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U.S. DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20590

STATEMENT OF ROBERT H. BINDER, DEPUTY ASSISTANT SECRETARY FOR POLICY AND INTERNATIONAL AFFAIRS, BEFORE THE SUBCOMMITTEE ON AVIATION OF THE SENATE COMMITTEE ON COMMERCE ON FREE OR REDUCED RATE TRANSPORTATION FOR CERTAIN GROUPS, WEDNESDAY, JUNE 14, 1972.

Mr. Chairman and Members of the Committee:

I appreciate this opportunity to appear before you today to discuss the various bills before the Committee authorizing free or reduced rate transportation for selected groups (S. 1303, S. 1554, S. 1591, S. 1655, S. 1808, S. 1942, S. 2055, and S. 2061).

Most of the bills address the issue of affording free or reduced fare air transportation to the elderly and handicapped. Another prevalent provision among the bills would allow common carriers by railroad to afford free or reduced-fare transportation to the elderly. Other provisions found among the various bills would allow similar privileges on air carrier flights for young people, military personnel on leave, and surviving families of airline personnel who die while employed by an air carrier after serving in the employ of the airline for 25 years or more.

The Department understands the concerns of those who support the various bills now before the Committee. The law now contains a number of provisions specifying identifiable groups to whom common carriers may grant free or reduced-rate transportation. These groups include ministers of religion, personnel of the armed forces, and blind or disabled persons. In addition, these carriers frequently offer reduced rates to other groups

for promotional considerations. Among those who have enjoyed these rates are students, young people, affinity groups, and incentive groups. It is easy to understand why an individual observing this situation would ask why the elderly should not be singled out for preferential treatment. We would certainly think that they may be more deserving or at least equally deserving as some of the other groups I have mentioned.

The Administration is very much interested in, and concerned about, the problem of transportation for the aging, and as part of the President's overall initiative with respect to the aging, the Department is intensifying its efforts to address the problem in several ways. The problem of providing adequate public transportation for the Nation's 20 million citizens over 65 has been exacerbated by the gradual erosion of public transportation combined with an ever-increasing fare structure. This poses a severe problem for many of the elderly who live on moderate or inadequate incomes and who, like everyone else, must depend upon the ability to travel to acquire such basic needs as food, clothing, and medical services. Therefore, most of our activities are associated with the Urban Mass Transportation Program and include a number of demonstration projects testing new systems, vehicles, and facilities designed especially to increase accessibility to public transportation for the elderly and handicapped. In addition to investigating physical changes to vehicles and stations such as wide doors in vehicles for passengers in wheelchairs and escalators to improve mobility at stations, we are

testing different concepts in demand-responsive transportation which should be of particular benefit to the elderly and handicapped. We also have included in our proposed Federal-Aid Highway and Mass Transportation Act of 1972 a provision prohibiting the Secretary from approving a capital assistance project for the construction or acquisition of new urban mass transportation facilities or equipment unless he determines that the project meets standards he prescribes for meeting the special needs of the elderly and the handicapped.

We are not unmindful, however, that the elderly and handicapped have a real need to use intercity as well as local transportation. Air and rail transportation are frequently essential to these groups for such purposes as visiting members of the family or seeking special medical aid. Therefore, we expect to devote more attention to problems the elderly and handicapped face in making these longer trips.

We believe that the private sector as well as the Government should play a role in meeting the special transportation needs of the elderly and handicapped. At this juncture, more needs to be done to determine what these needs are and how they can best be met. I might mention in this regard that Arthur Fleming, the President's Special Consultant on Aging, soon will be meeting with representatives of the Air Transport Association to explore various means by which the resources of the private sector may be brought to bear more fully on this problem.

In our study of the problem of transportation for the aging and handicapped, and particularly in connection with proceedings before the

CAB, we have focused upon various proposals to extend special fare treatment to selected groups such as those referred to in the bills now before the Committee. Despite the worthy objectives of the legislation, the proposals they contain do present some problems.

The whole approach of discount fares brings into question the general finances of the carriers involved. As this Committee knows, the use of discount fares in recent years by the IATA carriers has resulted in substantial self-diversion of scheduled passengers from higher fares to lower fares, and has contributed to the financial difficulty of the carriers in the recent past. It is important to note that these complex, economic questions are now before the Civil Aeronautics Board in the Domestic Passenger Fare investigation, and we have submitted extensive testimony directed to these issues. I will be happy to make available for the record of the Committee the testimony of the Department's witness before the Board and the brief we submitted to the Board on the question of discount fares. Since these questions are still before the CAB we would urge that the Committee await the results of the CAB proceeding before acting on these bills.

Let me take a moment to outline our principal concern with these special fares. Our view is that rather than grant special fare treatment for selected groups, all members of the traveling public should receive the benefit of the lowest cost-related fares. For example, the Department is in favor of reduced fares on a space available basis, during off-peak hours, or on the lightly traveled days of the week, provided that this

transportation is made available to all. From the standpoint of the elderly, who are likely to be less in need of transportation during peak times, reduced fares during off-peak times should be of real benefit, as they would be to any other travelers able to use such fares at those times.

The basic difficulty with the approach taken by the bills before the Committee is that they would result in discrimination against members of the traveling public who do not fall within one of the selected groups. By adding new groups to those already singled out in the statutes for special preference, the bills compound an aggravating problem. As the lists of groups grow, the burden thrust upon other travelers increases, and the discrimination against other identifiable groups such as the poor becomes more unjust. We have faced this problem in the case of discount air fares for students. Why, for example, should a young person who has had to forego an education in order to work full time pay a fare double that paid by a student his same age sitting in the next seat?

For the foregoing reasons the Department opposes the enactment of the bills before the Committee. This is not because we oppose making transportation available to the elderly at reduced fares, since I have discussed ways in which this can appropriately be done. It is rather that we believe that the approach taken by the bills is inappropriate.

Before I close, I should point out that we would not place the proposal in S. 1655 in the same category as most of the other bills. S. 1655 permits air carriers to grant free or reduced-rate transportation to surviving family members of an airline employee who dies while employed

by the carrier after 25 or more years of such employment. We believe the group identified by this bill should be distinguished from the other groups because the matter of affording them special treatment is a labor-management question that may be left to the parties.

Mr. Chairman, that concludes my prepared testimony. Now I will be happy to answer any questions the Committee may have.