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REMARKS PREPARED FOR DELIVERY BY
U.S. SECRETARY OF TRANSPORTATION DREW LEWIS
OPENING THE INTERNATIONAL SYMPOSIUM
ON SURFACE TRANSPORTATION SYSTEM PERFORMANCE
WASHINGTON, D.C.
MAY 11, 1981

On behalf of President Reagan, I extend a warm welcome to all the delegates to this Symposium. I know that the planning for this program began more than a year ago, and that a great deal of work has been done to make this a mutually beneficial exchange. I want to express my appreciation to each of the sponsoring organizations, both for the individual efforts expended and for the excellent cooperation in bringing this program together.

I am especially pleased to welcome to this opening session Mr. Gerhard Aurbach, Mr. David Z. Beckler and Mr. Thomas B. Deen, the senior representatives of the organizations sharing with us in sponsoring this symposium.

It will be my pleasure later this month to be in Europe - first in London to meet with transportation and trade officials, and then in Helsinki to take part in the European Council of Ministers of the European Conference of Ministers of Transport. I look forward to the opportunity those meetings afford to learn more about transportation progress in Europe.

This is National Transportation Week in the United States - a week set aside by Congressional act and Presidential proclamation to acknowledge the importance of transportation to our economy, our society and our individual lives. We depend heavily on our transportation systems and services, not only within our respective countries but for international trade and commerce. When a particular system doesn't measure up we must immediately ask "why" and "what can we do to fix it."

Our concerns at this symposium are directed toward the performance of our surface systems. There are three basic reasons for our growing interest in better system performance.

1. The rising costs of transportation systems - to build them, operate them and maintain them - require that we get the maximum return possible on our investment.
2. The high costs of energy demand that we explore every possibility for improving system efficiencies. And,
3. the increasing economic importance of transportation obligates us to continually put our systems to the tests of cost-effectiveness, market value and safety.

Transportation today is not simply a way to get around or move goods - important as those functions are. Transportation policies affect land-use patterns, the economy of communities, energy consumption and the safety of all who travel. And today, more than ever before, the production and marketing of transportation products can have a profound effect on a country's national economy and its balance of trade.

While the importance of these factors will vary from country to country, I am sure there is no nation represented here today that has not felt the harsh impact of worldwide inflation and the jarring effects of world energy prices. More than any other forces, these circumstances have compelled us to take a hard look at how well our transportation systems are performing.

In the United States, President Reagan's economic recovery program - which is getting strong support in the Congress - is designed to put more confidence in the private sector of our economy and in market forces, and to reduce the extent of government influence over transportation functions.

We believe that government's proper role is to create the economic climate within which the states can plan and carry out their transportation programs, and within which the operators of transportation services can supply the public demand - at the lowest possible cost to the taxpayer.

We want the Federal highway system, for example, to meet the highest performance standards for transportation efficiency, convenience and safety. In the United States 90 percent of our fresh food products and 70 percent of our commodities are transported over our highway system. The highways also carry 90 percent of all personal traffic - people traveling between cities and in the nation's rural areas. Our system of Interstate highways alone, which account for only one percent of the total highway mileage in America, carries 20 percent of the total travel and a large percentage of our nation's commerce.

We are, therefore, very concerned about our responsibilities to the Interstate system; first, to complete it and, second, to keep it in good repair through adequate maintenance, resurfacing and reconstruction. For that reason we propose to target construction funds to those segments of the Interstate not yet built, and to focus on the essentials - not the "finishing touches" - so that we can tie up the loose ends and get the system finished by 1990.

At the same time we will begin to provide more Federal funds for rehabilitating the sections of the system that are wearing out. Our policy has been to fund Interstate construction at the 90 percent Federal/10 percent state ratio, and we propose the same formula for the reconstruction work. Highway performance is almost entirely a function of the road network itself - the quality of the pavement, the routing system and how well the highway is engineered for safety.

Similarly, in public transit, system performance in some of our cities - especially in the East - suffers from the problems of old age. While a few new rapid rail systems are being built - here in Washington, in Baltimore and in Atlanta - the basic New York subway is 65 years old, some of the rail cars still in use in Philadelphia are 55 years old and too many cities are still operating buses built in the 50's.

We believe Federal funds can be used most effectively in capital assistance programs - to modernize commuter rail lines and help purchase new buses and rail cars. We feel we can do more for a city by funding 80 percent of the cost of a new bus than to pay a few cents toward the costs of operating a transit system.

As for railroads, we have never had the excellent system of passenger trains that Europeans enjoy, and it is perhaps too late in the day to try. We have been subsidizing 60 percent of the operating costs of our Amtrak system, and we believe that is asking too much of the taxpayers for a means of transportation that only a relatively few travelers in this country use.

We are recommending that Amtrak meet at least 50 percent of its operating costs, and that passenger rail service be concentrated in the most heavily-traveled intercity "corridors."

Rail freight service is generally profitable in the United States, and under recent legislation which removed many Federal regulations has the potential for becoming more efficient and competitive. Certain railroads in the Midwest have been financially troubled and two have gone bankrupt. The Milwaukee is in reorganization and the Rock Island is being liquidated.

Our major concern at the moment is in the Northeast where the Conrail system - a government organized and subsidized railroad - is burdened by high-cost labor protection and commuter service obligations that handicap its performance as a freight railroad.

We have invested \$6 1/2 billion over the past 10 years to make Conrail a better railroad, and at present we have proposed legislation designed to improve rail freight service in the Northeastern United States by removing the labor protection and commuter costs and transferring the freight lines to privately-owned railroads.

We know that the bottom line - whether or not a system pays its own way - is not always the best or only performance test.

We don't expect the farebox to pay the full cost of public transit operations.

We don't expect passenger rail service to be self-sustaining.

But we do expect the costs of most transportation service to be met by the users. Our job, as I see it, is not to prop up inefficient systems through endless subsidies, but to focus Federal funds on those high pay-off areas where wise capital investments will result in better performance.

It is also our job to seek - through joint research, joint discussions and joint programs of cooperation - new and better approaches to the evaluation of system performance.

That is the purpose of this symposium. It comes at a time when we are earnestly looking for greater efficiency, effectiveness and productivity in our transportation systems.

I believe we have much to offer at this symposium; I know we have much to gain. I thank you for coming; again I bid you welcome; and I extend to each of you my appreciation for your contributions to better transportation performance, which is our common goal.

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