

U.S. Department of Transportation news:



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

REMARKS PREPARED FOR DELIVERY BY U.S. SECRETARY OF TRANSPORTATION
NEIL GOLDSCHMIDT TO THE NORTHEAST-MIDWEST CONGRESSIONAL COALITION,
WASHINGTON, D.C., OCTOBER 22, 1979.

America's agenda and America's transportation agenda cannot be separated. Indeed, history teaches us that our nation's overall domestic program has in large measure been defined by our transportation program.

We need look no further back than the last 30 years to find the evidence of that lesson. Over the last three decades, the growth and development of our nation and the growth and development of our national transportation system have been indistinguishable. Both have been based on the automobile and premised on the availability of an unlimited supply of cheap and abundant oil. With the skills of American technology and a self-replenishing supply of funds from the gas tax, we built a superb personal transportation system and created an American life-style.

But today, we face a new era and a new set of assumptions about the future.

Today we are at the end of two eras -- the era of cheap energy and the era of throw-away cities -- and the beginning of a new era -- the era of conservation.

Once again, America is a nation in transition, seeking new guiding definitions which keep faith with old and deeply held values.

Once again, I believe, transportation can lead us in our self-definition; for transportation is an integrating thread, weaving together mobility, energy conservation, economic development, and environmental quality into a new mantle in which to cloth the long-standing American dream.

The path to this new era begins, for me, with the President's energy program and the Windfall Profits Tax. For the fact is that the energy crisis is the overriding economic and political reality of our time. It threatens our economy and jeopardizes our independence:

- * It is costing us in inflation.
- * It is costing us jobs.
- * It is costing us in the value of the dollar and our balance of payments.
- * It may cost us our freedom. And this is the most basic issue. Just last week, Sheik Yamani's willingness to dictate what American energy policy must be demonstrated again the leverage we have given OPEC over our foreign and domestic affairs.

We must come to our own terms with the energy crisis and the President's program is our vehicle.

It unleashes this nation's vast productive capacity to create alternative forms of energy -- synfuels, geothermal, and solar.

And it commits us to a major program of energy conservation -- the most cost-effective investment we can make -- including the pledge of \$16.5 billion for transportation programs that will make our use of the auto more efficient, make transit more attractive, conserve energy and promote urban revitalization.

Transportation accounts for more than one-half of our total petroleum use; and the private automobile accounts for more than one-third of our total petroleum use.

Clearly, then, a remedy for our energy ills must include both undertaking new initiatives for public transit and getting a handle on our auto habit. The two are inextricably related and connected, and must be approached as such.

The auto component of the President's program represents a commitment of \$2.5 billion over 10 years, focusing primarily on obtaining greater efficiency in the use of the auto. Right now, the average auto occupancy is 1.3 passengers. Just for the routine home to work commute trip, Americans use 1.8 million barrels of gasoline each day. And roughly 1.4 million of those barrels are burned by commuters driving back and forth each day alone.

Just doubling the number of commuters using carpools and vanpools will save 200,000 barrels of oil per day. Additional energy savings will come from Federal Aid Highway projects which encourage energy efficiency in the operation of the auto -- such as improvements that aid traffic flow -- from enforcement of the energy and life-saving 55 mile per hour speed limit, from investments in energy-conserving auto technology and from basic auto research.

By far the most ambitious element of the President's initiative is the \$13 billion public transportation investment program. This program will increase the overall transit capacity of the country by up to 50 percent -- the equivalent of an additional 15 million passenger per day.

First, this program means buses. The President's program calls for \$5.6 billion in new money for buses, placing an additional 3,000 buses per year in service. In more than 90 percent of American communities, from the small towns of the Northeast to the largest cities of the Midwest, mass transit means buses. And even in those cities that have heavy or light rail systems, buses still play a major role in feeding and augmenting the rail lines.

But while buses may mean transit to most of America, unfortunately buses apparently don't mean much to American industry. Currently, there is only the equivalent of one and a half companies producing buses in this country. And the one major firm is operating at only one-half of its capacity.

Consequently, at the very time that we need increased competition in equipment manufacture, increased capacity to produce new vehicles, increased speed in delivery and increased standardization for bus production, we face instead a bus procurement bottleneck.

To break this bottleneck, I have advanced the concept of a 1,000 vehicle federal strategic bus reserve. The concept proposes that we change our current cumbersome procurement process for an emergency purchase authority. We would allow the Urban Mass Transportation Administration to order directly 1,000 buses up front, and then to deliver the vehicles to transit properties around the country based on a pre-arranged agreement.

