



DEPARTMENT OF
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REMARKS BY SECRETARY OF TRANSPORTATION CLAUDE S. BRINEGAR
TO TOWN HALL, LOS ANGELES, CALIFORNIA, JANUARY 21, 1974.

I'm delighted, as always, to be back in Los Angeles. It was just 12 months ago that I left here to begin my Washington adventures. Needless to say, it's been an eventful year.

For the people of Southern California, recent weeks have brought some good transportation news and some bad transportation news. The good news is that EPA has backed-off on the proposed heavy surcharges on commuter automobile parking. The bad news is that, if we have gasoline rationing, you may not be able to make it to the downtown parking lots.

Neither situation, of course, is that cut and dried. When Russell Train addressed Town Hall last month, he hinted

that the EPA's transportation control plans for Los Angeles might be softened. For my part, I can suggest that the unwanted gasoline rationing plan on the shelf in Washington may be avoided. But getting through the energy crisis without the miseries of coupon gasoline rationing depends on our National ability to conserve our scarce resources voluntarily.

I believe we can do just that.

As President Nixon reported Saturday, the early results are encouraging. Americans are responding. Petroleum usage, with an assist from a warm winter east of the Rockies, has dropped sharply since November 1. This reduced usage, plus higher-than-expected imports, has significantly improved the near-term oil supply outlook.

I believe that the President's directives and actions to protect jobs and spread the shortage as prudently as possible are working. Bill Simon and his crew have done a remarkable job in a short time, and we all owe them our thanks.

In passing it's worth noting that the sudden energy shortage has created almost a no-win situation. If the Administration succeeds in curtailing oil usage so that we

have no real crisis this winter or spring, we will get blamed for scaring people and affecting jobs unnecessarily. But if we don't control usage and there is a really serious oil crisis, then we will get blamed for failing to act. "Plan for the worst and hope for the best" is the approach we're taking. I'm convinced it's the right one. I'm also convinced that it will work.

One other comment on the energy crisis is in order. I've been amazed at the growing skepticism that says "there's no crisis." "It was somehow contrived by (and fill in your favorite enemy)." This is irresponsible nonsense. The facts are that our present shortage is in excess of two million barrels of oil per day--out of a total expected demand of some 20 million--and has the potential to go much higher. U.S. oil production continues to fall and total oil imports are now down by two million barrels a day from the rate in October. For anyone who cares to look to the facts the causes and overall magnitude of the oil shortage are indisputable.

The Europeans and the Japanese, as they scramble for dwindling oil supplies and move to rationing programs--they know there's a crisis. And our much-criticized oil companies, as they watch our aging domestic oil fields decline and their foreign import sources either dry up, or even worse, double or triple in price--they know there's a crisis.

Actually, the rapid price increases have now become the most serious aspect of the crisis--an aspect that threatens to disrupt the Western world's industrial structure and trading patterns. We should stop fretting about the arrival of a few oil tankers or whether or not our oil storage tanks are full or half-full. Those are not the important issues--after all, we only store a 30-40 days' supply of oil at the most--the important issues are where are the oil and other energy sources coming from five and ten and twenty years from now, and at what prices. This is the thrust of President Nixon's "Project Independence"--to give us freedom from foreign energy blackmail and access to reasonably-priced, secure sources of energy. Clearly, we'd better stop arguing and get on with it.

Let me now shift to a brief overview of some major National transportation issues.

In broad terms, I believe that transportation made important long-term gains in 1973. A major accomplishment came when the Administration won approval of the flexibility principle in the Federal Highway Act, enabling cities for the first time to be able to use portions of the Highway Trust

Fund for transit investments. Equally important, we secured passage of the Regional Rail Reorganization Act, a product of intensive Administration and Congressional effort and cooperation. When President Nixon signed this bill on January 2nd, he set in motion a 21-month process that will restructure, refinance and revitalize several long-faltering rail freight operations in the Northeastern and Midwestern sections of our country. At the heart of this problem is the overbuilt, under-financed, and bankrupt Penn Central.

While a regional rail act may seem somewhat remote to the interests of California--I think it got one sentence in the Los Angeles Times--the legislation is of National importance for several reasons. First, the collapse of rail freight service in the Northeast and Midwest would quickly be felt from one end of the Nation to the other. The railroads, as an example, carry over 70 percent of California-grown fruit to Eastern markets. And the Southern Pacific or Union Pacific, despite their many virtues, can carry the freight just so far before other railroads must take it over. Second, the Regional Rail Reorganization Act marks the beginning of active Federal involvement in trying to restore

our railroads to better economic health. And third, the attention given to the Northeast rail problem indicates a willing mood in Congress to deal with the problems of the rest of the Nation's rail freight system--those not yet in bankruptcy but certainly not in good economic health.

