



U.S. Department of
Transportation

News:

Office of the Assistant Secretary for Public Affairs
Washington, D.C. 20590

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REMARKS PREPARED FOR DELIVERY BY
DEPUTY SECRETARY JIM BURNLEY
NORTH CAROLINA HIGHWAY USERS FEDERATION
SEPTEMBER 19, 1985
GREENSBORO, NORTH CAROLINA

It's always a pleasure to come home to Greensboro, especially to discuss highways with the people who use them. On the way over here I was reminded of a book written some years ago by another North Carolinian, entitled You Can't Go Home Again. I think you can always go home again -- especially when home is North Carolina.

Of course things have changed since Eugene Gant, Thomas Wolfe's alter ego, first rode the train home to North Carolina. Our state has undergone a profound transformation. Poor transportation, which limited North Carolina's growth in the early part of this century, has been replaced by one of the most advanced networks in the country. Concrete and asphalt ribbons -- 92,921 miles of highways and 15,425 bridges -- criss-cross the mountains, the coast and piedmont of this state, linking cities and villages and farms. North Carolina's 764 miles of Interstate are nearly 92 percent completed, and excellent progress is being made on the remaining mileage.

Our state's highway system is the lifeline of the motor carrier industry. I was delighted that Ken Younger and Carolina Freight were featured on Cable News Network earlier this month. In that show the reporter noted that the size of Carolina Freight has doubled since the Motor Carrier Act of 1980 which brought partial economic deregulation to the trucking industry.

All this change and growth in transportation in North Carolina -- in the national economy itself -- pose new challenges. The theme of your conference -- Transportation In A Changing Economy -- indicates your awareness of these challenges. We must seek answers to questions such as: What should be the shape of the federal highway program? What is the role of the Federal Government after the Interstate is completed? Will Congress complete the deregulation of the motor carrier industry?

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These are among the important issues Congress will face this year and next; the North Carolina Highway Users Conference's ideas for solutions will be most important ingredients in the current legislative cycle. Let me mention today our present thinking at DOT, even though our bill on reauthorization of the federal-aid highway program is not yet in final form.

One of the Administration's primary goals is to ensure the completion of the Interstate System, and then to establish a direction for a federal-aid highway program for the post-Interstate years. Since the nickel-a-gallon federal gasoline tax increase went into effect in the spring of 1983, more than \$155 billion in federal, state and local funds have been spent to build, repair and rehabilitate thousands of miles of highway. From the Federal Highway Trust Fund alone, North Carolina has received over \$256 million for fiscal year 1985, bringing the total received since enactment of the Surface Transportation Assistance Act of 1982 to \$720 million. Prior to these funding increases, America's highways -- and North Carolina was no exception -- were deteriorating at a rate twice as fast as they were being repaired. Today, as you know, the accelerating deterioration of our highways has been stopped.

We have a number of important projects in progress in North Carolina. Governor Jim Martin has made it known that the upgrading of the route from Benson to Wilmington will be a top priority of his Administration. I am pleased that the contract for the repair of the I-40 tunnel near the Tennessee state line has been awarded and that the contractor has begun work. Work on the Westbound tunnel, which has been closed since the massive rock slide last March, is scheduled to be completed by the middle of November.

I want to say a few words about the North Carolina DOT's proposal to extend the Benjamin Parkway to the Airport Parkway. The concept is more than 30 years old. It dates back to the 1954 Thoroughfare Plan. I want you to know that the U.S. Department of Transportation will assist the state in advancing this project. We will work with you in any way we can to assure that all environmental requirements are met and the project moves along.

The progress in highway construction here in North Carolina is a microcosm of national activities. Nearly 40,000 miles of federal-aid highways are undergoing extensive reconstruction, repair and improvement -- nearly double the miles of improvements reported in 1981-1982.

Gains have been made in four major areas of highway construction: restoration and rehabilitation; construction; resurfacing and new construction starts.

Now, with the STAA authorization expiring in 1986, is the time to look to the future, with extension of the Highway Trust Fund and its user fees for at least four more years. We are holding fast to the user fee principle. It has served us well in financing a highway system second to none and in paying for infrastructure improvements in other modes of transportation such as airports.

We are considering authorization levels consistent with the amount of money collected; we are not proposing to increase taxing levels, although we are examining ending some special tax exemptions. For example, a major exemption to the motor fuel

fee, gasohol use, has been proposed for total elimination on December 31, 1985, in the President's tax simplification initiative. The proposal to eliminate the exemption is consistent with the basic principle underlying the Highway Trust Fund: those who give rise to the need for highway improvements should pay for them. This exemption would cost the trust fund about \$500 million annually by 1990. North Carolina already has repealed its special state tax exemption for gasohol.

