

# U. S. Department of Transportation

# news:

Office of Public Affairs

Washington, D.C. 20590



TALKING POINTS PREPARED FOR DELIBERY BY U.S. SECRETARY OF TRANSPORTATION NEIL GOLDSCHMIDT, PRESIDENT'S EXECUTIVE EXCHANGE PROGRAM, WASHINGTON, D.C., MARCH 25, 1980.

If the Department of Transportation were carved away from the Federal government and set up as a separate private sector venture, we would be among the top 10 of the Fortune 500:

- Roughly 110,000 employees;
- A budget of about \$18 billion;
- Responsibilities as far ranging as the Coast Guard, the FAA, mass transit and highways;
- Responsibility for national capital assets in the billions of dollars;
- Responsibility for a service that is urban and rural, that touches exporting and core domestic industries like the auto, as well as regulation and consumer protection.

We are only now beginning to make the adjustments needed to run the Department with the kind of management principles you would expect in the private sector.

Personnel -- Civil service reform as a major step forward for accountability, efficiency and productivity -- job descriptions, work programs, reward for performance. Comparing Federal government to family-owned business.

Capital investment strategy:

- Maintenance of existing capital plant: transit, highways, rail;
- New investments that leverage the private sector, spur productivity: grain funnel, harvest to harbors.

Marketplace Competition:

- Rail, truck regulatory reform
- Use of Federal procurement power to stimulate production: strategic bus reserve.

Policy Rationalization:

- Develop re-inforcing strategies -- energy and transit, land use, economic development;
- Stress conservation, eliminate waste;
- Identify values that are permanent and forms different policies on the same target: jobs, diversity, preservation of future options, U.S. freedom.

Managing the government in this fashion is a must; but it may take 10 years to see the result. In the interim, it may provide an opportunity to re-define public and private sector relationships in ways that will be of mutual benefit.

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