U. S. Department of Transportation

news:

Office of Public and Consumer Affairs

Washington, D.C. 20590

FOR IMMEDIATE RELEASE
January 3, 197~~8~~ 9

DOT-179
Contact: Jerry Clingerman
Phone : (202) 426-4321

DOT ANNOUNCES 1979
SUMMER JOBS PROGRAM

Several hundred summer jobs for high school graduates, college students and faculty members paying from $7,400 to more than $19,000 are available for those who qualify under the Department of Transportation's summer program.

Jobs are available in professional, technical and clerical positions throughout the department. For some jobs, interested persons must apply by Jan. 12.

High school graduates and college undergraduate students can apply for clerical positions paying from $7,422 to $9,391 annually. To be eligible, persons must apply by Jan. 12 to the local Job Information Center, U.S. Office of Personnel Management (formerly the U.S. Civil Service Commission) to take the summer employment examination.

After receiving the results of the examination, persons seeking the clerical positions at DOT must apply directly to the department's Central Employment Information Office in Washington, D.C., between March 15 and April 16.

Persons seeking details concerning examination application procedures should contact the U.S. Personnel Management office nearest them immediately.

In addition, a limited number of summer jobs for engineering, science, math and computer aids, and highway safety program technicians paying from $7,422 to $9,391 annually also are available for high school graduates and college undergraduate students.

- more -

No written test is required for these positions. However, applicants must have some education or experience relevant to the position sought. Applications for these jobs must be submitted to DOT between Feb. 15 and March 15.

DOT's summer jobs program also offers employment opportunities to college graduates. Professional positions paying from $10,507 to $19,263 a year are open to college graduates, graduate students, high school and college faculty members, or individuals who possess the equivalent in experience.

Persons interested in these professional positions must have majored in or possess specialized experience related to economics, political science, urban planning, engineering, business administration, law, computer science, public administration, mathematics or transportation. Persons seeking a summer job in the law section must apply to DOT by Feb. 15. All others must make application by March 15.

Last year, approximately 300 positions in the Washington, D.C., area and about 300 throughout the ten DOT regional areas of the nation were filled under the summer program. A similar number of positions is expected to be available this year.

The summer program work period starts in mid-May and extends to the latter part of September.

Persons seeking further information, (including information about jobs in other DOT agencies such as the Federal Aviation Administration and the National Highway Traffic Safety Administration,) should contact:

U.S. Department of Transportation
Central Employment Information Office, M-18
Room 2223
400 7th Street, S.W.
Washington, D.C. 20590

Telephone: (202) 426-2550

U.S. DEPARTMENT OF TRANSPORTATION
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Washington, D.C. 20590

ADVANCE FOR RELEASE
Monday AMs Jan. 15, 1979

DOT 279
Contact: Jerry Clingerman
Phone: (202) 426-4321

INTERNATIONAL AIR FARES
TOO HIGH, STUDY INDICATES

Fares for international air passengers could be hundreds of dollars lower per trip if determined by competition, and not by air carriers agreeing among themselves, a Department of Transportation staff study indicates.

The study is a review of air fare levels which have developed under the system of setting fares through "traffic conferences," which has existed for the past 30 years.

Under this system, international airlines meet, with immunity from antitrust laws, to agree on fares and related matters.

The DOT study estimates probable competitive fare levels for international routes, based on existing and proposed low-fare service, and the number of passengers who would have flown at those competitive rates. Using these estimates, the study indicates that world air passengers would benefit substantially if international fares were set competitively.

The study was done as part of a broad review of U.S. international aviation policy. It indicates that international fare levels are often as much as three or four times probable competitive levels. As a result fewer passengers fly and fewer flights are offered than would be likely at competitive fare levels.

Copies of the study, entitled "International Air Fare Levels: An Evaluation After Three Decades of IATA Rate-Making," are available from:

Office of Transportation Regulation, P-50
U.S. Department of Transportation
400 Seventh Street, S.W.
Washington, D.C. 20590
(202) 426-4426

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U.S. Department of Transportation
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Office of Assistant Secretary for Governmental and Public Affairs
Washington, D.C. 20590

FOR RELEASE MONDAY
January 15, 1979

DOT 379
Contact: Jerry Clingerman
Phone: (202) 426-4321

DOT REPORTS PROGRESS
IN IMPROVING DESIGN,
ART IN TRANSPORTATION

The U.S. Department of Transportation today released a progress report on the first year of its program to enhance design, art and architecture in transportation.

In September 1977, Secretary Brock Adams set the new program's goal when he called for "transportation systems and facilities that improve the human environment and enhance the social, commercial and cultural resources of the nation."

As a result of the program, the department's Federal Aviation Administration, Federal Highway Administration and Urban Mass Transportation Administration have issued policy statements specifically making art and special design features in transportation facilities and systems eligible for federal funding.

Other accomplishments since the program began include:

- A requirement by the department's Federal Railroad Administration that 3/4 of one percent of the cost of station renovation in the Northeast Corridor Project be used for original works of art.

- A $200,000 grant to the Atlanta Airport for the installation of sculptural pieces and other art works in conjunction with the construction of a major terminal complex.

- A departmental requirement that consideration of design quality be reflected in environmental impact statements.

- Award of $45,000 to the Massachusetts Bay Transportation Authority for assistance from the Cambridge Arts Council to add artistic improvements to three new subway stations on the authority's "Red Line."

- more -

- At DOT's request, the Department of the Interior has determined that Dulles International Airport is eligible for inclusion on the National Register of Historic Places because of the airport terminal's architectural significance.

Future actions under consideration include allocation of portions of new transportation project grants for design and aesthetic enhancement, selection of artists for the creation of works of art in several of the stations undergoing renovation in the Northest Corridor, and development of a short training course for executives and a longer course for staff professionals on design quality in transportation.

Copies of the report, entitled "First Annual Report on Design, Art and Architecture in Transportation," are available from:

U.S. Department of Transportation
Office of Environment and Safety, P-20
400 7th Street, S.W.
Washington, D.C. 20590

Telephone: (202) 426-4366

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Office of Assistant Secretary for Governmental and Public Affairs

Washington, D.C. 20590

DOT 4-79

Contact: Frances Lewine
Phone: (202) 426-4531

FOR RELEASE AT 2 P.M.
Monday, January 15, 1979

A new work plan and timetable for the Northeast Corridor railroad improvement project between Washington, D.C. and Boston to increase passenger comfort and on-time reliability was announced today by Secretary of Transportation Brock Adams.

Flanked by Alan Boyd, president of Amtrak, Federal Railroad Administrator John Sullivan and other key officials of the rail project, Adams said:

"Two years ago, we inherited a project that was too narrow in scope and failed to fully appreciate the problems of commuter and freight traffic. It was top-heavy in planning and slow in construction. Now we have a new team -- at Amtrak, at the improvement project and at the prime architect and contractor. We're in full agreement and we're ready to move."

The Secretary announced these developments:

--The cost of improving corridor service will be $654 million more than originally authorized, for a new total of $2.4 billion.

--Completion date of the project will probably be the end of 1983, rather than 1981 as originally envisioned.

--A new fleet of 67 locomotives will be purchased and 34 Metroliners will be refurbished.

--A Train Planning Unit, representing the major agencies involved in the corridor project, will publish timetables linking commuter and intercity schedules so passengers will be able to make complete travel arrangements.

- more -

Adams noted that one year ago he had met with railroad and city and state transportation representatives at the National Academy of Sciences to confront the many problems facing the improvement project. From that beginning, he commented, everyone involved in the project "has shown a sense of realism as to our budget restraints and a willingness to compromise where necessary."

