

# U. S. Department of Transportation news:



Office of Assistant Secretary for Governmental and Public Affairs  
Washington, D.C. 20590

REMARKS BY U.S. SECRETARY OF TRANSPORTATION NEIL GOLDSCHMIDT TO THE WASHINGTON PRESS CLUB, WASHINGTON, D.C., NOVEMBER 9, 1979.

While I am a relative newcomer to Washington, my observation is that for those of us in government at all levels, this is a critical time. Our test will be our ability to manage change and steer it in a positive course. For the fact is that changes in the economy require us to think through our choices and decisions in a clear-headed, comprehensive way. Both decision-makers and the American people need to have a clear understanding, not only of the choices, but of the underlying values and principles, as well.

Recognizing the very real economic and political limits within which we must operate, there is a fundamental principle of leadership which the President has espoused and against which, I believe, the programs of this administration must be measured: Solutions must address more than one problem and create more than one opportunity.

In an era of diminishing resources, this rule is our multiplier. We have been told by the President to invest in strategies rather than one-dimensional solutions. While this rule - let's call it Carter's Law -- is applicable across the government, it is nowhere more appropriate than in the Department of Transportation. Because transportation crosses the economic, social, and environmental boundaries of America, it acts as an integrating force in shaping the quality and direction of the nation's future.

In my brief time here, I have sought to emphasize two primary tests in determining and resolving the department's agenda:

First, demonstrate the capacity of government to make decisions.

Second, eliminate waste -- of all kinds, in our transportation investments and decisions, in the way we organize our efforts and do business.

These two principles reflect both my view and the administration's view that the credibility of the institution of government as a problem-solver is on the line, and the survival of our economic heritage depends in large measure upon our ability to squeeze waste and extravagance out of the system.

Moreover, they reflect this Administration's commitment to people. For the waste we squeeze out of government is money in the pockets of Americans. When we eliminate unnecessary regulation; or bring the federal budget into balance, or reduce the overall number of federal employees, we are helping to buy groceries, pay for college educations, finance new homes, and build saving accounts.

In particular, we have applied these tests to the Federal Highway Administration, the Urban Mass Transportation Administration, and the Federal Railroad Administration, those agencies whose activities most visibly and forcefully affect the every-day transportation habits and choices of Americans. Let me illustrate by citing some of the outstanding items on that agenda:

\* Resolution of disputed freeway segments.

Around the nation, mostly in urban areas, there are as many as 15 disputed freeway segments. Their cost to construct is in excess of \$10 billion. Their cost to leave unresolved is incalculable. Here, indecision is waste.

Our position is clear: Build those which are needed, reduce the scale or scrap those which are not.

To accomplish this construction, we are prepared to honor President Carter's urban policy to the fullest - as was the case with the Century Freeway in Los Angeles. There, community opposition had stalled a freeway in court for seven years. Working as a team with the Department of Housing and Urban Development, we developed an approach that both unlocked the freeway and will build neighborhoods. We turned a freeway stalemate into an urban partnership. We used that freeway decision to address more than one problem.

If a freeway cannot be constructed, it must be scrubbed. But not at the expense of mobility in a community. Regulations to be published by December 1 will make clear the alternatives available to those communities which may not wish to build a freeway, but which nevertheless

wish to invest in improved transportation. Moreover, a team of high-ranking department staff will be visiting those cities with disputed segments to make sure local officials and cities understand fully their choices.

\* Elimination of inconsistencies between highway and transit project planning. Right now, regions do two different kinds of transportation project planning: one process for highway projects, another for transit projects. This approach is just plain dumb. It focuses, falsely, on a choice of mode, rather than on an analysis of a transportation problem and its solution, regardless of mode. As such, it forces communities into untimely and, sometimes, unsound decisions - which, again, means opportunities wasted. It also means delay and an unnecessarily prolonged planning process. With the current and annual inflation rate for highway construction running at 17.8 percent, excessive planning time wastes money, increasing both the federal share and escalating the local match.

\* Preservation of our nation's highways. Our interstate system is this country's largest capital investment, worth more than one trillion dollars. And we are allowing it to fall apart. Right now we have a \$18 billion outstanding maintenance bill on that system; our failure to maintain this investment is costing us several hundred miles of road base per year. Instead of treating this system like a valuable capital investment, depreciating it and creating an enterprise fund for its preservation, we have seemed willing to use it once and throw it away.

Early next year, I will bring together the people who are most familiar with this problem -- state and local officials, highway users, representatives of the transportation community. Out of these initial conversations will come a national dialogue on the preservation of our highways and ultimately a proposed solution to which all of the participants can commit.

\* Bus recycling program. Our national passion for "use it once and throw it away" at times seems almost pathological. Up until two months ago, Urban Mass Transportation Administration regulations prohibited transit authorities from retaining older but still usable buses as new vehicles entered the fleet. This, mind you, at a time when ridership demand regularly exceeds our capacity to provide vehicles and when there is an excessive delay in ordering, producing and receiving new buses.

Today, there is an interim regulation in place which enables transit authorities to examine their old buses, to discard those that are truly unsalvageable, and to stockpile those which could, in a crunch, be used for emergency service. We estimate that several thousand buses could be held in reserve over the next 24 months, providing a capability to add roughly a half a million riders per day to the nation's transit systems.

Further, we are looking into a funding program from rail car and bus rehabilitation, and revisions to our current maintenance policy to provide transit authorities greater flexibility in up-grading their fleets. Our objective is to seek more passenger-miles for public dollars invested.