To address this broader rail problem we have proposed what we are calling the "Transportation Improvement Act."

This new rail bill, like so many things in Washington, is difficult to explain. In brief, it permits easier abandonment of low-volume branch lines, provides loan guarantees for new capital equipment, authorizes more flexibility in setting freight rates, and finances the development of a National freight car control system. The railroads are not only a vital link in our economic system, but represent one of the most energy-efficient and environmentally sound ways to move freight. We believe that it is absolutely essential that we take action now to avoid a costly replay of the Penn Central problem on a National scale.

Let's turn now to the very different problems of moving people within our urban areas.

Our National objectives in urban transportation are not hard to state: we want to relieve urban traffic congestion, we want to stop fouling the air of our cities, we want to use our scarce energy resources prudently, and we want to move those who want to be moved reliably, safely, and at a reasonable cost.

Achieving these objectives, on the other hand--or even measuring progress, for that matter--is something altogether different. How many times have we seen a new freeway that was supposed to reduce congestion itself quickly fall victim to congestion, while the other freeways remain as clogged as ever? And, I've learned, the same can be said, in varying degrees, about urban transportation systems of all kinds throughout the world. Paris, for example, has the world's greatest subway system--moving over four million people per weekday. But, as anyone who has ever been there knows, Paris also has the world's worst traffic jams.

The lesson, of course, is that you can't really solve a problem by working on only a part of it. No matter how hard you try, urban transportation planning cannot be divorced from total urban planning. Suppose, for example, that in order to handle one million passengers at peak-load you plan and build a system--highways, bus lanes, fixed rail, or whatever--with a capacity at peak-load of one million. But if the demands for transit service rise to, say, two million, then where are you? In a mess, that's where.

In varying ways, this fragmented and uncoordinated approach to urban transportation planning plagues urban planners the world over. The causes are a mixture of historic practices, political judgments, inadequate planning, and simple ignorance in knowing how to control urban growth patterns. If you don't really know what your urban area will look like in 10 or 20 years, how indeed can you today plan an urban transportation system that takes a decade or more to put into place?

What is the Federal position on this problem? Besides such lofty thoughts as the above, what are we really doing to help our beleaguered cities? And, to get to the real point, what are we doing--or could do--to help Los Angeles?

Our position is that we can do--and, in fact, are doing--a great deal to help. We can help with planning, with guidelines, and with money. But the key word is "help." We cannot be looked to as simply the Federal banker with all the free money.

Our present programs to help urban transportation fall into two categories, both of which were developed by the Nixon Administration. I believe that these programs have played a key role in the National revival in public transit that is now occurring. In 1974 we will see, for the first time in decades, a reversal of the downtrend in total transit ridership.

First, we have the flexible urban fund dollars from the Highway Trust Fund, a result of the 1973 Federal Aid Highway Act. This program allocates nearly \$1 billion a year to urban areas on a formula basis tied to urban population. These dollars, which can be used for either urban highways or urban transit capital, can also be supplemented with dollars freed-up by substituting transit investments for certain unbuilt links in the Interstate highway system.

Second, we administer a capital and planning grant program of approximately \$1 billion a year. This program

was started in 1970 and contemplated the granting from General Fund monies about \$10 billion over a 12-year period, although our current statutory authority is limited to \$6 billion. Since 1970 we have made grants to 150 cities that total nearly \$3 billion. About \$1 billion has gone to buy over 15,000 transit buses and to save 70 local service bus companies from extinction. The other \$2 billion has gone into a variety of rail and fixed-guideway investments. Under this program, for example, the San Francisco Bay Area BART system received grants that total about 20% of the cost of this newest of the Nation's fixed-rail systems. The Los Angeles area has received various grants that have been used for transit planning and to buy some 850 transit buses.