"After a thorough analysis of the corridor program, we can now announce the service we are offering, the kinds of trains we will be operating, the improvements we are planning for the track and rail facilities, and how intercity passenger, commuter and freight traffic will be accommodated," the Secretary stated.

The $2.4 billion program reflects a scope of work that will save on future maintenance costs, increase passenger comfort, increase on-time reliability and increase safety.

"This is the minimum investment required to meet the goals of the Railroad Revitalization and Regulatory Reform Act of 1976 and to meet satisfactorily future demands for service on the corridor," Adams said.

The Secretary noted that the original five-year time frame represented a very tight schedule, which has proved to be impractical if trains are to continue operating during construction.

He acknowledged that in the past the program had management problems common to any massive construction program that mobilizes a large work force, initiates a large-scale design effort and begins major construction within a short time span.

"The Washington to Boston corridor has high population density and ridership levels," Adams said. "The people want rail travel in this corridor -- if we can give them clean, fast trains that run on time."

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79-493

U.S. Department of Transportation
news:
Office of Assistant Secretary for Governmental and Public Affairs
Washington, D.C. 20590

PARA PUBLICACION INMEDIATA
16 de enero de 1979

DOT-179
Contacto : Jerry Clingerman
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EL DEPARTAMENTO DE TRANSPORTE DE LOS ESTADOS UNIDOS ANUNCIA OPORTUNIDADES PARA TRABAJOS DE VERANO EN 1979

Centenares de empleos de verano para los graduados de escuela secundaria, estudiantes colegiales y miembroa de facultades pagando un salario desde $7,400 (dólares) hasta mas de $19,000 (dólares) anuales están disponibles para los que se demuestran calificados bajo el programa de verano del Departamento de Transporte de los Estados Unidos.

Existen un numero escaso de trabajos de verano para los graduados de escuela secundaria y estudiantes de colegio en posiciones técnicas o profesionales que pagan desde $7,422 hasta $9,391 (dólares) anualmente. Estas posiciones son en la ingeniería, ciencia, matemático asistente, computista asistente y técnicos en el programa de seguridad de carreteras.

No se requiere tomar un examen por escrito para lograr estas posiciones técnicas. Sin embargo, los aspirantes deberán tener suficiente educación o experiencia pertinente a la posición deseada. Solicitudes para estos emploeos deberán someterse al Departamento de Transporte entre el día 15 de febrero al 15 de marzo.

- more -

El programa de Trabajos de Verano del Departamento de Transporte también ofrece oportunidades de empleos a los graduados de colegios y universidades. Posiciones profesionales que pagan un salario anual desde $10,507 hasta $19,263 (dólares) están disponibles para los graduados de colegio, los profesores de escuela secundaria o de colegio, o cualquier individul que posee lo equivalente en experiencia.

Las personas interesadas en estas posiciones profesionales deberán poseer experiencia especializada en o haber especializado en sus estudios colegiales en la economía, la ciencia politica, proyectos urbanos, ingeniería, administración de negocios, leyes, ciencia computista, administración pública, matemática o transportación. Individuos que desean trabajo de verano en la sección de leyes necesitan hacer solicitud al Departamento de Transporte antes del día 15 de febrero. Todos los demás deberán solicitar el puesto antes del día 15 de marzo.

El año pasado aproximadamente 300 posiciones en la ciudad de Washington, D.C. y otras 300 posiciones a través de las diez áreas regionales del Departamente de Transporte en los Estados Unidos fueron llenadas bajo el programa de verano. Se espera que se llenen un número similar de posiciones este año.

El programa de Trabajos de Verano abarca un período que empieza a mediados de mayo y se extiende hasta los fines de septiembre.

Las personas que desean obtener información adicional sobre este programa de Trabajos de Verano en la Administración Federal de Aviación (FAA) o la Administración de Seguridad de Tráfico en las Carreteras Nacionales (NHTSA) deberán ponerse en contacto directamente con las oficinas locales de esas agencias o llamar por teléfono a la oficina de empleos de la FAA en Washington, D.C., (202) 426-3229 o la oficina de empleos de la NHTSA también en Washington, D.C., (202) 426-1400. Las dos agencias pertenecen al Departamente de Transporte de los Estados Unidos.

Las personas que desean información adicional sobre el programa de Trabajos de Verano en todas las otras agencias del Departamento de Transporte deberán ponerse en contacto con:

U.S. Department of Transportation
Central Employment Information Office
M-181, Room 2223
400 7th Street, S.W.
Washington, D.C. 20590

(202) 426-2550

U.S. Department of Transportation
news:
Office of Assistant Secretary for Governmental and Public Affairs

Washington, D.C. 20590

FOR RELEASE FRIDAY
Jan. 19, 1979

DOT 08-79
Contact: Jerry Clingerman
Phone: (202) 426-4321

DOT URGES QUICK ICC APPROVAL OF FLORIDA RAIL ABANDONMENT

The U.S. Department of Transportation today urged the Interstate Commerce Commission to approve promptly the Florida East Coast Railway's application to abandon about 11 miles of track in Dade County.

In comments filed with the ICC, DOT General Counsel Linda Heller Kamm said that such action would allow the abandoned track to be used as part of Dade County's new federally-assisted rapid rail transit system.

Kamm said the planned rapid rail system will be 20.5 miles long and is expected to open for service in March 1983. The general counsel added that the department, through its Urban Mass Transportation Administration, already has commited $90 million for the project and the federal commitment could reach $632 million.

Kamm said the railroad line to be abandoned carries a minimal amount of traffic. "In addition, the few shippers and businesses that would be affected by the abandonment would receive aid through the federal Uniform Relocation Act," Kamm said.

Kamm emphasized that quick approval of the Florida East Coast Railway application would minimize the inflationary effect of any delay in proceeding with construction of the system.

"The proposed rapid rail transit system will produce significant environmental and community development benefits for the citizens of Dade County to more than offset any adverse effects," the general counsel said.

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Office of Assistant Secretary for Governmental and Public Affairs

Washington, D.C. 20590

NOTE: MATERIAL EMBARGOED FOR RELEASE
AT 10:00 A.M., EST, MONDAY, JAN. 22, 1979

DOT 06-79

Contact: William Bishop
Phone: (202) 426-4321

DOT HOLDS '80 BUDGET
TO 5 PERCENT INCREASE

The Department of Transportation's proposed budget for fiscal year 1980 responds to President Carter's demand for the austerity needed to reduce inflationary pressures.

For the next fiscal year beginning October 1, 1979, DOT projects a program level of $19.1 billion, an increase of about 5 percent over fiscal year 1979.

Total outlays are estimated to be $15.8 billion, an increase of approximately 3 percent.

Stating his full support of the President's policy of restraint in the federal budget in order to control inflationary pressures, Secretary Adams said DOT's proposed budget places priority on programs that protect lives and property and promote government efficiency.

"Ours is a lean budget, but strong where it must be strong," Adams said.

"We have aligned our resources to place the highest emphasis on those programs which contribute to safety and efficiency of the nation's transportation system, " the Secretary said. "Many other programs are continued at a level appropriate to the economic circumstances. A few have been terminated after review of their contributions to national goals."

Adams said DOT is strengthening the safety inspection programs for both motor carriers and railroads, and is placing increased emphasis on the safe transportation of hazardous materials including nuclear waste materials.