A centerpiece of our proposal will be a block grant program. In discussing highway allocations and administration of the Highway Trust Fund, I do not have to remind anyone here that I represent an Administration which believes very strongly in keeping government as close to the people as possible. The state Departments of Transportation in general do an outstanding job, and North Carolina in particular has a good reputation among highway officials in Washington and throughout the country. I am delighted with Governor Martin's transportation team. I look forward to working with Secretary of Transportation Jim Harrington.

We want to work with state and local governments to eliminate anything that imposes on them unneeded restrictions invented by the government in Washington. This is why we are giving careful consideration to a block grant program for highway and bridge improvements below the federal-aid primary system.

What kind of highway block grant is the big question. During the past several years, the Administration has examined a number of block grant and tax turnback proposals. The major FHWA programs affected by the scheme receiving the most serious consideration are urban and secondary programs and the non-primary portion of the bridge replacement and rehabilitation program.

As I said at the outset, the physical infrastructure itself is only one part of the change taking place in transportation. Safety is Secretary Dole's primary concern across all modes of transportation.

We have carefully monitored the trucking industry's safety record since implementation of the Motor Carrier Act of 1980, and have found no valid statistical evidence linking the presence or absence of economic regulation with the safety performance of motor carrier operations. Truck accident rates are about one accident per million miles for unregulated carriers as well as for common and contract carriers.

The Department, through its Bureau of Motor Carrier Safety, is continuing to set and enforce federal truck safety standards and to work with the states to improve their inspection and enforcement efforts.

The Motor Carrier Safety Assistance Program is now providing increased levels of funding to the states for this purpose. Authorized by the Surface Transportation Assistance Act of 1982, it is a cooperative endeavor between the Federal Government and states to enforce safety and hazardous materials regulations applicable to commercial motor vehicles. I am proud that North Carolina is among the most active states in motor carrier safety. The state was awarded a grant of almost \$600,000 for fiscal year 1985 for its program.

Fiscal year 1985 is the first full year of the Motor Carrier Safety Assistance Program. Forty-nine states are participating in the program. At the completion of the fiscal year an additional 1,500 state enforcement officers are expected to be trained in uniform roadside inspection procedures and enforcement activities. This additional trained enforcement staff will be capable of conducting an estimated 300,000 roadside inspections annually. In addition, state grantees are planning to develop a safety management audit plan predicated on roadside inspection data.

One highly successful state truck enforcement program is the Commercial Vehicle Safety Alliance. Begun only five years ago, this Alliance of states and Canadian provinces cooperatively enforces truck safety regulations. BMCS and the Commercial Vehicle Safety Alliance have adopted national uniform driver and vehicle inspection procedures and "out-of-service" criteria. These criteria are designed to remove from service those drivers and vehicles presenting an imminent safety hazard to the public.

Additionally, a special Safety Task Force established by the Secretary is reviewing the Department's programs to ensure that we are acting in strict compliance with our safety responsibilities. The Task Force will be reporting to her in the near future on opportunities to improve the federal role in motor carrier safety. But we are already making needed reforms. As many of you know, the Secretary recently created the position of Associate Administrator for Motor Carriers, to enhance the role of BMCS. The day before yesterday she swore in Richard Landis of Arizona to fill this important post. Dick has spent his career in law enforcement and has been secretary-treasurer, and a vice president of the Commercial Vehicle Safety Alliance. He is an innovator who brings great enthusiasm to his new assignment. We expect great things from him.

As you know, last week Secretary Dole transmitted to Congress legislation to complete economic deregulation of the motor carrier industry. This fulfills the President's commitment in his 1985 State of the Union message. I am keenly aware that almost everyone in this room is directly interested in this legislation. Many of you are carriers. Others represent firms with your own private fleets. Still more of you are shippers. I want to share some thoughts with you about why the time has come to complete deregulation.

Economic regulation of the transportation industries began some 98 years ago. Much of it has now become an expensive paper chase with no offsetting benefits to consumers and questionable value to carriers. In fact, the research we have done since enactment of the Motor Carrier Act of 1980 has confirmed that shippers, for the most part, strongly favor deregulation. Overall, the 1980 act has had significant, positive effects on the trucking industry. While the recession of 1981-1982 caused substantial traffic declines and financial losses for some motor carriers, the industry as a whole has been making the necessary adjustments to today's more competitive environment and has returned to profitability with the upturn in the overall economy. The example I mentioned earlier of Ken Younger and Carolina Freight is representative of those motor carriers who were able to adjust to a competitive environment.

With freer entry, we have had an explosion of new firms entering the business. The number of firms with Interstate Commerce Commission operating authority has grown from roughly 18,000 in 1980 to almost 31,000 last year.

New price and service options have been introduced. Established carriers have become more efficient and innovative by restructuring routes, reducing empty backhauls, providing simplified rate structures and offering shippers incentives to move freight more efficiently.