In recognition of the energy crisis and the tough environmental controls our cities are facing, the Administration will shortly propose an expanded urban transportation assistance program--expanded in scope and in dollars. The new program will bring together the allocation and grant dollars into a larger fund that will be allocated every year, thus permitting the cities to make longer-term plans based on the regular receipt of these dollars. In order to encourage prudent

local "trade-off" decisions in the use of these dollars, we would permit a portion of them (within limits) to be used for either transit capital or operating costs. While we strongly oppose Federal programs of direct operating subsidies because they lessen the incentives for careful local management, we would favor a program that permitted local choices as between capital and operation.

In addition, the new programs will retain a sizable discretionary grant fund to help those cities that face large transit construction programs.

This new program is a significant improvement over the present two programs in a number of ways: it will offer more flexibility in the use of the Federal dollars, it will offer a more predictable flow of dollars, it will offer cities with unusual problems the opportunity to apply for special grants, and, in total, it will offer more dollars. In particular, as we look to the urgent needs for quick reactions to the energy crisis, this new program will enable cities to acquire and operate thousands and thousands of new transit buses.

But I must caution that this program cannot, and will not, solve all our Nation's urban transportation problems. No matter how broadly we view the Federal role in providing local assistance--and this role has unquestionably broadened greatly in recent years--we could not come up with enough Federal dollars to fund the majority of every city's transit ambitions.

The several-billion dollar transit plan proposed here last summer is a case in point. I am pleased to see a concerted effort to address your transportation problem on an area-wide basis, and my comments are not directed to the substance of the proposal. However, in all fairness, I must point out that Los Angeles cannot expect Washington to finance, to use the words from one local brochure I've seen on the plan, "more than two-thirds the cost." Federal support of that magnitude simply isn't in the cards.

I fully expect Federal programs to provide Los Angeles with hundreds of millions of dollars over the next few years to use for worthy transit programs. In addition, Los Angeles could, at its option, also obtain hundreds of millions of Federal dollars if it chose to substitute transit projects for certain unbuilt Interstate highway segments, an exchange

privilege permitted by the 1973 Highway Act.

But even Washington has limits to its financial resources. As the Los Angeles Times pointed out in a recent editorial, there are a number of other cities already "lined up at the cashier's window." And, I can add, a great many of these projects not only have early priorities but, by any selective criteria, they have very favorable cost-benefit ratios. Finally, of course, we must not forget that there is a limit to the financial burdens that can be reasonably and fairly placed on the general taxpayer.

Let me conclude by passing along a few results of some of our recent studies of the present and proposed urban transit systems throughout this country and in the world's major cities. In these studies we have tried to answer such questions as: How effective are the systems in meeting the areas present and future transit needs? How have they affected urban growth patterns? Have they been reasonable public investments in a cost-benefit sense?

Some general observations from these studies may be worthwhile to Los Angeles.

First, we have found that the very expensive fixed guideway systems (usually rail) seem best fitted to cities with established high-density central cores. Most of these cities--like New York, Chicago, Philadelphia, Boston, Paris, London, Tokyo--put the key elements of their systems in place many years ago, and most of the costs were financed locally. The mileage represented by these systems is surprisingly small and the peak-hour ridership is very, very high.

Second, we have found that the newer and spread-out cities--and that certainly includes Los Angeles--that now have in place good freeway and highway systems, but lack really established high-density cores, have great flexibility in future urban transportation planning. You have the opportunity to use the freeways and highways very efficiently through such low-capital programs as special bus lanes and car pooling programs stimulated by financial incentives, and even by home pick-up and delivery through limousine-type jitney service. You can also sharply increase the available freeway capacities by programs of staggered work-hours. You thus have opportunities denied the older, high-density cities. I've been encouraged to see the beginnings of these

low-capital programs here in Los Angeles--please push them as hard as possible.

Third, we must not forget the fact that the automobile remains a very desirable and, in some cases, the best means of personal transit. Our love affair with the big car may have cooled, but we clearly still love the services a car can offer. Our problem, of course, is that we have too many inefficient and polluting cars trying to go to the same places at the same time (mostly to work). As you make your future transit plans, please recognize the possibilities of finding long-term solutions to these auto-related problems.

Fourth, and finally, I'd caution you, as you make your future transportation plans, to examine your assumptions very carefully. What are your growth curves? Are they fact-founded and based on today's ideas of the future, or just historic projections? Are the transportation plans properly tied to your other urban plans? Who will live where and who will ride what? What are the total public costs of the transit alternatives? What, indeed, are the alternatives?

These are the key questions that Los Angeles must face as it prepares to shift from an uncontrolled and automobile-dominated culture to a controlled and, hopefully, balanced urban transportation system.

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