He said funds are being requested for both 1979 and 1980 to augment the program announced last month to provide increased protection against midair collisions at commercial airports.

Adams explained that the Federal Aviation Administration will use these funds to install instrument landing systems for training purposes at reliever airports, to purchase improved electronic equipment for air traffic controllers and to accelerate research on collision avoidance systems. Also, 321 air traffic controllers will be hired and trained to keep pace with the projected growth of aviation, the Secretary said.

In marine transportation, Adams said, the Coast Guard will continue its emphasis on tanker inspections and the upgrading of tanker construction and operating standards in the ongoing effort to reduce pollution at sea.

Fiscal year 1980 will be the first full year of operation under the recently enacted Surface Transportation Assistance Act which covers DOT's highway construction and safety programs and public transportation, Secretary Adams pointed out.

The new legislation, he said, provides for accelerated construction of the Interstate highway system, increased flexibility in the use of both highway and transit funds, an expanded bridge rehabilitation and replacement program, new procedures for long-term funding of transit projects and special urban initiative projects in the mass transportation program.

Looking to the year ahead, Secretary Adams said, "I see three major challenges in transportation--the increasingly urgent need for a 'socially responsible' automobile, the growing crisis in our rail industry and the need for increased safety in commercial aviation following the success of the Carter Administration's aviation deregulation legislation."

"I intend to direct DOT's efforts this year to meet these challenges," he said.

Describing the automobile as a necessity to most Americans, but a major contributor to the nation's energy and pollution problems, Adams said, "We can't do without it, so we are going to have to turn it into an asset again."

"We have to develop automobiles that are fuel efficient, safe and less harmful to our environment."

Stating that the automobile manufacturers are not responding to the challenge and are resisting existing fuel economy standards, Adams said he is inviting the manufacturers, representatives of universities and "anyone else with an idea" to a conference in Washington this spring "to plan an intensive research effort to develop a new automobile."

- more -

Addressing the financial decline of freight-hauling railroads, Secretary Adams said, "This process must be reversed or we face the specter of nationalization."

The Secretary said legislation is being prepared to assist the railroads. These measures, he said, include a proposal for economic deregulation and transitional assistance for that effort, a restructuring of the Amtrak route system and increased funding of the Northeast Corridor Project.

Because of increased air traffic following deregulation of the airline industry, Adams said, "We are developing new Airport and Airway Trust Fund legislation to finance safety improvements for the air traffic control system and to continue our airport improvements program."

The Secretary said other important legislative initiatives this year will include deregulation of the motor carrier industry, establishment of a comprehensive oil pollution liability fund, federal "no-fault" automobile insurance, and the combining of DOT's Federal Highway and Urban Mass Transportation Administrations into a single Surface Transportation Administration.

<u>Highlights of the FY 1980 Budget include</u>:

* A program level of $1.64 billion for the Coast Guard, up $88 million from 1979. The figure includes $284.4 million for capital improvements including three new medium endurance cutters, three medium range fixed wing aircraft and 17 short-range helicopters. The Coast Guard budget proposal anticipates enactment of legislation to establish a system of liability and compensation for damages by oil pollution in U.S. navigable waters and on the high seas.

* A program level of $3.1 billion for the Federal Aviation Administration, essentially unchanged from 1979. The midair collision avoidance program will be financed by a supplemental appropriation request of $17.1 million in fiscal year 1979, plus a request for $25.6 million budgeted for 1980. Although there will be no increase in FAA staffing, reassignments and administrative reductions will make possible 321 additional positions for the control of air traffic.

* The Federal Highway Administration proposes to continue in fiscal year 1980 its existing $8.5 billion annual ceiling on obligations for the federal-aid highway program. Increased funding--$13.7 million and 25 more jobs--is requested for motor carrier safety enforcement. The request includes $3 million to continue a program initiated in fiscal year 1979 to determine if the states can conduct an enhanced and effective motor carrier safety program.

* A program level of $260.2 million for the National Highway Traffic Safety Administration, essentially the same as for 1979. NHSTA will place high priority on promoting enforcement of the life-saving and fuel-conserving national 55 mile-per-hour speed limit. Other areas of emphasis are research to improve bus and truck safety, continued development of a data collection program to strengthen support of rulemaking and the automotive fuel economy program.

* Exclusive of grants for Amtrak, a $911 million program level is proposed for the Federal Railroad Administration, an increase of $72.7 million. The increase mainly reflects financial assistance programs for freight-hauling railroads amounting to $646 million including loan guarantees. The proposed funding level for the Northeast Corridor Improvement Project is $481 million, about the same as the previous year.

* The DOT budget proposes $760 million for Amtrak--$552 million for operations, $171 million for capital grants and labor protection and $37 million for debt service.

* The Urban Mass Transportation Administration program level is unchanged from the previous year--$3.5 billion. As authorized by the Surface Transportation Assistance Act, the budget also proposes an advanced appropriation of $1.35 billion for fiscal year 1981 to facilitate planning by state and local governments.

* Revenues of the Saint Lawrence Seaway Development Corporation for fiscal year 1980 are estimated at $10.6 million, an increase of $1.1 million. Revenues will finance operating expenses, capital projects and bond redemption.

* The program level for the Research and Special Programs Administration is $26.4 million, up about $1 million from the previous year.

* The program level for the Office of the Secretary is $47.1 million, $3.2 million less than in fiscal year 1979.

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AT 10:00 A.M., EST, MONDAY, JAN. 22, 1979

DOT 05-79
Phone: (202) 426-4321

DEPARTMENT OF TRANSPORTATION
FY 1980 BUDGET
HIGHLIGHTS

The FY 1980 budget for the Department of Transportation, like the budget for the Federal Government as a whole, reflects the President's concern for fiscal constraint as an important element in controlling inflationary pressure. The proposed FY 1980 program level 1/ amounts to $19.1 billion--approximately five percent above FY 1979. Within this amount, highest priority has been placed on those programs which have safety as their major purpose and which contribute to holding down costs by improving transportation efficiency.

Outlays for the Department are projected at $15.8 billion--approximately three percent above FY 1979. Much of the increase is attributable to progress payments for grants and capital improvement projects started in previous years. In FY 1980, as in the past several years, over 60 percent of the Department's funds are in the form of grants and the period of expenditure can extend over an extended period depending on the rate of progress made by the grant recipients.

The budget's overall restraint is also evident in the staffing for the Department in FY 1980, which amounts to a total of 114,417 positions, of which 75,421 are civilian and 38,996 are Coast Guard military personnel. This is only 10 more civilian positions than the FY 1979 staffing shown in the budget. But as with funding, the staffing resources have been aligned to meet the safety and efficiency priorities.

1/ "Program level" is a single term which is used to match the various types of financing techniques used in the Department for comparative purposes. Selected measurements such as budget authority, obligations or loan obligations are combined in order to gauge the overall transportation activity.

U. S. COAST GUARD

A program level of $284.4 million is proposed for Coast Guard's capital improvements. Funding is provided to continue the Coast Guard's program of replacing aging, out-moded vessels and aircraft to carry out its increasing responsibilities for protecting the marine environment, as well as carrying out its traditional roles of search and rescue, enforcement of laws and treaties and marine safety. Funding is provided for three new medium endurance cutters, three medium-range fixed wing aircraft, 17 short-range recovery helicopters and a continuation of the boat replacement program. In addition, funds will provide for completion of the Coast Guard's program of pollution control for nine vessels; five new all-weather airborne sensors employing advanced radar, ultra-violet and infra-red technology will be procured. This equipment provides detection of oil pollution and victims of marine accidents. To provide a more responsive capability for handling oil pollution incidents, additional air-transportable storage containers and open water recovery equipment will be obtained. Funds will also be provided to continue the modernization and improvement of the Loran-C navigation system.

