



U.S. Department of
Transportation

News:

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

FOR IMMEDIATE RELEASE
Tuesday, July 2, 1985

DOT 69-85
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**DOT PROPOSES TO PROHIBIT SALES IN THE
U.S. OF AIR TRANSPORTATION TO LEBANON;
REVOKES MEA AUTHORITY TO SERVE U.S.**

Secretary of Transportation Elizabeth Hanford Dole today issued an order proposing to prohibit all sales in the United States of tickets involving air service to Lebanon. DOT took this action following a determination by President Reagan to suspend air transportation between the United States and Lebanon by U.S. and Lebanese air carriers.

Today's order said "the security of aircraft transiting that country and the safety of passengers on board such aircraft remain in jeopardy."

Should the Department's order be made final, it would prohibit the sale in the United States of any ticket, or the issuance in the United States of any airwaybill, with Lebanon in the itinerary, regardless of the type of stop in Lebanon, and regardless of whether the flight in question serves the United States.

In a companion order, the Department revoked the exemption (temporary) authority of Middle East Airlines (MEA), a Lebanese flag carrier, to serve the United States. DOT's action follows a decision announced yesterday by President Reagan to suspend the authority of air carriers to serve Lebanon from the United States because of that country's failure to adhere to the Convention for the Suppression of Unlawful Seizure of Aircraft (the Hague Convention). MEA holds temporary authority to conduct various services to and from the United States. It has scheduled authority between Lebanon and New York, with intermediate stops in Paris and London. MEA has been permitted to serve Cyprus instead of Lebanon on these flights because of ongoing hostilities around Beirut Airport. DOT said today that it was terminating all MEA scheduled authority to the United States performed on its own behalf because these operations "currently pose an unacceptable risk to the U.S. public." The revocation includes MEA's authority to serve Cyprus in lieu of Lebanon, because it may involve technical movements of the aircraft into and out of Beirut.

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The Department did not revoke MEA's authority to lease aircraft with crew to EgyptAir. That aircraft, which carries EgyptAir's colors, is used for that carrier's Cairo-New York service and is authorized to carry Athens-New York charter passengers of Homeric Tours, a U.S. public charter operator. DOT did, however, add two conditions to that authorization: first, that EgyptAir have exclusive use of the aircraft, such that MEA does not use the plane for any other service, and second, that MEA not physically move the aircraft into Lebanon for any reason. Failure to adhere to these conditions will immediately terminate the authority.

Interested parties have until 5:00 p.m., July 5, to comment on the Department's tentative decision to prohibit sales of air transportation to Lebanon. DOT's revocation of MEA's authority is effective immediately.

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

FOR RELEASE TUESDAY
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SECRETARY DOLE LAUNCHES RAIL-HIGHWAY
CROSSING SAFETY PROGRAM

Secretary of Transportation Elizabeth Hanford Dole today announced a major program to help states improve motorists' safety at thousands of low-volume railroad-highway grade crossings throughout the United States.

The program will be launched in September 1985 under a demonstration project called "Railroad Crossing Corridor Improvements." The demonstration project will be a joint effort between the Federal Highway Administration (FHWA) and the Federal Railroad Administration (FRA) and will be administered by FHWA's Demonstration Projects Division. States interested in participating in the demonstration project are encouraged to contact FHWA.

"In the last 10 years, the total number of accidents at grade crossings has been significantly reduced," Secretary Dole said. "Many of the nation's most dangerous crossings, where high traffic volumes intersect heavily-traveled rail lines, have been improved by installing train-activated flashing light signals, automatic gates, and other major physical improvements. As a result, the number of motorists killed each year has been virtually cut in half to an all-time low in 1983 of 575. But even one death is too many, and I am hopeful that this program can do more to save lives at grade-crossings."

The Secretary announced the program in a speech to the National Conference on Highway-Rail Safety in Kansas City, Missouri.

Under the program, the Department of Transportation's traditional railroad-highway safety initiatives, which concentrate on correcting safety problems at individual highway-rail crossing sites, will be expanded to include wide-scale, low-cost improvements at numerous crossings along many miles of railroad corridors.

Noting that equipping a grade-crossing with flashing lights can cost as much as \$40,000 per crossing and gates can cost almost \$100,000, Dole said the program to improve multiple crossing sites along rail corridors will emphasize the use of relatively simple, inexpensive safety improvements at low-volume crossing sites where the installation of active warning devices and other high-cost safety features is not practicable. These low-cost improvements include putting up adequate signs and markings along the highway, clearing obstructions to make warning devices and approaching trains more visible to motorists, and upgrading the track crossing surface to prevent cars from stalling on the tracks.

The demonstration project will begin in September 1985 with the selection of six rail corridors in different geographical regions of the country where 15 to 25 crossings per rail line will undergo safety improvements.

The program will not involve new federal funding, but will be a cooperative effort between the FHWA and FRA and those states which choose to participate in the program. Participating states will use their apportioned rail-highway crossing funds to pay for the program, and will receive increased technical assistance from the FHWA and FRA.

There are currently 150,000 grade-crossings not equipped with automated warning devices. Approximately half the grade-crossing fatalities each year occur at these crossings. The program is aimed at improving safety at these locations.

For states wishing more information on how to participate in the demonstration project, contact Richard Powers, Federal Highway Administration, Demonstration Projects Division (HHO-40), 400 Seventh Street, SW., Room 6313, Washington, D.C. 20590, or telephone (703) 285-2742.

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U.S. Department of
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News:

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Washington, D.C. 20590

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FOR RELEASE TUESDAY
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DOT RELEASES FINAL RULE ON FILING PROCEDURES FOR MERGERS AND ANTITRUST CASES

The Department of Transportation (DOT) has released its final rules governing the procedures to be used in aviation matters involving mergers, interlocking relationships, agreements and antitrust immunity.

For the most part, DOT has adopted the procedures used by the Civil Aeronautics Board, the agency holding these responsibilities until it was abolished on December 31, 1984. The Secretary of Transportation has delegated authority for most of the transferring CAB functions, including the antitrust authority covered in today's rule, to the Assistant Secretary of Policy and International Affairs, although the Secretary or Deputy Secretary may exercise that authority whenever deemed appropriate.

The major changes in procedure that the Department is implementing are summarized below:

International Air Transport Association Traffic Conference agreements must be submitted as formal applications, not merely sent to the Chief of the International Fares and Rates Division, as was permitted at the CAB. DOT said that the new procedure should result in better public notice of filings.

Future requests for antitrust immunity must specify if total immunity is sought or just immunity from private treble damage actions. When grants of immunity expire, immunity will not automatically continue while a renewal application is pending. The Department will have to specifically extend the grant of immunity.

In preparation for the expiration of DOT's authority to grant antitrust immunity (January 1, 1989, by Act of Congress), the Department plans to review outstanding grants of immunity.

