACCIDENTS --EITHER HERE OR ABROAD -- AND WE HAVE NO EVIDENCE THAT THE PRESENCE OR ABSENCE OF GOVERNMENT ECONOMIC REGULATION CONTRIBUTED TO THOSE

CRASHES. IN FACT, J.A.L. AND AIR INDIA OPERATE UNDER HEAVY GOVERNMENT ECONOMIC REGULATION.

CONTRARY TO THE SNAP JUDGMENT SOME HAVE MADE, COMPETITION PROMOTES SAFETY. IF A CARRIER ACQUIRES A REPUTATION FOR SLOPPY OPERATIONS AND MARGINAL PRACTICES, PASSENGERS WILL STAY AWAY IN DROVES. IT IS ALSO IMPORTANT TO RECOGNIZE THAT AIRLINE EXECUTIVES FACED ECONOMIC PRESSURES BEFORE DEREGULATION BUT HAD MUCH LESS FLEXIBILITY TO ADJUST TO THOSE PRESSURES THAN TODAY. BECAUSE THE GOVERNMENT SET FARES UNDER REGULATION, THE CARRIERS COULD NOT, IN ORDER TO ADOPT NEW SCHEDULES TO MEET CHANGING CONSUMER DEMANDS. ONE OF THE FEW WAYS A CARRIER COULD REDUCE LOSSES OR INCREASE PROFITS WAS BY CUTTING MAINTENANCE, PILOT TRAINING AND OTHER SAFETY ITEMS.

HISTORICALLY, OUR AVIATION SECURITY PROGRAMS HAVE BEEN EXTREMELY EFFECTIVE, AS THEY ARE TODAY. AS CONDITIONS HAVE CHANGED AND WOULD-BE HIJACKERS AND OTHER TERRORISTS HAVE TRIED NEW APPROACHES, OUR SECURITY PROGRAMS HAVE BEEN TAILORED TO MEET THESE NEW CHALLENGES. WHEN INTERNATIONAL TERRORIST ACTIVITIES ESCALATED LAST YEAR, WE PUT IN PLACE TOUGH NEW SECURITY PROCEDURES TO ENSURE THE SAFETY OF AMERICANS TRAVELING ABROAD. JUST LAST MONTH THE EUROPEAN CONFERENCE OF MINISTERS OF TRANSPORT UNANIMOUSLY ADOPTED A RESOLUTION ON AVIATION SECURITY MEASURES WHICH WE INITIATED. THIS ACTION BY THE WORLD'S AVIATION POWERS IS FURTHER EVIDENCE OF OUR COMMITMENT TO RID CIVIL AVIATION OF THE THREAT OF TERRORISM AND ENSURE SAFE AIR TRAVEL. THE SECURITY PROCEDURES ARE BOTH TOUGH AND COMPREHENSIVE AND WE MUST CONTINUE TO WORK WITH OTHER GOVERNMENTS TO

STAY AHEAD OF THOSE WHO WOULD THREATEN THE PUBLIC'S RIGHT TO TRAVEL WITH CONFIDENCE.

TO COUNTER THE TERRORISTS THREAT IN THE UNITED STATES, WE ARE MOVING AGGRESSIVELY AGAINST TERRORISM IN THE SKIES. THE FAA CONTINUALLY CONDUCTS SECURITY ASSESSMENTS OF MORE THAN 50 OF THE WORLD'S LARGEST FOREIGN AIRPORTS. WE ALSO ISSUED NEW CHECKED BAGGAGE AND CARGO SECURITY MEASURES. AND WE HAVE EXPANDED OUR RESEARCH AND DEVELOPMENT EFFORTS TO KEEP PACE WITH TERRORISTS, WHOSE CRIMINAL ACTIVITIES ARE EVER MORE SOPHISTICATED.

NOW, ANOTHER TOP PRIORITY AT THE DEPARTMENT IS PRIVATIZATION. UNTIL RECENTLY, THE EXPRESSION WAS ASSOCIATED PRIMARILY WITH PRIME MINISTER MARGARET THATCHER'S SPLENDID PROGRAM OF TRANSFERRING RESPONSIBILITY FOR SERVICES FROM GOVERNMENT AGENCIES TO PRIVATE

PROFIT-MAKING ENTERPRISES. I HAVE HAD THE OPPORTUNITY TO DISCUSS TRANSPORTATION POLICY WITH PRIME MINISTER THATCHER IN THE LAST COUPLE OF YEARS, AND SHE, BY THE WAY, IS A VERY AVID SEAT BELT FAN. THEY HAVE 95 PERCENT COMPLIANCE IN ENGLAND AND THEIR FATALITIES ARE DOWN 17 PERCENT.

SHE ALSO TOLD ME A LOT ABOUT PRIVATIZATION. BRITAIN AND THE UNITED STATES ARE IN THE VANGUARD, BUT THE IDEA OF PRIVATIZATION IS REALLY GENERATING ENTHUSIASM FROM THE POTOMAC TO THE GANGES.