As impressive as the immediate benefits of deregulation have been, the long-term results may be even more significant. Overall distribution productivity is benefiting from improved information and inventory management systems, as well as from the greater transportation efficiency made possible by deregulation. Together, these trends are resulting in a virtual distribution revolution. One executive of a major transportation company said recently that the net result has been a multi-billion dollar reduction in annual logistics expenditures in the United States.

Many opponents of truck deregulation argued that passage of the Motor Carrier Act of 1980 would result in poor service to shippers, with residents of rural areas unable to obtain service at any price. These fears have been proven groundless, as truck service has remained good -- even in remote areas -- in spite of the effects of the recent recession.

Some of you may have been contacted as part of our four-year study of the issue. Many North Carolina shippers were among those responding to our questionnaire. Ninety-eight point eight percent of all shippers contacted said service was at least as good as it had been before the Motor Carrier Act of 1980. Even 98.5 percent of shippers in remote areas -- 26 miles from an Interstate Highway -- found service at least as good as it had been.

We, therefore, concluded that it is now time to eliminate those remaining economic regulations which no longer provide any benefits to shippers or consumers and are of questionable use to carriers.

I suspect that the trucking industry itself must be wondering at this point what advantages the remaining economic regulations offer. My own feeling is that the industry finds itself today in a no-man's land, halfway between the familiarity and protection of a regulated environment and the excitement of a free market. Reflect for a moment with me about the absurdity of the ICC's tariff filing requirements, which still yield a harvest of almost a million tariffs annually. Tariffs must be filed for "cucumbers processed into pickles by the ordinary means," while "cucumbers, salt cured" are exempt. Citrus fruit sections that are chilled or semi-frozen are of no interest to the ICC, but if they are frozen, you violate the law if you fail to record the rates in Washington. I'm sure you will all lie awake tonight wondering why no filing is needed for "manure, in the natural state," while it is absolutely required for "manure, fermented, with additives such as yeast and molds, producing a rich liquor which in water solution is used for soil enrichment."

It simply does not make sense, in my opinion, to stay put. The reforms provided by the 1980 act comprised a good first step toward complete deregulation of the trucking industry. We believe that now is the time to take the final steps necessary to complete that process. Our bill would:

- o eliminate all remaining ICC regulation of trucking rates and entry;

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- eliminate antitrust immunity for collective ratemaking;
- eliminate tariff publication requirements;
- eliminate the "common carrier obligation;"
- transfer jurisdiction for consumer protection in household goods carriers' operations to the Federal Trade Commission;
- eliminate special antitrust immunity for household goods van line-agent relationships after three years;
- prevent states from "encroaching" -- imposing new regulations on operations that previously were regulated by the ICC; but
- economic deregulation will not alter our commitment to safety regulation and in no way will compromise safety.

Any remaining economic regulation of the trucking industry is unneeded and undesirable, because there is ample competition within the industry as well as from other modes. Such regulation suppresses managerial initiative and innovation, and wastes valuable resources that the trucking industry could employ more usefully in improving its productivity.

This legislation may be crucial to your well-chosen program theme -- Transportation In A Changing Economy. It could move the motor carrier industry and the people who use it forward to greater economic achievements. I ask you to give it your careful consideration.

The important ingredient in transportation -- whether the issue is building highways or promoting safety -- is working together with state and local governments and organizations such as the broad cross section of users represented at this conference. Your voice is heard in Washington. Your opinions are important. Your assistance is invaluable.

Years ago -- during the dark hours of World War II -- Winston Churchill pleaded with Franklin Roosevelt, saying, "Give us the tools and we will finish the job." The Reagan Administration has provided transportation with modern-day tools to achieve a rebirth of free enterprise and competition, assure a highway system second to none, and an economic environment conducive to greater productivity. Let us pool our efforts, so that someday we can look back and say the decisions we make in 1985 paved the way to a great future for America's highways and the people who use them.

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REMARKS PREPARED FOR DELIVERY BY
DEPUTY SECRETARY JIM BURNLEY
NORTH CAROLINA TRUCKING ASSOCIATION
SEPTEMBER 23, 1985

I bring you greetings from another North Carolinian, Secretary Elizabeth Dole, who wants you to know how proud she is of the North Carolina Trucking Association's safety activities and how much she appreciates your help on her number one priority -- transportation safety. It is remarkable that you have won the American Trucking Associations' summa cum laude national safety award for 25 consecutive years, and your work on child safety seats, including your donations of the seats themselves, is equally commendable. The Cable News Network feature on Ken Younger, your president, and Carolina Freight earlier this month received wide viewership. It let the rest of the country know how important the motor carrier industry is to North Carolina and the nation. The "18-wheeler" has become more than the symbol of North Carolina's and of America's commerce on the move. It is the workhorse of a \$190 billion industry, employing seven million Americans, reaching into every nook and cranny of our country.