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Carriers filing for approval of mergers will still be required to submit financial and competitive information concerning the parties to the transaction. In addition, the former CAB exemptions from the requirement for approval of merger or acquisition actions have been consolidated and expanded. Ordinarily, any transaction, except one involving two or more air carriers, would be exempt. However, notice of certain exempt transactions must be filed with the Department, and the Department reserves the right to review any transaction where such a review is in the public interest. Further, the Department has exempted all interlocking relationships from the prior approval requirements of Section 409, except if the parties desire antitrust immunity.

The new rules will be published in tomorrow's Federal Register and go into effect August 30, 1985.

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**Federal Aviation
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News:

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

FOR IMMEDIATE RELEASE

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DOT 77-85

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DOLE ANNOUNCES NEW RAILROAD SAFETY RULES PROHIBITING ALCOHOL AND DRUG USE ON THE JOB

Secretary of Transportation Elizabeth Hanford Dole today announced new safety rules for the railroad industry that will prohibit railroad employees from reporting to work impaired by alcohol or drugs and using or possessing these substances while at work.

Secretary Dole said the regulation, "will protect the public and railroad employees from the consequences of on-the-job drug and alcohol use."

"Alcohol and drug abuse pose serious threats to transportation safety," Dole said. "This regulation addresses my concern and the growing public concern about alcohol and drug abuse on the nation's railroads. It ensures the public's right to be protected while preserving the railroad employee's right to be dealt with in a fair manner."

Dole's action ended 12 years of debate over whether federal regulations governing drug and alcohol use should be imposed on the railroads.

Along with prohibiting on-duty alcohol and drug use, the regulation requires post-accident alcohol and drug testing of employees involved in major accidents, authorizes toxicological testing of employees when there is reason to suspect impairment, requires pre-employment drug screening, requires improved accident reporting by railroads, and requires railroads to establish "bypass" policies as an incentive for troubled employees to seek help voluntarily.

She said a "bypass" agreement in the new regulation allows alcohol or drug dependent employees to step forward to obtain treatment through an employee assistance program without being disciplined, providing it is the employee's first offense. However, employees violating the drug and alcohol use rules and caught by supervisors will be subject to the penalties prescribed.

Secretary Dole said that the new rule gives railroads the essential tools to strengthen Rule G, the current self-imposed industry standard that prohibits on-duty alcohol use.

"The ability of the railroads to detect alcohol and drug use through toxicological testing is a powerful deterrent," she said.

MORE

"One of the two elements in any successful program of alcohol and drug abuse control is enforcement," Dole said. "We have to make sure that these substances are not used on the railroad and that those who break the rules are removed from service."

The other element crucial to the solution of the alcohol and drug problem, Secretary Dole said, is employee participation in education and rehabilitation programs.

"The federal rule will emphasize the public safety implications of alcohol and drug use to employees and supervisors alike, and convince co-workers that they have a stake in ensuring that everyone is fit to work. But this rule alone will not solve the problem. The railroad industry must continue its strong voluntary efforts through effective employee assistance programs," she said.

"Unless troubled employees can change their behavior with the help of employee assistance programs, we cannot solve the problem."

Secretary Dole said that since 1975, the DOT has recorded 48 train accidents that have been caused by alcohol or drug-impaired employees resulting in 37 deaths, 80 injuries and \$34 million in property damage.

"The great tragedy of alcohol and drug related accidents is that they can be prevented," Dole said.

The final rule released today will go into effect Nov. 1, 1985. However, compliance with the provisions concerning post-accident testing and pre-employment drug screening will become mandatory on Dec. 1, 1985, and March 1, 1986, respectively, to give railroads time to select medical facilities where samples will be collected and make other necessary arrangements.

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TRACKING FACTS

Alcohol Use Threatens Rail Safety

Until now, the railroads were the only major domestic transportation mode without federal regulations governing alcohol or drug use.

The railroad industry's Rule G has long been the standard that prohibits the use of alcohol on the job, but over the years it has proven inadequate in keeping the railroads substance free.

The Federal Railroad Administration has found that the railroads detect a relatively small number of Rule G violations.

Rule G's enforcement is dependent on fellow employees reporting the offenders, who face instant dismissal, which

The FRA has found that the railroads detect a relatively small number of alcohol and drug violations.

has led to a "conspiracy of silence" among co-workers.

Limited incentive for self-referral and restrictions on the industry's ability to test for violations have made Rule G difficult to enforce, rendering it ineffective in ending the loss of life and property caused by alcohol and drug impaired employees.

Although the full extent of accidents and casualties caused by alcohol and drugs on the railroads is not known, it is in excess of currently documented levels.

Since 1975, 48 train accidents and incidents, recorded by the FRA, have been caused by drug or alcohol-impaired employees. At least 80 injuries have occurred, 37 lives have been lost and more than \$34 million worth of property has been destroyed.

Alcohol and drug use poses a serious threat to rail transportation and to society.

One of the most serious hazardous materials train accidents involved alcohol use by the train crew.

On September 28, 1982, a 100-car freight train carrying hazardous chemicals derailed in the middle of Livingston, La., igniting the flammable liquids in the breached tank cars. The engineer and head brakeman had been sleeping off a drinking spree, while a railroad clerk, unfamiliar with operating a train, was at the controls.

Nearly 3,000 people were evacuated for up to two weeks from Livingston.

Fortunately, no one was killed or seriously injured. But this accident illustrates the potential for such catastrophes to occur as a result of alcohol and drug use by railroad crews.

Study Shows Problem Size

In 1978, the FRA conducted the Railroad Employee Assistance Project (REAP) survey of several thousand employees on six railroads to define the extent of the alcohol problem in the industry.

The results indicated that a relatively small number of Rule G violations were being detected -- fewer than 1 in 200.

The REAP study produced the following statistics:

- 23 percent of railroad operating personnel were "problem drinkers."
- 5 percent of workers reported to work "very drunk" or got "very drunk" on duty at least once in the study year.
- 13 percent of workers reported to work at least a "little drunk" one or more times during the survey period.
- 13 percent of operating employees drank while on duty at least once during the study year.

Rule Addresses Safety Concerns; Post-accident, On-site Tests Required

The new regulation has six provisions to ensure alcohol and drugs are not used on the railroad and that those who break the rules are removed from service. Employees subject to the Hours of Service Act (engine, train and yard crews, dispatchers, train order operators, and signal employees) will be governed by the regulation. Railroads employing 15 or fewer Hours of Service employees are exempted from pre-employment drug screen, reasonable cause testing, and employee assistance program requirements. The regulation:

Prohibits employees from reporting to work impaired by alcohol or drugs and prohibits on-the-job alcohol or drug use. The rule provides for prescription drug use if determined safe by a physician. Railroads would continue to be responsible for discipline of errant employees, the standard sanction being dismissal.

