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REMARKS PREPARED FOR DELIVERY BY SECRETARY OF TRANSPORTATION BROCK ADAMS TO THE PURDUE UNIVERSITY TRANSPORTATION CONFERENCE, LAFAYETTE, INDIANA, NOVEMBER 11, 1977

I was very pleased to be invited to this transportation symposium. Conferences such as this are more important today than ever before. The energy shortage looming so ominously on the horizon increases the importance, and underlines the urgency, of re-examining our transportation needs and the ways we meet those needs.

When I was Chairman of the House Budget Committee I was a staunch advocate of a combined transportation account. I still am. I believe that a consolidation of transportation programs would permit more flexibility in the way Federal transportation dollars are used. I know I can count on Birch Bayh on the Senate side to support a comprehensive approach to transportation needs through the appropriation process.

Since the Department of Transportation disburses about \$12 billion a year in grants, we need to be sure that the funds are going where they are most needed and will be best used.

The academic community has an important role in this process. I want to commend President Hansen and the President's Council for organizing this symposium, and Gene Goodson for arranging such an excellent slate of speakers.

We are at one of those watershed points in American transportation. Existing highway and public transportation laws expire next year. Aviation reform and aircraft noise and waterway user tax bills are now before the Congress. We are considering motor carrier reforms. And we have an ongoing obligation to assist the recovery of the Nation's railroads.

So we are involved in a whole gamut of transportation programs or proposals now up for vote or that will come before the next session of the Congress, as carry-over or new legislation. The decisions made will affect the way the Nation moves its people and goods for years to come -- and your participation will help insure that they are the right decisions.

The question posed by this symposium is -- "Can we meet our transportation needs?" The short answer is "Yes." The more difficult question is "How," and that entails a longer answer.

Our transportation system works so remarkably well in this country that we forget it was built a layer at a time, like a wedding cake. Our water, rail, road and air systems represent generations of industrial and economic progress, overlapping to some extent, but nevertheless separate and distinct transportation developments.

Yet one reason these different and often competitive systems could so-exist is because we have been willing to pay, as part of the total National economic bill, a high and essentially hidden price for our mobility. This mobility is unduly costly because of often overlapping systems that have produced an ever-growing appetite for transportation.

This appetite for more and more has been true of many parts of our society, but transportation is now visible because it is becoming very expensive.

We must now change our spendthrift ways. We can meet our transportation needs, but not at any price. We can retain -- and even improve -- our personal mobility, but it involves trade offs in our congested cities, to avoid polluted air, wasteful use of energy and economic blight. We can deliver the goods our commerce requires, but not at the expense of flagrant inefficiencies.

The success of our future transportation system lies in our ability to adjust to changes in the supply, price and kinds of energy available for transportation purposes. We are not an energy-poor nation. The United States is the world's third largest producer of petroleum. We have more coal than Saudi Arabia has oil. And we have the potential to produce enough methanol to provide fuel for many of our motor vehicles.

The development and use of alcohol fuels, distilled from domestically grown plant life in the relatively near-term is directly dependent on the type of research being done here at Purdue, and the applied techniques being studied by the auto manufacturers. I know Senator Bayh believes in it. He and I are looking to the future of such alternatives as are contemplated by the Bayh amendment to the energy bill which encourages farmers to set aside land for raising the grains needed to produce alcohol-based fuels. The fuel has real potential, as was proven by the fleet of cars powered by "gasohol" driven up to the Capitol at Senator Bayh's request a few weeks ago. We know it will work; its now a matter of practical application and market pricing.

In my opinion you gave the right priority to your discussion sessions earlier today when you began with "Transportation and Energy Policy," because the policies are intertwined. When Dr. Goodson spoke to the Highway Users Federation in Washington recently he observed that consumers want government to solve all their problems and government hopes technology will solve all the governmental problems concerning energy, safety and environment. But we know solutions won't come that easily or without both our conscious effort and self-discipline.

The energy problem is real. We must provide for future relief by the development of alternative fuels, but in the meantime we must make better use of our available conventional energy resources.