You are a vital part of the change that is taking place in America today -- in the transportation industry, in the economy as a whole. Change requires us to seek answers to questions such as these: What is the future route of motor carrier safety? What should be the shape of the federal highway program and the Federal Government's role in construction after the Interstate is finished? Will Congress complete the economic deregulation of the motor carrier industry?

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These are the most important issues we will face this year and next. The North Carolina Trucking Association's ideas for solutions will be most important ingredients in the policy debate in Washington.

There is, I believe, a dichotomy running through the motor carrier industry today which, if allowed to persist, could prove divisive and contrary to the industry's best interests. You are challenged on the one hand by unprecedented opportunities for market growth in a receding regulatory environment. You are confronted, at the same time, with public demands for greater safety. That dichotomy, I believe must be recognized, reconciled and resolved -- if the industry is to prosper in the market and in the arena of public opinion. The solution may not come easily; but it is attainable, if we pull together toward the same objectives. Aggressive marketing efforts must be balanced with aggressive safety efforts. It is this tandem approach I invite you to consider today.

As many of you know, the Motor Carrier Safety Assistance Program is now providing increased levels of funding to the states for inspection and enforcement of federal truck safety standards. Authorized by the Surface Transportation Assistance Act of 1982, it is a cooperative endeavor between the Federal Government and states to enforce uniform federal and state safety and hazardous materials regulations, and rules applicable to commercial motor vehicles and their drivers. I am proud that North Carolina is among the most active states in motor carrier safety. We recognized these efforts with a grant to the state of almost \$600,000 for fiscal year 1985.

The Congressional mandate for safety is spelled out strongly and clearly in the Motor Carrier Safety Act of 1984. If we fail to live up to the dictates of that law, Congress will come back with even stronger laws. Moreover, let us not forget that in this matter Congress speaks for the mood of the people. The anti-drunk driving campaigns of recent years, child safety seat laws, and other highway safety legislation have all originated from grassroots movements. As I mentioned earlier, Secretary Dole has made transportation safety her highest priority and a consistent goal of federal policy. It is not an issue to be compromised, set aside or subordinated to other interests.

At the same time we want the free market to work. We are sensitive at DOT to the fact that yours is a tough, competitive business. The motor carrier industry in general is operating in a very fluid environment. Confronted by change in the midst of an economic recession, your industry was put to a severe test. You also have problems and concerns not characteristic of other modes -- a lack of uniformity in state licensing requirements, for example -- but the trucking industry has never lacked stamina or wanted for perseverance or suffered from innovative anemia. Motor freight has made a valiant comeback. You will succeed -- even excel -- because you provide an essential service at competitive prices and with a long record of proven performance. The stimulus of a freer economy, fewer regulations and growing markets speaks well for your industry's future. We want to work with you to make the most of those opportunities.

There we have the black and white of the dichotomy: the balancing of safety concerns with economic strength. Yet in considering how to deal with these issues we find that many fall within a grey area, where clear, simple alternatives do not exist. For example, we could conceivably permit an eight-and-a-half-foot-wide truck to travel

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on a highway with a ten foot wide lane. We could write such a rule. But if the number of accidents increased as a result of that rule, the industry would lose far more than whatever productivity gains resulted from wider trucks.

Consider on the other hand what you stand to gain from the Motor Carrier Safety Act of 1984. Safety today cannot be satisfied by easy slogans or token efforts. I know the firms represented here today spend considerable time and money on safety. Good safety ratings from the Bureau of Motor Carrier Safety carry even greater importance today than formerly, with more and bigger trucks on our roads and a greater "mix" of vehicle traffic. More and more shippers are asking for our safety ratings; insurance companies also are making inquiries. Your organization should be rightly concerned about those companies failing to invest sufficiently in safety, or compiling less than satisfactory safety ratings.

The Act also requires us to review and reissue all motor carrier regulations by May of 1986. This provision affords an excellent opportunity for us to work together in a positive way to write motor carrier safety regulations that address today's needs and tomorrow's growth. I urge you to participate in that process.

The 1984 Act calls for uniform safety rules. Greater uniformity will yield improved productivity and safety benefits, so the Department will review state laws and regulations to determine consistency and compatibility with federal safety requirements. Secretary Dole has named a Motor Vehicle Safety Regulatory Review Panel to assist in analyzing and reviewing state laws and regulations, and help us make sound judgments regarding the impact of the various state laws on interstate commerce. The panel had its first meeting September 5.

You know better than anyone else that rules are only as good as the structure established to administer them. To that end, we have established an Associate Administrator for Motor Carriers within the Federal Highway Administration; about two weeks ago the Secretary named Richard Landis to fill the position. Dick served for many years as a senior highway patrol commander in Arizona's Department of Public Safety. He is not afraid to innovate, and we expect great things from him. Dick's presence and this new office emphasize our commitment to heightened attention to motor carrier programs. I believe it answers many of your industry's needs. It provides direct access to the Federal Highway Administrator's Office in Washington for the BMCS field staff. It increases visibility for motor carriers within the Department. Most important, it gives you in the industry and we at DOT an opportunity to work together more closely.