Mandates post-accident toxicological testing for the more significant accidents. Tests for alcohol and drugs are required after accidents that result in one or more of the following consequences: a fatality, \$500,000 or more in damage, or release of hazardous material accompanied by an injury or evacuation. Tests are also required after certain collisions or "impact accidents," which are predominately caused by human factors, and after employee fatalities in train incidents. In the past, unless a train crew agreed to testing voluntarily or the accident resulted in a fatality and consequently an autopsy, the presence of alcohol or drugs could not be detected or measured.

Authorizes the railroads to test employees for alcohol or drug impairment where there is just cause. Testing is authorized on reasonable suspicion of impairment, after human-factor accidents or incidents, and after specific safety rule violations. Employees must provide breath or urine samples, or both. An employee has the right to demand a blood test at a medical facility. This provision will improve the railroads' capacity to detect violations, thereby helping to deter employees from using alcohol or drugs on the job or before reporting for work.

Requires improved accident reporting. Specific inquiry into possible alcohol and drug involvement in train accidents must be made by the railroads and the information reported to the FRA. This provision will improve the documentation of alcohol and drug use as a factor in train accidents. In almost two-thirds of the accidents where alcohol or drug use was a causative factor, no reference was made in the report by the railroads, largely because the present reporting format fails to raise the proper questions.

Mandates pre-employment drug screening. Urine tests will be required for all final applicants for the safety-sensitive positions covered by the regulation. This provision permits railroads to identify active drug abusers. Small railroads are exempt from this provision.

Requires policies to promote early identification of problem drinkers or drug users. Railroads must establish "voluntary referral" policies to get employees into employee assistance programs for treatment of alcohol or drug abuse, and establish "co-worker report" (bypass) policies. A "bypass" allows the first offender, if reported by a co-worker, to seek treatment in lieu of the disciplinary process. "Bypass" policies encourage co-workers to use peer concern and intervention to stop drinking and drug use before they manifest themselves as safety problems. An employee is not protected from discipline when a supervisor detects the rule violation. This provision will help dissolve the conspiracy of silence among employees. Employee participation is crucial to the solution of the problem in this largely unsupervised work environment.

Voluntary Programs Critical To Solution

Throughout the rulemaking process, the Federal Railroad Administration has worked closely with the railroad industry on the creation of voluntary prevention programs for employees with alcohol or drug problems.

Voluntary programs are designed to create a safer and more productive work environment by reducing the incidence of employees using alcohol or drugs on the job or reporting to work under the influence.

The FRA has encouraged railroads to model their preventive alcohol and drug programs after the highly successful "Operation: Red Block" program instituted by the Union Pacific Railroad.

This program shares the responsibility for solving the

problem with the employee. It encourages employees to seek counseling or to refer fellow employees with a drug or alcohol problem without fear of discipline for anyone involved.

In November 1984, the FRA awarded a contract to the Union Pacific to produce "Operation: Red Block" materials for a national, voluntary alcohol and drug prevention program for the railroad industry to educate employees on the adverse effects of drug and alcohol use on job performance.

FRA sponsored five regional seminars to introduce local union and railroad officials to this successful prevention program.

Establishing prevention and voluntary treatment programs on the railroads is a key provi-

sion of the new alcohol and drug rule.

Although regulation cannot rehabilitate a person with alcohol and drug problems, it does give the industry the necessary tools with which to deal with the problem.

The employee assistance program/bypass provision helps identify employees who need drug or alcohol treatment and gives them a place to go for help.

This early detection ensures that action is taken before an accident or injury occurs.

Making it possible for co-workers to participate in rule enforcement without endangering the offenders livelihood breaks the "conspiracy of silence" that has inhibited enforcement of Rule G in the past.

Train Accidents

Listed below are some of the significant train accidents investigated by the FRA where alcohol or drugs contributed to the accident.

July 28, 1977 Oglesby, Ga.

Derailment caused by excessive speed on a restrictive curve resulting in one fatality. Engineer under the influence of alcohol.

December 31, 1978 Carnero, N.M.

Side collision resulting in two fatalities. Engineer under the influence of alcohol failed to control the movement of the train.

July 24, 1979 Thousand Palms, Ca.

Rear end collision resulting in one fatality and \$1.4 million damage. Engineer under the influence of alcohol.

September 12, 1979 Alliance, Ohio

Derailment caused by excessive speed resulting in more than \$2.4 million damage. Engineer under the influence of alcohol fell asleep.

October 1, 1979 Royersford, Pa.

Rear end collision resulting in two fatalities. Conductor operating locomotive under the influence of marijuana.

May 11, 1980 Pisgah, Ca.

Rear end collision resulting in one fatality and \$1.6 million damage. Engineer and brakeman under the influence of alcohol.

September 28, 1982 Livingston, La.

Derailment resulting in the release of hazardous materials. Almost 3,000 people were evacuated from Livingston and \$13.8 million in property damage was caused. (see page 1)

September 14, 1983 Sullivan, Ind.

Rear end collision resulting in two fatalities. Engineer under the influence of alcohol failed to control train.

October 3, 1982 Newport, Ark.

Side collision resulting in two fatalities. Engineer under the influence of alcohol.

April 13, 1984 Wiggins, Colo.

Head-on collision resulting in five fatalities and \$3.8 million damage. The engineer and fireman had been drinking prior to duty.

November 11, 1984 Silver Bow, Mont.

Derailment at 68 mph on a 25 mph curve resulting in one fatality. Engineer under the influence of alcohol.

Alcohol & Drug Chronology

- April 17, 1897 Association of American Railroads adopts Rule G into the Standard Code of Operating Rules.
- April 23, 1975 FRA co-sponsors the National Conference on the Detection, Prevention and Rehabilitation of the Problem Drinking Employee in the Railroad Industry in Evanston, Ill.
- 1978 FRA surveys several thousand employees on six railroads to define the extent of the alcohol problem on the railroads. The Railroad Employee Assistance Project (REAP) study indicates a substantial alcohol problem on most carriers.
- June 30, 1983 FRA issues an Advanced Notice of Proposed Rulemaking on control of the use of alcohol and drugs in railroad operations. Public hearings are held in Atlanta, Kansas City, Mo., Sacramento, Ca., and Washington, D.C.
- November 14-15, 1983 National Planning Conference on Voluntary Programs to Control Alcohol and Drug Use in the Railroad Industry establishes a national prevention program agenda for cooperative action among labor, management and FRA.
- June 6, 1984 FRA issues a Notice of Proposed Rulemaking on alcohol and drug use. Public hearings are held in Denver, Chicago, New Orleans, and Washington, D.C.
- June, 1984 "Operation: Red Block," a drug and alcohol prevention program, is launched on the Union Pacific railroad by the Brotherhood of Locomotive Engineers and the United Transportation Union.
- November 30, 1984 FRA contracts with the Union Pacific Railroad to design educational materials for a national, voluntary alcohol and drug program modeled after "Operation: Red Block."
- January, 1985 FRA sponsors five regional seminars to introduce union and railroad officials to the "Operation: Red Block" program.
- July 31, 1985 The Department of Transportation issues a final rule prohibiting the use of alcohol and drugs in the railroad industry.

