



NEWS from U.S. Senator Bob Dole

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REMARKS OF SENATOR BOB DOLE
FIRST ANNUAL POLITICAL ACTION SEMINAR
UNITED STATES INDEPENDENT TELEPHONE ASSOCIATION
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It is a real pleasure to have this opportunity to continue what has been for me a very long and happy association with independent telephone company managers and personnel. And I am honored to have been invited to participate in this, your first Annual Political Action Seminar.

CURRENT POLICY TRENDS

Let me say at the start that you needn't really bother about getting involved in political action, if you're content with the trends you see developing around you. If you're content to have the regulatory restrictions of government grow larger day by day and year by year, then political action is a luxury at best and, an irrelevant one at that.

If, as independent businessmen in America, you're comfortable with the public perception that business is essentially predatory in nature -- preying on the unwary and defenseless consumer whose only guardian is big government -- then you needn't bother with political action.

If you're not at all concerned with the growing distrust among Americans of the profit motive, there may be better ways for you to spend your time than in political involvement.

If the current regulatory philosophy of your Federal Government, and the current anti-business attitude of many Members of Congress, doesn't concern you or seems somehow remote from your own immediate interests, then I suggest that political action may not be for you.

POLITICAL ACTION A DIVERSE EFFORT

Obviously, though, you are interested. Obviously, you plan to get involved. Obviously, you are concerned -- apparently, concerned enough to form this Political Action Group and to determine to get involved and I trust stay involved in political action over the long haul in this country.

And political action can mean a variety of things.

It can mean involvement in the electoral process itself -- taking an interest in electoral campaigns, backing specific candidates, helping in every legitimate way you can to seek the election of the candidates of your preference.

It can mean, in a broader sense, involvement in public policy formation -- politics not in a partisan sense but in a substantive sense.

CHALLENGE OF POLICY FORMATION

Taking this latter, broader view of political action, however, I have a general criticism to offer. I don't mean it at all specifically with respect to the telephone industry -- least of all with respect to your fine Association staff here in Washington -- but it has been my experience that the private sector, across the board, is generally a day late and a dollar short in making its views known and its voice heard when policy decisions are being contemplated.

-2-

The day a bill comes up for a vote it's almost invariably too late to do anything to change the outcome.

By the time hearings have been completed, it's usually too late to do anything materially to change the outcome.

Even during the hearing process itself, it is often too late, no matter the merits of the case you may argue, to do anything substantially to change the outcome. It may sound like I'm condemning my colleagues in the House and the Senate because they will not respond to the merits of the case that you may present for or against a certain legislative proposal.

RESPONSIVENESS DESCRIBED

Quite the contrary, what I'm describing is a system that is most responsive. It is a representative system, It is a popular system. It is a democratic system. And as such, it is triggered to respond to the needs and desires -- whether real or perceived -- of the American people.

Conversely, it is not geared to respond quickly or even very tolerantly to last minute eleventh hour lobbying. And if there's a general criticism that I can make of the private sector's efforts in "political action" over my years in the Congress, it has been this too frequent tendency to come forward with great arguments and persuasive logic at precisely the wrong time in the legislative process -- too late to gather any strong support and too late to convince those who need convincing -- my colleagues in the House and in the Senate -- that their case even merits consideration, much less support.

NO NEW DEVELOPMENT

What I mean to say is that the major problems you face -- the problem of anti-business sentiment, distrust of the profit motive, the apparent public bias in favor of more, not less federal regulation -- are not problems that have sprung up over night.

Nor are they problems that will go away over night. And, as a consequence, it takes more -- much more -- than one-shot, or occasional efforts to make your point.

TELEPHONE BANK BILL AN EXAMPLE

Let me cite an example most of us remember. When I was still a member of the House, I introduced a bill to establish the Rural Telephone Bank. That was in the 90th Congress.

And then, I was elected to the Senate and as a Senator, introduced the Rural Telephone Bank bill again in the 91st Congress, where we finally began to make some visible progress.

As you may remember, the bill -- which I had felt was badly needed all along -- was finally passed and signed into law in 1972, towards the end of the 92nd Congress. It took roughly eight years from introduction to passage, not because the bill lacked merit, certainly. Not because the Congress is unresponsive -- if the Congress is anything, it is responsive.

It may, in fact, not be easy to define the precise reason why it took so long. But perhaps the best description I can offer is -- inertia.

LAWS OF LEGISLATION

As in all things, the Congress is slow to move the status quo. That is, in a sense, the Congress' first law of legislation -- a bill in committee tends to stay in committee.

But there is a second law of public policy, too. An idea in motion, tends to stay in motion unless it is countered by a different idea of at least equal force and work.

So it was with the Rural Telephone Bank bill. It had to overcome that inertia and it did so only when the forces of a gradually growing awareness of the need for such a bank among my colleagues, encouraged by the subtle pressures of independent telephone people -- political action if you will -- became powerful enough to get it moving.

-3-

LONG EDUCATIONAL EFFORT

Eight years is a disappointingly, but not so surprisingly, long time, considering the educational effort that had to be made in the Congress before adequate support could be generated.

And all the forces which made delay nearly inevitable with the Telephone Bank, apply with most other pieces of legislation. And, as it is with legislation, so it is with regulation.

FCC rules which affect your competitive status, if they are unfair or unwise, can be changed. But not necessarily changed by tomorrow. Tax laws which make it difficult for your very capital intensive industry to invest in needed new equipment can likewise be improved. As you know, they have been changed somewhat already with the Tax Reduction Act of 1975. But, change has come gradually and incompletely. I was pleased for example, that we were successful in the Finance Committee in obtaining approval of an increase in the investment tax credit for utilities. But, as you know, even this development has been a partial one, with the credit increase planned to be a temporary one and scheduled to expire next year. I am optimistic, nonetheless that the change to ten percent will be made permanent.

PUBLIC ATTITUDE AS OBSTACLE

But, in any effort to meet the tremendous challenge of the private sector's capital formation needs in the next decade or so, there are major obstacles of public attitude, apathy and even antipathy toward the needs of business, to overcome.

A recent poll, for example, suggested that the large majority of the American people share the misconception that business profits average in the neighborhood of 20-25 percent. You and I know that the average is closer to a fifth of that, and often much less for such capital intensive industries as your own.

But, so long as the people at large -- and let's face it -- so long as many of their representatives in Congress share the feeling -- or even strong conviction -- that business profits are so large as to be immoral, then capital formation, reasonable tax rates and reasonable freedom to operate your business without regulatory and legislative dictation, is going to continue to elude you.

POLITICAL ACTION IN BROAD SENSE

In that large sense, then, your problems are problems of public perception. They are problems spawned by policies which have been motivated, shaped and created by that public perception and public misconception.

And so, in that broadest sense, your problems are political problems and political action is the way to solve them. And, in my understanding of political action, it is ideas that count. You should have your sights set not just on the next tax bill, or the next FCC regulation -- but on the next decade and beyond and where you need to be, where your industry, yourselves and your country need to be, by then.

I know you have an idea of where you need to be. And you'd be surprised how many Americans share that idea with you.

Effective political action, more than anything else, means promoting that idea and setting it in motion. And if your ideas for America's future are roughly the same as mine -- and I am sure they are -- then the notion of freer America, a less regulated America, an America even more reliant on private initiative and an American people even more reliant on themselves -- will not be a difficult idea to get moving.

And it will be an idea with such force that once we can get it in motion again, it will tend to stay in motion.

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