Several alternatives were considered. You will recall that we proposed last year to transfer the BMCS to the National Highway Traffic Safety Administration, but Congress failed to act on that proposal. Of course, the American Trucking Associations have supported the concept of a separate Motor Carrier Administration within the Department of Transportation. We have weighed that proposal, but I would offer a word of caution in that regard. Movement in recent years has been away from federal regulation, not toward it. The last thing we, or you, or the public needs in Washington is another regulatory agency looking over management's shoulder, second-guessing marketing decisions and handing down policies that may be well-meaning but somehow never seem to succeed as well as private enterprise. Dick Landis is equipped to serve

as a primary focal point in DOT for motor carriers and work with your leadership. The structure and organization we have created in the new Associate Administrator for Motor Carriers is an effective way to deal both with the safety problems and the potentials of the industry. Give this change a chance to work and give us your ideas.

On the economic side, the Surface Transportation Assistance Act of 1982 is probably the most important highway legislation in the last thirty years. Its authorization is due to expire next year. Let me mention today our present thinking at DOT, even though our bill on reauthorization of the federal-aid highway program is not yet in final form.

One of the Administration's primary goals is to ensure the completion of the Interstate System, and then to establish a direction for a federal-aid highway program for the post-Interstate years. Since the nickel-a-gallon federal gasoline tax increase went into effect in the spring of 1983, more than \$155 billion in federal, state and local funds have been spent to build, repair and rehabilitate thousands of miles of highway. From the Federal Highway Trust Fund alone, North Carolina has received over \$256 million for fiscal year 1985, bringing the total received since enactment of the Surface Transportation Assistance Act of 1982 to \$720 million. Prior to these funding increases, America's highways — and North Carolina was no exception — were deteriorating at a rate twice as fast as they were being repaired. Today, as you know, the accelerating deterioration of our highways has been stopped. Nearly forty thousand miles of federal aid highways are undergoing extensive reconstruction, repair and improvement — nearly double the miles of improvements reported in 1981-1982. Gains have been made in four major areas of highway construction: restoration and rehabilitation; construction; surfacing; and new construction starts.

Now is the time to look to the future, with extension of the Highway Trust Fund and its user fees for at least four more years. We are holding fast to the user fee principle. It has served us well in financing a highway system second to none and in paying for infrastructure improvements in other modes of transportation such as airports.

We are considering authorization levels consistent with the amount of money collected; we are not proposing to increase taxing levels, although we are examining ending some special tax exemptions. For example, a major exemption to the motor fuel fee, gasohol use, has been proposed for total elimination on December 31, 1985, in the President's tax simplification initiative. The proposal to eliminate the exemption is consistent with the basic principle underlying the Highway Trust Fund: those who give rise to the need for highway improvements should pay for them. This exemption would cost the trust fund about \$500 million annually by 1990. North Carolina already has repealed its state tax exemption for gasohol.

As I said at the outset, the physical infrastructure itself is only one part of the change taking place in transportation. The final steps in economic deregulation of the motor carrier industry will be shaped by Congress in the next 12 months.

As you know, about ten days ago Secretary Dole transmitted to Congress legislation to complete economic deregulation of the motor carrier industry. This fulfills the President's commitment in his 1985 State of the Union message. I am keenly

aware that almost everyone in this room is directly interested in this legislation. I want to share some thoughts with you about why the time has come to complete deregulation.

Economic regulation of the transportation industries began some ninety-eight years ago. Much of it has now become an expensive paper chase with no offsetting benefits to consumers and questionable value to carriers. In fact, the research we have done since enactment of the Motor Carrier Act of 1980 has confirmed that shippers, for the most part, strongly favor deregulation. Overall, the 1980 Act has had significant, positive effects on the trucking industry. While the recession of 1981-1982 caused substantial traffic declines and financial losses for some motor carriers, the industry as a whole has been making the necessary adjustments to today's more competitive environment and has returned to profitability with the upturn in the overall economy.

With freer entry, we have had an explosion of new firms entering the business. The number of firms with Interstate Commerce Commission operating authority has grown from roughly 18,000 in 1980 to almost 31,000 last year.

New price and service options have been introduced. Established carriers have become more efficient and innovative by restructuring routes, reducing empty backhauls, providing simplified rate structures and offering shippers incentive to move freight more efficiently.

In short, the industry rebounded from the recession and has begun to take advantage of new freedoms of deregulation. As impressive as the immediate benefits of deregulation have been, the long-term results may be even more significant. Overall distribution productivity is benefiting from improved information and inventory management systems, as well as from the greater transportation efficiency made possible by deregulation. Together, these trends are resulting in a virtual distribution revolution. One executive of a major transportation company said recently that the net result has been a multi-billion dollar reduction in annual logistics expenditures in the United States.