Rules Vary For Other Industries

All regulated transportation industries have some form of program that addresses the use of alcohol and drugs. The following is a brief summary of each program's provisions:

Aviation Industry

- No person may act as a crewmember within eight hours of consuming any alcoholic beverage, while under the influence of alcohol, with a blood alcohol concentration of .04 percent or more, or while using any drug that poses a safety risk.

- Crewmembers must consent to release of any hospital records showing alcohol or drug content if a rule violation is suspected.

- Violation of the alcohol regulations or drug laws results in a license suspension or revocation.

- Pilots, flight engineers and flight instructors must hold FAA medical certificates. Alcoholism and drug dependence are disqualifying conditions.

Trucking/Motor Carrier Industry

- Truck and bus drivers on duty may not use or possess alcohol, any illicit drug, narcotic, amphetamine, or other substance that affects safe, vehicle operation. A four-hour, pre-duty abstinence period applies for alcohol.

- Any conviction or forfeiture of collateral for operating a vehicle under the influence of alcohol, illicit drugs, narcotics, or amphetamines, or on-duty possession of any of these substances, results in disqualification.

- A driver must be medically certified. Alcoholism and drug dependence are disqualifying conditions.

Maritime Industry

- Commercial maritime personnel must be licensed seamen. A license may be revoked for negligent acts while under the influence of alcohol or drugs.

- Drug addiction and drug law convictions are disqualifying.



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DOLE SUBMITS PRELIMINARY AVIATION SECURITY AND AIRPORT SAFETY REPORT TO PRESIDENT REAGAN

Secretary of Transportation Elizabeth Hanford Dole announced today that she has submitted to President Reagan a preliminary report on actions undertaken by her Department, "to improve the security and safety of international air service and combat terrorism.

"I have committed the full resources of my Department to making civil aviation, so vital to our freedom and commerce, as secure as humanly possible," Dole said. "America's commercial airline industry will continue to be second to none in safety and security."

The report was completed in cooperation with the Department of State and submitted on July 30. Contents of the report were not made public because of their sensitive nature.

This is the latest in a series of developments to improve aviation security that has unfolded since the hijacking of TWA flight 847. The Department of State recently rescinded the travel advisory it had imposed on Athens International Airport. The advisory was lifted after Federal Aviation Administration (FAA) officials inspected the airport and found that it now meets internationally accepted security standards. "I want to assure all Americans that we will continue to monitor security arrangements at Athens and other international airports," Secretary Dole stated when the advisory was lifted.

Immediately after President Reagan called for a concerted U.S. effort to combat civil aviation terrorism, DOT submitted proposed legislation to Congress that would provide the necessary funding for the expansion of the air marshal program, give the Secretary the authority to deputize air marshals and give DOT the power immediately to terminate service between the U.S. and any foreign airport judged to have inadequate security. Legislation containing DOT's proposals has been cleared for the President's signature.

Dole instructed her Department to institute a program to enhance security on U.S. airlines. That program, now in effect:

- o Expands the Federal Air Marshal Program.
- o Continues assessment of security at all major foreign airports.
- o Increases initial and continuing security training of ground and in-flight personnel. The Department's Federal Aviation Administration has published a rule requiring this training by airlines. It also requires U.S. carriers to designate individuals to be identified and trained as security coordinators. Security coordinators will be designated for each flight.
- o Expands research on explosives and weapons detection funded by the Airport and Airway Trust Fund.

On July 11, as part of the Secretary's security program, the FAA ordered stronger security measures at U.S. airports:

- o At all U.S. airports, carriers may not accept checked baggage from anyone other than a ticketed passenger. Enhanced examination of carry-on baggage has been instituted, and curbside check-in for international flights has been prohibited.
- o On designated flights, the FAA is requiring special security for aircraft, close surveillance of servicing personnel, and additional measures for carry-on and checked baggage. Also on designated flights, there must be x-ray or physical search of all checked baggage and the conduct of a positive passenger/checked baggage match.

The FAA has met recently with industry groups to discuss the establishment of a government/industry task force to review the design of aircraft interiors to eliminate locations where explosives or weapons could be hidden before passengers board.

As a result of Secretary Dole's June 27 address in Montreal to the International Civil Aviation Organization, ICAO designated a working group to study airport security over the summer in preparation for a special session in September. Also, DOT officials participated in a meeting of the "Summit Seven" nations in Bonn last month, convened to consider steps to be taken to enhance the security of international civil aviation.

In July, President Reagan said that Beirut International Airport should be isolated from the world's aviation community because of the number of hijackings that had either begun or ended there, or otherwise involved that airport. He suspended air service between the United States and Lebanon. DOT took several steps to implement that policy:

- o On July 2, based on a Presidential Determination to suspend the service to this country of Lebanese air carriers, DOT revoked the exemption authority of Middle East Airlines.

- o On July 9, the Department prohibited the sale in the United States of any air service to Lebanon by either U.S. or foreign carriers, on their agents.

President Reagan has named Secretary Dole to the White House Task Force charged with examining how the United States can combat terrorism.

The Department's Office of Congressional and Consumer Affairs has been answering consumer inquiries on the effects of the travel advisory to Greece on scheduled and charter service (202-755-2220).

Persons interested in applying for the Air Marshal Program may call the Federal Aviation Administration (202-426-1662).

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U.S. Department of
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News:

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

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DOT 80-85
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DOLE RECOMMENDS IMPROVEMENTS IN FLIGHT SAFETY

Secretary of Transportation Elizabeth Hanford Dole today released a report recommending improvements in the Federal Aviation Administration's (FAA) flight standards safety programs.

"This report prepared by my Safety Review Task Force will be very helpful to the FAA in improving its flight standards safety programs," Secretary Dole said. "The FAA has been very cooperative and I am directing FAA Administrator Donald Engen to implement the recommended improvements contained in the report," Dole said.

The Safety Review Task Force, created by Dole in December 1983 to examine the Department's safety programs across all modes, identified four areas where problems were found and improvements should be made. The four areas are: (1) difficulty in formulating and carrying out actions in a timely manner; (2) lack of uniformity in the interpretation and implementation of FAA regulations and policies; (3) sometimes ineffective communication within the FAA and with the aviation community and the general public; and (4) expanded autonomy at FAA regional offices and some headquarters offices that has inhibited the accomplishment of program objectives.

