

# U. S. Department of Transportation

# news:



Office of Public Affairs

Washington, D.C. 20590

FOR RELEASE 12 NOON EST  
Monday, February 4, 1980

DOT 13-80  
Contact: Howard Coan  
Phone: 202-426-4321

## COLORADO COUNTY OFFICIAL NAMED DOT REGIONAL AIDE

Pete M. Mirelez, the chairman of the Adams County, Colo., board of commissioners, today was appointed a western regional representative for U.S. Secretary of Transportation Neil Goldschmidt.

At the same time, Mirelez announced his resignation from the Adams County board of commissioners, effective Feb. 15.

Mirelez, 43, will be the Secretary's representative for Region 8, which is headquartered in Denver and includes Colorado, Utah, Wyoming, Montana, and North and South Dakota.

A Colorado native, Mirelez will be sworn in on Feb. 19 in Denver by Ray Warner, Deputy Assistant Secretary of Transportation for Intergovernmental Affairs.

Appointed by Colorado Gov. Richard D. Lamm to the Adams County board in December 1975 to fill an unexpired term, Mirelez was elected the next year to a full four-year term as one of the three county commissioners. The board is responsible for 1,000 employees and a \$49 million budget in the suburban Denver county, which has a population of 240,000.

Until two years ago, Mirelez also was a Denver consultant for government agencies, private companies and community organizations, mainly in the areas of economic development, manpower training and education.

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Mirelez has been involved extensively at all governmental levels with improving the living standards and economic conditions of migrant and seasonal farm workers. At the federal level, in 1972 he was chief of the Migrant Division in the Office of Economic Opportunity in Washington, D.C., and in 1975 he was the coordinator of migrant programs for the U.S. Department of Labor's regional director in Denver.

Mirelez also has directed migrant farm worker programs in Boulder, Colo., and Fresno, Calif., and was executive director of Adams County War on Poverty, Inc., in Brighton, Colo., in 1966.

From 1962 to 1965, Mirelez was the supervisor of juvenile probation officers in Brighton.

Currently, Mirelez is on the boards of several national and regional health planning groups. In addition, he is a member of the executive committee and a director of the Denver Regional Council of Governments and is vice chairman of the Denver Metropolitan Study Panel, which is concerned with regional government.

Among his many other organizational memberships, he is on the board of the Adams County Chamber of Commerce and the Adams County United Way.

Born in La Salle, Colo., Mirelez was raised in Gilcrest, Colo. He was graduated from Nebraska State College in Chadron in 1959 with a B.S. degree in education and has done graduate work in educational psychology at the University of Northern Colorado in Greeley.

Mirelez lives in Northglenn, Colo., with his wife, the former Mary Martinez, and their son and three daughters.

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# U. S. Department of Transportation

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Office of Public Affairs  
Washington, D.C. 20590

FOR RELEASE MONDAY  
February 4, 1980

DOT 14-80  
Contact: David Sonderegger  
Phone: (202) 426-4518

DOT PROPOSES RULE,  
SETS DESIGN STANDARDS  
FOR LNG FACILITIES

The Department of Transportation today announced new standards for the safe design and location of liquified natural gas (LNG) facilities and also proposed new safety regulations to govern the operation of present facilities.

Both the new and proposed regulations will be published in the February 7 Federal Register.

The design standards take effect March 15 this year. Their purpose is to prevent accidents caused by controllable factors such as flaws in design or faulty construction, and by forces such as earthquakes. They also seek to minimize the effects of possible accidents.

Among the more important new design elements called for are back-up safety features such as a special safety zone around each facility, manual and automatic shut-off valves, special precautions to prevent failure of LNG storage tanks, and a system of dikes to contain escaped liquified gas and prevent it from endangering the facility itself or escaping to neighboring property.

The proposed operating regulations prescribe standards in the areas of employee qualifications and training, security of the facility, operating procedures, maintenance, inspection, gas detection and corrosion control, emergency preparedness, including evacuation planning, fire prevention and coordination with fire and law enforcement authorities.

Identical regulations governing the operation of waterfront LNG facilities are expected to be proposed soon by the Coast Guard.

Comments on the proposed regulations announced today can be submitted until May 9, 1980, to the Dockets Branch, Room 8426, Department of Transportation, Materials Transportation Bureau, Washington, D.C. 20490.

# U.S. Department of Transportation

# news:



Office of Public Affairs  
Washington, D.C. 20590

FOR RELEASE MONDAY  
February 4, 1980

DOT 15-80  
Contact: Wilbur Martin  
Phone: (202) 426-4321

## DOT RECEIVES FIRST BIDS FOR MILWAUKEE-ROCK ISLAND LINES

The Department of Transportation today announced the receipt of first bids to take over most of the service of the bankrupt Rock Island and Milwaukee railroads in 12 midwest, western and southern states.

Secretary of Transportation Neil Goldschmidt pointed out that for Rock Island properties, 17 bids were received covering 65 percent of the present mileage and 88 percent of present traffic. On the Milwaukee, 17 bids, plus the core, covered 77 percent of the present mileage and 96 percent of the current traffic.

The receipt of the initial bids is a major step forward in the midwest rail restructuring, Goldschmidt said, although much detail remains to be resolved.

The initial bids showed 11,614 miles out of the 16,079 covered by the two rail systems in the dozen states would be retained in a vast rail restructuring.

The Department said the primary goal of the restructuring was to make sure the major segments of the Rock Island and Milwaukee railroads were absorbed by other carriers with as little impact as possible on communities served by the lines, shippers and employees.

DOT officials emphasized settlement of labor issues is a key factor in any final purchase decision by bidders.

Not every prospective purchaser submitted bids, and DOT said it would continue to hold discussions with any interested parties. The Department said it hoped by Feb. 19 to be able to recommend to the Interstate Commerce Commission specific services of the two bankrupt lines to be continued; designation of interim operators, and means of funding interim operations after March 2.

March 1 has been set as the target date when the two railroads can undergo major change under the complex bankruptcy rules affecting them.

On the Rock Island, ten bids were Class I railroads, seven were from smaller railroads. Major line segment bidders were the Grand Trunk Western (Chicago to Council Bluffs and Des Moines to Kansas City), the Kansas City Southern (Minneapolis-St. Paul (Twin Cities) to Kansas City and Chicago to Council Bluffs,) the Katy (Herington to Ft. Worth-Dallas), the Chicago and North Western (Twin Cities to Kansas City) and the St. Louis via Kansas City). The C&NW also bid for eight branches in Iowa and Illinois.

