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REMARKS PREPARED FOR DELIVERY BY U.S. SECRETARY OF TRANSPORTATION
NEIL GOLDSCHMIDT TO AASHTO, HARTFORD, CONNECTICUT, OCTOBER 15, 1979.

I come to you today concerned about our ability to meet the needs
of our nation in the 1980s.

The future will make its own demands upon us; we linger in the
twilight of the past at our own peril. Nothing, we are told, is harder
on our laurels than resting on them. Or, perhaps, more dangerous.

Our nation is soon to enter a new decade, but we have already
entered a new era. Now we must agree upon a new set of assumptions,
for those that have influenced our decisions and guided our labors
are no longer valid. It is time for new direction and new determination
-- time to re-ignite the spirit of innovation and creativity that made
America the world leader in transportation progress.

The first assumption to be discarded is our divine right to cheap
energy. In its place is a new reality: the necessity for fuel conservation
and efficiency as the fastest and most effective ways to beat the high
cost of energy.

We are late in coming to this realization and it is costing us
dearly -- in dollars, in jobs and in our national independence. So
intense is our thirst for oil that we are willing to pay billions in
tribute to OPEC, money that gives them more and more leverage over
our foreign policy while destroying our balance of payments and devaluing
our currency.

We have lived so long and so comfortably on an oil-rich transporta-
tion diet that we are reluctant to change it, even when it threatens
the health of our economy and the life of our nation.

But change it we must. It has been 30 years since the United States was an oil exporting nation; two decades since we were self-sufficient. It has been nearly seven years since the Arab embargo jolted us into sudden awareness of how dependent we had become on foreign oil. Yet in those seven years per capita oil consumption in the United States has not slackened -- it has, instead, increased by 17 percent. And with it the burdens of economic pain.

We are paying the price in inflation. More than one-third of the rate of consumer inflation is a direct result of higher oil prices.

We are paying the price in jobs. The toll of American jobs lost as a result of the latest round of OPEC price increases may total 800,000 this year.

We are paying the price in our balance of payments. Imported oil cost our country \$50 billion last year and is likely to cost \$70 billion or more this year.

It is as if every man, woman and child in the country took out their checkbook and wrote a \$300 check to OPEC.

We are paying the price in the risk to our national security. Sixty percent of the world's oil resources are controlled by countries that have set arbitrary production ceilings, which could be lowered or cancelled at any time. Much of the oil that we and the rest of the world depend on is bottled up in a remote Middle Eastern gulf, accessible only through a narrow channel, located in an historically unstable region, in proximity to the Soviet Union.

If we are not to live forever under the heavy weight of energy dependence, we must cast old assumptions aside and give energy conservation and energy efficiency first consideration, first priority and first place in our transportation planning and our transportation decisions.

That is exactly what President Carter's energy program does. Using revenues from the Windfall Profits Tax, the President's program would finance new investments in public transportation, auto use management, basic auto research and fuel economy advances. These initiatives would take \$16.5 billion dollars that otherwise would go into the pockets of the oil companies and put that money to work saving energy. By 1990, the minimum savings from these programs alone will add up to 250,000 barrels of oil per day. And if we do the job well, and get behind the President's program with the force and spirit of public support, those savings could be even more.

The lesson for the 1980s is a simple one: the cheapest barrel of oil is the barrel we save.

The second assumption we must dismiss is our blind faith in the supremacy of the automobile. The car is at the heart of the energy problem because it accounts for such a large proportion -- nearly 50 percent -- of our total petroleum consumption. We are literally driving ourselves to the energy poor-house -- and the irony of it is we're going first class, in air-conditioned, stereo-equipped solitary splendor.

The alternative -- the new assumption we must adopt -- is a balanced transportation system that is, first, more efficient and, second, suited to the environment in which it operates.

Our problem today, after 40 years of public policy tilted toward the automobile, is that people really have very little choice in their means of travel. The private car is essential in rural areas and appropriate for intercity travel, but it has become an economic, environmental and energy disaster in most cities. In most of our cities, people drive to work, to shop, to play largely because they have not had any other choice.

For the 1980s, our goal must be to offer greater choice and diversity in transportation services. We must extend additional aid to communities for ridesharing programs, provide more Federal aid for mass transit, and guarantee that urban freeway projects include exclusive lanes for high-occupancy vehicles.

Let me put the Administration's support for public transit in perspective.

First, it includes, not excludes, the car. The traffic improvement and energy saving potentials inherent in our overused but under-occupied private motor vehicle fleet must surely comprise one of our country's most underdeveloped resources. Nearly a third of the gasoline consumed in highway travel is used by commuters. But the great majority of the cars in the daily streams of commuter traffic in and out of our cities still carry just one person.