Many opponents of truck deregulation argued that passage of the Motor Carrier Act of 1980 would result in poor service to shippers, with residents of rural areas unable to obtain service at any price. These fears have been proven groundless, as truck service has remained good -- even in remote areas -- in spite of the effects of the recent recession.

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We, therefore, concluded that it is now time to eliminate those remaining economic regulations which no longer provide any benefits to shippers or consumers and are of questionable use to carriers.

I suspect that the trucking industry itself must be wondering at this point what advantages the remaining economic regulations offer. My own feeling is that the industry finds itself today in a no-man's land, halfway between the familiarity and protection of a regulated environment and the excitement of a free market. Reflect for a moment with me about the absurdity of the ICC's tariff filing requirements, which still yield a harvest of almost a million tariffs annually. Tariffs must be filed for "cucumbers processed into pickles by the ordinary means," while "cucumbers, salt cured" are exempt. Citrus fruit sections that are chilled or semi-frozen are of no interest to the ICC, but if they are frozen, you violate the law if you fail to record the rates in Washington. I'm sure you will all lie awake tonight wondering why no filing is needed for "manure, in the natural state," while it is absolutely required for "manure, fermented, with additives such as yeast and molds, producing a rich liquor which in water solution is used for soil enrichment."

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The important ingredient in transportation -- whether the issue is building highways or promoting safety -- is working together with carriers and shippers. Your voice is heard in Washington. Your opinions are important. Your assistance is invaluable.

The Reagan Administration has provided transportation with modern-day tools to achieve a rebirth of free enterprise and competition, assure a highway system second to none, and an economic environment conducive to greater productivity. The time is now. The job is ours to finish. The challenge is great, but as the President has said of such challenges, "If not us, who? If not now, when?"

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U.S. Department of
Transportation

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REMARKS PREPARED FOR DELIVERY BY
DEPUTY SECRETARY JIM BURNLEY
TO THE NATIONAL ADVISORY COUNCIL ON WOMEN'S EDUCATIONAL PROGRAMS
AT THE NATIONAL FORUM ON OPPORTUNITIES FOR WOMEN IN TRANSPORTATION
SEPTEMBER 26, 1985
ST. LOUIS, MISSOURI

I am delighted to be in St. Louis, one of this country's major transportation crossroads. One cannot fly into this city, or catch sight of the magnificent stainless steel arch that frames its skyline, without being reminded that ever since St. Louis was founded --more than two hundred years ago -- it has served as the Gateway to the American West. Today this city is a multi-modal transportation hub -- a rail center second only to Chicago, a trucking center, the nation's busiest and largest inland port, with one of our nation's finest airports.

I am an eager participant in this National Forum on Opportunities for Women in Transportation and an admirer of the National Advisory Council on Women's Educational Programs for your deep commitment to promoting equity in education for women.

I bring you greetings from Secretary Dole -- a strong supporter of your work. Secretary Dole deeply wanted to be here today to thank you personally for your hard work on behalf of American women.

I have long had a deep admiration for, and a close acquaintance with, career women. My boss is the first woman to serve as Secretary of Transportation since the Department was founded in 1967. Interestingly, she is also the first woman to head a branch of the Armed Services -- the U.S. Coast Guard --which is under the jurisdiction of the Department.

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My wife Jane, who is a psychologist, serves as Associate Commissioner of the Children's Bureau at the Department of Health and Human Services. And my mother served as a member of the North Carolina legislature.

So I both understand and support the Council's primary goal of promoting equal educational opportunity, recognizing that a good education is the foundation upon which productive careers are built.

More than half of all American women now work, a significant shift from twenty years ago. Today, sixty-six percent of women with children between the ages of six and seventeen work. This signifies a trend with enormous implications for every home in America.

The fifty-three million working women across this country earn five hundred billion dollars a year and take home nearly one-third of the nation's pay. Businesses owned by women are the fastest growing segment of the small business community, generating over forty-four billion dollars in receipts. The number of women receiving masters degrees in business administration has soared by two thousand four hundred percent in the last decade alone.

The Council's forums on opportunities for women in non-traditional fields are an excellent example of what can be done to further enhance opportunities for women in the work force. These forums are necessary partnerships, involving business and industry groups, schools, community service organizations and federal, state and local government officials. With this combined expertise, we can exchange valuable information on what jobs are available in areas such as agriculture and agri-business, high technology and transportation; the training these jobs require and how to promote the opportunities they present.

It's no secret that women form a small minority within the transportation field. As of 1980, they comprised about sixteen percent of the overall workforce. Yet as old as the challenge may be to break into the field, still older are the precedents for overcoming it.

