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REMARKS PREPARED FOR DELIVERY BY DEPUTY SECRETARY OF TRANSPORTATION WILLIAM J. BECKHAM, JR., TO THE WOMEN'S TRANSPORTATION SEMINAR, WASHINGTON, D.C., SEPTEMBER 25, 1980

I am pleased to be here, and to have this opportunity both to talk about the transportation program before us, and to invite your participation in that program. Secretary Goldschmidt and I believe very strongly in the importance of the consultative process in the shaping of public policy. It is never our purpose to "preach" to any audience -- to expound doctrine as though it were already set in concrete. Neil wanted to be here -- and I come in his stead for the same reason -- because we want your views, your comments and your input to the policies and programs we propose. I hope that during the panel discussions today, and following, there will flow from this meeting of the Women's Transportation Seminar a free expression of opinions and comments on the nation's transportation and economic needs and the ways this Administration proposes to meet them.

Transportation always has been vital to our economy, but never more so than today. Over the past decade two major changes have occurred that seriously affect the course of our country.

First, we have experienced a major shift in the source, supply and price of energy. We have gone from a time of cheap, abundant energy

to one 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 dominated primarily by the American economy to a global economy -- where international inter-dependence, international competition and international trade comprise the new order.

To succeed in that world -- to have a strong economy -- we must have an efficient, effective and productive transportation system, not dependent for its survival on foreign oil or foreign technology.

That is why, in proposing a comprehensive economic renewal program -- in calling for a program to restore jobs to the workforce and prosperity to the economy -- President Carter said, and I quote: "...we must meet the challenge of a more productive America as if our economic life depended on it -- because, in fact, it does." Transportation, the President emphasized, is essential to that renewal process.

Our concerns fall into four general areas:

First, as I mentioned a moment ago, we are importing too much oil -- at a very high price. Our oil bill this year will total \$90 billion -- probably more, with last week's OPEC price hike. We may have become conditioned to thinking of energy costs in the billions, but I point out that this is 30 times what we were paying for imported oil only 10 years ago; it is \$10 1/2 million going out of the country every hour of every day to keep our cars and factories running. And even though we have reduced gasoline consumption -- by 10 percent last year -- and reduced oil imports - by 20 percent since 1977 -- we are still using too much oil and, even worse, we are mis-using much of it.

Our second area of concern is the aging and, in some places, the deterioration of our transportation system. The Interstate highway network is not yet complete, but parts of it are 25 years old and are wearing out. Each year about 2000 miles of Interstate needs to be rebuilt; we estimate the overall costs of repair and rehabilitation at \$90 billion over the next 10 years. In addition we face sizeable expenditures to maintain and upgrade our rail and inland waterway facilities, and to increase the capacity and quality of our mass transit systems.

A third concern relates to the leveling off of productivity increases in the transportation industries, due in part to inefficient plants and facilities. The rate of productivity growth has fallen from 3½ percent in the fifties and early 60s, to 2.9 percent in the period 1965-73, to less than one percent from 1973 to 1978 -- and has all but disappeared today. Our auto industry has been the hardest

hit by this problem, but faltering productivity afflicts our transportation economy as a whole -- wherever the traffic flow is impeded by physical or institutional bottlenecks.

Our fourth concern has to do with too much regulation, indecision and paperwork and not enough cooperation between the levels of government and the private sector. We have de-regulated two-thirds of the common carrier industry in this country -- trucks and airlines -- and I believe we are inches away from a clean sweep by winning passage for extensive reforms of rail regulation. We also have made tremendous gains in cementing a new relationship between government and the auto industry, trading in the old adversarial relationship for one committed to the recovery and long-term health of the automotive and related industries. But there is still much progress to be made in these areas, and great opportunities for strengthening our nation's economy.

Those opportunities involve three major strategies for the 80s.

The first is conservation. Clearly we must adopt -- and live by -- a national conservation ethic that encompasses not only energy but our other natural, capital and human resources as well. We must recognize that waste is not a measure of wealth.

We cannot afford to waste energy. In addition to automobiles with increasingly better mileage ratings, we need to make greater use of carpools, vanpools and mass transit.

We cannot afford to waste capital resources. The time has passed when we could afford to build unnecessary projects of any kind, including transportation projects that cannot justify their costs.

And we can't afford to waste time. That is why, for communities all 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 wherever we have the authority -- we will make decisions.

The second strategy for the 80s is reconstruction.

As I mentioned earlier, we are committed to the rehabilitation and reconstruction of our national highway system, a trillion dollar investment which must be preserved and improved. But today this major national asset is deteriorating at an alarming rate. The maintenance and construction bill for the 80s has been estimated at \$700 billion -- for Interstate completion, for bridge repair and replacement, and for routine highway 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. The fund is not bankrupt, but the period ahead will be one of receding revenues and rapidly escalating needs.

To respond to that 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 system in place and the construction of new facilities.

We are also concerned about the reconstruction of those rail facilities necessary to the movement of coal and agricultural products that have suffered from too many years of deferred maintenance. The industry faces a shortfall of \$15 to \$18 billion in the capital resources needed to upgrade track, equipment and rail facilities.

There is also a rapidly developing need for increased port capacity for our coal exports. U.S. coal exports this year are expected to reach 81 million tons, compared to 65 million tons last year and 40 million tons just two years ago. We are forecasting 120 million tons by 1990, if our port facilities can be improved and expanded to handle that capacity.

Our third strategy for the 80s is one of investment. In the months ahead we are committed to the formulation of a 10-year transportation capital investment strategy.

Among other things, 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 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 we will work with states and 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.

We also plan to invest significantly in public transit, to conserve energy and reduce urban congestion but also as a spur to the development and economic renewal of our cities. 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 80s, 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 60s contributed to "suburban sprawl," in the decade of the 80s 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. We will work to make transportation systems not only a good investment in their own right, but an investment as well in our environmental, economic and conservation goals.

To succeed -- to realize President Carter's objectives for our economy, and to assure an efficient transportation system for the future -- we must invest wherever possible in strategies that address more than one problem and create more than one opportunity. For by so doing we multiply the work we can accomplish with limited resources and find creative ways to tie together separate pieces into a comprehensive package. In this way our transportation system can become a tool for energy conservation as well as economic development; our economic development strategies assist in the area of human resources and environment improvement, and so on. If we look for the connections between projects, we can begin to build a self-reinforcing mesh that spreads benefits across the community.

That is our plan and our purpose. It entails work that, in many instances, is already underway. With the reform of the regulations that had throttled our trucking and railroad industries, we are witnessing a fresh breeze of competitive revival. The transit goals we have set for this decade hold out the promise of a continued reduction in our reliance on foreign oil. And the pioneer work we have begun to create a new cooperative relationship with the auto industry is our best opportunity to return that industry to full competitive health.

Now the test is whether we can finish the tasks we have set for ourselves.

I believe that we have the resources to do it -- the technology, the workers, and legions of dedicated professionals, such as yourselves. The question that remains is one of commitment and cooperation -- our willingness to blend our special interests for the sake of the national interest, and thereby achieve for each of us what is needed by all of us.

I trust that the proceedings of this meeting will contribute to that cause.

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