CONRAIL, THE GOVERNMENT-OWNED FREIGHT RAILROAD WHICH SERVES THE NORTHEAST, IS THE FLAGSHIP OF PRIVATIZATION IN THIS COUNTRY. IT'S THE FIRST ONE OUT OF THE BOX, SO TO SPEAK. SO, IT'S IMPORTANT THAT WE WIN THIS BECAUSE THERE ARE LOTS OF INITIATIVES THAT WILL FOLLOW IN ITS WAKE.

TO PUT IT IN CONTEXT, THE SALE OF CONRAIL TO THE NORFOLK SOUTHERN CORPORATION REPRESENTS THE EQUIVALENT OF 16 PERCENT OF THE DEFICIT REDUCTION CUTS THAT WERE MADE DURING THE FIRST INSTALLMENTS OF GRAMM-RUDMAN IN MARCH. WE WOULD GET \$1.9 BILLION FROM THE NORFOLK SOUTHERN RAILROAD THE DAY WE CLOSE THE DEAL. AND THIS DEAL WILL ENSURE THAT CONRAIL WILL REMAIN A VIABLE RAILROAD SERVING NORTHEAST SHIPPERS AND NEVER AGAIN RETURNING TO THE FEDERAL TROUGH.

THE SALE OF CONRAIL TO NORFOLK SOUTHERN OFFERS SIGNIFICANT BENEFITS AND OPPORTUNITIES TO THE STATE OF MICHIGAN. MICHIGAN FACES A VERY CLEAR CHOICE --A PURCHASE OF CONRAIL BY NORFOLK SOUTHERN, AN OPTION THAT AFFORDS THE STATE BOTH STABILITY IN RAIL SERVICE, ENHANCED COMPETITION, AND THE POTENTIAL FOR ECONOMIC DEVELOPMENT, OR A STAND ALONE CONRAIL, AN OPTION THAT PRESENTS THE STATE WITH A

CLEAR RISK OF DECLINE IN SERVICE AND STABILITY WITH NO REALISTIC PROSPECTS FOR ECONOMIC GROWTH.

CSX PRESENTLY HAS A MONOPOLY LINE SERVICE FROM MICHIGAN TO MOST LOCATIONS IN THE SOUTHEAST. THE NORFOLK SOUTHERN/CONRAIL COMBINATION WOULD OFFER A HEAD-TO-HEAD SINGLE LINE COMPETITOR FOR TRAFFIC MOVING BETWEEN MICHIGAN AND SOUTHERN AND SOUTHEASTERN LOCATIONS. THIS MEANS LOWER SHIPPING COSTS AND AN IMPROVED COMPETITIVE CLIMATE.

IN A SIMILAR VEIN, THE ENTRY OF GUILFORD TRANSPORTATION INDUSTRIES INTO THE MICHIGAN MARKET WILL RESTORE HEAD-TO-HEAD SINGLE LINE COMPETITION BETWEEN MICHIGAN AND NORTHEASTERN PORTS FOR THE FIRST TIME SINCE THE PENNSYLVANIA RAILROAD MERGED WITH THE NEW YORK CENTRAL. CONRAIL TODAY IS THE ONLY CARRIER CAPABLE OF OFFERING

SINGLE LINE SERVICE BETWEEN MICHIGAN AND THOSE NORTHEASTERN MARKETS. FOLLOWING THE SALE, GUILFORD WILL PROVIDE A COMPETITIVE SINGLE LINE ALTERNATIVE TO DESTINATIONS IN NEW YORK, TO THE PORT OF BOSTON, AND TO NUMEROUS NEW ENGLAND MARKETS. FURTHER, NORFOLK SOUTHERN IS COMMITTED TO HONOR ANY SHIPPERS' CONTRACT CONRAIL HAS ENTERED INTO PRIOR TO THE SALE.

SIMPLY STATED, A SALE OF CONRAIL TO NORFOLK SOUTHERN PRESERVES ALL OF THE BENEFITS THAT CONRAIL AND NORFOLK & WESTERN PROVIDE TO MICHIGAN PLUS THE ADDITIONAL BENEFITS OF BETTER SINGLE LINE SERVICE, MORE EFFICIENT RAIL OPERATIONS, GREATER INDUSTRIAL DEVELOPMENT OPPORTUNITIES AND THE INTRODUCTION OF NEW RAIL COMPETITION TO THE EAST, WEST AND SOUTH.

I DON'T THINK THE FEDERAL GOVERNMENT IS MEANT TO BE IN THE BUSINESS OF RUNNING FREIGHT RAILROADS ANY MORE THAN IT'S MEANT TO BE RUNNING AIRPORTS. WE HAVE LEGISLATION BEFORE CONGRESS TO TRANSFER WASHINGTON NATIONAL AND DULLES INTERNATIONAL, THE TWO WASHINGTON AIRPORTS, TO AN INDEPENDENT AUTHORITY; THEREBY, PUTTING THEM ON PAR WITH ALL OTHER MAJOR AIRPORTS IN THE UNITED STATES. APPROXIMATELY \$550-\$700 MILLION WILL BE NEEDED FOR EXPANDING AND REFURBISHING THESE AIRPORTS. THE INDEPENDENT AUTHORITY CAN USE REVENUE BONDS LIKE ALL OTHER AIRPORT AUTHORITIES AND PARTICIPATE IN THE AIRPORT TRUST FUNDS. GIVEN GRAMM-RUDMAN AND THE FEDERAL BUDGET DEFICIT, THERE IS NO POSSIBILITY OF PUTTING SUCH LARGE AMOUNTS OF FEDERAL MONEY INTO THESE AIRPORTS. LAST WEEK, WE HAD A NEWS CONFERENCE ON THE STEPS OF THE NATION'S CAPITOL AND THE LARGE NUMBER OF OFFICIALS