If this idea were to go forward, it could stimulate competition -- perhaps to the extent of luring some new manufacturers into the business -- it could drive down the unit price of vehicles, reduce the delivery time for new buses -- which currently averages 18 months -- and even achieve some uniformity in bus design in transit properties around the country -- thereby further reducing maintenance costs.

At the moment, this is only an idea and in its seminal stage. We have initiated discussions with the transit industry, the bus manufacturing companies, members of Congress and other interested parties to see whether there may be other ways to solve the bus procurement problem and to develop further the idea of a strategic bus reserve. One way or another, we must solve this problem if we are to achieve the potential for bus ridership that is in the communities around the country.

The three other major elements of the President's program include \$5.7 billion in new money for rail modernization and extensions -- adding 200 new rail cars per year and the capacity for an additional 4 million passengers per day -- \$900 million for accelerated completion of new rail systems -- adding capacity for 500,000 passengers per day one year earlier than scheduled -- and \$800,000 million for accelerated completion of Interstate withdrawal projects -- adding 900,000 passengers per day.

The total impact of this program on our nation's transit capacity will be substantial. In this past decade, we spent a total of \$15 billion in support of transit's capital needs. Between 1972 and 1978, transit ridership grew by 16 percent -- from 6.5 billion passengers in 1972 to 7.6 billion in 1978 -- and a full 4 percent of that growth took place during 1978.

In the coming decade, the President is proposing a program that will see \$50 billion spent by all sources in support of transit -- more than three times the amount spent in the 1970s. It is a program to serve all of America -- buses for small and medium-sized communities, rail for large cities, rehabilitation of old systems, and construction of new ones. And the result should be an additional 15 million transit passengers per day -- a 50 percent increase.

The combination of all these programs -- auto and transit -- will save at least 350,000 barrels of oil per day by 1990 -- and with the full support of the American public, that figure could nearly double.

That support is vital.

The success of these programs will not be determined by the ability of the federal government to disburse billions of dollars but by the ability of state and local governments and transit authorities to spend those dollars effectively. Ultimately, our conservation program depends upon a complex of decisions by state, local and private actors -- to participate in a carpool, to build high occupancy vehicle lanes, to undertake engine diagnostics or promote the use of mass transit. We are committed to working closely and cooperatively with all of these actors, for they are our allies and our agents in our common battle against energy waste.

Moreover, we are committed to a partnership at the federal level. We recognize that the most effective way to spend transportation dollars is in concert with other federal department's dollars -- as part of a comprehensive strategy in each community that combines federal programs for the greatest impact.

What is most important and most promising about the energy conservation program is the opportunity we have to make transportation investments a leading force in revitalizing our cities, building our economy, cleaning up our air, conserving our land, promoting our overall quality of life.

This administration has articulated both a national energy policy and a national urban policy, and we mean to follow them. They are basic to our transportation program for the 80s. At heart, these policies direct that critical linkages between transportation investments and other community needs and values -- such as energy conservation, equal opportunity, jobs, housing, environmental quality, recreation and more -- must be identified and incorporated into transportation projects. And unless those linkages occur, the projects do not go forward.

One result of these policies should be the redefinition and expansion of the role of transit in this country. President Carter's program is an invitation to take a quantum leap in the 1980s, to assume a full partnership with the auto in meeting this nation's transportation needs. No longer should transit systems be designed and operated simply as adjuncts to the highway network, content to carry the overflow of white collar rush hour commuters and those who do not have access to an automobile. If we seize the opportunity, transit can carry swing shift factory workers to their jobs, can get families to nearby recreational spots, can get grandparents to medical care and shopping centers, and can still carry an increased regional peak hour load. In other words, transit can provide energy-conserving, mobility-preserving full service transportation.

The key that unlocks this future is, as always, money. And in this instance, that means the Windfall Profits Tax, as proposed by the President. Quite simply, with a strong Windfall Profits Tax we will have a comprehensive energy program, balanced between conservation and new production. And we will have a major thrust for transportation, for transit, and thereby for our cities and towns, their mobility, their economic development and their environment.

Without a strong Windfall Profits Tax, we are back at square one.

Out of all this, one fact is clear to me. America is clearly a nation in transition. We are changing and evolving and that is healthy and proper.

It is healthy so long as we are able to manage the process of change and direct it in a positive course. And that depends fully on our capacity to anticipate problems, to build support systems that will carry us into a workable future. That is what our transportation program for the 1980s is all about and why the enactment of the Windfall Profits Tax is so vital to our national interests and to our future.

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