



DEPARTMENT OF TRANSPORTATION

NEWS

WASHINGTON, D.C. 20590

REMARKS DELIVERED BY SECRETARY OF TRANSPORTATION JOHN A. VOLPE, AT A PRESS CONFERENCE HELD THURSDAY, AUGUST 7, 1969, AT THE DEPARTMENT OF TRANSPORTATION BUILDING, WASHINGTON, D.C.

As you are well aware, President Nixon today has submitted to the Congress a ten-billion dollar, twelve year program for public transportation. This is a program that is sorely needed, and promises to do much to solve many of the social ills that plague our growing nation.

I might take just a moment to compliment the Washington Press Corps for their diligence in breaking this story some 24 hours prior to the President's message but I would also like to point out that news accounts that broke yesterday and this morning left out two very important words -- key words -- and those are "Contract Authority."

There has also been the implication that ours is a modest program, starting with only \$300 million in 1971.

First, I would like to discuss those words "Contract Authority." This is a well-established budgetary mechanism that permits the obligation of funds for later expenditure, something the municipalities and transportation authorities definitely must have if they are going to embark upon construction programs that will take several years to complete.

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The five-year authorization contained in the legislation -- The Public Transportation Assistance Act of 1969 -- does afford a sufficiently high degree of assurance of Federal financial support so that cities will be able to undertake long-range public transportation projects.

Appropriation funding is by no means an annual process. On the contrary, it extends out for five years at the outset, and is accompanied by full Federal government authority to enter into commitments to the cities to the extent of such authorization. In short, this contract authority provision means that the cities and towns can proceed with their long-range plans knowing that this is not an annual "stop-and-go" proposition which may or may not support their needs.

Granted, this is not a so-called "Trust Fund." And, as I have stated publicly on many occasions, I favored a trust fund unless "someone could come up with something else that would do the job just as well."

Many many hours, days, and weeks have been spent in preparing this legislation. And it has long been generally recognized that identifying equitable and appropriate revenue sources presented a real problem. In the final analysis, the President decided that this program was indeed a public responsibility, and accordingly should be met with general public revenues.

What we have insisted upon -- and it is a basic part of the bill -- is the assurance that the Federal Government obligate itself to future financial support of the program. This we have, through "Contract Authority."

Finally, let me comment briefly on the size of the program. The \$300 million figure for 1971 rises to one billion dollars per year by 1975 and the program aggregates some \$10 billion over the next decade. Even here in Washington, \$10 billion is far from a modest sum.

Overall, the legislation announced today represents a great breakthrough. The President has identified public transportation as one of his "top ten" domestic priorities. We are pleased with the bill that the Administration is proposing, we are supporting it, promoting it, and -- as Under Secretary Beggs pointed out at the White House briefing earlier today -- we are confident that the American public will see -- and ride on -- tangible results of this legislation within three years of the time it is passed and signed into law.

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