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REMARKS PREPARED FOR DELIVERY BY DEPUTY SECRETARY OF TRANSPORTATION WILLIAM J. BECKHAM, JR., TO THE NATIONAL BLACK CAUCUS, NEW YORK CITY, JULY 12, 1980

I am pleased to be here and to have a part in your program, because this is where Federal policy succeeds or fails -- where the actions we take in Washington either help you or hinder you in your efforts to serve the needs of the people of your respective states. I appreciate the time you have given me on your agenda, and I appreciate even more the useful suggestions that I am confident will grow out of this national caucus.

I want to take just a few minutes now to describe President Carter's approach to transportation policy. It is seldom, if ever, concerned solely with transportation.

For example, on July 2nd -- the day the Supreme Court ruled on the constitutionality of the minority set-aside law -- I was in Los Angeles putting the finishing touches on a \$3 million Federal bonding guarantee. Our purpose there was to make sure that minority contractors have clear and unrestricted bidding rights to the billion dollar Century freeway project.

Earlier I was in Oakland, California, to announce a \$1.7 million Federal commitment for a pedestrian mall in that city's downtown shopping area. The mall involves \$58 million in private development funds, and will not only improve transportation in the center city but will generate an estimated 3,000 new jobs for Oakland residents.

At about the same time, Jack Sullivan -- Federal Railroad Administrator -- was announcing a \$2 million Federal investment in a California company to help minority firms do more business with the nation's railroads. Our goal is nothing less than 15 percent minority business participation in the reconstruction of our railroads.

And just yesterday, in Washington, I announced a \$3 million Federal investment in a Minority Enterprise Small Business Investment Company, for the purpose of providing loans or equity capital to minority firms engaged in rail-related businesses.

In themselves, none of these events qualifies as sensational. Their announcements did not elicit grandstand applause or produce blazing headlines -- nor did we expect them to. But they are nevertheless typical of what President Carter is doing, quietly but consistently, through the use of transportation resources, for our cities, for our economy and to provide more jobs for all Americans.

At one time, and recently enough so that most of you -- I am sure can well remember, national transportation policy was essentially a highway policy. We built super roads, and created spectacular suburbs. But our railroads ran down, our transit systems failed, our cities faltered and our energy consumption soared. We are now paying the price for policies that presumed we could afford expendable cities, wasted land, unlimited energy and a throw-away economy.

Under President Carter all of that has changed.

Under President Carter transportation has become a tool for the rebuilding of our cities, for the re-employment of our people, for the re-use of our land and for the conservation of energy resources.

Under President Carter, transportation policy is interwoven with urban policy, with energy policy and with the strengthening of our society.

Under President Carter, transportation developments have become a means of providing jobs as well as mobility -- a way of extending opportunity to minority businesses and benefiting the minority community.

The Century freeway agreement in California was unique because final approval depended on replacement housing provisions, public transit provisions, and assurances that those most affected by the construction would participate in the economic benefits. The Century Freeway Affirmative Action Committee has proposed a goal of 23 percent minority business enterprise share of the construction contracts, and we have put up \$3 million in Federal highway money to see that bonding is not a constraint on minority contractor participation.

Here on the East Coast, groundbreaking ceremonies were held last month for the Fort McHenry tunnel, under the Baltimore harbor, which will close one of the uncompleted gaps in I-95. Before construction began, \$48.7 million of that \$425 million project -- 11½ percent -- had been awarded to minority businesses. The prime contractor went to 263 firms as candidates for subcontract work and received bids from 113 minority companies. I think it is significant -- and indicates what we can achieve when we work at it -- that no minority business enterprise quotes were rejected in favor of non-MBE firms. From the beginning, we shared a common commitment -- with the city of Baltimore and the state of Maryland and with the minority leadership in that

area -- that we would push for the fullest degree of minority participation possible. There is a good possibility that the MBE share will go over 15 percent before all the work is contracted.

We are at the point in the nation's highway program where the monumental building programs of yesterday are just about over. But we are on the threshold of a massive rebuilding program that will require the best skills of the construction and maintenance industries. An estimated 13 percent of the Interstate system needs repaving, and we face the task of replacing or repairing many of our 500,000 bridges -- most of which were built before 1935.

Five years ago minority firms received only \$27 million in highway contracts. That has grown by over 600 percent under President Carter's programs for "fair share" minority participation. MBE highway contracts last year totalled \$164 million, and the President has made it clear that minorities are never again to be underrepresented in any Federally-funded transportation services or projects.

Transportation programs are also serving President Carter's urban policy which -- in a nutshell -- is designed to build our cities up again, make them more livable, and bring business back to the center city.

For example, highway plans that would draw people and business away from the city stand little chance today of being approved. The city center is compact and energy-efficient; the suburb is not. In an era of costly and limited energy, it makes no sense to build highways that encourage long-distance commuting and contribute to urban sprawl.

For those reasons we rejected a proposed 13½ mile section of Interstate in suburban Dayton, Ohio which would have taken jobs, tax dollars and business activity out of the city. We no longer believe that every suburban shopping mall deserves a highway, or that every private developer is entitled to an off-ramp. For too many years transportation decisions were made that pulled people, jobs and economic resources away from our cities. Now we're committed to transportation investments that put people, jobs and money into our cities.