On the Milwaukee, five bids (including Milwaukee II) were from Class I railroads, eight were from smaller railroads, two were from industrial corporations, and three were from states. Major bidders west of Miles City, Montana included the State of Montana (main line and branches from Miles City to Marengo, Washington) and the Union Pacific and the Burlington Northern (various segments in Washington, Idaho and Montana). East of Miles City, major bidders included the State of South Dakota (branches in that state), the State of Wisconsin (branches in that state), and the Escanaba and Lake Superior (208 miles in Michigan and Wisconsin). The Chicago and North Western also bid on six branches in Iowa and one in Michigan.

Subsidiaries of Weyerhaeuser, Potlatch, Georgia-Pacific, and Iowa Electric all expressed interest in short line ownership.

Of major concern to DOT in the rail restructuring is service to markets centered on the Rock Island's Omaha-Denver line through Nebraska, Kansas and Colorado, and on Milwaukee services in Iowa, Montana and South Dakota.

The Denver to Rio Grande Western Railroad had considered purchase of the entire Omaha-Denver line, but did not submit a bid. DOT said it will now work with railroads which cross the line at various points in order to continue as much service as possible.

The Department has told the states of Montana and South Dakota it would work with them if they wanted to purchase major line segments of the Milwaukee which otherwise would be abandoned.

While not all rail services will be continued through the sale and transfer process, each state has been allocated funds from the rail assistance program to preserve rail services it believes to be essential for transportation, environmental or social needs.

Of the \$90 million available to all states in FY 1980, \$59 million has been apportioned to the 23 states served by the Milwaukee and Rock Island.

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# U. S. Department of Transportation

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Office of Public Affairs

Washington, D.C. 20590

FOR RELEASE THURSDAY  
February 7, 1980

DOT 16-80  
Contact: Dennis Deuschl  
Phone: (202) 426-3574

## SEAWAY'S 1979 TONNAGE SURPASSES 55-MILLION MARK

The Department of Transportation reported today that 55.3 million metric tons of cargo moved through the Montreal-Lake Ontario section of the St. Lawrence Seaway in 1979, the third consecutive year in which traffic volume exceeded the 55 million ton level.

In 1978, Seaway tonnage amounted to 56.9 million. The 57.4 million metric tons transported in 1977 remains the Seaway record.

David W. Oberlin, Administrator of DOT's Saint Lawrence Seaway Development Corp. said, "The 1979 results indicate that the strong traffic momentum begun in 1977 remains steady.

"Despite grain handler strikes at Seaway ports last year, substantial export grain passed through the Seaway system with an extra boost from the three-day delay in the Seaway navigation season clearance date last December. Total Seaway grain exports in 1979 contributed significantly to the nation's farm economy and balance of payments," he said.

Oberlin also noted that "over the past 20 years, the U.S.-Canadian partnership that has operated the system has made it one of the world's most successful international trade routes. This partnership and the system's economic and energy-saving advantages should ensure the continued success of the Seaway in the 1980s."

Total grain cargoes transiting the Seaway in 1979 amounted to 24.7 million metric tons. Although this was 11 percent less than the record grain totals of the previous year, 1979 still ranked as the Seaway's second highest grain shipment year. The decline in total grains was due primarily to a prolonged strike at the Port of Duluth (Minn.) - Superior (Wis.) -- one of the Seaway's major wheat-handling ports. Among the specific grain categories, only barley and corn registered increases -- with corn shipments setting a Seaway record.

Iron ore cargoes on the Seaway last year showed a gain of 9.4 percent, a recovery from 1978 when labor strikes in northeastern Canada caused a sharp decline in iron ore traffic.

A decrease in the Seaway's 1979 general cargo volume reflected the continued impact of the U.S. trigger pricing policy on steel imports into the Great Lakes region.

1979 TONNAGE MOVED THROUGH SEAWAY'S MONTREAL-LAKE ONTARIO SECTION

	1979 Total Tonnage (Millions of Metric Tons)	<u>%Increase/Decrease vs. 1978</u>
BULK CARGO .....	51.4	- 01.8
Grains .....	24.7	- 10.9
Wheat .....	10.0	- 28.7
*Corn .....	7.1	+ 09.8
Soybeans .....	1.4	- 33.9
Barley .....	3.2	+ 26.3
Other .....	3.0	+ 18.5
Iron Ore .....	14.8	+ 09.4
Petroleum Products .....	2.8	+ 15.8
Other Bulk .....	9.1	+ 05.1
GENERAL CARGO .....	3.9	- 15.0
Iron & Steel .....	3.1	- 12.9
Containerized .....	.2	- 15.8
Other General .....	.6	- 25.1
GRAND TOTAL .....	55.3	- 02.8

\*Indicates Seaway Record

NOTE: In conformance with the revised Joint Seaway Tariff of Tolls that became effective in 1978, tonnage statistics beginning with that year are maintained on a metric rather than short ton basis. One metric ton equals 1000 kilograms or 2,204.62 pounds.

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Office of Public Affairs  
Washington, D.C. 20590

FOR RELEASE FRIDAY  
February 8, 1980

DOT 17-80  
Contact: Howard Coan  
Phone: (202) 426-4321

GOLDSCHMIDT NAMES  
IOWAN AS REGIONAL  
AIDE FOR MIDWEST

Robert A. Krause, a former Iowa state legislator who specialized in transportation issues, today was appointed regional representative for U.S. Secretary of Transportation Neil Goldschmidt.

Krause, 30, will be the representative for Region 7, which is headquartered in Kansas City, Mo., and includes Missouri, Iowa, Kansas and Nebraska.

Krause served in the Iowa General Assembly from 1972 to 1978. As chairman of the Iowa House Transportation Committee during his last four years in the legislature, Krause dealt with all proposed legislation relating to state and local transportation. During that time, the Iowa General Assembly approved the nation's first statewide regional transit law, revised the state's railroad laws and improved highway and airport safety.

Besides his chairmanship, Krause was a member of the House Appropriations, Agriculture and Commerce committees. During his first term, he was assistant minority whip.

Krause has spoken on midwest rail problems before a number of national and state groups, including the Midwest Conference of the Council of State Governments, the National Conference of State Railway Officials and the Wisconsin Federation of Cooperatives.

