



# DEPARTMENT OF TRANSPORTATION

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**NEWS**

## OFFICE OF THE SECRETARY WASHINGTON, D. C. 20590

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REMARKS PREPARED FOR DELIVERY BY U.S. SECRETARY OF TRANSPORTATION WILLIAM T. COLEMAN, JR., TO THE GREATER MIAMI CHAMBER OF COMMERCE, MIAMI, FLORIDA, THURSDAY, MARCH 4, 1976

It is always a pleasure to visit Florida, where the hospitality is even warmer than the weather. But the warmth remains even when your citizens travel outside of Florida. Last week I enjoyed a visit in Washington with your Governor.

I have come here to discuss with you some of the challenges and opportunities facing this nation and your area in transportation. And this is the proper forum for such a discussion because these matters are, in many ways, similar to those you face in the business community. They to a large extent involve money -- more precisely how to make the best possible use of money and other resources. That is the classic conundrum of our time -- how to make a finite supply of resources meet a seemingly infinite number of needs.

All across this nation, society's leadership is concerned about how to build and maintain the transportation system, for there is a direct correlation between the quality of life, the vitality of our urban areas, the development of commerce and industry, and our ability to move people and goods efficiently and economically.

The leadership of Dade County and of the greater Miami Chamber of Commerce certainly have recognized this truth, as evidenced by the good work you have done to date in moving toward your objective of a modern, efficient metropolitan transit system.

This leadership, working every step of the way with officials of our Urban Mass Transportation Administration in Washington, has made it possible for me to keep a commitment made some 30 days ago to reach and announce a decision within that time on your application for a capital assistance grant for the Dade County Metropolitan Transit Authority.

So it was with a great deal of pleasure that I announced earlier today approval of a \$15.1 million federal transportation grant for Dade County.

This grant will help finance engineering work which will commit in principle, subject to certain conditions, the building of a rapid transit system to serve greater Miami.

Thus, this initial grant is the significant first step toward additional federal assistance in the design and construction of the first stage of a rail transit system for Miami. Let me emphasize that this incremental funding approach is standard departmental practice, designed to assure the best possible use of both federal and local dollars.

It is very important to note that approval of this grant puts Miami ahead of all the other urban communities throughout the nation which now have applications before us for new rail rapid transit systems. I assure you this achievement is a direct result of the dedication and hard work of the leadership here.

I believe this \$15 million grant is a prudent investment, based on many years of intensive planning efforts, and the substantial commitment to improved public transit made by the voters of this county in 1972. Your responsibility is to see that local planning continues; that detailed cost estimates are compiled; and that action is taken upon several recommendations made today by the department's Urban Mass Transportation Administration.

As managers, I am sure you recognize that this \$15 million is the all-important "down payment" on your planned transit development. Today's grant augments the \$21 million Dade County already has received in federal transit funds. Your past track record in using these dollars wisely to improve your community's existing bus system, and your support for balanced transportation, were certainly major factors in our decision to make this grant.

Additionally, we were impressed by the extent of private investment to further develop the downtown area, by the degree of local financial commitment - as I already have mentioned - and by the assurance Governor Askew has given me personally that he will press for an appropriate state commitment from the legislature in Tallahassee. Moreover, the total plan for Miami is well-conceived, incorporating a blending of transit with other means of transportation, to serve a growing community of diverse needs and people of various national origins.

Given your record to date it seems logical to me to expect that you will take the next several steps required.

First, before going to construction financing, we are asking Dade County to assess projected operating deficits for the system and to offer evidence of some local consensus on how they will be met.

Most simply, neither we at the federal level nor you at the state and local level should build a major rapid transit system without having considered how you are going to meet its operating costs.

Second, and related to the first point, we are asking Dade County to explore the feasibility of recapturing for transit financing purposes some of the increases in real estate values generated as a result of the transit investment, and of encouraging patterns of development that are supportive of the proposed transit system. This is a reflection of our conviction that major transit investment and community development must go hand in hand, and that this is one way in which transit can help pay for itself.

Third, we will want to know what types of transportation management elements the County will be putting in place that will help support use of public transportation. This goes to issues like feeder bus support, park and ride lots, highway toll policy, downtown parking policy, and the like.

And finally, we want to see a local agreement between construction unions and builders for peaceful resolution, without work stoppages, of any labor disputes that might arise during construction. We have had hard experience elsewhere in the country that shows what tremendous inflationary cost increases can be produced by strikes during transit system construction. The time to negotiate an agreement to prevent that in Miami is now, before the project is launched into construction.

With this system you are doing more than providing greater mobility -- it is an essential step in the continued growth and development of this entire metropolitan area. You have planned your transit system as part of your metropolitan development program, and that counted importantly in your favor. And we in the Department of Transportation are proud to support that development program.

However, I believe that the effort underway in greater Miami should serve as an example to other communities across the country of what can be done when there is a strong local commitment, when planning is regional in its scope, and when implementation is approached realistically -- through phased development.

