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REMARKS PREPARED FOR DELIVERY BY SECRETARY OF TRANSPORTATION BROCK ADAMS, TO THE AMERICAN TRUCKING ASSOCIATIONS, INC., LAS VEGAS, NEVADA, NOVEMBER 2, 1977

I'm glad to be with you today because we have important business to discuss. The real gambling in this nation today is going on in Washington, on Capitol Hill, where Congress is deliberating the President's Energy Bill. The action by the Conference Committee, and the eventual floor vote in the House and Senate, could be crucial to the transportation industry and the future of our country.

I also have a belief in a coordinated transportation industry, which I have shared with many of you over the years since we started work on the Surface Transportation Act. We must renew the Highway and Public Transportation Acts next year and I hope we can do this together -- trucks, railroads, water carriers, and aircraft so we will all benefit. We must unite our planning and our system with our energy goals because our transportation system of today is largely the product of an era of cheap, plentiful petroleum based energy. The transportation system of tomorrow must reflect the new realities of diminishing petroleum supplies which must be replaced by other forms of energy and a wiser use of the remaining petroleum.

With every passing day our national energy problem is growing worse. Our consumption per capita is twice that of other nations with similar standards of living. Our demand for petroleum is increasing, and to satisfy that demand we now import twice as much oil as we did four years ago. This situation threatens our existing transportation because, with the exception of a few electric-powered rail and transit systems, the machines that move our people and goods all run on oil. We can only supply those who must use oil if all of us who can are willing to adjust to systems which don't use oil. It is therefore in the best interests of the trucking industry, which has no alternative fuel supply, to support conservation efforts and public transportation systems which reduce fuel use by automobiles. Public transportation systems, either rail or bus, which get people out of their cars increase the long run availability of the fuel you must have.

We are in a position, then, where we must set our priorities, based on the limitations of the world's petroleum resources, which today are dependent to an alarming degree on the willingness of other nations to share those resources with us. We must reduce that dependence to protect our mobility. Energy and transport are intertwined.

President Carter is pursuing two primary objectives in his National Energy Plan. He wants, first to shift a greater share of industrial energy use from oil to coal, to make more petroleum available to truckers and to the other essential elements of our transportation system that cannot use alternative fuels such as coal. Secondly, he wants to reduce our overall dependence on oil, through conservation and improved energy efficiencies to make what we have go farther.

The American Trucking Associations have a great stake in the outcome of the gamble now going on in Congress. If Congress passes the energy tax bill that came out of the Senate Finance Committee, a measure that contained none of the three major price shifts the President had proposed to reduce the excess use of oil for more essential purposes, we will simply be deferring -- and for a short time -- the crunch that is bound to come. There must be a way to divide a short supply -- either through the price system or some form of rationing.

If we continue to use fuel excessively and wastefully, we may get by for a time; but soon we will have to pay a steep price, either in dollars or in the disruption of our economy. There is no value to winning a hand now when the stakes are relatively small, if we lose the pot when all the chips are down.

I stress this subject because I consider it one of the most important issues I can bring before you. I have found, since signing on as Secretary, that the job is difficult, in the sense that I have had to say and do some tough things with many of my friends in aviation, waterways, railroads and trucking. After devoting much of my time in the Congress to transportation, I am familiar with -- and sympathetic to -- many of your needs and problems.

But I must tell you my thinking. The free wheeling days of easy transportation decisions are over. We have to bring programs in line with resources, and put together policies that will keep our transportation systems healthy and intact during periods of growing social and energy pressures.

First and foremost we must deal with the energy issue. But beyond that, we will be concerned over the next several months with the new highway and public transportation laws Congress must enact to replace the existing laws expiring next year. We will be looking more intently in the coming months at the problems of the trucking industry. I want to know your needs and your objectives. I want to hear your complaints. I invite your suggestions on ways we can proceed towards our mutual objectives, and harmonize our differences. I want you to be involved as we work together to bring our total transportation system in line with today's realities and tomorrow's challenges.

We can compound our oil savings by mending our wasteful ways at the same time we shift a greater share of our national energy burden to coal.

Coal makes up 90 percent of our domestic energy reserves, but only 18 percent of current demand. If we could increase coal production and use by two-thirds -- to a billion tons a year -- we would release the large quantities of petroleum committed to those consumers where alternative fuels are usable, such as our factories, to those where they are not, such as our trucks and our airlines.

I can understand your prior opposition to any increase in the price of motor fuel by new taxes. But, the short term advantages to be enjoyed from avoiding such a tax may quickly be overwhelmed by the consequences of our continuing overall increase in the use of oil. My suggestion that a fuel tax should help improve transportation systems was rejected by the House, but this did show how we could improve the transportation network by this method.

One of every two gallons of fuel sold for highway use now comes from foreign sources. If the OPEC countries decided suddenly not to sell us their oil and we have not shifted our use half of the trucks on our highways would have to quit running. Or we would have to allocate supplies. Everything we do which depends on oil would be cut in half. If we are not ready we cannot respond.

Other industrialized nations have reduced their imports. We must do the same. Otherwise we cannot be assured of oil supplies. We cannot know from one year to the next how much we will have to pay for half the oil we use. We would go into the 1980's dividing and redividing the available oil among its various users. If we think we can go into that kind of a short supply and ever increasing demand situation, without applying some sort of rationing or losing control of prices, we are deceiving ourselves and endangering our nation.