- more -

The Association of Transportation Clubs of Iowa also has selected him as the state chairman for this year's Iowa Transportation Week.

Before his federal appointment, Krause was transportation manager for Land O' Lakes Agricultural Services, a farm supply cooperative in Fort Dodge, Iowa. He managed shipments of feed, fertilizer, farm chemicals and other items in a seven-state area.

In that job, he also initiated methods of saving energy and lowering shipping costs for farmers.

A captain in the Iowa National Guard, Krause has served on a part-time basis since receiving his reserve officer's commission in 1972. He is in the Transportation Corps and was graduated in 1973 from the Transportation Officer's School in Fort Eustis, Va.

Born in Algona, Iowa, Krause grew up on his family's farm in Fenton, Iowa. He was graduated from the University of Iowa in 1972 with a bachelor's degree in political science.

Krause and his wife, Sue Baker-Krause, currently are residents of Fort Dodge, Iowa.

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# U. S. Department of Transportation

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Office of Public Affairs  
Washington, D.C. 20590

FOR RELEASE FRIDAY  
February 8, 1980

DOT 18-80  
Contact: Clyde Linsley  
Phone: (202) 426-2147

FEDERAL AGENCIES  
MOVE AHEAD  
ON CENTURY FREEWAY

The U.S. Department of Transportation and other Federal agencies participating in the Los Angeles Century Freeway project today took several steps to follow through on recent commitments in the freeway corridor.

Norman H. Emerson, 32, of Los Angeles, DOT's western regional representative, was named by Secretary of Transportation Neil Goldschmidt as project coordinator for the Century Freeway. Emerson will be responsible for coordinating state and federal participation in implementing the court-approved agreement permitting construction of the 17.2 mile east-west highway that will connect the cities of Norwalk and El Segundo.

In addition, Secretary Goldschmidt announced the signing of a memorandum of understanding with the U.S. Department of Housing and Urban Development that will enable DOT to use HUD's experience and expertise to provide housing for persons affected by construction. HUD will act as a consultant to DOT.

HUD will help DOT coordinate activities and communicate with local, state and other federal agencies, the private sector, and other interested persons and groups. HUD also will provide DOT with information on housing financing, rehabilitation costs and inspections, housing management, housing relocation, and the social, economic and environmental impacts.

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In a related action, the Economic Development Administration of the U.S. Department of Commerce said today it has committed \$1 million to help fund economic adjustment programs in the freeway corridor. The funds will be used to establish a project field office, which will provide a local source of information and technical help for businesses in the area.

EDA funds also will be available to affected businesses, local governments and neighborhood groups for planning activities designed to ease economic adjustment problems.

"The Century Freeway settlement holds great promise as a model for future urban highway projects," Secretary Goldschmidt said in announcing Emerson's appointment. "The commitment to housing relocation and urban development embodied in the agreement offers a real opportunity for the project to serve as a major inducement for urban revitalization. Our job will be to work with all parties to the agreement to see that the commitment is carried through."

Emerson, a former administrative aide to Los Angeles Mayor Tom Bradley, will work from an office at 101 North La Brea, Inglewood, one of the towns in the freeway corridor.

Most recently, Emerson has been the department's representative for Region IX (California, Arizona, Hawaii, Nevada, Guam and American Samoa), with offices in San Francisco. He resigned this position to become Century Freeway coordinator.

"The Century Freeway project is an example of the Administration's urban policy at work," Secretary Goldschmidt said.

"Here, the resources of a number of local, state and federal agencies are being brought to bear on a specific urban problem," he said. "The result, I believe, will be a significant improvement not only in transportation facilities, but in the quality of life in the area."

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# U. S. Department of Transportation

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Office of Public Affairs  
Washington, D.C. 20590

FOR RELEASE MONDAY  
February 11, 1980

DOT 20-80  
Contact: William Bishop  
Phone: (202) 426-4321

DOT SAYS LIBERAL AIR PACTS  
PAY OFF IN INCREASED TRAVEL

Air travel between the United States and nations with which the U.S. has negotiated liberal air service agreements is increasing about twice as fast as with other European countries, Department of Transportation General Counsel Linda Heller Kamm said Monday.

Kamm pointed out that in four markets where new liberalized agreements had been reached -- Belgium, Germany, the Netherlands and the United Kingdom -- air travel to and from the United States increased about 63 percent during the two years ending September 30, 1979. In other European markets, she said, travel increased about 32 percent. Kamm made her comments in a speech prepared for a two-day conference on international aviation at the Washington Hilton Hotel.

"It should be clear, I think, that our international aviation policy is principally designed to create new benefits for aviation consumers -- for travelers and shippers," she said. "As to the airline industry, the policy is designed to produce benefits in the form of greater competitive opportunities. An opportunity is not a guarantee."

"On balance, however, the policy is rooted in a fundamental faith in the ability of airline management to make decisions in their own corporate interests which are responsive to traveler and shipper demands, provided that they are permitted to operate in a competitive environment," she said.

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She noted that last August, for the first time in history, foreign travelers flying to the United States outnumbered Americans flying abroad. At the same time, total U.S. - international air traffic increased by 14 percent.

"Foreign tourism in the U.S. may well become an increasingly important element in the U.S. economy," she said. "If the U.S. carriers continue to carry their fair share of foreign originating traffic, the traditional 'travel deficit' may eventually be eliminated as a factor in our balance of payments picture. Visitors from other developed countries now find America to be a bargain, and increased spending by foreign tourists within the U.S. may thus become economically more significant."

She called for new steps to promote tourism in the U.S. and to make the country more accessible to foreign visitors -- particularly those who do not speak or read English.

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# U. S. Department of Transportation

# news:



Office of Public Affairs  
Washington, D.C. 20590

ADVANCE FOR RELEASE 4:00 PM  
Tuesday, February 12, 1980

DOT 19-80  
Contact: William Bishop  
Phone: (202) 426-4321

## BECKHAM TAKES OATH AS DOT DEPUTY SECRETARY

William J. Beckham Jr. was officially sworn in today as Deputy Secretary of Transportation by Secretary Neil Goldschmidt at a ceremony held at DOT Headquarters in Washington, D.C.

