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REMARKS PREPARED FOR DELIVERY BY SECRETARY OF TRANSPORTATION BROCK ADAMS,
TO THE LEADERSHIP CONFERENCE LABORERS' INTERNATIONAL UNION OF NORTH
AMERICA, HOLLYWOOD, FLORIDA, APRIL 11, 1978.

I. INTRODUCTION

I am honored to have a part in your diamond anniversary leadership conference. Your great union has a proud heritage and a challenging future. You helped the labor movement grow and succeed in this country, and America is stronger for it. You are committed now to increased employment, greater purchasing power and better opportunities for the working men and women in our society -- especially the minorities among us.

That's why I was pleased to accept your invitation to come here today. Your objectives are President Carter's objectives as well, and this Administration is dedicated to reducing the ranks of the unemployed and putting jobs within reach of all those who need and want them.

So I'm glad to be here, among friends, to consider the major issues confronting us in a changing America.

Back in the 12th century B.C. a Chinese ruler decreed that speeches "suitable for government utterances should be neither too long nor too short." They should, he said, "convey the speaker's meaning and no more."

In doing that, I want to talk with you today about the future of surface transportation systems in the United States. I want you to know the direction we are taking and why, and what the prospects are for further economic growth and development in the highway, public transit and railroad industries. This involves jobs and there's a lot of work to be done.

As good as our transportation system is, it has its flaws. As expansive as our road and rail networks are, they have their shortcomings. Our major task in the years ahead is to correct the faults and overcome the deficiencies of a transportation system that is neither as efficient nor safe nor as energy-sensitive as it now must be.

II. POLICY

Two months ago I published a statement of national transportation policy -- a 23-page account of this Administration's transportation purposes, programs and proposals. Among the issues of mutual concern, there are four that have high priority.

(1) Resource allocation. Government can never create enough jobs in the public sector to cure high unemployment. But government funds can stimulate private sector employment. That's the thrust of the President's urban policy -- economic development and jobs, including tax credits for companies that hire unemployed young people and direct aid funds for the repair of streets and other maintenance projects. Jobs are a basic objective of our transportation policy. Over the next 10 years we will be distributing \$150 to \$200 billion in grants and other assistance programs. We want that money to be well used, to meet people's transportation needs and to provide jobs.

(2) Assistance to minorities. Transportation is a leading employer, accounting for more than 10 percent of the U.S. work force. The transportation sector has a responsibility to do more to employ the minorities of our country. A few weeks ago I directed all administrations in the Department to set -- and meet -- higher goals for the involvement of minority contractors in transportation programs and to set aside funds specifically for minority contracts.

(3) Energy conservation. For a transportation policy to be realistic today we must begin with energy. We can't continue using energy -- particularly gasoline for our cars -- as we have in the past. So we must insist on the development and use of more fuel-efficient motor vehicles, and at the same time provide alternatives to the automobile.

(4) Transportation safety. By and large, people and goods travel safely in our country, but the recent train derailments, oil spills and the lessons we're learning from the amazing life-saving benefits of the 55 mile-an-hour speed limit remind us that our systems are not safe enough. A lot of accidents still happen that might have been prevented by the judicious and timely investment of a little more money and manpower.

III. HIGHWAY/TRANSIT LEGISLATION

These policies are reflected in the surface transportation proposal President Carter sent to Congress in late January. Unlike past proposals, we are not looking for a separate highway bill and an independent transit bill. We want a package. We want legislation that says to the states, and the cities, "here's the money -- use it to hire the people you need to build the system that best serves your needs."

In other words, we're trying to redirect our public transportation and highway programs to an era of scarce dollars and costly energy. We're trying to get away from the artificial distinctions that have bottled up Federal funds in one category while they are needed in another -- preventing states or urban areas from getting on with work projects. Our proposal will:

- (1) Reduce the number of categories and give the recipients of Federal transportation funds greater flexibility in how those funds are used.
- (2) Equalize the Federal matching shares for highway and transit projects at 80 percent, except for Interstate highway construction or Interstate transfers which stay at 90 percent.
- (3) Provide a combined account for transportation planning, so that highway and transit programs can be planned jointly.

I won't go into all the fine print of our proposal, but I do want to point out that under our proposal jobs will be increased, not cut back.

We are recommending, for example, that the essential segments of the Interstate system be completed by fixed dates through a proposed series of decision and construction-start dates.

Second, we are advocating increased Federal assistance for the resurfacing, restoration and rehabilitation of the older sections of Interstate -- some of which have been in use for 20 to 25 years -- and budgeting more money for bridge repair and replacement. We're looking ahead to an extensive reconstruction program -- not simply the filling of pot-holes or the tending of shrubs in the medians.

We can get an idea of what this translates into in terms of jobs by looking at our fiscal '79 budget. A good rule of thumb is to equate \$40,000 in Federal appropriations with one job. On that basis, the \$3.5 billion we are requesting for the Interstate system will generate approximately 87,500 jobs. Adding in the other categories, including primary and urban systems, bridge and safety projects, Interstate transfers for transit construction and highway rehabilitation, we estimate that a work force in excess of 210,000 workers will be needed to carry out the projects programmed for fiscal 1979. Since our records show that about 142,000 highway workers were on the job in all the states as of last July, the outlook clearly calls for more jobs and more people at work.