After reviewing the report, Administrator Engen said, "The Task Force recommendations are on the mark. We already have a number of reforms in process that will go a long way toward achieving the goals of many of these recommendations. I am committed to carrying out Secretary Dole's mandate on safety and I have directed my staff to move quickly to carry out the remaining recommendations."

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Of the areas of concern identified, the report notes that timeliness in identifying and responding to safety issues is most in need of improvement.

The Task Force recommended that the FAA adhere more strictly to a specific timetable for each significant safety rulemaking. In addition, stricter time limits are to be placed on actions in response to recommendations submitted by the National Transportation Safety Board.

Other recommendations include:

-- Provide more guidance and direction from headquarters to assure consistency among field offices and establish procedures to achieve more uniform interpretation and application of FAA inspection and certification requirements;

-- Assure the timely acquisition of data by headquarters offices from the regions and improve coordination of data flow within headquarters offices;

-- Investigate the benefits that may be achieved by periodically reassigning safety inspectors to different regions and/or different air carriers.

The Task Force also made recommendations on specific, current FAA safety initiatives including acceleration of the ongoing General Aviation Safety Audit, and expediting the issuance of Final Rules or other appropriate follow-up to the Notices of Proposed Rulemakings on recreational pilot certification and training, and shoulder harnesses in general aviation aircraft.

The Secretary's Safety Review Task Force, after conducting an in-depth review of the Department's safety programs, is now targeting specific issues for priority consideration and intensified focus. Having completed the FAA review, the Task Force is now studying the hazardous materials transportation program of the Research and Special Programs Administration and the safety inspection and enforcement activities of the Federal Railroad Administration. The Task Force will be meeting with interested parties on these issues during August and September. Reports and recommendations will then be made to the Secretary.

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SECRETARY DOLE ANNOUNCES U.S.-CHINA AGREEMENT

Secretary of Transportation Elizabeth Hanford Dole has announced the United States and China are working together to provide a "mutual exchange" of information, research and technical experts for further development of transportation systems in both countries.

"This exchange will provide an increased flow of goods and services in the transportation field which will certainly benefit the economies of both the United States and China," Dole said.

Dole's announcement came at the conclusion of a series of meetings with her Chinese counterparts during a visit to Beijing. The Secretary is traveling with her husband, Senator Robert Dole (R-KS) who is leading a six member congressional delegation to the Far East during the August congressional recess.

"A number of positive developments on a variety of transportation issues were discussed and I look forward to working with my counterparts to follow-up on a number of cooperative arrangements in various modes of transportation," Secretary Dole added.

These developments included:

- * the exchange of an initial draft of a railroad technical cooperative agreement,
- * further discussions regarding an aviation technical cooperative agreement,
- * the development of air cargo operations between the United States and China,
- * a request from Northwest Orient airlines to open an office in Beijing and Northwest's entitlement to a permanent license,
- * the need for further discussions relating to a maritime agreement and,
- * the importance of concluding a Search and Rescue agreement between the U.S. Coast Guard and their Chinese counterpart in the Ministry of Communications.

The Secretary's schedule included meetings with Hu Yizhou, Director General, General Administration of Civil Aviation of China, Ding Guangen, Minister of Railways, and Qian Yongchang, Minister of Communication.

- more -

Additionally, Dole and Minister Yongchang signed an amendment to an existing transportation cooperative agreement between the United States Department of Transportation and the Chinese Ministry of Communications, which will give the U.S. Army Corps of Engineers formal standing to undertake cooperative projects with their Chinese counterparts in the area of port engineering. The signing took place yesterday.

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News:

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

FOR RELEASE THURSDAY
August 29, 1985

DOT 81-85
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Ted Lopatkiewicz
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OWNIE MCBRIDE NAMED TO DOT PUBLIC AFFAIRS POST

Secretary of Transportation Elizabeth Hanford Dole has announced the appointment of Ownie McBride as Deputy Assistant Secretary for Public Affairs.

"Ownie brings a strong public affairs background to the Department," Secretary Dole said. "I know she'll be a valuable member of our team."

McBride comes to DOT after two and half years at the Department of the Interior, where she was Special Assistant to the Press Secretary and Director of Public Affairs.

She was with the National Republican Senatorial Committee from 1981 to 1983, where she was Director of the Republican Senatorial Inner Circle and Director of the U.S. Senatorial Business Advisory Board.

McBride was on President Reagan's 1981 inaugural committee and worked on several political campaigns mostly in Kentucky from 1977 to 1980.

The Louisville, Kentucky native attended Indiana University in Bloomington. She now makes her home in Arlington, Virginia.

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News:

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

FOR RELEASE THURSDAY
August 29, 1985

DOT 82-85
Contact: Jennifer Hillings
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NEW MEXICO CITY TO GET SAFER AIRPORT UNDER NEW LAW

As a result of recently signed legislation, Ruidoso, N.M., will get a new and safer airport.

The current Ruidoso Airport, built in 1940 to service small, single-engine aircraft, has been identified by the Federal Aviation Administration as one of the most unsafe in the country. Since 1970, there have been 28 accidents involving 9 fatalities and 26 injuries at the airport.

In view of the unsafe situation, Secretary of Transportation Elizabeth Hanford Dole worked with Members of Congress and other Cabinet Secretaries in support of Ruidoso Airport provisions of the recently-enacted Supplemental Appropriation Act.

Secretary Dole said that as a result of the law, "One of the most unsafe airports in the country will be replaced and the people in Ruidoso can now look forward to safe and efficient air service to the region."

The law will permit the transfer of 1,600 acres of land from the Interior Department to the local airport commission, and provide compensation to New Mexico State University to relocate a range and wildlife research center from the Fort Stanton site where the new airport is proposed to be built. The school has used the land under an agreement with Interior.

Ruidoso Airport provides essential service for the tourist-oriented economy of the region in southern New Mexico. The airport has safety problems because it is located in a box canyon where runway use is limited to one direction, with planes taking off over the populated areas of the city. The airport has a relatively short runway and the area is subjected to severe crosswind conditions.

(more)

Now that a site will be available, the local airport commission can apply to FAA for funds to construct a new airport. FAA provides grants to local communities for the building and expansion of airports. In 1976, a master plan study identified the Fort Stanton site as a good location for an airport, and FAA has endorsed it as the best site available.

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U.S. Department of
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News:

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

FOR IMMEDIATE RELEASE
Wednesday, September 4, 1985

DOT 85-85
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TRANSPORTATION SECRETARY DOLE APPOINTS NEW ASSOCIATE ADMINISTRATOR FOR MOTOR CARRIERS

Secretary of Transportation Elizabeth Hanford Dole has appointed Richard P. Landis to the newly-created position of Associate Administrator for Motor Carriers.