Beckham, formerly an executive with the Ford Motor Company, has been serving as DOT's second highest officer since Jan. 3, when he was appointed Deputy Secretary by President Carter during a recess of Congress. He was subsequently confirmed by the Senate on Jan. 29.

Before coming to DOT, Beckham, 39, had served since November 1978 as manager of research and planning in the North American Governmental Affairs Office of the Ford Motor Company, Dearborn, Mich.

His new post at DOT is Beckham's second executive position in the Carter Administration. In March 1977, the President appointed him Assistant Secretary of Administration at the U.S. Treasury Department. In that position he was responsible for developing and overseeing the Treasury's operating budget of approximately \$3.2 billion.

From 1974 to 1977, Beckham was Deputy Mayor of the City of Detroit. He managed the executive branch of that government and served as the Mayor's principal advisor.

Beckham was director of the Equal Opportunities Subcommittee of the U.S. House of Representatives Education and Labor Committee in 1973. The subcommittee's oversight included the Office of Economic Opportunity, the Equal Employment Opportunity Commission and legislation concerning full employment and juvenile delinquency.

Beckham also served in several capacities for eight years on the staff of U.S. Senator Philip Hart of Michigan, including the position of administrative aide.

A native of Cincinnati, he studied at Wayne State University in Michigan, the American University in Washington, D.C., and the University of Maryland.

He is married to the former Mattie Maynard. The couple has two children, William Jeffrey, born in 1976, and Monica Lorene, born in 1979. He also has three children by a previous marriage, William III, born in 1965, and twins Eric Matthew and Jonathan Alan, born in 1967. The family lives in Washington, D.C.

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# U. S. Department of Transportation



## news:

Office of Public Affairs

Washington, D.C. 20590

FOR RELEASE WEDNESDAY  
February 13, 1980

DOT 21-80  
Contact: David C. N. Robb  
Tel.: (202) 426-9755

EXPERTS SAY THAT OBJECTION  
TO SEAWAY SEASON EXTENSION  
DEMONSTRATION IS UNFOUNDED

Two experts have confirmed the Saint Lawrence Seaway Development Corporation's evaluation that test voyages on the St. Lawrence River during the ice season would have no adverse environmental impact on water levels and flows.

The tests were to help determine the feasibility of extending the Seaway shipping season which runs from early April through mid-December, after which severe winter weather and ice conditions prohibit navigation.

In independent studies commissioned by the Department of Transportation's Seaway Corporation, Dr. Bernard Michel of Laval University in Quebec City, Canada, and Dr. John F. Kennedy of the University of Iowa, found that test voyages through openings in ice booms on the St. Lawrence River would have no measurable effects on the flow of water in the river or on water levels in Lake Ontario.

Demonstration voyages scheduled for the winter of 1978-79 in the St. Lawrence River were cancelled because of objections by the New York Department of Environmental Conservation (DEC). The DEC's objection was based on a prediction of "major negative impacts...anticipated as a result of water level increases" due to ice flowing through modified ice booms.

-more-

Ice booms are floating timbers connected to steel cables by chains anchored to the river bottom. Booms are placed across the St. Lawrence River by the electric power companies after the navigation season closes. The booms help in the formation of a stable ice cover, which is conducive to an unimpeded flow of water beneath the ice cover -- a desirable condition for river users such as hydroelectric companies and municipal water authorities.

The independent studies supported the conclusion reached by the Seaway Corporation, which found that the proposed tests would have no effect on Lake Ontario water levels or St. Lawrence River water flows.

Similarly, a U.S. Army Corps of Engineers analysis released in April 1979 also concluded that a St. Lawrence River ice boom demonstration would not affect the flow in the river or Lake Ontario water levels. The Corps' conclusions assumed no dramatic changes in existing water levels or supply conditions during winter conditions similar to 1976-77, the base year used for the study.

Drs. Kennedy and Michel, both specialists in the hydraulics of ice-covered rivers and streams, reviewed the several reports of proposed ice boom tests and related activities in the effort to resolve conflicting conclusions.

Both experts found inaccuracies that contributed to the New York DEC prediction of significant impact. Among these were the use of a physically unrealistic maintenance of lake levels and the lack of calibration of the mathematical model used in the study.

The scientists expressed the opinion that it is unfortunate that the test voyages were not conducted.

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# U. S. Department of Transportation

# news:



Office of Public Affairs  
Washington, D.C. 20590

FOR IMMEDIATE RELEASE  
Thursday, February 14, 1980

DOT 22-80  
Contact: Wilbur Martin  
Phone: (202) 426-4321

DOT URGES ICC TO CONTINUE  
SERVICE ON ROCK ISLAND R.R.

Secretary of Transportation Neil Goldschmidt today urged the Interstate Commerce Commission to continue directed service over a majority of the Rock Island Railroad's lines through April 1.

In a letter to Darius W. Gaskins, Jr., Chairman of the ICC, Secretary Goldschmidt said progress is being made in negotiations with railroads and states interested in buying portions of the bankrupt midwest carriers and with labor in negotiating employee protection agreements.

The Secretary asked Chairman Gaskins to extend the Commission's directed service order on all Rock Island lines for which there are purchase offers and for those locations where the ICC determines essential shipping service must continue. The Secretary also asked for continued service on lines where a purchase offer can be expected, during the extension period, as labor issues are resolved.

"While substantial progress is being made," Secretary Goldschmidt said, "an additional 30 days beyond March 2 is required to enact the needed labor protection legislation, solidify labor agreements and install interim operators. A disruption of service during this period on lines potentially subject to transfer would unnecessarily harm the shipping public and impair an already complex negotiating process."

The ICC directed the Kansas City Terminal Company to provide service over the Rock Island's lines through March 2. However, the company received permission from the ICC to embargo new traffic coming onto the railroad after Feb. 22, so the company could terminate traffic by the March 2 deadline. The Secretary has asked the ICC to rescind the embargo order and continue the KCT service on the entire railroad through March 2.

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FOR RELEASE FRIDAY  
February 15, 1980

DOT 23-80  
Contact: Clyde Linsley  
Phone: (202) 426-2147

## DOT FAVORS TEMPORARY REMOVAL OF TRUCK BACKHAUL RESTRICTIONS

The U.S. Department of Transportation said Thursday that it supports a proposed new rule that would temporarily permit regulated truckers to pick up freight to carry on their backhauls as well as on their outbound trips.