President Carter has made it very clear that conservation doesn't simply mean doing without; it means doing more with what we have. The twin goals of his energy plan are conversion and conservation -- the switch by industry from oil to coal, to increase the supplies of petroleum available to those who can't use coal; and a reduction in our overall consumption of oil, to lessen our dependence on imports.

We have enough energy to meet our need, but not enough for our greed. Our per capita consumption is the highest in the world, and while other nations are cutting back on their oil imports we are increasing ours. We now import twice as much petroleum as we did four years ago, at five times the cost.

Like it or not, the world's petroleum resources will not last forever. If we continue to use oil at present consumption rates the world will soon be scraping the bottom of the oil barrel.

We aren't as sensitive to the problem as we should be because we don't see it. Our plants are working. There's heating oil and natural gas for our homes. There are no lines at the gasoline pumps.

But the threat is there. And it's not one we can buy our way out of, or talk our way out of, or wish our way out of. It amounts to a test of our national will. Everyone who uses energy is going to have to use it more wisely.

This means we cannot continue to do business as usual. There will have to be an emphasis on ingenuity and a premium on transportation planning.

Our highway program, for example, has produced a transportation masterpiece in the Interstate system, but our highway construction projects have not always been coordinated with -- or conducive to -- the best interests of urban communities. The Interstate is a magnificent system; there's nothing like it anywhere else in the world. And we want to complete the key intercity gaps as quickly as possible.

But as we move into the 1980's we must begin to shift our focus. A few months ago a task force of senior executives from the Department, headed by the Deputy Secretary in some areas and myself in others, visited 15 locations in 14 states, meeting and talking with state and local officials to find out how the federal effort can be made more effective. We have also invited governors, city officials and transportation users from across the country to meet with us in Washington. Generally here's what we have found:

- (1) Despite the benefits of the Interstate system too great a pre-occupation with new construction has diverted attention -- and funds -- away from other vital parts of the Federal-aid system.

- (2) The present federal transportation grant system is too restrictive, and the variation in matching ratios tends to prejudice decisions by local officials on how funds will be used.

(3) States and localities need greater flexibility in terms of categories as well as even-handed formulas if they are to make the wisest transportation choices.

(4) There is insufficient transportation planning assistance, especially for coordinated multi-modal planning, and we still have too much Federal "red tape."

We are involved in the "nitty gritty" of addressing these problems. Promises or resounding rhetoric won't do. Policy will consist of a series of specific legislative recommendations, organizational changes and administrative actions. A number of the administrative actions have been completed. The legislative program will be before Congress in January.

I am well aware that every mode, and every transportation group, has its constituency and its own self-interest, not all of which will ever be completely satisfied. This always means a transportation policy will have to accommodate many interests, and that takes time to develop; but I believe it is time well spent.

Based on our assessment of the Nation's needs, we prepared a 50-page options paper which outlined a number of alternative legislative actions. We distributed this paper to the key congressional committees and transportation user organizations. We are proceeding with consideration and deliberation of transportation policy in an open, ongoing process.

As Mark Twain once observed: "A round man cannot be expected to fit in a square hole right away; he must have time to modify his shape." We need to modify our transportation policy, and know that "reshaping" will take some time and some adjustments. For example:

With 91 percent of the Interstate now open to traffic, we would be well advised to begin to shift our thinking -- and our funding -- to the problem of resurfacing, restoration and rehabilitation of our existing highways. We have a tremendous investment in our highway system and should protect that investment as we extend it. The public transportation systems must be refurbished to provide alternative ways of travel in congested areas. The bridge program is also critical since there are thousands of bridges in the nation that are now structurally deficient. Many of these must be reinforced or replaced, particularly in the coal producing areas of the country; or we will break vital transportation links.

We are also committed to reforms in the way the Nation regulates components of the transportation industry. Transportation regulatory policy is directed toward reducing the degree of economic regulation so the total system will be vibrant, efficient and viable. Our intent is to bring regulatory practices up to date and make management judgment and responsibility the key elements in successful transportation operations.

You are dealing with these and other subjects in greater detail in the panel sessions scheduled this afternoon. I congratulate the University and everyone connected with this symposium for creating this arena for the exchange of ideas and the interaction of thought and purpose. We all want a better, safer, more efficient transportation system for America, and I'm sure that by working together we can achieve that goal.