

REMARKS BY SECRETARY OF TRANSPORTATION CLAUDE S. BRINEGAR  
AT THE ANNUAL MEETING OF THE AMERICAN ASSOCIATION OF STATE  
HIGHWAY AND TRANSPORTATION OFFICIALS, DETROIT, MICHIGAN,  
NOVEMBER 18, 1974.

It's a great honor to be invited to keynote your  
60th Annual Conference and your second as an Association of  
both state highway and transportation officials.

It was almost exactly a year ago, at your Los Angeles  
meeting, that I congratulated you on your broadened outlook  
and on your new focus on all aspects of transportation.  
Yet--and this point is made even more pertinent by the location  
of this year's meeting--our Nation's transportation system  
continues to be inescapably dominated by our 120 million  
automobiles and trucks and by the 3.7 million miles of streets  
and highways that serve them.

The Department of Transportation is, of course, heavily involved in a number of programs that affect the future of these vehicles and highways. Today I would like to share with you some of the perspective that guides us in administering these existing programs and in developing future ones. I will also indicate, in a preliminary way, our thoughts on the 1975 Federal-Aid Highway Bill that we plan to submit to Congress early next year.

I must stress at the start that two enormously important questions cannot help but dominate all of our present perspective and planning.

Question 1. How do we deal with the policy dilemmas posed by an economy that contains both excessive inflation and excessive unemployment?

Question 2. How do we cope with the chilling--and the word may prove to be unfortunately apt--prospect of a permanent energy shortage?

I would like to spend the next few minutes discussing these two questions, with particular attention to the energy situation and outlook.

I can tell you from first-hand experience that President Ford, his Cabinet, and his advisors have devoted

an enormous amount of effort to these two questions since August 9. This effort will, of course, continue until the issues are resolved. But the problems are complex and deep-rooted, and progress will be slow--discouragingly slow.

Inflation is properly recognized as Public Enemy Number One. The President's economic message to Congress in mid-October clearly expressed the peril of unchecked inflation: ". . . unless inflation is whipped, it will destroy our country, our homes, our liberties, our property, and our National pride; as surely as any well-armed wartime enemy."

But now we must also deal with rising unemployment--an urgent need that's becoming increasingly evident here in Detroit. The President's overall economic program has been carefully structured in an effort to fairly balance the National interest in dealing with both problems. Although changing conditions may make future changes in this program necessary, one key element must remain: we must recognize the need for fiscal prudence at the Federal level. Inflation must be licked.

The President has also launched a major effort to deal with the energy shortage, both by increasing domestic supplies



of all types and by decreasing wasteful usage through conservation. With the transportation sector responsible for some 60% of the Nation's energy usage, the conservation program clearly occupies a priority position at the Department of Transportation.

I think it would be worthwhile to outline our main energy conservation programs, but first I'd like to pause and emphasize a most vital point: The time has long past when this Nation can afford the luxury of disbelief and suspicion about the energy situation. Without question there is a serious and long-term energy shortage facing America. We must stop ignoring it, stop hoping that it will go away, and get on with solving it. This situation--especially the three-fold increase in foreign oil prices and the potential of further embargoes by the Arab cartel--is potentially the most serious threat to our way of life since Pearl Harbor.

Moreover, these events threaten the stability of our relationships with the rest of the world. As Secretary of State Kissinger so eloquently noted in a speech last Thursday: "The destinies of consumers and producers are joined in the same global economic system, on which the progress of both

depends. If either attempts to wield economic power aggressively, both run grave risks . . . . New tensions will engulf the world just when the antagonisms of two decades of the cold war have begun to diminish."

America's oil demand is presently about 17 million barrels per day. To meet this need, we produce only some 9 million barrels of crude oil per day from 500,000 wells--an average of about 20 barrels per day per well--plus about 1½ million barrels a day of natural gas liquids. Saudi Arabia, by contrast, could easily produce an equal amount of crude oil, if it chose to, from about 700 wells--wells that average over 15,000 barrels per day. Faced with such disparities--500,000 wells vs 700--it's little wonder that the balance of energy power has shifted to the Middle East--along with \$60-\$70 billion per year of the world's monetary resources.

Clearly, the situation is serious. Clearly, tough, effective, and cooperative National actions are needed. As a start, the President has called for a 1,000,000 B/D reduction in oil imports compared to forecast levels by the end of next year. A good share of this reduction must come from the transportation sector.



Here are three major programs our Department is working on that can significantly reduce our energy appetite. I solicit the support of AASHTO in carrying out these programs, for they are in your best interests as well as those of the Nation as a whole.

First: We must find effective ways to discourage people from using the family automobile so casually and so wastefully.

We now have some 100 million automobiles in the United States--one for every two people in the Nation. These 100 million automobiles use over 5 million barrels a day of petroleum--5 million out of our total usage of 17 million. Quite clearly, any serious effort to save fuel must concentrate on the family automobile.