THAT JOINED US INDICATED THAT BROAD BIPARTISAN SUPPORT THAT EXISTS FOR THIS PROPOSAL. THE GENERAL MESSAGE WAS LET'S "FREE THE AIRPORTS" -- THE IDEA OF THE AIRPORTS BEING MANAGED BY AN INDEPENDENT REGIONAL COMMISSION IS SO EMINENTLY SENSIBLE. JUST YESTERDAY I TESTIFIED BEFORE THE HOUSE PUBLIC WORKS COMMITTEE. I AM OPTIMISTIC FOLLOWING OUR SENATE VOTE AND I'M SURE THIS COALITION IS GOING TO INSURE THAT WE MAKE IT THROUGH THE HOUSE WITH A STRONG VOTE AS WELL.

BEFORE I CONCLUDE, I WOULD LIKE TO COMMENT ON ONE OTHER ISSUE IN WHICH THE ADMINISTRATION HAS BEEN WORKING -- COMMERCIAL SPACE TRANSPORTATION. PRESIDENT REAGAN RECOGNIZED THE POTENTIAL OF UNMANNED ROCKETS IN 1984, WHEN HE ENDORSED PRIVATIZING THE UNMANNED ROCKET INDUSTRY AND DESIGNATED THE DEPARTMENT OF TRANSPORTATION AS

THE LEAD AGENCY FOR FACILITATING THE DEVELOPMENT OF THE INDUSTRY. CRIPPLED BY THE LOSS OF THE CHALLENGER AND THE TITAN AND DELTA ROCKETS, OUR COUNTRY IS VIRTUALLY EARTHBOUND. COMMERCIAL SPACE DEVELOPMENT IS CRUCIAL TO MAINTAINING U.S. LEADERSHIP IN SPACE, EXPANDING OUR ECONOMIC HORIZONS AND PROVIDING NEW AND LIFE-SAVING SERVICES THAT CAN MAKE A DIFFERENCE FOR PEOPLE THROUGHOUT THE WORLD.

WHETHER WE'RE TALKING DEREGULATION, SAFETY, AIR SECURITY, SELLING A RAILROAD, TRANSFERRING AIRPORTS -- WE'RE STRIVING TO PROVIDE THE ANSWERS TO COMPLEX QUESTIONS THAT LITERALLY STRETCH YOU TO THE VERY LIMIT OF YOUR BEING AT TIMES. I GUESS THAT'S THE CHALLENGE AND THE ENJOYMENT OF IT, TOO.

IT IS AN OPPORTUNITY TO MAKE A DIFFERENCE, A POSITIVE DIFFERENCE, FOR PEOPLE. I THINK OF SOMETHING THAT PRESIDENT REAGAN

SAID. HE RECALLED HOW HE FIRST LEARNED TO DEAL WITH STRESS AS THE NEWLY ELECTED GOVERNOR OF CALIFORNIA. "EACH MORNING BEGAN," HE SAID, "WITH SOMEONE STANDING BEFORE MY DESK DESCRIBING YET ANOTHER DISASTER. THE FEELING OF STRESS BECAME UNBEARABLE. I HAD THE URGE TO LOOK OVER MY SHOULDER FOR SOMEONE I COULD PASS THE PROBLEM TO. ONE DAY IT CAME TO ME THAT I WAS LOOKING IN THE WRONG DIRECTION. I LOOKED UP INSTEAD OF BACK. I'M STILL LOOKING UP. I COULDN'T FACE ANOTHER DAY IN THIS OFFICE IF I DIDN'T KNOW I COULD ASK GOD'S HELP AND IT WOULD BE GIVEN."

AND, LADIES AND GENTLEMEN, WITH ALL MY HEART, I AGREE WITH THAT STATEMENT. I THINK THAT'S WHAT IT TAKES IN THIS DAY AND AGE WITH THE CHALLENGES THAT WE ALL FACE.

OURS IS NEITHER THE TIME NOR IS THIS THE PLACE FOR MEN OR WOMEN WITH FAINT HEARTS, FEEBLE COURAGE, WEAK COMMITMENT OR SELFISH MOTIVES. WITH YOUR HELP AND YOUR SUPPORT WE WILL REACH OUR GOAL OF A BETTER LIFE FOR ALL OUR PEOPLE. AMERICA DESERVES IT; HISTORY DEMANDS IT; AND OUR CHILDREN WILL REWARD IT.

THANK YOU VERY, VERY MUCH.

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