Overall, the total Coast Guard program level for FY 1980 is $1.64 billion, up $88 million from FY 1979. Among the programs funded in this increase is the President's initiative related to oil pollution in the marine environment. Under legislation proposed in this budget, a comprehensive system of liability and compensation will be established for damages by oil pollution in the navigable waters of the United States and on the high seas. Strict liability for oil discharges will be established, and charges in the form of a per barrel fee will be levied on owners and operators of potential sources of oil discharges to create a backup fund for damages and cleanup expenses.

A total of $14.9 million is proposed to continue alteration of three bridges and begin alteration of a fourth bridge, all of which are obstructing navigable waters.

The Coast Guard's research and development efforts will concentrate on projects related to improving marine safety and the prevention, detection and removal of marine spills of oil and other hazardous materials. Finally, we are proposing termination of the boating safety assistance grant program, as a result of the success of the program in stimulating state boating safety functions.

FEDERAL AVIATION ADMINISTRATION

Overall, the proposed Federal Aviation Administration budget is $3.10 billion, essentially the same as FY 1979. While FAA's safety-related appropriations requests show increases, offsetting constraints hold down the total budget.

FAA's December 27 announcement established 80 new Terminal Radar Service Areas (TRSAs) and 44 new Terminal Control Areas (TCAs), and lowered the positive control altitude. Funding for this program includes a $17.1 million FY 1979 supplemental request and an FY 1980 request of $25.6 million for the facilities, equipment, and R&D devoted to safety enhancement in a climate of increased traffic.

Some $34 million is being requested for VORTAC replacement, representing the third year of funding this four-year procurement, which, when fully in place, will provide annual savings of 728 positions and $21 million. Similarly, the FY 1980 FAA budget contains $10 million for the second and final year of procurement for Remote Center Air/Ground (RCAG) communications equipment. This $10 million is also linked to future savings (111 positions and $2.8 million annually), through the remote monitoring of equipment for maintenance purposes.

Close attention to total FAA staffing needs has resulted in the budget showing no overall increase in FAA positions. However, reassignments and offsetting administrative reductions make possible 321 additional direct operating positions for control of air traffic.

The FAA budget also shows the reinstitution of an aircraft equipment loan guarantee program for which $50 million of guarantees are proposed for FY 1979 and $100 million for FY 1980. The program is designed to help local communities continue air service as present service arrangements undergo changes in a more flexible regulatory environment.

FEDERAL HIGHWAY ADMINISTRATION

Under the newly enacted Surface Transportation Assistance (STA) Act of 1978, the estimated FY 1980 obligation total for the Federal Highway Administration is $8.6 billion. For the Federal-Aid Highways program, the budget is proposing to continue the ceiling on obligations at the $8.5 billion level applicable to FY 1979. It is estimated that obligations will slightly underrun the ceiling at $8.4 billion.

The STA Act includes features which improve the highway program and the Federal/state management of the program:

-- it makes possible accelerated completion of the Interstate System by imposing dates on which action must be taken,

-- it increases flexibility in the use of funds,

-- it narrows the gap in Federal matching shares for highways and transit to encourage better balanced decision-making,

-- it includes a bridge program which now allows rehabilitation and replacement instead of replacement only,

-- it allows some use of trust fund contract authority for roads not on any Federal-Aid System.

This year, as last year, increased funding is requested for motor carrier safety. $13.7 million and 25 more jobs are funded in this budget. The request includes $3 million for the continuation of a program, first funded last year, intended to determine whether the states can conduct an enhanced and effective safety enforcement effort.

FHWA's budget also includes $16.0 million for R&D on general highway programs (including bridge design, traffic control and management, soils engineering, and tunneling), and $9.5 million for Highway Safety R&D. To provide adequate laboratory space, the FHWA's Fairbank Highway Research Station will be rehabilitated and expanded at a budgeted cost of $6.6 million.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

For the National Highway Traffic Safety Administration, the budget proposes a level of $260.2 million. Both the grant and operating programs for FY 1980 are approximately the same as FY 1979, with high priority given to NHTSA's efforts promoting enforcement of the life-saving and fuel-conserving 55 mile-per-hour speed limit. Other areas of emphasis are research to improve the technology of bus and truck safety, the continued development of a nationally representative data collection program to strengthen support of rulemaking actions and the auto fuel economy program.

FEDERAL RAILROAD ADMINISTRATION

The budget proposes a program level of $911 million for the Federal Railroad Administration, exclusive of grants for Amtrak. This is an increase of $72.7 million over the FY 1979 level. This increase is largely accounted for by proposed new financial assistance legislation based on the findings of the studies of deferred maintenance and the general condition of the railroad industry required by Sections 504 and 901 of the Railroad Revitalization and Regulatory Reform Act of 1976. Under this legislation, $250 million is proposed to aid in improving the efficiency and labor productivity of railroads and to assist in their restructuring. This amount is part of the $335.2 million Rail Service Assistance appropriation, which also includes $67 million for a nationwide program of rail service continuation subsidies. Under legislation enacted last year, the branchline program will emphasize upgrading of lines with long-term development potential. Also within this appropriation is $9.4 million for the Minority Business Resource Center to assist minority business firms in securing contracts arising out of the programs to restructure and revitalize the Nation's railroads.

The budget also provides $25.9 million for Railroad Safety. This represents a modest budget increase to continue and enhance effective enforcement of Federal railroad safety laws and regulations including support for state enforcement programs.

For the continuation of the major construction program to upgrade the quality of rail service for all users of the Northeast Corridor between Washington, D. C. and Boston, Massachusetts, the budget provides $481 million, of which $31 million is for the elimination of public grade crossings. This is consistent with the recommended program of the Northeast Corridor Improvement Project Redirection Study in which the Administration has defined a more realistic scope, schedule and budget for the project. The Redirection Study also recommends extending the construction schedule to 1983 to enable Amtrak to maintain service without serious disruption during the project. In this connection, the Administration is planning to request Congress to increase program authorizations to a total of $2.5 billion.

For FY 1980, the budget also includes $56.3 million for Railroad Research and Development. This program continues to focus on near-term solutions to the problems of railroads in the areas of track, equipment and personnel safety and railroad operations.

For the National Railroad Passenger Corporation (Amtrak) $760 million is requested. This includes $552 million for operating grants, $171 million for capital grants and labor protection and $37 million for debt transactions. The funds provided will finance a system that concentrates service on routes of higher productivity.

URBAN MASS TRANSPORTATION ADMINISTRATION

Under the newly enacted Surface Transportation Assistance (STA) Act of 1978, the estimated FY 1980 obligation total for the Urban Mass Transportation Administration is $3.5 billion which maintains the program at the same level as in FY 1979.

Within this total is $1.279 billion for urban discretionary grants including $55 million for planning grants. Also within this total is $1.375 billion for urban formula grants, including $850 million for basic operating assistance grants, $150 million for supplementary operating assistance grants, $300 million for the purchase of buses and related equipment and construction of bus related facilities and $75 million for commuter rail operating subsidies. The remainder consists of $700 million for Interstate Transfer grants including $275 million for Washington, D. C. Metro, $75 million for non-urban formula grants, $66.6 million for a balanced R&D program of technology and demonstrations and $21 million for administrative expenses.