However, the department urged the Interstate Commerce Commission, which proposed the rule as a fuel conservation measure, to expand its applicability and extend the time period from 180 days, as proposed, to a full year.

DOT's remarks were filed in response to a request for comment by the ICC, which proposed the new rule on January 15.

"We think the rule would save fuel," said DOT General Counsel Linda Heller Kamm, "but it seems much too narrow in its present form."

Under existing regulations many truckers are permitted to haul freight only under severe restrictions. Most truckers are restricted to hauling only certain specified cargoes or else are permitted to haul only to certain specified places. Many truckers also are permitted to haul freight only in one direction and must return empty to their home bases.

- more -

The ICC's proposed rule would permit truckers to carry goods on their backhauls subject to the same territorial and commodity restrictions that apply to their outbound trips.

BUT DOT noted that such restrictions are often extremely narrow. For example, "one certificate authorized the transportation of oyster shells and calcium carbonate from Baltimore, Maryland, and from Mobile, Alabama, to points in Michigan," DOT said. It said such a trucker would probably be unable to find a matching load of oyster shells in Michigan, even if the new rule permitted him to do so.

DOT said the commission could modify the proposed rule by granting general commodity backhaul authority to all truckers, by expanding the specific authority of truckers whose existing commodity restrictions might preclude backhauls, by permitting truckers with territorial restrictions to pick up or deliver backhauls anywhere within a specified radius of the points they are authorized to serve, or by all these methods.

The Department urged the ICC to permit a degree of rate flexibility for backhaul shipments, so that carriers could compete more effectively for that business.

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# U. S. Department of Transportation

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FOR RELEASE FRIDAY  
February 15, 1980

DOT 24-80  
Contact: William Bishop  
Phone: (202) 426-4321

## CARL HORTON NAMED DOT ADVISOR FOR MINORITY BUSINESS PROGRAMS

Secretary of Transportation Neil Goldschmidt has appointed Carl T. Horton of Bethesda, Md., Special Assistant for Minority Business Enterprise.

Stating that a successful minority business enterprise program requires vigilance and creative leadership, Secretary Goldschmidt said, "Carl Horton brings to DOT the experience, technical expertise and commitment necessary to ensure that the department's minority business enterprise efforts are on a solid footing."

In his new position, Horton, 33, will work closely with the minority business programs of DOT's operating elements and will make recommendations to the Secretary for continuing the overall improvement of these programs.

He came to DOT from the Small Business Administration where he served since 1978 as Special Assistant to the Associate Administrator. In that position Horton was the chief policy advisor on programs dealing with federal assistance in the development of minority-owned small businesses.

Horton was instrumental in the adoption of revised policies and procedures for SBA's government-wide program of purchasing from minority businesses. He also enlisted the participation of industry, banking and local governments in the minority small business program.

Before joining the federal government, Horton practiced corporate law in Atlanta, Ga., where he was a partner in the firm of Horton, Ransom & AXAM.

- more -

A native of Griffin, Ga., Horton received his bachelor's degree from Morehouse College in Atlanta and his law degree from Yale University.

At Morehouse, Horton was an editor of the college newspaper, and received that institution's Distinguished Alumnus Award in 1975. At the Small Business Administration, he received Outstanding Service Awards in both 1978 and 1979.

He is a member of the State Bar of Georgia and the American Bar Association.

Horton is married to the former Patricia Nelson of Montgomery, Ala. They have one son, Carl T. Horton, Jr.

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Washington, D.C. 20590

FOR RELEASE WEDNESDAY  
February 20, 1980

DOT 25-80  
Contact: Wilbur Martin  
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## DOT OUTLINES LABOR PROTECTION PROPOSAL FOR ROCK ISLAND

A Department of Transportation official today outlined to Congress a labor protection proposal to serve as a basis for negotiating an agreement to salvage most of the track and traffic of the bankrupt Rock Island Railroad.

William B. Johnston, Assistant Secretary of Transportation for Policy and International Affairs, told the Senate Commerce Subcommittee on Surface Transportation that a set of principles had been developed between labor and management representatives in meetings arranged by DOT.

Johnston said settlement of the labor protection issue is the key to continuing service on the Rock Island with interim and acquiring carriers.

Directed service on the Rock Island is currently scheduled to end on March 2. The Department of Transportation has recommended to the Interstate Commerce Commission that it continue directed service on most of the line until April 1, in order to give other railroads which have expressed an interest in taking over portions of the line time to work out the complex details.

DOT announced earlier that it had received expressions of interest in acquiring portions of the Rock Island from 18 carriers, covering 88 percent of the line's traffic and 65 percent of its track.

The labor-management principles agreed upon as a basis of negotiation, Johnston said, would guarantee Rock Island employees, who are reemployed by an interim operator or acquiring carrier, compensation equal to 80 percent of the employee's average salary for a period not to exceed 36 months. The interim operator would be responsible for the guarantee during the period of interim operations and the acquiring carrier for the balance.

Employees not hired would not be provided any protection under this agreement, and Johnston said there is a critical need for legislation to provide assistance to those who are not offered employment.

He suggested that legislation along the lines of labor protection provided another bankrupt midwest railroad, the Chicago, Milwaukee, St. Paul and Pacific (The Milwaukee) would also be suitable for the Rock Island.

Under the proposal he outlined, federally guaranteed funds would enable employees not offered employment to receive up to six months of monthly compensation equal to 80 percent of their average salary. During the six month period, the employee could elect to take a lump sum separation allowance based on years of service, less any monthly compensation already received. If the employees elect to do this, they would forego further compensation or protection.

There should be a \$75 million ceiling on compensation to displaced employees, which Johnston said was consistent with the Milwaukee railroad pact.

The labor protection proposal also would include a provision for retraining of employees not offered employment by new operators, if necessary.

Johnston said DOT believes the additional 30 days of service recommended to the ICC is enough time for all parties to reach an accommodation.

"We do not support any other legislative proposals which are before you," he said, claiming this would essentially freeze the negotiating process for the Rock Island, "thereby relieving all parties from the pressure to bring it to a conclusion."

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# U. S. Department of Transportation

# news:



Office of Public Affairs  
Washington, D.C. 20590

FOR RELEASE TUESDAY 12:30 P.M.  
February 26, 1980

DOT 26-80  
Contact: Howard Coan  
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## MORE DRIVERS URGED TO SHARE WORK RIDE

The President's National Task Force on Ridesharing today urged the 50 million Americans who drive alone to their jobs to consider joining carpools or vanpools, or using public transit.