We see at least three high-priority approaches to this most difficult problem:

(a) We must continue our public efforts to convince the average driver that the fuel outlook is indeed serious and that, for the good of the Nation, he must voluntarily reduce unnecessary driving. Higher gasoline prices have helped to indirectly convey this message, but only when the seriousness

of the situation is voluntarily accepted Nationwide will we start to get the kind of fuel reductions we really need.

If the average car owner, now driving 13,000 miles a year, could cut that by 10 percent he could save some 100 gallons of fuel annually. Such a Nationwide effort would save over 10 billion gallons of fuel a year--about two thirds of the near-term 1,000,000 B/D import reduction that the President has called for. And not-so-incidentally, such a reduction would also save the inflation-pressed motorists over \$5 billion a year in fuel costs.

Our studies indicate quite clearly that such savings are easily possible without seriously affecting jobs or living standards. The proof that we had the National will to achieve these savings would, I assure you, make quite an impression on the Arab oil cartel.

(b) We must turn the urban and suburban automobile into an effective "mass transit" vehicle. Somewhere between 30 and 35 million automobiles are used each day mainly to go back and forth to work. This fleet represents at least 120 million daily transit seats, more than 40 times the available seats of the Nation's public transit systems.



But how efficiently are these automobiles used?

You know the answer as well as I, for we only have to examine our own personal habits. Automobile urban work-trip occupancy now averages only 1.4 persons, and in auto-oriented cities like Los Angeles, where I lived and commuted for a decade, the rate is even less.

Raising the work-trip occupancy rate Nationwide to an average of just two persons per automobile would save at least five billion gallons of gasoline annually. To achieve this objective the Nation's commuters must turn to carpooling on a scale not seen since World War II.

Early this year Congress authorized 90/10 carpool incentive grants from the Highway Trust Fund to State and local agencies. Under this program over \$8 million in grants have been made to about 80 urban areas. These dollars have been used to develop such incentives as computer matching programs, fringe parking facilities, and a variety of preferential carpool driving and parking facilities. Since this program is scheduled to expire on December 31, the President will this week ask the Congress to extend it before the end of the current session. Much, much more needs to be



done--especially in providing incentives to those who carpool and disincentives to those who do not.

Our Department will shortly start, with the help of the Advertising Council, a Nationwide publicity campaign to promote carpooling. Our anti-inflation theme: "Double up, America. Two can ride cheaper than one."

(c) We all must accept and the States must enforce the Nationwide 55 mph speed limit. In addition to major fuel savings, observing the speed limit will significantly reduce highway deaths and injuries. I wish to stress that Congress has enacted this limit and the President has directed that it be enforced. Surveys show good public support, but there is disturbing evidence that some States have let it be known that it is not to be rigorously enforced. At my request the Federal Highway Administration is presently surveying the States to determine the extent of such laxness, and I have a Task Force working on recommendations to correct the situation. We may find it necessary to seek legislative authority to withhold FHWA or NHTSA funds as a method to achieve the needed compliance.

Second: We must keep pressure on the automobile industry to produce fuel-efficient cars.

It's encouraging that most of the 1975 models show improvements over 1974's low mileage rates (the 1975 fleet average appears to be about 16 mpg, compared with about 14 mpg for 1974's fleet). If the auto industry, including imports, can achieve, by 1980 models, the 40 percent improvement that President Ford has called for--to a 1980 average of 19.6 mpg--the fuel savings would be of major proportions. A recent joint study by our Department and the Environmental Protection Agency concluded that such a 40% gain is feasible--though at some higher costs--through a combination of such changes as reductions in weight and other power requirements, transmission modifications, engine resizing, and a continued push to develop consumer acceptance of smaller cars.

The big question is: Can Detroit produce the needed automobile that meets the requirement for fuel economy and do it in a way that does not compromise realistic objectives of environmental protection and safety standards? And, I must add, can it do this in a car that is acceptable and affordable by the consumer? My answer: It's essential that they do. The alternatives are not pleasant ones.

Third: We must make alternatives to the automobile more attractive to potential users, especially in our large and congested urban areas.



This, of course, is the goal of our Urban Mass Transportation Administration. Since 1970, this Administration has made over 750 separate capital grants--totalling \$3.1 billion--to help upgrade an enormous variety of mass transit systems. These grants have been used to help buy over 20,000 new transit buses, 2,000 new rail transit cars, 1,000 rail commuter cars, and to build some 200 miles of rail rapid transit track. In 1974, for the first time since World War II, public transit ridership is above the level of the prior year. Although the energy crisis has provided the push, I think our grant program must get credit for making the gains physically possible.

Although we expect to continue this program--and, in fact, have a major increase in the funding levels now pending before Congress--I must caution that there are limits to it.

