No Secretary can come to this job fully informed in every area for which the Department has responsibility. My extensive experience in urban transit and highway issues, as well as the contact I had with airport, rail and port related concerns as Mayor of Portland gives me the background I will need to undertake the job of Secretary.

Moreover, because I am well educated in these areas, I should have sufficient time to devote to those other issues with which I am less familiar. Finally, I would stress my intention to devote considerable energy to the administration and management of the Department, so that we not only know what we wish to undertake consistent with the intent of Congress but also are able to accomplish it.

As I indicated in response to the question regarding my priorities for the Department, regulatory reform will be an area of concentration. Both the rail and trucking regulatory reform proposals are essential in increasing productivity, fighting inflation and improving energy conservation. Both proposals will strengthen the economic bases of the affected industries and result in a more responsive and more flexible transportation system for the public.

I believe that an efficient private sector should meet the nation's transportation needs to the maximum extent feasible. Subsidies may be appropriate, however, where benefits to society exceed the value of the transportation provided.

Over the next several months, I will be carefully reviewing the current assistance policies from the standpoint of whether they adequately reflect our national priorities, particularly in the areas of energy conservation, urban revitalization and control of inflation.

Question 3 and 18

The relationship between energy and transportation is pervasive and fundamental; currently transportation accounts for 53 percent of the petroleum consumed in this country. Furthermore, one major resource for future energy security—coal—will require significant increases in transportation capacity to achieve its potential.

Much can be done in the area of transportation to achieve significant fuel savings—not only through increased reliance on public transit systems, but through the more efficient utilization of the existing auto-related systems.

Insofar as transit is concerned, for the immediate future we should not assume that increased reliance on transit is a question of new or unknown technology. Nor is it a matter simply of "more" transit. Rather, what we face is the question of "how"--that is, how can we most efficiently meet the needs of the real transit clients in this nation's cities?

I believe we must rely for the most part on buses--which means stressing both the availability of equipment and the efficient operation of that equipment--and that we must seek

Question 3 and 18 continued

the most return on our transit investment—which means the possibility of multi-year commitments to allow local communities to integrate transit and land use planning at the front end of a project. We must be sure that we are putting the right system in the proper community. Finally, I would expect DOT to take a leadership role in encouraging state and local governments to coordinate their public transit systems with various forms of intercity transportation. I intend to work closely with Congress to obtain passage of President Carter's proposed windfall profits tax to assure UMTA the increased money it will need to carry out an expanded grant program.

As far as the transportation of energy supplies such as coal is concerned, a joint DOT-DOE National Energy Transportation Study is currently analyzing alternative ways of transporting increased coal production in Appalachia and the Rocky Mountain States. That study is expected to be submitted to the President in December, 1979.

Evaluation of the federal government's relationship to states and localities should provide both sides in the partnership a valuable tool in determining how well mutual priorities are being met. I am firmly committed to maintaining the important role which state and local governments play in transportation. I recognize the extent to which state and local governments plan, build and maintain the infrastructure that is our national transportation system. Our intention is neither to shirk our responsibility in areas where we must lead—such as federal truck safety standards—nor to try to absorb that which the states now do effectively—such as the highway programs.

In general, I believe that we must reflect the real cost of service in the transportation that we provide—that is, true costs should not absorbed by the general taxpayer.

Moreover, we should recognize that in some areas, there is competition among transportation modes. We should encourage that competition where possible. Finally, where changing conditions, technologies or economics create a shift in the service available, we should pay particularly close attention to the interests of the users.

As a general concept, I very much support actions and programs which encourage and permit the integration of our nation's transportation systems and facilities. However, I have not had an opportunity to review this area in detail. I would suggest that concentration per se ought not to be a goal for the transportation system. Rather, the test of an integrated system ought to be its efficiency, service and safety for the users.

The ICC is an independent regulatory agency, with statutory responsibility for regulating the economic practices subject to its jurisdiction. The Department of Transportation has the responsibility for the development of transportation policies and programs. Thus, where cases before the ICC bear upon the basic policy objectives of the Department, I intend that the Department appear as an aggressive advocate for national transportation policy.

Question 8 and 16

As I have indicated in other answers, I support the Administration's proposal for railroad deregulation. I believe that we must attempt to take a longer range, integrated look at the kind of rail system we want overall and the best approach to achieving that total system.

Additionally, I consider the truck deregulation proposal to be a high priority item. In my view, the two proposals are clearly related and I believe that action on both is necessary. I am committed to working with Congress to effect both measure's passage.

USRA's future should not extend beyond completion of the tasks assigned by Congress.