\* Use of energy security trust fund. It turns out now that rumors of the death of the President's energy program some months back were vastly exaggerated. We're going to get that program, including the transportation element, and we're already getting ready to spend the money in support of energy-efficient transportation and urban revitalization, including the possibility of new fixed rail transit starts, if warranted.

Each of these items represents an application of the principle: in each instance we are seeking to make transportation solve more than one problem, seize more than one opportunity. But there is one larger area which lies before us as we enter this coming era, a critical area in which transportation investments and programs are uniquely relevant: the strengthening of our national economy in the 80's.

There can be no dispute that this task must be our highest national undertaking and no question that all of this administration's efforts - including those of the Department of Transportation - are being applied in the development of an integrated, interdependent strategy to assure a sound economy, a stable dollar, and jobs for Americans in the 80's.

The role of transportation is simple and historic. Our highways, airways, railways and waterways are the channels of commerce for this country. An efficient transportation system can reduce our reliance on foreign oil; guarantee our workers mobility; move goods to market in a cost-effective fashion; reduce the cost of goods to consumers and help farmers and manufacturers compete for their share of world market.

It is this last point which I believe is critical for the American economy in the 80's: we must utilize the major opportunity created by the Carter Round of international trade negotiations to reassert the American presence in the evolving international economy. Next to decreasing our reliance on imported oil, improving our nation's performance in world trade is the surest path I know to achieve our goals of stabilizing the dollar and increasing job opportunities for Americans. It is a curative for our balance of payments ills. And transportation has a key role.

Consider the following facts:

\* Between 1960-77, American tonnages of exports more than doubled, reaching 280 million tons; one set of current forecasts projects that figure will grow to almost 460 million tons in 1990 and more than 750 million tons by the year 2000. The National Transportation Policy Study reported that in the next 25 years, exports will grow by 70 percent.

\* Farm exports alone have tripled over the decade of the 70's; in 1978 they rose by 14 percent and are expected to continue to expand at a 2-3 percent rate through the 80's. More and more of our farm production is being exported: ten years ago, the United States exported the product of one out of every five acres; today, that figure is one out of three acres.

\* In the next 25 years, port-related employment will grow by more than 60 percent. Today, more than 3 million jobs in other transportation sectors are dependent upon our ports.

The fact is that, today, our agricultural exports are paying our oil import bill. And, in the future, vigorously expanded exports will be needed, not to off-set oil imports, but to re-assert our interest in the world market.

For the Department of Transportation, the question is whether our system will be prepared to support the flow of commerce required by this strategy. My preliminary review indicates that, without prompt action, we may not have the system we need.

For a small revolution has occurred in the past decade in maritime trade. New technology - containerization, roll-on/roll-off handling, and so on - has re-structured the physical appearance, location and operation of our 170 ports. But the land-side transportation links - highway and rail - have not kept pace with port activities. Nor have the transportation links been integrated with this new generation of port development. Nor for that matter, have the converging highway and road systems been correlated with each other to assure the most efficient and cost-effective handling of cargoes. We have, in essence, different generations of transportation capital investments which have not been meshed or synchronized.

At the moment, this problem of non-integration does not appear to be crippling our maritime trade - although specific access problems or missing links between highway and rail service can be identified at a number of our larger ports.

For example, the port of Boston suffers from the lack of efficient highway access to and from its waterfront. Port access roads simply have not kept pace with port development.

At the port of Baltimore, Interstate 695 passes near the Dundalk Marine Container Terminal. There is, however, no exit ramp for vehicles coming from the north or east. The result is a routing that is longer, slower, more congested and ends up costing more, as well.

The ports of Los Angeles and Long Beach must truck marine containers from the port area 25 miles to ramps near downtown Los Angeles, simply because rail, truck and port planning have not developed together.

These, and other problems, are surmountable now.

But the real issue is the 80s.

Certainly truck and rail regulatory reform will contribute to solving this problem. Increased competition, a more efficient allocation of rail and truck service, equipment, and the elimination of waste should not only benefit these two industries, but ports, shippers and consumers, as well.

But more must be done. We must get ahead of the curve of change and guide change in a direction that will make the most of our export opportunity. Therefore, I am today announcing two new initiatives designed to solve transportation problems and contribute to the strengthening of our nation's economy in the 80's.

First, I am directing that all regional transportation planning in the country must include a component which addresses goods movement and specifically the link between rail and highways, particularly in port communities. Typically, regional transportation planning looks only at the movement of people. Our concern for the economy requires that we enlarge our vision to include the movement of goods, so that we eliminate bottlenecks, assure future capacity and identify opportunities for efficiency improvements. The work to issue that requirement is already underway in the department.

Second, with the Department of Commerce we will initiate a cooperative study of land-side transportation service at port cities. Working in concert with the Maritime Administration and the Economic Development Administration, as well as the port authorities, we will undertake an analysis that will tell us what we can do to make sure that this nation's ports have the transportation system they will need to accomplish their international trade mission.

While times may change, our values are enduring. Foremost among these I would place the guarantee of economic opportunity and the promise of employment. That is our course for our future.

Let me summarize.

We are on the attack against waste and indecision. In the transportation planning and decision-making process, in the maintenance of our highways and transit fleets, in our use of the energy security trust fund and our relationships with states and local communities. And we are going to work on changes in the transportation system that will support the economy in the 80's.

There is more that I have not raised with you today, particularly our efforts in the development of new technology and the encouragement of innovation. That will wait for another day. But all of this ties together. It represents our efforts to build a strategy that will stand the test of the 80's, that will allow us to re-think our assumptions, where necessary, and to explain our decisions by measuring our values. And that, it seems to me, is the real job of government and the true standard of leadership.