

the Secretary the authority to enter into an agreement with a private concessionaire, do you feel that you would have your day in court, so to speak, in competitive bidding, or do you feel that the Secretary might favor another type of service than you are providing now? What is your feeling on that?

Mr. DAWSON. Mr. Chairman, I believe the answer is in about three parts there.

First of all, if you gave notice and withdrew from the compact, there would be no question of your rights insofar as the compact itself was concerned.

I would point out that the operation of this service as envisioned by the Secretary—and I believe by the committee—operates not only on federally owned property, but on property owned by the District of Columbia, the city public streets, so that the Congress does not control the operation on those streets.

And the third part is that the Congress did, in 1956, give D.C. Transit System, after very serious consideration and countless hearings and study, a franchise to operate the public transportation system in the District of Columbia, and I believe such action by the Congress would be morally wrong.

Mr. GRAY. This is what I wanted to find out, your opinion.

Let me ask you this: Would your company be interested, from a financial standpoint, in providing free bus service, let's say, from the Union Station up to the Capitol and taking a portion of the proceeds from parking?

Mr. DAWSON. Yes, sir.

Mr. GRAY. The reason I ask that question is I wonder whether or not free service would have anything to do with your rate structure.

I understand you have to go before the Commission here in the District, and I understand you have an application in now for a rate increase, which has been rejected. Now—

Mr. DAWSON. There is one pending, Mr. Chairman.

Mr. GRAY. Would you see any conflict if the Congress would act to give free bus service from the Visitor Center up to the Capitol and the arrangement could be worked out with the Secretary on the reimbursement, that this would have any effect at all on your rate structure in the rest of the city?

Mr. DAWSON. Mr. Chairman, there is a provision in the compact that free transportation cannot be provided. However, as I understand, what you are suggesting is there would be payment through some source to the company for the service that it does perform.

Mr. GRAY. Right.

Mr. DAWSON. At the present time the company does provide transportation for schoolchildren with the District of Columbia for 10 cents.

Mr. GRAY. The way you look at it, General, this would not affect your rate structure and your fees for the carrying of passengers in the District of Columbia if you had a separate contract with the Department of the Interior to provide this free service, and that contractual obligation was entered into in good faith between you and the Secretary, in your opinion as a lawyer, it would not have any effect on your rate structure in the District of Columbia?