Located within the Federal Highway Administration (FHWA), the new office includes the staff and functions of the Bureau of Motor Carrier Safety (BMCS) which sets and enforces Federal truck and bus safety regulations.

"Dick Landis, who served for many years as a senior highway patrol Commander in Arizona's Department of Public Safety, brings extensive experience in truck safety issues to this new and important position," Secretary Dole said. "I am delighted he is joining my top executive team."

A graduate of St. Mary's College of California, Mr. Landis first joined the Arizona Highway Patrol in 1971. Using his experience with truck and bus safety concerns, Mr. Landis has served on numerous safety commissions, committees and organizations, including the Commercial Vehicle Safety Alliance, the International Association of Chiefs of Police, DOT's National Hazardous Materials Transportation Advisory Committee, and the Police Traffic Services Committee of the American Association of Motor Vehicle Administrators.

Mr. Landis also served in a temporary assignment with the National Highway Traffic Safety Administration (NHSTA) from September 1979 to September 1980 during which he was involved in research on a broad range of legislative and operational issues related to law enforcement.

Mr. Landis is a native of Washington State and is married to the former Diane Hathaway.

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U.S. Department of
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News:

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

181147

FOR RELEASE MONDAY
September 9, 1985

DOT 86-85
Contact: Jenniter Hillings
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Ed O'Hara
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DOT DENIES NEW YORK CITY
REQUEST ON NUCLEAR SHIPMENTS

The Department of Transportation announced today it has denied New York City's request for a waiver of federal safety regulations which govern the highway routing of spent nuclear fuel shipments.

DOT's Research and Special Programs Administration ruled that the city did not demonstrate that federal regulations fail to provide an adequate level of safety because of unique circumstances in New York City. RSPA found that the city failed to show the exceptional circumstances that would warrant the extraordinary remedy of a waiver.

New York City enacted a law which bans the shipment of spent nuclear fuel through the city. However, DOT regulations governing the highway routing of trucks carrying radioactive materials, which became effective in 1982, have the effect of preempting the New York ban.

In 1984, New York applied to DOT for a "non-preemption determination" that would enable it to enforce its ban on such shipments. If enforced, the ban would prevent the shipment of spent fuel from Brookhaven National Laboratory on Long Island through New York City.

In its request, New York argued its situation is unique because it is the most densely populated area in the nation and also the only major population center that lacks an Interstate beltway or bypass. It proposed that spent fuel be transported by barge from Long Island to Connecticut.

(more)

If DOT were to grant the waiver, the effect would be to re-route to Connecticut shipments that now move through New York City. This would deprive Connecticut and the affected cities and towns, both in Connecticut and on Long Island, of their right to participate in the designation of alternate routes, a process provided for by DOT regulations. The ruling points out that New York City has the option of asking New York State to designate alternate routes under the regulation.

The DOT regulations require vehicles carrying large-quantity shipments such as spent fuel to use "preferred routes"--Interstate highways or alternative routes designated by the states. The rules also provide that where states do not designate alternate routes, shipments must be transported on Interstate highways and Interstate beltways where possible to avoid urban centers.

In its ruling, DOT said a petitioner for a waiver must prove: (1) exceptional circumstances necessitating immediate action to obtain more stringent regulations; (2) that the preempted law provides an equal or greater level of protection than the federal standard, and (3) that it does not unreasonably burden commerce. DOT found that since New York failed to make the necessary initial showing, there was no need to address the other two.

DOT said the legislative history of the Hazardous Materials Transportation Act indicates Congress intended the law "to preclude a multiplicity of state and local regulations and the potential for varying as well as conflicting regulations..."

In 1982, New York challenged the DOT routing regulations in court. In 1983, the U.S. Court of Appeals for the Second Circuit upheld the regulations. In 1984, the Supreme Court refused to review the case, thereby upholding the circuit court decision and the validity of the routing rules.

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News:

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

18148

FOR IMMEDIATE RELEASE
Thursday, September 12, 1985

DOT 87-85
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DOT SECRETARY DOLE PROPOSES TOTAL ECONOMIC DEREGULATION OF INTERSTATE TRUCKING INDUSTRY

Secretary of Transportation Elizabeth Hanford Dole today sent to Congress legislation she said "will complete the job of economically deregulating the interstate trucking industry.

"The regulatory reforms already enacted have been a good first step, resulting in increased competition, more efficient distribution of goods, and simplified rate structures," the Secretary said. "Now is the time to take the final steps in removing outdated and unneeded restrictions."

The proposed legislation does not affect federal truck safety standards, which are set and enforced by the Department of Transportation's Bureau of Motor Carrier Safety and National Highway Traffic Safety Administration. Nor would the legislation change current statutory provisions requiring DOT to set financial responsibility requirements, such as insurance.

Consumers and shippers both will further benefit from removal of the last economic restrictions on trucking, Dole said, because "motor carriers will be permitted to carry whatever commodities they choose, over whatever routes they choose, at whatever rates are mutually agreeable to them and to their customers." She added that numerous studies show that the overwhelming majority of even the most rural shippers are receiving trucking service at least as good as it was before reforms began.

Under the proposed trucking legislation, consumer protection in household goods carriers' operations would be transferred from the ICC to the Federal Trade Commission.

- more -

The legislation would also:

- * Eliminate all remaining ICC regulation of trucking rates and carrier entry into the business.
- * Eliminate antitrust immunity for collective ratemaking.
- * Eliminate the "common carrier" obligation.
- * Prevent states from imposing new regulations on operations that previously were regulated by the ICC.
- * Eliminate all ICC truck leasing rules.
- * Eliminate tariff publication requirements.

Initial partial deregulation of the trucking industry has been in place for five years. President Reagan called for further motor carrier deregulation in his State of the Union message last January.

At the same time she sent the trucking legislation to Congress, the Secretary forwarded legislation proposing to eliminate all Interstate Commerce Commission regulation of the surface freight forwarder industry and on domestic water carriers.

The freight forwarder bill is similar to the trucking proposal. It would remove ICC jurisdiction and would eliminate antitrust immunity for the freight forwarders.

The water carrier legislation proposes to eliminate all ICC jurisdiction over domestic water carriers - barges, intercoastal and Great Lakes carriers. Because of exemptions in these areas, the ICC currently regulates less than ten percent of water carriage.

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Office of the Assistant Secretary for Public Affairs
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FOR RELEASE MONDAY
September 16, 1985

DOT 88-85
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DOT PROPOSES RULES TO MAKE
TANK TRUCKS SAFER, DOLE SAYS

Secretary of Transportation Elizabeth Hanford Dole announced today issuance of proposed rules to improve the safety of tank trucks that carry hazardous gases and liquids, including gasoline.