Secretary of Transportation Neil Goldschmidt, who works closely with the task force, said he wants to double ridesharing nationwide to about 40 percent of all commuters, or over 30 million people by 1985. About 15 million people now belong to carpools and vanpools.

At a press conference with members of the task force, Goldschmidt and General Services Administrator Rowland C. Freeman III made these announcements:

- The Department of Transportation and the General Services Administration will participate in a model vanpooling program for federal workers in the Washington, D.C. area.
- DOT will establish a national ridesharing clearinghouse for state and local governments and private industry to provide information on existing programs, benefits, funding sources and marketing materials.
- Business executives will contact top-level officials of major companies to get their commitments to put carpools and vanpool programs into effect for their employees.
- For the first time, a private company will donate \$75,000 as a state's share of federal matching funds to set up a non-profit ridesharing agency. The state is Connecticut and the company is Connecticut General Life Insurance Co.

- The 50 states were urged to use a greater portion of the \$4 billion in federal highway funds for ridesharing programs. With this money, states can provide interest-free loans for van acquisition, designate highway lanes for carpools, vanpools and buses, match people and cars or vans and pay for the staff costs of carrying out these programs. Federal funds pay 75 percent of a project's cost, while the state's share is 25 percent.

Since 1974, \$68.3 million in federal-aid highway funds has been spent by states and urban areas for ridesharing projects, Goldschmidt pointed out. But \$41.5 million of that total was allocated last year alone. "I hope the amount is much higher in 1980," he added.

In addition, DOT will spend more than \$6 million for ridesharing projects and demonstration programs in this fiscal year, ending Sept. 30.

In a letter to all governors, Goldschmidt and Los Angeles Mayor Tom Bradley, the task force chairman, also asked the states to establish a ridesharing task force at the state level that would include business and industry leaders, and government officials.

Goldschmidt said at the press conference that "carpools and vanpools are saving this nation about 3.5 billion gallons of gasoline a year. For every 1 percent increase in commuters who share the ride to work, we save an additional 175 million gallons of gas a year.

"We must make every effort to convince the 50 million single commuters about our serious energy situation," he added, "and change their driving habits."

Goldschmidt said his department is working with GSA to implement the President's directive to set up ridesharing goals and programs in every federal facility in the nation.

The model vanpooling program announced by Goldschmidt and Freeman also may be used by other federal agencies around the country. Non-federal workers may join with federal employees in such vanpools, providing the van's lease is signed by a U.S. government worker.

In addition, GSA will require every federal agency to name an employee transportation coordinator, who will assist employees in forming carpools or vanpools and aid employee participation in ridesharing matching programs. The coordinator also will publicize the availability of public transit.

Last August, DOT announced demonstration grants for 17 projects in 16 states to explore a broad range of incentives for using carpools, vanpools and public transit. In addition to a demonstration grant, Los Angeles also received a \$521,000 grant on Feb. 14, 1980, from the Urban Mass Transportation Administration to study such ridesharing incentives, Goldschmidt said. One Los Angeles study, which could serve as a model for the rest of the country, will develop procedures to encourage city employees to join a ridesharing program.

"Mayor Bradley is a strong supporter of cooperation between the public and private sectors to meet our ridesharing goals," Goldschmidt said.

To encourage the use of public transit, Goldschmidt said the 8,500 DOT employees in the Washington, D.C. area soon will have the opportunity to buy through a payroll deduction reduced-price Metro "flash passes" for bus and subway trips.

Another example of cooperation, Goldschmidt said, was the \$75,000 grant by Connecticut General Life Insurance Co. of Hartford to provide the state's matching funds required to receive federal ridesharing money.

The task force had four recommendations for Secretary Goldschmidt, including the establishment of contact between business executives from the task force and top-level officials of major companies to get their commitments on setting up ridesharing programs.

A company's ridesharing commitment could vary from a willingness to participate in an areawide ridesharing program run by an agency or other party to a company-run program that might include vanpools, transit passes, privately leased buses or preferential parking for carpools.

Agreeing to this recommendation, Goldschmidt said the task force campaign to reach top-level executives will be led by Thornton Bradshaw, president of Atlantic Richfield Oil Co. in Los Angeles and a task force member.

In accordance with the second recommendation, Goldschmidt said DOT will establish both a ridesharing information center and, in cooperation with the private sector, a ridesharing information network to exchange ideas between firms and organizations on successful carpool and vanpool programs.

Third, the task force recommended that Goldschmidt issue guidelines as soon as possible on using UMTA's operating assistance funds (Section 5 grants) for ridesharing projects. However, DOT encourages states and cities to use federal-aid highway funds first because the demand for Section 5 money is so great, Goldschmidt said.

Fourth, the task force asked that Goldschmidt establish a coordinating mechanism at the top level between the Departments of Transportation and Energy and the Environmental Protection Agency so that the task force can be involved in developing all agency programs that affect ridesharing.

The 18-member task force appointed by President Carter last October includes state and local officials, and business executives with extensive experience in developing successful carpooling and vanpooling programs.

Goldschmidt said Gen. Benjamin O. Davis Jr., who is national spokesman for the 55 mph speed limit, also will promote ridesharing and will be the Secretary's representative at many meetings across the country.

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# U. S. Department of Transportation news:



Office of Public Affairs  
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FOR RELEASE TUESDAY 9:30 AM  
February 26, 1980

DOT 27-80  
Contact: Clyde Linsley  
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## DOT PRAISES SENATE TRUCKING BILL BUT RECOMMENDS FURTHER REFORMS

U.S. Secretary of Transportation Neil Goldschmidt today praised a new trucking regulatory reform bill, recently introduced by the leadership of the Senate Committee on Commerce, Science and Transportation, as "forward-looking public interest legislation."

In testimony prepared for a hearing of the Committee, Goldschmidt called the legislation a positive development but recommended that the committee consider additional reforms which he said would supplement the benefits that the bill now offers. Goldschmidt also urged the committee to oppose any changes that would weaken the bill's reforms.

"We would be extremely disappointed to see this bill weakened by amendments which are not justified by the facts or responsive to the needs of the times," the Secretary said. He praised Sen. Howard Cannon (D-Nev.), the committee chairman, and Sen. Robert Packwood (R-Ore.), the ranking minority member, for submitting the legislation.

