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DEPARTMENT OF TRANSPORTATION

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OFFICE OF THE SECRETARY WASHINGTON, D. C. 20590

OPENING STATEMENT BY SECRETARY JOHN A. VOLPE FOR BUDGET
BRIEFING CONFERENCE, SATURDAY, JANUARY 31, 1970, 2:00 P.M.,
CONFERENCE ROOMS 8A, B, AND C, DEPARTMENT OF TRANSPORTATION,
WASHINGTON, D. C.

You have had distributed to you fact sheets and summaries of our
Departmental budget for Fiscal Year 1971.

As you can see, our efforts to get the transportation message across
have met with considerable success. Despite this Administration's
austerity program in the very real fight against inflation, we have been
able to convince the Bureau of the Budget that the key to a great many of
our national problems is a massive upgrading of our transportation
capability and our transportation coordination.

The Fiscal '71 budget calls for major increases for urban public
transportation. This is in line with our firm belief that public transporta-
tion is a public responsibility, just like public safety, public health,
public welfare, and so forth.

The budget also provides for the very necessary expansion of the
Nation's airport-airways system.

Our safety programs are being strengthened and augmented in all modes.
Our research and development efforts across a broad spectrum of transportation
challenges are being boosted -- so that the man on the street may have the
benefits of the technological advances of the space age.

Overall, our request for new budget authority for Fiscal '71 is \$11.2
billion. That is a 42 percent increase over the Fiscal 1970 level of
\$7.9 billion.

The summary that has been passed out gives you a good breakdown of our
allocations and priorities.

One thing, perhaps, has not been mentioned specifically enough in the
handouts, and that regards this Department's efforts regarding the protection
of the environment.

(more)

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Although not mentioned specifically in the summary sheets, the Fiscal '71 budget calls for a manpower increase of more than 65 percent in the Office of the Assistant Secretary for Environment and Urban Systems. Environmental concern will continue to have a high-ranking priority in all our decisions. This perhaps does not show up sharply in budget listings, because increased concern, better coordination, and guidelines for responsible decisions do not necessarily cost large amounts of extra dollars. I point this out because I want you all to recognize that environmental affairs are in no way neglected in this budget.

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DEPARTMENT OF TRANSPORTATION

Highlights of the President's FY 1971 Budget

The President's FY 1971 budget for the Department of Transportation includes major increases for urban public transportation and for expanding the Nation's airport/airways system. The Department's safety programs are being strengthened and augmented in all transportation modes. Funds to step up R&D efforts on a wide-range of transportation problems are being requested.

Overall, DOT's request for new budget authority in FY 1971 is \$11.2 billion, some 42% over the FY 1970 level of \$7.9 billion. Of the increase, \$2.9 billion is to finance the Administration's proposal for a greatly expanded program of grants to improve urban transportation systems. About \$235 million of the increase is for expanding and improving the airways/airports system and is contingent on the passage of the airways/airports legislation now moving through the Congress.

A \$205 million increase (to \$290 million) is being requested to carry forward the program to develop prototypes of a safe and efficient commercial supersonic transport.

DOT budget outlays in FY 1971 will be \$7.0 billion, an increase of \$375 million over FY 1970. The bulk of the increase is for the aviation and urban public transportation programs.

The DOT budget also provides for an increase of some 6,000 new jobs in FY 1971 to bring total authorized departmental manpower to 112,270 during the year (including some 38,000 Coast Guard military personnel). Of the personnel increase some 4,400 or about 73% are FAA traffic controllers, maintenance technicians, and supporting personnel.

Following are highlights of the budget by major operating unit:

U.S.COAST GUARD

A total of \$625 million for FY 1971 is being requested for operations of the U.S. Coast Guard. This is a net increase of \$47 million over FY 1970. This increase will:

- strengthen the Coast Guard's program to improve recreational boating safety.
- finance a new polar ice breaker (cost: \$59 million).
- provide for a full year's operation of a new weather ship to be stationed southeast of New England.
- purchase six replacement medium range **helicopters** for search and rescue operations.
- finance a major increase (from \$4 million this year to \$13.5 million in 1971) in the National Data Buoy Development Program.

The budget also contemplates phasing out the Coast Guard's Selected Reserve Training program during FY 1971. This will save, on a full year basis, \$25 million. The phase out is based on a determination that the functions of the selected reserve can now be handled by the growing number of regular Coast Guardsmen on the retired rolls and enlistees who are required to serve in a standby status for two years after completing four years of active service.