The budget also proposes an advanced appropriation for FY 1981 for Urban Discretionary Grants amounting to $1,350 million to facilitate planning by state and local governments. Authorization for this advanced appropriation is contained in the STA Act of 1978.

ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION

For the St. Lawrence Seaway Development Corporation, the FY 1980 estimate of revenues is $10.6 million. This is $1.1 million more than FY 1979 and reflects the second phase of a joint toll agreement formalized in 1978 between the Seaway Corporation and its Canadian counterpart. This agreement provides for increases to be phased in over three years. The revenues will finance operating expenses, capital projects and bond redemption.

RESEARCH & SPECIAL PROGRAMS ADMINISTRATION

For the Research and Special Programs Administration, the FY 1980 budget requests $26.4 million, up slightly from last year mainly to meet higher costs of ongoing operations. Safety improvements are also provided for through greater emphasis on hazardous materials and pipeline programs designed to lessen accident risks.

OFFICE OF THE SECRETARY

For the Office of the Secretary, in FY 1980 there are no new or expanded programs. The budget authority amounts to $47.1 million. This is $3.2 million below the FY 1979 level which includes a $5 million supplemental appropriation request to conduct an inland waterway user charge study called for in the Inland Waterways Revenue Act of 1978.

DEPARTMENT OF TRANSPORTATION
PROGRAM LEVEL--FISCAL YEARS 1979 and 1980 a/
(In Millions of Dollars)

Organization	FY 1979 Estimate	FY 1980 Estimate
Office of the Secretary	$ 48	$ 49
Coast Guard	1,549	1,637
Federal Aviation Administration	3,137	3,136
Federal Highway Administration	7,929	8,512
National Highway Traffic Safety Administration	255	260
Federal Railroad Administration	1,806	1,982
FRA without Amtrak	(1,027)	(1,222)
Amtrak	(779)	(760)
Urban Mass Transportation Administration	3,517	3,516
UMTA (Regular)	(2,817)	(2,816)
Interstate Transfer Grants	(700)	(700)
Research and Special Programs Administration	25	26
TOTAL	$18,266	$19,118

a/ A combination of budget authority, obligations, and loan guarantees are combined in order to gauge the overall transportation activity.

DEPARTMENT OF TRANSPORTATION
COMPARISON OF BUDGET AUTHORITY, OBLIGATIONS AND OUTLAYS FY 1979 and 1980
(In Millions of Dollars)

	Budget Authority		Obligations		Outlays	
	FY 1979	FY 1980	FY 1979	FY 1980	FY 1979	FY 1980
Office of the Secretary..................	$ 50	$ 47	$ 52	$ 57	$ 55	$ 51
Coast Guard............................	1,546	1,637	1,546	1,652	1,426	1,523
Federal Aviation Administration...........	3,107 a/	3,096	3,105	3,036	2,949	2,994
Federal Highway Administration............	8,291	8,696	8,110	8,554	6,885	7,230
National Highway Traffic Safety Administration	260	263	260	261	247	248
Federal Railroad Administration...........	1,617	1,671	1,770	1,672	1,568	1,316
FRA without Amtrak.....................	(838)	(911)	(991)	(912)	(789)	(682)
Amtrak................................	(779)	(760)	(779)	(760)	(779)	(634)
Urban Mass Transportation Administration...	2,361	2,421	3,517	3,516	2,250	2,455
UMTA (Regular).........................	(1,961)	(2,041)	(2,817)	(2,816)	(1,750)	(1,955)
Interstate Transfer Grants.............	(400)	(380)	(700)	(700)	(500)	(500)
St. Lawrence Seaway Development Corporation	--	--	8	9	-1	-2
Research & Special Programs Administration	25	26	26	28	24	23
Subtotal...........................	17,258	17,858	18,394	18,784	15,403	15,838
Deduct: Proprietary Receipts from public..	-40	-45	xxx	xxx	-40	-45
TOTALS	$17,218	$17,813	$18,394	$18,784	$15,363	$15,793

NOTE: Columns may not add due to rounding.

a/ Excludes $54M reappropriation for Facilities and Equipment.

U.S. Department of Transportation
news:
Office of Assistant Secretary for Governmental and Public Affairs
Washington, D.C. 20590

FOR RELEASE TUESDAY
Jan. 23, 1979

DOT 10-79
Contact: William Bishop
Phone: (202) 426-4321

45 STATES GET 1979
PIPELINE SAFETY GRANTS

Grants totalling $2.9 million will be allocated in 1979 to 45 states and two territories to strengthen gas pipeline safety programs, the Department of Transportation announced today.

The grants, made by DOT's Materials Transportation Bureau, will be used to pay for personnel, training equipment and other costs of gas pipeline safety programs. The amount allocated to each state is based on the estimated cost of each state's gas pipeline safety activities in 1979.

The allocation for 1979 pipeline safety programs is $200,000 greater than in 1978.

States that did not apply for federal assistance for pipeline safety programs in 1979 are Alaska, Florida (Public Service Commission), New Mexico, Oklahoma, South Carolina, and Texas.

A list of allocations follows:

- more -

ALLOCATION OF FY 1979 FEDERAL FINANCIAL ASSISTANCE FUNDS FOR GAS PIPELINE SAFETY PROGRAMS

State	Amount of Federal Funds	Payment Agreement No.
ALABAMA	$ 173,695	DOT-GB-90001
ARIZONA	23,745	DOT-GB-90002
ARKANSAS	67,825	DOT-GB-90003
CALIFORNIA	130,030	DOT-GB-90004
COLORADO	35,914	DOT-GB-90005
CONNECTICUT	38,650	DOT-GB-90006
DELAWARE	6,543	DOT-GB-90007
FLORIDA (Fire Marshal)	39,533	DOT-GB-90008
GEORGIA	79,250	DOT-GB-90009
HAWAII	12,500	DOT-GB-90010
IDAHO	12,872	DOT-GB-90011
ILLINOIS	117,075	DOT-GB-90012
INDIANA	58,742	DOT-GB-90013
IOWA	35,022	DOT-GB-90014
KANSAS	42,150	DOT-GB-90015
KENTUCKY	118,519	DOT-GB-90016
LOUISIANA	140,385	DOT-GB-90017
MAINE	12,431	DOT-GB-90018
MARYLAND	17,992	DOT-GB-90019
MASSACHUSETTS	43,618	DOT-GB-90020
MICHIGAN	126,230	DOT-GB-90021
MINNESOTA	44,690	DOT-GB-90022
MISSISSIPPI	69,279	DOT-GB-90023
MISSOURI	53,646	DOT-GB-90024
MONTANA	20,458	DOT-GB-90025
NEBRASKA	45,071	DOT-GB-90026
NEVADA	19,582	DOT-GB-90027
NEW HAMPSHIRE	8,201	DOT-GB-90028
NEW JERSEY	79,702	DOT-GB-90029
NEW YORK	359,685	DOT-GB-90030
NORTH CAROLINA	77,570	DOT-GB-90031
NORTH DAKOTA	9,225	DOT-GB-90032
OHIO	72,589	DOT-GB-90033
OREGON	54,675	DOT-GB-90034
PENNSYLVANIA	100,771	DOT-GB-90035
RHODE ISLAND	64,794	DOT-GB-90036
SOUTH DAKOTA	20,582	DOT-GB-90037
TENNESSEE	109,379	DOT-GB-90038
UTAH	22,303	DOT-GB-90039
VERMONT	16,893	DOT-GB-90040
VIRGINIA	41,200	DOT-GB-90041
WASHINGTON	35,863	DOT-GB-90042
WEST VIRGINIA	76,900	DOT-GB-90043
WISCONSIN	61,145	DOT-GB-90044
WYOMING	54,712	DOT-GB-90045
DISTRICT OF COLUMBIA	40,250	DOT-GB-90046
PUERTO RICO	21,834	DOT-GB-90047
TOTAL	$2,913,720	

U.S. Department of Transportation
news:
Office of Assistant Secretary for Governmental and Public Affairs

Washington, D.C. 20590

DOT 09-79
Contact: Boaz
Phone: 202/426-9550

FOR RELEASE AT 12 NOON EST
TUESDAY, JANUARY 23, 1979

ADAMS ASKS U.S. AUTOMAKERS TO EXCEED 27.5 MPG FUEL ECONOMY STANDARD IN 1985

Secretary of Transportation Brock Adams today said the fuel economy standards for 1979 through 1985 automobiles provide not just a challenge but an opportunity for the american auto companies.

