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REMARKS PREPARED FOR DELIVERY BY SECRETARY OF TRANSPORTATION
NEIL GOLDSCHMIDT TO THE AMERICAN PUBLIC WORKS ASSOCIATION, KANSAS
CITY, MISSOURI, SEPTEMBER 15, 1980

I am pleased to be here today in Kansas City and happy to be able to visit with the American Public Works Association, a group with a long and meritorious record.

Your association dates back to before the turn of the century, but in all those years I think no meeting could measure up to that you hold today. For this year's gathering comes at a time of great national debate and growing national awareness: debate over the direction our country should take in the decade ahead, and awareness that the key to our nation's continued pre-eminence in the world is our economic strength. For it is the power of our economy that has made this nation the greatest force for peace in the world and kept alive our promise of opportunity for our people here at home.

Over the past decade two major changes in the shape of the world have caused us to stop and examine the course of our own country.

First, we have witnessed a major shift in the world's energy reality. We have gone from a world of cheap, abundant energy to a world of increasingly scarce and expensive energy -- with supplies controlled by foreign countries and prices susceptible to inflation-causing increases.

And second, we have gone from a world of American-dominated economy to a global economy -- where international inter-dependence, international competition and international trade comprise the new order.

These two major changes have stimulated a critical re-evaluation of our American position in the world. And, candidly, much of what we see we do not like:

- * Dangerous U.S. dependence on foreign sources of energy.
- * Decaying infra-structure that hampers our ability to compete in the markets of the world.
- * Inefficient and obsolete plants and facilities, both public and private, that spawn waste.
- * Too much regulation, indecision and paper work and not enough cooperation between the levels of government and the private sector.

If we face our past and present honestly, we can shape our future wisely. For our task now is to construct an American response to these world-wide trends and developments -- a response that reflects our values and traditions as a people: Our commitment to jobs

and opportunity for Americans, to competition, efficiency and productivity and to a future of more choices for more of our people.

That response is contained in the economic revitalization program recently announced by President Carter -- a program built on a four-part foundation:

- * An economic climate in this country that will encourage more private investment and expanded public investment.
- * A working partnership between government and the private sector.
- * Help for communities and individuals adversely affected by this economic transition.
- * And sensible tax relief that will not rekindle inflation.

This is a program with major implications for your association -- for it holds out the promise of nothing less than the re-building and re-tooling of America -- the reconstruction of this nation's infra-structure to assure our return to international economic competitive dominance for the rest of this century.

The promise for transportation is one of challenge -- the challenge to act as the cutting edge of change, the integrating force that weaves together the other elements of this program. And we are ready to respond to this challenge and to offer five major commitments as evidence of our determination to see this effort succeed.

First, we are committed to regulatory reform, to reduced red tape and, most of all, to making decisions. We have championed the reform of railroad, truck and airline regulations to open those industries up to the healthy, fresh-air of competition. We have worked -- and will continue working -- to make our highway and transit regulations and processes compatible -- to put an end to transportation planning that focuses, falsely, on differences between transportation modes rather than on transportation opportunities regardless of mode.

With transportation industries such as auto, bus and truck production we are working cooperatively for the first time in a precedent-setting relationship to simplify and eliminate regulations that add unnecessary costs or constrain new production.

And for all communities across America we are firmly committed to the simple but fundamental proposition of giving people answers -- in a timely and responsive way. Where we have projects that require a decision from our department on the merits whether or not to proceed, we will make that decision. Where the decisions must be made at a state or local level and help is needed, we will offer that assistance. There is nothing more costly, more wasteful, or more disheartening to a community than needless delay and indecision. Our position is clear -- we will make decisions.

Second, we are committed to a transportation system that assists in and allows the efficient movement of goods. Our department is now engaged in a nationwide search - a mission to identify the bottlenecks and inefficiencies in our transportation system that hamper the movement of goods.

Whether the problem concerns railroads, where we are deeply concerned with \$15-18 billion capital shortfall for the industry to upgrade its facilities -- or troublesome bottlenecks on inland waterways such as Lock and Dam 26 -- or the need to look long and

hard at the roads which would be required to move the coal our nation needs and that we seek to export -- or the links between transportation systems at ports around the country. In all of these areas we are looking for increased efficiency. We want to build projects that will contribute to our country's economic revitalization by moving our products swiftly and efficiently.

Third, we are committed to use transportation investments as a tool for energy conservation and community development. Today our nation is importing almost 50 percent of our oil at an annual cost of almost \$90 billion. We cannot afford that kind of capital drain nor can we afford that kind of exposure to international blackmail by nations that control our energy supply. As a major user of oil, transportation can and must make a major contribution to energy conservation. In the decade ahead we will pioneer a personal transportation system committed to conservation, through the more efficient uses of automobile by car pool and van pool and through greater reliance on mass transit.

For the first time in our country's history, President Carter has established a goal for mass transit ridership: a 50 percent increase in the next 10 years. We will accomplish this by investing over \$50 billion in the '80's, more than three times the expenditures of the past decade.

This thrust will serve as an impetus for sensible and sound community development. Just as transportation investments in the decade of the '60's contributed to the sprawl, in the decade of the '80's transportation investments will reinforce the economy and the "liveability" of our nation's cities and towns.

Guided by President Carter's urban policy and his rural and small communities policy we will integrate transportation decisions with the environmental and economic development goals of communities across the country in pursuit of an enhanced quality of life.

Fourth, we are committed to the rehabilitation and reconstruction of our nation's highway system. Our country's highway system is our most valuable public asset, a \$1 trillion investment which must be preserved and improved. But today this major national asset is deteriorating at an alarming rate. Each year 2,000 miles of interstate roads need to be rebuilt. A significant number of our country's highway bridges are in serious need of repair and, in addition, the overall system of highways that criss-cross America requires costly routine resurfacing and rehabilitation.

These needs come at a time when increased automobile fuel efficiency and reduced volumes of highway travel are cutting the income to our highway trust fund. This year we will spend more from the trust fund than we will take in -- a problem compounded further by inflation.

To respond to this challenge, we are developing new highway legislation designed to assure the continued health of our highway system; to guarantee states and local communities that the resources will be available to meet their highway needs, and to strike an appropriate balance between maintenance of the vitally important investment that we have and the construction of new facilities.

Fifth, in the months ahead we are committed to assembling a ten-year transportation capital investment strategy. Working with your association and others around the country we will seek to develop a long-range investment strategy that will enable our transportation expenditures to play a leading role in the emerging American economic revitalization.

We will catalogue the requirements around America to rebuild our nation's bridges and railroads, we will go to work with the basic industries of America to find the \$150 billion they will need over the next five years to build and rebuild their factories; we will join with our nation's railroads to electrify the main lines; and work with states and local communities to make sure that the transportation investments in the decade ahead are a sound federal investment in the health and liveability of those communities.

In all of this is the promise of hard work and the need to forge a partnership between the federal government and state and local governments to merge our interests in pursuit of this shared agenda. It is a vision of America's future that all of us can invest in, believe in, and work toward: a vision that finds expression in the words of the writer Thomas Wolfe:

"I think the true discovery of America is before us. I think the true fulfillment of our spirit, of our people, of our might and immortal land, is yet to come. I think the true discovery of our own democracy is still before us. And I think that all these things are as certain as the morning, as inevitable as noon."

I am confident that working together it is a vision which we can make real.

Thank you.