Indeed, three factors -- demonstrated so well in your past and present efforts here -- are essential components in the attempt of any community to improve its public transportation system, and to provide better service to those among you - particularly the young, the elderly, the handicapped and others -- who are transit dependent.

Much of what we have been able to accomplish in mass transit in the past two years is the direct result of the wisdom of Congress and this administration in passing the National Mass Transportation Assistance Act of 1974, the first major piece of legislation to be vigorously supported by President Ford after his succession to the Presidency. That act authorized nearly \$12 billion for mass transit capital investments and operating assistance over a six-year period -- and it is a part of these funds that will be coming to Miami.

After your more than six years of work, I am sure I don't need to tell this audience that transportation planning involves some tough choices and demands difficult decisions. This is particularly true at the local level, where you live with your decisions and they are judged daily.

There is no ready-made, all-purpose transportation policy, stamped our cookie-cutter style in Washington, and designed to meet the needs of every community. Neither is there a tried-and-true formula for success in developing transportation solutions applicable to every problem. I only wish there were. But experience teaches us otherwise.

Indeed, some years ago, it did seem that highways were a national panacea -- the aspirin for every transportation headache. Yet I believe an increasing sensitivity to the negative aspects of the automobile, including the nation's concerns over energy consumption and the environment, have demonstrated the short-sightedness in placing too great a reliance on any one mode of transportation. The people of southern Florida were among the first to recognize the necessity for greater environmental protection and preservation measures, and your concerns are reflected in balanced transportation.

There is, unquestionably, a vital need for highways and the mobility they provide. This is particularly true in non-urban areas, as in northern Florida, where highways remain the best and most efficient means of transportation.

I know that here in Miami you recognize the tremendous commercial and recreational potential of highways. Each year, thousands of tourists visit southern Florida, and the vast majority of them come by automobile. Thus, your tourist economy depends to a large extent on the availability and accessibility of highways. As President Ford said in this state last week, construction of Interstate 75 to Tampa would be accelerated under an administration provision in the highway bill now being considered by the Congress. This bill, now in conference committee, would give priority to the completion of intercity connecting routes on the Interstate System.

Yet I believe we must also acknowledge in our overall transportation policy that there are areas -- particularly in and around our urban centers -- where additional highway construction is undesirable.

There are, in short, limitations on highways as a transportation alternative. If we repair and restore our central cities as places of culture and civilization, then the limitations imposed by existing transportation systems must be overcome.

At the same time, economic necessity dictates that we eliminate duplicative efforts in providing urban mobility. More cities -- that make a commitment to mass transit -- must follow the example of Miami, in banning new highway construction in the corridors to be served by transit, unless such highways favor multi-passenger vehicles. In fact, your program here incorporating highway lanes for transit purposes is clear evidence of your support for balanced transportation.

It is the policy of the Department's Urban Mass Transportation Administration to give funding priority to those cities which have the courage and the common sense to make such tough choices.

Throughout our national transportation efforts we are seeking more balanced solutions to the problems we face -- solutions dictated not by past practices, but by present values and future needs.

This search for balance is not limited to the problems of urban transportation. In fact, one of the most significant accomplishments of the past year has been in salvaging and restoring the faltering and failing rail lines in the Northeast and Midwest.

Through the Rail Revitalization and Reform Act, which President Ford signed into law several weeks ago, we have restructured the bankrupt lines, and prescribed for the economic needs of the entire industry.

The act provides \$6.4 billion in federal resources for ConRail, for improvements to the northeast corridor rail passenger service, and for the refurbishing of other rail properties. The legislation, worked out in tough negotiations between Congress and the administration, avoided nationalization of the railroads, and committed what we believe is the minimum amount of taxpayers' dollars possible to the restoration effort - with better than even chances for full repayment.

Additionally, we are trying to create the opportunity for airlines to compete on a fare as well as service basis. Our Aviation Act, now before Congress, does not guarantee instant prosperity for the air carrier industry, but it does recognize the economic inefficiencies inherent in a system tailored to the equipment, routes and travel habits of the 1930s, and the necessity to overcome those inefficiencies if the aviation industry is to realize its full public service and profit potentials.

Enactment of this bill into law would go a long way toward eliminating some of the artificial barriers to free competition in the area of scheduling and fares -- with obvious benefits to the aviation consumer.

In each case -- the railroads and the airlines -- we are attempting to promote increased reliance on private sector incentives, rather than on government subsidies, to secure adequate amounts of operating capital.

I believe our present federal subsidy practices are frequently misused and misguided -- the products of habit, politics or historic precedent that have little rational or vitality today.

Subsidies, besides being frequently inequitable and always costly, tend to reward inefficiency. Thus, I believe subsidy should be a last resort.