One way we're doing that is through our urban initiatives program.

The idea is simple. If transportation was the key to yesterday's suburban growth and development, transportation improvements can be the centerpiece in today's urban redevelopment. This program, authorized under the Administration's 1978 Surface Transportation Assistance Act, provides Federal seed money for transit-related projects. Along with funds from HUD and the Economic Development Administration, transportation grants form an economic foundation for state, city and private urban investments. What emerges is a joint development project that produces employment, upgrades transportation, provides housing and improves the quality of urban living.

To date some 40 transportation related urban initiatives projects have been funded or approved. The grants support projects of varying

sizes, in cities both large and small. In Johnstown, Pennsylvania, for example, a transit center is being funded that will provide a hub for eight local bus routes, provide 195 jobs and yield the city \$23,000 in new property taxes. Across the country, in Long Beach, California, we are investing \$13½ million in a new transit mall that will connect a shopping center and convention complex with a new civic center to be built later. The entire project will create 7,300 new jobs for Long Beach residents and involve \$250 million in joint development funds.

One of the first projects to be announced under the President's program was a \$10 million grant to help finance improvements to Grand Central Terminal here in New York.

In addition to these, and the Oakland, California, mall I mentioned earlier, 10 other urban initiatives projects have been announced recently or soon will be approved.

The tremendous potential these projects hold for our cities is demonstrated by the success of earlier joint development activities. The Gallery in Philadelphia is perhaps the most notable example, where HUD funds, the city government, UMTA assisted transit improvements, the Philadelphia Redevelopment Authority and two major department stores combined to produce a highly successful downtown shopping mall. The Gallery has created 30,000 jobs and attracted large numbers of shoppers -- 70 percent of whom travel by public transit.

As the President said recently, when he took office the Federal government was spending less than \$60 million a year to stimulate private investment in our cities. This year we are spending \$1.8 billion -- a 30-fold increase -- which is producing a \$6 billion investment by the private sector in the nation's cities. The result: more than 400,000 new jobs nationwide and more than \$100 million in increased property taxes because, as the President has said, "... the property is worth more and the people are making the profits to pay the taxes with."

President Carter's urban policy is also helping us solve our most serious national problem -- our excessive dependence on foreign oil. Public transit is part of that solution.

For more than 30 years, transit was a second-class citizen in this country in a transportation system dominated by the automobile. For too long we allowed the cities to suffer while the suburbs prospered; urban arteries were clogged by cars while bus and trolley and rail transit lines lost passengers, money and public support.

I think it is evident today that transit is making a comeback. Ridership is up, partly because auto and fuel costs are rising and partly because transit services are getting better. And everywhere that public transit is being improved, the cities -- and their people -- are reaping the benefits.

One of the best examples of the dramatic effect transit developments can have on land values is occurring in Washington, D.C. Residential properties around or near Metro rail stations have doubled or tripled in value, even before the line or its stations are built. Private development around those stations already exceeds \$1 billion, with another \$5 billion contemplated. The downtown department store that built its own access to Metro has experienced a significant increase in business, to the point where its competitor is considering moving closer to the Metro line itself.

Last year President Carter asked Congress for a substantial increase in public transportation resources. What we're looking at is nothing less than a \$50 billion Federal and local investment in public transit during this decade -- more than three times the amount spent in the 70s. This is money to be invested in our cities, to bring back the jobs lost to the suburbs, to bring back the business stolen by the automobile, and to reverse the wasteful policies that squandered land and energy.

We are transforming public transit from the community burden it once was into the civic asset it can and should be.

President Carter has made it clear that in these areas and in every aspect of transportation progress, minority firms and minority employees will have full and equal access to every project, every contract, every job.

Not only in the trades, but in the professions.

Not as employees only, but as employers.

President Carter also has made it clear that equal opportunity alone is not enough. At DOT it is our obligation, as with every Federal agency, to bring minority-owned companies into Federally-funded programs -- to assure that minority groups are represented in the workforce, and that minorities share economically and socially in transportation projects.

To accomplish these objectives we have stipulated that every state, county and municipality receiving a Department of Transportation grant must include, as a provision of that grant, an affirmative action program -- setting the goals for minority participation, and an effective plan for seeing that those goals are met.

Through our Minority Business Resource Center we are also extending efforts to bring minority firms into the redevelopment of the nation's railroads. Our goal is nothing less than 15 percent minority business participation on rail projects. In the past four years we have placed \$440 million in contracts with minority firms for work on railroad improvements.

Through our office of Small and Disadvantaged Business Utilization, we are identifying minority businesses nationwide that are eligible for Federal contracts. This year, through this office and the Small Business Administration, 33 percent of all dollars being awarded on contracts of \$10,000 or more are going to minority businesses and institutions.

In summary, the transportation challenge facing us today is perhaps the biggest in our history.

We must build for greater energy efficiency ...

And rebuild for greater safety and economy.

We must finish Interstate construction...

And launch a new era of reconstruction -- of our bridges and our highways, our streets and our transit systems.

It is also the greatest opportunity in our history -- for the renewing of our cities and for increased minority representation in the mainstream of our economy. We have made a good beginning. Together we can achieve all our goals.

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