This is neither a new situation nor a new observation on my part. As a former mayor I have suffered, as many of you have, with the problems of traffic tie-ups and the high costs of moving vehicles in and through the city. We cannot, nor would we want to deny motorists access to the city.

But there's a better way.

The 10-year \$2.5 billion auto-use management program in President Carter's transportation energy initiatives proposal includes a new and substantial commitment to increase Federal matching funds for community carpool and vanpool projects. The time, I think, is ripe. We can, and must, get a better handle on our auto habit to make it more efficient and use it with greater sensitivity.

Ridesharing is the easiest way I know of to cut the costs of commuting and the only way I can think of to bring back 25-cent gasoline -- by sharing in a four-person carpool.

Second, the surge in transit ridership during the gasoline shortage last spring and summer demonstrated rather dramatically the public's dependence on transit in a pinch, and it demonstrated just as clearly how pinched most transit systems are -- both in funds and in capacity.

Even with the gas lines gone, transit ridership in many major urban areas is up -- seven percent in Pittsburgh, for example, five percent in Atlanta -- while highway travel nationally is declining. By dedicating an additional \$13 billion for buses, rail system improvements and Interstate transfers, we can shore up the transit capability in this country, provide a meaningful alternative to the auto and achieve substantial energy savings.

The President, I assure you, supports this proposal as an ideal opportunity, using oil company profits, to put back into our transportation system a part of the increasingly higher price we are paying for energy. It is an opportunity to not only create jobs in the transportation industry, but to protect jobs served by that industry. It is an opportunity to bring transportation services into better balance by increasing public transit capacities in U.S. cities by 50 percent, to accommodate another 15 million passengers a day. It is an opportunity to meet the needs of the 80s and beyond while preserving -- and improving -- our mobility.

The third assumption that we must re-examine is the concept that highways are the best or only means of meeting urban transportation needs.

Here there must be no mistake.

Our commitment to President Carter's national urban policy is clear, it is unwavering and it is uncompromising. The heart of that policy is basic to our transportation program for the 1980s: transportation investments must support the revitalization of America's cities, must contribute to their economic development, their land use planning, their air quality, their housing supply, their neighborhood stability, their overall livability.

The linkages between transportation and these other community needs and values must be identified and incorporated in our transportation projects if we are to meet the challenge of the urban policy and leverage the greatest benefit out of our investments.

For I regard this policy as a great opportunity -- a chance for us to use transportation as the integrating thread that will weave a new and whole fabric for America's cities.

The issue, again, is choice -- unencumbered by lines drawn across a city map 20 years ago, or Federal funds weighted in favor of highways. The era of throwaway cities is over; the time of urban revival is here, and we have an opportunity -- through our transportation planning and transportation decisions and the greater flexibility in our transportation funding -- to lead in urban renewal and development.

We must also take the opportunity, or seek it where necessary, to unlock transportation projects bogged down by indecision or frozen in controversy. William James once wrote that "nothing is so fatiguing as the eternal hanging on of an uncompleted task," and he could have been talking about urban freeway projects in the seventh decade of the twentieth century.

Some delay is unavoidable; some delay may even be needed to make adjustments and allow for transitions. But all delay is expensive. We have come to the curious place in the Interstate program, for example, where the price of completing the system actually goes up as the miles remaining go down. We have spent about \$75 billion on some 40,000 miles of Interstate construction since the program began, and the cost of the remaining three percent of the system is now estimated at \$42 billion.

The time has come for all of us to do our part to break the highway logjam. For our part, we will help where we can. Where there is a strong local consensus to get on with a project that meets all the tests of law set by Congress and the President, we will offer all the assistance we can muster to resolve remaining differences.

For example, in Los Angeles, the Century freeway project was put on hold seven years ago and not even the incorporation of transit lanes could get it moving again until problems of noise, jobs and housing were resolved. Just last week, Secretary Moon Landrieu and I had the pleasure of going to Los Angeles to announce a plan to provide the needed housing and jobs that broke the logjam and will get that project built.

What are we doing using transportation funds to help pay for relocating and refurbishing 4200 houses. The answer is simple: it's part of the solution because it's part of the problem. There isn't a single urban highway or transit project that can be carried out today without a working partnership of all the interests involved.

For your part, as state highway and transportation officials, you must exercise all your authority, as well as your means of persuasion to free embattled freeways and move stalled projects off dead center. That may mean revising your original notion of the project, scaling it down, redesigning some elements to add a transit component or to delete a disputed interchange. Your flexibility, creativity and innovation will be the measure of our ability to see these projects through

to completion. Right now delay is costing money, not only in deferred -- and higher -- construction costs, but in lost economic opportunities, tax revenues and transportation efficiencies.