The proposed rules would require that a large segment of the nation's fleet of truck cargo tanks be retrofitted with stronger manhole cover assemblies and improved pressure relief valves that should eliminate leakage of a chemical in an overturn accident. The proposed rule also would require stricter maintenance standards, and more frequent inspections, while eliminating numerous inconsistencies and ambiguities in existing requirements.

Secretary Dole said, "Stronger manhole closures and relief valves will reduce substantially the risk of fire, major leakage and other hazards in overturn accidents. At the same time, tighter requirements for maintenance, repair and inspection will further improve the quality and safety of cargo tanks."

The Department's Research and Special Programs Administration (RSPA) proposed that the retrofits be done over a five-year period, with at least one-fifth of the tanks being completed each year. The proposed rules were prepared by RSPA and the Bureau of Motor Carrier Safety (BMCS), Federal Highway Administration.

DOT officials will conduct a public briefing on the proposed regulations Oct. 15 at the Hyatt Regency O'Hare hotel in Rosemont, Ill. Public hearings to obtain comments on the proposal will be held Dec. 4, at the Days Inn, Burlingame, Calif., and Jan. 9, 1986, in Room 2230, DOT headquarters building in Washington, D.C.

Studies have shown that in cargo tank overturn accidents, failure of manhole cover assemblies and pressure relief valves occurs frequently, often resulting in substantial leakage and fires.

(more)

Some relief valves permit the release of hazardous liquids in an overturn and many cargo tanks have four or more such valves. The proposal clarifies the existing requirement that such valves may not permit this sort of leakage in an overturn. The proposal also notes that a large percentage of pressure relief valves failed basic operating tests.

Since some cargo tank owners and manufacturers have already installed improved manhole cover assemblies, less than half of the 102,000 tank trucks in use would be affected by the retrofit.

The proposal would revise DOT regulations affecting the manufacture, use, maintenance and repair of cargo tanks. The proposed rules would:

- o require that all DOT specification cargo tanks undergo a formalized maintenance program. While smaller cargo tanks are currently exempt from inspection and retesting requirements, DOT proposes that all tanks be subject to such rules. DOT found that the present maintenance and testing of tanks is not adequate, particularly in cases where retest and inspection are required.

- o require that all major repairs be performed by a qualified shop in accordance with the American Society of Mechanical Engineers (ASME) Code and certified by an inspector authorized by the National Board of Boiler and Pressure Vessel Inspectors.

- o require that all tank trucks be inspected annually instead of every two years, as is now required.

- o set specific criteria by which shippers can match the design pressure of a cargo tank to the pressure properties of a given hazardous material.

- o require that all manufacturers of new cargo tanks hold an ASME certificate and that each cargo tank be certified by an inspector authorized by the National Board.

The types of tanks are (1) the MC 306, the major highway vehicle used to transport gasoline, fuel oil and other flammable and combustible liquids, (2) the MC 331, which is used to transport ammonia, liquefied petroleum gas (LPG) and other liquefied gases, (3) the MC 307, used to transport high vapor pressure flammable liquids, poisons, corrosives, and materials covering two or more hazard classes, and (4) the MC 312, used to carry corrosives.

Nearly 58,000 of the 102,000 tank trucks in use are the 306 type used to carry gasoline and fuel oils. Accident reports indicate they account for 88 percent of the deaths reported for tank trucks carrying hazardous materials.

The proposed regulations will be published in the Sept. 17, 1985, Federal Register.

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News:

Office of the Assistant Secretary for Public Affairs
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FOR RELEASE WEDNESDAY
September 18, 1985

DOT 89-85
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Maureen W. Brown
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BUSINESS OPPORTUNITY CONFERENCE FOR WOMEN SPONSORED BY DOLE

Secretary of Transportation Elizabeth Hanford Dole today announced that the Department of Transportation is sponsoring a conference designed to help women entrepreneurs to compete more effectively and win transportation contracts and subcontracts.

"I want to encourage women business owners throughout the United States to do more business in the transportation sector by taking advantage of the opportunities created by these grants and programs."

The Department procures more than \$2 billion in goods and services through direct contracts each year. In addition, the Department issues \$18 to \$22 billion annually in grants to state Departments of Transportation, airport authorities, local transit agencies and other recipients under the financial assistance programs.

Dole said, "You don't have to build roads and bridges to benefit from this conference. Opportunities exist for engineering firms, material suppliers, shippers, architects, landscapers, as well as legal, financial, computer, and other service suppliers."

This conference will be coordinated by the Department's Office of Small and Disadvantaged Business Utilization (OSDBU). OSDBU will be assisted by HOPE Associates, Inc., a woman-owned consulting firm.

The conference, called TRANSCON II, will be held in Cleveland, Ohio, September 26-28 at Stouffer Inn on the Square. In addition to eight workshops led by public officials, management specialists, association and business executives, TRANSCON II will include a "Procurement Mini-Conference", where procurement officers will provide sample bid packages to review and discuss.

TRANSCON II will begin with registration and a reception on Thursday evening, September 26. The workshops, general sessions, and Procurement Mini-Conference will take place on Friday and Saturday, September 27 and 28. The registration fee is \$45.00, and further information can be obtained through HOPE Associates, Inc. at 202/833-3948. Room reservations at the hotel (\$60.00 per night) can be made by calling 1-800-468-3571 or 216-696-5600.

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U.S. Department of
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News:

Office of the Assistant Secretary for Public Affairs
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181-51

FOR IMMEDIATE RELEASE
Wednesday, September 18, 1985

DOT 90-85
Contact: Jennifer Hillings
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Ted Lopatkiewicz
Tel.: (202) 426-0398

DOT SAYS CONSUMERS MUST BE INFORMED ABOUT AIRLINE CODE SHARING

In a final rule issued today, the Department of Transportation (DOT) said that it is an unfair and deceptive trade practice for two or more airlines to share the same carrier designator code without notifying passengers of the arrangement and of the identity of the airline actually providing the transportation.

"This rule will provide balance between the interests of the airlines and the rights of consumers," Secretary of Transportation Elizabeth Hanford Dole said. "While code-sharing may have its beneficial aspects for airlines, passengers have the right to know what airline is actually providing the service they will use."

Airlines use two-letter codes (designator codes) in the Official Airline Guide (OAG), in computer reservation systems (CRS) and on tickets to identify the carrier providing the service. For the most part, each carrier has its own code, and each code is assigned exclusively to one airline.

In the last several years, some airlines have agreed to integrate their schedules and operations with other airlines. These agreements often include the sharing of their designator codes. In a typical case, some or all of the flights operated by a commuter carrier are identified with the two-letter designator code of the large carrier with which it has an agreement.

In 1984, a group of regional airlines petitioned the Civil Aeronautics Board (CAB) to prohibit all carriers from sharing designator codes unless carriers had entered into a franchise agreement approved by the Board. Although the CAB issued a proposed rule in October 1984 to require public notice about these arrangements, the CAB had not reached agreement on a final rule when it closed on December 31 and the rulemaking was transferred to DOT for resolution.