These standards are "technologically and economically practicable," Adams said, and "we believe the auto industry can and should work to exceed them."

Saying he was aware of the recently expressed industry concerns, Secretary Adams called on the auto companies "to cooperate with the government in what must be a mutual effort to get on top of the energy situation."

"I am asking the industry to join us, not fight us," he said. The 27.5 mile-per-gallon standard for 1985 "should not be viewed as a plateau along the way as we move toward the new automobiles of the 1990's."

Adams made his comments at a news briefing after sending Congress the third annual report on the Automotive Fuel Economy Program, prepared by DOT's National Highway Traffic Safety Administration.

"The costs involved in meeting the standards are high," Adams noted, "but those costs represent an investment in the U.S. economy. On the other hand the cost of not meeting the standards means dollars being spent for foreign fuel -- and money in OPEC's pocket."

- more -

Looking ahead to the 1990's, Adams said, "It will clearly be necessary to leapfrog the 1985 standard with new technology if we are to continue to enjoy the mobility our cars provide and still live within our energy means."

In submitting the report, Adams said, "On the basis of three years of experience, we can say the fuel economy program is working. The companies are building lighter, smaller, more efficient cars -- and people are buying them."

"Transportation accounts for 55 percent of the total U.S. consumption of petroleum, and automotive fuel economy is the nation's single most important energy-saving program.

"Through it," Adams said, "we can save 220 billion gallons of petroleum by 1990; save motorists $60 billion in unnecessary fuel costs in 1978 dollars; cut oil imports 15 percent by 1985; and reduce the trade deficit by $7 billion in 1985 and by nearly $12 billion by 1990." (The fuel-saving estimate is based on 65 cents a gallon for gasoline.)

"I know there is some apprehension within the industry," Adams said, "but the 1985 standard was set to give stability in regulation. The automakers as of this date have not petitioned for change. The auto industry has just had three excellent years and is a strong and vital part of our economy. There are mechanisms that can be applied in the event of economic problems or other factors requiring relief for companies encountering severe difficulties."

The report to Congress predicted that savings from more efficient cars and light trucks would permit a reduction in projected U.S. oil imports by 15 percent in 1985, and 20 percent in 1990.

At the price of $14.50 per barrel of imported oil, the improved fuel economy would reduce this nation's trade deficit by $7.2 billion in 1985 and $11.8 billion in 1990.

Joan Claybrook, National Highway Traffic Safety Administrator, said that as a result of the greater fuel economy "the average purchaser of a 1985 model year car will save $500 in operating expenses over the life of the car, when compared to a 1977 model."

Claybrook also pointed out that, "in meeting these standards, domestic automakers will derive substantial competitive benefits in the U.S. market as well as abroad."

The report projected that from 1978 through 1984 the additional investment by the auto industry to achieve the mandated fuel economy standards will be $11.5 billion. Its total investment will reach $36 billion. In the same period, American auto industry revenues are predicted to be $590 billion, the report said.

Other highlights of the 153-page report include:

- All foreign carmakers can meet the 1985 standards, although Mercedes-Benz, BMW, Volvo, and Peugeot probably must rely on diesel engines in their fleets to meet the 27.5 mpg standard.

- NHTSA estimates the average weight of new passenger cars can be reduced from about 3900 pounds in the 1977 model year to about 3000 pounds in 1985. This reduction alone could increase fuel economy by about 23 percent.

- In response to the fuel economy program, auto manufacturers will speed up the changeover cycle for new models and increase the scope of changes to vehicle size and structure, engines and drive-trains, and other parts. Rather than patching a new body style on an old drive-train, the cars can be engineered as a coherent unit to incorporate the best technology for fuel economy, occupant protection, damage protection and emissions control.

- Manufacturers will have a chance to improve productivity by modernizing and upgrading plants and facilities, some of which are becoming obsolescent.

- The reduction in average car size will reduce the amount of materials needed to build an automobile. Based on 1977 costs, a 700 pound down-sizing conservatively will save the manufacturers an estimated $210 per vehicle.

- U.S. automakers, as a result of the increased efficiencies and reduction in car weight, will be more competitive with foreign manufacturers both in this country and abroad.

In the report, DOT also recommended that automakers producing fewer than 10,000 vehicles per year be exempt from both the fuel economy standards and the semi-annual reporting requirements. An example would be Checker Motors. Specific standards for these companies impose a heavy regulatory burden on small business and conserve little fuel.

The annual report comments on the progress that industry is making in meeting the standards set by Congress in 1975 and by Secretary Adams in 1977. The standards for passenger cars are 19 mpg in 1979; 20 mpg in 1980; 22 mpg in 1981; 24 mpg in 1982; 26 mpg in 1983; 27 mpg in 1984; and 27.5 mpg in 1985.

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U.S. Department of Transportation
news:

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

FOR RELEASE WEDNESDAY
Jan. 24, 1979

DOT 11-79

Contact: Howard Coan
Phone: (202) 426-4321

DOT REPORTS DRIVE
ON RED TAPE RESULTS
IN LARGE SAVINGS

A drive to reduce paperwork and red tape at the Department of Transportation has resulted in substantial savings, DOT has reported to the U.S. Regulatory Council.

The first two years of the continuing program to simplify and improve DOT regulations has proven beneficial to consumers and has increased the productivity of departmental employees, Linda Heller Kamm, DOT General Counsel, said today. She noted that the department also is meeting President Carter's objectives for improving government regulations.

Some specific examples of efforts by agencies within DOT to reduce the regulatory burden include:

- The Federal Highway Administration carried out an extensive study of how to simplify and modernize its management and fiscal information systems. More than 60 percent of the recommended changes have been completed. It is estimated these improvements will save over 105,000 work-hours each year.

The savings are shared by the federal and state governments and private contractors. At current salary levels, the employee time saved is worth almost $1.5 million.

- FHWA has eliminated 68 forms designed mainly for internal use. The agency also requires a training report from federal-aid highway contractors to be filed two, instead of four, times a year, which saves 8,468 hours of reporting time.

- The Federal Aviation Administration has reduced the reports and records required of air taxi and commercial operators by more than two-thirds, saving more than 200,000 hours of work.

- The Urban Mass Transportation Administration has revised its procedures for providing operating and capital assistance to transit systems. This has reduced paperwork up to 75 percent and has allowed for easier preparation, review and earlier submission and approval of applications for assistance.

- The Coast Guard is proposing regulatory change which revises inspection requirements for pressurized containers, such as compressed air cylinders, to reduce paperwork and facilitate manufacturing. The Coast Guard estimates that 90,000 work hours a year will be saved by industry and the government as a result of the change.