The fourth and final assumption we must relinquish -- as we head into the 80s -- is that of America as a land of limitless highways, just waiting to be built. Our country is, in fact, a land of marvelous highways already built that are in danger of crumbling and decaying unless we put forth an effective plan, and find the necessary resources, to maintain them.

We are in the sixth decade of the Federal-aid highway program and nearing the 60th anniversary of the primary system program, established by Congress to produce -- and I quote -- "an adequate and connected system of highways, interstate in character." Under that charter we have brought to within a few hundred miles of completion a highway system unexcelled in the world, valued in today's dollars at well over a trillion dollars. It is a national asset -- our greatest publically-owned investment -- that commands our pride and merits our protection.

Our mission today is the stewardship, not the structuring, of a national highway system. We must focus our attention on devising, funding and implementing a continuing assistance program for the states that will guarantee the integrity of the system and protect our investment in it.

The present authorizations for resurfacing, restoration and rehabilitation will not do the job. And, as I told some of you a few weeks ago, more money is not in our future. To the contrary, we must address the problem of reduced Trust Fund revenues, as the combination of more fuel-efficient cars and reduced highway travel impact on the fuel tax. Beyond that we must consider the possible effects a significant number of electric-powered vehicles and the tax exemption of gasohol will have on highway revenue sources.

Congress has mandated, as you know -- in last year's Surface Transportation Act -- a study by the Secretary of the Treasury and the Secretary of Transportation on the existing tax structure and possible alternatives to it. Work has only begun on that study (the report is due in April 1982) and I don't know what it will yield.

For now our highway programs must live within their income, and there is no denying the fact that costs are increasing while revenues are declining. Interstate gaps will be judged on the connections they make and compatibility with community needs. Non-essential segments may be expendable. We must look at every proposal and ask ourselves: is that the best choice? Are we getting the best value for our money? How will that highway meet our needs in the 80s? Is transit an alternative? How efficiently will it move people, not just vehicles, and will it connect communities and not disconnect neighborhoods?

In looking to the 80s, it is not enough to trade old assumptions for new -- we must also perceive that we are in a period of transition in America and our challenge is not only to keep pace but, as the President has said, "to get ahead of the curve of change."

To do that we must succeed in four critical areas:

1. Make more efficient use of our country's resources. Affluence, someone has said, is measured not so much by what we can afford as by what we can afford to throw away. We have been an "affluent nation" in the worst sense of that word. Waste is not wealth. Today, change is not an option, but an imperative. We must quit wasting energy. We must quit exporting jobs. We must quit mis-using our land. We have taken the beginning, the easy steps toward greater efficiency. But our real mettle as a nation will be tested in the decade ahead by how responsibly we deal with our unreplenishable resources of energy, land and capital.
2. Retain our mobility. In our society today, transportation is not only the fourth necessity of life, it makes the other three -- food, clothing and shelter -- available and accessible. Our intent is not to conserve energy at the expense of our mobility, but to preserve our mobility through greater energy and transportation efficiencies. If we do the job well, our choices and our horizons will be extended, not diminished, by the changes we make.
3. Use our technologies to good advantage. We have gone, rather rapidly, through a period in which we believed that technology could solve everything to a time when we believed it could solve nothing. The secret is not technology itself, but the ways it is stimulated, motivated and directed. We have an opportunity today, through basic research in automotive technologies, for example, and through applied research in synfuels, solar power and geothermal energy to make technology a full partner with conservation in overcoming the energy crisis. Let us be bold and unafraid in pursuing those opportunities.
4. Plan for the future. Most of the frustrations we're experiencing today can be traced to a failure to look far enough ahead during the late 60s and early 70s. We must not make that mistake again, nor do we dare to postpone the tough decisions. President Carter, in all his domestic proposals and especially in his energy program, has not been afraid to seek what he believes is essential to the well-being and the security of the American people -- not for today but for tomorrow. He has paid a political price for his vision, for his appeal to discipline rather than indulgence, and for his confidence in America's ability to overcome challenges, not succumb to

them. We must not, as he has said, "fear to act because of fear that we may fail." We must instead dare to act with the confidence we can succeed and thereby continue to direct our own destiny.

I would offer one final word today. I have worked in local government long enough and at the Federal level -- more briefly but also long enough -- to recognize the strengths and limitations of each. Democracy, someone has said, is a process by which the people are free to choose the man who will get the blame. It is also, more honestly, the process by which we work together toward a common goal.

A national energy plan can be produced in Washington, but it can be delivered only if it has the public's approval. Surface transportation funds can be collected and distributed from Washington, but the ways the monies are spent are community responsibilities.

The system, I believe, has worked well in the past. But the needs of the 80s are more challenging and, in many ways, more difficult than any we have faced before. I trust in your continued support as we move to meet them together.

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