The Department said today it will not prohibit the practice of code-sharing, but will require that airlines advise ticket purchasers at the time of the transaction of the existence of any code-sharing relationship. At a minimum, DOT said, airlines must provide frequent, periodic notice in their advertising and in direct contact with consumers of the existence of a code-sharing relationship and the identity of the airlines involved. They also must provide that information to the OAG and to CRS vendors.

The Department stated that in taking this action, it has not ruled out the possibility that code-sharing is injurious to competition and might require additional steps to be taken. This issue is the subject of a study that has been commissioned by DOT and is expected to be available for public comment by the end of 1985.

For transactions through travel agents, airlines must take reasonable steps to make sure agents are aware of the existence of the cooperative arrangement and the identity of the carrier providing the transportation.

The new rule becomes effective 90 days after publication in the Federal Register, expected sometime next week. The portion of the rule dealing with information provided to the OAG and to airline computer reservation systems vendors will be effective 150 days after publication.

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FOR IMMEDIATE RELEASE
Wednesday, September 18, 1985

DOT 91-85
Contact: Jennifer Hillings
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DOT PROPOSES TO ISSUE 5-YEAR, EXPERIMENTAL INTERNATIONAL AIRLINE CERTIFICATES

The Department of Transportation (DOT) has proposed that all certificates awarded to U.S. air carriers on limited-entry international routes be issued for five-year experimental periods. DOT also proposed that airlines serving international routes under interim authority, pending the completion of a carrier selection proceeding, give the Department 90 days notice before withdrawing service.

At the same time, DOT asked for public comment on the selection criteria it proposes to use when awarding international routes.

DOT assumed responsibility for awarding international airline certificates in January, when the Civil Aeronautics Board closed. Today's DOT action begins a rulemaking proceeding designed to formalize practices the Department inherited from the CAB.

International airline routes were generally awarded on a permanent basis by the CAB before the Airline Deregulation Act. That law empowered the Board, and now DOT, to grant an experimental certificate upon determining that a test period is desirable, either to see if projected results will materialize and remain over time or to evaluate or assess the effects of new services.

The Department said it tentatively believes that awarding temporary five-year certificates in limited entry international markets strikes the best balance between the incumbent's need for time to develop its market and recoup its investment, on the one hand, and the public interest in the incumbent's continued responsiveness to the market's needs, on the other. Limited entry international markets are those that only a limited number of U.S. carriers may serve.

- more -

DOT's proposal is designed to prevent or minimize service gaps in those international markets where the interim carrier loses the carrier selection case and wants to leave the market before the selected carrier begins service. The proposed rule would allow the interim carrier to terminate service earlier if the selected carrier initiates service before the 90-day period expires.

Finally, the Department is requesting comments on the criteria used by the CAB-- and continued by DOT -- in carrier selection cases as well as its practice of varying the weight accorded each criterion depending on each case's particular circumstances. DOT said it has rejected suggestions that it employ lotteries or auctions to distribute authority in limited-entry markets; it will continue the practice of awarding limited-entry route authority by determining which of the applicants will provide the maximum public benefits.

DOT said it will not adopt any rule that would abstractly assign weights or rankings to any of the criteria without regard to the circumstances of the case. The Department asked for comment on the specific criteria it intended to use: market structure, route integration (how well the prospective route fits into the carrier's existing route system), fare and service proposals, ability to enter a market quickly, and, in some cases, incumbency.

Comments on the proposed rules and the proposed carrier-selection criteria may be submitted by writing Docket Clerk, Room 4107, Docket No. 43403, Office of the Secretary, DOT, 400 7th Street, S.W., Washington, D.C. 20590. Comments must be received on or before November 7, 1985.

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News:

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

FOR RELEASE FRIDAY
September 27, 1985

DOT 98-85
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 Wilbur Martin
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DOT SECRETARY DOLE TESTIFIES TRUCKING INDUSTRY CONTROLS ARE UNNEEDED AND UNDESIRABLE

Secretary of Transportation Elizabeth Hanford Dole today told a Senate subcommittee that continued economic regulation of interstate trucking is "unneeded and undesirable because there is ample competition within the industry," as well as from other modes of transportation.

She said it "simply does not make sense" to continue such controls and that it is now time to complete the regulatory reform begun with the Motor Carrier Act of 1980.

Proposed legislation further removing economic restrictions on trucking does not affect federal safety standards, which are set and enforced by the Department of Transportation's Bureau of Motor Carrier Safety and the National Highway Traffic Safety Administration.

The Secretary testified before the Subcommittee on Surface Transportation of the Senate Commerce Science and Transportation Committee on proposed legislation which would remove Interstate Commerce Commission (ICC) economic regulations over interstate trucking.

"Economic regulation of the transportation industries began some 98 years ago," she said. "Much of it has now become an expensive paper chase with no offsetting benefits to consumers and questionable value to carriers."

She termed absurd the rate filing requirements of the ICC, which still generate almost 1.4 million filings annually.

"Rates must be filed for Jiffy Popcorn, but Orville Redenbacher is exempt. Peanuts 'roasted and salted in the shell' are not exempt, while peanuts 'shelled, salted, not roasted or otherwise' are exempt. Cranberries 'partially frozen' are exempt, while cranberries 'purposely quick-frozen' are not exempt. Frozen fish and chicken dinners

- MORE -

are exempt but frozen dinners with a red meat entree are regulated. A rate is required for chocolate coated or glazed raisins, but not for raisins very lightly coated with honey, cinnamon, or sugar. Rates for regulated commodities are frequently significantly higher than for exempt commodities. Regulated peanuts, for example, have shipping rates 23 to 31 percent higher than the unregulated variety."

The Secretary said the key elements in the legislation being proposed would:

- * Eliminate all remaining ICC regulation of trucking rates and entry into the interstate trucking business.
- * Eliminate antitrust immunity for collective ratemaking, as well as special antitrust immunity for household goods van line-agent relationships after three years.
- * Eliminate the "common carrier obligation."
- * Transfer consumer protection in household goods carriers' operations to the Federal Trade Commission.
- * Prevent states from imposing new regulations on operations that previously were regulated by the ICC.
- * Eliminate tariff publication requirements.

"With freer entry into the trucking business, the number of firms with Interstate Commerce Commission operating authority has grown from roughly 18,000 in 1980 to almost 31,000 last year," Secretary Dole said. "New price and service options have been introduced. Established carriers have become more efficient and innovative by restructuring routes, reducing empty backhauls, providing simplified rate structures and offering shippers incentive to move freight more efficiently."

It is now time, she said, "to take the final step" to complete trucking regulatory reform.

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