In seeking to make sure its regulatory program is as effective and reasonable as possible, DOT also has developed new procedures to process and review regulations. It has expanded opportunities for public participation and has worked to reduce interagency duplication in regulations.

On Feb. 26 DOT will publish the third edition of its regulations agenda which lists all pending or proposed regulatory actions. In the future, DOT will publish an agenda every six months.

DOT also publishes a newsletter, which is sent to some 5,000 consumer groups and individuals. It contains a list of items on its regulations agenda that are of special interest to consumers.

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U.S. Department of Transportation
news:
Office of Assistant Secretary for Governmental and Public Affairs
Washington, D.C. 20590

FOR RELEASE SUNDAY AMs
January 28, 1979

DOT 12-79
Contact: Bill Bishop
Phone: (202) 426-4321

ADAMS CALLS AUTO
TECHNOLOGY MEETING

Following up on his challenge to the automobile industry to develop a new car for the future, Secretary of Transportation Brock Adams has invited scientific and technical experts from around the country to a two-day conference in Boston Feb. 13-14.

This is the first in a series of events Adams has scheduled to continue to focus attention on the need for a more fuel efficient and safe automobile. A Spring conference will be held in Washington, D.C., to discuss automotive innovations.

The Secretary also announced today that he will go to Dearborn, Mich., on Feb. 28 at the invitation of Henry Ford to visit the Ford Motor Company's research facilities and to get a report on the progress of Ford's research efforts.

The Boston meeting, to be held at the Sheraton-Boston Hotel, will be open to the public and is expected to be attended by several hundred leaders from industry, academic institutions and independent research and consumer groups. Members of Congress and federal officials are among some 600 persons invited.

Secretary Adams will open the two-day session and will be introduced by Dr. Jerome Wiesner, president of the Massachusetts Institute of Technology and a former White House science advisor in the Kennedy Administration.

- more -

The conference itself will discuss basic research activities which could provide a pool of technological options for automobile manufacturers to develop and apply during the post 1985 period.

"We face many challenges in transportation in the future," Adams said, "but the biggest of these, perhaps, is to produce a 'socially responsible' automobile -- one we can live with and one with energy requirements we can afford in the 1990s and beyond."

"We are already using well over 100 billion gallons of motor fuel a year in our cars and trucks. And we expect this total to increase despite the fleet average fuel economy standards we have set for 1985 of 27.5 miles per gallon," Adams said.

"To achieve the necessary fuel economy, we clearly will have to leapfrog the 1985 standards with new technology if we hope to continue to enjoy the mobility our cars provide," he added.

Analyses by the department indicate that to hold the use of motor fuels to tolerable levels may require a redoubling of the fleet fuel economy average before the turn of the century.

"We must intensify our efforts to develop a new engine to power our cars," the Secretary said. "I have asked the industry to join us in an all-out search for the engine and the car of the future."

The conference agenda will include three panel discussion areas: engines; fuel and powertrain systems; and vehicle structures and materials.

The agenda is planned to stimulate discussion by the panelists on the basic research requirements for establishing and expanding the limits of automotive technology for the long term future.

All discussions and meetings of the panel will be open to the public and questions and comments for the audience will be permitted at certain points in the panel discussions.

Questions concerning details of the meeting may be directed to Jerry Sadow of the Transportation Systems Center, Kendall Square, Cambridge, MA., at 617-494-2227.

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U. S. Department of Transportation

news:

Office of Assistant Secretary for Governmental and Public Affairs

Washington, D.C. 20590

DOT 13-79

Contact: Howard Coan
Phone: (202) 426-4321

FOR RELEASE MONDAY
Jan. 29, 1979

DOT URGES ICC TO CHANGE
RULE ON FREIGHT HAULING
BY AFFILIATED FIRMS

The Department of Transportation has urged the Interstate Commerce Commission to declare that the freight hauled for a fee by one corporate affiliate for another is private unregulated transportation.

In comments filed with the ICC late Friday, Jan. 26, DOT called on the ICC to lift its ban on this practice, called intercorporate hauling.

Under the commission's past policy, corporate affiliates have been prohibited from carrying freight for each other unless they first obtain an ICC certificate or permit and subject themselves to ICC economic regulation.

On Dec. 11, the ICC had asked for comments on issues related to intercorporate hauling.

If two corporations have a common basis of economic interests, said Linda Heller Kamm, DOT's General Counsel, the commission "has no basis for intruding into any intercorporate transportation relationship which they may create."

Kamm added, "While some traffic may be diverted from existing for-hire carriers, the overall benefits to the national transportation system of increased competition, fuel economy, greater efficiency and lower costs, which will result from a policy permitting unregulated intercorporate hauling, far outweigh any detrimental effects on regulated carriers."

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U.S. Department of Transportation
news:

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

FOR IMMEDIATE RELEASE
January 29, 1979

DOT 14-79
Contact: Jerry Clingerman
Phone: (202) 426-4321

DOT OPPOSES MERGER
OF CONTINENTAL, WESTERN

The U.S. Department of Transportation today urged the Civil Aeronautics Board not to approve a merger between Continental Air Lines and Western Air Lines.

In written comments to the CAB, DOT General Counsel Linda Heller Kamm said, "Such a merger, we believe, would significantly lessen competition without providing the necessary transportation needs and conveniences to offset the anti-competitive effects."

Kamm noted the carriers are the seventh and eighth largest U.S. trunk carriers and their routes overlap in several Western cities.

The general counsel said approval of the merger would result in less actual competition in eight Western markets with one, San Diego-Denver, becoming a monopoly market. Four other routes would become two-carrier markets.

"Approximately three million passengers would be affected by the lessening of competition," Kamm noted.

In addition, the merger would affect potential competition in 47 markets serving nine million passengers and result in increased concentration at six major Western hub cities: Denver, Honolulu, Los Angeles, Phoenix, Portland and Seattle.

"There is no legal or transportation system rationale for believing that it is necessary to create such a dominant carrier in these markets by merger," Kamm said.

- more -

"Further," the general counsel added, "we believe that benefits which may result from the merger will go mainly to the affected firms and not to the public."

The general counsel noted that consumers in the Western states depend on a strong air transportation system for movement in short and medium range markets.

"As a national transportation matter it is important that consumers in this area continue to receive adequate levels of service and that existing service not be diverted to long-haul markets," Kamm said.

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news:
Office of Assistant Secretary for Governmental and Public Affairs
Washington, D.C. 20590

ADVANCE FOR 1:30 P.M. EST
Wednesday, January 31, 1979

DOT 15-79
Contact: Bill Bishop
Phone : (202) 426-4321

ADAMS OUTLINES POLICY TO REVITALIZE RAILROADS

NEW YORK, N.Y. -- Secretary of Transportation Brock Adams today announced a three-part program designed to revitalize and streamline the nation's freight-hauling and passenger railroad system.

In remarks prepared for a news conference held in Penn Station, New York City, the Secretary:

* Announced DOT's proposals to free the freight-hauling railroads from economic regulation by the federal government and to give them the financial incentives and assistance needed to compete with other modes of transportation.

* In response to a congressional mandate, recommended a streamlined national network for the Amtrak rail passenger system that will continue to serve 91 percent of the passengers, although it is 43 percent smaller in route-miles.

* Reiterated the Administration's support of an expanded program to rehabilitate the Boston-to-Washington railroad corridor.

"The President has called for a new foundation of American confidence, and no part of our economy needs a new foundation more than the nation's rail system," Secretary Adams said.