To reduce heavy pressure on petroleum resources and to assure adequate supplies for essential users, we can:

Reduce the unnecessary use of the private automobile, especially in our cities, where the car is least efficient. An inordinate amount of our total petroleum consumption is now expended for private car commuting and other urban users, where pooling and transit make far better sense. One of the things we must do is restructure the Federal surface transportation grant programs so that metropolitan communities can acquire alternatives to the personal automobile. Anyone who has tried to pilot an eighteen-wheeler through an urban traffic maze during a typical rush hour can appreciate the billions of gallons of fuel being wasted -- and also appreciate, I hope, why we believe cities must be given greater incentives to develop and promote public transit. I hope to demonstrate, in our coming legislative proposals to Congress, the necessity for an assured source of funding for transit as well as for highways, to encourage more fuel-efficient transportation choices by states and cities.

Secondly, we can make our fuel supplies go farther by requiring more efficient automobiles from the motor car industry. Last June 26 I set fleet mileage standards of 22, 24, 26 and 27 miles per gallon for the cars produced in model years 1981 through 1984. A 27.5 mpg standard had previously been set for 1985 by Congress.

Realizing these goals will result in a savings of billions of gallons of gasoline, the difference between the 20 MPG standard for 1980 and the 27.5 MPG average mandated for 1985. We must not nullify these savings by frittering them away through careless and unnecessary driving.

Third, we can add to our fuel savings by obeying the 55 mile per hour national speed limit. The savings may seem small to the individual highway user, but collectively we could cut overall consumption by three to four percent -- an enormous amount of fuel just by slowing down to the legal speed.

For truckers each mile per hour over the legal speed costs about one percent in wasted fuel. Of course we cannot speak of speed only in terms of fuel; we must realize the other major benefits of: fewer accidents; fewer fatalities; less property loss; and for truckers, proven savings in maintenance costs as well.

I have talked with the President, who a few weeks ago made a personal statement commending enforcement of the speed limit and urging voluntary public compliance. He has asked me to express his appreciation for your support of the Nation's 55 mile per hour speed limit. Your endorsement is doing much to bring increased public compliance with this important law.

A fourth component of our energy conservation strategy involves the maintenance of our highways to assure the safe and unimpeded flow of traffic.

Fuel considerations did not figure significantly in the original justification for the Interstate System, but it has proven to be a real fuel-saver. In talking with the movers and shapers of the transportation community throughout the country, including mayors and governors as well as members of the user industry, we have found widespread agreement that Interstate construction should be accelerated and the remaining key segments completed as soon as possible.

Since estimates indicate that completing the entire system will cost \$38 billion, I believe we must concentrate first on the essential gaps, and at the same time start the shift that is necessary toward resurfacing, restoration and rehabilitation. We have tremendous investment in our highway system. We should protect that investment as we extend it. The bridge program is also critical. There are thousands of bridges in the Federal Aid System that are structurally deficient, and thousands more off the Federal System that need attention. Many of these must be reinforced or replaced, particularly in the coal producing areas of the country.

A fifth and perhaps less visible factor in preventing energy waste is the intermodal relationships between the nation's freight carriers.

I am concerned about the ability of motor carriers to connect with railroads and barges, and the regulations that may frustrate easy interchange at critical terminal points. I am not at all sure that the cause of intermodalism has been properly or aggressively defended. Are the rail and trucking industries jointly seeking new opportunities for mutually beneficial operations? Are we getting the most we can from "piggy-backing?" Are you competing not for profit but for position?

I want to know how we can help you, so we can better coordinate motor carrier freight with the rest of our freight system to achieve maximum efficiency. There is too much wasted motion in the present system, and that means wasted energy, lost time and increased costs.

Finally, as a closing comment, let me say just a few words in response to the reports circulating about regulatory reform of the motor carrier industry.

This Administration, as you know, is committed to the orderly reform of economic regulation in the nation and that includes the transportation industry. We believe that while we have a good transportation system, it could be better and there is, therefore, nothing sacred about the status quo.

The Administration has not yet taken a position about a bill or its form or whether the regulations should be improved. Different officials have different views and the matter is being studied carefully within the Administration. I can assure you your views will be solicited and your counsel taken into account before any legislation is proposed.

I have discussed this with many of you for many years and I hope you will speak up when asked by others. Current ICC regulatory policy in many ways impedes competition, abets inefficiency, frustrates energy conservation and hinders opportunities for the small business man. Existing companies should have a fair chance to get into the real world of trucking.

It's my personal view that many of the motor carrier modifications needed can be achieved through reforms, not deregulation. We looked at many of these issues, including greater management flexibilities and improved rate competition, in writing the original Surface Transportation Act. The ICC, under Dan O'Neal, its skillful and energetic new chairman, already has come up with some good recommendations, many of which I support. I think it is entirely possible to make improvements in the structure of motor carrier regulations without injuring the system. In any case, it is a matter in which we will want -- and welcome -- your assistance.

I am glad to have had this time at your convention. As we move further ahead in the formulation of national transportation policy, I will hope to work with you at every opportunity to make efficient, productive, profitable motor carrier transportation less of a gamble and more of a sure thing in America's future.