In general, I am concerned that the Department of Transportation has been assigned broad policy responsibilities for rail transportation but lacks the management authority in some cases to fulfill its obligations.

I would like to review the work of the USRA to determine which of its functions could be more effectively handled from within the Department of Transportation.

A staff report evaluating various proposals as well as

Conrail's own draft alternative should be available early

this fall. After evaluating those options, I would be

in a position to develop a recommended Administration position.

I am a very strong supporter of viable and fuel-efficient rail passenger transportation, and I think that the proper relationship between the Department of Transportation and Amtrak is a close partnership that is dedicated to promoting that kind of rail service. I plan to sit down with Alan Boyd very shortly to discuss what steps we can take together to make energy efficient and attractive rail passenger service available to the American people.

I believe that the Northeast Corridor Improvement Project is worthwhile and I intend to see that it is completed. In the past, the Department of Transportation's performance in managing this project has been criticized and with some justification. In addition the management structure of the project has contributed to some of these problems.

My immediate predecessors, Secretary Adams and Acting Secretary Graham Claytor have laid the groundwork for a number of actions, including possible legislation, to address the situation of the Milwaukee Railroad. Given the serious study and length of time which went into construction of that package, I intend to see that it goes forward. The Department is still working with the relevant committees of Congress to ensure expeditious treatment of abandonments and transfers of lines, and equitable treatment for workers adversely affected by such transactions.

Question 14 and 15

Federal financial assistance for railroads should reflect our interest in an efficient private sector rail system serving the needs of the nation. I do not believe that this is an issue that we can responsibly avoid or delay action on. We must choose between restructuring of the rail industry so as to prevent worsening problems and waiting to react in the wake of increasing difficulties. I believe that for a set of reasons—including the importance of maintaining rail as an alternative compared to other modes, the federal responsibility to ease the rail industry's transition to a less regulated industry, and the importance of protecting the United States economy—rail restructuring is both legitimate and appropriate.

With regard to the question of new technology, some innovations to improve the efficiency of existing rail plans are possible without large capital outlays: better freight car utilization, for example. The financial condition of the railroads, however, has hampered their ability to achieve major technological innovations.

This area is currently being looked at by staff of the Department, analyzing both the competitive strength of the industry and its relationship to the federal government. We do recognize the efficiency of intercity buses. However, because of the complexity of these questions, I would like to withhold further comment until I have had an opportunity to review the staff report.

Questions 19, 20, 21

I am reluctant to delay the benefits of aircraft noise reduction.

Regarding FAR 36, a number of airlines are moving effectively now and it would be a disservice to them to change the regulation. The Department of Transportation anticipates that an increase in orders for retrofit packages might strain the capacity of suppliers and is prepared to issue waivers for nonavailability of equipment so that planes will not be grounded in that event.

Regarding operations at individual airports, I believe this is an area where Federal, State and local governments and airport operators must work closely. The Federal Government should encourage and support State and local governmental actions to ensure that land uses around airports are compatible with the aircraft operations. The Federal Government must ensure that local actions are nondiscriminatory, do not interfere with the Federal responsibility for control of aircraft operation and do not unduly burden interstate commerce.

Beyond that I would like to reserve the right to better inform myself on the technical aspects of noise reduction.

From my observations, the Airline Deregulation Act has been a real success. More people are flying and a wider variety of fares and services available. Passengers are saving money. As a note of caution, however, we must watch carefully what happens in small communities and work to assure that the Act's guarantee of "essential air service" to these communities is implemented effectively.

I understand that Senators Cannon and Packwood have introduced legislation removing the larger airports from the federal assistance program and allowing them to set their fees and charges accordingly. I recognize, as well, that my predecessor disagreed with the legislation's approach toward dealing with those major airports. I have not at this time had the opportunity to review the merits of the arguments on each side, and would thus withhold comments as to my thinking on this matter. However, I do believe that the timing for a review of the issue is appropriate and it is my intention to give this matter careful consideration.

I intend to create a blue ribbon panel to review the capacity of the FAA to carry out its obligation to ensure safe airline travel and airport operation.

I further expect to work closely with the Administrator and intend to provide the Secretarial support necessary for the Agency to accomplish its mission.

I support the commitment of federal funds on a shared basis with the automobile industry to pursue the creation of a socially acceptable automobile. However, after reviewing this matter, I have determined that the initial amount which could productively be spent on such a project should be pared down. I have discussed this with the President's Science Advisor Frank Press, who concurs in this judgment. Over the longer term, depending on the results obtained by initial spending, the amount committed to such research may increase.