The number of minority employees in the highway construction work force remains high, at about 21 percent of the total. Since the Federal Highway Administration's on-the-job training program began in 1971, an average of 5,000 workers have been trained annually. Last year more than 50 percent of the trainees and apprentices were minorities.

The FHWA is also promoting the greater use of minority enterprise business firms in the Federal-aid highway program. In 1975 Federal-aid contracts to minority businesses amounted to about \$28 million. In FY '76 that increased to \$75 million and last year went over \$110 million. Equal opportunity is not just a goal -- it's the rule of this Administration.

IV. RAILROADS

I also want to say something today about the railroads, many of which are badly in need of repair. The recent series of derailments, involving hazardous materials, underlined the growing need for the renovation of track and roadbed. While the old, high-carbon steel wheels have been identified as the culprit in at least one of last winter's disastrous wrecks and may have been at fault in others, track conditions in many areas of the country are deplorable. Of the nearly 8,000 derailments last year, some 4300 were due to improperly maintained roadbeds.

Now, we're trying to get on top of this situation by (1) requiring the replacement of all carbon-type tank car wheels by the end of this year; (2) hiring more safety inspectors, (3) tightening safety rules on hazardous cargoes and (4) giving more Federal aid to the railroads to accelerate roadbed and track maintenance.

I know from long years in Congress that the railroads' needs are massive. In 1976 we put together a comprehensive regulatory reform and financial recovery package that provides several billions in Federal aid to help ailing railroads repair and restore their tracks and equipment. That's gradually taking hold, but there's a great deal of work still to be done.

I'm convinced it must be done. We need the railroads. We need their coal-hauling capabilities. We need their fuel-efficiencies. We need a rail system that can move goods faster, more safely and at costs that reduce or eliminate the need for subsidy. To get that system we'll need more people working on the railroads than we have today.

I also have confidence in the future of the railroad industry, not just our freight railroads but passenger service as well. We are going ahead with the reconstruction of the Northeast Corridor, to provide high-speed service between Washington and Boston. At its peak, that project will employ 6,000 to 7,000 workers.

I want to be careful not to use past rhetoric and oversell this major public works program as supplying enough jobs to hire everybody. There is enough work to use to the fullest the traditional railroad work force and additional non-railroad workers. I have discussed this with the leaders of the unions involved, and we must reach an understanding on this so that people are working now, not waiting.

We are determined to meet the trip time goals for the Corridor by 1981. To do so will require the help and cooperation of everybody in this room. I have been around too long to believe that labor's cooperation can be achieved by some artificial solution created by the Federal government. We must have all the parties involved -- Federal, state, local authorities, management and labor -- working together.

I look to the unions involved to reach agreement among themselves and not to allow self-interest or jurisdictional infighting to prevent each element of labor from gaining its fair share of the work.

V. ENERGY

The preservation of viable passenger rail service is especially significant in light of the world energy situation.

Energy is a problem we can't get away from. Our economy over the past 40 years has been built on an assumption of cheap oil in plentiful supply forever available. Now we know that assumption was false. The world can, and will in time, run out of petroleum. In the meantime, the foreign sources we depend on for nearly half the oil we use could be terminated, interrupted or priced to the point where our economy is threatened.

The long coal stike demonstrated what a fuel shortage could do to our economy. An oil shut-off would be far worse. A democracy is not very good at anticipating future calamities. As I've said before, we tend to wait until the tidal wave of necessity hits us --and then swim like hell.

There are some who are concerned that serious energy conservation programs will slow down the economy, leading to lay-offs and lost jobs. We must not let that happen. The unemployment rate has been dropping -- the number of people with jobs is going up -- and we're going to maintain that pattern because there are still great opportunities for development in this country.

But I can guarantee you today that there is one thing that could bring our economy to a stand still -- and that's a failure to conserve energy or use our energy wisely. Look at where we are today:

- (1) With a sixth of the world's population, we use a third of the world's energy production.
- (2) Last year we spent \$45 billion for imported oil. "As those dollars go overseas" to buy foreign oil, the President has said, "we are, in effect, exporting American jobs."
- (3) The OPEC countries have openly warned us that oil prices may have to be increased if the dollar continues to decline on the world monetary markets. Yet the heavy price we are paying for imported oil is a major cause of the dollar's depreciation.

VI. CONCLUSION

So we must make our investment plan one of continuing deliberate growth. The real mark of affluence is not what we can afford, but what we can afford to throw away. And over the years we have wasted or mis-used great quantities of irreplaceable resources. Now we must remodel our transportation habits and remake our transportation systems so we can live well in a changing world.

It means developing urban alternatives to the automobile; building new transit systems, overhauling existing ones, constructing bus and rail facilities, and establishing exclusive high-occupancy vehicle lanes and assuring that the cars we build and buy are fuel-efficient.

It means finishing the Interstate, rehabilitating our older roads and giving states greater flexibility to plan and carry out transportation projects.

It means renewing the railroads, to restore their vitality and retain their efficiencies.

It means a lot of hard work. But there's no better cure that I know for correcting what ails our economy or our mobility. We have a large able and willing work force in this country. My goal at the Department of Transportation is to pursue the policies, enact the laws and put the available funds to work where they will produce jobs and move us toward the kind of a transportation system the future demands. We need your help.