The bill, known as the Motor Carrier Reform Act of 1980, was introduced earlier this month following several months of public hearings.

It would increase competition in the trucking industry, which is heavily regulated at present, by encouraging rate competition and new entry to the industry, and by limiting truckers' rate-fixing powers.

Goldschmidt recommended that the committee consider extending its proposed restriction on price-fixing by prohibiting collective rate-setting for joint-line rates -- rates for shipments that require two or more trucking companies in order to reach their destination -- as well as for single line rates. The Senate bill already includes a single-line prohibition.

"It is critically important that we closely coordinate the introduction of reforms to end price-fixing, remove unreasonable barriers to entry and allow ratemaking flexibility," Goldschmidt told the committee. "To provide reforms in only one or two of these three areas could be ineffective or even counterproductive."

The Secretary also recommended exempting a greater range of commodities from all ICC regulation. Existing law exempts the hauling of unprocessed farm products from regulation, and the Senate bill would extend the exemption to cover uncooked meat, bananas, feed, seeds and plants. The Administration has previously recommended further exemptions to cover all food, farm implements and fertilizer.

Goldschmidt said the legislation would help in the Administration's fight against inflation and improve service to small towns.

Trucking legislation has been introduced recently by members of the House Committee on Public Works and Transportation. House and Senate leaders have promised to have a trucking reform law ready for President Carter's signature by June 1.

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# U. S. Department of Transportation

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Office of Public Affairs

Washington, D.C. 20590

FOR RELEASE 11 A.M. (EST)  
Tuesday, February 26, 1980

DOT 28-80  
Contact: Wilbur Martin  
Phone: (202) 426-4321

TRANSPORTATION SECRETARY  
URGES ICC TO APPROVE  
MILWAUKEE RAIL REORGANIZATION

Secretary of Transportation Neil Goldschmidt today urged the Interstate Commerce Commission to approve a restructuring of the bankrupt Milwaukee railroad into a 3,200 mile regional midwestern carrier.

Approval of such a plan as proposed by the trustee for the Milwaukee "serves the public interest and interests of the Milwaukee creditors and shareholders of which the Federal Government is both," the Secretary said.

He further told the ICC at a hearing on reorganization of the Chicago, Milwaukee, St. Paul and Pacific, the railroad's formal name, that this plan of restructuring had assumed "strategic significance" in the Department of Transportation's efforts "to avoid chaos in midwest rail service."

This, Goldschmidt declared, was because of current efforts to restructure still another bankrupt midwest railroad, the Rock Island, and salvage as much of that line's traffic and track as possible.

He said progress was being made with various railroads wishing to acquire portions of the Rock Island and "substantial progress has been made in negotiations between the labor unions and potential acquiring carriers to produce labor implementing agreements covering transferred workers."

The good start toward midwest rail restructuring could be cut short, Goldschmidt said, if the size of the problem is allowed to escalate to the point where it is perceived to be chaotic and unmanageable.

Goldschmidt said there were two specific long-term goals for the Milwaukee:

-- Maintenance of adequate rail service in much of the territory now served by the Milwaukee.

-- Provision of such service by the private sector on a profitable basis.

"I am convinced the most reasonable alternative is the reorganization of the Milwaukee Road as proposed by the Trustee as Milwaukee II," Goldschmidt said. This action would produce a midwestern regional carrier and would result in the sale of some parts of the railroad to other carriers.

The Milwaukee, under the reorganization proposal, would be reduced from approximately 9,100 miles to 3,200 miles, primarily running from Miles City, Mont., to the twin cities of Minneapolis-St. Paul to Chicago, Kansas City and Louisville, Ky. Most of the line to be sold would be west of Miles City, into Idaho and Washington

Included in this core railroad would be the 15 largest cities in Wisconsin and major cities and towns in Minnesota, Illinois and possibly Iowa, the Secretary said.

Goldschmidt said the new Milwaukee II would provide jobs initially for 5,800 existing employees, and if increased traffic goals are reached, eventual employment of 6,600 people.

"A fair and equitable agreement has been reached with labor to permit the establishment and operation of Milwaukee II," the Secretary said. "I believe that this agreement is in the public interest and its benefits should be allowed to be put into effect."

He noted there had been criticism of the Trustee's plan and that some argue the line should be liquidated so investors could recover whatever cash they could from the estate.

The Secretary said liquidation would not be in the public interest and that "I fear we would be extending to the Congress an invitation to establish a midwestern version of Conrail. The last thing that we need is a patched together railroad in the midwest unable to provide good service but certain to be a large drain on the taxpayers."

Goldschmidt said putting the Milwaukee into liquidation "at the same time that we are trying to handle the liquidation of the Rock Island would create an unstable and very uncertain situation in the Midwest."

The Rock Island is another bankrupt midwest railroad scheduled for liquidation. The ICC has extended service on most of its lines until March 23 in order to work out details of selling off portions of the railroad to other carriers and to work out labor protection agreements.

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# U. S. Department of Transportation

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Office of Public Affairs

Washington, D.C. 20590

FOR RELEASE 10:00 AM THURSDAY  
February 28, 1980

DOT 29-80  
Contact: Clyde Linsley  
Phone: (202) 426-2147

## DOT URGES "SIGNIFICANT CHANGES" TO HOUSE TRUCKING REFORM BILL

U.S. Secretary of Transportation Neil Goldschmidt today urged the Surface Transportation Subcommittee of the House Committee on Public Works and Transportation to make "significant changes" in its proposed new trucking regulatory reform legislation.

In testimony prepared for subcommittee hearings this morning, Goldschmidt said the Carter Administration feels the new bill is not "sufficiently responsive to the need for reform" in the way the trucking industry is now regulated.

"Simply, we don't think the bill does enough to promote competition," the Secretary said. "It doesn't do enough to open up entry, it allows price-fixing to continue indefinitely, and, in light of these weaknesses, it offers too much pricing flexibility to carriers, to the detriment of shippers and consumers. The end result of this combination may very well be inflationary."

Goldschmidt said he hoped to begin a dialogue between the Administration and the Committee, with the object of producing a more effective bill.

"The three steps the Congress can take that would do the most to increase competition in the trucking industry would be to: end legalized price-fixing in the trucking industry; remove artificial barriers to entry; and allow truckers to price their services within a zone of reasonableness" not subject to ICC review, the Secretary said.

