

# U. S. Department of Transportation

# news:

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Contact: Linda Gosden  
: Dick Schoenfeld  
Phone : (202) 426-4570

REMARKS PREPARED FOR DELIVERY BY  
DEPUTY SECRETARY OF TRANSPORTATION DARRELL M. TRENT  
TO THE MINOT CHAMBER OF COMMERCE  
MINOT, NORTH DAKOTA  
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I was delighted when Senator Andrews invited me to visit his state and your city. I can see why he is proud of both. Let me say you can also be proud of Mark Andrews. I have long known him to be an outstanding legislator, and he is now a strong member of the leadership in the Senate. As chairman of the Transportation Subcommittee of the Senate Appropriations Committee, Senator Andrews recently completed hearings on our Department's programs and I can assure you he knows the transportation needs of our Nation and the particular transportation concerns of this state.

We look forward to continuing to work with the Senator as we see the realization of the President's goals for our country. Senator Andrews will be an important part of the success story we will write for this Administration.

People are just now beginning to realize that the key to the success of our administration is the President himself, Ronald Reagan. I think that his conduct during the recent assassination attempt stands as more than just a memorable or heroic moment in the history of the Presidency. In many ways, I believe it may have been a catharsis for the Nation -- perhaps a turning point that will help mark the return of confidence in our Government and our national leadership. If Ronald

Reagan has exorcised some old demons and scared away some national ghosts he has not done so simply by being brave -- he has done so because from the first moment in office he has proved to be an effective administrator and a wise President. He is a sincere and forceful leader who does not seek to immerse himself in every detail of Government or make every lower-level decision.

President Reagan has always taken the position that it is his job to hear every view, to make the final decisions -- and then to set the priorities on the national agenda. He expects those he has asked to serve with him in Government to carry out his decisions and to do so with the assurance of his full backing.

I think as successful community leaders, businessmen and government officials you appreciate that style of leadership -- I think you know that it lets an administrator occasionally stand back and gain some perspective on the direction and purpose that brought him to office in the first place.

This is the style of leadership that has functioned very well in an emergency.

It is also a style of leadership that has gotten a whole lot of things done in the last 100 days. Within hours of taking the oath of office, the President ordered a freeze on Federal hiring.

Within days of taking office, he had directed a 15 percent cutback in Federal travel, a five percent reduction in consulting contracts, a halt to special office procurements and dismissed all the Inspectors General -- ordering a search for men and women who could lead the fight against waste and fraud in the Government, a problem the President has called an "unrelenting national scandal."

Unlike other presidents, it took Ronald Reagan only a week to deregulate the price of oil.

He stopped a whole load of new Federal regulations that were about to go into effect and assigned George Bush the task of chairing a special task force that will weed out the irrational and senseless regulations among them.

These have been an active 100 days -- the President has given a major television address, a televised address to the Congress on the economy -- in the first half of this period, he had 14 Cabinet meetings, seven National Security Council meetings, 10 meetings with Governors, mayors and legislators, as well as personal meetings with over 44 members of Congress, seven heads of state, and six foreign ministers.

And in addition to inspiring the Nation and the world by his conduct during an attempt on his life, the President has overseen a drastic revision of this year's budget, the preparation of a totally new budget for next year, and the formation of a carefully-planned budgetary and economic program for the next four years.

And this economic program of the President's is not just a matter of tinkering with the plans of the previous Administration. This program is one that represents a dramatic break with the past. It seeks to stop the spending juggernaut; it seeks



to end the era of big Government and heavy taxation. It seeks to return Government to its proper role in our lives and in our communities.

In this regard, the President has also appointed a new panel on federalism that is working to return to the States and the communities the power to govern at the level closest to the people.

Now I am sure you have noticed that in recent weeks a lot more Democratic Members of Congress have also started talking about budget reductions, tax cuts, an end to overregulation, and the return of real power to the States and communities. We are grateful for this, of course; it's nice to see the Democrats are coming along, and without the support of 63 Democrats in the House of Representatives who crossed over and helped form a coalition with a united Republican front, the President's budget package could have been seriously eroded.

Some of the Democrats now want to take it easy, halt the pace of change, go a little slower, change the President's tax cut proposals. Some of them hope to cut down the President's political momentum and obscure the meaning of last November's mandate. And a few of them even hope to nickel and dime to death Ronald Reagan's carefully-planned program for this Nation's economic recovery.

But we have learned that when Congressmen talked to their constituents during the Easter break three weeks ago the message came through loud and clear. "Get behind the President and his program."

The choice before us is clear; on the one hand, we have the President's comprehensive package of tax cuts and budget reductions and a chance to return America to prosperity. Or, on the other hand, we have a tortured hybrid of quick fixes and leaky schemes that will mean more inflation, more unemployment, more high interest rates, more overregulation, and more economic stagnation.

I think the American people trust Ronald Reagan's judgment and I think they want the benefits his economic program will provide.

