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Helena Airport Board Dinner

Max S. Baucus

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Transportation

Speech at the Helena Airport Board Dinner

10/28/1978
SPEECH BY
CONGRESSMAN MAX BAUCUS
AT THE
HELENA AIRPORT BOARD DINNER
HELENA, MONTANA
October 28, 1978

LADIES AND GENTLEMEN, IT'S A REAL PLEASURE FOR ME TO PARTICIPATE IN THESE DEDICATION CEREMONIES FOR YOUR NEW AIRPORT TERMINAL.

I'M A BIG FAN OF AIRPORT TERMINALS. I'VE PRACTICALLY LIVED IN THEM FOR THE PAST MONTHS. AFTER THE ELECTION, I HOPE TO MOVE BACK INTO A HOUSE.

BELIEVE ME, I KNOW WHAT A MODERN, SPACIOUS FACILITY MEANS FOR HELENA. YOU HAD THE ONLY AIRPORT IN THE COUNTRY WHERE YOU COULD TELL THE PLANE HADN'T LEFT BY THE LINE OF PASSENGERS STRETCHING OUT OF THE TERMINAL'S FRONT DOORS.

BUT THE REAL REASON IT'S SUCH A PLEASURE FOR ME TO BE HERE IS THAT I'VE BEEN STUMPING THE COUNTRYSIDE RAILING AGAINST WASTEFUL GOVERNMENT SPENDING. AND IT'S A FACT. WE'VE GOT TO GET GOVERNMENT SPENDING UNDER CONTROL.

IT'S ALSO A FACT THAT THE FEDERAL GOVERNMENT HAS OFTEN SPENT TAX DOLLARS WISELY AND WELL. WE JUST TEND TO OVERLOOK THIS IN THE WAR AGAINST SPENDING AND INFLATION.
Your new terminal is a perfect example. Built with substantial federal assistance, this building represents how federal and local governments can work together to improve a community.

I am proud to have been able to offer assistance in securing the Economic Development Administration grant that helped pay for your new terminal. I hope it will serve to remind you that more comes from Washington, D. C. than just taxes and regulations.

Having said that, I'm going to turn to what could prove one of the most controversial laws of the year, despite its overwhelming approval by Congress -- airline deregulation.

In the final days of Congress, a cartoon appeared in one of the Washington, D. C., newspapers. It showed two congressmen stuffing bills into their suitcases, airline tickets in hand. One of them was saying, "Maybe on the way home we can read these bills we just passed."

The cartoon was uncomfortably close to the truth. And one of those bills in the suitcase was airline deregulation.

It represents an agreement hammered out between House and Senate conferees in the final hours of the 95th Congress. I opposed it. Few agreed with my stand. Of my colleagues, 7 voted with me when the bill first passed the House. I achieved even greater distinction later. I was one of only 6 House members to vote against the conference report.
Despite its overwhelming approval in the House and Senate, airline deregulation was one of the tough issues of the 95th Congress. It took most of 1977 for the bill to clear the Senate Commerce Committee and ten weeks for companion legislation to be reported out by the House Public Works Aviation Subcommittee.

No one can predict the final effects of this so-called Air Service Improvement Act. There may be significant benefit. Montanans travelling nationally and internationally may profit from lower fares. Commuter airline service may expand. Easier entry provisions could help new airlines enter our state. But on the balance, the dangers of this bill outweigh its benefits. I believe it offers insufficient protection for air service to small communities in Montana.

Congress has acted, however. Time will tell if it has acted wisely. Here is what the law will do:

It makes abolition of the Civil Aeronautics Board likely. It gradually phases the agency out over a seven-year period and transfers its duties to other branches of government. Unless Congress acts to extend it, the board's authority over domestic routes will terminate at the start of 1982, its authority over domestic rates, fares, mergers and acquisitions will expire on the first day of 1983 and the board itself will be abolished on January 1, 1985.
The bill, which was signed by the President Monday, permits airlines to enter one new market a year without formal CAB approval. It also allows an airline to protect one of its routes each year from automatic entry by another airline.

On routes where two carriers are authorized to provide service but only one is doing so, the first carrier applying within 30 days after the market is officially declared dormant must be granted permission to fly the route. Some 22,000 routes are estimated to fall into this dormant classification. But few are considered profitable.

The law allows airlines to cut passenger fares and cargo rates by up to 50 percent without CAB permission. Air carriers could raise their rates by up to 5 percent a year without seeking CAB approval.

Small communities now listed on airline certificates will be guaranteed "essential" service for ten years, with federal subsidies available.

The existing federal loan guarantee program will be extended for five years. Commuter and intrastate air carriers will become eligible.
The act prohibits the CAB from renewing the mutual aid pact unless the benefits provided do not exceed 60 percent of an airline’s direct operating expenses incurred during a strike. Benefits would be payable for a maximum of eight weeks. To be eligible for payments, the airline must submit to binding arbitration if striking employees request it.

The airline deregulation bill was almost scuttled in the waning hours of the 95th Congress by another bill that I’m sure interests you -- the airline noise bill.

This legislation would have funneled between $3 billion and $4 billion in federal ticket and freight funds to airlines to help them comply with federal aviation noise standards. Deregulation supporters feared their bill would be held hostage until the noise bill was passed. It did not pass, but the House did not delay the deregulation bill.

On October 3, the Senate Finance Committee recommended that the Senate delete the subsidy from the noise bill. The committee suggested that existing ticket and freight taxes be lowered and that the airlines pay for noise abatement efforts through fare increases if necessary. This was the approach that I favored.

With only a few days left in the session, the noise bill backers found floor consideration blocked by Senator James Abourezk, who opposed the bill even without the subsidy. He relented on the final day of the session. A substitute bill was passed.
Besides eliminating the subsidy, the substitute reduced the ticket tax by 2 percent with the savings going to passengers. But requests to bring it up for final vote in the House were unsuccessful. The bill died when Congress adjourned.

That probably tells you more than you ever wanted to know about airline deregulation and the final days of Congress. I hope, however, it answers some of your questions.

In closing, I want to again express my appreciation for the opportunity to participate in these ceremonies. Your airport terminal is now a fine gateway to Helena. You should be proud of it.

Thank you.

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