As a nation founded on the vitality of the free enterprise system, we must return to the basic reliance on an economy determined by the forces of free market competition. The solutions we seek in transportation and in all other areas of national concern should come -- whenever possible -- from private enterprise initiatives rather than government intervention.

We must recognize that there are some things that government can do best, and there are other things that government best not do. Indeed, faced as we are with a federal budget deficit of more than \$40 billion, there are some things which government can no longer afford to do.

As President Ford pointed out in his budget briefing several weeks ago: "We are at a critical point in our history, a point where we can either allow federal spending and federal deficits to mushroom, and allow our economic foundations to erode; or on the other hand we can decide to restrain the growth of federal spending and restore the vitality of our private economy."

In transportation, the President's call to fiscal responsibility and a "new realism" means that we must encourage policies and programs that foster the best use of existing services and facilities. We can no longer afford to reinvent, when to repair or rebuild would accomplish the same objectives.

As Secretary of Transportation, I am working with an annual budget of approximately \$14 billion. Setting aside the \$1 billion for operations of the U.S. Coast Guard, and roughly half billion dollars for personnel, that leaves me with a workable budget of approximately \$12.5 billion.

That is a substantial sum of money, and it is -- if used to its best advantage -- certainly capable of providing adequate federal direction and impetus to the nation's transportation progress. Yet at the same time, it is a finite sum. It is not inexhaustible, and thus, we must get maximum value from each dollar.

I am convinced, based on my experiences of the past year, that to secure the most purchasing power for the dollar, we must have the flexibility within our budget to shift funds, wherever possible. We must promote funding in areas that encourage the achievement of national transportation objectives, and limit funding in areas that are not concomitant with the public interest.

Additionally, we must seek to eliminate the traditional practice of putting available funds into specific categories, without conscious regard for current situations or needs. The result of this approach to funding too often has been to lure local authorities into planning on the basis of where the money is, with only secondary consideration given to which alternative would best meet present and future needs.

I am encouraged by the expansion of our urban mass transit assistance program. We are now funding more than 2,400 projects across the country, representing an investment of nearly \$2.5 billion in fiscal 1977. That is an increase from 695 active programs, representing a \$978 million investment in fiscal 1973. Local communities have also increased their flexibility in transportation alternatives through wise use of interstate transfer provisions, which allow highway money to be switched to mass transit.

If we are to use our transportation dollars to buy the best possible solutions to our problems, then we must assure that the solutions are sought on the basis of sound judgments, not available financing.

Likewise, there are limitations on the federal budget. Even at the \$394 billion level, there is no room for false hope that the federal government can solve every problem and meet every national need.

President Ford has achieved substantial success in the past 18 months in his effort to bring the problems of inflation and recession under control. We are, today, on the road to economic recovery. The inflation rate of a year ago has been cut in half. The unemployment rate has been slowly, but steadily, receding.

Last month, more than 85 million Americans were at work -- nearly 1.3 million more than at the low point in March of last year. Nearly two-thirds of the jobs lost in the recession have been recovered within the past six months. And government experts predict that present policies will foster the creation of from 2 to 2.5 million new jobs in the private sector by the end of this year -- a number more than sufficient to absorb the two million new workers who come into the national work force each year. Your transit and community development programs here mean additional job opportunities for the people of this area.

These gains of the past year have not come easily. Indeed, as the late Adlai Stevenson once noted, "there are no gains without pains." Yet I believe that by rejecting "quick-fix" solutions and exercising sound fiscal judgment, this administration has managed to minimize the pains.

I agree with President Ford that we must seek "a fair balance between the desire to solve our problems quickly, and the realization that for some problems, good solutions will take more time." Attempts to achieve ultimate goals by crash programs of increased deficit financing and excessive money creation assure only the continuation of roller-coaster economic -- boom followed by recession, inflation followed by unemployment.

Indeed, good financial planning and good transportation planning both require an ability to curb the impatient desire to achieve every objective at once.

Richard Lyman, President of Stanford University, perceived this not long ago when he said: "The urge to legislate in haste and repent in leisure -- not just on the part of the Congress, but on the part of the people who elect the Congress -- is greater now than at any time since the early 1930s; and this -- in a nation that doesn't quite know what it wants, but is terribly impatient with what it has."

There are no magic solutions to the economic problems we face. Neither are there any magic solutions to the transportation problems of this nation and its cities. Those who say there are such solutions may be well-motivated, but they do not look far or long into the true consequences of what they propose.

They do not acknowledge that government make-work programs are inflationary and seldom terminate. They do not recognize that our great challenge is to bring economic prosperity without so inflating the power of government that we lose our freedom of choice in developing our communities and shaping their futures. They do not see that the vitality of the American economy flows from private initiative, not from the public trough.

What has been accomplished in Miami to date, and what I am confident will be accomplished here in the months and years to come, reflect not magic solutions, but far-sighted planning, realistic initiatives and a good bit of hard work on the part of many people.

The results of this effort will be permanent. Miami will be an even greater city for it.

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