Consider the women who have made their mark in transportation. Their names read like an honor roll, both social and scientific. From Susan Morningstar, the first woman railroad employee in 1885, to Evelyn Newell, the first woman railroad engineer in 1974. From Mary Patten, who took command of a clipper ship in 1856 to the first eight female graduates of the U.S. Merchant Marine Academy in 1978. And from Phoebe Omlie, a wing walker on a flying circus in 1920 and the first woman to earn a transport pilot's license, to Dr. Sally Ride, a physicist who became the first American woman astronaut in space aboard the seventh flight of the Space Shuttle Challenger.

These are just a few of the women who have cleared a path for others to follow. But through forums such as this one, we must encourage more women to enter the transportation field.

Women today make up thirty-four percent of the aviation work force and thirty percent of the transit industry. There are over five thousand commercially rated women pilots -- this represents an eighty-three percent increase in their ranks over the

last ten years. Dedicated, talented women also work as flight instructors, aeronautical engineers, air traffic controllers, mechanics, flight navigators and parachute riggers. Unfortunately, these are the high points. Women comprise seventeen percent of the maritime trades and twelve percent of the trucking industry. And in railroads, women comprise only nine percent of the work force.

Clearly, there is substantial room for improvement. And the place to begin is at the Department of Transportation itself. When Secretary Dole arrived at the Department, she asked how many of our employees were women. She was told nineteen percent. Then she asked, what was the percentage when the Department was first established? The answer: eighteen point five percent. What's more, women in upper grade positions made up only one percent of the entire Department's work force. Secretary Dole immediately designed a program to change all that. Now we are helping more women enter our work force, and we're preparing more women than ever before to assume managerial positions and to expand existing skills. Since the Secretary's program began, there has been a steady increase in the percentage of women filling the seven key occupations which account for approximately fifty-eight percent of the Department's jobs. These include such fields as air traffic control, engineering, aviation safety and computer programming.

And in the two years since we began our program, the number of women employees in the Department has increased to twenty-three percent. When you compare that to the half a percentage point increase over the previous sixteen years, it demonstrates how much difference a commitment can make -- and Secretary Dole and I are definitely committed to the task.

Today, women throughout society are grappling with tough issues -- issues that were once considered men's work. For instance, at the Department of Transportation, our agenda covers quite literally everything that moves. In this country, transportation is an eight hundred billion dollar industry. Transportation is a part of the cost of everything companies produce and consumers purchase. However essential transportation may be to our economy, no one wants to pay more for it than is necessary -- nor should they. We expect carriers to operate as efficiently as possible, and shippers to bargain for the best rates. Such goals, we have found, are best accomplished in an economic climate of deregulation.

It's been very satisfying to see our theories successfully translated into practice -- for instance, since deregulation of the airlines the traveling public has saved at least ten billion dollars. A little competition is a good thing -- and a lot is better still, especially for today's air travelers who have a far wider choice of carriers, fares and services than ever before -- including bargain prices in a number of markets. Amidst all the change in American aviation, one thing remains constant: our commitment to maintaining the safest skies in the world. Our national airspace system is first and foremost a safe system, and we will spare no effort to keep it that way.

Another important item on our transportation agenda is the sale of Conrail. Conrail, as you know, came into being as a property of the U.S. Government in 1976, after Congress had come to the rescue of seven bankrupt or failing rail companies in the northeast and midwest. The taxpayers have spent several billion dollars keeping it in operation, and over the past four years, Conrail has turned a profit. Four years ago,

Congress directed the Secretary of Transportation to take the government out of the freight railroad business. And our goal is to sell the railroad. The plan we have submitted to Congress for transferring Conrail to the private sector after almost a decade of federal stewardship was reached after many months of careful deliberation. We have recommended to Congress a sale plan transferring Conrail to the Norfolk Southern Corporation that assures long-term rail service to the region, true employment stability for Conrail's work force, and instills a very high level of confidence that Conrail will never again become a ward of the federal government. We can now give Conrail the opportunity to prosper as a truly private-sector business and as a key part of a stronger company.

One of the most exciting -- and forward looking -- programs we're working on in the Department involves our national airspace system. We are presently in the midst of an \$11.7 billion airways modernization program. The national airspace system plan, when completed, will double the capacity of our airways -- meeting the nation's needs into the next century. The plan will also "weatherproof" air operation and improve the precision of airport landing systems, allowing a pilot to land so accurately that on final approach she is within one-tenth of one degree of the centerline. This multi-year program is the most extensive non-military aviation undertaking since the Apollo man-on-the-moon project.

Last Thursday, Secretary Dole briefed the President and the Cabinet on the issue of air safety. The air traffic control work force has been rebuilt to the level projected immediately following the 1981 PATCO strike. In this process of rebuilding the controller work force, safety has not been compromised. Indeed, over the greater part of this period accident rates have been down, and the differing causes of the recent crashes do not point to a problem with the air traffic control system.