"We are proposing," he said, "nothing less than the final alternative to public ownership -- a last chance for a privately owned rail system in this country."

- more -

For the freight railroads, Adams said the department proposes greater freedom from government control over rates, routes and mergers.

Adams pointed out that the railroads operate a 194,000-mile freight system, but that two-thirds of the traffic moves over just 40,000 miles of the system.

"Twenty percent of the plant is doing 67 percent of the work," he said. "The system must be restructured and rail economies revitalized."

During the period from 1978 through 1985, Adams said the short-fall between the revenues the railroads will generate and the capital they will require will come to between $13 and $16 billion. Rather than meet this financial need by means of government subsidy, the Secretary said the Administration will propose a legislative program to stimulate fundamental changes, including:

* Gradual reduction of Interstate Commerce Commission authority over rates.

* Encouragement of a leaner, more efficient rail network through consolidation, market swaps, joint-use agreements and merger.

Secretary Adams said he has recommended in a report to Congress, required by the Amtrak Improvement Act of 1978, a revised Amtrak network that retains border-to-border and coast-to-coast service but which eliminates 43 percent of the existing mileage, although capable of serving 91 percent of the present ridership.

Adams said the recommended routes will serve 22 of the nation's 25 largest population centers, 40 of the 50 largest cities and a total of 40 states.

The taxpayers have been paying an increasing share of Amtrak's costs and the passengers are paying less, Adams said. "Five years ago it was dollar for dollar. Today the customer is paying only 59 cents for every dollar provided by the taxpayer."

Continuing the existing Amtrak network will require a federal subsidy of nearly $6 billion for the five years 1980 through 1984, Adams said. The proposed slimmed-down system can be operated with an estimated $4.6 billion in federal support, a tax saving of $1.4 billion, he said.

"Let me emphasize," Adams said, "that we are not selling Amtrak short. I have confidence in Amtrak's ability to attract ridership in selected markets, and I believe the public and Amtrak both will be better served by focusing on the routes with the greatest promise."

The Amtrak network recommended by the Secretary would retain three north-south and three east-west routes.

The recommended north-south routes would connect New England and the Northeast with Florida; the upper Midwest with the Gulf Coast; and the Northwest with Southern California.

One proposed east-west route would connect the Northeast with Chicago and points on the West Coast, including Seattle, San Francisco, Los Angeles and Las Vegas. Another east-west service also would be offered between the Gulf Coast, points in Texas and Southern California.

The Amtrak Improvement Act of 1978 provides that the Secretary's final report "shall be deemed approved unless, within 90 calendar days of continuous session, either house of Congress adopts a resolution of disapproval."

In addressing the problems of the Northeast Corridor project, which will upgrade rail passenger service between Boston and Washington, Adams said he will request Congress to authorize $654 million in addition to the $1.75 billion already approved and to extend the completion date from 1981 to 1983.

When the project is completed, passenger trains are expected to be able to travel at speeds up to 120 miles per hour.

"We believe the development of safer, more comfortable, high-speed rail service between the cities along the corridor is a good investment," Adams said. "It is one that will pay future dividends in the form of reduced maintenance costs, greater realiability, energy savings and increased passenger comfort and convenience."

"But, he said, "we want the job done right, so that all the users of the corridor -- freight, commuter and intercity passengers -- are accommodated and ther schedules coordinated."

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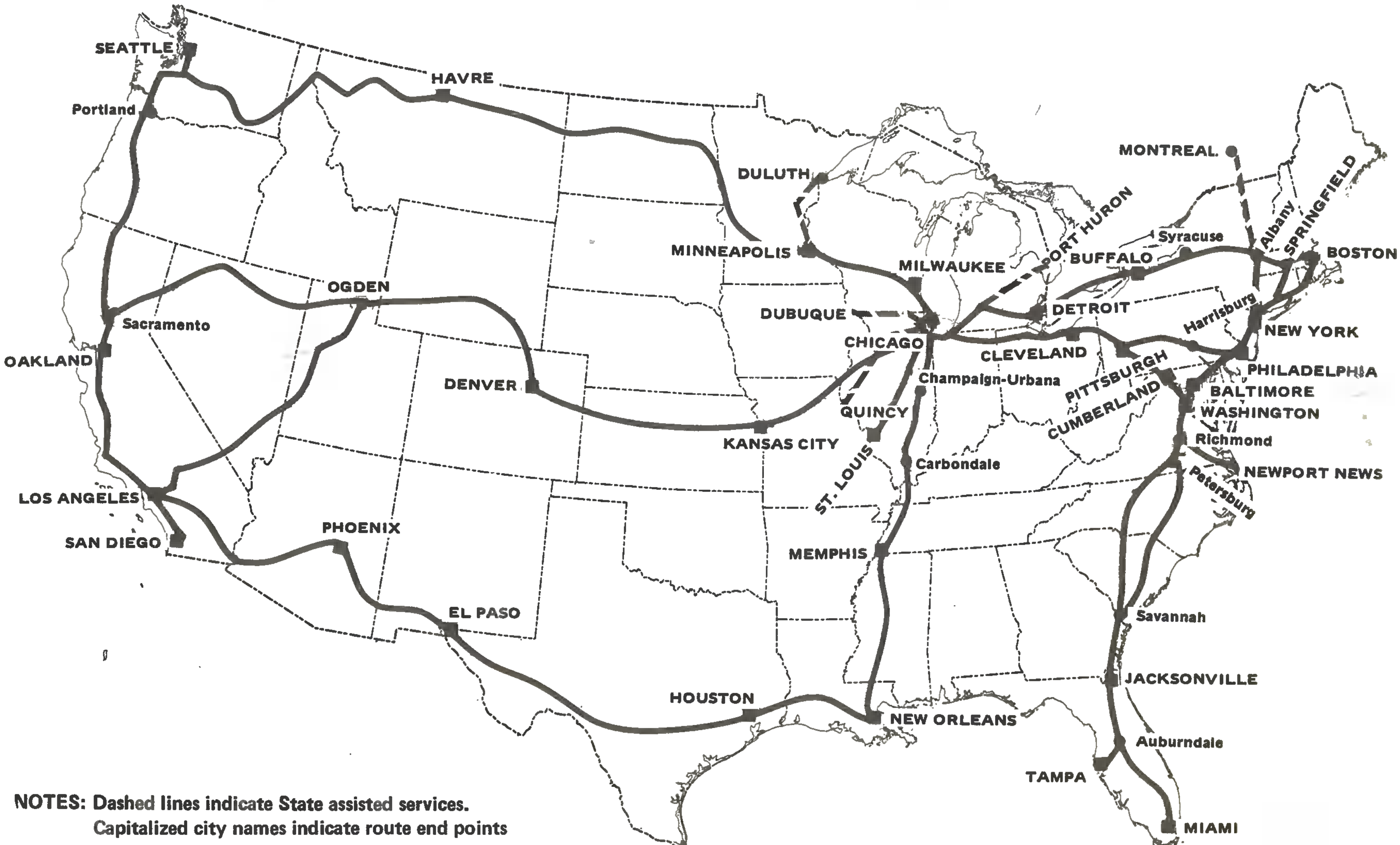
CURRENT * AMTRAK SYSTEM

* as of February 1, 1979

RECOMMENDED AMTRAK ROUTE SYSTEM



NOTES: Dashed lines indicate State assisted services.
Capitalized city names indicate route end points and principal intermediate points.
Other city names indicate points within routes at which some trains turn or diverge.