There is a bottom line to the Reagan Plan. A bottom line that says simply: more income, more savings, more investment, more productivity, more security for ourselves and our children.

Now let me go from the broader context of the President's program goals to the implementation of these goals in the area of transportation.

Secretary Lewis and I see the President's plan as an opportunity to make some changes long overdue -- to revamp Federal spending policies and develop a more rational transportation policy in the process.

Our budget proposal calls for funding levels of \$19.2 billion for fiscal '82. That's a five billion dollar savings for 1982, compared to the budget recommendations of the prior Administration and down from \$21.1 billion for this current year. But it's a budget we can live with, without apology. Because it moves in the right direction and because it gets government out of things the private sector can and should be doing.



Budget-cutting, of course, is never easy, even when it is essential. But I'm proud of our budget -- not despite its limitations but because of them. It is not a "bare bones" budget. It provides the resources we need to continue essential programs, to assure safety, and even to build for the future. It also supplies the incentive needed to attack waste and inefficiency, and improve management capabilities. In the long run, the tax dollars in our budget will produce a better transportation system.

We have an unprecedented opportunity to make some long-needed changes in national transportation policy.

First, define the proper role of the Federal Government in transportation matters.

Over the years the Federal Government, for a variety of reasons, has become involved in transportation affairs that should be the responsibility of states and localities, or could be better handled by the private sector. We need to look at transportation programs from the perspective of national importance, national value and national scope. A network of Interstate and primary highways, for example, clearly serves the interests of interstate commerce, but the Federal Government cannot be responsible for every road in the country. Air traffic control is logically a nationwide function, but every county or municipal airport is not to be tied into a Federal program. I think there is persuasive evidence that in the past we have tried to do too much from Washington. As a result efficiency has suffered and public resources have not always been used to best advantage. We will change that.

Second, return to the states the authority to manage their own transportation policies, programs and priorities.

The Federal Government, as a rule, should not try to dictate transportation choices of concern only to the people of a specific state, city or community. This authority has developed and the people pay a tremendous price for it, passing the taxing power on to Washington and then getting 70 or 80 cents of every dollar back, after the costs of Federal "administration and handling" have been deducted.

It makes far more sense -- and will produce more dollars -- to have the states and the cities budget for their own needs, aided by Federal assistance funds that will flow to the states without the usual restrictions and requirements that force the states to dot every "i" and cross every "t" before the government check can be cashed. The states have expressed some concern about a loss of Federal dollars, but we are not going to let any proven transportation systems break down and we are not going to deprive anyone of a ride. In the long run we will get a better overall transportation system -- for less money.

Third, remove the inequities in the present system that make the general taxpayer foot the bill for services that benefit particular individuals or groups.

Our highways are paid for by the motorists and truckers who use them, through fuel and other highway taxes. Our airways and waterways, on the other



hand, are subsidized to varying degrees by general tax dollars. We want to redirect transportation policy so that those who benefit directly from a government-provided service pay the costs of that service. This will free up hundreds of millions in general tax revenues for investments that benefit society as a whole -- or that money could be returned to the people through tax cuts. Ronald Reagan did it in California and we can do it in Washington -- if Congress will support our tax cut program.

We will not make the transition abruptly, but we hope to phase in a system of user fees that will spare the taxpayer the burden of underwriting services they do not use.

Let me touch now on the various transportation programs.

In highways, our principal goal is to complete the Interstate system -- all that can or should be built -- by 1990. We will also make more funds available for Interstate repair and reconstruction as well as for the needs of our primary road system and its bridges. Bridge funds are also being made available for secondary road networks. We recognize, of course, the necessity to get grain from farms into the railroad terminals on its way to the export trade.

With regard to transit, we are committed to the cities where mass transit is essential to urban mobility. But we are also committed to the phasing out of Federal operating subsidies, because we believe that these subsidies have been counter productive -- adding to or driving up costs --and preventing local officials from making the management decisions that they alone should make.

For railroads, we have recommended that we clear the tracks of those things that keep Conrail from paying its way and -- still worse -- make it unattractive to private purchasers. Those include: labor protection, a sweetheart deal that -- as the Wall Street Journal said the other day -- "would make J.R. weep;" commuter operations; and high terminal operation costs in the Northeast Corridor.

We believe that once these problems are addressed and corrective legislation enacted, Conrail's freight system -- or at least the greatest part of it -- can be folded into the national private rail system.

As for Amtrak, we must face the fact that after 10 years of operations the system has fallen far short of paying its own way.

Amtrak is simply a lesson in bad economics. Everywhere I go people tell me how great Amtrak is. But the average subsidy on the system today is \$35 per passenger, \$60 to \$70 per passenger on some lines and as much as \$130 on some cross-country routes. Amtrak is far from being an economic bargain for the American taxpayer. It was planned as a self-supporting system, but that has not proven to be the case. The Department of Transportation is giving Amtrak every encouragement to make changes that would improve this situation. One example is Senator Andrews' suggestion that we investigate returning mail service to the passenger trains and that is being researched.