The Department's essential task now is to ensure that the controller work force is maintained at a level that will be fully responsive to present challenges: an industry flourishing in the freedom afforded by deregulation; increasing use by airlines of "hub-and-spoke" operating patterns; and passenger demand that is expanding on the strength of economic recovery. In fiscal year 1986 we expect to add approximately four hundred and eighty more people to the existing controller work force, and fiscal year 1987 will see a similar increase of four hundred and eighty controllers, for a total of almost one thousand new positions.

We are also increasing the number of air carrier inspectors. Last year, we increased the air carrier inspector work force by twenty-five percent. As a result of safety audits and reviews, and the increased number of air carriers and passengers in the system, we expect to add an additional five hundred air carrier and general aviation inspectors to the Department's work force over the next three years.

Last month, a report prepared by our Safety Review Task Force on the Federal Aviation Administration's (FAA) flight standards safety programs was made public. Created in December 1983 to examine the Department's safety programs across all modes, the Task Force identified four areas where problems were found and improvements should be made. These four areas in FAA are: (1) difficulty in formulating and carrying out actions in a timely manner; (2) lack of uniformity in the interpretation and implementation of FAA regulations and policies; (3) sometimes

ineffective communication within the FAA and with the aviation community and the general public; and (4) expanded autonomy at FAA regional offices and some headquarters offices that has inhibited the accomplishment of program objectives. FAA Administrator Don Engen regards the recommendations as "on the mark" and has already developed a schedule to implement the necessary reforms.

At the Department, safety is always a top priority. Most recently, we have been involved in matters concerning aviation safety and security, following the incidents of international terrorism this summer. We have taken immediate steps to enhance our force of federal air marshals. We are requiring enhanced security training for flight and cabin crews on U.S. carriers. We are also requiring the airlines to designate a security coordinator for each flight. Surveillance of aircraft while they are being serviced on the ground is being increased and a number of new baggage security rules have been implemented at airports across the country. On flights carrying passengers, airlines are required to hold cargo for a period of time or perform x-ray or physical inspection of freight, cargo and mail. The only exceptions are perishable items from known shippers.

These actions -- taken out of concern for and a deep commitment to the safety of all traveling Americans -- are a logical extension of the Department's emphasis on transportation safety. Perhaps our biggest challenge is on our nation's highways, where ninety-two percent of the fatalities occur and where approximately forty-three thousand Americans die each year and hundreds of thousands are seriously injured. This tragedy is avoidable.

Clearing the roads of drunk drivers is one way we can make our highways safer -- especially for our young people. Each year eight thousand young people between the ages of fifteen and twenty-four are killed in auto crashes where alcohol is a factor. Nearly a quarter of a million young men and women are injured. For the families involved, the heartbreak is beyond expression. Thanks to citizen activists like Candy Lightner -- founder of Mothers Against Drunk Driving -- and thousands of others, tougher laws and more stringent law enforcement are ridding our nation's streets of drunk drivers. And we are going to keep going until we get every last drunk driver off the roads and highways of this country.

Of course, the best protection against the drunk driver is the safety belt. Safety belts are proven lifesavers. Studies show that safety belts can reduce moderate to serious injuries by half. But, for people who won't wear them, their effectiveness is zero. In New York, deaths were down eighteen percent during the first six months that their first-in-the-nation mandatory safety belt law was in effect. That means there are ninety-seven people in New York state alive today because of that one law. And more lives are being saved every week.

The effectiveness of our transportation agenda -- whether the issue is deregulation, Conrail, aviation security or safety across all modes -- is based on the hard work and commitment of many people. The sponsors of this Conference, the National Council on Women's Educational Programs -- are equally committed to their important goal: the promotion of equity in education for women. This forum, which focuses on opportunities for women in transportation, is an effective way to inform

women on the possibilities of careers in transportation. And I think the Council deserves our thanks for arranging this excellent conference.

The number of women in transportation are increasing each year and women's professional associations in transportation are similarly on the rise. There's the Ninety Nines, the International Women Pilots Association; the Whirly Girls, the association of women helicopter pilots; the National Association of Railway Business Women; and the Women's Transportation Seminar, which is represented by distinguished panelists at this conference. All the women in transportation represented in the audience today serve to further dispel the myth that transportation is men's work. As professionals, and joined by the educators at this forum, your work is critical in ensuring that the field is opened up even further, thus making certain that all the best minds -- women and men -- are put toward the many challenges we face today in transportation.

Women today are giving their talents and capabilities access to a wider range of opportunities -- not only in the area of transportation, but in business, government, law, management and numerous other fields. In pursuing their dream, they are ushering in a society of greater opportunity for all of us. It is a society of opportunity this organization promotes, I endorse and is well represented by those in the audience today.

Thank you for inviting me to be a part of this national forum.

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