I do not believe that market pressures alone can achieve established long term national goals, particularly in the areas of environment, safety and fuel economy. In general, national goals in these areas and the costs of achieving them simply are not reflected in market pressures. As far as the maintenance of mandatory performance standards is concerned, I believe that such standards must be measured in terms of the urgency and feasibility of accomplishing the established goal.

I do not believe that we are faced with the prospect of forcing full size family cars out of production. Beyond that, I have no particular views on this issue.

With regard to the question of electric cars, I would limit my observations to two comments. First, I believe that a move toward reliance on electric cars must be viewed in a context larger than just the energy issue. For example, were all commuters to shift to electric cars to make peak hour trips, the result would still be a clogged freeway—electric vehicles or not. Second, a practical consideration of a shift to electric cars is the recognition that such a move would also require a shift in the method by which we finance our highway system.

Question 29, 30 and 31

There is a need for us to tighten our enforcement of regulations for the transportation of nuclear and hazardous waste. In response to concerns recently expressed by the Governors of Nevada, South Carolina and Washington, officials of DOT and the Nuclear Regulatory Commission have taken steps to strengthen enforcement by both agencies. I intend to see to it that this effort continues.

While I am certainly ready to examine the question of having a separate program for regulating the transportation of radioactive materials, my initial preference is to keep it in the overall hazardous materials transportation program.

I understand that while the fatality rate showed a steady decline through 1976, it is now showing a slight increase. To combat this, we should attain better compliance with the 55 mph national maximum speed limit; continue efforts to improve vehicle safety; and improve the safety of all highways through safety construction programs funded from the federal-aid highway program. In addition, "The Trucking Competition and Safety Act of 1979" contains new safety initiatives which should help in this regard.

I support the decision reached on the question of passive restraints, and can see no reason to reopen it.

As you know, Secretary of the Treasury Miller has been placed in charge of responding to Chrysler's request. The Department of Transportation has been, and will continue to be, working closely with the Treasury Department. DOT will also continue to consider any Chrysler--or other-- petition for relief from our regulatory requirement, consistent with the intent of Congress as defined in the Motor Vehicle Information and Cost Savings Act.

Question 35 and 36

My first responsibility is to see that the programs of the Department are managed effectively and efficiently, consistent with the intent of Congress and our fiscal condition. As a general matter, this means ensuring that major grant programs achieve their purposes in a timely manner and that public support for regulatory programs is earned through the achievement of expressed goals. Finally, it means finishing what we undertake—not only setting priorities but also doing what we say we will do.

Among the priority issues that must be addressed, I would include the following:

Transportation/Energy

The national agenda demands full attention to the close relationship between transportation and energy: transportation currently accounts for 53 percent of the petroleum consumed in this country. I intend to work closely with Congress to secure approval of the President's proposed windfall profits tax and the recently announced transportation-energy initiatives. Transportation can and will make a major contribution toward

Question 35 and 36 continued

energy independence through an expanded public transportation program; more efficient automobile use on existing highways, streets and roads; a fuel economy technology program; and basic automotive research.

An important component of the public transportation program is the assurance that funding is forthcoming and that buses are available for purchase by transit agencies. Among other things, this will entail a decision soon on whether and in what form the Transbus should be pursued.

Transportation/Urban Policies

Transportation systems and investments are critical factors in determining the fate of our cities—shaping economic development and contributing to overall urban revitalization. President Carter and Secretary Adams have already begun the integration of transportation and urban policies. As a Mayor, I can testify to the importance of the relationship between these policy areas. I intend to reaffirm that relationship with the full recognition that transportation policies and programs can be responsive to and supportive of economic, social, and environmental goals.

Question 35 and 36 continued

Regulatory Reform

Enactment of regulatory reform proposals for both motor carriers and the railroad industry is timely and necessary. I intend to continue working with Congress toward the accomplishment of this goal.

These reforms are needed to help fight inflation, increase productivity and reduce energy consumption. Equally important, we need these reforms to ensure adequate transportation service to the nation and to guarantee that federal support and investments in transportation systems will not be money wasted.

Railroads

As a corollary to deregulation, we must confront the financial condition of our railroads. It would be self-defeating to consider individual railroad merger applications, restructuring proposals, the Conrail situation or railroad deregulation legislation without a comprehensive understanding of what we want to end up with for the railroads in this country. I am committed to a thorough analysis and review of the financial condition of and prospects for our railroads and the adequacy of existing policy.

Question 35 and 36 continued

These are only highlights; I recognize the need to carry forward the work already underway on important issues such as the airport legislation. A fuller list would include rural transportation policy, international aviation, transportation of hazardous materials, minority business opportunities, and many others.