



DEPARTMENT OF TRANSPORTATION

NEWS

OFFICE OF THE SECRETARY

WASHINGTON, D.C. 20590

13-S-71

REMARKS PREPARED FOR DELIVERY BY U.S. SECRETARY OF TRANSPORTATION
JOHN A. VOLPE ON REVENUE SHARING, AT THE WHITE HOUSE, THURSDAY,
MARCH 18, 1971

I appreciate this opportunity to discuss with you the President's special revenue sharing program for Transportation. I believe that this proposal marks the beginning of a new era in transportation development -- a new era of community participation in transportation decisions.

For the past four years now, our Department has been trying to promote a balanced national transportation system. One of the most important things we have learned is that people care about their transportation systems. They are eager to be involved. They demand responsive solutions. And the fact is that transportation needs are so diverse -- and they change so rapidly -- that the Federal government can't always respond the way it should.

Special revenue sharing will give states and local governments the flexibility they need to deal directly with local problems. The best example of this need is the highway versus mass transit dispute that so many areas are experiencing.

Special revenue sharing will eliminate, except for the interstate highway system, our matching grant programs. Existing matching grant programs have too often distorted the local decision-making process, with transportation needs becoming secondary to the availability of Federal funds.

Many areas simply can't raise the matching money. Others find it nearly impossible to fight the red tape involved in the grant application process. These restraints would be removed under revenue sharing. Urban areas, for example, would be able to say: This is what we need, this is where we're going to spend money, and this is the kind of system we want.

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Let me make one other point. Everyone in this room knows the financial problems facing our cities and states. When I was Governor of Massachusetts, almost every city in our state was suffering the same problem: the tax dollar simply wouldn't go far enough to pay for the services everyone was demanding. The problem is even more acute today.

So we must find a way to channel some of the Federal tax dollar back to these urban and rural areas -- and we have to do it in a way that gives local leaders maximum flexibility in deciding how the money will be spent. Special revenue sharing for transportation does that.

Let me briefly introduce the specific proposals in this program. First, the special revenue sharing fund for transportation would consist of all of our present categorical grant funds, plus all highway construction funds except those designated for the interstate system.

In fiscal year 1972 that would indicate a fund level of \$2 billion \$566 million. Since this proposal would become effective January 1, 1972, however, the first year expenditures would be only half that -- approximately 1.3 billion.

Of this first year funding level, the President is proposing that \$525 million be earmarked for mass transit capital investments. We have a very special problem here because the immediate need for new mass transit equipment is so great. So we are asking for these special capital investment funds.

This, in effect, means that we have two elements within the special revenue sharing fund: one for general transportation purposes and one for mass transit capital investments.

With that brief introduction, I'll let my Under Secretary, Jim Beggs, fill you in on the specific provisions in the legislation.

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