In particular, I'd like to stress these three points:

Point one: We must not expect too much too fast from mass transit. As anyone who has tried to move about in New York or London or Paris at rush hours knows, a good mass transit system and enormous traffic problems can easily co-exist. The New York City area, with its heavy population density, is

probably unique among American cities in its ability to collect and then move as much as half of the people to work and back by mass transit. For a handful of the other very large urban areas--such as Philadelphia, Chicago, and Boston--numbers as high as 25-30% using mass transit may be attainable, but for virtually all the rest, 15 to 20% is more likely a realistic upper limit over the next decade.

Point two: Available mass transit technology is largely limited to fixed guideway (mostly rail) systems and to buses. Unfortunately, fixed guideway rail systems cost a very great deal (over \$40 million a mile for subways, generally), take a decade or so to plan and put into place, and are able to attract significant ridership only when serving densely populated corridors. Viewed strictly from a technical standpoint, in all but a very few situations buses are cheaper, more quickly available, and can be more flexibly adapted to changing commuting patterns. Unfortunately, too many automobile commuters do not yet view buses as a very appealing alternative.

Point three: Since the automobile will almost certainly be the principal form of urban transportation in most of our cities for a long time, we must aggressively seek ways to use



it more efficiently--especially through better urban planning and better traffic management. Just as the automobile can be made environmentally clean and energy efficient, we must also turn our talents to making it more compatible with its urban physical setting.

Taking these above points into account, we conclude that for the bulk of our cities the mass transit "solution" lies more in better traffic management than in massive hardware building programs.

Consequently, our Department is developing--and will encourage local areas to implement--a number of incentive systems to force more efficient vehicular usage of our existing streets and highways. Without question our automobiles can be better "managed"--that is, can be better fitted into peak-hour capacity--by such approaches as work-hour staggering, carpooling, and by sophisticated traffic flow controls. Further, by creating special bus lanes and "minibus" home pick-up and delivery service, we should be able to entice reasonably large numbers of people to switch from their cars, especially as gasoline prices, downtown parking rates, and other costs of automobile ownership and usage rise.

All of this will, of course, take time and patience. But from the perspective of what can be done that will work and at costs that the Nation can afford, I'm convinced that using incentives to encourage efficient usage of existing streets and highways is a direction we must push--and push hard.

From this long and, in places, sobering overview of the problems of inflation, unemployment, and energy conservation, I would next like to shift my focus to the subject immediately at hand: What will the Administration recommend to Congress in its forthcoming proposed Federal-Aid Highway Bill?

While many aspects of the proposal--including funding levels--remain to be developed, I can describe the main objectives that are guiding our efforts:

Objective 1: We certainly want to continue and promote today's strong Federal-State relationship in National highway planning, financing, and construction. Our highways are clearly the outstanding element in the Nation's overall transportation system--an accomplishment no doubt traceable to this good relationship.

Objective 2: The Federal program must be of sufficient duration to permit the States to make reliable long-term



transportation plans. Our present thinking is that the next Highway Act should extend through FY 1980.

Objective 3: Direct, targeted Federal funding of specific programs should be limited to those few cases where there is (1) a clear National interest in the program and (2) little likelihood that the States and localities would do it adequately without a Federal program. Today's bundle of special programs--the list now exceeds 30--is far too many. The States and localities need more responsibility and more flexibility in deciding upon local priorities and uses of the available funds.

Objective 4: Future funding levels should be reasonably predictable, yet be sufficiently flexible to permit adjustments for changing National conditions, including the impacts of inflation. Hopefully, the 1974 Budget Control Act offers the machinery for achieving this flexibility, although until we have some actual experience under it I must reserve judgment.

Objective 5: The Interstate Highway System clearly needs a specific effort to bring the priority elements to prompt completion. Although only one-seventh of the interstate mileage is not yet open to traffic, the unfunded cost is at

least one-quarter of the total--and growing. We see a need to focus on a method of identifying the key unbuilt and unfunded priority links--especially those that will complete connections between and around our major cities--and then funneling ear-marked money to these high-priority links. Since the Highway Trust Fund was originated for the purpose of financing the construction of the Interstate System, it obviously should be retained until that purpose is largely fulfilled. Longer-term uses of Trust Fund dollars--including possible future maintenance and upgrading of the Interstate System--are issues that we still have under analysis.

Objective 6: Let's once and for all figure out how to cut out the unnecessary "red tape."

Objective 7: The Administration's highway program must reflect an equitable blending of the ideas of the Congress, the States, and the users of the highway system. The President has many times used that most important word "cooperation." I can assure you that the Department of Transportation stands ready to do its share of cooperating.

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That hopeful note brings me to the end of my prepared remarks.



Let me close with this observation: Despite today's problems and uncertainties our Nation--and its National will--remains strong. Our physical assets, our productive capacities, and our innovativeness are as great as ever. Caution is certainly needed as we work our way through today's global minefield, but caution must not give way to pessimism.

We are endeavoring to design our programs to reflect that right mix of caution about today and optimism about the future. We solicit and welcome the advice of AASHTO in this process.

Thank you.

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