While the House bill addresses all these subjects, he said, the changes should be strengthened.

- more -

Among other changes, Goldschmidt recommended:

\* Shifting the burden of proof in the new entry applications, requiring opponents of prospective new competitors to prove that new entrants should not be allowed into the industry, rather than requiring new entrants to prove that they should.

\* Elimination of the antitrust immunity that allows regulated truckers to meet together in rate bureau meetings and fix the prices for their services.

\* Tying increased ratemaking flexibility to the elimination of antitrust immunity. If truckers are permitted to raise or lower rates without ICC review, while retaining antitrust immunity, Goldschmidt said, rates would almost certainly go up and not down.

"This combination would likely have an inflationary effect," the Secretary said. "So, unless the bill is amended to provide more entry reform and a phase-out of price-fixing, we do not think that any upward pricing flexibility should be offered to the trucking industry."

Goldschmidt's House testimony was his second Congressional appearance on the issue of trucking regulatory reform in one week. On Tuesday he testified generally in favor of a trucking reform bill prepared by the leadership of the Senate Committee on Commerce, Science and Transportation.

The leadership of both the House and Senate committees have promised to have trucking reform legislation ready for President Carter's signature by June 1. The President has said the legislation is Administration priority.

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# U. S. Department of Transportation news:



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FOR RELEASE 12 NOON EST  
Thursday, February 28, 1980

DOT 30-80  
Contact: Wilbur Martin  
Phone: (202) 426-4321

U.S. AUTO INDUSTRY CAN  
MEET ITS CHALLENGES,  
DOT OFFICIAL SAYS

"The Administration is committed to the recovery and the renewed good health of the U.S. auto industry," Deputy Secretary of Transportation William J. Beckham, Jr., said in a speech prepared for delivery to the World Car Symposium in Toledo, Ohio.

Beckham listed some of the traumatic experiences the automobile industry has experienced in the past few years: sporadic gasoline shortages, soaring fuel costs, the demands -- often conflicting -- for lower emissions and better economy, and a near doubling of the share of the U.S. market of imported cars.

These experiences, he said, offer "the opportunity and the incentive to create cars that are fuel-thrifty, easy running, light and nimble, crash-resistant, desirable and reliable."

An even greater pervasive purpose, he said, is to strengthen the economy by continuing world demand for more American automotive products.

"A new energy reality has generated a heavy demand for fuel efficient cars," Beckham said, adding that this demand is being met to a large extent by foreign car producers.

"The result has been a substantial and unsettling dislocation of one of our basic industries -- the auto industry -- and our response should be nothing less than a reordering of our economy."

Beckham said automakers account for a "sizeable chunk of the American economy and that the Carter Administration is committed to "the recovery and the renewed health of the automobile industry."

He said the analysis of the overall state of the industry that Secretary of Transportation Neil Goldschmidt is heading is "aimed at determining what government can do to speed the transformation of the industry and sustain its competitive strength."

Beckham listed three major problems the auto industry faces: aging plant manufacturing facilities; the transition from producing large, typically American cars to lighter, smaller European types; and foreign competition, especially from the Japanese who accounted for 16.5 percent of the 22 percent of the U.S. market which imports had last year.

Noting that the Japanese had sold 1 million of their cars in this country in 1979 while only 16,000 U.S.-built cars were sold in Japan, Beckham said:

"The Japanese must be reminded that voluntary restraint on their part may be in the long-term best interests of their trading relationships with the United States.

"If all else fails," he said, "there may be actions that can be taken under existing law to correct the imbalance."

The Deputy Secretary said in a free, fair-trade situation, U.S. cars can be competitive in world markets, and he noted that U.S. auto industry leaders such as E.M. Estes, president of General Motors, agreed with this thinking.

Beckham said he was optimistic about the future health of the nation's auto industry for three reasons.

First, he said the industry's competitive instincts had been reawakened and its "zeal for innovation rekindled."

Second, he said the in-depth auto-related industries study Goldschmidt is making "is to look at what we can do -- in government and in the private sector, separately and together -- to improve the efficiency and the competitiveness of those industries."

"We may find it advisable to recommend changes in the depreciation allowance, or to propose tax credits for re-tooling or other economic incentives to improve the competitive stance of those industries" such as steel, plastics, rubber and others involved with the auto industry.

Third, he said the industry will be helped by funds DOT is asking for basic automotive research and fuel economy technology. These funds are part of the \$1 billion for transportation energy initiatives the President is asking Congress for over the next 10 years.

"The object of the research investment is not to build an all-new car or to tell Detroit how to do that -- Secretary Goldschmidt does not consider that to be the government's province or business - but rather to generate a body of basic research pointing toward more fuel-efficient and socially acceptable automobiles in the 90s and beyond," Beckham said.

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# U. S. Department of Transportation

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FOR RELEASE FRIDAY  
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DOT 31-80  
Contact: Ed O'Hara  
Phone: (202) 426-4321

## DOT SEEKS SOLUTION TO AIRLINES PROBLEM WITH WHEELCHAIR BATTERIES

The U.S. Department of Transportation will hold two public meetings in an effort to determine under what conditions wheelchairs powered by wet cell batteries should be allowed on passenger aircraft.

The meetings will be held April 3 in Washington, D.C., and April 16 in Denver.

Under existing regulations, wet cell batteries are prohibited for transportation on passenger aircraft except when they are installed in self-propelled vehicles, such as wheelchairs. However, some airlines refuse to carry such wheelchairs.

Wet cell batteries contain sulfuric acid, which can corrode aircraft floors, baggage and packaging materials if battery fluid is spilled.

Last year, DOT's Materials Transportation Bureau proposed a regulation that would prohibit self-propelled vehicles with wet cell batteries from passenger aircraft. The proposal, which would have required use of non-spillable batteries, was later withdrawn.

The DOT is seeking public comment on alternative ideas and information about the availability of efficient, non-spillable batteries that are suitable for use in wheelchairs.

The Washington, D.C., meeting will be held in Room 2230, Nassif Building, 400 Seventh St., S.W.

The April 16 meeting will be at American Legion Post No. 1, 4500 East Alameda, Denver.

Notice of the meetings was published in the Feb. 28 Federal Register.

Comments may be addressed to the Dockets Branch, Materials Transportation Bureau, Department of Transportation, Washington, D.C. 20590.

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