FEDERAL AVIATION ADMINISTRATION

The budget includes \$1,765 million in budget authority for the FAA, up \$441 million over FY 1970. Of the budget amount, \$292.5 million will be formally submitted after the pending airways/airports legislation is enacted by the Congress. This \$292.5 million is in addition to the regular budget estimates and includes \$60 million for facilities and equipment such as ILS's, airport radars and towers; \$12.5 million for research and development; and \$220 million for airport grants. (The budget also proposes \$57.5 million in FY 1970 supplemental appropriations for these programs contingent on passage of the legislation)

Highlights of the basic FAA budget include:

- funds for 4,400 additional air traffic controllers, maintenance technicians, and support personnel.
- \$190 million for equipment to carry forward the program to automate certain en route traffic control functions.
- \$290 million to advance work on the construction of a civil supersonic transport aircraft -- the SST.
\$7 million for the first phase of a project to expand the passenger terminal at Dulles International Airport.

FEDERAL HIGHWAY ADMINISTRATION

The budget includes a total of \$5,732 million in budget authority for the FHWA, a slight net decrease (\$65 million) from FY 1970. Budget authority for the Federal-aid highway and related programs amounts to \$5,524 million of this total. (This budget authority is provided in the Highways Acts, rather than in appropriation bills.) The program (obligation) level for the

highway program for FY 1971 is shown at \$4.9 billion. In response to the President's program to damp down inflation by deferring construction projects, States plan to reduce their Federally-aided highway programs during FY 1970 by some \$1 billion so that aggregate Federal obligations will amount to about \$3.9 billion during the year. The program level in FY 1971, therefore, will rise some \$1 billion over FY 1970. Most of the increase will be for Interstate highways.

Other highlights of the FHWA budget include:

- An amount of \$50.8 million for activities of the National Highway Safety Bureau, some \$20.6 million or nearly 70% over FY 1970. This will provide for (1) added staff to improve and more effectively enforce motor vehicle and tire safety standards, and (2) an expanded safety research program.
- An increase in the program level for safety grants to states from \$70 million in FY 1970 to \$80 million in FY 1971.
- For the highway beautification program, \$25 million in new budget authority is proposed. With carryover balance, this will support a program level of \$35.8 million.
- For the Bureau of Motor Carrier Safety, the budget includes \$4.1 million, up \$1.6 million over FY 1970, to emphasize enforcement and compliance with safety rules and to start a new research program on safety problems unique to motor carriers.
- The budget proposes legislation and appropriations of \$20 million to provide for U.S. participation in building some 250 miles of highway through the Darien Gap in Panama and Columbia as part of the Pan American Highway Project.

FEDERAL RAILROAD ADMINISTRATION

The budget includes \$29.3 million in budget authority for the programs of FRA, up \$12.5 million over FY 1970. Most of the increase, some \$10.7 million, is to expand the High-Speed Ground Transportation R&D program. Work will be started or carried forward on various new systems such as the Tracked Air Cushion Vehicle and the Linear Induction Motor. Development of the recently chosen high speed ground R&D test site near Pueblo, Colorado will also be started in FY 1971. The budget will continue the Washington/New York/Boston high speed rail demonstration project. The budget also increases the Railroad Research level from \$300 thousand in FY 1970 to \$1.5 million in FY 1971 for work on rail/highway grade crossing safety devices and the hauling of hazardous materials.

To further the general policy to withdraw the Federal Government from programs and enterprises more appropriately carried on at other governmental levels or in the private sector, the budget proposes legislation to authorize the sale of the Alaska Railroad during FY 1971. The budget estimates receipts from the sale at \$100 million.

URBAN MASS TRANSPORTATION ADMINISTRATION

The budget includes \$3.1 billion in budget authority in FY 1971 -- up from \$177 million in FY 1970. This is consistent with the Administration's proposal for a 12-year, \$10 billion program of grants to modernize and expand urban public transit facilities. The \$3.1 billion is to finance the first five years of the program and will provide the authority needed to enter into long term commitments to local communities. Legislation to authorize this program is moving through the Congress.

OFFICE OF THE SECRETARY

The budget includes \$47.4 million for the Office of the Secretary, an increase of \$19.4 million over FY 1970.

The increase provides for:

- additional staffing to strengthen the hazardous materials and gas and oil pipeline safety regulatory programs, and more generally, to strengthen Departmental management and policy activities.
- a new grant program (\$1 million in FY 1971) to help finance Gas Pipeline Safety enforcement and compliance activities of states which have safety regulations which conform to Federal standards.
- a significant increase in OST's Transportation Planning, Research and Development program -- from \$11 million in FY 1970 to \$22 million in FY 1971. Of the \$22 million, \$10 million is for R&D on advanced air traffic control and airport capacity system, looking to the needs of the late 1970's and beyond.

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