

Secretary of Transportation Drew Lewis on Good Morning America
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DAVE HARTMAN:

A number of our Urban Mass Transit Systems are in trouble. They are in big trouble and that affects a lot of people. On an average day nearly 30 million of us Americans use public transportation. Here are some examples quickly.

The Chicago Public Transportation System is literally broke, and just last night a fourth Chicago bus company shut down. It's being reported this morning that the entire Chicago Transit System could shut down by the end of this week.

The Boston Transit System could go broke by this fall.

And New York - on the average day 25 percent of the subway cars are out of service.

In Houston nearly 50 percent of the buses on an average day -out of service.

There is, however, one bright note. The buses started running again yesterday in Birmingham, Alabama. That system went broke and had been shut down for the past three months.

Drew Lewis is President Reagan's Secretary of Transportation. He's with us this morning in Washington to talk about all these problems. Steve Bell is joining us as well. Good morning and welcome back, Mr. Secretary.

DREW LEWIS:

Good morning. Nice to be here.

DAVE HARTMAN:

Thank you.

Chicago. I just mentioned that it's reported this morning the fourth bus company just shut down. The whole system may go by the end of the week. What is the Federal government's responsibility? What can you tell us about it? What might you, or can the Federal government do about it?

DREW LEWIS:

Well, we feel in terms of operating subsidies it's really a local problem. As you probably know, in Chicago we only supply nine percent of the total funds. Our investment, we think, should be in the capital side - in supplying buses and improving track and building car barns. Our feeling is that we have no responsibility whatsoever in terms of the labor contracts, in terms of the routing, in terms of the maintenance, in terms of the day to day operations, and since we only are nine percent of the funds, it's really a local and state matter.

There are 65 bills now before the Legislature in Chicago - in Illinois and it seems to me that somehow the mayor and the governor have to get together and resolve this issue and the local level.

DAVE HARTMAN:

Have they tried? Have they reached you in any way? Have they asked you for any support?

DREW LEWIS:

Well, see we have not cut any of our support. We're investing the same thing in Chicago. We made a commitment to - actually even made by the prior Administration - and the Reagan Administration hasn't cut that. And even next year we're

increasing our operating subsidies to Chicago. So you really have no complaint with the Federal government. It's a matter in a local area. They have to get their act together and they have to determine to what extent they want mass transit. What routes are not economical should be reduced and they also have to start taking a tough stand with labor. The productivity of labor and mass transit is very low, and sooner or later we have to face those facts. If it's going to be subsidized, and the public is going to have to pay for it, there are going to have to be fair and equitable labor contracts.

STEVE BELL:

Mr. Secretary, you want to eliminate by 1985 the more than a billion in subsidies that do exist including that nine percent for Chicago. Won't that force many of these troubled systems over the brink?

DREW LEWIS:

I don't think so, Steve, for this reason. Again, we're a very small percentage of the total. Thirteen percent on a national basis, therefore, we think we can increase our input in the capital side. As we get this economy turned around, what I'd like to do is go back to the Reagan Administration and say, "Look we need more money for buses. We need more money for track and that type of thing," and not get involved in operating.

Just as an example, they just had a settlement in Philadelphia on SEPTA. We supplied 20 percent of the money in SEPTA. I think it was an unsatisfactory labor contract. Nobody came to the Federal government and said do you want to put up 20 percent of this or not. We're out of that whole loop, therefore, we think our input should be on the capital side. So I'm not uncomfortable seeing this phase out.

STEVE BELL:

But are you willing to see mass transit systems in cities go down the drain?

DREW LEWIS:

Certainly not in the sense that we feel an obligation - we recognize that it has to be subsidized. But again, the Federal government's role, since we only are like in Chicago nine percent, we think that nine percent which amounts to let's say over the three years we're going to phase it out which are '83, '84 and '85 is only six cents per year at the fare box. We think they can absorb that. Also, we think we can get the Federal government off their back in terms of a lot of regulations we impose on them. Labor regulations, moving of the handicapped, a lot of those things which are now a burden to them. If we lift those burdens at the same time we remove our subsidy, we think they can easily absorb that and our input. Again, we should be in the investment side.

DAVE HARTMAN:

You're a realist, Mr. Secretary. What about the state and local officials, the city officials right now who look at the options that they have in the short run - let's say in the next few years - to solve the problems. They can increase taxes. Right?

DREW LEWIS:

That's correct.

DAVE HARTMAN:

They can increase fares. They can have strikes of one kind or another because of labor problems. You mentioned management, that management has a challenge there. How realistic is it to expect that the transportation companies, the cities and the states are going to hear you this morning and say okeh, we're going to revamp the system. How can that really happen?

DREW LEWIS:

Well, they're not going to necessarily revamp the system but you mentioned, for example, Birmingham, and that's a typical example of an area where even the local legislatures won't get together and really support the program. If, let's say, 80 percent of the legislatures, there's 20 in Birmingham, supported the program to subsidize that system, they could get a program through the state legislature. I think the state legislatures and the local governments have to face up to the fact that you need a sound tax base to support mass transit. As long as you try all these Mickey Mouse things that don't work, yes, you're going to have strikes, you're going to have shut downs, you're going to have inadequate service. What's catching up with us is not just the last six months or two years, this is just something that's developed over the last 20 years when systems haven't been maintained and when people haven't been concerned. Now we're paying the piper for that and again my feeling is that this is a local matter. That state and local governments have to give a reasonable tax base to mass transit.

DAVE HARTMAN:

Let's talk about priorities a second. Mass transit, of course, saves energy, limits pollution by comparison with the auto, yet at the same time you're proposing these cut-backs in the mass transit subsidies. The Reagan Administration reaffirms support for a new six lane super highway in New York City, And that's 90 percent Federal money. Isn't that a mixed priority?

DREW LEWIS:

Well, I don't think so. I think you have to look at the total package in transportation. We're actually cutting more out of highways than we are out of mass transit. You just happened to cite one example of a highway-Westway-in New

York that is a very significant project and a very expensive project because of where it's being built. We're cutting all areas of transportation where we think we can come up with an adequate system but not a system that provides a lot of frills that the public doesn't need and is not willing to pay for.

DAVE HARTMAN:

What do you say to the people who say that the Federal government has a social obligation in the area of Urban Mass Transit because it's essential to the survival of the inner cities and the mobility of the poor?

DREW LEWIS:

Well, first of all, in terms of the poor itself, that is not a proper way to subsidize them and when you look at the total figures, we are putting three billion dollars into mass transit this year and three billion next year. And that's a lot of money as far as I'm concerned.

DAVE HARTMAN:

You're talking "hard ball", Mr. Secretary. Put that in quotes obviously. Do you have any indication from the cities and the states that they are optimistic and going in the direction that you're talking about - or are they fighting it?

DREW LEWIS:

I have met with a number of the city officials, I've met with the mayors, I've met with the league and county officials and will continue to do so. And, really I'm not getting too much resistance particularly in view of the fact that they know I have a commitment to mass transit and that the Administration is not walking away from Amtrak or mass transit. We're removing large numbers of people, but I think

the only answer I can give them that makes them feel somewhat comfortable is that as we get this economy turned around we're satisfied to get back for more funds for capital expenditures.

DAVID HARTMAN:

Secretary Lewis, thank you for joining us.

DREW LEWIS:

Thank you very much.

DAVE HARTMAN:

Good luck.

DREW LEWIS:

Thank you very much.